



SENATE SELECT COMMITTEE
ON
MOBILEHOMES

**Transcript of Hearing
on
VEHICLE LICENSE FEE DELINQUENCIES**

January 31, 1984
Sacramento, California
State Capitol

Chairman: Senator William A. Craven
Members: Senator Paul Carpenter
Senator Ray Johnson
Senator Henry Mello
Senator Robert Presley

WILLIAM A. CRAVEN
CHAIRMAN
PAUL CARPENTER
RAY JOHNSON
HENRY MELLO
ROBERT PRESLEY

California Legislature

COMMITTEE ADDRESS
1100 J STREET
ROOM 511
SACRAMENTO, CA 95814
(916) 324-4282
COMMITTEE CONSULTANT
JOHN G. TENNYSON
COMMITTEE SECRETARY
MICKEY BAILEY

Senate Select Committee on Mobilehomes

SENATOR WILLIAM A. CRAVEN
CHAIRMAN



TRANSCRIPT OF HEARING

ON

VEHICLE LICENSE FEE DELINQUENCIES

JANUARY 31, 1984

STATE CAPITOL

SACRAMENTO, CALIFORNIA

I.

TABLE OF CONTENTS

	<u>Page</u>
I. TABLE OF CONTENTS	i
II. LIST OF WITNESSES	ii
III. BACKGROUND PAPER	iii
IV. TESTIMONY	iv
(a) Opening Statement of Senator William A. Craven	1 - 4
(b) Testimony of Witnesses before the Committee	4 - 73
V. CONCLUSION	v

APPENDIX

II.

LIST OF WITNESSES

	<u>Page</u>
MRS. AUDREY SIMMONS	4 - 16
BERT WATKINS	16 - 22
MRS. CHARLES McCOY	23 - 30
MRS. CAMPBELL	25
MR. DEAN	29 - 31
HOWARD FOULDS	31 - 39
MAURICE PRIEST	40 - 45
TRAVIS PITTS	46 - 56
AL CARLSON	57 - 60
RON ANDERSON	61 - 63
CATHY COLT	64 - 73

III.

BACKGROUND PAPER

WILLIAM A. CRAVEN
CHAIRMAN

PAUL CARPENTER
RAY JOHNSON
HENRY MELLO
ROBERT PRESLEY



California Legislature

COMMITTEE ADDRESS
1100 "J" STREET
ROOM 511
SACRAMENTO, CA 95814
COMMITTEE CONSULTANT
JOHN G. TENNYSON
COMMITTEE SECRETARY
MICKEY BAILEY

Senate Select Committee on Mobilehomes

SENATOR WILLIAM A. CRAVEN
CHAIRMAN

BACKGROUND PAPER

JANUARY 31, 1984

STATE CAPITOL

ROOM 2040

VEHICLE LICENSE FEE DELINQUENCIES

Prior to July 1, 1980, mobilehomes were treated as vehicles subject to a vehicle license fee (VLF), but Chapter 1180 of the Statutes of 1979 (SB 1004) altered this traditional method of taxing mobilehomes by specifying that all new mobilehomes sold after July 1, 1980, as well as older mobilehomes, whose owners were delinquent 120 days or more in payment of the VLF, were now subject to local property taxation.

The problem of mobilehomes, delinquent on vehicle license fees (VLF), being shifted to property taxation is the focus of this hearing.

Property Taxation of Mobilehomes

SB 1004 (Presley), the property tax bill for mobilehomes, came about primarily at the urging of mobilehome manufacturers and dealers, who were concerned that many local governments were not treating mobilehomes favorably, thus making it more difficult for the industry to sell such homes.

Cities and counties in many cases were allegedly reluctant to zone for or issue permits for the siting of mobilehomes or mobilehome parks in their jurisdictions because the tax revenue derived therefrom was not as beneficial to local coffers as that from conventional housing. Mobilehomes on vehicle license fees pay a decreasing amount each year, based on a depreciation scale much like that of an automobile. The fees are paid to the state but are returned to the cities and counties as in-lieu revenue. In most cases, the property taxation of mobilehomes would yield a greater amount of revenue for local governments than the in-lieu system.

With one major exception, under SB 1004 only those mobilehomes sold new after July 1, 1980, not older mobilehomes, were subject to local property taxation. Delinquent mobilehomes were the exception. It was claimed that there were numerous mobilehome owners outside of mobilehome parks who had been delinquent for years on their VLF, owners who could not be reached or penalized by the existing mechanisms of the Department of Motor Vehicles.

Previously, mobilehome owners delinquent on their vehicle license fees were subject to a 20% penalty on the outstanding

delinquent amount due. Under SB 1004, the penalty was now 20% for the first 120 days of delinquency plus a shift of the mobile-home to property taxation after the 120 days had elapsed. By shifting delinquent owners to property taxation, the assessor now had the power to levy against the mobilehome owner and the tax collector could, if necessary, place a lien on the home for taxes and penalties due.

Complaints

During 1981 and early 1982, numerous complaints were received by legislators from mobilehome constituents concerning their delinquent vehicle license fees. In most cases, these homeowners claimed that they had never received notice of the renewal fees due from the Department of Motor Vehicles or its successor agency, the Department of Housing and Community Development (HCD assumed responsibility for mobilehomes from DMV on July 1, 1981). Often, they claimed they were unaware their mobilehome had become delinquent until after the 120-day period had elapsed and were only alerted to the problem when later notified by the county assessor that their mobilehome was now on the local property tax rolls.

HCD has contended, correctly, that the Department has no legal obligation to provide a notice of renewal as a prerequisite for a mobilehome owner to pay the vehicle license fee, although notices are sent as a matter of courtesy. In other words, lack of notice of tax liability is no excuse for not paying taxes.

Nevertheless, many mobilehome owners contended that they

had become accustomed in the past to receiving a renewal notice or "bill" in the mail before paying it. Most claimed they were not automatically aware of when their VLF was due.

Although the Department continued to attempt to address the delinquencies on a case-by-case basis, the number of mobilehome owners delinquent on their vehicle license fees continued to grow, as did the number of complaints heard by the Department and legislators.

AB 1400 Petitions

As the result of the consternation over this issue, the Legislature enacted AB 1400 (Cortese), Chapter 40 of the Statutes of 1982. This measure set up a petition procedure for delinquent mobilehome owners to file an application, on payment of \$11.00, with the Department to have their mobilehomes removed from local property taxes and reinstated to the VLF system if the application was made within 180 days of delinquency (sixty days after the mobilehome became subject to property taxes). Later the application period was extended from 180 to 210 days. The bill provided that HCD was empowered to investigate the circumstances presented in the petition and grant the petition if failure to pay the fee was due to a "reasonable cause and circumstance beyond the person's control", including departmental error.

Thousands of petitions were subsequently received by the Department under this legislation; however, approximately 90% of such petitions were denied. The backlog of complaints thus became an even greater problem.

SB 1343 Amnesty

As a result, in mid-1982 Senate Bill 1343 (Craven) was amended to establish a one-time amnesty for those delinquent on vehicle license fees between July 1, 1980, the date on which the property tax legislation originally became effective, and March 1, 1982, the date on which the petition process under AB 1400 became law. Senate Bill 1343 was signed by the Governor on September 27, 1982, as Chapter 1394 of the Statutes of that year. Over 6,500 petitions were received by the Department under the amnesty program which was scheduled to end on June 30, 1983. AB 1136 (Klehs), Chapter 1281 of the Statutes of 1983, extended the June 30th date to January 1, 1984. The amnesty program under SB 1343, however, has now expired.

A Continuing Problem

Numerous protests continue to be heard by legislators from their mobilehome constituents about this issue. Again, the most frequent complaint is lack of notice of renewal. Some constituents contend that they have not changed or moved their address in a number of years, and the Department does have their correct address. Yet, they do not receive notices of renewal.

One of the most common problems concerns those mobilehome owners living in what are known as double-wides, that is, a mobilehome in two sections put together as one living unit. Historically, each unit has been separately licensed, but the Department of Motor Vehicles, and subsequently HCD, began a program several

years ago to combine registration of double and triple-wides actually assembled as one living unit.

The problem with regard to delinquencies is that many mobile-home owners living in double-wides may receive a notice of renewal for one section, and pay the fees on that one section, but not receive a renewal notice for the other. They assume that payment on one coach is sufficient to cover both. Unfortunately, this is not the case. Section 10759.5 (a) provides that where assembled mobilehome sections are separately registered and the license fee for any one section is delinquent 120 days or more, all sections of the mobilehome shall thereafter be subject to local property taxation, regardless of the fact that payment for vehicle license fees was received on one or more of the other sections.

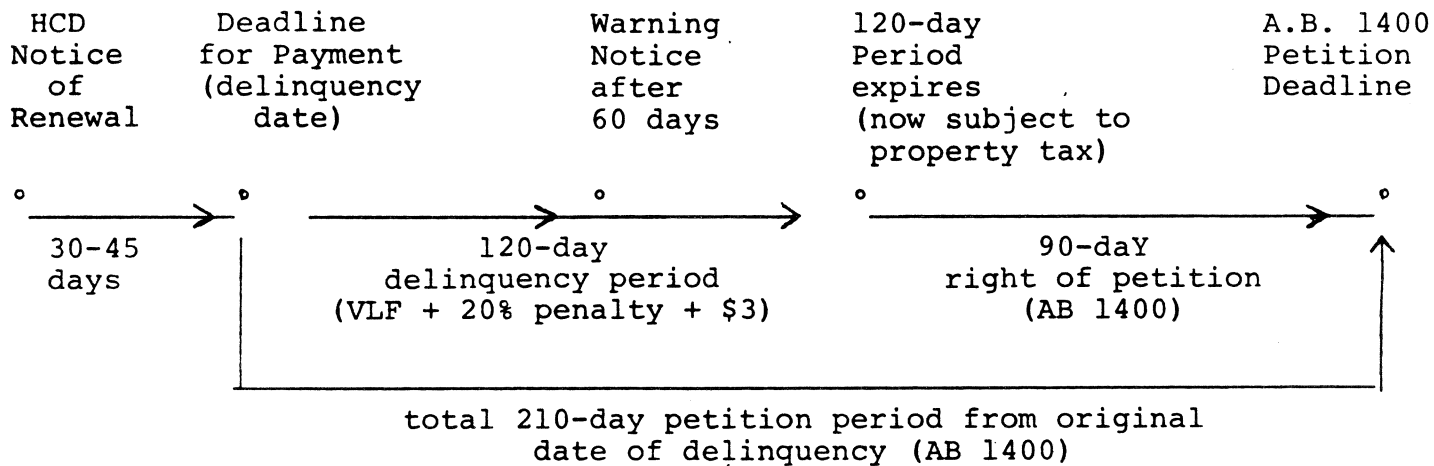
The Department has been working with Assemblyman Cortese's office to expand the latitude for approval of petitions for reinstatement under AB 1400. Pursuant to a Legislative Counsel's opinion in this regard, HCD staff has broadened the criteria for approving petitions to include address mistakes by HCD or the U.S. Postal Service, incapacitating illness of the mobilehome owner during the 120-day delinquency period, incorrect payment of fees by the mobilehome owner in terms of the amount paid, litigation involving the ownership of the mobilehome during the renewal and 120-day delinquency period, among other reasons.

But, according to HCD, the fact that the petitioner did not pay fees because of financial hardship, the fact that a petitioner was elderly, the fact that the previous owner allowed

the mobilehome to become delinquent without the new buyer's knowledge, or the fact that the mobilehome owner did not receive a renewal notice are still not sufficient circumstances to justify granting of the petition to allow the mobilehome to be reinstated to the VLF system.

Review of Notice Procedure

The diagram below indicates the basic notice procedure for vehicle license fees under existing law. There is no legal requirement, as aforementioned, for the Department to notify mobilehome owners of their annual renewal fees due, but the Department does send such notices anywhere from 30 to 45 days in advance of the delinquency date.



Failure to pay the VLF by the delinquency date results in the mobilehome becoming delinquent. Payment within 120 days of delinquency requires the additional payment of a 20% penalty and a \$3 registration fee. After the mobilehome is 60 days delinquent,

the only legal notice HCD is required to give the mobilehome owner is one warning that the 120-day period will soon elapse. After 120 days, the mobilehome is subject to property taxation, although the mobilehome owner has 90 additional days to file an appeal for reinstatement under AB 1400 (210 days from original date of delinquency).

QUESTIONS:

With regard to the issue of vehicle license fee delinquencies, the following are some of the questions which the committee may wish to consider:

(1) Should notice of renewal be a prerequisite to the shift of the mobilehome from the VLF to property taxes?

(2) Should existing notice provisions be extended to some longer period to ensure owners have more time to pay the delinquent VLF before being shifted to property taxation?

(3) Should the conditions for granting a petition under AB 1400 be enumerated legislatively - for example - should those who have paid on one unit of a double-wide but not on another - because of lack of notice - be statutorily granted reinstatement?

(4) Should another amnesty be enacted to take care of those delinquent of their fees before the July 1, 1980, or after the March 1, 1982, cutoff dates under SB 1343?

(5) Is the property tax penalty for delinquency on vehicle license fees too harsh for those who are unintentionally delinquent?

(6) Is the shift of delinquent mobilehome owners to property taxation too complex and costly to administer?

(7) Is there a better system for those delinquent on VLF fees than shifting them to property taxes, such as the state imposing a lien on the mobilehome, or assessment of a larger penalty, such as 40% on the outstanding delinquent fee?

(8) If the system is changed, how are those owners who have already been shifted to property taxes because of an unintentional delinquency and who were ineligible for reinstatement under SB 1343 or AB 1400, to be treated? In fairness should they also be reinstated to the VLF, or left on the property tax rolls?

#

IV.

TESTIMONY

SENATOR CRAVEN: We now call the meeting to order.
You might call the roll just for the record, Mickey.

MICKEY BAILEY: Senator Johnson: here; Senator Mello;
Senator Presley; Senator Carpenter; Mr. Chairman, Senator
Craven: here.

SENATOR CRAVEN: The problem of mobilehome vehicle
license fee delinquencies, which has grown in the last few
years, is the subject of this hearing today. The problem is
one on which many legislators have heard complaints from their
mobilehome constituents. The background paper, copies of which
are available up front, provides information on the history
of this issue.

Traditionally, mobilehomes have been subject to a
vehicle license fee. Those delinquent were subject to a 20%
penalty on the outstanding amount due. Then, in 1980 new
legislation became effective which placed new mobilehomes
sold after July 1st of that year, and any mobilehomes
delinquent 120 days or more on their license fees, on the
local property tax rolls.

In most cases property taxation is a more costly tax
burden, over a period of time, for the mobilehome owner than
the vehicle license fee. Hence, I suppose you could say that
the complaints in this regard would be normal - no one likes
higher taxes.

But in this case there is more to it than having to pay
higher taxes. The majority of complaints which have been

received in this regard are from mobilehome owners who say they never received notice that their renewal fees were due, and were already shifted to the property tax rolls before they found out about it. They say they would not have been delinquent if they had known the fees were due. Because of the complaints received in 1981 and 1982, the Legislature enacted two bills in the 1982 Session:

One was AB 1400 by Assemblyman Cortese, which set up a petition procedure for delinquent mobilehome owners to file an application with the Department of Housing and Community Development (HCD) to have their mobilehomes removed from local property taxes and reinstated to the license fee system. But there has continued to be disagreement on the reasons for delinquency which will justify reinstatement. Initially the Department rejected over 90% of the petitions, although more recently HCD has been more lenient in this regard.

Additionally, I carried SB 1343 to set up a one-time amnesty for those delinquent between the effective dates of the property tax legislation, back on July 1, 1980, and March 1, 1982, the effective date of the Cortese bill. Mobilehome owners delinquent between those two dates could file under our bill and, if they paid back fees or taxes due, would be reinstated to the property tax system. However, the provisions of SB 1343 expired on January 1st of this year.

Despite legislative attempts to address this issue, there continue to be complaints from mobilehome owners about

new delinquencies and the lack of notice. We have received complaints on this issue from some people who, unfortunately, could not attend the hearing today. Additionally, I understand legislators representing Riverside, San Diego, and Orange Counties, as well as some Bay Area and northern California counties, have letters on file in their offices from constituents concerning this issue. We not only want to hear from those who have come here today to testify about their particular problem, but what we can do about it:

Should notice be a prerequisite to switching someone from the vehicle license fee to the property tax rolls?

Should we change the system in terms of mobilehome owners delinquent on license fees and return to a simple penalty system as was the case prior to July 1, 1980?

Should we set up a new amnesty program?

The focus of this hearing is not only on the delinquencies, the lack of notice, and the hardship that falls on the mobilehome owners caught in this situation, but what can we do about it?

In this regard we look forward to having your input. Procedurally, we will hear first from those listed on the agenda who have notified us they wish to speak on this issue - and then, time permitting, we will gladly take anyone else who wants to say something germane to what we are discussing here today.

I'll begin first and defer to Senator Johnson. Ray, do you have any comment you'd like to make at this time?

SENATOR JOHNSON: No, you did very well.

SENATOR CRAVEN: Thank you, sir. I appreciate that coming from one of our more senior members. We now have with us Senator Presley, who represents Riverside County, and who is a member of this committee. Thank you, Bob, for being with us.

The first witness we have listed is Mrs. Audrey Simmons of Roseville. Is Mrs. Simmons here? Would you come up, please? Now, you may either stand there or be seated right here at the table, whatever is easiest for you.

MRS. AUDREY SIMMONS: I'll just stand right here.

SENATOR CRAVEN: Well, why don't you stand near the microphone? Oh, it's not working? Well, Kenny said that mike isn't working. Fine. Would you just introduce yourself and then proceed?

MRS. SIMMONS: Yes, my name is Mrs. Audry Simmons. I live in Roseville, and I was the first on the list because probably I was the most irate.

SENATOR CRAVEN: No, I think it's because your name begins with an A.

MRS. SIMMONS: OK. I'm glad to appear before you on behalf of thousands who couldn't make it here who are suffering the same agonies we have over the last three years in our case. No one would listen. No one cared. No one would hear, and we didn't discuss it a whole lot in our mobilehome park because we were embarrassed. We were made

to to feel like we were criminals of some kind, that we had done something wrong. We received, in our particular case, no notification that our license fee was due.

SENATOR CRAVEN: This is notification from the Department?

