

AMENDED IN ASSEMBLY JUNE 21, 2010

SENATE BILL

No. 1493

**Introduced by Committee on Revenue and Taxation (Senators Wolk
(Chair), Alquist, Ashburn, Padilla, and Walters)**

March 15, 2010

An act to amend Sections 75.31, 155.20, 465, 619, 621, and 3698.7 of the Revenue and Taxation Code, relating to property taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1493, as amended, Committee on Revenue and Taxation. Property taxation.

(1) Existing property tax law provides for supplemental and escape assessments to be made on property outside the regular assessment period and requires that certain notices, in a form approved by the State Board of Equalization, of those assessments be furnished to assessees by regular United States mail.

This bill would allow the assessor to provide the information by electronic mail in lieu of regular mail, if he or she chooses to accept a written request from the assessee to do so.

(2) Existing property tax law authorizes each county board of supervisors to exempt from property taxation those properties having a full value too low to justify the costs of assessment and collection, and limits any exemption granted by each county board of supervisors to property with a value not exceeding \$10,000.

This bill would clarify that the base year value is adjusted by an annual inflation factor, as specified.

(3) Existing property tax law allows county assessors to destroy documents containing information obtained from taxpayers 6 years after the lien date for the taxes for which the information was obtained,

or 3 years after the lien date if the documents have been microfiched, microfilmed, imaged, or otherwise preserved.

This bill would authorize assessors to destroy those documents *immediately* upon preservation in a medium that provides access to the documents, including, among others, electronic document imaging.

(4) Existing property tax law requires the assessor to inform each assessee of real property, as specified, of the assessed value of that property, as provided.

This bill would authorize the assessor to provide the information by electronic mail in lieu of by regular United States mail, if he or she chooses to accept a written request from the assessee to do so. This bill would also authorize the information to be posted on the assessor’s Internet Web site.

(5) Existing law requires the price at which tax-defaulted property, for which a property tax welfare exemption has been granted, may be offered for sale to be the greater of either 50% of the fair market value of the property or the total amount necessary to redeem the property, plus costs. Existing law authorizes the tax collector, with the approval of the board of supervisors, where the property or property interests have been offered for sale and no acceptable bids have been received, to offer that property or property interest at the next scheduled sale at a minimum price the tax collector deems appropriate.

This bill would authorize the tax collector to offer that property or property interest at the same sale at a minimum price that the tax collector deems appropriate in light of the most current assessed valuation of that property or property interest, or any unique circumstances with respect to that property or those interests.

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

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

- 1 SECTION 1. Section 75.31 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 75.31. (a) Whenever the assessor has determined a new base
- 4 year value as provided in Section 75.10, the assessor shall send a
- 5 notice to the assessee showing the following:
- 6 (1) The new base year value of the property that has changed
- 7 ownership, or the new base year value of the completed new

1 construction that shall be added to the existing taxable value of
2 the remainder of the property.

3 (2) The taxable value appearing on the current roll, and if the
4 change in ownership or completion of new construction occurred
5 between January 1 and May 31, the taxable value on the roll being
6 prepared.

7 (3) The date of the change in ownership or completion of new
8 construction.

9 (4) The amount of the supplemental assessments.

10 (5) The exempt amount, if any, on the current roll or the roll
11 being prepared.

12 (6) The date the notice was mailed.

13 (7) A statement that the supplemental assessment was
14 determined in accordance with Article XIII A of the California
15 Constitution that generally requires reappraisal of property
16 whenever a change in ownership occurs or property is newly
17 constructed.

18 (8) Any other information which the board may prescribe.

19 (b) In addition to the information specified in subdivision (a),
20 the notice shall inform the assessee of the procedure for filing a
21 claim for exemption that is to be filed within 30 days of the date
22 of the notice.

23 (c) (1) The notice shall advise the assessee of the right to an
24 informal review and the right to appeal the supplemental
25 assessment, and, unless subject to paragraph (2) or (3), that the
26 appeal shall be filed within 60 days of the date of mailing printed
27 on the notice or the postmark date therefor, whichever is later. For
28 the purposes of equalization proceedings, the supplemental
29 assessment shall be considered an assessment made outside of the
30 regular assessment period as provided in Section 1605.

