

AMENDED IN ASSEMBLY FEBRUARY 18, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 79**

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**Introduced by Assembly Member Duvall  
(Principal coauthor: Assembly Member Miller)  
(Coauthors: Assembly Members Anderson, DeVore, Hagman,  
Harkey, Silva, and Tran)**

December 19, 2008

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An act to amend Section 8686 of the Government Code, and to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.152, 195.153, and 195.154 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 79, as amended, Duvall. Disaster relief.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the ~~County~~ *Counties* of Orange *and Riverside*, which ~~was~~ *were* declared by the Governor to be in a state of emergency due to the wildfires that commenced in November 2008.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing the ~~County~~ *Counties* of Orange *and Riverside* for these property tax revenue reductions, this bill would make an appropriation.

(2) The Natural Disaster Assistance Act provides for, among other things, specified allocations to local agencies with respect to natural disasters.

This bill would include within those provisions the disaster that occurred in the ~~County~~ *Counties* of Orange *and Riverside* as a result of the wildfires that occurred during November 2008, as provided.

(3) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would also provide that any dwelling that qualified for the exemption prior to November 15, 2008, that was damaged or destroyed by the wildfires in the ~~County~~ *Counties* of Orange *and Riverside*, as declared by the Governor in November 2008, and that has not changed ownership since November 15, 2008, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

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. By requiring local tax officials to implement new exemption criteria, 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.

(4) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the ~~County~~ *Counties* of Orange and Riverside as a result of the wildfires that commenced in November 2008. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: yes.

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

1 SECTION 1. Section 8686 of the Government Code is amended  
2 to read:  
3 8686. (a) For any eligible project, the state share shall amount  
4 to no more than 75 percent of total state eligible costs.  
5 (b) Notwithstanding subdivision (a), the state share shall be up  
6 to 100 percent of total state eligible costs connected with the  
7 following events:  
8 (1) The October 17, 1989, Loma Prieta earthquake.  
9 (2) The October 20, 1991, East Bay fire.  
10 (3) The fires that occurred in southern California from October  
11 1, 1993, to November 30, 1993, inclusive.  
12 (4) The January 17, 1994, Northridge earthquake.  
13 (5) Storms that occurred in California during the periods  
14 commencing January 3, 1995, and February 13, 1995, as specified  
15 in agreements between this state and the United States for federal  
16 financial assistance.

1 (6) The storms that occurred in California in December of 1996  
2 and early January of 1997, as specified in agreements between this  
3 state and the United States for federal financial assistance.

4 (7) The winter storms and flooding that occurred from February  
5 1, 1998, to April 30, 1998, inclusive, as specified in agreements  
6 between this state and the United States for federal financial  
7 assistance.

8 (8) The wildfires that occurred in southern California  
9 commencing October 21, 2003, as specified in agreements between  
10 this state and the United States for federal financial assistance.

11 (9) The December 22, 2003, San Simeon earthquake, as  
12 specified in agreements between this state and the United States  
13 for federal financial assistance.

14 (10) The severe storms, flooding, debris flows, and mudslides  
15 that occurred during December 27, 2004, to January 11, 2005,  
16 inclusive, in southern California, as specified in agreements  
17 between this state and the United States for federal financial  
18 assistance.

19 (11) The severe storms, flooding, landslides, and mud and debris  
20 flows that occurred in southern California during the period from  
21 February 16 to February 23, 2005, inclusive, as specified in  
22 agreements between this state and the United States for federal  
23 financial assistance.

24 (12) The severe storms, flooding, mudslides, and landslides that  
25 occurred in northern California during the period from December  
26 17, 2005, to January 3, 2006, inclusive, as specified in agreements  
27 between this state and the United States for federal financial  
28 assistance.

29 (13) The severe storms and flooding that occurred in northern  
30 and central California during the period from March 29, 2006, to  
31 April 16, 2006, inclusive, as specified in agreements between this  
32 state and the United States for federal financial assistance.

33 (14) The Freeway Complex Fire, which occurred in the ~~County~~  
34 *Counties of Orange and Riverside* commencing on November 15,  
35 2008, as specified in agreements between this state and the United  
36 States for federal financial assistance.

37 (c) For any federally declared disaster subsequent to January 1,  
38 1995, that the Legislature has designated in subdivision (b), the  
39 state shall assume the increased share specified in subdivision (b)  
40 in those cases where the Federal Emergency Management Agency

1 or another applicable federal agency has approved the federal share  
2 of costs.

3 (d) The state shall make no allocation for any project application  
4 resulting in a state share of less than two thousand five hundred  
5 dollars (\$2,500) under this section.

