

Rulemaking File Index

Title 18. Public Revenue

Property Tax

Property Tax Rules 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*

OAL Approval

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RECEIVED

JAN 15 2013

State of California
Office of Administrative Law by EXECUTIVE DIRECTOR'S OFFICE
STATE BOARD OF EQUALIZATION

In re:
Board of Equalization

NOTICE OF APPROVAL OF REGULATORY
ACTION

Regulatory Action:

Government Code Section 11349.3

Title 18, California Code of Regulations

OAL File No. 2012-1130-01 S

Adopt sections:
Amend sections: 101, 171, 252, 1045
Repeal sections:

This rulemaking action amends sections 101, 171, 252 and 1045 of Title 18 of the California Code of Regulations. These amendments clarify that county assessors are required to use Board prescribed property tax forms. These amendments further clarify the procedures county assessors must follow to make changes to the forms and when it is permissible for them to develop and use their own forms. This rulemaking also encourages county assessors to develop uniform forms throughout the state and to make their property tax forms available on their websites. Section 252 is also amended to reflect that county assessors cannot post the home address and telephone number of appointed or elected officials without written permission from that official.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 4/1/2013.

Date: 1/14/2013


Peggy J. Gibson
Senior Counsel

For: DEBRA M. CORNEZ
Director

Original: Kristine Cazadd
Copy: Richard Bennion

OFFICE OF ADMINISTRATIVE LAW

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DEBRA M. CORNEZ
Director

MEMORANDUM

TO: Richard Bennion
FROM: OAL Front Desk *DB*
DATE: 1/16/2013
RE: Return of Approved Rulemaking Materials
OAL File No. 2012-1130-01S

OAL hereby returns this file your agency submitted for our review (OAL File No. 2012-1130-01S regarding Board-Prescribed Exemption Forms).

If this is an approved file, it contains a copy of the regulation(s) stamped "ENDORSED APPROVED" by the Office of Administrative Law and "ENDORSED FILED" by the Secretary of State. The effective date of an approved regulation is specified on the Form 400 (see item B.5). **Beginning January 1, 2013**, unless an exemption applies, Government Code section 11343.4 states the effective date of an approved regulation is determined by the date the regulation is filed with the Secretary of State (see the date the Form 400 was stamped "ENDORSED FILED" by the Secretary of State) as follows:

- (1) **January 1** if the regulation or order of repeal is filed on September 1 to November 30, inclusive.
- (2) **April 1** if the regulation or order of repeal is filed on December 1 to February 29, inclusive.
- (3) **July 1** if the regulation or order of repeal is filed on March 1 to May 31, inclusive.
- (4) **October 1** if the regulation or order of repeal is filed on June 1 to August 31, inclusive.

If an exemption applies concerning the effective date of the regulation approved in this file, then it will be specified on the Form 400. The Notice of Approval that OAL sends to the state agency will contain the effective date of the regulation. The history note that will appear at the end of the regulation section in the California Code of Regulations will also include the regulation's effective date. Additionally, the effective date of the regulation will be noted on OAL's Web site once OAL posts the Internet Web site link to the full text of the regulation that is received from the state agency. (Gov. Code, secs. 11343 and 11344.)

Please note this new requirement: Government Code section 11343 now requires:

1. Section 11343(c)(1): Within 15 days of OAL filing a state agency's regulation with the Secretary of State, the state agency is required to post the regulation on its Internet Web site in an easily marked and identifiable location. The state agency shall keep the regulation posted on its Internet Web site for at least six months from the date the regulation is filed with the Secretary of State.
2. Section 11343(c)(2): Within five (5) days of posting its regulation on its Internet Web site, the state agency shall send to OAL the Internet Web site link of each regulation that the agency posts on its Internet Web site pursuant to section 11343(c)(1).

OAL has established an email address for state agencies to send the Internet Web site link to for each regulation the agency posts. Please send the Internet Web site link for each regulation posted to OAL at postedregslink@oal.ca.gov.

DO NOT DISCARD OR DESTROY THIS FILE

Due to its legal significance, you are required by law to preserve this rulemaking record. Government Code section 11347.3(d) requires that this record be available to the public and to the courts for possible later review. Government Code section 11347.3(e) further provides that "...no item contained in the file shall be removed, altered, or destroyed or otherwise disposed of." See also the Records Management Act (Government Code section 14740 et seq.) and the State Administrative Manual (SAM) section 1600 et seq.) regarding retention of your records.

If you decide not to keep the rulemaking records at your agency/office or at the State Records Center, you may transmit it to the State Archives with instructions that the Secretary of State shall not remove, alter, or destroy or otherwise dispose of any item contained in the file. See Government Code section 11347.3(f).

Enclosures

REGULAR

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-09)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2012-1130-015	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY State Board of Equalization			AGENCY FILE NUMBER (If any)

2012 NOV 30 AM 11:33
OFFICE OF ADMINISTRATIVE LAW

2012 JAN 14 PH 3:48

[Signature]
SECRETARY OF STATE

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Board-Prescribed Exemption Forms	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 101, 171, 252, 1045
TITLE(S) 18	REPEAL
3. TYPE OF FILING	
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))
	<input type="checkbox"/> File & Print
	<input type="checkbox"/> Other (Specify) _____
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1) per agency request	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> Effective 30th day after filing with Secretary of State	<input type="checkbox"/> Effective on filing with Secretary of State
<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input checked="" type="checkbox"/> Effective other (Specify) April 1 Per SB 1099
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission
<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> State Fire Marshal
7. CONTACT PERSON Richard E. Bennion	TELEPHONE NUMBER (916) 445-2130
FAX NUMBER (Optional) (916) 324-3984	E-MAIL ADDRESS (Optional) rbennion@boe.ca.gov

8. **I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.**

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Joann Richmond</i>	DATE November 29, 2012
TYPED NAME AND TITLE OF SIGNATORY Joann Richmond, Chief, Board Proceedings Division	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JAN 14 2013

Office of Administrative Law

**Final Text of Proposed Amendments to
California Code of Regulations, Title 18, Sections 101, 171, 252, and 1045**

Section 101. Board-Prescribed Exemption Forms.

(a) Content and Arrangement of Board-Prescribed Exemption Forms. ~~The procedure and forms prescribed by the board for claiming the exemptions named in Article 2, Chapter 1, Part 2, Division 1, of the Revenue and Taxation Code shall be employed by each assessor in the administration of the laws relating to such exemptions. Except as specifically authorized by the board with respect to heading, name and address of the property owner, location of the property, assessor's use columns, the sequence of questions, and the like, the assessor shall not change, add to, or delete the specific wording of the exemption form prescribed by the board, but the assessor may otherwise arrange the content and alter the size and design of an exemption form to meet the needs of office procedures and facilities. A county assessor shall use board-prescribed exemption forms in the administration of the specific exemptions to which the forms relate. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the exemption forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed exemption form. An assessor may designate an area on a board-prescribed exemption form as for assessor's use only and may delete, edit, or move an area on a board-prescribed exemption form that is designated for assessor's use only. Subject to board approval, an assessor may also:~~

- (1) Alter the size of a board-prescribed exemption form to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on a board-prescribed exemption form; and
- (3) Change the orientation of a board-prescribed exemption form, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Exemption Forms. Annually, on or before ~~September~~December 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed exemption claim forms, including instructions, which the assessor:

- (1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) Will produce by other means with changes authorized by subdivision (a)(1), (2), or (3) for use for that year; and
or
- (3) Will have no need.

(c) Approval of Board-Prescribed Exemption Forms. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each board-prescribed exemption form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3) by means other than reproduction of the prototypes. If a form does not conform with the specifications prescribed by the board, as required by section 251 of the Revenue and Taxation Code and this rule, the assessor shall be notified in writing of the variances. The assessor shall submit a revised exemption form within 30 days of the date of the notice.

(d) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax exemption form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) Forms Posted on the Internet. Counties are encouraged to make exemption forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 251, 253.5 and 254, Revenue and Taxation Code.

Section 171. Board-Prescribed Report Forms ~~for~~ and Property Statements.

(a) Content, and Arrangement, and Approval of Board-Prescribed Report Forms and Property Statements. ~~Except as specifically authorized by the board with respect to~~

~~heading, name and address of the taxpayer, location of the property, assessor's use columns, and the like, the assessor shall not change, add to, or delete the specific wording of property statement forms or mineral production report forms prescribed by the board or change the sequence of the questions, but the assessor may otherwise arrange the content and alter the size and design of a property statement or mineral production report form to meet the needs of office procedures and facilities.~~ A county assessor shall use board-prescribed report forms and property statements. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from report forms and property statements prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to board-prescribed report forms and property statements. An assessor may designate an area on a board-prescribed report form or property statement as for assessor's use only and may delete, edit, or move an area on a board-prescribed report form or property statement that is designated for assessor's use only. Subject to board approval, an assessor may also:

- (1) Alter the size of board-prescribed report forms and property statements to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on board-prescribed report forms and property statements; and
- (3) Change the orientation of board-prescribed report forms or property statements, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Report Forms and Property Statements. Annually, on or before ~~October 15~~ September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed property statements and report forms, including instructions, which the assessor:

- (1) Will reproduce from the current prototype forms, statements, and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) Will produce with changes authorized by subdivision (a)(1), (2), or (3) by other means for use for that year; and
- (3) Will have no need.

(c) Approval of Board Prescribed Report Forms and Property Statements. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3) by means other than reproduction of the prototypes. If a report form or property statement does not conform with the specifications prescribed by the board, ~~as required by section 452 of the Revenue~~

and Taxation Code, section 15606 of the Government Code, and this rule, the assessor shall be notified in writing of the variances. The assessor shall submit a revised report form or property statement within 30 days of the date of the notice.

(d) Filings and Attachments to Property Statements. The assessor is not required to obtain board approval for instructions pertaining to the format of attachments that an assessee elects to furnish in lieu of entering the information on the prescribed property statement. ~~However, such instructions shall include requirements that at least one copy of the property statement as printed by the assessor must be executed and contain appropriate references to the data on the attachment, and that all information required by the property statement must be furnished on the property statement or the attachments.~~ The assessor may, at the assessor's discretion, accept the information required on the property statement by any of the following methods:

(1) Attachments to the property statement if the attachments are in a format specified by the assessor and one copy of the property statement, as printed by the assessor, is signed by the taxpayer and carries an appropriate reference to the data attached;

(2) An electronically filed property statement that is authenticated as provided by Revenue and Taxation Code section 441, subdivision (k); or

(3) A property statement that is substantially similar to the property statement as printed by the assessor that is signed by the taxpayer.

(e) Time for Filing Report Forms~~Mineral Production Reports~~. The assessor shall not require the filing of ~~mineral production reports~~report forms prior to ~~April~~the applicable statutory deadline following the calendar year for which the report is prepared.

(f) Assessor to Furnish Report Forms and Property Statements. The pertinent property statement ~~form~~ and instructions shall be furnished (either by mail or electronically) by the assessor to every person required by law or requested by the assessor to file a property statement, ~~and~~ the pertinent report form shall be furnished (either by mail or electronically) by the assessor to every person requested to file a ~~mineral production report form~~. The assessor may elect to comply with this subdivision by mailing a letter or postcard to persons required by law to file a report form or property statement advising the persons that the required form or statement is available on the assessor's website and that a copy of the form or statement may be requested by calling the assessor's office.

(g) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(h) Forms Posted on the Internet. Counties are encouraged to make report forms and property statements available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4 and 1603469, Revenue and Taxation Code.

252. Content of Assessment Roll.

(a) Minimum Contents of “Machine-Prepared” or “Electronic” Local Rolls. “Machine-prepared” roll within the meaning of Revenue and Taxation Code Section 109.5 includes any preparation of the local roll by the assessor of each county by an electronic medium. In accordance with Revenue and Taxation Code Section 601 et seq., each local assessment roll shall contain, at a minimum, the following information:

(1) The name of the county.

(2) Either the calendar year in which the roll is prepared or the fiscal year for which the taxes are levied.

(3) An explanation of abbreviations and legends appearing on the roll.

(4) On the secured roll, the assessor's parcel number or other legal description that identifies each parcel of taxable land, each parcel for which an exemption is enrolled, and each taxable possessory interest in tax-exempt real estate to which the exemption authorized by Section 218 of the Revenue and Taxation Code has been applied. The

assessment of the taxable possessory interest shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.

(5) On the unsecured portion of the roll, the assessor's parcel number or other legal description that sufficiently identifies the location of each taxable possessory interest, improvement, or personal property.

(6) The name of the assessee, if known.

(7) The latest mailing address (not an e-mail address) of the assessee contained in the assessor's records.

(8) The separately stated assessed values of all land, improvements, and personal property subject to taxation at general property tax rates (or payments in lieu of property tax computed by applying general property tax rates to fixed or variable "assessed values"), and the separately assessed values of any privately owned land, improvements, and personal property of a type that is exempt from taxation, but is subject to ad valorem special assessments when within a district levying such assessments. If real property is situated within a resource conservation district that is levying a special assessment, the assessed value of mineral rights must be separated from the land value.

(9) The tax rate area in which each piece of property assessed is situated.

(10) The penalties imposed upon such assessments, in the form required by California Code of Regulations, title 18 (Public Revenue), section 261, Title 18 (Rule 261) ~~of this code.~~

(11) The assessed value of any property that escaped assessment in a prior year, together with the following notation: Escape-(Date) ~~required by section 533 of the Revenue and Taxation Code.~~

(12) The exempt amount of any assessed values required by paragraph (a)(8) to be enrolled, with identifying legends or distinctive positions for amounts allowed pursuant to any reimbursable exemption.

(13) The total net taxable value.

(14) In a separate section of the roll, the assessed value of any personal property for which tax revenues are subject to allocation in a manner different from that provided for general property tax revenues (e.g., general aircraft).

(15) On the secured roll, a cross-reference notation made pursuant to Revenue and Taxation Code section 2190.2 that is adjacent to the assessment of any taxable land when a possessory interest in such land or an improvement thereon is separately

assessed to another owner pursuant to section 2188.2 of the Revenue and Taxation Code.

~~(16) Whenever the assessor determines that a change in ownership or the completion of new construction has occurred, the assessor shall place a notice of the pending supplemental billing on the roll being prepared and shall notify the auditor, who shall place a notation on the current roll or on a separate document accompanying the current roll that a supplemental billing may be forthcoming.~~

(167) After each assessment of tax-defaulted property, the assessor shall enter on the roll the fact that it is tax-defaulted and the date of declaration of the default.

(178) Any other items required by the State Board of Equalization for the purpose of identification and valuation of all locally assessed property and the collection of property taxes thereon.

(b) ~~Exempt~~ Assessed Values of Exempt Property Not Required to Be Enrolled. Parcel numbers or other legal descriptions of exempt real property may be entered on the roll without assessed values. Alternatively, such exempt real property may be listed with assessed values shown in a separate column or field (e.g., a comments field) or in the exemption column or field on lines that are coded in such manner as to preclude the addition of the assessed values when the exemption column or field is totaled; the ~~exempt~~ assessed values shall not be shown in land or improvement columns or fields.

(c) Content of Extended Roll. The extended assessment roll or new local assessment roll for the extension of taxes prepared by the county auditor shall contain, in addition to all of the contents required by subsection (a) of this rule at least the following:

- (1) The mailing address, if known, of the assessee.
- (2) The revenue district for each group if assessments are grouped by revenue district, and for each assessment if assessments are not so grouped.
- (3) All tax rates and ad valorem special assessment extensions required by law.
- (4) The amount of tax to be paid on the property listed. The amounts due in installments shall be stated separately and shall be totaled. All rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.
- (5) At the beginning of the roll, or at the beginning of each tax-rate area grouping on the roll, a list of all revenue districts levying taxes within each tax-rate area in the county.
- (6) An identification of each tax-defaulted property sold, with the date of sale.

(d) Minimum Contents of Local Rolls Not “Machine-Prepared.”

(1) The local roll of each county utilizing a roll that is not “machine-prepared” within the meaning of Revenue and Taxation Code §section 109.5 shall have the contents specified in subsections (a) and (c) of this rule.

(2) The secured assessments shall be arranged in ascending parcel number order within tax-rate area groupings, with unparcelled properties at the end of each tax-rate area group if there are both parcelled and unparcelled properties in the tax-rate area.

(e) Roll Posted on the Internet. If a local roll is posted on the Internet, the home address or telephone number of any elected or appointed official, as defined in Government Code section 6254.21, or of the official’s residing spouse or child, shall not be posted without first obtaining the written permission of that official.

~~(e) Approval of Roll Forms.~~

~~(1) Whenever the local assessment roll is to be prepared in a form other than that previously approved by the board, the assessor shall submit to the board for approval in duplicate by January 1 the forms to be used for the succeeding fiscal year.~~

~~(2) Forms to be submitted include, but are not limited to, the following:~~

~~(A) Secured roll prepared by the assessor.~~

~~(B) Secured roll alphabetical index.~~

~~(C) Unsecured roll prepared by the assessor.~~

~~(D) Unsecured roll alphabetical index.~~

~~(E) Notice of assessment.~~

~~(F) Notice of supplemental assessment.~~

~~(G) Notice of escape assessment.~~

~~(H) Notice of proposed escape assessment.~~

~~(3) When submitted for approval, each roll form listed in (2) shall be filled out with examples sufficient to illustrate its completed appearance, except that totals and summaries need not be shown.~~

(f) Nothing in this regulation is meant to alter the intent of §section 109.6 of the Revenue and Taxation Code.

Note: Authority cited: Section 15606, Government Code. Reference: Sections ~~75.30,~~ 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2 and 2601, Revenue and Taxation Code; and Section 6254.21, Government Code.

Section 1045. Administration of the Annual Racehorse Tax.

(a) Content and Arrangement of Board-Prescribed Racehorse Forms. The annual tax imposed by section 5721 of the Revenue and Taxation Code on the privilege of breeding, training, caring for, or racing racehorses in this state shall be administered as provided herein. A county assessor shall use board-prescribed racehorse forms. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the racehorse forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed racehorse form. An assessor may designate an area on a board-prescribed racehorse form as for assessor's use only and may delete, edit, or move an area on a board-prescribed racehorse form that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of a board-prescribed racehorse form to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on a board-prescribed racehorse form; and

(3) Change the orientation of a board-prescribed racehorse form, for example, from portrait layout to landscape layout.

(b) ~~Submission of Forms for Board Approval~~ Checklist for Annual Racehorse Tax Forms.

~~(1) Annually, on or before October 15~~ September 1, the assessor shall notify the board, on a ~~form~~ checklist provided by the board, of those board-prescribed racehorse forms, including instructions, which the assessor:

(1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(2) Will produce with changes authorized by subdivision (a)(1), (2), or (3); or

(3) Will have no need.

~~(i) of the assessor's intent to reproduce (a) the Annual Racehorse Tax Return form BOE 571-J (8-03) and (b) the Annual Report of Boarded Racehorses form BOE-571-J1 (8-03) by a photocopy process from the current prototype forms and~~

~~instructions distributed by the board for use for the succeeding reporting period;
or~~

~~(ii) of the forms and/or instructions which the assessor will produce by means other than a photocopy of the prototype for use for that period; or~~

~~(iii) that the assessor will have no need for the forms.~~

~~(c2) Approval of Annual Racehorse Tax Forms. When filing a notification that the checklist assessor will use a form and/or instructions which the assessor will produce by means other than a photocopy of the prototype, the assessor shall submit to the board (either in hard copy or electronically) duplicate for approval a draft copy of each form, and/or including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3). If a form does not conform with the specifications prescribed by the board, the assessor shall be notified in writing of the variances. The assessor shall submit a revised racehorse form within 30 days of the date of the notice. The copies shall be submitted together with the board-prescribed property statement forms required to be submitted by Regulation 171 of this title. The provisions of Regulation 171 relative to arrangement and variation of content of such property statement forms shall also be applicable to these forms.~~

~~(d) County-Developed Racehorse Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.~~

~~(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.~~

~~(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:~~

~~(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or~~

~~(B) Board-prescribed property tax forms contain questions that assessors no longer need.~~

~~(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.~~

(ee) Distribution of Forms and Retention of Reports.

(1) Copies of the forms prescribed by the board for reporting the tax due and for reporting the names of persons whose racehorses are boarded with others shall be furnished by the assessor no later than December 15 prior to the calendar year in which the tax is due by mailing them to persons believed to be required to use them and by making them available at the assessor's office to any person requesting them.

(2) The assessor shall maintain a record of those persons believed to be liable for the annual racehorse tax to whom the assessor has furnished copies of the forms. A copy of the record shall be delivered to the tax collector within 10 days of the date when copies of the forms are furnished so that the tax collector can be cognizant of the taxpayers who can reasonably be expected to file returns.

(3) The assessor shall retain a copy of all tax returns filed by taxpayers for a period of five years from the date the returns became due. They shall be arranged or identified so as to indicate whether or not an audit is required under subsection (fd) of this regulation.

(fd) Audits.

(1) The assessor shall audit the tax records relative to his or her county of any racehorse owner who, according to the assessor's records, had a gross tax liability (before addition of any penalties) that exceeds \$4,000 for each of four consecutive calendar years. This audit shall be performed within five years of the date on which the annual racehorse tax first became due and shall include, but not be limited to, a comparison of the annual racehorse tax return with records maintained by the taxpayer. The assessor, when performing an audit pursuant to this regulation of a taxpayer's records of racehorses taxable at a home ranch or other business location, may also audit records of the same taxpayer pertaining to personal property and fixtures on property having tax situs at the same location.

(2) When an assessor schedules an audit of the records of any racehorse owner, whether as part of an audit required by section 469 of the Revenue and Taxation Code or independently thereof, the assessor shall advise the assessor of any other county in which racehorses of the taxpayer were taxable, as shown in the Annual Racehorse Tax Return or in any other source, of the date on which the audit will be performed. Upon completion of the audit, the assessor shall make that portion of the audit findings relevant to the annual racehorse tax available to the assessor of any other county in which racehorses of the taxpayer were taxable.

(3) On discovery that horses escaped taxation, the assessor shall determine whether they were subject to the annual racehorse tax, were subject to the property tax, or were exempt. If determined taxable, the assessor shall either provide the tax collector

with copies of the audit workpapers so that a determination of additional racehorse tax due can be calculated, or enroll an ad valorem assessment of escaped personal property.

(g) Forms Posted on the Internet. Counties are encouraged to make annual racehorse forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

(h) Nothing herein shall be construed to prohibit the assessor from auditing the records of taxpayers for which audits are not required by this regulation.

Note: Authority cited: Section 15606, Government Code; and Section 5781, Revenue and Taxation Code. Reference: Section 15606, Government Code; and Sections 469, 5701, 5721, 5765, 5768, 5781 and 5790, Revenue and Taxation Code.

INSTRUCTIONS FOR COMPLETING THE ANNUAL RACEHORSE TAX RETURN

This return pertains only to racehorses which come within the following definition:

Racehorse means each live horse, including a stallion, mare, gelding, ridgeling, colt, filly, or foal, that is or will be eligible to participate in or produce foals that will be eligible to participate in a horseracing contest in California wherein parimutuel racing is permitted under rules and regulations prescribed by the California Horse Racing Board. The term does not include any horse over three years old, or over four years old in the case of an Arabian horse, which, during the 24 months preceding the current calendar year, has not participated in a horserace contest on which parimutuel wagering is permitted or has not been used for breeding purposes in order to provide racehorses. (See the section on Exemptions and Exclusions at the end of these instructions.)

The following instructions are to be observed in completing the return. They are lettered to correspond with the letters on the face of the form.

NAME AND MAILING ADDRESS

NAME (PERSON OR CORPORATION)

If the name is preprinted, check the spelling and correct any error. In the case of a proprietorship, enter that last name first, then the first name and initial. Partnerships, joint owners, and syndicates must list the names and mailing addresses of all partners, joint owners, or syndicate members and attach the list to this form. Corporation names should be complete so they will not be confused with fictitious or DBA (Doing Business As) names.

DBA OR FICTITIOUS NAME

Enter the DBA name under which you are operating in this county below the name of the proprietor, partnership, joint ownership, syndicate, or corporation. This may be a ranch or stable name.

MAILING ADDRESS

Enter the mailing address of the legal entity shown above. This may be either a street address or a post office box number. It may differ from the location of the horses. Include the city, state, and zip code.

LOCAL PHONE NUMBER

Enter the local phone number in this county where we may contact you or your authorized representative for information regarding the horses. If there is no local phone number, enter the area code and number and name of the city where you may be called.

TYPE OF OWNERSHIP

Check the appropriate box. Each different syndicate is a separate legal business entity and must file a separate Annual Racehorse Tax Return for a racehorse or racehorses that it owns as of 12:01 a.m. on January 1. The names of all syndicate members must be included with the return.

NAME, ADDRESS, AND PHONE NUMBER (INCLUDING AREA CODE) OF AUTHORIZED PERSON TO CONTACT FOR AN AUDIT

This may be the owner of the business, his or her accountant, or his or her tax representative. Also, enter the street address, city, state, and zip code where the books and records are located; normally this will be the main office located in California, but in some instances it could be a location in another state.

Column A. List by name all racehorses (if a horse is unnamed, so state) which are "domiciled" within this county and owned by you as of 12:01 a.m. on January 1. If you own racehorses, which are domiciled in other California counties, file a separate return with the tax collector of each of those counties (see instruction 11). File Form BOE-571-J1, *Annual Report of Boarded Racehorses*. If you boarded racehorses for others at 12:01 a.m. on January 1; a copy of this form will be supplied on request. The domicile of a racehorse is the home ranch or other customary location to which a horse is taken when not breeding or being bred, racing or in training to race. If you do not return racehorses to any such location, their domicile is your own residence whether or not you have facilities for keeping horses at this location.

Column B. Show each horse's registration number. If a horse is not registered, so state.

Column C. State the age of the horse as of January 1 of the current calendar year.

Column D. Show each horse's classification by entering the abbreviation for the category to which it belongs according to the following definitions:

Current calendar year means the calendar year in which this return is required to be filed.

Previous calendar year means the calendar year immediately preceding the one in which this return is required to be filed.

Stakes race means a race with a purse to which owners of participating horses have contributed nomination, entry, or starting fees or a recognized stakes race in which all entrants race by invitation.

Yearling means a racehorse born during the previous calendar year.

Foal means a racehorse born during the current calendar year (i.e., at or after 12:01 a.m. on January 1 of the year in which this return is required to be filed).

