

AMENDED IN ASSEMBLY APRIL 29, 2002

AMENDED IN ASSEMBLY MARCH 11, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

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, *and to add Section 62.3 to*, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1844, as amended, Mountjoy. ~~Taxation: homeowners' property tax exemption: senior citizens, blind persons, or disabled persons~~ *Property taxation.*

Existing property tax law requires the reassessment at fair market value of real property upon a change in ownership, and specifies those transfers of real property that constitute a change in ownership. Existing law excludes from classification as a change in ownership, subject to certain conditions, any transfer made, on or after January 1, 1985, of a mobilehome park to a nonprofit corporation, stock

cooperative corporation, limited equity stock cooperative, or other entity formed by the tenants of the park for the purpose of purchasing the park.

This bill would exclude from classification as a change in ownership those transfers of a qualified mobilehome park, as defined, made on or after January 1, 1999.

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, *as provided*. 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 either aged 62 years or older, blind, or disabled. This bill also would, for assesseees that are either aged 62 years or older, blind, or disabled 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.

This bill would also state the intent of the Legislature regarding the bill's provisions.

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.

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. *It is the intent of the Legislature in enacting this*
2 *act to protect the existing stock of affordable housing for seniors,*
3 *blind persons, and disabled persons. It is the further intent of the*
4 *Legislature that owners of mobilehome parks meeting one of the*
5 *conditions specified in subdivision (a) of Section 62.3, whose*
6 *property tax liability is reduced as a result of that section*
7 *commensurately, reduce the cost to tenants of renting spaces or lots*
8 *in that mobilehome park.*

9 SEC. 2. *Section 62.3 is added to the Revenue and Taxation*
10 *Code, to read:*

11 62.3. (a) *Change in ownership does not include any transfer,*
12 *on or after January 1, 1999, of a qualified mobilehome park.*

13 (b) *If a transfer that occurred on or after January 1, 1999, and*
14 *before the effective date of this section is excluded from a change*
15 *in ownership pursuant to subdivision (a), both of the following*
16 *apply:*

1 (1) *The county auditor shall adjust the base year value of the*
2 *qualified mobilehome park according to law.*

3 (2) *No refund of property taxes shall be granted to the owner*
4 *of the qualified mobilehome park whose property taxes are*
5 *reduced as a result of subdivision (a) for property taxes so levied*
6 *prior to the effective date of this section.*

7 (c) *For purposes of this section, “qualified mobilehome park”*
8 *means a mobilehome park in which, at the time of the transfer, 51*
9 *percent of the residents were one or more of the following:*

10 (1) *Aged 62 years or older and are persons of low and moderate*
11 *income, as defined in Section 50093 of the Health and Safety Code.*

12 (2) *Blind.*

13 (3) *A “disabled person” as defined in Section 74.6.*

14 SEC. 3. Section 218 of the Revenue and Taxation Code is
15 amended to read:

16 218. (a) (1) The homeowners’ property tax exemption is in
17 the amount of the assessed value of the dwelling specified in this
18 section, as authorized by subdivision (k) of Section 3 of Article
19 XIII of the California Constitution. That exemption is, except as
20 otherwise provided in paragraph (2), in the amount of seven
21 thousand dollars (\$7,000) of the full value of the dwelling.

22 (2) For any assessment year beginning on or after January 1,
23 2003, if the assessee for a dwelling is either aged 62 years or older,
24 blind, or disabled, the exemption is in the amount of seventeen
25 thousand dollars (\$17,000) of the full value of the dwelling.

26 (b) The exemption does not extend to property that is rented,
27 vacant, under construction on the lien date, or that is a vacation or
28 secondary home of the owner or owners, nor does it apply to
29 property on which an owner receives the veteran’s exemption.
30 “Owner” includes a person purchasing the dwelling under a
31 contract of sale or who holds shares or membership in a
32 cooperative housing corporation, the holding of which is a
33 requisite to the exclusive right of occupancy of a dwelling.
34 “Dwelling” means a building, structure or other shelter
35 constituting a place of abode, whether real property or personal
36 property, and any land on which it may be situated. As used in this
37 section, “dwelling” includes:

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

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

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

5 (4) Premises occupied by the owner of shares or a membership
6 interest in a cooperative housing corporation, as defined in
7 subdivision (i) of Section 61, as his or her principal place of
8 residence on the lien date. Each exemption allowed pursuant to this
9 subdivision shall be deducted from the total assessed valuation of
10 the cooperative housing corporation. The exemption shall be taken
11 into account in apportioning property taxes among owners of share
12 or membership interests in the cooperative housing corporations
13 so as to benefit those owners who qualify for the exemption.

