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December 19, 1986

No. 86/93

TO COUNTY ASSESSORS:

ELIGIBILITY FOR TAX RELIEF OF PROPERTY ACQUIRED TO  
REPLACE GOVERNMENT-TAKEN PROPERTY (RULE 462.5).

There is apparently some confusion concerning the application of Property Tax Rule 462.5 regarding the eligibility date of replacement property for property tax relief as outlined in subsection (g)(3), which reads:

"(3) Replacement property shall be eligible for property tax relief under this section if it is acquired after March 1, 1975, and not prior to any of the following dates:

(A) The date the initial written offer is made for the replaced property by the acquiring entity;

(B) The date the acquiring entity takes final action to approve a project which results in an offer for or the acquisition of the replaced property; or

(C) The date, as declared by the court, that the replaced property was taken."

The intent of this subsection was to fully implement Revenue and Taxation Code, Section 68, which reads in part:

"The provisions of Chapter 3.5 shall be liberally construed in order to provide the benefits of this section and Section 2 of Article XIII A of the California Constitution to affected property owners at the earliest possible date." (Emphasis Added.)

Therefore, the intent of Rule 462.5(g)(3) is to provide relief at the earliest of any of the situation dates listed. The replacement property need not be

acquired after all of the listed events in order to be granted relief; it need only be purchased after March 1, 1975 and not prior to any one of the situation dates listed.

If you have any questions in this matter, please feel free to contact our Technical Services Section at (916) 445-4982.

Sincerely,



Verne Walton, Chief  
Assessment Standards Division

VW:wpc

AL-05-2672A