



Don H. Gaekle
Stanislaus County Assessor

Mercy Maya
Assistant Assessor
Administration

Matt N. Reavill
Assistant Assessor
Valuation

1010 Tenth St., Suite 2400
Modesto, CA 95354-0863

Phone: (209) 525-6461
Fax: (209) 525-6586

www.stancounty.com/assessor

Builders' Inventory Exclusion

Revenue and Taxation Code Section 75.12 provides certain types of new construction to be excluded from supplemental tax assessments. These parcels must be intended for resale, and not rented, leased, occupied or used for any purpose other than a model home.

Exclusion for Builders

Builders of **four or fewer** single-family residences, and of other classifications of improvements may qualify to be exempted from a supplemental assessment. To qualify, the builder **must** notify the assessor within 30 days of starting construction. If the builder does not notify the assessor within 30 days of starting construction, a supplemental assessment for the value of the new construction is assessed to the builder upon completion of construction. If the exclusion is granted, a supplemental assessment is not created until the property is sold, occupied, leased or rented.

Exclusion for Builders of Five or More Single-Family Residences in a Subdivision

Builders obtaining **five or more single-family residential** lots that are intended for construction and resale in a subdivision, will be automatically excluded from a supplemental assessment on new construction if the property they are building will be offered for sale, and:

- it is subdivided into five or more parcels,
- a map describing the parcels has been recorded, and
- the zoning regulations or building permits for the parcels require that single-family residences will be constructed on them.

Purchase of Properties with an Existing Builders' Exclusion

When property under construction transfers, there would be a supplemental assessment for the change in ownership, including the construction completed as of the date of transfer. The new owner/builder must then apply for any exclusion from supplemental assessment for the subsequent construction if the above conditions are applicable.

Required Notification of First Use of Excluded Property

If the newly constructed property has qualified for exclusion from supplemental assessment as described above, the owner must notify the assessor within 45 days after the earliest of *any* of the following:

- The date the property changes ownership by an unrecorded contract of sale.
- The date the property is leased or rented.
- The date the property is occupied or used either by the owner or with the owner's consent except as a model home or in showing for sale or lease.

The failure by the owner to timely notify the assessor of the earliest of the above events will result in a penalty as provided in Section 482 of the Revenue and Taxation Code.

THIS INFORMATION IS A GENERAL STATEMENT OF THE PROVISIONS OF REVENUE AND TAXATION CODE, SECTION 75.12