

**ASSESSMENT APPEALS BOARD
COUNTY OF SANTA BARBARA**



**HOW TO PREPARE FOR YOUR
ASSESSMENT APPEAL HEARING**

An Information Guide

For Santa Barbara County Property Owners and Authorized Agents

**Assessment Appeals Board
Santa Barbara County**
105 East Anapamu Street, Room 407
Santa Barbara, California 93101
phone: (805) 568-2240
FAX: (805) 568-2249

**Names and Addresses of Governmental Agencies
Involved in the Assessment Appeal and Property Taxation Process**

Clerk of the Assessment Appeals Board and Board of Supervisors

Michael F. Brown

County Administration Building
105 East Anapamu Street, Room 407
Santa Barbara, CA 93101
phone: (805) 568-2240
fax: (805) 568-2249

Santa Barbara County Assessor-Clerk-Recorder

Joseph E. Holland

County Administration Building
105 East Anapamu Street, Room 204
Santa Barbara, CA 93101
phone: (805) 568-2550
fax: (805) 560-1015

Lompoc Office of the County Assessor

401 East Cypress Ave., Room 198
Lompoc, CA 93436
phone (805) 737-7899
fax: (805) 737-7890

Santa Maria Office of the County Assessor

Betteravia Government Center
511 East Lakeside Parkway
Santa Maria, CA 93455
phone: (805) 346-8310
fax: (805) 346-8324

Treasurer-Tax Collector-Public Administrator

Bernice James

County Administration Building
105 East Anapamu Street, Room 109
Santa Barbara, CA 93101
phone: (805) 568-2920
fax: (805) 568-2488

Auditor-Controller

Robert W. Geis

County Administration Building
105 East Anapamu Street, Room 303
Santa Barbara, CA 93101
phone: (805) 568-2100
fax: (805) 568-2016

Introduction

The following information is provided to help you prepare for your hearing before the Santa Barbara County Assessment Appeals Board. This pamphlet serves as a general explanation of the procedures relating to the hearing on your assessment appeal. It is the responsibility of the taxpayer to review the relevant statutes, regulations, and court cases relating to their assessment appeal.

What Is The Assessment Appeals Board?

The Assessment Appeals Board (AAB) sits as the County Board of Equalization on behalf of the Board of Supervisors. It is not part of the Assessor's office. In accordance with the eligibility requirements established by State Law, the Board of Supervisors selects and appoints the members of the Assessment Appeals Board to act as an impartial judge to fairly determine the fair market value of property based on evidence presented at a hearing.

What is the Purpose of the Hearing?

The purpose of the hearing on your "*Application for Changed Assessment*" is to resolve your dispute with the Assessor over the assessed value of your property. Hearings are **not** conducted in accordance with the formal rules of evidence used in a court of law. However, to be admissible evidence must be relevant and material.

Who Participates at the Hearing?

The assessment appeals hearing will be attended by the Assessment Appeals Board hearing panel that will decide your case, the Clerk of the Board, a representative from the Assessor's office and yourself or your authorized agent. Hearings are open to the public.

Can The Assessor and I Reach An Agreement Prior To The Hearing?

Yes. Often the applicant and the Assessor reach an agreement prior to the hearing. If you reach an agreement regarding the value of your property, the agreement must be put in writing and signed by all parties, including the applicant or authorized agent, the County Assessor, and County Counsel. This agreement is known as a *stipulation to value* or a *stipulation agreement*. The Assessor will prepare the document and forward it to you or your agent for signature.

The written stipulation will be submitted to the AAB for review and approval. Once the stipulation is approved by the AAB, the applicant and Assessor receive formal notification from the Clerk of the Board. The Auditor-Controller's Office (805-568-2120) will make any required changes to the tax bill. If the written stipulation to value is rejected by the AAB, the Clerk will notify you and the Assessor and the case will be scheduled for hearing.

What If I Choose To Withdraw My Appeal?

You can withdraw your appeal at any time prior to the hearing. If you decide to withdraw, simply send or fax a signed letter to the Clerk of the Board indicating your intent to withdraw the application. Please identify the case number, the applicant's name, and the address of the property under appeal. Withdrawal forms are also available from the Assessor's Office to be signed and returned to the Clerk of the Board.

What If I Am Unable To Personally Appear At The Hearing?