ABBREVIATION

NAME AND DEFINITION OF CATEGORY

S	<i>Stallion</i> means a racehorse which, during the 24 months preceding the current calendar year, serviced three or more different broodmares for the purpose of producing racehorses.
SWPB	<i>Stakes-winning producing broodmare</i> is a racehorse mare which both (1) won a stakes race at any time prior to January 1 of the current calendar year and (2) during the previous calendar year produced a foal that lived 3 days or more.
SPB	<i>Stakes-producing broodmare</i> is a racehorse mare which, at any time prior to January 1 of the current calendar year, produced a racehorse that won a stakes race at any time prior to January 1 of the current calendar year.
OPB	<i>Other producing broodmare</i> is a racehorse mare which (1) during the previous calendar year produced a foal that lived 3 days or more but (2) is not a stakes-winning producing broodmare or a stakes-producing broodmare.
SWNB	<i>Stakes-winning nonproducing broodmare</i> means a racehorse mare which (1) won a stakes race at any time prior to January 1 of the current calendar year and (2) during the preceding calendar year did not produce a foal that lived 3 days or more.
ONB	<i>Other nonproducing broodmare</i> means a racehorse mare which (1) has never won a stakes race prior to January 1 of the current calendar year and (2) during the preceding calendar year did not produce a foal that lived 3 days or more.
SY	<i>Stakes yearling, stakes two-year old, or stakes three-year-old</i> means a racehorse which, as of January 1 of the current calendar year (1) is of the designated age, (2) is unraced, and (3) is a foal of a broodmare that, at any time prior to January 1 of the current calendar year either (a) won a stakes race OR (b) produced a racehorse which, at any time prior to January 1 of the current calendar year, won a stakes race.
OY	<i>Other yearling, two-year-old, or three-year-old</i> means a racehorse which as of January 1 of the current calendar year (1) is of the designated age, (2) is unraced, and (3) is not a stakes yearling, stakes two-year-old, or stakes three-year-old.
AR	<i>Active racehorse</i> means any racehorse that participated during the previous calendar year in a horseracing contest on which parimutuel wagering was permitted.
NAR	<i>Nonactive racehorse</i> means a racehorse that (1) is four years of age or older and (2) has not participated during the previous calendar year in a horseracing contest on which parimutuel wagering was permitted.

- Column E.** Show the breed by abbreviations as follows: Thoroughbreds (T.B.), Quarter (Q.H.), Standardbred (Std.B.), Appaloosa (App.), or Arabian (Ar.).
- Column F.** Show the date you acquired the horse by transfer of legal or equitable title, or its birth date if acquired at birth.
- Column G.** Show the domicile of the horse as of 12:01 a.m. on January 1. Include the ranch or stable name and address. The domicile of a racehorse is the home ranch or other customary location to which a horse is taken when not breeding or being bred, racing or in training to race. If you not return the horse to any such location, the domicile is your own residence whether or not you have facilities for keeping horses at 1. location.
If known, enter the elementary or unified school district name or tax-rate area code number or parcel number as of 12:01 a.m. on January 1 where the racehorse is domiciled.
- Column H.** Enter the gross amount of money earned by each racehorse during the previous calendar year.
Show the source (such as racing or breeding) of the income earned during the previous calendar year. If the income is from breeding fees, show the highest stud fee charged during the previous calendar year (e.g., "\$5,000-stud fee").
- Column I.** Enter the applicable annual tax for each racehorse from the following schedule.

DECLARATION BY ASSESSEE

The law requires that this return, regardless of where it is executed, shall be declared to be true under penalty of perjury under the laws of the State of California. The declaration must be signed by the assessee, a duly appointed fiduciary, or a person authorized to sign on behalf of the assessee. In the case of a corporation, the declaration must be signed by an officer or by an employee or agent who has been designated in writing by the board of directors, by name or by title, to sign the declaration on behalf of the corporation. In the case of a partnership, the declaration must be signed by a partner or an authorized employee or agent. In the case of a Limited Liability Company (LLC) the declaration must be signed by an LLC manager, or by a member where there is no manager, or by an employee or agent designated by the LLC manager or by the members to sign on behalf of the LLC.

When signed by an employee or agent, other than a member of the bar, a certified public accountant, a public accountant, an enrolled agent or a duly appointed fiduciary, the assessee's written authorization of the employee or agent to sign the declaration on behalf of the assessee must be filed with the Assessor. The County may at any time require a person who signs a production report and who is required to have written authorization to provide proof of authorization.

A return that is not signed and executed in accordance with the foregoing instructions is not validly filed.

SCHEDULE A

Stallions	12 YEARS OF AGE AND YOUNGER		AGE 13 AND OLDER		Active Racehorses which in the previous calendar year earned:
	Stud fee classification (determined by the highest stud fee charged during the previous calendar year)				
	\$10,000 and up	\$1,000	\$650		\$100,000 or more
	7,500—9,999	750	500		Between \$50,000 and \$99,999
	5,000—7,499	500	330		Between \$25,000 and \$49,999
	3,000—4,999	300	200		Less than \$25,000
	1,500—2,999	150	100		Other Racehorses
	1,000—1,499	100	65		Stakes yearlings, stakes
	Less than \$1,000	75	50		two-year-olds, stakes
					three-year-olds
Broodmares					35
	Stakes-winning producing	\$ 75	\$ 50		Other yearlings, two-year-olds,
	Stakes-producing	75	50		three-year-olds, and nonactive
	Other producing	40	28		racehorses
	Stakes-winning non producing	35	25		20
	Other nonproducing	20	12		

If two of the above annual amounts are applicable to the same horse, list only the higher one on the front of this return.

Total Column I and file this return with the appropriate remittance to the _____ County Tax Collector before 5 p.m. on February 15 of the current calendar year. If the form is filed late or if the tax becomes delinquent (subject to penalties), you should compute the penalties and pay the total tax and penalties due.

This return and all your records pertaining thereto are subject to audit within 5 years of the date the tax was due. They may be compared with federal and state income tax returns. Retain your records until the 5-year period has expired.

EXEMPTIONS AND EXCLUSIONS

EXEMPTIONS

Racehorse foals, as defined above, and pets, defined in the Revenue and Taxation Code as animals held for noncommercial purposes and not as an investment, are exempt from the annual racehorse tax and the general property tax.

EXCLUSIONS

Horses which are four years of age or older on January 1 of the current calendar year and which, during the 24 months preceding the current calendar year, do not participate in a race where parimutuel wagering was permitted, or were not used for breeding purposes in order to produce racehorses, are not subject to the annual racehorse tax but are subject to the general property tax unless they are exempt because they come within the above definition of pets.

A female horse was used for breeding purposes only if it was bred to a registered male to produce a racehorse, and a male horse was used for this purpose only if it serviced at least three different registered females to produce racehorses.

REPORT OF BOARDED RACEHORSES

Repeated

OFFICIAL NOTICE

This report must be completed in detail and filed with the Assessor on or before:

To Assessor of _____ County

Read the instructions before completing this form.
(Make necessary corrections to the printed name and mailing address.)

PERSON OR CORPORATION NAME	RANCH OR STABLE NAME (DBA)
MAILING ADDRESS (city, state, zip code)	
ADDRESS OF THIS LOCATION (street, city, state, zip code)	SCHOOL DISTRICT OR TAX-RATE NUMBER OR ASSESSOR'S PARCEL NUMBER

LIST ALL BOARDED RACEHORSES AT THIS LOCATION AS OF 12:01 a.m. ON JANUARY 1, 20 _____.
File a separate report for each location at which you boarded racehorses for others.

A NAME OF RACEHORSE (include stallions, broodmares, yearlings, and horses in training)	B REGISTRATION NUMBER	C BREED	D DATE OF ARRIVAL	E OWNER'S NAME	F OWNER'S ADDRESS

DECLARATION BY ASSESSEE

Note: The following declaration must be completed and signed. If you do not do so, it may result in penalties.

I declare under penalty of perjury under the laws of the State of California that I have examined this report, including accompanying schedules, statements or other attachments, and to the best of my knowledge and belief it is true, correct and complete and includes all racehorses and other relevant data required to be reported which is owned, claimed, possessed, controlled, or managed by the person named as the assessee in this report at 12:01 a.m. on January 1, 20 ____.

OWNERSHIP TYPE (4)

Proprietorship

Partnership

Corporation

Other _____

SIGNATURE OF ASSESSEE OR AUTHORIZED AGENT*		DATE
NAME OF ASSESSEE OR AUTHORIZED AGENT* (typed or printed)		TITLE
NAME OF LEGAL ENTITY (other than DBA) (typed or printed)		FEDERAL EMPLOYER ID NUMBER
PREPARER'S NAME AND ADDRESS (typed or printed)	TELEPHONE NUMBER ()	TITLE

* Agent: See back for Declaration by Assessee instructions.

INSTRUCTIONS FOR COMPLETING ANNUAL REPORT OF BOARDED RACEHORSES

This report pertains only to racehorses as defined below:

Racehorse means each live horse, including a stallion, mare, gelding, ridgeling, colt, filly, or foal, that is or will be eligible to participate in or produce foals which will be eligible to participate in a horse racing contest in California wherein parimutuel racing is permitted under rules and regulations prescribed by the California Horse Racing Board. Racehorse does not mean or include any horse over three years old, or over four years old in the case of an Arabian horse, that has not participated in a horserace contest on which parimutuel wagering is permitted or has not been used for breeding purposes in order to produce racehorses during the 24 months preceding the current calendar year.

The following instructions are to be observed in completing this report. They are lettered to correspond with the numbers at the head of the columns on the front of the report.

NAME AND MAILING ADDRESS

- NAME (PERSON OR CORPORATION)

If the name is preprinted, check the spelling and correct any error. In the case of an individual, enter the last name first, then the first name and initial. Partnerships must enter at least two names, showing the last name, first name, and middle initials for each partner. Corporation names should be complete so they will not be confused with fictitious or DBA (Doing Business As) names.

- DBA OR FICTITIOUS NAME

Enter the DBA name under which you are operating at this ranch. This may be a ranch or stable name.

- MAILING ADDRESS

Enter the mailing address of the legal entity above. This may be either a street address or a post office box number. It may differ from the actual location of the horses. Include the city, state, and zip code.

Enter the street or road address of the location at which the horses are boarded. Also enter the elementary or unified school district name or TAX-RATE AREA CODE NUMBER or PARCEL NUMBER of this ranch. If this information is preprinted, please check it for accuracy and correct any error.

- COLUMN A. List by name all racehorses which were boarded at your ranch at 12:01 a.m. on January 1. If unnamed, so state.
- COLUMN B. Show each horse's registration number. If a horse is not registered, so state.
- COLUMN C. Show the breed by abbreviations as follows: Thoroughbreds (T.B.), Quarter (Q.H.), Standardbred (Std. B.), Appaloosa (App.), or Arabian (Ar.).
- COLUMN D. Show the date each boarded racehorse arrived at this location.
- COLUMN E. Show the name of each owner of racehorses that are boarded at your ranch.
- COLUMN F. Show the address of each owner of boarded racehorses.

DECLARATION BY ASSESSEE

The law requires that this report, regardless of where it is executed, shall be declared to be true under penalty of perjury under the laws of the State of California. The declaration must be signed by the assessee, a duly appointed fiduciary, or a person authorized to sign on behalf of the assessee. In the case of a corporation, the declaration must be signed by an officer or by an employee or agent who has been designated in writing by the board of directors, by name or by title, to sign the declaration on behalf of the corporation. In the case of a partnership, the declaration must be signed by a partner or an authorized employee or agent. In the case of a Limited Liability Company (LLC) the declaration must be signed by an LLC manager, or by a member where there is no manager, or by an employee or agent designated by the LLC manager or by the members to sign on behalf of the LLC.

When signed by an employee or agent, other than a member of the bar, a certified public accountant, a public accountant, an enrolled agent or a duly appointed fiduciary, the assessee's written authorization of the employee or agent to sign the declaration on behalf of the assessee must be filed with the Assessor. The County may at any time require a person who signs a production report and who is required to have written authorization to provide proof of authorization.

A report that is not signed and executed in accordance with the foregoing instructions is not validly filed. The penalty imposed by section 463 of the Revenue and Taxation Code for failure to file is applicable to unsigned reports.

M e m o r a n d u m

To : Peggy Gibson
Office of Administrative Law
300 Capitol Mall, Suite 1250
Sacramento, CA 95814

Date: January 14, 2013

From : Richard Bennion
Regulations Coordinator
Board Proceedings Division, MIC: 80

Subject : *OAL File No. 2012-1130-01S*
Regulations 101, Board-Prescribed Exemption Forms, 171, Board-Prescribed
Forms for Property Statements, 252, Content of Assessment Roll, and
1045, Administration of the Annual Racehorse Tax

The Office of Administrative Law (OAL) is authorized to make the following substitutions and corrections in connection with the above-referenced rulemaking file:

1. OAL is authorized to change the effective date on the Form 400 from 30 days after filing with Secretary of State, to April 1, 2013.
2. Replace the text with the attached text document.

If you have any questions or comments, please notify me at (916) 445-2130 or email at Richard.Bennion@boe.ca.gov .

REB

the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as Proposition 65).

The workshop will be held on **Thursday, February 14, 2013**, 10 a.m. to 12 p.m. at the California Environmental Protection Agency Headquarters Building, **Coastal Hearing Room**, at 1001 I Street, Sacramento, California. Discussions at the workshop should be limited to whether the National Toxicology Program (NTP) Report on Carcinogens has identified styrene as a human carcinogen or potential human carcinogen. OEHHA cannot consider scientific arguments concerning the weight or quality of the evidence considered by NTP.

The workshop will be webcast: The URL for the webcast (not active until the day and time of the meeting) is: <http://calepa.ca.gov/Broadcast/>.

In conjunction with this workshop, OEHHA will extend the public comment period until February 28, 2013. **OEHHA must receive comments by 5:00 p.m. on THURSDAY, FEBRUARY 28, 2013.** We encourage you to submit comments in electronic form, rather than in paper form. Comments transmitted by e-mail should be addressed to P65Public.Comments@oehha.ca.gov, and should include "NOIL for styrene" in the subject line. Comments submitted in paper form may be mailed, faxed, or delivered in person to the address below:

Mailing Address: Ms. Cynthia Oshita
Office of Environmental Health
Hazard Assessment
P.O. Box 4010, MS-19B
Sacramento, California
95812-4010
Fax: (916) 323-8803
Street Address: 1001 I Street
Sacramento, California 95814

Any public comments received will be posted after the close of the comment period. If you have any questions, please contact Ms. Oshita at Cynthia.Oshita@oehha.ca.gov or at (916) 445-6900.

SUMMARY OF REGULATORY ACTIONS

REGULATIONS FILED WITH SECRETARY OF STATE

This Summary of Regulatory Actions lists regulations filed with the Secretary of State on the dates indicated. Copies of the regulations may be obtained by contacting the agency or from the Secretary of State,

Archives, 1020 O Street, Sacramento, CA 95814, (916) 653-7715. Please have the agency name and the date filed (see below) when making a request.

File# 2012-1127-01
BOARD OF BEHAVIORAL SCIENCES
Advertising, Supervision & Continuing Education

This regulatory action, pursuant to AB 56 (Chapter 166, Statutes of 2011), makes some revisions to requirements for advertising by those regulated by the Board. It adds new requirements for interns for Marriage and Family Therapists and Professional Clinical Counselors. It also adds a requirement requiring two years of licensure prior to providing supervision of an associate clinical social worker.

Title 16
California Code of Regulations
AMEND: 1811, 1870, 1887.3
Filed 01/09/2013
Effective 04/01/2013
Agency Contact: Rosanne Helms (916) 574-7897

File# 2012-1130-01
BOARD OF EQUALIZATION
Board-Prescribed Exemption Forms

This rulemaking action amends sections 101, 171, 252 and 1045 of Title 18 of the California Code of Regulations. These amendments clarify that county assessors are required to use Board-prescribed property tax forms. These amendments further clarify the procedures county assessors must follow to make changes to the forms and when it is permissible for them to develop and use their own forms. This rulemaking also encourages county assessors to develop uniform forms throughout the state and to make their property tax forms available on their websites. Section 252 is also amended to reflect that county assessors cannot post the home address and telephone number of appointed or elected officials.

Title 18
California Code of Regulations
AMEND: 101, 171, 252, 1045
Filed 01/14/2013
Effective 04/01/2013
Agency Contact:
Richard E. Bennion (916) 445-2130

File# 2012-1211-02
BOARD OF OPTOMETRY
Consumer Information

This change without regulatory effect by the Board of Optometry amends section 1566.1, of Title 16, of the California Code of Regulations to update the address of the Board.

Rulemaking File Index

Title 18. Public Revenue

Property Tax

Property Tax Rules 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*

1. [Final Statement of Reasons](#)
2. [Updated Informative Digest](#)
3. [Property Tax Committee Minutes, May 30, 2012](#)
 - Minutes and Proposed Text
 - Formal Issue Paper 12-008
4. [Reporter's Transcript Property Taxes Committee, August 21, 2012](#)
5. [Estimate of Cost or Savings, August 9, 2012](#)
6. [Economic and Fiscal Impact Statements, September 16, 2012](#)
7. [Notice of Publications](#)
 - Form 400 and Notice, Publication Date September 28, 2012
 - Proposed Text of Rules 101, 171, 252, and 1045
 - Email sent to Interested Parties, September 28, 2012
 - CA Regulatory Notice Register 2012, Volume No. 39-Z
8. [Notice to Interested Parties, September 28, 2012](#)

The following items are exhibited:

 - Notice of Hearing
 - Initial Statement of Reasons
 - Proposed Text of Rules 101, 171, 252, and 1045
 - Regulation History
9. [Statement of Compliance](#)
10. [Public Comment, Dale Hough, November 8, 2012](#)
11. [Reporter's Transcript, Item F1, November 14, 2012](#)
12. [Draft Minutes, November 14, 2012, and Exhibits](#)
 - Notice of Proposed Regulatory Action
 - Initial Statement of Reasons
 - Proposed Text of Rules 101, 171, 252, and 1045
 - Regulation History

VERIFICATION

I, Richard E. Bennion, Regulations Coordinator of the State Board of Equalization, state that the rulemaking file of which the contents as listed in the index is complete, and that the record was closed on November 28, 2012 and that the attached copy is complete.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

November 28, 2012

A handwritten signature in black ink, appearing to read "Richard E. Bennion", written over a horizontal line.

Richard E. Bennion
Regulations Coordinator
State Board of Equalization

**Final Statement of Reasons for
Adoption of Proposed Amendments to California Code of Regulations,
Title 18, Sections 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed
Forms for Property Statements*, 252, *Content of Assessment Roll*, and
1045, *Administration of the Annual Racehorse Tax***

Update of Information in the Initial Statement of Reasons

The factual basis, specific purpose, and necessity for, the problem to be addressed by, and the anticipated benefits from the proposed amendments to California Code of Regulations, title 18, sections (Rules) 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*, are the same as provided in the initial statement of reasons.

The State Board of Equalization (Board) did not rely on any data or any technical, theoretical, or empirical study, report, or similar document in proposing or adopting the amendments to Rules 101, 171, 252, and 1045 that was not identified in the initial statement of reasons, or which was otherwise not identified or made available for public review prior to the close of the public comment period.

The adoption of the proposed amendments to Rules 101, 171, 252, and 1045 was not mandated by federal statutes or regulations and there is no federal regulation that is identical to Rule 101, 171, 252, or 1045.

In addition, the factual basis has not changed for the Board's initial determination that the proposed regulatory action will not have a significant adverse economic impact on business and the Board's economic impact analysis, which determined that the Board's proposed regulatory action:

- Will neither create nor eliminate jobs in the State of California;
- Nor result in the elimination of existing businesses;
- Nor create or expand business in the State of California; and
- Will not affect the health and welfare of California residents, worker safety, or the state's environment.

The proposed amendments may affect small business.

No Mandate on Local Agencies or School Districts

The Board has determined that the proposed amendments to Rules 101, 171, 252, and 1045 do not impose a mandate on local agencies or school districts.

Public Comment

The Board received a letter dated November 8, 2012, from Dale Hough, Chief Appraiser in the Assessment Services Division of the Los Angeles County Assessor's Office, which stated that the "Los Angeles County Office of the Assessor approves" the proposed amendments to Rules 101, 171, 252, and 1045. The Board did not receive any other written comments regarding the proposed regulatory action and no interested parties asked to speak during the public hearing on November 14, 2012. Therefore, during the November 14, 2012, public hearing, the Board unanimously voted to adopt the proposed amendments to Rules 101, 171, 252, and 1045 without any changes.

Determinations Regarding Alternatives

By its motion, the Board determined that no alternative to the proposed amendments to Rules 101, 171, 252, and 1045 would be more effective in carrying out the purposes for which the amendments regulation are proposed, would be as effective and less burdensome to affected private persons than the adopted amendments, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

Furthermore, the Board did not reject any alternatives to the proposed amendments to Rules 101, 171, 252, and 1045 or any alternatives that would lessen the adverse economic impact on small businesses. No alternative amendments were presented to the Board for consideration.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to Revenue and Taxation Code (RTC) section 441.5 by Senate Bill No. 822 (Stats. 2009, ch. 204);
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements;
- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;

- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

**Updated Informative Digest for
Adoption of Proposed Amendments to California Code of Regulations,
Title 18, Sections 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed
Forms for Property Statements*, 252, *Content of Assessment Roll*, and
1045, *Administration of the Annual Racehorse Tax***

On November 14, 2012, the State Board of Equalization (Board) held a public hearing on and unanimously voted to adopt the original text of the proposed amendments to California Code of Regulations, title 18, sections (Rules) 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*, described in the notice of proposed regulatory action. There have not been any changes to the applicable laws or the effect of the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 described in the informative digest included in the notice of proposed regulatory action. The Board received one written comment, which expressed the Los Angeles County Assessor's approval of the proposed amendments, and no interested parties appeared at the public hearing on November 14, 2012.

The informative digest included in the notice of proposed regulatory action provides:

“Existing Laws and Regulations

“Government Code section 15606, subdivision (c), authorizes the Board to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, [Revenue and Taxation Code (RTC)] section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter ‘annual racehorse tax’).

“Rule 101 currently requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board-prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board-prescribed prototype forms or to produce their own forms from the Board-prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms

to meet the county assessors' needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board-prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor to submit the revised form to the Board for approval that it conforms to the applicable rule's requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

"The date that property taxes for any fiscal year become a lien on property is referred to as the 'lien date.' (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of 'January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.' RTC section 5761 has not been amended since 1972.

"Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home addresses and telephone numbers of appointed or elected officials on the Internet without obtaining the officials' written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials' residing spouses and children on the Internet under specified circumstances.

"In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

"In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

"In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board's approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

"Effect, Objectives, and Benefits of the Proposed Amendments

"Board staff initiated a project to update Rules 101, 171, 252, and 1045. The objectives of the project were to:

- Revise the title of Rule 171 to reflect that Rule 171 applies to report forms, in addition to property statements forms, which are already referred to in the rule's title;
- Add provisions to Rule 171 to reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- Revise Rules 101, 171, and 1045 to further clarify the rules' provisions requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements;
- Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year;
- Add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites;
- Revise Rule 252 to reflect the repeal of RTC section 75.30 by SB 1062, clarify the notation used to denote escape assessments on the assessment roll, clarify the rule's cross reference to Rule 261, and clarify the provisions regarding the entry of the assessed value of exempt property on the assessment roll;
- Add provisions to Rule 252 to ensure that county assessors who post their local assessment rolls on the Internet are aware of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet; and
- Update the reference note to Rule 101 to refer to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 to refer to additional RTC sections that are implemented by Board-prescribed report forms or property statements, and update the reference note to Rule 252 to refer to Government Code section 6254.21 and reflect the repeal of RTC section 75.30.

“As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff's proposed revisions to the rules and encouraged the county assessors and interested parties to review and comment on the drafts.

“The counties generally approved of the draft language. However, a few counties noted that the word ‘furnished’ was inadvertently replaced with the word ‘furnish’ in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one

county suggested changing the word ‘question’ to the word ‘questions’ in subdivision (a) of Rules 101, 171, and 1045, changing the word ‘carriers’ to the word ‘carries’ in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

“Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff’s draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

“During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff’s recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to: (1) ensure that the title of Rule 171 reflects the rule’s content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensure that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a ‘notice of a pending supplemental billing’ on the assessment roll, clarify the notation required by Rule 252 to denote escape assessments on the assessment roll, clarify Rule 252’s cross reference to Rule 261, clarify Rule 252’s provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensure that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in Government Code section 6254.21; (3) clarify the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarify the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule’s requirements; (5) update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites; and (7) update the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

“The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape

- assessment on the assessment roll and how to enter of the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
 - Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements;
 - Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
 - Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
 - Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
 - Help encourage county assessors to make their current property tax forms available on Internet; and
 - Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

“The Board has performed an evaluation of whether the proposed amendments to Rules 101, 171, 252, and 1045 are inconsistent or incompatible with existing state regulations and determined that the proposed amendments are not inconsistent or incompatible with existing state regulations. This is because Rules 101, 171, and 1045 are the only existing state regulations prescribing the requirements that county assessors use Board-prescribed exemption forms, report forms and property statements, and annual racehorse tax forms, respectively, the proposed amendments to all three rules are consistent, and the proposed amendments to each rule are internally consistent. This is also because article 6 (commencing with Rule 251) of chapter 2 of division 1 of title 18 of the California Code of Regulations contains all of the regulations prescribing the content of assessment rolls and the proposed amendments to Rule 252 are not inconsistent or incompatible with any of the current provisions of the other rules in article 6. In addition, there is no federal property tax and there are no comparable federal regulations or statutes to Rules 101, 171, 252, and 1045.”



BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTES

HONORABLE GEORGE RUNNER, COMMITTEE CHAIR

450 N STREET, SACRAMENTO

AUGUST 21, 2012 - 10:00 A.M.

ACTION ITEM**Agenda Item No: 1****Title:**

Authorization to publish proposed amendments to Property Tax Rules 101, 171, 252, and 1045.

Issue:

Should the Board of Equalization authorize publication of amendments to Property Tax Rule 101, *Board-Prescribed Exemption Forms*, Rule 171, *Board-Prescribed Forms for Property Statements*, Rule 252, *Content of Assessment Roll*, and Rule 1045, *Administration of the Annual Racehorse Tax*?

Committee Discussion:

Committee Chair Runner opened the Committee meeting by introducing the agenda item and asked staff to give a report on the issue.

Dean Kinnee, Chief, County-Assessed Properties Division, gave the Committee an overview of the interested parties process for the proposed amendments to the rules. Mr. Kinnee advised the Committee that the proposed revisions were to accommodate amendments to various Revenue and Taxation Code sections. These Property Tax Rules pertain to procedures used by county assessors relevant to property tax forms, and the county assessors' responsibilities concerning the content on the local county assessment roll. The only comments received during the interested parties process were of a grammatical nature.

Committee Chair Runner thanked staff for working with interested parties to revise the Property Tax Rules which will bring them into conformity with the Revenue and Taxation Code.

Committee Action:

Deputy Controller Mandel made a motion to recommend publication of the proposed amendments to Property Tax Rules 101, 171, 252, and 1045 as presented in Issue Paper 12-008. The motion was seconded by Member Horton. Without objection, the motion passed.

Approved:



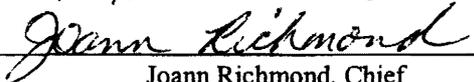
George Kurnel, Committee Chair



Cynthia Bridges, Executive Director

BOARD APPROVED

At the 8/22/12 Board Meeting



Joann Richmond, Chief
Board Proceedings Division

Issue Paper Number 12-008



- Board Meeting
- Business Taxes Committee
- Customer Services and Administrative Efficiency Committee
- Legislative Committee
- Property Tax Committee
- Other

Amendments to Property Tax Rules 101, 171, 252, and 1045

I. Issue

Should the State Board of Equalization (Board) authorize publication of amendments to Property Tax Rule (Rule) 101, *Board-Prescribed Exemption Forms*, Rule 171, *Board-Prescribed Forms for Property Statements*, Rule 252, *Content of Assessment Roll*, and Rule 1045, *Administration of the Annual Racehorse Tax*?

II. Alternative 1 - Staff Recommendation

Staff recommends that the attached amendments to Rules 101, 171, 252 and 1045 be authorized for publication (see Attachment A).

