

AMENDED IN SENATE JULY 15, 2010

AMENDED IN SENATE JUNE 16, 2010

AMENDED IN ASSEMBLY MAY 13, 2010

AMENDED IN ASSEMBLY MAY 6, 2010

AMENDED IN ASSEMBLY APRIL 27, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2136

Introduced by Assembly Members V. Manuel Pérez and Salas
(Principal coauthor: Senator Ducheny)

February 18, 2010

An act to amend Section 8686 of the Government Code, to amend Section 50650.3 of the Health and Safety Code, and to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.170, 195.171, and 195.172 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 2136, as amended, V. Manuel Pérez. Disaster relief: County of Imperial earthquake.

(1) Under the California Disaster Assistance Act, a local agency may receive state financial assistance for a repair or restoration project, as defined, following the proclamation of an emergency. Existing law provides that the state share of the costs for an eligible project is generally no more than 75% of the total state eligible costs, but for specific events, the state share is up to 100% of those costs, subject to

the approval of the federal share of costs by the Federal Emergency Management Agency or another applicable federal agency.

This bill would add the earthquake that occurred in Imperial County on April 4, 2010, to the list of events eligible for the higher state share of costs.

(2) Existing law, the CalHome Program, authorizes funds appropriated for purposes of the program to be used to enable low- and very low income households to become or remain homeowners. Existing law permits CalHome Program financial assistance to be provided as a secured forgivable loan to an individual household to rehabilitate, repair, or replace manufactured housing in a mobilehome park that is not permanently affixed to a foundation. Existing law requires that these loans be due and payable in 20 years, with 10% of the original principal to be forgiven annually for each additional year beyond the 10th year that the home is owned and continuously occupied by the borrower.

This bill would require that loans provided pursuant to the CalHome Program Disaster Assistance for Imperial County that have been made for the purpose of rehabilitation~~or~~, reconstruction, *or replacement* of ~~lower income~~ *lower income* owner-occupied manufactured homes be due and payable in 10 years, with 20% of the original principal to be forgiven annually for each additional year beyond the 5th year that the manufactured home is owned and continuously occupied by the borrower.

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

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Imperial, which was declared

by the Governor to be in a state of emergency due to the earthquake that occurred on April 4, 2010.

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

(4) 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 prohibit any dwelling that qualified for the exemption prior to April 4, 2010, that was damaged or destroyed by the earthquake in the County of Imperial, and that has not changed ownership since April 4, 2010, from being 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 the earthquake.

(5) 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.

(6) 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.

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

This bill would extend these provisions to losses sustained in the County of Imperial as a result of the earthquake that occurred in April

2010. 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.

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

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: yes.

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

1 SECTION 1. Section 8686 of the Government Code is amended
2 to read:

3 8686. (a) For any eligible project, the state share shall amount
4 to no more than 75 percent of total state eligible costs.

5 (b) Notwithstanding subdivision (a), the state share shall be up
6 to 100 percent of total state eligible costs connected with the
7 following events:

8 (1) The October 17, 1989, Loma Prieta earthquake.

9 (2) The October 20, 1991, East Bay fire.

10 (3) The fires that occurred in southern California from October
11 1, 1993, to November 30, 1993, inclusive.

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

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

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

20 (7) The winter storms and flooding that occurred from February
21 1, 1998, to April 30, 1998, inclusive, as specified in agreements
22 between this state and the United States for federal financial
23 assistance.

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

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

30 (10) The severe storms, flooding, debris flows, and mudslides
31 that occurred during December 27, 2004, to January 11, 2005,

1 inclusive, in southern California, as specified in agreements
2 between this state and the United States for federal financial
3 assistance.

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

9 (12) The severe storms, flooding, mudslides, and landslides that
10 occurred in northern California during the period from December
11 17, 2005, to January 3, 2006, inclusive, as specified in agreements
12 between this state and the United States for federal financial
13 assistance.

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

18 (14) The earthquake that occurred in Imperial County on April
19 4, 2010.

20 (c) For any federally declared disaster subsequent to January 1,
21 1995, that the Legislature has designated in subdivision (b), the
22 state shall assume the increased share specified in subdivision (b)
23 in those cases where the Federal Emergency Management Agency
24 or another applicable federal agency has approved the federal share
25 of costs.

