

ASSEMBLY BILL

No. 184

Introduced by Assembly Member Liu

February 7, 2001

An act to amend Section 74.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 184, as introduced, Liu. Seismic improvements.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution authorizes the Legislature to exclude from "new construction" requiring reappraisal the construction or installation in existing buildings of certain seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies.

This bill would revise the definitions of "seismic retrofitting improvements" and "improvements utilizing earthquake hazard mitigation technologies."

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state

shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 74.5 of the Revenue and Taxation Code
2 is amended to read:

3 74.5. (a) For purposes of paragraph (4) of subdivision (c) of
4 Section 2 of Article XIII A of the California Constitution, “newly
5 constructed” and “new construction” does not include seismic
6 retrofitting improvements and improvements utilizing earthquake
7 hazard mitigation technologies, to an existing building or
8 structure.

9 (b) For purposes of this section:

10 (1) “Seismic retrofitting improvements” means retrofitting or
11 reconstruction of an existing building or structure, to abate falling
12 hazards from structural or nonstructural components of any
13 building or structure including, but not limited to, parapets,
14 appendages, cornices, hanging objects, and building cladding that
15 pose serious danger. “Seismic retrofitting improvements” also
16 means either structural strengthening or providing the means
17 necessary to ~~reduce~~ *resist* seismic force levels that would
18 otherwise be experienced by an existing building or structure
19 during an earthquake, so as to significantly reduce hazards to life
20 and safety while also providing for the substantially safe ingress
21 and egress of building occupants during and immediately after an
22 earthquake. “Seismic retrofitting improvements” does not
23 include alterations, such as new plumbing, electrical, or other
24 added finishing materials, made in addition to seismic-related
25 work performed on an existing structure. “Seismic retrofitting”
26 includes, but is not limited to, those items referenced in Appendix
27 Chapters 5 and 6 of the Uniform Code for Building Conservation
28 of the International Conference of Building Officials.

29 (2) “Improvements utilizing earthquake hazard mitigation
30 technologies” means improvements to existing buildings
31 identified by a local government as being hazardous to life in the
32 event of an earthquake that ~~utilize earthquake hazard mitigation~~



1 ~~technologies approved by the State Architect pursuant to Section~~
2 ~~16102 of the Health and Safety Code~~ *involve strategies for*
3 *earthquake protection of structures. These improvements shall use*
4 *technologies such as those referenced in Part 2 (commencing with*
5 *Section 101) of Title 24 of the California Building Code and*
6 *similar seismic provisions in the Uniform Building Code.*

7 (c) The property owner, primary contractor, civil or structural
8 engineer, or architect shall certify to the building department those
9 portions of the project that are seismic retrofitting improvements
10 or improvements utilizing earthquake hazard mitigation
11 technologies. Upon completion of the project, the building
12 department shall report the value of those portions of the project
13 that are seismic retrofitting improvements and improvements
14 utilizing earthquake hazard mitigation technologies to the county
15 assessor.

16 (d) In order to receive the exclusion, the property owner shall
17 notify the assessor prior to, or within 30 days of, completion of the
18 project that he or she intends to claim the exclusion for seismic
19 retrofitting improvements or improvements utilizing earthquake
20 hazard mitigation technologies. The State Board of Equalization
21 shall prescribe the manner and form for claiming the exclusion. All
22 documents necessary to support the exclusion shall be filed by the
23 property owner with the assessor on or before the following April
24 15.

25 (e) The exclusion from “newly constructed” and “new
26 construction” under this section is not applicable to seismic safety
27 reconstruction and improvements that qualify for the exclusion
28 provided in subdivision (d) of Section 70.

29 (f) This section shall only apply to projects completed on or
30 after January 1, 1991.

31 SEC. 2. Notwithstanding Section 2229 of the Revenue and
32 Taxation Code, no appropriation is made by this act and the state
33 shall not reimburse any local agency for any property tax revenues
34 lost by it pursuant to this act.

35 SEC. 3. This act provides for a tax levy within the meaning of
36 Article IV of the Constitution and shall go into immediate effect.