III. Other Alternative(s) Considered

None

IV. Background

Rule 101 requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 requires the use of Board-prescribed property statement and mineral production report forms for reporting interests in personal and real property for assessment purposes. Rule 252 prescribes the content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual tax imposed on the owners of racehorses for the privilege of breeding, training, caring for or racing their racehorses in this state imposed under part 12 (commencing with section 5701) of division 1 of the Revenue and Taxation Code, in lieu of the property taxes imposed under division 1.

The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. Government Code section 15606, subdivision (c), authorizes the Board to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. In addition, Government Code section 15606, subdivision (d), authorizes the Board to prescribe and enforce the use of all forms for the assessment of property for taxation. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5871, which authorizes the Board to make rules and regulations and prepare forms to carry out the intent and purpose of the annual racehorse tax.

Annually, the Board works with the California County Assessors' Association, Forms Subcommittee, and other interested parties to develop and/or revise the Board-prescribed property tax forms used by the 58 county assessors' offices.

V. Discussion

Staff of the Property and Special Taxes Department, County-Assessed Properties Division, initiated a project to amend Rules 101, 171, 252, and 1045. The purposes of the project were to:

- Revise the title of Rule 171 to reflect that Rule 171 applies to mineral production report forms, in addition to property statements forms, which are already referred to in the rule's title;
- Revise Rule 171 to reflect the amendments made to Revenue and Taxation Code section 441.5 by Senate Bill No. 822 (Stats. 2009, ch. 204), which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- Revise Rules 101, 171, and 1045 to clarify the provisions requiring the use of Board-prescribed property tax forms, update the procedures county assessors are required to follow to ensure that their forms meet the rules' requirements, and encourage the counties to make current property tax forms available on their websites;
- Revise Rule 252 to reflect the repeal of Revenue and Taxation Code section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, by Senate Bill No. 1062 (Stats. 2003, ch. 471), and update the notation used to denote escape assessments on the assessment roll; and
- Revise Rule 252 to ensure that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet, set forth in Government Code section 6254.21.

County assessors and interested parties were provided with draft language for the amendments to the rules on April 9, 2012 (see Letter To Assessors 2012/015) and invited to participate in the project. The counties generally approved of the draft language. However, a few counties noted that the word

"furnished" was inadvertently replaced with the word "furnish" in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word "question" to the word "questions" in subdivision (a) of Rules 101, 171, and 1045, changing the word "carriers" to the word "carries" in Rule 171, subdivision (d)(1), and reformatting Rule 101, subdivision (d)(2), Rule 171, subdivision (g)(2), and Rule 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

VI. Alternative 1 - Staff Recommendation

Authorize publication of the amendments to Rules 101, 171, 252, and 1045, as shown in Attachment A.

A. Description of Alternative 1

Staff recommends that the amendments to Rules 101, 171, 252, and 1045 be authorized for publication, as shown in Attachment A. The amendments:

- Clarify the property tax forms approval procedures in Rules 101, 171, and 1045 used by county assessors by authorizing county assessors to include county-specific identifying information on the Board-prescribed forms used in their counties without prior approval, specifying the changes to Board-prescribed forms that assessors may make with prior Board approval, and specifying the limited circumstances under which county assessors may develop and use their own property tax forms.
- Encourage county assessors to make their property tax forms available on the Internet.
- Change the due dates specified by Rules 101, 171, and 1045 for the forms checklist. The prior due dates of October and December were based upon the old March 1 lien date, not the current January 1 lien date.
- Change the title of Rule 171 to "Board-Prescribed Report Forms and Property Statements" and change Rule 171 to reflect the process of electronically filing property statements as provided in Revenue and Taxation Code section 441.5.
- Change Rule 252 to reflect the provisions applicable to posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on an Internet website, as provided in Government Code section 6254.21. Repeal Revenue and Taxation Code section 75.30, which previously required notations regarding pending supplemental billings to be placed on the assessment roll.
- Update the notation required by Rule 252 to denote escape assessments on the assessment roll.
- Generally, update the reference notes for Rules 101, 171, and 252.

B. Pros of Alternative 1

Amendments to Rules 101, 171, 252, and 1045 will:

- Clarify for county assessors the procedures for property tax forms;
- Explain the limitations imposed on county assessors when posting their local rolls to the Internet; and
- Help ensure uniformity of forms throughout the 58 counties.

C. Cons of Alternative 1

None

D. Statutory or Regulatory Change for Alternative 1

Alternative 1 recommends that the Board authorize publication of amendments to Rules 101, 171, 252, and 1045 (Cal. Code Regs., tit. 18, §§ 101, 171, 252, and 1045).

E. Operational Impact of Alternative 1

None

F. Administrative Impact of Alternative 1

1. Cost Impact

County-Assessed Properties Division staff have already developed the amendments included in alternative 1 using available resources. If the amendments are authorized for publication, County-Assessed Properties Division and Tax and Fee Programs Division staff will work together to complete and implement the amendments using available resources.

2. Revenue Impact

None

G. Taxpayer/Customer Impact of Alternative 1

None

H. Critical Time Frames of Alternative 1

None

VII. Other Alternatives

None

Preparer/Reviewer Information

Prepared by: Property and Special Taxes Department; County-Assessed Properties Division

Current as of: July 25, 2012

Rule 101. BOARD-PREScribed EXEMPTION FORMS.

Authority Cited: Section 15606, Government Code.

Reference: Section 251, 253.5, and 254, Revenue and Taxation Code.

(a) CONTENT AND ARRANGEMENT OF BOARD-PREScribed EXEMPTION FORMS. ~~The procedure and forms prescribed by the board for claiming the exemptions named in Article 2, Chapter 1, Part 2, Division 1, of the Revenue and Taxation Code shall be employed by each assessor in the administration of the laws relating to such exemptions. Except as specifically authorized by the board with respect to heading name and address of the property owner, location of the property, assessor's use columns, the sequence of questions, and the like, the assessor shall not change, add to, or delete the specific wording of the exemption form prescribed by the board, but the assessor may otherwise arrange the content and alter the size and design of an exemption form to meet the needs of office procedures and facilities. A county assessor shall use board-prescribed exemption forms in the administration of the specific exemptions to which the forms relate. An assessor shall not change headings, reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the exemption forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information to a board-prescribed exemption form. An assessor may designate an area on a board-prescribed exemption form as for assessor's use only and may delete, edit, or move an area on a board-prescribed exemption form that is designated for assessor's use only. Subject to board approval, an assessor may also:~~

(1) Alter the size of a board-prescribed exemption form to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on a board-prescribed exemption form; and

(3) Change the orientation of a board-prescribed exemption form, for example, from portrait layout to landscape layout.

(b) CHECKLIST FOR BOARD-PREScribed EXEMPTION FORMS. Annually, on or before ~~December~~ September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed exemption claim forms, including instructions, which the assessor:

(1) will Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(2) will Will produce by other means with changes authorized by subdivision (a)(1), (2), or (3) for use for that year; and or

(3) will Will have no need.

(c) APPROVAL OF BOARD-PREScribed EXEMPTION FORMS. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each board-prescribed exemption form, including instructions, which the assessor will produce by means other than reproduction of the prototypes with changes authorized by subdivision (a)(1), (2), or (3). If a form does not conform with the specifications prescribed by the board, as required by section 251 of the Revenue and Taxation Code and this rule, the assessor shall be notified in writing of the variances. The assessor shall submit a revised exemption form within 30 days of the date of the notice.

(d) COUNTY-DEVELOPED PROPERTY TAX FORMS. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax exemption form unless the assessor obtains prior approval from the board that current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) FORMS POSTED ON THE INTERNET. Counties are encouraged to make exemption forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

History: Adopted January 3, 1967, effective January 4, 1967.
Amended September 12, 1969, effective October 18, 1969.
Amended July 31, 1973, effective September 7, 1973.
Amended November 15, 2007, effective February 22, 2008.

Rule 171. BOARD-PRESCRIBED REPORT FORMS FOR AND PROPERTY STATEMENTS.

Authority Cited: Section 15606, Government Code.

Reference: Sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.2, 480.4, 1603, 469, Revenue and Taxation Code.
Section 462.500, Title 18, Public Revenues, California Code of Regulations.

(a) CONTENT, AND ARRANGEMENT, AND APPROVAL OF BOARD-PRESCRIBED REPORT FORMS AND PROPERTY STATEMENTS. ~~Except as specifically authorized by the board with respect to heading, name and address of the taxpayer, location of the property, assessor's use columns, and the like, the assessor shall not be change, add to, or delete the specific wording of property statement forms or mineral production report forms prescribed by the board. or change the sequence of the questions, but the assessor may otherwise arrange the content and alter the size and design of a property statement or mineral production report form to meet the needs of office procedures and facilities. A county assessor shall use board-prescribed report forms and property statements. An assessor shall not change headings, reduce the font size of text, and shall not change questions in, add questions to, or delete questions from report forms and property statements prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information to board-prescribed report forms and property statements. An assessor may designate an area on a board-prescribed report form or property statement as for assessor's use only and may delete, edit, or move an area on a board-prescribed report form or property statement that is designated for assessor's use only. Subject to board approval, an assessor may also:~~

(1) Alter the size of board-prescribed report forms and property statements to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on board-prescribed report forms and property statements; and

(3) Change the orientation of board-prescribed report forms or property statements, for example, from portrait layout to landscape layout.

(b) CHECKLIST FOR BOARD-PRESCRIBED REPORT FORMS AND PROPERTY STATEMENTS. Annually, on or before ~~October 15~~ September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed property statements and report forms, including instructions, which the assessor:

~~(1) will~~ Will reproduce from the current prototype forms, statements, and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

~~(2) will~~ Will produce ~~by other means~~ with changes authorized by subdivision (a)(1), (2), or (3) for use for that year;
~~and or~~

~~(3) will~~ Will have no need.

(c) APPROVAL OF BOARD-PRESCRIBED REPORT FORMS AND PROPERTY STATEMENTS. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each form, including instructions, which the assessor will produce ~~by means other than reproduction of the prototypes with changes authorized by subdivision (a)(1), (2), or (3).~~ If a report form or property statement does not conform with the specifications prescribed by the board, ~~as required by section 452 of the Revenue and Taxation Code, section 15606 of the Government Code, and this rule,~~ the assessor shall be notified in writing of the variances. The assessor shall submit a revised report form or property statement within 30 days of the date of the notice.

(d) FILINGS AND ATTACHMENTS TO PROPERTY STATEMENTS. The assessor is not required to obtain board approval for instructions pertaining to the format of attachments that an assessee elects to furnish in lieu of entering the information on the prescribed property statement. ~~However, such instructions shall include requirements that at least one~~

copy of the property statement as printed by the assessor must be executed and contain appropriate references to the data on the attachment, and that all information required by the property statement must be furnished on the property statement or the attachments. The assessor may, at the assessor's discretion, accept the information required on the property statement by any of the following methods:

(1) Attachments to the property statement if the attachments are in a format specified by the assessor and one copy of the property statement, as printed by the assessor, is signed by the taxpayer and carries an appropriate reference to the data attached;

(2) An electronically filed property statement that is authenticated as provided by Revenue and Taxation Code section 441, subdivision (k); or

(3) A property statement that is substantially similar to the property statement as printed by the assessor that is signed by the taxpayer.

(e) TIME FOR FILING MINERAL PRODUCTION REPORTS REPORT FORMS. The assessor shall not require the filing of mineral production reports report forms prior to April the applicable statutory deadline following the calendar year for which the report is prepared.

(f) ASSESSOR TO FURNISH REPORT FORMS AND PROPERTY STATEMENTS. The pertinent property statement form and instructions shall be furnished (either by mail or electronically) by the assessor to every person required by law or requested by the assessor to file a property statement, and the The pertinent report form shall be furnished (either by mail or electronically) by the assessor to every person requested to file a mineral production report form. The assessor may elect to comply with this subdivision by mailing a letter or postcard to persons required by law to file a report form or property statement advising the persons that the required form or statement is available on the assessor's website and that a copy of the form or statement may be requested by calling the assessor's office.

(g) COUNTY-DEVELOPED PROPERTY TAX FORMS. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(h) FORMS POSTED ON THE INTERNET. Counties are encouraged to make report forms and property statements available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

History: Adopted October 4, 1967, effective November 4, 1967.

Amended October 8, 1968, effective October 10, 1968.

Amended September 12, 1969, effective October 18, 1969.

Amended July 31, 1973, effective September 6, 1973.

Amended December 9, 1981, effective April 3, 1982.

Amended June 21, 1983, effective October 29, 1983.

Amended November 15, 2007, effective February 22, 2008.

Rule 252. CONTENT OF ASSESSMENT ROLL.

Authority Cited: Section 15606, Government Code.

Reference: Sections ~~75.30~~, 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2, and 2601, Revenue and Taxation Code.
Section 6254.21, Government Code.

(a) MINIMUM CONTENTS OF "MACHINE-PREPARED" OR "ELECTRONIC" LOCAL ROLLS. "Machine-prepared" roll within the meaning of Revenue and Taxation Code ~~§~~section 109.5 includes any preparation of the local roll by the assessor of each county by an electronic medium. In accordance with Revenue and Taxation Code ~~§~~section 601 et seq., each local assessment roll shall contain, at a minimum, the following information:

- (1) The name of the county.
- (2) Either the calendar year in which the roll is prepared or the fiscal year for which the taxes are levied.
- (3) An explanation of abbreviations and legends appearing on the roll.

(4) On the secured roll, the assessor's parcel number or other legal description that identifies each parcel of taxable land, each parcel for which an exemption is enrolled, and each taxable possessory interest in tax-exempt real estate to which the exemption authorized by ~~§~~section 218 of the Revenue and Taxation Code has been applied. The assessment of the taxable possessory interest shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.

(5) On the unsecured portion of the roll, the assessor's parcel number or other legal description that sufficiently identifies the location of each taxable possessory interest, improvement, or personal property.

- (6) The name of the assessee, if known.
- (7) The latest mailing address (not an e-mail address) of the assessee contained in the assessor's records.

(8) The separately stated assessed values of all land, improvements, and personal property subject to taxation at general property tax rates (or payments in lieu of property tax computed by applying general property tax rates to fixed or variable "assessed values"), and the separately assessed values of any privately owned land, improvements, and personal property of a type that is exempt from taxation, but is subject to ad valorem special assessments when within a district levying such assessments. If real property is situated within a resource conservation district that is levying a special assessment, the assessed value of mineral rights must be separated from the land value.

- (9) The tax rate area in which each piece of property assessed is situated.

(10) The penalties imposed upon such assessments, in the form required by section 261, Title 18 (Rule 261), ~~of this code~~ Public Revenues, California Code of Regulations.

(11) The assessed value of any property that escaped assessment in a prior year, together with the following notation: Escape—(Date). ~~required by section 533 of the Revenue and Taxation Code.~~

(12) The exempt amount of any assessed values required by paragraph (a)(8) to be enrolled, with identifying legends or distinctive positions for amounts allowed pursuant to any reimbursable exemption.

- (13) The total net taxable value.

(14) In a separate section of the roll, the assessed value of any personal property for which tax revenues are subject to allocation in a manner different from that provided for general property tax revenues (e.g., general aircraft).

(15) On the secured roll, a cross-reference notation made pursuant to Revenue and Taxation Code section 2190.2 that is adjacent to the assessment of any taxable land when a possessory interest in such land or an improvement thereon is separately assessed to another owner pursuant to section 2188.2 of the Revenue and Taxation Code.

~~(16) Whenever the assessor determines that a change in ownership or the completion of new construction has occurred, the assessor shall place a notice of the pending supplemental billing on the roll being prepared and shall notify~~

~~the auditor, who shall place a notation on the current roll or on a separate document accompanying the current roll that a supplemental billing may be forthcoming.~~

~~(17)~~(16) After each assessment of tax-defaulted property, the assessor shall enter on the roll the fact that it is tax-defaulted and the date of declaration of the default.

~~(18)~~(17) Any other items required by the State Board of Equalization for the purpose of identification and valuation of all locally assessed property and the collection of property taxes thereon.

(b) EXEMPT ASSESSED VALUES OF EXEMPT PROPERTY NOT REQUIRED TO BE ENROLLED. Parcel numbers or other legal descriptions of exempt real property may be entered on the roll without assessed values. Alternatively, such exempt real property may be listed with assessed values shown in a separate column or field (e.g., a comments field) or in the exemption column or field on lines that are coded in such manner as to preclude the addition of the assessed values when the exemption column or field is totaled; the ~~exempt~~ assessed values shall not be shown in land or improvement columns or fields.

(c) CONTENT OF EXTENDED ROLL. The extended assessment roll or new local assessment roll for the extension of taxes prepared by the county auditor shall contain, in addition to all of the contents required by subsection (a) of this rule at least the following:

(1) The mailing address, if known, of the assessee.

(2) The revenue district for each group if assessments are grouped by revenue district, and for each assessment if assessments are not so grouped.

(3) All tax rates and ad valorem special assessment extensions required by law.

(4) The amount of tax to be paid on the property listed. The amounts due in installments shall be stated separately and shall be totaled. All rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.

(5) At the beginning of the roll, or at the beginning of each tax-rate area grouping on the roll, a list of all revenue districts levying taxes within each tax-rate area in the county.

(6) An identification of each tax-defaulted property sold, with the date of sale.

(d) MINIMUM CONTENTS OF LOCAL ROLLS NOT "MACHINE-PREPARED."

(1) The local roll of each county utilizing a roll that is not "machine-prepared" within the meaning of Revenue and Taxation Code §section 109.5 shall have the contents specified in subsections (a) and (c) of this rule.

(2) The secured assessments shall be arranged in ascending parcel number order within tax-rate area groupings, with unparcelled properties at the end of each tax-rate area group if there are both parcelled and unparcelled properties in the tax-rate area.

(e) ROLL POSTED ON THE INTERNET. If a local roll is posted on the Internet, the home address or telephone number of any elected or appointed official, as defined in Government Code section 6254.21, or of the official's residing spouse or child, shall not be posted without first obtaining the written permission of that official.

~~**(e) APPROVAL OF ROLL FORMS.**~~

~~(1) Whenever the local assessment roll is to be prepared in a form other than that previously approved by the board, the assessor shall submit to the board for approval in duplicate by January 1 the forms to be used for the succeeding fiscal year.~~

~~(2) Forms to be submitted include, but are not limited to, the following:~~

~~(A) Secured roll prepared by the assessor.~~

~~(B) Secured roll alphabetical index.~~

~~(C) Unsecured roll prepared by the assessor.~~

- ~~(D) Unsecured roll alphabetical index.~~
- ~~(E) Notice of assessment.~~
- ~~(F) Notice of supplemental assessment.~~
- ~~(G) Notice of escape assessment.~~
- ~~(H) Notice of proposed escape assessment.~~

~~(3) When submitted for approval, each roll form listed in (2) shall be filled out with examples sufficient to illustrate its completed appearance, except that totals and summaries need not be shown.~~

(f) Nothing in this regulation is meant to alter the intent of §section 109.6 of the Revenue and Taxation Code.

History: Adopted September 1, 1967, effective October 7, 1967.

Amended November 20, 1968, effective November 21, 1968.

Amended July 8, 1971, effective August 19, 1971.

Amended July 31, 1973, effective September 6, 1973.

Amended February 5, 1975, effective March 20, 1975.

Amended September 11, 1985, effective December 15, 1985.

Amended March 27, 2002, effective July 11, 2002. Amended rule to update assessment roll procedures and to conform the contents to the items required by statute. Additionally, the amendments provide appropriate guidance consistent with current processing and record-keeping technology.

RULE 1045. ADMINISTRATION OF THE ANNUAL RACEHORSE TAX.

Authority: Section 15606, Government Code; and Section 5781, Revenue and Taxation Code.

Reference: Sections 469, 5701, 5721, 5765, 5768, 5781, and 5790, Revenue and Taxation Code.

(a) CONTENT AND ARRANGEMENT OF BOARD-PRESCRIBED RACEHORSE FORMS. The annual tax imposed by section 5721 of the Revenue and Taxation Code on the privilege of breeding, training, caring for, or racing racehorses in this state shall be administered as provided herein. A county assessor shall use board-prescribed racehorse forms. An assessor shall not change headings, reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the racehorse forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information to a board-prescribed racehorse form. An assessor may designate an area on a board-prescribed racehorse form as for assessor's use only and may delete, edit, or move an area on a board-prescribed racehorse form that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of a board-prescribed racehorse form to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on a board-prescribed racehorse form; and

(3) Change the orientation of a board-prescribed racehorse form, for example, from portrait layout to landscape layout.

(b) SUBMISSION OF FORMS FOR BOARD APPROVAL. CHECKLIST FOR ANNUAL RACEHORSE TAX FORMS. (1) Annually, on or before October 15 September 1, the assessor shall notify the board, on a form checklist provided by the board, whether the assessor:

(i) of the assessor's intent to reproduce (a) the Annual Racehorse Tax Return form BOE 571 J and (b) the Annual Report of Boarded Racehorses form BOE 571 J1 by a photocopy process from the current prototype forms and instructions distributed by the board for use for the succeeding reporting period; or (1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(ii) of the forms and/or instructions which the assessor by means other than a photocopy of the prototype for use for that period (2) Will produce with changes authorized by subdivision (a)(1), (2), or (3); or

(iii) that the assessor will have no need for the forms (3) Will have no need.

(2)(c) APPROVAL OF ANNUAL RACEHORSE TAX FORMS. When filing a notification the checklist, that the assessor will use a form and/or instructions which the assessor will produce by means other than a photocopy of the prototype, the assessor shall submit to the board in duplicate (either in hard copy or electronically) for approval a draft copy of each form, and/or including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3). by means other than reproduction of the prototypes. The copies shall be submitted together with the board-prescribed property statement forms required to be submitted by Regulation 171 of this title. The provisions of Regulation 171 relative to arrangement and variation of content of such property statement forms shall also be applicable to these forms. If a form does not conform with the specifications prescribed by the board, the assessor shall be notified in writing of the variances. The assessor shall submit a revised racehorse form within 30 days of the date of the notice.

(d) COUNTY-DEVELOPED RACEHORSE TAX FORMS. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) DISTRIBUTION OF FORMS AND RETENTION OF REPORTS.

(1) Copies of the forms prescribed by the board for reporting the tax due and for reporting the names of persons whose racehorses are boarded with others shall be furnished by the assessor no later than December 15 prior to the calendar year in which the tax is due by mailing them to persons believed to be required to use them and by making them available at the assessor's office to any person requesting them.

(2) The assessor shall maintain a record of those persons believed to be liable for the annual racehorse tax to whom the assessor has furnished copies of the forms. A copy of the record shall be delivered to the tax collector within 10 days of the date when copies of the forms are furnished so that the tax collector can be cognizant of the taxpayers who can reasonably be expected to file returns.

(3) The assessor shall retain a copy of all tax returns filed by taxpayers for a period of five years from the date the returns become due. They shall be arranged or identified so as to indicate whether or not an audit is required under subsection ~~(d)~~ (f) of this regulation.

~~(d)~~(f) AUDITS.

(1) The assessor shall audit the tax records relative to his or her county of any racehorse owner who, according to the assessor's records, had a gross tax liability (before addition of any penalties) that exceeds \$4,000 for each of four consecutive calendar years. This audit shall be performed within five years of the date on which the annual racehorse tax first became due and shall include, but need not be limited to, a comparison of the annual racehorse tax return with records maintained by the taxpayer. The assessor, when performing an audit pursuant to this regulation of a taxpayer's records of racehorses taxable at a home ranch or other business location, may also audit records of the same taxpayer pertaining to personal property and fixtures on property having tax situs at the same location.

(2) When an assessor schedules an audit of the records of any racehorse owner, whether as part of an audit required by section 469 of the Revenue and Taxation Code or independently thereof, the assessor shall advise the assessor of any other county in which racehorses of the taxpayer were taxable, as shown in the Annual Racehorse Tax Returns or in any other source, of the date on which the audit will be performed. Upon completion of the audit, the assessor shall make that portion of the audit findings relevant to the annual racehorse tax available to the such assessor of any other county in which racehorses of the taxpayer were taxable.

(3) On discovery that horses escaped taxation, the assessor shall determine whether they were subject to the annual racehorse tax, were subject to the property tax, or were exempt. If determined taxable, the assessor shall either provide the tax collector with copies of the audit workpapers so that a determination of additional racehorse tax due can be calculated or enroll an ad valorem assessment of escaped personal property.

(g) FORMS POSTED ON THE INTERNET. Counties are encouraged to make annual racehorse forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

~~(e)~~**(h)** Nothing herein shall be construed to prohibit the assessor from auditing the records of taxpayers for which audits are not required by this regulation.

History: Adopted October 26, 1972, effective December 1, 1972.
Amended October 18, 1973, effective November 25, 1973.
Amended December 7, 1982, effective March 4, 1983.
Amended December 14, 2004, effective March 19, 2005.

BEFORE THE CALIFORNIA STATE BOARD OF EQUALIZATION

450 N STREET

SACRAMENTO, CALIFORNIA

REPORTER'S TRANSCRIPT

AUGUST 21, 2012

PROPERTY TAX COMMITTEE

REPORTED BY: Kathleen Skidgel

CSR NO. 9039

P R E S E N T

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For the Committee:

George Runner
Chair

Jerome E. Horton
Member

Michelle Steel
Member

Betty T. Yee
Member

Marcy Jo Mandel
Appearing for John
Chiang, State Controller
(per Government Code
Section 7.9)

Joann Richmond
Chief,
Board Proceedings Division

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1 450 N STREET
2 SACRAMENTO, CALIFORNIA
3 AUGUST 21, 2012

4 ----oOo----

5 MR. HORTON: Ms. Richmond, our next item,
6 please.

7 MS. RICHMOND: Our next item is the Property
8 Tax Committee. Mr. Runner is the Chair of that
9 committee.

10 Mr. Runner.

11 MR. RUNNER: Thank you. Thank you.

12 And I'll call the Property Tax Committee, uh,
13 meeting to order.

14 The item we have before us today is the
15 discussion of the adoption of recommendations to
16 initiate the rulemaking process for Property Tax Rules
17 101, 171, 252, and 1045.

18 Dean Kinnee will provide us with an update and
19 a report.

20 Mr. Kinnee.

21 MR. KINNEE: Morning, Board Members. Dean
22 Kinnee with the Property and Special Taxes Department.

23 As Senator Runneder -- Runner indicated, today
24 we're asking the Committee to authorize for publication
25 to commence the rulemaking process for Property Tax
26 Rules 101, 171, 252, and 1045, with the changes to the
27 rule as is shown in the issue paper 12-008 before you.

28 As you're aware, the Board's responsible for

1 prescribing and enforcing the use of forms for property
2 tax assessment purposes. In that capacity, the Board
3 provides to assessors approximately 120 forms for use
4 for them in the -- in the assessment process.

5 The rules before you set forth the various, uh,
6 procedures and requirements that assessors must file --
7 uh, must follow in the use of those forms. Staff
8 proposed changes to the rules to reflect various
9 statutory changes over the years and bring -- make the
10 rules current with -- with the statutes.

11 We transmitted the draft rules to interested
12 parties for comments. We received a few back from
13 counties that were grammatical in nature; we've
14 accommodated those. At this time we're not aware of any
15 outstanding issues, and we ask that the Committee
16 recommend to the Board, uh, authorization to publish the
17 rules and start the official rulemaking process.

18 MR. RUNNER: Okay, thank you.

19 I don't, uh, see any cards for speakers. Just
20 making sure, anybody speaking on this item?

21 Okay. Any comments, Members?

22 Do I hear a motion coming?

23 MS. MANDEL: Um, move the staff
24 recommendation.

25 MR. HORTON: Second.

26 MR. RUNNER: Okay, it's been moved and
27 seconded, um, to move forward with the authorized
28 publication of the rules with, uh, Member Mandel making

1 the motion and Member Horton second it.

