

AMENDED IN ASSEMBLY AUGUST 16, 2010

AMENDED IN ASSEMBLY JUNE 21, 2010

**SENATE BILL**

**No. 1494**

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

March 15, 2010

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~~An act to amend Sections 17280.1 and 17280.2 of the Government Code, An act to amend Section 42463 of the Public Resources Code, to amend Sections 61, 63.1, 69.5, 218, 401.10, 1604, 4831, 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. 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.~~

~~(2)~~

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

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

~~(3)~~

~~(2) The California Constitution excludes from a “change in ownership” specified property transfers of a principal residence and the first \$1,000,000 of the value of other real property between parents and their children, as defined by the Legislature. Existing law includes as a transfer, the transfer of a present beneficial ownership of property through the medium of a trust. Existing law requires those seeking this exclusion to file a claim with the county assessor. The claim is not a public document, but may be inspected by the transferee and the transferor or their respective spouse, transferor’s or the transferee’s legal representative, and the executor or administrator of the transferee’s or transferor’s estate.~~

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

(4)

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

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

(5)

(4) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners’ property tax exemption in the amount of \$7,000 of the full value of a “dwelling,” as defined.

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

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

(6)

(5) Existing property tax law requires any property, not exempted from taxation by federal law or pursuant to the California Constitution, to be assessed at its full cash value. Existing law also establishes a rebuttable presumption of valuation at full value, provided certain conditions are met, for each taxable year from the 1984–85 tax year to the 2010–11 tax year, inclusive, for intercounty pipeline rights-of-way on publicly or privately owned property.

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

(7)

(6) Existing law requires county boards to meet to equalize the assessment of property on the local roll, as provided, and authorizes a

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

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

(8)

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

This bill would repeal those provisions.

(9)

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

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

(10)

(9) Existing law requires property taxes to be refunded if, among other circumstances, the taxes were paid on an assessment in excess of

the equalized value of the property as determined pursuant to a specified statute by the county board of equalization.

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

(11)

(10) 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.

(11) *This bill would provide that specified sections will not become operative if AB 2408 is enacted prior to this bill.*

Vote: majority. Appropriation: no. Fiscal committee: 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, or~~  
7     ~~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 submitting the original registered warrant, signed on~~  
14    ~~the reverse side by the payee and endorsed as payable to the agency~~  
15    ~~to which the liability is owed.~~  
16    ~~(b) Any taxpayer, feepayer, or surcharge payer submitting a~~  
17    ~~registered warrant for the payment of taxes pursuant to subdivision~~

1 ~~(a) shall be precluded from receiving interest on his or her~~  
2 ~~registered warrant except as provided in Section 17280.2.~~

3 ~~SEC. 2. Section 17280.2 of the Government Code is amended~~  
4 ~~to read:~~

5 ~~17280.2. In the event a tax, fee, or surcharge liability is paid~~  
6 ~~pursuant to Section 17280.1, in whole or in part, with a registered~~  
7 ~~warrant which is redeemable at the time the tax, fee, or surcharge~~  
8 ~~liability is paid, interest as specified in this article, shall be credited~~  
9 ~~to the account of the taxpayer, feepayer, or surcharge payer.~~

10 ~~SEC. 3.~~

11 ~~SECTION 1.~~ Section 42463 of the Public Resources Code is  
12 amended to read:

13 42463. For the purposes of this chapter, the following terms  
14 have the following meanings, unless the context clearly requires  
15 otherwise:

16 (a) "Account" means the Electronic Waste Recovery and  
17 Recycling Account created in the Integrated Waste Management  
18 Fund under Section 42476.

19 (b) "Authorized collector" means any of the following:

20 (1) A city, county, or district that collects covered electronic  
21 devices.

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

26 (3) A nonprofit organization that collects or accepts covered  
27 electronic devices.

28 (4) A manufacturer or agent of the manufacturer that collects,  
29 consolidates, and transports covered electronic devices for  
30 recycling from consumers, businesses, institutions, and other  
31 generators.

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

37 (c) "Consumer" means a person who purchases a new or  
38 refurbished covered electronic device in a transaction that is a  
39 retail sale or in a transaction to which a use tax applies pursuant

1 to Part 1 (commencing with Section 6001) of Division 2 of the  
2 Revenue and Taxation Code.

3 (d) “Department” means the Department of Toxic Substances  
4 Control.

5 (e) (1) Except as provided in paragraph (2), “covered electronic  
6 device” means a video display device containing a screen greater  
7 than four inches, measured diagonally, that is identified in the  
8 regulations adopted by the department pursuant to subdivision (b)  
9 of Section 25214.10.1 of the Health and Safety Code.

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

12 (A) A video display device that is a part of a motor vehicle, as  
13 defined in Section 415 of the Vehicle Code, or any component  
14 part of a motor vehicle assembled by, or for, a vehicle manufacturer  
15 or franchised dealer, including replacement parts for use in a motor  
16 vehicle.

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

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

24 (D) An electronic device, on and after the date that it ceases to  
25 be a covered electronic device under subdivision (e) of Section  
26 25214.10.1 of the Health and Safety Code.

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

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

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

34 (1) A person who engages in the manual or mechanical  
35 separation of covered electronic devices to recover components  
36 and commodities contained therein for the purpose of reuse or  
37 recycling.

38 (2) A person who changes the physical or chemical composition  
39 of a covered electronic device, in accordance with the requirements  
40 of Chapter 6.5 (commencing with Section 25100) of Division 20

1 of the Health and Safety Code and the regulations adopted pursuant  
2 to that chapter, by deconstructing, size reduction, crushing, cutting,  
3 sawing, compacting, shredding, or refining for purposes of  
4 segregating components, for purposes of recovering or recycling  
5 those components, and who arranges for the transport of those  
6 components to an end user.

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

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

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

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

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

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

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

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

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

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

34 (p) “Refurbished,” when used to describe a covered electronic  
35 device, means a device that the manufacturer has tested and  
36 returned to a condition that meets factory specifications for the  
37 device, has repackaged, and has labeled as refurbished.

