

AMENDED IN ASSEMBLY JUNE 21, 2010

SENATE BILL

No. 1494

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

March 15, 2010

An act to amend Sections 17280.1 and 17280.2 of the Government Code, to amend Section 42463 of the Public Resources Code, to amend Sections 61, 63.1, 69.5, 218, 401.10, 1604, 4831, ~~and 5096~~ 5096, 41030, 41031, 41032, 41136.1, 41137, 41137.1, 41138, 41139, 41140, 41141, 41142, 45855, 45863, 45981, and 45982 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 amended, Committee on Revenue and Taxation. ~~Property taxation.~~ Taxation.

(1) Existing law permits a taxpayer who has a tax liability with respect to personal income taxes or bank and corporation taxes, and who is a payee named in a registered warrant to pay the tax liability, in whole or in part, by a check in an amount not to exceed the amount of the registered warrant, and prohibits the check from being drawn until the registered warrant is payable, if the check is accompanied by a copy of the warrant. Existing law requires, when a tax liability is paid with a registered warrant that is redeemable at the time of payment, that interest be credited to the taxpayer's account.

This bill would revise and recast these provisions. This bill would permit a taxpayer who has a tax liability, with respect to personal income taxes or bank and corporation taxes required to be remitted to the Franchise Tax Board or a taxpayer, feepayer, or surcharge payer

who has a liability for taxes, fees, or surcharges required to be remitted to the State Board of Equalization, and who is a payee named in a registered warrant to pay any tax, fee, or surcharge liability with a registered warrant, subject to certain conditions. The bill would prohibit the taxpayer, feepayer, or surcharge payer submitting a registered warrant from receiving interest on his or her registered warrant, except as a credit to his or her account.

(1)

(2) 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)

(3) 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)

(4) 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)~~

(5) 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)~~

(6) 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)~~

(7) 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)

(8) 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)

(9) 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)

(10) 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.

(11) Existing law, the Governor’s Reorganization Plan No. 1 of 2009, transferred duties of the Division of Telecommunications in the Department of General Services to the office of the State Chief Information Officer, including duties related to implementing revenue generating procedures for the 911 emergency telephone system. Existing law abolished the California Integrated Waste Management Board and transferred specified duties of that board to the Department of Resources Recycling and Recovery, including duties related to electronic waste.

This bill would make specific conforming changes to reflect the transfer of these duties.

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

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

1 SECTION 1. Section 17280.1 of the Government Code is
2 amended to read:
3 17280.1. (a) A taxpayer who has a tax liability, including any
4 liability for periodic estimated tax payments, with respect to
5 personal income taxes or bank and corporation taxes *required to*
6 *be remitted to the Franchise Tax Board or a taxpayer, feepayer,*
7 *or surcharge payer who has a liability for taxes, fees, or surcharges*
8 *required to be remitted to the State Board of Equalization, and*
9 who is a payee named in a registered warrant as defined in Section
10 17221 which is received in payment of an obligation of the State
11 of California to the taxpayer, *feepayer, or surcharge payer* may
12 pay any tax, *fee, or surcharge* liability specified above, in whole
13 or in part, by a check in an amount not to exceed the amount of
14 the registered warrant, exclusive of any interest thereon. That check
15 shall not be presented for payment by the state or paid by the bank
16 on which it is drawn until the registered warrant payable to the
17 taxpayer is payable upon its presentation to the Treasurer. The
18 provisions of this section shall be applicable only if the taxpayer’s
19 check in payment of a tax liability pursuant to this section is
20 accompanied by a copy of the registered warrant, as specified
21 above, which clearly discloses the name of the payee, the amount

1 to be paid, the number of the warrant, and the completed and signed
2 legend as provided for in subdivision (d) *submitting the original*
3 *registered warrant, signed on the reverse side by the payee and*
4 *endorsed as payable to the agency to which the liability is owed.*

5 (b) Any taxpayer, *feepayer, or surcharge payer* submitting a
6 ~~check~~ *registered warrant* for the payment of taxes pursuant to
7 subdivision (a) shall be precluded from receiving interest on his
8 or her registered warrant ~~from the date the check for the payment~~
9 ~~of taxes is submitted~~ *except as provided in Section 17280.2.*

10 (e) ~~In the event that a taxpayer who submits a check for the~~
11 ~~payment of taxes pursuant to subdivision (a) presents his or her~~
12 ~~registered warrant to a bank or other institution for payment, the~~
13 ~~taxpayer shall make a declaration upon presentment that he or she~~
14 ~~is ineligible pursuant to subdivision (b) to receive interest from~~
15 ~~the date he or she submitted the check.~~

16 (d) ~~To facilitate the taxpayer in making the declaration required~~
17 ~~by subdivision (c), all registered warrants issued shall bear a legend~~
18 ~~on the reverse side in substantially the following form:~~

19
20 "In endorsing this warrant, I declare that I have or have not
21
22 (check one) submitted a check on _____
23 - (date) _____
24 for the payment of tax liability in an amount not to exceed the
25 amount of this warrant. I further declare that by submitting that
26 check, I am ineligible for the receipt of interest on this warrant after
27 the above date."

28
29 SEC. 2. Section 17280.2 of the Government Code is amended
30 to read:

31 17280.2. In the event a tax, *fee, or surcharge* liability is paid
32 *pursuant to Section 17280.1*, in whole or in part, with a registered
33 warrant which is redeemable at the time the tax, *fee, or surcharge*
34 liability is paid, interest as specified in this article, shall be credited
35 to the ~~taxpayer's~~ *taxpayer's account or the taxpayer, feepayer, or surcharge*
36 *payer.*

37 SEC. 3. Section 42463 of the Public Resources Code is
38 amended to read:

1 42463. For the purposes of this chapter, the following terms
2 have the following meanings, unless the context clearly requires
3 otherwise:

4 (a) “Account” means the Electronic Waste Recovery and
5 Recycling Account created in the Integrated Waste Management
6 Fund under Section 42476.

7 (b) “Authorized collector” means any of the following:

8 (1) A city, county, or district that collects covered electronic
9 devices.

10 (2) A person or entity that is required or authorized by a city,
11 county, or district to collect covered electronic devices pursuant
12 to the terms of a contract, license, permit, or other written
13 authorization.

14 (3) A nonprofit organization that collects or accepts covered
15 electronic devices.

16 (4) A manufacturer or agent of the manufacturer that collects,
17 consolidates, and transports covered electronic devices for
18 recycling from consumers, businesses, institutions, and other
19 generators.

20 (5) An entity that collects, handles, consolidates, and transports
21 covered electronic devices and has filed applicable notifications
22 with the department pursuant to Chapter 23 (commencing with
23 Section 66273.1) of Division 4.5 of Title 22 of the California Code
24 of Regulations.

25 ~~(e) “Board” means the California Integrated Waste Management~~
26 ~~Board.~~

27 ~~(f)~~

28 (c) “Consumer” means a person who purchases a new or
29 refurbished covered electronic device in a transaction that is a
30 retail sale or in a transaction to which a use tax applies pursuant
31 to Part 1 (commencing with Section 6001) of Division 2 of the
32 Revenue and Taxation Code.

33 ~~(e)~~

34 (d) “Department” means the Department of Toxic Substances
35 Control.

36 ~~(f)~~

37 (e) (1) Except as provided in paragraph (2), “covered electronic
38 device” means a video display device containing a screen greater
39 than four inches, measured diagonally, that is identified in the

1 regulations adopted by the department pursuant to subdivision (b)
2 of Section 25214.10.1 of the Health and Safety Code.

3 (2) “Covered electronic device” does not include any of the
4 following:

5 (A) A video display device that is a part of a motor vehicle, as
6 defined in Section 415 of the Vehicle Code, or any component
7 part of a motor vehicle assembled by, or for, a vehicle manufacturer
8 or franchised dealer, including replacement parts for use in a motor
9 vehicle.

10 (B) A video display device that is contained within, or a part of
11 a piece of industrial, commercial, or medical equipment, including
12 monitoring or control equipment.

13 (C) A video display device that is contained within a clothes
14 washer, clothes dryer, refrigerator, refrigerator and freezer,
15 microwave oven, conventional oven or range, dishwasher, room
16 air-conditioner, dehumidifier, or air purifier.

17 (D) An electronic device, on and after the date that it ceases to
18 be a covered electronic device under subdivision (e) of Section
19 25214.10.1 of the Health and Safety Code.

20 ~~(g)~~

21 (f) “Covered electronic waste” or “covered e-waste” means a
22 covered electronic device that is discarded.

23 ~~(h)~~

24 (g) “Covered electronic waste recycling fee” or “covered e-waste
25 recycling fee” means the fee imposed pursuant to Article 3
26 (commencing with Section 42464).

27 ~~(i)~~

28 (h) “Covered electronic waste recycler” or “covered e-waste
29 recycler” means any of the following:

30 (1) A person who engages in the manual or mechanical
31 separation of covered electronic devices to recover components
32 and commodities contained therein for the purpose of reuse or
33 recycling.

