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PROPERTY AND SPECIAL TAXES DEPARTMENT
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No. 2010/057

October 28, 2010

TO COUNTY ASSESSORS:

DOCUMENT DESTRUCTION

Effective January 1, 2011, Senate Bill 1493 amends Revenue and Taxation Code section 465 to allow documents obtained from taxpayers and certain first-time exemption claims to be destroyed immediately upon preservation in a medium that provides access to the documents such as microfilm, microfiche, electronic document imaging, or other media that captures a true image of the document that may later be retrieved. The change in law eliminates the requirement that original documents and claims that have been preserved in another medium still be retained for three years after preservation.

Section 465 specifies the requirements related to the retention and destruction of documents obtained from taxpayers as well as first-time claims for the welfare exemption, the religious exemption, and the disabled veterans' exemption.

Documents. Generally, an assessor may destroy any document six years after the lien date for the tax year for which that document was obtained. However, under current law, documents that are microfilmed, microfiched, imaged, or otherwise preserved on a medium that provides access to the documents must be retained for three years after preservation. As amended, section 465 will allow for the immediate destruction of these documents upon their preservation in a medium that provides access to the documents.

First-Time Exemption Claims. With respect to first-time claims for the welfare exemption, the religious exemption, and the disabled veterans' exemption, the first year's claim must be held for as long as the property continues to receive the exemption. There are different retention requirements for first-time claims for these particular exemptions because the claims include important information not required to be provided in subsequent years. Under current law, once a property is no longer receiving the exemption, the first-time claim can be destroyed six years after the lien date of the tax year for which the exemption was last granted or, if preserved electronically, then after three years. As amended, section 465 will allow the immediate destruction of these first-time claims upon their preservation in a medium that provides access to the documents.

Enclosed is a copy of section 465 in ~~strikeout~~/underline format. If you have questions regarding these statutory changes, please contact our Assessment Services Unit at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs
Enclosure

Section 465 of the Revenue and Taxation Code as amended by Stats. 2010, ch. 185:

(a) Except as provided in subdivision (b), the assessor may destroy any document when six years have elapsed since the lien date for the tax year for which that document was obtained. Documents may be destroyed ~~when three years have elapsed since the lien date described in the preceding sentence, if the documents have been microfilmed, microfiched, imaged, or otherwise preserved on~~ immediately upon preservation in a medium that provides access to the documents such as microfilm, microfiche, electronic document imaging, or other media that captures a true image of the document that may later be retrieved.

(b) Affidavits claiming an exemption, for the first time, pursuant to Sections 254.5, 257, and 277 may be destroyed by the assessor as follows:

(1) Six years after the lien date of the tax year for which the exemption was last granted.

(2) ~~Three years after the lien date described in paragraph (1) if the documents have been microfilmed, microfiched, imaged, or otherwise preserved on a medium that provides access to the documents.~~ Upon preservation in a medium that provides access to the documents such as microfilm, microfiche, electronic document imaging, or other media that captures a true image of the document that may later be retrieved.