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

29 SEC. 2. Section 50650.3 of the Health and Safety Code is
30 amended to read:

31 50650.3. (a) Funds appropriated for purposes of this chapter
32 shall be used to enable low- and very low income households to
33 become or remain homeowners. Funds shall be provided by the
34 department to local public agencies or nonprofit corporations as
35 either of the following:

36 (1) Grants for programs that assist individual households.

37 (2) Loans that assist development projects involving multiple
38 home ownership units, including single-family subdivisions.

39 (b) (1) Grant funds may be used for first-time homebuyer
40 downpayment assistance, home rehabilitation, including the

1 installation or retrofit of ignition resistant exterior components on
2 existing manufactured homes, mobilehomes, and accessory
3 structures required pursuant to Article 2.3 (commencing with
4 Section 4200) of Subchapter 2 of Chapter 3 of Division 1 of Title
5 25 of the California Code of Regulations, homebuyer counseling,
6 home acquisition and rehabilitation, or self-help mortgage
7 assistance programs, or for technical assistance for self-help and
8 shared housing home ownership.

9 (2) Home rehabilitation funding for the purpose of installing
10 ignition resistant components on manufactured homes,
11 mobilehomes, or accessory structures pursuant to this subdivision
12 shall not be conditioned upon the rehabilitation of additional or
13 unrelated home components unless that rehabilitation is required
14 pursuant to Article 2.3 (commencing with Section 4200) of
15 Subchapter 2 of Chapter 3 of Division 1 of Title 25 of the
16 California Code of Regulations. In administering funding for this
17 purpose, local public agencies and nonprofit corporations may
18 consider the condition and age of the manufactured home or
19 mobilehome, including whether the home was constructed on or
20 after June 15, 1976, in accordance with federal standards and
21 whether the available funds could be more effectively used to
22 replace the manufactured home or mobilehome.

23 (c) Except as provided in subdivision (e), loan funds may be
24 used for purchase of real property, site development,
25 predevelopment, and construction period expenses incurred on
26 home ownership development projects, and permanent financing
27 for mutual housing or cooperative developments. Upon completion
28 of construction, the department may convert project loans into
29 grants for programs of assistance to individual homeowners.
30 Financial assistance provided to individual households shall be in
31 the form of deferred payment loans, repayable upon sale or transfer
32 of the homes, when they cease to be owner-occupied, or upon the
33 loan maturity date. Financial assistance may be provided in the
34 form of a secured forgivable loan to an individual household to
35 rehabilitate, repair, or replace manufactured housing located in a
36 mobilehome park and not permanently affixed to a foundation.
37 The loan shall be due and payable in 20 years, with 10 percent of
38 the original principal to be forgiven annually for each additional
39 year beyond the 10th year that the home is owned and continuously
40 occupied by the borrower. Not more than 10 percent of the funds

1 available for the purposes of this chapter in a fiscal year shall be
2 used for financial assistance in the form of secured forgivable
3 loans.

4 (d) All loan repayments shall be used for activities allowed
5 under this section, and shall be governed by a reuse plan approved
6 by the department. Those reuse plans may provide for loan
7 servicing by the grant recipient or a third-party local government
8 agency or nonprofit corporation.

9 (e) Notwithstanding subdivision (c), loans provided pursuant
10 to the CalHome Program Disaster Assistance for Imperial County
11 that have been made for the purpose of rehabilitation ~~or,~~
12 reconstruction, *or replacement of lower income lower income*
13 owner-occupied manufactured homes shall be due and payable in
14 10 years, with 20 percent of the original principal to be forgiven
15 annually for each additional year beyond the fifth year that the
16 manufactured home is owned and continuously occupied by the
17 borrower.

18 SEC. 3. Section 195.170 is added to the Revenue and Taxation
19 Code, to read:

20 195.170. (a) By October 30, 2010, the auditor of the County
21 of Imperial, which was the subject of the Governor's proclamation
22 of a state of emergency for the earthquake that occurred on April
23 4, 2010, shall certify to the Director of Finance an estimate of the
24 total amount of the reduction in property tax revenues on both the
25 regular secured roll and the supplemental roll for the 2009–10
26 fiscal year resulting from the reassessment by the county assessor
27 pursuant to paragraph (1) of subdivision (a) of Section 170 of those
28 properties that are eligible properties as a result of that disaster,
29 except that the amount certified shall not include any estimated
30 property tax revenue reductions to school districts, other than basic
31 state aid school districts, and county offices of education.

