

**Introduced by Committee on Revenue and Taxation (Senators Oropeza (Chair), Alquist, Cogdill, Harman, Machado, Runner, Scott, and Wiggins)**

March 12, 2008

---

---

An act to amend Sections 15606.5, 15609, and 15641 of the Government Code, and to amend Sections 69, 69.3, 214.6, 276, 279, 441, 480.3, 480.4, 670, and 671 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1777, as introduced, Committee on Revenue and Taxation. Taxation.

(1) Existing law imposes various duties on the State Board of Equalization with regard to the administration of its duties, including requiring the board to instruct, advise, and direct assessors as to their duties under the laws of this state. Existing law provides that training of assessors and their staffs shall be provided by the board on a nonreimbursable basis.

This bill would provide that, when the board provides training to assessors and their staff through an online course that is hosted by specified educational institutions, fees paid to those institutions shall not be deemed reimbursement to the board.

(2) The State Board of Equalization administers various taxes within the state. Existing law requires the board to hold regular meetings at the State Capitol each month, and authorizes it to hold special meetings at such times and places within the state as the chairperson directs.

This bill would instead provide that the State Board of Equalization hold at least one regular meeting at the State Capitol each quarter and

authorizes the board to hold the required monthly meetings at times and places within the state as the chairperson directs.

(3) The California Constitution requires the State Board of Equalization to assess the property, other than franchises, of specified types of entities. Existing law authorizes the State Board of Equalization to permit an assessee of property to inspect any information and records relating to an appraisal of his or her property.

This bill would make a technical, nonsubstantive change to this provision.

(4) Existing property tax law provides, pursuant to a requirement of the California Constitution, that the property tax base year value of real property that is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to a comparable property located within the same county that is acquired or newly constructed within 3 years after the disaster as a replacement property. Existing law provides that a property is substantially damaged or destroyed if it sustains physical damage amounting to more than 50% of its full cash value immediately prior to the disaster.

This bill would define property, for purposes of this provision, to include the possession of, claim to, ownership of, or right to the possession of land, all mines, minerals, and quarries in the land, all standing timber whether or not belonging to the owner of the land, and all rights and privileges appertaining thereto, and improvements. This bill would also provide that property is substantially damaged or destroyed if either the land or improvements sustain the specified amount of damage.

(5) Existing property tax law, pursuant to the authorization of the California Constitution, authorizes counties to adopt an ordinance allowing the transfer of the property tax base year value of property in another county in the state that has been substantially damaged or destroyed by a disaster, as provided, to comparable replacement property, of equal or lesser value, that is located in the adopting county and is acquired or newly constructed within 3 years of the damage to, or destruction of, the original property. Existing law provides that a property is substantially damaged or destroyed if it sustains physical damage amounting to more than 50% of its full cash value immediately prior to the disaster.

This bill would define property, for purposes of this provision, to include the possession of, claim to, ownership of, or right to the possession of land, all mines, minerals, and quarries in the land, all

standing timber whether or not belonging to the owner of the land, and all rights and privileges appertaining thereto, and improvements. This bill would also provide that property is substantially damaged or destroyed if either the land or improvements sustain the specified amount of damage.

(6) Existing property tax law provides for various exemptions from taxation, including an exemption for property owned and operated by various entities in accordance with the welfare exemption. Existing law provides that property which is leased to a community college, state college, or state university for educational purposes falls within the welfare exemption. Existing law also provides for various filing procedures and requirements when an organization or church claims the welfare exemption.

This bill would update the eligible lessees to include public schools and the University of California to conform with current law. This bill would also revise the filing procedures and requirements for an organization or church claiming a welfare exemption.

(7) Existing property tax law provides, pursuant to the authorization of the California Constitution, for the exemption from property taxation of specified amounts of the assessed value of the home of a disabled veteran, or a veteran's spouse in the case in which the person has, as a result of a service-connected disease or injury, died while on active duty in military service.

This bill would correct an erroneous cross-reference and remove obsolete references to prior exemption amounts.

(8) Existing law provides that a disabled veteran's property tax exemption, once granted, remains in continuous effect unless the title to the property changes, the property is altered so that the property no longer qualifies as a dwelling, the owner is no longer considered disabled, or the owner does not occupy the property as his or her principal place of residence on the property tax lien date.

This bill would, for purposes of the disabled veteran's property tax exemption, specify that a dwelling not occupied because of a misfortune or calamity, continues to be the principal residence, for purposes of the exemption, on the property tax lien date provided that the person's absence is temporary and the person intends to return to the dwelling when able to do so. This bill would also provide that, except under specified circumstances where a dwelling is destroyed in a disaster for which the Governor has proclaimed a state of emergency, when a dwelling has been totally destroyed, and thus no dwelling exists on the

lien date, the disabled veterans' exemption is not applicable until the structure has been replaced and is occupied as a dwelling.

(9) Existing property law requires each person owning taxable personal property, other than specified manufactured homes, with an aggregate cost of \$100,000 or more to file a signed property statement with the county assessor.

This bill would provide that persons who own a vessel used or held for noncommercial purposes shall file a signed property statement at the request of the county assessor.

(10) Existing property tax law requires each county assessor and county recorder to make available a form known as a preliminary change in ownership report. Existing law specifies the contents of this form, but authorizes the State Board of Equalization to revise the form.

This bill would delete the specified contents of this form and would instead require the State Board of Equalization, after consultation with the California Assessors' Association and interested parties, to prescribe the contents of the form. This bill would require that this form contain information that includes, but is not limited to, a description of the property, the parties to the transaction, the date of acquisition, the amount, if any, of the consideration paid for the property, whether paid in money or otherwise, and the terms of the transaction. This bill would also make conforming changes to a related provision.

