

Introduced by Senator Walters

February 19, 2010

An act to amend Sections 218 and 17053.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1430, as introduced, Walters. Taxation: homeowners' property tax exemption and qualified renters' income tax credit: senior citizens.

(1) Existing property tax law provides, pursuant to the authority of a specified provision of the California Constitution, for a homeowners' exemption in the amount of \$7,000 of the full value of a dwelling, as defined, and authorizes the Legislature to increase this exemption.

This bill would, beginning on the lien date for the 2011–12 fiscal year, increase the homeowners' exemption from \$7,000 to \$27,000 of the full value of a dwelling for assesseees who are 62 years of age or older. This bill would also require, for the 2012–13 fiscal year and for each fiscal year thereafter, the county assessor to adjust the amount of the homeowners' exemption for assesseees who are 62 years of age or older by the percentage change, for the first 3 quarters of the prior calendar year, in the House Price Index for California, as specified.

(2) The California Constitution requires the Legislature, whenever it increases the homeowners' property tax exemption, to provide a comparable increase in benefits to qualified renters. The Personal Income Tax Law authorizes various credits against the taxes imposed by that law, including a credit for qualified renters in the amount of \$120 for married couples filing joint returns, heads of household, and surviving spouses if adjusted gross income is \$50,000 or less, and in the amount of \$60 for other individuals if adjusted gross income is

\$25,000 or less. Existing law requires the Franchise Tax Board to annually adjust for inflation these adjusted gross income amounts.

This bill would, for taxable years beginning on or after January 1, 2010, increase this credit for qualified renters who are 62 years of age or older. This bill would establish the credit amount as \$151 for married couples filing joint returns, heads of household, and surviving spouses if adjusted gross income is \$50,000 or less, as adjusted for inflation, and a credit amount of \$75 for other individuals if adjusted gross income is \$25,000 or less, as adjusted for inflation. This bill would also require, for taxable years beginning on or after January 1, 2011, the Franchise Tax Board to annually adjust for inflation, based upon the California Consumer Price Index, the amount of these credits. This bill would also make technical, nonsubstantive changes to the renters' credit.

(3) By requiring county officials to implement a new amount for the property tax 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.

(4) This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

- 1 SECTION 1. The Legislature finds and declares both of the
- 2 following:
- 3 (a) Since September 1968, the property tax exemption for all
- 4 California homeowners has been seven thousand dollars (\$7,000),
- 5 with no adjustments for inflation over the past 40 years.
- 6 (b) Seniors are particularly impacted by this failure to increase
- 7 the homeowners' property tax exemption, since many seniors live
- 8 on a reduced income.
- 9 SEC. 2. Section 218 of the Revenue and Taxation Code is
- 10 amended to read:

218. (a) (1) The homeowners' property tax exemption is in the amount of the assessed value of the dwelling specified in this section, as authorized by subdivision (k) of Section 3 of Article XIII of the California Constitution. That exemption ~~shall be~~ is, *except as provided in paragraph (2)*, in the amount of seven thousand dollars (\$7,000) of the full value of the dwelling.

(2) (A) *Beginning on the lien date for the 2010–12 fiscal year, if the assessee for a dwelling is 62 years of age or older, the exemption is in the amount of twenty-seven thousand dollars (\$27,000) of the full value of the dwelling.*

(B) *Beginning on the lien date for the 2012–13 fiscal year and for each fiscal year thereafter, if the assessee is 62 years of age or older, the assessor shall adjust the exemption amount of the prior fiscal year by the percentage change, rounded to the nearest one-thousandth of 1 percent, in the House Price Index for California for the first three quarters of the prior calendar year, as determined by the Federal Housing Finance Agency.*

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

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

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

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

(B) "Dwelling" includes the following:

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

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

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

(iv) Premises occupied by the owner of shares or a membership interest in a cooperative housing corporation, as defined in subdivision (i) of Section 61, as his or her principal place of

1 residence on the lien date. Each exemption allowed pursuant to
2 this subdivision shall be deducted from the total assessed valuation
3 of the cooperative housing corporation. The exemption shall be
4 taken into account in apportioning property taxes among owners
5 of share or membership interests in the cooperative housing
6 corporations so as to benefit those owners who qualify for the
7 exemption.

