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AMENDED IN ASSEMBLY FEBRUARY 18, 2009
CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 79

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

December 19, 2008

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 Counties of Orange ~~and Riverside~~, *Riverside, and San Bernardino*, which 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 Counties of Orange ~~and Riverside~~, *Riverside, and San Bernardino* 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 Counties of Orange ~~and Riverside~~, *Riverside, and San Bernardino* 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~~ *the commencement dates of the wildfires listed in the Governor's disaster proclamations of November 15, 2008, and November 17, 2008*, that was damaged or destroyed by the wildfires in the Counties of Orange and Riverside, as declared by the Governor in November 2008, and that has not changed ownership since ~~November 15, 2008~~ *the commencement dates of these disasters as listed in the proclamations*, 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 Counties of Orange and ~~Riverside~~, *Riverside*, and *San Bernardino* 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.

1 (4) The January 17, 1994, Northridge earthquake.

2 (5) Storms that occurred in California during the periods
3 commencing January 3, 1995, and February 13, 1995, as specified
4 in agreements between this state and the United States for federal
5 financial assistance.

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

9 (7) The winter storms and flooding that occurred from February
10 1, 1998, to April 30, 1998, inclusive, as specified in agreements
11 between this state and the United States for federal financial
12 assistance.

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

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

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

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

29 (12) The severe storms, flooding, mudslides, and landslides that
30 occurred in northern California during the period from December
31 17, 2005, to January 3, 2006, inclusive, as specified in agreements
32 between this state and the United States for federal financial
33 assistance.

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

38 (14) The Freeway Complex Fire, which occurred in the Counties
39 of Orange and Riverside commencing on November 15, 2008, *and*
40 *in the County of San Bernardino commencing on November 16,*

1 2008, as specified in agreements between this state and the United
2 States for federal financial assistance.

3 (c) For any federally declared disaster subsequent to January 1,
4 1995, that the Legislature has designated in subdivision (b), the
5 state shall assume the increased share specified in subdivision (b)
6 in those cases where the Federal Emergency Management Agency
7 or another applicable federal agency has approved the federal share
8 of costs.

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

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

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

28 (b) For purposes of this section, “basic state aid school district”
29 means any school district that does not receive a state
30 apportionment pursuant to subdivision (h) of Section 42238 of the
31 Education Code, but receives from the state only a basic
32 apportionment pursuant to Section 6 of Article IX of the California
33 Constitution.

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

36 195.153. After the county auditor of the eligible county, as
37 described in Section 195.152, has made the applicable certification
38 to the Director of Finance pursuant to that section, the director
39 shall within 30 days after verification of the county auditor's
40 estimate, certify this amount to the Controller for allocation to the

1 county. Upon receipt of certification from the Director of Finance,
2 the Controller shall make the appropriate allocation to the county
3 within 10 working days.

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

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

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. 5. Section 218 of the Revenue and Taxation Code is
29 amended to read:

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

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

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

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

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

9 (B) "Dwelling" includes the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (m) Any dwelling that qualified for an exemption under this
40 section prior to June 24, 2007, 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 El Dorado, as declared by the
3 Governor in June 2007, and that has not changed ownership since
4 June 24, 2007, shall not be disqualified as a “dwelling” or be denied
5 an exemption under this section solely on the basis that the
6 dwelling was temporarily damaged or destroyed or was being
7 reconstructed by the owner, or was temporarily uninhabited as a
8 result of restricted access to the property due to the wildfires.

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

19 (o) Any dwelling that qualified for an exemption under this
20 section prior to July 6, 2007, 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 Inyo, as declared by the Governor
23 in July 2007, and that has not changed ownership since July 6,
24 2007, may not be denied an exemption solely on the basis that the
25 dwelling was temporarily damaged or destroyed or was being
26 reconstructed by the owner, or was temporarily uninhabited as a
27 result of restricted access to the property due to the wildfires.

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

1 (q) Any dwelling that qualified for an exemption under this
2 section prior to October 20, 2007, that was damaged or destroyed
3 by the extremely strong and damaging winds and any other related
4 casualty that occurred as a result of this disaster in the County of
5 Riverside, as declared by the Governor in November 2007, and
6 that has not changed ownership since October 20, 2007, shall not
7 be disqualified as a “dwelling” or be denied an exemption under
8 this section solely on the basis that the dwelling was temporarily
9 damaged or destroyed or was being reconstructed by the owner,
10 or was temporarily uninhabited as a result of restricted access to
11 the property due to the extremely strong and damaging winds.

