

ASSEMBLY BILL

No. 1844

Introduced by Assembly Members Mountjoy and Strickland
(Coauthors: Assembly Members Aanestad, Ashburn, Bates, Bill
Campbell, Cogdill, Cox, Daucher, Dickerson, Harman,
Hollingsworth, Kelley, La Suer, Leach, Leonard, Maddox,
Maldonado, Robert Pacheco, Rod Pacheco, Runner, Wyland,
Wyman, Zettel, and Bogh)
(Coauthors: Senators Battin, Haynes, Knight, Margett, Monteith, and
Morrow)

January 28, 2002

An act to amend Sections 218 and 275 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1844, as introduced, Mountjoy. Taxation: homeowners' property tax exemption: senior citizens.

Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' exemption in the amount of \$7,000 of the full value of a "dwelling," as defined. The California Constitution authorizes the Legislature to increase the amount of the exemption. Existing property tax law reduces the amount of this exemption to the lesser of \$5,600 or 80% of the full value of the dwelling, if a claimant for the exemption does not claim the exemption before a specified date.

This bill would, for assessment years beginning on or after January 1, 2003, pursuant to the Legislature's authority under the California Constitution, increase the amount of this exemption to \$17,000 for assesseees that are aged 62 years or older. This bill also would, for

assessees aged 62 years or older who do not claim the exemption before a specified date, allow an exemption of the lesser of \$13,600 or 80% of the full value of the dwelling. By requiring local tax officials to implement new exemption amounts and new exemption criteria, this bill would impose a state-mandated local program.

The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act.

The California Constitution requires the Legislature to increase benefits for qualified renters whenever the Legislature increases the homeowners' property tax exemption.

This bill would state the intent of the Legislature to implement a program to meet this requirement for qualified renters.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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 218 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 218. (a) (1) The homeowners' property tax exemption is in
- 4 the amount of the assessed value of the dwelling specified in this
- 5 section, as authorized by subdivision (k) of Section 3 of Article
- 6 XIII of the *California* Constitution. That exemption ~~shall be~~ is,



1 *except as otherwise provided in paragraph (2), in the amount of*
2 *seven thousand dollars (\$7,000) of the full value of the dwelling.*

3 ~~The~~

4 *(2) For any assessment year beginning on or after January 1,*
5 *2003, if the assessee for a dwelling is aged 62 years or older, the*
6 *exemption is in the amount of seventeen thousand dollars*
7 *(\$17,000) of the full value of the dwelling.*

8 *(b) The exemption does not extend to property ~~which~~ that is*
9 *rented, vacant, under construction on the lien date, or ~~which~~ that*
10 *is a vacation or secondary home of the owner or owners, nor does*
11 *it apply to property on which an owner receives the veteran's*
12 *exemption. "Owner" includes a person purchasing the dwelling*
13 *under a contract of sale or who holds shares or membership in a*
14 *cooperative housing corporation, ~~which~~ the holding of which is a*
15 *requisite to the exclusive right of occupancy of a dwelling.*
16 *"Dwelling" means a building, structure or other shelter*
17 *constituting a place of abode, whether real property or personal*
18 *property, and any land on which it may be situated. As used in this*
19 *section, "dwelling" ~~shall include~~ includes:*

20 ~~(a)~~

21 *(1) A single-family dwelling occupied by an owner thereof as*
22 *his or her principal place of residence on the lien date.*

23 ~~(b)~~

24 *(2) A multiple-dwelling unit occupied by an owner thereof on*
25 *the lien date as his or her principal place of residence.*

26 ~~(c)~~

27 *(3) A condominium occupied by an owner thereof as his or her*
28 *principal place of residence on the lien date.*

29 ~~(d)~~

30 *(4) Premises occupied by the owner of shares or a membership*
31 *interest in a cooperative housing corporation, as defined in*
32 *subdivision ~~(h)~~ (i) of Section 61, as his or her principal place of*
33 *residence on the lien date. Each exemption allowed pursuant to this*
34 *subdivision shall be deducted from the total assessed valuation of*
35 *the cooperative housing corporation. The exemption shall be taken*
36 *into account in apportioning property taxes among owners of share*
37 *or membership interests in the cooperative housing corporations*
38 *so as to benefit those owners who qualify for the exemption.*



1 ~~“Dwelling” means a building, structure or other shelter~~
2 ~~constituting a place of abode, whether real property or personal~~
3 ~~property, and any land on which it may be situated. For~~

4 *For* purposes of this section a two-dwelling unit shall be
5 considered as two separate single-family dwellings.

