

Date of Hearing: April 27, 2011

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Norma Torres, Chair

AB 585 (Fong) – As Amended: April 25, 2011

SUBJECT: Property taxation: manufactured homes: Department of Housing and Community Development: information to assessor.

SUMMARY: Requires the Department of Housing and Community Development (HCD), by March 1, 2012, to provide a complete list to each county assessor of all manufactured homes sited within the county, including those manufactured homes not subject to property tax that pay an in lieu fee to HCD, in a standard text or comma delimited format.

EXISTING LAW

- 1) Makes all manufactured homes and mobilehomes sold new on or after July 1, 1980, subject to property tax. In addition, current law allows the owner of a manufactured home or mobilehome sold new prior to July 1, 1980, to elect to be subject to property tax. This election, once made, is permanent. (Revenue and Taxation Code Section 5801).
- 2) Requires manufactured homes and mobilehomes not subject to property tax to pay an annual license fee to HCD (Health and Safety Code Section 18115 and 18116).
- 3) Requires all manufactured homes and mobilehomes subject to property tax to pay registration fees to HCD at the time of original registration and upon any subsequent sale, resale, or transfer of title (Health and Safety Code Section 10875.5).
- 4) Requires all manufactured homes and mobilehomes not subject to property tax to pay annual registration fees to HCD (Health and Safety Code Section 10875.5).
- 5) Requires HCD, upon the original registration of a manufactured home or mobilehome, to establish a permanent title record and issue a certificate of title to the legal owner and a registration card to the registered owner (Health and Safety Code Section 18090.5).
- 6) Requires HCD to furnish to the county assessor of the county in which a manufactured home is sited, on or before the last day of each calendar month, a listing of all new registrations and titles to manufactured homes sited, or to be sited, in that county (Revenue and Taxation Code Section 5841).
- 7) Requires HCD to report twice a year, on or after January 1 and on or after July 1, to the auditor of each county the address of each manufactured home and mobilehome within the county for which license fees were paid to HCD during the preceding six-month period and the amount paid.
- 8) Requires the Franchise Tax Board, the Department of Motor Vehicles, the Department of Housing and Community Development, and any county assessor to exchange or otherwise

provide to one another any information relevant to the regulations, titling and taxation of manufactured homes (Revenue and Taxation Code Section 5842).

FISCAL EFFECT: Unknown

COMMENTS:

Most mobilehomes in California are subject to property tax. Those that are not pay a license fee in lieu of property tax to HCD on an annual basis. Under current law, HCD is responsible for titling and maintaining title records for all mobilehomes in the state. All new mobilehomes are subject to initial registration with HCD, and this registration must be renewed upon changes in ownership. The registration on all mobilehomes not subject to property tax must be renewed with HCD annually. Because of its responsibilities relative to titling and registration of mobilehomes, HCD is the only state entity with access to information on all mobilehomes in the state.

Current law requires HCD to provide monthly lists to county assessors of all new registrations and titles to mobilehomes sited within the county. In practice, HCD provides this information twice a month. The California Assessors' Association reports that in the past, HCD's bi-monthly reports were not always accurate and may have omitted some new registrations or titles. County assessors believe that HCD has addressed the problems with its reporting and that the information they are now receiving is accurate. However, because of the problems in the past, assessors report that some mobilehomes that should be on the local tax rolls are not.

AB 2526 (Fong) of 2010, sponsored by the Santa Clara County Assessor, attempted to address the issue by stating the intent of the Legislature to enact legislation to require owners and operators of mobilehome parks to provide, upon the request of the county assessors, a statement containing the decal number, registered owner, situs address, and mailing address of all mobilehomes located in the park. In pursuing the legislation, the sponsor discovered that park owners do not necessarily have this information, but HCD does. The sponsor approached HCD and dropped the bill when HCD agreed to provide a one-time list to each county assessor of all mobilehomes within the county, both those that should be paying property tax and those that pay the in lieu fee to HCD, that could be used to bring the local tax roll up to date.

When HCD provided the information to county assessors in the fall of 2010, it was in PDF format. Such a format cannot be imported into assessors' databases. With the provided PDF, assessors would have to manually go through the list in order to check it against the local tax roll. For counties in which there are thousands of mobilehomes, this process would be time-consuming and cumbersome. The assessors went back to HCD and asked for the data to be provided in Excel or some other standard text or comma delimited format, similar to the format in which HCD provides the bi-monthly updates to assessors on new titles and registrations, but thus far HCD has been unwilling to do so.

AB 585 would require HCD to provide each county assessor, by March 1, 2012, with a list of all mobilehomes within the county, both those subject to property tax and those that pay the in lieu fee to HCD, in a standard text or comma delimited format that can easily be imported into assessors' internal systems. The list would allow assessors to cross-check the accuracy of the local tax roll and make sure that all mobilehomes homes that should be paying property tax are being billed.

The California Assessors' Association, the sponsor of this bill, argues that assessors need a full listing of mobilehomes that should be on the county tax roll and that HCD is the only entity that has the information. According to the assessors, erroneous information has caused escape assessments resulting in undue hardship to taxpayers who may have to pay several years of back taxes once errors are discovered. In addition, if errors are discovered after the statute of limitations has passed, revenue that is critical to schools and local governments is lost.

Double referred: The Assembly Committee on Rules referred AB 585 to the Committee on Housing and Community Development and Revenue and Taxation. If AB 585 passes this committee, the bill must be referred to the Committee on Revenue and Taxation.

REGISTERED SUPPORT / OPPOSITION:

Support

California Assessors' Association (sponsor)
Santa Clara County Assessor
Western Manufactured Housing Communities Association

Opposition

None on file

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