SB 434, FAIRNESS IN ASSESSMENT, UNANIMOUSLY PASSES COMMITTEE AFTER ASSESSOR JEFFREY PRANG TESTIMONY

SACRAMENTO, CA – Yesterday, after Los Angeles County Assessor Jeffrey Prang testified in support of Senate Bill 434 (Allen), the California State Senate Transportation and Housing Committee passed the bill unanimously. SB 434 would close a loophole in property assessment that currently allows a multi-million dollar structure built upon a mobile home chassis to be classified as a vehicle in order to avoid property taxes.

SB 434 will now be considered by the State Senate Governance and Finance Committee.

“A new multi-million dollar home is no longer a vehicle even if it is built around a pre-existing mobile home structure,” said Assessor Jeffrey Prang. “Some residents are unfairly taking advantage of current law in order to avoid paying property taxes. I support SB 434 which will restore fairness back into the system.”

“It’s dishonest to build a multi-million dollar structure around a mobile home chassis and still claim that it’s a vehicle for tax purposes,” said Senator Ben Allen, sponsor of SB 434. “These homes aren’t mobile, nor are they vehicles. SB 434 will close this loophole and ensure that owners of these homes pay their fair share of property taxes.”

Many older manufactured homes qualify as vehicles under the law. As such, they are subject to the Vehicle License Fee in lieu of local property tax. This is an important benefit to those manufactured home owners who may be on a fixed income – the Vehicle License Fee is typically quite low, less than $100 per year.

Unfortunately, this benefit is being abused. Homes subject to the Vehicle License Fee have been purchased, demolished down to the underlying chassis, and a permanent foundation has been affixed around the chassis. Many of these homes are built with luxury features and some are sold for as much as $4 million – yet retain the very low Vehicle License Fee and avoid being assessed as real estate.

Los Angeles County is the most populous and one of the most diverse counties in the United States with more than 10 million residents. The Office of the Assessor is responsible for valuing more than 2.6 million properties with a value of over $1.2 trillion.
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