STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
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Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

June 16, 1978

No. 78/102

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 22

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.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

ASSEMBLY BILLS

No. 3809 - May 25, 1978

An act to amend Section 106 of the Revenue and Taxation Code, relating to taxation.

Existing law provides that the term "personal property" includes all property except real estate.

This bill would make a nonsubstantive technical change in that provision.

No. 3811 - June 1, 1978

An act to add Section 2261.3 to the Revenue and Taxation Code, and to amend Sections 11403, 11450, 11454, 15200, 15204.2, 15205, and 16120 of, to repeal Sections 14150, 14150.3, and 14150.5 of, and to repeal Article 9 (commencing with Section 12400) of Chapter 3 of Part 3 of Division 9, the Welfare and Institutions Code, relating to welfare, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Under existing law, the counties pay a specified annual share of the cost of the California Medical Assistance Program (Medi-Cal) and the State Supplementary Program for the aged, blind, and disabled (SSP). The share is adjusted annually and is based on the county's taxable assessed value of assessed property.

Under the Aid to Families with Dependent Children program (AFDC), the counties pay 32.5% of the aid grants and 50% of the nonfederal administrative costs of the program, with specified exceptions.

ASSEMBLY BILLS (Contd.)

No. 3811 - (Contd.)

This bill would provide for state assumption of all county costs of Medi-Cal, SSP and AFDC. The bill also would require a county to reduce its total levied county tax rate by a rate computed to offset that amount which the county would have been obligated to spend to support Medi-Cal, SSP, and AFDC if this bill had not been enacted. Such reduction would not be required if Proposition 13 on the June 6, 1978, statewide ballot is enacted.

The bill would take effect immediately as an urgency statute.

ASSEMBLY CONSTITUTIONAL AMENDMENT

No. 82 - Amended June 6, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by adding Section 4.5 to Article XIII thereof, relating to property taxation.

The existing Constitution exempts, or authorizes an exemption for, various types of property for purposes of property taxation, but some possessory interests in tax-exempt real property held by private parties are subject to property taxation.

This measure would authorize the Legislature to provide with respect to the assessment and taxation of possessory interests in tax-exempt real property, used for the berthing of commercial or pleasure vessels, that any such assessments and taxes be prorated for the period of time the taxpayer has the right to possess such tax-exempt property.

ASSEMBLY CONCURRENT RESOLUTION

No. 143 - Amended June 5, 1978

Relative to a study of the feasibility of establishing a Department of Tax Appeals.

This measure requests the ~~State Board of Equalization~~ Commission on California State Government Organization and Economy to conduct a study on the feasibility of establishing a Department of Tax Appeals to hear most, if not all, appeals for refunds by taxpayers and to report its findings and recommendations to the committee on revenue and taxation in each house of the Legislature by no later than January 15, 1979.

SENATE BILLS

No. 1822 - Amended June 8, 1978

An act to amend Section 5151 of the Revenue and Taxation Code, relating to taxation.

Under existing Property Tax Law, interest at the rate of 6% per year is paid on property taxes which are refunded to the taxpayer under specified conditions.

This bill would provide that interest at the rate of 6% per year is required to be paid on property taxes refunded as a consequence of an assessor's clerical error.

SENATE BILLS (Contd.)

No. 1822 - (Contd.)

This bill would provide that notwithstanding Sections 2231 and 2234 of the Revenue and Taxation Code, there shall be no reimbursement nor appropriation made by this bill for a specified reason.

No. 2006 - Amended June 9, 1978

An act to amend Sections 202 and 270 of, and to add Sections 202.2 and 271.1 to, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing provisions of the California Constitution exempt property used exclusively for public schools from property taxation. Case law has established that the exemption also applies to property used exclusively for the public schools which is not owned by such schools and has applied such exemption to the University of California.

