California State Board of Equalization,
Legislative Division

LEGISLATIVE BULLETIN

PROPERTY TAX LEGISLATION 2002

PROPERTY TAX LEGISLATION
TABLE OF CONTENTS

CHAPTERED LEGISLATION ANALYSES **PAGE**

CHAPTERED LEGISLATION ANALYSES **PAGE**

Assembly Bill 81 (Migden) Chapter 57

Electrical Generation Facilities
Jurisidiction Assessment
Revenue Allocation

Effective January 1, 2003. Adds Section 100.9 and 721.5 to the Revenue and Taxation Code.

BILL SUMMARY

This bill, with respect to certain electric generation facilities with a generating capacity of 50 megawatts or more:

- Statutorily transfers assessment responsibility for property tax purposes from the local county assessor to the Board of Equalization.[1]
- Changes the allocation of property tax revenues derived from these facilities from the county-wide pool system to the specific local tax rate area where the facility is located.

Sponsor: Assembly Member Migden

LAW PRIOR TO AMENDMENT

Under existing law and regulations practices, some electrical generation facilities are assessed by the Board of Equalization (i.e., "state assessed") while others are assessed by local county assessors (i.e., "locally assessed"). Certain elements of taxation differ depending upon whether property is state or locally assessed. With respect to this bill, the following two elements are of particular interest:

- **Annual Valuation Standard**. State assessed property is revalued every year at its current fair market value. In contrast, locally assessed property is subject to Proposition 13 value limitations, which generally means acquisition value with annual increases limited to no more than 2%. (The basic tax rate applied to the assessed value of the property is essentially the same, 1%, but the exact tax rate may vary.)
- **Revenue Allocation to Governmental Agencies.** For state assessed property, certain growth in revenues after 1987 are placed in a pool and shared with nearly all governmental agencies in a county according to a statutory formula. In contrast, property tax revenues from locally assessed property are distributed to only those governmental agencies in the tax rate area where the property is located.

---

[1] The Board of Equalization has amended a regulation, Property Tax Rule 905, which was approved by OAL on May 14, 2002, that will transfer assessment responsibility for certain locally assessed facilities to the Board on January 1, 2003.

Part 1. Assessment Jurisdiction of Electrical Generation Facilities

Section 19 of Article XIII of the California Constitution provides that "[t]he Board shall annually assess * * * property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, car companies operating on railways in the State, and companies transmitting or selling gas or electricity." Differences in opinion have been expressed as to whether this means that the assessment jurisdiction of the Board extends to any company that transmits or sells electricity or only "regulated" companies. Any property subject to property tax that is not within the Board's jurisdiction, or where the Board declines to assert jurisdiction, is subject to property tax assessment by the local county assessor.

Deregulation. Local county assessors have historically assessed all electrical generation facilities except those owned by the regulated public utilities. For instance, county assessors have always assessed co-generation facilities as well as facilities using renewable sources of energy such as wind or solar. Since 1999, county assessors additionally assumed the assessment of power plants divested by regulated public utilities as well as newly constructed power plants built by private companies post-deregulation. The transfer of assessment jurisdiction of divested plants was a result of a Board regulation, Rule 905, as discussed below. The Board maintained, and continues to assess, generation facilities still owned by public utilities (primarily hydroelectric and nuclear facilities.) However, beginning in 2003, the Board will reassert its jurisdiction over divested electrical generation facilities as well as certain newly constructed facilities, as noted below.

Local Assessment of Electrical Generation Facilities From 1999 to 2002: ***Transfer of divested power plants from state to local assessment and local assessment of future newly constructed facilities***. As a result of electrical deregulation, 22 electrical generation facilities previously owned by public utilities were sold to private companies. As an additional consequence of deregulation, it was anticipated that non-public utility companies would construct future generation facilities. Because of these developments, the Board decided to examine the question of the boundaries of its assessment jurisdiction over companies selling electricity in a post-deregulation era.

Formal discussion of assessment jurisdiction began in November of 1998 and a series of Board hearings and interested parties meetings were held. Following a public hearing on July 29, 1999, and after accepting and publishing proposed amendments, the Board, on September 1, 1999, adopted Rule 905, *Assessment of Electric Generation Facilities*. Rule 905 was approved by the Office of Administrative Law, and became effective on November 27, 1999.

Property Tax Rule 905 provided that electrical generation facilities would be state assessed only if:

(1) "the facility was constructed pursuant to a certificate of public convenience and necessity issued by the California Public Utilities Commission to the company that presently owns the facility; or,

(2) the company owning the facility is a state assessee for reasons other than its ownership of the generation facility or its ownership of pipelines, flumes, canals, ditches, or aqueducts lying within two or more counties."

In practical application, this generally limited state assessment of electrical generation facilities to those owned by rate regulated public utilities, such as Pacific Gas and Electric Company. Consequently, after this regulation was adopted, the jurisdiction to assess the 22 conveyed electrical generation facilities was transferred from the Board to the local assessors in the counties in which the facilities are located.

State Assessment of Electrical Generation Facilities Commencing in 2003: ***Transfer of divested power plants and newly constructed plants from local to state assessment in 2003.*** In mid-2001, certain changed conditions and developments in the electric energy industry on a statewide basis, as well as the experience of two years of application of the existing Rule 905, led the Board to re-consider its 1999 decision regarding their assessment jurisdiction pursuant to Article XIII, Section 19. Among those facts and developments were: the bankruptcy of the Power Exchange in January 2001; the rolling blackouts that were required to match the supply of electricity to the demand; the fluctuation in prices being charged for electrical power in the market place; the execution of long term contracts between the State Department of Water Resources and some 22 power suppliers; the creation of the California Consumer Power and Conservation Financing Authority; the bankruptcy of Pacific Gas and Electric Company and the financial difficulties of other regulated electrical utilities. It was widely stated in the press and elsewhere that the assumptions about the effect of restructuring on the electric power market - assumptions on which the original deregulation legislation and Rule 905 were founded - were largely incorrect. The Board determined that central assessment of these generation facilities by the Board would more appropriately reflect the assessment jurisdiction given to the Board under the Constitution, and more accurately reflect the value of generation facilities on a statewide basis in the competitive power market.

Therefore, on November 28, 2001, the Board amended Rule 905 and on May 14, 2002, the Office of Administrative Law approved the amendments to the rule. Under the amendments to Rule 905, certain facilities, currently locally assessed, will become subject to state assessment on January 1, 2003. Those facilities will include the 22 divested plants plus a currently unknown number of newly constructed post-deregulation plants. The exact number is unknown because of changes in the viability of the construction of new plants.

Revised Property Tax Rule 905 provides that commencing with the 2003 assessment year, an electric generation facility shall be state assessed property only if:

(1) the facility has a generating capacity of 50 megawatts or more; and

(2) is owned or used by a company which is an electrical corporation as defined in subdivisions (a) and (b) of section 218 of the Public Utilities Code; or, the facility is owned or used by a company which is a state assessee for reasons other than its ownership of the electric generation facility or its ownership of pipelines, flumes, canals, ditches, or aqueducts lying within two or more counties.

Property Tax Rule 905 excludes from the definition of “electric generation facility” a qualifying small power production facility or a qualifying cogeneration facility within the meaning of Sections 201 and 210 of Title II of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. §§796(17), (18) and 824a-3) and the regulations adopted for those sections under that act by the Federal Energy Regulatory Commission (18 C.F.R. 292.101-292.602).

Part 2. Revenue Allocation

Locally Assessed. Generally, property tax revenues from locally assessed property are allocated by the situs of the property and accrue only to the taxing jurisdictions in the tax rate area where the property is located. A tax rate area is a grouping of properties within a county wherein each parcel is subject to the taxing powers of the same combination of taxing agencies.

State Assessed. For state assessed property, a certain amount of the incremental growth in revenues after 1987 is placed in a pool and shared with nearly all governmental agencies in a county according to a statutory formula. Specifically,

- Each local agency has a tax base (hereafter called the “unitary base”) for any jurisdiction which had state assessed property sited within its boundaries in the 1987-88 fiscal year.
- Thereafter, the formula annually increases each local agency’s “unitary base” by two percent (provided revenues are sufficient).
- If there is any property tax revenue remaining after each local agency has been distributed its “unitary base” plus two percent, then this surplus revenue, referred to as “incremental growth,” is distributed to all agencies in the county. Agencies with unitary bases also receive a share of the incremental growth.
- “Incremental growth” revenues are shared with all jurisdictions in the county (i.e., county-wide distribution) in proportion to the entity’s share of property tax revenues derived from locally assessed property.

Existing law provides three exceptions to this revenue allocation system for certain state assessed properties newly constructed after 1987. The property tax revenues derived from these properties go to the jurisdictions in the tax rate area where the project is sited rather than being shared with all jurisdictions located in the county as "incremental growth."

AMENDMENTS

Part 1. Assessment Jurisdiction

This bill adds Section 721.5 to the Revenue and Taxation Code to provide that the Board of Equalization will annually assess every electric generation facility with a generating capacity of 50 megawatts or more that is owned or operated by an electrical corporation, as defined in subdivisions (a) and (b) of Section 218 of the Public Utilities Code. Qualifying small power production facilities and qualifying co-generation facilities would be excluded from state assessment.

This bill also provides that proposed Section 721.5 supersedes any regulation in existence as of the effective date of this section, that is contrary to it. With respect to the assessment jurisdiction issue, this bill and Rule 905 are substantively identical. Therefore, this bill does not repeal the recently revised regulation.

Part 2. Revenue Allocation

This bill adds Section 100.9 to the Revenue and Taxation Code to change the allocation of property tax revenue from the affected facilities to tax rate area situs rather than the existing county-wide system used for most other state assessed property.

Note. While the assessment jurisdiction issues are substantively identical in revised Rule 905 and AB 81, Rule 905 does not address revenue allocation since it is not within the Board's purview. The authority to determine the allocation of property tax revenue among local governments is granted to the Legislature pursuant to Article XIII A, Section 1(a). Since assessment jurisdiction of the affected facilities will be transferred to the state on January 1, 2003 pursuant to Rule 905, if AB 81 had not been enacted then the revenue from the affected facilities would be allocated according to the county-wide formula.

BACKGROUND

Electrical Restructuring: Existing Facilities and New Facilities

As a result of the restructuring of the electric utility industry in California (AB 1890, Stats. 1996, Ch. 854), rate regulated public utilities sold many of their electrical generation facilities. Public utilities were required to sell certain generation facilities, and some additionally opted to sell other facilities voluntarily.

Twenty-two previously state assessed plants were sold between 1998-1999 and until January 1, 2003 are subject to local assessment. The following table lists the original purchasers and purchase price paid. On January 1, 2003, these facilities will revert to state assessment.

Seller – Buyer – Sales Price	Plants	County
PG&E to Duke Energy	Moss Landing	Monterey
$501 Million for 3 Plants	Morro Bay	San Luis Obispo
	Oakland	Alameda
PG&E to Southern Energy[2]	Pittsburg Power Plant	Contra Costa
$801 Million for 3 Plants	Contra Costa	Contra Costa
	Potrero	San Francisco
PG&E to Calpine Corp.	The Geysers	Sonoma
$213 Million for 2 Plants	The Geysers	Lake
Southern California Edison to AES	Alamitos	Los Angeles
$781 Million for 3 Plants	Redondo Beach	Los Angeles
	Huntington Beach	Orange
Southern California Edison to Reliant	Ormand Beach	Ventura
$280 for 5 Plants	Etiwanda	San Bernardino
	Cool Water	San Bernardino
	Mandalay	Ventura
	Ellwood	Santa Barbara
Southern California Edison to NRG/Destec[3]	El Segundo	Los Angeles
$117.5 Million for 2 Plants	Long Beach	Los Angeles
Southern California Edison to Thermo-Ecotek	Highgrove	San Bernardino
$9.5 Million for 2 Plants	San Bernardino	San Bernardino
San Diego Gas & Electric to San Diego Unified Port District (Duke has a ten year lease) $110 Million	South Bay Power Plant	San Diego
San Diego Gas & Electric to Dynergy/NRG $356 Million	Encina Power Plant	San Diego

[2] These plants are currently owned by Mirant.
[3] These plants are currently owned by Dynergy/NRG. Destec was purchased by Dynergy.

Additionally, the restructuring and subsequent opening of electrical generation to competition has resulted in the planned development and construction of many new electrical generation facilities across the state.