34 (2) A person who changes the physical or chemical composition
35 of a covered electronic device, in accordance with the requirements
36 of Chapter 6.5 (commencing with Section 25100) of Division 20
37 of the Health and Safety Code and the regulations adopted pursuant
38 to that chapter, by deconstructing, size reduction, crushing, cutting,
39 sawing, compacting, shredding, or refining for purposes of
40 segregating components, for purposes of recovering or recycling

1 those components, and who arranges for the transport of those
2 components to an end user.

3 (3) A manufacturer who meets any conditions established by
4 this chapter and Chapter 6.5 (commencing with Section 25100)
5 of Division 20 of the Health and Safety Code for the collection or
6 recycling of covered electronic waste.

7 ~~(j)~~

8 (i) “Discarded” has the same meaning as defined in subdivision
9 (b) of Section 25124 of the Health and Safety Code.

10 ~~(k)~~

11 (j) “Electronic waste recovery payment” means an amount
12 established and paid by the board pursuant to Section 42477.

13 ~~(l)~~

14 (k) “Electronic waste recycling payment” means an amount
15 established and paid by the board pursuant to Section 42478.

16 ~~(m)~~

17 (l) “Hazardous material” has the same meaning as defined in
18 Section 25501 of the Health and Safety Code.

19 ~~(n)~~

20 (m) “Manufacturer” means either of the following:

21 (1) A person who manufactures a covered electronic device sold
22 in this state.

23 (2) A person who sells a covered electronic device in this state
24 under that person’s brand name.

25 ~~(o)~~

26 (n) “Person” means an individual, trust firm, joint stock
27 company, business concern, and corporation, including, but not
28 limited to, a government corporation, partnership, limited liability
29 company, and association. Notwithstanding Section 40170,
30 “person” also includes a city, county, city and county, district,
31 commission, the state or a department, agency, or political
32 subdivision thereof, an interstate body, and the United States and
33 its agencies and instrumentalities to the extent permitted by law.

34 ~~(p)~~

35 (o) “Recycling” has the same meaning as defined in subdivision
36 (a) of Section 25121.1 of the Health and Safety Code.

37 ~~(q)~~

38 (p) “Refurbished,” when used to describe a covered electronic
39 device, means a device that the manufacturer has tested and

1 returned to a condition that meets factory specifications for the
2 device, has repackaged, and has labeled as refurbished.

3 ~~(r)~~

4 (q) “Retailer” means a person who makes a retail sale of a new
5 or refurbished covered electronic device. “Retailer” includes a
6 manufacturer of a covered electronic device who sells that covered
7 electronic device directly to a consumer through any means,
8 including, but not limited to, a transaction conducted through a
9 sales outlet, catalog, or the Internet, or any other similar electronic
10 means.

11 ~~(s)~~

12 (r) (1) “Retail sale” has the same meaning as defined under
13 Section 6007 of the Revenue and Taxation Code.

14 (2) “Retail sale” does not include the sale of a covered electronic
15 device that is temporarily stored or used in California for the sole
16 purpose of preparing the covered electronic device for use
17 thereafter solely outside the state, and that is subsequently
18 transported outside the state and thereafter used solely outside the
19 state.

20 ~~(t)~~

21 (s) “Vendor” means a person that makes a sale of a covered
22 electronic device for the purpose of resale to a retailer who is the
23 lessor of the covered electronic device to a consumer under a lease
24 that is a continuing sale and purchase pursuant to Part 1
25 (commencing with Section 6001) of Division 2 of the Revenue
26 and Taxation Code.

27 ~~(u)~~

28 (t) “Video display device” means an electronic device with an
29 output surface that displays, or is capable of displaying, moving
30 graphical images or a visual representation of image sequences or
31 pictures, showing a number of quickly changing images on a screen
32 in fast succession to create the illusion of motion, including, if
33 applicable, a device that is an integral part of the display, in that
34 it cannot be easily removed from the display by the consumer, that
35 produces the moving image on the screen. A video display device
36 may use, but is not limited to, a cathode ray tube (CRT), liquid
37 crystal display (LCD), gas plasma, digital light processing, or other
38 image projection technology.

1 SECTION 1.

2 SEC. 4. Section 61 of the Revenue and Taxation Code is
3 amended to read:

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

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

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

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

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

28 (3) "Assignment" of a possessory interest means the transfer of
29 all rights held by a transferor in a possessory interest.

30 (c) (1) (A) The creation of a leasehold interest in taxable real
31 property for a term of 35 years or more (including renewal options).

32 (B) The termination of a leasehold interest in taxable real
33 property which had an original term of 35 years or more (including
34 renewal options).

35 (C) Any transfer of a leasehold interest having a remaining term
36 of 35 years or more (including renewal options).

37 (D) Any transfer of a lessor's interest in taxable real property
38 subject to a lease with a remaining term (including renewal options)
39 of less than 35 years.

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

4 (3) For the purpose of this subdivision, for 1979–80 and each
5 year thereafter, it shall be conclusively presumed that all homes
6 eligible for the homeowners’ exemption, other than manufactured
7 homes located on rented or leased land and subject to taxation
8 pursuant to Part 13 (commencing with Section 5800) and floating
9 homes subject to taxation pursuant to Section 229, that are on
10 leased land have a renewal option of at least 35 years on the lease
11 of that land, whether or not in fact that renewal option exists in
12 any contract or agreement.

13 (d) (1) (A) A sublease of a taxable possessory interest in
14 tax-exempt real property for a term, including renewal options,
15 that exceeds half the length of the remaining term of the leasehold,
16 including renewal options.

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

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

24 (2) Any transfer of a possessory interest in tax-exempt real
25 property subject to a sublease with a remaining term, including
26 renewal options, that does not exceed half the remaining term of
27 the leasehold, including renewal options.

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

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

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

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

1 (i) The transfer of stock of a cooperative housing corporation,
2 vested with legal title to real property that conveys to the transferee
3 the exclusive right to occupancy and possession of that property,
4 or a portion thereof. A “cooperative housing corporation” is a real
5 estate development in which membership in the corporation, by
6 stock ownership, is coupled with the exclusive right to possess a
7 portion of the real property.

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

11 ~~SEC. 2.~~

12 *SEC. 5.* Section 63.1 of the Revenue and Taxation Code is
13 amended to read:

14 63.1. (a) Notwithstanding any other provision of this chapter,
15 a change in ownership shall not include the following purchases
16 or transfers for which a claim is filed pursuant to this section:

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

20 (B) A purchase or transfer of a principal residence from a foster
21 child to the child’s biological parent shall not be excluded under
22 subparagraph (A) if the transferor child received that principal
23 residence, or interest therein, from a foster parent through a
24 purchase or transfer that was excluded under subparagraph (A).

25 (2) The purchase or transfer of the first one million dollars
26 (\$1,000,000) of full cash value of all other real property of an
27 eligible transferor in the case of a purchase or transfer between
28 parents and their children.

29 (3) (A) Subject to subparagraph (B), the purchase or transfer
30 of real property described in paragraphs (1) and (2) of subdivision
31 (a) occurring on or after March 27, 1996, between grandparents
32 and their grandchild or grandchildren, if all of the parents of that
33 grandchild or those grandchildren, who qualify as the children of
34 the grandparents, are deceased as of the date of purchase or transfer.
35 Notwithstanding any other provision of law, for the lien date for
36 the 2006–07 fiscal year and each fiscal year thereafter, in
37 determining whether “all of the parents of that grandchild or those
38 grandchildren, who qualify as the children of the grandparents,
39 are deceased as of the date of purchase or transfer,” a son-in-law

1 or daughter-in-law of the grandparent that is a stepparent to the
2 grandchild need not be deceased on the date of the transfer.

3 (B) A purchase or transfer of a principal residence shall not be
4 excluded pursuant to subparagraph (A) if the transferee grandchild
5 or grandchildren also received a principal residence, or interest
6 therein, through another purchase or transfer that was excludable
7 pursuant to paragraph (1) of subdivision (a). The full cash value
8 of any real property, other than a principal residence, that was
9 transferred to the grandchild or grandchildren pursuant to a
10 purchase or transfer that was excludable pursuant to paragraph (2)
11 of subdivision (a) and the full cash value of a principal residence
12 that fails to qualify for exclusion as a result of the preceding
13 sentence shall be included in applying, for purposes of paragraph
14 (2) of subdivision (a), the one million dollar (\$1,000,000) full cash
15 value limit specified in paragraph (2) of subdivision (a).

16 (b) (1) For purposes of paragraph (1) of subdivision (a),
17 “principal residence” means a dwelling that is eligible for a
18 homeowners’ exemption or a disabled veterans’ exemption as a
19 result of the transferor’s ownership and occupation of the dwelling.
20 “Principal residence” includes only that portion of the land
21 underlying the residence that consists of an area of reasonable size
22 that is used as a site for the residence.