6 SEC. 2. Section 195.152 is added to the Revenue and Taxation  
7 Code, to read:

8 195.152. (a) By October 30, 2009, the ~~auditor of the County~~  
9 ~~of Orange, which was the subject of the Governor's proclamation~~  
10 ~~auditors of the Counties of Orange and Riverside, which were the~~  
11 ~~subject of the Governor's proclamation~~ of a state of emergency  
12 for wildfires that commenced on November 15, 2008, shall certify  
13 to the Director of Finance an estimate of the total amount of the  
14 reduction in property tax revenues on both the regular secured roll  
15 and the supplemental roll for the 2008–09 fiscal year resulting  
16 from the reassessment by the county assessor pursuant to paragraph  
17 (1) of subdivision (a) of Section 170 of those properties that are  
18 eligible properties as a result of those disasters, except that the  
19 amount certified shall not include any estimated property tax  
20 revenue reductions to school districts, other than basic state aid  
21 school districts, and county offices of education.

22 (b) For purposes of this section, “basic state aid school district”  
23 means any school district that does not receive a state  
24 apportionment pursuant to subdivision (h) of Section 42238 of the  
25 Education Code, but receives from the state only a basic  
26 apportionment pursuant to Section 6 of Article IX of the California  
27 Constitution.

28 SEC. 3. Section 195.153 is added to the Revenue and Taxation  
29 Code, to read:

30 195.153. After the county auditor of the eligible county, as  
31 described in Section 195.152, has made the applicable certification  
32 to the Director of Finance pursuant to that section, the director  
33 shall within 30 days after verification of the county auditor’s  
34 estimate, certify this amount to the Controller for allocation to the  
35 county. Upon receipt of certification from the Director of Finance,  
36 the Controller shall make the appropriate allocation to the county  
37 within 10 working days.

38 SEC. 4. Section 195.154 is added to the Revenue and Taxation  
39 Code, to read:

1 195.154. (a) On or before June 30, 2010, an eligible county,  
2 as described in Section 195.152, shall compute and remit to the  
3 Controller for deposit in the General Fund an amount equal to the  
4 amount allocated to it by the Controller pursuant to Section  
5 195.153, less the actual amount of its property tax revenue lost on  
6 the regular secured and supplemental rolls with respect to those  
7 eligible properties described in Section 195.152 as a result of the  
8 reassessment of those properties pursuant to paragraph (1) of  
9 subdivision (a) of Section 170, excluding any property tax revenue  
10 lost by school districts, other than basic state aid school districts,  
11 and county offices of education. If the actual amount of property  
12 tax revenue lost by an eligible county in the immediately preceding  
13 fiscal year, as described and limited in the preceding sentence,  
14 exceeds the amount allocated by the Controller to that county  
15 pursuant to Section 195.153, the Controller shall allocate the  
16 amount of that excess to that eligible county.

17 (b) For purposes of this section, “basic state aid school district”  
18 means any school district that does not receive a state  
19 apportionment pursuant to subdivision (h) of Section 42238 of the  
20 Education Code, but receives from the state only a basic  
21 apportionment pursuant to Section 6 of Article IX of the California  
22 Constitution.

23 SEC. 5. Section 218 of the Revenue and Taxation Code is  
24 amended to read:

25 218. (a) The homeowners’ property tax exemption is in the  
26 amount of the assessed value of the dwelling specified in this  
27 section, as authorized by subdivision (k) of Section 3 of Article  
28 XIII of the Constitution. That exemption shall be in the amount  
29 of seven thousand dollars (\$7,000) of the full value of the dwelling.

30 (b) The exemption does not extend to property that is rented,  
31 vacant, under construction on the lien date, or that is a vacation or  
32 secondary home of the owner or owners, nor does it apply to  
33 property on which an owner receives the veteran’s exemption.

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

35 (1) “Owner” includes a person purchasing the dwelling under  
36 a contract of sale or who holds shares or membership in a  
37 cooperative housing corporation, which holding is a requisite to  
38 the exclusive right of occupancy of a dwelling.

39 (2) (A) “Dwelling” means a building, structure, or other shelter  
40 constituting a place of abode, whether real property or personal

1 property, and any land on which it may be situated. A two-dwelling  
2 unit shall be considered as two separate single-family dwellings.

3 (B) "Dwelling" includes the following:

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

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

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

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

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

28 (e) Any dwelling that qualified for an exemption under this  
29 section prior to October 15, 2003, that was damaged or destroyed  
30 by fire or earthquake in a disaster, as declared by the Governor,  
31 during October, November, or December 2003, and that has not  
32 changed ownership since October 15, 2003, shall not be  
33 disqualified as a "dwelling" or be denied an exemption under this  
34 section solely on the basis that the dwelling was temporarily  
35 damaged or destroyed or was being reconstructed by the owner.

36 (f) Any dwelling that qualified for an exemption under this  
37 section prior to June 3, 2004, that was damaged or destroyed by  
38 flood in a disaster, as declared by the Governor, during June 2004,  
39 and that has not changed ownership since June 3, 2004, shall not  
40 be disqualified as a "dwelling" or be denied an exemption under

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

3 (g) Any dwelling that qualified for an exemption under this  
4 section prior to August 11, 2004, that was damaged or destroyed  
5 by the wildfires and any other related casualty that occurred in  
6 Shasta County in a disaster, as declared by the Governor, during  
7 August 2004, and that has not changed ownership since August  
8 11, 2004, shall not be disqualified as a “dwelling” or be denied an  
9 exemption under this section solely on the basis that the dwelling  
10 was temporarily damaged or destroyed or was being reconstructed  
11 by the owner.