Five facilities with an online capacity of at least 50 MW have been newly constructed:

Owner	**Name**	**MW**	**City**	**County**
Dynergy/NRG	Kearney	162.5	San Diego	San Diego
Equilon/LA Refining[4]	Texaco LA Refinery	60	Wilimington	Los Angeles
PG&E Natural Energy Group	La Paloma	1048	McKittrick	Kern
Calpine	Los Medanos Energy	559	Pittsburg	Contra Costa
Calpine	Sutter Power	500	Yuba City	Sutter

Thirteen facilities are planned to be under construction with an online capacity of at least 50 MW by January 1, 2003 include:

Owner	**Name**	**MW**	**City**	**County**
Wisvest	Blythe Energy	520	Blythe	Riverside
Calpine/Bechtel	Delta Energy	880	Pittsburg	Contra Costa
Sempra/OXY	Elk Hills	500	Elk Hills	Kern
Inland Group/Constellat	High Desert	720	Victorville	San Bernardino
Edison Mission Energy and Area Energy LLC	Midway Sunset	500	McKittrick	Kern
Thermo Ecoteck[5]	Mountain View	1056	Redlands	San Bernardino
Calpine	Pastoria	750	Tejon	Kern
GWF Power Systems	Hanford	99	Hanford	Kings
Calpine/Bechtel	Metcalf Energy	600	San Jose	Santa Clara
Ogden Pacific Power	Three Mountain	500	Burney	Shasta
El Paso Energy	United Golden Gate	570	S. Fran. Airport	San Mateo
Calpine	E. Altamont	1100	Unincorporated	Alameda
Flordia P&L	Rio Linda/Elverta	560	Rio Linda	Sacramento

Property Tax Revenue Allocation

Prior to Proposition 13, each local government with taxing powers (counties, cities, schools, and special districts, etc.) could levy a property tax on the property located within its boundaries. Each jurisdiction determined its tax rate independently (within certain statutory restrictions) and the statewide average tax rate prior to Proposition 13, under this system, was 2.67 percent. After Proposition 13, the property tax rate was limited to a maximum of one percent of a property's assessed value.

[4] The California Energy Commission identifies this facility as not being a cogeneration plant and not being a qualifying facility. See www.energy.ca.gov, "Power Plant Database."
[5] This is a repowering project, currently it has been placed on hold.

Since local jurisdictions could no longer set their own individual tax rates and instead were required to share in a pro rata portion of the maximum one percent tax rate, the Legislature was given the authority to determine how the property tax revenue proceeds should be allocated. The legislation that established the current property tax allocation system, found in Revenue & Taxation Code §95 - §99.2, was Assembly Bill 8 (Stats. 1979, Chap. 282; L. Greene). The descriptive term for the allocation procedure for locally assessed property tax revenues is still commonly referred to as “AB 8,” some twenty years later.

In addition to establishing allocation procedures, AB 8 also provided financial relief to local agencies to offset most of the property tax revenue losses incurred after Proposition 13. AB 8 provided relief in two ways: first, it reduced certain county health and welfare program costs and, second, it shifted property taxes from schools to cities, counties and special districts, replacing the school’s lost revenues with increased General Fund revenues. (There were six counties - Alpine, Lassen, Mariposa, Plumas, Stanislaus, and Trinity – referred to as “negative bailout” counties, where the amount of property taxes allocated to the county was *reduced* because the health and welfare components of AB 8 were so favorable to those counties.)

In 1992, the Educational Revenue Augmentation Fund (ERAF), was established. ERAF partially reversed the relief provided to local agencies by AB 8. The effect of ERAF was to redirect a portion of property tax revenues previously allocated to cities, counties, and special districts to schools, thus reducing the state’s General Fund obligations for funding schools under Proposition 98.

Additional information on these property tax allocation procedures can be obtained from various publications authored by the Legislative Analyst’s Office (LAO) and available online at http://www.lao.ca.gov.

Allocation Generally

- “Reconsidering AB 8: Exploring Alternative Ways to Allocate Property Taxes”, LAO Report, February 2000
- “Property Taxes—Why Some Local Governments Get More Than Others”, LAO Policy Brief, August 1996
- “Why County Revenues Vary: State Laws and Local Conditions Affecting County Finance”, LAO Report, May 1998

Allocation and ERAF

- “Reversing the Property Tax Shifts”, LAO Policy Brief, April 1996
- “Property Tax Shift”, Perspectives and Issues (pp. 203 - 213), February 1997
- “Improving Incentives for Property Tax Administration”, Perspectives and Issues (pp. 215 - 226), February 1997
- “Major Milestones: 25 Years of the State-Local Fiscal Relationship”, California Update, December 1997

- "Shifting Gears: Rethinking Property Tax Shift Relief", LAO Report, February 1999

Locally Assessed Property. Generally, property tax revenues from locally assessed property are allocated by the situs of the property and accrue only to the taxing jurisdictions in the tax rate area where the property is located. A tax rate area is a grouping of properties within a county wherein each parcel is subject to the taxing powers of the same combination of taxing agencies.

State Assessed Property. Under current law, the allocation procedures for property tax revenues derived from state assessed property are different than those for locally assessed property. The revenue allocation system for state assessed property was established by legislation enacted in 1986 via AB 2890 (Stats. 1986, Chap. 1457). Prior to the 1988-89 fiscal year, the property tax revenues from state and locally assessed property were allocated in the same manner – by tax rate area. However, the process of identifying property according to tax rate area had become overwhelming for state assessees. As a result, AB 2890 was enacted to simplify the reporting and allocation process for state assessees except railroads. It allowed state assesses to report their unitary property holdings by county rather than by individual tax rate area. It additionally allowed the Board to allocate unitary value by county rather than by tax rate area. This change allowed state assessees to receive only one tax bill for all unitary property per county. Previously, each state assessee received hundreds of property tax bills from each county where they owned unitary property because a separate tax bill was prepared for each tax rate area where unitary property was physically located. (Statewide there are nearly 58,000 tax rate areas.)

Essentially, AB 2890 established a prescribed formula, performed by the county auditor. The results of AB 2890 are as follows:

- Preserves each local agency's tax base (hereafter called the "unitary base") for any jurisdiction which had state assessed property sited within its boundaries in the 1987-88 fiscal year.
- Thereafter, annually increases each local agency's "unitary base" by two percent (provided revenues are sufficient).
- If, after the county auditor distributes to each local agency its "unitary base" plus two percent, there is any property tax revenue remaining, then this surplus revenue, referred to as "incremental growth," is distributed to all agencies in the county. Agencies with unitary bases also receive a share of the incremental growth.
- "Incremental growth" revenues are shared with all jurisdictions in the county (i.e., county-wide distribution) in proportion to the entity's share of property tax revenues derived from locally assessed property.
- It is often stated that all state assessee revenue is shared "county-wide," but this is not technically true. In essence, it is only incremental growth that is distributed "county-wide" without regard to where the growth in value took place or where new construction occurred.

- By establishing unitary bases, jurisdictions were held harmless by the allocation system established by AB 2890 and some jurisdictions (those that had little or no state assessed property located in their jurisdictional boundaries prior to AB 2890) have since benefited from the county-wide system established for sharing the incremental growth.

Special Situations; Local Agencies Created After 1988 and ERAF.

Local agencies that did not exist prior to 1988, which would include ERAF, have a unitary base of *zero*.

- These local agencies may, however, still receive a share of state assessee revenues. However, their share would consist only of a portion of the county-wide incremental growth pool, if any, since they have no "unitary base."
- Once a local agency is granted a portion of the county-wide pool, it is thereafter annually guaranteed some amount of state assessee revenues.
- In some instances, local agencies and *ERAF receive no property tax revenues* from state assessed property. This occurs when:
  - The local agency was not in existence prior to 1988 and;
  - Since the local agency's formation, there has not been a year when there were sufficient revenues to give those local agencies that received property tax revenues in the prior year their previous year's share plus two percent.

Related Legislation

Electrical deregulation legislation was silent as to the state or local assessment of electrical generation facilities after deregulation. Thereafter, in 1999, SB 329 (Peace) and SB 438 (Rainey), would have given *county assessors* assessment jurisdiction over electrical generation facilities, including power plants, cogeneration facilities, and new generation facilities purchased or constructed after January 1, 1997, by an entity other than a regulated public utility company. These bills were introduced in response to pending rule activity by the Board of Equalization. At that time, the staff of the Board had been proposing a rule that would have placed under state assessment companies owning generation facilities with a capacity of 50 megawatts or more <u>and</u> selling more than 50% of their generated electrical power for transport through the statewide grid. For a variety of reasons, many interested parties, both local government and industry, were opposed to this proposal and it was never enacted. The fundamental issue underlying the introduction of both SB 329 and SB 438 was the property tax revenue allocation that would occur under state assessment. Under local assessment, the property tax revenues from new facilities would flow to the government agencies in the tax rate areas in which the facilities were located. Under state assessment, on the other hand, the property tax revenues from the new facilities would be treated as "incremental growth" to be shared with all local governments in the county. These bills were ultimately amended to frame the legislation in terms of revenue allocation rather than assessment jurisdiction. Specifically, revenue from newly constructed facilities would be allocated according to situs, i.e., limited to the local governments where the property was located. Since the rule ultimately adopted by the Board resulted in local assessment of the electrical generation facilities in question, however, these bills were no longer pursued.

COMMENTS

1. **Purpose.** Its purpose is to require the Board of Equalization to assess these plants in order to require annual fair market value assessments of electrical generation facilities of 50 MW or more. Additionally, this bill would change the revenue allocation for these facilities to a local tax rate area allocation, to address the issue of the many local jurisdictions that made decisions to host the construction of the facilities based in part on expected property tax revenues.

2. **Key Amendments.** Amendments to AB 81 are detailed below:

- As amended March 4, 2002, this bill delays its operative date to January 1, 2003.
- As amended July 17, 2001, this bill makes a technical correction suggested in the prior Board analysis to apply the tax rate specific to the tax rate area where the property is located rather than the blended county-wide rate. Additionally, the July 17 amendments ensure that for power plants sited within the boundaries of a redevelopment district, those redevelopment agencies will be assured of their share of property tax revenues. (A city's redevelopment agency is eligible to receive all of the growth in assessed value (less statutorily required pass throughs) funds that would normally accrue to the county, special districts, school districts, and the city's general fund.)
- As amended June 5, 2001, this bill would *exclude* from state assessment property owned by certain types of companies selling or transmitting electricity – co-generation facilities, small power generation facilities, and generation facilities using renewable energy resources - that have always been assessed by county assessors. Additionally, the amendments change the revenue allocation from state assessed facilities to provide that the revenue derived would be distributed by situs (i.e., tax rate area).
- As amended May 30, 2001, this bill would have transferred to the Board of Equalization *all* plants at and over a 50MW threshold, including those that have always been locally assessed.

3. **Approximately 41 facilities would be affected**. State assessment will result in the transfer of the 22 divested facilities back to the Board. Additionally, 19 facilities recently constructed or soon to be constructed would be transferred to the Board.

4. **With respect to the assessment jurisdiction issue, since Rule 905 has been amended and approved by OAL, the practical effect of AB 81 would be to statutorily codify Rule 905**. The assessment jurisdiction provisions of this bill are substantively identical to Rule 905 which provides that electric generation facilities with a generation capacity over 50 megawatts and owned by an electrical corporation as defined in the Public Utilities Code will be state

assessed property beginning in January 2003. Rule 905 similarly excludes certain small qualifying facilities and qualifying co-generation facilities from state assessment. However, the rule does not address revenue allocation issues.

5. **State assessment requires annual fair market assessments.** A key difference between state assessment and county assessment is that under county assessment the valuation provisions of Article XIIIA (Proposition 13) apply, including establishing a base year value, a limit of 2% on annual increases, and valuation on the lower of fair market value or adjusted base year value. These provisions do not apply to state assessed property, which is valued annually at fair market value in accordance with the holding in the case of *ITT World Communications, Inc. v. San Francisco* (1985) 37 Cal.3d. 859.

   The fundamental differences in state vs. local assessment is noted in the following table:

	State Assessment	**Local Assessment**
Valuation Method	Current Fair Market Value	Acquisition Value Factored By No More than 2% per year or Current Fair Market Value, whichever is lower.
Revenue Allocation	Unitary Base + "County Wide" Incremental Growth	Situs Based
Value Setting	Board Members	County Assessor
Appeal of Value	Board Members	Assessment Appeals Board
Court Actions	Trial *de novo*	Legal Issue – Trial *de novo* Factual Issue - Review of Administrative Record

6. **The value setting process.** In the valuation process, Board staff prepares 3 or 4 value indicators using general appraisal techniques. These techniques would include the replacement cost less depreciation approach, the income approach (capitalized earnings ability), the sales comparison approach, and the historical cost less depreciation approach. Board staff would then weigh the values indicated by the various approaches to value as to which would be most reliable and appropriate for the industry and for the particular plant (i.e., new plant, old plant, recently sold etc.) as of each January 1 (the lien date). Those value recommendations would be presented to the Board and the Board Members would then set the value.

7. **From a purely theoretical perspective, one might expect the annual fair market value of electrical generation facilities to result in a value that is higher or equal to its Proposition 13 value.** However, real estate appraisal is somewhat subjective and opinions of value differ. There is no guarantee that the values determined by the Board would be higher, lower, or the same than if the plants were assessed by local county assessors.