23 (2) For purposes of paragraph (2) of subdivision (a), the
24 one-million-dollar (\$1,000,000) exclusion shall apply separately
25 to each eligible transferor with respect to all purchases by and
26 transfers to eligible transferees on and after November 6, 1986, of
27 real property, other than the principal residence, of that eligible
28 transferor. The exclusion shall not apply to any property in which
29 the eligible transferor’s interest was received through a transfer,
30 or transfers, excluded from change in ownership by the provisions
31 of either subdivision (f) of Section 62 or subdivision (b) of Section
32 65, unless the transferor qualifies as an original transferor under
33 subdivision (b) of Section 65. In the case of any purchase or
34 transfer subject to this paragraph involving two or more eligible
35 transferors, the transferors may elect to combine their separate
36 one-million-dollar (\$1,000,000) exclusions and, upon making that
37 election, the combined amount of their separate exclusions shall
38 apply to any property jointly sold or transferred by the electing
39 transferors, provided that in no case shall the amount of full cash
40 value of real property of any one eligible transferor excluded under

1 this election exceed the amount of the transferor’s separate unused
2 exclusion on the date of the joint sale or transfer.

3 (c) As used in this section:

4 (1) “Purchase or transfer between parents and their children”
5 means either a transfer from a parent or parents to a child or
6 children of the parent or parents or a transfer from a child or
7 children to a parent or parents of the child or children. For purposes
8 of this section, the date of any transfer between parents and their
9 children under a will or intestate succession shall be the date of
10 the decedent’s death, if the decedent died on or after November
11 6, 1986.

12 (2) “Purchase or transfer of real property between grandparents
13 and their grandchild or grandchildren” means a purchase or transfer
14 on or after March 27, 1996, from a grandparent or grandparents
15 to a grandchild or grandchildren if all of the parents of that
16 grandchild or those grandchildren who qualify as the children of
17 the grandparents are deceased as of the date of the transfer. For
18 purposes of this section, the date of any transfer between
19 grandparents and their grandchildren under a will or by intestate
20 succession shall be the date of the decedent’s death.
21 Notwithstanding any other provision of law, for the lien date for
22 the 2006–07 fiscal year and each fiscal year thereafter, in
23 determining whether “all of the parents of that grandchild or those
24 grandchildren, who qualify as the children of the grandparents,
25 are deceased as of the date of purchase or transfer,” a son-in-law
26 or daughter-in-law of the grandparent that is a stepparent to the
27 grandchild need not be deceased on the date of the transfer.

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

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

32 (B) Any stepchild of the parent or parents and the spouse of that
33 stepchild while the relationship of stepparent and stepchild exists.
34 For purposes of this paragraph, the relationship of stepparent and
35 stepchild shall be deemed to exist until the marriage on which the
36 relationship is based is terminated by divorce, or, if the relationship
37 is terminated by death, until the remarriage of the surviving
38 stepparent.

39 (C) Any son-in-law or daughter-in-law of the parent or parents.
40 For the purposes of this paragraph, the relationship of parent and

1 son-in-law or daughter-in-law shall be deemed to exist until the
2 marriage on which the relationship is based is terminated by
3 divorce, or, if the relationship is terminated by death, until the
4 remarriage of the surviving son-in-law or daughter-in-law.

5 (D) Any child adopted by the parent or parents pursuant to
6 statute, other than an individual adopted after reaching the age of
7 18 years.

8 (E) Any foster child of a state-licensed foster parent, if that child
9 was not, because of a legal barrier, adopted by the foster parent or
10 foster parents before the child aged out of the foster care system.
11 For purposes of this paragraph, the relationship between a foster
12 child and foster parent shall be deemed to exist until terminated
13 by death. However, for purposes of a transfer that occurs on the
14 date of death, the relationship shall be deemed to exist on the date
15 of death.

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

18 (5) “Full cash value” means full cash value, as defined in Section
19 2 of Article XIII A of the California Constitution and Section 110.1,
20 with any adjustments authorized by those sections, and the full
21 value of any new construction in progress, determined as of the
22 date immediately prior to the date of a purchase by or transfer to
23 an eligible transferee of real property subject to this section.

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

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

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

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

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

38 (d) (1) The exclusions provided for in subdivision (a) shall not
39 be allowed unless the eligible transferee, the transferee’s legal
40 representative, the trustee of the transferee’s trust, or the executor

1 or administrator of the transferee's estate files a claim with the
2 assessor for the exclusion sought and furnishes to the assessor each
3 of the following:

4 (A) A written certification by the transferee, the transferee's
5 legal representative, the trustee of the transferee's trust, or the
6 executor or administrator of the transferee's estate, signed and
7 made under penalty of perjury that the transferee is a parent, child,
8 or grandchild of the transferor and that the transferor is his or her
9 parent, child, or grandparent. In the case of a
10 grandparent-grandchild transfer, the written certification shall also
11 include a certification that all the parents of the grandchild or
12 grandchildren who qualify as children of the grandparents were
13 deceased as of the date of the purchase or transfer and that the
14 grandchild or grandchildren did or did not receive a principal
15 residence excludable under paragraph (1) of subdivision (a) from
16 the deceased parents, and that the grandchild or grandchildren did
17 or did not receive real property other than a principal residence
18 excludable under paragraph (2) of subdivision (a) from the
19 deceased parents. The claimant shall provide legal substantiation
20 of any matter certified pursuant to this subparagraph at the request
21 of the county assessor.

22 (B) A written certification by the transferor, the transferor's
23 legal representative, the trustee of the transferor's trust, or the
24 executor or administrator of the transferor's estate, signed and
25 made under penalty of perjury that the transferor is a grandparent,
26 parent, or child of the transferee and that the transferor is seeking
27 the exclusion under this section and will not file a claim to transfer
28 the base year value of the property under Section 69.5.

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

31 (i) If the purchase or transfer of real property includes the
32 purchase or transfer of residential real property, a certification that
33 the residential real property is or is not the transferor's principal
34 residence.

35 (ii) If the purchase or transfer of real property includes the
36 purchase or transfer of real property other than the transferor's
37 principal residence, a certification that other real property of the
38 transferor that is subject to this section has or has not been
39 previously sold or transferred to an eligible transferee, the total
40 amount of full cash value, as defined in subdivision (c), of any

1 real property subject to this section that has been previously sold
2 or transferred by that transferor to eligible transferees, the location
3 of that real property, the social security number of each eligible
4 transferor, and the names of the eligible transferees of that property.

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

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

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

13 (E) In the case of a transfer between a foster parent and foster
14 child, the claim filed with the assessor shall include a certified
15 copy of the court decision regarding the foster child status of the
16 individual and a certified statement from the appropriate county
17 agency stating that the foster child was not, because of a legal
18 barrier, adopted by the foster parent or foster parents. Upon a
19 request by the county assessor, the claimant also shall provide to
20 the assessor legal substantiation of any matter certified under this
21 subparagraph.

22 (2) If the full cash value of the real property purchased by or
23 transferred to the transferee exceeds the permissible exclusion of
24 the transferor or the combined permissible exclusion of the
25 transferors, in the case of a purchase or transfer from two or more
26 joint transferors, taking into account any previous purchases by
27 or transfers to an eligible transferee from the same transferor or
28 transferors, the transferee shall specify in his or her claim the
29 amount and the allocation of the exclusion he or she is seeking.
30 Within any appraisal unit, as determined in accordance with
31 subdivision (d) of Section 51 by the assessor of the county in which
32 the real property is located, the exclusion shall be applied only on
33 a pro rata basis, however, and shall not be applied to a selected
34 portion or portions of the appraisal unit.

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

38 (A) For transfers of real property between parents and their
39 children occurring prior to September 30, 1990, within three years

1 after the date of the purchase or transfer of real property for which
2 the claim is filed.

3 (B) For transfers of real property between parents and their
4 children occurring on or after September 30, 1990, and for the
5 purchase or transfer of real property between grandparents and
6 their grandchildren occurring on or after March 27, 1996, within
7 three years after the date of the purchase or transfer of real property
8 for which the claim is filed, or prior to transfer of the real property
9 to a third party, whichever is earlier.

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

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

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

24 (B) Under any exclusion granted pursuant to that claim, the
25 adjusted full cash value of the subject real property in the
26 assessment year described in subparagraph (A) shall be the adjusted
27 base year value of the subject real property in the assessment year
28 in which the excluded purchase or transfer took place, factored to
29 the assessment year described in subparagraph (A) for both of the
30 following:

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

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

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

38 (B) Paragraph (2) shall apply to purchases or transfers between
39 parents and their children that occurred on or after November 6,

1 1986, and to purchases or transfers between grandparents and their
2 grandchildren that occurred on or after March 27, 1996.