MRS. SIMMONS: Yes, right. I have verification of that by Mrs. Ann Guthrie, who is the officer of the Bank of America, who holds our mortgage. They were notified after we had already been put on the tax rolls that we were delinquent, and they were told that they could not get hold of us; that they had a wrong address.

SENATOR CRAVEN: Let me just interrupt you at this moment and ask - John, would it be normal that the mortgage holder would be the person notified as opposed to the occupant of the mobilehome?

JOHN TENNYSON: The occupant of the mobilehome, the one with whom the mobilehome is registered, is normally the one who is notified.

SENATOR CRAVEN: Regardless of the fact that it has become delinquent?

MR. TENNYSON: That is correct.

SENATOR CRAVEN: Would there be a dual notification by any chance?

MR. TENNYSON: When it becomes delinquent the mortgagee is notified. Mr. Travis Pitts with the Department would be

better qualified to answer this.

SENATOR CRAVEN: Very well. We'll pick up that point. I just wanted to make sure . . .

MRS. SIMMONS: I thought it was interesting that they could manage to get a notice to the mortgage holder but not to the homeowners themselves.

SENATOR CRAVEN: Yes; well, it seems to me that this is not related to a mobilehome but it seems to me in times past my tax bill used to go to the Bank of America or whoever has my house on mortgage, and I used to get a copy of it from them, but they, of course, handled all of those things as a part of my payment.

MRS. SIMMONS: Well, it's interesting that they waited until after the 120 days had elapsed to be sure we got on the property tax rolls, obviously. . .

SENATOR CRAVEN: Yes, I understand and I noted your point.

MRS. SIMMONS: Yes. And we tried to pay as soon as we discovered what happened to us. We get all our insurances and all our licenses for the car, for the cars, and every kind of license comes due on the same date.

SENATOR CRAVEN: Yes, mam.

MRS. SIMMONS: And we were paying them as they come in. When I get a bill into my house, immediately I sit down and write it out. We did not receive one for the mobilehome. I, obviously, made an error, but I didn't realize it hadn't been paid until it was too late and the next year I didn't get one.

It finally dawned on me that "Hey, wait a minute, they didn't send one." So I went to the DMV immediately and they said this is how much you owe. I wrote out a check and they said there would be a penalty. I said, "Fine, if I'm late, I'll write out the penalty." I wrote out the check I have it here; but she said, "You're too late." I was 16 days too late! I was just absolutely livid. I was horror struck. I couldn't believe such a thing had happened. And she told me in her words that there is no forgiveness. As far as I know, Mr. Nixon, his Vice President, and several others get forgiveness. We don't get any forgiveness when we, through no fault of our own, don't pay a tax, she said to me, "There is no forgiveness." And that really stuck with me a lot.

I went to everybody, called everybody I could think of to try to get this thing straightened out, but they said there is no one you can go to; there is no forgiveness. And what galls me the most is that our neighbors bought their home at the very same time we did. Their fee decreases every year; ours goes up every year. I'm afraid to paint my house because it's going to be an improvement and they're going to up my taxes even more. We bought this mobilehome so that we could retire in it and that we wouldn't be burdened by the taxes we had in our house. So we get there and we find we are on the property tax roll again - through no fault of our own. We are willing to pay a penalty; I'll pay a penalty today. For three years I've been going through this.

SENATOR CRAVEN: You live in what we call a conventional mobilehome park. . .

MRS. SIMMONS: Yes.

SENATOR CRAVEN: As opposed to having a unit on land you own?

MRS. SIMMONS: Exactly.

SENATOR CRAVEN: I see. And you were delinquent by virtue of the fact that you did not receive a notice that payment was due?

MRS. SIMMONS: That's right.

SENATOR CRAVEN: And, like most people, the thought never really occurred to you that it was due.

MRS. SIMMONS: No, I obviously assumed that I had paid it.

SENATOR CRAVEN: Well, I'd say that is not an illogical assumption. Of course, you know, what we write here in the law or the legalese which we use contains not one ounce of compassion?

MRS. SIMMONS: Of course, I realize that.

SENATOR CRAVEN: And it's unfortunate. So we understand the problem, but having you tell us the problem is very, very important. Have you anything further to add?

MRS. SIMMONS: No, it's just that whether it helps me or not is one thing, but there are thousands. . .

SENATOR CRAVEN: In the same boat. . .

MRS. SIMMONS: . . .the elderly, the weak, helpless people and they are not here to speak up. It took a lot for

me to come here and speak up myself. I'm not used to having to defend myself for something that I didn't do, but I just couldn't let this go by. It's a terrible law, and a terrible, terrible burden. Who would buy a mobilehome expecting to go on the property tax unless you were living on a piece of property? It's double taxation besides. I'm paying for all the schools and all the assessments the same as the person who owns our park. So the whole thing is totally unfair to the people. I would have gladly paid it, and I'll still gladly pay it and any assessment on top of that to get back on to the vehicle license fee.

SENATOR CRAVEN: Yes, mam. Thank you. Senator Presley has a question for you, Mrs. Simmons.

SENATOR PRESLEY: Mr. Chairman, I have a question, I guess it's for you or the consultant, and that is does the Department of Motor Vehicles, who were doing this at that time, I guess, do they have a record when they send notices to people? Are they able to prove whether or not they mailed out the notice?

MR. TENNYSON: Senator, yes. It is my understanding - again, Mr. Pitts with the Department would probably be better equipped to answer that - but it is my understanding that they do have a record of whether they have sent out a notice to a person whose license fee is coming due.

SENATOR PRESLEY: So the only other person who could be involved who would prevent the notice from getting there

would be the mail carrier?

MRS. SIMMONS: Not necessarily. I have a unique situation myself in that when we first moved into our mobilehome park, it didn't have an address so all the mail was sent to the address of the clubhouse. Apparently, they didn't get the message and they sent this - apparently, this is what happened; it's the only thing I can think of - they sent it to the clubhouse, and the clubhouse, for some reason or other, we can only speculate on what happened, marked it "No such person at this address" and sent it back to DMV. But they did know our mortgagee at that time or rather the mortgagor. They could have written or called, in which case they did, but they waited until we were on the property tax first.

SENATOR CRAVEN: Do you know for a fact that DMV did receive mail addressed to you and returned to them by some other person?

MRS. SIMMONS: The only thing I know is that when I went to DMV and tried to pay this thing that they went and checked their records, and they did say they sent a notice.

SENATOR CRAVEN: I see.

MRS. SIMMONS: And that they sent it to the person who holds the mortgage, they talked to her on the phone, and that they had sent it to the wrong address. She said, "Why didn't you notify us before this?" They said they didn't know that; it was just a clerk.

SENATOR CRAVEN: I see.

SENATOR PRESLEY: What do you mean they sent it to the wrong address? You mean by sending it to the clubhouse?

MRS. SIMMONS: By that time we had street addresses.

SENATOR PRESLEY: Well, they didn't have any way of knowing that, did they?

MRS. SIMMONS: Pardon me?

SENATOR PRESLEY: Motor Vehicles wouldn't have had any way of knowing that subsequently you had streets, would they?

MRS. SIMMONS: Well, they had been notified. They managed to get our other licenses in fine style on our cars that were due. They managed to get those to us.

SENATOR PRESLEY: Was your mobilehome registered at the same address as the automobiles?

MRS. SIMMONS: Yes, as far as I know. I mean that when we sent in our change of address, if they didn't get it, I don't know why because. . .

SENATOR PRESLEY: Why would the clubhouse send that back? Don't they know who lives in the park?

MRS. SIMMONS: I don't know. They should know. The only thing I can say is that there were some problems in there with the owners, I mean the manager, at the time, who isn't there now. But they had certain people they weren't too fond of, and I have the feeling that's exactly why ours was sent back "No such person" because they knew very good and well that we lived at that address. And all they had to do was for the manager to call us up and say it was there or. . .

SENATOR PRESLEY: Then your problem would have been solved?

MRS. SIMMONS: Oh, sure. It's ridiculous.

SENATOR JOHNSON: I have a couple of questions.

SENATOR CRAVEN: OK. Senator Johnson.

SENATOR JOHNSON: You said there were thousands of other people effected. I can understand what happened to you, you know, but are you saying to us that this is prevalent all over - that they are losing the addresses or they have sent them or where they say they have sent them and they are not coming back and that sort of thing? Because the normal process in this is, you know, we all get mail and it's possible for a computer to foul up and it can be individual cases, but if it's as extensive as you say it is, I'm wondering what's going on. I mean are they sending these out to the wrong addresses or. . .

MRS. SIMMONS: They're not sending them at all it looks like.

SENATOR JOHNSON: Well, that's what we want to know. If they're not sending them, then that's a horse of another color, but in your case, did they claim they had sent yours and you are telling us you thought perhaps it might have come there and got lost?

MRS. SIMMONS: Yes, it's possible that that did happen. I can only say that I found out just last night that there are four people in my particular park who had this happen. Now none of us spoke to each other. I just found out by

talking to the manager last night that there are four of us. And everyone was embarrassed by this. When we talked to DMV or HCD or anybody, they made us feel like we were some sort of criminal and some of those people are elderly and they are not used to ever making waves or speaking out. If someone in authority tells them they owe, they are going to pay. They suffer in the meantime. And a lot of them - maybe not in our particular park but in other parks in poorer circumstances I know of just go on the dole rather than pay those taxes which just go up every year while our mobilehome is falling apart the same as our neighbor's is.

SENATOR JOHNSON: How many people live in the park where you live?

MRS. SIMMONS: There are 168 coaches in our park.

SENATOR JOHNSON: 168 - do you have any you know of that made this transition without any problems? In other words, you have 168 and you said you know of four people who got caught in this, but were there other people, say in the same situation, who actually got their records?

MRS. SIMMONS: I know of a couple at least from just talking to them myself who were not notified but were smart enough to catch it. Another one had two or three units to their coach, and they only received one notice and the other two became delinquent, but apparently they were under the wire and I think they got straightened out, but they had a heck of a time doing it. They made many trips and took days

off work, as we're doing today, trying to get it straightened out. And just by virtue of sheer luck, they were able to stay on the. . .

SENATOR JOHNSON: Well, may I just ask a question? How did this - we've enacted several laws since the initial law which said that from here on out if you bought a coach after 1980, wasn't it, that then you would be taxed on the regular property tax and those prior to that could stay on the VLF. Now, we kept adding new rules and kept changing the law to give people a chance, hopefully, somebody like yourself, to get straightened out in this thing over that last two-year period. Wasn't that what we tried to do?

SENATOR CRAVEN: Yes.

SENATOR JOHNSON: I mean I read all the material and. . .

MRS. SIMMONS: What they did was put a date of July 1980, was it, and mine was due just before that so there was no forgiveness because I didn't happen to fall into the right date.

SENATOR JOHNSON: Didn't we then go another period or something? I thought I voted a couple of times to extend - so we could clean this thing up so. . .

MRS. SIMMONS: The people this side of it, but not the people that side of it. Mine was due apparently in 1979.

MR. TENNYSON: Well, there were two bills: one the Cortese bill, as Senator Craven indicated, that set up a petition process to petition the Department. If the circumstances

are grievous enough, they will grant that petition. The other was the amnesty, and that's the one to which you refer that had the dates. You had to be delinquent between July 1, 1980, and March 1, 1982, and those were put in there because it was felt it couldn't be an unlimited amnesty. It had to be a certain period of time where most of the problems, it was felt at that time, fell between those dates.

MRS. SIMMONS: Because they were lucky enough to fall delinquent a certain date, they got amnesty. Because I was unlucky enough to fall just before that - and yet I did everything I could do just to pay my bill - and no one would take the money from me. I went to everybody, including the assessor, and the assessor said, "I don't know what we're going to do with this. Something is going to be done, but you'll probably end up on the tax rolls, but we don't know." I was in a state of flux. I owed somebody and I couldn't give anybody the money.

SENATOR CRAVEN: I would presume, Mrs. Simmons, that - I'll give you a premise here - that you would prefer you be, or persons in your category be, allowed to pay whatever penalties may have accrued. . .

MRS. SIMMONS: Absolutely. . .

SENATOR CRAVEN: . . rather than have the ultimate penalty of being placed on the tax rolls?

MRS. SIMMONS: Absolutely.

SENATOR CRAVEN: Does that sum up pretty much what you have to say?

MRS. SIMMONS: Yes, that's exactly right.

SENATOR CRAVEN: Very well. All right. Unless there be any further questions, we will excuse the witness and thank you very much for being our lead-off hitter. Next we have Bert and Winifred Watkins of - I'll try this - Aromas? Is that?

SENATOR MELLO: Aromas.

SENATOR CRAVEN: Aromas. Well, I. . .

SENATOR MELLO: Let me say that is right in my district.

SENATOR CRAVEN: Well, I've got to be honest in saying to you, Senator Mello, and to Mr. Watkins that I have never heard of that place.

BERT WATKINS: Hey, ten years ago I never heard of it either. I just happened to drive through there and it looked like a good place to live.

SENATOR CRAVEN: Well, it sounds like a hell of a name for a men's cologne to me, but, Bert, please go ahead.

SENATOR MELLO: If too many people heard about Aromas, it would be ruined.

SENATOR CRAVEN: That's right; it would lose its charm.

MR. WATKINS: There are 820 people there, a grocery store and a post office.

SENATOR CRAVEN: I think you're pushing Cool if you get many.

MR. WATKINS: That's why I went there. I bought this little half acre and I put a mobilehome on it for \$10,000 -

for the mobilehome - and now it's assessed at \$16,000, and the assessor is out there taking pictures and all that kind of jazz. Anyway, to get back to it, I hate to beat this notification to death, but at the time we moved there I was in the trucking business, and we had a total of - motorcycles, cars and everything - we had a total of ten vehicles coming up for renewal. Almost every month we paid, and it just went through the system. I realize we are responsible to pay the license fees, but you get dependent on this, see? The mobilehome was a license too, see? But it didn't come. And we didn't notice it, and the first thing we know the same old story that the lady said, here's the assessor at the front gate and the dogs are trying to eat him up. Well, he said, "We caught a lot of them this time, and there's going to be a lot of trouble about this." I told him that I'd pay it - or rather my wife was talking to him as I wasn't home at the time. Anyway, she told him we'd be glad to pay it, but he said, "No, we can't do that." Immediately we went to the assessor; then I went to DMV, but they said it was too late, that I was stuck. This is a bad thing to say here, "stuck". But it's true. . .

SENATOR CRAVEN: Well, some of those people, including the assessor attended the same public relations school which we have here, you know, to turn people off immediately. . .

MR. WATKINS: Yes, I know.

SENATOR CRAVEN: Sometimes it takes longer, but generally speaking, they can do it rather quickly.

MR. WATKINS: So, anyway, I've been through both of the bills, and I didn't realize the first rejection I got from Mr. Pitts, which infuriated me because it stated this notice if final. I mean nothing is final but death and, of course, taxes.

SENATOR CRAVEN: . . .taxes have a certain finality.

MR. WATKINS: Anyway, I've been bothering poor Cortese ever since. At that time I was in his district, and I have stayed with him. He sees me so often about this thing. We went through the two bills and they didn't correct it because, like the lady, mine went just before the bill - couldn't help it. I went to the Santa Cruz office and I talked to a lady there at the counter. She said there were a lot of people who weren't notified and went delinquent before they found out about it - 120 days - but nobody found out, then it went delinquent and no way of rectifying it. My taxes are just about double what they were. I'm retired now on social security, and we planned on this, you know.

SENATOR CRAVEN: . . .Now, here you. . .

MR. WATKINS: Let me say something else.

SENATOR CRAVEN: Certainly.

MR. WATKINS: I understand the purpose of your legislation, to get the people out of the hills. I live on a hill, but I'm not, I wasn't there, I paid my taxes every time - my license fees - I pay my land tax, all the things on it like school districts and fire departments and all

that stuff. That's OK, you know, I want to pay my share, but we set up this up to retire on and take advantage of whatever we could. I understand there are a lot of people up in the mountains who have mobilehomes who have never paid any license fee on them for years, and I understand that that would be something you'd want to do something about, but mine was just in the last ditch there, see? It wasn't that we tried to evade the taxation.

SENATOR CRAVEN: I understand.

MR. WATKINS: Well, that's my case. I have nothing more to say.

SENATOR CRAVEN: So, basically, what you are telling us is that you failed to receive proper notice.

MR. WATKINS: Absolutely. DMV never failed to send a notice on the trucks, the cars or the motorcycles before or since, and they have my address cold turkey.

SENATOR CRAVEN: Are the vehicles registered at the same address as your mobilehome?

MR. WATKINS: All the same address, yes, sir.

SENATOR CRAVEN: I see. Well, as you know, when we transferred from the Department of Motor Vehicles to Housing and Community Development, there was some degree of problem. That's putting it charitably. Obviously, a lot of people got caught between the cracks and what we tried to do in some of these pieces of legislation was to alleviate that problem, but, obviously, we haven't done it to the extent

that perhaps we should have. That's one of the reasons we want to hear from you and give some recognition to what the problem really is and see if we can take some remedial steps that will correct it.

MR. WATKINS: It wasn't until your bill went through and I made another attempt, until then they hadn't told me why I was refused. Before that Mr. Pitts' rejection didn't say a thing. It was just a mimeographed form saying you are out of luck; it's final. But it didn't say why. Then here all of a sudden I see what happened. See, I went delinquent before anything was applicable. Anyway. . .

SENATOR MELLO: Mr. Chairman, may I ask. . .

SENATOR CRAVEN: Certainly, Senator Mello.

SENATOR MELLO: The little town of Aromas is further aggravated because it's in three counties. Are you in the Santa Cruz portion?

MR. WATKINS: I'm in the Hollister part, San Benito County.

SENATOR MELLO: So you are in San Benito County?

MR. WATKINS: Right.

SENATOR MELLO: You said they raised - what I'm interested in - your value is now \$16,000. Is that for the coach only or the land too?

MR. WATKINS: The coach only. The property taxes are another horse.

SENATOR MELLO: So on the coach your taxes are presumably under Proposition 13 from . . .

MR. WATKINS: No, I asked him about that. He said it was too late, that Prop. 13 is all over with.

SENATOR CRAVEN: It is?

SENATOR MELLO: No, I mean the assessor has to, under Prop. 13, under newly constructed or as of the date of transfer. . .

MR. WATKINS: He said not.

