



STATE BOARD OF EQUALIZATION

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KENNETH CORY  
Controller, Sacramento

DOUGLAS D. BELL  
Executive Secretary

March 31, 1978

No. 78/55

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 11

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

ASSEMBLY BILLS

No. 2810 - March 13, 1978

An act to add Chapter 3.2 (commencing with Section 50670) to Division 1 of Title 5 of the Government Code, relating to business improvement districts.

Nothing in present law authorizes counties and cities to finance public improvements necessary to enable the location of businesses by means of an allocation of tax revenues similar to the so-called "tax-increment" method of financing redevelopment.

This bill would authorize counties and cities to establish business improvement districts for such purpose and to issue bonds payable from a prescribed portion of the tax revenues produced by real property within the district.

The bill would not be operative unless Assembly Constitutional Amendment No. \_\_\_ is enacted and approved by the voters.

No. 2817 - March 13, 1978

An act to add Section 274 to the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing law, the homeowners' property tax exemption is in the amount of \$1,750 of the assessed value of qualified dwellings which are owned and occupied as the claimant's principal place of residence on the lien date, which is March 1.

ASSEMBLY BILLS (Contd.)No. 2817 - (Contd.)

This bill would permit a partial homeowners' exemption on dwellings which are purchased subsequent to the lien date where the property would have otherwise qualified for the homeowners' exemption if it had been owned by the claimant on the lien date.

Existing law continuously appropriates money from the General Fund to compensate local governmental entities for property tax revenues lost by reason of the homeowners' property tax exemption.

This bill, by increasing the number of claimants who would be eligible for such exemption, would have the effect of increasing the amount of such appropriation.

The bill would also appropriate an unspecified amount from the General Fund to the State Controller for allocation and disbursement to local agencies to reimburse such agencies for costs incurred by them pursuant to this bill.

No. 2818 - March 13, 1978

An act to amend Section 2924b of the Civil Code, to amend Sections 16180, 16181, 16182, 16183, 16187, 16190, 16210, 16211, 16212, 16213, and 27282 of, to add Section 16211.5 to, the Government Code, to amend Sections 2505, 2514, 2515, 20501, 20508, 20512, 20542, 20561, 20581, 20583, 20584, 20585, and 20602 of, to add Sections 255.4, 2615.6, 20503, 20505, 20586, 20622, 20641.5, 20644.5, 20645.5, and 20645.6 to, to repeal Sections 255.4, 2615.6, 20503, 20505, 20604, and 20622 of, to amend the headings of Chapter 1 (commencing with Section 20501) of Part 10.5 of, and Part 10.5 (commencing with Section 20501) of Division 2 of, to amend and renumber the heading of Chapter 3 (commencing with Section 20641) of Part 10.5 of Division 2 of, and to add Chapter 3 (commencing with Section 20625) to Part 10.5 of, Division 2 of, the Revenue and Taxation Code, to amend Sections 16, 17, and 20 of, and to repeal Section 19 of, Chapter 1242 of the Statutes of 1977, relating to senior citizens property tax assistance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Under existing law, qualified persons 62 years of age or older who own or rent their homes may claim state funds to reimburse them for a portion of the property taxes paid on their homes, and payment of the property taxes on homes owned by certain persons 62 years of age or older may be postponed.

This bill would require that, for any fiscal year for which such assistance is claimed, the request for postponement of property taxes shall be made by the individual claiming such assistance, and would include part of a multi dwelling or multipurpose building within the application of such assistance and postponement authorization.

This bill would also provide for the postponement of property taxes by a tenant-stockholder, as defined.

No. 2848 - March 14, 1978

An act to amend Section 1817 of the Revenue and Taxation Code, relating to taxation.

Existing law requires the Board of Equalization to annually estimate the change in full value of locally assessable property by using data on school enrollment, retail sales, wages and other relevant factors.

ASSEMBLY BILLS (Contd.)No. 2848 - (Contd.)

This bill would require the Employment Development Department or any other state agency, upon request, to provide data to the board.

No. 2853 - March 14, 1978

An act to amend Section 833 of the Revenue and Taxation Code, relating to taxation.