8 (d) Any dwelling that qualified for an exemption under this
9 section prior to October 20, 1991, that was damaged or destroyed
10 by fire in a disaster, as declared by the Governor, occurring on or
11 after October 20, 1991, and before November 1, 1991, and that
12 has not changed ownership since October 20, 1991, shall not be
13 disqualified as a “dwelling” or be denied an exemption under this
14 section solely on the basis that the dwelling was temporarily
15 damaged or destroyed or was being reconstructed by the owner.

16 (e) Any dwelling that qualified for an exemption under this
17 section prior to October 15, 2003, that was damaged or destroyed
18 by fire or earthquake in a disaster, as declared by the Governor,
19 during October, November, or December 2003, and that has not
20 changed ownership since October 15, 2003, shall not be
21 disqualified as a “dwelling” or be denied an exemption under this
22 section solely on the basis that the dwelling was temporarily
23 damaged or destroyed or was being reconstructed by the owner.

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

31 (g) Any dwelling that qualified for an exemption under this
32 section prior to August 11, 2004, that was damaged or destroyed
33 by the wildfires and any other related casualty that occurred in
34 Shasta County in a disaster, as declared by the Governor, during
35 August 2004, and that has not changed ownership since August
36 11, 2004, shall not be disqualified as a “dwelling” or be denied an
37 exemption under this section solely on the basis that the dwelling
38 was temporarily damaged or destroyed or was being reconstructed
39 by the owner.

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

(i) Any dwelling that qualified for an exemption under this section prior to December 19, 2005, that was damaged or destroyed by severe rainstorms, floods, mudslides, or the accumulation of debris in a disaster, as declared by the Governor in January 2006, April 2006, May 2006, or June 2006, and that has not changed ownership since December 19, 2005, shall not be disqualified as a “dwelling” or be denied an exemption under this section 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 floods, mudslides, the accumulation of debris, or washed-out or damaged roads.

(j) Any dwelling that qualified for an exemption under this section prior to July 9, 2006, that was damaged or destroyed by the wildfires and any other related casualty that occurred in the County of San Bernardino, as declared by the Governor in July 2006, and that has not changed ownership since July 9, 2006, shall not be disqualified as a “dwelling” or be denied an exemption under this section 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 wildfires.

(k) Any dwelling that qualified for an exemption under this section prior to the commencement dates of the wildfires listed in the Governor’s proclamations of 2006 that was damaged or destroyed by the wildfires and any other related casualty that occurred in the Counties of Riverside and Ventura, and that has not changed ownership since the commencement dates of these

1 disasters as listed in the Governor's proclamations of 2006 shall
2 not be disqualified as a "dwelling" or be denied an exemption
3 under this section solely on the basis that the dwelling was
4 temporarily damaged or destroyed or was being reconstructed by
5 the owner, or was temporarily uninhabited as a result of restricted
6 access to the property due to the wildfires.

7 (l) Any dwelling that qualified for an exemption under this
8 section prior to January 11, 2007, that was damaged or destroyed
9 by severe freezing conditions, commencing January 11, 2007, and
10 any other related casualty that occurred in the Counties of El
11 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
12 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
13 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
14 result of a disaster as declared by the Governor, and that has not
15 changed ownership since January 11, 2007, shall not be disqualified
16 as a "dwelling" or be denied an exemption under this section solely
17 on the basis that the dwelling was temporarily damaged or
18 destroyed or was being reconstructed by the owner, or was
19 temporarily uninhabited as a result of restricted access to the
20 property due to severe freezing conditions.