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

6 (f) The assessor may report quarterly to the State Board of
7 Equalization all purchases or transfers, other than purchases or
8 transfers involving a principal residence, for which a claim for
9 exclusion is made pursuant to subdivision (d). Each report shall
10 contain the assessor's parcel number for each parcel for which the
11 exclusion is claimed, the amount of each exclusion claimed, the
12 social security number of each eligible transferor, and any other
13 information the board may require in order to monitor the
14 one-million-dollar (\$1,000,000) limitation in paragraph (2) of
15 subdivision (a). In recognition of the state and local interests served
16 by the action made optional in this subdivision, the Legislature
17 encourages the assessor to continue taking the action formerly
18 mandated by this subdivision.

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

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

29 (2) This section shall apply to purchases or transfers of real
30 property between grandparents and their grandchildren occurring
31 on or after March 27, 1996, and, with respect to purchases or
32 transfers of real property between grandparents and their
33 grandchildren, shall not be effective for any change in ownership,
34 including a change in ownership arising on the date of a decedent's
35 death, that occurred prior to that date.

36 (i) A claim filed under this section is not a public document and
37 is not subject to public inspection, except that a claim shall be
38 available for inspection by the transferee and the transferor or their
39 respective spouse, the transferee's legal representative, the
40 transferor's legal representative, the trustee of the transferee's

1 trust, the trustee of the transferor’s trust, and the executor or
2 administrator of the transferee’s or transferor’s estate.

3 (j) (1) If the assessor notifies the transferee in writing of
4 potential eligibility for exclusion from change in ownership under
5 this section, a certified claim for exclusion shall be filed with the
6 assessor within 45 days of the date of the notice of potential
7 eligibility. If a certified claim for exclusion is not filed within 45
8 days, the assessor may send a second notice of potential eligibility
9 for exclusion, notifying the transferee that a certified claim for
10 exclusion has not been received and that reassessment of the
11 property will commence unless a certified claim for exclusion is
12 filed within 60 days of the date of the second notice of potential
13 eligibility. The second notice of potential eligibility shall indicate
14 whether a certified claim for exclusion that is not filed within 60
15 days will be subject to a processing fee as provided in paragraph
16 (2).

17 (2) If a certified claim for exclusion is not filed within 60 days
18 of the date of the second notice of potential eligibility and an
19 eligible transferee subsequently files a claim and qualifies for the
20 exclusion, the assessor may, upon authorization by a county board
21 of supervisors, require an eligible transferee to pay a one-time
22 processing fee, collected at the time the claim is submitted, and
23 reimbursed by the assessor if the claim is ineligible. The fee shall
24 be subject to the provisions of Chapter 12.5 (commencing with
25 Section 54985) of Part 1 of Division 2 of Title 5 of the Government
26 Code and shall not exceed the amount of the actual and reasonable
27 costs incurred by the assessor for reassessment work done due to
28 failure to file the claim for exclusion or one hundred seventy-five
29 dollars (\$175), whichever is less.

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

34 ~~SEC. 3.~~

35 *SEC. 6.* Section 69.5 of the Revenue and Taxation Code is
36 amended to read:

37 69.5. (a) (1) Notwithstanding any other provision of law,
38 pursuant to subdivision (a) of Section 2 of Article XIII A of the
39 California Constitution, any person over the age of 55 years, or
40 any severely and permanently disabled person, who resides in

1 property that is eligible for the homeowners' exemption under
2 subdivision (k) of Section 3 of Article XIII of the California
3 Constitution and Section 218 may transfer, subject to the conditions
4 and limitations provided in this section, the base year value of that
5 property to any replacement dwelling of equal or lesser value that
6 is located within the same county and is purchased or newly
7 constructed by that person as his or her principal residence within
8 two years of the sale by that person of the original property,
9 provided that the base year value of the original property shall not
10 be transferred to the replacement dwelling until the original
11 property is sold.

12 (2) Notwithstanding the limitation in paragraph (1) requiring
13 that the original property and the replacement dwelling be located
14 in the same county, this limitation shall not apply in any county
15 in which the county board of supervisors, after consultation with
16 local affected agencies within the boundaries of the county, adopts
17 an ordinance making the provisions of paragraph (1) also applicable
18 to situations in which replacement dwellings are located in that
19 county and the original properties are located in another county
20 within this state. The authorization contained in this paragraph
21 shall be applicable in a county only if the ordinance adopted by
22 the board of supervisors complies with all of the following
23 requirements:

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

27 (B) It requires that all claims for transfers of base year value
28 from original property located in another county be granted if the
29 claims meet the applicable requirements of both subdivision (a)
30 of Section 2 of Article XIII A of the California Constitution and
31 this section.

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

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

38 (E) The ordinance specifies the date on and after which its
39 provisions shall be applicable. However, the date specified shall
40 not be earlier than November 9, 1988. The specified applicable

1 date may be a date earlier than the date the county adopts the
2 ordinance.

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

7 (1) The claimant is an owner and a resident of the original
8 property either at the time of its sale, or at the time when the
9 original property was substantially damaged or destroyed by
10 misfortune or calamity, or within two years of the purchase or new
11 construction of the replacement dwelling.

12 (2) The original property is eligible for the homeowners'
13 exemption, as the result of the claimant's ownership and occupation
14 of the property as his or her principal residence, either at the time
15 of its sale, or at the time when the original property was
16 substantially damaged or destroyed by misfortune or calamity, or
17 within two years of the purchase or new construction of the
18 replacement dwelling.

19 (3) At the time of the sale of the original property, the claimant
20 or the claimant's spouse who resides with the claimant is at least
21 55 years of age, or is severely and permanently disabled.

22 (4) At the time of claiming the property tax relief provided by
23 subdivision (a), the claimant is an owner of a replacement dwelling
24 and occupies it as his or her principal place of residence and, as a
25 result thereof, the property is currently eligible for the homeowners'
26 exemption or would be eligible for the exemption except that the
27 property is already receiving the exemption because of an
28 exemption claim filed by the previous owner.

29 (5) The original property of the claimant is sold by him or her
30 within two years of the purchase or new construction of the
31 replacement dwelling. For purposes of this paragraph, the purchase
32 or new construction of the replacement dwelling includes the
33 purchase of that portion of land on which the replacement building,
34 structure, or other shelter constituting a place of abode of the
35 claimant will be situated and that, pursuant to paragraph (3) of
36 subdivision (g), constitutes a part of the replacement dwelling.

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

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

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

24 (1) A unit or lot within a cooperative housing corporation, a
25 community apartment project, a condominium project, or a planned
26 unit development. If the unit or lot constitutes the original property
27 of the claimant, the assessor shall transfer to the claimant's
28 replacement dwelling only the base year value of the claimant's
29 unit or lot and his or her share in any common area reserved as an
30 appurtenance of that unit or lot. If the unit or lot constitutes the
31 replacement dwelling of the claimant, the assessor shall transfer
32 the base year value of the claimant's original property only to the
33 unit or lot of the claimant and any share of the claimant in any
34 common area reserved as an appurtenance of that unit or lot.

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

1 (A) If the manufactured home or the manufactured home and
2 the land on which it is situated constitutes the claimant's original
3 property, the assessor shall transfer to the claimant's replacement
4 dwelling either the base year value of the manufactured home or
5 the base year value of the manufactured home and the land on
6 which it is situated, as appropriate. If the manufactured home
7 dwelling that constitutes the original property of the claimant
8 includes an interest in a resident-owned mobilehome park, the
9 assessor shall transfer to the claimant's replacement dwelling the
10 base year value of the claimant's manufactured home and his or
11 her pro rata portion of the real property of the park. No transfer of
12 base year value shall be made by the assessor of that portion of
13 land that does not constitute a part of the original property, as
14 provided in paragraph (4) of subdivision (g).

15 (B) If the manufactured home or the manufactured home and
16 the land on which it is situated constitutes the claimant's
17 replacement dwelling, the assessor shall transfer the base year
18 value of the claimant's original property either to the manufactured
19 home or the manufactured home and the land on which it is
20 situated, as appropriate. If the manufactured home dwelling that
21 constitutes the replacement dwelling of the claimant includes an
22 interest in a resident-owned mobilehome park, the assessor shall
23 transfer the base year value of the claimant's original property to
24 the manufactured home of the claimant and his or her pro rata
25 portion of the park. No transfer of base year value shall be made
26 by the assessor to that portion of land that does not constitute a
27 part of the replacement dwelling, as provided in paragraph (3) of
28 subdivision (g).

29 This subdivision shall be subject to the limitations specified in
30 subdivision (d).

31 (d) The property tax relief provided by this section shall be
32 available to a claimant who is the coowner of the original property,
33 as a joint tenant, a tenant in common, a community property owner,
34 or a present beneficiary of a trust subject to the following
35 limitations:

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

1 (2) If two or more replacement dwellings are separately
2 purchased or newly constructed by two or more coowners and
3 more than one coowner would otherwise be an eligible claimant,
4 only one coowner shall be eligible under this section. These
5 coowners shall determine by mutual agreement which one of them
6 shall be deemed eligible.

