



STATE BOARD OF EQUALIZATION

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No. 79/45

February 28, 1979

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 4

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.

We are using a new format to summarize the legislative bills. A brief analysis of the bill, action taken, date, and sections affected will be provided. Bills will be arranged by "general topic."

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

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosures

AB 160

Author: Mello
Action: Amended in Assembly
Date : February 22, 1979
Affected Reference: Amends Section 1603, Revenue and Taxation Code,
Urgency measure

This bill would extend the filing deadline for assessment appeals (for 1978-79 only) to May 1, 1979.

AB 308

Authors: Bergeson, et al
Action: Introduced, Referred to Committee on Revenue and Taxation
Date : January 18, 1979
Affected References: Section 16113, Government Code; Section 219,
Revenue and Taxation Code

This bill would fully exempt business inventories from property taxation on and after the lien date in 1980, would provide that the assessor shall no longer assess business inventories, and would revise the method for computing the amount the State reimburses local government for revenue losses due to the exemption.

AB 440

Author: Deddeh
Action: Introduced, Referred to Committee on Revenue and Taxation
Date : February 1, 1979
Affected References: Section 219, Revenue and Taxation Code (other revisions not related to property tax)

This bill would exempt 100 percent of the assessed value of business inventories of businesses with gross annual sales of less than \$1 million from property taxation for the 1980-81 fiscal year and fiscal years thereafter.

AB 426

Author: Duffy
Action: Introduced, Referred to Committee on Revenue and Taxation
Date : January 30, 1979
Affected References: Sections 4217 and 4222, Revenue and Taxation Code, Urgency measure

This bill would authorize a taxpayer to elect to resume payments under an installment plan if the taxpayer defaulted on an installment in the fourth or fifth fiscal year after the property was sold to the State.

AB 441

Author: Knox

Action: Introduced, Referred to Committee on Revenue and Taxation

Date : February 1, 1979

Affected Reference: Adds Section 5098 to the Revenue and Taxation Code, Urgency measure

This bill would permit the county auditor to refund property taxes paid on unsecured property which exceed the amount based on a rate determined for such roll by a final decision of a court having jurisdiction.

AB 453

Authors: Bergeson and Stirling

Action : Introduced, Referred to Committee on Revenue and Taxation

Date : February 1, 1979

Affected Reference: Section 110.6, Revenue and Taxation Code, Urgency measure

This bill would amend the existing statutory change of ownership provisions. The following are proposed as additional exclusions:

- (1) Any interspousal transfer.
- (2) Any termination of a concurrent or joint ownership interest, or any change from one form of concurrent or joint ownership to another which does not include additional parties.
- (3) Any transfer into a trust of which the trustor has retained, or given to the spouse or issue of the trustor, a beneficial interest during his lifetime, provided however, that at his death (or upon the death of the surviving spouse if the spouse has a beneficial interest in the trust) a change of ownership shall be deemed to occur. (This shall also apply where husband and wife are co-trustors of community property, in which case a change of ownership shall occur upon the death of the surviving spouse.)
- (4) Any transfer by a trust to the original trustor (or co-trustors if community property).
- (5) The transfer of a remainder interest in property of which a life estate has been reserved by the grantor; provided however, that at the death of the life tenant a change of ownership shall be deemed to occur.

These provisions would become operative for the 1979-80 fiscal year.

SB 75

Author: Sieroty

Action: Amended in Senate

Date : February 6, 1979

Affected Reference: Section 110.6, Revenue and Taxation Code,
Urgency measure

This bill would specify that the definition of "change of ownership" includes the creation or termination of leasehold interests for a term of 35 years or more, or any transfer of a lessor's interest in taxable real property subject to a lease with an original term of less than 25 years which otherwise constitutes a change of ownership, for such purposes.

This bill would exclude from the definition of "change of ownership" any transfer of a lessor's interest in taxable real property subject to a lease with an original term of 35 years or more.

SB 257

Author: Johnson

Action: Introduced

Date : January 24, 1979

Affected Reference: Section 110.6, Revenue and Taxation Code

This bill would add the following exclusions to the change of ownership definition:

(1) The interspousal transfer of a remainder interest in property of which a life estate has been reserved by the grantor spouse; or

(2) any interspousal transfer occurring at the death of a spouse where the decedent spouse held a life estate in the property and the surviving spouse has the remainder interest in the property.

AB 532

Author: Nestande

Action: Introduced, Referred to Committee on Revenue and Taxation

Date : February 12, 1979

Affected References: Sections 253.5, 255.3, 531.6, 218.1, 255.5,
and 255.9, Revenue and Taxation Code

This bill would permit a partial homeowners' exemption on dwellings purchased subsequent to the lien date. It would also provide that if such property is sold to a person who does not intend to immediately occupy it as his principal place of residence, the exemption would terminate as of the date of sale and the exemption would be reduced in proportion that the days remaining in the fiscal year bear to 365, such reduction to be treated as either a roll correction or as an escape assessment.

AB 532 (Continued)

The bill contains an unspecified appropriation for local costs incurred in its implementation.

SB 6

Author: Marks

Action: Amended in Senate

Date : February 20, 1979

Affected Reference: Section 110.6, Revenue and Taxation Code,
Urgency measure

This bill would exclude the following from the definition of change of ownership:

"Any transfer of real property to, or removal of real property from, a revocable intervivos trust wherein the transferor or transferors shall have the unilateral unlimited right, without the payment of any consideration, to remove such real property from such trust and revest title in the same manner held prior to the transfer of such trust; provided, that the removal of such real property from a revocable intervivos trust to be exempt must be made by the original transferor(s) pursuant to the power of revocation of the trust or the unilateral unlimited right of withdrawal."

SB 17

Authors: Holmdahl, et al

Action : Amended in Senate, Passed Senate, to Assembly Revenue and
Taxation Committee

Date : February 6, 1979

Affected Reference: Section 110.1, Revenue and Taxation Code,
Urgency measure

This bill would preclude assessors from revising 1975-76 base year values for properties which were appraised for the 1975 lien date. In addition, for properties not reappraised to their appropriate base year value, the assessor may now make such reappraisals using only data and information actually utilized in valuing comparable properties which were appraised in the base year. Such reappraisals could be made at any time until June 30, 1980. No escape assessments would be levied on these revised base year values.

Since the bill would apply to the 1978-79 year, some downward adjustments would be required; they would be reflected in adjustments to subsequent tax bills or in refunds of excess taxes paid.

In its original form, SB 17 approximated Option 2 of the Assembly Task Force report. The amended version more closely resembles Option 3, except reference to three separate classes of property has been deleted.