

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

March 15, 2010

An act to amend Sections 61, 63.1, 69.5, 218, 401.10, 1604, 4831, and 5096 of, and to repeal Sections 1624.3, 1636.2, and 1636.5 of, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1494, as introduced, Committee on Revenue and Taxation. Property taxation.

(1) The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. For purposes of these provisions, existing law specifies that taxable real property has changed ownership when that property is leased for 35 years or more, including renewal options. Existing law conclusively presumes that all homes that are eligible for the homeowners' exemption, other than specified manufactured homes and floating homes, and that are on leased land are under a lease that have a renewal option of at least 35 years.

This bill would make technical, nonsubstantive changes to this provision.

(2) The California Constitution excludes from a "change in ownership" specified property transfers of a principal residence and the first \$1,000,000 of the value of other real property between parents and their children, as defined by the Legislature. Existing law includes as

a transfer, the transfer of a present beneficial ownership of property through the medium of a trust. Existing law requires those seeking this exclusion to file a claim with the county assessor. The claim is not a public document, but may be inspected by the transferee and the transferor or their respective spouse, transferor's or the transferee's legal representative, and the executor or administrator of the transferee's or transferor's estate.

This bill would authorize the trustee of the transferee's trust to file a claim with the assessor and to furnish a written certification, as provided, and would further authorize the trustee of the transferee's or transferor's trust to inspect the claim.

(3) The California Constitution and existing property tax law authorize taxpayers to transfer the base year value, as defined, of property to replacement property, if the claimant, who is a person claiming the property tax relief, meets certain conditions. Existing law also authorizes the coowner of the original property, as a joint tenant, a tenant in common, or a community property owner, to claim the property tax relief, as provided. Existing law generally defines a person to be an individual.

This bill would clarify that the term "person" includes an individual who is the present beneficiary of a trust and that a coowner includes a present beneficiary of a trust.

(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 clarify that a dwelling that is damaged in a misfortune or calamity is not disqualified from receiving the homeowners' exemption, if certain conditions are met. This bill would clarify that a dwelling that does not exist on the lien date because it has been totally destroyed is disqualified from receiving the homeowner's exemption until the structure has been replaced and is occupied as a dwelling.

This bill would also delete provisions providing that dwellings destroyed by specified disasters for which the Governor proclaimed a state of emergency are not disqualified from receiving the exemption, and would replace them with a general provision.

(5) Existing property tax law requires any property, not exempted from taxation by federal law or pursuant to the California Constitution, to be assessed at its full cash value. Existing law also establishes a rebuttable presumption of valuation at full value, provided certain

conditions are met, for each taxable year from the 1984–85 tax year to the 2010–11 tax year, inclusive, for intercounty pipeline rights-of-way on publicly or privately owned property.

This bill would extend the application of this rebuttable presumption to the 2015–16 fiscal year.

(6) Existing law requires county boards to meet to equalize the assessment of property on the local roll, as provided, and authorizes a taxpayer to apply to a county assessment appeals board for an assessment reduction under a variety of circumstances, including for a reduction of the base year value, as defined, of real property. Existing property tax law requires that the taxpayer’s opinion of value, as reflected on a timely filed application for reduction in an assessment of property, be the basis for the calculation of property taxes, where the county assessment appeals board has failed to hear evidence and make a final determination on that application within either 2 years of the filing of that application or an extension of that 2-year period. Existing law requires that the taxpayer’s opinion of value be the basis for taxing the property described in the application for all succeeding tax years until the board acts upon the application, as provided. Existing law defines “county board” for purposes of this provision to mean a county board of supervisors meeting as a county board of equalization or an assessment appeals board.

This bill would replace the term “county assessment appeals board” with the term “county board” and would replace the terms “taxpayer” and “taxpayer’s” with the terms “applicant” and “applicant’s.” This bill would also make other technical, nonsubstantive changes to this provision.

(7) Existing law prohibits a current member of an assessment appeals board, any alternate members of an assessment appeals board, or a hearing officer from representing an applicant for compensation on any application for equalization in the county in which the board member, the alternate member, or the hearing officer serves. Existing law requires a hearing officer to notify the clerk immediately upon filing an application on his or her own behalf, or upon his or her decision to represent his or her spouse, parent, or child in an assessment appeal, and requires the clerk to schedule the matter before an alternate assessment appeals board.

This bill would repeal those provisions.

(8) Existing property tax law allows the correction of certain errors resulting in incorrect entries on the property tax roll, as provided.

This bill would make clarifying revisions to this provision, and would make other technical, nonsubstantive changes.

(9) Existing law requires property taxes to be refunded if, among other circumstances, the taxes were paid on an assessment in excess of the equalized value of the property as determined pursuant to a specified statute by the county board of equalization.

This bill would change an obsolete statutory reference in this provision.

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 61 of the Revenue and Taxation Code is
2 amended to read:

3 61. Except as otherwise provided in Section 62, change in
4 ownership, as defined in Section 60, includes, but is not limited
5 to:

6 (a) The creation, renewal, sublease, assignment, or other transfer
7 of the right to produce or extract oil, gas, or other minerals
8 regardless of the period during which the right may be exercised.
9 The balance of the property, other than the mineral rights, shall
10 not be reappraised pursuant to this section.

11 (b) The creation, renewal, extension, or assignment of a taxable
12 possessory interest in tax exempt real property for any term. For
13 purposes of this subdivision:

14 (1) "Renewal" and "extension" do not include the granting of
15 an option to renew or extend an existing agreement pursuant to
16 which the term of possession of the existing agreement would,
17 upon exercise of the option, be lengthened, whether the option is
18 granted in the original agreement or subsequent thereto.

19 (2) Any "renewal" or "extension" of a possessory interest during
20 the reasonably anticipated term of possession used by the assessor
21 to value that interest does not cause a change in ownership until
22 the end of the reasonably anticipated term of possession used by
23 the assessor to value that interest. At the end of the reasonably
24 anticipated term of possession used by the assessor, a new base
25 year value, based on a new reasonably anticipated term of
26 possession, shall be established for the possessory interest.

1 (3) “Assignment” of a possessory interest means the transfer of
2 all rights held by a transferor in a possessory interest.

3 (c) (1) (A) The creation of a leasehold interest in taxable real
4 property for a term of 35 years or more (including renewal options);
5 ~~the.~~

6 (B) ~~The~~ termination of a leasehold interest in taxable real
7 property which had an original term of 35 years or more (including
8 renewal options); ~~and any.~~

9 (C) Any transfer of a leasehold interest having a remaining term
10 of 35 years or more (including renewal options); ~~or (2) any.~~

11 (D) Any transfer of a lessor’s interest in taxable real property
12 subject to a lease with a remaining term (including renewal options)
13 of less than 35 years.

14 ~~Only~~

15 (2) ~~Only~~ that portion of a property subject to that lease or transfer
16 shall be considered to have undergone a change in ownership.

17 ~~For~~

18 (3) ~~For~~ the purpose of this subdivision, for 1979–80 and each
19 year thereafter, it shall be conclusively presumed that all homes
20 eligible for the homeowners’ exemption, other than manufactured
21 homes located on rented or leased land and subject to taxation
22 pursuant to Part 13 (commencing with Section 5800) and floating
23 homes subject to taxation pursuant to Section 229, that are on
24 leased land have a renewal option of at least 35 years on the lease
25 of that land, whether or not in fact that renewal option exists in
26 any contract or agreement.

27 (d) (1) (A) A sublease of a taxable possessory interest in
28 tax-exempt real property for a term, including renewal options,
29 that exceeds half the length of the remaining term of the leasehold,
30 including renewal options.

31 (B) The termination of a sublease of a taxable possessory interest
32 in tax-exempt property with an original term, including renewal
33 options, that exceeds half the length of the remaining term of the
34 leasehold, including renewal options.

35 (C) Any transfer of a sublessee’s interest with a remaining term,
36 including renewal options, that exceeds half of the remaining term
37 of the leasehold.

38 (2) Any transfer of a possessory interest in tax-exempt real
39 property subject to a sublease with a remaining term, including

1 renewal options, that does not exceed half the remaining term of
 2 the leasehold, including renewal options.

3 (e) The creation, transfer, or termination of any joint tenancy
 4 interest, except as provided in subdivision (f) of Section 62, and
 5 in Section 63 and Section 65.

6 (f) The creation, transfer, or termination of any
 7 tenancy-in-common interest, except as provided in subdivision (a)
 8 of Section 62 and in Section 63.

9 (g) Any vesting of the right to possession or enjoyment of a
 10 remainder or reversionary interest that occurs upon the termination
 11 of a life estate or other similar precedent property interest, except
 12 as provided in subdivision (d) of Section 62 and in Section 63.

13 (h) Any interests in real property that vest in persons other than
 14 the trustor (or, pursuant to Section 63, his or her spouse) when a
 15 revocable trust becomes irrevocable.

16 (i) The transfer of stock of a cooperative housing corporation,
 17 vested with legal title to real property that conveys to the transferee
 18 the exclusive right to occupancy and possession of that property,
 19 or a portion thereof. A “cooperative housing corporation” is a real
 20 estate development in which membership in the corporation, by
 21 stock ownership, is coupled with the exclusive right to possess a
 22 portion of the real property.

23 (j) The transfer of any interest in real property between a
 24 corporation, partnership, or other legal entity and a shareholder,
 25 partner, or any other person.

26 SEC. 2. Section 63.1 of the Revenue and Taxation Code is
 27 amended to read:

28 63.1. (a) Notwithstanding any other provision of this chapter,
 29 a change in ownership shall not include the following purchases
 30 or transfers for which a claim is filed pursuant to this section:

31 (1) (A) The purchase or transfer of real property which is the
 32 principal residence of an eligible transferor in the case of a purchase
 33 or transfer between parents and their children.

34 (B) A purchase or transfer of a principal residence from a foster
 35 child to the child’s biological parent shall not be excluded under
 36 subparagraph (A) if the transferor child received that principal
 37 residence, or interest therein, from a foster parent through a
 38 purchase or transfer that was excluded under subparagraph (A).

39 (2) The purchase or transfer of the first one million dollars
 40 (\$1,000,000) of full cash value of all other real property of an

1 eligible transferor in the case of a purchase or transfer between
2 parents and their children.