8. **The purpose of the uncodified language.** This bill specifically addresses only revenue allocation and assessment jurisdiction issues. Section 3 of the bill includes uncodified language that states: "This act shall not be construed to affect the manner in which property to which this act applies is assessed by the State Board of Equalization." According to the author's office, the purpose of this language, which was recommended by Legislative Counsel, is to clarify that the bill is not intended to change any other element, including valuation procedures, for electrical generation facilities.

9. **The historical rationale for the county-wide system.** The county-wide system was established to ease the administrative burdens on state assesseees, the state, and counties. Detailed record keeping was necessary to report property holdings, allocate property value, and allocate property tax revenue by the fine detail of the tax rate area. According to a news release on 1986's AB 2890 (Hangman), the bill that created the county-wide system, the Assembly Revenue and Taxation Committee had held an interim hearing in the fall of 1985 on property tax issues resulting in a number of suggested reforms subsequently included in AB 2890. The press release summarizes the various reforms and with respect to the new revenue allocation system, it describes the proposed new system as follows:

   > **Distribute the value of state assessed property to counties on a county-wide basis, and distribute the revenue to local jurisdictions in proportion to their local assessed value.**
   >
   > Rationale: This will eliminate a very burdensome administrative job for the Board of Equalization and for taxpayers – the placing of state assessed value into tax rate areas. No jurisdiction will lose any money because the AB 8 distribution formula (and the specific provisions of this legislation) will guarantee all taxing jurisdictions that they will get the same amount of revenue that they got in the prior year from state assessees plus an amount for growth.

   In 1987, an Assembly Revenue and Taxation Committee analysis on a related measure, AB 454, provided additional insight into the rationale for establishing the county-wide system. That analysis notes:

   > In AB 2890 (Hannigan) of 1986, a formula distribution of state assessed unitary values was adopted. The justification for this provision were 1) that state assessed unitary property is assessed on a company basis, not on a location basis, and a situs allocation is not consistent with the theory and practice with state assessed valuation procedures and 2) that the attempt to break apart a unitary assessment for the purpose of a situs assessment was causing taxpayers and the State to spend hundreds of thousands of dollars for a bureaucratic purpose that provided no social purpose other than to provide jobs to those doing the work.

10. **The Legislature has established the precedent of situs-based revenue allocations for certain stand-alone state assessed properties that were newly constructed after the county-wide system was established.** With respect to any change in the revenue allocation from future or existing electrical generation facilities that may be state assessed, the Legislature has approved three exceptions (Revenue and Taxation Code §100(i)[6], (j)[7], and (k)[8]) to the revenue allocation system for state assessed property established by AB 2890. (One of these exceptions is for a power plant that was ultimately never built.) Those exceptions ensured that, for three specific projects to be constructed by public utilities, their property tax revenue would be allocated as if they were subject to assessment by the county assessor. Hence, the property tax revenues derived from these proposed projects (only two of the three projects were subsequently constructed) would go to the jurisdictions in the tax rate area where the project was to be sited rather than being shared with all jurisdictions located in the county as "incremental growth."

11. **The special revenue allocation procedures would not affect all generation facilities that are state assessed.** These revenue allocation procedures would not apply to generation facilities still owned by the public utilities that are currently assessed by the Board (i.e., hydroelectric plants and nuclear plants).

12. **A number of bills introduced in 2001 would have given a greater share of property tax revenues from power plants to the cities and counties that host them at the expense of other local agencies and/or the state via greater school backfill.** Those bills included:

    - SB 1019 (Torlakson)
    - SB 28X (Sher)
    - SB 30X (Brulte)
    - AB 49X and AB 226 (B. Campbell)
    - AB 62X and AB 31XX (Cohn)

[6] A computer center in the City of Fairfield (Pacific Bell).
[7] An education and training center in the City of Livermore (PG&E).
[8] For a proposed power plant in the City of Chula Vista (SDG&E), which was never constructed.

Assembly Bill 1752 (Migden) Chapter 156

Protection of Public Safety Officials Home Information Task Force

Effective January 1, 2003. Amends Section 11125.1 of the Government Code.

BILL SUMMARY

This bill requires the Board of Equalization to distribute public writings, except those involving a named tax or fee payer, that pertain to a topic under consideration at a public meeting to all persons who request copies, as well as post that information on the Internet, and make the writings available for public inspection at the meeting, prior to the Board taking final action on that item.

Sponsor: Assembly Member Migden

LAW PRIOR TO AMENDMENT

Under current law, the Bagley-Keene Open Meeting Act (commencing with Government Code Section 11120) requires that meetings of state bodies be conducted openly, and that public writings pertaining to a matter subject to discussion or consideration at a public meeting be made available for public inspection. All disclosable public writings that are distributed to Board Members prior to Board meetings are made available upon request, but are not mailed to all persons who have requested notice of the hearing in writing and not all are currently placed on the Internet.

Section 11125.1 of the Government Code requires the Franchise Tax Board, prior to taking final action on any item, to 1) make available for public inspection, 2) distribute to all persons who request notice in writing, and 3) make available on the Internet, all items that are public records and distributed to its members by Franchise Tax Board staff or individual members prior to or during a meeting.

AMENDMENT

This bill amends Government Code Section 11125.1 to require that prior to the Board taking final actions on any item that does not involve named tax or fee payers, writings pertaining to that item that are public records prepared and distributed by Board staff or individual members to Board Members prior to or during a meeting, be:

- Made available for public inspection at that meeting.
- Distributed to all persons who request or have requested copies of these writings.
- Made available on the Internet.

This bill also makes conforming changes to the current information posting requirements placed on the Franchise Tax Board.

BACKGROUND

Section 11125.1 was amended last year by Senate Bill 445 (Ch. 670, 2000, Burton) to specifically require the Franchise Tax Board to distribute certain written public records prior to or during a Franchise Tax Board meeting. The Board of Equalization had also been included in the provisions of the bill until the Board staff gave assurances to Senator Burton's office that the information needed would be made available without the costly requirement of posting a lot of extraneous information on the Internet. Since the passage of SB 445, the Board has made the following changes to its web site:

- Added more information on the Public Agenda Notice, including links to the different Committee pages.
- Added coordinated links between regulations under Board consideration and the associated issues paper prepared by Board staff, accessible through the Committee meeting icon.
- Added the names of cases to be heard.
- Added rulemaking information, including type of action (e.g. 15-day file) and regulation titles. The site includes a link to each regulation.
- Added a list by case name of non-appearance items, including the reference number used by the Board Members in order for the audience to more easily follow along with Board Member discussions.
- Added an email link and a telephone number to allow interested parties to request additional information and receive it either electronically, by fax, or by mail.
- Added a new icon on the Board Internet home page to aid in finding hearing information.

COMMENTS

1. **Purpose.** To ensure that the Board of Equalization handles public writings that pertain to matters that are subject to discussion or consideration at a public meeting in the same manner as the Franchise Tax Board, as required by SB 445 of last year.
2. **Amendments addressed the major concerns of the Board.** The analysis of the January 7, 2002 version of the bill raised the Board's concerns about making available on the Internet the briefs prepared for Franchise Tax Board cases heard by the Members of the Board of Equalization, which are disclosable public records. These briefs may contain detailed and often very personal information about taxpayers, including their social security number, credit card bills, expense reports and all sorts of other information that they submit as evidence to support their tax appeal. The April 9, 2002 amendments excluded any information that involves a named tax or fee payer and therefore removed the requirement that

this information be made available at the hearings, automatically distributed to requesting parties, or posted on the Internet.

The amendments also limited the information to be made available, distributed, and posted on the Internet to writings prepared by Board staff or individual members. The bill no longer requires that the Board be responsible for information submitted by outside parties.

3. **The Open Meeting Act currently requires that *disclosable public records* be made available upon request.** However, many documents that are distributed to Board Members prior to Board meetings are exempt from public disclosure because they contain confidential taxpayer information or are protected by the attorney-client privilege. While this bill would provide another avenue in which to obtain records, it would not require that additional information, such as documents that are currently *not disclosable*, be distributed as specified and placed on the Internet.

4. **This bill would require public information to be posted on the Internet.** The information would include budget change proposals and baseline budget numbers which is currently approved by the Board prior to advancing to the Department of Finance and Legislative Budget Committees, as well as certain contract information. This information is currently available to the public upon request. Requiring the information to be posted on the Internet should not be problematic to administer.

Assembly Bill 2238 (Committee on Judiciary) Chapter 621

Protection of Public Safety Officials Home Information Task Force

Effective January 1, 2003. Among its provisions, adds uncodified language in Section 5.

BILL SUMMARY

Creates an advisory task force to determine how to protect a public safety official's home information. The task force will be chaired by the Attorney General and comprised of representatives from:

- Interested state enforcement entities, including, but not limited to, the Department of Justice, the Department of the California Highway Patrol, and the Office of Privacy Protection in the Department of Consumer Affairs.
- The judicial community.
- The legal community, including, the district attorneys and public defenders.
- The state recorders and assessors.
- The business community involved in real estate transactions.

The task force will, among other things, prepare a report that includes a comprehensive plan on how to protect a public safety official's home information to be filed with the Legislature by September 1, 2003.

Sponsor: Committee on Judiciary

Assembly Bill 2714 (Aanestad) Chapter 299

Percent Good Factors
Averaging Factors
Minimum Percent Good

Effective January 1, 2003. Adds Section 401.16 to the Revenue and Taxation Code.

BILL SUMMARY

This bill:

- requires that minimum percent good factors be determined in a supportable manner.
- prohibits the practice of averaging percent good factors published by the Board of Equalization where separate factors are provided for property acquired new and used in cases when property owners provide information as to whether the items were acquired new or used.

Sponsor: California Farm Bureau

LAW PRIOR TO AMENDMENT

Averaging percent good factors. In valuing agricultural and construction mobile equipment, the Board of Equalization suggests that counties use the comparative sales approach if possible. Several commercially available valuation guides are available for this purpose.[9] If valuation guides are not used, the reproduction or replacement cost approach to value can be used.

The Board of Equalization annually publishes Assessors' Handbook Section 581 which contains several tables of price index factors, percent good tables, and other valuation factors that aid assessors in the mass appraisal of various types of personal property and fixtures when using the reproduction or replacement cost approach to value property. Generally, using this published information will provide a value estimate within a reasonable band of value for the assessment of business property. Additionally, using the published information serves to promote statewide uniformity in the assessment of this property. Price index factors are applied to the original acquisition cost of an item to estimate its current reproduction cost. Percent good factors are used in conjunction with the price index factors to estimate

[9] Agricultural Equipment: *Used Tractor Price Guide,* Intertec Publishing Corporation; *Official Guide - Tractors and Farm Equipment (Guides 2000),* Iron Solutions; and *Farm Equipment Guide*, Heartland Ag Business Group. Construction Equipment: *Green Guide for Construction Equipment*, Primedia Information Inc.

reproduction cost new less normal depreciation. This is the value that would be used for property tax purposes.

For mobile construction equipment and mobile agricultural equipment, the Board provides separate percent good factor tables for equipment first acquired new and equipment first acquired used. Under existing assessment practices, some counties average the "new" and "used" tables provided for administrative simplicity.

Minimum percent good factors. Under existing assessment practices, some counties do not depreciate personal property that is still in productive use beyond some "minimum percent good." Current law does not discuss or direct assessors in their use of minimum percent good factors.

Minimum percent good factors are factors used to estimate the lowest value that an item of personal property will attain during its useful life. These factors are applied to replacement, or reproduction cost new, estimates to compute the fair market value of property for property tax purposes as it reaches the end of its economic life.

AMENDMENT

This bill adds Section 401.16 to the Revenue and Taxation Code to provide that if the county assessor uses the reproduction or replacement cost approach to determine the value of tangible personal property or trade fixtures, then both of the following apply:

1. If the county assessor depreciates the property using percent good factors published by the Board of Equalization that provide separate factors for property that is first acquired new and property that is first acquired used, the assessor may not average the published factors to apply these factors to both classes of new and used property. However, if information reported by a taxpayer does not indicate whether this property was first acquired by the taxpayer new or used, then the assessor may average the published factors.
2. If the county assessor depreciates this property using percent good factors that include a minimum percent good, the minimum percent good factors shall be determined in a manner that is supportable.

Assessors could still use minimum percent good factors, but the factors used must be based on some support.

IN GENERAL

Business Personal Property. Personal property used in a trade or business is generally taxable, and its cost must be reported annually to the assessor on a business property statement, as provided by Revenue and Taxation Code Section 441.

Personal property is not subject to the valuation limitations of Proposition 13. Personal property is valued each lien date at current fair market value. However, it is not administratively possible to individually determine the fair market value of every item of personal property used by all of the businesses in California every year. Consequently, mass appraisal techniques are necessary to complete the annual reassessment process.

