



STATE BOARD OF EQUALIZATION

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No. 81/11

January 19, 1981

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 1

Following are brief summaries of selected proposed property tax bills and amendments introduced by the Legislature which relate to assessment practices or Revenue and Taxation law.

AB 11

Author: Assemblyman Lockyer  
Action: Introduced  
Date: December 1, 1980  
Affected Reference: Adds Sections 97.1, 17069.6, 17071.1, 23603, and 24271.1 to the Revenue and Taxation Code - Urgency Statute

This legislation would divert the property tax revenue from the 1978-79 unsecured roll that was collected or is to be collected in excess of the 1978-79 secured roll rates to the State General Fund via school districts for 1982-83 only. All taxpayers paying this increased amount would be entitled to a tax credit on their state income tax up to \$600.

AB 19 (See ACA 1)

Author: Assemblyman Lockyer  
Action: Introduced  
Date: December 1, 1980  
Affected Reference: Adds Part 21 to Division 2 of the Revenue and Taxation Code - Urgency Statute

This bill would tax producers of oil and gas at an unspecified percentage of gross market value, in lieu of ad valorem property tax.

AB 20

Author: Assemblyman Lockyer  
Action: Introduced  
Date: December 1, 1980  
Affected Reference: Adds Section 37 to the Revenue and Taxation Code - Urgency Statute

The existing provisions of the California Constitution provide that taxes on property on the unsecured roll shall be levied at the

secured roll rates for the preceding tax year. Article XIII A of the California Constitution became effective for the 1978-79 tax year and limited the maximum amount of ad valorem tax on real property to 1 percent of the full cash value of the property.

The California Supreme Court, in Board of Supervisors of San Diego County v. Lonergan, 27 Cal. 3d 855, and Roy E. Hanson, Jr. Mfg. v. County of Los Angeles, 27 Cal. 3d 870, held that the provisions of Article XIII A are inapplicable to property on the unsecured roll for the tax year 1978-79.

Existing law provides that a local agency which applied the tax rate limitation of Article XIII A to property on the unsecured roll for the 1978-79 tax year shall not collect the tax at the higher rate for the 1978-79 tax year until July 1, 1981. It also tolls any statute of limitations which may apply to the collection of the tax. It also prohibits any local agency which applied a higher tax rate than that specified in Article XIII A on property on the unsecured roll for the 1978-79 tax year from expending the additional revenues collected at the higher rate during the 1980-81 fiscal year.

This bill would provide that all interest and penalties owing due to the late payment of supplemental unsecured property tax levies, or taxes related thereto, shall be cancelled, if such payment is made by December 31, 1981.

AB 36

Author: Assemblyman Young

Action: Introduced

Date: December 1, 1980

Affected Reference: Adds Section 32.5 to the Revenue and Taxation Code - Urgency Statute.

Existing law imposes or authorizes various taxes and fees. Among these taxes and fees are property taxes, sale and use taxes, the use fuel tax, vehicle license fees, documentary transfer taxes, the gift tax, and personal income taxes. This bill would exempt persons 62 years of age or older from the imposition of such taxes and fees.

AB 81

Author: Assemblyman Dennis Brown

Action: Introduced

Date: December 3, 1980

Affected Reference: Amends Sections 206, 214, 214.4, 251, 254, 254.5, and 255; adds Section 256 and 256.1 to the Revenue and Taxation Code

This bill would provide that church property used for church school purposes and operated by the church as an integral and inseparable ministry of the church, including property used for preschool purposes,

nursery school purposes, kindergarten purposes of both schools of collegiate grade and schools less than collegiate grade but excluding property used solely for purposes of schools of collegiate grade, shall be deemed to be used exclusively for religious worship for purposes of that exemption.

Existing law requires churches to submit to the assessor annually an affidavit giving specified information with respect to their tax exempt status.

This bill would modify such requirements. This bill would further cancel delinquent taxes, for specified taxable years, of churches which failed to file claim for exemptions due to compelling religious convictions.

AB 151

Author: Assemblyman Deddeh

Action: Introduced

Date: December 15, 1980

Affected Reference: Adds Sections 2237.2, 2237.3, and 2237.4 to the Revenue and Taxation Code - Urgency Statute

Under existing law, local agencies in general are not required to report to any state agency the property tax rate levied by, or on behalf of, the local agency.

This bill would require each county auditor to report for local agencies, school districts, community college districts, and county superintendents of schools annually to the Controller specified information concerning that portion of the ad valorem property tax rate levied by, or on behalf of, the agency which is in excess of the tax rate limitation prescribed by subdivision (a) of Section 1 of Article XIII A of the Constitution (1 percent). It would require each such jurisdiction to report to the auditor that specified information for fiscal years 1978-79, 1979-80, and 1980-81. It would also require the Controller to compile and publish annually that information.