38 (q) “Retailer” means a person who makes a retail sale of a new  
39 or refurbished covered electronic device. “Retailer” includes a  
40 manufacturer of a covered electronic device who sells that covered

1 electronic device directly to a consumer through any means,  
2 including, but not limited to, a transaction conducted through a  
3 sales outlet, catalog, or the Internet, or any other similar electronic  
4 means.

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

7 (2) “Retail sale” does not include the sale of a covered electronic  
8 device that is temporarily stored or used in California for the sole  
9 purpose of preparing the covered electronic device for use  
10 thereafter solely outside the state, and that is subsequently  
11 transported outside the state and thereafter used solely outside the  
12 state.

13 (s) “Vendor” means a person that makes a sale of a covered  
14 electronic device for the purpose of resale to a retailer who is the  
15 lessor of the covered electronic device to a consumer under a lease  
16 that is a continuing sale and purchase pursuant to Part 1  
17 (commencing with Section 6001) of Division 2 of the Revenue  
18 and Taxation Code.

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

30 ~~SEC. 4.~~

31 *SEC. 2.* Section 61 of the Revenue and Taxation Code is  
32 amended to read:

33 61. Except as otherwise provided in Section 62, change in  
34 ownership, as defined in Section 60, includes, but is not limited  
35 to:

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

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

4 (1) “Renewal” and “extension” do not include the granting of  
5 an option to renew or extend an existing agreement pursuant to  
6 which the term of possession of the existing agreement would,  
7 upon exercise of the option, be lengthened, whether the option is  
8 granted in the original agreement or subsequent thereto.

9 (2) Any “renewal” or “extension” of a possessory interest during  
10 the reasonably anticipated term of possession used by the assessor  
11 to value that interest does not cause a change in ownership until  
12 the end of the reasonably anticipated term of possession used by  
13 the assessor to value that interest. At the end of the reasonably  
14 anticipated term of possession used by the assessor, a new base  
15 year value, based on a new reasonably anticipated term of  
16 possession, shall be established for the possessory interest.

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

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

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

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

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

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

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

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

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

9 (C) Any transfer of a sublessee's interest with a remaining term,  
10 including renewal options, that exceeds half of the remaining term  
11 of the leasehold.

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

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

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

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

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

29 (i) The transfer of stock of a cooperative housing corporation,  
30 vested with legal title to real property that conveys to the transferee  
31 the exclusive right to occupancy and possession of that property,  
32 or a portion thereof. A "cooperative housing corporation" is a real  
33 estate development in which membership in the corporation, by  
34 stock ownership, is coupled with the exclusive right to possess a  
35 portion of the real property.

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

1     ~~SEC. 5.~~

2     ~~SEC. 3.~~ Section 63.1 of the Revenue and Taxation Code is  
3 amended to read:

4     63.1. (a) Notwithstanding any other provision of this chapter,  
5 a change in ownership shall not include the following purchases  
6 or transfers for which a claim is filed pursuant to this section:

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

10       (B) A purchase or transfer of a principal residence from a foster  
11 child to the child’s biological parent shall not be excluded under  
12 subparagraph (A) if the transferor child received that principal  
13 residence, or interest therein, from a foster parent through a  
14 purchase or transfer that was excluded under subparagraph (A).

15       (2) The purchase or transfer of the first one million dollars  
16 (\$1,000,000) of full cash value of all other real property of an  
17 eligible transferor in the case of a purchase or transfer between  
18 parents and their children.

19       (3) (A) Subject to subparagraph (B), the purchase or transfer  
20 of real property described in paragraphs (1) and (2) of subdivision  
21 (a) occurring on or after March 27, 1996, between grandparents  
22 and their grandchild or grandchildren, if all of the parents of that  
23 grandchild or those grandchildren, who qualify as the children of  
24 the grandparents, are deceased as of the date of purchase or transfer.  
25 Notwithstanding any other provision of law, for the lien date for  
26 the 2006–07 fiscal year and each fiscal year thereafter, in  
27 determining whether “all of the parents of that grandchild or those  
28 grandchildren, who qualify as the children of the grandparents,  
29 are deceased as of the date of purchase or transfer,” a son-in-law  
30 or daughter-in-law of the grandparent that is a stepparent to the  
31 grandchild need not be deceased on the date of the transfer.

32       (B) A purchase or transfer of a principal residence shall not be  
33 excluded pursuant to subparagraph (A) if the transferee grandchild  
34 or grandchildren also received a principal residence, or interest  
35 therein, through another purchase or transfer that was excludable  
36 pursuant to paragraph (1) of subdivision (a). The full cash value  
37 of any real property, other than a principal residence, that was  
38 transferred to the grandchild or grandchildren pursuant to a  
39 purchase or transfer that was excludable pursuant to paragraph (2)  
40 of subdivision (a) and the full cash value of a principal residence

1 that fails to qualify for exclusion as a result of the preceding  
2 sentence shall be included in applying, for purposes of paragraph  
3 (2) of subdivision (a), the one million dollar (\$1,000,000) full cash  
4 value limit specified in paragraph (2) of subdivision (a).

5 (b) (1) For purposes of paragraph (1) of subdivision (a),  
6 “principal residence” means a dwelling that is eligible for a  
7 homeowners’ exemption or a disabled veterans’ exemption as a  
8 result of the transferor’s ownership and occupation of the dwelling.  
9 “Principal residence” includes only that portion of the land  
10 underlying the residence that consists of an area of reasonable size  
11 that is used as a site for the residence.

12 (2) For purposes of paragraph (2) of subdivision (a), the  
13 one-million-dollar (\$1,000,000) exclusion shall apply separately  
14 to each eligible transferor with respect to all purchases by and  
15 transfers to eligible transferees on and after November 6, 1986, of  
16 real property, other than the principal residence, of that eligible  
17 transferor. The exclusion shall not apply to any property in which  
18 the eligible transferor’s interest was received through a transfer,  
19 or transfers, excluded from change in ownership by the provisions  
20 of either subdivision (f) of Section 62 or subdivision (b) of Section  
21 65, unless the transferor qualifies as an original transferor under  
22 subdivision (b) of Section 65. In the case of any purchase or  
23 transfer subject to this paragraph involving two or more eligible  
24 transferors, the transferors may elect to combine their separate  
25 one-million-dollar (\$1,000,000) exclusions and, upon making that  
26 election, the combined amount of their separate exclusions shall  
27 apply to any property jointly sold or transferred by the electing  
28 transferors, provided that in no case shall the amount of full cash  
29 value of real property of any one eligible transferor excluded under  
30 this election exceed the amount of the transferor’s separate unused  
31 exclusion on the date of the joint sale or transfer.

