



STATE BOARD OF EQUALIZATION  
PROPERTY TAX DEPARTMENT  
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No. 2021/039

August 25, 2021

TO COUNTY ASSESSORS:

**EXTENSION OF THE TWO-YEAR DEADLINE FOR COUNTY BOARDS OF  
EQUALIZATION TO RENDER FINAL DETERMINATIONS**

Subdivision (c) of Revenue and Taxation Code<sup>1</sup> section 1604 provides that if a County Board of Equalization (which includes assessment appeals brds) fails to make a final determination on an application for reduction in assessment within two years of the timely filing of the application, the applicant's opinion of value as reflected on the application for reduction in assessment shall be enrolled for the tax years on the application, subject to several exceptions.

On July 31, 2020, Governor Newsom issued Executive Order N-72-20,<sup>2</sup> which extended this two-year deadline for certain applications to January 31, 2021. Subsequently, [Assembly Bill 107](#) (Stats. 2020, ch. 264) codified this executive order by amending section 1604 to extend to March 31, 2021 the two-year deadline by which an assessment appeals board is required to render a final determination on a "qualified application." A "qualified application" is an application that was timely filed and had a two-year deadline occurring during the period beginning on March 4, 2020 through March 30, 2021.<sup>3</sup>

Effective July 16, 2021, [Assembly Bill 137](#) (Stats. 2021, ch. 77) amends section 1604(f) by extending from March 31, 2021 to December 31, 2021 the two-year deadline by which an assessment appeals board is required to render a final determination on a "qualified application." This bill also extends the period in which assessment appeal applications are deemed "qualified" applications. Under Assembly Bill 137, a "qualified application" is an application that was timely filed and has a two-year deadline occurring during the period beginning March 4, 2020 through December 31, 2021.

A copy of amended section 1604 with changes noted in strikethrough/italic format is enclosed.

<sup>1</sup> All statutory references are to the Revenue and Taxation Code, unless otherwise provided.

<sup>2</sup> Executive Order N-72-20 is available at: <https://www.gov.ca.gov/2020/07/31/governor-newsom-signs-executive-order-in-response-to-covid-19-7-31-20/>.

<sup>3</sup> See Letters To Assessors Nos. [2020/036](#), [2020/048](#), and [2020/053](#).

TO COUNTY ASSESSORS

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August 25, 2021

If you have any questions regarding these provisions, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David Yeung

David Yeung  
Deputy Director  
Property Tax Department

DY:gs  
Enclosure

**Section 1604 of the Revenue and Taxation Code is amended to read:**

1604. (a) (1) In counties of the first class, annually, on the fourth Monday in September, the county board shall meet to equalize the assessment of property on the local roll. It shall continue to meet for that purpose, from time to time, until the business of equalization is disposed of.

(2) In all other counties, annually, on the third Monday in July, the county board shall meet to equalize the assessment of property on the local roll. It shall continue to meet for that purpose, from time to time, until the business of equalization is disposed of.

(b) (1) An application for a reduction in an assessment filed pursuant to Section 1603 shall also constitute a sufficient claim for refund, if the applicant states in the application that the application is also intended to constitute a claim for refund pursuant to the provisions of Section 5097.

(2) The county board shall have no power to receive or hear any application for a reduction in an escaped assessment made pursuant to Section 531.1 nor a penal assessment levied in respect thereto, nor to reduce those assessments.

(c) If the county board fails to hear evidence and fails to make a final determination on the application for reduction in assessment of property within two years of the timely filing of the application, the applicant's opinion of value as reflected on the application for reduction in assessment shall be the value upon which taxes are to be levied for the tax year or tax years covered by the application, unless either of the following occurs:

(1) The applicant and the county board mutually agree in writing, or on the record, to an extension of time for the hearing.

(2) The application for reduction is consolidated for hearing with another application by the same applicant with respect to which an extension of time for the hearing has been granted pursuant to paragraph (1). In no case shall the application be consolidated without the applicant's written agreement after the two-year time period has passed or after an extension of the two-year time period previously agreed to by the applicant has expired.

The reduction in assessment reflecting the applicant's opinion of value shall not be made, however, until two years after the close of the filing period during which the timely application was filed. Further, this subdivision shall not apply to applications for reductions in assessments of property where the applicant has failed to provide full and complete information as required by law or where litigation is pending directly relating to the issues involved in the application.

(d) (1) When the applicant's opinion of value, as stated on the application, has been placed on the assessment roll pursuant to subdivision (c), and the application requested a reduction in the base year value of an assessment, the applicant's opinion of value shall remain on the roll until the county board makes a final determination on the application. The value so determined by the county board, plus appropriate adjustments for the inflation factor, shall be entered on the assessment roll for the fiscal year in which the value is determined. No increased or escape taxes other than those required by a purchase, change in ownership, or new construction, or resulting from application of the inflation factor to the applicant's opinion of value shall be levied for the tax years during which the county board failed to act.

(2) When the applicant's opinion of value has been placed on the assessment roll pursuant to subdivision (c) for any application other than an application requesting a reduction in base year

value, the applicant's opinion of value shall be enrolled on the assessment roll for the tax year or tax years covered by that application.

(e) The county board shall notify the applicant in writing of any decision by that board not to hold a hearing on the applicant's application for reduction in assessment within the two-year period specified in subdivision (c) or, if applicable, within the period as modified by subdivision (f). This notice shall also inform the applicant that the applicant's opinion of value as reflected on the application for reduction in assessment shall, as a result of the county board's failure to hold a hearing within the prescribed time period, be the value upon which taxes are to be levied in the absence of the application of either paragraph (1) or (2) of subdivision (c).

(f) (1) Notwithstanding subdivision (c) or any other law, the two-year deadline by which a county board is required under subdivision (c) to render a final determination on a qualified application shall be extended until ~~March~~ *December* 31, 2021. This extension of the two-year deadline shall apply retroactively to all qualified applications that have a two-year deadline under subdivision (c) occurring during the period beginning on March 4, 2020, ~~and before the operative date of the act adding this subdivision.~~ *through December 31, 2021, inclusive.*

(2) For purposes of this subdivision, "qualified application" means a pending application for reduction in assessment of property as described in subdivision (c) that is timely filed with the county board and has a two-year deadline under subdivision (c) occurring during the period beginning on March 4, 2020, ~~and before March~~ *through December 31, 2021, inclusive.*