(11) Existing law requires that an appraiser hold a valid appraiser's certificate issued by the State Board of Equalization. Existing law requires the board to hold appraiser examinations, prepared by the board with the assistance of 5 assessors selected by the State Association of County Assessors, and to conduct ongoing appraiser trainings. Existing law also provides that no charge shall be made for training conducted by the board for the continuing education of an appraiser.

This bill would require appraiser examinations to be prepared by the board with the assistance of the California Assessors' Association. This bill would also provide that, where the State Board of Equalization provides appraiser training through an online course hosted by an educational institution, fees paid to the institution shall not be considered a charge.

(12) Existing law provides that an appraiser, after holding a valid appraiser's certificate for at least 3 years, shall be issued an advanced appraiser's certificate by the Board of Equalization when they have completed a course of study, passed an examination, and hold a valid professional designation from a recognized professional organization.

Existing law requires the Board of Equalization, with the advice and assistance of 5 assessors selected by the State Association of County Assessors of California, to prescribe the course of study, prepare the examination, and approve of the professional designation.

This bill would instead require the State Board of Equalization to prescribe the course of study, prepare the exam, and approve of the professional designation with the aid and advice of the California Assessors' Association.

(13) 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.

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 15606.5 of the Government Code, as  
2 added by Chapter 1167 of the Statutes of 1967, is amended to read:  
3 15606.5. Training of assessors and their staffs under Sections  
4 15606 and 15608 shall be provided by the board on a  
5 nonreimbursable basis. *Where the board provides training to*  
6 *assessors and their staffs through an online course that is hosted*  
7 *by an educational institution of collegiate grade, fees paid directly*  
8 *to the educational institution shall not be deemed reimbursement*  
9 *to the board.*

10 SEC. 2. Section 15609 of the Government Code is amended  
11 to read:

12 15609. The board shall hold regular meetings ~~at the state capital~~  
13 ~~each month, and may hold special meetings at such times and~~  
14 ~~places within the state as the chairman~~ *chairperson* directs. *At least*  
15 *one regular meeting shall be held at the State Capitol each quarter.*  
16 *The board may hold special meetings at such times and places as*  
17 *the chairperson directs.* At any meeting the board may transact  
18 any and all business and perform all duties imposed upon it and  
19 give and enter any and all orders and decrees within its jurisdiction.

1 SEC. 3. Section 15641 of the Government Code is amended  
2 to read:

3 15641. In order to verify the information furnished to the  
4 assessor of the county, the board may audit the original books of  
5 account, wherever located, of any person owning, claiming,  
6 possessing or controlling property included in a survey conducted  
7 pursuant to this chapter when the property is of a type for which  
8 accounting records are useful sources of appraisal data.

9 No appraisal data relating to individual properties obtained for  
10 the purposes of any survey under this chapter shall be made public,  
11 and no state or local officer or employee thereof gaining knowledge  
12 thereof in any action taken under this chapter shall make any  
13 disclosure with respect thereto except as that may be required for  
14 the purposes of this chapter. Except as specifically provided herein,  
15 any appraisal data may be disclosed by the board to any assessor,  
16 or by the board or the assessor to the assessee of the property to  
17 which the data relate.

18 The board shall permit an assessee of property to inspect, at the  
19 appropriate office of the board, any information and records  
20 relating to an appraisal of his or her property, including “market  
21 data” as defined in Section 408 of the *Revenue and Taxation Code*.  
22 However, no information or records, other than “market data,”  
23 which relate to the property or business affairs of a person other  
24 than the assessee shall be disclosed.

25 Nothing in this section shall be construed as preventing  
26 examination of that data by law enforcement agencies, grand juries,  
27 boards of supervisors, or their duly authorized agents, employees,  
28 or representatives conducting an investigation of an assessor’s  
29 office pursuant to Section 25303, and other duly authorized  
30 legislative or administrative bodies of the state pursuant to their  
31 authorization to examine that data.

32 SEC. 4. Section 69 of the Revenue and Taxation Code is  
33 amended to read:

34 69. (a) Notwithstanding any other provision of law, pursuant  
35 to Section 2 of Article XIII A of the Constitution, the base year  
36 value of property which is substantially damaged or destroyed by  
37 a disaster, as declared by the Governor, may be transferred to  
38 comparable property within the same county which is acquired or  
39 newly constructed within five years after the disaster, or five years  
40 in the case of the Northridge earthquake, as a replacement for the

1 substantially damaged or destroyed property. At the time the base  
2 year value of the substantially damaged or destroyed property is  
3 transferred to the replacement property, the substantially damaged  
4 or destroyed property shall be reassessed at its full cash value;  
5 however, the substantially damaged or destroyed property shall  
6 retain its base year value notwithstanding the transfer authorized  
7 by this section. If the owner or owners of substantially damaged  
8 or destroyed property receive property tax relief under this section,  
9 that property shall not be eligible for property tax relief under  
10 subdivision (c) of Section 70 in the event of its reconstruction.

11 (b) The replacement base year value of the replacement property  
12 acquired shall be determined in accordance with this section.

13 The assessor shall use the following procedure in determining  
14 the appropriate replacement base year value of comparable  
15 replacement property:

16 (1) If the full cash value of the comparable replacement property  
17 does not exceed 120 percent of the full cash value of the property  
18 substantially damaged or destroyed, then the adjusted base year  
19 value of the property substantially damaged or destroyed shall be  
20 transferred to the comparable replacement property as its  
21 replacement base year value.

22 (2) If the full cash value of the replacement property exceeds  
23 120 percent of the full cash value of the property substantially  
24 damaged or destroyed, then the amount of the full cash value over  
25 120 percent of the full cash value of the property substantially  
26 damaged or destroyed shall be added to the adjusted base year  
27 value of the property substantially damaged or destroyed. The sum  
28 of these amounts shall become the replacement property's  
29 replacement base year value.

30 (3) If the full cash value of the comparable replacement property  
31 is less than the adjusted base year value of the property  
32 substantially damaged or destroyed, then that lower value shall  
33 become the replacement property's base year value.

