Rule 460. General Application.

Authority: Section 15606(c), Government Code.
Reference: Article XIII A, Sections 1 and 2, California Constitution; and Sections 51 and 110.1, Revenue and Taxation Code.

(a) Sections 1 and 2 of Article XIII A of the Constitution provide for a limitation on property taxes and a procedure for establishing the current taxable value of locally assessed real property by reference to a base year full cash value which is then modified annually to reflect the inflation rate not to exceed two percent per year or declines in value from whatever cause.

(b) The following definitions govern the construction of the terms in the rules pertaining to Sections 1 and 2 of Article XIII A.

(1) Base year. The assessment year 1975-76 serves as the original base year. Thereafter, any assessment year in which real property, or a portion thereof, is purchased, is newly constructed, or changes ownership shall become the base year used in determining the full value for such real property, or a portion thereof.

(2) Full cash value.

(A) The full cash value of real property means:

1. The "full cash value" as defined in Section 110.1 of the Revenue and Taxation Code, as of the lien date 1975 for properties with a 1975-76 base year, or

2. The "full cash value" as defined in Section 110 of the Revenue and Taxation Code as of the date such real property is purchased, is newly constructed, or changes ownership after the 1975 lien date.

Note: The "full cash value" determined pursuant to Section 110 for property, or portions thereof, purchased, newly constructed or which changes ownership shall be enrolled on the next succeeding lien date unless the "full cash value" on that lien date is less, in which case the lien date value shall be enrolled.

(B) If real property has not been appraised to its appropriate base year full cash value, then the assessor shall reappraise such property to its full cash value for the appropriate base year lien date. Such reappraisals may be made at any time, notwithstanding the provisions of Section 405.6 of the Revenue and Taxation Code, but 1975-76 base year values must be determined prior to July 1, 1980 except in counties over 4,000,000 population the values must be determined prior to July 1, 1981.

(3) Restricted value. Restricted value means a value standard other than full cash value prescribed by the Constitution or by statute authorized by the Constitution.

(4) Full value. Full value (appraised value) means either the full cash value or the restricted value.

(5) Inflation rate. For each lien date after the lien date in which the base year full value is determined, the full value of real property shall be modified to reflect the percentage change in cost of living, as defined in Section 51 of the Revenue and Taxation Code; provided that such value shall not reflect an increase in excess of 2 percent of the taxable value of the preceding lien date.

(6) Taxable value. Taxable value means the base year full value adjusted for any given lien date as required by law or the full cash value for the same lien date, whichever is less.

(7) Property tax rate. The property tax rate is the rate calculated in accordance with the ad valorem tax limitation prescribed by Section 1 of Article XIII A of the Constitution.
Rule 460 (Contd.)

Amended January 25, 1979, effective March 1, 1979. Applicable to assessments for 1979 and years thereafter.
Amended August 16, 1979, effective August 22, 1979. Amended (b) (2) (A) 1. and 2. and (B), (b) (6), repealed (b) (7) and renumbered (b) (8) as (b) (7).
Amended August 18, 1982, effective February 10, 1983.
Amended June 25, 1985, effective September 22, 1985. In Section (b)(5) Revenue Section changed from Section 2212 to Section 51.