31 (2) For counties in which the board of supervisors has adopted
32 the provisions of subdivision (c) of Section 1605, and the County
33 of Los Angeles, the notice shall advise the assessee of the right to
34 appeal the supplemental assessment, and that the appeal shall,
35 except as provided in paragraph (3), be filed within 60 days of the
36 date of mailing printed on the tax bill or the postmark date therefor,
37 whichever is later. For the purposes of equalization proceedings,
38 the supplemental assessment shall be considered an assessment
39 made outside of the regular assessment period as provided in
40 Section 1605.

1 (3) (A) If the taxpayer does not receive a notice in accordance
2 with paragraph (1) at least 15 days prior to the deadline to file the
3 application described in Section 1603, the affected party or his or
4 her agent may file an application within 60 days of the date of
5 mailing printed on the tax bill or the postmark thereof, whichever
6 is later, along with an affidavit declaring under penalty of perjury
7 that the notice was not timely received.

8 (B) Notwithstanding any other provision of this subdivision, an
9 application for reduction in a supplemental assessment may be
10 filed within 12 months following the month in which the assessee
11 is notified of that assessment, if the affected party or his or her
12 agent and the assessor stipulate that there is an error in assessment
13 as the result of the exercise of the assessor's judgment in
14 determining the full cash value of the property and a written
15 stipulation as to the full cash value and the assessed value is filed
16 in accordance with Section 1607.

17 (d) The notice shall advise the assessee of both of the following:

18 (1) The requirements, procedures, and deadlines with respect
19 to an application for the reduction of a base year value pursuant
20 to Section 80, or the reduction of an assessment pursuant to Section
21 1603.

22 (2) The criteria under Section 51 for the determination of taxable
23 value, and the requirement of Section 1602 that the custodial officer
24 of the local roll make the roll, or a copy thereof, available for
25 inspection by all interested parties during regular office hours.

26 (e) The notice shall advise the assessee that if the supplemental
27 assessment is a negative amount the auditor shall make a refund
28 of a portion of taxes paid on assessments made on the current roll,
29 or the roll being prepared, or both.

30 (f) The notice shall be furnished by the assessor to the assessee
31 by regular United States mail directed to the assessee at the
32 assessee's latest address known to the assessor. The assessor may
33 choose to accept a written request from the assessee to provide the
34 information by electronic mail in lieu of by regular United States
35 mail.

36 (g) The notice given by the assessor under this section shall be
37 on a form approved by the State Board of Equalization.

38 SEC. 2. Section 155.20 of the Revenue and Taxation Code is
39 amended to read:

1 155.20. (a) Subject to the limitations listed in subdivisions (b),
2 (c), (d), and (e), a county board of supervisors may exempt from
3 property tax all real property with a base year value (as determined
4 pursuant to Chapter 1 (commencing with Section 50) of Part 0.5)
5 as adjusted by an annual inflation factor pursuant to subdivision
6 (f) of Section 110.1, and personal property with a full value so low
7 that, if not exempt, the total taxes, special assessments, and
8 applicable subventions on the property would amount to less than
9 the cost of assessing and collecting them.

10 (b) (1) The board of supervisors shall have no authority to
11 exempt property with a total base year value, as adjusted by an
12 annual inflation factor pursuant to subdivision (f) of Section 110.1,
13 or full value of more than ten thousand dollars (\$10,000), except
14 that this limitation is increased to fifty thousand dollars (\$50,000)
15 in the case of a possessory interest, for a temporary and transitory
16 use, in a publicly owned fairground, fairground facility, convention
17 facility, or cultural facility. For purposes of this paragraph,
18 “publicly owned convention or cultural facility” means a publicly
19 owned convention center, civic auditorium, theater, assembly hall,
20 museum, or other civic building that is used primarily for staging
21 any of the following:

22 (A) Conventions, trade and consumer shows, or civic and
23 community events.

24 (B) Live theater, dance, or musical productions.

25 (C) Artistic, historic, technological, or educational exhibits.

26 (2) In determining the level of the exemption, the board of
27 supervisors shall determine at what level of exemption the costs
28 of assessing the property and collecting taxes, assessments, and
29 subventions on the property exceeds the proceeds to be collected.
30 The board of supervisors shall establish the exemption level
31 uniformly for different classes of property. In making this
32 determination, the board of supervisors may consider the total
33 taxes, special assessments, and applicable subventions for the year
34 of assessment only or for the year of assessment and succeeding
35 years where cumulative revenues will not exceed the cost of
36 assessments and collections.