21 (m) Any dwelling that qualified for an exemption under this
22 section prior to June 24, 2007, that was damaged or destroyed by
23 the wildfires and any other related casualty that occurred as a result
24 of this disaster in the County of El Dorado, as declared by the
25 Governor in June 2007, and that has not changed ownership since
26 June 24, 2007, 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 (n) Any dwelling that qualified for an exemption under this
32 section prior to July 4, 2007, that was damaged or destroyed by
33 the Zaca Fire and any other related casualty that occurred as a
34 result of this disaster in the Counties of Santa Barbara and Ventura,
35 as declared by the Governor in August 2007, and that has not
36 changed ownership since July 4, 2007, may not be denied an
37 exemption solely on the basis that the dwelling was temporarily
38 damaged or destroyed or was being reconstructed by the owner,
39 or was temporarily uninhabited as a result of restricted access to
40 the property due to the Zaca Fire.

1 (o) Any dwelling that qualified for an exemption under this
2 section prior to July 6, 2007, that was damaged or destroyed by
3 the wildfires and any other related casualty that occurred as a result
4 of this disaster in the County of Inyo, as declared by the Governor
5 in July 2007, and that has not changed ownership since July 6,
6 2007, may not be denied an exemption solely on the basis that the
7 dwelling was temporarily damaged or destroyed or was being
8 reconstructed by the owner, or was temporarily uninhabited as a
9 result of restricted access to the property due to the wildfires.

10 (p) Any dwelling that qualified for an exemption under this
11 section prior to the commencement dates of the wildfires listed in
12 the Governor's disaster proclamations of September 15, 2007, and
13 October 21, 2007, that was damaged or destroyed by the wildfires
14 and any other related casualty that occurred in the Counties of Los
15 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
16 Barbara, and Ventura, and that has not changed ownership since
17 the commencement dates of these disasters as listed in the
18 proclamations shall not be disqualified as a "dwelling" or be denied
19 an exemption under this section solely on the basis that the
20 dwelling was temporarily damaged or destroyed or was being
21 reconstructed by the owner, or was temporarily uninhabited as a
22 result of restricted access to the property due to the wildfires.

23 (q) Any dwelling that qualified for an exemption under this
24 section prior to October 20, 2007, that was damaged or destroyed
25 by the extremely strong and damaging winds and any other related
26 casualty that occurred as a result of this disaster in the County of
27 Riverside, as declared by the Governor in November 2007, and
28 that has not changed ownership since October 20, 2007, shall not
29 be disqualified as a "dwelling" or be denied an exemption under
30 this section solely on the basis that the dwelling was temporarily
31 damaged or destroyed or was being reconstructed by the owner,
32 or was temporarily uninhabited as a result of restricted access to
33 the property due to the extremely strong and damaging winds.

34 (r) 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 May, June, or July 2008,
37 that was damaged or destroyed by the wildfires and any other
38 related casualty that occurred in the Counties of Butte, Kern,
39 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
40 Shasta, and Trinity and that has not changed ownership since the

1 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 (s) Any dwelling that qualified for an exemption under this
8 section prior to July 1, 2008, that was damaged or destroyed by
9 the wildfires and any other related casualty that occurred as a result
10 of this disaster in the County of Santa Barbara, as declared by the
11 Governor in July 2008, and that has not changed ownership since
12 July 1, 2008, may not be denied an exemption solely on the basis
13 that the dwelling was temporarily damaged or destroyed or was
14 being reconstructed by the owner, or was temporarily uninhabited
15 as a result of restricted access to the property due to the wildfires.

16 (t) Any dwelling that qualified for an exemption under this
17 section prior to July 12, 2008, that was damaged or destroyed by
18 severe rainstorms, floods, landslides, or the accumulation of debris
19 in a disaster, as declared by the Governor, in July 2008, and that
20 has not changed ownership since July 12, 2008, shall not be
21 disqualified as a “dwelling” or be denied an exemption under this
22 section solely on the basis that the dwelling was temporarily
23 damaged or destroyed or was being reconstructed by the owner,
24 or was temporarily uninhabited as a result of restricted access to
25 the property due to floods, landslides, the accumulation of debris,
26 or washed-out or damaged roads.

