



STATE BOARD OF EQUALIZATION

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No. 89/52

June 28, 1989

TO COUNTY ASSESSORS:

CHAPTER 1271 OF THE STATUTES OF 1988 (ASSEMBLY BILL 2878)
AMENDS REVENUE AND TAXATION CODE SECTIONS 65 (JOINT TENANCY
INTERESTS), 75.21 (MULTIPLE FILINGS OF THE HOMEOWNERS'
EXEMPTION - SUPPLEMENTAL ASSESSMENTS) 254, 255 and 259.11
(EXEMPTION OF AIRCRAFT OF HISTORICAL SIGNIFICANCE)

Chapter 1271 of the Statutes of 1988 (Assembly Bill 2878) was chaptered September 26, 1988. This legislation primarily provides clean-up for Proposition 60 (Revenue and Taxation Code Section 69.5), the base-year value transfer provision applicable to senior citizens who sell their homes and acquire replacement homes. In addition, however, it amends Revenue and Taxation Code Sections 65, 75.21, 254 and 255, and adds Section 259.11 (all discussed in this letter). It also amends Section 251 which is discussed in Letter to Assessors No. 89/51 and Section 69.5, which is discussed in Letter to Assessors No. 89/53.

Section 1 of this statute amends Section 65 of the Revenue and Taxation Code to make technical corrections to the language of subdivision (d).

Subdivision (d) of Section 65 of the Revenue and Taxation Code specified what is subject to reappraisal upon termination of a joint tenancy interest held by "other than an original transferor."

This amendment corrects a typographical error. In the first reference to original transferor, the "transferor" was written as "transfer."

This amendment also makes a clarifying change. The section excluded from change in ownership the termination of an interest held by other than an original transferor if the entire interest is transferred either to an original transferor or to all remaining joint tenants. The language now reads "...or to all remaining joint tenants, provided that one of the remaining joint tenants is an original transferor."

These changes are consistent with the legislative intent set forth in the 1979 Assembly Revenue and Taxation Committee's Task Force Report and with Board Rule 462(c). This change simply conforms the statute to legislative intent and administrative practice.

Section 3 of this statute amends Section 75.21 of the Revenue and Taxation Code to eliminate the need for multiple filings of the homeowners' exemption when a supplemental roll assessment is required.

Section 75.21 of the Revenue and Taxation Code required a property owner to file multiple claims for exemption for the homeowners' exemption when a change in ownership or completion of new construction occurred between March 1 and June 30. The property owner then had to file for exemption from property taxes on the regular roll and on the supplemental assessment on the current roll and again on the supplemental assessment on the roll being prepared.

For those properties requiring annual filing and annual determination of eligibility for exemption, this law is necessary. For the homeowners' exemption, however, annual filing is not a requirement. Therefore, this law unnecessarily added to the administrative duties of the assessor's office, as well as placing an unnecessary burden on the homeowner.

This amendment requires only one claim for exemption to be filed for the homeowners' exemption and relieves the burden on the homeowner of multiple filings. The first filing, regardless of which roll it is for, will continue in effect as long as the property is eligible for the exemption.

Sections 5, 6 and 7 of this statute amend and add various sections of the Revenue and Taxation Code to clean up the provisions for claiming the exemption of aircraft of historical significance.

Senate Bill 95 (Chapter 267, Statutes of 1987) provided for the exemption from the property tax of aircraft of historical significance. The enacting legislation made no specific provisions for claiming the exemption, such as the filing period, content of the affidavit, etc.

These amendments authorize the Board to prescribe all procedures and forms necessary to require annual filing between the lien date and 5 p.m. on April 1, and to establish the content of the affidavit. The lien date to April 1 filing period is selected because aircraft are personal and hence movable property, like vessels, and the owners of such aircraft may require more than the typical March 1 to March 15 period within which to claim the exemption.

Section 8 of this statute directs the State Board of Equalization to conduct a specific topic survey to determine the revenue impact to Proposition 60 (November 4, 1986) and Proposition 90 (November 8, 1988). A report of findings will be issued to the Governor and Legislature no later than June 30, 1995.

Section 9 of this statute requires that the amendments to Section 69.5 of the Revenue and Taxation Code shall apply retroactively to purchases and transfers of real property which occur on or after November 5, 1986 exclusive of Proposition 90 (Assembly Constitutional Amendment 1) intercounty provisions.

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Section 10 of this statute simply declares this act to be an urgency statute to go into effect immediately.

You will find a copy of Assembly Bill 2878, Chapter 1271 included with Letter to Assessor No. 89/53. If you have any questions relative to this bill, please contact our Real Property Technical Services Unit at (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:wpc
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