37 (c) This section does not apply to those real or personal
38 properties enumerated in Section 52.

39 (d) The exemption authorized by this section shall be adopted
40 by the board of supervisors on or before the lien date for the fiscal

1 year to which the exemption is to apply and may, at the option of
 2 the board of supervisors, continue in effect for succeeding fiscal
 3 years. Any revision or rescission of the exemption shall be adopted
 4 by the board of supervisors on or before the lien date for the fiscal
 5 year to which that revision or rescission is to apply.

6 (e) Nothing in this section shall authorize either of the following:

7 (1) A county board of supervisors to exempt new construction,
 8 unless the new total base year value, as adjusted by an annual
 9 inflation factor pursuant to subdivision (f) of Section 110.1, of the
 10 property, including this new construction, is ten thousand dollars
 11 (\$10,000) or less.

12 (2) An assessor to exempt or not to enroll any property of any
 13 value, unless specifically authorized by a county board of
 14 supervisors, pursuant to this section.

15 SEC. 3. Section 465 of the Revenue and Taxation Code is
 16 amended to read:

17 465. (a) Except as provided in subdivision (b), the assessor
 18 may destroy any document when six years have elapsed since the
 19 lien date for the tax year for which that document was obtained.
 20 Documents may be destroyed *immediately* upon preservation in a
 21 medium that provides access to the documents such as microfilm,
 22 microfiche, electronic document imaging, or other media that
 23 captures a true image of the document that may later be retrieved.

24 (b) Affidavits claiming an exemption, for the first time, pursuant
 25 to Sections 254.5, 257, and 277 may be destroyed by the assessor
 26 as follows:

27 (1) Six years after the lien date of the tax year for which the
 28 exemption was last granted.

29 ~~(2) Immediately after the lien date described in paragraph (1)~~
 30 ~~if the documents have been microfilmed, microfiched, imaged, or~~
 31 ~~otherwise preserved on a medium that provides access to the~~
 32 ~~documents.~~

33 (2) *Upon preservation in a medium that provides access to the*
 34 *documents such as microfilm, microfiche, electronic document*
 35 *imaging, or other media that captures a true image of the document*
 36 *that may later be retrieved.*

37 SEC. 4. Section 619 of the Revenue and Taxation Code is
 38 amended to read:

1 619. (a) Except as provided in subdivision (f), the assessor
2 shall, upon or prior to completion of the local roll, do either of the
3 following:

4 (1) Inform each assessee of real property on the local secured
5 roll whose property's full value has increased over its full value
6 for the prior year of the assessed value of that property as it shall
7 appear on the completed local roll.

8 (2) Inform each assessee of real property on the local secured
9 roll, or each assessee on the local secured roll and each assessee
10 on the unsecured roll, of the assessed value of his or her real
11 property or of both his or her real and his or her personal property
12 as it shall appear on the completed local roll.

13 (b) The information given by the assessor to the assessee
14 pursuant to paragraph (1) or (2) of subdivision (a) shall include a
15 notification of hearings by the county board of equalization, which
16 shall include the period during which assessment protests will be
17 accepted and the place where they may be filed. The information
18 shall also include an explanation of the stipulation procedure set
19 forth in Section 1607 and the manner in which the assessee may
20 request use of this procedure.

21 (c) In the case of an increase in a property's full value that is
22 determined pursuant to paragraph (1) of subdivision (a) over the
23 property's full value determined for the prior year in accordance
24 with paragraph (2) of subdivision (a) of Section 51, the information
25 shall also include the base year value of the property, compounded
26 annually from the base year to the current year by the appropriate
27 inflation factors.

28 (d) The information shall be furnished by the assessor to the
29 assessee by regular United States mail directed to him or her at
30 his or her latest address known to the assessor. The assessor may
31 choose to accept a written request from the assessee to provide the
32 information by electronic mail in lieu of by regular United States
33 mail.

34 (e) Neither the failure of the assessee to receive the information
35 nor the failure of the assessor to so inform the assessee shall in
36 any way affect the validity of any assessment or the validity of
37 any taxes levied pursuant thereto.

