



STATE OF CALIFORNIA

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December 2, 1987

TO COUNTY ASSESSORS:

DISASTER RELIEF

DOUGLAS D BELL
Executive Secretary

No. 87/98

Senate Bill 5 (Chapter 6 of the First Extraordinary Session of 1987-88) was chaptered on November 16, 1987 and is effective immediately as an urgency statute. It is a disaster relief measure that includes a property tax provision.

Chapter 6 (commencing with Section 197) is added to Part 1 of Division 1 of the Revenue and Taxation Code to permit owners of eligible property to apply for deferral of the first installment of the regular secured roll property tax for the 1987-88 fiscal year and for the deferral of unpaid and nondelinquent supplemental taxes for the 1987-88 fiscal year. The property owner must file a property tax deferral claim on or before December 10, 1987. Because time is of the essence, please make every effort to see that the provisions of this relief bill are known to the taxpayers in your county as soon as possible.

Deferral - Regular Roll

The affected county must have an ordinance in effect providing for reassessment pursuant to Section 170 of the Revenue and Taxation Code. To be eligible for the deferral relief, a property must: (1) be located in a county proclaimed by the Governor to be in a state of disaster as a result of the earthquake and aftershocks which occurred in October 1987 in the counties of Los Angeles and Orange or as a result of the fires which occurred in 1987 in this state; (2) be acquired or have completed new construction prior to October 1, 1987; and (3) have sustained "substantial disaster damage."

"Substantial disaster damage", as to real property located in a county declared to be a disaster by the Governor as a result of the earthquake and aftershocks occurring on October 1, 1987, means, with respect to real property and any mobilehome which has received the homeowner's exemption or is eligible for the exemption as of March 1, 1987, damage amounting to at least 10 percent of its fair market value or five thousand dollars (\$5,000), whichever is less; and, with respect to other property, damage to the parcel of at least 20 percent of its fair market value immediately preceding the disaster causing the damage.

"Substantial disaster damage", as to real or personal property located in a county declared to be a disaster by the Governor as a result of fires occurring in 1987 means, with respect to real property and any mobilehome which has received the homeowner's exemption or is eligible for the exemption as of October 1, 1987, damage amounting to at least 10 percent of its fair market value or five thousand dollars (\$5,000), whichever is less.

"Fair market value" means "full cash value" or "fair market value" as defined in Section 110.

In event of timely application, the tax payment shall be deferred without penalty or interest until the assessor has reassessed the property and a corrected bill prepared pursuant to Section 170 is mailed to the taxpayer. If on reassessment the assessor determines that an owner who applied and was granted a deferral of property taxes did not file the claim in good faith, the owner shall be assessed a delinquency penalty for the nonpayment of the deferred taxes. The tax deferral provision does not apply to taxes paid through impound accounts.

If a corrected bill is prepared reflecting the adjusted value due to damage, the deferred installment of taxes will be due 30 days after the taxpayer receives the corrected bill. If unpaid after the 30 days, the bill will become delinquent as provided in Section 2610.5 of the Revenue and Taxation Code and shall be subject to the penalty provided by law.

Any eligible county may adopt an ordinance providing for the temporary postponement of the April 10, 1988 installment of taxes on property on the regular secured roll for the 1987-88 fiscal year until December 10, 1988, and, notwithstanding any other provision of this chapter, the further postponement of the December 10, 1987 installment of taxes on property on the regular secured roll for the 1987-88 fiscal year until December 10, 1988. The state will provide no reimbursement payments to local jurisdictions for the postponement of property taxes pursuant to this section.

Deferral - Supplemental Roll

The eligibility requirements for deferral of unpaid nondelinquent 1987-88 fiscal year supplemental roll taxes are the same as those for the regular roll with the following addition. Each eligible county must adopt an ordinance to permit the deferral of the specified supplemental taxes. If a corrected supplemental tax bill is prepared reflecting the adjusted value due to damage, payment is due on the last day of the month following the month in which the corrected bill is mailed, or the delinquent date of the first installment of the original supplemental bill, whichever is later. If unpaid by the preceding date, the installment will become delinquent as provided in Section 2610.5 of the Revenue and Taxation Code, and shall be subject to the penalty provided by law. This legislation provides for deferral of unpaid and nondelinquent supplemental taxes for the 1987-88 fiscal year.

Sincerely,



Verne Walton, Chief
Assessment Standards Division