34 (4) The full cash value of the property substantially damaged  
35 or destroyed shall be the amount of its full cash value immediately  
36 prior to its substantial damage or destruction, as determined by  
37 the county assessor of the county in which the property is located.

38 (c) For purposes of this section:

39 (1) Property is substantially damaged or destroyed if ~~it sustains~~  
40 *the land or the improvements sustain* physical damage amounting

1 to more than 50 percent of its full cash value immediately prior to  
2 the disaster. Damage includes a diminution in the value of property  
3 as a result of restricted access to the property where the restricted  
4 access was caused by the disaster and is permanent in nature.

5 (2) Replacement property is comparable to the property  
6 substantially damaged or destroyed if it is similar in size, utility,  
7 and function to the property which it replaces.

8 (A) Property is similar in function if the replacement property  
9 is subject to similar governmental restrictions, such as zoning.

10 (B) Both the size and utility of property are interrelated and  
11 associated with value. Property is similar in size and utility only  
12 to the extent that the replacement property is, or is intended to be,  
13 used in the same manner as the property substantially damaged or  
14 destroyed and its full cash value does not exceed 120 percent of  
15 the full cash value of the property substantially damaged or  
16 destroyed.

17 (i) A replacement property or any portion thereof used or  
18 intended to be used for a purpose substantially different than the  
19 use made of the property substantially damaged or destroyed shall  
20 to the extent of the dissimilar use be considered not similar in  
21 utility.

22 (ii) A replacement property or portion thereof that satisfies the  
23 use requirement but has a full cash value that exceeds 120 percent  
24 of the full cash value of the property substantially damaged or  
25 destroyed shall be considered, to the extent of the excess, not  
26 similar in utility and size.

27 (C) To the extent that replacement property, or any portion  
28 thereof, is not similar in function, size, and utility, the property,  
29 or portion thereof, shall be considered to have undergone a change  
30 in ownership when the replacement property is acquired or newly  
31 constructed.

32 (3) “Disaster” means a major misfortune or calamity in an area  
33 subsequently proclaimed by the Governor to be in a state of disaster  
34 as a result of the misfortune or calamity.

35 (4) “Property” means real property, as defined in Section 104.

36 (d) (1) This section applies to any comparable replacement  
37 property acquired or newly constructed on or after July 1, 1985.

38 (2) The amendments made by Chapter 1053 of the Statutes of  
39 1993 apply to any comparable replacement property that is acquired  
40 or newly constructed as a replacement for property substantially

1 damaged or destroyed by a disaster occurring on or after October  
2 20, 1991, and to the determination of base year values for the  
3 1991–92 fiscal year and fiscal years thereafter.

4 (3) The amendments made by the act adding this paragraph  
5 apply to any comparable replacement property that is acquired or  
6 newly constructed as a replacement for property substantially  
7 damaged or destroyed by a disaster occurring on or after July 1,  
8 2003, and to the determination of base year values for the 2003–04  
9 fiscal year and fiscal years thereafter.

10 (e) Only the owner or owners of the property substantially  
11 damaged or destroyed, whether one or more individuals,  
12 partnerships, corporations, other legal entities, or a combination  
13 thereof, shall receive property tax relief under this section. Relief  
14 under this section shall be granted to an owner or owners of  
15 substantially damaged or destroyed property obtaining title to  
16 replacement property. The acquisition of an ownership interest in  
17 a legal entity which, directly or indirectly, owns real property is  
18 not an acquisition of comparable property.

19 SEC. 5. Section 69.3 of the Revenue and Taxation Code is  
20 amended to read:

21 69.3. (a) (1) Notwithstanding any other provision of law,  
22 pursuant to the authority of paragraph (3) of subdivision (e) of  
23 Section 2 of Article XIII A of the California Constitution, a county  
24 board of supervisors, after consultation with affected local agencies  
25 located within the boundaries of the county, may adopt an  
26 ordinance that authorizes the transfer, subject to the conditions  
27 and limitations of this section, of the base year value of real  
28 property that is located within another county in this state and has  
29 been substantially damaged or destroyed by a disaster to  
30 comparable replacement property, including land, of equal or lesser  
31 value that is located within the adopting county and has been  
32 acquired or newly constructed as a replacement for the damaged  
33 or destroyed property within three years after the damage or  
34 destruction of the original property.

35 (2) The base year value of the original property shall be the base  
36 year value of the original property as determined in accordance  
37 with Section 110.1, with the inflation factor adjustments permitted  
38 by subdivision (f) of Section 110.1, determined as of the date  
39 immediately prior to the date that the original property was  
40 substantially damaged or destroyed. The base year value of the

1 original property shall also include any inflation factor adjustments  
 2 permitted by subdivision (f) of Section 110.1 for the period  
 3 subsequent to the date of the substantial damage to, or destruction  
 4 of, the original property and up to the date the replacement property  
 5 is acquired or newly constructed, regardless of whether the claimant  
 6 continued to own the original property during this entire period.  
 7 The base year or years used to compute the base year value of the  
 8 original property shall be deemed to be the base year or years of  
 9 any property to which that base year value is transferred pursuant  
 10 to this section.

11 (b) For purposes of this section:

12 (1) “Affected local agency” means any city, special district,  
 13 school district, or community college district that receives an  
 14 annual allocation of ad valorem property tax revenues.

15 (2) “Claimant” means an owner or owners of real property  
 16 claiming the property tax relief provided by this section.

17 (3) “Comparable replacement property” means a replacement  
 18 property that has a full cash value of equal or lesser value as  
 19 defined in paragraph (6).

20 (4) “Consultation” means a noticed hearing, that is conducted  
 21 by a county board of supervisors concerning the adoption of an  
 22 ordinance described in subdivision (a) and with respect to which  
 23 all affected local agencies within the boundaries of the county are  
 24 provided with reasonable notice of the time and the place of the  
 25 hearing and a reasonable opportunity to appear and participate.