3 (3) (A) Subject to subparagraph (B), the purchase or transfer
4 of real property described in paragraphs (1) and (2) of subdivision
5 (a) occurring on or after March 27, 1996, between grandparents
6 and their grandchild or grandchildren, if all of the parents of that
7 grandchild or those grandchildren, who qualify as the children of
8 the grandparents, are deceased as of the date of purchase or transfer.
9 Notwithstanding any other provision of law, for the lien date for
10 the 2006–07 fiscal year and each fiscal year thereafter, in
11 determining whether “all of the parents of that grandchild or those
12 grandchildren, who qualify as the children of the grandparents,
13 are deceased as of the date of purchase or transfer,” a son-in-law
14 or daughter-in-law of the grandparent that is a stepparent to the
15 grandchild need not be deceased on the date of the transfer.

16 (B) A purchase or transfer of a principal residence shall not be
17 excluded pursuant to subparagraph (A) if the transferee grandchild
18 or grandchildren also received a principal residence, or interest
19 therein, through another purchase or transfer that was excludable
20 pursuant to paragraph (1) of subdivision (a). The full cash value
21 of any real property, other than a principal residence, that was
22 transferred to the grandchild or grandchildren pursuant to a
23 purchase or transfer that was excludable pursuant to paragraph (2)
24 of subdivision (a) and the full cash value of a principal residence
25 that fails to qualify for exclusion as a result of the preceding
26 sentence shall be included in applying, for purposes of paragraph
27 (2) of subdivision (a), the one million dollar (\$1,000,000) full cash
28 value limit specified in paragraph (2) of subdivision (a).

29 (b) (1) For purposes of paragraph (1) of subdivision (a),
30 “principal residence” means a dwelling that is eligible for a
31 homeowners’ exemption or a disabled veterans’ exemption as a
32 result of the transferor’s ownership and occupation of the dwelling.
33 “Principal residence” includes only that portion of the land
34 underlying the residence that consists of an area of reasonable size
35 that is used as a site for the residence.

36 (2) For purposes of paragraph (2) of subdivision (a), the
37 one-million-dollar (\$1,000,000) exclusion shall apply separately
38 to each eligible transferor with respect to all purchases by and
39 transfers to eligible transferees on and after November 6, 1986, of
40 real property, other than the principal residence, of that eligible

1 transferor. The exclusion shall not apply to any property in which
2 the eligible transferor's interest was received through a transfer,
3 or transfers, excluded from change in ownership by the provisions
4 of either subdivision (f) of Section 62 or subdivision (b) of Section
5 65, unless the transferor qualifies as an original transferor under
6 subdivision (b) of Section 65. In the case of any purchase or
7 transfer subject to this paragraph involving two or more eligible
8 transferors, the transferors may elect to combine their separate
9 one-million-dollar (\$1,000,000) exclusions and, upon making that
10 election, the combined amount of their separate exclusions shall
11 apply to any property jointly sold or transferred by the electing
12 transferors, provided that in no case shall the amount of full cash
13 value of real property of any one eligible transferor excluded under
14 this election exceed the amount of the transferor's separate unused
15 exclusion on the date of the joint sale or transfer.

16 (c) As used in this section:

17 (1) "Purchase or transfer between parents and their children"
18 means either a transfer from a parent or parents to a child or
19 children of the parent or parents or a transfer from a child or
20 children to a parent or parents of the child or children. For purposes
21 of this section, the date of any transfer between parents and their
22 children under a will or intestate succession shall be the date of
23 the decedent's death, if the decedent died on or after November
24 6, 1986.

25 (2) "Purchase or transfer of real property between grandparents
26 and their grandchild or grandchildren" means a purchase or transfer
27 on or after March 27, 1996, from a grandparent or grandparents
28 to a grandchild or grandchildren if all of the parents of that
29 grandchild or those grandchildren who qualify as the children of
30 the grandparents are deceased as of the date of the transfer. For
31 purposes of this section, the date of any transfer between
32 grandparents and their grandchildren under a will or by intestate
33 succession shall be the date of the decedent's death.
34 Notwithstanding any other provision of law, for the lien date for
35 the 2006-07 fiscal year and each fiscal year thereafter, in
36 determining whether "all of the parents of that grandchild or those
37 grandchildren, who qualify as the children of the grandparents,
38 are deceased as of the date of purchase or transfer," a son-in-law
39 or daughter-in-law of the grandparent that is a stepparent to the
40 grandchild need not be deceased on the date of the transfer.

1 (3) “Children” means any of the following:

2 (A) Any child born of the parent or parents, except a child, as
3 defined in subparagraph (D), who has been adopted by another
4 person or persons.

5 (B) Any stepchild of the parent or parents and the spouse of that
6 stepchild while the relationship of stepparent and stepchild exists.
7 For purposes of this paragraph, the relationship of stepparent and
8 stepchild shall be deemed to exist until the marriage on which the
9 relationship is based is terminated by divorce, or, if the relationship
10 is terminated by death, until the remarriage of the surviving
11 stepparent.

12 (C) Any son-in-law or daughter-in-law of the parent or parents.
13 For the purposes of this paragraph, the relationship of parent and
14 son-in-law or daughter-in-law shall be deemed to exist until the
15 marriage on which the relationship is based is terminated by
16 divorce, or, if the relationship is terminated by death, until the
17 remarriage of the surviving son-in-law or daughter-in-law.

18 (D) Any child adopted by the parent or parents pursuant to
19 statute, other than an individual adopted after reaching the age of
20 18 years.

21 (E) Any foster child of a state-licensed foster parent, if that child
22 was not, because of a legal barrier, adopted by the foster parent or
23 foster parents before the child aged out of the foster care system.
24 For purposes of this paragraph, the relationship between a foster
25 child and foster parent shall be deemed to exist until terminated
26 by death. However, for purposes of a transfer that occurs on the
27 date of death, the relationship shall be deemed to exist on the date
28 of death.

29 (4) “Grandchild” or “grandchildren” means any child or children
30 of the child or children of the grandparent or grandparents.

31 (5) “Full cash value” means full cash value, as defined in Section
32 2 of Article XIII A of the California Constitution and Section 110.1,
33 with any adjustments authorized by those sections, and the full
34 value of any new construction in progress, determined as of the
35 date immediately prior to the date of a purchase by or transfer to
36 an eligible transferee of real property subject to this section.

37 (6) “Eligible transferor” means a grandparent, parent, or child
38 of an eligible transferee.

39 (7) “Eligible transferee” means a parent, child, or grandchild
40 of an eligible transferor.

1 (8) “Real property” means real property as defined in Section
2 104. Real property does not include any interest in a legal entity.

3 (9) “Transfer” includes, and is not limited to, any transfer of
4 the present beneficial ownership of property from an eligible
5 transferor to an eligible transferee through the medium of an inter
6 vivos or testamentary trust.

7 (10) “Social security number” also includes a taxpayer
8 identification number issued by the Internal Revenue Service in
9 the case in which the taxpayer is a foreign national who cannot
10 obtain a social security number.

11 (d) (1) The exclusions provided for in subdivision (a) shall not
12 be allowed unless the eligible transferee, the transferee’s legal
13 representative, *the trustee of the transferee’s trust*, or the executor
14 or administrator of the transferee’s estate files a claim with the
15 assessor for the exclusion sought and furnishes to the assessor each
16 of the following:

17 (A) A written certification by the transferee, the transferee’s
18 legal representative, *the trustee of the transferee’s trust*, or the
19 executor or administrator of the transferee’s estate, signed and
20 made under penalty of perjury that the transferee is a parent, child,
21 or grandchild of the transferor and that the transferor is his or her
22 parent, child, or grandparent. In the case of a
23 grandparent-grandchild transfer, the written certification shall also
24 include a certification that all the parents of the grandchild or
25 grandchildren who qualify as children of the grandparents were
26 deceased as of the date of the purchase or transfer and that the
27 grandchild or grandchildren did or did not receive a principal
28 residence excludable under paragraph (1) of subdivision (a) from
29 the deceased parents, and that the grandchild or grandchildren did
30 or did not receive real property other than a principal residence
31 excludable under paragraph (2) of subdivision (a) from the
32 deceased parents. The claimant shall provide legal substantiation
33 of any matter certified pursuant to this subparagraph at the request
34 of the county assessor.

35 (B) A written certification by the transferor, the transferor’s
36 legal representative, *the trustee of the transferor’s trust*, or the
37 executor or administrator of the transferor’s estate, signed and
38 made under penalty of perjury that the transferor is a grandparent,
39 parent, or child of the transferee and that the transferor is seeking

1 the exclusion under this section and will not file a claim to transfer
2 the base year value of the property under Section 69.5.

3 (C) A written certification shall also include either or both of
4 the following:

5 (i) If the purchase or transfer of real property includes the
6 purchase or transfer of residential real property, a certification that
7 the residential real property is or is not the transferor's principal
8 residence.

9 (ii) If the purchase or transfer of real property includes the
10 purchase or transfer of real property other than the transferor's
11 principal residence, a certification that other real property of the
12 transferor that is subject to this section has or has not been
13 previously sold or transferred to an eligible transferee, the total
14 amount of full cash value, as defined in subdivision (c), of any
15 real property subject to this section that has been previously sold
16 or transferred by that transferor to eligible transferees, the location
17 of that real property, the social security number of each eligible
18 transferor, and the names of the eligible transferees of that property.

19 (D) If there are multiple transferees, the certification and
20 signature may be made by any one of the transferees, if both of
21 the following conditions are met:

22 (i) The transferee has actual knowledge that, and the certification
23 signed by the transferee states that, all of the transferees are eligible
24 transferees within the meaning of this section.

25 (ii) The certification is signed by the transferee as a true
26 statement made under penalty of perjury.

27 (E) In the case of a transfer between a foster parent and foster
28 child, the claim filed with the assessor shall include a certified
29 copy of the court decision regarding the foster child status of the
30 individual and a certified statement from the appropriate county
31 agency stating that the foster child was not, because of a legal
32 barrier, adopted by the foster parent or foster parents. Upon a
33 request by the county assessor, the claimant also shall provide to
34 the assessor legal substantiation of any matter certified under this
35 subparagraph.

36 (2) If the full cash value of the real property purchased by or
37 transferred to the transferee exceeds the permissible exclusion of
38 the transferor or the combined permissible exclusion of the
39 transferors, in the case of a purchase or transfer from two or more
40 joint transferors, taking into account any previous purchases by

1 or transfers to an eligible transferee from the same transferor or
2 transferors, the transferee shall specify in his or her claim the
3 amount and the allocation of the exclusion he or she is seeking.
4 Within any appraisal unit, as determined in accordance with
5 subdivision (d) of Section 51 by the assessor of the county in which
6 the real property is located, the exclusion shall be applied only on
7 a pro rata basis, however, and shall not be applied to a selected
8 portion or portions of the appraisal unit.