If you are unable to appear personally at the hearing, your spouse, parents or children may appear in your place and represent you. If you want someone other than a spouse, parent, child, or authorized California licensed attorney, to represent you, you must sign an agent's authorization and have your representative bring the signed authorization to the hearing.

An officer of a corporation may appear on behalf of the corporation and requires no written authorization. An employee of the corporation requires a written authorization signed by an officer of the corporation to appear on behalf of the corporation.

What Happens If I Don't Attend The Hearing And I Don't Send An Authorized Agent?

If you or an authorized agent do not appear at the hearing, your application will be denied for lack of appearance. "Denied for lack of appearance" means that your application is considered closed and no further action will be taken. The Clerk of the Board will mail a formal notice advising all parties that the case is denied for lack of appearance.

However, the Assessment Appeals Board may reopen and take evidence on an application denied solely for lack of appearance if the applicant shows evidence of good cause for failure to appear at the scheduled hearing. The applicant must file a written request for reconsideration within 60 days of the mailing of the notification of the denial for lack of appearance.

What If I Would Like To Continue My Hearing?

In order to give you a speedy hearing on your application and to hear and decide your case within two (2) years after you file the application, the Assessment Appeals Board disfavors continuing a hearing.

Postponements and continuances of hearings shall be governed by State Board of Equalization Property Tax Rule 323.

Do I Want To Waive My Rights To A Speedy Hearing?

You have the right to have the Assessment Appeals Board make a final decision on your application for changed assessment within 2 years after you file the application. In order to give you a speedy hearing on the application, the AAB disfavors the waiver of the 2-year time limit to hear your application and requires that the parties show good cause for the waiver of the 2 year time limit. However, if you wish, you can waive your right to a speedy hearing by either entering into a written agreement with the AAB or by asking the AAB to approve a written agreement between you and the Assessor waiving your right to a speedy hearing.

What Are The Procedures For Filing A Petition With The Assessment Appeals Board, For Orders For Relief?

A motion or petition is a request made to the AAB for an order for some type of relief, such as a request for subpoena or protective orders. You may, if necessary, file a written motion with the Clerk of the Board. If you need to file a motion or petition with the AAB, contact the Clerk of the Board for a copy of the procedures for motions adopted by the Assessment Appeals Board.

If The Assessor and I Don't Reach An Agreement, How Is The Hearing Conducted?

The Clerk of the Board will announce the application number and applicant's name. Then the Clerk will determine whether the applicant and/or applicant's agent and the Assessor's representative are present at the hearing.

The Chairperson of the AAB will ask the Assessor and/or the applicant to give a description of the property. The Board determines who has the burden of proof and then will begin to hear evidence.

If the property is an owner-occupied single family residence the Assessor's representative has the burden of proof and will present evidence first. You then have the opportunity to question the Assessor's representative. Once the Assessor's representative is done, you will present your evidence. The Assessor's representative will have the opportunity to question you and members of the AAB may ask questions throughout the hearing.

The Assessment Appeals Board establishes the "**fair market value**" of your property as of the valuation date, **based on the evidence presented at the hearing**. Generally the Board takes the case under submission and deliberates in closed session. Once the Board makes a final determination, the Clerk of the Board will mail you a notice of the Board's decision.

What Is Meant By “Fair Market Value”?

The words “full value,” “full cash value,” “cash value,” “actual value” and “fair market value” are all used to mean the same thing. They refer to the price a property would sell for in an arms-length, open market transaction. Arms-length, and open market refers to the conditions surrounding the sale. An open market sale is:

- a sale under open market conditions with reasonable time for the seller to find a buyer,
- an arms length transaction, with no collusion between parties,
- a transaction in which neither party takes advantage of the needs of the other,
- a transaction in which there is reasonable knowledge of the property’s uses -- present and prospective, and
- consideration (sale price) is cash, or its equivalent.

What Type of Evidence is Admissible?

Only evidence presented at the hearing is admissible. Any documents previously provided, or previous discussions with the Assessor or others, will not be considered unless presented at your hearing. Evidence may be oral testimony by you, your agent, an expert witness, or other witnesses who wish to testify on your behalf. You may also bring written documentation to the hearing that supports your case.

Evidence supporting an opinion of fair market value could be based on:

- (1) Comparable Sales Approach
- (2) An Income Approach To Value
- (3) The Cost Approach To Value

When Would I Use The Comparable Sales Approach?