26 (5) “Disaster” means a major misfortune or calamity in an area  
 27 subsequently proclaimed by the Governor to be in a state of disaster  
 28 as a result of the misfortune or calamity.

29 (6) “Equal or lesser value” means that the amount of the full  
 30 cash value of the replacement property does not exceed one of the  
 31 following:

32 (A) One hundred five percent of the amount of the full cash  
 33 value of the original property if the replacement property is  
 34 purchased or newly constructed within the first year following the  
 35 date of the damage or destruction of the original property.

36 (B) One hundred ten percent of the amount of the full cash value  
 37 of the original property if the replacement property is purchased  
 38 or newly constructed within the second year following the date of  
 39 the damage or destruction of the original property.

1 (C) One hundred fifteen percent of the amount of the full cash  
2 value of the original property if the replacement property is  
3 purchased or newly constructed within the third year following  
4 the date of the damage or destruction of the original property.

5 For the purposes of this paragraph, if the replacement property  
6 is, in part, purchased and, in part, newly constructed, the date the  
7 “replacement property is purchased or newly constructed” is the  
8 date of the purchase or the date of completion of new construction,  
9 whichever is later.

10 (7) “Full cash value of the original property” means its full cash  
11 value, as determined in accordance with Section 110, immediately  
12 prior to its substantial damage or destruction, as determined by  
13 the county assessor of the county in which the property is located.

14 (8) “Full cash value of the replacement property” means its full  
15 cash value, as determined in accordance with Section 110.1 as of  
16 the date upon which it was purchased or new construction was  
17 completed, that is applicable on and after that date.

18 (9) “Original property” means a building, structure, or other  
19 shelter constituting a place of abode, whether real property or  
20 personal property, that is owned and occupied by a claimant as his  
21 or her principal place of residence, and any land owned by the  
22 claimant on which the building, structure, or other shelter is  
23 situated, that has been substantially damaged or destroyed by a  
24 disaster. For purposes of this paragraph, land constituting a part  
25 of original property includes only that area of reasonable size that  
26 is used as a site for a residence, and “land owned by the claimant”  
27 includes land for which the claimant either holds a leasehold  
28 interest described in subdivision (c) of Section 61 or a land  
29 purchase contract. For purposes of this paragraph, each unit of a  
30 multiunit dwelling shall be considered a separate original property.

31 (10) “Owner or owners” means an individual or individuals,  
32 but does not include any firm, partnership, association, corporation,  
33 company, other legal entity or organization of any kind.

34 (11) “Property” means real property, as defined by Section  
35 104.

36 ~~(11)~~  
37 (12) “Replacement property” means a building, structure, or  
38 other shelter constituting a place of abode, whether real property  
39 or personal property, that is owned and occupied by a claimant as  
40 his or her principal place of residence, and any land owned by the

1 claimant on which the building, structure, or other shelter is  
2 situated. For purposes of this paragraph, land constituting a part  
3 of the replacement property includes only that area of reasonable  
4 size that is used as the site for a residence, and “land owned by  
5 the claimant” includes land for which the claimant either holds a  
6 leasehold interest described in subdivision (c) of Section 61 or a  
7 land purchase contract. For purposes of this paragraph, each unit  
8 of a multiunit dwelling shall be considered a separate replacement  
9 property. “Replacement property” does not include any property,  
10 including land or improvements, if the claimant owned any portion  
11 of that property prior to the date of the disaster that damaged or  
12 destroyed the original property.

13 ~~(12)~~

14 (13) “Substantially damaged or destroyed” means property ~~that~~  
15 ~~sustains~~ *where either the land or the improvements sustain* physical  
16 damage amounting to more than 50 percent of its full cash value  
17 immediately prior to the disaster. Damage includes a diminution  
18 in the value of property as a result of restricted access to the  
19 property where the restricted access was caused by the disaster  
20 and is permanent in nature.

21 (c) At the time the base year value of the substantially damaged  
22 or destroyed property is transferred to the replacement property  
23 pursuant to an ordinance adopted under this section, the  
24 substantially damaged or destroyed property shall be reassessed  
25 at its full cash value. However, the substantially damaged or  
26 destroyed property shall retain its base year value notwithstanding  
27 that transfer. If the owner or owners of substantially damaged or  
28 destroyed property receive property tax relief under this section,  
29 that property shall not be eligible for property tax relief under  
30 subdivision (c) of Section 70 in the event of its reconstruction.

31 (d) Only the owner or owners of the property that has been  
32 substantially damaged or destroyed may receive property tax relief  
33 under an ordinance adopted pursuant to this section. Relief under  
34 an ordinance adopted pursuant to this section shall be granted to  
35 an owner or owners of a substantially damaged or destroyed  
36 property obtaining comparable replacement property. The  
37 acquisition of an ownership interest in a legal entity that, directly  
38 or indirectly, owns real property is not an acquisition of comparable  
39 replacement property for purposes of this section.

1 (e) A timely claim for relief under an ordinance adopted pursuant  
2 to this section, in that form as shall be prescribed by the board,  
3 shall be filed by the owner with the assessor of the county in which  
4 the replacement property is located. No relief under an ordinance  
5 adopted pursuant to this section shall be granted unless the claim  
6 is filed no later than January 1, 1996, or within three years after  
7 the replacement property is acquired or newly constructed,  
8 whichever is later.

9 (f) Any taxes that were levied on the replacement property prior  
10 to the filing of a claim on the basis of the replacement property's  
11 new base year value, and any allowable annual adjustments thereto,  
12 shall be canceled or refunded to the claimant to the extent that  
13 taxes exceed the amount that would be due when determined on  
14 the basis of the adjusted new base year value.

15 (g) This section shall apply to any comparable replacement  
16 property of equal or lesser value that is acquired or newly  
17 constructed as a replacement for property that has been  
18 substantially damaged or destroyed by a disaster occurring on or  
19 after October 20, 1991, and to the determination of base year values  
20 for the 1991–92 fiscal year and each fiscal year thereafter.