12 (h) Any dwelling that qualified for an exemption under this  
13 section prior to December 28, 2004, that was damaged or destroyed  
14 by severe rainstorms, floods, mudslides, or the accumulation of  
15 debris in a disaster, as declared by the Governor, during December  
16 2004, January 2005, February 2005, March 2005, or June 2005,  
17 and that has not changed ownership since December 28, 2004,  
18 shall not be disqualified as a “dwelling” or be denied an exemption  
19 under this section solely on the basis that the dwelling was  
20 temporarily damaged or destroyed or was being reconstructed by  
21 the owner, or was temporarily uninhabited as a result of restricted  
22 access to the property due to floods, mudslides, the accumulation  
23 of debris, or washed-out or damaged roads.

24 (i) Any dwelling that qualified for an exemption under this  
25 section prior to December 19, 2005, that was damaged or destroyed  
26 by severe rainstorms, floods, mudslides, or the accumulation of  
27 debris in a disaster, as declared by the Governor in January 2006,  
28 April 2006, May 2006, or June 2006, and that has not changed  
29 ownership since December 19, 2005, shall not be disqualified as  
30 a “dwelling” or be denied an exemption under this section solely  
31 on the basis that the dwelling was temporarily damaged or  
32 destroyed or was being reconstructed by the owner, or was  
33 temporarily uninhabited as a result of restricted access to the  
34 property due to floods, mudslides, the accumulation of debris, or  
35 washed-out or damaged roads.

36 (j) Any dwelling that qualified for an exemption under this  
37 section prior to July 9, 2006, that was damaged or destroyed by  
38 the wildfires and any other related casualty that occurred in the  
39 County of San Bernardino, as declared by the Governor in July  
40 2006, and that has not changed ownership since July 9, 2006, shall

1 not be disqualified as a “dwelling” or be denied an exemption  
2 under this section solely on the basis that the dwelling was  
3 temporarily damaged or destroyed or was being reconstructed by  
4 the owner, or was temporarily uninhabited as a result of restricted  
5 access to the property due to the wildfires.

6 (k) Any dwelling that qualified for an exemption under this  
7 section prior to the commencement dates of the wildfires listed in  
8 the Governor’s proclamations of 2006 that was damaged or  
9 destroyed by the wildfires and any other related casualty that  
10 occurred in the Counties of Riverside and Ventura, and that has  
11 not changed ownership since the commencement dates of these  
12 disasters as listed in the Governor’s proclamations of 2006 shall  
13 not be disqualified as a “dwelling” or be denied an exemption  
14 under this section solely on the basis that the dwelling was  
15 temporarily damaged or destroyed or was being reconstructed by  
16 the owner, or was temporarily uninhabited as a result of restricted  
17 access to the property due to the wildfires.

18 (l) Any dwelling that qualified for an exemption under this  
19 section prior to January 11, 2007, that was damaged or destroyed  
20 by severe freezing conditions, commencing January 11, 2007, and  
21 any other related casualty that occurred in the Counties of El  
22 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,  
23 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa  
24 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a  
25 result of a disaster as declared by the Governor, and that has not  
26 changed ownership since January 11, 2007, shall not be disqualified  
27 as a “dwelling” or be denied an exemption under this section solely  
28 on the basis that the dwelling was temporarily damaged or  
29 destroyed or was being reconstructed by the owner, or was  
30 temporarily uninhabited as a result of restricted access to the  
31 property due to severe freezing conditions.

32 (m) Any dwelling that qualified for an exemption under this  
33 section prior to June 24, 2007, that was damaged or destroyed by  
34 the wildfires and any other related casualty that occurred as a result  
35 of this disaster in the County of El Dorado, as declared by the  
36 Governor in June 2007, and that has not changed ownership since  
37 June 24, 2007, shall not be disqualified as a “dwelling” or be denied  
38 an exemption under this section solely on the basis that the  
39 dwelling was temporarily damaged or destroyed or was being

1 reconstructed by the owner, or was temporarily uninhabited as a  
2 result of restricted access to the property due to the wildfires.

3 (n) Any dwelling that qualified for an exemption under this  
4 section prior to July 4, 2007, that was damaged or destroyed by  
5 the Zaca Fire and any other related casualty that occurred as a  
6 result of this disaster in the Counties of Santa Barbara and Ventura,  
7 as declared by the Governor in August 2007, and that has not  
8 changed ownership since July 4, 2007, may not be denied an  
9 exemption solely on the basis that the dwelling was temporarily  
10 damaged or destroyed or was being reconstructed by the owner,  
11 or was temporarily uninhabited as a result of restricted access to  
12 the property due to the Zaca Fire.

