STATE OF CALIFORNIA

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Executive Secretary

May 26, 1978

No. 78/92

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 19

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. 2085 - Amended May 16, 1978

An act to amend Section 2610.5 of the Revenue and Taxation Code, relating to taxation.

Existing law provides that failure to receive a tax bill from the tax collector of each county does not relieve the fee owner from the liability to pay taxes owed or for penalties.

This bill would provide that no penalty shall be imposed if the tax collector does not mail the tax bill to the address provided on the tax assessor's roll.

No. 2130 - Amended May 15, 1978

An act to amend and renumber Section 6460.1 of, to add Section 6460.1 to, and to add Chapter 14.5 (commencing with Section 5330) to Division 7 of, the Streets and Highways Code, relating to the Improvement Act of 1911, and declaring the urgency thereof, to take effect immediately.

Under the Improvement Act of 1911, the bond issued for the unpaid assessment on any parcel of land is secured by the parcel.

This bill would authorize such bond, in the case of Indian-owned land, as defined, to be secured by a possessory interest created by a lease with a remaining term of at least 15 years beyond the term of the bond, with the consent of the Bureau of Indian Affairs, the fee owner, and any owner of an existing prior recorded possessory interest in the land.

This bill would take effect immediately as an urgency statute.

ASSEMBLY BILLS (Contd.)

No. 2336 - Amended May 16, 1978

An act to amend Sections 5450, 6400, 6402, 6420, 6440, 6441, and 10600.1 of, and to add Section 6441.5 to, the Streets and Highways Code, relating to the improvement acts.

(1) Under the Improvement Act of 1911, unpaid assessments of less than $50 are required to be collected on the tax roll or as a cash assessment.

This bill would require unpaid assessments of less than $150 to be so collected.

(2) Under the act, bond principal payments are due and payable on October 15th.

~~(3)~~ Under the act, bond interest payments are due and payable on April 15th and October 15th.

The bill would authorize the legislative body, for bonds issued on and after January 1, 1979, by resolution or ordinance, in authorizing the issuance of the bonds, to require that the principal payments be due and payable each April 15th and October 15th and that principal and interest payments be due and payable each April 15th or October 15th if the initial bond principal is $500 or less.

~~(4)~~ (3) Under the Municipal Improvement Act of 1913, in cases where bonds are to be issued pursuant to the Improvement Act of 1911, assessments under $50 not paid within 30 days of recordation are delinquent and bear a penalty interest rate of 1% per month from the date of the bonds.

The bill would increase that amount to $150.

~~(5)~~ (4) The bill would make other related changes.

No. 2337 - Amended May 17, 1978

An act to amend Section 54902.5 of the Government Code, relating to local governmental boundaries.

Existing law requires the State Board of Equalization to establish a schedule of fees for the filing and processing of statements and maps or plats regarding local governmental boundary changes or the boundaries of newly created cities or districts or special zones thereof that are required to be filed with affected assessors and the state board. Such fees are required to be paid at the time such statement is filed.

This bill would require that payment of such fees be deferred until such time as a newly created city or district receives its first tax revenues.

No. 2663 - Amended May 16, 1978

An act to amend Sections 408, 13402, 13841 and 15441 of, to add Sections 13309.1, 13406.1, 15112.1 and 15207.1 to, to amend the heading of Chapter 7 (commencing with Section 14071) of Part 8 of Division 2 of, to add an article heading immediately to precede Section 14071 of, to add Article 2 (commencing with Section 14071) to Chapter 7 of Part 8 of Division 2 of, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law requires a county assessor to disclose information, furnish abstracts or permit access to all records in his office to specified local and state officers and agents.

This bill would require that a county assessor also disclose information, furnish abstracts or permit access to such records to inheritance tax referees.

ASSEMBLY BILLS (Contd.)

No. 2663 - (Contd.)

Under existing Inheritance and Gift Tax Law, as revised by the Tax Reform Act of 1977, gifts made by a decedent are taken into consideration for the purpose of fixing inheritance taxes.

This bill provides that only those gifts shall be considered which were made after December 31, 1976 in the computation of inheritance taxes and shall authorize an inheritance tax credit equal to the gift tax paid on any gift made prior to December 31, 1976, which is included in the computation of inheritance taxes, with certain limitations.