7 (3) If two or more replacement dwellings are separately
8 purchased or newly constructed by two coowners who held the
9 original property as community property, only the coowner who
10 has attained the age of 55 years, or is severely and permanently
11 disabled, shall be eligible under this section. If both spouses are
12 over 55 years of age, they shall determine by mutual agreement
13 which one of them is eligible.

14 In the case of coowners whose original property is a multiunit
15 dwelling, the limitations imposed by paragraphs (2) and (3) shall
16 only apply to coowners who occupied the same dwelling unit
17 within the original property at the time specified in paragraph (2)
18 of subdivision (b).

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

25 This section shall not apply unless the transfer of the original
26 property is a change in ownership that either (1) subjects that
27 property to reappraisal at its current fair market value in accordance
28 with Section 110.1 or 5803 or (2) results in a base year value
29 determined in accordance with this section, Section 69, or Section
30 69.3 because the property qualifies under this section, Section 69,
31 or Section 69.3 as a replacement dwelling or property.

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

37 (A) The name and social security number of each claimant and
38 of any spouse of the claimant who is a record owner of the
39 replacement dwelling.

1 (B) Proof that the claimant or the claimant’s spouse who resided
2 on the original property with the claimant was, at the time of its
3 sale, at least 55 years of age, or severely and permanently disabled.
4 Proof of severe and permanent disability shall be considered a
5 certification, signed by a licensed physician and surgeon of
6 appropriate specialty, attesting to the claimant’s severely and
7 permanently disabled condition. In the absence of available proof
8 that a person is over 55 years of age, the claimant shall certify
9 under penalty of perjury that the age requirement is met. In the
10 case of a severely and permanently disabled claimant either of the
11 following shall be submitted:

12 (i) A certification, signed by a licensed physician or surgeon of
13 appropriate specialty that identifies specific reasons why the
14 disability necessitates a move to the replacement dwelling and the
15 disability-related requirements, including any locational
16 requirements, of a replacement dwelling. The claimant shall
17 substantiate that the replacement dwelling meets disability-related
18 requirements so identified and that the primary reason for the move
19 to the replacement dwelling is to satisfy those requirements. If the
20 claimant, or the claimant’s spouse or guardian, so declares under
21 penalty of perjury, it shall be rebuttably presumed that the primary
22 purpose of the move to the replacement dwelling is to satisfy
23 identified disability-related requirements.

24 (ii) The claimant’s substantiation that the primary purpose of
25 the move to the replacement dwelling is to alleviate financial
26 burdens caused by the disability. If the claimant, or the claimant’s
27 spouse or guardian, so declares under penalty of perjury, it shall
28 be rebuttably presumed that the primary purpose of the move is
29 to alleviate the financial burdens caused by the disability.

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

32 (D) The date of the claimant’s sale of the original property and
33 the date of the claimant’s purchase or new construction of a
34 replacement dwelling.

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

38 (F) Any claim under this section shall be filed within three years
39 of the date the replacement dwelling was purchased or the new

1 construction of the replacement dwelling was completed subject
2 to subdivision (k) or (m).

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

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

10 (B) The full cash value of the replacement property in the
11 assessment year described in subparagraph (A) shall be the base
12 year value of the real property in the assessment year in which the
13 base year value was transferred, factored to the assessment year
14 described in subparagraph (A) for both of the following:

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

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

21 (g) For purposes of this section:

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

25 (2) “Base year value of the original property” means its base
26 year value, as determined in accordance with Section 110.1, with
27 the adjustments permitted by subdivision (b) of Section 2 of Article
28 XIII A of the California Constitution and subdivision (f) of Section
29 110.1, determined as of the date immediately prior to the date that
30 the original property is sold by the claimant, or in the case where
31 the original property has been substantially damaged or destroyed
32 by misfortune or calamity and the owner does not rebuild on the
33 original property, determined as of the date immediately prior to
34 the misfortune or calamity.

35 If the replacement dwelling is purchased or newly constructed
36 after the transfer of the original property, “base year value of the
37 original property” also includes any inflation factor adjustments
38 permitted by subdivision (f) of Section 110.1 for the period
39 subsequent to the sale of the original property. The base year or
40 years used to compute the “base year value of the original property”

1 shall be deemed to be the base year or years of any property to
2 which that base year value is transferred pursuant to this section.

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

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

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

4 (A) One hundred percent of the amount of the full cash value
5 of the original property if the replacement dwelling is purchased
6 or newly constructed prior to the date of the sale of the original
7 property.

8 (B) One hundred and five percent of the amount of the full cash
9 value of the original property if the replacement dwelling is
10 purchased or newly constructed within the first year following the
11 date of the sale of the original property.

12 (C) One hundred and ten percent of the amount of the full cash
13 value of the original property if the replacement dwelling is
14 purchased or newly constructed within the second year following
15 the date of the sale of the original property.

16 For the purposes of this paragraph, except as otherwise provided
17 in paragraph (4) of subdivision (h), if the replacement dwelling is,
18 in part, purchased and, in part, newly constructed, the date the
19 “replacement dwelling is purchased or newly constructed” is the
20 date of purchase or the date of completion of construction,
21 whichever is later.

22 (6) “Full cash value of the replacement dwelling” means its full
23 cash value, determined in accordance with Section 110.1, as of
24 the date on which it was purchased or new construction was
25 completed, and after the purchase or the completion of new
26 construction.

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

28 (A) Its new base year value, determined in accordance with
29 subdivision (e), without the application of subdivision (h) of
30 Section 2 of Article XIII A of the California Constitution, plus the
31 adjustments permitted by subdivision (b) of Section 2 of Article
32 XIII A and subdivision (f) of Section 110.1 for the period from the
33 date of its sale by the claimant to the date on which the replacement
34 property was purchased or new construction was completed.

35 (B) In the case where the original property has been substantially
36 damaged or destroyed by misfortune or calamity and the owner
37 does not rebuild on the original property, its full cash value, as
38 determined in accordance with Section 110, immediately prior to
39 its substantial damage or destruction by misfortune or calamity,
40 as determined by the county assessor of the county in which the

1 property is located, without the application of subdivision (h) of
2 Section 2 of Article XIII A of the California Constitution, plus the
3 adjustments permitted by subdivision (b) of Section 2 of Article
4 XIII A and subdivision (f) of Section 110.1, for the period from
5 the date of its sale by the claimant to the date on which the
6 replacement property was purchased or new construction was
7 completed.

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

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

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

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

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

25 (13) For the purposes of this section property is “substantially
26 damaged or destroyed by misfortune or calamity” if it sustains
27 physical damage amounting to more than 50 percent of its full
28 cash value immediately prior to the misfortune or calamity.
29 Damage includes a diminution in the value of property as a result
30 of restricted access to the property where the restricted access was
31 caused by the misfortune or calamity and is permanent in nature.

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

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

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

39 (C) The date the new construction of the replacement dwelling
40 is completed.

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

7 (3) Notwithstanding Section 75.10, Chapter 3.5 (commencing
8 with Section 75) shall be utilized for purposes of implementing
9 this subdivision, including adjustments of the new base year value
10 of replacement dwellings acquired prior to the sale of the original
11 property.

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

19 (A) The new construction is completed within two years of the
20 date of the sale of the original property and the owner notifies the
21 assessor in writing of completion of the new construction within
22 30 days after completion.

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

28 (i) Any claimant may rescind a claim for the property tax relief
29 provided by this section and shall not be considered to have
30 received that relief for purposes of paragraph (7) of subdivision
31 (b), and the assessor shall grant the rescission, if a written notice
32 of rescission is delivered to the office of the assessor as follows:

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

36 (2) (A) Except as otherwise provided in this paragraph, the
37 notice of rescission is delivered to the office of the assessor before
38 the date that the county first issues, as a result of relief granted
39 under this section, a refund check for property taxes imposed upon
40 the replacement dwelling. If granting relief will not result in a

1 refund of property taxes, then the notice shall be delivered before
2 payment is first made of any property taxes, or any portion thereof,
3 imposed upon the replacement dwelling consistent with relief
4 granted under this section. If payment of the taxes is not made,
5 then notice shall be delivered before the first date that those
6 property taxes, or any portion thereof, imposed upon the
7 replacement dwelling, consistent with relief granted under this
8 section, are delinquent.

9 (B) Notwithstanding any other provision in this division, any
10 time the notice of rescission is delivered to the office of the assessor
11 within six years after relief was granted, provided that the
12 replacement property has been vacated as the claimant's principal
13 place of residence within 90 days after the original claim was filed,
14 regardless of whether the property continues to receive the
15 homeowners' exemption. If the rescission increases the base year
16 value of a property, or the homeowners' exemption has been
17 incorrectly allowed, appropriate escape assessments or
18 supplemental assessments, including interest as provided in Section
19 506, shall be imposed. The limitations periods for any escape
20 assessments or supplemental assessments shall not commence until
21 July 1 of the assessment year in which the notice of rescission is
22 delivered to the office of the assessor.