13 (o) Any dwelling that qualified for an exemption under this  
14 section prior to July 6, 2007, that was damaged or destroyed by  
15 the wildfires and any other related casualty that occurred as a result  
16 of this disaster in the County of Inyo, as declared by the Governor  
17 in July 2007, and that has not changed ownership since July 6,  
18 2007, may not be denied an exemption solely on the basis that the  
19 dwelling was temporarily damaged or destroyed or was being  
20 reconstructed by the owner, or was temporarily uninhabited as a  
21 result of restricted access to the property due to the wildfires.

22 (p) Any dwelling that qualified for an exemption under this  
23 section prior to the commencement dates of the wildfires listed in  
24 the Governor's disaster proclamations of September 15, 2007, and  
25 October 21, 2007, that was damaged or destroyed by the wildfires  
26 and any other related casualty that occurred in the Counties of Los  
27 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa  
28 Barbara, and Ventura, and that has not changed ownership since  
29 the commencement dates of these disasters as listed in the  
30 proclamations shall not be disqualified as a "dwelling" or be denied  
31 an exemption under this section solely on the basis that the  
32 dwelling was temporarily damaged or destroyed or was being  
33 reconstructed by the owner, or was temporarily uninhabited as a  
34 result of restricted access to the property due to the wildfires.

35 (q) Any dwelling that qualified for an exemption under this  
36 section prior to October 20, 2007, that was damaged or destroyed  
37 by the extremely strong and damaging winds and any other related  
38 casualty that occurred as a result of this disaster in the County of  
39 Riverside, as declared by the Governor in November 2007, and  
40 that has not changed ownership since October 20, 2007, shall not

1 be disqualified as a “dwelling” or be denied an exemption under  
2 this section solely on the basis that the dwelling was temporarily  
3 damaged or destroyed or was being reconstructed by the owner,  
4 or was temporarily uninhabited as a result of restricted access to  
5 the property due to the extremely strong and damaging winds.

6 (r) Any dwelling that qualified for an exemption under this  
7 section prior to the commencement dates of the wildfires listed in  
8 the Governor’s disaster proclamations of May, June, or July 2008,  
9 that was damaged or destroyed by the wildfires and any other  
10 related casualty that occurred in the Counties of Butte, Kern,  
11 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,  
12 Shasta, and Trinity and that has not changed ownership since the  
13 commencement dates of these disasters as listed in the  
14 proclamations shall not be disqualified as a “dwelling” or be denied  
15 an exemption under this section solely on the basis that the  
16 dwelling was temporarily damaged or destroyed or was being  
17 reconstructed by the owner, or was temporarily uninhabited as a  
18 result of restricted access to the property due to the wildfires.

19 (s) Any dwelling that qualified for an exemption under this  
20 section prior to July 1, 2008, that was damaged or destroyed by  
21 the wildfires and any other related casualty that occurred as a result  
22 of this disaster in the County of Santa Barbara, as declared by the  
23 Governor in July 2008, and that has not changed ownership since  
24 July 1, 2008, may not be denied an exemption solely on the basis  
25 that the dwelling was temporarily damaged or destroyed or was  
26 being reconstructed by the owner, or was temporarily uninhabited  
27 as a result of restricted access to the property due to the wildfires.

28 (t) Any dwelling that qualified for an exemption under this  
29 section prior to July 12, 2008, that was damaged or destroyed by  
30 severe rainstorms, floods, landslides, or the accumulation of debris  
31 in a disaster, as declared by the Governor, in July 2008, and that  
32 has not changed ownership since July 12, 2008, shall not be  
33 disqualified as a “dwelling” or be denied an exemption under this  
34 section solely on the basis that the dwelling was temporarily  
35 damaged or destroyed or was being reconstructed by the owner,  
36 or was temporarily uninhabited as a result of restricted access to  
37 the property due to floods, landslides, the accumulation of debris,  
38 or washed-out or damaged roads.

39 (u) Any dwelling that qualified for an exemption under this  
40 section prior to May 22, 2008, that was damaged or destroyed by

1 the wildfires and any other related casualty that occurred as a result  
2 of this disaster in the County of Humboldt, as declared by the  
3 Governor in August 2008, and that has not changed ownership  
4 since May 22, 2008, may not be denied an exemption solely on  
5 the basis that the dwelling was temporarily damaged or destroyed  
6 or was being reconstructed by the owner, or was temporarily  
7 uninhabited as a result of restricted access to the property due to  
8 the wildfires.

9 (v) Any dwelling that qualified for an exemption under this  
10 section prior to November 15, 2008, that was damaged or destroyed  
11 by the wildfires and any other related casualty that occurred as a  
12 result of this disaster in the ~~County of Orange~~ *Counties of Orange*  
13 *and Riverside*, as declared by the Governor in November 2008,  
14 and that has not changed ownership since November 15, 2008,  
15 shall not be disqualified as a “dwelling” or be denied an exemption  
16 under this section solely on the basis that the dwelling was  
17 temporarily damaged or destroyed or was being reconstructed by  
18 the owner, or was temporarily uninhabited as a result of restricted  
19 access to the property due to the wildfires.