SENATOR MELLO: Is there an assessor here? Mr. Carlson? If you don't mind, Mr. Chairman, I'd like to pursue this a little bit because what I'm trying to find out from Mr. Watkins here is how much do you owe - if you don't mind revealing that - that you are not able to pay? You either owe fees on the vehicle license fee that are delinquent or you owe the assessor for real estate fees.

MR. WATKINS: We don't owe anybody anything. We paid everything as we went along. When we were delinquent, we went to the assessor; we paid the county taxes on the mobile-home even though it was assessed at \$16,000, which I thought was unfair. . .

SENATOR MELLO: . . .But my question is I'm trying to find out is how much did you pay for property taxes to the assessor on the coach?

MR. WATKINS: It was \$88, I believe, that we owed the DMV. Now let me see. . .

SENATOR MELLO: How much did the assessor charge you? It was it more than the \$88?

MR. WATKINS: I can't tell you the exact figures. I'm sorry but I don't have them with me, but it was just about double that.

MRS. WATKINS (from audience): \$200 on the (inaudible)

SENATOR MELLO: So my question was, I guess if your coach was worth \$10,000 to \$16,000, you are claiming that a \$200 fee is excessive for your coach. Is that it?

MR. WATKINS: I'm not complaining about what the assessor has done. I just don't want anything to do with him. The land tax is OK, you know?

SENATOR MELLO: Well, if I may ask the assessor what provisions - how do you enter the picture now in this kind of situation? Are you able to assess a value on the home?

SENATOR CRAVEN: Would you please identify yourself?

AL CARLSON: I'm Alfred E. Carlson from Santa Clara County. I'm the Assessor. Apparently the situation here is that it went delinquent and got switched from HCD over to property tax, and the situation there would be at that time the assessor would make an appraisal of the mobilehome and set a value on it. I gather you say he set \$16,000.

MR. WATKINS: Well, it's a beautiful place.

MR. CARLSON: Of course, and when we look at Prop. 13, what I think he was saying is the fact that if you owned it in 1975, obviously, you got a definite advantage because the property only goes up 2% a year, but in this case you would have come in with a new base. Now, if you disagreed with the value, then you should have gone to the local assessment

appeals board. That would have been the body to hear that issue.

MR. WATKINS: Well, I was going to try to fight it through on this basis where we are now so I wasn't really too concerned about that. I paid a lot of money already to the county that I wouldn't have if I had been on the HCD rolls, but I can say I'm not mad at the county assessor. They are just doing their job as they see they are supposed to. That's OK. It's just that I don't think I should have been there.

SENATOR CRAVEN: Very good. Thank you, Mr. Watkins. We appreciate your testimony. And thank you, Al. It's a pleasure to have you here. Next, Mrs. Charles McCoy of Cedar Ridge.

SENATOR MELLO: Where's Cedar Ridge?

SENATOR CRAVEN: Now that has to be in Ray Johnson's district.

SENATOR JOHNSON: Yes, it is, and whatever you want, you're going to get.

SENATOR CRAVEN: Well, you have a friend at court here, Mrs. McCoy.

MRS. CHARLES McCOY: Our problem is so much more unique, but the one thing I find that is identical is that we did not fall within that July 1st date. We were back to February 28, 1980. We came from the Bay Area and my nephew, who is with us and who brought me here, was looking for a place for us to live that was affordable, decent and livable. There was nothing conventional that he could find and so he

found this mobilehome, which we knew was delinquent as of February 28, 1980. I tried after that - because this was in our price range that we could afford - I tried and tried. I had written to Senator Johnson, and he was kind enough to answer. He told me to go to the Department of Housing, which I did. They said, "You'll have to go back to your Congressman and write to him."

SENATOR JOHNSON: Your Congressman?

MRS. McCOY: Yes. And to reenact a new bill to cover you. This is what we were told, my nephew here and my niece.

SENATOR JOHNSON: You were told your Congressman? They don't have anything to do with this. It's your State Legislature, and we did enact some stuff we thought might help. Maybe it didn't help everybody.

MRS. McCOY: It didn't go back though, Senator, to cover.

SENATOR CRAVEN: That's right.

MRS. McCOY: And the lady who let it expire and become delinquent was ill. Now you tell me there is no compassion, and that has nothing to do with it, but I have the lady's niece with me. She was kind enough to come and testify as to possibly why this happened to her aunt, so may I call her?

SENATOR CRAVEN: If it's germane to your testimony, certainly.

MRS. McCOY: All right, Mrs. Campbell.

SENATOR CRAVEN: Mrs. Campbell, do you know the situation which we are discussing and, hopefully, your remarks will be pertinent to that.

MRS. CAMPBELL: I brought my aunt up to live near me. She wasn't able to take care of herself any more. That was in October 1979 and then in November and December my mother was very ill with cancer and I was in Oregon with her. Then I was involved in a court trial from January through early April, and my mother died during this time so I was flying back and forth. I wasn't with my aunt, and if she received it, I don't know. It wasn't paid obviously, and she wasn't able to take care of her business.

SENATOR CRAVEN: But you really have no idea whether your aunt had, in fact, received the notice or not.

MRS. CAMPBELL: I don't know.

SENATOR CRAVEN: Yes. Was your aunt competent to take care of her business?

MRS. CAMPBELL: No, she was not.

SENATOR CRAVEN: I see. Very well. All right, dear, thank you very much. Mrs. McCoy?

MRS. McCOY: Anyway, I think the whole idea of property taxes on a home on wheels is just unfair. It's not fair. It's not fair to - if you folks, you know, take care of some people, I think you should care of us too. I mean we're all - we're, my husband and I, are not well. I know this is

not supposed to be brought into it, but I have cancer. I was on a year's chemotherapy. I've had my husband in the hospital for two months, and if any of you have ever been into a hospital this day and age for two months, you know it takes your money fast.

SENATOR CRAVEN: Mrs. McCoy, do you live in a mobilehome park or. . .

MRS. McCOY: No.

SENATOR CRAVEN: You live on land that you own, right?

MRS. McCOY: Yes, that is correct.

SENATOR CRAVEN: I see. So you obviously would fall in the same category, I guess, as Mrs. Simmons in that you would prefer, if necessary, to pay the penalties. . .

MRS. McCOY: By all means.

SENATOR CRAVEN: . . .rather than be on the property tax rolls?

MRS. McCOY: Yes, by all means. We're all alone and lonely up in Cedar Ridge.

SENATOR CRAVEN: And what you are saying, in effect, is that you would be just sailing along fine if you had received notification which, obviously, you did not. Is that right?

MRS. McCOY: Well, you see, when we bought it, we were cognizant of the fact that it was delinquent.

SENATOR CRAVEN: I see.

MRS. McCOY: But we had no other choice. That was the only thing we could afford and that was the only thing available.

SENATOR CRAVEN: With that knowledge, did you try to contact some state agency about paying that bill or to the county?

SENATOR JOHNSON: It was recommended to her, and she went there.

SENATOR CRAVEN: And you got little or no response from them except a rather nebulous answer.

MRS. McCOY: Yes, in fact, I called several times again after that, and they said, "No, we can do nothing unless there was new legislation on it to back it up."

SENATOR CRAVEN: Yes, I understand. Well, I think all of the members of the committee understand your problem very well. Hopefully, you will understand that what we tried to do was to take care of the overwhelming bulk of people. . .

MRS. McCOY: I understand.

SENATOR CRAVEN: . . .in a similar situation, but as we said a little earlier, you try to strike certain limits to include as many people as you can. Unfortunately, being very imperfect in what we do here, we can't solve everything - even though we may like to. But that is one of the reasons we wanted you to come in to explain your situation, and we

appreciate it very, very much. Have you finished those things that you wanted to say?

MRS. McCOY: Yes.

SENATOR CRAVEN: Very good.

SENATOR MELLO: May I pursue this just a bit?

SENATOR CRAVEN: Certainly. This is Senator Mello.

SENATOR MELLO: I'm interested in what you said about the proposal being very unfair. I can recall back voting for it, and I think my support for putting a coach under property taxes was what Prop 13 - in fact, we had a table if you recall, Mr. Chairman, that shows like a \$40,000 coach would pay about 1% or about \$400 in taxes plus some other incidentals. But if they were taxed under the Department as a motor vehicle, the license for those first few years was much higher and then - is that correct?

SENATOR CRAVEN: Yes, it depreciates.

SENATOR MELLO: So the depreciation comes into effect and that's my reason why I supported it. I was trying to give people living in mobilehomes a break and a chance to live and pay less taxes, especially in the newer coaches. Even in the older coaches, the vehicle fee went down to a certain point and just stayed there.

MRS. McCOY: Ours is a 1966.

SENATOR MELLO. All right. What I'd like to ask from you is - if you don't mind revealing this before a committee, and we're trying to get the truth and get some information here - how much did you pay for the coach and, secondly, how

much are you paying in the form of taxes, right now, per year?

MRS. McCOY: A total - for the coach alone or the whole property?

SENATOR MELLO: Break it down. You have coach and property?

SENATOR CRAVEN: Yes, she lives on her own land.

MRS. McCOY: \$56,000.

SENATOR MELLO: For what, the coach?

MRS. McCOY: For the entire.

SENATOR MELLO: Oh, you paid \$56,000 for the coach and the land? And approximately how much for the coach, how much was it valued at?

MRS. McCOY: About \$35,000?

SENATOR MELLO: Just in round figures. I'm trying to...

MRS. McCOY: \$22,000.

SENATOR MELLO: \$22,000? So the land then was worth about \$34,000?

MRS. McCOY: That's what they assessed.

MR. DEAN: May I interrupt?

MRS. McCOY: This is my nephew, Mr. Dean.

SENATOR CRAVEN: Certainly.

MR. DEAN: This is what the assessor sent to us after it went on the tax rolls, but when it was written up in escrow, I don't have the figures here but if memory serves me right, it was set up as either \$24,000 or \$26,000 for the coach.

SENATOR MELLO. OK. My other question, of course, is what are you paying now per year in taxes or fees?

MRS. McCOY: Do you want all of them or do you want just the latest?

SENATOR MELLO: Just the most recent one will do.

MRS. McCOY: The most recent one for July 1983 or June 1984 is \$578.64.

SENATOR MELLO: That's for land and improvements?

SENATOR CRAVEN: So it's twice that figure what it would be.

SENATOR MELLO: Is that for the year?

SENATOR CRAVEN: Is that the total for the year?

MRS. McCOY: That's for the year. The year before was \$589.00.

MR. DEAN: Would you like to compare that with mine? Well, I'm in the same county; she has a half acre, a little bit bigger mobile. I have 2½ acres with a little smaller mobile, but I have more improvements like garage, etc. than she has, and I pay \$48.00 and \$21.00 on my coach.

SENATOR MELLO: Now you're still under fees?

MR. DEAN: I'm still on the old system. I pay around \$80 a year compared to what she's paying.

SENATOR MELLO: Well, I think what all of us here on the committee want to do is to help - I don't think any of us voted to put people in jeopardy - and if there are ways in which we can remedy this, I certainly would be for it.

MR. DEAN: Well, I'm here in her behalf so could I say one more thing that might help answer an earlier question of Senator Johnson?

SENATOR CRAVEN: Certainly.

MR. DEAN: You were wondering why these people didn't get notices, and it may be the mail's fault or this and that, but a lot of it might be the computer age. Now I've lived in the same address for ten years; I mean the same property, but due to getting ahead and so on, they changed my address twice. First I had a box number and then I had another address, then it was changed from an Auburn address to a Grass Valley address. Try to get all this in the computers! Like the man said, he had ten vehicles. I have five. I went in and listed them all at the DMV on their special paper, change of address. For three years they sent all five of them to the wrong address. I'm lucky it was forwarded. But people moving around in the state, it could be a total mess.

SENATOR CRAVEN: What you have just explained to us, take that problem and multiply it by the amount of people we have falling into that category, and you'll see the vastness of what we're really dealing with.

MR. DEAN: That's what I'm saying. I'm one of the lucky few who managed to get through it.

SENATOR CRAVEN: I think it's obvious that we've had some real mechanical problems in this sort of thing. We thought we were in the process of solving that, and I think to a degree we have. But, obviously, we haven't solved it

all. But we do appreciate the testimony of both you and your aunt, and I thank you, Mrs. McCoy, and I hope you are feeling well. Next is Mr. Howard Foulds.

MR. HOWARD FOULDS: I'm at kind of a disadvantage because I'm trying out a new ear phone today on you people.

SENATOR CRAVEN: Well, you speak as loudly as you wish. That isn't going to bother us at all.

MR. FOULDS: Gentlemen, aloha. My name is Howard Foulds. For the past four years I have lived in the Lakeville Mobilehome Community, 4280 Patterson Drive #25, Diamond Springs, CA 95619, telephone: 626-4703, code 916. Incidentally, I have a xerox of what I'm going to say to you, and I'll present it to you so it will help you in typing this later on.

SENATOR CRAVEN: Let me, before you get too far afield there, it looks like you have a real sheaf of papers, and if you have that already xeroxed, it may be better if you would give that xerox copy to us and then just extemporize what you want to say rather than read it all. It may save us a little time and still give you the opportunity to say exactly what you think. Thank you.

MR. FOULDS: All right. We'll do it that way. I hope you all have this (referring to background paper) because I'll answer it question by question for you, starting with page 8. On page 8 you have some questions here so I'll answer those to start with.

SENATOR CRAVEN: Fine.

MR. FOULDS: Before I do that, I want to make one comment though. A number of persons have claimed they didn't receive their bills on this probably lived out in the country and they had an automobile, which presumably they did receive, or their automobile would have been tagged differently. They should really keep a diary for these items. This does not indicate a poor memory, but rather good common sense.

SENATOR CRAVEN: Yes, sir, I think that goes without saying.

MR. FOULDS: All right. I will refer to these by number rather than read them to you. No. 1, notice of renewal. I would like to see the HCD send a similar notice that the Division of Highways does for the autos, even if it is stated thereon something of this nature: This claim that you did not receive this is no defense against not paying it before or when due, or something similar. I'm uncertain whether this should be mandatory. It certainly would save many complaints in the future.

In answer to No. 2, paying the delinquent tax. The current schedule should be more than ample if the above applies, but 120 days is adequate in either case.

No. 3 about the granting of petition. It will be some time before these units are all assembled on one notice. Possibly since this has an implication of a minor fault of the VLF system in lieu of placing on the assessor's roll after penalty, interest should be charged and the owner notify the Department which items are to be combined. This would

materially help the combining process. This is something the people could right now be doing something about getting help right now from the public because with some of these numbers the assessor doesn't know which ones to combine together. They may have a dual and each one is billed separately - maybe they've got a room that is different and a third item even, and he doesn't know which ones to combine.

SENATOR CRAVEN: Yes, sir.

MR. FOULDS: So they better give him a hand on that. No. 4 says additional amnesty. I have one request that this be reopened for a short time. Altogether I contacted through our bulletin 176 spaces in our own park, and we only have one request that it should be reopened. So that will give you some idea there.

No. 5, the vehicle license fees and penalties. I don't think they should be anything except possibly that some consideration of No. 3. If there is no consideration for No. 3, there shouldn't be any consideration for change there.

No. 6, cost to administer. Whether or not the method they have for the property taxation is too costly and complex to administer. No. Others may have some suggestions to simplify the paperwork, but somehow or other we have to figure out an administration that doesn't eat up all the money, and I think they are somewhat on the way of that already.

No. 7 is along the same line about a better system on

the delinquencies than there is. It is my belief that in due time all so-called mobilehomes, which are in fact 98% fixed and remain in one location, will be on property tax rolls. It is more important that these be considered in at least three categories:

1 - Those on leased lots in parks.

2 - Those on fee title lots in parks, and

3 - Those on fee title parcels, not in parks. The taxing authority must have authority to lien these properties - if they don't have it now, they should be given it - regardless of location. The current system is not flawed to the extent that it should be considered obsolete and, hopefully, with today's suggestions these conveyed in prior letters, the difficulties can be straightened out without throwing the baby out with the bath water.

No. 8, basically I feel that those on fee title property, not in parks, should remain on the property tax rolls, even if adjustment is required to be made. Those in parks, on lease land, or on fee title land, should be reviewed for reasons in view of possible action in today's suggestions, and if this is an original classification, with penalty payments.

And, now, while not on today's schedule what is really needed is more land zoned for park use.

Now, one more thing here, going back to the comments on it. Historically, our mobilehomes have been depreciated

from 7 to 8 years, and then it goes down to a more or less obsolescence value of roughly 20% to 25%. That is the reason why some of us bought these homes - it was because we did have a depreciation advantage and I think something has to be worked out with the assessor that we can still maintain that depreciation advantage, and if we can't, we'll just be continually coming back in here because this is quite a factor in ours. It is the loss of this item, plus the 2%, that is causing us trouble at the same time.

There is no number on this one, but I thought maybe Mr. Tennyson wouldn't mind if I assigned No. 9 to that because something has to be done about the assessment.

Now, one more thing, then I'll be off here and out of your hair. I thank you for the opportunity to present my views and suggestions. Hopefully, this can be ironed out for it appears that, for many of us, this is the only affordable and preferable housing. Aloha and mahalo.

SENATOR CRAVEN: Well, we appreciate your comments, Mr. Foulds. The photocopy which you gave us will be made available to the members of the committee and will, of course, become part of the staff report on this hearing. We appreciate the interest that you've shown and the very systematic manner in which you have addressed the problem.

MR. FOULDS: I talked to your Mr. Tennyson, and he gave me a few guidelines. He said he would like to have some answers to the questions, not a lot of gab.

SENATOR CRAVEN: Well, that's good. Senator Johnson has a question.

SENATOR JOHNSON: Just a minute. I want to thank you for digging into this and giving us your ideas. In your closing remarks there you said you felt it would be appropriate and probably the best way to handle the whole problem is to put it right with the tax assessor the county, providing there was a reasonable depreciation schedule. Is that what I heard you say?

MR. FOULDS: I didn't intend to make it that way. There are three conditions involved in there. Mobilehomes are not all the same. Location makes a lot of difference.

SENATOR JOHNSON: That's where they own the property.