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

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

34 (t) Any dwelling that qualified for an exemption under this
35 section prior to July 12, 2008, that was damaged or destroyed by
36 severe rainstorms, floods, landslides, or the accumulation of debris
37 in a disaster, as declared by the Governor, in July 2008, and that
38 has not changed ownership since July 12, 2008, shall not be
39 disqualified as a “dwelling” or be denied an exemption under this
40 section solely on the basis that the dwelling was temporarily

1 damaged or destroyed or was being reconstructed by the owner,
2 or was temporarily uninhabited as a result of restricted access to
3 the property due to floods, landslides, the accumulation of debris,
4 or washed-out or damaged roads.

5 (u) Any dwelling that qualified for an exemption under this
6 section prior to May 22, 2008, that was damaged or destroyed by
7 the wildfires and any other related casualty that occurred as a result
8 of this disaster in the County of Humboldt, as declared by the
9 Governor in August 2008, and that has not changed ownership
10 since May 22, 2008, may not be denied an exemption solely on
11 the basis that the dwelling was temporarily damaged or destroyed
12 or was being reconstructed by the owner, or was temporarily
13 uninhabited as a result of restricted access to the property due to
14 the wildfires.

15 (v) Any dwelling that qualified for an exemption under this
16 section prior to ~~November 15, 2008~~ *the commencement dates of*
17 *the wildfires listed in the Governor's disaster proclamations of*
18 *November 15, 2008, and November 17, 2008*, that was damaged
19 or destroyed by the wildfires and any other related casualty that
20 occurred as a result of this disaster in the Counties of Orange and
21 ~~Riverside~~, *Riverside, and San Bernardino*, as declared by the
22 Governor in November 2008, and that has not changed ownership
23 since ~~November 15, 2008~~ *the commencement dates of these*
24 *disasters as listed in the proclamations*, shall not be disqualified
25 as a "dwelling" or be denied an exemption under this section solely
26 on the basis that the dwelling was temporarily damaged or
27 destroyed or was being reconstructed by the owner, or was
28 temporarily uninhabited as a result of restricted access to the
29 property due to the wildfires.

30 (w) The exemption provided for in subdivision (k) of Section
31 3 of Article XIII of the Constitution shall first be applied to the
32 building, structure, or other shelter and the excess, if any, shall be
33 applied to any land on which it may be located.

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

36 17207. (a) An excess disaster loss, as defined in subdivision
37 (c), shall be carried to other taxable years as provided in
38 subdivision (b), with respect to losses resulting from any of the
39 following disasters:

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

3 (2) Storm, flooding, or any other related casualty occurring in
4 1986 in California.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (26) Any loss sustained in the Counties of Kern, Los Angeles,
39 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
40 and Ventura as a result of the severe rainstorms, related flooding

1 and slides, and any other related casualties, that occurred in
2 December 2004, January 2005, February 2005, March 2005, or
3 June 2005.

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

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

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

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

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

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

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

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

36 (35) Any loss sustained in the County of Riverside as a result
37 of extremely strong and damaging winds that occurred in October
38 2007.

39 (36) Any loss sustained in the Counties of Butte, Kern,
40 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,

1 Shasta, and Trinity as a result of wildfires that occurred in May or
2 June 2008 that were the subject of the Governor's proclamations
3 of a state of emergency.

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

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

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

11 (40) Any loss sustained in the Counties of Orange and Riverside,
12 *Riverside, and San Bernardino* as a result of wildfires that
13 commenced in November 2008.

14 (b) (1) In the case of any loss allowed under Section 165(c) of
15 the Internal Revenue Code, relating to limitation of losses of
16 individuals, any excess disaster loss shall be carried forward to
17 each of the five taxable years following the taxable year for which
18 the loss is claimed. However, if there is any excess disaster loss
19 remaining after the five-year period, then the applicable percentage,
20 as set forth in paragraph (1) of subdivision (b) of Section 17276,
21 of that excess disaster loss shall be carried forward to each of the
22 next 10 taxable years.

23 (2) The entire amount of any excess disaster loss as defined in
24 subdivision (c) shall be carried to the earliest of the taxable years
25 to which, by reason of subdivision (b), the loss may be carried.
26 The portion of the loss which shall be carried to each of the other
27 taxable years shall be the excess, if any, of the amount of excess
28 disaster loss over the sum of the adjusted taxable income for each
29 of the prior taxable years to which that excess disaster loss is
30 carried.

