STATE OF CALIFORNIA

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April 23, 1979

No. 79/77

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 8

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 bills have been chaptered since the last Summary of Proposed Legislation letter:

AB 160 — Mello — Chapter 24, Statutes of 1979
(Extension of time to file assessment appeals; see letter to assessors 79/76)

AB 426 — Duffy — Chapter 27, Statutes of 1979
(Delinquent property taxes)

AB 94 — Brown — Chapter 30, Statutes of 1979
(Property tax assistance and postponement)

AB 135 — McAlister — Chapter 31, Statutes of 1979
(Eminent domain proceedings)

AB 278 — Mangers — Chapter 32, Statutes of 1979
(Veterans' exemption)

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

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosures

April 23, 1979
Proposed Legislation

AB 156*
Author: Willie Brown
Action: Amended in Senate
Date: April 4, 1979
Affected Reference: Various sections of the Revenue and Taxation and Government Codes — Urgency Measure

Implements the Assembly Revenue and Taxation Committee's Report of the Task Force on Property Tax Administration. This is the clean-up bill, takes effect immediately and applies to the 1979-80 fiscal year.

AB 1481
Author: Naylor
Action: Introduced, referred to Committee on Revenue and Taxation
Date: March 29, 1979

Would require that the provisions of AB 156 of the 1979-80 Regular Session of the Legislature be followed for purposes of assessing and taxing property for purposes of property taxation, and makes such requirement retroactive to the 1978-79 fiscal year.

AB 1360
Author: Nestande
Action: Introduced, referred to Committee on Revenue and Taxation
Date: March 27, 1979
Affected Reference: Adds Sections 109.7, 6012.8, 6379, 10759, 10784, 11913, and 20501.5 to the Revenue and Taxation Code

Among other things would provide that any new mobilehome sold after its effective date which is installed for occupancy as a residence and is subject to local property taxation, would specify that the sales tax on a mobilehome shall be computed on the cost of materials used while under construction and that the dealer, as defined, shall be consumer for such purposes and would exempt from the state sales and use taxes any mobilehome which is sold new on or after July 1, 1980. Would permit a senior citizen or totally disabled owner and occupier of a mobilehome subject to property taxation who rents or leases the space where the mobilehome is located to qualify for the applicable renter's tax assistance.

SB 1083
Author: Carpenter
Action: Introduced
Date: April 3, 1979
Affected Reference: Amends Section 110.6 of the Revenue and Taxation Code - Urgency Statute

Eliminates the repeal of "change of ownership" provision and also excludes from the definition any transfer to create a joint tenancy interest in the transferor and specified relatives if such joint tenancy is terminated in specified cricumstances.

AB 1751
Author: Waters
Action: Introduced, referred to Committee on Revenue and Taxation
Date: April 5, 1979
Affected Reference: Amends Section 110.6 of the Revenue and Taxation Code - Urgency Statute

Eliminates the July 1, 1979 repeal date for the "change of ownership" definition and makes such definition permanent and excludes specified relatives from the definition.

AB 1601
Author: Cline
Action: Introduced, referred to Committee on Revenue and Taxation
Date: April 2, 1979
Affected Reference: Amends Section 110.6 of the Revenue and Taxation Code - Urgency Statute

Same as AB 1600, but instead of excluding any interspousal transfer in trust, this bill excludes certain limited partnership transfers.

AB 1600
Author: Cline
Action: Introduced, referred to Committee on Revenue and Taxation
Date: April 2, 1979
Affected Reference: Amends Section 110.6 of the Revenue and Taxation Code - Urgency Statute

Eliminates the July 1, 1979 repeal date for the "change of ownership" definition and makes such definition permanent and excludes any interspousal transfer in trust from the definition.

AB 1647/ACA 48
Author: Greene
Action: Introduced, referred to Committee on Revenue and Taxation
Date: April 3, 1979
Affected Reference: Adds Section 763 to the Revenue and Taxation Code

Provides that SBE delegate the duty to the local assessor to assess property owned by a public utility if such utility operates solely within one county.

AB 1522
Author: Imbrecht
Action: Introduced, referred to Committee on Revenue and Taxation
Date: March 29, 1979
Affected Reference: Adds Section 6294, and Part 5.8 to Division 2 of the Revenue and Taxation Code

Would impose a tax for the privilege of operating vessels subject to registration upon the waters of this state, which would be in lieu of all taxes according to value levied for state or local purposes on vessels of a type subject to registration under the Vehicle Code. Would provide for state taxation of boats by the DMV.

AB 71*
Author: Lockyer
Action: Amended in Assembly
Date: April 16, 1979
Affected Reference: Numerous sections of several codes dealing with various tax credits, deductions, exemptions, etc.

Provides for sunsetting of certain exemptions such as: documented vessels, turf grass, cargo containers, motion pictures, baled cotton, business records, and other exemptions in state income taxes.

SB 940
Author: Marks
Action: Introduced
Date: March 27, 1979
Affected Reference: Repeal and add Section 225 of the Revenue and Taxation Code

This bill proposes to grant the same exemption as the one before the court in the Zee Toys case, except that such exemption would apply to goods in both foreign and interstate commerce.