21 SEC. 6. Section 214.6 of the Revenue and Taxation Code is  
22 amended to read:

23 214.6. (a) Property which is owned by an organization meeting  
24 the requirements of subdivision (b) of Section 4 of Article XIII of  
25 the California Constitution and complying with the requirements  
26 of paragraphs (1) to (7), inclusive, of subdivision (a) of Section  
27 214 and which is leased to an exempt governmental entity for the  
28 purpose of conducting an activity which if conducted by the owner  
29 would qualify the property for an exemption, or leased to a *public*  
30 *school*, community college, state college, or state university,  
31 *including the University of California*, for educational purposes,  
32 shall be deemed to be within the exemption provided for in  
33 subdivision (b) of Section 4 of Article XIII of the California  
34 Constitution if:

35 (1) The total income received by the *exempt* organization in the  
36 form of rents, fees or charges from such lease does not exceed the  
37 ordinary and usual expenses in maintaining and operating the  
38 leased property; and

1 (2) With respect to entities which are political subdivisions of  
2 the state, the property is located within the boundaries of the  
3 exempt governmental entity leasing the same.

4 (b) *To claim the exemption provided by this section for property*  
5 *leased by a qualifying organization to a public school, community*  
6 *college, state college, or state university, including the University*  
7 *of California, when both entities use the property in a joint manner,*  
8 *the organization need only attach a copy of the lease agreements*  
9 *with the annual filing of the welfare exemption claim.*

10 ~~(b)~~

11 (c) To claim the *welfare* exemption provided by this section for  
12 property leased by a church to a ~~public school-district~~, *community*  
13 *college, state college, or state university, including the University*  
14 *of California, when both entities use the property in a joint manner,*  
15 *and where the church has claimed a religious exemption, the*  
16 church need only file a lessor’s exemption claim and affirm each  
17 of the following:

18 (1) The total income received by the ~~organization~~ church in the  
19 form of rents, fees or charges from the lease does not exceed the  
20 ordinary and usual expenses in maintaining and operating the  
21 leased property.

22 (2) With respect to entities which are political subdivisions of  
23 the state, the property is located within the boundaries of the  
24 exempt governmental entity leasing the same.

25 SEC. 7. Section 276 of the Revenue and Taxation Code is  
26 amended to read:

27 276. (a) Except as otherwise provided by subdivision (b), for  
28 property for which the disabled veterans’ exemption described in  
29 Section 205.5 was available, but for which a timely claim was not  
30 filed, a partial exemption shall be applied in accordance with  
31 whichever of the following is applicable:

32 (1) Ninety percent of any tax, including any interest or penalty  
33 thereon, levied upon that portion of the assessed value of the  
34 property that would have been exempt under a timely and  
35 appropriate claim shall be canceled or refunded, provided that an  
36 appropriate claim for exemption is filed after 5 p.m. on February  
37 15 of the calendar year in which the fiscal year begins but on or  
38 before the following December 10.

39 (2) If an appropriate claim for exemption is filed after the time  
40 period specified in paragraph (1), 85 percent of that portion of any

1 tax, including any interest or penalty thereon, that was levied upon  
2 that portion of the assessed value of the property that would have  
3 been exempt under a timely and appropriate claim, shall be  
4 canceled or refunded. Cancellations made under this paragraph  
5 are subject to the provisions of Article 1 (commencing with Section  
6 ~~4895~~ 4985) of Chapter 4. Refunds issued under this paragraph  
7 are subject to the limitations periods on refunds as described in  
8 Article 1 (commencing with Section 5096) of Chapter 5.

9 (b) ~~If a late filed claim for the sixty-thousand-dollar (\$60,000)~~  
10 ~~exemption is filed in conjunction with a timely filed claim for the~~  
11 ~~forty-thousand-dollar (\$40,000) exemption, or if a late filed claim~~  
12 ~~for the one-hundred-fifty-thousand-dollar (\$150,000) exemption~~  
13 ~~is filed in conjunction with a timely filed claim for the~~  
14 ~~one-hundred-thousand-dollar (\$100,000) exemption, the amount~~  
15 ~~of any exemption allowed under the late-filed claim under~~  
16 ~~subdivision (a) shall be determined on the basis of that portion of~~  
17 ~~the exemption amount, otherwise available under subdivision (a),~~  
18 ~~that exceeds forty thousand dollars (\$40,000) or one hundred~~  
19 ~~thousand dollars (\$100,000), as applicable.~~

20 (c) For those claims filed pursuant to subdivision (a) after  
21 November 15, the exemption under that subdivision may be applied  
22 to the second installment. If that exemption is so applied, the first  
23 installment is still delinquent on December 10, and is subject to  
24 delinquent penalties provided for in this division if that installment  
25 is not timely paid. A refund shall be made to the taxpayer upon a  
26 claim submitted to the auditor if the exemption is applied to the  
27 second installment and either of the following is true:

- 28 (1) Both installments are paid on or before December 10.
- 29 (2) The reduction in taxes resulting from the exemption exceeds  
30 the amount of taxes due on the second installment.