2 All in favor?

3 MS. YEE: Aye.

4 MS. STEEL: Aye.

5 MR. RUNNER: Okay. Thank you.

6 MR. KINNEE: Thank you.

7 MR. RUNNER: This concludes the Property Tax
8 Committee.

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REPORTER'S CERTIFICATE

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State of California)
) ss
County of Sacramento)

I, KATHLEEN SKIDGEL, Hearing Reporter for the California State Board of Equalization certify that on August 21, 2012 I recorded verbatim, in shorthand, to the best of my ability, the proceedings in the above-entitled hearing; that I transcribed the shorthand writing into typewriting; and that the preceding pages 1 through 5 constitute a complete and accurate transcription of the shorthand writing.

Dated: September 5, 2012

Kathleen Skidgel



KATHLEEN SKIDGEL, CSR #9039
Hearing Reporter

**ESTIMATE OF COST OR SAVINGS RESULTING
FROM PROPOSED REGULATORY ACTION**

**Proposed Amendment of Property Tax Rules 101, Board-Prescribed Exemption Forms,
171, Board-Prescribed Forms for Property Statements, 252, Content of Assessment Roll,
and 1045, Administration of the Annual Racehorse Tax**

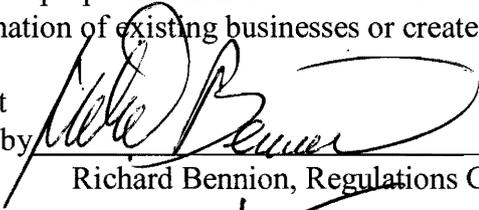
STATEMENT OF COST OR SAVINGS FOR NOTICE OF PUBLIC HEARING

The State Board of Equalization has determined that the proposed action does not impose a mandate on local agencies or school districts. Further, the Board has determined that the action will result in no direct or indirect cost or savings to any State agency, any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code or other non-discretionary cost or savings imposed on local agencies, or cost or savings in Federal funding to the State of California.

The cost impact on private persons or businesses will be insignificant. This proposal will not have a significant adverse economic impact on businesses.

This proposal will not be detrimental to California businesses in competing with businesses in other states.

This proposal will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand business in the State of California.

Statement
Prepared by  Date 10-19-12
Richard Bennion, Regulations Coordinator

Approved by  Date 10/24/12
Randy Ferris, Chief Counsel

If Costs or Savings are Identified, Signatures of Chief, Fiscal Management Division, and Chief, Board Proceedings Division, are Required

Approved by _____ Date _____
Chief, Financial Management Division

Approved by _____ Date _____
Chief, Board Proceedings Division

NOTE: SAM Section 6660 requires that estimates resulting in cost or savings be submitted for Department of Finance concurrence before the notice of proposed regulatory action is released.

ECONOMIC AND FISCAL IMPACT STATEMENT

(REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2008)

See SAM Section 6601 - 6616 for Instructions and Code Citations

DEPARTMENT NAME State Board of Equalization	CONTACT PERSON Richard E. Bennion	TELEPHONE NUMBER 916-445-2130
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Board-Prescribed Exemption Forms		NOTICE FILE NUMBER Z

ECONOMIC IMPACT STATEMENT

A. ESTIMATED PRIVATE SECTOR COST IMPACTS (Include calculations and assumptions in the rulemaking record.)

1. Check the appropriate box(es) below to indicate whether this regulation:

- a. Impacts businesses and/or employees
- b. Impacts small businesses
- c. Impacts jobs or occupations
- d. Impacts California competitiveness
- e. Imposes reporting requirements
- f. Imposes prescriptive instead of performance
- g. Impacts individuals
- h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.)

h. (cont.) Please see the attached .

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: _____ Describe the types of businesses (Include nonprofits.): _____

Enter the number or percentage of total businesses impacted that are small businesses: _____

Enter the number of businesses that will be created: _____ eliminated: _____

Explain: _____

4. Indicate the geographic extent of impacts: Statewide Local or regional (List areas.): _____

5. Enter the number of jobs created: _____ or eliminated: _____ Describe the types of jobs or occupations impacted: _____

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

Yes No If yes, explain briefly: _____

B. ESTIMATED COSTS (Include calculations and assumptions in the rulemaking record.)

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ _____

a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____

Describe other economic costs that may occur: _____

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

2. If multiple industries are impacted, enter the share of total costs for each industry: _____
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. (Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.): \$ _____
4. Will this regulation directly impact housing costs? Yes No If yes, enter the annual dollar cost per housing unit: _____ and the number of units: _____
5. Are there comparable Federal regulations? Yes No Explain the need for State regulation given the existence or absence of Federal regulations: _____
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ _____

C. ESTIMATED BENEFITS (Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. Briefly summarize the benefits that may result from this regulation and who will benefit: _____
2. Are the benefits the result of : specific statutory requirements, or goals developed by the agency based on broad statutory authority?
plain: _____
3. What are the total statewide benefits from this regulation over its lifetime? \$ _____

D. ALTERNATIVES TO THE REGULATION (Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: _____
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:
- | | | |
|----------------|-------------------|----------------|
| Regulation: | Benefit: \$ _____ | Cost: \$ _____ |
| Alternative 1: | Benefit: \$ _____ | Cost: \$ _____ |
| Alternative 2: | Benefit: \$ _____ | Cost: \$ _____ |

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: _____
4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? Yes No
plain: _____

E. MAJOR REGULATIONS (Include calculations and assumptions in the rulemaking record.) Cal/EPA boards, offices, and departments are subject to the following additional requirements per Health and Safety Code section 57005.

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

1 Will the estimated costs of this regulation to California business enterprises exceed \$10 million ? Yes No (If No, skip the rest of this section.)

riefly describe each equally as an effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation:	\$ _____	Cost-effectiveness ratio: \$ _____
Alternative 1:	\$ _____	Cost-effectiveness ratio: \$ _____
Alternative 2:	\$ _____	Cost-effectiveness ratio: \$ _____

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

a. is provided in _____, Budget Act of _____ or Chapter _____, Statutes of _____

b. will be requested in the _____ Governor's Budget for appropriation in Budget Act of _____
(FISCAL YEAR)

Additional expenditures of approximately \$ _____ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

a. implements the Federal mandate contained in _____

b. implements the court mandate set forth by the _____
court in the case of _____ vs. _____

c. implements a mandate of the people of this State expressed in their approval of Proposition No. _____ at the _____
election; (DATE)

d. is issued only in response to a specific request from the _____
_____, which is/are the only local entity(s) affected;

e. will be fully financed from the _____ authorized by Section _____
(FEES, REVENUE, ETC.)
_____ of the _____ Code;

f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit;

g. creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

Savings of approximately \$ _____ annually.

4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law regulations.

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 2-98)

5. No fiscal impact exists because this regulation does not affect any local entity or program.
6. Other.

B. FISCAL EFFECT ON STATE GOVERNMENT *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year. It is anticipated that State agencies will:
- a. be able to absorb these additional costs within their existing budgets and resources.
- b. request an increase in the currently authorized budget level for the _____ fiscal year.
2. Savings of approximately \$ _____ in the current State Fiscal Year.
3. No fiscal impact exists because this regulation does not affect any State agency or program.
4. Other.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year.
2. Savings of approximately \$ _____ in the current State Fiscal Year.
3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
4. Other.

SIGNATURE		TITLE	Regulations Coordinator
AGENCY SECRETARY ¹		DATE	
APPROVAL/CONCURRENCE		DATE	9-17-12
DEPARTMENT OF FINANCE ²	PROGRAM BUDGET MANAGER	DATE	
APPROVAL/CONCURRENCE	 Exempt under SAM section 6660		

- The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
- Finance approval and signature is required when SAM sections 6600-6670 require completion of the Fiscal Impact Statement in the STD. 399.

**Attachment to Economic and Fiscal Impact
Statement (STD. 399 (Rev. 12/2008)) for the Proposed Amendments to
California Code of Regulations, Title 18, Sections 101, *Board-Prescribed
Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*,
252, *Content of Assessment Roll*, and 1045, *Administration of the
Annual Racehorse Tax***

California Code of Regulations, title 18, section (Rule) 252, subdivision (a)(10) currently cross references Rule 261, and the proposed amendments to subdivision (a)(10) merely clarify the cross reference. Rule 252, subdivision (a)(11) already requires county assessors to denote escape assessments on their assessment rolls and the proposed amendments to subdivision (a)(11) merely clarify the required notation. Rule 252, subdivision (b) already explains the procedures for entering the assessed value of exempt property on the assessment roll, and the proposed amendments to subdivision (b) merely clarify those procedures. In addition, Government Code section 6254.21, subdivision (a) already prohibits state and local agencies from posting the home addresses and telephone numbers of appointed or elected officials on the Internet without obtaining the officials' written permission, and Government Code section 6254.21, subdivision (b) already prohibits any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials' residing spouses and children on the Internet under specified circumstances. The proposed amendments adding subdivision (e) to Rule 252 are only intended to provide additional notice of Government Code section 6254.1's prohibitions.

Property Tax Rules 101, 171, and 1045 already require county assessors to use Board-prescribed property tax forms in accordance with the provisions of Government Code section 15606. Rules 101, 171, and 1045 already grant the county assessors limited discretion to rearrange the content of Board-prescribed prototype forms. Property Tax Rules 101, 171, and 1045 already require county assessors to submit copies of Board-prescribed prototype forms that they intend to reproduce with changes to the Board for approval so that the Board can determine whether the changes comply with the applicable rule's requirements. In addition, Property Tax Rules 101, 171, and 1045 already require county assessors to correct a nonconforming form and resubmit it to the Board for approval within 30 days after being notified that it does not comply with the applicable rule's requirements. The proposed amendments to Property Tax Rules 101, 171, and 1045 clarify the types of changes that county assessors are permitted to make to prototypes of Board-prescribed forms, and clarify the types of changes that can only be made to the prototypes of Board-prescribed forms after the changes have been submitted to the Board for approval that they conform to the applicable rule's requirements. The proposed amendments to Rules 101, 171, and 1045 are intended to clarify, not expand upon, the existing requirements.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms and, in some cases, expressly permits county assessors to develop and use their own forms with the Board's approval. The proposed amendments to Rules 101, 171, and 1045 are only intended to explain when current law permits county assessors to develop and use their own forms to request relevant information that is not

requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites.

Furthermore, the Board does not charge county assessors for prototypes of the Board-prescribed forms they are required to use. The current and proposed text of Rules 101, 171, and 1045 will not require that county assessors make any changes to the prototypes of Board-prescribed forms prior to reproducing and using the forms. And, none of the proposed amendments affect jobs or business in the state.

Therefore, based upon the foregoing information and all of the information in the rulemaking file, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045:

- Will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states;
- Will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California;
- Will not have a significant effect on housing costs;
- Will not impose a mandate on local agencies or school districts, including a mandate that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code; and
- Will result in no direct or indirect cost or savings to any state agency, any cost to local agencies or school districts that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code, other non-discretionary cost or savings imposed on local agencies, or cost or savings in federal funding to the State of California.

In addition, the Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed regulatory action.

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-09)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
RECEIVED FOR FILING PUBLICATION DATE SEP 17 '12 SEP 28 '12 Office of Administrative Law		NOTICE REGULATIONS	

AGENCY WITH RULEMAKING AUTHORITY State Board of Equalization	AGENCY FILE NUMBER (if any)
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A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Board-Prescribed Exemption Forms	TITLE(S) 18	FIRST SECTION AFFECTED 101	2. REQUESTED PUBLICATION DATE September 28, 2012
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON Rick Bennion	TELEPHONE NUMBER (916) 445-2130	FAX NUMBER (Optional) (916) 324-3984
OAL USE ONLY <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	ACTION ON PROPOSED NOTICE		NOTICE REGISTER NUMBER
		PUBLICATION DATE	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
------------------------------	--

SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
ACTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND
TITLE(S)	REPEAL

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective 30th day after filing with Secretary of State	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____		

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
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8. **I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.**

For use by Office of Administrative Law (OAL) only

SIGNATURE OF AGENCY HEAD OR DESIGNEE	DATE
--------------------------------------	------

TYPED NAME AND TITLE OF SIGNATORY

Notice of Proposed Regulatory Action

The State Board of Equalization Proposes to Adopt Amendments to California Code of Regulations, Title 18, Sections 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*

NOTICE IS HEREBY GIVEN

The State Board of Equalization (Board), pursuant to the authority vested in it by Government Code section 15606 and Revenue and Taxation Code (RTC) section 5781, proposes to adopt amendments to California Code of Regulations, title 18, sections (Rules) 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*. Rules 101, 171, 252, and 1045 implement the provisions of Government Code section 15606 and RTC section 5781 by requiring county assessors to use Board-prescribed forms in the assessment of property for taxation, including the implementation of the annual racehorse tax imposed under part 12 (commencing with section 5701) of division 1, *Property Taxation*, of the RTC.

The proposed amendments revise the title of Rule 171 to better reflect its content, and revise the text of Rule 171 to reflect amendments made to RTC section 441.5, which permit county assessors to accept property statement information provided by alternative means. The proposed amendments to Rule 252 reflect the repeal of RTC section 75.30, which required county assessors to place a “notice of a pending supplemental billing” on the assessment roll. The proposed amendments to Rule 252 clarify the notation used to denote escape assessments on the assessment roll, clarify Rule 252’s cross reference to Rule 261, and clarify Rule 252’s provisions regarding the entry of the assessed value of exempt property on the assessment roll. The proposed amendments to Rule 252 also provide county assessors with notice of Government Code section 6254.21’s prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet.

In addition, the proposed amendments clarify the existing provisions in Rules 101, 171, and 1045 that require county assessors to use Board-prescribed property tax forms and prescribe the procedures county assessors are required to follow to ensure that their forms meet the applicable rule’s requirements. The proposed amendments change the due dates for form checklists specified in Rules 101, 171, and 1045. The proposed amendments add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new

forms when needed, and make their current property tax forms available on their websites. The proposed amendments also update the reference note to Rule 101 so that it refers to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 so that it refers to additional RTC sections that are implemented by Board-prescribed property tax forms, and update the reference note to Rule 252 so that it refers to Government Code section 6254.21 and reflects the repeal of RTC section 75.30.

PUBLIC HEARING

The Board will conduct a meeting in Room 121, at 450 N Street, Sacramento, California, on November 13-15, 2012. The Board will provide notice of the meeting to any person who requests that notice in writing and make the notice, including the specific agenda for the meeting, available on the Board's Website at www.boe.ca.gov at least 10 days in advance of the meeting.

A public hearing regarding the proposed regulatory action will be held at 9:30 a.m. or as soon thereafter as the matter may be heard on November 13, 14, or 15, 2012. At the hearing, any interested person may present or submit oral or written statements, arguments, or contentions regarding the adoption of the proposed amendments to Rules 101, 171, 252, and 1045.

AUTHORITY

The amendments to Rules 101, 171, 252, and 1045 are proposed under the authority provided by Government Code section 15606. The amendments to Rule 1045 are also proposed under the authority provided by RTC section 5781.

REFERENCE

Rule 101, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 251, 253.5 and 254. Rule 171, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4, and 1063. Rule 252, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 6254.21 and RTC sections 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2, and 2601. Rule 1045, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 15606 and RTC sections 469, 5701, 5721, 5765, 5768, 5781, and 5790.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing Laws and Regulations

Government Code section 15606, subdivision (c), authorizes the Board to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, RTC section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter “annual racehorse tax”).

Rule 101 currently requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board-prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board-prescribed prototype forms or to produce their own forms from the Board-prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms to meet the county assessors’ needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board-prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor to submit the revised form to the Board for approval that it conforms to the applicable rule’s requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

The date that property taxes for any fiscal year become a lien on property is referred to as the “lien date.” (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of “January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.” RTC section 5761 has not been amended since 1972.

Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home addresses and telephone numbers of appointed or elected officials on the Internet without obtaining the officials’ written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials’ residing spouses and children on the Internet under specified circumstances.

In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a “notice of a pending supplemental billing” on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board’s approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

Effect, Objectives, and Benefits of the Proposed Amendments

Board staff initiated a project to update Rules 101, 171, 252, and 1045. The objectives of the project were to:

- Revise the title of Rule 171 to reflect that Rule 171 applies to report forms, in addition to property statements forms, which are already referred to in the rule’s title;
- Add provisions to Rule 171 to reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- Revise Rules 101, 171, and 1045 to further clarify the rules’ provisions requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule’s requirements;
- Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year;
- Add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites;
- Revise Rule 252 to reflect the repeal of RTC section 75.30 by SB 1062, clarify the notation used to denote escape assessments on the assessment roll, clarify the rule’s cross reference to Rule 261, and clarify the provisions regarding the entry of the assessed value of exempt property on the assessment roll;

- Add provisions to Rule 252 to ensure that county assessors who post their local assessment rolls on the Internet are aware of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet; and
- Update the reference note to Rule 101 to refer to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 to refer to additional RTC sections that are implemented by Board-prescribed report forms or property statements, and update the reference note to Rule 252 to refer to Government Code section 6254.21 and reflect the repeal of RTC section 75.30.

As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff's proposed revisions to the rules and encouraged the county assessors and interested parties to review and comment on the drafts.

The counties generally approved of the draft language. However, a few counties noted that the word "furnished" was inadvertently replaced with the word "furnish" in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word "question" to the word "questions" in subdivision (a) of Rules 101, 171, and 1045, changing the word "carriers" to the word "carries" in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff's draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff's recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to: (1) ensure that the title of Rule 171 reflects the rule's content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensure that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, clarify the notation required by Rule 252 to denote escape assessments on the assessment roll, clarify Rule 252's cross reference to Rule 261, clarify Rule 252's provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensure that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in

Government Code section 6254.21; (3) clarify the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarify the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule's requirements; (5) update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites; and (7) update the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter of the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements;
- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

The Board has performed an evaluation of whether the proposed amendments to Rules 101, 171, 252, and 1045 are inconsistent or incompatible with existing state regulations and determined that the proposed amendments are not inconsistent or incompatible with existing state regulations. This is because Rules 101, 171, and 1045 are the only existing

state regulations prescribing the requirements that county assessors use Board-prescribed exemption forms, report forms and property statements, and annual racehorse tax forms, respectively, the proposed amendments to all three rules are consistent, and the proposed amendments to each rule are internally consistent. This is also because article 6 (commencing with Rule 251) of chapter 2 of division 1 of title 18 of the California Code of Regulations contains all of the regulations prescribing the content of assessment rolls and the proposed amendments to Rule 252 are not inconsistent or incompatible with any of the current provisions of the other rules in article 6. In addition, there is no federal property tax and there are no comparable federal regulations or statutes to Rules 101, 171, 252, and 1045.

NO MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not impose a mandate on local agencies or school districts, including a mandate that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code.

NO COST OR SAVINGS TO STATE AGENCIES, LOCAL AGENCIES, AND SCHOOL DISTRICTS

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will result in no direct or indirect cost or savings to any state agency, any cost to local agencies or school districts that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code, other non-discretionary cost or savings imposed on local agencies, or cost or savings in federal funding to the State of California.

NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The proposed amendments to Rules 101, 171, 252, and 1045: (1) make Rule 171 consistent with the amendments made to RTC section 441.5 by SB 822; (2) make Rule 252 consistent with the repeal of RTC section 75.30; (3) clarify the notation assessors use to denote escape assessments on assessment rolls; (4) clarify the procedures for entering the assessed value of exempt property on the assessment roll; (5) provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21; (6) clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms in accordance with Government Code section 15606 and RTC section 5781, and prescribing the procedures that county assessors must follow to ensure their forms comply with the applicable rule's requirements; (7) Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the January 1 lien date, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (8) provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms; (9) encourage county assessors to

develop uniform forms for use throughout the state; (10) encourage county assessors to request that the Board revise its forms or create new forms when needed; (11) encourage county assessors to make their property tax forms available on the Internet; and (12) generally help promote the use of uniform property tax forms throughout the state. The proposed amendments do not impose any obligations on businesses or change any requirements previously imposed on businesses. Therefore, the Board has made an initial determination that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The adoption of the proposed amendments to Rules 101, 171, 252, and 1045 may affect small business.

NO COST IMPACTS TO PRIVATE PERSONS OR BUSINESSES

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS REQUIRED BY GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

The Board has prepared the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1), and included it in the initial statement of reasons. The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California. Furthermore, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not affect the health and welfare of California residents, worker safety, or the state's environment.

NO SIGNIFICANT EFFECT ON HOUSING COSTS

Adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant effect on housing costs.

DETERMINATION REGARDING ALTERNATIVES

The Board must determine that no reasonable alternative considered by it or that has been otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

CONTACT PERSONS

Questions regarding the substance of the proposed amendments should be directed to Bradley M. Heller, Tax Counsel IV, by telephone at (916) 323-3091, by e-mail at Bradley.Heller@boe.ca.gov, or by mail at State Board of Equalization, Attn: Bradley M. Heller, MIC:82, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action should be directed to Mr. Rick Bennion, Regulations Coordinator, by telephone at (916) 445-2130, by fax at (916) 324-3984, by e-mail at Richard.Bennion@boe.ca.gov, or by mail at State Board of Equalization, Attn: Rick Bennion, MIC:80, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0080.

WRITTEN COMMENT PERIOD

The written comment period ends at 9:30 a.m. on November 13, 2012, or as soon thereafter as the Board begins the public hearing regarding the proposed amendments to Rules 101, 171, 252, and 1045 during the November 13-15, 2012, Board meeting. Written comments received by Mr. Rick Bennion at the postal address, email address, or fax number provided above, prior to the close of the written comment period, will be presented to the Board and the Board will consider the statements, arguments, and/or contentions contained in those written comments before the Board decides whether to adopt the proposed amendments to Rules 101, 171, 252, and 1045. The Board will only consider written comments received by that time.

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board has prepared underscored and strikeout versions of the text of Rules 101, 171, 252, and 1045 illustrating the express terms of the proposed amendments and an initial statement of reasons for the adoption of the proposed amendments, which includes the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1). These documents and all the information on which the proposed amendments are based are available to the public upon request. The rulemaking file is available for public inspection at 450 N Street, Sacramento, California. The express terms of the proposed amendments and the initial statement of reasons are also available on the Board's Website at www.boe.ca.gov.

SUBSTANTIALLY RELATED CHANGES PURSUANT TO GOVERNMENT CODE SECTION 11346.8

The Board may adopt the proposed amendments to Rules 101, 171, 252, and 1045 with changes that are nonsubstantial or solely grammatical in nature, or sufficiently related to the original proposed text that the public was adequately placed on notice that the changes could result from the originally proposed regulatory action. If a sufficiently related change is made, the Board will make the full text of the proposed amendments,

with the change clearly indicated, available to the public for at least 15 days before adoption. The text of the resulting amendments will be mailed to those interested parties who commented on the original proposed amendments orally or in writing or who asked to be informed of such changes. The text of the resulting amendments will also be available to the public from Mr. Bennion. The Board will consider written comments on the resulting amendments that are received prior to adoption.

AVAILABILITY OF FINAL STATEMENT OF REASONS

If the Board adopts the proposed amendments to Rules 101, 171, 252, and 1045, the Board will prepare a final statement of reasons, which will be made available for inspection at 450 N Street, Sacramento, California, and available on the Board's Website at www.boe.ca.gov.

**Text of Proposed Amendments to
California Code of Regulations, Title 18, Sections 101, 171, 252, and 1045**

101. Board-Prescribed Exemption Forms.

(a) Content and Arrangement of Board-Prescribed Exemption Forms.~~The procedure and forms prescribed by the board for claiming the exemptions named in Article 2, Chapter 1, Part 2, Division 1, of the Revenue and Taxation Code shall be employed by each assessor in the administration of the laws relating to such exemptions. Except as specifically authorized by the board with respect to heading, name and address of the property owner, location of the property, assessor's use columns, the sequence of questions, and the like, the assessor shall not change, add to, or delete the specific wording of the exemption form prescribed by the board, but the assessor may otherwise arrange the content and alter the size and design of an exemption form to meet the needs of office procedures and facilities. A county assessor shall use board-prescribed exemption forms in the administration of the specific exemptions to which the forms relate. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the exemption forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed exemption form. An assessor may designate an area on a board-prescribed exemption form as for assessor's use only and may delete, edit, or move an area on a board-prescribed exemption form that is designated for assessor's use only. Subject to board approval, an assessor may also:~~

- (1) Alter the size of a board-prescribed exemption form to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on a board-prescribed exemption form; and
- (3) Change the orientation of a board-prescribed exemption form, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Exemption Forms. Annually, on or before ~~September~~December 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed exemption claim forms, including instructions, which the assessor:

- (1) W~~ill~~ reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) W~~ill~~ produce ~~by other means~~with changes authorized by subdivision (a)(1), (2), or (3) for use for that year; and~~or~~
- (3) W~~ill~~ have no need.

(c) Approval of Board-Prescribed Exemption Forms. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each board-prescribed exemption form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3) by means other than reproduction of the prototypes. If a form does not conform with the specifications prescribed by the board, ~~as required by section 251 of the Revenue and Taxation Code and this rule,~~ the assessor shall be notified in writing of the variances. The assessor shall submit a revised exemption form within 30 days of the date of the notice.

(d) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax exemption form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) Forms Posted on the Internet. Counties are encouraged to make exemption forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 251, 253.5 and 254, Revenue and Taxation Code.

171. Board-Prescribed Report Forms ~~for~~ and Property Statements.

(a) Content, and Arrangement, and Approval of Board-Prescribed Report Forms and Property Statements. ~~Except as specifically authorized by the board with respect to~~

~~heading, name and address of the taxpayer, location of the property, assessor's use columns, and the like, the assessor shall not change, add to, or delete the specific wording of property statement forms or mineral production report forms prescribed by the board or change the sequence of the questions, but the assessor may otherwise arrange the content and alter the size and design of a property statement or mineral production report form to meet the needs of office procedures and facilities.~~A county assessor shall use board-prescribed report forms and property statements. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from report forms and property statements prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to board-prescribed report forms and property statements. An assessor may designate an area on a board-prescribed report form or property statement as for assessor's use only and may delete, edit, or move an area on a board-prescribed report form or property statement that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of board-prescribed report forms and property statements to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on board-prescribed report forms and property statements; and

(3) Change the orientation of board-prescribed report forms or property statements, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Report Forms and Property Statements. Annually, on or before ~~October 15~~September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed property statements and report forms, including instructions, which the assessor:

(1) ~~W~~will reproduce from the current prototype forms, statements, and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(2) ~~W~~will produce with changes authorized by subdivision (a)(1), (2), or (3)by other means for use for that year; ~~and~~or

(3) ~~W~~will have no need.