32 (c) As used in this section:

33 (1) “Purchase or transfer between parents and their children”  
34 means either a transfer from a parent or parents to a child or  
35 children of the parent or parents or a transfer from a child or  
36 children to a parent or parents of the child or children. For purposes  
37 of this section, the date of any transfer between parents and their  
38 children under a will or intestate succession shall be the date of  
39 the decedent’s death, if the decedent died on or after November  
40 6, 1986.

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

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

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

21 (B) Any stepchild of the parent or parents and the spouse of that  
22 stepchild while the relationship of stepparent and stepchild exists.  
23 For purposes of this paragraph, the relationship of stepparent and  
24 stepchild shall be deemed to exist until the marriage on which the  
25 relationship is based is terminated by divorce, or, if the relationship  
26 is terminated by death, until the remarriage of the surviving  
27 stepparent.

28 (C) Any son-in-law or daughter-in-law of the parent or parents.  
29 For the purposes of this paragraph, the relationship of parent and  
30 son-in-law or daughter-in-law shall be deemed to exist until the  
31 marriage on which the relationship is based is terminated by  
32 divorce, or, if the relationship is terminated by death, until the  
33 remarriage of the surviving son-in-law or daughter-in-law.

34 (D) Any child adopted by the parent or parents pursuant to  
35 statute, other than an individual adopted after reaching the age of  
36 18 years.

37 (E) Any foster child of a state-licensed foster parent, if that child  
38 was not, because of a legal barrier, adopted by the foster parent or  
39 foster parents before the child aged out of the foster care system.  
40 For purposes of this paragraph, the relationship between a foster

1 child and foster parent shall be deemed to exist until terminated  
2 by death. However, for purposes of a transfer that occurs on the  
3 date of death, the relationship shall be deemed to exist on the date  
4 of death.

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

7 (5) “Full cash value” means full cash value, as defined in Section  
8 2 of Article XIII A of the California Constitution and Section 110.1,  
9 with any adjustments authorized by those sections, and the full  
10 value of any new construction in progress, determined as of the  
11 date immediately prior to the date of a purchase by or transfer to  
12 an eligible transferee of real property subject to this section.

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

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

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

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

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

27 (d) (1) The exclusions provided for in subdivision (a) shall not  
28 be allowed unless the eligible transferee, the transferee’s legal  
29 representative, the trustee of the transferee’s trust, or the executor  
30 or administrator of the transferee’s estate files a claim with the  
31 assessor for the exclusion sought and furnishes to the assessor each  
32 of the following:

33 (A) A written certification by the transferee, the transferee’s  
34 legal representative, the trustee of the transferee’s trust, or the  
35 executor or administrator of the transferee’s estate, signed and  
36 made under penalty of perjury that the transferee is a parent, child,  
37 or grandchild of the transferor and that the transferor is his or her  
38 parent, child, or grandparent. In the case of a  
39 grandparent-grandchild transfer, the written certification shall also  
40 include a certification that all the parents of the grandchild or

1 grandchildren who qualify as children of the grandparents were  
2 deceased as of the date of the purchase or transfer and that the  
3 grandchild or grandchildren did or did not receive a principal  
4 residence excludable under paragraph (1) of subdivision (a) from  
5 the deceased parents, and that the grandchild or grandchildren did  
6 or did not receive real property other than a principal residence  
7 excludable under paragraph (2) of subdivision (a) from the  
8 deceased parents. The claimant shall provide legal substantiation  
9 of any matter certified pursuant to this subparagraph at the request  
10 of the county assessor.

11 (B) A written certification by the transferor, the transferor's  
12 legal representative, the trustee of the transferor's trust, or the  
13 executor or administrator of the transferor's estate, signed and  
14 made under penalty of perjury that the transferor is a grandparent,  
15 parent, or child of the transferee and that the transferor is seeking  
16 the exclusion under this section and will not file a claim to transfer  
17 the base year value of the property under Section 69.5.

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

20 (i) If the purchase or transfer of real property includes the  
21 purchase or transfer of residential real property, a certification that  
22 the residential real property is or is not the transferor's principal  
23 residence.

24 (ii) If the purchase or transfer of real property includes the  
25 purchase or transfer of real property other than the transferor's  
26 principal residence, a certification that other real property of the  
27 transferor that is subject to this section has or has not been  
28 previously sold or transferred to an eligible transferee, the total  
29 amount of full cash value, as defined in subdivision (c), of any  
30 real property subject to this section that has been previously sold  
31 or transferred by that transferor to eligible transferees, the location  
32 of that real property, the social security number of each eligible  
33 transferor, and the names of the eligible transferees of that property.

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

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

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

3 (E) In the case of a transfer between a foster parent and foster  
4 child, the claim filed with the assessor shall include a certified  
5 copy of the court decision regarding the foster child status of the  
6 individual and a certified statement from the appropriate county  
7 agency stating that the foster child was not, because of a legal  
8 barrier, adopted by the foster parent or foster parents. Upon a  
9 request by the county assessor, the claimant also shall provide to  
10 the assessor legal substantiation of any matter certified under this  
11 subparagraph.

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

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

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

32 (B) For transfers of real property between parents and their  
33 children occurring on or after September 30, 1990, and for the  
34 purchase or transfer of real property between grandparents and  
35 their grandchildren occurring on or after March 27, 1996, within  
36 three years after the date of the purchase or transfer of real property  
37 for which the claim is filed, or prior to transfer of the real property  
38 to a third party, whichever is earlier.