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

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

34 (2) With respect to the transfer of base year value of original
35 properties to replacement dwellings located in different counties,
36 except as provided in paragraph (4), this section shall apply to any
37 replacement dwelling that is purchased or newly constructed on
38 or after the date specified in accordance with subparagraph (E) of
39 paragraph (2) of subdivision (a) in the ordinance of the county in
40 which the replacement dwelling is located, but shall not apply to

1 any replacement dwelling which was purchased or newly
2 constructed before November 9, 1988.

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

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

12 (k) (1) In the case in which a county adopts an ordinance
13 pursuant to paragraph (2) of subdivision (a) that establishes an
14 applicable date which is more than three years prior to the date of
15 adoption of the ordinance, those potential claimants who purchased
16 or constructed replacement dwellings more than three years prior
17 to the date of adoption of the ordinance and who would, therefore,
18 be precluded from filing a timely claim, shall be deemed to have
19 timely filed a claim if the claim is filed within three years after the
20 date that the ordinance is adopted. This paragraph may not be
21 construed as a waiver of any other requirement of this section.

22 (2) In the case in which a county assessor corrects a base year
23 value to reflect a pro rata change in ownership of a resident-owned
24 mobilehome park that occurred between January 1, 1989, and
25 January 1, 2002, pursuant to paragraph (4) of subdivision (b) of
26 Section 62.1, those claimants who purchased or constructed
27 replacement dwellings more than three years prior to the correction
28 and who would, therefore, be precluded from filing a timely claim,
29 shall be deemed to have timely filed a claim if the claim is filed
30 within three years of the date of notice of the correction of the base
31 year value to reflect the pro rata change in ownership. This
32 paragraph may not be construed as a waiver of any other
33 requirement of this section.

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

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

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

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

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

11 (B) With respect to the transfer of base year value of original
12 properties to replacement dwellings located in different counties,
13 to any replacement dwelling that is purchased or newly constructed
14 on or after the date specified in accordance with subparagraph (E)
15 of paragraph (2) of subdivision (a) in the ordinance of the county
16 in which the replacement dwelling is located, but not to any
17 replacement dwelling that was purchased or newly constructed
18 before November 9, 1988.

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

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

27 (n) A claim filed under this section is not a public document
28 and is not subject to public inspection, except that a claim shall be
29 available for inspection by the claimant or the claimant's spouse,
30 the claimant's or the claimant's spouse's legal representative, the
31 trustee of a trust in which the claimant or the claimant's spouse is
32 a present beneficiary, and the executor or administrator of the
33 claimant's or the claimant's spouse's estate.

34 ~~SEC. 4.~~

35 *SEC. 7.* Section 218 of the Revenue and Taxation Code is
36 amended to read:

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

1 amount of seven thousand dollars (\$7,000) of the full value of the
2 dwelling.

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

7 (2) Notwithstanding paragraph (1), if a person receiving the
8 exemption is not occupying the dwelling on the lien date because
9 the dwelling was damaged in a misfortune or calamity, the person
10 shall be deemed to occupy that same dwelling as his or her
11 principal place of residence on the lien date, provided the person's
12 absence from the dwelling is temporary and the person intends to
13 return to the dwelling when possible to do so. Except as provided
14 in paragraph (3), when a dwelling has been totally destroyed, and
15 thus no dwelling exists on the lien date, the exemption provided
16 by this section shall not be applicable until the structure has been
17 replaced and is occupied as a dwelling.

18 (3) A dwelling that was totally destroyed in a disaster for which
19 the Governor proclaimed a state of emergency, that qualified for
20 the exemption provided by this section prior to the commencement
21 date of the disaster and that has not changed ownership since the
22 commencement date of the disaster, shall be deemed occupied by
23 the person receiving the exemption on the lien date provided the
24 person intends to reconstruct a dwelling on the property and occupy
25 the dwelling as his or her principal place of residence when it is
26 possible to do so.

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

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

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

36 (B) "Dwelling" includes the following:

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

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

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

3 (iv) Premises occupied by the owner of shares or a membership
4 interest in a cooperative housing corporation, as defined in
5 subdivision (i) of Section 61, as his or her principal place of
6 residence on the lien date. Each exemption allowed pursuant to
7 this subdivision shall be deducted from the total assessed valuation
8 of the cooperative housing corporation. The exemption shall be
9 taken into account in apportioning property taxes among owners
10 of share or membership interests in the cooperative housing
11 corporations so as to benefit those owners who qualify for the
12 exemption.

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

17 ~~SEC. 5.~~

18 *SEC. 8.* Section 401.10 of the Revenue and Taxation Code is
19 amended to read:

20 401.10. (a) Notwithstanding any other provision of law relating
21 to the determination of the values upon which property taxes are
22 based, values for each tax year from the 1984–85 tax year to the
23 2015–16 tax year, inclusive, for intercounty pipeline rights-of-way
24 on publicly or privately owned property, including those
25 rights-of-way that are the subject of a change in ownership, new
26 construction, or any other reappraisable event during the period
27 from March 1, 1975, to June 30, 2016, inclusive, shall be rebuttably
28 presumed to be at full cash value for that year, if all of the
29 following conditions are met:

30 (1) (A) The full cash value is determined to equal a 1975–76
31 base year value, annually adjusted for inflation in accordance with
32 subdivision (b) of Section 2 of Article XIII A of the California
33 Constitution, and the 1975–76 base year value was determined in
34 accordance with the following schedule:

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

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

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

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

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

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

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

10 (2) The full cash value is determined utilizing the same property
11 density classifications that were assigned to the property by the
12 State Board of Equalization for the 1984–85 tax year or, if density
13 classifications were not so assigned to the property for the 1984–85
14 tax year, the density classifications that were first assigned to the
15 property by the board for a subsequent tax year.

16 (3) (A) If a taxpayer owns multiple pipelines in the same
17 right-of-way, an additional 50 percent of the value attributed to
18 the right-of-way for the presence of the first pipeline, as determined
19 under paragraphs (1) and (2), shall be added for the presence of
20 each additional pipeline up to a maximum of two additional
21 pipelines. For any particular taxpayer, the total valuation for a
22 multiple pipeline right-of-way shall not exceed 200 percent of the
23 value determined for the right-of-way of the first pipeline in the
24 right-of-way in accordance with paragraphs (1) and (2).

25 (B) If the State Board of Equalization has determined that an
26 intercounty pipeline, located within a multiple pipeline right-of-way
27 previously valued in accordance with subparagraph (A), has been
28 abandoned as a result of physical removal or blockage, the assessed
29 value of the right-of-way attributable to the last pipeline enrolled
30 in accordance with subparagraph (A) shall be reduced by not less
31 than 75 percent of that increase in assessed value that resulted from
32 the application of subparagraph (A).

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

1 (b) If the assessor assigns values for any tax year from the
2 1984–85 tax year to the 2015–16 tax year, inclusive, in accordance
3 with the methodology specified in subdivision (a), the taxpayer’s
4 right to assert any challenge to the right to assess that property,
5 whether in an administrative or judicial proceeding, shall be
6 deemed to have been raised and resolved for that tax year and the
7 values determined in accordance with that methodology shall be
8 rebuttably presumed to be correct. If the assessor assigns values
9 for any tax year from the 1984–85 tax year to the 2015–16 tax
10 year, inclusive, in accordance with the methodology specified in
11 subdivision (a), any pending taxpayer lawsuit that challenges the
12 right to assess the property shall be dismissed by the taxpayer with
13 prejudice as it applies to intercounty pipeline rights-of-way.

14 (c) Notwithstanding any change in ownership, new construction,
15 or decline in value occurring after March 1, 1975, if the assessor
16 assigns values for rights-of-way for any tax year from the 1984–85
17 tax year to the 2015–16 tax year, inclusive, in accordance with the
18 methodology specified in subdivision (a), the taxpayer may not
19 challenge the right to assess that property and the values determined
20 in accordance with that methodology shall be rebuttably presumed
21 to be correct for that property for that tax year.

22 (d) Notwithstanding any change in ownership, new construction,
23 or decline in value occurring after March 1, 1975, if the assessor
24 does not assign values for rights-of-way for any tax year from the
25 1984–85 tax year to the 2015–16 tax year, inclusive, at the 1975–76
26 base year values specified in subdivision (a), any assessed value
27 that is determined on the basis of valuation standards that differ,
28 in whole or in part, from those valuation standards set forth in
29 subdivision (a) shall not benefit from any presumption of
30 correctness, and the taxpayer may challenge the right to assess that
31 property or the values for that property for that tax year. As used
32 herein, a challenge to the right to assess shall include any
33 assessment appeal, claim for refund, or lawsuit asserting any right,
34 remedy, or cause of action relating to or arising from, but not
35 limited to, the following or similar contentions:

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

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

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

4 (e) Notwithstanding any other provision of law, during a
5 four-year period commencing on January 1, 1996, the assessor
6 may issue an escape assessment in accordance with the specific
7 valuation standards set forth in subdivision (a) for the following
8 taxpayers and tax years:

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

13 (2) Any intercounty pipeline right-of-way taxpayer who was
14 not a plaintiff in *Southern Pacific Pipe Lines, Inc. v. State Board*
15 *of Equalization* (1993) 14 Cal. App. 4th 42, for the tax years
16 1989–90 to 1996–97, inclusive.