9 (e) (1) The State Board of Equalization shall design the form
10 for claiming eligibility. Except as provided in paragraph (2), any
11 claim under this section shall be filed:

12 (A) For transfers of real property between parents and their
13 children occurring prior to September 30, 1990, within three years
14 after the date of the purchase or transfer of real property for which
15 the claim is filed.

16 (B) For transfers of real property between parents and their
17 children occurring on or after September 30, 1990, and for the
18 purchase or transfer of real property between grandparents and
19 their grandchildren occurring on or after March 27, 1996, within
20 three years after the date of the purchase or transfer of real property
21 for which the claim is filed, or prior to transfer of the real property
22 to a third party, whichever is earlier.

23 (C) Notwithstanding subparagraphs (A) and (B), a claim shall
24 be deemed to be timely filed if it is filed within six months after
25 the date of mailing of a notice of supplemental or escape
26 assessment, issued as a result of the purchase or transfer of real
27 property for which the claim is filed.

28 (2) In the case in which the real property subject to purchase or
29 transfer has not been transferred to a third party, a claim for
30 exclusion under this section that is filed subsequent to the
31 expiration of the filing periods set forth in paragraph (1) shall be
32 considered by the assessor, subject to all of the following
33 conditions:

34 (A) Any exclusion granted pursuant to that claim shall apply
35 commencing with the lien date of the assessment year in which
36 the claim is filed.

37 (B) Under any exclusion granted pursuant to that claim, the
38 adjusted full cash value of the subject real property in the
39 assessment year described in subparagraph (A) shall be the adjusted
40 base year value of the subject real property in the assessment year

1 in which the excluded purchase or transfer took place, factored to
2 the assessment year described in subparagraph (A) for both of the
3 following:

4 (i) Inflation as annually determined in accordance with
5 paragraph (1) of subdivision (a) of Section 51.

6 (ii) Any subsequent new construction occurring with respect to
7 the subject real property.

8 (3) (A) Unless otherwise expressly provided, the provisions of
9 this subdivision shall apply to any purchase or transfer of real
10 property that occurred on or after November 6, 1986.

11 (B) Paragraph (2) shall apply to purchases or transfers between
12 parents and their children that occurred on or after November 6,
13 1986, and to purchases or transfers between grandparents and their
14 grandchildren that occurred on or after March 27, 1996.

15 (4) For purposes of this subdivision, a transfer of real property
16 to a parent or child of the transferor shall not be considered a
17 transfer to a third party.

18 (f) The assessor may report quarterly to the State Board of
19 Equalization all purchases or transfers, other than purchases or
20 transfers involving a principal residence, for which a claim for
21 exclusion is made pursuant to subdivision (d). Each report shall
22 contain the assessor's parcel number for each parcel for which the
23 exclusion is claimed, the amount of each exclusion claimed, the
24 social security number of each eligible transferor, and any other
25 information the board may require in order to monitor the
26 one-million-dollar (\$1,000,000) limitation in paragraph (2) of
27 subdivision (a). In recognition of the state and local interests served
28 by the action made optional in this subdivision, the Legislature
29 encourages the assessor to continue taking the action formerly
30 mandated by this subdivision.

31 (g) This section shall apply to both voluntary transfers and
32 transfers resulting from a court order or judicial decree. Nothing
33 in this subdivision shall be construed as conflicting with paragraph
34 (1) of subdivision (c) or the general principle that transfers by
35 reason of death occur at the time of death.

36 (h) (1) Except as provided in paragraph (2), this section shall
37 apply to purchases and transfers of real property completed on or
38 after November 6, 1986, and shall not be effective for any change
39 in ownership, including a change in ownership arising on the date
40 of a decedent's death, that occurred prior to that date.

1 (2) This section shall apply to purchases or transfers of real
2 property between grandparents and their grandchildren occurring
3 on or after March 27, 1996, and, with respect to purchases or
4 transfers of real property between grandparents and their
5 grandchildren, shall not be effective for any change in ownership,
6 including a change in ownership arising on the date of a decedent's
7 death, that occurred prior to that date.

8 (i) A claim filed under this section is not a public document and
9 is not subject to public inspection, except that a claim shall be
10 available for inspection by the transferee and the transferor or their
11 respective spouse, the transferee's legal representative, the
12 transferor's legal representative, *the trustee of the transferee's*
13 *trust, the trustee of the transferor's trust*, and the executor or
14 administrator of the transferee's or transferor's estate.

15 (j) (1) If the assessor notifies the transferee in writing of
16 potential eligibility for exclusion from change in ownership under
17 this section, a certified claim for exclusion shall be filed with the
18 assessor within 45 days of the date of the notice of potential
19 eligibility. If a certified claim for exclusion is not filed within 45
20 days, the assessor may send a second notice of potential eligibility
21 for exclusion, notifying the transferee that a certified claim for
22 exclusion has not been received and that reassessment of the
23 property will commence unless a certified claim for exclusion is
24 filed within 60 days of the date of the second notice of potential
25 eligibility. The second notice of potential eligibility shall indicate
26 whether a certified claim for exclusion that is not filed within 60
27 days will be subject to a processing fee as provided in paragraph
28 (2).

29 (2) If a certified claim for exclusion is not filed within 60 days
30 of the date of the second notice of potential eligibility and an
31 eligible transferee subsequently files a claim and qualifies for the
32 exclusion, the assessor may, upon authorization by a county board
33 of supervisors, require an eligible transferee to pay a one-time
34 processing fee, collected at the time the claim is submitted, and
35 reimbursed by the assessor if the claim is ineligible. The fee shall
36 be subject to the provisions of Chapter 12.5 (commencing with
37 Section 54985) of Part 1 of Division 2 of Title 5 of the Government
38 Code and shall not exceed the amount of the actual and reasonable
39 costs incurred by the assessor for reassessment work done due to

1 failure to file the claim for exclusion or one hundred seventy-five
2 dollars (\$175), whichever is less.

3 (3) The failure to file a certified claim for exclusion within the
4 filing periods specified by this subdivision shall not be construed
5 to limit any exclusion from being granted pursuant to a claim filed
6 within the filing periods specified by subdivision (e).

7 SEC. 3. Section 69.5 of the Revenue and Taxation Code is
8 amended to read:

9 69.5. (a) (1) Notwithstanding any other provision of law,
10 pursuant to subdivision (a) of Section 2 of Article XIII A of the
11 California Constitution, any person over the age of 55 years, or
12 any severely and permanently disabled person, who resides in
13 property that is eligible for the homeowners' exemption under
14 subdivision (k) of Section 3 of Article XIII of the California
15 Constitution and Section 218 may transfer, subject to the conditions
16 and limitations provided in this section, the base year value of that
17 property to any replacement dwelling of equal or lesser value that
18 is located within the same county and is purchased or newly
19 constructed by that person as his or her principal residence within
20 two years of the sale by that person of the original property,
21 provided that the base year value of the original property shall not
22 be transferred to the replacement dwelling until the original
23 property is sold.

24 (2) Notwithstanding the limitation in paragraph (1) requiring
25 that the original property and the replacement dwelling be located
26 in the same county, this limitation shall not apply in any county
27 in which the county board of supervisors, after consultation with
28 local affected agencies within the boundaries of the county, adopts
29 an ordinance making the provisions of paragraph (1) also applicable
30 to situations in which replacement dwellings are located in that
31 county and the original properties are located in another county
32 within this state. The authorization contained in this paragraph
33 shall be applicable in a county only if the ordinance adopted by
34 the board of supervisors complies with all of the following
35 requirements:

36 (A) It is adopted only after consultation between the board of
37 supervisors and all other local affected agencies within the county's
38 boundaries.

39 (B) It requires that all claims for transfers of base year value
40 from original property located in another county be granted if the

1 claims meet the applicable requirements of both subdivision (a)
2 of Section 2 of Article XIII A of the California Constitution and
3 this section.

4 (C) It requires that all base year valuations of original property
5 located in another county and determined by its assessor be
6 accepted in connection with the granting of claims for transfers of
7 base year value.

8 (D) It provides that its provisions are operative for a period of
9 not less than five years.

10 (E) The ordinance specifies the date on and after which its
11 provisions shall be applicable. However, the date specified shall
12 not be earlier than November 9, 1988. The specified applicable
13 date may be a date earlier than the date the county adopts the
14 ordinance.

15 (b) In addition to meeting the requirements of subdivision (a),
16 any person claiming the property tax relief provided by this section
17 shall be eligible for that relief only if the following conditions are
18 met:

19 (1) The claimant is an owner and a resident of the original
20 property either at the time of its sale, or at the time when the
21 original property was substantially damaged or destroyed by
22 misfortune or calamity, or within two years of the purchase or new
23 construction of the replacement dwelling.

24 (2) The original property is eligible for the homeowners'
25 exemption, as the result of the claimant's ownership and occupation
26 of the property as his or her principal residence, either at the time
27 of its sale, or at the time when the original property was
28 substantially damaged or destroyed by misfortune or calamity, or
29 within two years of the purchase or new construction of the
30 replacement dwelling.

31 (3) At the time of the sale of the original property, the claimant
32 or the claimant's spouse who resides with the claimant is at least
33 55 years of age, or is severely and permanently disabled.

34 (4) At the time of claiming the property tax relief provided by
35 subdivision (a), the claimant is an owner of a replacement dwelling
36 and occupies it as his or her principal place of residence and, as a
37 result thereof, the property is currently eligible for the homeowners'
38 exemption or would be eligible for the exemption except that the
39 property is already receiving the exemption because of an
40 exemption claim filed by the previous owner.

1 (5) The original property of the claimant is sold by him or her
2 within two years of the purchase or new construction of the
3 replacement dwelling. For purposes of this paragraph, the purchase
4 or new construction of the replacement dwelling includes the
5 purchase of that portion of land on which the replacement building,
6 structure, or other shelter constituting a place of abode of the
7 claimant will be situated and that, pursuant to paragraph (3) of
8 subdivision (g), constitutes a part of the replacement dwelling.

9 (6) The replacement dwelling, including that portion of land on
10 which it is situated that is specified in paragraph (5), is located
11 entirely within the same county as the claimant's original property.