AB 152

Author: Assemblyman Deddeh

Action: Introduced

Date: December 15, 1980

Affected Reference: Amends Section 64 of the Revenue and Taxation Code - Urgency Statute

Existing law provides for various methods in assessing real property when changes in ownership occur. It provides that when a corporation, partnership, other legal entity, or any other person obtains control in any corporation, or obtains a majority ownership interest in any partnership or other legal entity through the purchase or transfer of corporate stock, partnership interest, or ownership interests in other legal entities, such purchase or transfer of such stock or other interest shall be a change of ownership of property owned by the corporation, partnership, or other

legal entity in which the controlling interest is obtained. It also provides that in order to assist in the determination of whether such a change of ownership has occurred, the Franchise Tax Board shall include a specified question concerning the transfer or sale of control of an entity on return for partnerships, banks, and corporations. This bill further provides that the Board of Equalization be the recipients of these reports.

This bill would additionally provide that inclusion of that question on returns for partnerships, banks, and corporations is to assist in the determination of whether a change of ownership has occurred under other specified provisions of law involving the transfer of more than 50 percent of the ownership interests in an entity by any of the original coowners under specified circumstances.

## ACA 6

Author: Assemblyman Dennis Brown

Action: Introduced

Date: December 4, 1980

Affected Reference: Adds Section 12.5 to Article XIII of the Constitution

Existing law provides that a local agency which applied the tax rate limitation of Article XIII A to property on the unsecured roll for the 1978-79 tax year shall not collect the tax at the higher rate for the 1978-79 tax year until July 1, 1981. It also tolls any statute of limitations which may apply to the collection of the tax. It also prohibits any local agency which applied a higher tax rate than that specified in Article XIII A on property on the unsecured roll for the 1978-79 tax year from expending the additional revenues collected at the higher rate during the 1980-81 fiscal year.

This measure would provide that the tax rate limitation contained in Article XIII A shall be applied to property on the unsecured roll for the 1978-79 tax year. Those local agencies which applied a higher tax rate to property on the unsecured roll for the 1978-79 tax year shall refund the excess taxes collected.

## ACA 1 (See AB 19)

Author: Assemblyman Lockyer

Action: Introduced

Date: December 1, 1980

Affected Reference: Adds Section 2.5 to Article XIII of the Constitution

Existing constitutional law provides that all property is subject to property taxation, unless an exemption is otherwise provided in the Constitution.

This measure would authorize the Legislature to provide for a yield tax system, as specified, for taxing oil, gas, and other hydrocarbons, in lieu of property taxation.

## ACA 4

Author: Assemblyman Campbell

Action: Introduced

Date: December 2, 1980

Affected Reference: Adds Subdivision (c) to Section 2 of Article XIII A of the Constitution

This measure would provide that for purposes of this constitutional provision, "change in ownership" shall not include the acquisition of real property as a replacement for comparable property if the person acquiring the real property has been displaced from the property replaced by eminent domain proceedings, by acquisition by a governmental agency, or by governmental action which has resulted in a judgment of inverse condemnation.

## SB 44 (See SCA 8)

Author: Senator Holmdahl

Action: Introduced

Date: December 3, 1980

Affected Reference: Adds Section 51.5 and 2237.2 to the Revenue and Taxation Code

This bill would require all residential property to be appraised annually at fair market value and would adjust the tax rate on residential real property to produce an equal amount of property tax revenues from residential real property as computed without regard to the provisions of this bill.

## SB 62

Author: Senator Marz Garcia

Action: Introduced

Date: December 9, 1980

Affected Reference: Amends Section 1260 of the Civil Code and Section 690.3 of the Code of Civil Procedures

Existing law provides that heads of families and persons 65 or over may claim a homestead exemption, or claim for exemption from execution a dwelling house, housetrailer, mobilehome, houseboat, boat, or other waterborne vessel in which such person or the family of such person actually resides, up to \$45,000, and provides for a claim of homestead or claim for exemption from execution for such property as to all other persons of up to \$30,000.

This bill would increase the limits from \$45,000 and \$30,000, to \$65,000 and \$50,000 respectively.

## SCA 5

Author: Senator Speraw

Action: Introduced

Date: December 1, 1980

Affected Reference: Adds Section 19.5 to Article I of the Constitution

January 19, 1981

This measure would prohibit substantial impairment by governmental action of the value of private real property without just compensation.

This measure would also express its intent and would require the Legislature to provide that real property owners suffering financial loss because of governmental action be made whole and be compensated therefor.

SCA 8 (See Sb 44)

Author: Senator Holmdahl

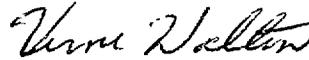
Action: Introduced

Date: December 3, 1980

Affected Reference: Adds Subdivision (c) and (d) to Section 2 of Article XIII A of the Constitution

This measure would require all residential property to be appraised annually at fair market value and would adjust the tax rate on residential real property to produce an equal amount of property tax revenues from residential real property as computed without regard to this measure.

Sincerely,



Verne Walton, Chief  
Assessment Standards Division

VW:sk  
Enclosures

Copies of bills may be ordered from:  
Legislative Bill Room, State Capitol, Room 1149, Sacramento