

AMENDED IN ASSEMBLY MARCH 25, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1782

Introduced by Assembly Member Harkey

February 9, 2010

An act to amend Section 16418 of the Government Code, to amend Section 218 of, and to add Chapter 7 (commencing with Section 199) to Part 1 of Division 1 of, the Revenue and Taxation Code, relating to disaster relief, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1782, as amended, Harkey. 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 state allocations for specified disaster relief purposes.

This bill would authorize an eligible county, as defined, to apply for state allocations to offset property tax revenue reductions resulting from the reassessment of property that was damaged in a Governor-declared

emergency. This bill would make an appropriation by continuously appropriating moneys in the Special Fund for Economic Uncertainties for this purpose.

(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 provide that any dwelling that qualified for the exemption and that was damaged or destroyed by a natural disaster in a designated area declared by the Governor to be in a state of emergency during a specified period of time, *and that has not changed ownership since the commencement date of the disaster*, may not be denied the exemption solely on the basis that, as a result of that disaster, 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 the disaster*.

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.

(3) By requiring local tax officials to implement new criteria under the homeowners’ exemption, 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.

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 16418 of the Government Code is
 2 amended to read:

1 16418. (a) The Special Fund for Economic Uncertainties is
2 hereby created in the State Treasury and is continuously
3 appropriated for the purposes of this section. The contingency
4 reserve for economic uncertainties established within the General
5 Fund by Section 12.3 of the Budget Act of 1980 is hereby
6 discontinued, and any balance in that reserve shall be transferred
7 to the Special Fund for Economic Uncertainties. This special fund
8 represents a reserve fund within the meaning of Section 5 of Article
9 XIII B of the California Constitution. Notwithstanding Sections
10 16310 and 16314, the Controller may transfer as necessary from
11 the Special Fund for Economic Uncertainties or from the special
12 accounts in the General Fund to the General Fund amounts that
13 are needed to meet cash needs of the General Fund. The Controller
14 shall return all of the moneys so transferred without payment of
15 interest as soon as there are sufficient moneys in the General Fund.

16 (b) The Controller shall transfer from the Special Fund for
17 Economic Uncertainties to the unappropriated balance of the
18 General Fund an amount necessary to eliminate any General Fund
19 deficit as of the end of each fiscal year, commencing as of June
20 30, 1985. The amount of transfer for each fiscal year shall be
21 determined on the basis of the State of California Preliminary
22 Annual Report—Accrual Basis, for that fiscal year. Any subsequent
23 adjustments shall be determined jointly by the Controller and the
24 Director of Finance.

25 (c) Notwithstanding Section 13340, moneys in the Special Fund
26 for Economic Uncertainties are hereby continuously appropriated
27 without regard to fiscal years to the Director of Finance for the
28 purpose of allocating funds for disaster relief pursuant to Chapter
29 5 (commencing with Section 194) and Chapter 6 (commencing
30 with Section 197) of Part 1 of Division 1 of the Revenue and
31 Taxation Code, and for making allocations to counties pursuant
32 to Chapter 7 (commencing with Section 199) of Part 1 of Division
33 1 of the Revenue and Taxation Code. However, any allocation
34 made by the director pursuant to this subdivision shall not be made
35 sooner than 30 days after notification in writing of the necessity
36 therefor *is* provided to the Joint Legislative Budget Committee.

37 (d) For budgeting and accounting purposes, any appropriations
38 heretofore or hereafter made specifically from the Special Fund
39 for Economic Uncertainties, other than appropriations contained
40 in this section, shall be deemed an appropriation from the General

1 Fund. For yearend reporting purposes, the Controller shall add the
2 balance in the Special Fund for Economic Uncertainties to the
3 balance in the General Fund so as to show the total moneys then
4 available for General Fund purposes.

5 (e) (1) Notwithstanding Section 13340, there is hereby
6 appropriated from the General Fund, without regard to fiscal years,
7 for transfer by the Controller to the Special Fund for Economic
8 Uncertainties as of the end of each fiscal year the unencumbered
9 balance in the General Fund.

10 (2) If, at the end of any fiscal year in which it has been
11 determined that there are revenues in excess of the amount that
12 may be appropriated, as defined in subdivision (a) of Section 2 of
13 Article XIII B of the California Constitution, the transfer pursuant
14 to paragraph (1) shall be reduced by the amount of these excess
15 revenues. The estimates of the transfer shall be made jointly by
16 the Department of Finance and the Legislative Analyst’s Office.

17 SEC. 2. Chapter 7 (commencing with Section 199) is added
18 to Part 1 of Division 1 of the Revenue and Taxation Code, to read:

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CHAPTER 7. EMERGENCY PROPERTY TAX REASSESSMENT
REIMBURSEMENT

23 199. For purposes of this chapter, all of the following apply:

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

29 (b) “Certification date” shall be established by the Director of
30 Finance as a reasonable amount of time after the Governor-declared
31 state of emergency by which a county auditor may reasonably
32 certify the estimate described in subdivision (a) of Section 199.1.

33 (c) “Eligible county” has the same meaning as specified in
34 subdivision (a) of Section 194.

35 (d) “Reimbursement date” shall be established by the Controller
36 as a reasonable amount of time after the allocation described in
37 subdivision (b) of Section 199.1 by which a county may reasonably
38 compute the amounts described in subdivision (c) of Section 199.1.

