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December 20, 2007

No. 2007/056

TO COUNTY ASSESSORS:

SUMMARY OF 2007 PROPERTY TAXES LEGISLATION

This is a summary of 2007 legislation affecting property taxes. All bills will become effective January 1, 2008, unless otherwise specified.

**AB 62 (Nava), Chapter 224, Effective September 21, 2007**

*Among others, amends section 218 of the Revenue and Taxation Code.*

**Homeowners' Exemption—Disaster Relief.** Allows homes that were damaged or destroyed in the wildfires in El Dorado, Santa Barbara, and Ventura Counties that are in an area declared by the Governor to be in a state of disaster to retain the exemption.

Contains triple-joining language for SB 38 and SB 114 to extend the exemption to homes damaged or destroyed in the Riverside County wildfires or by the January 2007 freezing conditions in 18 counties.

**AB 188 (Aghazarian), Chapter 229**

*Amends section 5096.520 of the Public Resources Code.*

**Conservation Easement Registry.** Extends the Resources Agency's central public registry to include all conservation, open-space, and agricultural easements held by the state, required by the state, or purchased with state grant funds on or after January 1, 2000. Requires that the assessor's parcel number and amount of funding for the easement be added to the registry. Limits the type of information required to be posted on the Internet.

**AB 297 (Maze), Chapter 225, Effective September 21, 2007**

*Amends section 211 of the Revenue and Taxation Code.*

**Newly Planted Trees and Vines Exemption—Freeze Relief.** Restarts the exemption period for newly planted fruit and nut trees that, while they were still in the exemption period, were so severely damaged by the January 2007 freeze that they required pruning to the trunk or bud union to establish a new shoot as a replacement for the damaged tree.

**AB 382 (Committee on Housing and Community Development), Chapter 596**

*Among others, amends section 5803 of the Revenue and Taxation Code.*

**Valuation of Manufactured Homes.** Deletes from the specifically named list of value guides that may be used to value manufactured homes the Kelley Blue Book Official Manufactured Housing Guide.<sup>1</sup>

**AB 402 (Ma), Chapter 450**

*Amends section 63.1 of, and adds 480.8 to, the Revenue and Taxation Code.*

**Change in Ownership Exclusion—Parent/Child.**

- Amends definition of "children" to include a foster child who could not be adopted by the foster parent before the child aged out of the foster care system because of a legal barrier.
- Prohibits applying the exclusion to a transfer of a principal residence from a foster child to that child's biological parent if the foster child received that residence from a foster parent in a transaction that was excluded from reassessment as a parent-child transfer.
- Specifically provides that the claim must include a certified copy of the court decision regarding the foster child status and a certified statement from the county agency stating that the foster child could not be adopted by the foster parent because of a legal barrier.
- Contains double-joining language for SB 1045.

**Change in Ownership of Development with Common Areas.** Requires an owner of a cooperative housing corporation, community apartment project, condominium, planned unit development, or other residential subdivision complex with common areas or facilities, who transfers ownership interests without utilizing recorded deeds to file a specified report describing the property to the assessor upon written request by the assessor. If the owner fails to file the report, the assessor may send a change in ownership statement to every owner, tenant-shareholder, or occupant of each individual lot. If these owners fail to timely file the change in ownership statements, section 482(a) penalties (for failure to report a change in ownership) will apply.

**AB 1020 (Runner), Chapter 277**

*Amends section 27279 of the Government Code, and adds section 62.11 to the Revenue and Taxation Code.*

**Change in Ownership Exclusion.** Provides that "change in ownership" does not include the recordation of a certificate of sale relating to property sold subject to a right of redemption for the period in which the right of redemption exists.

**AB 1042 (Spitzer), Chapter 195**

*Amends section 1603 of the Revenue and Taxation Code.*

**Assessment Appeals Application.** Authorizes the clerk of the county board of equalization to accept electronically filed applications for changed assessment that contain an authenticated electronic signature.

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<sup>1</sup> Kelley Blue Book has discontinued publishing the value book for manufactured homes.

**AB 1715 (Committee on Utilities and Commerce), Chapter 123**

*Amends section 107.7 of the Revenue and Taxation Code.*

**Possessory Interests – Cable Television.** Makes a technical, nonsubstantive change to section 107.7. Specifically, the word "television" is struck from the phrase "cable television possessory interest" in section 107.7(b)(2).

