

STATE OF CALIFORNIA



STATE BOARD OF EQUALIZATION

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Controller, Sacramento

CINDY RAMBO
Executive Director

No. 91/20

March 14, 1991

TO COUNTY ASSESSORS:

PROPERTY TAXES LEGISLATION ENACTED IN 1990

This is a summary of the legislation affecting property taxes enacted in 1990, the second year of the 1989-90 legislative session. All bills other than urgency statutes and Constitutional Amendments which became effective upon approval by the voters, were effective January 1, 1991. The effective date of urgency legislation and Constitutional Amendments, or the operative date if different from the effective date, is stated in the description of the bill.

If you have any further questions, please feel free to contact our Real Property Technical Services Unit at (916) 445-4982.

Sincerely,

A handwritten signature in cursive script that reads "Verne Walton".

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosure

ASSEMBLY BILL 527 (HANNIGAN) CHAPTER 491

Adds Part 3 (commencing with Section 11300) to Division 4 of the Business and Professions Code, and repeals Title 4.5 (commencing with Section 1922) of Division 3 of the Civil Code.

OFFICE OF REAL ESTATE APPRAISALS

Among other things, creates the Office of Real Estate Appraisers within the Business, Transportation and Housing Agency to be administered by a director appointed by the Governor.

LICENSED OR CERTIFIED REAL ESTATE APPRAISERS

Provides that on or after July 1, 1991, no person shall engage in a federally related real estate appraisal activity, as defined, or assume or use the title of a licensed or certified real estate appraiser without first becoming a licensed real estate appraiser or a state certified real estate appraiser.

COUNTY ASSESSOR REAL ESTATE APPRAISERS

For purposes of licensing and certification, provides that the experience of employees of an assessor's office or of the State Board of Equalization in setting forth opinions of value of real property for tax purposes shall be deemed equivalent to experience in federally related real estate appraisal activity.

ASSEMBLY BILL 2654 (HUNTER) CHAPTER 718

Amends Section 254.5 of the Revenue and Taxation Code.

WELFARE EXEMPTION

Provides that an applicant for a welfare exemption, granted a welfare exemption and owning any property exempted pursuant to Section 231, shall be granted an exemption in subsequent years without reapplication, provided there is no transfer of, or change in title to, the exempted property and the property is used exclusively by a governmental entity for its interest and benefit. Requires that the assessor be notified prior to March 15 in any given year if any requirement for exemption is no longer being met. Requires the assessor to annually mail a specified notice to applicants whose property is used exclusively by government and has been exempted. Provides that, upon any indication that exemption has been incorrectly granted, the assessor shall redetermine eligibility for exemption and immediately cancel the exemption of any portion of the property determined to be ineligible. Provides for an escape assessment on the incorrectly exempted property, and would also provide for penalties, as specified, for failure to make required notifications to the assessor.

ASSEMBLY BILL 2675 (HANNIGAN) CHAPTER 892

Amends Sections 480.3, 480.4, and 480.5 of the Revenue and Taxation Code.

PRELIMINARY CHANGE IN OWNERSHIP STATEMENTS

Deletes the January 1, 1991, repeal date of the provision which requires the assessor and the recorder to make available, without charge and upon request, preliminary change in ownership reports, in a specific form, which transferees of real property may complete and file concurrently with the recordation of documents evidencing a change in ownership.

TAX EXEMPT REAL PROPERTY

Deletes the January 1, 1991, repeal date of the provision which requires every owner of tax exempt real property in certain counties to report specified information to the local assessor regarding certain conveyances of the right to use that real property within 60 days of the transaction.

See Also Senate Bill 2577.

ASSEMBLY BILL 2764 (KELLEY) CHAPTER 841

Amends Sections 51203, 51222, 51243, and 66474.4 of, and repeals Section 51202 of, and repeals and adds Section 51243.5 of, the Government Code.

CALIFORNIA LAND CONSERVATION ACT

Makes various amendments to the California Land Conservation Act of 1965.