Valuation Process. Generally, the valuation of personal property is based on the acquisition cost of the property. The acquisition cost is multiplied by a price index, an inflation trending factor based on the year of acquisition, to provide an estimate of its reproduction cost new. The reproduction cost new is then multiplied by a depreciation index, also called percent good tables, to provide an estimate of the depreciated reproduction cost of the property (reproduction cost new less depreciation). The reproduction cost new less depreciation value becomes the taxable value of the property for the fiscal year.

The Board annually publishes Assessors' Handbook Section 581, "Equipment Index and Percent Good Factors." http://www.boe.ca.gov/proptaxes/ahcont.htm This handbook section contains several tables of equipment index, percent good, and valuation factors that aid in the mass appraisal of various types of personal property. Separate tables are specifically provided for agricultural equipment, which are excerpted below. The following example, using the "price index factors" and "percent good" tables currently recommended by the Board illustrates how this valuation process works.

The estimated value of agricultural equipment acquired new in 1998 at an acquisition cost of $100,000 would be $59,740 for the January 1, 2002 lien date.

Year Acquired	Cost New	Index Factor	Reproduction Cost New	Percent Good	RCLND
1998	100,000	1.03	103,000	58	$59,740

Price Index Factor. The index factor is an inflation trending factor based on the year of acquisition. The Board of Equalization recommends the following factors for agricultural equipment.

Year Acquired	Index Factor Percent	Year Acquired	Index Factor Percent	Year Acquired	Index Factor Percent	Year Acquired	Index Factor Percent
2001	100	1991	124	1981	168	1971	411
2000	101	1990	128	1980	187	1970	427
1999	102	1989	132	1979	208	1969	445
1998	103	1988	138	1978	227	1968	466
1997	104	1987	142	1977	244		
1996	106	1986	142	1976	265		
1995	109	1985	143	1975	287		
1994	114	1984	144	1974	337		
1993	116	1983	148	1973	384		
1992	120	1982	156	1972	396		

Percent Good. For 2002, the Board recommends the following percent good factors:

Agricultural Mobile Equipment (Except Harvesters)				
Year Acquired	**Age**	**New**	**Used**	**If Averaged***
2001	1	78	92	85
2000	2	70	82	76
1999	3	64	75	69.5
1998	4	58	68	63
1997	5	52	62	57
1996	6	47	56	51.5
1995	7	42	50	46
1994	8	38	45	41.5
1993	9	34	40	37
1992	10	30	36	33
1991	11	27	32	29.5
1990	12	25	30	27.5
1989	13	23	28	25.5
1988	14	22	26	24
1987	15	20	23	21.5
1986	16	18	21	19.5
1985			19	
1984			17	

Agricultural Harvesters				
Year Acquired	**Age**	**New**	**Used**	**If Averaged***
2001	1	74	90	82
2000	2	64	78	71
1999	3	57	69	63
1998	4	50	60	55
1997	5	43	53	48
1996	6	38	46	42
1995	7	33	40	36.5
1994	8	29	35	32
1993	9	25	30	27.5
1992	10	21	26	23.5
1991	11	19	23	21
1990	12	17	21	19
1989	13	15	18	16.5
1988	14		16	
1987	15		14	
1986	16		14	

Construction Mobile Equipment				
Year Acquired	**Age**	**New**	**Used**	**If Averaged***
2001	1	74	91	82.5
2000	2	66	81	73.5
1999	3	60	74	67
1998	4	55	68	61.5
1997	5	51	62	56.5
1996	6	47	58	54.5
1995	7	42	52	47
1994	8	38	47	42.5
1993	9	35	43	39
1992	10	31	38	34.5
1991	11	28	34	31
1990	12	26	32	29
1989	13	24	29	26.5
1988	14	22	27	24.5
1987	15	20	25	22.5
1986	16	19	23	21
1985	17	16	20	18
1984	18	13	17	15
1983	19	12	13	12.5
1982	20	11	11	11
1981	21		9	

***Averaging Percent Good.** The Board does not recommend averaging percent good tables. The "if averaged" tables noted above are provided to compare the difference in percent good that would occur if the assessor averages the "new" and "used" tables.

Minimum Percent Good. While the tables provided by the Board do not provide percent good factors for equipment beyond certain ages, they do include a disclaimer that no minimum percent good is intended. Board staff has found in its audits of the counties that some assessors have a practice of establishing a minimum percent good factor beyond which they do not depreciate equipment. Where it appears the minimum percent good factor used is not based upon any support, the Board recommends that the practice be discontinued.

BACKGROUND

Related Bills. During the 2001 Legislative Session, Assembly Bill 1380 (Aanestad) would have exempted implements of husbandry and farm vehicles from property tax. When the bill was heard in the Assembly Revenue and Taxation Committee on May 14, 2001, the testimony of various witnesses representing the Farm Bureau raised concern over the assessment practices of agricultural equipment by various assessors. Specifically, testimony was given to the committee that in one county the value of a new tractor for property tax purposes would be depreciated by only 4% in the first year and that its assessed value would never drop below 20% of its original purchase price. The bill failed to pass out of the committee, but the committee asked that the Board of Equalization investigate and respond. With respect to the depreciation issue, the Board found that while the assessor's office had stated in a conversation that the depreciation was only 4% after the first year; upon review this was incorrect. The actual depreciation used in that county was 15% (determined by averaging the percent good factors for new and used agricultural mobile equipment (92 + 78)/2 = 85 percent good) or 15% depreciation. With respect to the minimum percent good issue, the county confirmed that it used a 20% minimum percent good.

Repealed Property Tax Rule Provision. Prior to 1977, subdivision (f) of Property Tax Rule 6 made reference to minimum percent goods. It provided:

> If the assessor adopts a practice of depreciating property to a minimum percent good, that minimum may be any percentage up to but no higher than 25 percent of reproduction or replacement cost new.

This subdivision was amended, deleting the wording referencing minimum percent good, following *Bret Harte Inn, Inc*. v. *City & County of San Francisco (*16 Cal.3d 14, 1976). In this case, the court held that the Constitution commands that all property be assessed at full cash value and requires that depreciation formulas meet a standard of "reasonable accuracy." It appears that the 25 percent maximum formerly outlined in Rule 6 was considered arbitrary, and therefore unsupportable.

COMMENTS:

1. **Purpose.** (1) To provide clarity that minimum percent good factors used must be supportable and (2) to prohibit the averaging of percent good factors published by the Board of Equalization when property owners provide sufficient information.

2. **Amendments.** Related to the use of minimum percent goods, the June 18 amendment rephrases the bill's purpose into an affirmative statement that minimum percent goods must be determined in a supportable manner, rather than a negative statement. Additionally, related to the use of averaging percent good factors for new and used equipment, the June 18 amendment allows averaging when taxpayers do not provide sufficient information as to whether the property was acquired new or used. This amendment was made to address an administrative problem noted by assessors that some taxpayers do not report their property holdings in this level of detail, which was one reason that lead to some adopting a practice of averaging the factors.

   Related to the use of minimum percent goods, the May 15 amendment substitutes the term "unsupported" for "arbitrary." This amendment was made to better clarify the bill's intent as well as substitute a term that could be considered inflammatory. As introduced, this bill only related to the issue of <u>minimum</u> percent goods and its provisions were limited to implements of husbandry. This narrow application could have created an implication that arbitrarily established minimum percent goods were permissible in assessing other types of personal property. Consequently, the Board requested the bill be amended to make its provisions applicable to all types of personal property. The May 7 amendments incorporate this suggestion. Additionally, the May 7 amendments add new subdivision (a) to Section 401.16 to provide that assessors may not average "new" and "used" percent good factors. This amendment addresses the issues raised by taxpayers concerning variations in percent good factors published by the Board and the actual percent good factors used by some county assessors.

3. **This bill would prohibit the averaging of percent good factors where separate tables for new and used equipment are provided.** Currently, the Board only publishes such tables for mobile agricultural equipment and mobile construction equipment. For this type of equipment, the Board recommends that counties rely on the comparative sales approach if possible using commercial value guides. If this approach is not used, then the alternate method generally would be the reproduction or replacement cost approach. The information published in Assessors' Handbook Section 581 can be used for this purpose, but is not mandatory. The values produced, using this information, provides guidelines rather than absolutes. The published percent good factors are not believed to be appropriate or accurate in every situation. The assessor may deal with exceptions on an individual basis whenever it is deemed appropriate. Additionally, taxpayers may indicate to assessors when they disagree with the values determined using these factors and provide additional information if necessary.

4. **Averaging results in winners and losers.** Averaging new and used percent good factors results in an assessed value that is higher for equipment purchased new and an assessed value that is lower for equipment purchased used. For instance, if a tractor was <u>purchased new,</u> the Board recommends a depreciation factor after the first year of 22% (the complement of 78 percent good). However, if the county averages new and used percent good factors, the depreciation after the first year would only be 15%.

5. **When are <u>minimum</u> percent good factors used?** They are used to estimate the value of property that

   - is at the end or at a late stage of its useful life, and/or
   - has been determined to have reached its lowest value (i.e., the property has "fully depreciated" and the value is not expected to decline any further).

6. **Why are minimum percent good factors used?** Property in use (and generating income) still has utility and value. Because property in use continues to have value it is possible that well-maintained used equipment could be undervalued without minimum percent good factors administratively possible to individually determine the fair market value of every item of personal property used in all businesses in California every year. Consequently, mass appraisal techniques must necessarily be used. Minimum percent good factors are typically used because:

   - they provide administrative practicality.
   - they enhance the equalization process between similarly-situated property owners by assigning a similar percent good factor to like items of personal property as required by Section 410, which provides that there should be a

uniform system of assessment for implements of husbandry regardless of where they are physically located in the state.

- they can produce a value that fairly reflects the value of the property being appraised.

7. **The Board of Equalization distributed a publication on the issue of Minimum Percent Good Factors in November 1999.** This publication (a Special Topics Survey) discusses the issue in depth as well as contains various county assessors opinions on the use of minimum percent good factors. The document is available at http://www.boe.ca.gov/proptaxes/sptscont.htm.

8. **This bill does not prohibit the use of minimum percent good factors.** The use of minimum percent good factors would be permitted where the development of the factors is based on some support or evidence. For instance, arm's length sales data information can support a minimum or floor value for used equipment.

9. **Minimum percent good factors are a necessary administrative practicality for mass appraisal programs and, when used properly, provide guidelines rather than absolutes.** Minimum percent good factors are not believed to be appropriate or accurate in all situations. Exceptions may be dealt with on an individual basis, and values can be altered from that determined by the mathematical computation. Additionally, taxpayers may indicate to assessors where values are not appropriate and provide additional information if necessary.

10. **The tables provided by the Board to county assessors do not provide percent good factors for equipment beyond certain ages.** However, the tables include a disclaimer that no minimum percent good is intended. Some assessors have a practice of establishing a minimum percent good beyond which they do not depreciate equipment. In the Board's audits of counties, where it appears that minimum percent goods are being used which are not based upon any underlying support, the Board recommends that the practice be discontinued and a review of the evidence be evaluated to determine a supportable minimum percent good.

Assembly Bill 3033 (Committee on Judiciary) Chapter 759

Access to Assessor's Records – Department of Child Support Services

Effective January 1, 2003. Among its provisions, amends Section 408 of the Revenue and Taxation Code.

BILL SUMMARY

This bill adds the Department of Child Support Services to the list of agencies that have access to records in the assessor's office.

Sponsor: Assembly Judiciary Committee

ANALYSIS

LAW PRIOR TO AMENDMENT

The law requires that assessors keep certain information confidential. Revenue and Taxation Code Section 408(a) contains the general confidentiality rule for county assessors, and provides that homeowners' exemption claims and any information and records in the assessor's office that is *not required*[10] by law to be kept or prepared by the assessor are not open to public inspection. In addition, Revenue and Taxation Code Sections 451 and 481 provide that all information requested by the assessor or furnished in the property statement and change in ownership information shall be "held secret" by the assessor.

Subdivision (b) of Section 408 provides an exception to the general rule of confidentiality for certain governmental agencies or representatives. It requires that the assessor disclose information, furnish abstracts, or permit access to all records in his or her office to:

- law enforcement agencies
- the county grand jury
- the board of supervisors or their duly authorized agents
- employees or representatives when conducting an investigation of the assessor's office pursuant to Section 25303 of the Government Code
- the Controller
- employees of the Controller for property tax postponement purposes
- probate referees
- employees of the Franchise Tax Board for tax administration purposes only
- staff appraisers of the Department of Financial Institutions[11]

[10] There are only very limited records that are required to be kept by the assessor, such as the roll and the list of transfers.

[11] Department required to reimburse the assessor for any costs incurred to disclose information, furnish abstracts, or permit access to the records.

- the Department of Transportation.[12]
- the Department of General Services
- the State Board of Equalization
- the State Lands Commission[12]
- the State Department of Social Services
- the Department of Water Resources[12]
- other duly authorized legislative or administrative bodies of the state pursuant to their authorization to examine the records.