AB 1504
Author: Imbrecht
Action: Introduced, referred to Committee on Revenue and Taxation
Date: March 29, 1979
Affected Reference: Adds Sections 6025 and 10767.5 to the Revenue and Taxation Code

Would subject mobilehomes to property taxation. Would provide that persons engaged in the business of selling mobilehomes shall be deemed to be consumers and not retailers within the provisions of the Sales and Use Tax Law in the case of mobilehomes sold after January 1, 1980.

SB 1004
Author: Presley
Action: Introduced
Date: March 29, 1979
Affected Reference: Various codes of various sections

Would make certain mobilehomes which are installed for occupancy as a residence subject to real property taxation, as specified. Exempts used mobilehomes from use tax. Measures sales tax by cost of materials used.

SB 335
Author: Robins
Action: Amended in Senate
Date: April 17, 1979
Affected Reference: Amends Section 2188.6 of the Revenue and Taxation Code

Under existing property tax law the initial seller or buyer of an individual unit in a condominium project may request by November 1 that the county assessor separately assess such unit for property tax purposes and that a separate tax bill be sent to such buyer. This bill would eliminate the requirement that the request be made by November 1.

AB 35*
Author: Bane
Action: Amended in Assembly
Date: April 16, 1979
Affected Reference: Various sections of various codes

This bill would extend the homeowners' exemption from the current $7,000 to the full value of a dwelling occupied by an owner or renter as a principal place of residence on the lien date.

The bill also increases the state sales and use tax and provides for the distribution thereof.

ACA 1*
Author: Bane
Action: Amended in Assembly
Date: April 16, 1979
Affected Reference: Amends and renumbers various sections of Article XIII

Extends the homeowners' exemption to the full value of the dwelling and includes renters in the definition of the exemption.

AB 61*
Author: Cline
Action: Amended in Assembly
Date: April 2, 1979
Affected Reference: Section 219 of the Revenue and Taxation Code - Urgency Statute

Increases the business inventory exemption by specific increments until fully exempt for the 1983-84 tax year.

AB 66*
Author: Lockyer
Action: Amended in Assembly
Date: March 8, 1979
Affected Reference: Section 219 of the Revenue and Taxation Code - Urgency Statute

Fully exempts business inventory beginning 1980-81.

AB 1500
Author: Imbrecht
Action: Introduced, referred to Committee on Revenue and Taxation
Date: March 29, 1979
Affected Reference: Various sections of various codes

Would exempt 100% of the assessed value of business inventories from property taxation for the 1980-81 fiscal year and fiscal years thereafter. Would reduce the state's sales and use taxes from 4-3/4% to 1-3/4%, effective July 1, 1980, and would authorize county superintendents of schools to levy a sales and use tax not to exceed a rate of 3% and would provide for the distribution of property tax revenues to cities, counties and special districts only. Would increase the bank and corporation taxes by 1%. Would only become operative if the Gann Spending Limitation Initiative is approved by the voters, and its provisions would become operative on July 1, 1980.

AB 441*
Author: Knox
Action: Amended in Assembly
Date: April 16, 1979
Affected Reference: Adds Section 5098 to the Revenue and Taxation Code - Urgency Statute

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.

SB 163*
Author: Nejedly
Action: Amended in Senate
Date: February 21, 1979
Affected Reference: Amends Sections 602 and 2191.3 of the Revenue and Taxation Code

If the full and complete name of the assessee is know, it shall be shown on the assessment roll. Becomes effective July 1, 1980.

ACA 41
Author: Wyman
Action: Introduced, referred to Committee on Revenue and Taxation
Date: March 28, 1979
Affected Reference: Amends Section 8 of Article XIII

Would provide that open-space land shall be assessed at no higher than 80% of its capitalized income. Would prohibit a local government from refusing to enter into an open-space contract with an owner of such land, if such owner requests such contract.

SCA 12
Author: Smith
Action: Introduced
Date: January 24, 1979
Affected Reference: Amends Section 2 of Article XIII A

Revises the definition of full cash value as it relates to changes in ownership or real property resulting from interspousal transfers.

AB 1411
Author: Ellis
Action: Introduced, referred to Committee on Revenue and Taxation
Date: March 28, 1979
Affected Reference: Adds Section 110.2 to the Revenue and Taxation Code

Would exclude from the determination of full cash value the cost of certain fees paid to government entities relating to services or regulations relating to the property and any commissions paid to agents relative to the transfer of such property.

SB 425
Author: Wilson
Action: Introduced
Date: February 21, 1979
Affected Reference: Amends Section 110.1 of the Revenue and Taxation Code

If the base year value has been determined to be incorrect, the assessor may change the value of the property to reflect the correct value as of the base year lien date.

ACA 43
Author: Statham
Action: Introduced, referred to Committee on Revenue and Taxation
Date: March 29, 1979
Affected Reference: Amends Section 3 of Article XIII

Would provide that full value of a dwelling shall be based on the 1975 valuation for purposes of the homeowners' exemption; and would provide that the amount of such exemption shall be increased when a sale of the property occurs by the amount of the CPI increase since 1975 or the last sale.

AB 1488
Author: Hannigan
Action: Introduced, Referred to Committee on Revenue and Taxation
Date: March 29, 1979
Affected Reference: Adds Sections 135, 405.1, 531.7, 568, 3708.1, and 3804.2 to the Revenue and Taxation Code

Would make various administrative and technical changes relating to the assessment of property and the collection of property taxes.