Existing Inheritance and Gift Tax Law exempts from such taxes gifts to certain public entities and organizations which are exempted from taxation.

This bill would impose a tax, at the rate of ½% of the clear market value of the property, on transfers to certain tax-exempt private foundations, as defined.

This bill would also provide that there shall be no reimbursement of local agencies for costs incurred by them pursuant to this act for specified reasons.

The bill would take effect immediately as an urgency statute.

No. 2853 - Amended May 17, 1978

An act to amend Section 833 of the Revenue and Taxation Code, relating to taxation.

Existing law requires the State Board of Equalization to keep secret certain information and records provided to such board in its assessment of certain property, but authorizes such board to disclose such information to specified local agencies and agencies of this state.

This bill would authorize the State Board of Equalization to disclose such information, records and appraisal data to certain tax officials of other states having duties corresponding to those of the State Board of Equalization in the assessment of property.

No. 2902 - Amended May 17, 1978

An act to amend the heading of Part 6 (commencing with Section 11210) of Division 2 of, to amend Sections 11201, 11203, 11251, 11252, 11271, 11291, 11293, 11316, 11317, 11401, 11403, 11426, 11651.5, 11652, 11653, and 11654 of, and to add Sections 5367 and 11340 to, the Revenue and Taxation Code, relating to taxation.

Under existing law, penalties are frequently specified for failure on the part of a taxpayer to provide information relating to the assessment of property for purposes of property taxation.

This bill would specify a penalty for owners of certain aircraft who neglect to file statements after being requested to do so by the assessor. Provision would be made to abate such penalty if the failure to file is due to reasonable cause and not due to willful neglect.

The bill would also make clarifying changes with respect to certain penalties under the Private Car Tax Law and would specify that certain petitions for reassessments under such law must be in writing.

The bill would also change the title of the Private Car Tax Law to Private Railroad Car Tax Law and would make conforming changes.

ASSEMBLY BILLS (Contd.)

No. 3189 - Amended May 17, 1978

An act to add Sections 230 and 230.5 to the Revenue and Taxation Code, relating to taxation.

Existing law authorizes local agencies to impose property taxes, within specified limitations, and exempts certain types of property from taxation pursuant to provisions of the California Constitution.

This bill would exempt from taxation, for a designated period of fiscal years, that portion of the full value of a qualified existing building or new construction which exceeds the full value of such building prior to the rehabilitation or new construction of such building if it is an area designated by the governing body of a city. The amount of the exemption could not exceed specified limitations.

This bill would become operative only if Assembly Constitutional Amendment No. 81 of the 1977-78 Regular Session of the Legislature is approved by the voters.

No. 3505 - Amended May 15, 1978

An act to add Sections 2636, 2708, 2772, and ~~2927~~ 2927.6 to the Revenue and Taxation Code, relating to taxation.

Under existing law a 6% penalty is imposed on property taxes which are not paid in full prior to becoming delinquent. The tax collector or auditor is authorized to cancel a delinquent penalty on the property, with the approval of the board of supervisors on a finding that the delinquency was due to reasonable cause and circumstances beyond the assessee's control, and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect, provided the payment is made within 90 days of the first delinquency date or within 30 days after the second delinquency date.

The bill would authorize the tax collector, with the approval of the board of supervisors, to accept partial payments of property taxes and compute the delinquent penalty on the unpaid balance of the tax.

SENATE BILLS

No. 382 - Amended May 15, 1978

An act to ~~add Section 2261.2 to~~ amend Section 2350 of the Revenue and Taxation Code, and to add Chapter 6 (commencing with Section 13500) to Part 3 of Division 9 of, and Section 17000.5 to, the Welfare and Institutions Code, relating to public social services.

(1) Existing law requires every county to relieve and support all residents who are incompetent, poor, indigent or incapacitated when such persons lack other means of support. Such relief and support includes medical assistance.

This bill would limit the above obligation to the provision of medical assistance and enact new provisions requiring the counties to administer a general assistance program pursuant to regulations promulgated by the Director of Social Services. The bill would specify eligibility criteria, prescribe the amounts of aid payments, and require such recipients who are capable of employment to register for work with the Employment Development Department,

SENATE BILLS (Contd.)