MR. FOULDS: I don't want the assessor to come along and suddenly decide that my home, which is now depreciated maybe down to - let me say, I've got four years now on mine - my first tax bill was \$480; my current tax bill which I have now with me is \$210. But in three more years my tax bill will probably be down to about, say, \$100 to \$125. Originally, my mobile was assessed at \$26,000. The mobile goes down on the vehicle license tax year by year. I don't want him to come out there and stick a \$48,000 valuation on my home because it costs more to get them now than it did then, unless he takes into consideration the full amount of depreciation that I was allowed before and puts this thing down on maybe \$20,000 or \$15,000. But coming out and reassessing my home,

which is what has happened to a lot of these people who have been put on there, wherein I have kept up my bill, I don't intend to get caught in this. At the present time I'm hedging against the time that they are going to try to force all these things on the tax roll regardless of whether we paid our taxes or not - on the tax real property roll. I don't believe that is a proper solution to the problem, and I'm just hedging against that.

SENATOR JOHNSON: Thank you. We also run into a similar situation with elderly people who are on a fixed income who have a small home, and they can only go up - what is it? - 2% a year, but they don't get any - whatever it was assessed at in 1975, was it, or 1976, and they can go up 2% a year.

MR. FOULDS: Right.

SENATOR JOHNSON: So if you happen to be unfortunate enough to own a little house and you keep going up with it, which is tough for those people who for whatever reason don't want to give up their little homes, and there are many people like that, so we're kind of caught in a Catch-22 situation. That's why we went, I guess, with a bill that said after a given period of time because many of these motor homes today - I have a lot of my friends some of whom are quite wealthy who have moved into these parks and they have mobilehomes that are worth \$50,000, \$60,000 or \$80,000.

MR. FOULDS: That's correct.

SENATOR JOHNSON: So what we were looking at was those

people. They are a different breed than maybe somebody who is just trying to hang on and that's where my sympathy runs. But what we were finding was that those people then, if we didn't change it within four or five years with those beautiful \$80,000 mobilehomes would be paying peanuts compared to what they had. It's a lot like giving away free fishing licenses to those over 65. Some people say everybody over 65 should get a free fishing license. I don't buy it because I have a lot of friends who are 75 who could buy half of the State of California, I think, the way it goes. They are not entitled to it. I'd rather give a free fishing license to somebody who has a wife and two kids who is barely getting along, but we just can't give them away. But what we did do is we've tried to provide a fishing license for somebody over 65 who had a very limited income. So now we have a problem trying to figure out how to take care of the needy, not the greedy, and between that is not easy. But we're going to try. That's why we have you here today.

MR. FOULDS: Well, the comparison is very interesting because if you get a free fishing license, that doesn't guarantee you any fish (laughter).

SENATOR JOHNSON: You're right.

SENATOR CRAVEN: Thank you very much, Mr. Foulds.

Next is Maury Priest, who is the Executive Director of the Golden State Mobilhome Owners League (GSMOL) and he, of course, is located here in Sacramento. Maury.

MR. MAURICE PRIEST: Senator and members. About two years ago during an interim hearing conducted by Assemblyman John Thurman, the same questions were asked. There were a lot of problems at the time and complaints from mobilehome owners who had been shifted and many of the same questions and type of testimony you heard today was given at that hearing. At that interim hearing a representative of HCD, Housing and Community Development, indicated that when the names and addresses of mobilehome owners had been shifted from DMV to the Department of Housing, and that was no doubt a mammoth job to do, and the initial mailing was made by HCD, that of that initial notice that went out, somewhat over 15,000 were returned "addressee unknown" or "wrong address."

This was the figure that was mentioned, so based on that hearing and discussions among a lot of different groups, the remedial legislation that Senator Craven and some of the other members of the Legislature came up with was based in part on the problem that any agency was going to have in giving adequate notice. So when the first bill came up granting an amnesty period or a time to petition and come back in, this problem of notice expense, mailing expense, was a serious consideration and the people naturally interested in the state budget said, "If we make it a mandatory notice, we add on \$50,000 or \$60,000 and the bill is not going to go" because at that time the state was in a different position than it is today. So we've left out any mandatory notice based in part upon the testimony from HCD that a lot of the addresses they received were bad,

and what good would an expensive mailing do if a good percentage of them were going to be returned?

So instead what we did - I think every member of this committee - sent out press releases when Senator Craven's bill passed. Golden State Mobilhome Owners League in its monthly newspaper sent out notices taking a full page so we could get the word out to as many people, as many mobilehome owners, as we could in the state, and it's obvious because of the continued complaints that there are a lot of people who simply just didn't get the word on these bills. There was no mandatory notice built into the bill. So what we came up with, those who were contacted filed their petitions with HCD. They filed a \$10 fee and tried to meet the qualifications and the standards so the hearing process itself was an ordeal, and I don't think we should go through that again. I don't think that whatever the committee does or whatever is recommended that involve putting the Department of Housing, or any other agency, through a hearing process where people such as the mobilehome owners you've heard from today have to come in and restate their case. I think that would be a needless expense to do.

There are other people that I've received complaints from, and I know you have too, who, for example, have a double-wide mobilehome. They may have received notice for part of that home, paid the fees on it, never received a notice or billing for the second part, and therefore end up on property taxation, even though they have paid fees for half of their double-wide mobilehome.

Basically, I think this example, taken with the information you've been given by the witnesses, pretty much illustrates the problem, and what I would like to propose as a solution to it would be that, first of all, we broaden the time period. We've heard from two witnesses today who said they just happened to fall just before the 1980 grace period began. In other words, they didn't become delinquent between a certain date in 1980 and the next 1½ or 2 years so I think we should look at broadening that time period.

Then, going only to the mobilehomes that were previously on vehicle license fees, Senator Johnson raised the point about some of the wealthy people buying homes in the \$80,000 bracket. I think for the most part the homes in that category would be the homes that were sold new after July, 1980 that are on property taxes. And I'm not proposing that we restructure taxation after those homes. I think that's the law. I think that homes sold after July, 1980 are on property taxes. That's existing law, and I'm not proposing to change it.

But homes that were previously paying vehicle tax to DMV or to HCD and since have gone to the property tax roll, I think the only way we can correct the problem without undue administrative hassles would be that all homes previously on in-lieu tax that have gone to property taxation, those can be identified from the property tax rolls right now in each county. Those are identifiable homeowners because they've been on the property tax rolls and they are here and you've

heard their complaints. I think that across the board those homes should go back to vehicle tax or in-lieu tax to the Department of Housing - across the board. Not the new homes sold since July, 1980, but those that have made the transition. They go back. They would be charged the delinquency fees which you've heard from two of the homeowners today who said they would gladly pay the delinquency just to be put back on the in-lieu taxes. Charge all those people the delinquency charge. The delinquency charge collected would go toward the administrative cost of putting these homes back on the in-lieu taxes.

Now as to the county tax assessors, you have county tax assessor offices represented here today, and they can express their own views. I would think that they have been able to collect during this period time property taxes on those homes so that is additional revenue they have been able to gather, and I would hope that if there is additional administrative cost that is associated by removing those things from the property tax rolls that a portion of those delinquency fees could go to those assessors for compensating them for some of the administrative costs. I think that type of approach is really the only way to do it.

I don't want to saddle HCD, Mr. Pitts and all of the staff there, with having hearings trying to determine on a case-by-case basis whether this person has a

good enough reason or not. I think that the testimony given by HCD a couple of years ago to Assemblyman Thurman is indication that some of the information they had to work with from DMV was inaccurate, so I'm not trying to place the blame and say that HCD is at fault. I think that it has been an administrative hassle and confusion, and I don't think the homeowners in California should bear the brunt of that. I think that if we do this across the board approach, give them a chance, if there are those who are young couples or for whatever reason want to be on property tax rolls, they have the right - if we do it across the board and place all those who have made the transition back on in-lieu fees with HCD - if there are some for whatever reason, their own financial reason, who want to be on property tax rolls, they can always do that.

SENATOR JOHNSON: They can stay there if they want to. Everybody has that option.

MR. PRIEST: They can have the option to stay there. But I think that's the only way we can really address this. Otherwise we are going to end up having continued complaints and problems, and we will be here again.

SENATOR JOHNSON: Well, if you have to petition - excuse me, Mr. Chairman, if I may.

SENATOR CRAVEN: Certainly.

SENATOR JOHNSON: If we go through trial and error program and drag all these people back on a one-by-one case, it costs you more each time you have a hearing than the tax involved so it will be much better to say - that's what

was going through my mind, and I was glad you suggested it because nothing is original, but I was thinking the same thing: let's just go back to that date and go all the way back and say let's put them where they would have been if the people had received notice - whether whose fault it was they didn't receive a notice, and we know that in many instances they weren't sent and there was no bill. I know myself - I don't have a mobilehome, but I just pay the things as I get notices. I'm not smart enough to keep track of all these characters and when they send me one, why I just pay it. And I think that's the way most people live, and we didn't feel it was necessary, and we got caught. We tried to save a dime and we lost a dollar.

SENATOR PRESLEY: Let's send him a bill, Senator Craven.

SENATOR JOHNSON: Don't worry, I get them, all the time. My wife saves me money every month. She goes to a sale and comes home and tells me how much she saved.

SENATOR CRAVEN: Well, thank you very much, Maury. We appreciate it, and we're going to watch Senator Johnson from here on in.

(Applause)

SENATOR CRAVEN: I would say your act was popularly received, Maury. Ordinarily, we don't look forward to applause at hearings. As a matter of fact, most chairmen say, "No applause, please," but in this instance we welcome a kind thought. Next we hear from Mr. Travis Pitts, Assistant Chief of the Division of Codes and Standards,

Department of Housing and Community Development, and he, of course, is located here in Sacramento. So reach in your quiver and get the arrows out because this is the fellow who generally has to absorb most of them, although we will say unfairly so. How's that, Travis?

MR. TRAVIS PITTS: Very much appreciated, Mr. Chairman. I'm Travis Pitts, Department of Housing, Division of Codes and Standards. I would like to speak briefly to some of the issues that have been raised today.

SENATOR CRAVEN: Please do.

MR. PITTS: Not in defense of either the Department of Housing or the Department of Motor Vehicles, but to give you some idea of how our system works. The renewal billing process is one that the Department of Motor Vehicles, our predecessor, implemented to facilitate the annual renewal process. Each month we generate in HCD for mobilehomes approximately 34,000 renewal notices. They are computer generated; they are computer mailed. The method by which this is done is the 30-45 days ahead of the expiration date. A pass of the computer system is accomplished to extract all those renewal dates you are looking for 30-45 days down the line, and the computer generates a renewal notice for each of those. Our only method of assuring that the notice was actually mailed is as the file is passed, the computer places a mark on the record so we can look at the computer record and see whether or not a notice was generated. We do, in fact, mail those 34,000 to 35,000 notices from our location on Folsom Boulevard every month.

Another issue that has been raised is the combining of multi-wide units which we at HCD would very much like to do. We have responded to great quantities of correspondence as you may be aware, arguing that we can save a considerable amount of money if we did not send two or three renewal billing notices to the same homeowner, and that's true except again we are subject to the computer process and the DMV method of registration prior to 1977, which gave each of these two or three units separate identity. To try, as these are computer generated, to place personnel in that line to put two together that may or may not belong together is not as cost effective as simply putting a 20¢ stamp on it and sending two to the same person. We will not be able to combine all the multi-wide units until these units have been subjected to a sale and they come through the HCD process whereupon we do combine them into a single title. The difficulty being is that there is, in the majority of cases, a lienholder holding certificates of title to that home that we must pull in before we can combine them into a single certificate of title. The lienholders or the banks, if you will, have been substantially reluctant to release those documents to us for combining into one title and send them back. Consequently, we've taken the position that we will only be able to combine multi-wide units when they are subject to sale or transfer and we get our hands on the documents.

The bad address problem (recorder cut out and inaudible). .

mobilehome owners of their right to petition. Again, we did a computer file pass. We generated some 55,000 notices, that being the amount of delinquencies that we were aware of as of that time. We almost immediately received some 14,000 or very nearly 15,000 back as "Addressee Unknown".

SENATOR JOHNSON: Is there any way in which you could tie in like those addresses unknown - can you verify that ownership through the Department of Motor Vehicles? Is there any way, in other words, most of these people may have a car that didn't get that - and you see now the insurance companies are tied into the Internal Revenue Service so you get a little notice they paid you on anything or any banks that have paid you any interest. Your name automatically drifts over to the Internal Revenue Service, and they find you, no matter where you are. I was just wondering if there is some way your agency can work in conjunction with the Department of Motor Vehicles. You got 14,000 back, then I guess the next thing is to just say, "Well, forget it." Is that probably what happens?

MR. PITTS: No, Senator. What we attempted to do was to find out what had happened and why we had received 14,000 notices back. The majority of those notices had to do with the method by which vehicles are normally titled. The majority of those notices were for, if you will, "artificial" or non-existent mobilehomes. In the process. . .

SENATOR JOHNSON: What do you mean? I don't quite follow you.

MR. PITTS: Let me - if I may - in the process, the vehicle process, when a mobilehome was transferred, it was subject to being issued a new decal or a new license plate for a new owner, or when it was in fact a multi-wide unit that the Department of Motor Vehicles had combined into a single unit, they have a new decal or license plate number which automatically goes on the computer record. The great majority of those 14,000 were units that had been subdecalled, which is the terminology used by DMV and HCD for a new license plate issued, without cancelling the old license plate. Therefore, those old license plates which have been converted to some other number still showed on the automated record when we sent out the 14,000 notices so, in fact, those mobilehomes in a great majority didn't exist. They had been retitled or redecalled under some other number.

SENATOR JOHNSON: But wouldn't the same address stay?

MR. PITTS: In many cases, no. The old decal belonged to a prior owner prior to sale. Upon the sale the Department of Motor Vehicles gave it a new license or decal number for a new owner. So I. . .

SENATOR JOHNSON: And they didn't cancel out the old one then?

MR. PITTS: It is not common practice for DMV to cancel on their automated record when they subdecalled.

SENATOR JOHNSON: Well, that's kind of stupid, isn't it? I mean you have -they must have a reason, but I can't - you know, if you sold a car, why would they keep the car listed to the other guy as well as you? I mean if I understand you right. I can't get that through my head.

MR. PITTS: Vehicles are treated substantially different than we are treating mobilehomes in Housing. We have permanent title records, the title records that DMV maintained, like other vehicles, were only a temporary or transient record, being purged every three years. They did not keep permanent records. There was no compelling need to take the old decals off the record because once they had cycled, the system would not mail that whole decal holder a new renewal notice. It never was a problem until AB 1400. The way we pass the file for renewal notice is selecting a specific date. When we pass the file, we look for all delinquencies that had occurred on DMV records. . .

SENATOR JOHNSON: . . Now, I'm a little thick on this. If you mailed 14,000 out to people who shouldn't have gotten them, what's wrong with your system?

MR. PITTS: At that particular point in time my system was that which was received from the Department of Motor Vehicles.

SENATOR JOHNSON: Well, somebody's system - now you wasted all that time, money, effort and everything on a system that wasn't working.

MR. PITTS: That's correct. That's true.

SENATOR JOHNSON: And that's where these people got caught. So what we have to do is straighten out whatever happened down the line and get these people the way it ought to be, and I think the Department wants to do that. So, that's why we're here. So, I just want to make, you know - to clearly understand because we all have compassion. So do you. You don't want this thing flying the wrong way. That's why you're here. But we have to figure out what did happen, and what these people told us pretty well ties in to what you've told us here today, so I do appreciate it. But, you know, it doesn't do any good to beat anybody over the head after the cow is out of the corral, I guess, but we can straighten it out if we can get them back in there. So I think our committee is determined to straighten this thing out once and for all if we can, and I think we can.

MR. PITTS: Mr. Chairman, some other numbers, however irrelevant they may be. Since the Presley legislation went into effect that dealt with the delinquencies of 120 days or more, there are an estimated 89,600 mobilehomes that were subject to delinquency and transferred to the local assessor. Of those, we received AB 1400 petitions on just under 7,000 in total. Of those in your legislation, SB 1343 provisions, we received just under 7,000 requests for waiver - for whatever relevance that may have. Of the almost 90,000 that had become subject to local property taxation, we received less than 7,000 petitions and less than 7,000 requests for waiver.

SENATOR CRAVEN: Mr. Tennyson has a question.

JOHN TENNYSON: If I might, Mr. Pitts. You said 89,000?
Is that correct?

MR. PITTS: Approximately.

JOHN TENNYSON: That have become delinquent since
July 1, 1980, or had they become delinquent and subject to
property taxation as the result of SB 1004?

MR. PITTS: Total delinquency pursuant to 1004 which
went well beyond July 1, 1980. DMV reported all delinquencies
of record on July 1, 1980, to the local assessor.

MR. TENNYSON: How many delinquencies were prior to
July 1, 1980? Do you have any idea?

MR. PITTS: Somewhat over 30,000 although I don't have
the. . .

MR. TENNYSON: Of the 89,000?

MR. PITTS: That's correct.

SENATOR JOHNSON: Well, then, checking up on your
previous bookkeeping system, how many of those delinquencies
that you got in that 89,000 are those that were really not
there? Do you see what I mean?

MR. PITTS: The assessor will probably attest that
a great number of them aren't there because they are the
ones who go out and look for them. However, I believe. . .

SENATOR JOHNSON: So we have a statistic and, you see,
we have 14,000 that didn't exist but they exist in this figure
probably?

MR. PITTS: In this particular number, they would exist.

SENATOR JOHNSON: See, that's what I - you know. . . I. . .

MR. PITTS: It's difficult, Senator, for me to give you accurate numbers.

SENATOR JOHNSON: Well, we were curious, but those numbers are really probably not accurate. They're estimates, I guess, because we don't know, you don't know, how many are really out there that are eligible or who are considered delinquent. This is what the computer tells you, but it could be as far off as anything. Isn't that true?

MR. PITTS: Yes.

MR. TENNYSON: How many total mobilehome registrations do we have in the state today?

MR. PITTS: Total mobilehome registrations - now in this I'm including both those subject to local property taxation and to annual registration, just over 500,000.

MR. TENNYSON: What about the ones that are subject to annual registration, do you have any idea?

MR. PITTS: Approximately 406,000 as of this morning. I attempted to get the best numbers that we had as of this morning. We send annually approximately 406,000 renewal notices - 406,463, but that's a constant variable.

MR. TENNYSON: So you have approximately 400,000 on the vehicle license fee?

MR. PITTS: That's correct.

MR. TENNYSON: And approximately - does that include the 89,000 that are delinquent? What we're trying to do is figure out a ratio here.

MR. PITTS: The delinquencies, as I indicated to you, would have already been turned over to the local property tax assessor and were not included in this number.