31 SEC. 8. Section 279 of the Revenue and Taxation Code is  
32 amended to read:

33 279. (a) A claim for the disabled veterans' property tax  
34 exemption described in Section 205.5 filed by the owner of a  
35 dwelling, once granted, shall remain in continuous effect unless  
36 any of the following occurs:

- 37 (1) Title to the property changes.
- 38 (2) The owner does not occupy the dwelling as his or her  
39 principal place of residence on the lien date. ~~For purposes of this~~  
40 ~~paragraph, if a veteran is, on the lien date, confined to a hospital~~

1 ~~or other care facility but principally resided at a dwelling~~  
2 ~~immediately prior to that confinement, the veteran will be deemed~~  
3 ~~to occupy that same dwelling as his or her principal place of~~  
4 ~~residence on the lien date, provided that the dwelling has not been~~  
5 ~~rented or leased as described in Section 205.5.~~

6 *(A) If a veteran is, on the lien date, confined to a hospital or*  
7 *other care facility but principally resided at a dwelling immediately*  
8 *prior to that confinement, the veteran will be deemed to occupy*  
9 *that same dwelling as his or her principal place of residence on*  
10 *the lien date, provided that the dwelling has not been rented or*  
11 *leased as described in Section 205.5.*

12 *(B) If a person receiving the disabled veterans' exemption is*  
13 *not occupying the dwelling on the lien date because the dwelling*  
14 *was damaged in a misfortune or calamity, the person will be*  
15 *deemed to occupy that same dwelling as his or her principal place*  
16 *of residence on the lien date, provided the person's absence from*  
17 *the dwelling is temporary and the person intends to return to the*  
18 *dwelling when possible to do so. Except as provided in*  
19 *subparagraph (C), when a dwelling has been totally destroyed,*  
20 *and thus no dwelling exists on the lien date, the exemption provided*  
21 *by Section 205.5 is not applicable until the structure has been*  
22 *replaced and is occupied as a dwelling.*

23 *(C) A dwelling that was totally destroyed in a disaster for which*  
24 *the Governor proclaimed a state of emergency, that qualified for*  
25 *the exemption provided by Section 205.5 and has not changed*  
26 *ownership since the disaster, will be deemed occupied by the*  
27 *person receiving a disabled veterans' exemption on the lien date*  
28 *provided the person intends to reconstruct a dwelling on the*  
29 *property and occupy the dwelling as his or her principal place of*  
30 *residence when it is possible to do so.*

31 (3) The property is altered so that it is no longer a dwelling.

32 (4) The veteran is no longer disabled as defined in Section 205.5.

33 (b) The assessor of each county shall verify the continued  
34 eligibility of each person receiving a disabled veterans' exemption,  
35 and shall provide for a periodic audit of, and establish a control  
36 system to monitor, disabled veterans' exemption claims.

37 SEC. 9. Section 441 of the Revenue and Taxation Code is  
38 amended to read:

39 441. (a) Each person owning taxable personal property, other  
40 than a manufactured home subject to Part 13 (commencing with

1 Section 5800) *or a vessel used or held for noncommercial*  
2 *purposes*, having an aggregate cost of one hundred thousand dollars  
3 (\$100,000) or more for any assessment year shall file a signed  
4 property statement with the assessor. Every person owning personal  
5 property that does not require the filing of a property statement or  
6 real property shall, upon request of the assessor, file a signed  
7 property statement. Failure of the assessor to request or secure the  
8 property statement does not render any assessment invalid.

9 (b) The property statement shall be declared to be true under  
10 the penalty of perjury and filed annually with the assessor between  
11 the lien date and 5 p.m. on April 1. The penalty provided by Section  
12 463 applies for property statements not filed by May 7. If May 7  
13 falls on a Saturday, Sunday, or legal holiday, a property statement  
14 that is mailed and postmarked on the next business day shall be  
15 deemed to have been filed between the lien date and 5 p.m. on  
16 May 7. If, on the dates specified in this subdivision, the county's  
17 offices are closed for the entire day, that day is considered a legal  
18 holiday for purposes of this section.

19 (c) The property statement may be filed with the assessor  
20 through the United States mail, properly addressed with postage  
21 prepaid. For purposes of determining the date upon which the  
22 property statement is deemed filed with the assessor, the date of  
23 postmark as affixed by the United States Postal Service, or the  
24 date certified by a bona fide private courier service on the envelope  
25 containing the application, shall control. This subdivision shall be  
26 applicable to every taxing agency, including, but not limited to, a  
27 chartered city and county, or chartered city.

28 (d) (1) At any time, as required by the assessor for assessment  
29 purposes, every person shall make available for examination  
30 information or records regarding his or her property or any other  
31 personal property located on premises he or she owns or controls.  
32 In this connection details of property acquisition transactions,  
33 construction and development costs, rental income, and other data  
34 relevant to the determination of an estimate of value are to be  
35 considered as information essential to the proper discharge of the  
36 assessor's duties.

37 (2) (A) This subdivision shall also apply to an owner-builder  
38 or an owner-developer of new construction that is sold to a third  
39 party, is constructed on behalf of a third party, or is constructed  
40 for the purpose of selling that property to a third party.

1 (B) The owner-builder or owner-developer of new construction  
2 described in subparagraph (A), shall, within 45 days of receipt of  
3 a written request by the assessor for information or records, provide  
4 the assessor with all information and records regarding that  
5 property. The information and records provided to the assessor  
6 shall include the total consideration provided either by the  
7 purchaser or on behalf of the purchaser that was paid or provided  
8 either, as part of or outside of the purchase agreement, including,  
9 but not limited to, consideration paid or provided for the purchase  
10 or acquisition of upgrades, additions, or for any other additional  
11 or supplemental work performed or arranged for by the  
12 owner-builder or owner-developer on behalf of the purchaser.

13 (e) In the case of a corporate owner of property, the property  
14 statement shall be signed either by an officer of the corporation or  
15 an employee or agent who has been designated in writing by the  
16 board of directors to sign the statements on behalf of the  
17 corporation.

18 (f) In the case of property owned by a bank or other financial  
19 institution and leased to an entity other than a bank or other  
20 financial institution, the property statement shall be submitted by  
21 the owner bank or other financial institution.

22 (g) The assessor may refuse to accept any property statement  
23 he or she determines to be in error.

24 (h) If a taxpayer fails to provide information to the assessor  
25 pursuant to subdivision (d) and introduces any requested materials  
26 or information at any assessment appeals board hearing, the  
27 assessor may request and shall be granted a continuance for a  
28 reasonable period of time. The continuance shall extend the  
29 two-year period specified in subdivision (c) of Section 1604 for a  
30 period of time equal to the period of the continuance.

