

Legislative Report/November 2023

BOE Sponsored Legislation

SB 889 (Governance & Finance Committee) – Signed 10/08/23 – Effective -01/01/24

Amends section 32387 of the Revenue and Taxation Code to authorize electronic service of levies. Amends sections 32401 & 32440 of the Revenue and Taxation code requiring any determinations or cancellations made by the Board under the Alcoholic Beverage Tax (ABT) program, that are in excess of \$50,000, to be made public for 10 days after the effective date of the determination or cancellation.

SB 890 (Governance & Finance Committee) – Signed 10/04/23 – Effective Immediately

A technical change regarding the implementation of Proposition 19 (2020), that amends sections 62.1, 62.5, and 69.4 of the Revenue and Taxation Code to include references to section 63.2 relating to the intergenerational transfer exclusion and 69.6 relating to the age 55 and older/disabled/disaster base year value transfer.

Board Supported Legislation

AB 556 (Gallagher) Signed by Governor 10/08/23 – Effective Immediately.

Property Taxation: Transfer of Base Year Value

Allows property tax “base year value” of real property that is substantially damaged or destroyed by a disaster to be transferred to a comparable property located within the same county that is acquired, or newly constructed within 5 years after the disaster as a replacement property. Extends this time period if the property was substantially damaged or destroyed by the 2018 Camp Fire disaster as proclaimed by the Governor. Declares bill as an urgency statute.

SB 4 (Wiener) Signed by Governor – Effective 01/01/24

Planning and Zoning: Housing Development

Requires that a housing development project be a “use by right” upon the request of an applicant who submits an application for streamlined approval, on any land owned by an independent institution of higher education or religious institution on specified date, if the development satisfies specified criteria.

Legislative Report/November 2023

SB 20 (Rubio) Signed 09/01/23 - Effective 01/01/2024.

Joint Powers Agreements: Regional Housing Trusts

Authorizes 2 or more local agencies to create a regional housing trust for the purpose of funding housing to assist the homeless population and persons and families of extremely low, very low, and low income within their jurisdictions by entering into a joint powers agreement (JPA) pursuant to law. Authorizes a federally recognized tribal government to enter into a JPA.

SB 423 (Wiener) Signed by Governor 10/11/23 – Effective 01/01/24.

Land Use: Streamlined Housing Approvals: Multifamily

Streamlines and expedites the ministerial approval process first established under SB 35 (Wiener, Chapter 366, 2017) for multi-unit housing in cities that are falling short of their Regional Housing Needs Allocation and extends the current sunset date by 10 years until January 1, 2036.

The new law also establishes the following additional provisions: (1) requires, in jurisdictions not meeting their housing targets for above moderate-households, projects eligible for SB 35 streamlining to contain at least 10% of the units affordable to very low-income households, as specified; (2) authorizes SB 35 to apply within the coastal zone, beginning January 1, 2025, consistent with the applicable local coastal plan or land use plan, except in areas that are environmentally sensitive or hazardous, as specified; (3) specifies that SB 35 streamlining shall not apply in certain fire hazard zones unless fire hazard mitigation measures are in place; and (4) makes other clarifying changes.

SB 588 (Allen) In Assembly R&T: Not heard. Two-Year Bill.

Property Taxation: Welfare Exemption

Provides that existing law partially exempts from property taxation property that is used exclusively for rental housing and related facilities and that is owned and operated by specified entities if any of specified criteria are met, including that 90% or more of the occupants are lower income households. Provides that the claimant is liable for property tax for the years for which the property received the bill's tax benefit if single or multifamily residential units were not constructed or rehabilitated.

SB 734 (Rubio) Signed by Governor 10/11/23 – Effective 01/01/24.

Property Tax: Possessory Interests

Provides that existing law requires that all property subject to tax be assessed at its full value, and includes certain possessory interests among those property interests subject to tax. Provides that, for the purpose of defining possessory interest, a tenancy in a residential unit of a publicly owned housing project by a low-income household leased at affordable rents does not create independent possession or use of land or improvements by the tenant.

Legislative Report/November 2023

SB 871 (Archuleta) Status: Sep 12, 2023: Held at Assembly Desk/Two-Year Bill

Property Taxation: Exemptions

Legislative companion measure to SCA 6. Provides that if Senate Constitutional Amendment 6 is approved by the voters at the statewide general election scheduled for specified date notwithstanding that prohibition, the homeowners' exemption also applies to property on which an owner receives the veterans' exemption or the disabled veterans' exemption.

SCA 6, Bob Archuleta Status: Sep 12, 2023: Adopted by Senate. Held at Assembly Desk.

Property Taxation: Veterans' Exemption

Allows a dwelling that receives the veterans' exemption or the disabled veteran's exemption to also receive the homeowners' exemption. Authorizes the Legislature to exempt property eligible for the veterans' exemption up to a specified amount. Provides that if the Legislature increases the homeowners' exemption, the Legislature shall provide the same increase in the veterans' exemption. Removes certain prohibitions based on the amount of property that a veteran or their parent or spouse owns.

Other Legislation Impacting BOE - Signed by Governor

AB 84 (Ward)

Property Tax: Welfare Exemption: Affordable Housing – Effective: 10/11/2023

Existing law allows a “partial exemption” from property tax, certain property that meets specified requirements used exclusively for lower income rental housing and related facilities. This bill expands the list of entities qualifying for the partial exemption to include those financed from qualified 501(c)(3) bonds.