20 (w) The exemption provided for in subdivision (k) of Section  
21 3 of Article XIII of the Constitution shall first be applied to the  
22 building, structure, or other shelter and the excess, if any, shall be  
23 applied to any land on which it may be located.

24 SEC. 6. Section 17207 of the Revenue and Taxation Code is  
25 amended to read:

26 17207. (a) An excess disaster loss, as defined in subdivision  
27 (c), shall be carried to other taxable years as provided in  
28 subdivision (b), with respect to losses resulting from any of the  
29 following disasters:

30 (1) Forest fire or any other related casualty occurring in 1985  
31 in California.

32 (2) Storm, flooding, or any other related casualty occurring in  
33 1986 in California.

34 (3) Any loss sustained during 1987 as a result of a forest fire or  
35 any other related casualty.

36 (4) Earthquake, aftershock, or any other related casualty  
37 occurring in 1987 in California.

38 (5) Earthquake, aftershock, or any other related casualty  
39 occurring in 1989 in California.

1 (6) Any loss sustained during 1990 as a result of fire or any  
2 other related casualty in California.

3 (7) Any loss sustained as a result of the Oakland/Berkeley Fire  
4 of 1991, or any other related casualty.

5 (8) Any loss sustained as a result of storm, flooding, or any  
6 other related casualty occurring in February 1992 in California.

7 (9) Earthquake, aftershock, or any other related casualty  
8 occurring in April 1992 in the County of Humboldt.

9 (10) Riots, arson, or any other related casualty occurring in  
10 April or May 1992 in California.

11 (11) Any loss sustained as a result of the earthquakes that  
12 occurred in the County of San Bernardino in June and July of 1992,  
13 or any other related casualty.

14 (12) Any loss sustained as a result of the Fountain Fire that  
15 occurred in the County of Shasta, or as a result of either of the  
16 fires in the Counties of Calaveras and Trinity that occurred in  
17 August 1992, or any other related casualty.

18 (13) Any loss sustained as a result of storm, flooding, or any  
19 other related casualty that occurred in the Counties of Alpine,  
20 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,  
21 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,  
22 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,  
23 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of  
24 Fillmore in January 1993.

25 (14) Any loss sustained as a result of a fire that occurred in the  
26 Counties of Los Angeles, Orange, Riverside, San Bernardino, San  
27 Diego, and Ventura, during October or November of 1993, or any  
28 other related casualty.

29 (15) Any loss sustained as a result of the earthquake, aftershocks,  
30 or any other related casualty that occurred in the Counties of Los  
31 Angeles, Orange, and Ventura on or after January 17, 1994.

32 (16) Any loss sustained as a result of a fire that occurred in the  
33 County of San Luis Obispo during August of 1994, or any other  
34 related casualty.

35 (17) Any loss sustained as a result of the storms or flooding  
36 occurring in 1995, or any other related casualty, sustained in any  
37 county of this state subject to a disaster declaration with respect  
38 to the storms and flooding.

39 (18) Any loss sustained as a result of the storms or flooding  
40 occurring in December 1996 or January 1997, or any related

casualty, sustained in any county of this state subject to a disaster declaration with respect to the storms or flooding.

(19) Any loss sustained as a result of the storms or flooding occurring in February 1998, or any related casualty, sustained in any county of this state subject to a disaster declaration with respect to the storms or flooding.

(20) Any loss sustained as a result of a freeze occurring in the winter of 1998–99, or any related casualty, sustained in any county of this state subject to a disaster declaration with respect to the freeze.

(21) Any loss sustained as a result of an earthquake occurring in September 2000, that was included in the Governor's proclamation of a state of emergency for the County of Napa.

(22) Any loss sustained as a result of the Middle River levee break in San Joaquin County occurring in June 2004.

(23) Any losses sustained as a result of the fires that occurred in the Counties of Los Angeles, Riverside, San Bernardino, San Diego, and Ventura in October and November 2003, or as a result of floods, mudflows, and debris flows, directly related to fires.

(24) Any losses sustained in the Counties of Santa Barbara and San Luis Obispo as a result of the San Simeon earthquake, aftershocks, and any other related casualties.

(25) Any losses sustained as a result of the wildfires that occurred in Shasta County, commencing August 11, 2004, and any other related casualty.

(26) Any loss sustained in the Counties of Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura as a result of the severe rainstorms, related flooding and slides, and any other related casualties, that occurred in December 2004, January 2005, February 2005, March 2005, or June 2005.

(27) Any loss sustained in the Counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of the severe rainstorms, related flooding and slides, and any other

1 related casualties, that occurred in December 2005, January 2006,  
2 March 2006, or April 2006.

3 (28) Any loss sustained in the County of San Bernardino as a  
4 result of the wildfires that occurred in July 2006.

5 (29) Any loss sustained in the Counties of Riverside and Ventura  
6 as a result of wildfires that occurred during the 2006 calendar year.