31 (i) Notwithstanding any other provision of law, every person  
32 required to file a property statement pursuant to this section shall  
33 be permitted to amend that property statement until May 31 of the  
34 year in which the property statement is due, for errors and  
35 omissions not the result of willful intent to erroneously report. The  
36 penalty authorized by Section 463 does not apply to an amended  
37 statement received prior to May 31, provided the original statement  
38 is not subject to penalty pursuant to subdivision (b). The amended  
39 property statement shall otherwise conform to the requirements  
40 of a property statement as provided in this article.

1 (j) This subdivision shall apply to the oil, gas, and mineral  
2 extraction industry only. Any information that is necessary to file  
3 a true, correct, and complete statement shall be made available by  
4 the assessor, upon request, to the taxpayer by mail or at the office  
5 of the assessor by February 28. For each business day beyond  
6 February 28 that the information is unavailable, the filing deadline  
7 in subdivision (b) shall be extended in that county by one business  
8 day, for those statements affected by the delay. In no case shall  
9 the filing deadline be extended beyond June 1 or the first business  
10 day thereafter.

11 (k) The assessor may accept the filing of a property statement  
12 by the use of electronic media. In lieu of the signature required by  
13 subdivision (a) and the declaration under penalty of perjury  
14 required by subdivision (b), property statements filed using  
15 electronic media shall be authenticated pursuant to methods  
16 specified by the assessor and approved by the board. Electronic  
17 media includes, but is not limited to, computer modem, magnetic  
18 media, optical disk, and facsimile machine.

19 (l) (1) After receiving the notice required by Section 1162, the  
20 manager in control of a fleet of fractionally owned aircraft shall  
21 file with the lead county assessor's office one signed property  
22 statement for all of its aircraft that have acquired situs in the state,  
23 as described in Section 1161.

24 (2) Flight data required to compute fractionally owned aircraft  
25 allocation under Section 1161 shall be segregated by airport.

26 (m) (1) After receiving the notice required by paragraph (5) of  
27 subdivision (b) of Section 1153.5, a commercial air carrier whose  
28 certificated aircraft is subject to Article 6 (commencing with  
29 Section 1150) of Chapter 5 shall file with the lead county assessor's  
30 office designated under Section 1153.5 one signed property  
31 statement for its personal property at all airport locations and  
32 fixtures at all airport locations.

33 (2) Each commercial air carrier may file one schedule for all of  
34 its certificated aircraft that have acquired situs in this state under  
35 Section 1151.

36 (3) Flight data required to compute certificated aircraft allocation  
37 under Section 1152 and subdivision (g) of Section 202 of Title 18  
38 of the California Code of Regulations shall be segregated by airport  
39 location.

1 (4) Beginning with the 2006 assessment year, a commercial air  
2 carrier may file a statement described in this subdivision  
3 electronically by means of the California Assessor's Standard Data  
4 Record (SDR) network. If the SDR is not equipped to accept  
5 electronic filings for the 2006 assessment year, an air carrier may  
6 file a printed version of its property statement for that year with  
7 its lead county assessor's office.

8 (5) This subdivision shall remain in effect only until December  
9 31, 2010, and as of that date is repealed.

10 SEC. 10. Section 480.3 of the Revenue and Taxation Code is  
11 amended to read:

12 480.3. (a) Each county assessor and recorder shall make  
13 available, without charge and upon request, a form entitled  
14 "Preliminary Change of Ownership Report," which transferees of  
15 real property shall complete and may file with the recorder  
16 concurrent with the recordation of any document effecting a change  
17 in ownership. The form shall be signed by the transferee or an  
18 officer of the transferee ~~and certifying that the information provided~~  
19 *on the form is, to the best of his or her knowledge and belief, true,*  
20 *correct, and complete. The form shall not be signed by an agent*  
21 *acting for a transferee.*

22 (b) If a document evidencing a change in ownership is presented  
23 to the recorder for recordation without the concurrent filing of a  
24 preliminary change in ownership report, the recorder may charge  
25 an additional recording fee of twenty dollars (\$20).

26 (c) Noncompliance with this section by the transferee shall not  
27 delay or preclude the recordation of documents if the additional  
28 fee specified in subdivision (b) is tendered.

29 (d) The authority to obtain information pursuant to this section  
30 is in addition to, and not in lieu of, any existing authority the  
31 assessor has under this article.

32 (e) In cases where the county tax collector files purchaser's  
33 deeds with respect to a sale for defaulted taxes, the information  
34 given to the assessor pursuant to Sections 3716 and 3811 shall be  
35 deemed to constitute compliance with this section.

36 (f) The filing of a preliminary change of ownership report or  
37 the payment of an additional recording fee shall not be required  
38 of any intermediate transferee of property, or of any trustee issuing  
39 a trustee's deed to the mortgagee or beneficiary of a mortgage or  
40 deed of trust, or his or her assignees, pursuant to the exercise of a

1 power of sale contained in a deed of trust or mortgage pursuant to  
2 Chapter 2 (commencing with Section 2920) of Title 14 of Part 4  
3 of Division 3 of the Civil Code. For purposes of this subdivision,  
4 “intermediate transferee” means any transferee who is acting as  
5 both a transferee and the transferor of the same property as part  
6 of a series of simultaneous transfers which affect that property and  
7 who records the transfer documents and any other recorded  
8 documents related to the transfer in consecutive order at one time.

9 (g) Except as prescribed in subdivisions (e) and (f), this section  
10 shall apply to changes of ownership occurring on or after July 1,  
11 1985.