31 (c) "Excess disaster loss" means a disaster loss computed
32 pursuant to Section 165 of the Internal Revenue Code which
33 exceeds the adjusted taxable income of the year of loss or, if the
34 election under Section 165(i) of the Internal Revenue Code is
35 made, the adjusted taxable income of the year preceding the loss.

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

1 (e) Losses allowable under this section may not be taken into
2 account in computing a net operating loss deduction under Section
3 172 of the Internal Revenue Code.

4 (f) For purposes of this section, “adjusted taxable income” shall
5 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

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

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

13 24347.5. (a) An excess disaster loss, as defined in subdivision
14 (c), shall be carried to other taxable years as provided in
15 subdivision (b), with respect to losses resulting from any of the
16 following disasters:

17 (1) Forest fire or any other related casualty occurring in 1985
18 in California.

19 (2) Storm, flooding, or any other related casualty occurring in
20 1986 in California.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(18) Any loss sustained as a result of the storms or flooding 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (35) Any loss sustained in the County of Riverside as a result
12 of extremely strong and damaging winds that occurred in October
13 2007.

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

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

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

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

26 (40) Any loss sustained in the Counties of Orange and Riverside,
27 *Riverside, and San Bernardino* as a result of wildfires that
28 commenced in November 2008.

29 (b) (1) In the case of any loss allowed under Section 165 of the
30 Internal Revenue Code, relating to losses, any excess disaster loss
31 shall be carried forward to each of the five taxable years following
32 the taxable year for which the loss is claimed. However, if there
33 is any excess disaster loss remaining after the five-year period,
34 then the applicable percentage, as set forth in paragraph (1) of
35 subdivision (b) of Section 24416, of that excess disaster loss shall
36 be carried forward to each of the next 10 taxable years.

37 (2) The entire amount of any excess disaster loss as defined in
38 subdivision (c) shall be carried to the earliest of the taxable years
39 to which, by reason of subdivision (b), the loss may be carried.
40 The portion of the loss which shall be carried to each of the other

1 taxable years shall be the excess, if any, of the amount of excess
2 disaster loss over the sum of the net income for each of the prior
3 taxable years to which that excess disaster loss is carried.

4 (c) "Excess disaster loss" means a disaster loss computed
5 pursuant to Section 165 of the Internal Revenue Code, which
6 exceeds the net income of the year of loss or, if the election under
7 Section 165(i) of the Internal Revenue Code is made, the net
8 income of the year preceding the loss.

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

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

18 (f) Losses allowable under this section may not be taken into
19 account in computing a net operating loss deduction under Section
20 172 of the Internal Revenue Code.

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

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

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

32 (a) The Governor of California has officially proclaimed a state
33 of emergency declaring that the wildfires that occurred within the
34 Counties of Orange and ~~Riverside~~, *Riverside*, and *San Bernardino*,
35 commencing in November 2008, constitute conditions of extreme
36 peril to public health and safety to persons and property within
37 that county, thus qualifying affected persons for various forms of
38 governmental assistance and relief.

39 (b) This act is consistent with, and supplements, the proclaimed
40 disaster assistance and relief by providing necessary fiscal

1 assistance and tax relief to affected jurisdictions and persons to
2 allow them to maintain essential basic services and repair damage
3 to, and restore, their homes and businesses.

4 SEC. 10. If the Commission on State Mandates determines
5 that this act contains costs mandated by the state, reimbursement
6 to local agencies and school districts for those costs shall be made
7 pursuant to Part 7 (commencing with Section 17500) of Division
8 4 of Title 2 of the Government Code.

9 SEC. 11. This act is an urgency statute necessary for the
10 immediate preservation of the public peace, health, or safety within
11 the meaning of Article IV of the Constitution and shall go into
12 immediate effect. The facts constituting the necessity are:

13 In order to timely provide essential relief to those persons and
14 jurisdictions that have suffered damage or loss as a result of the
15 wildfires that occurred within the Counties of Orange—and
16 ~~Riverside~~, *Riverside*, and *San Bernardino*, commencing in
17 November 2008, that were the subject of the Governor's
18 ~~proclamation~~ *proclamations* of a state of emergency, it is necessary
19 that this act take effect immediately.