39 (C) Notwithstanding subparagraphs (A) and (B), a claim shall  
40 be deemed to be timely filed if it is filed within six months after

1 the date of mailing of a notice of supplemental or escape  
2 assessment, issued as a result of the purchase or transfer of real  
3 property for which the claim is filed.

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

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

13 (B) Under any exclusion granted pursuant to that claim, the  
14 adjusted full cash value of the subject real property in the  
15 assessment year described in subparagraph (A) shall be the adjusted  
16 base year value of the subject real property in the assessment year  
17 in which the excluded purchase or transfer took place, factored to  
18 the assessment year described in subparagraph (A) for both of the  
19 following:

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

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

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

27 (B) Paragraph (2) shall apply to purchases or transfers between  
28 parents and their children that occurred on or after November 6,  
29 1986, and to purchases or transfers between grandparents and their  
30 grandchildren that occurred on or after March 27, 1996.

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

34 (f) The assessor may report quarterly to the State Board of  
35 Equalization all purchases or transfers, other than purchases or  
36 transfers involving a principal residence, for which a claim for  
37 exclusion is made pursuant to subdivision (d). Each report shall  
38 contain the assessor’s parcel number for each parcel for which the  
39 exclusion is claimed, the amount of each exclusion claimed, the  
40 social security number of each eligible transferor, and any other

1 information the board may require in order to monitor the  
2 one-million-dollar (\$1,000,000) limitation in paragraph (2) of  
3 subdivision (a). In recognition of the state and local interests served  
4 by the action made optional in this subdivision, the Legislature  
5 encourages the assessor to continue taking the action formerly  
6 mandated by this subdivision.

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

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

17 (2) This section shall apply to purchases or transfers of real  
18 property between grandparents and their grandchildren occurring  
19 on or after March 27, 1996, and, with respect to purchases or  
20 transfers of real property between grandparents and their  
21 grandchildren, shall not be effective for any change in ownership,  
22 including a change in ownership arising on the date of a decedent's  
23 death, that occurred prior to that date.

24 (i) A claim filed under this section is not a public document and  
25 is not subject to public inspection, except that a claim shall be  
26 available for inspection by the transferee and the transferor or their  
27 respective spouse, the transferee's legal representative, the  
28 transferor's legal representative, the trustee of the transferee's  
29 trust, the trustee of the transferor's trust, and the executor or  
30 administrator of the transferee's or transferor's estate.

31 (j) (1) If the assessor notifies the transferee in writing of  
32 potential eligibility for exclusion from change in ownership under  
33 this section, a certified claim for exclusion shall be filed with the  
34 assessor within 45 days of the date of the notice of potential  
35 eligibility. If a certified claim for exclusion is not filed within 45  
36 days, the assessor may send a second notice of potential eligibility  
37 for exclusion, notifying the transferee that a certified claim for  
38 exclusion has not been received and that reassessment of the  
39 property will commence unless a certified claim for exclusion is  
40 filed within 60 days of the date of the second notice of potential

1 eligibility. The second notice of potential eligibility shall indicate  
2 whether a certified claim for exclusion that is not filed within 60  
3 days will be subject to a processing fee as provided in paragraph  
4 (2).

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

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

22 ~~SEC. 6.~~

23 *SEC. 4.* Section 69.5 of the Revenue and Taxation Code is  
24 amended to read:

25 69.5. (a) (1) Notwithstanding any other provision of law,  
26 pursuant to subdivision (a) of Section 2 of Article XIII A of the  
27 California Constitution, any person over the age of 55 years, or  
28 any severely and permanently disabled person, who resides in  
29 property that is eligible for the homeowners' exemption under  
30 subdivision (k) of Section 3 of Article XIII of the California  
31 Constitution and Section 218 may transfer, subject to the conditions  
32 and limitations provided in this section, the base year value of that  
33 property to any replacement dwelling of equal or lesser value that  
34 is located within the same county and is purchased or newly  
35 constructed by that person as his or her principal residence within  
36 two years of the sale by that person of the original property,  
37 provided that the base year value of the original property shall not  
38 be transferred to the replacement dwelling until the original  
39 property is sold.

1 (2) Notwithstanding the limitation in paragraph (1) requiring  
2 that the original property and the replacement dwelling be located  
3 in the same county, this limitation shall not apply in any county  
4 in which the county board of supervisors, after consultation with  
5 local affected agencies within the boundaries of the county, adopts  
6 an ordinance making the provisions of paragraph (1) also applicable  
7 to situations in which replacement dwellings are located in that  
8 county and the original properties are located in another county  
9 within this state. The authorization contained in this paragraph  
10 shall be applicable in a county only if the ordinance adopted by  
11 the board of supervisors complies with all of the following  
12 requirements:

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

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

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

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

27 (E) The ordinance specifies the date on and after which its  
28 provisions shall be applicable. However, the date specified shall  
29 not be earlier than November 9, 1988. The specified applicable  
30 date may be a date earlier than the date the county adopts the  
31 ordinance.

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

36 (1) The claimant is an owner and a resident of the original  
37 property either at the time of its sale, or at the time when the  
38 original property was substantially damaged or destroyed by  
39 misfortune or calamity, or within two years of the purchase or new  
40 construction of the replacement dwelling.

1 (2) The original property is eligible for the homeowners’  
2 exemption, as the result of the claimant’s ownership and occupation  
3 of the property as his or her principal residence, either at the time  
4 of its sale, or at the time when the original property was  
5 substantially damaged or destroyed by misfortune or calamity, or  
6 within two years of the purchase or new construction of the  
7 replacement dwelling.

8 (3) At the time of the sale of the original property, the claimant  
9 or the claimant’s spouse who resides with the claimant is at least  
10 55 years of age, or is severely and permanently disabled.

11 (4) At the time of claiming the property tax relief provided by  
12 subdivision (a), the claimant is an owner of a replacement dwelling  
13 and occupies it as his or her principal place of residence and, as a  
14 result thereof, the property is currently eligible for the homeowners’  
15 exemption or would be eligible for the exemption except that the  
16 property is already receiving the exemption because of an  
17 exemption claim filed by the previous owner.