12 (7) The claimant has not previously been granted, as a claimant,
13 the property tax relief provided by this section, except that this
14 paragraph shall not apply to any person who becomes severely
15 and permanently disabled subsequent to being granted, as a
16 claimant, the property tax relief provided by this section for any
17 person over the age of 55 years. In order to prevent duplication of
18 claims under this section within this state, county assessors shall
19 report quarterly to the State Board of Equalization that information
20 from claims filed in accordance with subdivision (f) and from
21 county records as is specified by the board necessary to identify
22 fully all claims under this section allowed by assessors and all
23 claimants who have thereby received relief. The board may specify
24 that the information include all or a part of the names and social
25 security numbers of claimants and their spouses and the identity
26 and location of the replacement dwelling to which the claim
27 applies. The information may be required in the form of data
28 processing media or other media and in a format that is compatible
29 with the recordkeeping processes of the counties and the auditing
30 procedures of the state.

31 (c) The property tax relief provided by this section shall be
32 available if the original property or the replacement dwelling, or
33 both, of the claimant includes, but is not limited to, either of the
34 following:

35 (1) A unit or lot within a cooperative housing corporation, a
36 community apartment project, a condominium project, or a planned
37 unit development. If the unit or lot constitutes the original property
38 of the claimant, the assessor shall transfer to the claimant's
39 replacement dwelling only the base year value of the claimant's
40 unit or lot and his or her share in any common area reserved as an

1 appurtenance of that unit or lot. If the unit or lot constitutes the
2 replacement dwelling of the claimant, the assessor shall transfer
3 the base year value of the claimant's original property only to the
4 unit or lot of the claimant and any share of the claimant in any
5 common area reserved as an appurtenance of that unit or lot.

6 (2) A manufactured home or a manufactured home and any land
7 owned by the claimant on which the manufactured home is situated.
8 For purposes of this paragraph, "land owned by the claimant"
9 includes a pro rata interest in a resident-owned mobilehome park
10 that is assessed pursuant to subdivision (b) of Section 62.1.

11 (A) If the manufactured home or the manufactured home and
12 the land on which it is situated constitutes the claimant's original
13 property, the assessor shall transfer to the claimant's replacement
14 dwelling either the base year value of the manufactured home or
15 the base year value of the manufactured home and the land on
16 which it is situated, as appropriate. If the manufactured home
17 dwelling that constitutes the original property of the claimant
18 includes an interest in a resident-owned mobilehome park, the
19 assessor shall transfer to the claimant's replacement dwelling the
20 base year value of the claimant's manufactured home and his or
21 her pro rata portion of the real property of the park. No transfer of
22 base year value shall be made by the assessor of that portion of
23 land that does not constitute a part of the original property, as
24 provided in paragraph (4) of subdivision (g).

25 (B) If the manufactured home or the manufactured home and
26 the land on which it is situated constitutes the claimant's
27 replacement dwelling, the assessor shall transfer the base year
28 value of the claimant's original property either to the manufactured
29 home or the manufactured home and the land on which it is
30 situated, as appropriate. If the manufactured home dwelling that
31 constitutes the replacement dwelling of the claimant includes an
32 interest in a resident-owned mobilehome park, the assessor shall
33 transfer the base year value of the claimant's original property to
34 the manufactured home of the claimant and his or her pro rata
35 portion of the park. No transfer of base year value shall be made
36 by the assessor to that portion of land that does not constitute a
37 part of the replacement dwelling, as provided in paragraph (3) of
38 subdivision (g).

39 This subdivision shall be subject to the limitations specified in
40 subdivision (d).

1 (d) The property tax relief provided by this section shall be
2 available to a claimant who is the coowner of the original property,
3 as a joint tenant, a tenant in common, ~~or~~ a community property
4 owner, *or a present beneficiary of a trust* subject to the following
5 limitations:

6 (1) If a single replacement dwelling is purchased or newly
7 constructed by all of the coowners and each coowner retains an
8 interest in the replacement dwelling, the claimant shall be eligible
9 under this section whether or not any or all of the remaining
10 coowners would otherwise be eligible claimants.

11 (2) If two or more replacement dwellings are separately
12 purchased or newly constructed by two or more coowners and
13 more than one coowner would otherwise be an eligible claimant,
14 only one coowner shall be eligible under this section. These
15 coowners shall determine by mutual agreement which one of them
16 shall be deemed eligible.

17 (3) If two or more replacement dwellings are separately
18 purchased or newly constructed by two coowners who held the
19 original property as community property, only the coowner who
20 has attained the age of 55 years, or is severely and permanently
21 disabled, shall be eligible under this section. If both spouses are
22 over 55 years of age, they shall determine by mutual agreement
23 which one of them is eligible.

24 In the case of coowners whose original property is a multiunit
25 dwelling, the limitations imposed by paragraphs (2) and (3) shall
26 only apply to coowners who occupied the same dwelling unit
27 within the original property at the time specified in paragraph (2)
28 of subdivision (b).

29 (e) Upon the sale of original property, the assessor shall
30 determine a new base year value for that property in accordance
31 with subdivision (a) of Section 2 of Article XIII A of the California
32 Constitution and Section 110.1, whether or not a replacement
33 dwelling is subsequently purchased or newly constructed by the
34 former owner or owners of the original property.

35 This section shall not apply unless the transfer of the original
36 property is a change in ownership that either (1) subjects that
37 property to reappraisal at its current fair market value in accordance
38 with Section 110.1 or 5803 or (2) results in a base year value
39 determined in accordance with this section, Section 69, or Section

1 69.3 because the property qualifies under this section, Section 69,
2 or Section 69.3 as a replacement dwelling or property.

3 (f) (1) A claimant shall not be eligible for the property tax relief
4 provided by this section unless the claimant provides to the
5 assessor, on a form that shall be designed by the State Board of
6 Equalization and that the assessor shall make available upon
7 request, the following information:

8 (A) The name and social security number of each claimant and
9 of any spouse of the claimant who is a record owner of the
10 replacement dwelling.

11 (B) Proof that the claimant or the claimant’s spouse who resided
12 on the original property with the claimant was, at the time of its
13 sale, at least 55 years of age, or severely and permanently disabled.
14 Proof of severe and permanent disability shall be considered a
15 certification, signed by a licensed physician and surgeon of
16 appropriate specialty, attesting to the claimant’s severely and
17 permanently disabled condition. In the absence of available proof
18 that a person is over 55 years of age, the claimant shall certify
19 under penalty of perjury that the age requirement is met. In the
20 case of a severely and permanently disabled claimant either of the
21 following shall be submitted:

22 (i) A certification, signed by a licensed physician or surgeon of
23 appropriate specialty that identifies specific reasons why the
24 disability necessitates a move to the replacement dwelling and the
25 disability-related requirements, including any locational
26 requirements, of a replacement dwelling. The claimant shall
27 substantiate that the replacement dwelling meets disability-related
28 requirements so identified and that the primary reason for the move
29 to the replacement dwelling is to satisfy those requirements. If the
30 claimant, or the claimant’s spouse or guardian, so declares under
31 penalty of perjury, it shall be rebuttably presumed that the primary
32 purpose of the move to the replacement dwelling is to satisfy
33 identified disability-related requirements.

34 (ii) The claimant’s substantiation that the primary purpose of
35 the move to the replacement dwelling is to alleviate financial
36 burdens caused by the disability. If the claimant, or the claimant’s
37 spouse or guardian, so declares under penalty of perjury, it shall
38 be rebuttably presumed that the primary purpose of the move is
39 to alleviate the financial burdens caused by the disability.

1 (C) The address and, if known, the assessor’s parcel number of
2 the original property.

3 (D) The date of the claimant’s sale of the original property and
4 the date of the claimant’s purchase or new construction of a
5 replacement dwelling.

6 (E) A statement by the claimant that he or she occupied the
7 replacement dwelling as his or her principal place of residence on
8 the date of the filing of his or her claim.

9 (F) Any claim under this section shall be filed within three years
10 of the date the replacement dwelling was purchased or the new
11 construction of the replacement dwelling was completed subject
12 to subdivision (k) or (m).

13 (2) A claim for transfer of base year value under this section
14 that is filed after the expiration of the filing period set forth in
15 subparagraph (F) of paragraph (1) shall be considered by the
16 assessor, subject to all of the following conditions:

17 (A) Any base year value transfer granted pursuant to that claim
18 shall apply commencing with the lien date of the assessment year
19 in which the claim is filed.

20 (B) The full cash value of the replacement property in the
21 assessment year described in subparagraph (A) shall be the base
22 year value of the real property in the assessment year in which the
23 base year value was transferred, factored to the assessment year
24 described in subparagraph (A) for both of the following:

25 (i) Inflation as annually determined in accordance with
26 paragraph (1) of subdivision (a) of Section 51.

27 (ii) Any subsequent new construction occurring with respect to
28 the subject real property that does not qualify for property tax relief
29 pursuant to the criteria set forth in subparagraphs (A) and (B) of
30 paragraph (4) of subdivision (h).

31 (g) For purposes of this section:

32 (1) “Person over the age of 55 years” means any person or the
33 spouse of any person who has attained the age of 55 years or older
34 at the time of the sale of the original property.

35 (2) “Base year value of the original property” means its base
36 year value, as determined in accordance with Section 110.1, with
37 the adjustments permitted by subdivision (b) of Section 2 of Article
38 XIII A of the California Constitution and subdivision (f) of Section
39 110.1, determined as of the date immediately prior to the date that
40 the original property is sold by the claimant, or in the case where

1 the original property has been substantially damaged or destroyed
2 by misfortune or calamity and the owner does not rebuild on the
3 original property, determined as of the date immediately prior to
4 the misfortune or calamity.

5 If the replacement dwelling is purchased or newly constructed
6 after the transfer of the original property, “base year value of the
7 original property” also includes any inflation factor adjustments
8 permitted by subdivision (f) of Section 110.1 for the period
9 subsequent to the sale of the original property. The base year or
10 years used to compute the “base year value of the original property”
11 shall be deemed to be the base year or years of any property to
12 which that base year value is transferred pursuant to this section.

13 (3) “Replacement dwelling” means a building, structure, or
14 other shelter constituting a place of abode, whether real property
15 or personal property, that is owned and occupied by a claimant as
16 his or her principal place of residence, and any land owned by the
17 claimant on which the building, structure, or other shelter is
18 situated. For purposes of this paragraph, land constituting a part
19 of a replacement dwelling includes only that area of reasonable
20 size that is used as a site for a residence, and “land owned by the
21 claimant” includes land for which the claimant either holds a
22 leasehold interest described in subdivision (c) of Section 61 or a
23 land purchase contract. Each unit of a multiunit dwelling shall be
24 considered a separate replacement dwelling. For purposes of this
25 paragraph, “area of reasonable size that is used as a site for a
26 residence” includes all land if any nonresidential uses of the
27 property are only incidental to the use of the property as a
28 residential site. For purposes of this paragraph, “land owned by
29 the claimant” includes an ownership interest in a resident-owned
30 mobilehome park that is assessed pursuant to subdivision (b) of
31 Section 62.1.

