

ASSEMBLY BILL

No. 293

Introduced by Assembly Members Strickland and Benoit

February 9, 2007

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

LEGISLATIVE COUNSEL'S DIGEST

AB 293, as introduced, Strickland. Property taxation: homeowners' exemption.

(1) Existing property tax law provides, pursuant to the authority of 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, and authorizes the Legislature to increase this exemption.

This bill would, beginning with the lien date for the 2008–09 fiscal year, increase the homeowners' exemption from \$7,000 to \$22,000 of the full value of a dwelling. This bill would also require, for the 2009–10 fiscal year and for each fiscal year thereafter, the county assessor to adjust the amount of the homeowners' exemption by the percentage change, for the first 3 quarters of the prior calendar year, in the Housing Price Index for California, as specified.

(2) The California Constitution requires the Legislature, whenever it increases the homeowners' property tax exemption, to provide a comparable increase in benefits to qualified renters.

This bill would state the intent of the Legislature to make the necessary statutory changes to provide to qualified renters a comparable benefit to that received by homeowners' under the bill.

(3) By requiring county assessors to adjust the amount of the homeowners' exemption each fiscal year, this bill would impose a state-mandated local program.

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.

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) The homeowners' property tax exemption is in the
4 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 Constitution. That exemption ~~shall be~~ *is* in the amount
7 ~~of seven~~ *following amount:*

8 (1) Seven thousand dollars (\$7,000) of the full value of the
9 dwelling *through the 2007–08 fiscal year.*

10 (2) (A) *Beginning with the lien date for the 2008–09 fiscal year,*
11 *twenty-two thousand dollars (\$22,000) of the full value of the*
12 *dwelling.*

13 (B) *Beginning with the lien date for the 2009–10 fiscal year and*
14 *for each fiscal year thereafter, the assessor shall adjust the*
15 *exemption amount of the prior fiscal year by the percentage*
16 *change, rounded to the nearest one-thousandth of percent, in the*
17 *Housing Price Index for California for the first three quarters of*
18 *the prior calendar year, as determined by federal Office of Federal*
19 *Housing Enterprise Oversight.*

20 (b) The exemption does not extend to property that is rented,
21 vacant, under construction on the lien date, or that is a vacation or
22 secondary home of the owner or owners, nor does it apply to
23 property on which an owner receives the veteran's exemption.

24 (c) For purposes of this section, all of the following apply:

1 (1) "Owner" includes a person purchasing the dwelling under
2 a contract of sale or who holds shares or membership in a
3 cooperative housing corporation, which holding is a requisite to
4 the exclusive right of occupancy of a dwelling.

5 (2) (A) "Dwelling" means a building, structure, or other shelter
6 constituting a place of abode, whether real property or personal
7 property, and any land on which it may be situated. A two-dwelling
8 unit shall be considered as two separate single-family dwellings.

9 (B) "Dwelling" includes the following:

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

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

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

16 (iv) Premises occupied by the owner of shares or a membership
17 interest in a cooperative housing corporation, as defined in
18 subdivision (i) of Section 61, as his or her principal place of
19 residence on the lien date. Each exemption allowed pursuant to
20 this subdivision shall be deducted from the total assessed valuation
21 of the cooperative housing corporation. The exemption shall be
22 taken into account in apportioning property taxes among owners
23 of share or membership interests in the cooperative housing
24 corporations so as to benefit those owners who qualify for the
25 exemption.

26 (d) Any dwelling that qualified for an exemption under this
27 section prior to October 20, 1991, that was damaged or destroyed
28 by fire in a disaster, as declared by the Governor, occurring on or
29 after October 20, 1991, and before November 1, 1991, and that
30 has not changed ownership since October 20, 1991, shall not be
31 disqualified as a "dwelling" or be denied an exemption under this
32 section solely on the basis that the dwelling was temporarily
33 damaged or destroyed or was being reconstructed by the owner.