18 (5) The original property of the claimant is sold by him or her  
19 within two years of the purchase or new construction of the  
20 replacement dwelling. For purposes of this paragraph, the purchase  
21 or new construction of the replacement dwelling includes the  
22 purchase of that portion of land on which the replacement building,  
23 structure, or other shelter constituting a place of abode of the  
24 claimant will be situated and that, pursuant to paragraph (3) of  
25 subdivision (g), constitutes a part of the replacement dwelling.

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

29 (7) The claimant has not previously been granted, as a claimant,  
30 the property tax relief provided by this section, except that this  
31 paragraph shall not apply to any person who becomes severely  
32 and permanently disabled subsequent to being granted, as a  
33 claimant, the property tax relief provided by this section for any  
34 person over the age of 55 years. In order to prevent duplication of  
35 claims under this section within this state, county assessors shall  
36 report quarterly to the State Board of Equalization that information  
37 from claims filed in accordance with subdivision (f) and from  
38 county records as is specified by the board necessary to identify  
39 fully all claims under this section allowed by assessors and all  
40 claimants who have thereby received relief. The board may specify

1 that the information include all or a part of the names and social  
2 security numbers of claimants and their spouses and the identity  
3 and location of the replacement dwelling to which the claim  
4 applies. The information may be required in the form of data  
5 processing media or other media and in a format that is compatible  
6 with the recordkeeping processes of the counties and the auditing  
7 procedures of the state.

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

12 (1) A unit or lot within a cooperative housing corporation, a  
13 community apartment project, a condominium project, or a planned  
14 unit development. If the unit or lot constitutes the original property  
15 of the claimant, the assessor shall transfer to the claimant's  
16 replacement dwelling only the base year value of the claimant's  
17 unit or lot and his or her share in any common area reserved as an  
18 appurtenance of that unit or lot. If the unit or lot constitutes the  
19 replacement dwelling of the claimant, the assessor shall transfer  
20 the base year value of the claimant's original property only to the  
21 unit or lot of the claimant and any share of the claimant in any  
22 common area reserved as an appurtenance of that unit or lot.

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

28 (A) If the manufactured home or the manufactured home and  
29 the land on which it is situated constitutes the claimant's original  
30 property, the assessor shall transfer to the claimant's replacement  
31 dwelling either the base year value of the manufactured home or  
32 the base year value of the manufactured home and the land on  
33 which it is situated, as appropriate. If the manufactured home  
34 dwelling that constitutes the original property of the claimant  
35 includes an interest in a resident-owned mobilehome park, the  
36 assessor shall transfer to the claimant's replacement dwelling the  
37 base year value of the claimant's manufactured home and his or  
38 her pro rata portion of the real property of the park. No transfer of  
39 base year value shall be made by the assessor of that portion of

1 land that does not constitute a part of the original property, as  
2 provided in paragraph (4) of subdivision (g).

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

17 This subdivision shall be subject to the limitations specified in  
18 subdivision (d).

19 (d) The property tax relief provided by this section shall be  
20 available to a claimant who is the coowner of the original property,  
21 as a joint tenant, a tenant in common, a community property owner,  
22 or a present beneficiary of a trust subject to the following  
23 limitations:

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

29 (2) If two or more replacement dwellings are separately  
30 purchased or newly constructed by two or more coowners and  
31 more than one coowner would otherwise be an eligible claimant,  
32 only one coowner shall be eligible under this section. These  
33 coowners shall determine by mutual agreement which one of them  
34 shall be deemed eligible.

35 (3) If two or more replacement dwellings are separately  
36 purchased or newly constructed by two coowners who held the  
37 original property as community property, only the coowner who  
38 has attained the age of 55 years, or is severely and permanently  
39 disabled, shall be eligible under this section. If both spouses are

1 over 55 years of age, they shall determine by mutual agreement  
2 which one of them is eligible.

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

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

14 This section shall not apply unless the transfer of the original  
15 property is a change in ownership that either (1) subjects that  
16 property to reappraisal at its current fair market value in accordance  
17 with Section 110.1 or 5803 or (2) results in a base year value  
18 determined in accordance with this section, Section 69, or Section  
19 69.3 because the property qualifies under this section, Section 69,  
20 or Section 69.3 as a replacement dwelling or property.

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

26 (A) The name and social security number of each claimant and  
27 of any spouse of the claimant who is a record owner of the  
28 replacement dwelling.

29 (B) Proof that the claimant or the claimant's spouse who resided  
30 on the original property with the claimant was, at the time of its  
31 sale, at least 55 years of age, or severely and permanently disabled.  
32 Proof of severe and permanent disability shall be considered a  
33 certification, signed by a licensed physician and surgeon of  
34 appropriate specialty, attesting to the claimant's severely and  
35 permanently disabled condition. In the absence of available proof  
36 that a person is over 55 years of age, the claimant shall certify  
37 under penalty of perjury that the age requirement is met. In the  
38 case of a severely and permanently disabled claimant either of the  
39 following shall be submitted:

1 (i) A certification, signed by a licensed physician or surgeon of  
2 appropriate specialty that identifies specific reasons why the  
3 disability necessitates a move to the replacement dwelling and the  
4 disability-related requirements, including any locational  
5 requirements, of a replacement dwelling. The claimant shall  
6 substantiate that the replacement dwelling meets disability-related  
7 requirements so identified and that the primary reason for the move  
8 to the replacement dwelling is to satisfy those requirements. If the  
9 claimant, or the claimant's spouse or guardian, so declares under  
10 penalty of perjury, it shall be rebuttably presumed that the primary  
11 purpose of the move to the replacement dwelling is to satisfy  
12 identified disability-related requirements.

13 (ii) The claimant's substantiation that the primary purpose of  
14 the move to the replacement dwelling is to alleviate financial  
15 burdens caused by the disability. If the claimant, or the claimant's  
16 spouse or guardian, so declares under penalty of perjury, it shall  
17 be rebuttably presumed that the primary purpose of the move is  
18 to alleviate the financial burdens caused by the disability.

19 (C) The address and, if known, the assessor's parcel number of  
20 the original property.

21 (D) The date of the claimant's sale of the original property and  
22 the date of the claimant's purchase or new construction of a  
23 replacement dwelling.