This bill would specify that property used exclusively for community colleges, state colleges and state universities, including the University of California, and leased property used exclusively for educational purposes by a nonprofit institution of higher education, shall be exempted as is specified in the California Constitution.

Under existing law, a lessor is subject to property taxes on property owned and leased by such lesser, but is not required to reduce a lessee's lease payments due to the reduction of property taxes attributable to the exemption of property on the basis it is used exclusively by the lessee.

This bill would require a lessor to reduce lease rental payments on property which receives the benefit of an exemption on the basis such property is used for certain public libraries and museums or used exclusively for public schools, community colleges or state universities, including the University of California, and leased property used exclusively for educational purposes by a nonprofit institution of higher education.

Existing law provides for the cancellation or refund of a specified portion of the property taxes on property as to which certain exemptions, including the public schools exemption, were available, but for which a timely application was not filed, if such exemption is thereafter claimed according to a specified procedure.

This bill would specify that such tax cancellation or refund procedure applies to community colleges, state colleges and state universities.

Existing law authorizes the cancellation or refund of any tax, or penalty or interest thereon, imposed on property owned by an organization qualified for certain exemptions, if such property is acquired by such organization after the lien date but before the first day of the fiscal year, and for apportionate cancellation or refund of taxes on property acquired by such organization during the fiscal year.

This bill would provide substantially similar provisions for the cancellation or refund of taxes on property used for certain libraries and museums or property used exclusively for public schools, community colleges, state colleges or state universities.

This bill would take effect immediately as an urgency statute.

SENATE BILLS (Contd.)

No. 2083 - Amended June 8, 1978

An act relating to the filing of maps and plats as a prerequisite to the imposition of property taxes or special assessments on property, and declaring the urgency thereof, to take effect immediately.

Under existing law, when a new district is formed, a statement, map, or plat of the new boundaries must be filed with the assessor and State Board of Equalization by January 1st of the year in which the district's property taxes or special assessments are to be imposed.

This bill would permit certain maintenance districts to impose such taxes or assessments for the 1978-1979 fiscal year if the required statement, map, or plat is filed on or before February 15, 1978.

This bill would specify that there shall be no reimbursement of local agencies for costs incurred pursuant to this act nor shall there be an appropriation made by this act for such purpose for a specified reason.

SIGNED BY THE GOVERNOR

Bill Number	Chapter Number	Date Signed	Effective Date
AB 2719	220	June 8, 1978	January 1, 1979

An act to amend Section 408.1 of the Revenue and Taxation Code, relating to taxation.

Under existing property tax law, the county assessor is required to maintain a list of property transfers in the county, other than transfers of undivided interests, which have occurred within the prior 2-year period, with specified information regarding such transfers. Such list is required to be open to inspection by any assessee who has filed a timely application for reduction of his assessment before the local board of equalization or assessment appeals board upon payment of a specified fee, which is presently $10.

This bill would allow any person to inspect the list of property transfers, and would authorize the assessor to require payment of a fee equal to the cost of such inspections, not to exceed $10.

Bill Number	Chapter Number	Date Signed	Effective Date
SB 1384	214	June 8, 1978	Immediately

An act to amend Section 1603 of, and to add and repeal Section 1603.1 of, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law regarding property taxation states that reductions in assessments shall not be made unless applications are filed before specified dates within counties of specified classes of population.

This bill would provide for uniform dates on which applications are to be filed for all counties, such provision to become operative on July 1, 1979.

The bill would also permit county boards of equalization in any county for which the State Board of Equalization announced a final ratio of 18.2% or less for the 1977-78 fiscal year to extend the period for filing applications respecting the 1977-78 fiscal year, such provision to be repealed on January 1, 1979.

SIGNED BY THE GOVERNOR (Contd.)

No. SB 1384 - (Contd.)
The bill would take effect immediately as an urgency statute.

Sincerely,

Jack F. Eisenlauer

Jack F. Eisenlauer, Chief
Assessment Standards Division

JFE:sk
Enclosures