34 (e) Any dwelling that qualified for an exemption under this
35 section prior to October 15, 2003, that was damaged or destroyed
36 by fire or earthquake in a disaster, as declared by the Governor,
37 during October, November, or December 2003, and that has not
38 changed ownership since October 15, 2003, shall not be
39 disqualified as a "dwelling" or be denied an exemption under this

1 section solely on the basis that the dwelling was temporarily
2 damaged or destroyed or was being reconstructed by the owner.

3 (f) Any dwelling that qualified for an exemption under this
4 section prior to June 3, 2004, that was damaged or destroyed by
5 flood in a disaster, as declared by the Governor, during June 2004,
6 and that has not changed ownership since June 3, 2004, shall not
7 be disqualified as a “dwelling” or be denied an exemption under
8 this section solely on the basis that the dwelling was temporarily
9 damaged or destroyed or was being reconstructed by the owner.

10 (g) Any dwelling that qualified for an exemption under this
11 section prior to August 11, 2004, that was damaged or destroyed
12 by the wildfires and any other related casualty that occurred in
13 Shasta County in a disaster, as declared by the Governor, during
14 August 2004, and that has not changed ownership since August
15 11, 2004, shall not be disqualified as a “dwelling” or be denied an
16 exemption under this section solely on the basis that the dwelling
17 was temporarily damaged or destroyed or was being reconstructed
18 by the owner.

19 (h) Any dwelling that qualified for an exemption under this
20 section prior to December 28, 2004, that was damaged or destroyed
21 by severe rainstorms, floods, mudslides, or the accumulation of
22 debris in a disaster, as declared by the Governor, during December
23 2004, January 2005, February 2005, March 2005, or June 2005,
24 and that has not changed ownership since December 28, 2004,
25 shall not be disqualified as a “dwelling” or be denied an exemption
26 under this section solely on the basis that the dwelling was
27 temporarily damaged or destroyed or was being reconstructed by
28 the owner, or was temporarily uninhabited as a result of restricted
29 access to the property due to floods, mudslides, the accumulation
30 of debris, or washed-out or damaged roads.

31 (i) Any dwelling that qualified for an exemption under this
32 section prior to December 19, 2005, that was damaged or destroyed
33 by severe rainstorms, floods, mudslides, or the accumulation of
34 debris in a disaster, as declared by the Governor in January 2006,
35 April 2006, May 2006, or June 2006, and that has not changed
36 ownership since December 19, 2005, shall not be disqualified as
37 a “dwelling” or be denied an exemption under this section solely
38 on the basis that the dwelling was temporarily damaged or
39 destroyed or was being reconstructed by the owner, or was
40 temporarily uninhabited as a result of restricted access to the

1 property due to floods, mudslides, the accumulation of debris, or
2 washed-out or damaged roads.

3 (j) Any dwelling that qualified for an exemption under this
4 section prior to July 9, 2006, that was damaged or destroyed by
5 the wildfires and any other related casualty that occurred in the
6 County of San Bernardino, as declared by the Governor in July
7 2006, and that has not changed ownership since July 9, 2006, shall
8 not be disqualified as a “dwelling” or be denied an exemption
9 under this section solely on the basis that the dwelling was
10 temporarily damaged or destroyed or was being reconstructed by
11 the owner, or was temporarily uninhabited as a result of restricted
12 access to the property due to the wildfires.

13 (k) The exemption provided for in subdivision (k) of Section 3
14 of Article XIII of the Constitution shall first be applied to the
15 building, structure, or other shelter and the excess, if any, shall be
16 applied to any land on which it may be located.

17 SEC. 2. It is the intent of the Legislature to make the necessary
18 statutory changes to provide to qualified renters a comparable
19 benefit to that received by homeowners’ under the act that enacted
20 this section.

21 SEC. 3. If the Commission on State Mandates determines
22 that this act contains costs mandated by the state, reimbursement
23 to local agencies and school districts for those costs shall be made
24 pursuant to Part 7 (commencing with Section 17500) of Division
25 4 of Title 2 of the Government Code.

26 SEC. 4. This act provides for a tax levy within the meaning
27 of Article IV of the Constitution and shall go into immediate effect.

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