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

27 (F) Any claim under this section shall be filed within three years  
28 of the date the replacement dwelling was purchased or the new  
29 construction of the replacement dwelling was completed subject  
30 to subdivision (k) or (m).

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

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

38 (B) The full cash value of the replacement property in the  
39 assessment year described in subparagraph (A) shall be the base  
40 year value of the real property in the assessment year in which the

1 base year value was transferred, factored to the assessment year  
2 described in subparagraph (A) for both of the following:

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

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

9 (g) For purposes of this section:

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

13 (2) “Base year value of the original property” means its base  
14 year value, as determined in accordance with Section 110.1, with  
15 the adjustments permitted by subdivision (b) of Section 2 of Article  
16 XIII A of the California Constitution and subdivision (f) of Section  
17 110.1, determined as of the date immediately prior to the date that  
18 the original property is sold by the claimant, or in the case where  
19 the original property has been substantially damaged or destroyed  
20 by misfortune or calamity and the owner does not rebuild on the  
21 original property, determined as of the date immediately prior to  
22 the misfortune or calamity.

23 If the replacement dwelling is purchased or newly constructed  
24 after the transfer of the original property, “base year value of the  
25 original property” also includes any inflation factor adjustments  
26 permitted by subdivision (f) of Section 110.1 for the period  
27 subsequent to the sale of the original property. The base year or  
28 years used to compute the “base year value of the original property”  
29 shall be deemed to be the base year or years of any property to  
30 which that base year value is transferred pursuant to this section.

31 (3) “Replacement dwelling” means a building, structure, or  
32 other shelter constituting a place of abode, whether real property  
33 or personal property, that is owned and occupied by a claimant as  
34 his or her principal place of residence, and any land owned by the  
35 claimant on which the building, structure, or other shelter is  
36 situated. For purposes of this paragraph, land constituting a part  
37 of a replacement dwelling includes only that area of reasonable  
38 size that is used as a site for a residence, and “land owned by the  
39 claimant” includes land for which the claimant either holds a  
40 leasehold interest described in subdivision (c) of Section 61 or a

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

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

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

32 (A) One hundred percent of the amount of the full cash value  
33 of the original property if the replacement dwelling is purchased  
34 or newly constructed prior to the date of the sale of the original  
35 property.

36 (B) One hundred and five percent of the amount of the full cash  
37 value of the original property if the replacement dwelling is  
38 purchased or newly constructed within the first year following the  
39 date of the sale of the original property.

1 (C) One hundred and ten percent of the amount of the full cash  
2 value of the original property if the replacement dwelling is  
3 purchased or newly constructed within the second year following  
4 the date of the sale of the original property.

5 For the purposes of this paragraph, except as otherwise provided  
6 in paragraph (4) of subdivision (h), if the replacement dwelling is,  
7 in part, purchased and, in part, newly constructed, the date the  
8 “replacement dwelling is purchased or newly constructed” is the  
9 date of purchase or the date of completion of construction,  
10 whichever is later.

11 (6) “Full cash value of the replacement dwelling” means its full  
12 cash value, determined in accordance with Section 110.1, as of  
13 the date on which it was purchased or new construction was  
14 completed, and after the purchase or the completion of new  
15 construction.

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

17 (A) Its new base year value, determined in accordance with  
18 subdivision (e), without the application of subdivision (h) of  
19 Section 2 of Article XIII A of the California Constitution, plus the  
20 adjustments permitted by subdivision (b) of Section 2 of Article  
21 XIII A and subdivision (f) of Section 110.1 for the period from the  
22 date of its sale by the claimant to the date on which the replacement  
23 property was purchased or new construction was completed.

24 (B) In the case where the original property has been substantially  
25 damaged or destroyed by misfortune or calamity and the owner  
26 does not rebuild on the original property, its full cash value, as  
27 determined in accordance with Section 110, immediately prior to  
28 its substantial damage or destruction by misfortune or calamity,  
29 as determined by the county assessor of the county in which the  
30 property is located, without the application of subdivision (h) of  
31 Section 2 of Article XIII A of the California Constitution, plus the  
32 adjustments permitted by subdivision (b) of Section 2 of Article  
33 XIII A and subdivision (f) of Section 110.1, for the period from  
34 the date of its sale by the claimant to the date on which the  
35 replacement property was purchased or new construction was  
36 completed.

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

39 (9) “Claimant” means any person claiming the property tax  
40 relief provided by this section. If a spouse of that person is a record

1 owner of the replacement dwelling, the spouse is also a claimant  
2 for purposes of determining whether in any future claim filed by  
3 the spouse under this section the condition of eligibility specified  
4 in paragraph (7) of subdivision (b) has been met.

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

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

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

14 (13) For the purposes of this section property is “substantially  
15 damaged or destroyed by misfortune or calamity” if it sustains  
16 physical damage amounting to more than 50 percent of its full  
17 cash value immediately prior to the misfortune or calamity.  
18 Damage includes a diminution in the value of property as a result  
19 of restricted access to the property where the restricted access was  
20 caused by the misfortune or calamity and is permanent in nature.

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

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

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

28 (C) The date the new construction of the replacement dwelling  
29 is completed.

30 (2) Any taxes that were levied on the replacement dwelling prior  
31 to the filing of the claim on the basis of the replacement dwelling’s  
32 new base year value, and any allowable annual adjustments thereto,  
33 shall be canceled or refunded to the claimant to the extent that the  
34 taxes exceed the amount that would be due when determined on  
35 the basis of the adjusted new base year value.

36 (3) Notwithstanding Section 75.10, Chapter 3.5 (commencing  
37 with Section 75) shall be utilized for purposes of implementing  
38 this subdivision, including adjustments of the new base year value  
39 of replacement dwellings acquired prior to the sale of the original  
40 property.

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

8 (A) The new construction is completed within two years of the  
9 date of the sale of the original property and the owner notifies the  
10 assessor in writing of completion of the new construction within  
11 30 days after completion.

