STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 ● FAX 916 323-8765
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

November 25, 2009

No. 2009/054

TO COUNTY ASSESSORS:

SUMMARY OF 2009 PROPERTY TAXES LEGISLATION

This is a summary of 2009 legislation affecting property taxes. All bills will become effective January 1, 2010, unless otherwise specified.

ABX3 18 (Evans), Chapter 19, Effective February 27, 2009
Uncodified

Seismic Safety New Construction Exclusion. Places Senate Constitutional Amendment 4 (Stats. 2008, Res. Ch. 115)[1] on the June 8, 2010 statewide ballot, and not on an earlier statewide special election called by the Governor.

AB 313 (Fletcher), Chapter 431
Adds section 1366.4 to the Civil Code.

Common Interest Developments. Prohibits a homeowners' association in a common interest development from levying assessments on separate interests based on the taxable value unless the assessments are based on their taxable value as determined by the assessor. Does not apply to an association that is responsible for paying taxes on separate interests.

AB 824 (Harkey), Chapter 477
Amends section 1622.6 of, and repeals and adds sections 1612.5 and 1612.7 of, the Revenue and Taxation Code.

Assessment Appeals – Conflict of Interest. Extends existing conflict of interest provisions to county counsel employees who either advise the assessment appeals board or represent the assessor before the assessment appeals board and employees of the county assessor's office.

Substitute Appeals Board. Gives the clerk of the assessment appeals board the option to schedule conflict of interest appeals hearings with a special alternate board consisting of three special alternate assessment appeals board members who are qualified and in good standing in another county in California.

[1] SCA 4 combines the two new construction exclusions for seismic retrofitting and eliminates the 15-year limit on the exclusion for unreinforced masonry buildings.

AB 992 (Lieu), Chapter 496
Amends section 17537.9 of the Business and Professions Code.

Assessment Appeal Application Filing Services. Extends provisions of existing law related to offers to file appeals with the appeals board for a fee to include offers to file informal valuation review requests with the assessor.

AB 1441 (Assembly Committee on Agriculture), Chapter 148
Amends section 51257 of the Government Code.

Williamson Act. Extends the sunset date from January 1, 2010 to January 1, 2011 for a local government and a landowner to agree to simultaneously rescind a contract and enter into a new contract in order to facilitate a lot line adjustment.

See LTA 2012/045

AB 1568 (Salas), Chapter 299
Among others, amends section 218 of the Revenue and Taxation Code.

Homeowners' Exemption—Disaster Relief. Allows homes that were damaged or destroyed by the following wildfires to retain the exemption while the owners are in the process of rebuilding:

- Los Angeles and Ventura Counties (October and November 2008)
- Orange, Riverside, and San Bernardino Counties (November 2008)
- Santa Barbara County (November 2008 and May 2009)

SBX3 8 (Ducheny), Chapter 4, Effective February 20, 2009
Among others, adds section 20623 to the Revenue and Taxation Code.

Property Tax Postponement Program. Prohibits the State Controller from accepting applications on or after February 20, 2009.

SB 671 (Runner), Chapter 358
Amends section 51203 of the Government Code.

Williamson Act. Allows an assessor to require a deposit from a landowner to cover the reasonable cost of conducting a formal review in situations where the payment of a cancellation fee may not result from the completion of a formal review, as specified.

SB 816 (Ducheny), Chapter 622
Amends sections 408, 480.1, 480.2, 482, and 483 of, and adds section 11935 to, the Revenue and Taxation Code.

Assessors' Records. Expands the list of state and local agencies that can obtain appraisal records to include the county recorder for the purpose of determining whether the documentary transfer tax should be imposed. *§408*

Change in Ownership Reporting – Legal Entities. Allows for a penalty to be applied when a legal entity does not self report a change in control or change in ownership occurring under Revenue and Taxation Code sections 64(c) or (d) to the Board of Equalization within 45 days of the event. *§§480.1, 480.2 and 482*

Penalty Abatement. Removes the automatic penalty abatement when a legal entity fails to respond to a Board of Equalization written request to file a legal entity change in ownership statement. Also authorizes county board of supervisors to abate a legal entity penalty for reasonable cause if the change in ownership statement has been filed with the Board of Equalization. *§§482 and 483*

Documentary Transfer Tax Appeal. Authorizes a county board of supervisors to establish an administrative appeal process for resolution of disputes relating to the imposition of the documentary transfer tax; specifies that the value of property determined for purposes of the documentary transfer tax is not binding on the value determined for property tax purposes by the assessor, the assessment appeals board, or a court of law reviewing property tax values established by an appeals board. *§11935*

SB 822 (Senate Committee on Revenue and Taxation), Chapter 204

Amends sections 72, 155.20, 441.5, and 2823 of, and adds section 205.6 to, the Revenue and Taxation Code.

New Construction. Allows scale copies of building plans provided for the assessor's use to be either in paper or electronic form. *§72*

Low Value Ordinance. Increases maximum value of property that can be exempted under a low value local ordinance from $5,000 to $10,000. *§155.20*

Disabled Veterans' Exemption. Authorizes assessors to provide the Board of Equalization with information from disabled veterans' exemption claims to prevent multiple claims for the exemption and improper overlapping of benefits with the homeowners' exemption. *§205.6*

Property Statements. Allows a taxpayer to sign a replica business property statement instead of the printed property statement provided by the assessor with a reference to the replica property statement as an "attachment." *§441.5*

Parcel Split into Subdivision Lots. Allows separate valuations for new subdivisions lots created after the lien date by option of the county board of supervisors. *§2823*

SB 824 (Senate Committee on Revenue and Taxation), Chapter 67

Amends sections 15609 and 15641 of the Government Code, and amends sections 69, 69.3, 214.6, 276, 480.3, and 480.4 of the Revenue and Taxation Code.

Board of Equalization Meetings. Allows the monthly meetings of the Board of Equalization to be held outside Sacramento, but requires that the Board meet in Sacramento at least once each quarter. *§15609*

Board of Equalization County Survey Audit. Clarifies that a cross reference to section 408 refers to the Revenue and Taxation Code. *§15641*

Disaster Relief. Clarifies that property is substantially damaged or destroyed if damage to either land or improvements meets the 50 percent threshold. *§§69 and 69.3*

Welfare Exemption. Clarifies the filing procedures for obtaining a property tax exemption on property owned by a church or a nonprofit organization that is leased to a public school, community college, state college, or state university, including the University of California. *§214.6*

Disabled Veterans' Exemption. Corrects an erroneous cross reference and removes obsolete references to prior exemption amounts that have since been increased. *§276*

Preliminary Change of Ownership Report. Removes the specific detail of the form from statute and replaces it with a form prescribed by the Board of Equalization.[2] *§§480.3 and 480.4*

VETOED BILLS

AB 311 (Ma) – Assessment of Certificated Aircraft
AB 852 (Fong) – Electronic Filing of Property Statement

These bills may be viewed from the Legislative Counsel's website at www.leginfo.ca.gov/bilinfo.html. The Board of Equalization's bill analyses may be viewed from our website at www.boe.ca.gov/legdiv/legcont.htm. If you have any questions regarding the application of these measures, please contact the County-Assessed Properties Division at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs

[2] See Letter To Assessors 2009/050.