



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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Executive Secretary

February 2, 1987

TO COUNTY ASSESSORS:

No. 87/09

STATUTES OF 1986

Following are summaries of legislative bills chaptered and signed into law this past year. Most are "housekeeping" and clarifying bills that do not substantially affect or change existing statutes. Copies of these bills are available from the Senate Bill Room.

CHAPTER 608, ASSEMBLY BILL NO. 1537

This is a "housekeeping" bill that:

(1) Amends Section 61(h) of the Revenue and Taxation Code by adding the definition of "cooperative housing." According to the amended section, a "cooperative housing corporation" is a real estate development in which membership in the corporation, by stock ownership, is coupled with the exclusive right to possess a portion of the real property."

(2) Amends Section 75.43 of the Revenue and Taxation Code by adding subsection (c), which reads: "Refunds made under this chapter shall be limited to the amount by which the tax, penalty, or interest paid exceeds the amount of tax, penalty, or interest which is lawfully due and owing based upon the new base year value." (Emphasis added.) In other words, supplemental roll refunds are limited to the amount of taxes paid.

(3) Amends Section 401.3 of the Revenue and Taxation Code to read: "The assessor shall assess all property subject to general property taxation on the lien date as provided in Article XIII and XIII A of the Constitution and any legislative authorization thereunder."

(4) Amends Section 407 of the Revenue and Taxation Code by deleting the reference to the special requirements for the 1979-80 fiscal year.

(5) Amends Section 408(c) of the Revenue and Taxation Code to include employees of the State Department of General Services as persons with permitted access to assessors' records. (Subsequently chaptered out by Chapter 1457 -- see Chapter 1457, Assembly Bill 2890, item (6), this letter.)

CHAPTER 1511, SENATE BILL NO. 1653

This bill adds Section 408.3 to the Revenue and Taxation Code, declaring that property characteristics information maintained by the assessor is a public record and shall be open to public inspection. The assessor may require that

a fee reasonably related to the actual cost of providing the information be paid by the party receiving the information. The assessor is provided with immunity from liability for errors, omissions or approximations with respect to property characteristics information provided. This section applies only to counties with a population that exceeds 715,000; however, smaller counties may participate in similar arrangements at their discretion.

CHAPTER 175, ASSEMBLY BILL NO. 3725

This bill amends Section 480.3 of the Revenue and Taxation Code so that intermediate transferees of property, as defined, shall not be required to file a preliminary change-of-ownership report or the payment of an additional recording fee.

CHAPTER 982, SENATE BILL NO. 1685

This is an omnibus bill that deals with many matters. One section of the bill deals with property taxes by amending Section 1604 of the Revenue and Taxation Code. This amendment requires that when the taxpayer's opinion of value has become a property's assessed value because of the failure of an assessment appeals board to hear evidence on an assessment appeal, that assessed value will remain on the roll until the board makes a final determination. The revised assessment will not be made, however, until two years after the close of the filing period.

CHAPTER 497, SENATE BILL NO. 2351

This bill amends Section 66 of the Revenue and Taxation Code to provide that a change in ownership shall not include any acquisition by an employee benefit plan of the stock of the employer corporation pursuant to which the plan obtains direct or indirect control, as defined, of the employer corporation. This bill specifies that its provisions are declaratory of existing law and do not constitute a change.

CHAPTER 855, SENATE BILL NO. 2535

This bill implements Senate Constitutional Amendment No. 28 which was approved by the voters in June 1986. It permits the transfer of the base-year value of property that has been substantially damaged or destroyed in a Governor-declared disaster to comparable property in the same county which is acquired or newly constructed within two years of the disaster as replacement property. Adjustments would be made when the full cash value of the replacement property is lower than or 120 percent or more higher than the full cash value of the damaged or destroyed property. A separate assessors' letter covering this bill will soon be forthcoming.

CHAPTER 1457, ASSEMBLY BILL NO. 2890

This bill does a number of things:

- (1) Makes optional to the county which proration date to use when there is more than one reassessable event in the same year.
- (2) Permits the county board of supervisors, by ordinance, to cancel any supplemental tax bill in which the amount of taxes to be billed is less than the cost of administration. No bill will be cancelled if the taxes exceed \$20.
- (3a) Provides for the county to reimburse itself for the actual cost of administering the supplemental roll, but not to exceed 5 percent.
- (3b) Provides that the reimbursement for the administrative costs of the supplemental roll be contingent upon certification by the State Board of Equalization based upon the county's average level of assessment in relation to the assessment level required by statute.
- (4) Alters the way state assessed values are allocated to taxing jurisdictions.
- (5) Provides that a letter from either, not both, the Internal Revenue Service or Franchise Tax Board would be sufficient to establish eligibility for the welfare exemption.
- (6) Gives appraisers from the Department of General Services access to assessors' records.
- (7) Grants authority to assessment appeals boards to hear change-in-ownership issues.
- (8) Requires that the Board compute annually the assessment ratios for commercial and industrial property.
- (9) Makes it impossible for the owner of a mobilehome located on leased land to benefit from both the homeowners' exemption and renters' credit.
- (10) Provides that the lessee of tangible personal property owned by a bank or financial corporation be conclusively presumed to be the owner of that property.

- (11) Allows local jurisdictions to levy a property tax rate for payment of bonded indebtedness for the acquisition of real property which was approved by 2/3 of voters after June 4, 1986.
- (12) Changes the lien date for state-assessed property to January 1.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:wpc
AL-21-0052G