Among certain technical nonsubstantive changes, deletes the January 1, 1991, repeal date which declares that agricultural lands under contract should be in parcels large enough, as defined, to sustain their agricultural use. Repeals exception to the succession requirement that a city succeeds to all rights, duties, and powers of the county under certain conditions.

ASSEMBLY BILL 2782 (WRIGHT) CHAPTER 723

Amends Section 531.2 of the Revenue and Taxation Code.

PRORATE ESCAPE ASSESSMENTS

Provides, where a county board of supervisors has by resolution so opted, that when real property has been transferred or conveyed to a bona fide purchaser for value subsequent to July 1 of either the year of escape or the proper year for assessment, that taxes resulting from escape assessments shall be prorated, as specified, between the person who would have been the assessee if the change in ownership had not occurred and the person or persons who purchased the property.

ASSEMBLY BILL 3022 (KLEHS) CHAPTER 161

Amends Section 214 of the Revenue and Taxation Code.

WELFARE EXEMPTION

Provides that, for purposes of determining whether property is used for the actual operation of the exempt activity, consideration shall not be given to the use of property for meetings conducted by any other organization if the meetings are incidental to the other organization's primary activities, are not fundraising meetings or activities, are not more than once per week, and the other organization and its use of the property meet the general requirements for exemption. Also requires the owner of the property or the other organization to file proof of exempt status under either of two specified provisions of the federal Internal Revenue Code.

ASSEMBLY BILL 3308 (STATHAM) CHAPTER 404

Adds Section 98.68 to the Revenue and Taxation Code.

PROPERTY TAX REVENUE ALLOCATION

Provides that the allocation of property tax revenue in the 1979-80 fiscal year to the 1988-89 fiscal year, inclusive, in Shasta County, as distributed as of July 1, 1989, shall be deemed correct, and no reductions or increases in apportionments shall be made for the fiscal years from the 1979-80 fiscal year to the 1988-89 fiscal year, inclusive. Provides a minimum allocation amount for the City of Anderson in the 1989-90 fiscal year, and in each fiscal year thereafter until July 1, 1993, or an earlier date as specified. Provides, within Shasta County, that the Board of Supervisors of Shasta County, by a resolution adopted by a majority of its members, may request the Legislature to amend the foregoing provisions.

Makes declarations of legislative intent with regard to the validation in the future of other mistakes in property tax revenue allocations.

Urgency statute; effective July 23, 1990.

ASSEMBLY BILL 3843 (CANNELLA) CHAPTER 1494

Amend Sections 63.1, 69.5, and 75.55 of, and adds Section 74.3 to, the Revenue and Taxation Code.

PROPOSITION 60/90

For purposes of Proposition 60/90:

Clarifies that, for purposes of receiving the Proposition 60/90 benefit, the claimant must not have previously received the benefit as a claimant. Amends the definition of "claimant" by including any spouse who is a record owner of the replacement dwelling. Specifically defines the term "person" to mean to an individual, but not to include any firm, partnership, association, corporation, company, other legal entity or organization. Provides that claimants may, by timely and proper notice, and upon payment of a fee to the county assessor, rescind a claim for transfer of base-year value.

Makes clarifying changes, consistent with the above provisions, with respect to certain information required to be provided by claimants and assessors.

SECTION 63.1 - CLAIM FILING PERIOD

Provides that a claim for the parent/child exclusion must be file within 3 years after the date of purchase or transfer between the parents and children, or prior to a transfer of the real property to a 3rd party, whichever is earlier.

PROPOSITION 110 - DISABLED PERSONS: BASE YEAR VALUE TRANSFER

Implements SCA 37 (Proposition 110) by extending the Proposition 60/90 provisions relating to the transfer of the base year value to severely and permanently disabled persons, as defined, for replacement dwellings which are purchased or newly constructed on or after June 6, 1990.