SENATOR JOHNSON: Well, when we take your figure then, that you're responsible for, and then we take the tax assessors' figures for all the counties, and we add those together, then whatever we have left are those that we can't find or we don't know whether they exist or they are either on the delinquent list of a known delinquent list, so the total figure that we have - there's a way to force out a realistic figure, I would assume. I assume that all the tax assessors now pretty well know where every mobilehome is in their county, and they know which ones are on your roll and which ones are on theirs, so somewhere we ought to be able to figure out precisely where we stand, I would think.

MR. PITTS: Yes, the counties, some have done fantastic jobs of getting out and looking. Others have not been able to get out and find all the mobilehomes that are not subject to registration. At this particular point I don't believe we could tell you with any degree of accuracy how many mobilehomes there are until the counties have completed their process.

SENATOR JOHNSON: Well, what we need to know to make a reasonable judgment to solve this problem is a fairly accurate estimation of the number of people we're talking about - that we've got to provide some relief for, and we can find that out from some of the witnesses - I mean we have some idea where they are by the fact they are now on the tax rolls.

MR. PITTS: Yes.

SENATOR JOHNSON: Those 400,000 you have on there may be people who are entitled - they're all on your roll now? So we're only talking about between that number and the total number is some 500,000, you said?

MR. PITTS: Yes.

SENATOR JOHNSON: Now if the assessors have 100,000, say, and you have some 400,000; that's 500,000. Then you'd have to assume there's whatever your figures come out, that's what is left? And you are estimating there are 500,000? You really don't know.

MR. PITTS: Estimating, yes, sir.

SENATOR JOHNSON: So then we're only talking about solving a problem for those who are on the tax rolls who want to get off and those we haven't found? Well, maybe we can - maybe your agency can help this committee and with the assessors together, we can get a handle on this thing and know what we're asked to do. Thank you.

MR. PITTS: At this point, Mr. Chairman, I'd be happy to respond to any questions.

SENATOR CRAVEN: I think perhaps you've answered the questions. Senator Presley may have one.

SENATOR PRESLEY: All mobilehomes sold after July 1, 1980, you don't have anything to do with them at all, I guess? They go directly to the assessor and on the property tax rolls?

MR. PITTS: With respect to taxation, we don't have anything to do with the taxation. We still title those units and are obligated to the local tax collector to assure that local taxes are current before we will transfer title. But that titling issue is our only involvement in those homes.

SENATOR PRESLEY: Wonder why that's involved? You don't do that with homes, do you? Say, a small home. You wouldn't be involved in titling, would you?

MR. PITTS: We are not involved in the titling of conventional housing, only the manufactured homes or mobilehomes, and again only those not installed on a foundation system. Once a manufactured home or a mobilehome is installed on a foundation system, it is treated wholly as real property.

SENATOR PRESLEY: So you have about - you're still dealing with about 400,000 of the 500,000 plus mobilehomes that are in California? You're still handling and dealing with about 400,000?

MR. PITTS: We're dealing with their annual taxation, the vehicle license fee system.

SENATOR CRAVEN: Thank you very much, Mr. Pitts. We appreciate your testimony. I think you have given us some

indication and somewhat of an introspective view to the mechanics of the problem, and I couldn't help but think, as you testified, how did we ever keep track of something like this thirty years ago when we didn't have a system like today's - good or bad as it may be - which is certainly more sophisticated. I could see somebody with a quill pen and an ink well sitting down and writing each of these notices years ago.

SENATOR JOHNSON: We didn't send out 14,000 notices.

SENATOR CRAVEN: No.

SENATOR JOHNSON: You push a button now and they go out.

SENATOR CRAVEN: Next we'll bring back Mr. Carlson.

Al Carlson is the County Assessor for the County of Santa Clara and he's representing his association, California Assessors Association.

MR. CARLSON: I'm Al Carlson, the County Assessor from Santa Clara County. First, I'd like to speak on behalf of the association and then give my opinion from my own county. The association basically is still concerned with the material they are receiving from HCD. There are errors in it that are causing us a lot of problems in implementing the program, and rather than dwell on that, Cathy Colt from Riverside County is one who actually works with those records and so I want her to go over that with you. Now, from my own point of view, I talked to Frank Seeley. I think Senator Presley is aware of who he is, and I. . .

SENATOR CRAVEN: So's Senator Craven.

MR. CARLSON: And I probably represent the largest county in northern California, and he's probably one of the larger mobilehome counties in Southern California.

SENATOR CRAVEN: Bob represents it now. I used to represent a good portion of it.

MR. CARLSON: And it's interesting that we talked about this issue last night, and I have not talked to Maurice Priest before today and we were going over why we're here and what's the problem and what's the permanent solution, and I was reading over SB 1004. If you read over it, it's very simple. It said that on or after July 1, 1980, we would do all new mobilehomes. Then the next sentence said that for those delinquent 120 days who are on DMV or HCD would be transferred to local property taxes. The assessors have never had any problem with those mobilehomes that sold new after July 1, 1980. That's never been a problem. Our problem has been those that go delinquent 120 days, and as far as I'm concerned the assessors then probably should have argued much louder than we did and said, "We don't want any part of those mobilehomes; leave those with HCD; let it be their problem and let them police it." You see, you've got us out there playing police for a state agency, and to tell you the truth, in my county it doesn't pay. I've got too many people working on this and it just doesn't make any sense. I would agree with Maurice Priest. I know what the permanent solution is. The permanent

solution is to put all those back under HCD that went delinquent and let the assessors from here on out just take mobilehomes sold after July 1, 1980, and there won't be any more hearings. That's it. It's over and done.

SENATOR CRAVEN: Al, there's only one thing that militates against that; that is entirely too logical (laughter) and, however, it's kind of nice to have you make a comment along those lines, and I think the tenor of this hearing, I'm sure you all can grasp that feeling, is we are kind of moving in that direction and, obviously, it is what we are thinking about, but we have to get testimony or some reassurance if you will from people who are as expert as you or laymen out there who have problems and feel that there is a solution out there. We've had some real mechanical problems, and I guess you experience it on the local level in trying to assimilate that into your system, which I understand is a very, very difficult job. Do you have anything further, Al?

MR. CARLSON: I would be willing to participate. I can't speak for the assessors, but it would be well if all parties of interest here would hold a meeting to discuss some type of long-term solution along the lines that a few of us, or at least two of us, have suggested here today. Maybe that's the answer. I don't see any long-term answer; I think we're going to continue seeing this problem as long as we're dealing with this 120-day delinquency going to the assessor. I don't think we'll ever get out of that.

SENATOR CRAVEN: You don't feel there is any great loss to be suffered by losing control over those people who have fallen into that category?

MR. CARLSON: Well, I'm sure you're going to talk to some assessors, maybe from small counties, who think it is important revenue. I talked to Frank Seeley. He says it is no big issue in Riverside County. I guarantee you it's not a big issue in our county because when you look at the size of the rolls in big counties, this is a pretty minor thing so it wouldn't. . .

SENATOR JOHNSON: Sorry you mentioned the little counties because I've got 13 of them, and I think you're right. Maybe I'd better reconsider this until after the election.

SENATOR CRAVEN: Al, how about the expense incurred in taking them off one roll and placing them on another?

MR. CARLSON: Well, I think that Maurice came up with a fair thing. He said keep the money for the administrative costs.

SENATOR CRAVEN: It's very, very difficult to compare the large and sophisticated county of Santa Clara with Alpine County. You know, what plays well for you may not be so good for them because they have problems that are endemic to that area. Well, we appreciate your comments, Al, and thank you and thank the association as well.

MR. CARLSON: Thank you.

SENATOR CRAVEN: Next we have Ron Anderson, who is the Assistant Chief of the Mobilehome Program for the County of San Diego, which is really a great county! Since that's my home town.

SENATOR JOHNSON: You've got a conflict of interest.

SENATOR CRAVEN: Well, it is that. Ron.

MR. RON ANDERSON: Senators and committee, to give a little background, San Diego County is one of the larger mobilehome counties. We have 475 parks with 43,500 mobilehomes in those, and we have probably a couple of hundred individual lots. We have 10,000 or more spaces that are under construction right now or on the drawing board right now that are certainly needed. In reference to those numbers, I'll give you some of the numbers and the problems that we have with the delinquent mobilehome program. I represent our new assessor, Mr. Greg Smith, with this report and I'm speaking for him at this time.

The delinquent mobilehome on property tax program has been a problem for both the owners of the mobilehomes and for assessors since the program began. Senior citizens and families who own these delinquent mobilehomes feel that they have been discriminated against by being forced to pay property taxes, like we are talking about today. Many mobilehome people were put on through no fault of their own. Many claimed they did not receive notices in San Diego County, many were unable to communicate successfully with DMV or HCD, many mobilehomes became delinquent during periods of confusion following deaths of spouses; additional mobilehomes

became delinquent during periods of serious illness of the owners. With the financial burden of increasing mobilehome park rents in San Diego County and then the tax bill, we feel it is just too much of a burden on these people. Our delinquent mobilehome program has been a very costly, unpleasant public relations program for assessors. Most of the reported delinquent mobilehomes we check in the field are not actually delinquent. The DMV and HCD lists we received the first year were 80% incorrect. We went out and we checked these mobilehomes, and we found that these people were actually lacking. The DMV lists during the next two years we found to be over 50% incorrect and during the last year, or currently, we are finding about 25% incorrect when we go out and check them to see if they are actually going to or not.

Of the first 1215 delinquent mobilehomes we enrolled, only 817 remain on the tax roll because of their removal through AB 1400 and SB 1343. San Diego County has field checked over 5,000 mobilehomes to enroll 1215 delinquent mobilehomes. Today, of the 2441 mobilehomes we have on the tax roll, 1624 are new mobilehomes which were first sold on or after July 1, 1980. This program for the appraisal of these new mobilehomes is working well in our county. The mobilehome owners seem to be accepting the program very well also. The estimated 4150 unregistered mobilehomes which were supposed to exist in San Diego County in 1979, we found that figure to be grossly exaggerated. We found that most of those mobilehomes were single-wides and a great many had gone to Mexico. Baja

California is lined with them along the coast, and a lot of them went to the Colorado River, and I think we've located most of the ones that were licensed and actually remained in San Diego County. The number is probably a small fraction of that 4100. The recommendation of the assessor is that the county tax rolls should only include those mobilehomes on permanent foundations and those which first sold new on and after July 1, 1980. All other mobilehomes and those delinquent should be placed back on licenses under HCD. Mr. Greg Smith thanks you for the opportunity to express this before you.

SENATOR CRAVEN: Then Mr. Smith, your Assessor, is in concert with the thinking of Mr. Carlson.

MR. ANDERSON: Absolutely.

SENATOR CRAVEN: ...as well as Mr. Priest in this matter. That's very interesting, particularly since I understand that my county - of course, just like Ray or Bob understand their situation - and I didn't know, when we were talking about this, how that may fall in our county, but, obviously, it would be favorably looked upon.

MR. ANDERSON: Very definitely.

SENATOR CRAVEN: Very good. Well, we thank you very much, Ron, for being here with us today and thank the Assessor as well. Next is Cathy Colt, who is the Deputy County Assessor for the County of Riverside. She's evidently the strong right arm of the fellow who's got a couple of strong arms, Mr. Frank Seeley.

CATHY COLT: May I present his letter to you?

SENATOR CRAVEN: Certainly, Cathy. Thank you very much. This is a letter which she is delivering which I think the members have received. I know I did, and I appreciate the fact that you set it out so succinctly.

MS. COLT: I'm Cathy Colt representing the Riverside County County Assessor's office, and what I'm going to say certainly doesn't differ much from what you've heard from the past few witnesses. I will summarize what appears in that letter. Laws enacted since July, 1980, have put the burden of discovery, investigation and correction on the county assessors. Bad information provided by those in DMV and HCD regarding the mobilehome owners' names, mailing address, mobilehome location and payment status of the license fee causes all of the interested parties many problems. Consistently, mobilehomes registered new since July, 1980 were placed on permanent foundations and caused very few, if any, problems. Therefore it is recommended that the status of mobilehomes first sold new on or after July 1, 1980 or placed on a permanent foundation should not change. All such mobilehomes should remain on the local property tax rolls.

Considering the problems we have recited, we are tempted to suggest that the whole mess of mobilehomes purchased prior to July 1, 1980 be given back to HCD. However, at this time there is no certainty that the best interest of the mobilehome owners or the State of California would be served by such an action. The most urgent requirement is that HCD clean up its

act and find some way to account for the mobilehomes that are its responsibility.

SENATOR CRAVEN: If I might just interject there - to use your phrase, "that HCD should clean up their act." I understand exactly what you are saying, but that act was delivered some material that really wasn't bonafide stuff, you see. They have been laboring, and I think they've done quite a yeoman-like service in trying to rectify some of the errors to which you refer, but it was an inherited thing, really, from another department.

MS. COLT: Initially I would have agreed with you. However, HCD has been in control for roughly 2½ years and the latest notifications of mobilehomes by HCD was in May of 1983 and the same problems are still occurring. Now we've had several meetings with HCD personnel, and they say, "Yes, we know they're recurring but we can't correct them because of programming errors or lack of money." I'm tempted to say, "I don't care how you do it, just do it." Because we end up having all this bad information and we definitely are the first buffer of mobilehome owners and little old ladies and retired people between us and HCD. I will go into that a little bit later.

SENATOR CRAVEN: OK.

MS. COLT: Until HCD has a process that makes it possible for it to send out timely, proper bills to every mobilehome owner who should receive one and for it to know when such bills have been paid, there is no effective system available for administering the taxation of mobilehomes at

the state level. We are not happy about the existing arrangement, but it is inadvisable, in our belief, to enact further legislation in the mobilehome taxation field until a viable state administrative process is developed.

However, I will say that in my discussions with Mr. Seeley, my boss, I think he would be very amenable to discussing some legislation that would indeed take all licensed mobilehomes, previously licensed mobilehomes, and give them back to HCD if some of the inherent problems could be worked out; to wit, charging mobilehome owners that were delinquent delinquent fees and penalties is all very well and good, but they may also have already paid taxes, in which case are they due a refund? Of course, because that would be double taxation, and we got involved with the waiver process where they either got a credit for taxes paid to the county or they were assessed by HCD for prior fees. We ran into a lot of problems where they paid half of it or that we couldn't track down who they paid and how much. HCD attested that they paid X amount of money. How many years was that for? We weren't real sure. So we do have a problem of cancelling outstanding tax bills. We have a problem making a refund, which would be a big problem to a lot of the districts if we had to go back and refund from 1981.

SENATOR CRAVEN: I would say that's so.

MS. COLT: So I think the big problem that Mr. Seeley sees is the overall administration of any laws that would

be enacted, and let's not be hasty.

SENATOR CRAVEN: Well, I think what you're saying is those things that have been presented by three prior witnesses are in fact good but too simplistic.

MS. COLT: I'm not even saying too simplistic; they just don't go far enough in stating what the problems will be, and we have significant problems in districts that could not come up with a refund.

SENATOR CRAVEN: Do you think there's a modicum of a chance that we could come up with legislation which would say what's been done is now past and we're off to a bright sunset. That's about the only way, I think, frankly, it would create a horrendous problem, and the point that you make is certainly well taken. John Tennyson has a comment on that.

MR. TENNYSON: Why do you think they would be due a refund? I don't know if I follow you.

MS. COLT: Well, if they paid taxes on an assessed mobilehome, what I heard before was that they would also then be charged all prior delinquent fees with penalties.

MR. TENNYSON: Why don't you just charge them a fee for being reinstated to the - don't call it a delinquency, just an administrative fee for reinstatement to the VLF?

MS. COLT: But if they haven't paid taxes, then they are due to pay the fees.

SENATOR CRAVEN: Sometimes here the fee becomes the proverbial, you know, secret word.

MS. COLT: In-lieu tax, huh?

SENATOR CRAVEN: Well, you know, we veer away from the word "taxes" and we come up with the word "fee" and there is, of course, a more benign connotation, I suppose, and I think perhaps we have a tendency to use it as sort of an eraser at times, but I think there are probably ways of approaching this.

MS. COLT: I have no doubt it can be done, and I personally would like to see it. I feel, as you say, that senior citizens and persons on fixed incomes where I think I will vouch for their testimony that it - through no fault of their own - did not receive a bill. Our overall figures are very similar to Santa Clara's and San Diego's and roughly 48% of the reported delinquencies were actually delinquent when they were found in the field because they had been sold and relicensed, perhaps several times, and the current license was indeed current and fees paid, and it was the previous license that was being reported to us as delinquent.

SENATOR CRAVEN: Yes. There's one question I'd like to ask you and Senator Presley may already know the answer. How many mobilehome units do you have in the County of Riverside?

MS. COLT: Potentially, we have 52,000 plus.

SENATOR CRAVEN: 52,000?

MS. COLT: We've assessed roughly 7500 of them, yes, 7535.

SENATOR CRAVEN: Well, I always had felt that they probably had more mobilehomes in Riverside County than they

did anywhere else. Your figure, I think, pretty much attests to that.

SENATOR JOHNSON: May I ask a question - how did you arrive at the 52,000?

MS. COLT: By adding the number of spaces we have available in parks now and the number of lots that would be considered own-your-own lots that are nominally zoned for mobilehomes. The actual number would be far larger because they cannot prohibit them in most areas of the county.

SENATOR JOHNSON: But would you say that 52,000 is a reasonably accurate figure?

MS. COLT: Yes. And, if anything, it's low.

SENATOR JOHNSON: If anything, it's low - how low?

MS. COLT: I don't know. I think it's very accurate.

SENATOR JOHNSON: Not too low then.

MS. COLT: No.

SENATOR JOHNSON: All right. Now, how many are you assessing? 7500?

MS. COLT: Yes, just over 7500.

SENATOR JOHNSON: And how many are on the other program? Would you know that?

MS. COLT: On license fees?

SENATOR JOHNSON: Yes, with the HCD.

MS. COLT: Almost all of the other ones. We do have a few. . .

SENATOR JOHNSON: So, as far as you know, everybody is either paying one or the other?

MS. COLT: I won't go that far. I know that there are mobilehomes we have not assessed, and they are not paying license fees because we can't find them. They are out in the desert; they are up in the mountains. I'm sure that some exist out there that we have not assessed and that are not licensed.

SENATOR JOHNSON: Do they grow marijuana in your district?

SENATOR PRESLEY: No. No.

MS. COLT: Not to my knowledge.