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

26 (g) For purposes of this section, “intercounty pipeline
27 right-of-way” means, except as otherwise provided in this
28 subdivision, any interest in publicly or privately owned real
29 property through which or over which an intercounty pipeline is
30 placed. However, “intercounty pipeline right-of-way” does not
31 include any parcel or facility that the State Board of Equalization
32 originally separately assessed using a valuation method other than
33 the multiplication of pipeline length within a subject property by
34 a unit value determined in accordance with the density category
35 of that subject property.

36 (h) This section shall remain in effect only until January 1, 2016,
37 and, as of that date is repealed, unless a later enacted statute, that
38 is enacted before January 1, 2016, deletes or extends that date.

1 ~~SEC. 6.~~

2 *SEC. 9.* Section 1604 of the Revenue and Taxation Code is
3 amended to read:

4 1604. (a) (1) In counties of the first class, annually, on the
5 fourth Monday in September, the county board shall meet to
6 equalize the assessment of property on the local roll. It shall
7 continue to meet for that purpose, from time to time, until the
8 business of equalization is disposed of.

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

13 (b) (1) An application for a reduction in an assessment filed
14 pursuant to Section 1603 shall also constitute a sufficient claim
15 for refund, if the applicant states in the application that the
16 application is also intended to constitute a claim for refund pursuant
17 to the provisions of Section 5097.

18 (2) The county board shall have no power to receive or hear
19 any application for a reduction in an escaped assessment made
20 pursuant to Section 531.1 nor a penal assessment levied in respect
21 thereto, nor to reduce those assessments.

22 (c) If the county board fails to hear evidence and fails to make
23 a final determination on the application for reduction in assessment
24 of property within two years of the timely filing of the application,
25 the applicant's opinion of value as reflected on the application for
26 reduction in assessment shall be the value upon which taxes are
27 to be levied for the tax year or tax years covered by the application,
28 unless either of the following occurs:

29 (1) The applicant and the county board mutually agree in
30 writing, or on the record, to an extension of time for the hearing.

31 (2) The application for reduction is consolidated for hearing
32 with another application by the same applicant with respect to
33 which an extension of time for the hearing has been granted
34 pursuant to paragraph (1). In no case shall the application be
35 consolidated without the applicant's written agreement after the
36 two-year time period has passed or after an extension of the
37 two-year time period previously agreed to by the applicant has
38 expired.

39 The reduction in assessment reflecting the applicant's opinion
40 of value shall not be made, however, until two years after the close

1 of the filing period during which the timely application was filed.
2 Further, this subdivision shall not apply to applications for
3 reductions in assessments of property where the applicant has
4 failed to provide full and complete information as required by law
5 or where litigation is pending directly relating to the issues involved
6 in the application.

7 (d) (1) When the applicant's opinion of value, as stated on the
8 application, has been placed on the assessment roll pursuant to
9 subdivision (c), and the application requested a reduction in the
10 base year value of an assessment, the applicant's opinion of value
11 shall remain on the roll until the county board makes a final
12 determination on the application. The value so determined by the
13 county board, plus appropriate adjustments for the inflation factor,
14 shall be entered on the assessment roll for the fiscal year in which
15 the value is determined. No increased or escape taxes other than
16 those required by a purchase, change in ownership, or new
17 construction, or resulting from application of the inflation factor
18 to the applicant's opinion of value shall be levied for the tax years
19 during which the county board failed to act.

20 (2) When the applicant's opinion of value has been placed on
21 the assessment roll pursuant to subdivision (c) for any application
22 other than an application requesting a reduction in base year value,
23 the applicant's opinion of value shall be enrolled on the assessment
24 roll for the tax year or tax years covered by that application.

25 (e) The county board shall notify the applicant in writing of any
26 decision by that board not to hold a hearing on his or her
27 application for reduction in assessment within the two-year period
28 specified in subdivision (c). This notice shall also inform the
29 applicant that the applicant's opinion of value as reflected on the
30 application for reduction in assessment shall, as a result of the
31 county board's failure to hold a hearing within the prescribed time
32 period, be the value upon which taxes are to be levied in the
33 absence of the application of either paragraph (1) or (2) of
34 subdivision (c).

35 ~~SEC. 7.~~

36 *SEC. 10.* Section 1624.3 of the Revenue and Taxation Code is
37 repealed.

38 ~~SEC. 8.~~

39 *SEC. 11.* Section 1636.2 of the Revenue and Taxation Code
40 is repealed.

1 ~~SEC. 9.~~

2 *SEC. 12.* Section 1636.5 of the Revenue and Taxation Code
3 is repealed.

4 ~~SEC. 10.~~

5 *SEC. 13.* Section 4831 of the Revenue and Taxation Code is
6 amended to read:

7 4831. Incorrect entries on a roll may be corrected under this
8 article as follows:

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

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

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

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

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

32 ~~SEC. 11.~~

33 *SEC. 14.* Section 5096 of the Revenue and Taxation Code is
34 amended to read:

35 5096. Any taxes paid before or after delinquency shall be
36 refunded if they were:

37 (a) Paid more than once.

38 (b) Erroneously or illegally collected.

39 (c) Illegally assessed or levied.

1 (d) Paid on an assessment in excess of the ratio of assessed value
2 to the full value of the property as provided in Section 401 by
3 reason of the assessor's clerical error or excessive or improper
4 assessments attributable to erroneous property information supplied
5 by the assessee.

6 (e) Paid on an assessment of improvements when the
7 improvements did not exist on the lien date.

8 (f) Paid on an assessment in excess of the equalized value of
9 the property as determined pursuant to Section 1610.8 by the
10 county board of equalization.

11 (g) Paid on an assessment in excess of the value of the property
12 as determined by the assessor pursuant to Section 469.

13 *SEC. 15. Section 41030 of the Revenue and Taxation Code is*
14 *amended to read:*

15 41030. ~~The Department of General Services~~ *office of the State*
16 *Chief Information Officer* shall determine annually, on or before
17 October 1, a surcharge rate that it estimates will produce sufficient
18 revenue to fund the current fiscal year's 911 costs. The surcharge
19 rate shall be determined by dividing the costs (including
20 incremental costs) the Department of General Services estimates
21 for the current fiscal year of 911 plans approved pursuant to Section
22 53115 of the Government Code, less the available balance in the
23 State Emergency Telephone Number Account in the General Fund,
24 by its estimate of the charges for intrastate telephone
25 communications services and VoIP service to which the surcharge
26 will apply for the period of January 1 to December 31, inclusive,
27 of the next succeeding calendar year, but in no event shall such
28 surcharge rate in any year be greater than three-quarters of 1
29 percent nor less than one-half of 1 percent.

30 *SEC. 16. Section 41031 of the Revenue and Taxation Code is*
31 *amended to read:*

32 41031. ~~The Department of General Services~~ *office of the State*
33 *Chief Information Officer* shall make its determination of such
34 surcharge rate each year no later than October 1 and shall notify
35 the board of the new rate, which shall be fixed by the board to be
36 effective with respect to charges made for intrastate telephone
37 communication services and VoIP service on or after January 1
38 of the next succeeding calendar year.

39 *SEC. 17. Section 41032 of the Revenue and Taxation Code is*
40 *amended to read:*

1 41032. Immediately upon notification by the ~~Department of~~
2 ~~General Services office of the State Chief Information Officer~~ and
3 fixing the surcharge rate, the board shall each year no later than
4 November 15 publish in its minutes the new rate, and it shall notify
5 by mail every service supplier registered with it of the new rate.

6 *SEC. 18. Section 41136.1 of the Revenue and Taxation Code*
7 *is amended to read:*

8 41136.1. For each fiscal year, moneys in the State Emergency
9 Telephone Number Account not appropriated for a purpose
10 specified in Section 41136 shall be held in trust for future
11 appropriation for upcoming, planned “911” emergency telephone
12 number projects that have been approved by the ~~Department of~~
13 ~~General Services office of the State Chief Information Officer~~, even
14 if the projects have not yet commenced.