32 (4) “Original property” means a building, structure, or other
33 shelter constituting a place of abode, whether real property or
34 personal property, that is owned and occupied by a claimant as his
35 or her principal place of residence, and any land owned by the
36 claimant on which the building, structure, or other shelter is
37 situated. For purposes of this paragraph, land constituting a part
38 of the original property includes only that area of reasonable size
39 that is used as a site for a residence, and “land owned by the
40 claimant” includes land for which the claimant either holds a

1 leasehold interest described in subdivision (c) of Section 61 or a
2 land purchase contract. Each unit of a multiunit dwelling shall be
3 considered a separate original property. For purposes of this
4 paragraph, “area of reasonable size that is used as a site for a
5 residence” includes all land if any nonresidential uses of the
6 property are only incidental to the use of the property as a
7 residential site. For purposes of this paragraph, “land owned by
8 the claimant” includes an ownership interest in a resident-owned
9 mobilehome park that is assessed pursuant to subdivision (b) of
10 Section 62.1.

11 (5) “Equal or lesser value” means that the amount of the full
12 cash value of a replacement dwelling does not exceed one of the
13 following:

14 (A) One hundred percent of the amount of the full cash value
15 of the original property if the replacement dwelling is purchased
16 or newly constructed prior to the date of the sale of the original
17 property.

18 (B) One hundred and five percent of the amount of the full cash
19 value of the original property if the replacement dwelling is
20 purchased or newly constructed within the first year following the
21 date of the sale of the original property.

22 (C) One hundred and ten percent of the amount of the full cash
23 value of the original property if the replacement dwelling is
24 purchased or newly constructed within the second year following
25 the date of the sale of the original property.

26 For the purposes of this paragraph, except as otherwise provided
27 in paragraph (4) of subdivision (h), if the replacement dwelling is,
28 in part, purchased and, in part, newly constructed, the date the
29 “replacement dwelling is purchased or newly constructed” is the
30 date of purchase or the date of completion of construction,
31 whichever is later.

32 (6) “Full cash value of the replacement dwelling” means its full
33 cash value, determined in accordance with Section 110.1, as of
34 the date on which it was purchased or new construction was
35 completed, and after the purchase or the completion of new
36 construction.

37 (7) “Full cash value of the original property” means, either:

38 (A) Its new base year value, determined in accordance with
39 subdivision (e), without the application of subdivision (h) of
40 Section 2 of Article XIII A of the California Constitution, plus the

1 adjustments permitted by subdivision (b) of Section 2 of Article
2 XIII A and subdivision (f) of Section 110.1 for the period from the
3 date of its sale by the claimant to the date on which the replacement
4 property was purchased or new construction was completed.

5 (B) In the case where the original property has been substantially
6 damaged or destroyed by misfortune or calamity and the owner
7 does not rebuild on the original property, its full cash value, as
8 determined in accordance with Section 110, immediately prior to
9 its substantial damage or destruction by misfortune or calamity,
10 as determined by the county assessor of the county in which the
11 property is located, without the application of subdivision (h) of
12 Section 2 of Article XIII A of the California Constitution, plus the
13 adjustments permitted by subdivision (b) of Section 2 of Article
14 XIII A and subdivision (f) of Section 110.1, for the period from
15 the date of its sale by the claimant to the date on which the
16 replacement property was purchased or new construction was
17 completed.

18 (8) “Sale” means any change in ownership of the original
19 property for consideration.

20 (9) “Claimant” means any person claiming the property tax
21 relief provided by this section. If a spouse of that person is a record
22 owner of the replacement dwelling, the spouse is also a claimant
23 for purposes of determining whether in any future claim filed by
24 the spouse under this section the condition of eligibility specified
25 in paragraph (7) of subdivision (b) has been met.

26 (10) “Property that is eligible for the homeowners’ exemption”
27 includes property that is the principal place of residence of its
28 owner and is entitled to exemption pursuant to Section 205.5.

29 (11) “Person” means any individual, but does not include any
30 firm, partnership, association, corporation, company, or other legal
31 entity or organization of any kind. *“Person” includes an individual
32 who is the present beneficiary of a trust.*

33 (12) “Severely and permanently disabled” means any person
34 described in subdivision (b) of Section 74.3.

35 (13) For the purposes of this section property is “substantially
36 damaged or destroyed by misfortune or calamity” if it sustains
37 physical damage amounting to more than 50 percent of its full
38 cash value immediately prior to the misfortune or calamity.
39 Damage includes a diminution in the value of property as a result

1 of restricted access to the property where the restricted access was
2 caused by the misfortune or calamity and is permanent in nature.

3 (h) (1) Upon the timely filing of a claim described in
4 subparagraph (F) of paragraph (1) of subdivision (f), the assessor
5 shall adjust the new base year value of the replacement dwelling
6 in conformity with this section. This adjustment shall be made as
7 of the latest of the following dates:

8 (A) The date the original property is sold.

9 (B) The date the replacement dwelling is purchased.

10 (C) The date the new construction of the replacement dwelling
11 is completed.

12 (2) Any taxes that were levied on the replacement dwelling prior
13 to the filing of the claim on the basis of the replacement dwelling's
14 new base year value, and any allowable annual adjustments thereto,
15 shall be canceled or refunded to the claimant to the extent that the
16 taxes exceed the amount that would be due when determined on
17 the basis of the adjusted new base year value.

18 (3) Notwithstanding Section 75.10, Chapter 3.5 (commencing
19 with Section 75) shall be utilized for purposes of implementing
20 this subdivision, including adjustments of the new base year value
21 of replacement dwellings acquired prior to the sale of the original
22 property.

23 (4) In the case where a claim under this section has been timely
24 filed and granted, and new construction is performed upon the
25 replacement dwelling subsequent to the transfer of base year value,
26 the property tax relief provided by this section also shall apply to
27 the replacement dwelling, as improved, and thus there shall be no
28 reassessment upon completion of the new construction if both of
29 the following conditions are met:

30 (A) The new construction is completed within two years of the
31 date of the sale of the original property and the owner notifies the
32 assessor in writing of completion of the new construction within
33 30 days after completion.

34 (B) The fair market value of the new construction on the date
35 of completion, plus the full cash value of the replacement dwelling
36 on the date of acquisition, is not more than the full cash value of
37 the original property as determined pursuant to paragraph (7) of
38 subdivision (g) for purposes of granting the original claim.

39 (i) Any claimant may rescind a claim for the property tax relief
40 provided by this section and shall not be considered to have

1 received that relief for purposes of paragraph (7) of subdivision
2 (b), and the assessor shall grant the rescission, if a written notice
3 of rescission is delivered to the office of the assessor as follows:

4 (1) A written notice of rescission signed by the original filing
5 claimant or claimants is delivered to the office of the assessor in
6 which the original claim was filed.

7 (2) (A) Except as otherwise provided in this paragraph, the
8 notice of rescission is delivered to the office of the assessor before
9 the date that the county first issues, as a result of relief granted
10 under this section, a refund check for property taxes imposed upon
11 the replacement dwelling. If granting relief will not result in a
12 refund of property taxes, then the notice shall be delivered before
13 payment is first made of any property taxes, or any portion thereof,
14 imposed upon the replacement dwelling consistent with relief
15 granted under this section. If payment of the taxes is not made,
16 then notice shall be delivered before the first date that those
17 property taxes, or any portion thereof, imposed upon the
18 replacement dwelling, consistent with relief granted under this
19 section, are delinquent.

20 (B) Notwithstanding any other provision in this division, any
21 time the notice of rescission is delivered to the office of the assessor
22 within six years after relief was granted, provided that the
23 replacement property has been vacated as the claimant's principal
24 place of residence within 90 days after the original claim was filed,
25 regardless of whether the property continues to receive the
26 homeowners' exemption. If the rescission increases the base year
27 value of a property, or the homeowners' exemption has been
28 incorrectly allowed, appropriate escape assessments or
29 supplemental assessments, including interest as provided in Section
30 506, shall be imposed. The limitations periods for any escape
31 assessments or supplemental assessments shall not commence until
32 July 1 of the assessment year in which the notice of rescission is
33 delivered to the office of the assessor.

34 (3) The notice is accompanied by the payment of a fee as the
35 assessor may require, provided that the fee shall not exceed an
36 amount reasonably related to the estimated cost of processing a
37 rescission claim, including both direct costs and developmental
38 and indirect costs, such as costs for overhead, personnel, supplies,
39 materials, office space, and computers.

1 (j) (1) With respect to the transfer of base year value of original
2 properties to replacement dwellings located in the same county,
3 this section, except as provided in paragraph (3) or (4), shall apply
4 to any replacement dwelling that is purchased or newly constructed
5 on or after November 6, 1986.

6 (2) With respect to the transfer of base year value of original
7 properties to replacement dwellings located in different counties,
8 except as provided in paragraph (4), this section shall apply to any
9 replacement dwelling that is purchased or newly constructed on
10 or after the date specified in accordance with subparagraph (E) of
11 paragraph (2) of subdivision (a) in the ordinance of the county in
12 which the replacement dwelling is located, but shall not apply to
13 any replacement dwelling which was purchased or newly
14 constructed before November 9, 1988.

15 (3) With respect to the transfer of base year value by a severely
16 and permanently disabled person, this section shall apply only to
17 replacement dwellings that are purchased or newly constructed on
18 or after June 6, 1990.

19 (4) The amendments made to subdivision (e) by the act adding
20 this paragraph shall apply only to replacement dwellings under
21 Section 69 that are acquired or newly constructed on or after
22 October 20, 1991, and shall apply commencing with the 1991–92
23 fiscal year.

24 (k) (1) In the case in which a county adopts an ordinance
25 pursuant to paragraph (2) of subdivision (a) that establishes an
26 applicable date which is more than three years prior to the date of
27 adoption of the ordinance, those potential claimants who purchased
28 or constructed replacement dwellings more than three years prior
29 to the date of adoption of the ordinance and who would, therefore,
30 be precluded from filing a timely claim, shall be deemed to have
31 timely filed a claim if the claim is filed within three years after the
32 date that the ordinance is adopted. This paragraph may not be
33 construed as a waiver of any other requirement of this section.