SENATOR CRAVEN: No, not at all. Not with Senator Presley representing that county.

SENATOR JOHNSON: Well, we have some mobilehomes in my district. . .

SENATOR PRESLEY: They drink a lot there though.

SENATOR JOHNSON: Not water.

SENATOR PRESLEY: Let me ask a question, please. Is it 7500 that you are assessing?

MS. COLT: Yes.

SENATOR PRESLEY: Are those the ones that have been purchased since July, 1980 or are on permanent foundations?

MS. COLT: That includes 4,000 that were purchased new or put on permanent foundations.

SENATOR PRESLEY: 3500 delinquent? Well, I don't know if I'm following that. 3500 delinquent - those are the ones that HCD is administering, right? Continue to administer?

MS. COLT: No. They are now transferred over to local property tax. The other - no, that's not going to be true either. 52,000 minus 7500 - 44,500 are being licensed through HCD and paying license fees.

SENATOR PRESLEY: How do you assess a mobilehome park? Do you still assess at 20% of market value of property?

MS. COLT: No. 100%.

SENATOR PRESLEY: 100%

SENATOR CRAVEN: And 1% on the 100%.

SENATOR PRESLEY: Was that a change in Prop. 13?

MS. COLT: I don't think 13, but it was about two years ago.

SENATOR PRESLEY: OK, then you assess a mobilehome park 100% of the land and improvements, like clubhouses, or how do you do that?

MS. COLT: 100% of the land and improvements to the owner of the park. Each individual mobilehome (inaudible).

SENATOR PRESLEY: So a mobilehome doesn't pay double taxation on the land? They don't pay anything on the land? They pay rent.

SENATOR CRAVEN: We had a few instances where that, unfortunately, happened but I think we have that rectified.

SENATOR PRESLEY: Now you assess the new mobilehomes after July 1, 1980, 100%?

MS. COLT: Yes.

SENATOR PRESLEY: And does all that money then go to the county? It's a property tax; I guess it does.

MS. COLT: Yes.

SENATOR PRESLEY: And the other 30 - whatever the number is - that HCD is administering - that money goes to the state, then part of it goes back to the county?

MS. COLT: Yes.

SENATOR JOHNSON: Most of it.

SENATOR PRESLEY: Well, you're ahead then to have the state do it if you get most of the money back.

SENATOR JOHNSON: Excuse me, those that went on the delinquent roll - are they - how do their taxes compare now if they were on the other side?

MS. COLT: I can only speak in generalities, and the few that I've actually sat down and compared, it would be roughly double - double the taxes that they were paying.

SENATOR JOHNSON: In other words, they are paying the county double what they would be paying if they were on the other program - just about double?

MS. COLT: Just a general rule of thumb.

SENATOR JOHNSON: OK. All right.

SENATOR PRESLEY: There is no problem, I guess, with a home purchased after July 1, 1980, setting alongside one that's on the other system in the same park. Is that a problem?

MS. COLT: I don't have a problem with it.

SENATOR PRESLEY: . . . people living next door to each other may?

MS. COLT: Yes.

SENATOR PRESLEY: Of course, that's a problem with Prop. 13 period, isn't it? People who change - property that changes ownership gets reassessed and Ray Johnson, who stays in the same place for 150 years, his stays the same?

MS. COLT: We're getting a problem now. . .

SENATOR JOHNSON: Don't worry; your hair is getting gray, too. (laughter).

SENATOR CRAVEN: OK. Ms. Colt, we appreciate your testimony very much. We thank you. Please extend our regards to Frank Seeley, and thank him as well. You know, there is a difference - they have a tremendous number of mobilehomes in that county, but in Riverside County, as I recall, as opposed to my county, San Diego, you could locate a mobilehome on parcels long before we did that in our county, and I guess, you know, that kind of spread the good news, if that be the word.

Now, we've gone through those witnesses who had indicated to us at the outset that they wanted to address the committee. I would ask at this time if there is anyone else who wishes to add something that we have not yet discussed? This would be the appropriate opportunity for you. If there is no further discussion, and there appears to be none, all of us - Senators Presley and Johnson and myself, as well as the committee staff, thank you very, very much for being with us. I feel and, hopefully, you would agree that it has been a very productive two hours, and we thank you very much. (applause).

v.

CONCLUSION

v.

CONCLUSION

From the preceding testimony, it is apparent that the primary factors which have caused many mobilehome owners to become delinquent on their vehicle license fees (VLF) are:

(1) A 1979 change in the law which, starting on July 1, 1980, switched delinquent owners from vehicle license fees to property taxes;

(2) Lack of notice to many mobilehome owners of annual vehicle license fee (VLF) renewal fees, resulting at least partially from administrative and mechanical problems with registration lists maintained by the Department of Motor Vehicles (DMV) and subsequently the Department of Housing and Community Development (HCD);

(3) Confusion on the part of mobilehome owners who failed to receive an annual notice of renewal of vehicle license fees and who were unaware of the 1980 change in the law switching such delinquent mobilehomes to property taxation.

Although the Legislature has dealt with this matter before, both AB 1400 and SB 1343, while helpful, have not served to adequately remedy the problem of those mobilehome owners switched to property taxes through no fault of their own. Nor has the Department of Housing and Community Development been able to rectify the notice problem as delinquencies are apparently still occurring due to this reason.

The 1979 legislation placed delinquent mobilehome

owners on property taxes because there were supposedly numerous mobilehome owners delinquent for years (prior to 1979), whom the arm of the law, either in the form of the assessor or the Department of Motor Vehicles, was unable to reach. Hence, rather than imposing only a 20% state penalty, the law was changed to penalize those deliberately escaping their fair share of taxation by placing them on the local tax rolls, where the assessor and tax collector could take meaningful action to levy and collect taxes against them. But it now appears that the reason for this provision has not borne fruit. According to testimony from assessors, many of these long-term delinquent mobilehomes either cannot be found or simply do not exist.

Rather, this provision of law has served mainly to affect those delinquent since 1979, who in most cases did not receive notice of renewal from the department but who would have paid the fees had they known about them, instead of becoming delinquent.

This brings up the administrative problems at the state level, previously with DMV and now with HCD. Testimony at this hearing indicates that some estimated 89,000 delinquencies exist, about two-thirds of them since the enactment of the new delinquency provision on July 1, 1980. By most accounts, however, these figures may be somewhat exaggerated. Because of the program of "subdecating" double and triple-wide mobilehomes (establishing two or more registrations for mobilehomes put together as one unit), some records may be duplicated.

Additionally, there are apparently a number of non-existent mobilehomes on the records, where previous owners who have sold their mobilehome are still listed as a mobile-home owner, now delinquent. Further, there appear to be errors with regard to address listings for some mobilehome owners.

As suggested by a number of witnesses, in view of the above, the committee may wish to give consideration to simply repealing Revenue and Taxation Code Section 5802 (b), which provides that mobilehomes delinquent 120 days or more, shall go on property taxes. Instead, such mobilehomes could remain on the vehicle license fee, subject to a 20% penalty and a lien, which would prohibit the sale or transfer of the mobilehome until the delinquent fees were paid. Pursuant to AB 800, Chapter 1051 of the Statutes of 1983, which enacted the Mobilehome Property Tax Postponement Law, a similar lien arrangement has been devised which requires the obligation of the state to be satisfied before the mobilehome can be sold or transferred.

Secondly, various means should be considered to better assure the accuracy of mobilehome registration lists, in view of the issue of whether annual VLF renewal notices sent to mobilehome owners are actually received.

Perhaps, no one, outside of those within HCD itself, is in a position to know what needs to be done. But a system for verifying addresses of existing mobilehome owners should be

considered, as well as a program to combine, other than on sale or transfer, the registration of double or triple wides which are actually one living unit. Such efforts would be cost-effective over time, eliminate duplication of paperwork, and avoid much confusion on the part of mobilehome owners. Any such changes will, of course, be costly in the short-term. The real question is whether the long-range advantages outweigh this cost.

At the very least, an analysis of problems and solutions should be undertaken by the Department. Follow-up legislation could then be introduced, with necessary funds, to implement those recommendations.

Lastly, if the Legislature repeals the property tax penalty for delinquent mobilehomes, the question of how to deal with mobilehome owners who fell through the cracks, those shifted to property taxes between 1980 and 1984 because of a delinquent registration, must be addressed. The simplest method would be to provide a total amnesty for those so delinquent and subject to property taxation, permitting them, regardless of date of delinquency, to apply to go back on the vehicle license fee system. The only qualification would be that a mobilehome owner would have to be subject to property taxes because of a delinquency. A small application fee, in order to defray costs, could be split between assessors and the Department of Housing. The amnesty period could last for a two-year period, after which the program could sunset with

the assumption that all mobilehome owners seeking to get back on the vehicle license fee had ample opportunity to do so.

These suggestions may not satisfy all mobilehome owners or others concerned with this issue. However, they should deal with the issue of equity for most mobilehome owners caught in a situation where they became delinquent and subject to property taxation, presumably due to no fault of their own. Additionally, the administrative burden at the local level in dealing with these delinquencies would be eased, and the Department of Housing, with a sufficient appropriation, could rework their record-keeping system to provide listings which are more current for purposes of noticing mobilehome owners that renewal fees are due.

#

APPENDIX



COUNTY OF SAN DIEGO

OFFICE OF THE ASSESSOR

1600 PACIFIC HIGHWAY, ROOM 110
SAN DIEGO, CA 92101-2480

(619) 236-3771

January 31, 1984

GREGORY J. SMITH
COUNTY ASSESSOR

Senator Bill Craven
38th Senate District
State Capitol, Room 3070
Sacramento, CA 95814

Dear Senator Craven:

Delinquent mobilehomes on the property tax roll have been a problem for both the owners of the mobilehomes and for Assessors since the program began. Senior citizens and families who own these delinquent mobilehomes feel that they have been discriminated against by being forced to pay property taxes. Most of these mobilehome owners feel that they were placed on property taxes through no fault of their own. Many claim that they did not receive renewal notices and that they were unable to successfully communicate with H.C.D. or D.M.V. Many became delinquent during periods of confusion following deaths of spouses. Additional mobilehomes became delinquent during periods of serious illness of the owners. The additional financial burden of the property tax plus the increasing mobilehome park rents is an unfair burden for these people.

The delinquent mobilehome program has been a costly, unpleasant public relations program for Assessors. Most of the reported delinquent mobilehomes we check in the field are not actually delinquent. The DMV and HCD lists were 80% incorrect the first year - over 50% incorrect the next two years and current lists are about 25% incorrect. Of the first 1,215 delinquent mobilehomes enrolled, only 817 remain on the tax roll after certain mobilehomes were removed from the tax rolls under provisions of AB 1400 and SB 1343. We field checked over 5,000 mobilehomes to enroll 1,215.

Today, of the 2,441 mobilehomes we have on the tax roll, 1,624 are new mobilehomes which first sold on or after July 1, 1980. The program for the appraisal of these new mobilehomes is working well in our county and the mobilehome owners seem to be accepting this program very well.

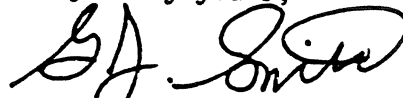
Senator Bill Craven
January 31, 1984
Page two

The estimated 4,150 unregistered mobilehomes which were supposed to exist in San Diego County in 1979 were grossly exaggerated. Most of these mobilehomes were older singlewides which have gone to Mexico or the Arizona side of the Colorado River. The County's cost to administer this delinquent mobilehome program is so high that the revenue loss of the taxes on these mobilehomes would be minimal if this program was discontinued.

I therefore recommend that the County tax rolls should only include those mobilehomes on permanent foundations and those which first sold new on and after July 1, 1980. All other mobilehomes and those delinquent should be placed back on licenses under H.C.D.

Thank you for the opportunity to express my concerns. If you have any question, Ron Anderson of my staff will be happy to respond.

Very truly yours,



GREGORY J. SMITH
County Assessor

GJS:ko

Enclosures

COUNTY OF RIVERSIDE
OFFICE OF THE ASSESSOR

COUNTY ADMINISTRATIVE CENTER
4080 Lemon Street
P. O. Box 907, Riverside, CA 92502
Telephone (714) 787-6331

January 27, 1984

Honorable William A. Craven, Chairman
Senate Select Committee on Mobilehomes
State Capitol
Sacramento, California 95814

In re: Hearing, January 31, 1984

Dear Senator Craven:

We believe that it is desirable for us to share with you and the members of your committee our perspective on the handling of mobilehomes for tax purposes since 1980.

The assessment of mobilehomes at the local level started in July, 1980. The original legislation was initiated because a large number of mobilehomes were thought to be escaping any taxation at all. Additionally the rapid development of the mobile-home/manufactured home industry has provided a true alternative form of permanent housing. This expansion of mobilehomes into large own-your-own lot subdivisions, long term financing and permanent foundations was viewed as having the same responsibilities, prerequisites and requirements as any conventionally built house.

The actual assessment of mobilehomes as secured property on the local assessment roll does not require a significant change or increase in Assessor operations. They are treated within the existing framework of assessment practices. This is especially true of any mobilehome sold new after July 1, 1980. The assessment of old mobilehomes--those on which the license fee has gone delinquent by 120 days or more--also follows existing operations. However, the investigative work, the backtracking, and clean-up required by bad information and retroactive legislative changes on these old mobilehomes more than wipes out the revenue generated. They are a losing proposition; for Assessor, Tax Collector, Auditor, banks, escrow companies, dealers and owners. Sometimes one mobilehome has gone on and off the assessment roll five and six times.

Honorable William A. Craven
Page 2
January 27, 1984

In re: Hearing, January 31, 1984

In the past three and one-half years several problems have emerged as roadblocks to successful administration of the program. The primary problem is bad information from the Department of Housing and Community Development (and the Department of Motor Vehicles before them). Lesser problems are those inherent in following and assessing mobilehomes, and the ever-changing legislation.

Since the program began in 1980, approximately 7,400 mobilehomes have been reported to Riverside County as being delinquent. Of these, approximately 40% or 3,000 have proved to be truly delinquent and therefore assessed. Riverside County has more than 52,000 mobilehomes (park spaces plus own-your-own lot areas). Because of delinquencies, we have assessed about five percent of the total number of mobilehomes in Riverside County. When the original mobilehome legislation passed, it was suggested that there was a large windfall of delinquent mobilehomes to be assessed. Estimates of the great amount of revenue being lost to the state and therefore the counties were greatly exaggerated. The original estimates were generated from erroneous data provided by DMV. Unbeknownst to anyone at the time was the dismal state of DMV's records. Lack of enforcement of licensing requirements had created a situation whereby many mobilehome owners were getting away without paying fees. However, after four years of not paying they were dropped from state records. When the report came in 1980, it did not include anyone who had not paid for more than four years. It did include names of people who had sold their mobilehome two to three years before. However, the new owners were current in their license fee. Changes in ownership often meant a new license number. Conceivably, the same mobilehome could have appeared delinquent three times:

Same mobilehome:

CG 1839 & 40 -	- original license
SA 4211 & 12 -	- 1st subsequent sale
SU 1688 (one license for both units)	- 2nd subsequent sale

In this case, DMV stated there were two mobilehomes avoiding taxation, when in reality there were none.

Honorable William A. Craven
Page 3
January 27, 1984

In re: Hearing, January 31, 1984

We tracked down reported mobilehomes and often found the licenses to be current. Long term delinquent-license mobilehomes (where fees were delinquent more than four years and therefore dropped from the records) were not reported to us. These had to be ferreted out by field checks to individual properties, which in Riverside can mean considerable investigative work.

Input errors and oversights meant outdated mailing addresses, incorrect county codes, and location addresses such as Post Office boxes, rural routes, Colorado River, and six miles west of Highway 95.

In July, 1981, Department of Housing and Community Development took control of the licensing of mobilehomes. They are using the same personnel, the same data, and the same computer programming that DMV used. They are perpetuating the same problems. In addition, for the last two years a significant number of people have complained about having received only one bill--as opposed to their normal two (one for each unit). The volume of complaints, coupled with the number of errors in the delinquent fee printout provided by HCD lead one to suspect truth in such claims. Taxpayer calls and correspondence to HCD do not seem to resolve the problems.

The data situation has been so bad that it spawned its own clean-up legislation in the form of the HCD petition process and the waiver reinstatement program. Recognizing the recent data problems, the latter was a one-shot blanket reinstatement of any delinquent mobilehome with an expiration date between July, 1980 and February, 1982. Eleven per cent of the enrolled delinquent mobilehomes had to be taken off the assessment roll. The petition process is somewhat more narrow in scope but is an on-going program. Within 210 days of license expiration, a taxpayer who can show good cause for non-payment of fees, will be reinstated to license fees. Only 2% have qualified. According to HCD, HCD's not sending a bill, not correcting the owners' name or address, and bad advice from HCD employees are not good cause. Future changes and clean-up legislation can only be imagined.

The preceding is a brief overview of the current state of mobilehome assessment and the actions leading us to this point. Unfortunately, as anyone who has dealt with mobilehomes can

Honorable William A. Craven
Page 4
January 27, 1984

In re: Hearing, January 31, 1984

attest, the changes in the law have most adversely affected the very people who can least afford it--senior citizens and people on fixed or reduced incomes.

A legitimate argument can be made that some errors occur because of taxpayer ignorance and outright failure to comply with the registration laws. Mobilehomes are sometimes bought, sold, moved, lived in and demolished without any of the existing registration notification laws being followed. This is more true of older, less valuable mobilehomes than of the newer ones. However, by and large, having the law change mid-stream is what causes the most consternation. Owners of older assessed mobilehomes find the paperwork to merely correct a name is overwhelming. Often this occurs to a widow who does not even realize that the mobilehome is being locally assessed (instead of "DMV") much less what is required to remove her husband's name. She must contact HCD for their forms, contact the Tax Collector for amounts owed, pay them, receive the Tax Clearance Certificate (TCC), complete HCD's forms, submit the TCC, HCD forms, death certificate, and transfer fees to HCD to receive the corrected registration. Owners purchasing new mobilehomes are apprised of the situation by dealers, brokers or escrow. On the other hand, escrows for delinquent fee mobilehomes are nightmares for owner, agent and Tax Collector alike. All prior fees must be paid. Finding where the mobilehome is now, where it will be, and where it was when the fees were accumulating takes an extraordinary amount of research by the Tax Collector employees. The relative non-transient nature of newer mobilehomes makes their paperwork handling much easier.

