



STATE BOARD OF EQUALIZATION

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DOUGLAS D. BELL
Executive Secretary

April 13, 1979

No. 79/73

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 7

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.

The format used to summarize the legislative bills will include a brief analysis of the bill, action taken, date, and sections affected. Bills will be arranged by "general topic." An * following the bill number indicates an amended version of a previously reviewed bill.

The following bill has been chaptered since the last Summary of Proposed Legislation letter:

SB 31 — Nejedly — Chapter 12, Statutes of 1979
(Appropriates funds for local special districts)

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

SB 17*

Author: Holmdahl et al.
Action: Amended in Assembly and to third reading
Date: March 26, 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 could make such reappraisals using only the 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.

There would be a rebuttable presumption that a property was reappraised for the 1975 lien date if the value on the 1975-76 roll differed from the value on the 1974-75 roll.

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. In the event of a change of owners between July 1, 1978 and June 30, 1979 a refund would be divided.

The amended version of this bill comes closest to Option 3 of the Assembly Task Force report but deletes the reference to three classes of property.

SB 81*

Author: Nejedly
Action: Amended in the Senate
Date: March 27, 1979
Affected Reference: Section 110.8, Revenue and Taxation Code — Urgency
Measure

This measure specifies that loss in value from disaster, misfortune or calamity recognizable under Proposition 8 applies separately to land and improvements. The value to be used would be the lesser of the base year value adjusted by the cost of living factor, or the full cash value after the disaster, misfortune or calamity. This method would be applied separately to land and improvements and the new base year value would be the sum of the amounts derived.

The March 27 amendment deleted in its entirety the contents of the bill as introduced making this amended version a new bill for all practical purposes.

ACA 32

Author: Various
Action: Introduced
Date: March 15, 1979
Affected Reference: Amends Section 1(a) and Section 2(a) of Article XIII A
of the Constitution

This proposed Constitutional Amendment, on approval by the voters, would eliminate the reference to "real" property in the constitutional limitation on the maximum amount of any ad valorem tax. It would remove the same reference dealing with value shown on the 1975-76 tax bill or thereafter when purchased, newly constructed or ownership changes.

AB 1212

Author: Cline

Action: Introduced

Date: March 23, 1979

Affected Reference: Sections 107.5 and 2188.6 are added to the Revenue and Taxation Code

This bill provides that when an individual residential unit is leased or occupied for at least 12 consecutive months, a taxable possessory interest is created. It further provides that each such unit shall be separately assessed and taxed and that the taxes will be paid as part of the periodic rent payments to the landlord who shall act as agent for the tax collector.

ACA 36

Author: Kapiloff

Action: Introduced

Date: March 21, 1979

Affected References: Amends, repeals and adds various sections of the Constitution

This amendment, on approval by the voters, would exempt (1) the full value of owner occupied residences (and provide similar benefits to renters), (2) business inventories, and (3) property irrevocably dedicated in perpetuity to agriculture or open-space purposes. Property taxes on property enforceably restricted to agricultural or open-space use would be limited to 1 percent of full cash value and with a 2 percent of full cash value limit on all other taxable property.

Only the portion in this Constitutional Amendment affecting property taxes are herein described.

AB 1106 (ACA 39)

Author: Frazee

Action: Introduced

Date: March 22, 1979

Affected References: Amends Sections 219 and 423, adds Sections 219.1 and 219.2 and repeals Sections 423.7 and Parts 11 and 12, commencing with Sections 5501 and 5701 respectively of the Revenue and Taxation Code

This bill would repeal the tax on business inventory, the livestock head-day tax, the racehorse tax and would exempt implements of husbandry from property taxes. Other types of livestock not now subject to head-day or

racehorse tax would continue to be subject to the property tax. Also repealed is the prescribed method of valuing property subject to a wildlife habitat contract.

Assessors would continue assessing business inventories under this bill and would assess property subject to a wildlife habitat contract but in the way other open-space property is assessed.

ACA 39 (AB 1106)

Author: Frazee

Action: Introduced

Date: March 23, 1979

Affected References: Adds subdivisions (s) and (t) to Section 3 of Article XIII of the Constitution

This amendment, if approved by the voters, would exempt business inventories and implements of husbandry.

AB 1277

Author: Calvo

Action: Introduced

Date: March 23, 1979

Affected Reference: Adds Section 203.1 to the Revenue and Taxation Code

This bill would exempt the personal property owned or used by a nonprofit corporation operating a student bookstore affiliated with an educational institution that is eligible for the college exemption.

AB 217*

Author: Calvo

Action: Amended in the Assembly

Date: March 19, 1979

Affected References: Section 214.6, Revenue and Taxation Code — Urgency Statute

This bill would expand the welfare exemption to provide that if the exempt organization leases such property to an exempt entity for the purpose of conducting an activity which, if conducted by the owner would qualify for the exemption, or leases to a community college, state college or state university, such property would also be exempt from property taxation.

AB 1249

Author: Thurman

Action: Introduced

Date: March 23, 1979

Affected Reference: Adds Sections 218.1 and 17053.6 to the Revenue and Taxation Code

This bill would increase the homeowners' exemption or the personal income tax credit for persons 62 years of age and older whose household income is under \$15,000 per year. The homeowners' exemption would increase by \$5,750 to a total of \$7,500 of assessed value and the new renters credit would be \$300.

SB 868

Author: Marks

Action: Introduced

Date: March 26, 1979

Affected Reference: Adds Section 225.3 to the Revenue and Taxation Code

The courts have declared that the exemption from taxation on goods brought into this state for transshipment elsewhere provided by Section 225 of the Revenue and Taxation Code is unconstitutional. This bill would prohibit escape assessments of such property for the years prior to the 1979-80 tax year.