Existing law requires the State Board of Equalization to keep secret certain information and records provided to such board in its assessment of certain property, but authorizes such board to disclose such information to specified local agencies and agencies of this state.

This bill would authorize the State Board of Equalization to disclose such information, records and appraisal data to certain tax officials of other states having duties corresponding to those of the State Board of Equalization in the assessment of property.

No. 2867 - March 15, 1978

An act to amend Sections 33327, 33328.4, and 33457 of the Health and Safety Code, and to amend Sections 155.14, 211, 214, 221, 251, 254, 255, 325, 531.6, 619, 1605, 1819, 5096, 11319, and 11354 of, and to repeal Sections 254.6 and 259.6 of, the Revenue and Taxation Code, relating to property taxation.

Existing law requires a redevelopment agency to notify local agencies and the State Board of Equalization of certain changes in the boundaries of a proposed redevelopment project.

This bill would specify the period of time within which such notification must be made.

Under existing law, the State Board of Equalization is authorized to charge a fee for the preparation of certain redevelopment plans and boundary changes.

This bill would authorize the State Board of Equalization to charge a fee for providing certain mapping services.

Under existing law, a possessory interest in certain government land, which is subject to taxation, may be reassessed if, after the lien date, the right to enter the land has been suspended due to misfortune or calamity.

Under existing Private Car Tax Law, the tax resulting from certain estimated and escaped assessments and jeopardy assessments bears interest at the rate of  $\frac{1}{2}\%$  per month.

This bill would increase such interest rate.

This bill would require the local assessor to provide the last known assessee of such possessory interest with an application for reassessment.

This bill makes technical changes to various provisions of statutory law relating to taxation.

No. 2871 - March 15, 1978

An act to amend Section 205.5 of the Revenue and Taxation Code, relating to taxation.

Existing law exempts a portion of the residence of a veteran from taxation if the veteran, because of injury incurred in military service,

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ASSEMBLY BILLS (Contd.)No. 2871 - (Contd.)

is blind in both eyes, has lost the use of two or more limbs, or is totally disabled and extends the exemption to unmarried surviving spouses of such veterans.

This bill would make that exemption also applicable to veterans who are disabled because of disease incurred in military service.

The bill would also require the Controller to report the amount of claims of local agencies for state reimbursement of property tax revenues lost as a result of this enactment.

No. 2902 - March 16, 1978

An act to amend Section 11316 of, and to add Sections 5367 and 11340 to, the Revenue and Taxation Code, relating to taxation.

Under existing law, penalties are frequently specified for failure on the part of a taxpayer to provide information relating to the assessment of property for purposes of property taxation.

This bill would specify a penalty for owners of certain aircraft who neglect to file statements after being requested to do so by the assessor. Provision would be made to abate such penalty if the failure to file is due to reasonable cause and not due to willful neglect.

The bill would also make clarifying changes with respect to certain penalties under the Private Car Tax Law and would specify that certain petitions for reassessments under such law must be in writing.

ASSEMBLY CONSTITUTIONAL AMENDMENTSNo. 78 - March 13, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by adding Section 16.5 to Article XVI thereof, relating to taxation.

Present constitutional provisions generally require that taxation of property be uniform and that county or municipal indebtedness be authorized by a two-thirds vote of the electorate thereof.

This measure would authorize cities, counties, and cities and counties to pledge and utilize a prescribed portion of the property tax revenues produced by real property within a business improvement district established pursuant to the Business Improvement District Law, as enacted by Assembly Bill No. \_\_\_ of the 1977-78 Regular Session of the Legislature, for the purpose of financing public improvements within such business improvement district. The portion of tax revenues allowable for such purpose would be that portion which is attributable to increases in assessed valuation occurring after establishment of the business improvement district when multiplied by the total tax rate of all taxing agencies each year. Such tax allocation formula would be the same as that authorized by the Constitution for financing redevelopment.

This measure would also validate the provisions of legislation enacting the Business Improvement District Law.