12 SEC. 11. Section 480.4 of the Revenue and Taxation Code is  
13 amended to read:

14 480.4. (a) The preliminary change of ownership report referred  
15 to in Section 480.3 shall ~~be in substantially the following form:~~  
16 *give information relative to the transfer. The information shall*  
17 *include, but not be limited to, a description of the property, the*  
18 *parties to the transaction, the date of acquisition, the amount, if*  
19 *any, of the consideration paid for the property, whether paid in*  
20 *money or otherwise, and the terms of the transaction. The*  
21 *preliminary change in ownership report shall not include any*  
22 *question that is not germane to the assessment function.*

23 (b) *The State Board of Equalization, after consultation with the*  
24 *California Assessors’ Association and interested parties, shall*  
25 *prescribe the preliminary change of ownership report for the*  
26 *purpose of maintaining statewide uniformity in the contents of the*  
27 *report.*

- 1
- 2
- 3

1

1

1 ~~(b) The State Board of Equalization may revise the preliminary~~  
2 ~~change of ownership report, as necessary, for the purpose of~~  
3 ~~maintaining statewide uniformity in the contents of the report.~~

4 ~~(c) This section shall become operative on July 1, 1991.~~

5 SEC. 12. Section 670 of the Revenue and Taxation Code is  
6 amended to read:

7 670. (a) No person shall perform the duties or exercise the  
8 authority of an appraiser for property tax purposes as an employee  
9 of the state, any county or city and county, unless he or she is the  
10 holder of a valid appraiser's or advanced appraiser's certificate  
11 issued by the State Board of Equalization.

12 (b) The board shall provide for the examination of applicants  
13 for these certificates and may contract with the State Personnel  
14 Board to give the examinations. Examinations shall be prepared  
15 by the board with the advice and assistance of ~~a committee of five~~  
16 ~~assessors selected by the State Association of County Assessors~~  
17 *the California Assessors' Association* for this purpose. No  
18 certificate shall be issued to any person who has not attained a  
19 passing grade in the examination and demonstrated to the board  
20 that he or she is competent to perform the work of an appraiser as  
21 that competency is defined in regulations duly adopted by the  
22 board. However, any applicant for a certificate who is denied the  
23 same shall have a right to a review of that denial in accordance  
24 with the State Administrative Procedure Act contained in Chapter  
25 5 (commencing with Section 11500) of Part 1 of Division 3 of  
26 Title 2 of the Government Code.

27 (c) Passage of a civil service or merit system examination for  
28 appraiser given by the state, or any county or city and county, shall  
29 suffice to meet the requirements of this section. The scope of the  
30 examination shall be approved by the State Board of Equalization.

31 (d) No employee of the state, or any county or city and county  
32 shall perform the duties or exercise the authority of an auditor or  
33 an auditor-appraiser under Section 469 or Section 15624 of the  
34 Government Code, unless he or she holds a degree with a  
35 specialization in accounting from a recognized institution of higher  
36 education, or is a licensed accountant in the State of California, or  
37 has passed the state, or a county, or city and county, or city civil  
38 service or merit system examination regularly given for the position  
39 of accountant or auditor by the testing body, or holds the office of  
40 assessor.

1 (e) Except for persons holding the office of assessor, this section  
2 does not apply to elected officials.

3 (f) (1) No charge shall be made to counties or to applicants for  
4 examinations and certifications under this section or for training  
5 conducted by the board under Section 671.

6 (2) *Where the board provides training through an online course  
7 that is hosted by an educational institution, fees paid directly to  
8 the educational institution shall be considered charges for purposes  
9 of this section.*

10 SEC. 13. Section 671 of the Revenue and Taxation Code is  
11 amended to read:

12 671. (a) In order to retain a valid appraiser’s certificate every  
13 holder shall complete at least 24 hours of training conducted or  
14 approved by the State Board of Equalization in each one-year  
15 period.

16 Any excess in training time over the 24-hour minimum  
17 accumulated in any one year shall be carried over as credit for  
18 future training requirements with a limit of three years in which  
19 the carryover time may be credited.

20 Failure to receive such training shall constitute grounds for  
21 revocation of an appraiser’s certificate; provided, however, that  
22 proceedings to revoke shall be conducted in accordance with the  
23 Administrative Procedure Act contained in Chapter 5 (commencing  
24 with Section 11500) of Part 1 of Division 3 of Title 2 of the  
25 Government Code.

26 Training shall include, but not be limited to, new developments  
27 in the case and statutory law and administrative rules.

28 (b) An advanced appraiser’s certificate shall be issued by the  
29 board after an applicant has held an appraiser’s certificate for at  
30 least three years and:

- 31 (1) Has successfully completed a course of study; or
- 32 (2) Has passed an advanced level examination; or
- 33 (3) Holds a valid professional designation from a recognized  
34 professional organization.

35 The board, with the advice and assistance of ~~five assessors~~  
36 ~~selected by the State Association of County Assessors of California~~  
37 *the California Assessors’ Association*, shall prescribe the course  
38 of study, prepare the advanced level examination, and approve the  
39 professional designation.

1 In order to retain a valid advanced appraiser's certificate, every  
2 holder shall complete at least 12 hours of training in each one-year  
3 period.

4 Any excess in training time for the advanced appraiser's  
5 certificate over the 12-hour minimum accumulated in any one year  
6 shall be carried over as a credit for future training requirements  
7 with a limit of two years in which the carryover time may be  
8 credited.

9 Failure to receive such training shall constitute grounds for  
10 revocation of an advanced appraiser's certificate; provided,  
11 however, that proceedings to revoke shall be conducted in  
12 accordance with the Administrative Procedure Act contained in  
13 Chapter 5 (commencing with Section 11500) of Part 1 of Division  
14 3 of Title 2 of the Government Code.

15 Training to retain the advanced appraiser's certificate shall  
16 include, but not be limited to, new developments in the case and  
17 statutory law and administrative rules.

18 SEC. 14. Notwithstanding Section 2229 of the Revenue and  
19 Taxation Code, no appropriation is made by this act and the state  
20 shall not reimburse any local agency for any property tax revenues  
21 lost by it pursuant to this act.