6 ~~Any~~

7 *(c) Any* dwelling that qualified for an exemption under this
8 section prior to October 20, 1991, that was damaged or destroyed
9 by fire in a disaster, as declared by the Governor, occurring on or
10 after October 20, 1991, and before November 1, 1991, and that has
11 not changed ownership since October 20, 1991, ~~shall~~ *is not be*
12 ~~disqualified as a “dwelling” or be denied~~ *and is not ineligible for*
13 *an exemption under this section solely on the basis that the*
14 *dwelling was temporarily damaged or destroyed or was being*
15 *reconstructed by the owner.*

16 ~~The~~

17 *(d) The* exemption provided for in subdivision (k) of Section 3
18 of Article XIII of the *California* Constitution shall first be applied
19 to the building, structure or other shelter and the excess, if any,
20 shall be applied to any land on which it may be located.

21 SEC. 2. Section 275 of the Revenue and Taxation Code is
22 amended to read:

23 275. (a) If a claimant for the homeowners’ property tax
24 exemption fails to file the required affidavit with the assessor by
25 5 p.m. on February 15 of the calendar year in which the fiscal year
26 begins, but files that affidavit on or before the following December
27 10, an exemption of the lesser of five thousand six hundred dollars
28 (\$5,600) or 80 percent of the full value of the dwelling shall be
29 granted by the assessor, *except as otherwise provided by this*
30 *section with respect to a claimant who is aged 62 years or older.*
31 *If a claimant subject to the preceding sentence is aged 62 years or*
32 *older, the exemption granted by the assessor pursuant to this*
33 *section shall, for claims filed for assessment years beginning on or*
34 *after January 1, 2003, instead be the lesser of thirteen thousand six*
35 *hundred dollars (\$13,600) or 80 percent of the full value of the*
36 *dwelling.*

37 (b) On claims filed pursuant to subdivision (a) after November
38 15, this partial homeowners’ exemption may be applied to the
39 second installment, and if applied to the second installment, the
40 first installment will still become delinquent on December 10 and



1 the delinquent penalty provided for in this division will attach if
2 the tax amount due is not paid.

3 If this partial homeowners' exemption is applied to the second
4 installment and if both installments are paid on or before
5 December 10 or if the reduction in taxes from this partial
6 exemption exceeds the amount of taxes due on the second
7 installment, a refund shall be made to the taxpayer upon a claim
8 submitted by the taxpayer to the auditor.

9 SEC. 3. It is the intent of the Legislature to provide in the
10 annual Budget Act those additional reimbursements to local
11 governments that, as a result of this act, are required by Section 25
12 of Article XIII of the California Constitution.

13 SEC. 4. Pursuant to subdivision (k) of Section 3 of Article
14 XIII of the California Constitution, it is the intent of the
15 Legislature to implement a program for qualified renters, aged 62
16 years or older, that provides a benefit that is comparable to the
17 benefit given by this act to homeowners of the same age.

18 SEC. 5. Notwithstanding Section 17610 of the Government
19 Code, if the Commission on State Mandates determines that this
20 act contains costs mandated by the state, reimbursement to local
21 agencies and school districts for those costs shall be made pursuant
22 to Part 7 (commencing with Section 17500) of Division 4 of Title
23 2 of the Government Code. If the statewide cost of the claim for
24 reimbursement does not exceed one million dollars (\$1,000,000),
25 reimbursement shall be made from the State Mandates Claims
26 Fund.

27 SEC. 6. This act provides for a tax levy within the meaning of
28 Article IV of the Constitution and shall go into immediate effect.