SENATE BILLSNo. 1406 - Amended March 27, 1978

An act to amend Section 39230 of the Education Code relating to school district taxes, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Under existing law, school districts were, through the 1976-1977 fiscal year, authorized to levy a tax of up to 10 cents per each \$100 of assessed valuation of property within the district for the purpose of undertaking corrective structural repairs, reconstruction, or replacement of school buildings which do not conform to the so-called Field Act.

This bill would permit ~~school districts~~ the Corning Unified School District to levy the above described tax during the 1977-78, 1978-79, and 1979-80 fiscal years.

Existing law grants the homeowners' property tax exemption in the amount of \$7,000 of the full value of qualified dwellings and continuously appropriates state funds for subventions to local government to compensate for property tax revenues lost by reason of such exemption.

This bill, by extending the authorization for local tax levies, would cause an increase in the state funds so appropriated.

This bill would take effect immediately as an urgency statute.

No. 1706 - March 13, 1978

An act to add Section 402.9 to the Revenue and Taxation Code, relating to taxation.

Existing provisions of law provide that, unless otherwise provided in the Constitution, all property is taxable and shall be assessed at the same percentage of fair market value, and further requires that all property so assessed shall be taxed in proportion to its full value.

This bill would require the assessor to use a capitalization of income method when valuing property for persons of low and moderate income which is financed under federal programs.

The bill would also require the Controller to report the amount of claims of local agencies for state reimbursement of property tax revenues lost as a result of this enactment.

No. 1744 - March 14, 1978

An act to add Section 2188.6 to the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing property tax law, tax liens attach to property on the first day of March preceding the fiscal year for which the taxes are levied. Such lien would attach to an entire condominium project prior to the individual units being initially sold.

This bill would permit the initial buyer of an individual unit in a condominium project to request a separate assessment and tax bill on the unit, in which case the property tax due on the individual unit would constitute a lien solely on such unit, and the property taxes due on other units in the condominium project shall not be a lien on a unit on which there has been such separate assessment.

This bill would appropriate an unspecified amount from the General Fund to the State Controller for allocation and disbursement to local agencies for costs incurred by them pursuant to this act.

SENATE BILLS (Contd.)No. 1751 - March 15, 1978

An act to amend Sections 5.3, 11, 11.5, 12, 14, 15, 17, 21, 25, 26, and 35 of, to add Sections 13.1 and 17.1 to, to repeal Sections 16 and 24 of, and to repeal and add Sections 13 and 27 of, the Santa Barbara County Flood Control and Water Conservation District Act (Chapter 1057 of the Statutes of 1955), relating to the Santa Barbara County Flood Control and Water Conservation District, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

(1) Under the Santa Barbara County Flood Control and Water Conservation District Act, the Santa Barbara County Flood Control and Water Conservation District is authorized to issue bonds to finance any work or improvement for a zone upon a 2/3 vote of approval in the zone.

This bill would authorize the district to issue bonds to finance work or improvement for the benefit of the entire district upon a 2/3 vote of approval, except that only a majority vote of approval is required if the work on improvement is for the utilization of a water supply made available from the State Water Resources Development System pursuant to a contract.

(2) Under the act, the amount of any bonds issued to finance any work or improvement in any zone may not exceed 5% of the taxable property in the zone.

The bill would increase the allowable percentage to 8, which would also be the allowable percentage for district bonds for a districtwide work or improvement.

(3) Under the act, bond principal and interest payments, at the discretion of the district board, are required to be paid annually or semi-annually.

The bill would delete this requirement.

(4) Under the act, bonds issued are required to mature within 2 to 40 years.

The bill would delete this requirement.

(5) Under the act, the denomination of a bond may not be less than \$100 or greater than \$1,000.

The bill would delete this limitation.

(6) Under the act, the bonds are required to be sold at their par value.

The bill would authorize the bonds to be sold at 95% of their par value.

(7) Under the act, the district is not authorized to issue negotiable bond anticipatory notes.

The bill would authorize the district to do so.

(8) Under the act, the district board is prohibited from calling or ordering another special bond election in any zone which rejected a bond proposition for the same purpose less than 6 months previously.