PROPOSITION 110 - DISABLED PERSONS: NEW CONSTRUCTION

Also implements SCA 37 by excluding, as provided, from the term "newly constructed" the construction, installation, or modification of any portion or structural component of an existing single-or multiple-family dwelling, completed on or after June 6, 1990, if the construction, installation, or modification is for the purpose of making the dwelling more accessible to a severely and permanently disabled person. Requires for purposes of the exclusion that the disabled person, or his or her spouse or guardian, submit to the assessor a statement which certifies that the person is severely and permanently disabled and identifies specific disability-related requirements necessitating accessibility improvements or features, and a statement that identifies the construction, installations, or modifications that were in fact necessary for improved accessibility. Authorizes the assessor to charge a fee to recover the costs of processing and administering the required statements.

SUPPLEMENTAL TAXES UNDER \$20.00

Provides that a county board of supervisors may by ordinance, provide for the cancellation by the assessor of any supplemental assessment where that assessment would result in an amount of taxes due which is less than the costs of assessing and collecting those taxes, provided that no supplemental assessment may be canceled where resulting supplemental taxes would exceed \$20.

Section 1.5 of this bill incorporates amendments to Section 63.1 of the Revenue and Taxation Code enacted by both this bill and SB 124. (Section 1 of this bill is not operative.)

Sections 2.7 and 3.7 of this bill incorporate amendments to Section 69.5 of the Revenue and Taxation Code enacted by this bill, AB 2835, and AB 3723. (Sections 2, 2.3, 2.5, 3, 3.3, and 3.5 of this bill are not operative.)

The amendments made by Sections 2.7 and 3.7 of this Act to Section 69.5 of the Revenue and Taxation Code with respect to new construction performed upon a replacement dwelling subsequent to the transfer of base-year value to that dwelling shall only apply with respect to a replacement dwelling which is purchased or newly construction on or after January 1, 1991.

Urgency statute; effective September 30, 1990.

SENATE BILL 124 (GARAMENDI) CHAPTER 126

Amends Section 61753 of the Government Code, and amends Sections 51.5, 63.1, 75.31, 75.41, 213.6, 213.7, 214.8, 441, 531.2, 830, 862, 1605, 1840, 2191.3, 2821, 2928, 3003, 3101, 4107, 4377, 4656.2, 4673.1, 48 37.5, 4920, 4986.8, 5147, and 5802 of, amends and renumbers Section 2611.5 of, adds Sections 2509.1, 2611.5, 2635.5, and 2927.7 to, and repeals Sections 259.12 and 4377.1 of, the Revenue and Taxation Code.

In part, a Board-sponsored "housekeeping" measure.

CORRECTING ERRORS - STATUE OF LIMITATION

Clarifies that the four-year limitation on correcting errors of base year values also applies to errors which can be corrected without reflecting a change on the current roll or roll being prepared.

PROPOSITION 58 - SOCIAL SECURITY NUMBER REQUIREMENTS

Amends the provision allowing non-reassessment of property transfers between parents and children by requiring claims for exclusion involving property other than a principal residence to include the social security number of each eligible transferor.

STATE ASSESSEE PROPERTY STATEMENT PENALTIES

For purposes of imposing a penalty assessment, establishes a deadline of March 1, if a Board request to a state assessee for a property statement is mailed before January 1 following the lien date, and a deadline of 60 days from the date of mailing of the Board's request, if the Board request is mailed thereafter.

SECTION 11 APPEALS - EXTENDS FILING PERIOD

Requires that an application to the Board for its review of assessments of property owned by a local government outside its boundaries made outside the regular period for those assessments be filed within 60 days, rather than 2 weeks, from the date the tax bill is mailed to the assessee. Also expressly provides that a failure to file a timely application with the Board in connection with assessments of local government property bars the applicant from further relief.

COUNTY AUDITOR - CANCEL BILLS UNDER \$20.00

Increases the county auditor's authorization to cancel amounts not justifying the cost of collection from \$10 to \$20.

FILING PERIOD FOR APPEALS

Permits all counties, upon the adoption of a resolution, to revise the filing deadline for applications for a reduction in assessments made outside of the regular assessment period and for appeals of supplemental assessments to a date no later than 60 days after the date of mailing of the tax bill. Makes this filing deadline mandatory in a county of the first class.