7 (30) Any loss sustained in the Counties of El Dorado, Fresno,  
8 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San  
9 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa  
10 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject  
11 of the Governor's proclamations of a state of emergency for the  
12 severe freezing conditions that occurred in January 2007.

13 (31) Any loss sustained in the County of El Dorado as a result  
14 of wildfires that occurred in June 2007.

15 (32) Any loss sustained in the Counties of Santa Barbara and  
16 Ventura as a result of the Zaca Fire that occurred during the 2007  
17 calendar year.

18 (33) Any loss sustained in the County of Inyo as a result of  
19 wildfires that commenced in July 2007.

20 (34) Any loss sustained in the Counties of Los Angeles, Orange,  
21 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura  
22 as a result of wildfires that occurred during the 2007 calendar year  
23 that were the subject of the Governor's disaster proclamations of  
24 September 15, 2007, and October 21, 2007.

25 (35) Any loss sustained in the County of Riverside as a result  
26 of extremely strong and damaging winds that occurred in October  
27 2007.

28 (36) Any loss sustained in the Counties of Butte, Kern,  
29 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,  
30 Shasta, and Trinity as a result of wildfires that occurred in May or  
31 June 2008 that were the subject of the Governor's proclamations  
32 of a state of emergency.

33 (37) Any loss sustained in the County of Santa Barbara as a  
34 result of wildfires that occurred in July 2008.

35 (38) Any loss sustained in the County of Inyo as a result of the  
36 severe rainstorms, related flooding and landslides, and any other  
37 related casualties, that occurred in July 2008.

38 (39) Any loss sustained in the County of Humboldt as a result  
39 of wildfires that commenced in May 2008.

1 (40) Any loss sustained in the ~~County of Orange~~ *Counties of*  
2 *Orange and Riverside* as a result of wildfires that commenced in  
3 November 2008.

4 (b) (1) In the case of any loss allowed under Section 165(c) of  
5 the Internal Revenue Code, relating to limitation of losses of  
6 individuals, any excess disaster loss shall be carried forward to  
7 each of the five taxable years following the taxable year for which  
8 the loss is claimed. However, if there is any excess disaster loss  
9 remaining after the five-year period, then the applicable percentage,  
10 as set forth in paragraph (1) of subdivision (b) of Section 17276,  
11 of that excess disaster loss shall be carried forward to each of the  
12 next 10 taxable years.

13 (2) The entire amount of any excess disaster loss as defined in  
14 subdivision (c) shall be carried to the earliest of the taxable years  
15 to which, by reason of subdivision (b), the loss may be carried.  
16 The portion of the loss which shall be carried to each of the other  
17 taxable years shall be the excess, if any, of the amount of excess  
18 disaster loss over the sum of the adjusted taxable income for each  
19 of the prior taxable years to which that excess disaster loss is  
20 carried.

21 (c) "Excess disaster loss" means a disaster loss computed  
22 pursuant to Section 165 of the Internal Revenue Code which  
23 exceeds the adjusted taxable income of the year of loss or, if the  
24 election under Section 165(i) of the Internal Revenue Code is  
25 made, the adjusted taxable income of the year preceding the loss.

26 (d) The provisions of this section and Section 165(i) of the  
27 Internal Revenue Code shall be applicable to any of the losses  
28 listed in subdivision (a) sustained in any county or city in this state  
29 which was proclaimed by the Governor to be in a state of disaster.

30 (e) Losses allowable under this section may not be taken into  
31 account in computing a net operating loss deduction under Section  
32 172 of the Internal Revenue Code.

33 (f) For purposes of this section, "adjusted taxable income" shall  
34 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

35 (g) For losses described in paragraphs (15) to (40), inclusive,  
36 of subdivision (a), the election under Section 165(i) of the Internal  
37 Revenue Code may be made on a return or amended return filed  
38 on or before the due date of the return (determined with regard to  
39 extension) for the taxable year in which the disaster occurred.

1 SEC. 7. Section 24347.5 of the Revenue and Taxation Code  
2 is amended to read:

3 24347.5. (a) An excess disaster loss, as defined in subdivision  
4 (c), shall be carried to other taxable years as provided in  
5 subdivision (b), with respect to losses resulting from any of the  
6 following disasters:

7 (1) Forest fire or any other related casualty occurring in 1985  
8 in California.

9 (2) Storm, flooding, or any other related casualty occurring in  
10 1986 in California.

11 (3) Any loss sustained during 1987 as a result of a forest fire or  
12 any other related casualty.

13 (4) Earthquake, aftershock, or any other related casualty  
14 occurring in October 1987 in California.

15 (5) Earthquake, aftershock, or any other related casualty  
16 occurring in October 1989 in California.

17 (6) Any loss sustained during 1990 as a result of fire or any  
18 other related casualty in California.

19 (7) Any loss sustained as a result of the Oakland/Berkeley Fire  
20 of 1991, or any other related casualty.

21 (8) Any loss sustained as a result of storm, flooding, or any  
22 other related casualty occurring in February 1992 in California.