**SB 38 (Battin), Chapter 222, Effective September 21, 2007**

*Among others, amends section 218 of the Revenue and Taxation Code.*

**Homeowners' Exemption—Disaster Relief.** Allows persons who lost their homes in the Riverside County wildfires, which was declared by the Governor to be in a state of disaster, to retain the exemption. These provisions are included in the triple-joining language of AB 62.

**SB 87 (Committee on Budget & Fiscal Review), Chapter 180, Effective August 24, 2007**

*Amends sections 441, 452, and adds section 5368 and article 7 (commencing with section 1160) to Chapter 5 of Part 2 of Division 1 of the Revenue and Taxation Code.*

**Assessment of Fractionally-Owned Aircraft.** Establishes streamlined property tax administration procedures for the assessment of fractionally owned aircraft using a centralized approach whereby the manager in control of the aircraft fleet would file a single property statement with a designated "lead" county. Also provides for coordinated multi-county audits and requires owners, as well as operators, of private and public airports to provide a statement regarding, among other things, the arrival and departure information for all aircraft utilizing the airport facilities upon request by the assessor.

**Business Property Statements.** Requires annual business property statements filed with assessors to include information regarding the obligation to pay California use tax on out-of-state taxable purchases of personal property and a notice to taxpayers that information provided on the property statement may be shared with the Board of Equalization.

**SB 114 (Florez), Chapter 223, Effective September 21, 2007**

*Among others, amends section 218 of the Revenue and Taxation Code.*

**Homeowners' Exemption—Disaster Relief.** Allows homes damaged or destroyed by the January 2007 freezing conditions in 18 counties declared by the Governor to be in a state of disaster to retain the exemption. These provisions are included in the triple-joining language of AB 62.

**SB 538 (Battin), Chapter 540**

*Adds section 7026.11 to the Business and Professions Code; amends sections 18000, 18007, 18008, 18008.7 and 18028 of the Health and Safety Code.*

**Manufactured Home.** Establishes separate definitions for "mobilehome" and "manufactured housing" and establishes a separate definition for "multi-family manufactured home."

**SB 559 (Kehoe), Chapter 555, Effective October 12, 2007**

*Amends section 62 of the Revenue and Taxation Code.*

**Change in Ownership Exclusion—Registered Domestic Partners.**

- Requires assessors to reverse any reassessments that resulted from any transfer between registered domestic partners that occurred between January 1, 2000, and January 1, 2006, that would have qualified for exclusion under Revenue and Taxation Code section 62, subdivision (p), if a claim is filed with the assessor before June 30, 2009. Provides prospective relief only. Authorizes the county to charge a filing fee to cover actual costs related to the filing of such claims.
- Provides that a transfer by a trustor or trustor's registered domestic partner into a revocable trust is not a change in ownership.

**SB 1045 (Committee on Revenue and Taxation), Chapter 449**

*Amends sections 63.1, 69.5, and 215.1 of the Revenue and Taxation Code.*

**Change in Ownership Exclusion—Parent/Child & Grandparent/Grandchild.** Clarifies that a property need only be eligible for the homeowners' or disabled veterans' exemption, not actually receiving the exemption, to qualify as a principal residence, and corrects an erroneous reference to clarify that an "eligible transferee" for the grandparent/grandchild exclusion does not include a grandparent.

**Change in Ownership Exclusion – Over 55/Disabled.** Corrects terminology used in the list of persons who have access to the confidential claim forms.

**Veterans' Organization Exemption.** Adds a cross-reference that all owners of property filing a claim for exemption with the county under section 215.1 must provide the assessor with a valid Organizational Clearance Certificate issued by the Board of Equalization pursuant to section 254.6 before they can obtain the exemption from the assessor.

**CONCLUSION**

Bills may be viewed from the Legislative Counsel's website ([www.leginfo.ca.gov/bilinfo.html](http://www.leginfo.ca.gov/bilinfo.html)). Additional information based on the Board's bill analyses is contained in the *Legislative Bulletin*. A copy of the *Legislative Bulletin* is enclosed. This publication and the Board's bill analyses are posted on the Board's website at [www.boe.ca.gov/legdiv/legcont.htm](http://www.boe.ca.gov/legdiv/legcont.htm).

If you have any questions regarding the application of these measures, please contact the County-Assessed Properties Division at 916-445-4982.

Sincerely,

/s/David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:grs  
Enclosure