Makes a number of other minor technical, administrative and clarifying changes to property tax assessment and collection provisions of the law.

Urgency statute; effective June 11, 1990.

See Also Assembly Bill 3843.

SENATE BILL 308 (SEYMOUR) CHAPTER 1575

Adds Chapter 2.8 (commencing with Section 53395) to Part 1 of Division 2 of Title 5 of the Government Code.

INFRASTRUCTURE FINANCING DISTRICTS

PUBLIC CAPITAL FACILITIES

Authorizes counties and cities to form infrastructure financing districts, in accordance with a prescribed procedure, to finance public capital facilities utilizing a method of tax increment financing.

SENATE BILL 910 (VUICH) CHAPTER 1062

Amends Section 11310 of, and adds Section 11313.5 to, the Business and Professions Code.

REAL ESTATE APPRAISERS' LICENSING AND CERTIFICATION LAW
Provides that the Business, Transportation and Housing Agency, and on and after January 1, 1991, the Director of the Office of Real Estate Appraisers shall adopt regulations to implement the Real Estate Appraisers' Licensing and Certification Law (AB 527), and provides that those regulations may be adopted as emergency regulations, as specified.

Urgency statute; effective September 19, 1990.

SENATE BILL 1827 (CRAVEN) CHAPTER 812

Amends Section 5825 of the Revenue and Taxation Code.

MOBILEHOMES
Among other things:

Provides, for purposes of property taxation of mobilehomes, that "new construction" shall not include replacement of the mobilehome following misfortune or calamity, where the replacement mobilehome is substantially similar to the mobilehome prior to loss or damage. Provides that if a mobilehome subject to license and registration fees is destroyed or damaged by misfortune or calamity and is replaced by a mobilehome subject to local property taxation, the assessor shall enroll the replacement mobilehome with an assessed valuation so that taxes owing, after adjustment for applicable exemptions, shall be the same amount as license and registration fees for the prior mobilehome in the year prior to its destruction or damage.

Provides, for purposes of property taxation as mobilehomes, that "new construction" shall not include replacement of a comparable mobilehome after that mobilehome has been taken in eminent domain, acquired by a public entity, or inversely condemned. Provides that if a mobilehome subject to license and registration fees is taken in eminent domain, acquired by a public entity, or inversely condemned, that the assessor shall enroll a comparable replacement mobilehome with an assessed valuation so that taxes owing, after adjustment for applicable exemptions, shall be the same amount as license and registration fees for the prior mobilehome in the year that mobilehome was taken, acquired, or inversely condemned.

States that the amendments made by the above provisions do not constitute a change in, but are declaratory of, existing law.

SENATE BILL 1898 (GARAMENDI) CHAPTER 987

Amends Section 15702 of, and adds Section 15606.5 to, the Government Code, adds Section 3421 to the Public Resources Code, and adds Sections 7657.1, 7658.5, 8879, 11408, 12636, 30284, 32257, 38454, 40104, 41 098, 43159, 45157, and 50112.5 to the Revenue and Taxation Code.

STATE BOARD OF EQUALIZATION REGULATIONS

Provides that any regulation to be prescribed by the State Board of Equalization shall become operative only if the Board itself approves adoption of the regulation.

Provides that if any person requests, as specified, that a specific proposed regulation be considered by the Franchise Tax Board itself, then any authority delegated to any officer or employee to adopt that regulation is rescinded.

For purposes of the Motor Vehicle Fuel License Tax Law, the Use Fuel Tax Law, the Private Railroad Car Tax Law, the Cigarette Tax Law, the Alcoholic Beverage Tax Law, the Timber Yield Tax Law, the Energy Resources Surcharge Law, the Emergency Telephone Users Surcharge Act, the Hazardous Substances Tax Law, the Solid Waste Disposal Site Cleanup and Maintenance Fee Law, and the Underground Storage Tank Maintenance Fee Law, provides that a person who fails to make a timely return or payment, may be relieved of the tax and any penalty or interest, if the State Board of Equalization finds that the person's failure was due to the person's reasonable reliance on written advice from the Board, as specified.