PROPOSED LAW

This bill amends subdivision (b) of Section 408 to add the Department of Child Support Services to the list of agencies who may have access to all records in the assessor's office. The Department of Child Support Services is not required to reimburse any costs incurred for this access.

IN GENERAL

Mandated Confidential Information. There are a variety of laws that require certain information kept by the assessor's office to be kept confidential. Generally, the assessor is prohibited from disclosing any document related to the business affairs of another taxpayer. However, the assessor must disclose "market data" to a taxpayer if the assessor based the assessment of that taxpayer's property using comparable sales. In providing market data on comparable sales to a taxpayer, however, the assessor is still statutorily prohibited from displaying any document related to the business affairs or property of those taxpayers who own those properties used as comparable sales. (§408, §408.1, §408.2)

Certain documents filed by taxpayers are statutorily required to be kept confidential. These are the property statement (§451), the change in ownership statement (§481), and the homeowners' exemption claim form (§408.2) which includes social security numbers.

Access to confidential information may be disclosed to select persons. The assessor may provide "appraisal data" to other California assessors and is required to permit access to all records in their office to certain governmental agencies. §408

Mandated Public Information. There are also a variety of laws that require that certain information kept by the assessor's office be open, public information: the assessment roll, which includes the assessed value, ownership, location of property, as well as a notation of which properties receive the homeowners' exemption, (§1602, §602, §408.2), assessment maps (§327), a list of all transfers of property in the last two years (§408.1), and information maintained on property characteristics, including year built, square footage, number of bed and baths, property use codes, etc., (§408.3). In addition, welfare exemption claims are open to public inspection. (§408, *Gallagher* v. *Boller*)

---

[12] Department required to reimburse the assessor for any costs incurred to disclose information, furnish abstracts, or permit access to the records.

Assessment appeal hearings before the assessment appeals board are statutorily required to be open to the public except that deliberations may be held in private. A taxpayer may request the appeals board to close a portion of the hearing if evidence is to be presented that relates to trade secrets which would be detrimental to the business interests of the owner of the trade secrets. (§1605.4)

COMMENT

Purpose. This bill, in part, transfers the California Parent Locator Service and the Central Registry from the Department of Justice to the Department of Child Support Services (DCSS). These programs collect and disseminate specified information to allow public agencies to carry out their duties to enforce liability for child support. Moving the programs to the DCSS is necessary for the implementation of the California Child Support Automation System. This bill gives the DCSS authority to access assessor's records under Section 408 to the same extent as the Department of Justice previously held as a law enforcement agency.

Senate Bill 1864 (Costa) Chapter 616

Agricultural Conservation Easements

Effective January 1, 2003. Amends Section 51257 of the Government Code, amends Sections 10211, 10212, 10230, 10231, 10233, 10234, 10235, 10236, 10237, 10239, 10240, 10241, 10244, 10246, 10250, 10251, 10252, 10254, 10260, 10260.5, 10261, 10262, 10263, 10264, 10270, 10271, 10273, 10274, and 10276 of, adds Sections 10230.5, 10255, 10262.2, and 10262.5 to, and repeals Section 10265, of the Public Resources Code, and amends Sections 402.1, 421.5, 423.4, 423.8, and 426 of the Revenue and Taxation Code.

BILL SUMMARY

Corrects cross reference errors related to special assessment procedures for agricultural conservation easements. Clarifies the definition of such easements by cross reference to the definition of these easements found in Public Resources Code Section 10211 for purposes of the California Farmland Conservancy Program.

Sponsor: California Farm Bureau

Senate Bill 2086 (Senate Revenue and Taxation Committee) Chapter 214

California Assessors' Association Sponsored Property Tax Omnibus Bill

Effective January 1, 2003. Amends Sections 95.35, 254.5, 25, 270, 271, and 465 of, and adds Section 327.1 to, the Revenue and Taxation Code.

BILL SUMMARY

This bill contains **California Assessors' Association sponsored provisions** to:

- Change the date from March 15 to February 15 when the assessor must be notified if property receiving an exemption under Section 214.15 or 231 no longer qualifies. *§254.5*
- Change the date from June 30 to February 15 when the assessor must be notified if property receiving the religious exemption no longer qualifies. *§257*
- Authorize a county board of supervisors to adopt an ordinance requiring a copy of a recorded digital subdivision map to be filed with the county assessor. *§327.1*
- Make special document retention requirements for first-time welfare exemption, religious exemption, and the disabled veterans' exemption claims. *§465*
- Correct cross-reference errors. *§95.35*

This bill also *contains two provisions chaptered out by Senate Bill 2092* (Ch. 775, Committee on Revenue and Taxation):

- Allow a partial exemption on late filed aircraft of historical significance exemption claims. *§270*
- Change dates for filing a claim for various exemptions on new purchases of property from prior to the lien date to within 90 days from the first day of the next month after acquired. *§271*

Welfare Exemption and Religious Exemption Claims
Revenue and Taxation Code §§254.5, 257

LAW PRIOR TO AMENDMENT

Under existing law, Revenue and Taxation Code Section 254.5 requires the assessor to mail a notice to property owners receiving a property tax exemption pursuant to Section 214.15[13] or 231[14] by January 1 of each year. The notice includes a card that the property owner must return by March 15 indicating that there have been no changes regarding the property's eligibility to receive the exemption for the following fiscal year.

Revenue and Taxation Code Sections 257 and 257.1 require the assessor to mail a notice to property owners receiving the religious exemption by January 1, which similarly requires the property owner to return a card by June 30 indicating that there have been no changes regarding the property's eligibility to receive the exemption for the following fiscal year.

AMENDMENT

This bill changes the date for property owners to return these cards to February 15, which is the final date to file a claim for all other exemptions.

COMMENT

Since the change in the lien date from March 1 to January 1, most filing deadlines for exemptions requiring annual filing have been moved forward and a uniform final filing date of February 15 has been established. (Previously, miscellaneous exemptions had various deadlines). However, for those exemptions where a simplified annual filing is permitted and the property owner merely returns a postcard sent to it by the assessor to receive the exemption for the following year, the date to return the card has not been adjusted to the new uniform date of February 15. With this amendment, all these exemptions would have a uniform February 15 deadline.

[13] Section 214.15 provides the welfare exemption to land holdings for the future construction of homes for sale to low-income persons.
[14] Section 231 provides the welfare exemption for property owned by a nonprofit organization and leased to a governmental agency.

Digital Subdivision Maps
Revenue and Taxation Code §327.1

LAW PRIOR TO AMENDMENT

Current law requires subdivision maps to be filed with the county recorder. In most cases, the common practice today is to prepare and file such maps digitally.

AMENDMENT

This bill adds Revenue and Taxation Code 327.1 to provide that the board of supervisors of any county may enact an ordinance that requires any party that records a digital subdivision map with the county recorder to also file a duplicate digital copy of that map with the county assessor.

COMMENT

Assessors indicate that a digital copy would eliminate the need for the Assessors' Office mapping and drafting personnel to manually redraft from a hard copy, and significantly reduce the time needed to prepare the official assessors parcel maps on new subdivisions, from months to weeks. This provision does not require that property owners prepare subdivision maps for recordation in a digital format in the first place. Those that are currently prepared digitally, however, would be filed with the assessor as well as with the recorder if the county adopts the necessary ordinance.

Welfare Exemption - First-Time Claims and Documents
Revenue and Taxation Code §465

LAW PRIOR TO AMENDMENT

Existing law does not make any special provisions related to retention and destruction of first-time claims and supporting documents for the welfare exemption, the religious exemption, or the disabled veterans' exemption.

AMENDMENT

This bill adds subdivision (b) to Section 465 to provide that:

"Affidavits claiming an exemption, for the first time, pursuant to Sections 254.5[15], 257[16], and 277[17] 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.

COMMENT

The purpose of this language is to require that the assessor maintain first time filings for as long as the property is receiving the welfare exemption, the religious exemption, or the disabled veterans' exemption. Once property no longer receives an exemption, then the six year or three year period begins to run, after which the documents may be destroyed. Documents associated with first-time filings typically include information which establishes that basic eligibility requirements have been met, information usually not required to be re-filed in subsequent annual re-filings. Valuable information is contained in the first-time claim that makes subsequent changes of law easier to administer without requiring nonprofits to resubmit information previously provided in the first year.

[15] The welfare exemption affidavit.
[16] The religious exemption affidavit.
[17] The disabled veterans' exemption affidavit.

Senate Bill 2092 (Senate Revenue and Taxation Committee) Chapter 775

Board-Sponsored Property Tax Omnibus Bill

Elective January 1, 2003. Amends Sections 62, 62.1, 62.2, 63.1, 69.5, 75.51, 75.55, 172, 172.1, 181, 194, 197, 237, 254, 270, 271, 276, 276.1, 441, 441.5, 480.4, 482, 531.1, 755, 756, 1603, 2611.6, 5801, 5802, 5803, 5811, 5812, 5813, 5831 and 7205.1 of, amends the heading of Chapter 2.6 (commencing with Section 172) of Part 1 of Division 1 of, amends and repeals Sections 276.2 and 276.3 of, adds Sections 259.13 and 531.9 to and repeals Section 620.5 of, the Revenue and Taxation Code.

BILL SUMMARY

This bill contains **Board of Equalization sponsored provisions** to:

- Substitute the term "manufactured home" for "mobilehome" in various sections of the Property Tax Law. *§§62, 62.1, 172, 172.1, 181, 194, 197, 441, 480.4, 482, 5801*
- Correct cross reference error*. §62.2*
- Reinstate the parental or executor signature requirement on parent-child change in ownership exclusion claims. *§63.1*
- Related to base year value transfers to manufactured homes located in a Mobilehome Park:
  - Define "land" to include a pro rata interest in a resident-owned mobilehome park.
  - Extend the claim deadline to allow prospective relief for resident-owned mobilehome parks recently reassessed for pro rata changes in ownership. *§69.5*
- Provide follow up to the recent assessment appeals deadline extension to:
  - Delete various code references to uniform Sept. 15th deadline. *§§75.51, 620.5, 2611.6*
  - Clarify that deadline per county is either Sept. 15th or Nov. 30th for all property (real and personal) on either roll (secured or unsecured) dependent upon whether notices are provided to real property on the secured roll. *§1603*
  - Require the assessor to notify the clerk and tax collector by April if he or she will be sending notices to taxpayers by August 1. *§1603*
  - Require the clerk to notify the BOE of county's deadline so the BOE will maintain a statewide list of all county's filing deadlines. *§1603*
  - Clarify that publication of values in a newspaper does not suffice as notice. *§621*

- Increase the tax limitation on supplemental assessments that can be cancelled by the assessor from $20 to $50. *§75.55*
- Provide additional administrative provisions for the Indian Tribal Owned Low-Income Housing exemption to:
  - Provide that an annual claim is required to be filed. *§§254, 259.13*
  - Provide a partial exemption for claims filed late. *§270*
  - Provide the exemption to property acquired after the lien date. *§271*
  - Modify the definition of lower income households. *§237*
- Provide follow up to recent changes to the disabled veterans' exemption to:
  - Correct cross reference to statute of limitations provisions for refunds and cancellations. *§276*
  - Give disabled veterans additional time to file a claim when the USDVA disability rating is received close to lien date. *§276.1*
  - Extend the exemption to property owned by a disabled veteran but not lived in on the lien date. *§276.2*
  - Provide that an escape assessment will be issued on a property for a mid-year termination of exemption. *§§276.3, 531.1*
- Provide specific authorization for e-filing business personal property statements and address signature requirements. *§§441, 441.5*
- Permit a county board of supervisors to adopt an ordinance to decline to assess escape assessments when it is not cost effective, but not to exceed $50 in revenue. *§531.9*
- Correct erroneous code section references. *§§ 755, 756*
- Make numerous technical and housekeeping changes related to manufactured homes:
  - Clarify that supplemental assessments are not to be made upon conversion from the VLF to local property tax. *§5802*
  - Clarify that supplemental assessments are to be made upon a change in ownership or completion of new construction. *§5812*
  - Add BOE Cost Handbook as a value guide and correct names of publications of commercially prepared value guides. *§5803*
  - Delete obsolete provisions related to transfer to local property taxation due to VLF delinquency. *§5831*
  - Correct cross reference errors. *§§5811, 5813, 5831*

This bill also contains a *non-Board sponsored provision* to:

- Allow a taxpayer to qualify for a Proposition 60/90/110 base year value transfer if their home was destroyed in a non-governmental declared disaster for purchases prior to March 24, 1999. *§69.5*

Manufactured Homes vs. Mobilehomes
Revenue and Taxation Code §§62, 62.1, 172, 172.1, 181, 194, 197, 441, 480.4, 482, 5801

LAW PRIOR TO AMENDMENT

Under current law, the term "manufactured home" is essentially synonymous with the term "mobilehome" for property tax purposes.