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

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

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

25 (2) (A) Except as otherwise provided in this paragraph, the  
26 notice of rescission is delivered to the office of the assessor before  
27 the date that the county first issues, as a result of relief granted  
28 under this section, a refund check for property taxes imposed upon  
29 the replacement dwelling. If granting relief will not result in a  
30 refund of property taxes, then the notice shall be delivered before  
31 payment is first made of any property taxes, or any portion thereof,  
32 imposed upon the replacement dwelling consistent with relief  
33 granted under this section. If payment of the taxes is not made,  
34 then notice shall be delivered before the first date that those  
35 property taxes, or any portion thereof, imposed upon the  
36 replacement dwelling, consistent with relief granted under this  
37 section, are delinquent.

38 (B) Notwithstanding any other provision in this division, any  
39 time the notice of rescission is delivered to the office of the assessor  
40 within six years after relief was granted, provided that the

1 replacement property has been vacated as the claimant's principal  
2 place of residence within 90 days after the original claim was filed,  
3 regardless of whether the property continues to receive the  
4 homeowners' exemption. If the rescission increases the base year  
5 value of a property, or the homeowners' exemption has been  
6 incorrectly allowed, appropriate escape assessments or  
7 supplemental assessments, including interest as provided in Section  
8 506, shall be imposed. The limitations periods for any escape  
9 assessments or supplemental assessments shall not commence until  
10 July 1 of the assessment year in which the notice of rescission is  
11 delivered to the office of the assessor.

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

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

23 (2) With respect to the transfer of base year value of original  
24 properties to replacement dwellings located in different counties,  
25 except as provided in paragraph (4), this section shall apply to any  
26 replacement dwelling that is purchased or newly constructed on  
27 or after the date specified in accordance with subparagraph (E) of  
28 paragraph (2) of subdivision (a) in the ordinance of the county in  
29 which the replacement dwelling is located, but shall not apply to  
30 any replacement dwelling which was purchased or newly  
31 constructed before November 9, 1988.

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

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

1 (k) (1) In the case in which a county adopts an ordinance  
2 pursuant to paragraph (2) of subdivision (a) that establishes an  
3 applicable date which is more than three years prior to the date of  
4 adoption of the ordinance, those potential claimants who purchased  
5 or constructed replacement dwellings more than three years prior  
6 to the date of adoption of the ordinance and who would, therefore,  
7 be precluded from filing a timely claim, shall be deemed to have  
8 timely filed a claim if the claim is filed within three years after the  
9 date that the ordinance is adopted. This paragraph may not be  
10 construed as a waiver of any other requirement of this section.

11 (2) In the case in which a county assessor corrects a base year  
12 value to reflect a pro rata change in ownership of a resident-owned  
13 mobilehome park that occurred between January 1, 1989, and  
14 January 1, 2002, pursuant to paragraph (4) of subdivision (b) of  
15 Section 62.1, those claimants who purchased or constructed  
16 replacement dwellings more than three years prior to the correction  
17 and who would, therefore, be precluded from filing a timely claim,  
18 shall be deemed to have timely filed a claim if the claim is filed  
19 within three years of the date of notice of the correction of the base  
20 year value to reflect the pro rata change in ownership. This  
21 paragraph may not be construed as a waiver of any other  
22 requirement of this section.

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

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

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

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

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

1 (B) With respect to the transfer of base year value of original  
2 properties to replacement dwellings located in different counties,  
3 to any replacement dwelling that is purchased or newly constructed  
4 on or after the date specified in accordance with subparagraph (E)  
5 of paragraph (2) of subdivision (a) in the ordinance of the county  
6 in which the replacement dwelling is located, but not to any  
7 replacement dwelling that was purchased or newly constructed  
8 before November 9, 1988.

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

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

17 (n) A claim filed under this section is not a public document  
18 and is not subject to public inspection, except that a claim shall be  
19 available for inspection by the claimant or the claimant's spouse,  
20 the claimant's or the claimant's spouse's legal representative, the  
21 trustee of a trust in which the claimant or the claimant's spouse is  
22 a present beneficiary, and the executor or administrator of the  
23 claimant's or the claimant's spouse's estate.

24 ~~SEC. 7.~~

25 *SEC. 5.* Section 218 of the Revenue and Taxation Code is  
26 amended to read:

27 218. (a) The homeowners' property tax exemption is in the  
28 amount of the assessed value of the dwelling specified in this  
29 section, as authorized by subdivision (k) of Section 3 of Article  
30 XIII of the California Constitution. That exemption shall be in the  
31 amount of seven thousand dollars (\$7,000) of the full value of the  
32 dwelling.

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

37 (2) Notwithstanding paragraph (1), if a person receiving the  
38 exemption is not occupying the dwelling on the lien date because  
39 the dwelling was damaged in a misfortune or calamity, the person  
40 shall be deemed to occupy that same dwelling as his or her

1 principal place of residence on the lien date, provided the person's  
2 absence from the dwelling is temporary and the person intends to  
3 return to the dwelling when possible to do so. Except as provided  
4 in paragraph (3), when a dwelling has been totally destroyed, and  
5 thus no dwelling exists on the lien date, the exemption provided  
6 by this section shall not be applicable until the structure has been  
7 replaced and is occupied as a dwelling.

8 (3) A dwelling that was totally destroyed in a disaster for which  
9 the Governor proclaimed a state of emergency, that qualified for  
10 the exemption provided by this section prior to the commencement  
11 date of the disaster and that has not changed ownership since the  
12 commencement date of the disaster, shall be deemed occupied by  
13 the person receiving the exemption on the lien date provided the  
14 person intends to reconstruct a dwelling on the property and occupy  
15 the dwelling as his or her principal place of residence when it is  
16 possible to do so.

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

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

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

26 (B) "Dwelling" includes the following:

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

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

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

33 (iv) Premises occupied by the owner of shares or a membership  
34 interest in a cooperative housing corporation, as defined in  
35 subdivision (i) of Section 61, as his or her principal place of  
36 residence on the lien date. Each exemption allowed pursuant to  
37 this subdivision shall be deducted from the total assessed valuation  
38 of the cooperative housing corporation. The exemption shall be  
39 taken into account in apportioning property taxes among owners  
40 of share or membership interests in the cooperative housing

1 corporations so as to benefit those owners who qualify for the  
2 exemption.