AB 519 (Schiavo)

Affordable Housing Finance Workgroup – Effective: 01/01/24

Requires specified reviewing entities to jointly convene an Affordable Housing Finance Workgroup to develop recommendations for State-administered programs to utilize a consolidated application for multifamily affordable rental housing developers to use to obtain grants, soft loans, low-income housing tax credits, tax exempt bonds, federal funds, as applicable, and other types of subsidies for building affordable housing, and to develop a coordinated review process for the application.

Legislative Report/November 2023

AB 1361 (Hoover)

Property Taxation: Veteran's Exemption: Preliminary Eligibility - Effective 01/01/24

Authorizes a county assessor to provide written or electronic determination of preliminary eligibility for the disabled veteran's tax exemption. Incorporates additional changes to Section 205.5 of the Revenue and Taxation Code proposed by SB 82 to be operative only if this bill and SB 82 are enacted and this bill is enacted last.

AB 1500 (Irwin)

Property Taxation: Application of Base Year Value – Effective 10/08/23

Authorizes the owner of property substantially damaged or destroyed by a disaster to apply the base year value of that property to replacement property reconstructed on the same site of the damaged or destroyed property within a specified number of years after the disaster if the reconstructed property is comparable to the substantially damaged or destroyed property. Extends the time period if the property was substantially damaged or destroyed by the 2018 Woolsey Fire or by the 2018 Camp Fire.

AB 1528 (Gibson)

Housing Authorities: Property Taxation – Effective 01/01/24

Specifies that property held by a nonprofit public benefit corporation that is controlled by a housing authority is exempt from taxation. Requires any outstanding ad valorem tax, interest, or penalty that was levied on the property of a housing authority to be canceled, and any tax, interest, or penalty levied that was paid prior to specified date to be refunded.

SB 82 (Seyarto)

Property Taxation: Disabled Veterans' Exemption – Effective 01/01/24

Requires a county assessor to accept an electronically generated letter of service-connected disability in lieu of an original letter of service-connected disability, at the discretion of the claimant, for purposes of verifying eligibility for an exemption.

Legislative Report/November 2023

SB 388 (Archuleta)

Beer Manufacturer returns and schedules – Effective 01/01/24

Requires BOE to make public, upon request, any information from a beer manufacturer tax return, including the name and address of the taxpayer that is not a natural person.

BOE must amend beer manufacturer returns to include a brief description of how the beer industry has historically used such information and a designated line or checkbox where a taxpayer may elect to prohibit disclosure of such information. Makes it unlawful for BOE to disclose the names and addresses of any taxpayer that opts out. Applies to returns filed on or after January 1, 2024.

SB 419 (Roth)

Property Tax: Exemptions: Personal Property in Space – Effective 10/10/23

This new law extends to January 1, 2029, the operation of the property tax exemption for qualified property used in space flight. The law includes findings and reporting requirements in compliance with expenditures under the Legislative Open Records Act (LORA) and requires the Legislative Analyst's Office (LAO) to provide a report where certain records it receives are confidential and not subject to LORA.

SB 520 (Seyarto)

Property Taxation: Homeowners Exemption – Effective 10/11/23

This new law provides that, if a person receiving the homeowners exemption is not occupying the dwelling because they are confined to a hospital or other care facility, the person shall remain deemed to occupy that dwelling as their principal place of residence, provided the person would occupy the dwelling if they were not confined, the person intends to return to the dwelling, and the dwelling is not rented or leased to a person not described in specified law.

Legislation Affecting Agency Administration – Signed by Governor

SB 101 (Skinner)

State Budget Trailer Bill

Budget Vehicle for multiple state departments and agencies, including BOE – Effective 06/27/23

Legislative Report/November 2023

SB 544 (Laird)

Bagley-Keene Open Meeting Act: Teleconferencing – Effective: 01/01/24

Allows a state body to hold an open or closed meeting by teleconference, provided the meeting complies with specified requirements. The new requirements include but are not limited to the following: 1) A majority of members must be physically present at the same teleconference location (e.g. the Board Meeting Room), but additional members in excess of a majority may attend and participate in the meeting from a remote location; 2) A remote location is not required to be accessible to the public and any notice and agenda shall not disclose information regarding a remote location; 3) Disabled members will be able to participate remotely and will count toward the majority of members required to be physically present at the same teleconference location; 4) If a member of the state body attends the meeting by teleconference from a remote location, the member shall disclose whether any other individuals 18 years of age or older are also present; and 5) other defined terms.

Several legal compliance issues are being reviewed and closely analyzed, so BOE legal staff will provide further guidance in the weeks ahead of the January 1 effective date.

Proposed Constitutional Amendments

| Bill Number | Author | Title | Status |
|--------------------|---------------|--|---|
| SCA-1 | Newman | Elections: Recall of State Officers | Senate Floor |
| SCA-4 | Seyarto | Property Taxation: Principal Residence | Failed in Committee; Reconsideration Granted |
| SCA-6 | Archuleta | Property Taxation: Veterans' Exemption | Assembly Floor - Inactive |
| ACA-1 | Aguiar-Curry | Elections: Vote Thresholds | Legislature Approved November 2024 Ballot |
| ACA-11 | Ting | State Tax Agency | Assembly Rev & Tax Hearing Cancelled |
| ACA-13 | Ward | Elections: Threshold for Special Taxes and Bonds | Legislature Approved November 2024 Ballot |