34 (2) In the case in which a county assessor corrects a base year
35 value to reflect a pro rata change in ownership of a resident-owned
36 mobilehome park that occurred between January 1, 1989, and
37 January 1, 2002, pursuant to paragraph (4) of subdivision (b) of
38 Section 62.1, those claimants who purchased or constructed
39 replacement dwellings more than three years prior to the correction
40 and who would, therefore, be precluded from filing a timely claim,

1 shall be deemed to have timely filed a claim if the claim is filed
2 within three years of the date of notice of the correction of the base
3 year value to reflect the pro rata change in ownership. This
4 paragraph may not be construed as a waiver of any other
5 requirement of this section.

6 (3) This subdivision does not apply to a claimant who has
7 transferred his or her replacement dwelling prior to filing a claim.

8 (4) The property tax relief provided by this section, but filed
9 under this subdivision, shall apply prospectively only, commencing
10 with the lien date of the assessment year in which the claim is
11 filed. There shall be no refund or cancellation of taxes prior to the
12 date that the claim is filed.

13 (l) No escape assessment may be levied if a transfer of base
14 year value under this section has been erroneously granted by the
15 assessor pursuant to an expired ordinance authorizing intercounty
16 transfers of base year value.

17 (m) (1) The amendments made to subdivisions (b) and (g) of
18 this section by Chapter 613 of the Statutes of 2001 shall apply:

19 (A) With respect to the transfer of base year value of original
20 properties to replacement dwellings located in the same county,
21 to any replacement dwelling that is purchased or newly constructed
22 on or after November 6, 1986.

23 (B) With respect to the transfer of base year value of original
24 properties to replacement dwellings located in different counties,
25 to any replacement dwelling that is purchased or newly constructed
26 on or after the date specified in accordance with subparagraph (E)
27 of paragraph (2) of subdivision (a) in the ordinance of the county
28 in which the replacement dwelling is located, but not to any
29 replacement dwelling that was purchased or newly constructed
30 before November 9, 1988.

31 (C) With respect to the transfer of base year value by a severely
32 and permanently disabled person, to replacement dwellings that
33 are purchased or newly constructed on or after June 6, 1990.

34 (2) The property tax relief provided by this section in accordance
35 with this subdivision shall apply prospectively only commencing
36 with the lien date of the assessment year in which the claim is
37 filed. There shall be no refund or cancellation of taxes prior to the
38 date that the claim is filed.

39 (n) A claim filed under this section is not a public document
40 and is not subject to public inspection, except that a claim shall be

1 available for inspection by the claimant or the claimant’s spouse,
2 the claimant’s or the claimant’s spouse’s legal representative, the
3 trustee of a trust in which the claimant or the claimant’s spouse is
4 a present beneficiary, and the executor or administrator of the
5 claimant’s or the claimant’s spouse’s estate.

6 SEC. 4. Section 218 of the Revenue and Taxation Code is
7 amended to read:

8 218. (a) The homeowners’ property tax exemption is in the
9 amount of the assessed value of the dwelling specified in this
10 section, as authorized by subdivision (k) of Section 3 of Article
11 XIII of the California Constitution. That exemption shall be in the
12 amount of seven thousand dollars (\$7,000) of the full value of the
13 dwelling.

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

18 (2) *Notwithstanding paragraph (1), if a person receiving the*
19 *exemption is not occupying the dwelling on the lien date because*
20 *the dwelling was damaged in a misfortune or calamity, the person*
21 *shall be deemed to occupy that same dwelling as his or her*
22 *principal place of residence on the lien date, provided the person’s*
23 *absence from the dwelling is temporary and the person intends to*
24 *return to the dwelling when possible to do so. Except as provided*
25 *in paragraph (3), when a dwelling has been totally destroyed, and*
26 *thus no dwelling exists on the lien date, the exemption provided*
27 *by this section shall not be applicable until the structure has been*
28 *replaced and is occupied as a dwelling.*

29 (3) *A dwelling that was totally destroyed in a disaster for which*
30 *the Governor proclaimed a state of emergency, that qualified for*
31 *the exemption provided by this section prior to the commencement*
32 *date of the disaster and that has not changed ownership since the*
33 *commencement date of the disaster, shall be deemed occupied by*
34 *the person receiving the exemption on the lien date provided the*
35 *person intends to reconstruct a dwelling on the property and*
36 *occupy the dwelling as his or her principal place of residence*
37 *when it is possible to do so.*

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

39 (1) “Owner” includes a person purchasing the dwelling under
40 a contract of sale or who holds shares or membership in a

1 cooperative housing corporation, which holding is a requisite to
2 the exclusive right of occupancy of a dwelling.

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

7 (B) “Dwelling” includes the following:

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

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

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

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

24 ~~(d) Any dwelling that qualified for an exemption under this~~
25 ~~section prior to October 20, 1991, that was damaged or destroyed~~
26 ~~by fire in a disaster, as declared by the Governor, occurring on or~~
27 ~~after October 20, 1991, and before November 1, 1991, and that~~
28 ~~has not changed ownership since October 20, 1991, 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 ~~(e) Any dwelling that qualified for an exemption under this~~
33 ~~section prior to October 15, 2003, that was damaged or destroyed~~
34 ~~by fire or earthquake in a disaster, as declared by the Governor,~~
35 ~~during October, November, or December 2003, and that has not~~
36 ~~changed ownership since October 15, 2003, shall not be~~
37 ~~disqualified as a “dwelling” or be denied an exemption under this~~
38 ~~section solely on the basis that the dwelling was temporarily~~
39 ~~damaged or destroyed or was being reconstructed by the owner.~~

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

8 ~~(g) Any dwelling that qualified for an exemption under this~~
9 ~~section prior to August 11, 2004, that was damaged or destroyed~~
10 ~~by the wildfires and any other related casualty that occurred in~~
11 ~~Shasta County in a disaster, as declared by the Governor, during~~
12 ~~August 2004, and that has not changed ownership since August~~
13 ~~11, 2004, shall not be disqualified as a “dwelling” or be denied an~~
14 ~~exemption under this section solely on the basis that the dwelling~~
15 ~~was temporarily damaged or destroyed or was being reconstructed~~
16 ~~by the owner.~~

17 ~~(h) Any dwelling that qualified for an exemption under this~~
18 ~~section prior to December 28, 2004, that was damaged or destroyed~~
19 ~~by severe rainstorms, floods, mudslides, or the accumulation of~~
20 ~~debris in a disaster, as declared by the Governor, during December~~
21 ~~2004, January 2005, February 2005, March 2005, or June 2005,~~
22 ~~and that has not changed ownership since December 28, 2004,~~
23 ~~shall not be disqualified as a “dwelling” or be denied an exemption~~
24 ~~under this section solely on the basis that the dwelling was~~
25 ~~temporarily damaged or destroyed or was being reconstructed by~~
26 ~~the owner, or was temporarily uninhabited as a result of restricted~~
27 ~~access to the property due to floods, mudslides, the accumulation~~
28 ~~of debris, or washed-out or damaged roads.~~

29 ~~(i) Any dwelling that qualified for an exemption under this~~
30 ~~section prior to December 19, 2005, that was damaged or destroyed~~
31 ~~by severe rainstorms, floods, mudslides, or the accumulation of~~
32 ~~debris in a disaster, as declared by the Governor in January 2006,~~
33 ~~April 2006, May 2006, or June 2006, and that has not changed~~
34 ~~ownership since December 19, 2005, shall not be disqualified as~~
35 ~~a “dwelling” or be denied an exemption under this section solely~~
36 ~~on the basis that the dwelling was temporarily damaged or~~
37 ~~destroyed or was being reconstructed by the owner, or was~~
38 ~~temporarily uninhabited as a result of restricted access to the~~
39 ~~property due to floods, mudslides, the accumulation of debris, or~~
40 ~~washed-out or damaged roads.~~

1 ~~(j) Any dwelling that qualified for an exemption under this~~
2 ~~section prior to July 9, 2006, that was damaged or destroyed by~~
3 ~~the wildfires and any other related casualty that occurred in the~~
4 ~~County of San Bernardino, as declared by the Governor in July~~
5 ~~2006, and that has not changed ownership since July 9, 2006, shall~~
6 ~~not be disqualified as a “dwelling” or be denied an exemption~~
7 ~~under this section solely on the basis that the dwelling was~~
8 ~~temporarily damaged or destroyed or was being reconstructed by~~
9 ~~the owner, or was temporarily uninhabited as a result of restricted~~
10 ~~access to the property due to the wildfires.~~

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

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

37 ~~(m) Any dwelling that qualified for an exemption under this~~
38 ~~section prior to June 24, 2007, that was damaged or destroyed by~~
39 ~~the wildfires and any other related casualty that occurred as a result~~
40 ~~of this disaster in the County of El Dorado, as declared by the~~

1 Governor in June 2007, and that has not changed ownership since
2 June 24, 2007, 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 (n) Any dwelling that qualified for an exemption under this
8 section prior to July 4, 2007, that was damaged or destroyed by
9 the Zaca Fire and any other related casualty that occurred as a
10 result of this disaster in the Counties of Santa Barbara and Ventura,
11 as declared by the Governor in August 2007, and that has not
12 changed ownership since July 4, 2007, may not be denied an
13 exemption 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 Zaca Fire.

17 (o) Any dwelling that qualified for an exemption under this
18 section prior to July 6, 2007, 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 Inyo, as declared by the Governor
21 in July 2007, and that has not changed ownership since July 6,
22 2007, may not be denied an exemption solely on the basis that the
23 dwelling was temporarily damaged or destroyed or was being
24 reconstructed by the owner, or was temporarily uninhabited as a
25 result of restricted access to the property due to the wildfires.

26 (p) Any dwelling that qualified for an exemption under this
27 section prior to the commencement dates of the wildfires listed in
28 the Governor’s disaster proclamations of September 15, 2007, and
29 October 21, 2007, that was damaged or destroyed by the wildfires
30 and any other related casualty that occurred in the Counties of Los
31 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
32 Barbara, and Ventura, and that has not changed ownership since
33 the commencement dates of these disasters as listed in the
34 proclamations shall not be disqualified as a “dwelling” or be denied
35 an exemption under this section solely on the basis that the
36 dwelling was temporarily damaged or destroyed or was being
37 reconstructed by the owner, or was temporarily uninhabited as a
38 result of restricted access to the property due to the wildfires.