27 (u) Any dwelling that qualified for an exemption under this
28 section prior to May 22, 2008, that was damaged or destroyed by
29 the wildfires and any other related casualty that occurred as a result
30 of this disaster in the County of Humboldt, as declared by the
31 Governor in August 2008, and that has not changed ownership
32 since May 22, 2008, may not be denied an exemption solely on
33 the basis that the dwelling was temporarily damaged or destroyed
34 or was being reconstructed by the owner, or was temporarily
35 uninhabited as a result of restricted access to the property due to
36 the wildfires.

37 (v) Any dwelling that qualified for an exemption under this
38 section prior to the commencement dates of the wildfires that were
39 the subject of the Governor’s disaster proclamations of October
40 13, 2008, and November 15, 2008, that was damaged or destroyed

1 by the wildfires and any other related casualty that occurred in the
2 Counties of Los Angeles and Ventura and that has not changed
3 ownership since the commencement dates of these wildfires, shall
4 not be disqualified as a “dwelling” or be denied an exemption
5 under this section solely on the basis that the dwelling was
6 temporarily damaged or destroyed or was being reconstructed by
7 the owner, or was temporarily uninhabited as a result of restricted
8 access to the property due to the wildfires.

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

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

34 (y) Any dwelling that qualified for an exemption under this
35 section prior to May 5, 2009, that was damaged or destroyed by
36 the wildfires and any other related casualty that occurred as a result
37 of this disaster in the County of Santa Barbara, as declared by the
38 Governor in May 2009, and that has not changed ownership since
39 May 5, 2009, shall not be disqualified as a “dwelling” or be denied
40 an exemption under this section solely on the basis that the

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

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

8 SEC. 3. Section 17053.5 of the Revenue and Taxation Code
9 is amended to read:

10 17053.5. (a) (1) For a qualified renter, there shall be allowed
11 a credit against his or her “net tax,” as defined in Section 17039.
12 The amount of the credit shall be as follows:

13 (A) (i) For married couples filing joint returns, heads of
14 household, and surviving spouses, as defined in Section 17046,
15 the credit shall be equal to one hundred twenty dollars (\$120) if
16 adjusted gross income is fifty thousand dollars (\$50,000) or less.

17 (ii) *For taxable years beginning on or after January 1, 2010,*
18 *the credit shall be equal to one hundred fifty-one dollars (\$151)*
19 *for taxpayers described in clause (i) who are 62 years of age or*
20 *older. For taxable years beginning on or after January 1, 2011,*
21 *the Franchise Tax Board shall adjust the amount of the credit as*
22 *provided by subdivision (j).*

23 (B) (i) For other individuals, the credit shall be equal to sixty
24 dollars (\$60) if adjusted gross income is twenty-five thousand
25 dollars (\$25,000) or less.

26 (ii) *For taxable years beginning on or after January 1, 2010,*
27 *the credit shall be equal to seventy-five dollars (\$75) for taxpayers*
28 *described in clause (i) who are 62 years of age or older. For*
29 *taxable years beginning on or after January 1, 2011, the Franchise*
30 *Tax Board shall adjust the amount of the credit as provided by*
31 *subdivision (j).*

32 (2) Except as provided in subdivision (b), a husband and wife
33 shall receive but one credit under this section. If the husband and
34 wife file separate returns, the credit may be taken by either or
35 equally divided between them, except as follows:

36 (A) If one spouse was a resident for the entire taxable year and
37 the other spouse was a nonresident for part or all of the taxable
38 year, the resident spouse shall be allowed one-half the credit
39 allowed to married persons and the nonresident spouse shall be

1 permitted one-half the credit allowed to married persons, prorated
2 as provided in subdivision (e).

3 (B) If both spouses were nonresidents for part of the taxable
4 year, the credit allowed to married persons shall be divided equally
5 between them subject to the proration provided in subdivision (e).

6 (b) For a husband and wife, if each spouse maintained a separate
7 place of residence and resided in this state during the entire taxable
8 year, each spouse will be allowed one-half the full credit allowed
9 to married persons provided in subdivision (a).