(c) Approval of Board Prescribed Report Forms and Property Statements. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3)by means other than reproduction of the prototypes. If a report form or property statement does not conform with the specifications prescribed by the board,~~as required by section 452 of the Revenue~~

~~and Taxation Code, section 15606 of the Government Code, and this rule, the assessor shall be notified in writing of the variances. The assessor shall submit a revised report form or property statement within 30 days of the date of the notice.~~

(d) Filings and Attachments to Property Statements. The assessor is not required to obtain board approval for instructions pertaining to the format of attachments that an assessee elects to furnish in lieu of entering the information on the prescribed property statement. ~~However, such instructions shall include requirements that at least one copy of the property statement as printed by the assessor must be executed and contain appropriate references to the data on the attachment, and that all information required by the property statement must be furnished on the property statement or the attachments. The assessor may, at the assessor's discretion, accept the information required on the property statement by any of the following methods:~~

(1) Attachments to the property statement if the attachments are in a format specified by the assessor and one copy of the property statement, as printed by the assessor, is signed by the taxpayer and carries an appropriate reference to the data attached;

(2) An electronically filed property statement that is authenticated as provided by Revenue and Taxation Code section 441, subdivision (k); or

(3) A property statement that is substantially similar to the property statement as printed by the assessor that is signed by the taxpayer.

(e) Time for Filing Report Forms~~Mineral Production Reports.~~ The assessor shall not require the filing of ~~mineral production reports~~report forms prior to ~~April~~the applicable statutory deadline following the calendar year for which the report is prepared.

(f) Assessor to Furnish Report Forms and Property Statements. The pertinent property statement ~~form~~ and instructions shall be furnished (either by mail or electronically) by the assessor to every person required by law or requested by the assessor to file a property statement, ~~and~~The pertinent report form shall be furnished (either by mail or electronically) by the assessor to every person requested to file a mineral production report form. The assessor may elect to comply with this subdivision by mailing a letter or postcard to persons required by law to file a report form or property statement advising the persons that the required form or statement is available on the assessor's website and that a copy of the form or statement may be requested by calling the assessor's office.

(g) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(h) Forms Posted on the Internet. Counties are encouraged to make report forms and property statements available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4 and 1063469, Revenue and Taxation Code.

252. Content of Assessment Roll.

(a) Minimum Contents of “Machine-Prepared” or “Electronic” Local Rolls. “Machine-prepared” roll within the meaning of Revenue and Taxation Code Section 109.5 includes any preparation of the local roll by the assessor of each county by an electronic medium. In accordance with Revenue and Taxation Code Section 601 et seq., each local assessment roll shall contain, at a minimum, the following information:

(1) The name of the county.

(2) Either the calendar year in which the roll is prepared or the fiscal year for which the taxes are levied.

(3) An explanation of abbreviations and legends appearing on the roll.

(4) On the secured roll, the assessor's parcel number or other legal description that identifies each parcel of taxable land, each parcel for which an exemption is enrolled, and each taxable possessory interest in tax-exempt real estate to which the exemption authorized by Section 218 of the Revenue and Taxation Code has been applied. The

assessment of the taxable possessory interest shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.

(5) On the unsecured portion of the roll, the assessor's parcel number or other legal description that sufficiently identifies the location of each taxable possessory interest, improvement, or personal property.

(6) The name of the assessee, if known.

(7) The latest mailing address (not an e-mail address) of the assessee contained in the assessor's records.

(8) The separately stated assessed values of all land, improvements, and personal property subject to taxation at general property tax rates (or payments in lieu of property tax computed by applying general property tax rates to fixed or variable "assessed values"), and the separately assessed values of any privately owned land, improvements, and personal property of a type that is exempt from taxation, but is subject to ad valorem special assessments when within a district levying such assessments. If real property is situated within a resource conservation district that is levying a special assessment, the assessed value of mineral rights must be separated from the land value.

(9) The tax rate area in which each piece of property assessed is situated.

(10) The penalties imposed upon such assessments, in the form required by California Code of Regulations, title 18 (Public Revenue), section 261, Title 18 (Rule 261) of this code.

(11) The assessed value of any property that escaped assessment in a prior year, together with the following notation: Escape-(Date)-required by section 533 of the Revenue and Taxation Code.

(12) The exempt amount of any assessed values required by paragraph (a)(8) to be enrolled, with identifying legends or distinctive positions for amounts allowed pursuant to any reimbursable exemption.

(13) The total net taxable value.

(14) In a separate section of the roll, the assessed value of any personal property for which tax revenues are subject to allocation in a manner different from that provided for general property tax revenues (e.g., general aircraft).

(15) On the secured roll, a cross-reference notation made pursuant to Revenue and Taxation Code section 2190.2 that is adjacent to the assessment of any taxable land when a possessory interest in such land or an improvement thereon is separately

assessed to another owner pursuant to section 2188.2 of the Revenue and Taxation Code.

~~(16) Whenever the assessor determines that a change in ownership or the completion of new construction has occurred, the assessor shall place a notice of the pending supplemental billing on the roll being prepared and shall notify the auditor, who shall place a notation on the current roll or on a separate document accompanying the current roll that a supplemental billing may be forthcoming.~~

~~(167)~~ After each assessment of tax-defaulted property, the assessor shall enter on the roll the fact that it is tax-defaulted and the date of declaration of the default.

~~(178)~~ Any other items required by the State Board of Equalization for the purpose of identification and valuation of all locally assessed property and the collection of property taxes thereon.

(b) ~~Exempt~~ Assessed Values of Exempt Property Not Required to Be Enrolled. Parcel numbers or other legal descriptions of exempt real property may be entered on the roll without assessed values. Alternatively, such exempt real property may be listed with assessed values shown in a separate column or field (e.g., a comments field) or in the exemption column or field on lines that are coded in such manner as to preclude the addition of the assessed values when the exemption column or field is totaled; the ~~exempt~~ assessed values shall not be shown in land or improvement columns or fields.

(c) Content of Extended Roll. The extended assessment roll or new local assessment roll for the extension of taxes prepared by the county auditor shall contain, in addition to all of the contents required by subsection (a) of this rule at least the following:

- (1) The mailing address, if known, of the assessee.
- (2) The revenue district for each group if assessments are grouped by revenue district, and for each assessment if assessments are not so grouped.
- (3) All tax rates and ad valorem special assessment extensions required by law.
- (4) The amount of tax to be paid on the property listed. The amounts due in installments shall be stated separately and shall be totaled. All rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.
- (5) At the beginning of the roll, or at the beginning of each tax-rate area grouping on the roll, a list of all revenue districts levying taxes within each tax-rate area in the county.
- (6) An identification of each tax-defaulted property sold, with the date of sale.

(d) Minimum Contents of Local Rolls Not “Machine-Prepared.”

(1) The local roll of each county utilizing a roll that is not “machine-prepared” within the meaning of Revenue and Taxation Code §section 109.5 shall have the contents specified in subsections (a) and (c) of this rule.

(2) The secured assessments shall be arranged in ascending parcel number order within tax-rate area groupings, with unparcelled properties at the end of each tax-rate area group if there are both parcelled and unparcelled properties in the tax-rate area.

(e) Roll Posted on the Internet. If a local roll is posted on the Internet, the home address or telephone number of any elected or appointed official, as defined in Government Code section 6254.21, or of the official’s residing spouse or child, shall not be posted without first obtaining the written permission of that official.

~~(e) Approval of Roll Forms.~~

~~(1) Whenever the local assessment roll is to be prepared in a form other than that previously approved by the board, the assessor shall submit to the board for approval in duplicate by January 1 the forms to be used for the succeeding fiscal year.~~

~~(2) Forms to be submitted include, but are not limited to, the following:~~

~~(A) Secured roll prepared by the assessor.~~

~~(B) Secured roll alphabetical index.~~

~~(C) Unsecured roll prepared by the assessor.~~

~~(D) Unsecured roll alphabetical index.~~

~~(E) Notice of assessment.~~

~~(F) Notice of supplemental assessment.~~

~~(G) Notice of escape assessment.~~

~~(H) Notice of proposed escape assessment.~~

~~(3) When submitted for approval, each roll form listed in (2) shall be filled out with examples sufficient to illustrate its completed appearance, except that totals and summaries need not be shown.~~

(f) Nothing in this regulation is meant to alter the intent of §section 109.6 of the Revenue and Taxation Code.

Note: Authority cited: Section 15606, Government Code. Reference: Sections ~~75.30,~~ 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2 and 2601, Revenue and Taxation Code; and Section 6254.21, Government Code.

1045. Administration of the Annual Racehorse Tax.

(a) Content and Arrangement of Board-Prescribed Racehorse Forms. The annual tax imposed by section 5721 of the Revenue and Taxation Code on the privilege of breeding, training, caring for, or racing racehorses in this state shall be administered as provided herein. A county assessor shall use board-prescribed racehorse forms. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the racehorse forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed racehorse form. An assessor may designate an area on a board-prescribed racehorse form as for assessor's use only and may delete, edit, or move an area on a board-prescribed racehorse form that is designated for assessor's use only. Subject to board approval, an assessor may also:

- (1) Alter the size of a board-prescribed racehorse form to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on a board-prescribed racehorse form; and
- (3) Change the orientation of a board-prescribed racehorse form, for example, from portrait layout to landscape layout.

(b) ~~Submission of Forms for Board Approval~~ Checklist for Annual Racehorse Tax Forms.

~~(1) Annually, on or before October 15~~ September 1, the assessor shall notify the board, on a ~~form~~ checklist provided by the board, of those board-prescribed racehorse forms, including instructions, which the assessor:

- (1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) Will produce with changes authorized by subdivision (a)(1), (2), or (3); or
- (3) Will have no need.

~~(i) of the assessor's intent to reproduce (a) the Annual Racehorse Tax Return form BOE-571-J (8-03) and (b) the Annual Report of Boarded Racehorses form BOE-571-J1 (8-03) by a photocopy process from the current prototype forms and~~

~~instructions distributed by the board for use for the succeeding reporting period;
or~~

~~(ii) of the forms and/or instructions which the assessor will produce by means
other than a photocopy of the prototype for use for that period; or~~

~~(iii) that the assessor will have no need for the forms.~~

(c2) Approval of Annual Racehorse Tax Forms. When filing a notification that the checklist assessor will use a form and/or instructions which the assessor will produce by means other than a photocopy of the prototype, the assessor shall submit to the board (either in hard copy or electronically) duplicate for approval a draft copy of each form, and/or including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3). If a form does not conform with the specifications prescribed by the board, the assessor shall be notified in writing of the variances. The assessor shall submit a revised racehorse form within 30 days of the date of the notice. The copies shall be submitted together with the board-prescribed property statement forms required to be submitted by Regulation 171 of this title. The provisions of Regulation 171 relative to arrangement and variation of content of such property statement forms shall also be applicable to these forms.

(d) County-Developed Racehorse Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(ee) Distribution of Forms and Retention of Reports.

(1) Copies of the forms prescribed by the board for reporting the tax due and for reporting the names of persons whose racehorses are boarded with others shall be furnished by the assessor no later than December 15 prior to the calendar year in which the tax is due by mailing them to persons believed to be required to use them and by making them available at the assessor's office to any person requesting them.

(2) The assessor shall maintain a record of those persons believed to be liable for the annual racehorse tax to whom the assessor has furnished copies of the forms. A copy of the record shall be delivered to the tax collector within 10 days of the date when copies of the forms are furnished so that the tax collector can be cognizant of the taxpayers who can reasonably be expected to file returns.

(3) The assessor shall retain a copy of all tax returns filed by taxpayers for a period of five years from the date the returns became due. They shall be arranged or identified so as to indicate whether or not an audit is required under subsection (fd) of this regulation.

(fd) Audits.

(1) The assessor shall audit the tax records relative to his or her county of any racehorse owner who, according to the assessor's records, had a gross tax liability (before addition of any penalties) that exceeds \$4,000 for each of four consecutive calendar years. This audit shall be performed within five years of the date on which the annual racehorse tax first became due and shall include, but not be limited to, a comparison of the annual racehorse tax return with records maintained by the taxpayer. The assessor, when performing an audit pursuant to this regulation of a taxpayer's records of racehorses taxable at a home ranch or other business location, may also audit records of the same taxpayer pertaining to personal property and fixtures on property having tax situs at the same location.

(2) When an assessor schedules an audit of the records of any racehorse owner, whether as part of an audit required by section 469 of the Revenue and Taxation Code or independently thereof, the assessor shall advise the assessor of any other county in which racehorses of the taxpayer were taxable, as shown in the Annual Racehorse Tax Return or in any other source, of the date on which the audit will be performed. Upon completion of the audit, the assessor shall make that portion of the audit findings relevant to the annual racehorse tax available to the assessor of any other county in which racehorses of the taxpayer were taxable.

(3) On discovery that horses escaped taxation, the assessor shall determine whether they were subject to the annual racehorse tax, were subject to the property tax, or were exempt. If determined taxable, the assessor shall either provide the tax collector

with copies of the audit workpapers so that a determination of additional racehorse tax due can be calculated, or enroll an ad valorem assessment of escaped personal property.

(g) Forms Posted on the Internet. Counties are encouraged to make annual racehorse forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

(h) Nothing herein shall be construed to prohibit the assessor from auditing the records of taxpayers for which audits are not required by this regulation.

Note: Authority cited: Section 15606, Government Code; and Section 5781, Revenue and Taxation Code. Reference: Section 15606, Government Code; and Sections 469, 5701, 5721, 5765, 5768, 5781 and 5790, Revenue and Taxation Code.

Bennion, Richard

From: BOE-Board Meeting Material
Sent: Friday, September 28, 2012 9:42 AM
To: Alonzo, Mary Ann (Legal); Angeles, Joel; Armenta, Christopher; Bartolo, Lynn; Bennion, Richard; Bisauta, Christine (Legal); Blake, Sue; BOE-Board Meeting Material; Boring, Dilara; Bridges, Cynthia; Carey, Lynne; Chung, Sophia (Legal); Davis, Toya P.; Delgado, Maria; Duran, David; Elliott, Claudia; Epolite, Anthony (Legal); Evans, Regina; Ferris, Randy (Legal); Garcia, Laura; Gau, David; Gilman, Todd; Giorgi, Alan; Giorgi, Dolores; Goehring, Teresa; Hale, Mike; Hamilton, Tabitha; Hanohano, Rebecca; Harvill, Mai; He, Mengjun; Heller, Bradley (Legal); Hellmuth, Leila; Herrera, Cristina; Holmes, Dana; Hughes, Shellie L; Ingenito, Robert; Jacobson, Andrew; Kinkle, Sherrie L; Kuhl, James; Lambert, Robert (Legal); Levine, David H. (Legal); LoFaso, Alan; Maddox, Ken; Madrigal, Claudia; Maeng, Elizabeth; Mandel, Marcy Jo; Matsumoto, Sid; Mayfield, Jenna; Mayhew, Heather; McGuire, Jeff; Miller, Brad; Mandel, Marcy Jo @ SCO; Moon, Richard (Legal); Morquecho, Raymond; Nienow, Treacia (Legal); Ralston, Natasha; Richmond, Joann; Riley, Denise (Legal); Schultz, Glenna; Scott, Megan; Shah, Neil; Singh, Sam; Smith, Rose; Stowers, Yvette; Suero-Gabler, Cynthia; Thomas, Robert; Torres, Rodrigo; Torres, Rodrigo; Tran, Mai (Legal); Treichelt, Tim; Vasquez, Rosalyn; Vasquez, Rosalyn; Vassar, Alex; Wallentine, Sean; Whitaker, Lynn; White, Sharon; Williams, Lee; Zivkovich, Robert
Subject: 11/13-15/12 F: Public Hearing: Announcement of Regulatory Change to Property Tax Rules 101, 171, 252, and 1045

The State Board of Equalization will hold a public hearing regarding the adoption of proposed amendments to Property Tax Rules 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*. The public hearing will be held in Room 121, 450 N Street, Sacramento, at 9:30 a.m., or as soon thereafter as the matter may be heard, on Tuesday, November 13, 2012.

The amendments clarify the provisions in Property Tax Rules 101, 171, and 1045 regarding the use of Board-prescribed property tax forms, and clarify Property Tax Rule 252's requirements for local assessment rolls. To view the notice of proposed regulatory action, initial statement of reasons, proposed text, and history click on the following link: http://www.boe.ca.gov/regs/reg_101_171_252_1045_2012.htm

Questions regarding the substance of the proposed amendments should be directed to Mr. Bradley Heller, Tax Counsel IV, at 450 N Street, MIC:82, Sacramento, CA 94279-0082, email Bradley.Heller@boe.ca.gov, telephone (916) 323-3091, or FAX (916) 323-3387.

Written comments for the Board's consideration, notices of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed regulatory action should be directed to Mr. Rick Bennion, Regulations Coordinator, telephone (916) 445-2130, fax (916) 324-3984, e-mail Richard.Bennion@boe.ca.gov or by mail to: State Board of Equalization, Attn: Rick Bennion, MIC: 80, P.O. Box 942879-0080, Sacramento, CA 94279-0080.

Please do not reply to this message. For additional information on this item, please contact:

Board Proceedings Division, MIC:80
Rick Bennion
Regulations Coordinator
Phone (916) 445-2130
Fax (916) 324-3984
Richard.Bennion@boe.ca.gov

AUTOMATIC MAILING

A copy of this Notice, including the Informative Digest, is being sent to all persons on the Insurance Commissioner's mailing list.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Documents concerning this proceeding are available on the Department's website. To access them, go to <http://www.insurance.ca.gov>. On the right-hand column of the page, click the drop-down menu under the heading 'For Insurers.' In this section, scroll down until you see the subheading 'Regulations.' Below this subheading, click on the 'Proposed Regulations' link and then click on the 'Search for Proposed Regulations' link. When the 'Search or Browse for Documents for Proposed Regulations' screen appears, you may choose to find the documents either by conducting a search or by browsing for them by name.

To search, enter "REG-2012-00022" (the Department's regulation file number for these regulations) in the 'Search for' field. Alternatively, search using as your search term the California Insurance Code number of a code section that the regulations implement (for instance, "11624"), or search by keyword ("low cost," for example). Then, click on the 'Submit' button to display links to the various filing documents. To browse, click on the 'Browse All Regulations' button near the bottom of the screen. A list of the names of regulations for which documents are posted will appear. Find in the list the 'Statistical Plan Enforcement Remedies' link, and click it. Links to the documents associated with these regulations will then be displayed.

TITLE 18. BOARD OF EQUALIZATION

The State Board of Equalization Proposes to Adopt Amendments to California Code of Regulations, Title 18, Sections 101, Board-Prescribed Exemption Forms, 171, Board-Prescribed Forms for Property Statements, 252, Content of Assessment Roll, and 1045, Administration of the Annual Racehorse Tax

NOTICE IS HEREBY GIVEN

The State Board of Equalization (Board), pursuant to the authority vested in it by Government Code section 15606 and Revenue and Taxation Code (RTC) section 5781, proposes to adopt amendments to California

Code of Regulations, title 18, sections (Rules) 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*. Rules 101, 171, 252, and 1045 implement the provisions of Government Code section 15606 and RTC section 5781 by requiring county assessors to use Board-prescribed forms in the assessment of property for taxation, including the implementation of the annual racehorse tax imposed under part 12 (commencing with section 5701) of division 1, *Property Taxation*, of the RTC.

The proposed amendments revise the title of Rule 171 to better reflect its content, and revise the text of Rule 171 to reflect amendments made to RTC section 441.5, which permit county assessors to accept property statement information provided by alternative means. The proposed amendments to Rule 252 reflect the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll. The proposed amendments to Rule 252 clarify the notation used to denote escape assessments on the assessment roll, clarify Rule 252's cross reference to Rule 261, and clarify Rule 252's provisions regarding the entry of the assessed value of exempt property on the assessment roll. The proposed amendments to Rule 252 also provide county assessors with notice of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet.

In addition, the proposed amendments clarify the existing provisions in Rules 101, 171, and 1045 that require county assessors to use Board-prescribed property tax forms and prescribe the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements. The proposed amendments change the due dates for form checklists specified in Rules 101, 171, and 1045. The proposed amendments add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites. The proposed amendments also update the reference note to Rule 101 so that it refers to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 so that it refers to additional RTC sections that are implemented by Board-prescribed property tax forms, and update the reference note to

Rule 252 so that it refers to Government Code section 6254.21 and reflects the repeal of RTC section 75.30.

PUBLIC HEARING

The Board will conduct a meeting in Room 121, at 450 N Street, Sacramento, California, on November 13–15, 2012. The Board will provide notice of the meeting to any person who requests that notice in writing and make the notice, including the specific agenda for the meeting, available on the Board’s Website at www.boe.ca.gov at least 10 days in advance of the meeting.

A public hearing regarding the proposed regulatory action will be held at 9:30 a.m. or as soon thereafter as the matter may be heard on November 13, 14, or 15, 2012. At the hearing, any interested person may present or submit oral or written statements, arguments, or contentions regarding the adoption of the proposed amendments to Rules 101, 171, 252, and 1045.

AUTHORITY

The amendments to Rules 101, 171, 252, and 1045 are proposed under the authority provided by Government Code section 15606. The amendments to Rule 1045 are also proposed under the authority provided by RTC section 5781.

REFERENCE

Rule 101, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 251, 253.5 and 254. Rule 171, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4, and 1063. Rule 252, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 6254.21 and RTC sections 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2, and 2601. Rule 1045, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 15606 and RTC sections 469, 5701, 5721, 5765, 5768, 5781, and 5790.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing Laws and Regulations

Government Code section 15606, subdivision (c), authorizes the Board to prescribe rules and regulations

to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, RTC section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter “annual racehorse tax”).

Rule 101 currently requires the use of Board–prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board–prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board–prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board–prescribed prototype forms or to produce their own forms from the Board–prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms to meet the county assessors’ needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board–prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor to submit the revised form to the Board for approval that it conforms to the applicable rule’s requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

The date that property taxes for any fiscal year become a lien on property is referred to as the “lien date.” (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of “January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.” RTC section 5761 has not been amended since 1972.

Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home address-

es and telephone numbers of appointed or elected officials on the Internet without obtaining the officials' written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials' residing spouses and children on the Internet under specified circumstances.

In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board's approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

Effect, Objectives, and Benefits of the Proposed Amendments

Board staff initiated a project to update Rules 101, 171, 252, and 1045. The objectives of the project were to:

- Revise the title of Rule 171 to reflect that Rule 171 applies to report forms, in addition to property statements forms, which are already referred to in the rule's title;
- Add provisions to Rule 171 to reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- Revise Rules 101, 171, and 1045 to further clarify the rules' provisions requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements;

- Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year;
- Add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites;
- Revise Rule 252 to reflect the repeal of RTC section 75.30 by SB 1062, clarify the notation used to denote escape assessments on the assessment roll, clarify the rule's cross reference to Rule 261, and clarify the provisions regarding the entry of the assessed value of exempt property on the assessment roll;
- Add provisions to Rule 252 to ensure that county assessors who post their local assessment rolls on the Internet are aware of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet; and
- Update the reference note to Rule 101 to refer to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 to refer to additional RTC sections that are implemented by Board-prescribed report forms or property statements, and update the reference note to Rule 252 to refer to Government Code section 6254.21 and reflect the repeal of RTC section 75.30.

As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff's proposed revisions to the rules and encouraged the county assessors and interested parties to review and comment on the drafts.

The counties generally approved of the draft language. However, a few counties noted that the word "furnished" was inadvertently replaced with the word "furnish" in the original text of Rule 171, subdivision

(f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word “question” to the word “questions” in subdivision (a) of Rules 101, 171, and 1045, changing the word “carriers” to the word “carries” in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff’s draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff’s recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to: (1) ensure that the title of Rule 171 reflects the rule’s content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensure that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a “notice of a pending supplemental billing” on the assessment roll, clarify the notation required by Rule 252 to denote escape assessments on the assessment roll, clarify Rule 252’s cross reference to Rule 261, clarify Rule 252’s provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensure that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in Government Code section 6254.21; (3) clarify the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarify the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule’s requirements; (5) update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites;

and (7) update the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule’s requirements;
- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

The Board has performed an evaluation of whether the proposed amendments to Rules 101, 171, 252, and 1045 are inconsistent or incompatible with existing state regulations and determined that the proposed amendments are not inconsistent or incompatible with existing state regulations. This is because Rules 101, 171, and 1045 are the only existing state regulations prescribing the requirements that county assessors use Board-prescribed exemption forms, report forms and property statements, and annual racehorse tax forms,

respectively, the proposed amendments to all three rules are consistent, and the proposed amendments to each rule are internally consistent. This is also because article 6 (commencing with Rule 251) of chapter 2 of division 1 of title 18 of the California Code of Regulations contains all of the regulations prescribing the content of assessment rolls and the proposed amendments to Rule 252 are not inconsistent or incompatible with any of the current provisions of the other rules in article 6. In addition, there is no federal property tax and there are no comparable federal regulations or statutes to Rules 101, 171, 252, and 1045.

NO MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not impose a mandate on local agencies or school districts, including a mandate that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code.

NO COST OR SAVINGS TO STATE AGENCIES, LOCAL AGENCIES, AND SCHOOL DISTRICTS

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will result in no direct or indirect cost or savings to any state agency, any cost to local agencies or school districts that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code, other non-discretionary cost or savings imposed on local agencies, or cost or savings in federal funding to the State of California.

NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The proposed amendments to Rules 101, 171, 252, and 1045: (1) make Rule 171 consistent with the amendments made to RTC section 441.5 by SB 822; (2) make Rule 252 consistent with the repeal of RTC section 75.30; (3) clarify the notation assessors use to denote escape assessments on assessment rolls; (4) clarify the procedures for entering the assessed value of exempt property on the assessment roll; (5) provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21; (6) clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms in accordance with Government Code section

15606 and RTC section 5781, and prescribing the procedures that county assessors must follow to ensure their forms comply with the applicable rule's requirements; (7) Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the January 1 lien date, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (8) provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms; (9) encourage county assessors to develop uniform forms for use throughout the state; (10) encourage county assessors to request that the Board revise its forms or create new forms when needed; (11) encourage county assessors to make their property tax forms available on the Internet; and (12) generally help promote the use of uniform property tax forms throughout the state. The proposed amendments do not impose any obligations on businesses or change any requirements previously imposed on businesses. Therefore, the Board has made an initial determination that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The adoption of the proposed amendments to Rules 101, 171, 252, and 1045 may affect small business.

NO COST IMPACTS TO PRIVATE PERSONS OR BUSINESSES

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS REQUIRED BY GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

The Board has prepared the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1), and included it in the initial statement of reasons. The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California. Furthermore, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not affect the health and welfare of California residents, worker safety, or the state's environment.

NO SIGNIFICANT EFFECT ON
HOUSING COSTS

Adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant effect on housing costs.

DETERMINATION REGARDING
ALTERNATIVES

The Board must determine that no reasonable alternative considered by it or that has been otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

CONTACT PERSONS

Questions regarding the substance of the proposed amendments should be directed to Bradley M. Heller, Tax Counsel IV, by telephone at (916) 323-3091, by e-mail at Bradley.Heller@boe.ca.gov, or by mail at State Board of Equalization, Attn: Bradley M. Heller, MIC:82, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action should be directed to Mr. Rick Bennion, Regulations Coordinator, by telephone at (916) 445-2130, by fax at (916) 324-3984, by e-mail at Richard.Bennion@boe.ca.gov, or by mail at State Board of Equalization, Attn: Rick Bennion, MIC:80, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0080.

WRITTEN COMMENT PERIOD

The written comment period ends at 9:30 a.m. on November 13, 2012, or as soon thereafter as the Board begins the public hearing regarding the proposed amendments to Rules 101, 171, 252, and 1045 during the November 13-15, 2012, Board meeting. Written comments received by Mr. Rick Bennion at the postal address, email address, or fax number provided above, prior to the close of the written comment period, will be presented to the Board and the Board will consider the statements, arguments, and/or contentions contained in those written comments before the Board decides

whether to adopt the proposed amendments to Rules 101, 171, 252, and 1045. The Board will only consider written comments received by that time.