When reliable sales data is available, the **Comparable Sales Approach** is the preferred method of valuation. Comparable sales are sales of properties similar to yours. There are three general criteria used to evaluate the "comparability" of a sale:

(a) The "comparable" property should be physically similar to your property. *(Elements used to measure physical similarity may include, but are not limited to, the following: location, legally permitted use, distance from your property, utility, amenity, lot size, view, and zoning, the size, quality and condition of any improvements, year built of the structures, etc.)*

(b) The comparable sale must be an arms-length open market transaction. *If the sale of a property is not the result of an open market transaction, the sale price may not be a good indicator of the “fair market value” of the property and may not be accepted as evidence at your hearing.*

(c) The sale date of the comparable property may be any time prior to the valuation date, but cannot be more than 90 days after the valuation date of your property (the date for which the fair market value of your property is being determined).

Comparable sales information is available through several sources. The Assessor's office maintains a listing of property sales that are available for a nominal fee. Comparable sale information may also be available from local real estate agents, brokers, and appraisers.

2. When Would I Use The Income Approach To Value?

The **Income Approach to Value** is used in conjunction with the other approaches if your property is commonly bought and sold based on its ability to earn income. For example, if your appeal involves a property such as an apartment building, an office building, a motel or a shopping center, the income approach may be an appropriate method for determining fair market value. If you use this approach to support your opinion of value you should submit evidence based on an income study to include the gross income, expenses, and the capitalization method and rate used.

3. When Would I Use The Cost Approach To Value?

The **Cost Approach to Value** is used in conjunction with other value approaches and is preferred when neither reliable sales data nor reliable income data are available. It is particularly appropriate for construction work that is in progress.

This method uses the cost of producing a similar, replacement property as the method of determining the property's market value. Be sure to include all direct and indirect costs in calculating the cost approach to value. Direct costs include items such as land acquisition costs, fees, permits, plans, materials, labor and supervision costs. Indirect costs include construction financing, property taxes during construction, and an allowance for entrepreneurial profit.

Keep in mind that the cost of new construction does not always equal the fair market value of the new construction. For example: You build your house yourself. While it may have cost you only \$ 150,000 in materials to construct, the market value of the new construction is \$ 200,000. To be legally correct, the new construction must be assessed at its fair market value of \$ 200,000.

What Type of Evidence Is Inadmissible?

The following are examples of inadmissible evidence:

- Sales of comparable properties that occurred more than 90 days after the valuation date of your property.
- The amount of taxes paid on your property or another property.
- Assessment Appeals Board decisions regarding other properties.

- The *assessed* values of other properties.
- Your age, health, financial condition, or other matters not related to the value of your property.

Can I Initiate A Formal “Exchange of Information” With The Assessor’s Office?

Yes. The Revenue & Taxation Code provides for “Exchange of Information” between you and the Assessor. If you care to initiate an exchange, please see section 1606 of the Revenue & Taxation Code for more details.

What Is Meant By The Valuation Date and How Is It Determined?

The valuation date is the date used by the Assessor when establishing the assessed value for property. Normally, the Assessor establishes a new assessed value for property:

- as of the date of sale or transfer;
- as of the date of completion of new construction; or
- as of the **lien date** for the partial completion of new construction.

If your appeal is based on a “Decline in Value” (Section 51 or Proposition 8) the valuation date is the **lien date** for the year on which you are filing.

What Is The Lien Date?

The lien date is the date on which taxes for any fiscal year (July 1 through June 30) become a lien on property.

Beginning with the 1997-1998 fiscal year, the lien date has been changed by State Law to the 1st of January that immediately precedes the fiscal year. So for the 1997-1998 fiscal year, the lien date is January 1, 1997. For the 1998-1999 fiscal year, the lien date is January 1, 1998.

What Happens After The Hearing?

Generally the Assessment Appeals Board takes the matter under submission in order to deliberate on the case in closed session. Once the Board makes a final determination the Clerk of the Board will mail all parties (you and the Assessor) a formal notification of the Board’s decision. Any required changes to the tax roll and tax bills will be processed by the Assessor’s Office and the Office of the Auditor-Controller.

What If I Want More Detailed Information On The Hearing Process?

A more detailed informational booklet entitled “*Procedures Pertaining to Applications for Changed Assessments*” is available from the Clerk of the Board.

Inquiries should be directed to:

Santa Barbara County Assessment Appeals Board

Attention: Clerk of the Board

105 East Anapamu Street, Room 407

Santa Barbara, California 93101

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Fax line: (805) 568-2249