AB 1130

Author: Wyman

Action: Introduced

Date: March 22, 1979

Affected References: Add Section 51240.5 to the Government Code and amend Section 423 of the Revenue and Taxation Code

This bill provides that a city or county cannot refuse to make an open-space contract with the owner of land within a preserve. It also specifies that property subject to an open-space contract can be valued no higher than 80 percent of its capitalized value.

This bill would not become operative unless an unspecified Constitutional Amendment is approved by the voters.

AB 887

Author: Gage

Action: Introduced

Date: March 15, 1979

Affected References: Various sections of the Civil Code, Health and Safety Code, Vehicle Code and add Sections 109.7, 6012.8, 10784 and 11913 to the Revenue and Taxation Code

This bill changes the registration fees pertaining to mobile homes and permits removal of wheels, wheel hubs and axles, and permits installation on a foundation. Eligible for installation on a foundation are those whose owner also owns the site or is a member of the owning stock cooperative. Any mobile homes installed on foundations would no longer be subject to an in lieu tax administered by the Department of Motor Vehicles but would instead be subject to both the real estate transfer tax and property taxes. A mobile home to be installed on a foundation would be subject to sales and use tax when sold new to the extent of 40 percent of the sales price.

SB 786

Author: Petris

Action: Introduced

Date: March 23, 1979

Affected References: Adds 43001, 43002, 43101, 43201 through 43205, 43301 and 43401 to the Revenue and Taxation Code — Urgency measure

This bill would impose a tax on every vacant parcel of land located in a city. The tax would be \$200 for each dwelling unit that could be constructed on the site in view of current zoning laws. The tax would not apply to parcels for which no water or sewer services are available or on parcels that have physical characteristics making constructing improvements unfeasible.

The assessor would provide to the Tax Collector by June 1, 1980 a list of the qualifying parcels and the numbers of improvement units that could be placed on each parcel.

The assessor would also transfer the amounts collected to the State Utilities Tax Account while the State Board of Equalization would develop rules, regulations and forms necessary to carry out the intent of the bill.

AB 1262

Author: Hannigan

Action: Introduced

Date: March 23, 1979

Affected Reference: Adds Section 2330.5 to the Revenue and Taxation Code

This bill would require that the state reimburse counties for loss of revenue caused by property being removed from the property tax rolls upon acquisition by the state. The county auditor would file a claim with the State Controller who, in turn, could request the State Board of Equalization to make such audits as the Controller deems appropriate.

ACA 38

Author: Knox

Action: Introduced

Date: March 22, 1979

Affected References: Amends Sections 1 and 10 and adds Section 4.5 to Article VI; amends Section 11 and repeals and adds Section 16, Article XIII of the Constitution

If approved by the voters, this amendment would abolish assessment appeals boards and boards of supervisors sitting as boards of equalization and create a state tax court in their place. It would also cause the State Board of Equalization to cease reviewing, equalizing or adjusting the assessment of lands owned by local government but located outside its boundaries.

SB 651

Author: Ayala

Action: Introduced

Date: March 20, 1979

Affected References: Amend Section 833 of the Revenue and Taxation Code

This bill would direct that the State Board of Equalization may provide any assessment data in its possession to any county assessor. Additionally, the Board would be authorized to provide any assessment information in its possession to an assessee regarding the appraisal of the assessee's property.

SB 826

Author: Keene

Action: Introduced

Date: March 23, 1979

Affected References: Amend Section 38705 and adds 38706 to the Revenue and Taxation Code

This bill would require the State Board of Equalization to permit an assessor or his representative to examine information relative to operations, business affairs or other information pertaining to a timber owner.

If the assessor discloses such information to others, he is subject to a forfeit of \$1,000 after action brought by the Attorney General.

SB 837

Author: Ayala

Action: Introduced

Date: March 23, 1979

Affected Reference: Amends Sections 619, 619.1, 620.5, 621 and 1603 of the Revenue and Taxation Code

This bill would provide that the assessor must notify each assessee of the value to be shown on the roll, but only upon approval of the Board of Supervisors. Additionally, it would change the application for reduction of assessment period from July 2 through September 15, to November 15 through January 15.

SB 884

Author: Marz Garcia

Action: Introduced

Date: March 26, 1979

Affected Reference: Amends Sections 469, 533, 534, and 1605 of the Revenue and Taxation Code

This bill would provide that the mandatory audits of business tangible personal property required by Section 469 of the Revenue and Taxation Code shall apply to both trade fixtures and tangible personal

property with an aggregate full value that exceeds \$200,000. It also provides that any tax refunds resulting from incorrect assessments will be offset against proposed tax liabilities for any year covered by the audit.

This bill is sponsored by the State Board of Equalization.

SB 839

Author: Ayala

Action: Introduced

Date: March 23, 1979

Affected References: Amends Sections 828, 864, 1609.5, 4831 and 38601 and amends and renumbers 2279 and 2280, adds 11551 and repeals 210, 210.5, 11551 and 11552 of the Revenue and Taxation Code

This measure would repeal redundant code sections relating to the exemption of household personal property. The bill also provides that persons in possession of data pertinent to the assessment of state assessed property shall make such data available to the board at a mutually agreeable location in California.

Additionally, this bill would provide a method of adding interest beginning when escape assessments are entered on the roll and make some language changes regarding roll corrections. The bill also would renumber some existing statutes and adjust from \$150 to \$250 per day the fee to be charged when an employee of the State Board of Equalization is in attendance relative to a subpoena.

This bill is sponsored by the State Board of Equalization.