AVAILABILITY OF INITIAL STATEMENT
OF REASONS AND TEXT OF
PROPOSED REGULATION

The Board has prepared underscored and strikeout versions of the text of Rules 101, 171, 252, and 1045 illustrating the express terms of the proposed amendments and an initial statement of reasons for the adoption of the proposed amendments, which includes the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1). These documents and all the information on which the proposed amendments are based are available to the public upon request. The rulemaking file is available for public inspection at 450 N Street, Sacramento, California. The express terms of the proposed amendments and the initial statement of reasons are also available on the Board's Website at www.boe.ca.gov.

SUBSTANTIALLY RELATED CHANGES
PURSUANT TO GOVERNMENT CODE
SECTION 11346.8

The Board may adopt the proposed amendments to Rules 101, 171, 252, and 1045 with changes that are nonsubstantial or solely grammatical in nature, or sufficiently related to the original proposed text that the public was adequately placed on notice that the changes could result from the originally proposed regulatory action. If a sufficiently related change is made, the Board will make the full text of the proposed amendments, with the change clearly indicated, available to the public for at least 15 days before adoption. The text of the resulting amendments will be mailed to those interested parties who commented on the original proposed amendments orally or in writing or who asked to be informed of such changes. The text of the resulting amendments will also be available to the public from Mr. Bennion. The Board will consider written comments on the resulting amendments that are received prior to adoption.

AVAILABILITY OF FINAL STATEMENT
OF REASONS

If the Board adopts the proposed amendments to Rules 101, 171, 252, and 1045, the Board will prepare a final statement of reasons, which will be made available for inspection at 450 N Street, Sacramento, California, and available on the Board's Website at www.boe.ca.gov.

Bennion, Richard

From: State Board of Equalization - Announcement of Regulatory Change
[Legal.Regulations@BOE.CA.GOV]
Sent: Friday, September 28, 2012 11:19 AM
To: BOE_REGULATIONS@LISTSERV.STATE.CA.GOV
Subject: 11/14-15/12 F: Public Hearing: Announcement of Regulatory Change to Property Tax Rules 101, 171, 252, and 1045

The State Board of Equalization will hold a public hearing regarding the adoption of proposed amendments to Property Tax Rules 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*. The public hearing will be held in Room 121, 450 N Street, Sacramento, at 9:30 a.m., or as soon thereafter as the matter may be heard, on Wednesday, November 14, 2012.

The amendments clarify the provisions in Property Tax Rules 101, 171, and 1045 regarding the use of Board-prescribed property tax forms, and clarify Property Tax Rule 252's requirements for local assessment rolls. To view the notice of proposed regulatory action, initial statement of reasons, proposed text, and history click on the following link: http://www.boe.ca.gov/regs/reg_101_171_252_1045_2012.htm

Questions regarding the substance of the proposed amendments should be directed to Mr. Bradley Heller, Tax Counsel IV, at 450 N Street, MIC:82, Sacramento, CA 94279-0082, email Bradley.Heller@boe.ca.gov, telephone (916) 323-3091, or FAX (916) 323-3387.

Written comments for the Board's consideration, notices of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed regulatory action should be directed to Mr. Rick Bennion, Regulations Coordinator, telephone (916) 445-2130, fax (916) 324-3984, e-mail Richard.Bennion@boe.ca.gov or by mail to: State Board of Equalization, Attn: Rick Bennion, MIC: 80, P.O. Box 942879-0080, Sacramento, CA 94279-0080.

Please do not reply to this message. For additional information on this item, please contact:

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Fourth District, Los Angeles
JOHN CHIANG
State Controller
CYNTHIA BRIDGES
Executive Director

September 28, 2012

No. 2012/043

TO COUNTY ASSESSORS, COUNTY COUNSELS,
AND OTHER INTERESTED PARTIES:

**Notice of Proposed Regulatory Action
By the
State Board of Equalization**

**Proposed to Adopt
Amendments to California Code of Regulations, Title 18,
Sections 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed
Forms for Property Statements*, 252, *Content of Assessment Roll*, and
1045, *Administration of the Annual Racehorse Tax***

NOTICE IS HEREBY GIVEN

The State Board of Equalization (Board), pursuant to the authority vested in it by Government Code section 15606 and Revenue and Taxation Code (RTC) section 5781, proposes to adopt amendments to California Code of Regulations, title 18, sections (Rules) 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*. Rules 101, 171, 252, and 1045 implement the provisions of Government Code section 15606 and RTC section 5781 by requiring county assessors to use Board-prescribed forms in the assessment of property for taxation, including the implementation of the annual racehorse tax imposed under part 12 (commencing with section 5701) of division 1, *Property Taxation*, of the RTC.

The proposed amendments revise the title of Rule 171 to better reflect its content, and revise the text of Rule 171 to reflect amendments made to RTC section 441.5, which permit county assessors to accept property statement information provided by alternative means. The proposed amendments to Rule 252 reflect the repeal of RTC section 75.30, which required county assessors to place a “notice of a pending supplemental billing” on the assessment roll. The proposed amendments to Rule 252 clarify the notation used to denote escape assessments on the assessment roll, clarify Rule 252’s cross reference to Rule 261, and clarify Rule 252’s provisions

regarding the entry of the assessed value of exempt property on the assessment roll. The proposed amendments to Rule 252 also provide county assessors with notice of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet.

In addition, the proposed amendments clarify the existing provisions in Rules 101, 171, and 1045 that require county assessors to use Board-prescribed property tax forms and prescribe the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements. The proposed amendments change the due dates for form checklists specified in Rules 101, 171, and 1045. The proposed amendments add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites. The proposed amendments also update the reference note to Rule 101 so that it refers to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 so that it refers to additional RTC sections that are implemented by Board-prescribed property tax forms, and update the reference note to Rule 252 so that it refers to Government Code section 6254.21 and reflects the repeal of RTC section 75.30.

PUBLIC HEARING

The Board will conduct a meeting in Room 121, at 450 N Street, Sacramento, California, on November 13-15, 2012. The Board will provide notice of the meeting to any person who requests that notice in writing and make the notice, including the specific agenda for the meeting, available on the Board's Website at www.boe.ca.gov at least 10 days in advance of the meeting.

A public hearing regarding the proposed regulatory action will be held at 9:30 a.m. or as soon thereafter as the matter may be heard on November 13, 14, or 15, 2012. At the hearing, any interested person may present or submit oral or written statements, arguments, or contentions regarding the adoption of the proposed amendments to Rules 101, 171, 252, and 1045.

AUTHORITY

The amendments to Rules 101, 171, 252, and 1045 are proposed under the authority provided by Government Code section 15606. The amendments to Rule 1045 are also proposed under the authority provided by RTC section 5781.

REFERENCE

Rule 101, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 251, 253.5 and 254. Rule 171, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4, and 1063. Rule 252, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 6254.21

and RTC sections 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2, and 2601. Rule 1045, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 15606 and RTC sections 469, 5701, 5721, 5765, 5768, 5781, and 5790.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing Laws and Regulations

Government Code section 15606, subdivision (c), authorizes the Board to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, RTC section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter “annual racehorse tax”).

Rule 101 currently requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board-prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board-prescribed prototype forms or to produce their own forms from the Board-prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms to meet the county assessors’ needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board-prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor to submit the revised form to the Board for approval that it conforms to the applicable rule’s requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

The date that property taxes for any fiscal year become a lien on property is referred to as the “lien date.” (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of “January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.” RTC section 5761 has not been amended since 1972.

Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home addresses and telephone numbers of

appointed or elected officials on the Internet without obtaining the officials' written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials' residing spouses and children on the Internet under specified circumstances.

In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board's approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

Effect, Objectives, and Benefits of the Proposed Amendments

Board staff initiated a project to update Rules 101, 171, 252, and 1045. The objectives of the project were to:

- Revise the title of Rule 171 to reflect that Rule 171 applies to report forms, in addition to property statements forms, which are already referred to in the rule's title;
- Add provisions to Rule 171 to reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- Revise Rules 101, 171, and 1045 to further clarify the rules' provisions requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements;
- Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year;
- Add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites;
- Revise Rule 252 to reflect the repeal of RTC section 75.30 by SB 1062, clarify the notation used to denote escape assessments on the assessment roll, clarify the rule's cross

- reference to Rule 261, and clarify the provisions regarding the entry of the assessed value of exempt property on the assessment roll;
- Add provisions to Rule 252 to ensure that county assessors who post their local assessment rolls on the Internet are aware of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet; and
 - Update the reference note to Rule 101 to refer to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 to refer to additional RTC sections that are implemented by Board-prescribed report forms or property statements, and update the reference note to Rule 252 to refer to Government Code section 6254.21 and reflect the repeal of RTC section 75.30.

As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff's proposed revisions to the rules and encouraged the county assessors and interested parties to review and comment on the drafts.

The counties generally approved of the draft language. However, a few counties noted that the word "furnished" was inadvertently replaced with the word "furnish" in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word "question" to the word "questions" in subdivision (a) of Rules 101, 171, and 1045, changing the word "carriers" to the word "carries" in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff's draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff's recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to: (1) ensure that the title of Rule 171 reflects the rule's content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensure that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, clarify the notation required by Rule 252 to denote escape assessments on the assessment roll, clarify Rule 252's cross reference to Rule 261, clarify Rule 252's provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensure that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in Government Code section 6254.21; (3) clarify the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarify the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule's requirements; (5) update the due dates for form checklists specified in Rules 101, 171, and 1045

to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites; and (7) update the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter of the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements;
- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

The Board has performed an evaluation of whether the proposed amendments to Rules 101, 171, 252, and 1045 are inconsistent or incompatible with existing state regulations and determined that the proposed amendments are not inconsistent or incompatible with existing state regulations. This is because Rules 101, 171, and 1045 are the only existing state regulations prescribing the requirements that county assessors use Board-prescribed exemption forms, report forms and property statements, and annual racehorse tax forms, respectively, the proposed amendments to all three rules are consistent, and the proposed amendments to each rule are internally consistent. This is also because article 6 (commencing with Rule 251) of chapter 2 of division 1 of title 18 of the California Code of Regulations contains all of the regulations prescribing the content of assessment rolls and the proposed amendments to Rule 252 are not

inconsistent or incompatible with any of the current provisions of the other rules in article 6. In addition, there is no federal property tax and there are no comparable federal regulations or statutes to Rules 101, 171, 252, and 1045.

NO MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not impose a mandate on local agencies or school districts, including a mandate that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code.

NO COST OR SAVINGS TO STATE AGENCIES, LOCAL AGENCIES, AND SCHOOL DISTRICTS

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will result in no direct or indirect cost or savings to any state agency, any cost to local agencies or school districts that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code, other non-discretionary cost or savings imposed on local agencies, or cost or savings in federal funding to the State of California.

NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The proposed amendments to Rules 101, 171, 252, and 1045: (1) make Rule 171 consistent with the amendments made to RTC section 441.5 by SB 822; (2) make Rule 252 consistent with the repeal of RTC section 75.30; (3) clarify the notation assessors use to denote escape assessments on assessment rolls; (4) clarify the procedures for entering the assessed value of exempt property on the assessment roll; (5) provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21; (6) clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms in accordance with Government Code section 15606 and RTC section 5781, and prescribing the procedures that county assessors must follow to ensure their forms comply with the applicable rule's requirements; (7) Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the January 1 lien date, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (8) provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms; (9) encourage county assessors to develop uniform forms for use throughout the state; (10) encourage county assessors to request that the Board revise its forms or create new forms when needed; (11) encourage county assessors to make their property tax forms available on the Internet; and (12) generally help promote the use of uniform property tax forms throughout the state. The proposed amendments do not impose any obligations on businesses or change any requirements previously imposed on businesses. Therefore, the Board has made an initial determination that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant, statewide

adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The adoption of the proposed amendments to Rules 101, 171, 252, and 1045 may affect small business.

NO COST IMPACTS TO PRIVATE PERSONS OR BUSINESSES

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS REQUIRED BY GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

The Board has prepared the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1), and included it in the initial statement of reasons. The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California. Furthermore, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not affect the health and welfare of California residents, worker safety, or the state's environment.

NO SIGNIFICANT EFFECT ON HOUSING COSTS

Adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant effect on housing costs.

DETERMINATION REGARDING ALTERNATIVES

The Board must determine that no reasonable alternative considered by it or that has been otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

CONTACT PERSONS

Questions regarding the substance of the proposed amendments should be directed to Bradley M. Heller, Tax Counsel IV, by telephone at (916) 323-3091, by e-mail at Bradley.Heller@boe.ca.gov, or by mail at State Board of Equalization, Attn: Bradley M. Heller, MIC:82, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action

should be directed to Mr. Rick Bennion, Regulations Coordinator, by telephone at (916) 445-2130, by fax at (916) 324-3984 , by e-mail at Richard.Bennion@boe.ca.gov, or by mail at State Board of Equalization, Attn: Rick Bennion, MIC:80, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0080.

WRITTEN COMMENT PERIOD

The written comment period ends at 9:30 a.m. on November 13, 2012, or as soon thereafter as the Board begins the public hearing regarding the proposed amendments to Rules 101, 171, 252, and 1045 during the November 13-15, 2012, Board meeting. Written comments received by Mr. Rick Bennion at the postal address, email address, or fax number provided above, prior to the close of the written comment period, will be presented to the Board and the Board will consider the statements, arguments, and/or contentions contained in those written comments before the Board decides whether to adopt the proposed amendments to Rules 101, 171, 252, and 1045. The Board will only consider written comments received by that time.

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board has prepared underscored and strikeout versions of the text of Rules 101, 171, 252, and 1045 illustrating the express terms of the proposed amendments and an initial statement of reasons for the adoption of the proposed amendments, which includes the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1). These documents and all the information on which the proposed amendments are based are available to the public upon request. The rulemaking file is available for public inspection at 450 N Street, Sacramento, California. The express terms of the proposed amendments and the initial statement of reasons are also available on the Board's Website at www.boe.ca.gov.

SUBSTANTIALLY RELATED CHANGES PURSUANT TO GOVERNMENT CODE SECTION 11346.8

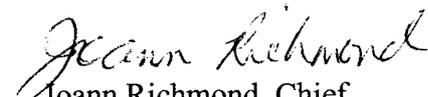
The Board may adopt the proposed amendments to Rules 101, 171, 252, and 1045 with changes that are nonsubstantial or solely grammatical in nature, or sufficiently related to the original proposed text that the public was adequately placed on notice that the changes could result from the originally proposed regulatory action. If a sufficiently related change is made, the Board will make the full text of the proposed amendments, with the change clearly indicated, available to the public for at least 15 days before adoption. The text of the resulting amendments will be mailed to those interested parties who commented on the original proposed amendments orally or in writing or who asked to be informed of such changes. The text of the resulting amendments will also be available to the public from Mr. Bennion. The Board will consider written comments on the resulting amendments that are received prior to adoption.

September 28, 2012

AVAILABILITY OF FINAL STATEMENT OF REASONS

If the Board adopts the proposed amendments to Rules 101, 171, 252, and 1045, the Board will prepare a final statement of reasons, which will be made available for inspection at 450 N Street, Sacramento, California, and available on the Board's Website at www.boe.ca.gov.

Sincerely,


Joann Richmond, Chief
Board Proceedings Division

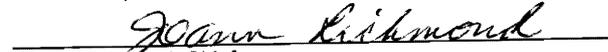
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STATE BOARD OF EQUALIZATION



BOARD APPROVED

At the November 15, 2012 Board Meeting


Joann Richmond, Chief
Board Proceedings Division

Initial Statement of Reasons

Adoption of Proposed Amendments to California Code of Regulations, Title 18, Sections 101, *Board-Prescribed Exemption Forms, 171, Board-Prescribed Forms for Property Statements, 252, Content of Assessment Roll, and 1045, Administration of the Annual Racehorse Tax*

SPECIFIC PURPOSE, PROBLEM TO BE ADRESSED, NECESSITY, AND BENEFITS

Existing Laws and Regulations

Government Code section 15606, subdivision (c), authorizes the State Board of Equalization (Board) to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, Revenue and Taxation Code (RTC) section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter “annual racehorse tax”).

California Code of Regulations, title 18, section (Rule) 101 currently requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board-prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board-prescribed prototype forms or to produce their own forms from the Board-prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms to meet the county assessors’ needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board-prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor submit the revised form to the Board for approval that it conforms to the applicable rule’s requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

The date that property taxes for any fiscal year become a lien on property is referred to as the “lien date.” (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of “January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.” RTC section 5761 has not been amended since 1972.

Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home addresses and telephone numbers of appointed or elected officials on the Internet without obtaining the officials’ written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials’ residing spouses and children on the Internet under specified circumstances.

In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a “notice of a pending supplemental billing” on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board’s approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

Proposed Amendments

Board staff initiated a project to update Rules 101, 171, 252, and 1045. The specific purpose of the project was to address the following problems:

- The title of Rule 171 does not reflect that Rule 171 applies to report forms;
- Rule 171 does not reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- The provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule’s requirements could be more specific and clear;

- The due dates for the form checklists required by Rules 101 and 171 are based on the prior March 1 lien date, not the current January 1 lien date, and the due dates for the form checklists required by Rules 101, 171, and 1045 are not early enough in the year;
- Rules 101, 171, and 1045 do not contain provisions explaining when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and the rules do not encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, or make their current property tax forms available on their websites;
- Rule 252 does not reflect the repeal of RTC section 75.30, which required county assessors to place a “notice of a pending supplemental billing” on the assessment roll, by SB 1062
- Rule 252 does not specifically prescribe the manner in which county assessors are required to denote escape assessments, and could more precisely cross reference Rule 261;
- Rule 252, subdivision (b) could more clearly explain the procedures for entering the assessed value of exempt property on the assessment roll;
- Rule 252 does not contain provisions notifying county assessors who post their local assessment rolls on the Internet about Government Code section 6254.21’s prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet;
- Rule 101’s reference note does not refer to all the RTC sections that are implemented by Board-prescribed exemption forms;
- Rule 171’s reference note does not refer to all the RTC sections that are implemented by Board-prescribed report forms or property statements; and
- Rule 171’s reference note refers to RTC section 469, which is not implemented by a Board-prescribed report form or property statement.

As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff’s proposed revisions to the rules to address the above problems and encouraged the county assessors and interested parties to review and comment on the drafts.

The counties generally approved of the draft language. However, a few counties noted that the word “furnished” was inadvertently replaced with the word “furnish” in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word “question” to the word “questions” in subdivision (a) of Rules 101, 171, and 1045, changing the word “carriers” to the word “carries” in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff's draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff's recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to address the problems described above and carry out the specific purposes of: (1) ensuring that the title of Rule 171 reflects the rule's content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensuring that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, clarifying the notation required by Rule 252 to denote escape assessments on the assessment roll, clarifying Rule 252's cross reference to Rule 261, clarifying Rule 252's provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensuring that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in Government Code section 6254.21; (3) clarifying the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarifying the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule's requirements; (5) updating the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explaining when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encouraging county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites; and (7) updating the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors

must follow to ensure that they are complying with the applicable rule's requirements;

- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

The proposed amendments to Rules 101, 171, 252, and 1045 were not mandated by federal law or regulations. There is no previously adopted or amended federal regulation that is identical to Rule 101, 171, 252, or 1045.

DOCUMENTS RELIED UPON

The Board relied upon Formal Issue Paper 12-008, the attachments to the formal issue paper, and the comments made during the Board's discussion of the formal issue paper during its August 21, 2012, Property Tax Committee meeting in deciding to propose the amendments to Rules 101, 171, 252, and 1045 described above.

ALTERNATIVES CONSIDERED

The Board considered whether to begin the formal rulemaking process to adopt the proposed amendments to Rules 101, 171, 252, and 1045 at this time or, alternatively, whether to take no action at this time. The Board decided to begin the formal rulemaking process to adopt the proposed amendments at this time because the Board determined that the amendments are reasonably necessary for the reasons set forth above.

The Board did not reject any reasonable alternative to the proposed amendments to Rules 101, 171, 252, and 1045 that would lessen any adverse impact the proposed action may have on small business or that would be less burdensome and equally effective in achieving the purposes of the proposed action. No reasonable alternative has been identified and brought to the Board's attention that would lessen any adverse impact the proposed action may have on small business, be more effective in carrying out the purposes for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

INFORMATION REQUIRED BY GOVERNMENT CODE SECTION 11346.2,
SUBDIVISION (b)(6) AND ECONOMIC IMPACT ANALYSIS REQUIRED BY
GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

The proposed amendments make Rule 171 consistent with the amendments made to RTC section 441.5 by SB 822 and make Rule 252 consistent with the repeal of the requirements previously imposed by RTC section 75.30. The proposed amendments to Rule 252 also clearly explain how to denote an escape assessment on the assessment roll, clarify the procedures for entering the assessed value of exempt property on the assessment roll, and provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21. The proposed amendments clarify the provisions of Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements. The proposed amendments to Rules 101, 171, and 1045 update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the January 1 lien date, and generally ensure that assessors provide their form checklists to the Board earlier in the year. The proposed amendments to Rules 101, 171, and 1045 provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state. The proposed amendments to Rules 101, 171, and 1045 also encourage county assessors to request that the Board revise its forms or create new forms when needed, and help encourage county assessors to make their current property tax forms available on Internet. As a result, the proposed amendments mainly clarify existing law and procedures regarding the use of forms by county assessors, and do not affect jobs or business in the state. Therefore, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

Furthermore, Rules 101, 171, 252, and 1045 do not regulate the health and welfare of California residents, worker safety, or the state's environment. Therefore, the Board has also determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not affect the health and welfare of California residents, worker safety, or the state's environment.

The forgoing information also provides the factual basis for the Board's initial determination that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant adverse economic impact on business.

The proposed amendments may affect small business.

**Text of Proposed Amendments to
California Code of Regulations, Title 18, Sections 101, 171, 252, and 1045**

101. Board-Prescribed Exemption Forms.

~~(a) Content and Arrangement of Board-Prescribed Exemption Forms. The procedure and forms prescribed by the board for claiming the exemptions named in Article 2, Chapter 1, Part 2, Division 1, of the Revenue and Taxation Code shall be employed by each assessor in the administration of the laws relating to such exemptions. Except as specifically authorized by the board with respect to heading, name and address of the property owner, location of the property, assessor's use columns, the sequence of questions, and the like, the assessor shall not change, add to, or delete the specific wording of the exemption form prescribed by the board, but the assessor may otherwise arrange the content and alter the size and design of an exemption form to meet the needs of office procedures and facilities. A county assessor shall use board-prescribed exemption forms in the administration of the specific exemptions to which the forms relate. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the exemption forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed exemption form. An assessor may designate an area on a board-prescribed exemption form as for assessor's use only and may delete, edit, or move an area on a board-prescribed exemption form that is designated for assessor's use only. Subject to board approval, an assessor may also:~~

- (1) Alter the size of a board-prescribed exemption form to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on a board-prescribed exemption form; and
- (3) Change the orientation of a board-prescribed exemption form, for example, from portrait layout to landscape layout.

~~(b) Checklist for Board-Prescribed Exemption Forms. Annually, on or before SeptemberDecember 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed exemption claim forms, including instructions, which the assessor:~~

- (1) Wwill reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) Wwill produce by other meanswith changes authorized by subdivision (a)(1), (2), or (3) for use for that year; andor
- (3) Wwill have no need.

(c) Approval of Board-Prescribed Exemption Forms. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each board-prescribed exemption form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3)~~by means other than reproduction of the prototypes~~. If a form does not conform with the specifications prescribed by the board,~~as required by section 251 of the Revenue and Taxation Code and this rule~~, the assessor shall be notified in writing of the variances. The assessor shall submit a revised exemption form within 30 days of the date of the notice.

(d) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax exemption form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) Forms Posted on the Internet. Counties are encouraged to make exemption forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 251, 253.5 and 254, Revenue and Taxation Code.

171. Board-Prescribed Report Forms ~~for~~ and Property Statements.

(a) Content, and Arrangement, and Approval of Board-Prescribed Report Forms and Property Statements. ~~Except as specifically authorized by the board with respect to~~

~~heading, name and address of the taxpayer, location of the property, assessor's use columns, and the like, the assessor shall not change, add to, or delete the specific wording of property statement forms or mineral production report forms prescribed by the board or change the sequence of the questions, but the assessor may otherwise arrange the content and alter the size and design of a property statement or mineral production report form to meet the needs of office procedures and facilities.~~ A county assessor shall use board-prescribed report forms and property statements. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from report forms and property statements prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to board-prescribed report forms and property statements. An assessor may designate an area on a board-prescribed report form or property statement as for assessor's use only and may delete, edit, or move an area on a board-prescribed report form or property statement that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of board-prescribed report forms and property statements to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on board-prescribed report forms and property statements; and

(3) Change the orientation of board-prescribed report forms or property statements, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Report Forms and Property Statements. Annually, on or before ~~October 15~~ September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed property statements and report forms, including instructions, which the assessor:

(1) ~~Will~~ reproduce from the current prototype forms, statements, and instructions distributed by the board for use for the succeeding assessment year ~~with or without the addition of county-specific identifying information;~~

(2) ~~Will~~ produce ~~with changes authorized by subdivision (a)(1), (2), or (3)~~ ~~by other means~~ for use for that year; ~~and/or~~

(3) ~~Will~~ have no need.

(c) Approval of Board Prescribed Report Forms and Property Statements. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each form, including instructions, which the assessor will produce ~~with changes authorized by subdivision (a)(1), (2), or (3)~~ ~~by means other than reproduction of the prototypes.~~ If a report form or property statement does not conform with the specifications prescribed by the board, ~~as required by section 452 of the Revenue~~

~~and Taxation Code, section 15606 of the Government Code, and this rule,~~ the assessor shall be notified in writing of the variances. The assessor shall submit a revised report form or property statement within 30 days of the date of the notice.

(d) Filings and Attachments to Property Statements. The assessor is not required to obtain board approval for instructions pertaining to the format of attachments that an assessee elects to furnish in lieu of entering the information on the prescribed property statement. ~~However, such instructions shall include requirements that at least one copy of the property statement as printed by the assessor must be executed and contain appropriate references to the data on the attachment, and that all information required by the property statement must be furnished on the property statement or the attachments. The assessor may, at the assessor's discretion, accept the information required on the property statement by any of the following methods:~~

(1) Attachments to the property statement if the attachments are in a format specified by the assessor and one copy of the property statement, as printed by the assessor, is signed by the taxpayer and carries an appropriate reference to the data attached;

(2) An electronically filed property statement that is authenticated as provided by Revenue and Taxation Code section 441, subdivision (k); or

(3) A property statement that is substantially similar to the property statement as printed by the assessor that is signed by the taxpayer.

(e) Time for Filing Report Forms~~Mineral Production Reports~~. The assessor shall not require the filing of ~~mineral production reports~~report forms prior to ~~April~~the applicable statutory deadline following the calendar year for which the report is prepared.

(f) Assessor to Furnish Report Forms and Property Statements. The pertinent property statement ~~form~~ and instructions shall be furnished (either by mail or electronically) by the assessor to every person required by law or requested by the assessor to file a property statement, ~~and~~ the pertinent report form shall be furnished (either by mail or electronically) by the assessor to every person requested to file a ~~mineral production report form~~. The assessor may elect to comply with this subdivision by mailing a letter or postcard to persons required by law to file a report form or property statement advising the persons that the required form or statement is available on the assessor's website and that a copy of the form or statement may be requested by calling the assessor's office.

