



## STATE BOARD OF EQUALIZATION STAFF LEGISLATIVE BILL ANALYSIS

Date Introduced:	<b>02/22/07</b>	Bill No:	<b><a href="#">AB 1042</a></b>
Tax:	<b>Property</b>	Author:	<b>Spitzer</b>
Related Bills:			

### BILL SUMMARY

This bill would expressly provide in law for assessment appeal applications to be filed electronically provided they are accompanied with an authenticated electronic signature.

### ANALYSIS

#### CURRENT LAW

**Assessment Appeals.** Section 1603 of the Revenue and Taxation Code provides that taxpayers may appeal the assessed value of their property for property tax purposes by filing an application with the county board of equalization or county assessment appeals board. If a taxpayer is appealing a value that is already on the assessment roll on the lien date, January 1, the appeal application must be filed during the "regular assessment filing period" which in most counties is between July 2 and November 30. However, in 10 counties, the appeals period ends earlier on September 15. These counties send out annual notices of values to taxpayers earlier in the year to give adequate notice as to assessed value upon which their annual property tax bill will be based. If a taxpayer is appealing a supplemental or escape assessment, the appeal application must be filed within 60 days after the date of the notice of the supplemental or escape assessment.

**Signature Certification.** Subdivision (f) of Section 1603 requires that the appeal application be signed under the penalty of perjury that the information submitted on the application is true, correct, and complete to the best of applicant's knowledge and belief. Persons authorized to sign the appeal application includes:

- the owner of the property or a person having a direct economic interest in paying taxes on the property,
- an agent authorized by the applicant, or
- a California licensed attorney.

**Electronic Signatures.** Government Code Section 16.5 provides that in any written communication with a public entity, in which a signature is required or used, a digital signature may be used provided it meets certain requirements. A "digital signature" is an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature.

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The use of a digital signature has the same force and effect as the use of a manual signature if and only if it embodies all of the following attributes:

- It is unique to the person using it.
- It is capable of verification.
- It is under the sole control of the person using it.
- It is linked to data in such a manner that if the data are changed, the digital signature is invalidated.
- It conforms to regulations adopted by the Secretary of State.

### PROPOSED LAW

This bill would add subdivision (g) to Section 1603 of the Revenue and Taxation Code to provide that the clerk of a county board of equalization may accept an electronically filed appeal application containing an electronic signature if all of the following criteria are met:

- The application complies with all other requirements for filing the application.
- The electronic signature is accompanied by the certification described in subdivision (f) related to affirming under the penalty of perjury that the information is true, correct, and complete.
- The electronic signature is authenticated in a manner that is approved by the county board of supervisors, which manner may include, but is not limited to, the use of personal identification numbers the clerk has assigned to applicants.

### COMMENTS

1. **Sponsor and purpose.** This bill is sponsored by the Orange County Board of Supervisors. Its purpose is to expressly allow a property owner or his or her authorized agent to electronically file an appeal application. According to the author, the online e-file process provides filers with step-by-step instructions, allowing them to file completely online, or to print, sign, and send the document directly to the Clerk of the Board. The author notes that e-filing allows greater efficiency in the filing process, by reducing paper, providing for quicker retrieval of documents, and faster scheduling of appeals hearings.
2. **This bill expressly states in the Revenue and Taxation Code that appeals boards may accept electronically filed appeal applications with an authenticated electronic signature.** This is consistent with existing practices in Orange County, which has been accepting appeal applications online for 5 years. While Orange County is currently the only county to implement an e-filing program for appeal applications, Santa Clara County will soon implement an identical online procedure. To visit Orange County's website see: <http://www.oc.ca.gov/cob/propassessment.asp>

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3. **Current law does not expressly provide for e-filing appeal applications.** While the Government Code authorizes the use of digital signatures in communications with a public entity where a signature is required, the Revenue and Taxation Code does not expressly provide for e-filing and requires a certified, written application be filed and signed.
4. **Full e-filing is generally used by property tax agents that file many applications.** However, since an authenticated electronic signature is required as a precursor to filing online, a person filing an application on a single property generally uses the online appeals application, but would then print, sign, and mail the application. It would not be efficient for a single-filer to obtain an authorization for an electronic signature from the clerk of the county board of equalization for a single filing.

### **COST ESTIMATE**

The Board would incur some insignificant absorbable costs in informing and advising local county assessors, the public, and staff of the law changes as well as addressing ongoing implementation questions and issues.

### **REVENUE ESTIMATE**

This bill has no revenue impact.

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