Section 5801 of the Revenue and Taxation Code states that the term "manufactured home" as used in Part 13 means either a "mobilehome" or a "manufactured home" and references the Health and Safety Code for a specific definition of each. In turn, those definitions essentially reference each other.

Health and Safety Code Section 18007 defines a "manufactured home," as

> "a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width, or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein; except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification and complies with the standards established under this part. "Manufactured home" includes a mobilehome subject to the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.).

Health and Safety Code Section 18008 defines a "mobilehome" as

> "a structure that meets the requirements of Section 18007" and it specifically excludes three items from the definition of a mobilehome: (1) a commercial coach, as defined in Section 18001.8, (2) factory-built housing, as defined in Section 19971, and (3) a recreational vehicle, as defined in Section 18010.

In 1991, Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code was amended to change its title from "The Mobilehome Property Tax Law" to "The Manufactured Home Property Tax Law." Additionally, it substituted the term "manufactured home" for "mobilehome" within each section of the part (AB 2227 - Stats. 1991, Ch. 796). However, miscellaneous other sections of property tax law in Division 1 of the Revenue and Taxation Code still use the term "mobilehome."

AMENDMENT

This bill amends Sections 62, 172, 172.1, 181, 194, 197, 441, 480.4, and 482, and the heading of Chapter 2.6 (commencing with Section 172) of Part 1 of Division 1 of the Revenue and Taxation Code to substitute the term "manufactured home" for "mobilehome."

COMMENTS

1. **Purpose.** To conform the remaining references to mobilehomes to the term manufactured homes. This bill will eliminate questions as to whether, for property tax purposes, there is a substantive distinction between the two terms.
2. **Amendment.** The June 19 amendment makes an amendment suggested in a prior Board analysis to delete an extra word, "and" in subdivision (g) of Section 62. The extra "and" makes the sentence nonsensical as the purpose of the sentence is conclusively to presume a 35 year renewal option exists when in fact there is no such renewal option. Additionally, similar phrasing in another section of law, Section 61(c), does not include the word "and." The April 8 amendment additionally amends Section 5801 to address concerns expressed by some interested parties, that for some purposes, which are not related to property taxes, there is a definite distinction between laws applicable to "mobilehomes" and those applicable to "manufactured homes." The amendment to Section 5801 specifies that wherever the term "manufactured home" is used in property tax law (Part 0.5, Part 1, Part 2, and Part 13) it means both a "manufactured home" as defined in Section 18007 of the Health and Safety Code and a "mobilehome" as defined in Section 18008 of the Health and Safety Code.
3. **Mobilehome Parks.** This bill does not propose to change the phrase "mobilehome park," which is found in various sections of property tax law, to "manufactured home park". This is an intentional omission since some interested parties object to such a name change.

Mobilehome Park Conversion to Resident Ownership
Revenue and Taxation Code §62.2

LAW PRIOR TO AMENDMENT

Existing property tax law requires property to be reassessed at current market value whenever there is a change in ownership. However, Revenue and Taxation Code Section 62.1 excludes certain transfers of mobilehome parks from change in ownership reassessment if the tenants who rent the individual spaces in the park purchase it either directly or through a legal entity owned by the tenants.

In some conversions to resident ownership, prior to the transfer of the mobilehome park to the resident-tenants, there is an interim transfer of the park to a non-tenant owned entity. A separate section of law, Revenue and Taxation Code Section 62.2, allows the change of ownership exclusion of Section 62.1 to still apply when there has been such an "interim transfer." The purpose of the holding by the non-tenant owned entity is to facilitate the tenants' ultimate purchase by essentially providing "bridge financing" while the tenants work to obtain the necessary resources to purchase the park. Generally, the law provides that the interim holding period by the non-tenant entity may not exceed 18 months, but, in certain instances, it can be extended to as much as 36 or 76 months, as specified.

Last year, Assembly Bill 1457 (Ch. 772, Stats. 2001, Keeley) amended Section 62.1 to address issues related to pro-rata changes in ownership of parks after a change in ownership exclusion has been granted. That bill also added reporting requirements whereby parks must annually provide certain information to county assessors regarding changes in ownership within the park. The various provisions of AB 1457 resulted in the renumbering of Section 62.1. Related to this bill, former subdivision (a) of Section 62.1 has been renumbered as paragraph (1) of subdivision (a) and former subdivision (b) of Section 62.1 has been renumbered as paragraph (2) of subdivision (a). Consequently, the existing references to Section 62.1 found in Section 62.2 are incorrect.

AMENDMENT

This bill amends Section 62.2 to correct the cross reference errors created by the recent amendments to Section 62.1.

Parent-Child Change In Ownership Exclusion

Revenue and Taxation Code §63.1

LAW PRIOR TO AMENDMENT

Last year, Senate Bill 1184 (Chap. 613, Stats. 2001, SR&T) amended Section 63.1 of the Revenue and Taxation Code to reduce the number of signatures required on claims for the parent-child change in ownership exclusion. Previously all transferors (generally the parents) and all transferees (generally the children) were required to sign the claim form. SB 1184 deleted the requirement that the transferors sign the claim and allowed, where there are multiple transferees, the signature of only one transferee.

AMENDMENT

This bill amends Section 63.1 of the Revenue and Taxation Code to reinstate the parental signature requirement on the parent-child change in ownership exclusion claim form.

COMMENT

Two unintended consequences of eliminating the transferor (parental) signature have been identified. The first occurs in situations where the parents own, in addition to a principal place of residence, more than one million dollars of other property. The parent-child exclusion is limited to the first one million dollars of property claimed. Since the parent, or the executor of the estate, is no longer required to sign the claim form, the parent can not direct which property or child is to receive the property tax benefits of the exclusion when property holdings will be subject to the one million dollar cap. Instead, the *first* sibling(s) to file a claim will receive the exclusion. Reinstating the signature requirement will give the parent, or the executor of the estate, the ability to determine how best to use the one million dollar limit.

The second unintended consequence occurs in situations where the parent sells or transfers their principal residence to their child with the intention of transferring the base year value from that property to a replacement property. Revenue and Taxation Code Section 69.5 provides property tax relief by allowing a person who is over the age of 55 or disabled to sell his/her principal place of residence (original property) and transfer, under certain conditions, the base year value of that property to a qualifying replacement residence (replacement property). One of the conditions is that the sale of the original property must trigger a reassessment to its current market value. (There are two exceptions to this requirement: (1) the new buyers are transferring their base year value from their original property because their home had been damaged in a disaster (Section 69 and 69.3); or (2) the new buyer is over 55 or disabled and is also claiming a base year value transfer under Section 69.5). If a child files a claim for the parent-child exclusion, which no longer requires the parental signature, then the parent is ineligible to receive a base-year value transfer since the original property will not be reassessed. Reinstating the parental signature and adding to the form a declaration that the parent will not claim a base year value transfer on that property will preserve the parent's right to claim, if desired, a base year value transfer. Senate Bill 1184 was sponsored by the California Assessors' Association (CAA). Board staff has conferred with the CAA on the unintended consequences of eliminating the parental signature and the association is agreeable to its reinstatement.

Base Year Value Transfers and Resident Owned Mobilehome Parks

Revenue and Taxation Code §69.5

LAW PRIOR TO AMENDMENT

Revenue and Taxation Code Section 69.5 provides that persons over the age of 55 years and disabled persons may, subject to many conditions and limitations, transfer the base year value of their primary residence to a newly acquired replacement residence. Section 69.5, subdivision (c) provides the guidelines for base year value transfers for manufactured homes and states that the relief may be available if the original property or the replacement dwelling, or both, includes a mobilehome, or a mobilehome and any land owned by the claimant on which the mobilehome is situated.

Additionally, Section 69.5, subdivisions (g)(9) and (11) define "claimant" as any person claiming the Section 69.5 property tax relief, and "person" as "any individual, but does not include any firm, partnership, association, corporation, company, or other legal entity or organization of any kind." Certain persons own their mobilehomes as individuals, but the land on which the mobilehomes are situated is owned by a legal entity in which they hold pro rata ownership interests.

AMENDMENT

This bill amends Section 69.5 of the Revenue and Taxation Code to permit base year value transfers for persons over 55 and the disabled who live in certain resident-owned mobilehome parks.

COMMENTS

1. **Under existing law, Revenue and Taxation Code Section 62.1 excludes certain transfers of mobilehome parks from change in ownership reassessment if the tenants who rent the individual spaces of the park purchase it either directly or through a legal entity owned by the tenant-residents.** Section 62.1, subdivision (b) provides that when a resident-owned entity buys the park, if that legal entity does not thereafter convert the form of ownership to condominium, limited equity, or cooperative ownership, then any transfer of the shares of stock or ownership interests in the entity results in a pro rata change in ownership in the park real property for the portion of ownership interests which have transferred. In other words, once the residents who participated in the original purchase of the park sell or otherwise transfer their ownership interests in the park, that particular share in the park would be reassessed to current market value.
2. **Many counties have recently discovered that they have not reassessed these pro rata changes in ownership.** During the process of updating the Assessors' Handbook Section 511, Assessment of Manufactured Homes and Parks, and the discovery of these parks, the question arose as to the application of base year value transfers under Section 69.5 in resident owned parks when the park is held by a resident-owned entity. In studying this issue, Board staff opined that when a taxpayer purchases a manufactured home subject to local property taxation and a space in a manufactured home park that is owned by a resident-owned entity, the statute, on its face, reads that only the manufactured home may receive the benefits of Section 69.5 because the purchase of a share in a resident-owned entity would not constitute a purchase of land. Thus, that particular share in the park would be reassessed to current market value.
3. **While Section 69.5 contemplates the situation where a manufactured home is on a lot or space owned by the individual, it does not address the less common situation where the lots or spaces are instead held by a resident-owned legal entity.** This bill would amend Section 69.5 to directly address this particular situation. This clarification would guarantee that persons over the age of 55 and disabled persons could transfer a base year value of land as well as the improvement to and from manufactured homes parks owned by resident entities.
4. **Claim Deadlines.** Beginning January 1, 2002, counties will revalue resident-owned mobilehome parks so that their values reflect any changes in ownership between January 1, 1989 and January 1, 2002 that were not previously reflected in the value of the mobilehome park. (See Assembly Bill 1457 (Stats. 2001, Ch. 772)). Some mobilehome park tenants subject to this reassessment will be precluded from receiving a base year value transfer, even though they are

otherwise qualified, because the period to file a claim, which is three years from the date they sold an original property, has expired. This bill would amend Section 69.5 to allow these residents to file a base year value transfer claim within three years of the reappraisal of the pro rata share of the mobilehome park so that they can receive a base year value transfer.

Base Year Value Transfers Post Disaster – Proposition 60/90/110
Revenue and Taxation Code §69.5

LAW PRIOR TO AMENDMENT

Revenue and Taxation Code Section 69.5 provides that persons over the age of 55 years and disabled persons may transfer, subject to many conditions and limitations, the base year value of their primary residence to a newly acquired replacement residence. Among the limitations on obtaining relief is the requirement that the acquired property be, generally, of equal or lesser value in comparison to the sold property. Proposition 60 (June 1986), Proposition 90 (November 1988), Proposition 110 (June 1990) – Article XIIIA, Sec 2(a).

In 2001, Senate Bill 1184 (Ch. 613, SR&T) amended Revenue and Taxation Code Section 69.5 to allow a base year value transfer to a person who is over the age of 55 years or disabled who would have been eligible for a base year value transfer, except that their principal place of residence was substantially destroyed or damaged by a misfortune or calamity and therefore disqualified because the value of the replacement property is not of "equal or less" value when compared to the value of the original property in its damaged condition.

The amendments to SB 1184 applied to all replacements dwellings that were acquired or newly constructed on or after the effective date of the bill, January 1, 2002. In addition, SB 1184 contained provisions to give "retrospective" relief upon application (i.e., no refunds for prior tax years, relief granted prospectively) for replacement dwellings acquired between March 24, 1999 and January 1, 2002.

AMENDMENT

This bill amends Section 69.5 to make the retrospective provisions of SB 1184 applicable to any replacement dwelling that was acquired on or after the effective date of the relevant Proposition (60, 90 or 110) establishing eligibility and March 24, 1999.

COMMENT

Purpose. The original amendments to Section 69.5 were sponsored by the California Assessors' Association. The extension of the retrospective provision is made by the Senate Revenue and Taxation Committee to address the concerns of other disaster victims that were ineligible under SB 1184 because of the March 24, 1999 effective date. Its purpose is to provide the benefits of Proposition 60/90/110 to persons over the age of 55 or disabled persons when they are otherwise ineligible for a base year value transfer under Section 69 or 69.3 because the damage to their property did not occur in a governor declared disaster (for example, a single house fire or a small mud slide where few properties were affected) that occurred prior to March 24, 1999.