(g) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(h) Forms Posted on the Internet. Counties are encouraged to make report forms and property statements available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4 and 1063469, Revenue and Taxation Code.

252. Content of Assessment Roll.

(a) Minimum Contents of “Machine-Prepared” or “Electronic” Local Rolls. “Machine-prepared” roll within the meaning of Revenue and Taxation Code §section 109.5 includes any preparation of the local roll by the assessor of each county by an electronic medium. In accordance with Revenue and Taxation Code §section 601 et seq., each local assessment roll shall contain, at a minimum, the following information:

(1) The name of the county.

(2) Either the calendar year in which the roll is prepared or the fiscal year for which the taxes are levied.

(3) An explanation of abbreviations and legends appearing on the roll.

(4) On the secured roll, the assessor's parcel number or other legal description that identifies each parcel of taxable land, each parcel for which an exemption is enrolled, and each taxable possessory interest in tax-exempt real estate to which the exemption authorized by §section 218 of the Revenue and Taxation Code has been applied. The

assessment of the taxable possessory interest shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.

(5) On the unsecured portion of the roll, the assessor's parcel number or other legal description that sufficiently identifies the location of each taxable possessory interest, improvement, or personal property.

(6) The name of the assessee, if known.

(7) The latest mailing address (not an e-mail address) of the assessee contained in the assessor's records.

(8) The separately stated assessed values of all land, improvements, and personal property subject to taxation at general property tax rates (or payments in lieu of property tax computed by applying general property tax rates to fixed or variable "assessed values"), and the separately assessed values of any privately owned land, improvements, and personal property of a type that is exempt from taxation, but is subject to ad valorem special assessments when within a district levying such assessments. If real property is situated within a resource conservation district that is levying a special assessment, the assessed value of mineral rights must be separated from the land value.

(9) The tax rate area in which each piece of property assessed is situated.

(10) The penalties imposed upon such assessments, in the form required by California Code of Regulations, title 18 (Public Revenue), section 261, Title 18 (Rule 261) of this code.

(11) The assessed value of any property that escaped assessment in a prior year, together with the following notation: Escape-(Date) required by section 533 of the Revenue and Taxation Code.

(12) The exempt amount of any assessed values required by paragraph (a)(8) to be enrolled, with identifying legends or distinctive positions for amounts allowed pursuant to any reimbursable exemption.

(13) The total net taxable value.

(14) In a separate section of the roll, the assessed value of any personal property for which tax revenues are subject to allocation in a manner different from that provided for general property tax revenues (e.g., general aircraft).

(15) On the secured roll, a cross-reference notation made pursuant to Revenue and Taxation Code section 2190.2 that is adjacent to the assessment of any taxable land when a possessory interest in such land or an improvement thereon is separately

assessed to another owner pursuant to section 2188.2 of the Revenue and Taxation Code.

~~(16) Whenever the assessor determines that a change in ownership or the completion of new construction has occurred, the assessor shall place a notice of the pending supplemental billing on the roll being prepared and shall notify the auditor, who shall place a notation on the current roll or on a separate document accompanying the current roll that a supplemental billing may be forthcoming.~~

(167) After each assessment of tax-defaulted property, the assessor shall enter on the roll the fact that it is tax-defaulted and the date of declaration of the default.

(178) Any other items required by the State Board of Equalization for the purpose of identification and valuation of all locally assessed property and the collection of property taxes thereon.

(b) Exempt Assessed Values of Exempt Property Not Required to Be Enrolled. Parcel numbers or other legal descriptions of exempt real property may be entered on the roll without assessed values. Alternatively, such exempt real property may be listed with assessed values shown in a separate column or field (e.g., a comments field) or in the exemption column or field on lines that are coded in such manner as to preclude the addition of the assessed values when the exemption column or field is totaled; the ~~exempt~~assessed values shall not be shown in land or improvement columns or fields.

(c) Content of Extended Roll. The extended assessment roll or new local assessment roll for the extension of taxes prepared by the county auditor shall contain, in addition to all of the contents required by subsection (a) of this rule at least the following:

- (1) The mailing address, if known, of the assessee.
- (2) The revenue district for each group if assessments are grouped by revenue district, and for each assessment if assessments are not so grouped.
- (3) All tax rates and ad valorem special assessment extensions required by law.
- (4) The amount of tax to be paid on the property listed. The amounts due in installments shall be stated separately and shall be totaled. All rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.
- (5) At the beginning of the roll, or at the beginning of each tax-rate area grouping on the roll, a list of all revenue districts levying taxes within each tax-rate area in the county.
- (6) An identification of each tax-defaulted property sold, with the date of sale.

(d) Minimum Contents of Local Rolls Not “Machine-Prepared.”

(1) The local roll of each county utilizing a roll that is not “machine-prepared” within the meaning of Revenue and Taxation Code §section 109.5 shall have the contents specified in subsections (a) and (c) of this rule.

(2) The secured assessments shall be arranged in ascending parcel number order within tax-rate area groupings, with unparcelled properties at the end of each tax-rate area group if there are both parcelled and unparcelled properties in the tax-rate area.

(e) Roll Posted on the Internet. If a local roll is posted on the Internet, the home address or telephone number of any elected or appointed official, as defined in Government Code section 6254.21, or of the official’s residing spouse or child, shall not be posted without first obtaining the written permission of that official.

~~(e) Approval of Roll Forms.~~

~~(1) Whenever the local assessment roll is to be prepared in a form other than that previously approved by the board, the assessor shall submit to the board for approval in duplicate by January 1 the forms to be used for the succeeding fiscal year.~~

~~(2) Forms to be submitted include, but are not limited to, the following:~~

~~(A) Secured roll prepared by the assessor.~~

~~(B) Secured roll alphabetical index.~~

~~(C) Unsecured roll prepared by the assessor.~~

~~(D) Unsecured roll alphabetical index.~~

~~(E) Notice of assessment.~~

~~(F) Notice of supplemental assessment.~~

~~(G) Notice of escape assessment.~~

~~(H) Notice of proposed escape assessment.~~

~~(3) When submitted for approval, each roll form listed in (2) shall be filled out with examples sufficient to illustrate its completed appearance, except that totals and summaries need not be shown.~~

(f) Nothing in this regulation is meant to alter the intent of §section 109.6 of the Revenue and Taxation Code.

Note: Authority cited: Section 15606, Government Code. Reference: Sections ~~75.30,~~ 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2 and 2601, Revenue and Taxation Code; and Section 6254.21, Government Code.

1045. Administration of the Annual Racehorse Tax.

(a) Content and Arrangement of Board-Prescribed Racehorse Forms. The annual tax imposed by section 5721 of the Revenue and Taxation Code on the privilege of breeding, training, caring for, or racing racehorses in this state shall be administered as provided herein. A county assessor shall use board-prescribed racehorse forms. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the racehorse forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed racehorse form. An assessor may designate an area on a board-prescribed racehorse form as for assessor's use only and may delete, edit, or move an area on a board-prescribed racehorse form that is designated for assessor's use only. Subject to board approval, an assessor may also:

- (1) Alter the size of a board-prescribed racehorse form to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on a board-prescribed racehorse form; and
- (3) Change the orientation of a board-prescribed racehorse form, for example, from portrait layout to landscape layout.

(b) Submission of Forms for Board Approval Checklist for Annual Racehorse Tax Forms.

~~(1) Annually, on or before October 15~~ September 1, the assessor shall notify the board, on a ~~form~~ checklist provided by the board, of those board-prescribed racehorse forms, including instructions, which the assessor:

- (1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) Will produce with changes authorized by subdivision (a)(1), (2), or (3); or
- (3) Will have no need.

~~(i) of the assessor's intent to reproduce (a) the Annual Racehorse Tax Return form BOE 571-J (8-03) and (b) the Annual Report of Boarded Racehorses form BOE-571-J1 (8-03) by a photocopy process from the current prototype forms and~~

instructions distributed by the board for use for the succeeding reporting period;
or

(ii) of the forms and/or instructions which the assessor will produce by means other than a photocopy of the prototype for use for that period; or

(iii) that the assessor will have no need for the forms.

(c2) Approval of Annual Racehorse Tax Forms. When filing a notification that the checklist assessor will use a form and/or instructions which the assessor will produce by means other than a photocopy of the prototype, the assessor shall submit to the board (either in hard copy or electronically) duplicate for approval a draft copy of each form, and/or including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3). If a form does not conform with the specifications prescribed by the board, the assessor shall be notified in writing of the variances. The assessor shall submit a revised racehorse form within 30 days of the date of the notice. The copies shall be submitted together with the board-prescribed property statement forms required to be submitted by Regulation 171 of this title. The provisions of Regulation 171 relative to arrangement and variation of content of such property statement forms shall also be applicable to these forms.

(d) County-Developed Racehorse Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(ee) Distribution of Forms and Retention of Reports.

(1) Copies of the forms prescribed by the board for reporting the tax due and for reporting the names of persons whose racehorses are boarded with others shall be furnished by the assessor no later than December 15 prior to the calendar year in which the tax is due by mailing them to persons believed to be required to use them and by making them available at the assessor's office to any person requesting them.

(2) The assessor shall maintain a record of those persons believed to be liable for the annual racehorse tax to whom the assessor has furnished copies of the forms. A copy of the record shall be delivered to the tax collector within 10 days of the date when copies of the forms are furnished so that the tax collector can be cognizant of the taxpayers who can reasonably be expected to file returns.

(3) The assessor shall retain a copy of all tax returns filed by taxpayers for a period of five years from the date the returns became due. They shall be arranged or identified so as to indicate whether or not an audit is required under subsection (fd) of this regulation.

(fd) Audits.

(1) The assessor shall audit the tax records relative to his or her county of any racehorse owner who, according to the assessor's records, had a gross tax liability (before addition of any penalties) that exceeds \$4,000 for each of four consecutive calendar years. This audit shall be performed within five years of the date on which the annual racehorse tax first became due and shall include, but not be limited to, a comparison of the annual racehorse tax return with records maintained by the taxpayer. The assessor, when performing an audit pursuant to this regulation of a taxpayer's records of racehorses taxable at a home ranch or other business location, may also audit records of the same taxpayer pertaining to personal property and fixtures on property having tax situs at the same location.

(2) When an assessor schedules an audit of the records of any racehorse owner, whether as part of an audit required by section 469 of the Revenue and Taxation Code or independently thereof, the assessor shall advise the assessor of any other county in which racehorses of the taxpayer were taxable, as shown in the Annual Racehorse Tax Return or in any other source, of the date on which the audit will be performed. Upon completion of the audit, the assessor shall make that portion of the audit findings relevant to the annual racehorse tax available to the assessor of any other county in which racehorses of the taxpayer were taxable.

(3) On discovery that horses escaped taxation, the assessor shall determine whether they were subject to the annual racehorse tax, were subject to the property tax, or were exempt. If determined taxable, the assessor shall either provide the tax collector

with copies of the audit workpapers so that a determination of additional racehorse tax due can be calculated, or enroll an ad valorem assessment of escaped personal property.

(g) Forms Posted on the Internet. Counties are encouraged to make annual racehorse forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

(h) Nothing herein shall be construed to prohibit the assessor from auditing the records of taxpayers for which audits are not required by this regulation.

Note: Authority cited: Section 15606, Government Code; and Section 5781, Revenue and Taxation Code. Reference: Section 15606, Government Code; and Sections 469, 5701, 5721, 5765, 5768, 5781 and 5790, Revenue and Taxation Code.

Regulation History

Type of Regulation: Property Tax

Rule: 101, 171, 252, and 1045

Title: 101, *Board-Prescribed Exemption Forms*
171, *Board-Prescribed Forms for Property Statements*
252, *Content of Assessment Roll*
1045, *Administration of the Annual Racehorse Tax*

Preparation: Glenna Schultz

Legal Contact: Bradley Heller

The proposed amendments clarify the provisions in Property Tax Rules 101, 171, and 1045 regarding the use of Board-prescribed property tax forms, and clarify Property Tax Rule 252's requirements for local assessment rolls.

History of Proposed Regulation:

November 13-15, 2012 Public hearing

September 28, 2012 OAL publication date; 45-day public comment period begins; IP mailing

September 17, 2012 Notice to OAL

August 21, 2012 PTC, Board Authorized Publication (Vote 5-0)

Sponsor: NA

Support: NA

Oppose: NA



LOS ANGELES COUNTY ASSESSOR
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2770
assessor.lacounty.gov
1.888.807.2111



SANTOS H. KREIMANN
CHIEF DEPUTY ASSESSOR

GEORGE RENKEI
ASSISTANT ASSESSOR

November 8, 2012

Mr. Rick Binnion
Regulations Coordinator
California State Board of Equalization
MIC: 80, 450 N Street
P.O. Box 942879
Sacramento, California 94279-0080

Dear Mr. Bennion:

**LETTER TO ASSESSOR (LTA) 2012/043
NOTICE OF PROPOSED REGULATORY ACTION BY THE
STATE BOARD OF EQUALIZATION -
PROPOSED TO ADOPT AMENDMENTS TO CALIFORNIA CODE OF REGULATIONS, TITLE
18, SECTIONS 101, BOARD-PREScribed EXEMPTION FORMS, 171, BOARD-
PREScribed FORMS FOR PROPERTY STATEMENTS, 252, CONTENT OF ASSESSMENT
ROLL, AND 1045, ADMINISTRATION OF THE ANNUAL RACEHORSE TAX**

Our county has reviewed the proposed regulatory action(s). The Los Angeles County Office of the Assessor approves the documents as written and does not have any further recommendations at this time.

Should you have any questions, please feel free to contact me at DHough@assessor.lacounty.gov, or 213.974.9201.

Sincerely,

Dale Hough
Chief Appraiser
Assessment Services Division

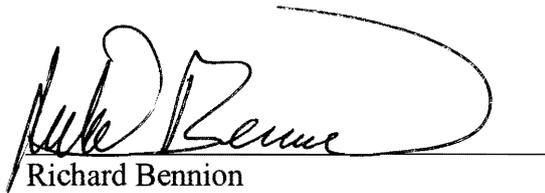
DH:CA:ca

c: Santos H. Kreimann, Chief Deputy Assessor
Sharon Moller, Assistant Assessor, Operations
Directors
File - Appraisal Standards Section

Statement of Compliance

The State Board of Equalization, in process of adopting Property Taxes Rules 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*, did comply with the provision of Government Code section 11346.4(a)(1) through (4). A notice to interested parties was mailed on September 28, 2012, 46 days prior to the public hearing.

November 8, 2012

A handwritten signature in black ink, appearing to read "Richard Bennion", written over a horizontal line.

Richard Bennion
Regulations Coordinator
State Board of Equalization

BEFORE THE CALIFORNIA STATE BOARD OF EQUALIZATION

450 N STREET

SACRAMENTO, CALIFORNIA

REPORTER'S TRANSCRIPT

NOVEMBER 14, 2012

F PUBLIC HEARING

F1 PROPOSED ADOPTION OF AMENDMENTS TO
PROPERTY TAX RULES 101, 171, 252, 1045

---o0o---

Reported by: Juli Price Jackson

No. CSR 5214

P R E S E N T

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For the Board
of Equalization:

Jerome E. Horton
Chairman

Michelle Steel
Vice-Chairwoman

Betty T. Yee
Member

George Runner
Member

Marcy Jo Mandel
Appearing for John
Chiang, State
Controller (per
Government Code
Section 7.9)

Joann Richmond
Chief, Board
Proceedings Division

For Staff:

Bradley Heller
Tax Counsel

---oOo---

1 450 N STREET
2 SACRAMENTO, CALIFORNIA
3 NOVEMBER 14, 2012

4 ----oOo----

5 MR. HORTON: Ms. Richmond, our next item.

6 MS. RICHMOND: Our next item is item F, public
7 hearing, F1, Proposed Adoption of Amendments to Property
8 Tax Rules 101, 171, 252 and 1045.

9 MS. STEEL: So moved.

10 MR. HORTON: It's been --

11 MS. MANDEL: Adopt?

12 MS. STEEL: Yeah, the amendments.

13 MR. HORTON: -- it's been moved by Member Steel
14 to adopt the amendments to the Property Tax Rule 101,
15 171, 252 and 1045, second by Member Yee.

16 Without objection, Members, such will be the
17 order.

18 Thank you very much, Mr. Heller.

19 MR. HELLER: Thank you, Chairman.

20 ----oOo----

2012 MINUTES OF THE STATE BOARD OF EQUALIZATION**Wednesday, November 14, 2012****C12 S & C Motors, 468140 (BH)**

07-01-01 to 12-31-02, \$214,572.66 Tax

For Petitioner:

Mark A. Wasser, Attorney

Alan Feld, Witness

For Sales and Use Tax Department:

Monica Silva, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether petitioner was the retailer for the sales at issue.

Whether an adjustment is warranted to the amount of disallowed exempt sales in interstate commerce.

Whether relief is warranted under Revenue and Taxation Code section 6596 because petitioner's failure to remit the tax was due to its reasonable reliance on written advice from the Board.

Whether relief of interest is warranted under section 6593.5.

Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

C15 Benjamin Rojas, 546335 (CH)

07-01-06 to 06-30-09, \$23,455.47 Tax, \$2,345.54 Negligence Penalty

For Petitioner:

Benjamin Rojas, Taxpayer

For Sales and Use Tax Department:

Marc Alviso, Hearing Representative

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether adjustments are warranted to the unreported taxable sales.

Whether petitioner was negligent.

Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

PUBLIC HEARING**F1 Proposed Adoption of Amendments to Property Tax Rules 101, 171, 252, and 1045**

Bradley Heller, Tax Counsel, Tax and Fee Programs Division, Legal Department, was available to answer questions regarding the proposed adoption of amendments to Property Tax Rules 101, 171, 252, and 1045, which clarify the provisions regarding the use of Board-prescribed property tax forms, and the requirements for local assessment rolls (Exhibit 11.3).

Speakers were invited to address the Board, but there were none.

Action: Upon motion of Ms. Steel, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board adopted the proposed amendments to Property Tax Rules 101, 171, 252, and 1045 as recommended by staff.



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-80
916-445-2130 • FAX 916-324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Orange County

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director

September 28, 2012

No. 2012/043

TO COUNTY ASSESSORS, COUNTY COUNSELS,
AND OTHER INTERESTED PARTIES:

**Notice of Proposed Regulatory Action
By the
State Board of Equalization**

**Proposed to Adopt
Amendments to California Code of Regulations, Title 18,
Sections 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed
Forms for Property Statements*, 252, *Content of Assessment Roll*, and
1045, *Administration of the Annual Racehorse Tax***

NOTICE IS HEREBY GIVEN

The State Board of Equalization (Board), pursuant to the authority vested in it by Government Code section 15606 and Revenue and Taxation Code (RTC) section 5781, proposes to adopt amendments to California Code of Regulations, title 18, sections (Rules) 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*. Rules 101, 171, 252, and 1045 implement the provisions of Government Code section 15606 and RTC section 5781 by requiring county assessors to use Board-prescribed forms in the assessment of property for taxation, including the implementation of the annual racehorse tax imposed under part 12 (commencing with section 5701) of division 1, *Property Taxation*, of the RTC.

The proposed amendments revise the title of Rule 171 to better reflect its content, and revise the text of Rule 171 to reflect amendments made to RTC section 441.5, which permit county assessors to accept property statement information provided by alternative means. The proposed amendments to Rule 252 reflect the repeal of RTC section 75.30, which required county assessors to place a “notice of a pending supplemental billing” on the assessment roll. The proposed amendments to Rule 252 clarify the notation used to denote escape assessments on the assessment roll, clarify Rule 252’s cross reference to Rule 261, and clarify Rule 252’s provisions

regarding the entry of the assessed value of exempt property on the assessment roll. The proposed amendments to Rule 252 also provide county assessors with notice of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet.

In addition, the proposed amendments clarify the existing provisions in Rules 101, 171, and 1045 that require county assessors to use Board-prescribed property tax forms and prescribe the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements. The proposed amendments change the due dates for form checklists specified in Rules 101, 171, and 1045. The proposed amendments add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites. The proposed amendments also update the reference note to Rule 101 so that it refers to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 so that it refers to additional RTC sections that are implemented by Board-prescribed property tax forms, and update the reference note to Rule 252 so that it refers to Government Code section 6254.21 and reflects the repeal of RTC section 75.30.

PUBLIC HEARING

The Board will conduct a meeting in Room 121, at 450 N Street, Sacramento, California, on November 13-15, 2012. The Board will provide notice of the meeting to any person who requests that notice in writing and make the notice, including the specific agenda for the meeting, available on the Board's Website at www.boe.ca.gov at least 10 days in advance of the meeting.

A public hearing regarding the proposed regulatory action will be held at 9:30 a.m. or as soon thereafter as the matter may be heard on November 13, 14, or 15, 2012. At the hearing, any interested person may present or submit oral or written statements, arguments, or contentions regarding the adoption of the proposed amendments to Rules 101, 171, 252, and 1045.

AUTHORITY

The amendments to Rules 101, 171, 252, and 1045 are proposed under the authority provided by Government Code section 15606. The amendments to Rule 1045 are also proposed under the authority provided by RTC section 5781.

REFERENCE

Rule 101, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 251, 253.5 and 254. Rule 171, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4, and 1063. Rule 252, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 6254.21

and RTC sections 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2, and 2601. Rule 1045, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 15606 and RTC sections 469, 5701, 5721, 5765, 5768, 5781, and 5790.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing Laws and Regulations

Government Code section 15606, subdivision (c), authorizes the Board to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, RTC section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter “annual racehorse tax”).

Rule 101 currently requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board-prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board-prescribed prototype forms or to produce their own forms from the Board-prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms to meet the county assessors’ needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board-prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor to submit the revised form to the Board for approval that it conforms to the applicable rule’s requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

The date that property taxes for any fiscal year become a lien on property is referred to as the “lien date.” (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of “January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.” RTC section 5761 has not been amended since 1972.

Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home addresses and telephone numbers of

appointed or elected officials on the Internet without obtaining the officials' written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials' residing spouses and children on the Internet under specified circumstances.

In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board's approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

Effect, Objectives, and Benefits of the Proposed Amendments

Board staff initiated a project to update Rules 101, 171, 252, and 1045. The objectives of the project were to:

- Revise the title of Rule 171 to reflect that Rule 171 applies to report forms, in addition to property statements forms, which are already referred to in the rule's title;
- Add provisions to Rule 171 to reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- Revise Rules 101, 171, and 1045 to further clarify the rules' provisions requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements;
- Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year;
- Add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites;
- Revise Rule 252 to reflect the repeal of RTC section 75.30 by SB 1062, clarify the notation used to denote escape assessments on the assessment roll, clarify the rule's cross

- reference to Rule 261, and clarify the provisions regarding the entry of the assessed value of exempt property on the assessment roll;
- Add provisions to Rule 252 to ensure that county assessors who post their local assessment rolls on the Internet are aware of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet; and
 - Update the reference note to Rule 101 to refer to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 to refer to additional RTC sections that are implemented by Board-prescribed report forms or property statements, and update the reference note to Rule 252 to refer to Government Code section 6254.21 and reflect the repeal of RTC section 75.30.

As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff's proposed revisions to the rules and encouraged the county assessors and interested parties to review and comment on the drafts.

The counties generally approved of the draft language. However, a few counties noted that the word "furnished" was inadvertently replaced with the word "furnish" in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word "question" to the word "questions" in subdivision (a) of Rules 101, 171, and 1045, changing the word "carriers" to the word "carries" in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff's draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff's recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to: (1) ensure that the title of Rule 171 reflects the rule's content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensure that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, clarify the notation required by Rule 252 to denote escape assessments on the assessment roll, clarify Rule 252's cross reference to Rule 261, clarify Rule 252's provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensure that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in Government Code section 6254.21; (3) clarify the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarify the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule's requirements; (5) update the due dates for form checklists specified in Rules 101, 171, and 1045

to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites; and (7) update the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter of the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements;
- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

The Board has performed an evaluation of whether the proposed amendments to Rules 101, 171, 252, and 1045 are inconsistent or incompatible with existing state regulations and determined that the proposed amendments are not inconsistent or incompatible with existing state regulations. This is because Rules 101, 171, and 1045 are the only existing state regulations prescribing the requirements that county assessors use Board-prescribed exemption forms, report forms and property statements, and annual racehorse tax forms, respectively, the proposed amendments to all three rules are consistent, and the proposed amendments to each rule are internally consistent. This is also because article 6 (commencing with Rule 251) of chapter 2 of division 1 of title 18 of the California Code of Regulations contains all of the regulations prescribing the content of assessment rolls and the proposed amendments to Rule 252 are not

inconsistent or incompatible with any of the current provisions of the other rules in article 6. In addition, there is no federal property tax and there are no comparable federal regulations or statutes to Rules 101, 171, 252, and 1045.

NO MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not impose a mandate on local agencies or school districts, including a mandate that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code.

NO COST OR SAVINGS TO STATE AGENCIES, LOCAL AGENCIES, AND SCHOOL DISTRICTS

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will result in no direct or indirect cost or savings to any state agency, any cost to local agencies or school districts that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code, other non-discretionary cost or savings imposed on local agencies, or cost or savings in federal funding to the State of California.

NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The proposed amendments to Rules 101, 171, 252, and 1045: (1) make Rule 171 consistent with the amendments made to RTC section 441.5 by SB 822; (2) make Rule 252 consistent with the repeal of RTC section 75.30; (3) clarify the notation assessors use to denote escape assessments on assessment rolls; (4) clarify the procedures for entering the assessed value of exempt property on the assessment roll; (5) provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21; (6) clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms in accordance with Government Code section 15606 and RTC section 5781, and prescribing the procedures that county assessors must follow to ensure their forms comply with the applicable rule's requirements; (7) Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the January 1 lien date, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (8) provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms; (9) encourage county assessors to develop uniform forms for use throughout the state; (10) encourage county assessors to request that the Board revise its forms or create new forms when needed; (11) encourage county assessors to make their property tax forms available on the Internet; and (12) generally help promote the use of uniform property tax forms throughout the state. The proposed amendments do not impose any obligations on businesses or change any requirements previously imposed on businesses. Therefore, the Board has made an initial determination that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant, statewide

adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The adoption of the proposed amendments to Rules 101, 171, 252, and 1045 may affect small business.

NO COST IMPACTS TO PRIVATE PERSONS OR BUSINESSES

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS REQUIRED BY GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

The Board has prepared the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1), and included it in the initial statement of reasons. The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California. Furthermore, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not affect the health and welfare of California residents, worker safety, or the state's environment.

NO SIGNIFICANT EFFECT ON HOUSING COSTS

Adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant effect on housing costs.

DETERMINATION REGARDING ALTERNATIVES

The Board must determine that no reasonable alternative considered by it or that has been otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

CONTACT PERSONS

Questions regarding the substance of the proposed amendments should be directed to Bradley M. Heller, Tax Counsel IV, by telephone at (916) 323-3091, by e-mail at Bradley.Heller@boe.ca.gov, or by mail at State Board of Equalization, Attn: Bradley M. Heller, MIC:82, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action

should be directed to Mr. Rick Bennion, Regulations Coordinator, by telephone at (916) 445-2130, by fax at (916) 324-3984, by e-mail at Richard.Bennion@boe.ca.gov, or by mail at State Board of Equalization, Attn: Rick Bennion, MIC:80, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0080.