RECOMMENDATIONS

1. The status of mobilehomes first sold new on or after July 1, 1980, or placed on permanent approved foundations should not change. All such mobilehomes should remain on the local property tax roll.
2. Considering the problems that we have recited, we are tempted to suggest that the "whole mess" of mobilehomes purchased prior to July 1, 1980 be

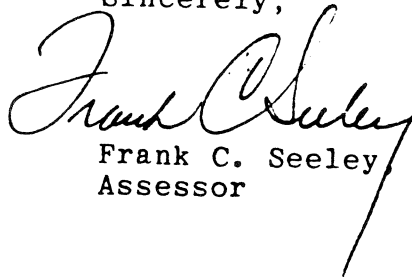
Honorable William A. Craven
Page 5
January 27, 1984

In re: Hearing, January 31, 1984

given back to HCD. But, at this time there is no certainty that the best interests of the mobilehome owners or of the State of California would be served by such an action. The most urgent requirement is that HCD "clean up its act" and find some way to account for the mobilehomes that are its responsibility. Until HCD has a process that makes it possible for it to send out timely, proper bills to every mobilehome owner that should receive them, and for it to know when such bills have been paid, there is no effective system available for administering the taxation of mobilehomes at the state level.

3. We are not happy about the existing arrangement, but it is inadvisable, in our view, to enact further legislation in the mobilehome taxation field until a viable state administrative process is developed.

Sincerely,



Frank C. Seeley
Assessor

FCS:bh

From: O.K. Crumley
701 E. Lassen Ave #85
Chico, Cal. 95926
(916) 345-8984
Jan. 25, 1984

Senate Select Committee
on Mobile Homes
c/o John Tennyson
1100 J Street
Sacramento, Cal.
95814

Dear Sir:

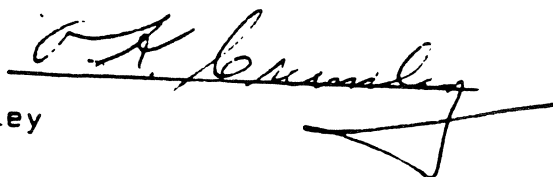
I am one of the people that did not receive any notice of taxes due from the dept. of motor vehicles.

Enclosed are copies of past papers of what I have tried to do about this matter.

1-Application for reinstatement--they must have lost my \$11.00 check, but it was cashed by them, and I even sent them a copy of the cancelled check, to prove they had received it, which took several weeks time. Then I received notice from them I had been denied reinstatement. Since that time I have tried numerous ways to be reinstated but with no luck.

As you can see on the original application, all the reasons I gave for re-instatement. I did not include that I am now 75 years old and now and then I do forget things, but I would not forget my tax bill that I pay each year. I think it was criminal on the part of the Motor Vehicles, not to have sent me a notice of license due. They have never missed in 50 years on notice due on my cars, or my mobile homes since 1956 as that was when I first moved into one.

Thank You



O.K. Crumley

TO THE ANNUAL RENEWAL (LICENSE) FEE SYSTEM
(See Reverse for Instructions)



MAIL TO: HCD PETITIONS
P. O. BOX 742
Sacramento, CA 95804-0742

SERVICE FILING FEE \$11.00

MOBILEHOME DESCRIPTION:

UNIT	MANUFACTURER	DECAL/LICENSE NUMBER	SERIAL NUMBER	HCD USE ONLY			
				CCA 30		CCA 33	
1.	SkyLINE Home Inc.	1859604185961	5560	CCA 31		CCA 34	
				CLK:			

We, the undersigned, hereby petition the Department of Housing and Community Development (HCD) to have the above described mobilehome, now subject to Local Property Taxation, reinstated to the annual renewal (license fee) system taxation. I/We understand that the Filing Service Fee enclosed herewith is not refundable for any reason and at the decision of the Director of HCD to either grant or deny this petition is final.

The above described mobilehome became subject to local property taxation due to the following reasonable cause and circumstances beyond my/our control, notwithstanding my/our exercise of ordinary care and in the absence of any willful neglect. (Check applicable boxes):

petitioner(s) is/are the REGISTERED OWNER LEGAL OWNER ASSESSEE of the mobilehome or was/were so at the time the mobilehome became subject to Local Property Taxation.

License fees for the mobilehome were paid to a licensed dealer or to an escrow agent who failed to submit those fees thereafter to the Department of Motor Vehicles or the Department of Housing and Community Development in a timely manner.
THE FEES WERE PAID _____ (Attach supporting documents such as receipt or cancelled check)

OTHER (Describe fully and attach additional pages and supporting documents as necessary.) I HAVE LIVED
a Mobile Home since 1956 and every year I received
a notice of taxes due and paid them on time
however in 1980 the Dept of Motor Vehicles did not
send any notice to me and with the mobile home - phone
- box tax + heavy tax all falling due in different
months I did not realize that it was due so became
delinquent. In disburse have since paid the fees as attach
papers show. THANK YOU.

I certify under penalty of perjury that the foregoing and any attached supporting documents are true and correct.

Executed in CHEVRO. (CA. 95926) on this 3 day of MARCH, 1982.
H. GRUNDLEY 701 E. LUSSEN #85 CHEVRO. (CA. 95926)
PRINT NAME(S) MAILING ADDRESS
H. Grundley CHEVRO. CA. 95926
Attitude Grundley CITY STATE ZIP
PRINT NAME(S)

PETITION INSTRUCTIONS

FIRST. Determine whether or not you are eligible to file the petition and have reasonable cause or circumstance for filing. Filing Service Fees are not refundable, for any reason, and denial of the petition for lack of reasonable cause, circumstance or supporting documentation is final.

You are eligible to file a petition for reinstatement to the annual renewal (license fee) system if:

1. The mobilehome was first sold new prior to July 1, 1980, and;
2. The mobilehome became delinquent with annual renewal (license) fees for 120 days or more due to reasonable cause and circumstance, and;
3. The 120 day delinquency occurred notwithstanding the exercise of reasonable care and without willful neglect.

You are not eligible to file a petition and any petition filed will be denied if:

1. The mobilehome was first sold new on or after July 1, 1980, or;
2. The mobilehome has been installed on a foundation system (permanent foundation).

SECOND. complete the petition carefully and legibly by dating, describing the mobilehome, stating the grounds for your petition (use additional pages and attach supporting documents if necessary), signing the petition, and attaching a check or money order for the Filing Service Fee (DO NOT SEND CASH).

AST. mail the petition to the address indicated on the petition, or deliver it in person to an HCD Office, prior to:

1. Midnight, April 29, 1982, should your mobilehome be subject to local property taxation as of March 1, 1982, and you are eligible to file the petition as described above, or;
2. Midnight on the 180th day of delinquency should you become eligible to file a petition as described above and your mobilehome becomes subject to local property taxation after March 1, 1982 due to annual renewal (license) fees becoming delinquent 120 days or more.

SHOULD YOU BE ELIGIBLE TO FILE A PETITION FOR REINSTATEMENT AND EITHER FAIL TO FILE THE PETITION ON TIME, OR SHOULD YOUR PETITION BE DENIED, THE PLACEMENT OF YOUR MOBILEHOME ON LOCAL PROPERTY TAXATION SHALL BE FINAL.

IMPORTANT PETITION INFORMATION:

1. Your petition must be filed with HCD within the time allowed by law.
2. Your petition must be granted by HCD before you will be allowed to reinstate the mobilehome to the annual renewal (license fee) system.
3. If your petition is granted by HCD you will be advised by HCD of the amount of delinquent fees to be paid in order to reinstate your mobilehome to the annual renewal (license fee) system. You have 60 days in which to pay those fees to HCD. Once HCD grants your petition and quotes the fees required for reinstatement, should you fail to pay those fees to HCD within 60 days, your petition will be deemed to be denied.
4. Failure of HCD to notify you that your petition has been granted shall be deemed to be a denial of the petition.
5. HCD will notify County Assessors when petitions are denied, granted, and when mobilehomes are reinstated. The County is not required to take any action or to refund any local property taxes, delinquent fees, or penalties until notified by HCD that the mobilehome has been reinstated.
6. If you have been billed by the County Tax Collector for any local property taxes, delinquent fees, or penalties, but have not made any payment to the county, the county will cancel their billing upon being notified by HCD that the mobilehome has been reinstated to the annual renewal (license fee) system.
7. PLEASE DO NOT CALL THE COUNTY ASSESSOR OR COUNTY TAX COLLECTOR FOR INFORMATION CONCERNING THE PETITION PROCESS ONCE YOU HAVE FILED A PETITION WITH HCD. Information concerning the status of petitions, once filed, will be made available by HCD to persons filing petitions and to the county at the same time.
8. In the event you file a petition, the petition is granted, and fees are paid to HCD for reinstatement, the county will be so notified and therefore obligated to refund fees previously paid to the county. Such refunds will be made only to the person who paid them. If you are not the person who paid fees to the county, do not expect to receive any refund of fees.
9. HCD is obligated to provide notifications to persons at their address of record. MAKE SURE THAT THE ADDRESS SHOWN ON THE PETITION IS YOUR CORRECT ADDRESS. If you have moved or changed your mailing address from that shown on your current registration card, notify HCD of that change as required by law.

CERTIFICATE
DO NOT CARRY IN VEHICLE

VEHICLE REG. LIC. NO.

037555560U/037555560X
 CHMP2
 07/10/79
 10/28/75 DL
 75 | 42T
 AMIS
 \$148

CRUMLEY, ORAN KENNETH
 OR GERTRUDE
 701 E LASSEN AV SP 85
 CHICO CA 95926

PAULA GRIECO/CARL RUSSELL
 MOLCHEN
 1577 HAWTHORNE
 CHICO CA 95926
 OWNER

0400	D	M
WF		
RF		
LF		
PEN		
O1		
O2		
O3		
LM		
DE		
TOTAL		
UT		
TOTAL		
RT		
CLK		
TTT		
124183		

MOBILEHOME TAX CLEARANCE CERTIFICATE
 COUNTY OF Butte

VEHICLE I.D. NUMBER 037555560U 037555560X	LICENSE NUMBER # SL3678
LOCATION OF MOBILEHOME 701 Lassen Ave. Sp 85 Chico, Calif	ASSESSOR'S PARCEL NO. P/R 6412
NAME Crumley O. K.	CURRENT REGISTERED OWNER
ADDRESS 701 Lassen Ave. Sp 85 Chico, Ca	APPLICANT
NAME Same	
ADDRESS Same	

I hereby certify that delinquent license fees or property taxes applicable to the mobilehome identified above have been paid by, or security for payment has been received from the above-named applicant in the amount of: 238.00

CARL L. MORTON, Tax Collector
 COUNTY OF BUTTE

No. 6412

FUND NO. 1350

SUB NO. 1000

5-22 1981

RECEIVED FROM O.K. Crumley
 ISSUE TO _____
 ADDRESS 701 Lassen Ave., Sp 85, Chico, Ca
 THE SUM OF Two hundred thirty eight & 00/100 \$ 238.00
 FOR Mobilehome del. fee ID# 0375555604 & 0375-55560X License # SL 3678
Make HMTTC

The County Auditor is requested to issue a warrant payable to the above in the amount of \$
 I certify that this amount was, or is, hereby deposited in fund noted, and has not been withdrawn, and that this amount is now due and payable to the payee.

RECEIVED BY James
 Tax Collector or Deputy

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS
MANUFACTURED HOUSING/REGISTRATION AND TITLING SECTION
POST OFFICE BOX 742
SACRAMENTO, CA. 95804 PHONE: 1-800-952-8356



DATE : 07/10/82

ID # : 0375S5560U

CRUMLEY OREN KENNETH
OR GERTRUDE

701 E LASSEN AVE SP 85

CHICO

CA 95926

DECAL # : SL3678

MAKE : HMTTE

EXPIRATION DATE : 05/31/80

DEAR MOBILEHOME OWNER:

YOUR RECENT PETITION FOR REINSTATEMENT HAS BEEN DENIED. AFTER REVIEWING THE INFORMATION FURNISHED BY YOU WE FIND THERE WAS NOT REASONABLE CAUSE AND CIRCUMSTANCES BEYOND CONTROL THAT RESULTED IN THE FEES BECOMING DELINQUENT. AS INDICATED IN SECTION 10912 OF THE REVENUE AND TAXATION CODE, THIS DECISION IS FINAL.

BY COPY OF THIS LETTER WE ARE NOTIFYING THE COUNTY ASSESSOR THAT YOUR PETITION HAS BEEN DENIED. IF YOU HAVE BEEN BILLED FOR FEES, PENALTIES AND TAXES BY THE COUNTY, CONTACT SHOULD BE MADE WITH THEM IMMEDIATELY REGARDING THAT BILLING.

THANK YOU FOR YOUR COOPERATION.

SINCERELY,

TRAVIS PITTS
ASSISTANT DIVISION CHIEF

1982-83 SECURED TAX BILL BUTTE COUNTY OF BUTTE

FOR THE FISCAL YEAR BEGINNING JULY 1, 1982 AND ENDING JUNE 30, 1983

CORTAC NUMBER	TAX RATE AREA	PARCEL NUMBER	TAX BILL NO.	TAXING ENTITY	TAX RATE	GROSS TAX
	062-028	074-01-0-085-0	73156-0	COUNTY GENERAL	1.000	200.
ASSESSMENT INFORMATION						
LAND				CHICO UNIF ST SCH BLDG	.013	2.
IMPROVEMENTS		20,000		PLEASANT VLY BND 1964A	.004	2.
PERSONAL PROPERTY				CHICO UNIF BOND 1966	.010	2.
MISCELLANEOUS EXEMPTION				PLEASANT VLY BND 1964B	.001	1.
GROSS ASSMT. BEFORE HOMEOWNER EXEMPTION		20,000		CHICO HIGH BOND 1962A	.003	1.
STATE FINANCED HOMEOWNER EXEMPTION				BUTTE CO STATE SCH BLD	.007	2.
NET TAXABLE VALUE		20,000		CSA25 SHASTA UNION DRN	.002	2.

PROPERTY LOCATION

C447300010 CASA DE FLORES MHP
SOLD TO STATE

ASSESSED OWNER MARCH 1, 1982

CRUMLEY OREN K & GERTRUDE

CPUMLEY OREN K & GERTRUDE
701 E LASSEN SP 85
CHICO CA 95926

pd 1st - Nov 17, 1982 # 1639
pd 2nd - Feb 1, 1983 # 1684

IF PROPERTY HAS BEEN SOLD PLEASE FORWARD BILL TO NEW OWNER

MAKE CHECKS PAYABLE TO:

BUTTE COUNTY
TAX COLLECTOR

25 COUNTY CENTER DR
GROVILLE, CA. 95965

YOUR CANCELLED CHECK IS YOUR BEST RECEIPT, HOWEVER IF YOU REQUIRE AN ADDITIONAL RECEIPT PLEASE RETURN THIS ENTIRE BILL FOR VALIDATION.

2 SECOND INSTALLMENT
ADD 10% PENALTY
AND \$5.00 COST
AFTER APR 10, 1983

GROSS TAX AMOUNT 210.
LESS STATE FINANCED HOMEOWNER REDUCTION 105.07
NET TAX DUE 105.

FIRST INSTALLMENT
ADD 10% PENALTY
AFTER DEC 10, 1982

SACRAMENTO OFFICE
STATE CAPITOL
SACRAMENTO, CALIFORNIA 95814
(916) 443-6747

DISTRICT OFFICES
515 D STREET, NO. 2
MARYSVILLE, CALIFORNIA 95901
(916) 743-1828

210 ESTATES DRIVE #101
ROSEVILLE, CALIFORNIA 95678
(916) 781-3311



State Senator
RAY JOHNSON
FIRST SENATE DISTRICT

STANDING COMMITTEES
RULES
VICE CHAIRMAN
TRANSPORTATION
AGRICULTURE AND WATER
BUSINESS AND
PROFESSIONS
JOINT COMMITTEES
FAIRS ALLOCATION AND
CLASSIFICATION
CHAIRMAN
SELECT COMMITTEES
FOREST LAND ISSUES
CHAIRMAN
RURAL ISSUES
THE AUBURN DAM
PROJECT
CHAIRMAN
MEMBER, WESTERN STATES
FORESTRY TASK FORCE

January 31, 1984

Senator William Craven, Chairman
Senate Select Committee on Mobilehomes
State Capitol, Room 3070

Dear Bill:

Enclosed is a letter from Plumas County assessor, Ernest Eaton, regarding mobilehome licensing.

Your attention to his comments is appreciated, and it is requested that this letter be made part of the record for the January 31st hearing.

Thank you very much.

Sincerely,

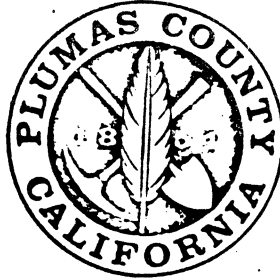
A handwritten signature in cursive script that reads "Ray Johnson".

RAY JOHNSON
Senator, 1st District

RJ:ejp
Enclosure

cc: Committee Members
John Tennyson, Consultant

Ernest R. Eaton, Jr. Assessor
County of Plumas



P.O. Box 1016
Quincy, California 95971
(916) 283-2380

January 26, 1984

Honorable William A. Craven, Chairman
Senate Select Committee on Mobilehomes
State Capitol
Sacramento, Ca. 95814

Dear Senator Craven:

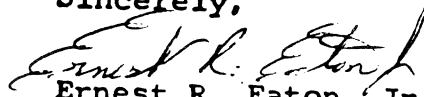
I respectfully request that the Senate Select Committee on mobilehomes give serious consideration to placing the responsibility for both licensing or taxing mobilehomes with one agency, either the Department of Housing and Community Development (HCD) or with the County assessors thus eliminating the problem of mobilehome owners trying to communicate with two levels of government at two different locations to resolve their problems.

I recommend that the total administration of mobilehomes be turned over to the county assessors for the following reasons;

1. Questions can be answered and problems resolved, usually in person, at a convenient local office.
2. The assessors office is set up to process and account for periodic mailing which could solve the notification that license fees are due problem.
3. The assessor has to identify and locate all mobilehomes in the county for the purpose of valuing any and all miscellaneous structures such as garages, carports, storage sheds, porches, etc. and for processing homeowners exemptions.
4. Those mobilehomes subject to license fees would retain the same fee schedule that currently applies, however, administration of the entire program would be more efficient and economical at the local level.

Thank you for your consideration in this matter.