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

38 SEC. 4. Section 195.171 is added to the Revenue and Taxation
39 Code, to read:

1 195.171. After the county auditor of the eligible county, as
2 described in Section 195.170, 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. 5. Section 195.172 is added to the Revenue and Taxation
10 Code, to read:

11 195.172. (a) On or before June 30, 2011, an eligible county,
12 as described in Section 195.170, shall compute and remit to the
13 Controller for deposit in the General Fund an amount equal to the
14 amount allocated to it by the Controller pursuant to Section
15 195.171, less the actual amount of its property tax revenue lost on
16 the regular secured and supplemental rolls with respect to those
17 eligible properties described in Section 195.170 as a result of the
18 reassessment of those properties pursuant to paragraph (1) of
19 subdivision (a) of Section 170, excluding any property tax revenue
20 lost by school districts, other than basic state aid school districts,
21 and county offices of education. If the actual amount of property
22 tax revenue lost by an eligible county in the immediately preceding
23 fiscal year, as described and limited in the preceding sentence,
24 exceeds the amount allocated by the Controller to that county
25 pursuant to Section 195.171, the Controller shall allocate the
26 amount of that excess to that eligible county.

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

33 SEC. 6. Section 218 of the Revenue and Taxation Code is
34 amended to read:

35 218. (a) The homeowners' property tax exemption is in the
36 amount of the assessed value of the dwelling specified in this
37 section, as authorized by subdivision (k) of Section 3 of Article
38 XIII of the California Constitution. That exemption shall be in the
39 amount of seven thousand dollars (\$7,000) of the full value of the
40 dwelling.

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

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

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

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

14 (B) "Dwelling" includes the following:

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

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

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

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

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

39 (e) Any dwelling that qualified for an exemption under this
40 section prior to October 15, 2003, that was damaged or destroyed

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

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

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

23 (h) Any dwelling that qualified for an exemption under this
24 section prior to December 28, 2004, that was damaged or destroyed
25 by severe rainstorms, floods, mudslides, or the accumulation of
26 debris in a disaster, as declared by the Governor, during December
27 2004, January 2005, February 2005, March 2005, or June 2005,
28 and that has not changed ownership since December 28, 2004,
29 shall 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 floods, mudslides, the accumulation
34 of debris, or washed-out or damaged roads.

35 (i) Any dwelling that qualified for an exemption under this
36 section prior to December 19, 2005, that was damaged or destroyed
37 by severe rainstorms, floods, mudslides, or the accumulation of
38 debris in a disaster, as declared by the Governor in January 2006,
39 April 2006, May 2006, or June 2006, and that has not changed
40 ownership since December 19, 2005, shall not be disqualified as

1 a “dwelling” or be denied an exemption under this section solely
2 on the basis that the dwelling was temporarily damaged or
3 destroyed or was being reconstructed by the owner, or was
4 temporarily uninhabited as a result of restricted access to the
5 property due to floods, mudslides, the accumulation of debris, or
6 washed-out or damaged roads.

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

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

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

1 temporarily uninhabited as a result of restricted access to the
2 property due to severe freezing conditions.

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

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

23 (o) Any dwelling that qualified for an exemption under this
24 section prior to July 6, 2007, that was damaged or destroyed by
25 the wildfires and any other related casualty that occurred as a result
26 of this disaster in the County of Inyo, as declared by the Governor
27 in July 2007, and that has not changed ownership since July 6,
28 2007, may not be denied an exemption solely on the basis that the
29 dwelling was temporarily damaged or destroyed or was being
30 reconstructed by the owner, or was temporarily uninhabited as a
31 result of restricted access to the property due to the wildfires.

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

1 an exemption under this section solely on the basis that the
2 dwelling was temporarily damaged or destroyed or was being
3 reconstructed by the owner, or was temporarily uninhabited as a
4 result of restricted access to the property due to the wildfires.