SENATE BILL 1957 (AYALA) CHAPTER 974

Amends Section 1622.6 of, amends, repeals, and adds Section 1624 of, and adds Sections 1624.01, 1624.02, and 5096.8 to, the Revenue and Taxation Code.

ASSESSMENT APPEALS BOARD TRAINING

Provides that, on and after January 1, 1992, every person who is a member of an assessment appeals board is encouraged to and may complete within a specified period of time certain training developed and conducted by the State Board of Equalization.

REFUNDS

Provides that where a reduction in base year value of real property results in a supplemental assessment for the value of the reduction being levied and charged to a subsequent owner of that property, that portion of any refund due and owing to a former owner of that property, in the amount of the taxes on the reduction in base value after the former owner sold or transferred ownership of the property, shall be applied to satisfy that supplemental assessment. Also requires any person claiming a refund due to a reduction in base year value certify, as specified, whether the property has been sold or transferred. Specifies that the provisions apply only if the county board of supervisors adopts a resolution making the provisions applicable.

57.1, 7058.5, 8875,

SENATE BILL 2196 (GARAMENDI) CHAPTER 1528

Amends Sections 11512 and 38552 of, the Revenue and Taxation Code.

DELINQUENT PRIVATE CAR TAXES AND TIMBER YIELD TAXES

For purposes of collecting delinquent private car taxes and timber yield taxes, requires that the notice of sale of property (to satisfy the amount due) and the time and place of the sale be given to the delinquent person and to all persons who have an interest of record in the property in writing at least 20 days before the date set for the sale. Makes certain changes concerning the publication requirement and requires, among other things, that the first publication occur at least 3 weeks prior to the time of sale. Requires that notice be posted in one public place in the locality where the property is to be sold, as specified, and that notice also be posted in one conspicuous place on the real property.

SENATE BILL 2255 (MELLO) CHAPTER 1157

Amends Section 98.6 of, adds Sections 98.66 and 98.67 to, the Revenue and Taxation Code.

MONTEREY AND SANTA CRUZ COUNTIES - TAX CALCULATIONS

Requires different property tax revenue calculations and allocations to be made by Monterey and Santa Cruz Counties.
Urgency statute; effective September 21, 1990.

SENATE BILL 2309 (L. GREENE) CHAPTER 489

Amends Section 231 of the Revenue and Taxation Code.

GOLF COURSES

Extends the exemption for property owned by a nonprofit corporation and leased to, and used exclusively by, government for its interest and benefit to include golf courses. Makes corresponding modifications to the definition of "uniquely of a government character."

SENATE BILL 2557 (MADDY) CHAPTER 466

Amends Section 97, and adds Section 97.43 to, the Revenue and Taxation Code.

PROPERTY TAX REVENUE ALLOCATIONS

Among other things, provides for purposes of property tax revenue allocations for the 1990-91 fiscal year, that the amount of property tax revenue deemed received by a county in the prior fiscal year shall be increased by property tax administrative costs attributable to incorporated cities within that county, as determined by the county auditor according to specified procedures. Also authorizes, as specified, the county auditor to determine property tax administrative costs proportionately attributable to local jurisdictions other than the county or city and county, and cities, and submit invoices to the relevant jurisdictions for those costs.

Provides, notwithstanding existing property tax revenue allocation provisions, that no qualifying city shall receive in the 1990-91 fiscal year a property tax revenue allocation which is greater than 90% of the allocation received by that city in the 1989-90 fiscal year.

SENATE BILL 2577 (KOPP) CHAPTER 1546

Amends Section 480.3 of, and amends, repeals, and adds Section 480.4 of, the Revenue and Taxation Code.

PRELIMINARY CHANGE IN OWNERSHIP STATEMENTS

Deletes the January 1, 1991, repeal date of the provisions which requires the assessor and the recorder to make available, without charge and upon request, preliminary change in ownership reports.