No. 382 - (Contd.)

to be available for work, and to conduct an active search for work. The counties would be authorized to establish work projects for recipients capable of employment in accordance with specified guidelines.

The bill would provide that the state shall reimburse counties for part of their program costs in accordance with a specified formula.

(2) Existing law requires the total levied county property tax rate to be reduced by certain county costs for the State Supplementary Program for the aged, blind and disabled, Medi-Cal, and the Aid to Families with Dependent Children program.

This bill would require such tax rate to be reduced also by certain county costs for general relief and support.

No. 660 - Amended May 15, 1978

An act to add Section 14202 to, to add Part 5.5 (commencing with Section 17500) to Division 9 of, and to repeal Chapter 7 (commencing with Section 17560) of Part 5.5 of Division 9 of, the Welfare and Institutions Code, relating to health care services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

(1) Under existing law, the California Medical Assistance Program (Medi-Cal) is financed by state appropriations and county shares. A county's share is determined annually by multiplying a base-year amount by the ratio of the county's modified assessed value in the subsequent year to the county's modified assessed value in the base year, subject to a specified ceiling. Providers of health care services submit claims for reimbursements to a fiscal intermediary which has contracted with the State Department of Health Services. Expenditures for provider services and for state and county administration of Medi-Cal are charged against the Health and Care Deposit Fund which contains the annual state and county appropriations.

Existing law (Secs. 1442 and 1442.5, H.&S.C.) also provides that before a county may close, sell, lease, or transfer the management of any county medical facility or reduce the level of services provided to indigents by such a facility, the county shall give specified notice and make findings based on hearings that such action will not have a detrimental impact on the health care needs of indigents. A county is required to provide care to all indigents, either directly through county facilities or indirectly through alternative means.

The bill would provide financial assistance for county health services for fiscal year 1978-79 to any county which certifies to the State Department of Health Services (1) that it agrees to maintain the same scope of health services, at the same level, and available to the same classes of persons who seek care in the county health system, as it provided on September 1, 1977, (2) that it agrees not to reduce health expenditures, excluding the county's share of Medi-Cal costs, below a specified level, and (3) that the county's health services meet specified requirements.

The bill would authorize the State Department of Health Services to award to counties planning grants for the development of distinct and specific improvements in the provision of health services by county institutions. It

SENATE BILLS (Contd.)

No. 660 - (Contd.)

would also require the department to initiate projects in at least 3 counties to demonstrate new methods of state reimbursement to county outpatient departments, including prospective payments and composite rates. The bill would require the department's projects to be evaluated and a report to be submitted to the Legislature.

(2) Under existing law, the State Department of Health Services is authorized to contract with prepaid health plans to provide health care services to persons eligible for Medi-Cal benefits who enroll in the plans. Existing law specifies contract terms and administrative requirements.

This bill would provide that in contracting with any prepaid health plan operated by a county, the Director of Health Services may waive statutory requirements. No waiver could be made which would have the effect of permitting the quality of care provided by any prepaid health plan operated by a county to be less than that provided by other plans.

(3) The bill would establish in state government a State-County Health Services Task Force to make recommendations to the Legislature and the Secretary of Health and Welfare on specified subjects, including a new method for determining the apportionment between the state and counties of costs incurred in providing medical services to low- and moderate-income individuals and families. Provisions governing the task force would be repealed on January 1, 1979.

The bill would establish in state government a Conference of County Health Administrators to study and recommend to the State-County Health Services Task Force reasonable standards of health services for rural, suburban and urban counties and a set of criteria for county health services plans based on specified principles. The conference would also review and comment on any proposed regulation which pertains to the operation of county health systems under the Medi-Cal program and the act.

The bill would establish within the Office of Statewide Health Planning and Development a unit to establish and maintain an information system about county health services.

The bill would appropriate $48,000,000 from the General Fund to the State Department of Health Services and the Office of Statewide Health Planning and Development for fiscal years 1978-79 and 1979-80 as specified to carry out the act.

The bill would take effect immediately as an urgency statute.

No. 1406 - Amended May 16, 1978

An act relating to school districts, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Under existing law, school districts are required to undertake corrective structural repairs, reconstruction, or replacement of school buildings which do not conform to the so-called Field Act.