The bill would prohibit the district from holding the election within 6 months after rejection of the bond proposition.

(9) Under existing law, funds are continuously appropriated from the State General Fund to compensate local governmental entities for property tax revenues lost by reason of the homeowners' property tax exemption.

The bill, by increasing the amount of bonds that may be issued, could increase the tax rate imposed on homes within the district and this would increase the amount of that exemption which, in turn, would have the effect of increasing the appropriation.

SENATE BILLS (Cont.)No. 1751 - (Contd.)

- (10) The bill would also make technical nonsubstantive changes.
- (11) The bill would take effect immediately as an urgency statute.

No. 1752 - March 15, 1978

An act to amend Sections 469, 533, 534, 1605, 4986, and 5096 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing law, if property subject to property taxation has not been assessed or has been undervalued for assessment purposes, such property is subject to an escape assessment, subjecting it to taxation.

This bill would require the review, equalization and adjustment of the assessment of all property on the business premises where property is subjected to an escape assessment, unless such property has been equalized, and would provide for the refund of any overpayment of taxes which have been determined in such review to have been incorrectly assessed.

This bill would appropriate an unspecified amount from the General Fund to the State Controller for allocation and disbursement to local agencies to reimburse such agencies for costs incurred by them in the initial fiscal year pursuant to this act.

No. 1756 - March 15, 1978

An act to amend Section 4 of, and to repeal Sections 2 and 5 of, Chapter 1405 of the Statutes of 1974, relating to taxation, and making an appropriation therefor.

Existing law exempts from property taxation certain cargo containers principally used in the transportation of cargo by vessels in ocean commerce for fiscal years 1975-76 through 1978-79, and continuously appropriates funds from the General Fund to the Controller to reimburse local agencies for property tax revenues lost by reason of such exemption.

This bill would exempt these cargo containers from property taxation for the 1979-80 fiscal year and fiscal years thereafter, and would continue the appropriation from the General Fund to the Controller to reimburse local agencies for such property tax revenues lost.

No. 1782 - March 16, 1978

An act to add and repeal Sections 230, 251, and 268 of the Revenue and Taxation Code, relating to property taxation.

Under existing Chapter 1183 of the Statutes of 1977, which will become operative only if Senate Constitutional Amendment No. 29 of the 1977-78 Regular Session of the Legislature is approved by the voters, the value added to certain dwellings by rehabilitating them (but not to exceed \$15,000) may be exempted from property taxation for a period of 5 years.

This bill, contingent upon the approval by the voters of an unspecified Senate Constitutional Amendment of the 1977-78 Regular Session, would enact a similar exemption for 5 years for certain commercial and industrial property in an amount not to exceed \$5,000,000. The exemption would be repealed on February 28, 1985.

The bill would also provide that, notwithstanding Sections 2229 and 2231 of the Revenue and Taxation Code, there will be no reimbursements to local government for specified reasons, except that some costs will be paid in the 1979-80 Budget Act.

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SENATE BILLS (Contd.)No. 1791 - March 16, 1978

An act to amend Sections 42002 and 42003 of the Education Code, relating to the guaranteed yield program.

Existing law prescribes a guaranteed yield program pursuant to which a guaranteed yield supplement is computed for and allocated to school districts.

This bill would make clarifying changes specifying that in the computation of the guaranteed yield supplement there shall be excluded from the revenue limit factor certain school taxes which are otherwise generally excluded from the computation of school district revenue limits.

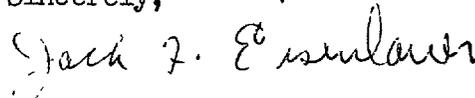
SENATE CONSTITUTIONAL AMENDMENTNo. 61 - March 16, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by adding Section 8.7 to Article XIII, relating to taxation.

The existing Constitution provides that all property is taxable unless exempted.

This bill would authorize the Legislature to provide by law for the exemption from property taxation of qualified industrial or commercial real property for 5 years following the rehabilitation of such real property.

Sincerely,



Jack F. Eisenlauer, Chief  
Assessment Standards Division

JFE:sk  
Enclosures