PRELIMINARY CHANGE IN OWNERSHIP STATEMENTS - SIGNATURES

Requires transferees of real property to complete a preliminary change of ownership report, but does not require that the completed report be filed with the recorder. Requires that the report be signed by the transferee or an officer of the transferee and not by an agent acting for a transferee.

PRELIMINARY CHANGE IN OWNERSHIP STATEMENTS - PROPERTY TAXES PAID IN TWO EQUAL INSTALLMENTS

Operative July 1, 1991, requires the preliminary change of ownership report to contain a notice advising transferees that property taxes are paid in two installments.

**PRELIMINARY CHANGE IN OWNERSHIP STATEMENTS -
NON-RESIDENTS OF CALIFORNIA**

Deletes the exemption of the additional \$20 recording fee when a document evidencing a change in ownership is recorded without concurrently filing a preliminary change in ownership statement if the document is accompanied with an affidavit that the transferee is not a resident of California.

SENATE BILL 2723 (ROBBINS) CHAPTER 1538

Amends Section 29100 of the Government Code.

PROPERTY TAX RATE

Authorizes the county board of supervisors to set the property tax rate so as to produce an amount determined to be appropriate for necessary reserves, as specified. Allows the board by resolution, to extend the date by which it must adopt the tax rate to each October 3.

Urgency statute; effective September 30, 1990.

SENATE BILL 2791 (GARAMENDI) CHAPTER 992

Amends Section 3914 of the Public Resources Code, and amends Sections 75.54, 97.35, 276, 1608, 1637, 2922, 3693.1, 3712, 4336, 4337, 4673.1, 4837.5, 4985.2, and 5140 of the Revenue and Taxation Code.

DISABLED VETERANS

For purposes of the disabled veteran's property tax exemption, revises the provisions relating to partial exemptions for certain late-filed claims to reflect increased exemption amounts and makes a legislative declaration that the revision is made for a specified public purpose.

PROPERTY TAXES

Makes various changes to property tax payment, collection, and allocation provisions of the law.

SENATE CONSTITUTIONAL AMENDMENT 33 (ROGERS)
RESOLUTION CHAPTER 57

Adds a paragraph to subdivision (c) of Section 2 of Article XIII A of the California Constitution.

NEW CONSTRUCTION - SEISMIC SAFETY

Permits the Legislature to exclude from the term "new construction," except as specified, the construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies which are constructed or installed in existing buildings on or after the effective date of this measure. Requires the Legislature to define eligible improvements.

Effective November 7, 1990, (Proposition 127).

SENATE CONSTITUTIONAL AMENDMENT 37 (SEYMOUR)
RESOLUTION CHAPTER 155

Amends Section 8.5 of Article XIII of the California Constitution.

LOW INCOME TENANTS

Authorizes the Legislature to provide by law for the manner in which a low-income tenant or tenants, acquiring as a principal place of residence the property in which they live, may postpone increases in ad valorem property taxes attributable to the reappraisal of that residential property, including a mobilehome or mobilehome park, upon the change in ownership. Also provides that in no event shall the total of the postponed taxes pursuant to this authorization, and the full amount of property tax assessments for the current fiscal year, exceed 90% of the equity held by the owner or owners, as specified, in the property.

Effective June 3, 1992, if approved by the voters.

SENATE RESOLUTION 42
(HART, BERGESON, L. GREENE, MADDY and ROBERTI)

SENATE COMMISSION ON PROPERTY TAX EQUITY AND REVENUE
Creates the Senate Commission on Property Tax Equity and Revenue to study and analyze the current system of property taxation, and develop proposals for alternative methods of property taxation that maintain the basic protections for homeowners promulgated in Proposition 13, adequately fund the provision of essential public services by local government agencies, and reduce or eliminate inequities currently experienced by property taxpayers in California.

Provides that the Senate Commission on Property Tax Equity and Revenue shall report its findings and recommendations to the Senate Committee on Rules no later than one year from the date of the appointment of the members of the commission and that the commission shall cease to exist as of January 31, 1991.

Read and adopted by the Senate March 15, 1990.