

Introduced by Senator Kehoe

February 22, 2008

An act to amend Section 74 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1569, as introduced, Kehoe. Property taxation: new construction exclusion: fire safety devices.

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 classification as "newly constructed" the construction or installation on or after November 7, 1984, of any fire sprinkler system, other fire extinguishing system, fire detection system, or fire-related egress improvement, as defined by the Legislature.

This bill would make a technical, nonsubstantive change to the provision implementing that authorization.

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

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

- 1 SECTION 1. Section 74 of the Revenue and Taxation Code is
- 2 amended to read:

1 74. (a) For purposes of subdivision (a) of Section 2 of Article
2 XIII A of the Constitution, “newly constructed” does not include
3 the construction or installation of any fire sprinkler system, other
4 fire extinguishing system, fire detection system, or fire-related
5 egress improvement that is constructed or installed on or after
6 November 7, 1984.

7 (b) Notwithstanding any other provision of this chapter or
8 Chapter 3.5 (commencing with Section 75), neither “newly
9 constructed” nor “new construction” includes the construction or
10 installation of any fire sprinkler system, other fire extinguishing
11 system, fire detection system, or fire-related egress improvement
12 that is constructed or installed on or after November 7, 1984.

13 (c) For purposes of this section:

14 (1) “Fire sprinkler system” means any system intended to
15 discharge water for the purpose of suppressing or extinguishing a
16 fire, and includes a fire sprinkler system that derives its water from
17 the domestic water supply of the building or structure of which it
18 is a part.

19 (2) “Other fire extinguishing system” means any system intended
20 to suppress or to extinguish a fire other than by discharging water
21 upon the fire. An “other fire extinguishing system” includes, but
22 is not limited to, a component or application that, solely or
23 primarily for the purposes of fire suppression or extinguishment,
24 is made part of the heating, ventilating, or air-conditioning system
25 of a building or structure, a wet chemical system, or a dry chemical
26 system.

27 (3) “Fire detection system” means any system or appliance
28 intended to detect combustion, or the products thereof, and to
29 activate an alarm or signal, whether audio, visual, or otherwise,
30 including all equipment used to transmit fire alarm activations and
31 related signals to a remote location. A fire detection system
32 includes any system that serves additional functions, but this
33 section shall only apply with respect to that portion of a system
34 that is for fire detection purposes. No portion of a fire detection
35 system as described in this paragraph shall be deemed to be
36 personal property, or shall be deemed to be excluded from that
37 fire detection system, by reason of being owned or controlled by
38 a person other than the owner of property upon which the fire
39 detection system was constructed or installed.

1 (4) “Fire-related egress improvement” means any improvement
2 intended to do either of the following:

3 (A) Provide any new, or improve any existing, means of egress
4 for individuals from a structure, or any portion thereof, in which
5 a fire is in progress, as to which there is an imminent threat that a
6 fire may soon be in progress, or as to which individuals therein
7 might be subjected to health hazards or the risk of physical injury
8 due to a fire elsewhere.

9 (B) With respect to individuals who for any reason cannot
10 evacuate a structure in which a fire is in progress, provide a means
11 of safeguarding, or increasing the safety of, those individuals until
12 the time that the rescue of those individuals can be effected.

13 (5) “Existing building” means any building or structure already
14 erected at the time that a fire sprinkler system, other fire
15 extinguishing system, fire detection system, or fire-related egress
16 improvement is constructed or installed in that building or structure.

17 (d) Any system or improvement referred to in this section shall
18 be deemed to have been constructed or installed on or after
19 November 7, 1984, if the actual construction or installation thereof
20 is completed on or after November 7, 1984, regardless of when
21 the actual construction or installation thereof was commenced or
22 any building permit pertaining thereto was issued.

23 (e) This section applies only to fire sprinkler systems, other fire
24 extinguishing systems, fire detection systems, and fire-related
25 egress improvements, as defined ~~in~~ *by* this section, that are
26 constructed or installed in an existing building.