

State of California  
BOARD OF EQUALIZATION  
PROPERTY TAX RULES

Chapter 1. State Board of Equalization — Property Tax  
Subchapter 4. Equalization by State Board  
Article 3. Taxable Property of a County, City or Municipal Corporation

**Rule 461. REAL PROPERTY VALUE CHANGES.**

*Reference:* Article XIII A, Sections 1 and 2, California Constitution.  
Section 15606(c), Government Code.

**(a)** Section 2 of article XIII A of the California Constitution provides, with certain exceptions stated therein, that real property shall be reappraised if purchased, newly constructed (regulation 463) or a change in ownership occurs (regulation 462) after the original base year.

**(b)** Unless otherwise provided for in this chapter or by statute, real property which was not subject to valuation in a prior base year as required by law shall be appraised at full value for each year it should have been so valued and an escape assessment shall be added to the roll for the current fiscal year or to the roll being prepared at the time of discovery in accordance with the provisions of section 531.2 of the Revenue and Taxation Code.

**(c)** The prior year taxable value of real property, or portion thereof, physically removed from the site shall be deducted from the property's prior year taxable value, provided that such net value shall not be less than zero. The net value shall be appropriately adjusted to reflect the percentage change in the cost of living and then compared to the current lien date full value to determine taxable value which shall be the lesser of the two values.

**(d)** For the fiscal year 1979-80 and fiscal years thereafter the assessor shall prepare an assessment roll containing the base year value appropriately indexed or the current lien date full value, whichever is less. Increases and decreases in full cash value since the previous lien date shall be reflected on the roll except that taxable value shall never exceed base year value appropriately indexed. In preparing such rolls the assessor is not required to make an annual reappraisal of all assessable property.

**(e)** Declines in value will be determined by comparing the current lien date full value of the appraisal unit to the indexed base year full value of the same unit for the current lien date. Land and improvements constitute an appraisal unit except when measuring declines in value caused by disaster, in which case land shall constitute a separate unit. For purposes of this subdivision, fixtures and other machinery and equipment classified as improvements constitute a separate appraisal unit.

**(f)** When the current full value of property is less than its base year full value indexed to the current lien date, the full value shall be enrolled as the current taxable value.

*History:* Adopted June 29, 1978, effective July 3, 1978.

Amended September 26, 1978, effective October 2, 1978.

Amended January 25, 1979, effective March 1, 1979. Applicable to assessments for 1979 and years thereafter.

Amended August 16, 1979, effective August 22, 1979. Amended (a), (b), (c), (d), and (e) (1).

Amended November 13, 1979, effective December 6, 1979. Amended (b).

Amended June 25, 1985, effective September 22, 1985. Amended Sections (a) and (d).

Amended February 25, 1998, effective June 6, 1998.