This bill would appropriate $175,000 and $900,000 from the General Fund to Section A of the State School Fund for allocation to the Corning Union High School District and the Fullerton Joint Union High School District, respectively, for the purpose of complying with earthquake safety standards. The money, plus interest, would be repaid by withholding a prescribed amount from the district's State School Fund apportionment for 10 fiscal years.

SENATE BILLS (Contd.)

No. 1406 - (Contd.)

This bill would take effect immediately as an urgency statute.

No. 1464 - Amended May 15, 1978

An act to amend Section 50286 of the Government Code, and to amend Sections 205.5, 218, 219, 273.5, 275, 276, 401, 435, 619, 619.2, 722, 1606, 1637, 2261, 2262, 2263, 2263.4, 2264, 2611.5, 4836.5, 11251, 11401, 20542 and 20543 of, and to add Sections 135, 205.1, 2217, and 2905.5 to, the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing law, all property subject to general property taxation is annually assessed at 25% of its full cash value.

This bill would require that such assessments be at 100% of full cash value, and would require all local agencies, as defined, to adjust their property tax rates, so that they will receive no additional revenue by reason of the change in the assessment ratio.

The bill, in addition, would make related and conforming changes, and would appropriate a specified amount of money from the State General Fund to reimburse local agencies for costs incurred by them by reason of the bill.

The provisions of the bill would become operative on January 1, 1980.

No. 1490 - Amended May 17, 1978

An act to add Sections 2511, 42243.7, and 85123 to the Education Code, to amend Sections 2231, 2236, 2250, 2253, 2253.2, 2253.5, ~~and 2253.8~~ 2253.8 of, to add Sections 2206.8, 2237, 2255.1, and 2271.3 to, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law specifies various procedures relating to claims that may be made to the State Controller for reimbursement to a local entity for costs mandated by the state.

This bill would revise such procedures and would take effect immediately as an urgency statute.

No. 1650 - Amended May 15, 1978

An act relating to filing maps and plats, and declaring the urgency thereof, to take effect immediately.

(1) Under existing law, local governmental agencies which are created or have had boundary changes must file a map or plat of the new boundaries with the State Board of Equalization by January 1st in order to impose assessments or property taxes for the ensuing fiscal year.

This bill would permit a community service district to impose taxes or assessments for the 1978-1979 fiscal year if such map or plat is filed with the State Board of Equalization on or before January 20, 1978.

(2) Under existing law, state funds are continuously appropriated to compensate local governmental entities for property tax revenue lost by reason of the homeowners' property tax exemption and the partial exemption for business inventories.

This bill, by enabling community service districts to impose property taxes a year early, would have the effect of increasing these existing continuous appropriations for such year.

SENATE BILLS (Contd.)

No. 1650 - (Contd.)

(3) This bill would disclaim liability for reimbursement of local agency costs under Section 2231 of the Revenue and Taxation Code for a specified reason.

(4) The bill would take effect immediately as an urgency statute.

No. 1782 - Amended May 17, 1978

An act to add and repeal Sections 230, 251, and 268 of the Revenue and Taxation Code, relating to property taxation.

Under existing Chapter 1183 of the Statutes of 1977, which will become operative only if Senate Constitutional Amendment No. 29 of the 1977-78 Regular Session of the Legislature is approved by the voters, the value added to certain dwellings by rehabilitating them (but not to exceed $15,000) may be exempted from property taxation for a period of 5 years.

This bill, contingent upon the approval by the voters of Senate Constitutional Amendment No. 61 of the 1977-78 Regular Session, would enact a similar exemption for 5 years for the increased value of certain rehabilitated commercial and industrial property in an amount not to exceed $5,000,000. The exemption would be repealed on February 28, 1985.

The bill would also provide that, notwithstanding Sections 2229 and 2231 of the Revenue and Taxation Code, there will be no reimbursements to local government for specified reasons, except that some costs will be paid in the 1979-1980 Budget Act.

The bill would not become operative unless the "Jarvis-Gann Initiative" is rejected by the voters.

Sincerely,

Jack F. Eisenlauer

Jack F. Eisenlauer, Chief
Assessment Standards Division

JFE:sk
Enclosures