39 (q) Any dwelling that qualified for an exemption under this
40 section prior to October 20, 2007, that was damaged or destroyed

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

10 (r) 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 May, June, or July 2008,
13 that was damaged or destroyed by the wildfires and any other
14 related casualty that occurred in the Counties of Butte, Kern,
15 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
16 Shasta, and Trinity and that has not changed ownership since the
17 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 (s) Any dwelling that qualified for an exemption under this
24 section prior to July 1, 2008, 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 Santa Barbara, as declared by the
27 Governor in July 2008, and that has not changed ownership since
28 July 1, 2008, may not be denied an exemption solely on the basis
29 that the dwelling was temporarily damaged or destroyed or was
30 being reconstructed by the owner, or was temporarily uninhabited
31 as a result of restricted access to the property due to the wildfires.

32 (t) Any dwelling that qualified for an exemption under this
33 section prior to July 12, 2008, that was damaged or destroyed by
34 severe rainstorms, floods, landslides, or the accumulation of debris
35 in a disaster, as declared by the Governor, in July 2008, and that
36 has not changed ownership since July 12, 2008, shall not be
37 disqualified as a “dwelling” or be denied an exemption under this
38 section solely on the basis that the dwelling was temporarily
39 damaged or destroyed or was being reconstructed by the owner,
40 or was temporarily uninhabited as a result of restricted access to

1 the property due to floods, landslides, the accumulation of debris,
2 or washed-out or damaged roads.

3 ~~(u) Any dwelling that qualified for an exemption under this~~
4 ~~section prior to May 22, 2008, 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 Humboldt, as declared by the~~
7 ~~Governor in August 2008, and that has not changed ownership~~
8 ~~since May 22, 2008, may not be denied an exemption solely on~~
9 ~~the basis that the dwelling was temporarily damaged or destroyed~~
10 ~~or was being reconstructed by the owner, or was temporarily~~
11 ~~uninhabited as a result of restricted access to the property due to~~
12 ~~the wildfires.~~

13 ~~(v) Any dwelling that qualified for an exemption under this~~
14 ~~section prior to the commencement dates of the wildfires that were~~
15 ~~the subject of the Governor's disaster proclamations of October~~
16 ~~13, 2008, and November 15, 2008, that was damaged or destroyed~~
17 ~~by the wildfires and any other related casualty that occurred in the~~
18 ~~Counties of Los Angeles and Ventura and that has not changed~~
19 ~~ownership since the commencement dates of these wildfires, shall~~
20 ~~not be disqualified as a "dwelling" or be denied an exemption~~
21 ~~under this section solely on the basis that the dwelling was~~
22 ~~temporarily damaged or destroyed or was being reconstructed by~~
23 ~~the owner, or was temporarily uninhabited as a result of restricted~~
24 ~~access to the property due to the wildfires.~~

25 ~~(w) Any dwelling that qualified for an exemption under this~~
26 ~~section prior to November 13, 2008, that was damaged or destroyed~~
27 ~~by the wildfires and any other related casualty that occurred as a~~
28 ~~result of this disaster in the County of Santa Barbara, as declared~~
29 ~~by the Governor in November 2008, and that has not changed~~
30 ~~ownership since November 13, 2008, shall not be disqualified as~~
31 ~~a "dwelling" or be denied an exemption under this section solely~~
32 ~~on the basis that the dwelling was temporarily damaged or~~
33 ~~destroyed or was being reconstructed by the owner, or was~~
34 ~~temporarily uninhabited as a result of restricted access to the~~
35 ~~property due to the wildfires.~~

36 ~~(x) Any dwelling that qualified for an exemption under this~~
37 ~~section prior to the commencement dates of the wildfires listed in~~
38 ~~the Governor's disaster proclamations of November 15, 2008, and~~
39 ~~November 17, 2008, that was damaged or destroyed by the~~
40 ~~wildfires and any other related casualty that occurred as a result~~

1 of this disaster in the Counties of Orange, Riverside, and San
 2 Bernardino, as declared by the Governor in November 2008, and
 3 that has not changed ownership since the commencement dates of
 4 these disasters as listed in the proclamations, shall not be
 5 disqualified as a “dwelling” or be denied an exemption under this
 6 section solely on the basis that the dwelling was temporarily
 7 damaged or destroyed or was being reconstructed by the owner,
 8 or was temporarily uninhabited as a result of restricted access to
 9 the property due to the wildfires.

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

20 (z)

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

25 SEC. 5. Section 401.10 of the Revenue and Taxation Code is
 26 amended to read:

27 401.10. (a) Notwithstanding any other provision of law relating
 28 to the determination of the values upon which property taxes are
 29 based, values for each tax year from the 1984–85 tax year to the
 30 ~~2010–11~~ 2015–16 tax year, inclusive, for intercounty pipeline
 31 rights-of-way on publicly or privately owned property, including
 32 those rights-of-way that are the subject of a change in ownership,
 33 new construction, or any other reappraisable event during the
 34 period from March 1, 1975, to June 30, ~~2011~~ 2016, inclusive, shall
 35 be rebuttably presumed to be at full cash value for that year, if all
 36 of the following conditions are met:

37 (1) (A) The full cash value is determined to equal a 1975–76
 38 base year value, annually adjusted for inflation in accordance with
 39 subdivision (b) of Section 2 of Article XIII A of the California

1 Constitution, and the 1975–76 base year value was determined in
2 accordance with the following schedule:

3 (i) Twenty thousand dollars (\$20,000) per mile for a high density
4 property.

5 (ii) Twelve thousand dollars (\$12,000) per mile for a transitional
6 density property.

7 (iii) Nine thousand dollars (\$9,000) per mile for a low density
8 property.

9 (B) For purposes of this section, the density classifications
10 described in subparagraph (A) are defined as follows:

11 (i) “High density” means Category 1 (densely urban) as
12 established by the State Board of Equalization.

13 (ii) “Transitional density” means Category 2 (urban) as
14 established by the State Board of Equalization.

15 (iii) “Low density” means Category 3 (valley-agricultural),
16 Category 4 (grazing), and Category 5 (mountain and desert) as
17 established by the State Board of Equalization.

18 (2) The full cash value is determined utilizing the same property
19 density classifications that were assigned to the property by the
20 State Board of Equalization for the 1984–85 tax year or, if density
21 classifications were not so assigned to the property for the 1984–85
22 tax year, the density classifications that were first assigned to the
23 property by the board for a subsequent tax year.

24 (3) (A) If a taxpayer owns multiple pipelines in the same
25 right-of-way, an additional 50 percent of the value attributed to
26 the right-of-way for the presence of the first pipeline, as determined
27 under paragraphs (1) and (2), shall be added for the presence of
28 each additional pipeline up to a maximum of two additional
29 pipelines. For any particular taxpayer, the total valuation for a
30 multiple pipeline right-of-way shall not exceed 200 percent of the
31 value determined for the right-of-way of the first pipeline in the
32 right-of-way in accordance with paragraphs (1) and (2).

33 (B) If the State Board of Equalization has determined that an
34 intercounty pipeline, located within a multiple pipeline right-of-way
35 previously valued in accordance with subparagraph (A), has been
36 abandoned as a result of physical removal or blockage, the assessed
37 value of the right-of-way attributable to the last pipeline enrolled
38 in accordance with subparagraph (A) shall be reduced by not less
39 than 75 percent of that increase in assessed value that resulted from
40 the application of subparagraph (A).

1 (4) If all pipelines of a taxpayer located within the same pipeline
2 right-of-way, previously valued in accordance with this section,
3 are determined by the State Board of Equalization to have been
4 abandoned as the result of physical removal or blockage, the
5 assessed value of that right-of-way to that taxpayer shall be
6 determined to be no more than 25 percent of the assessed value
7 otherwise determined for the right-of-way for a single pipeline of
8 that taxpayer pursuant to paragraphs (1) and (2).

9 (b) If the assessor assigns values for any tax year from the
10 1984–85 tax year to the ~~2010–11~~ 2015–16 tax year, inclusive, in
11 accordance with the methodology specified in subdivision (a), the
12 taxpayer’s right to assert any challenge to the right to assess that
13 property, whether in an administrative or judicial proceeding, shall
14 be deemed to have been raised and resolved for that tax year and
15 the values determined in accordance with that methodology shall
16 be rebuttably presumed to be correct. If the assessor assigns values
17 for any tax year from the 1984–85 tax year to the ~~2010–11~~ 2015–16
18 tax year, inclusive, in accordance with the methodology specified
19 in subdivision (a), any pending taxpayer lawsuit that challenges
20 the right to assess the property shall be dismissed by the taxpayer
21 with prejudice as it applies to intercounty pipeline rights-of-way.

22 (c) Notwithstanding any change in ownership, new construction,
23 or decline in value occurring after March 1, 1975, if the assessor
24 assigns values for rights-of-way for any tax year from the 1984–85
25 tax year to the ~~2010–11~~ 2015–16 tax year, inclusive, in accordance
26 with the methodology specified in subdivision (a), the taxpayer
27 may not challenge the right to assess that property and the values
28 determined in accordance with that methodology shall be rebuttably
29 presumed to be correct for that property for that tax year.

30 (d) Notwithstanding any change in ownership, new construction,
31 or decline in value occurring after March 1, 1975, if the assessor
32 does not assign values for rights-of-way for any tax year from the
33 1984–85 tax year to the ~~2010–11~~ 2015–16 tax year, inclusive, at
34 the 1975–76 base year values specified in subdivision (a), any
35 assessed value that is determined on the basis of valuation standards
36 that differ, in whole or in part, from those valuation standards set
37 forth in subdivision (a) shall not benefit from any presumption of
38 correctness, and the taxpayer may challenge the right to assess that
39 property or the values for that property for that tax year. As used
40 herein, a challenge to the right to assess shall include any

1 assessment appeal, claim for refund, or lawsuit asserting any right,
2 remedy, or cause of action relating to or arising from, but not
3 limited to, the following or similar contentions:

4 (1) That the value of the right-of-way is included in the value
5 of the underlying fee or railroad right-of-way.

6 (2) That assessment of the value of the right-of-way to the owner
7 of the pipeline would result in double assessment.

8 (3) That the value of the right-of-way may not be assessed to
9 the owner of the pipeline separately from the assessment of the
10 value of the underlying fee.

11 (e) Notwithstanding any other provision of law, during a
12 four-year period commencing on ~~the effective date of this section~~
13 *January 1, 1996*, the assessor may issue an escape assessment in
14 accordance with the specific valuation standards set forth in
15 subdivision (a) for the following taxpayers and tax years:

16 (1) Any intercounty pipeline right-of-way taxpayer who was a
17 plaintiff in *Southern Pacific Pipe Lines, Inc. v. State Board of*
18 *Equalization* (1993) 14 Cal. App. 4th 42, for the tax years 1984–85
19 to 1996–97, inclusive.