WRITTEN COMMENT PERIOD

The written comment period ends at 9:30 a.m. on November 13, 2012, or as soon thereafter as the Board begins the public hearing regarding the proposed amendments to Rules 101, 171, 252, and 1045 during the November 13-15, 2012, Board meeting. Written comments received by Mr. Rick Bennion at the postal address, email address, or fax number provided above, prior to the close of the written comment period, will be presented to the Board and the Board will consider the statements, arguments, and/or contentions contained in those written comments before the Board decides whether to adopt the proposed amendments to Rules 101, 171, 252, and 1045. The Board will only consider written comments received by that time.

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The Board has prepared underscored and strikeout versions of the text of Rules 101, 171, 252, and 1045 illustrating the express terms of the proposed amendments and an initial statement of reasons for the adoption of the proposed amendments, which includes the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1). These documents and all the information on which the proposed amendments are based are available to the public upon request. The rulemaking file is available for public inspection at 450 N Street, Sacramento, California. The express terms of the proposed amendments and the initial statement of reasons are also available on the Board's Website at www.boe.ca.gov.

SUBSTANTIALLY RELATED CHANGES PURSUANT TO GOVERNMENT CODE SECTION 11346.8

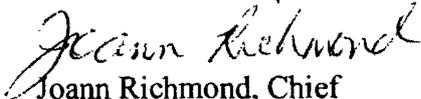
The Board may adopt the proposed amendments to Rules 101, 171, 252, and 1045 with changes that are nonsubstantial or solely grammatical in nature, or sufficiently related to the original proposed text that the public was adequately placed on notice that the changes could result from the originally proposed regulatory action. If a sufficiently related change is made, the Board will make the full text of the proposed amendments, with the change clearly indicated, available to the public for at least 15 days before adoption. The text of the resulting amendments will be mailed to those interested parties who commented on the original proposed amendments orally or in writing or who asked to be informed of such changes. The text of the resulting amendments will also be available to the public from Mr. Bennion. The Board will consider written comments on the resulting amendments that are received prior to adoption.

September 28, 2012

AVAILABILITY OF FINAL STATEMENT OF REASONS

If the Board adopts the proposed amendments to Rules 101, 171, 252, and 1045, the Board will prepare a final statement of reasons, which will be made available for inspection at 450 N Street, Sacramento, California, and available on the Board's Website at www.boe.ca.gov.

Sincerely,


Joann Richmond, Chief
Board Proceedings Division

JR:reb

Initial Statement of Reasons

Adoption of Proposed Amendments to California Code of Regulations, Title 18, Sections 101, *Board-Prescribed Exemption Forms, 171, Board-Prescribed Forms for Property Statements, 252, Content of Assessment Roll, and 1045, Administration of the Annual Racehorse Tax*

SPECIFIC PURPOSE, PROBLEM TO BE ADRESSED, NECESSITY, AND BENEFITS

Existing Laws and Regulations

Government Code section 15606, subdivision (c), authorizes the State Board of Equalization (Board) to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, Revenue and Taxation Code (RTC) section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter “annual racehorse tax”).

California Code of Regulations, title 18, section (Rule) 101 currently requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board-prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board-prescribed prototype forms or to produce their own forms from the Board-prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms to meet the county assessors’ needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board-prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor submit the revised form to the Board for approval that it conforms to the applicable rule’s requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

The date that property taxes for any fiscal year become a lien on property is referred to as the “lien date.” (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of “January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.” RTC section 5761 has not been amended since 1972.

Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home addresses and telephone numbers of appointed or elected officials on the Internet without obtaining the officials’ written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials’ residing spouses and children on the Internet under specified circumstances.

In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a “notice of a pending supplemental billing” on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board’s approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

Proposed Amendments

Board staff initiated a project to update Rules 101, 171, 252, and 1045. The specific purpose of the project was to address the following problems:

- The title of Rule 171 does not reflect that Rule 171 applies to report forms;
- Rule 171 does not reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- The provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule’s requirements could be more specific and clear;

- The due dates for the form checklists required by Rules 101 and 171 are based on the prior March 1 lien date, not the current January 1 lien date, and the due dates for the form checklists required by Rules 101, 171, and 1045 are not early enough in the year;
- Rules 101, 171, and 1045 do not contain provisions explaining when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and the rules do not encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, or make their current property tax forms available on their websites;
- Rule 252 does not reflect the repeal of RTC section 75.30, which required county assessors to place a “notice of a pending supplemental billing” on the assessment roll, by SB 1062
- Rule 252 does not specifically prescribe the manner in which county assessors are required to denote escape assessments, and could more precisely cross reference Rule 261;
- Rule 252, subdivision (b) could more clearly explain the procedures for entering the assessed value of exempt property on the assessment roll;
- Rule 252 does not contain provisions notifying county assessors who post their local assessment rolls on the Internet about Government Code section 6254.21’s prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet;
- Rule 101’s reference note does not refer to all the RTC sections that are implemented by Board-prescribed exemption forms;
- Rule 171’s reference note does not refer to all the RTC sections that are implemented by Board-prescribed report forms or property statements; and
- Rule 171’s reference note refers to RTC section 469, which is not implemented by a Board-prescribed report form or property statement.

As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff’s proposed revisions to the rules to address the above problems and encouraged the county assessors and interested parties to review and comment on the drafts.

The counties generally approved of the draft language. However, a few counties noted that the word “furnished” was inadvertently replaced with the word “furnish” in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word “question” to the word “questions” in subdivision (a) of Rules 101, 171, and 1045, changing the word “carriers” to the word “carries” in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff's draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff's recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to address the problems described above and carry out the specific purposes of: (1) ensuring that the title of Rule 171 reflects the rule's content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensuring that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, clarifying the notation required by Rule 252 to denote escape assessments on the assessment roll, clarifying Rule 252's cross reference to Rule 261, clarifying Rule 252's provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensuring that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in Government Code section 6254.21; (3) clarifying the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarifying the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule's requirements; (5) updating the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explaining when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encouraging county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites; and (7) updating the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors

must follow to ensure that they are complying with the applicable rule's requirements;

- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

The proposed amendments to Rules 101, 171, 252, and 1045 were not mandated by federal law or regulations. There is no previously adopted or amended federal regulation that is identical to Rule 101, 171, 252, or 1045.

DOCUMENTS RELIED UPON

The Board relied upon Formal Issue Paper 12-008, the attachments to the formal issue paper, and the comments made during the Board's discussion of the formal issue paper during its August 21, 2012, Property Tax Committee meeting in deciding to propose the amendments to Rules 101, 171, 252, and 1045 described above.

ALTERNATIVES CONSIDERED

The Board considered whether to begin the formal rulemaking process to adopt the proposed amendments to Rules 101, 171, 252, and 1045 at this time or, alternatively, whether to take no action at this time. The Board decided to begin the formal rulemaking process to adopt the proposed amendments at this time because the Board determined that the amendments are reasonably necessary for the reasons set forth above.

The Board did not reject any reasonable alternative to the proposed amendments to Rules 101, 171, 252, and 1045 that would lessen any adverse impact the proposed action may have on small business or that would be less burdensome and equally effective in achieving the purposes of the proposed action. No reasonable alternative has been identified and brought to the Board's attention that would lessen any adverse impact the proposed action may have on small business, be more effective in carrying out the purposes for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

INFORMATION REQUIRED BY GOVERNMENT CODE SECTION 11346.2,
SUBDIVISION (b)(6) AND ECONOMIC IMPACT ANALYSIS REQUIRED BY
GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

The proposed amendments make Rule 171 consistent with the amendments made to RTC section 441.5 by SB 822 and make Rule 252 consistent with the repeal of the requirements previously imposed by RTC section 75.30. The proposed amendments to Rule 252 also clearly explain how to denote an escape assessment on the assessment roll, clarify the procedures for entering the assessed value of exempt property on the assessment roll, and provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21. The proposed amendments clarify the provisions of Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements. The proposed amendments to Rules 101, 171, and 1045 update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the January 1 lien date, and generally ensure that assessors provide their form checklists to the Board earlier in the year. The proposed amendments to Rules 101, 171, and 1045 provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state. The proposed amendments to Rules 101, 171, and 1045 also encourage county assessors to request that the Board revise its forms or create new forms when needed, and help encourage county assessors to make their current property tax forms available on Internet. As a result, the proposed amendments mainly clarify existing law and procedures regarding the use of forms by county assessors, and do not affect jobs or business in the state. Therefore, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

Furthermore, Rules 101, 171, 252, and 1045 do not regulate the health and welfare of California residents, worker safety, or the state's environment. Therefore, the Board has also determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not affect the health and welfare of California residents, worker safety, or the state's environment.

The forgoing information also provides the factual basis for the Board's initial determination that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant adverse economic impact on business.

The proposed amendments may affect small business.

**Text of Proposed Amendments to
California Code of Regulations, Title 18, Sections 101, 171, 252, and 1045**

101. Board-Prescribed Exemption Forms.

(a) Content and Arrangement of Board-Prescribed Exemption Forms. ~~The procedure and forms prescribed by the board for claiming the exemptions named in Article 2, Chapter 1, Part 2, Division 1, of the Revenue and Taxation Code shall be employed by each assessor in the administration of the laws relating to such exemptions. Except as specifically authorized by the board with respect to heading, name and address of the property owner, location of the property, assessor's use columns, the sequence of questions, and the like, the assessor shall not change, add to, or delete the specific wording of the exemption form prescribed by the board, but the assessor may otherwise arrange the content and alter the size and design of an exemption form to meet the needs of office procedures and facilities. A county assessor shall use board-prescribed exemption forms in the administration of the specific exemptions to which the forms relate. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the exemption forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed exemption form. An assessor may designate an area on a board-prescribed exemption form as for assessor's use only and may delete, edit, or move an area on a board-prescribed exemption form that is designated for assessor's use only. Subject to board approval, an assessor may also:~~

- (1) Alter the size of a board-prescribed exemption form to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on a board-prescribed exemption form; and
- (3) Change the orientation of a board-prescribed exemption form, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Exemption Forms. ~~Annually, on or before September~~~~December~~ 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed exemption claim forms, including instructions, which the assessor:

- (1) W~~ill~~ reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) W~~ill~~ produce ~~by other means~~ with changes authorized by subdivision (a)(1), (2), or (3) for use for that year; and~~or~~
- (3) W~~ill~~ have no need.

(c) Approval of Board-Prescribed Exemption Forms. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each board-prescribed exemption form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3) by means other than reproduction of the prototypes. If a form does not conform with the specifications prescribed by the board, ~~as required by section 251 of the Revenue and Taxation Code and this rule,~~ the assessor shall be notified in writing of the variances. The assessor shall submit a revised exemption form within 30 days of the date of the notice.

(d) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax exemption form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) Forms Posted on the Internet. Counties are encouraged to make exemption forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 251, 253.5 and 254, Revenue and Taxation Code.

171. Board-Prescribed Report Forms ~~for~~ and Property Statements.

(a) Content, and Arrangement, and Approval of Board-Prescribed Report Forms and Property Statements. ~~Except as specifically authorized by the board with respect to~~

~~heading, name and address of the taxpayer, location of the property, assessor's use columns, and the like, the assessor shall not change, add to, or delete the specific wording of property statement forms or mineral production report forms prescribed by the board or change the sequence of the questions, but the assessor may otherwise arrange the content and alter the size and design of a property statement or mineral production report form to meet the needs of office procedures and facilities.~~ A county assessor shall use board-prescribed report forms and property statements. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from report forms and property statements prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to board-prescribed report forms and property statements. An assessor may designate an area on a board-prescribed report form or property statement as for assessor's use only and may delete, edit, or move an area on a board-prescribed report form or property statement that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of board-prescribed report forms and property statements to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on board-prescribed report forms and property statements; and

(3) Change the orientation of board-prescribed report forms or property statements, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Report Forms and Property Statements. Annually, on or before ~~October 15~~September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed property statements and report forms, including instructions, which the assessor:

(1) Will reproduce from the current prototype forms, statements, and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(2) Will produce with changes authorized by subdivision (a)(1), (2), or (3)~~by other means~~ for use for that year; and/or

(3) Will have no need.

(c) Approval of Board Prescribed Report Forms and Property Statements. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3)~~by means other than reproduction of the prototypes~~. If a report form or property statement does not conform with the specifications prescribed by the board, ~~as required by section 452 of the Revenue~~

~~and Taxation Code, section 15606 of the Government Code, and this rule,~~ the assessor shall be notified in writing of the variances. The assessor shall submit a revised report form or property statement within 30 days of the date of the notice.

(d) Filings and Attachments to Property Statements. The assessor is not required to obtain board approval for instructions pertaining to the format of attachments that an assessee elects to furnish in lieu of entering the information on the prescribed property statement. ~~However, such instructions shall include requirements that at least one copy of the property statement as printed by the assessor must be executed and contain appropriate references to the data on the attachment, and that all information required by the property statement must be furnished on the property statement or the attachments. The assessor may, at the assessor's discretion, accept the information required on the property statement by any of the following methods:~~

(1) Attachments to the property statement if the attachments are in a format specified by the assessor and one copy of the property statement, as printed by the assessor, is signed by the taxpayer and carries an appropriate reference to the data attached;

(2) An electronically filed property statement that is authenticated as provided by Revenue and Taxation Code section 441, subdivision (k); or

(3) A property statement that is substantially similar to the property statement as printed by the assessor that is signed by the taxpayer.

(e) Time for Filing Report Forms~~Mineral Production Reports.~~ The assessor shall not require the filing of ~~mineral production reports~~report forms prior to ~~April~~the applicable statutory deadline following the calendar year for which the report is prepared.

(f) Assessor to Furnish Report Forms and Property Statements. The pertinent property statement ~~form~~ and instructions shall be furnished (either by mail or electronically) by the assessor to every person required by law or requested by the assessor to file a property statement, ~~and~~ the pertinent report form shall be furnished (either by mail or electronically) by the assessor to every person requested to file a ~~mineral production report form.~~ The assessor may elect to comply with this subdivision by mailing a letter or postcard to persons required by law to file a report form or property statement advising the persons that the required form or statement is available on the assessor's website and that a copy of the form or statement may be requested by calling the assessor's office.

(g) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(h) Forms Posted on the Internet. Counties are encouraged to make report forms and property statements available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4 and 1063469, Revenue and Taxation Code.

252. Content of Assessment Roll.

(a) Minimum Contents of “Machine-Prepared” or “Electronic” Local Rolls. “Machine-prepared” roll within the meaning of Revenue and Taxation Code §section 109.5 includes any preparation of the local roll by the assessor of each county by an electronic medium. In accordance with Revenue and Taxation Code §section 601 et seq., each local assessment roll shall contain, at a minimum, the following information:

(1) The name of the county.

(2) Either the calendar year in which the roll is prepared or the fiscal year for which the taxes are levied.

(3) An explanation of abbreviations and legends appearing on the roll.

(4) On the secured roll, the assessor's parcel number or other legal description that identifies each parcel of taxable land, each parcel for which an exemption is enrolled, and each taxable possessory interest in tax-exempt real estate to which the exemption authorized by §section 218 of the Revenue and Taxation Code has been applied. The

assessment of the taxable possessory interest shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.

(5) On the unsecured portion of the roll, the assessor's parcel number or other legal description that sufficiently identifies the location of each taxable possessory interest, improvement, or personal property.

(6) The name of the assessee, if known.

(7) The latest mailing address (not an e-mail address) of the assessee contained in the assessor's records.

(8) The separately stated assessed values of all land, improvements, and personal property subject to taxation at general property tax rates (or payments in lieu of property tax computed by applying general property tax rates to fixed or variable "assessed values"), and the separately assessed values of any privately owned land, improvements, and personal property of a type that is exempt from taxation, but is subject to ad valorem special assessments when within a district levying such assessments. If real property is situated within a resource conservation district that is levying a special assessment, the assessed value of mineral rights must be separated from the land value.

(9) The tax rate area in which each piece of property assessed is situated.

(10) The penalties imposed upon such assessments, in the form required by California Code of Regulations, title 18 (Public Revenue), section 261, Title 18 (Rule 261) ~~of this code.~~

(11) The assessed value of any property that escaped assessment in a prior year, together with the following notation: Escape-(Date) required by section 533 of the Revenue and Taxation Code.

(12) The exempt amount of any assessed values required by paragraph (a)(8) to be enrolled, with identifying legends or distinctive positions for amounts allowed pursuant to any reimbursable exemption.

(13) The total net taxable value.

(14) In a separate section of the roll, the assessed value of any personal property for which tax revenues are subject to allocation in a manner different from that provided for general property tax revenues (e.g., general aircraft).

(15) On the secured roll, a cross-reference notation made pursuant to Revenue and Taxation Code section 2190.2 that is adjacent to the assessment of any taxable land when a possessory interest in such land or an improvement thereon is separately

assessed to another owner pursuant to section 2188.2 of the Revenue and Taxation Code.

~~(16) Whenever the assessor determines that a change in ownership or the completion of new construction has occurred, the assessor shall place a notice of the pending supplemental billing on the roll being prepared and shall notify the auditor, who shall place a notation on the current roll or on a separate document accompanying the current roll that a supplemental billing may be forthcoming.~~

(167) After each assessment of tax-defaulted property, the assessor shall enter on the roll the fact that it is tax-defaulted and the date of declaration of the default.

(178) Any other items required by the State Board of Equalization for the purpose of identification and valuation of all locally assessed property and the collection of property taxes thereon.

(b) ~~Exempt~~ Assessed Values of Exempt Property Not Required to Be Enrolled. Parcel numbers or other legal descriptions of exempt real property may be entered on the roll without assessed values. Alternatively, such exempt real property may be listed with assessed values shown in a separate column or field (e.g., a comments field) or in the exemption column or field on lines that are coded in such manner as to preclude the addition of the assessed values when the exemption column or field is totaled; the ~~exempt~~ assessed values shall not be shown in land or improvement columns or fields.

(c) Content of Extended Roll. The extended assessment roll or new local assessment roll for the extension of taxes prepared by the county auditor shall contain, in addition to all of the contents required by subsection (a) of this rule at least the following:

- (1) The mailing address, if known, of the assessee.
- (2) The revenue district for each group if assessments are grouped by revenue district, and for each assessment if assessments are not so grouped.
- (3) All tax rates and ad valorem special assessment extensions required by law.
- (4) The amount of tax to be paid on the property listed. The amounts due in installments shall be stated separately and shall be totaled. All rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.
- (5) At the beginning of the roll, or at the beginning of each tax-rate area grouping on the roll, a list of all revenue districts levying taxes within each tax-rate area in the county.
- (6) An identification of each tax-defaulted property sold, with the date of sale.

(d) Minimum Contents of Local Rolls Not “Machine-Prepared.”

(1) The local roll of each county utilizing a roll that is not “machine-prepared” within the meaning of Revenue and Taxation Code §section 109.5 shall have the contents specified in subsections (a) and (c) of this rule.

(2) The secured assessments shall be arranged in ascending parcel number order within tax-rate area groupings, with unparcelled properties at the end of each tax-rate area group if there are both parcelled and unparcelled properties in the tax-rate area.

(e) Roll Posted on the Internet. If a local roll is posted on the Internet, the home address or telephone number of any elected or appointed official, as defined in Government Code section 6254.21, or of the official’s residing spouse or child, shall not be posted without first obtaining the written permission of that official.

~~(e) Approval of Roll Forms.~~

~~(1) Whenever the local assessment roll is to be prepared in a form other than that previously approved by the board, the assessor shall submit to the board for approval in duplicate by January 1 the forms to be used for the succeeding fiscal year.~~

~~(2) Forms to be submitted include, but are not limited to, the following:~~

~~(A) Secured roll prepared by the assessor.~~

~~(B) Secured roll alphabetical index.~~

~~(C) Unsecured roll prepared by the assessor.~~

~~(D) Unsecured roll alphabetical index.~~

~~(E) Notice of assessment.~~

~~(F) Notice of supplemental assessment.~~

~~(G) Notice of escape assessment.~~

~~(H) Notice of proposed escape assessment.~~

~~(3) When submitted for approval, each roll form listed in (2) shall be filled out with examples sufficient to illustrate its completed appearance, except that totals and summaries need not be shown.~~

(f) Nothing in this regulation is meant to alter the intent of §section 109.6 of the Revenue and Taxation Code.

Note: Authority cited: Section 15606, Government Code. Reference: Sections ~~75.30,~~ 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2 and 2601, Revenue and Taxation Code; and Section 6254.21, Government Code.

1045. Administration of the Annual Racehorse Tax.

(a) Content and Arrangement of Board-Prescribed Racehorse Forms. The annual tax imposed by section 5721 of the Revenue and Taxation Code on the privilege of breeding, training, caring for, or racing racehorses in this state shall be administered as provided herein. A county assessor shall use board-prescribed racehorse forms. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the racehorse forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed racehorse form. An assessor may designate an area on a board-prescribed racehorse form as for assessor's use only and may delete, edit, or move an area on a board-prescribed racehorse form that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of a board-prescribed racehorse form to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on a board-prescribed racehorse form; and

(3) Change the orientation of a board-prescribed racehorse form, for example, from portrait layout to landscape layout.

(b) ~~Submission of Forms for Board Approval~~ Checklist for Annual Racehorse Tax Forms.

~~(1) Annually, on or before October 15~~ September 1, the assessor shall notify the board, on a form checklist provided by the board, of those board-prescribed racehorse forms, including instructions, which the assessor:

(1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(2) Will produce with changes authorized by subdivision (a)(1), (2), or (3); or

(3) Will have no need.

~~(i) of the assessor's intent to reproduce (a) the Annual Racehorse Tax Return form BOE-571-J(8-03) and (b) the Annual Report of Boarded Racehorses form BOE-571-J1(8-03) by a photocopy process from the current prototype forms and~~

~~instructions distributed by the board for use for the succeeding reporting period;
or~~

~~(ii) of the forms and/or instructions which the assessor will produce by means
other than a photocopy of the prototype for use for that period; or~~

~~(iii) that the assessor will have no need for the forms.~~

~~(c2) Approval of Annual Racehorse Tax Forms. When filing a notification that the
checklist assessor will use a form and/or instructions which the assessor will produce by
means other than a photocopy of the prototype, the assessor shall submit to the board
(either in hard copy or electronically) duplicate for approval a draft copy of each form,
and/or including instructions, which the assessor will produce with changes authorized by
subdivision (a)(1), (2), or (3). If a form does not conform with the specifications
prescribed by the board, the assessor shall be notified in writing of the variances. The
assessor shall submit a revised racehorse form within 30 days of the date of the
notice. The copies shall be submitted together with the board-prescribed property
statement forms required to be submitted by Regulation 171 of this title. The provisions
of Regulation 171 relative to arrangement and variation of content of such property
statement forms shall also be applicable to these forms.~~

~~(d) County-Developed Racehorse Tax Forms. An assessor may only develop a property
tax form if a statute expressly exempts the assessor from the requirement that the assessor
use a board-prescribed form (see, for example, Revenue and Taxation Code sections
75.31 and 534), or the assessor needs a form to request relevant information that is not
requested in a form the board prescribed for the same purpose.~~

~~(1) Assessors are encouraged to jointly develop uniform questions and property tax
forms to obtain the same information throughout the state.~~

~~(2) Assessors are encouraged to request that the board change questions in, add
questions to, and delete questions from board-prescribed property tax forms or
prescribe new property tax forms when:~~

~~(A) Multiple assessors need to request information that is not requested in a form
the board prescribed for the same purpose; or~~

~~(B) Board-prescribed property tax forms contain questions that assessors no
longer need.~~

~~(3) An assessor may not use a county-developed property tax form unless the assessor
obtains prior approval from the board that the current statutory and regulatory
provisions are reflected on the form, and an assessor does not have authority to
impose penalties on any person for failing to complete a county-developed property
tax form.~~

(ee) Distribution of Forms and Retention of Reports.

(1) Copies of the forms prescribed by the board for reporting the tax due and for reporting the names of persons whose racehorses are boarded with others shall be furnished by the assessor no later than December 15 prior to the calendar year in which the tax is due by mailing them to persons believed to be required to use them and by making them available at the assessor's office to any person requesting them.

(2) The assessor shall maintain a record of those persons believed to be liable for the annual racehorse tax to whom the assessor has furnished copies of the forms. A copy of the record shall be delivered to the tax collector within 10 days of the date when copies of the forms are furnished so that the tax collector can be cognizant of the taxpayers who can reasonably be expected to file returns.

(3) The assessor shall retain a copy of all tax returns filed by taxpayers for a period of five years from the date the returns became due. They shall be arranged or identified so as to indicate whether or not an audit is required under subsection (fd) of this regulation.

(fd) Audits.

(1) The assessor shall audit the tax records relative to his or her county of any racehorse owner who, according to the assessor's records, had a gross tax liability (before addition of any penalties) that exceeds \$4,000 for each of four consecutive calendar years. This audit shall be performed within five years of the date on which the annual racehorse tax first became due and shall include, but not be limited to, a comparison of the annual racehorse tax return with records maintained by the taxpayer. The assessor, when performing an audit pursuant to this regulation of a taxpayer's records of racehorses taxable at a home ranch or other business location, may also audit records of the same taxpayer pertaining to personal property and fixtures on property having tax situs at the same location.

(2) When an assessor schedules an audit of the records of any racehorse owner, whether as part of an audit required by section 469 of the Revenue and Taxation Code or independently thereof, the assessor shall advise the assessor of any other county in which racehorses of the taxpayer were taxable, as shown in the Annual Racehorse Tax Return or in any other source, of the date on which the audit will be performed. Upon completion of the audit, the assessor shall make that portion of the audit findings relevant to the annual racehorse tax available to the assessor of any other county in which racehorses of the taxpayer were taxable.

(3) On discovery that horses escaped taxation, the assessor shall determine whether they were subject to the annual racehorse tax, were subject to the property tax, or were exempt. If determined taxable, the assessor shall either provide the tax collector

with copies of the audit workpapers so that a determination of additional racehorse tax due can be calculated, or enroll an ad valorem assessment of escaped personal property.

(g) Forms Posted on the Internet. Counties are encouraged to make annual racehorse forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

(h) Nothing herein shall be construed to prohibit the assessor from auditing the records of taxpayers for which audits are not required by this regulation.

Note: Authority cited: Section 15606, Government Code; and Section 5781, Revenue and Taxation Code. Reference: Section 15606, Government Code; and Sections 469, 5701, 5721, 5765, 5768, 5781 and 5790, Revenue and Taxation Code.

Regulation History

Type of Regulation: Property Tax

Rule: 101, 171, 252, and 1045

Title: 101, *Board-Prescribed Exemption Forms*
171, *Board-Prescribed Forms for Property Statements*
252, *Content of Assessment Roll*
1045, *Administration of the Annual Racehorse Tax*

Preparation: Glenna Schultz

Legal Contact: Bradley Heller

The proposed amendments clarify the provisions in Property Tax Rules 101, 171, and 1045 regarding the use of Board-prescribed property tax forms, and clarify Property Tax Rule 252's requirements for local assessment rolls.

History of Proposed Regulation:

November 13-15, 2012 Public hearing

September 28, 2012 OAL publication date; 45-day public comment period begins; IP mailing

September 17, 2012 Notice to OAL

August 21, 2012 PTC, Board Authorized Publication (Vote 5-0)

Sponsor: NA

Support: NA

Oppose: NA