Sincerely,


Ernest R. Eaton, Jr.
Plumas County Assessor

ERE:na

1-619-747-0953

Mary K. McCray

1-21-84

2300 E Oly Pky #150
Escondido, Cal.

92027

Sen. Craven

I am selling my Mobile Home. Escrow alerted me to the fact I had only been paying half of my double wide home.

As I have only received one letter each year containing one statement and one total amount, I thought I had paid in full.

As it was, I had only paid one side, so I was behind four years, ^{on the other side} with penalties, tho I was never notified during the four years.

Also the county assessor did not assess the property nor did I receive any notices

I was placed on the county tax rolls.

This has prevented my Mobile Home from clearing escrow.

I was relieved to hear there would be a hearing.

As I know others with the same problem.

I am proud and grateful we have someone to represent us, and I hope the matter will be straightened out and that they cant penalize you for something that you did not receive a bill for.

W H C W, "theres nothing you can do about," after you been placed on county tax rolls they cant take you off.

Hope this will be of some help to this situation.

Thank you for your letter concerning Mobile Homes.

gratefully yours
Mary K. McCray

1-619-747-0953

Mary K. McCray

1-21-84

2300 E Oly Pky #150
Escondido, Ca.

92027

See. Craven

I am selling my Mobile Home. Escrow alerted me to the fact I had only been paying half of my double wide home.

As I have only received one letter each year containing one statement and one total amount, I thought I had paid in full.

As it was, I had only paid one side, so I was behind four years, ^{on the other side} with penalties, tho I was never notified during the four years.

Also the county assessor did not assess the property nor did I receive any notice

I was placed on the county tax rolls.

This has prevented my Mobile Home from clearing escrow.

I was relieved to hear there would be a hearing. As I know others with the same problem.

I am proud and grateful we have someone to represent us, and I hope the matter will be straightened out and that they cant penalize you for something that you did not receive a bill for.

H H C D, "theres nothing you can do about," after you been placed on county tax rolls they cant take you off

Hope this will be of some help to this situation.

gratefully yours
Mary H. McCray

Jan 23 1984

Senator W^m Crowder, Chairman - Suite 511
Senate Select Committee on Mobile Housing -
Sacramento Ca. 95814

Gentlemen: -

P.S. I am certain that it was not error is the
intention of the state legislature to cause any individual
any harm or distress which is true in this case and especially so
since no notice of payment due or delinquent was ever
received.

I own a mobile home located in the Crestview
Estates, Fallbrook Ca - and in 1981 I received a bill
from HCD Sacramento and paid the fees
requested -

I never received any notice of any fee due
to HCD in 1982 - or 1983 - Since no notice of
any fee due was received none was paid -
Apparently some confusion existed in the HCD.
During this change over for I learned that many
other mobile home owners also did not receive a notice.
I filed for a waiver to the HCD and this was
refused because the date of March 1983 was
the last date such a waiver could be obtained
I think that this is a grave injustice to me
for had a notice been received it would have
been paid on time - I did not know that anything
was out of order until the San Diego County
assessor called to inspect the coach -

Now that your committee is reviewing this
situation I sincerely hope that under the
circumstances that I would be able to be re-instated
on the HCD rolls - I am quite elderly and
some what handicapped and have a low
income - not enough to even pay an income tax
Am enclosing a ^{copy of} request for Waiver as forwarded to
HCD and was refused as being too late -

W.P. McRUBEN - MRB

REQUEST FOR WAIVER



copy

DEC. 31, 1983

THIS REQUEST MUST BE FILED ON OR BEFORE ~~JUNE 30, 1983~~
TO QUALIFY FOR REINSTATEMENT



PLEASE READ THE REVERSE SIDE OF THIS FORM FOR FILING INFORMATION
IF FUTURE INFORMATION ON FILING A WAIVER IS NEEDED, PLEASE CALL 1-800-952-8356

WHEN COMPLETED, MAIL TO: HCD-P.O. BOX 2932, SACRAMENTO, CA 95812-2932

I/WE THE UNDERSIGNED, HEREBY REQUEST THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) TO REINSTATE THE FOLLOWING DESCRIBED MOBILEHOME, NOW SUBJECT TO LOCAL PROPERTY TAXATION, TO THE ANNUAL RENEWAL (LICENSE FEE) SYSTEM OF TAXATION.

MOBILEHOME DESCRIPTION

MAKE/TRADE NAME: KIT FAIRVIEW

UNIT	DECAL/LICENSE PLATE NUMBER(S)	MANUFACTURER SERIAL (VIN) NUMBER(S)
1	MH 0071472-HG 8362	GRT 5612-1F00-57851
2	Expired Sept 30 1982	
3		

PLEASE NOTE: SHOW THE DECAL OR LICENSE PLATE NUMBER FOR EACH SECTION OF YOUR MOBILEHOME

HAVE YOU MADE PAYMENTS TO THE COUNTY TAX COLLECTOR? YES ___ NO X

PLEASE PRINT REGISTERED OWNER NAME(S) W. R. McBurney

CURRENT MAILING ADDRESS 1120 E Mission #49 Fallbrook - San Diego County 92028
STREET CITY COUNTY STATE ZIP

LOCATION ADDRESS OF MOBILEHOME same
STREET CITY COUNTY STATE ZIP

I/WE CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

EXECUTED ON 11/10/83 AT Fallbrook, Ca 92028
DATE CITY STATE

SIGNATURE(S) W R Mc Burney

IF ANY FEES OR TAXES HAVE BEEN PAID TO THE COUNTY TAX COLLECTOR, THE REMAINING PART OF THIS FORM IS TO BE COMPLETED BY THE COUNTY TAX COLLECTOR OF THE COUNTY WHERE THE MOBILEHOME IS LOCATED.

TAX COLLECTOR:	YES	NO	NOT APPLICABLE
HAVE THE DELINQUENT FEES (AS REPORTED BY DMV OR HCD) BEEN PAID?...	___	___	___
HAS THE DESCRIBED MOBILEHOME BEEN ENROLLED?.....	___	___	___
HAVE 1981/82 LOCAL PROPERTY TAXES BEEN PAID?.....	___	___	___
HAS FIRST INSTALLMENT 1982/83 LOCAL PROPERTY TAXES BEEN PAID?.....	___	___	___
HAVE ALL 1982/83 LOCAL PROPERTY TAXES BEEN PAID?.....	___	___	___

W R Mc Burney
SIGNATURE TITLE

COUNTY TELEPHONE NUMBER DATE

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS
REGISTRATION AND TITLING/SPECIAL SERVICES SECTION
POST OFFICE BOX 2932, SACRAMENTO, CA 95812-2932
PHONE: 1-800-952-8356



DATE: 11-18-83

• W. R. Mc Burney
1/20 E. Mission Rd #49
• Milbrook, CA 92028

DECAL(S) #: HD8362
SERIAL #: 87851
TRADE NAME: Kit

DEAR MOBILEHOME OWNER:

WE HAVE RECEIVED YOUR REQUEST FOR WAIVER OF DELINQUENCY FOR THE REFERENCED MOBILEHOME AND DETERMINED THAT THE MOBILEHOME DOES NOT QUALIFY FOR REINSTATEMENT.

AS INDICATED IN OUR INSTRUCTIONS WITH THE REQUEST FOR WAIVER FORM, OUR AUTHORITY IN REVENUE AND TAXATION CODE SECTION 10760 TO REINSTATE MOBILEHOMES UNDER YOUR REQUEST FOR WAIVER IS LIMITED TO:

"... A MOBILEHOME FOR WHICH THE LICENSE FEE REQUIRED TO BE PAID BECAME DELINQUENT BETWEEN JULY 1, 1980, AND MARCH 1, 1982..."

THIS MEANS THAT ONLY MOBILEHOMES WITH EXPIRATION DATES BETWEEN AND INCLUDING JUNE 30, 1980, AND FEBRUARY 28, 1982, QUALIFY FOR FILING OF A REQUEST FOR WAIVER. THE EXPIRATION DATE FOR THE REFERENCED MOBILEHOME WAS 09-30-82 AND IT BECAME DELINQUENT ON 10-01-82.

A COPY OF REVENUE AND TAXATION CODE SECTION 10760 IS REPRINTED ON THE REVERSE OF THIS LETTER FOR YOUR INFORMATION.

SINCERELY,

A handwritten signature in black ink, appearing to read "Travis Pitts".

TRAVIS PITTS
ASSISTANT DIVISION CHIEF

JANUARY 25, 1984

JOHN TENNYSON - CONSULTANT
SENATE SELECT COMM. ON MOBILE HOMES
1100 J STREET RM 115
SACRAMENTO, CA 95814

DEAR SIR:
AM WRITING IN REGARDS TO ARTICLE IN REDDING SEARCHLIGHT OF
1/21/84 WHERE SEN. RAY JOHNSON IS ATTEMPTING TO HELP PEOPLE
THAT WERE PUT ON PROPERTY TAX ROLLS UNJUSTLY. WOULD LIKE TO
TESTIFY AT HEARING ON JAN. 31, BUT AS WE ARE LIVING ON A
LIMITED INCOME OF HUSBANDS SOCIAL SEC. DISABILITY CHECK WE
FIND EXPENSE OF TRAVEL PROHIBITIVE AT THIS TIME. BRIEFLY WHAT
HAPPENED TO US, BETWEEN TIME OF PURCHASE OF MOBILE HOME IN 1978
UNTIL MOVING IN WE STILL WERE USING HOME ADDRESS. FIRST DMV
NOTICE IN 1979 WENT TO OLD ADDRESS. NOTICE FOR 1980 MUST HVE
GONE THERE ALSO BUT WAS NEVER FORWARDED AND BECAUSE WE WERE
FIRST TIME OWNERS OF A MOBILE WE DIDN'T THINK OF LICENSE FEES
AS YOU DO WITH A CAR. WHEN WE RECEIVED NOTICE THAT WE WERE 120
DAYS OVER DUE, WE CALLED DMV TO ASK IF WE COULD PAY PENALTY FEES
AS YOU ARE ALLOWED ON A CAR. TOO LATE AND SINCE THAT TIME WE
HAVE HAD THE LARGE PROPERTY TAX BILL. FILED A PETITION WITH HCD
IN APRIL 1982, BUT NEVER HEARD FROM THEM.
WOULD APPRECIATE OUR NAMES BEING ADDED TO PEOPLE NEEDING ASSIS-
TANCE IN SHASTA COUNTY.

MARGARET AND JEPOME WHITTAKER
17405 LASSEN AVENUE
ANDERSON, CA 97007
(916) 357 3414

THANK YOU,

Margaret Whittaker

JAN 30 1984

January 27, 1984

Mr. John Doolittle,
1000 River Rock Dr.
Folsom, CA.

Dear Mr. Doolittle:

I understand there will
be a meeting Jan. 31st, re Mobile
Home Licensing Renewals. I do
hope this reaches you by Monday
the 30th.

Am enclosing past correspondence
re this situation which made me
decide to just pay taxes and forget it.

We are both 84 yrs. old now,
both fighting cancer. My husband
is an invalid and was in hospital
again from Oct. 83 to Nov. 20th. I had
cancer operation on Nov. 21st and
now return to hospital Feb. 7th for a
Biopsy.

You can see why our energy
is low. We expect the situation
to remain in State's favor, but will
be pleasantly surprised if we get
back on previous DMV rolls.

- 2 -

Will you kindly have your
secretary carefully return
information for my files.

I will gladly refund postage.

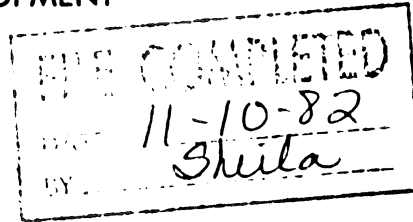
Gratefully yours,
Mrs. McCrea

Donald M. McCrea
10955 Amber Loop
Grass Valley, Calif. 95945
Phone: 916-273-1029

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
 DIVISION OF CODES AND STANDARDS
 REGISTRATION AND TITLING/SPECIAL SERVICES SECTION
 POST OFFICE BOX 2932, SACRAMENTO, CA 95812-2932
 PHONE: 1-800-952-8356



DATE: *Nov. 10, 1982*



*Donald McCrea
 10955 Amber Loop
 Grass Valley, Ca 95945*

DECAL(S) #: *HB8244*
 SERIAL #: *12771*
 TRADE NAME: *Flectwood*

DEAR MOBILEHOME OWNER:

WE HAVE RECEIVED YOUR REQUEST FOR WAIVER OF DELINQUENCY FOR THE REFERENCED MOBILEHOME AND DETERMINED THAT THE MOBILEHOME DOES NOT QUALIFY FOR REINSTATEMENT.

AS INDICATED IN OUR INSTRUCTIONS WITH THE REQUEST FOR WAIVER FORM, OUR AUTHORITY IN REVENUE AND TAXATION CODE SECTION 10760 TO REINSTATE MOBILEHOMES UNDER YOUR REQUEST FOR WAIVER IS LIMITED TO:

"... A MOBILEHOME FOR WHICH THE LICENSE FEE REQUIRED TO BE PAID BECAME DELINQUENT BETWEEN JULY 1, 1980, AND MARCH 1, 1982..."

THIS MEANS THAT ONLY MOBILEHOMES WITH EXPIRATION DATES BETWEEN AND INCLUDING JUNE 30, 1980, AND FEBRUARY 28, 1982, QUALIFY FOR FILING OF A REQUEST FOR WAIVER. THE EXPIRATION DATE FOR THE REFERENCED MOBILEHOME WAS *3-31-82* AND IT BECAME DELINQUENT ON *4-1-82*.

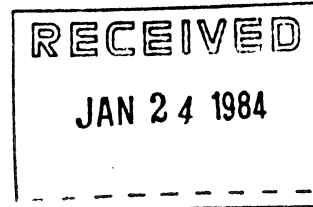
A COPY OF REVENUE AND TAXATION CODE SECTION 10760 IS REPRINTED ON THE REVERSE OF THIS LETTER FOR YOUR INFORMATION.

SINCERELY,

TRAVIS PITTS
 ASSISTANT DIVISION CHIEF

11067 Pampas Drive
Grass Valley California 95945
January 19, 1984

The Honorable John Doolittle, Senator
State of California
1000 River Rock Drive, Suite 220
Folsom California 95630



Dear Sir:

It is our understanding that you are interested in the plight of many mobilehome owners who have been placed on the County of Nevada tax rolls through no willful neglect on their part. My husband and I are two such owners.

Enclosed are copies of the following:

Our petition to be reinstated on the Department of Housing and Community Development Rolls, attached to the copied form from that agency; and

Letter to the Nevada County Tax Collector.

These documents are self-explanatory.

We were forwarded a Mobilehome Tax Clearance Certificate for the County of Nevada dated September 12, 1983 indicating the certificate is void on and after November 12, 1983, but no instructions accompanied explaining what should be done with the form. "Sue" in the Tax Collector's office talked to Lonnie Applegate at HMD who advised the Tax Clearance Certificate with cancelled check for \$75.00 indicating delinquent taxes have been paid should be retained until such time as the house is sold as proof of payment.

I am not one of the "little old ladies" who has no knowledge of what to do with forms when they arrive in the mail but on the other hand I am neither a mind-reader. My husband and I feel that we, and others, have been neglected in this entire matter of "delinquent" taxes.

Your assistance will be gratefully received.

Sincerely,

Mrs. R. H. Davison

encs

JAN 23 1984

C O P Y

11067 Pampas Drive
Grass Valley California 95945
September 7, 1983

Nevada County Tax Collector
Nevada County Court House Annex
Nevada City, California 95959

Dear Sir:

Enclosed is check in the sum of \$75.00 for delinquent registration on our mobile home in Olympia Glade Mobile Estates, Unit numbers HF 3755 and 3756.

It is our understanding that the Department of Housing and Community Development, State of California, has turned our property over to your tax rolls because of our (inadvertent) delinquency.

Please be sure that we are registered on your records at 11067 Pampas Drive in Grass Valley and not at Olympia Glade Mobile Estates. The latter address is not adequate for mail delivery.

It is our further understanding that the sum of \$75.00 is made up of \$41.00 for one section (this is a double wide mobile) and \$34.00 for the other section, which also includes a \$15.00 penalty.

If I have misinterpreted the information given me, please so advise. I appreciate the help and time given me by a young lady at 265-1232 by the name of Sue. She deserve the thanks and compliments of anyone whom she helps.

Sincerely,

/s/ Carlyle Davison

Mrs. R. H. Davison

enc.

C O P Y

COPY

We submit the following under No. 3 of your Petition Instructions stating that the 120 day delinquency occurred notwithstanding the exercise of reasonable care and without WILLFUL neglect.

We have no supporting documents to protest our being placed on the county tax rolls because we were never billed by the Department of Housing and Community Development (HCD) for 1983 taxes, therefore, there is nothing to submit.

We were told by telephone that HCD expects us to pay the fees to HCD even though we were not notified of the cost therefor, and that any billing, if such there be, is merely a courtesy on the part of HCD. How is this possible? How can we pay a bill if we do not know how much the bill is or how to find out how much it is? Your regulations are eminently unfair to elderly people who are at a complete loss to know what to do.

The Motor Vehicle Department of the State of California did not assume we knew what we owed; they billed us. The telephone company does not assume we know what we owe each month; it bills us. The managers of the Park in which we live do not assume we know what our gas and electric bills will be each month; they read our meters and bill us.

Our situation is this: My husband, who is 82 years old, while ambulatory, has been plagued with one illness after another for well over a year. His care, the care of our home, all the driving, handling of medical appointments for him and of our business transactions have fallen on me. Previously Mr. Davison did much of this himself.

As a result, when no bill was forthcoming from HCD for our 1983 taxes, I failed to realize they were past due. If such a bill was sent, we did not receive it. In no way was I willfully neglectful. In fact, in the 35 years of our marriage, my husband and I have never reneged on an obligation, and we do not intend to do so now. We are willing to pay a penalty for late payment to you but we do not feel we should be placed on the county tax rolls for an oversight not of our making.

We request your favorable consideration of our petition. Check in the sum of \$11.00 is enclosed.

C O P Y

80-S

Additional copies of this publication may be purchased for \$7.10 per copy (includes shipping and handling), plus current California sales tax.

Senate Publications
1020 N Street, Room B-53
Sacramento, CA 95814
(916)327-2155

Make checks payable to SENATE RULES COMMITTEE.