Assessment Appeal Filing Period

Revenue and Taxation Code §§75.51, 620.5, 621, 1603, 2611.6

LAW PRIOR TO AMENDMENT

Last year the Board sponsored Assembly Bill 645 (Ch. 238, Horton) to amend Section 1603 to extend the assessment filing deadline in those counties that do not notify assessees of the value of their real property prior to their receiving their tax bill. Since the enactment of these changes, further points needing clarification have surfaced. The following additional changes are needed to clarify last year's change and update miscellaneous code sections affected by AB 645.

AMENDMENT

This bill amends Sections 75.51, 621, 1603, and 2611.6, and repeals Section 620.5 of, the Revenue and Taxation Code to provide clarification of the assessment appeal deadline extension and conform other sections of law to recent law changes.

COMMENTS

1. **Single County-Wide Deadline.** The existing sentence structure of Section 1603 relates to an appeals deadline for an individual taxpayer rather than the county as a whole. In those counties that send value notices to some taxpayers, the question has been raised whether only those specific persons that were not sent a value notice receive the benefit of the deadline extension, or if the deadline applies to all taxpayers in the county. This bill would clarify that the deadline extension is a general county-wide deadline if the assessor does not provide notice to all assessees. Each county would have either a deadline of September 15 or November 30 for all property located in the county.

2. **Newspaper Publication of Values.** Some assessors have questioned if publication of values in a newspaper, as permitted by Section 621, rather than a specific notice to the taxpayer, as specified in Section 619, would be a permissible means of excluding a county from extending their deadline. This bill would clarify that a personal notice to the taxpayer is required and specifically states that the newspaper publications may not be substituted as a means of notice for purpose of the extension.

3. **Notify Clerk and Tax Collector.** The clerk of the county board of equalization and the county tax collector needs to be timely notified of whether the assessor will send value notices. This information is needed for the clerk to notice the county's filing period, as required by Section 1601, as well as finalize his or her documents and various publications. Additionally, the tax collector must have this information to print the appeals period information on the tax bill as required

by Section 2611.6. This bill would establish a requirement that the assessor notify the clerk and tax collector by April 1, if notices will be provided or not.

4. **BOE Statewide Listing.** This bill would establish a requirement that the Board of Equalization maintain a statewide listing of the appeals period for each county so that the Board, counties, tax practitioners, and taxpayers may depend on a central source for the information. County clerks would be responsible for providing this information to the Board.
5. **Miscellaneous Code Reference updates.** Additionally, this bill updates current references in Revenue and Taxation Code 75.51 and 2611.6 to the July 2 to September 15 period, to reflect the changes to the appeals period, and repeals Section 620.5, which provides a November 15 appeals deadline for property acquired after the lien date that has been effectively obsolete since the establishment of supplemental assessments.

Supplemental Assessments – Low Value Exemption

Revenue and Taxation Code §75.55

LAW PRIOR TO AMENDMENT

Section 1(a) of Article XIII of the California Constitution provides that all property is taxable unless otherwise provided by that constitution or the laws of the United States. Section 7 of Article XIII provides that the Legislature, two-thirds of the membership of each house concurring, may authorize a county board of supervisors to exempt real property having a full value so low that, if not exempt, the total taxes and applicable subventions on the property would amount to less than the cost of assessing and collecting them.

The Legislature enacted Revenue and Taxation Code Section 155.20 to provide the necessary statutory implementation. Section 155.20 authorizes a county board of supervisors to exempt from property tax real property with a base year value and personal property with a full value so low that, if not exempt, "the total taxes, special assessments, and applicable subventions on the property would amount to less than the cost of assessing and collecting them." This exemption is commonly referred to as the "low-value ordinance" exemption.

With respect to supplemental assessments, Revenue and Taxation Code Section 75.55 provides that a county board of supervisors may, by ordinance, permit the county (presumably this means the county auditor or tax collector) to cancel supplemental tax bills which are less than $20, or less than $50 for mobilehome accessories. Alternatively, a county board may adopt an ordinance allowing the *assessor* to cancel the supplemental assessments in the first place. The provision allowing the assessor to cancel the supplemental assessment in the first instance was added in 1990 (AB 3843, Ch. 1494) and sponsored by the Stanislaus County Assessor's Office. The purpose of giving the assessor authority to cancel the supplemental assessment was to relieve the county of unnecessary administrative costs in making supplemental assessments resulting in tax bills that would ultimately be cancelled.

AMENDMENT

This bill amends Section 75.55 of the Revenue and Taxation Code to increase the limits on supplemental assessments that may be cancelled to be equivalent to the low-value ordinance exemption limits in Section 155.20 by: (1) increasing the maximum cancellation amounts from $20 to $50; and (2) deleting obsolete language concerning mobilehome accessories.

COMMENTS

1. **The maximum supplemental assessment amounts that may be cancelled under Section 75.55 have generally tracked the low-value ordinance exemption amounts provided in Section 155.20.** But, because of the supplemental assessment proration factors, they relate to an equivalent amount of tax rather than assessed value. The cancellation limits in Section 75.55 have not changed since 1991. Since then, the Board of Equalization sponsored legislation in 1995 to amend Section 155.20 to increase the maximum amount of the low-value ordinance, from $2,000 to $5,000 for all property (SB 722, Stats. 1995, Ch. 497). Additionally Section 155.20 was further amended in 1996 to allow counties to create a special low-value ordinance for certain possessory interests at a $50,000 level (SB 1737, Stats. 1996, Ch. 570). Also in 1996, the language in Section 155.20 relating to a $5,000 limit for certain mobilehome accessories was eliminated since it was made obsolete by the 1995 increase to $5,000 for all property. Thus, the $20 and $50 limits currently found in Section 75.55 relate to the pre-1995 low-value ordinance assessment limits of $2,000 for most property and $5,000 for mobilehome accessories, found in Section 155.20.
2. **This bill would conform Section 75.55 to Section 155.20 by increasing, from $20 to $50, the maximum amount of tax that may be cancelled due to a supplemental assessment.** This bill would also eliminate the unnecessary language specific to mobilehome accessories. (The provisions related to certain possessory interests found in Section 155.20 are not included in Section 75.55 since interests in counties with such ordinances are exempt from taxation in the first instance and therefore do not result in a supplemental assessment requiring cancellation.)

Tribal-Owned Low Income Rental Housing
Revenue and Taxation Code §§237, 254, 259.13, 270, 271

LAW PRIOR TO AMENDMENT

Under Revenue and Taxation Code Section 237, (newly enacted in 1999), rental housing owned and operated by a federally recognized Indian tribe or its tribally designated housing entity (TDHE) is exempt from property tax to the extent that the housing is occupied by low-income tenants, and at least 30% of the units are occupied by low-income tenants. The exemption is independent of the welfare exemption and is not cross-referenced in any of the other administrative provisions for exemptions. This has resulted in various uncertainties that require resolution in order to administer the exemption.

AMENDMENT

This bill amends Sections 237, 254, 270, and 271 of, and adds Section 259.13 to, the Revenue and Taxation Code to provide annual filing requirements, late filing relief and post lien date acquisition relief for the Indian tribal owned low-income housing exemption and to conform the definition of "low-income" to that of the federal Native American Housing and Self Development Act and other housing financing programs.

COMMENTS

The following amendments are intended to provide clarity and consistency for the administration of the newly created exemption.

1. **Annual Affidavit Requirements.** This bill would clarify that an annual claim form is required to receive the exemption. Additionally, it would clearly define the types of information to include with the claim in order to identify the portion of the property eligible for exemption in the upcoming tax year. It also would provide for a simplified annual re-filing process in each county once the initial exemption has been granted on the property to avoid unnecessary and duplicative paperwork.
2. **Filing Deadline.** The claim would be required to be filed between January 1 and February 15, the same period of time for other exemptions.
3. **Late Filing Relief.** Late filing relief is also provided to prevent the loss of the exemption if the deadline is missed. This bill would amend Section 270 of the Revenue and Taxation Code to add tribal housing to existing provisions allowing a partial exemption for claims for the tribal-owned housing exemption filed after February 15. Specifically, if the claim is filed after February 15, but before the following January 1, then 90% of any tax or penalty would be cancelled or refunded. If the claim is filed on or after the following January 1, then 85% of any tax or penalty would be cancelled or refunded. However, in no event would the tax or penalty assessed on the exempt tribal-owned housing be more than $250.
4. **Post-Lien Date Acquisition Relief.** This bill would add the tribal-owned housing exemption to the exemptions listed in Section 271 to allow for the cancellation or refund of taxes on property on the regular roll that is acquired by various exempt organizations after the lien date (January 1) but prior to the beginning of the fiscal year (July 1). It allows for a similar cancellation or refund of taxes for organizations that do not come into existence until after the lien date and thereafter acquire property before the beginning of the fiscal year. This would provide tribal-owned housing the same acquisition relief now available to all other exempt housing.
5. **Expansion of Definition of Lower Income Households to Include Financing Programs or Agreements.** To make the determination of eligibility for the exemption the assessor would be required to have a certification from the tribe or TDHE that at least 30% of the units are occupied by tenants from "lower income

households." The existing statute defines "lower income household" by reference to Health and Safety Code Section 50079.5, which in turn references an annual listing of household income limits broken down by county and household size derived from the US Department of Housing and Urban Development (HUD) statistics. Although derived from the same HUD statistics, the "low-income" definition for the major funding program for low-income tribal housing programs (NAHASDA, the Native American Housing and Self Development Act) can vary somewhat from the Department of Housing and Community Development (HCD) figures, potentially requiring the tribes and tribal housing authorities to perform multiple tenant income verifications for program and tax exemption eligibility. Although the current statute takes into account differences between the allowable rental charges under the Health and Safety Code and the applicable financing program, the income limits are tied exclusively to the HCD figures through Section 50079.5. This bill would change the definition of "lower income household" to include a household that came within the strictures of the applicable federal, state, or local financing assistance program or agreement, even if outside the HCD limits.

Disabled Veterans' Exemption

Revenue and Taxation Code §§276, 276.1, 276.2, 276.3, 531.1

LAW PRIOR TO AMENDMENT

In 2000, various legislation (i.e., AB 2562, SB 1362, and SB 2195) amended and enacted various sections of the Revenue and Taxation Code to expand the availability of the disabled veterans' exemption.

AMENDMENT

This bill amends Revenue and Taxation Code Sections 276, 276.1, 276.2, 276.3, and 531.1, relative to the disabled veterans' exemption, to 1) correctly identify the appropriate authority for the statute of limitations period for claims for refunds; 2) provide a reasonable time for a claimant to file with an assessor; 3) allow the exemption on existing property owned by a claimant; 4) provide additional situations for the termination of the exemption; and 5) authorize escape assessments upon the termination of the exemption.

COMMENTS

These amendments are intended to simply provide technical corrections and minor amendments to facilitate the availability and administration of the exemption.

1. **Refunds.** Under current law, Section 276 provides for a 90% or 85% partial exemption for late-filed claims for the disabled veterans' exemption. Section 276.1 allows a claimant to retroactively qualify for the disabled veterans' exemption if his or her disability rating was not received on a timely basis from the United States Department of Veterans Affairs (USDVA). Situations can occur in which a claimant receives his or her disability rating in late December and not have adequate time to complete a timely filing for the exemption with the assessor. This amendment would provide a reasonable time period for a

claimant to file with the assessor by automatically allowing either 30 days from the receipt of the disability rating from the USDVA, or on or before the following lien date, whichever occurs later.

2. **Technical Amendments.** This bill would also provide technical amendments to Sections 276 and 276.1 to correctly identify the appropriate statutory authority for the cancellation of taxes and the statute of limitations period for the refund of taxes.

3. **Portability.** Existing Sections 276.2 and 276.3 together provide for the portability of the disabled veterans' exemption from one property to another. Section 276.2 currently provides for an individual to file a claim for the exemption for property acquired after the lien date. Section 276.3 currently provides for the termination of the exemption when an individual sells or otherwise transfers the property to a person ineligible for the exemption. This bill would amend Section 276.2 to allow an individual to claim the disabled veterans' exemption on property already owned by the individual on the lien date but in which he or she did not reside on that date. Section 276.3 would be amended to allow an exemption to terminate on an old residence on the date that the exemption is applied for on a new residence or, if an individual does not apply for the exemption on a new residence, the exemption to terminate on the old residence on the date that the individual ceases to reside at that location.

4. **Escape Assessments.** This bill would amend Section 531.1 to specifically authorize escape assessments on property after the termination of an exemption pursuant to Section 276.3. The proposed amendment to Section 276.3 includes a reference to Section 531.1 authorizing such escape assessments.