10 (c) For purposes of this section, a “qualified renter” means an
11 individual who satisfies both of the following:

12 (1) Was a resident of this state, as defined in Section 17014.

13 (2) Rented and occupied premises in this state which constituted
14 his or her principal place of residence during at least 50 percent
15 of the taxable year.

16 (d) “Qualified renter” does not include any of the following:

17 (1) An individual who for more than 50 percent of the taxable
18 year rented and occupied premises that were exempt from property
19 taxes, except that an individual, otherwise qualified, is deemed a
20 qualified renter if he or she or his or her landlord pays possessory
21 interest taxes, or the owner of those premises makes payments in
22 lieu of property taxes that are substantially equivalent to property
23 taxes paid on properties of comparable market value.

24 (2) An individual whose principal place of residence for more
25 than 50 percent of the taxable year is with another person who
26 claimed that individual as a dependent for income tax purposes.

27 (3) An individual who has been granted or whose spouse has
28 been granted the homeowners’ property tax exemption during the
29 taxable year. This paragraph does not apply to an individual whose
30 spouse has been granted the homeowners’ property tax exemption
31 if each spouse maintained a separate residence for the entire taxable
32 year.

33 (e) An otherwise qualified renter who is a nonresident for any
34 portion of the taxable year shall claim the credits set forth in
35 subdivision (a) at the rate of one-twelfth of those credits for each
36 full month that individual resided within this state during the
37 taxable year.

38 (f) A person claiming the credit provided in this section shall,
39 as part of that claim, and under penalty of perjury, furnish that

1 information as the Franchise Tax Board prescribes on a form
2 supplied by the board.

3 (g) The credit provided in this section shall be claimed on returns
4 in the form as the Franchise Tax Board may from time to time
5 prescribe.

6 (h) For purposes of this section, “premises” means a house or
7 a dwelling unit used to provide living accommodations in a
8 building or structure and the land incidental thereto, but does not
9 include land only, unless the dwelling unit is a mobilehome. The
10 credit is not allowed for any taxable year for the rental of land
11 upon which a mobilehome is located if the mobilehome has been
12 granted a homeowners’ exemption under Section 218 in that year.

13 (i) This section shall become operative on January 1, 1998, and
14 applies to any taxable year beginning on or after January 1, 1998.

15 (j) For each taxable year beginning on or after January 1, 1999,
16 the Franchise Tax Board shall recompute the adjusted gross income
17 amounts set forth in subdivision (a). ~~The computation~~ *For each*
18 *taxable year beginning on or after January 1, 2011, the Franchise*
19 *Tax Board shall also recompute the amount of the credit set forth*
20 *in clause (ii) of subparagraph (A) of paragraph (1) of, and clause*
21 *(ii) of subparagraph (B) of paragraph (1) of, subdivision (a). These*
22 *computations shall be made as follows:*

23 (1) The Department of Industrial Relations shall transmit
24 annually to the Franchise Tax Board the percentage change in the
25 California Consumer Price Index for all items from June of the
26 prior calendar year to June of the current year, no later than August
27 1 of the current calendar year.

28 (2) The Franchise Tax Board shall compute an inflation
29 adjustment factor by adding 100 percent to the portion of the
30 percentage change figure which is furnished pursuant to paragraph
31 (1) and dividing the result by 100.

32 (3) The Franchise Tax Board shall multiply the ~~amount~~ *amounts*
33 ~~in subparagraph (B) of paragraph (1) of subdivision (d) (a)~~ *for the*
34 *preceding taxable year by the inflation adjustment factor*
35 *determined in paragraph (2), and round off the resulting products*
36 *to the nearest one dollar (\$1).*

37 (4) In computing the amounts pursuant to this subdivision, the
38 amounts provided in subparagraph (A) of paragraph (1) of
39 subdivision (a) shall be twice the amount provided in subparagraph
40 (B) of paragraph (1) of subdivision (a).

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

6 SEC. 5. This act provides for a tax levy within the meaning of
7 Article IV of the Constitution and shall go into immediate effect.

O