39 199.1. (a) On or before the certification date, the auditor of an
40 eligible county, which was the subject of the Governor’s

1 proclamation of a state of emergency, shall certify to the Director
2 of Finance an estimate of the total amount of the reduction in
3 property tax revenues on both the regular secured roll and the
4 supplemental rolls for the designated period of time in which an
5 emergency was declared, resulting from the reassessment by the
6 county assessor pursuant to paragraph (1) of subdivision (a) of
7 Section 170 of those properties that are eligible properties as a
8 result of that disaster, except that the amount certified shall not
9 include any estimated property tax revenue reductions to school
10 districts, other than basic state aid school districts, and county
11 offices of education.

12 (b) After the auditor of the eligible county has made the
13 certification described in subdivision (a), the Director of Finance
14 shall, within 30 days after verification of the county auditor's
15 estimate, certify this amount to the Controller for allocation to the
16 county. Upon receipt of certification from the Director of Finance,
17 the Controller shall make the appropriate allocation to the county
18 within 10 working days.

19 (c) On or before the reimbursement date, an eligible county
20 shall compute and remit to the Controller for deposit in the General
21 Fund an amount equal to the amount allocated to it by the
22 Controller pursuant to subdivision (b), less the actual amount of
23 its property tax revenue lost on the regular secured and
24 supplemental rolls with respect to those eligible properties
25 described in subdivision (a) as a result of the reassessment of those
26 properties pursuant to paragraph (1) of subdivision (a) of Section
27 170, excluding any property tax revenue lost by school districts,
28 other than basic state aid school districts, and county offices of
29 education. If the actual amount of property tax revenue lost by the
30 eligible county in the immediately preceding fiscal year, as
31 described and limited in the preceding sentence, exceeds the
32 amount allocated by the Controller to that county pursuant to
33 subdivision (b), the Controller shall allocate the amount of that
34 excess to that county.

35 SEC. 3. 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
40 XIII of the California Constitution. That exemption shall be in the

1 amount of seven thousand dollars (\$7,000) of the full value of the
2 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 that were
24 the subject of the Governor’s disaster proclamations of October
25 13, 2008, and November 15, 2008, that was damaged or destroyed
26 by the wildfires and any other related casualty that occurred in the
27 Counties of Los Angeles and Ventura and that has not changed
28 ownership since the commencement dates of these wildfires, shall
29 not be disqualified as a “dwelling” or be denied an exemption
30 under this section solely on the basis that the dwelling was
31 temporarily damaged or destroyed or was being reconstructed by
32 the owner, or was temporarily uninhabited as a result of restricted
33 access to the property due to the wildfires.

34 (w) Any dwelling that qualified for an exemption under this
35 section prior to November 13, 2008, that was damaged or destroyed
36 by the wildfires and any other related casualty that occurred as a
37 result of this disaster in the County of Santa Barbara, as declared
38 by the Governor in November 2008, and that has not changed
39 ownership since November 13, 2008, shall not be disqualified as
40 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 the wildfires.

5 (x) Any dwelling that qualified for an exemption under this
6 section prior to the commencement dates of the wildfires listed in
7 the Governor’s disaster proclamations of November 15, 2008, and
8 November 17, 2008, that was damaged or destroyed by the
9 wildfires and any other related casualty that occurred as a result
10 of this disaster in the Counties of Orange, Riverside, and San
11 Bernardino, as declared by the Governor in November 2008, and
12 that has not changed ownership since the commencement dates of
13 these disasters as listed in the proclamations, shall not be
14 disqualified as a “dwelling” or be denied an exemption under this
15 section 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 wildfires.

19 (y) Any dwelling that qualified for an exemption under this
20 section prior to May 5, 2009, that was damaged or destroyed by
21 the wildfires and any other related casualty that occurred as a result
22 of this disaster in the County of Santa Barbara, as declared by the
23 Governor in May 2009, and that has not changed ownership since
24 May 5, 2009, shall not be disqualified as a “dwelling” or be denied
25 an exemption under this section solely on the basis that the
26 dwelling was temporarily damaged or destroyed or was being
27 reconstructed by the owner, or was temporarily uninhabited as a
28 result of restricted access to the property due to the wildfires.

29 (z) A dwelling that qualified for an exemption under this section
30 and that was damaged or destroyed by a natural disaster in a
31 designated area declared by the Governor to be in a state of
32 emergency during a specified period of time, *and that has not*
33 *changed ownership since the commencement date of the disaster,*
34 shall not be disqualified as a “dwelling” or be denied an exemption
35 under this section solely on the basis that, as a result of that
36 disaster, the dwelling was temporarily damaged or destroyed or
37 was being reconstructed by the owner, *or was temporarily*
38 *uninhabited as a result of restricted access to the property due to*
39 *the disaster.*

1 (aa) The exemption provided for in subdivision (k) of Section
2 3 of Article XIII of the California Constitution shall first be applied
3 to the building, structure, or other shelter and the excess, if any,
4 shall be applied to any land on which it may be located.

5 SEC. 4. It is the intent of the Legislature to provide in the
6 annual Budget Act those additional reimbursements to local
7 governments that may, as a result of Section 3 of this act, be
8 required by Section 25 of Article XIII of the California
9 Constitution.

10 SEC. 5. If the Commission on State Mandates determines that
11 this act contains costs mandated by the state, reimbursement to
12 local agencies and school districts for those costs shall be made
13 pursuant to Part 7 (commencing with Section 17500) of Division
14 4 of Title 2 of the Government Code.

O