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

16 (r) Any dwelling that qualified for an exemption under this
17 section prior to the commencement dates of the wildfires listed in
18 the Governor’s disaster proclamations of May, June, or July 2008,
19 that was damaged or destroyed by the wildfires and any other
20 related casualty that occurred in the Counties of Butte, Kern,
21 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
22 Shasta, and Trinity and that has not changed ownership since the
23 commencement dates of these disasters as listed in the
24 proclamations 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 (s) Any dwelling that qualified for an exemption under this
30 section prior to July 1, 2008, that was damaged or destroyed by
31 the wildfires and any other related casualty that occurred as a result
32 of this disaster in the County of Santa Barbara, as declared by the
33 Governor in July 2008, and that has not changed ownership since
34 July 1, 2008, may not be denied an exemption solely on the basis
35 that the dwelling was temporarily damaged or destroyed or was
36 being reconstructed by the owner, or was temporarily uninhabited
37 as a result of restricted access to the property due to the wildfires.

38 (t) Any dwelling that qualified for an exemption under this
39 section prior to July 12, 2008, that was damaged or destroyed by
40 severe rainstorms, floods, landslides, or the accumulation of debris

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

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

19 (v) Any dwelling that qualified for an exemption under this
20 section prior to the commencement dates of the wildfires that were
21 the subject of the Governor’s disaster proclamations of October
22 13, 2008, and November 15, 2008, that was damaged or destroyed
23 by the wildfires and any other related casualty that occurred in the
24 Counties of Los Angeles and Ventura and that has not changed
25 ownership since the commencement dates of these wildfires, 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 (w) Any dwelling that qualified for an exemption under this
32 section prior to November 13, 2008, that was damaged or destroyed
33 by the wildfires and any other related casualty that occurred as a
34 result of this disaster in the County of Santa Barbara, as declared
35 by the Governor in November 2008, and that has not changed
36 ownership since November 13, 2008, 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

1 temporarily uninhabited as a result of restricted access to the
2 property due to the wildfires.

3 (x) Any dwelling that qualified for an exemption under this
4 section prior to the commencement dates of the wildfires listed in
5 the Governor's disaster proclamations of November 15, 2008, and
6 November 17, 2008, that was damaged or destroyed by the
7 wildfires and any other related casualty that occurred as a result
8 of this disaster in the Counties of Orange, Riverside, and San
9 Bernardino, as declared by the Governor in November 2008, and
10 that has not changed ownership since the commencement dates of
11 these disasters as listed in the proclamations, shall not be
12 disqualified as a "dwelling" or be denied an exemption under this
13 section solely on the basis that the dwelling was temporarily
14 damaged or destroyed or was being reconstructed by the owner,
15 or was temporarily uninhabited as a result of restricted access to
16 the property due to the wildfires.

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

27 (z) Any dwelling that qualified for an exemption under this
28 section prior to April 4, 2010, that was damaged or destroyed by
29 the earthquake and any other related casualty that occurred as a
30 result of the disaster in the County of Imperial, as declared by the
31 Governor in April 2010, and that has not changed ownership since
32 April 4, 2010, shall not be disqualified as a "dwelling" or be denied
33 an exemption under this section solely on the basis that the
34 dwelling was temporarily damaged or destroyed or was being
35 reconstructed by the owner, or was temporarily uninhabited as a
36 result of restricted access to the property due to the earthquake.

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

SEC. 7. 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, Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of Fillmore in January 1993.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (40) Any loss sustained in the County of Santa Barbara as a
19 result of wildfires that commenced in November 2008.

20 (41) Any loss sustained in the Counties of Los Angeles and
21 Ventura as a result of wildfires that commenced in October 2008
22 or November 2008 that were the subject of the Governor's
23 proclamations of a state of emergency.

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

27 (43) Any loss sustained in the County of Santa Barbara as a
28 result of wildfires that commenced in May 2009.

29 (44) Any loss sustained in the County of Imperial as a result of
30 the earthquake that occurred in April 2010.

31 (b) (1) In the case of any loss allowed under Section 165(c) of
32 the Internal Revenue Code, relating to limitation of losses of
33 individuals, any excess disaster loss shall be carried forward to
34 each of the five taxable years following the taxable year for which
35 the loss is claimed. However, if there is any excess disaster loss
36 remaining after the five-year period, then the applicable percentage,
37 as set forth in paragraph (1) of subdivision (b) of Section 17276,
38 of that excess disaster loss shall be carried forward to each of the
39 next 10 taxable years.

