



STATE BOARD OF EQUALIZATION
PROPERTY TAX DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
1-916-274-3350 • FAX 1-916-285-0134
www.boe.ca.gov

SEN. GEORGE RUNNER (RET.)
First District, Lancaster

FIONA MA, CPA
Second District, San Francisco

JEROME E. HORTON
Third District, Los Angeles County

DIANE L. HARKEY
Fourth District, Orange County

BETTY T. YEE
State Controller

DAVID J. GAU
Executive Director

No. 2016/045

November 17, 2016

TO COUNTY ASSESSORS:

SUMMARY OF 2016 PROPERTY TAX LEGISLATION

This is a summary of 2016 legislation affecting property taxes. All bills will become effective January 1, 2017, unless otherwise specified.

AB 587 (Chau), Chapter 396

Among others, amends section 5832 of the Revenue and Taxation Code.

Manufactured Homes. Creates a tax abatement program for manufactured home owners who cannot transfer title into their names due to delinquent taxes and fees incurred by prior owners. Provides that once a person with a conditional transfer of title pays taxes reasonably owed from the date of sale and receives a tax liability or tax clearance certificate, that person is to be listed as the owner of record for local property tax purposes.

AB 1894 (Committee on Agriculture), Chapter 260

Among others, amends section 51203 of the Government Code.

Williamson Act Cancellations. Requires the Department of Conservation to provide a preliminary valuation of contracted land to the county assessor 60 days before the effective date of the agreed-upon cancellation valuation, only if (1) the contract includes an additional cancellation fee, and (2) the Department of Conservation and the landowner first agree upon a cancellation value.

AB 2116 (Gallagher), Chapter 129

Amends section 15100 of the Education Code.

School Bonds – Projections of Assessed Property Valuation. Requires the governing board of a school or community college district to obtain reasonable and informed projections of assessed property valuations that take into consideration projections of assessed property valuations made by the county assessor.

AB 2296 (Low), Chapter 144

Amends section 1633.2 of the Civil Code and section 16.5 of the Government Code.

Digital Signatures. Clarifies that a "digital signature" is one type of electronic signature and that a digital signature may be used to satisfy the requirements of an electronic signature under the Uniform Electronic Transactions Act. Specifies that if a public entity elects to use a digital

signature and that signature meets specified attributes, that signature has the same force and effect of a manual signature in any communication with the public entity.

AB 2450 (Achadjian), Chapter 300

Amends section 5091 of, and adds section 402.2 to, the Revenue and Taxation Code.

Affordable Housing Contract Recording. Requires recording of contracts with government agencies that restrict the use of property to owner-occupied housing available at affordable housing cost.

Government Property Acquisition Notification. Requires public agencies to notify the county assessor when they intend to acquire taxable property.

AB 2818 (Chiu), Chapter 701, effective September 27, 2016

Amends section 402.1 of the Revenue and Taxation Code.

Land Use Restrictions. Requires a county assessor to consider restrictions imposed by a community land trust that negatively impact property value when determining the assessed value of homes that have a 99-year ground lease and limited equity due to resale price restrictions and that are sold to low and moderate income buyers.

SB 974 (Committee on Governance and Finance), Chapter 366

Among others, amends section 15606.1 of the Government Code.

State Board of Equalization. Extends the authority of the State Board of Equalization to provide rules and guidance to include floating homes that are subject to local property taxation.

SB 996 (Hill), Chapter 836

Amends section 214 of, and adds sections 214.17 and 259.14 to, the Revenue and Taxation Code.

Welfare Exemption. Increases the exemption cap from \$2 million to \$10 million of assessed value for non-government assisted low-income rental housing owned and operated by eligible nonprofit organizations. Requires these nonprofit organizations to provide additional information with their annual welfare exemption claim. Also authorizes the cancellation of any outstanding tax, interest, or penalty between \$20,000 and \$100,000 levied or imposed on these organizations from January 1, 2013 to January 1, 2017, provided they were levied or imposed because of the exemption cap.

SB 1171 (Committee on Judiciary), Chapter 86

Among others, amends sections 408 and 423.3 of the Revenue and Taxation Code.

Assessors' Records. Correction of name from Department to Division of Financial Institutions in section 408.

Valuation of Williamson Act or Migratory Waterfowl Habitat. Makes a technical, nonsubstantive change to section 423.3(b).

SB 1458 (Bates), Chapter 871, effective September 30, 2016

Amends sections 205.5 and 5097 of, and adds sections 4831.1 and 5097.3 to, the Revenue and Taxation Code.

Disabled Veterans' Exemption – Eligibility. Expands the exemption eligibility by changing the requirement that a veterans' character of military service discharge be under "honorable" conditions to "other than dishonorable" conditions. Applies commencing with the lien date for the 2017-18 fiscal year.

Disabled Veterans' Exemption – Roll Corrections. Allows county assessors to process eight years of assessment roll corrections for disabled veterans' exemption claims.

SB 1480 (Committee on Governance and Finance), Chapter 116

Amends sections 254.5, 1840, and 4674 of the Revenue and Taxation Code.

Exemption Renewal Forms. Removes from statute the precise contents of two welfare exemption renewal forms and instead allows the Board of Equalization to prescribe the detail of the notices. This affects the annual postcards for property leased to government for a governmental purpose and Habitat for Humanity property.

Section 11 Appeals. Changes the appeal application deadline with the State Board of Equalization from July 20 to November 30.

VETOED BILLS

AB 2691 – Optional Monthly Property Tax Payment Plan

SB 1304 – Disaster Relief for Environmental Calamity

These bills may be viewed from the California State Legislature's website at www.legislature.ca.gov/port-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 1-916-274-3350.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee
Deputy Director
Property Tax Department

DRK:grs