20 (2) Any intercounty pipeline right-of-way taxpayer who was
21 not a plaintiff in *Southern Pacific Pipe Lines, Inc. v. State Board*
22 *of Equalization* (1993) 14 Cal. App. 4th 42, for the tax years
23 1989–90 to 1996–97, inclusive.

24 (f) Any escape assessment levied under subdivision (e) shall
25 not be subject to penalties or interest under the provisions of
26 Section 532. If payment of any taxes due under this section is made
27 within 45 days of demand by the tax collector for payment, the
28 county shall not impose any late payment penalty or interest. Taxes
29 not paid within 45 days of demand by the tax collector shall
30 become delinquent at that time, and the delinquent penalty,
31 redemption penalty, or other collection provisions of this code
32 shall thereafter apply.

33 (g) For purposes of this section, “intercounty pipeline
34 right-of-way” means, except as otherwise provided in this
35 subdivision, any interest in publicly or privately owned real
36 property through which or over which an intercounty pipeline is
37 placed. However, “intercounty pipeline right-of-way” does not
38 include any parcel or facility that the State Board of Equalization
39 originally separately assessed using a valuation method other than
40 the multiplication of pipeline length within a subject property by

1 a unit value determined in accordance with the density category
2 of that subject property.

3 (h) This section shall remain in effect only until January 1, ~~2011~~
4 2016, and, as of that date is repealed, unless a later enacted statute,
5 that is enacted before January 1, ~~2011~~ 2016, deletes or extends
6 that date.

7 SEC. 6. Section 1604 of the Revenue and Taxation Code is
8 amended to read:

9 1604. (a) (1) In counties of the first class, annually, on the
10 fourth Monday in September, the county board shall meet to
11 equalize the assessment of property on the local roll. ~~The board~~ *It*
12 shall continue to meet for that purpose, from time to time, until
13 the business of equalization is disposed of.

14 (2) In all other counties, annually, on the third Monday in July,
15 the county board shall meet to equalize the assessment of property
16 on the local roll. It shall continue to meet for that purpose, from
17 time to time, until the business of equalization is disposed of.

18 (b) (1) ~~Any taxpayer may petition the board for a reduction in~~
19 ~~an assessment by filing an application pursuant to Section 1603.~~
20 An application for a reduction in an assessment *filed pursuant to*
21 *Section 1603* shall also constitute a sufficient claim for refund, if
22 the applicant states in the application that the application is also
23 intended to constitute a claim for refund pursuant to the provisions
24 of Section 5097.

25 (2) The county board shall have no power to receive or hear
26 any ~~petition~~ *application* for a reduction in an escaped assessment
27 made pursuant to Section 531.1 nor a penal assessment levied in
28 respect thereto, nor to reduce those assessments.

29 (c) If the county ~~assessment appeals~~ board fails to hear evidence
30 and fails to make a final determination on the application for
31 reduction in assessment of property within two years of the timely
32 filing of the application, the ~~taxpayer's~~ *applicant's* opinion of
33 ~~market~~ value as reflected on the application for reduction in
34 assessment shall be the value upon which taxes are to be levied
35 for the tax year *or tax years* covered by the application, unless
36 either of the following occurs:

37 (1) ~~The taxpayer applicant and the county assessment appeals~~
38 board mutually agree in writing, or on the record, to an extension
39 of time for the hearing.

1 (2) The application for reduction is consolidated for hearing
2 with another application by the same ~~taxpayer~~ *applicant* with
3 respect to which an extension of time for the hearing has been
4 granted pursuant to paragraph (1). In no case shall the application
5 be consolidated without the ~~taxpayer's~~ *applicant's* written
6 agreement after the two-year time period has passed or after an
7 extension of the two-year time period previously agreed to by the
8 ~~taxpayer~~ *applicant* has expired.

9 The reduction in assessment reflecting the ~~taxpayer's~~ *applicant's*
10 opinion of ~~market~~ value shall not be made, however, until two
11 years after the close of the filing period during which the timely
12 application was filed. Further, this subdivision shall not apply to
13 applications for reductions in assessments of property where the
14 ~~taxpayer~~ *applicant* has failed to provide full and complete
15 information as required by law or where litigation is pending
16 directly relating to the issues involved in the application. ~~This~~
17 ~~subdivision is only applicable to applications filed on or after~~
18 ~~January 1, 1983.~~

19 (d) (1) When the applicant's opinion of value, as stated on the
20 application, has been placed on the assessment roll pursuant to
21 subdivision (c), and the application requested a reduction in the
22 base year value of an assessment ~~pursuant to subdivision (a) of~~
23 ~~Section 80~~, the applicant's opinion of value shall remain on the
24 roll until the county board makes a final determination on the
25 application. The value so determined by the county board, plus
26 appropriate adjustments for the inflation factor, shall be entered
27 on the assessment roll for the fiscal year in which the value is
28 determined. No increased or escape taxes other than those required
29 by a purchase, change in ownership, or new construction, or
30 resulting from application of the inflation factor to the applicant's
31 opinion of value shall be levied for the tax years during which the
32 county board failed to act.

33 (2) When the applicant's opinion of value has been placed on
34 the assessment roll pursuant to subdivision (c) for any application
35 other than an application ~~filed pursuant to subdivision (a) of Section~~
36 ~~80~~ *requesting a reduction in base year value*, the applicant's
37 opinion of value shall be enrolled on the assessment roll for the
38 tax year or tax years covered by that application.

39 (e) The county board shall notify the applicant in writing of any
40 decision by that board not to hold a hearing on his or her

1 application for reduction in assessment within the two-year period
2 specified in subdivision (c). This notice shall also inform the
3 applicant that the ~~taxpayer's~~ *applicant's* opinion of value as
4 reflected on the application for reduction in assessment shall, as
5 a result of the county board's failure to hold a hearing within the
6 prescribed time period, be the value upon which taxes are to be
7 levied in the absence of the application of either paragraph (1) or
8 (2) of subdivision (c).

9 SEC. 7. Section 1624.3 of the Revenue and Taxation Code is
10 repealed.

11 ~~1624.3. No current member of an assessment appeals board,
12 nor any alternate member, may represent an applicant for
13 compensation on any application for equalization filed pursuant
14 to Section 1603 in the county in which the board member or
15 alternate member serves.~~

16 SEC. 8. Section 1636.2 of the Revenue and Taxation Code is
17 repealed.

18 ~~1636.2. No current hearing officer may represent an applicant
19 for compensation on any application for equalization filed pursuant
20 to Section 1603 in the county in which the hearing officer serves.~~

21 SEC. 9. Section 1636.5 of the Revenue and Taxation Code is
22 repealed.

23 ~~1636.5. (a) An assessment hearing officer shall notify the clerk
24 immediately upon filing an application on his or her own behalf,
25 or upon his or her decision to represent his or her spouse, parent,
26 or child in an assessment appeal.~~

27 ~~(b) When the application described in subdivision (a) is
28 scheduled for hearing, the clerk shall schedule the matter before
29 an alternate assessment appeals board pursuant to the provisions
30 of Section 1622.6.~~

31 SEC. 10. Section 4831 of the Revenue and Taxation Code is
32 amended to read:

33 ~~4831. (a) Any error resulting in incorrect entries on the roll
34 may be corrected under this article. The correction may be made
35 at any time after the roll is delivered to the auditor but, except as
36 provided in subdivision (b), shall be made within four years after
37 the making of the assessment that is being corrected. This section
38 does not apply to either of the following:~~

39 ~~(1) Except as provided in subdivision (b), errors involving the
40 exercise of value judgments.~~

1 ~~(2) Escape assessments caused by the assessee's failure to report~~
2 ~~the information required by Article 2 (commencing with Section~~
3 ~~441) of Chapter 3 of Part 2.~~

4 If any error referred to in this subdivision is discovered as the
5 result of an audit of a taxpayer's books and records, that error may
6 be corrected at any time prior to the expiration of six months after
7 the completion of the audit.

8 *4831. Incorrect entries on a roll may be corrected under this*
9 *article as follows:*

10 *(a) (1) Any error or omission not involving the exercise of*
11 *assessor value judgment may be corrected within four years after*
12 *the making of the assessment being corrected.*

13 *(2) Notwithstanding paragraph (1), the four-year limit shall not*
14 *apply to escape assessments caused by the assessee's failure to*
15 *report the information required by Article 2 (commencing with*
16 *Section 441) of Chapter 3 of Part 2.*

17 *(b) Any error or omission not involving the exercise of assessor*
18 *value judgment that is discovered as a result of any audit may be*
19 *corrected within six months after the completion of the audit.*

20 ~~(b)~~

21 *(c) Any error or omission involving the exercise of a assessor*
22 *value judgment that arises solely from a failure to reflect a decline*
23 *in the taxable value of real property as required by paragraph (2)*
24 *of subdivision (a) of Section 51 shall only be corrected within one*
25 *year after the making of the assessment that is being corrected.*

26 ~~(e)~~

27 *(d) Taxes that are not a lien or charge on the property assessed*
28 *may be transferred from the secured roll to the unsecured roll of*
29 *the corresponding year by the county auditor. These taxes shall be*
30 *collected in the same manner as other delinquent taxes on the*
31 *unsecured roll and shall be subject to delinquent penalties in the*
32 *same manner as taxes transferred to the unsecured roll under*
33 *Section 5090. The statute of limitations for the collection of those*
34 *taxes shall commence to run from the date of transfer.*

35 SEC. 11. Section 5096 of the Revenue and Taxation Code is
36 amended to read:

37 5096. Any taxes paid before or after delinquency shall be
38 refunded if they were:

39 (a) Paid more than once.

40 (b) Erroneously or illegally collected.

- 1 (c) Illegally assessed or levied.
- 2 (d) Paid on an assessment in excess of the ratio of assessed value
- 3 to the full value of the property as provided in Section 401 by
- 4 reason of the assessor's clerical error or excessive or improper
- 5 assessments attributable to erroneous property information supplied
- 6 by the assessee.
- 7 (e) Paid on an assessment of improvements when the
- 8 improvements did not exist on the lien date.
- 9 (f) Paid on an assessment in excess of the equalized value of
- 10 the property as determined pursuant to Section ~~1613~~ 1610.8 by
- 11 the county board of equalization.
- 12 (g) Paid on an assessment in excess of the value of the property
- 13 as determined by the assessor pursuant to Section 469.

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