Business Property Statements - Electronic Filing

Revenue and Taxation Code §§441, 441.5

LAW PRIOR TO AMENDMENT

Personal property used in a trade or business is generally taxable, and its cost must be reported annually to the assessor on the business property statement, as required by Revenue and Taxation Code Section 441. The business property statement shows all taxable property, both real and personal, owned, claimed, possessed, controlled, or managed by the person filing the property statement. When the aggregate cost of the taxable personal property is one hundred thousand dollars or more, taxpayers are required to file a signed property statement each year with the assessor. Under current law, business property statements must be “signed” which generally requires a manual or "wet" signature. The signature also serves to declare, under the penalty of perjury, that the information contained in the statement is true.

AMENDMENT

This bill amends Revenue and Taxation Code Sections 441 and 441.5 to provide for the electronic filing of business property statements.

COMMENTS

1. **Electronic Filing for other tax programs.** Many states have implemented forms of electronic transmission of returns and both the Internal Revenue Service and the Franchise Tax Board are currently accepting returns through the use of electronic media. Additionally, the Board is authorized to accept sales and use tax returns by electronic media and the Board is currently sponsoring legislation which would authorize the Board to accept Special Taxes Program returns by electronic media and to prescribe the method of authenticating those returns. With respect to property taxes, at least two counties in California have begun accepting electronically filed property statements and many more counties are exploring the possibility.
2. **This bill would provide specific authorization for assessors to accept business property statements filed electronically.** Additionally, it addresses the signature requirement under current law by allowing business property statements filed by taxpayers to be authenticated by means other than a traditional signature. This would afford taxpayers and assessors with the opportunity to take advantage of the many benefits of electronic filing.

Escape Assessments

Revenue and Taxation Code §531.9

LAW PRIOR TO AMENDMENT

Under existing law, Section 531 of the Revenue and Taxation Code provides that if any property on the local roll has escaped assessment, the assessor is required to assess the property upon discovery. Unlike the low-value ordinance exemption provided by Revenue and Taxation Code Section 155.20 and the supplemental assessment exemption provided by Revenue and Taxation Code Section 75.55, there is no direct authority for assessors to exempt any escape assessment regardless of how small the taxes owed may be. In practice many, if not most, assessors neglect to make such small escape assessments because of the administrative waste of processing such a small tax bill. Under current law, however, there is no direct authority for assessors to fail to make such assessments. As a result, the Board commonly recommends in its assessment practices surveys that counties discontinue this practice.

AMENDMENT

This bill adds Section 531.9 to the Revenue and Taxation Code to provide that a board of supervisors may authorize an assessor to not issue escape assessments when the cost of assessing and collecting taxes exceeds the taxes due.

COMMENTS

This bill allows a board of supervisors to authorize an exemption of escape assessments when the cost of assessing and collecting taxes exceeds the amount of proposed taxes. It thereby provides legal authority for actual assessment practices of county assessors and promote statewide uniformity, where there currently is no such uniformity regarding these unauthorized exemptions.

State-Assessed Property
Revenue and Taxation Code §§755, 756

LAW PRIOR TO AMENDMENT

Under current law, Section 755 requires the Board of Equalization to transmit estimates of total state-assessed values to county auditors by July 15. Section 756 requires that the Board transmit the roll of state-assessed property to each county auditor by July 31. Both sections refer to section 98.9(i) in order to identify property that must be listed by revenue district.

AMENDMENT

This bill amends Sections 755 and 756 of the Revenue and Taxation Code to correct erroneous code section references.

COMMENTS

1. **In 1993, a major overhaul of the statutes relating to property tax revenue apportionment was undertaken.** The results of the overhaul were codified by Chapter 1167 (Stats. 1994, AB 3347) which made technical clarifications, eliminated obsolete provisions, and reorganized the many statutes relating to property tax revenue allocation. In the reorganization, former Section 98.9 was repealed and the substance of its provisions were included in newly added Section 100. That bill essentially, but not technically, renumbered prior Section 98.9 as Section 100. The reorganization of the property tax revenue apportionment laws created a cross-referencing error in Sections 755 and 756.
2. **This bill would correct the code section referencing errors in the current law.** Additionally, subdivisions 100(j) and 100(k), which similarly identify property required to be allocated to specific tax rate areas, would be referenced in Sections 755 and 756 to reflect amendments to former Section 98.9 adopted subsequent to the 1987 revisions to Sections 755 and 756.

Manufactured Homes
Revenue and Taxation Code §§5802, 5803, 5811, 5812, 5813, 5831

LAW PRIOR TO AMENDMENT

The Board of Equalization recently updated an Assessors' Handbook on manufactured homes. In that process Board staff discovered code section references which require updating, general housekeeping changes, and issues which would benefit from clarification.

AMENDMENTS

This bill amends Revenue and Taxation Code Sections 5802, 5803, 5811, 5812, 5813, and 5831 to conform and clarify various provisions in property tax law related to manufactured homes.

COMMENTS

1. **Supplemental Assessments - Conversion to Property Tax.** Current Section 5802 of the Revenue and Taxation Code provides that when a manufactured home is converted from the Vehicle License Fee (VLF) to the local property tax (LPT), the base year value shall be the value on the first lien date following the conversion. Board staff believes that when a manufactured home is converted from VLF status to LPT status, the initial base year value is not subject to supplemental assessment. Some county assessors disagree with staff's position with respect to manufactured homes that change ownership immediately following the conversion. These assessors believe that the home becomes subject to county assessment jurisdiction at the time it is converted. Normally the seller converts the home from VLF to LPT, then sells the home. These particular assessors state that since the home was subject to local property tax as a result of the conversion, it is subject to supplemental assessment when it changes ownership. The current law is not sufficiently clear.

   The amendments to Section 5802 would provide that if there is a change in ownership following the conversion and before the first lien date of enrollment, the base year value shall be the value as of the date of the ownership change. The amendments would also specify that the initial base year value is not subject to supplemental assessment.

2. **Value Guides.** Existing Section 5803 provides that the full cash value of a manufactured home on rented or leased land does not include any value attributable to the particular site where the manufactured home is located. The section further provides that in determining the full cash value of a manufactured home on rented or leased land, the assessor shall consider sales prices listed in recognized value guides. An oversight exists in that Section 5803, in listing such guides, does not reference the cost data (value guide) issued by the State Board of Equalization pursuant to Section 401.5. The Board annually issues cost factors for manufactured homes in Assessors' Handbook Section 531, *Residential Building Costs*. In practice, many county assessors are using the cost factors issued by the Board to ensure compliance with the provisions of Section 5803.

   This bill would clarify Section 5803 by adding a reference to Section 401.5. Additionally, this proposal would correct the title of the publication issued by the National Automobile Dealers Association (NADA).

3. **Code Reference Correction – Tax Rate.** Current Section 5811 provides that the appropriate tax rate shall be applied to the taxable value of a manufactured home in accordance with Section 2237. In 1981 (Stats. 1980, Ch. 1256) Section 2237 was repealed.

This bill would amend Section 5811 to reflect the 1981 amendments to Section 2237.

4. **Supplemental Assessments – Change in Ownership or New Construction.** Current Section 5812 should contain provisions relating to supplemental assessment. In 1983 (Stats. 1983, Ch. 498) the Legislature added provisions for supplemental assessments so that reappraisal and reassessment would occur as of the date of a change in ownership or completion of new construction rather than waiting until the next lien date.

   This bill would amend Section 5812 to add the specific authority to issue a supplemental assessment pursuant to Section 75.5.

5. **Code Reference Correction – Inflation Factor.** Existing Section 5813 provides that the taxable value for a manufactured home shall include an inflation factor as determined by the percentage change in the cost of living according to the California Consumer Price Index. In January 1985 (Stats. 1984, Ch. 1164) the provisions for determining the inflation factor were placed in Section 51.

   This bill would amend Section 5813 to reflect the 1985 amendments to Section 51.

6. **Code Reference Correction – VLF Delinquency.** Section 5831 provides that when a manufactured home is to be placed on the local roll because the manufactured home's license fee has become delinquent for 120 days or more, the assessor must notify the assessee and legal owner of the home's taxable value. In 1985 (Stats. 1984, Ch. 1760) Section 5812 was amended to repeal the provision whereby a manufactured home with delinquent license fees automatically becomes subject to property taxation.

   This bill would amend Section 5831 to reflect the 1985 amendments to Section 5812.

TABLE OF SECTIONS AFFECTED

SECTIONS		BILL NUMBER	CHAPTER NUMBER	SUBJECT
Revenue & Taxation Code				
§62	Amend	SB 2092	Ch. 775	Manufactured Homes
§62.1	Amend	SB 2092	Ch. 775	Manufactured Homes
§62.2	Amend	SB 2092	Ch. 775	Cross Reference Correction
§63.1	Amend	SB 2092	Ch. 775	Parent Child Exclusion
§69.5	Amend	SB 2092	Ch. 775	Base Year Value Transfer
§75.51	Amend	SB 2092	Ch. 775	Assessment Appeals Deadline
§75.55	Amend	SB 2092	Ch. 775	Supplemental Assessments
§95.35	Amend	SB 2086	Ch. 214	State-County Property Tax Administration Grant Program
§100.9	Add	AB 81	Ch. 57	Electrical Generation Facilities
§172	Amend	SB 2092	Ch. 775	Manufactured Homes
§172.1	Amend	SB 2092	Ch. 775	Manufactured Homes
§181	Amend	SB 2092	Ch. 775	Manufactured Homes
§194	Amend	SB 2092	Ch. 775	Manufactured Homes
§197	Amend	SB 2092	Ch. 775	Manufactured Homes
§237	Amend	SB 2092	Ch. 775	Indian Tribal Housing
§254	Amend	SB 2092	Ch. 775	Indian Tribal Housing
§254.5	Amend	SB 2086	Ch. 214	Welfare Exemption
§257	Amend	SB 2086	Ch. 214	Religious Exemption
§259.13	Add	SB 2092	Ch. 775	Indian Tribal Housing

TABLE OF SECTIONS AFFECTED (Continued)

SECTIONS		BILL NUMBER	CHAPTER NUMBER	SUBJECT
Revenue & Taxation Code				
§270	Amend	SB 2086	Ch. 214	Aircraft of Historical Significance Exemption
§270	Amend	SB 2092	Ch. 775	Indian Tribal Housing
§271	Amend	SB 2086	Ch. 214	Exemption Claim Deadline
§271	Amend	SB 2092	Ch. 775	Indian Tribal Housing
§276	Amend	SB 2092	Ch. 775	Disabled Veterans Exemption
§276.1	Amend	SB 2092	Ch. 775	Disabled Veterans Exemption
§276.2	Amend Repeal	SB 2092	Ch. 775	Disabled Veterans Exemption
§276.3	Amend Repeal	SB 2092	Ch. 775	Disabled Veterans Exemption
§327.1	Add	SB 2086	Ch. 214	Sub division Digital Maps
§401.16	Add	AB 2714	Ch. 299	Percent Good Factors
§402.1	Amend	SB 1864	Ch. 616	Conservation Easements
§408	Amend	AB 3033	Ch. 759	Assessors Records
§421.5	Amend	SB 1864	Ch. 616	Conservation Easements
§423.4	Amend	SB 1864	Ch. 616	Conservation Easements
§423.8	Amend	SB 1864	Ch. 616	Conservation Easements
§426	Amend	SB 1864	Ch. 616	Conservation Easements
§441	Amend	SB 2092	Ch. 775	E-Filing
§441.5	Amend	SB 2092	Ch. 775	E-Filing
§465	Amend	SB 2086	Ch. 214	Record Retention

TABLE OF SECTIONS AFFECTED (Continued)

SECTIONS	BILL NUMBER	CHAPTER NUMBER	SUBJECT
Revenue & Taxation Code			
§480.4 Amend	SB 2092	Ch. 775	Manufactured Homes
§482 Amend	SB 2092	Ch. 775	Manufactured Homes
§531.1 Amend	SB 2092	Ch. 775	Disabled Veterans Exemption
§531.9 Add	SB 2092	Ch. 775	Escape Assessments
§620.5 Repeal	SB 2092	Ch. 775	Assessment Appeal Filing Period
§721.5 Add	AB 81	Ch. 57	Electrical Generation Facilities
§755 Amend	SB 2092	Ch. 775	Cross Reference Errors
§756 Amend	SB 2092	Ch. 775	Cross Reference Errors
§1603 Amend	SB 2092	Ch. 775	Assessment Appeals Deadline
§2611.6 Amend	SB 2092	Ch. 775	Assessment Appeals Deadline
§5801 Amend	SB 2092	Ch. 775	Manufactured Homes
§5802 Amend	SB 2092	Ch. 775	Manufactured Homes
§5803 Amend	SB 2092	Ch. 775	Manufactured Homes
§5811 Amend	SB 2092	Ch. 775	Manufactured Homes
§5812 Amend	SB 2092	Ch. 775	Manufactured Homes
§5813 Amend	SB 2092	Ch. 775	Manufactured Homes
§5831 Amend	SB 2092	Ch. 775	Manufactured Homes
Government Code			
§11125.1 Amend	AB 1752	Ch. 156	Disclosure of Board Hearing Materials