23 (9) Earthquake, aftershock, or any other related casualty  
24 occurring in April 1992 in the County of Humboldt.

25 (10) Riots, arson, or any other related casualty occurring in  
26 April or May 1992 in California.

27 (11) Any loss sustained as a result of the earthquakes or any  
28 other related casualty that occurred in the County of San  
29 Bernardino in June and July of 1992.

30 (12) Any loss sustained as a result of the Fountain Fire that  
31 occurred in the County of Shasta, or as a result of either of the  
32 fires in the Counties of Calaveras and Trinity that occurred in  
33 August 1992, or any other related casualty.

34 (13) Any loss sustained as a result of storm, flooding, or any  
35 other related casualty that occurred in the Counties of Alpine,  
36 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,  
37 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,  
38 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,  
39 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of  
40 Fillmore in January 1993.

1 (14) Any loss sustained as a result of a fire that occurred in the  
2 Counties of Los Angeles, Orange, Riverside, San Bernardino, San  
3 Diego, and Ventura, during October or November of 1993, or any  
4 other related casualty.

5 (15) Any loss sustained as a result of the earthquake, aftershocks,  
6 or any other related casualty that occurred in the Counties of Los  
7 Angeles, Orange, and Ventura on or after January 17, 1994.

8 (16) Any loss sustained as a result of a fire that occurred in the  
9 County of San Luis Obispo during August of 1994, or any other  
10 related casualty.

11 (17) Any loss sustained as a result of the storms or flooding  
12 occurring in 1995, or any other related casualty, sustained in any  
13 county of this state subject to a disaster declaration with respect  
14 to the storms and flooding.

15 (18) Any loss sustained as a result of the storms or flooding  
16 occurring in December 1996 or January 1997, or any related  
17 casualty, sustained in any county of this state subject to a disaster  
18 declaration with respect to the storms or flooding.

19 (19) Any loss sustained as a result of the storms or flooding  
20 occurring in February 1998, or any related casualty, sustained in  
21 any county of this state subject to a disaster declaration with respect  
22 to the storms or flooding.

23 (20) Any loss sustained as a result of a freeze occurring in the  
24 winter of 1998–99, or any related casualty, sustained in any county  
25 of this state subject to a disaster declaration with respect to the  
26 freeze.

27 (21) Any loss sustained as a result of an earthquake occurring  
28 in September 2000, that was included in the Governor's  
29 proclamation of a state of emergency for the County of Napa.

30 (22) Any loss sustained as a result of the Middle River levee  
31 break in San Joaquin County occurring in June 2004.

32 (23) Any losses sustained as a result of the fires that occurred  
33 in the Counties of Los Angeles, Riverside, San Bernardino, San  
34 Diego, and Ventura in October and November 2003, or as a result  
35 of floods, mudflows, and debris flows, directly related to fires.

36 (24) Any losses sustained in the Counties of Santa Barbara and  
37 San Luis Obispo as a result of the San Simeon earthquake,  
38 aftershocks, and any other related casualties.

1 (25) Any losses sustained as a result of the wildfires that  
2 occurred in Shasta County, commencing August 11, 2004, and  
3 any other related casualty.

4 (26) Any loss sustained in the Counties of Kern, Los Angeles,  
5 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,  
6 and Ventura as a result of the severe rainstorms, related flooding  
7 and slides, and any other related casualties, that occurred in  
8 December 2004, January 2005, February 2005, March 2005, or  
9 June 2005.

10 (27) Any loss sustained in the Counties of Alameda, Alpine,  
11 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El  
12 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,  
13 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,  
14 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,  
15 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,  
16 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of  
17 the severe rainstorms, related flooding and slides, and any other  
18 related casualties, that occurred in December 2005, January 2006,  
19 March 2006, or April 2006.

20 (28) Any loss sustained in the County of San Bernardino as a  
21 result of the wildfires that occurred in July 2006.

22 (29) Any loss sustained in the Counties of Riverside and Ventura  
23 as a result of wildfires that occurred during the 2006 calendar year.

24 (30) Any loss sustained in the Counties of El Dorado, Fresno,  
25 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San  
26 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa  
27 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject  
28 of the Governor's proclamations of a state of emergency for the  
29 severe freezing conditions that occurred in January 2007.

30 (31) Any loss sustained in the County of El Dorado as a result  
31 of wildfires that occurred in June 2007.

32 (32) Any loss sustained in the Counties of Santa Barbara and  
33 Ventura as a result of the Zaca Fire that occurred during the 2007  
34 calendar year.

35 (33) Any loss sustained in the County of Inyo as a result of  
36 wildfires that commenced in July 2007.

37 (34) Any loss sustained in the Counties of Los Angeles, Orange,  
38 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura  
39 as a result of wildfires that occurred during the 2007 calendar year

1 that were the subject of the Governor's disaster proclamations of  
2 September 15, 2007, and October 21, 2007.

