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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, 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, 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, Riverside, and San Bernardino as a result of the wildfires that occurred during November 2008, as provided.~~

~~(3)~~

(2) 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 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 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)

(3) 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, 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)

(4) 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.~~

1 ~~(3) The fires that occurred in southern California from October~~
2 ~~1, 1993, to November 30, 1993, inclusive.~~

3 ~~(4) The January 17, 1994, Northridge earthquake.~~

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

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

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

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

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

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

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

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

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

1 ~~(14) The Freeway Complex Fire, which occurred in the Counties~~
2 ~~of Orange and Riverside commencing on November 15, 2008, and~~
3 ~~in the County of San Bernardino commencing on November 16,~~
4 ~~2008, as specified in agreements between this state and the United~~
5 ~~States for federal financial assistance.~~

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

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

15 ~~SEC. 2.~~

16 ~~SECTION 1.~~ Section 195.152 is added to the Revenue and
17 Taxation Code, to read:

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

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

37 ~~SEC. 3.~~

38 ~~SEC. 2.~~ Section 195.153 is added to the Revenue and Taxation
39 Code, to read:

1 195.153. After the county auditor of the eligible county, as
2 described in Section 195.152, has made the applicable certification
3 to the Director of Finance pursuant to that section, the director
4 shall within 30 days after verification of the county auditor's
5 estimate, certify this amount to the Controller for allocation to the
6 county. Upon receipt of certification from the Director of Finance,
7 the Controller shall make the appropriate allocation to the county
8 within 10 working days.

9 ~~SEC. 4.~~

10 *SEC. 3.* Section 195.154 is added to the Revenue and Taxation
11 Code, to read:

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

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. 5.~~

35 *SEC. 4.* Section 218 of the Revenue and Taxation Code is
36 amended to read:

37 218. (a) The homeowners' property tax exemption is in the
38 amount of the assessed value of the dwelling specified in this
39 section, as authorized by subdivision (k) of Section 3 of Article

1 XIII of the Constitution. That exemption shall be in the amount
2 of seven thousand dollars (\$7,000) of the full value of the dwelling.

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

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

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

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

16 (B) "Dwelling" includes the following:

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

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

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

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

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

1 (e) Any dwelling that qualified for an exemption under this
2 section prior to October 15, 2003, that was damaged or destroyed
3 by fire or earthquake in a disaster, as declared by the Governor,
4 during October, November, or December 2003, and that has not
5 changed ownership since October 15, 2003, shall not be
6 disqualified as a “dwelling” or be denied an exemption under this
7 section solely on the basis that the dwelling was temporarily
8 damaged or destroyed or was being reconstructed by the owner.

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

16 (g) Any dwelling that qualified for an exemption under this
17 section prior to August 11, 2004, that was damaged or destroyed
18 by the wildfires and any other related casualty that occurred in
19 Shasta County in a disaster, as declared by the Governor, during
20 August 2004, and that has not changed ownership since August
21 11, 2004, shall not be disqualified as a “dwelling” or be denied an
22 exemption under this section solely on the basis that the dwelling
23 was temporarily damaged or destroyed or was being reconstructed
24 by the owner.

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

37 (i) Any dwelling that qualified for an exemption under this
38 section prior to December 19, 2005, that was damaged or destroyed
39 by severe rainstorms, floods, mudslides, or the accumulation of
40 debris in a disaster, as declared by the Governor in January 2006,

1 April 2006, May 2006, or June 2006, and that has not changed
2 ownership since December 19, 2005, shall not be disqualified as
3 a “dwelling” or be denied an exemption under this section solely
4 on the basis that the dwelling was temporarily damaged or
5 destroyed or was being reconstructed by the owner, or was
6 temporarily uninhabited as a result of restricted access to the
7 property due to floods, mudslides, the accumulation of debris, or
8 washed-out or damaged roads.

9 (j) Any dwelling that qualified for an exemption under this
10 section prior to July 9, 2006, that was damaged or destroyed by
11 the wildfires and any other related casualty that occurred in the
12 County of San Bernardino, as declared by the Governor in July
13 2006, and that has not changed ownership since July 9, 2006, shall
14 not be disqualified as a “dwelling” or be denied an exemption
15 under this section solely on the basis that the dwelling was
16 temporarily damaged or destroyed or was being reconstructed by
17 the owner, or was temporarily uninhabited as a result of restricted
18 access to the property due to the wildfires.

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

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

1 on the basis that the dwelling was temporarily damaged or
2 destroyed or was being reconstructed by the owner, or was
3 temporarily uninhabited as a result of restricted access to the
4 property due to severe freezing conditions.

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

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

25 (o) Any dwelling that qualified for an exemption under this
26 section prior to July 6, 2007, 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 Inyo, as declared by the Governor
29 in July 2007, and that has not changed ownership since July 6,
30 2007, may not be denied an exemption solely on the basis that the
31 dwelling was temporarily damaged or destroyed or was being
32 reconstructed by the owner, or was temporarily uninhabited as a
33 result of restricted access to the property due to the wildfires.

