

## **4070F**

### **Manufactured Homes**

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Manufactured homes in California are taxed either through the local property tax system administered by the county in which the manufactured home is situated or by payment of vehicle "in-lieu" license fees (charges imposed "in place of" property taxes) to the State Department of Motor Vehicles.

Before July 1, 1980, manufactured homes that were not on permanent foundations were treated as motor vehicles and were taxed just like automobiles or trucks through in-lieu license fees. In 1980 the State Legislature adopted the "Mobile Home Property Tax Law" which provides for a system of taxing all new and most used manufactured homes purchased on or after July 1, 1980, in a manner similar to conventional homes. This pamphlet describes this system of taxation.

If your manufactured home is not attached to a permanent foundation (for example, if your manufactured home is in a manufactured home park), please read on. Throughout the remainder of this pamphlet, the term "manufactured home" refers only to those that are not on permanent foundations.

Manufactured homes located in manufactured home parks are assigned their own parcel number by the Assessor. Manufactured home parcel numbers always start with "700."

#### **Q. What is a manufactured home?**

*A. In broad terms, a manufactured home is a structure, transportable in one or more sections, designed and equipped to contain one or more dwelling units, and to be used with or without a foundation system. Specifically, any trailer coach that is more than eight feet wide or forty feet long, or one that requires a permit to move on the highway, is considered a manufactured home.*

#### **Q. I have a recreational vehicle (RV). Is it considered a manufactured home?**

*A. No. Recreational vehicles, as well as buses and prefabricated housing units, are not considered manufactured homes.*

#### **Q. My manufactured home is sitting on a permanent foundation on my property. How will it be taxed?**

*A. For purposes of taxation, manufactured homes affixed to the land on a permanent foundation are considered modular housing, and as such have always been taxed in the same way as conventional homes. Mobile homes or manufactured homes on permanent foundations are subject to supplemental taxes when appropriate and are also entitled to all the benefits and exemptions due any homeowner. (Please see our other pamphlets for further assessment information; they are listed on the back under "Public Services.")*

#### **Q. Under which circumstances would my manufactured home automatically become subject to local property taxes as opposed to in-lieu license fees?**

*A. If your manufactured home was originally purchased new on or after July 1, 1980, it was automatically subject to local property taxes. Also, if the license fees on your manufactured home, regardless of when it was originally purchased, became delinquent on or before May 31,*

1984, your manufactured home was automatically converted to the local property tax system. (Delinquent license fees no longer cause automatic transfer to local property taxation.)

**Q. Are there any advantages to changing from in-lieu license fees to local property taxation?**

A. There may be advantages, but each case really has to be evaluated individually. One possible advantage is that property taxes are payable in two annual installments. You also may be entitled to the \$7,000 homeowner's exemption or other exemptions administered by our office. In addition to County exemptions, you may be eligible for tax assistance and postponement programs offered by the State of California. Finally, it is important to note that manufactured homes subject to local property taxation are exempt from any sales or use tax. Therefore, you may enhance the marketability of your manufactured home by voluntarily converting it to local property taxation prior to selling it.

Once you convert to local property taxation, however, you cannot revert back to vehicle license fees.

**Q. How do I find out if I am entitled to the homeowner's exemption?**

A. Information regarding homeowner's and other exemptions can be obtained by calling the office of the County Assessor at (925) 313-7481, or writing to: Contra Costa County Assessor, Exemption Section, 834 Court Street, Martinez, California 94553.

**Q. What additional tax assistance programs are offered by the State?**

A. The State of California administers programs that provide property tax assistance and postponement of property taxes to qualified homeowners and renters who are 62 or older, blind, or disabled. For information on the State's Homeowner or Renter Assistance Program, call the Franchise Tax Board at (800) 952-5661.

**Q. How can I change taxation of my manufactured home from license fees to the local property tax system?**

A. You can request a voluntary conversion to local property taxes by calling (800) 952-8356 or writing to: State of California, Department of Housing and Community Development, P.O. Box 2111, Sacramento, CA 95814.

**Q. If my manufactured home currently is subject to local property taxation, can I request reinstatement of vehicle license fees?**

A. No. Once manufactured homes have been changed to local property taxation, it is not possible to reinstate vehicle in-lieu license fees.

**Q. If I'm currently paying in-lieu license fees, will I be able to continue paying license fees?**

A. Yes. Unless you request voluntary conversion to local property taxation, you will be able to continue paying license fees. If you sell your manufactured home, the new owner likewise will pay license fees, unless he or she requests conversion. NOTE: Remember, manufactured homes subject to in-lieu license fees are also subject to sales or use tax when sold.

**Q. If I buy a used manufactured home subject to local property taxes, how do I get the title transferred to my name?**

*A. Manufactured home title issuance is administered by the State's Department of Housing and Community Development. That department cannot transfer title of a used manufactured home subject to local property taxes without a tax clearance from the County Tax Collector of the county in which the manufactured home is situated. If there are any taxes owing, they must be paid before a Tax Clearance Certificate can be issued. NOTE: Remember that this type of title transfer applies only to manufactured homes not on permanent foundations. If your manufactured home is attached to a permanent foundation, title transfers are handled by the County Recorder in the same manner as for conventional homes.*

**Q. If I purchase a used manufactured home or modify my manufactured home by construction, will I have to pay supplemental taxes?**

*A. It depends on what type of taxes you currently are paying. Manufactured homes that are subject to local property taxation are subject to supplemental taxes. Manufactured homes that are subject to vehicle license fees are not subject to supplemental taxes.*

**Q. How is the amount of my manufactured home property taxes determined?**

*A. The amount of property taxes on your manufactured home is determined in accordance with State law and is limited to \$1 per \$100 of assessed value of your manufactured home, except for certain direct assessments applied by cities and districts and special taxes approved by local voters. The County Assessor determines the assessed value of your manufactured home, which is generally the cash or market value at the time of purchase. This value increases not more than 2% per year until the manufactured home is sold, at which time it must be reassessed. If your manufactured home is parked on land that you own, the land and manufactured home will be assessed and taxed together.*

*Neither the County Board of Supervisors nor the Tax Collector determines the amount of taxes.*

**Q. What happens if I fail to pay my manufactured home property taxes on time?**

*A. If you do not pay the first installment of your annual tax bill at the Tax Collector's Office by 5:00 p.m. on December 10,\* or payment is not postmarked by that time and date, then that installment becomes delinquent and a 10% delinquent penalty on the unpaid taxes is incurred.*

*If you fail to pay the second installment at the Tax Collector's Office by 5:00 p.m. on April 10,\* or payment is not postmarked by that time and date, it also becomes delinquent and incurs the 10% penalty plus a \$20 administrative charge. Likewise, if you fail to pay any supplemental tax bill installment by the applicable delinquency date, the same penalties accrue as for delinquent annual taxes. There is, however, no provision for an installment plan of redemption for delinquent manufactured home property taxes.*

*As soon as an installment becomes delinquent, the county has the right to take any of the following steps to collect the unpaid taxes and penalties on a manufactured home:*

- *File a Certificate of Tax Lien for recording with the County Recorder. This is a 10-year lien against all personal and real property owned by the assessee, which may be renewed every 10*

*years until the tax is paid. Initiate seizure and sale of the manufactured home at public auction after having given official notice to the property owner. Obtain a summary judgment.*

- *If the taxes remain unpaid on July 1, an additional penalty of 1.5% of the unpaid taxes is added on the first day of each month, beginning in July.*

**NOTE:** If either December 10 or April 10 falls on a weekend or holiday, taxes are not delinquent until 5:00 p.m. the next business day.