15 *SEC. 19. Section 41137 of the Revenue and Taxation Code is*
16 *amended to read:*

17 41137. The ~~Department of General Services office of the State~~
18 ~~Chief Information Officer~~ shall pay, from funds appropriated from
19 the State Emergency Telephone Number Account by the
20 Legislature, as provided in Section 41138, bills submitted by
21 service suppliers or communications equipment companies for the
22 installation and ongoing costs of the following communication
23 services provided local agencies by service suppliers in connection
24 with the “911” emergency telephone number system:

- 25 (a) A basic system.
- 26 (b) A basic system with telephone central office identification.
- 27 (c) A system employing automatic call routing.
- 28 (d) Approved incremental costs that have been concurred in by
29 the ~~Communications Division office of the State Chief Information~~
30 ~~Officer~~.

31 *SEC. 20. Section 41137.1 of the Revenue and Taxation Code*
32 *is amended to read:*

33 41137.1. The ~~Department of General Services office of the~~
34 ~~State Chief Information Officer~~ shall pay, from funds appropriated
35 from the State Emergency Telephone Number Account by the
36 Legislature, as provided in Section 41138, claims submitted by
37 local agencies for approved incremental costs and for the cost of
38 preparation of final plans submitted to the ~~Communications~~
39 ~~Division office of the State Chief Information Officer~~ for approval

1 on or before October 1, 1978, as provided in Section 53115 of the
2 Government Code.

3 *SEC. 21. Section 41138 of the Revenue and Taxation Code is*
4 *amended to read:*

5 41138. (a) It is the intent of the Legislature that the
6 reimbursement rates for “911” emergency telephone number
7 equipment shall not exceed specified amounts negotiated with
8 each interested supplier and approved by the ~~department~~. ~~The~~
9 ~~department~~ *office of the State Chief Information Officer. The office*
10 *of the State Chief Information Officer shall negotiate supplier*
11 *pricing to ensure cost effectiveness and the best value for the “911”*
12 *emergency telephone number system. The* ~~department~~ *office of*
13 *the State Chief Information Officer shall pay those bills as provided*
14 *in Section 41137 only under the following conditions:*

15 (1) ~~The department~~ *office of the State Chief Information Officer*
16 *shall have received the local agency’s “911” emergency telephone*
17 *number system plan by July 1 of the prior fiscal year and approved*
18 *the plan by October 1 of the prior fiscal year.*

19 (2) The Legislature has appropriated in the Budget Bill an
20 amount sufficient to pay those bills.

21 (3) ~~The department~~ *office of the State Chief Information Officer*
22 *has reviewed and approved each line item of a request for funding*
23 *to ensure the necessity of the proposed equipment or services and*
24 *the eligibility for reimbursement.*

25 (4) The amounts to be paid do not exceed the pricing submitted
26 by the supplier and approved by the ~~department~~ *office of the State*
27 *Chief Information Officer. Extraordinary circumstances may*
28 *warrant spending in excess of the established rate, but shall be*
29 *preapproved by the* ~~department~~ *office of the State Chief Information*
30 *Officer. In determining the reimbursement rate, the* ~~department~~
31 *office of the State Chief Information Officer shall utilize the*
32 *approved pricing submitted by the supplier providing the equipment*
33 *or service.*

34 (b) Nothing in this section shall be construed to limit an agency’s
35 ability to select a supplier or procure telecommunications
36 equipment as long as the supplier’s pricing is preapproved by the
37 ~~department~~ *office of the State Chief Information Officer. Agencies*
38 *shall be encouraged to procure equipment on a competitive basis.*
39 *Any amount in excess of the pricing approved by the* ~~department~~

1 office of the State Chief Information Officer shall not be
2 reimbursed.

3 SEC. 22. Section 41139 of the Revenue and Taxation Code is
4 amended to read:

5 41139. From funds appropriated by the Legislature from the
6 Emergency Telephone Number Account, the ~~department~~ office of
7 the State Chief Information Officer shall begin paying such bills
8 as provided in Sections 41137, 41137.1, and 41138 in the 1977–78
9 fiscal year for plans submitted by local agencies by July 1, 1976
10 to the ~~department~~ which the ~~department~~ office of the State Chief
11 Information Officer which the office of the State Chief Information
12 Officer has approved.

13 SEC. 23. Section 41140 of the Revenue and Taxation Code is
14 amended to read:

15 41140. The ~~Department of General Service~~ office of the State
16 Chief Information Officer shall reimburse local agencies, from
17 funds appropriated from the Emergency Telephone Number
18 Account by the Legislature, for amounts not previously
19 compensated for by another governmental agency, which have
20 been paid by such agencies for approved incremental costs or to
21 service suppliers or communication equipment companies for the
22 following communications services supplied in connection with
23 the “911” emergency phone number, provided such local agency
24 plans had been approved by the ~~department~~ office of the State Chief
25 Information Officer:

26 ~~(1)~~

27 (a) A basic system.

28 ~~(2)~~

29 (b) A basic system with telephone central office identification.

30 ~~(3)~~

31 (c) A system employing automatic call routing.

32 ~~(4)~~

33 (d) Approved incremental costs.

34 SEC. 24. Section 41141 of the Revenue and Taxation Code is
35 amended to read:

36 41141. Claims for reimbursement shall be submitted by local
37 agencies to the ~~Communications Division in the Department of~~
38 ~~General Services~~ office of the State Chief Information Officer,
39 which shall determine payment eligibility and shall reduce the
40 claim for charges which exceed the approved incremental costs,

1 approved contract amounts, or the established tariff rates for such
2 costs. No claim shall be paid until funds are appropriated by the
3 Legislature.

4 *SEC. 25. Section 41142 of the Revenue and Taxation Code is*
5 *amended to read:*

6 41142. Notwithstanding any other provision of this article, if
7 the Legislature fails to appropriate an amount sufficient to pay
8 bills submitted to the ~~Department of General Services~~ *office of the*
9 *State Chief Information Officer* by service suppliers or
10 communications equipment companies for the installation and
11 ongoing communications services supplied local agencies in
12 connection with the “911” emergency phone number system, and
13 to pay claims of local agencies which, prior to the effective date
14 of this part, paid amounts to service suppliers or communications
15 equipment companies for the installation and ongoing expenses
16 in connection with the “911” emergency phone number system,
17 the obligation of service suppliers and local agencies to provide
18 “911” emergency telephone service shall terminate and such service
19 shall not again be required until the Legislature has appropriated
20 an amount sufficient to pay such bills or claims. Nothing in this
21 part shall preclude local agencies from purchasing or acquiring
22 any communication equipment from companies other than the
23 telephone service suppliers.

24 *SEC. 26. Section 45855 of the Revenue and Taxation Code is*
25 *amended to read:*

26 45855. Any information regarding solid wastes which is
27 available to the board shall be made available to the ~~California~~
28 ~~Integrated Waste Management Board~~ *Department of Resources*
29 *Recycling and Recovery*.

30 *SEC. 27. Section 45863 of the Revenue and Taxation Code is*
31 *amended to read:*

32 45863. The board shall, in cooperation with the ~~California~~
33 ~~Integrated Waste Management Board~~ *Department of Resources*
34 *Recycling and Recovery*, the Taxpayers’ Rights Advocate, and
35 other interested taxpayer-oriented groups, develop a plan to reduce
36 the time required to resolve petitions for redetermination and claims
37 for refunds. The plan shall include the determination of standard
38 timeframes and special review of cases which take more time than
39 the appropriate standard timeframe.

1 *SEC. 28. Section 45981 of the Revenue and Taxation Code is*
2 *amended to read:*

3 45981. (a) The board shall provide any information obtained
4 under this part to the ~~California Integrated Waste Management~~
5 ~~Board~~ *Department of Resources Recycling and Recovery.*

6 (b) The ~~California Integrated Waste Management Board~~
7 ~~Department of Resources Recycling and Recovery~~ and the board
8 may utilize any information obtained pursuant to this part to
9 develop data on the generation or disposal of solid waste within
10 the state. Notwithstanding any other provision of this chapter, the
11 ~~California Integrated Waste Management Board~~ *Department of*
12 *Resources Recycling and Recovery* may make waste generation
13 and disposal data available to the public.

14 *SEC. 29. Section 45982 of the Revenue and Taxation Code is*
15 *amended to read:*

16 45982. Neither the ~~California Integrated Waste Management~~
17 ~~Board~~ *Department of Resources Recycling and Recovery*, nor any
18 person having an administrative duty under Part 9 (commencing
19 with Section 15600) of Division 3 of Title 2 of the Government
20 Code shall disclose the business affairs, operations, or any other
21 proprietary information pertaining to a fee payer, except a fee
22 payer which is a public agency, which was submitted to the board
23 in a report or return required by this part, or permit any report or
24 copy thereof or any book containing any abstract or particulars
25 thereof to be seen or examined by any person not expressly
26 authorized by Section 45981 or this section. However, the
27 Governor may, by general or special order, authorize examination
28 of the records maintained by the board under this part by other
29 state officers, by officers of another state, by the federal
30 government if a reciprocal arrangement exists, or by any other
31 person. The information so obtained pursuant to the order of the
32 Governor shall not be made public except to the extent and in the
33 manner that the order may authorize that it be made public.