34 (p) Any dwelling that qualified for an exemption under this
35 section prior to the commencement dates of the wildfires listed in
36 the Governor’s disaster proclamations of September 15, 2007, and
37 October 21, 2007, that was damaged or destroyed by the wildfires
38 and any other related casualty that occurred in the Counties of Los
39 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
40 Barbara, and Ventura, and that has not changed ownership since

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

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

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

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

1 (t) Any dwelling that qualified for an exemption under this
2 section prior to July 12, 2008, that was damaged or destroyed by
3 severe rainstorms, floods, landslides, or the accumulation of debris
4 in a disaster, as declared by the Governor, in July 2008, and that
5 has not changed ownership since July 12, 2008, shall not be
6 disqualified as a “dwelling” or be denied an exemption under this
7 section solely on the basis that the dwelling was temporarily
8 damaged or destroyed or was being reconstructed by the owner,
9 or was temporarily uninhabited as a result of restricted access to
10 the property due to floods, landslides, the accumulation of debris,
11 or washed-out or damaged roads.

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

22 (v) 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 November 15, 2008, and
25 November 17, 2008, that was damaged or destroyed by the
26 wildfires and any other related casualty that occurred as a result
27 of this disaster in the Counties of Orange, Riverside, and San
28 Bernardino, as declared by the Governor in November 2008, and
29 that has not changed ownership since the commencement dates of
30 these disasters as listed in the proclamations, 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 or was temporarily uninhabited as a result of restricted access to
35 the property due to the wildfires.

36 (w) The exemption provided for in subdivision (k) of Section
37 3 of Article XIII of the Constitution shall first be applied to the
38 building, structure, or other shelter and the excess, if any, shall be
39 applied to any land on which it may be located.

~~SEC. 6.~~

SEC. 5. Section 17207 of the Revenue and Taxation Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

(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,

1 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
2 Fillmore in January 1993.

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

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

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

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

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

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

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

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

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

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

38 (24) Any losses sustained in the Counties of Santa Barbara and
39 San Luis Obispo as a result of the San Simeon earthquake,
40 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 Counties of Orange, Riverside,
19 and San Bernardino as a result of wildfires that commenced in
20 November 2008.

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

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

38 (c) "Excess disaster loss" means a disaster loss computed
39 pursuant to Section 165 of the Internal Revenue Code which
40 exceeds the adjusted taxable income of the year of loss or, if the

election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss.

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

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

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

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

~~SEC. 7.~~

SEC. 6. Section 24347.5 of the Revenue and Taxation Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) (1) In the case of any loss allowed under Section 165 of the Internal Revenue Code, relating to losses, any excess disaster loss shall be carried forward to each of the five taxable years following the taxable year for which the loss is claimed. However, if there

1 is any excess disaster loss remaining after the five-year period,
2 then the applicable percentage, as set forth in paragraph (1) of
3 subdivision (b) of Section 24416, of that excess disaster loss shall
4 be carried forward to each of the next 10 taxable years.

5 (2) The entire amount of any excess disaster loss as defined in
6 subdivision (c) shall be carried to the earliest of the taxable years
7 to which, by reason of subdivision (b), the loss may be carried.
8 The portion of the loss which shall be carried to each of the other
9 taxable years shall be the excess, if any, of the amount of excess
10 disaster loss over the sum of the net income for each of the prior
11 taxable years to which that excess disaster loss is carried.

12 (c) "Excess disaster loss" means a disaster loss computed
13 pursuant to Section 165 of the Internal Revenue Code, which
14 exceeds the net income of the year of loss or, if the election under
15 Section 165(i) of the Internal Revenue Code is made, the net
16 income of the year preceding the loss.

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

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

26 (f) Losses allowable under this section may not be taken into
27 account in computing a net operating loss deduction under Section
28 172 of the Internal Revenue Code.

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

34 ~~SEC. 8.~~

35 *SEC. 7.* It is the intent of the Legislature to provide in the
36 annual Budget Act those additional reimbursements to local
37 governments that, as a result of Section-5 4 of this act, are required
38 by Section 25 of Article XIII of the California Constitution.

1 ~~SEC. 9.~~

2 *SEC. 8.* The Legislature finds and declares that this act fulfills
3 a statewide public purpose because of all of the following:

4 (a) The Governor of California has officially proclaimed a state
5 of emergency declaring that the wildfires that occurred within the
6 Counties of Orange, Riverside, and San Bernardino, commencing
7 in November 2008, constitute conditions of extreme peril to public
8 health and safety to persons and property within that county, thus
9 qualifying affected persons for various forms of governmental
10 assistance and relief.

11 (b) This act is consistent with, and supplements, the proclaimed
12 disaster assistance and relief by providing necessary fiscal
13 assistance and tax relief to affected jurisdictions and persons to
14 allow them to maintain essential basic services and repair damage
15 to, and restore, their homes and businesses.

16 ~~SEC. 10.~~

17 *SEC. 9.* If the Commission on State Mandates determines that
18 this act contains costs mandated by the state, reimbursement to
19 local agencies and school districts for those costs shall be made
20 pursuant to Part 7 (commencing with Section 17500) of Division
21 4 of Title 2 of the Government Code.

22 ~~SEC. 11.~~

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

27 In order to timely provide essential relief to those persons and
28 jurisdictions that have suffered damage or loss as a result of the
29 wildfires that occurred within the Counties of Orange, Riverside,
30 and San Bernardino, commencing in November 2008, that were
31 the subject of the Governor's proclamations of a state of
32 emergency, it is necessary that this act take effect immediately.