



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
POLICY, PLANNING, AND STANDARDS DIVISION
450 N STREET, MIC. 64, SACRAMENTO, CALIFORNIA
(PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064)
TELEPHONE (916) 445-4982
FAX (916) 323-8765

JOHAN KLEHS
First District, Hayward

DEAN F ANDAL
Second District, Stockton

ERNEST J. DRONENBURG, JR.
Third District, San Diego

KATHLEEN CONNELL
Controller, Sacramento

October 9, 1997

JOHN CHIANG
Acting Member
Fourth District, Los Angeles

E. L. SORENSEN, JR.
Executive Director
No. 97/58

TO COUNTY ASSESSORS:

DISASTER RELIEF--NORTHRIDGE EARTHQUAKE

Chapter 353 of the Statutes of 1997 (SB 594, C. Wright) is an urgency measure which amends section 69 of the Revenue and Taxation Code (all statutory references are to the Revenue and Taxation Code unless otherwise indicated) This measure was effective on August 26, 1997.

Section 69 provides property tax relief to persons who own property substantially damaged or destroyed in a Governor-declared disaster. This relief permits property owners to acquire or construct comparable replacement property within the same county and transfer the base year value from the damaged property to the replacement property. As amended by Chapter 353, section 69 provides that the replacement property must be acquired or constructed within three years after the disaster, or within five years in the case of the Northridge earthquake. Thus, Chapter 353 extends, from three to five, the number of years within which Northridge earthquake victims may acquire or construct replacement property within the same county and receive disaster relief via a base year value transfer.

Subdivision (a) of section 69 now reads in pertinent part (changes in italics):

“Notwithstanding any other provision of law, pursuant to Section 2 of Article XIII A of the Constitution, the base year value of property which is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property within the same county which is acquired or newly constructed within three years after the disaster, *or five years in the case of the Northridge earthquake*, as a replacement for the substantially damaged or destroyed property.”

The Northridge earthquake occurred on January 17, 1994. Thus, the existing three-year time period to acquire or construct a replacement property lapsed on January 17, 1997. According to the author of Chapter 353, the purpose of the measure is to extend the property tax relief provided by Section 69 beyond the three-year limitation to homeowners who still have insurance claims unresolved due to the magnitude of the Northridge earthquake. Owners of property that was substantially damaged or destroyed in the Northridge earthquake now have until January 17, 1999, to acquire or construct a comparable replacement property within the same county and be eligible to transfer the base year value from the damaged property to the replacement property.

If you have any questions regarding the content of this letter, please contact our Real Property Technical Services Unit at (916) 445-4982

Sincerely,



Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ/grs