38 (f) This section shall not apply to annual increases in the
39 valuation of property which reflect the inflation rate, not to exceed
40 2 percent, pursuant to the authority of subdivision (b) of Section

1 2 of Article XIII A of the California Constitution, for purposes of
2 property tax limitation determinations.

3 (g) This section does not apply to increases in assessed value
4 caused solely by changes in the assessment ratio provided for in
5 Section 401.

6 (h) This section shall become operative on January 1, 1999.

7 SEC. 5. Section 621 of the Revenue and Taxation Code is
8 amended to read:

9 621. In any county the assessor, with the approval of the board
10 of supervisors, may give the information required by Section 619,
11 and similar information with reference to personal property, as an
12 alternative to giving the information by United States mail, by
13 having published lists of assessments in newspapers, or by posting
14 the information to the assessor's Internet Web site, or any
15 combination of the above. In counties of more than 4 million
16 population and counties of more than 1 million population, as
17 determined by the July 1, 1965, Department of Finance revised
18 estimate, which are contiguous to a county with more than 4 million
19 population, the assessor, with the approval of the board of
20 supervisors, may divide the county into publication areas not to
21 exceed five in number. Within such areas the assessment listing
22 may be grouped by assessment map books, by post office zones
23 or by such other arrangements as may be determined by the
24 assessor as most likely to give notice to assessees and as practicable
25 for publication in local newspapers. The complete assessment data
26 of one such area may be printed in one year, and for other areas
27 in successive years as directed by him *or her* until the full county
28 is covered. Each year at least all changes of assessment listings
29 for all the areas shall be printed, together with a notice that no
30 changes were made with regard to properties not on the list of
31 changes, so that all changes will be on a current basis for the entire
32 county. Newspapers for the publications shall be selected as they
33 are for publication of the delinquent tax lists and the rate paid for
34 the advertising shall be the same.

35 Neither the failure of the assessee to receive this information
36 nor the failure of the assessor to so inform the assessee shall in
37 any way affect the validity of any assessment or the validity of
38 any taxes levied pursuant thereto.

39 SEC. 6. Section 3698.7 of the Revenue and Taxation Code is
40 amended to read:

1 3698.7. (a) With respect to property for which a property tax
2 welfare exemption has been granted and that has become tax
3 defaulted, the minimum price at which the property may be offered
4 for sale pursuant to this chapter shall be the higher of the following:

5 (1) Fifty percent of the fair market value of the property. For
6 the purposes of this paragraph, “fair market value” means the
7 amount as defined in Section 110 as determined pursuant to an
8 appraisal of the property by the county assessor within one year
9 immediately preceding the date of the public auction. From the
10 proceeds of the sale, there shall be distributed to the county general
11 fund an amount to reimburse the county for the cost of appraising
12 the property. The value of the property as determined by the
13 assessor pursuant to an appraisal shall be conclusively presumed
14 to be the fair market value of the property for the purpose of
15 determining the minimum price at which the property may be
16 offered for sale.

17 (2) The total amount necessary to redeem, plus costs. For
18 purposes of this paragraph:

19 (A) The “total amount necessary to redeem” is the sum of the
20 following:

- 21 (i) The amount of defaulted taxes.
- 22 (ii) Delinquent penalties and costs.
- 23 (iii) Redemption penalties.
- 24 (iv) A redemption fee.

25 (B) “Costs” are those amounts described in subdivision (c) of
26 Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections
27 4672, 4672.1, 4672.2, and 4673, and subdivision (b) of Section
28 4673.1.

29 (b) This section shall not apply to property or interests that
30 qualify for sale in accordance with the provisions of subdivisions
31 (b) and (c) of Section 3692.

32 (c) Where property or property interests have been offered for
33 sale at least once and no acceptable bids therefor have been
34 received, at the minimum price determined pursuant to subdivision
35 (a), the tax collector may, in his or her discretion and with the
36 approval of the board of supervisors, offer that same property or
37 those interests at the same or next scheduled sale at a minimum
38 price that the tax collector deems appropriate in light of the most
39 current assessed valuation of that property or those interests, or

- 1 any unique circumstance with respect to that property or those
- 2 interests.

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