14 For purposes of this section a two-dwelling unit shall be
15 considered as two separate single-family dwellings.

16 (c) Any dwelling that qualified for an exemption under this
17 section prior to October 20, 1991, that was damaged or destroyed
18 by fire in a disaster, as declared by the Governor, occurring on or
19 after October 20, 1991, and before November 1, 1991, and that has
20 not changed ownership since October 20, 1991, is not disqualified
21 as a “dwelling” and is not ineligible for an exemption under this
22 section solely on the basis that the dwelling was temporarily
23 damaged or destroyed or was being reconstructed by the owner.

24 (d) The exemption provided for in subdivision (k) of Section
25 3 of Article XIII of the California Constitution shall first be
26 applied to the building, structure or other shelter and the excess,
27 if any, shall be applied to any land on which it may be located.

28 (e) For purposes of this section, an assessee is “disabled” if the
29 assessee is a “disabled person” as defined in Section 74.6.

30 ~~SEC. 2.~~

31 *SEC. 4.* Section 275 of the Revenue and Taxation Code is
32 amended to read:

33 275. (a) If a claimant for the homeowners’ property tax
34 exemption fails to file the required affidavit with the assessor by
35 5 p.m. on February 15 of the calendar year in which the fiscal year
36 begins, but files that affidavit on or before the following December
37 10, an exemption of the lesser of five thousand six hundred dollars
38 (\$5,600) or 80 percent of the full value of the dwelling shall be
39 granted by the assessor, except as otherwise provided by this
40 section with respect to a claimant who is either aged 62 years or

1 older, blind, or disabled. If a claimant subject to the preceding
2 sentence is either aged 62 years or older, blind, or disabled, the
3 exemption granted by the assessor pursuant to this section shall,
4 for claims filed for assessment years beginning on or after January
5 1, 2003, instead be the lesser of thirteen thousand six hundred
6 dollars (\$13,600) or 80 percent of the full value of the dwelling.

7 (b) On claims filed pursuant to subdivision (a) after November
8 15, this partial homeowners' exemption may be applied to the
9 second installment, and if applied to the second installment, the
10 first installment will still become delinquent on December 10 and
11 the delinquent penalty provided for in this division will attach if
12 the tax amount due is not paid.

13 If this partial homeowners' exemption is applied to the second
14 installment and if both installments are paid on or before
15 December 10 or if the reduction in taxes from this partial
16 exemption exceeds the amount of taxes due on the second
17 installment, a refund shall be made to the taxpayer upon a claim
18 submitted by the taxpayer to the auditor.

19 (c) For purposes of this section, a claimant is "disabled" if the
20 claimant is a "disabled person" as defined in Section 74.6.

21 ~~SEC. 3.—~~

22 *SEC. 5.* It is the intent of the Legislature to provide in the
23 annual Budget Act those additional reimbursements to local
24 governments that, as a result of this act, are required by Section 25
25 of Article XIII of the California Constitution.

26 ~~SEC. 4.—~~

27 *SEC. 6.* Pursuant to subdivision (k) of Section 3 of Article
28 XIII of the California Constitution, it is the intent of the
29 Legislature to implement a program for qualified renters, aged 62
30 years or older, that provides a benefit that is comparable to the
31 benefit given by this act to homeowners of the same age.

32 ~~SEC. 5.—~~

33 *SEC. 7.* *Notwithstanding Section 2229 of the Revenue and*
34 *Taxation Code, no appropriation is made by this act and the state*
35 *shall not reimburse any local agency for any property tax revenues*
36 *lost by it pursuant to this act.*

37 *SEC. 8.* Notwithstanding Section 17610 of the Government
38 Code, if the Commission on State Mandates determines that this
39 act contains costs mandated by the state, reimbursement to local
40 agencies and school districts for those costs shall be made pursuant

1 to Part 7 (commencing with Section 17500) of Division 4 of Title
2 2 of the Government Code. If the statewide cost of the claim for
3 reimbursement does not exceed one million dollars (\$1,000,000),
4 reimbursement shall be made from the State Mandates Claims
5 Fund.

6 ~~SEC. 6.—~~

7 *SEC. 9.* This act provides for a tax levy within the meaning
8 of Article IV of the Constitution and shall go into immediate
9 effect.

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