3 (35) Any loss sustained in the County of Riverside as a result  
4 of extremely strong and damaging winds that occurred in October  
5 2007.

6 (36) Any loss sustained in the Counties of Butte, Kern,  
7 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,  
8 Shasta, and Trinity as a result of wildfires that occurred in May or  
9 June 2008 that were the subject of the Governor's proclamations  
10 of a state of emergency.

11 (37) Any loss sustained in the County of Santa Barbara as a  
12 result of wildfires that occurred in July 2008.

13 (38) Any loss sustained in the County of Inyo as a result of the  
14 severe rainstorms, related flooding and landslides, and any other  
15 related casualties, that occurred in July 2008.

16 (39) Any loss sustained in the County of Humboldt as a result  
17 of wildfires that commenced in May 2008.

18 (40) Any loss sustained in the ~~County of Orange~~ *Counties of*  
19 *Orange and Riverside* as a result of wildfires that commenced in  
20 November 2008.

21 (b) (1) In the case of any loss allowed under Section 165 of the  
22 Internal Revenue Code, relating to losses, any excess disaster loss  
23 shall be carried forward to each of the five taxable years following  
24 the taxable year for which the loss is claimed. However, if there  
25 is any excess disaster loss remaining after the five-year period,  
26 then the applicable percentage, as set forth in paragraph (1) of  
27 subdivision (b) of Section 24416, of that excess disaster loss shall  
28 be carried forward to each of the next 10 taxable years.

29 (2) The entire amount of any excess disaster loss as defined in  
30 subdivision (c) shall be carried to the earliest of the taxable years  
31 to which, by reason of subdivision (b), the loss may be carried.  
32 The portion of the loss which shall be carried to each of the other  
33 taxable years shall be the excess, if any, of the amount of excess  
34 disaster loss over the sum of the net income for each of the prior  
35 taxable years to which that excess disaster loss is carried.

36 (c) "Excess disaster loss" means a disaster loss computed  
37 pursuant to Section 165 of the Internal Revenue Code, which  
38 exceeds the net income of the year of loss or, if the election under  
39 Section 165(i) of the Internal Revenue Code is made, the net  
40 income of the year preceding the loss.

1 (d) The provisions of this section and Section 165(i) of the  
2 Internal Revenue Code shall be applicable to any of the losses  
3 listed in subdivision (a) sustained in any county or city in this state  
4 which was proclaimed by the Governor to be in a state of disaster.

5 (e) Any corporation subject to the provisions of Section 25101  
6 or 25101.15 that has disaster losses pursuant to this section, shall  
7 determine the excess disaster loss to be carried to other taxable  
8 years under the principles specified in Section 25108 relating to  
9 net operating losses.

10 (f) Losses allowable under this section may not be taken into  
11 account in computing a net operating loss deduction under Section  
12 172 of the Internal Revenue Code.

13 (g) For losses described in paragraphs (15) to (40), inclusive,  
14 of subdivision (a), the election under Section 165(i) of the Internal  
15 Revenue Code may be made on a return or amended return filed  
16 on or before the due date of the return (determined with regard to  
17 extension) for the taxable year in which the disaster occurred.

18 SEC. 8. It is the intent of the Legislature to provide in the  
19 annual Budget Act those additional reimbursements to local  
20 governments that, as a result of Section 5 of this act, are required  
21 by Section 25 of Article XIII of the California Constitution.

22 SEC. 9. The Legislature finds and declares that this act fulfills  
23 a statewide public purpose because of all of the following:

24 (a) The Governor of California has officially proclaimed a state  
25 of emergency declaring that the wildfires that occurred within the  
26 ~~County of Orange~~ *Counties of Orange and Riverside*, commencing  
27 in November 2008, constitute conditions of extreme peril to public  
28 health and safety to persons and property within that county, thus  
29 qualifying affected persons for various forms of governmental  
30 assistance and relief.

31 (b) This act is consistent with, and supplements, the proclaimed  
32 disaster assistance and relief by providing necessary fiscal  
33 assistance and tax relief to affected jurisdictions and persons to  
34 allow them to maintain essential basic services and repair damage  
35 to, and restore, their homes and businesses.

36 SEC. 10. If the Commission on State Mandates determines  
37 that this act contains costs mandated by the state, reimbursement  
38 to local agencies and school districts for those costs shall be made  
39 pursuant to Part 7 (commencing with Section 17500) of Division  
40 4 of Title 2 of the Government Code.

1 SEC. 11. This act is an urgency statute necessary for the  
2 immediate preservation of the public peace, health, or safety within  
3 the meaning of Article IV of the Constitution and shall go into  
4 immediate effect. The facts constituting the necessity are:  
5 In order to timely provide essential relief to those persons and  
6 jurisdictions that have suffered damage or loss as a result of the  
7 wildfires that occurred within the ~~County of Orange~~ *Counties of*  
8 *Orange and Riverside*, commencing in November 2008, that were  
9 the subject of the Governor's proclamation of a state of emergency,  
10 it is necessary that this act take effect immediately.