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

(c) "Excess disaster loss" means a disaster loss computed pursuant to Section 165 of the Internal Revenue Code which 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 (44), 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. 8. 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (17) Any loss sustained as a result of the storms or flooding
40 occurring in 1995, or any other related casualty, sustained in any

1 county of this state subject to a disaster declaration with respect
2 to the storms and flooding.

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

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

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

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

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

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

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

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

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

36 (27) Any loss sustained in the Counties of Alameda, Alpine,
37 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
38 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
39 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
40 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,

1 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
2 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
3 the severe rainstorms, related flooding and slides, and any other
4 related casualties, that occurred in December 2005, January 2006,
5 March 2006, or April 2006.

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

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

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

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

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

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

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

28 (35) Any loss sustained in the County of Riverside as a result
29 of extremely strong and damaging winds that occurred in October
30 2007.

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

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

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

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

3 (40) Any loss sustained in the County of Santa Barbara as a
4 result of wildfires that commenced in November 2008.

5 (41) Any loss sustained in the Counties of Los Angeles and
6 Ventura as a result of wildfires that commenced in October 2008
7 or November 2008 that were the subject of the Governor's
8 proclamations of a state of emergency.

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

12 (43) Any loss sustained in the County of Santa Barbara as a
13 result of wildfires that commenced in May 2009.

14 (44) Any loss sustained in the County of Imperial as a result of
15 the earthquake that occurred in April 2010.

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

24 (2) The entire amount of any excess disaster loss as defined in
25 subdivision (c) shall be carried to the earliest of the taxable years
26 to which, by reason of subdivision (b), the loss may be carried.
27 The portion of the loss which shall be carried to each of the other
28 taxable years shall be the excess, if any, of the amount of excess
29 disaster loss over the sum of the net income for each of the prior
30 taxable years to which that excess disaster loss is 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 net income of the year of loss or, if the election under
34 Section 165(i) of the Internal Revenue Code is made, the net
35 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) Any corporation subject to the provisions of Section 25101
2 or 25101.15 that has disaster losses pursuant to this section, shall
3 determine the excess disaster loss to be carried to other taxable
4 years under the principles specified in Section 25108 relating to
5 net operating losses.

6 (f) Losses allowable under this section may not be taken into
7 account in computing a net operating loss deduction under Section
8 172 of the Internal Revenue Code.

9 (g) For losses described in paragraphs (15) to (44), inclusive,
10 of subdivision (a), the election under Section 165(i) of the Internal
11 Revenue Code may be made on a return or amended return filed
12 on or before the due date of the return (determined with regard to
13 extension) for the taxable year in which the disaster occurred.

14 SEC. 9. It is the intent of the Legislature to provide in the
15 annual Budget Act those additional reimbursements to local
16 governments that, as a result of Section 5 of this act, are required
17 by Section 25 of Article XIII of the California Constitution.

18 SEC. 10. The Legislature finds and declares that this act fulfills
19 a statewide public purpose because of all of the following:

20 (a) The Governor of California has officially proclaimed a state
21 of emergency declaring that the earthquake that occurred within
22 the County of Imperial on April 4, 2010, constitutes conditions of
23 extreme peril to public health and safety to persons and property
24 within that county, thus qualifying affected persons for various
25 forms of governmental assistance and relief.

26 (b) This act is consistent with, and supplements, the proclaimed
27 disaster assistance and relief by providing necessary fiscal
28 assistance and tax relief to affected jurisdictions and persons to
29 allow them to maintain essential basic services and repair damage
30 to, and restore, their homes and businesses.

31 SEC. 11. If the Commission on State Mandates determines
32 that this act contains costs mandated by the state, reimbursement
33 to local agencies and school districts for those costs shall be made
34 pursuant to Part 7 (commencing with Section 17500) of Division
35 4 of Title 2 of the Government Code.

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

1 In order to timely provide essential relief to those persons and
2 jurisdictions that have suffered damage or loss as a result of the
3 earthquake that occurred in the County of Imperial on April 4,
4 2010, that was the subject of the Governor's proclamation of a
5 state of emergency, it is necessary that this act take effect
6 immediately.

O