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

7 ~~SEC. 8.~~

8 *SEC. 6.* Section 401.10 of the Revenue and Taxation Code is  
9 amended to read:

10 401.10. (a) Notwithstanding any other provision of law relating  
11 to the determination of the values upon which property taxes are  
12 based, values for each tax year from the 1984–85 tax year to the  
13 2015–16 tax year, inclusive, for intercounty pipeline rights-of-way  
14 on publicly or privately owned property, including those  
15 rights-of-way that are the subject of a change in ownership, new  
16 construction, or any other reappraisable event during the period  
17 from March 1, 1975, to June 30, 2016, inclusive, shall be rebuttably  
18 presumed to be at full cash value for that year, if all of the  
19 following conditions are met:

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

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

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

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

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

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

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

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

1 (2) The full cash value is determined utilizing the same property  
2 density classifications that were assigned to the property by the  
3 State Board of Equalization for the 1984–85 tax year or, if density  
4 classifications were not so assigned to the property for the 1984–85  
5 tax year, the density classifications that were first assigned to the  
6 property by the board for a subsequent tax year.

7 (3) (A) If a taxpayer owns multiple pipelines in the same  
8 right-of-way, an additional 50 percent of the value attributed to  
9 the right-of-way for the presence of the first pipeline, as determined  
10 under paragraphs (1) and (2), shall be added for the presence of  
11 each additional pipeline up to a maximum of two additional  
12 pipelines. For any particular taxpayer, the total valuation for a  
13 multiple pipeline right-of-way shall not exceed 200 percent of the  
14 value determined for the right-of-way of the first pipeline in the  
15 right-of-way in accordance with paragraphs (1) and (2).

16 (B) If the State Board of Equalization has determined that an  
17 intercounty pipeline, located within a multiple pipeline right-of-way  
18 previously valued in accordance with subparagraph (A), has been  
19 abandoned as a result of physical removal or blockage, the assessed  
20 value of the right-of-way attributable to the last pipeline enrolled  
21 in accordance with subparagraph (A) shall be reduced by not less  
22 ~~that~~ *than* 75 percent of that increase in assessed value that resulted  
23 from the application of subparagraph (A).

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

32 (b) If the assessor assigns values for any tax year from the  
33 1984–85 tax year to the 2015–16 tax year, inclusive, in accordance  
34 with the methodology specified in subdivision (a), the taxpayer’s  
35 right to assert any challenge to the right to assess that property,  
36 whether in an administrative or judicial proceeding, shall be  
37 deemed to have been raised and resolved for that tax year and the  
38 values determined in accordance with that methodology shall be  
39 rebuttably presumed to be correct. If the assessor assigns values  
40 for any tax year from the 1984–85 tax year to the 2015–16 tax

1 year, inclusive, in accordance with the methodology specified in  
2 subdivision (a), any pending taxpayer lawsuit that challenges the  
3 right to assess the property shall be dismissed by the taxpayer with  
4 prejudice as it applies to intercounty pipeline rights-of-way.

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

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

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

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

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

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

39 (1) Any intercounty pipeline right-of-way taxpayer who was a  
40 plaintiff in *Southern Pacific Pipe Lines, Inc. v. State Board of*

1 Equalization (1993) 14 Cal. App. 4th 42, for the tax years 1984–85  
2 to 1996–97, inclusive.

3 (2) Any intercounty pipeline right-of-way taxpayer who was  
4 not a plaintiff in *Southern Pacific Pipe Lines, Inc. v. State Board*  
5 of Equalization (1993) 14 Cal. App. 4th 42, for the tax years  
6 1989–90 to 1996–97, inclusive.

7 (f) Any escape assessment levied under subdivision (e) shall  
8 not be subject to penalties or interest under the provisions of  
9 Section 532. If payment of any taxes due under this section is made  
10 within 45 days of demand by the tax collector for payment, the  
11 county shall not impose any late payment penalty or interest. Taxes  
12 not paid within 45 days of demand by the tax collector shall  
13 become delinquent at that time, and the delinquent penalty,  
14 redemption penalty, or other collection provisions of this code  
15 shall thereafter apply.

16 (g) For purposes of this section, “intercounty pipeline  
17 right-of-way” means, except as otherwise provided in this  
18 subdivision, any interest in publicly or privately owned real  
19 property through which or over which an intercounty pipeline is  
20 placed. However, “intercounty pipeline right-of-way” does not  
21 include any parcel or facility that the State Board of Equalization  
22 originally separately assessed using a valuation method other than  
23 the multiplication of pipeline length within a subject property by  
24 a unit value determined in accordance with the density category  
25 of that subject property.

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

29 ~~SEC. 9.~~

30 *SEC. 7.* Section 1604 of the Revenue and Taxation Code is  
31 amended to read:

32 1604. (a) (1) In counties of the first class, annually, on the  
33 fourth Monday in September, the county board shall meet to  
34 equalize the assessment of property on the local roll. It shall  
35 continue to meet for that purpose, from time to time, until the  
36 business of equalization is disposed of.

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

1 (b) (1) An application for a reduction in an assessment filed  
2 pursuant to Section 1603 shall also constitute a sufficient claim  
3 for refund, if the applicant states in the application that the  
4 application is also intended to constitute a claim for refund pursuant  
5 to the provisions of Section 5097.

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

10 (c) If the county board fails to hear evidence and fails to make  
11 a final determination on the application for reduction in assessment  
12 of property within two years of the timely filing of the application,  
13 the applicant’s opinion of value as reflected on the application for  
14 reduction in assessment shall be the value upon which taxes are  
15 to be levied for the tax year or tax years covered by the application,  
16 unless either of the following occurs:

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

19 (2) The application for reduction is consolidated for hearing  
20 with another application by the same applicant with respect to  
21 which an extension of time for the hearing has been granted  
22 pursuant to paragraph (1). In no case shall the application be  
23 consolidated without the applicant’s written agreement after the  
24 two-year time period has passed or after an extension of the  
25 two-year time period previously agreed to by the applicant has  
26 expired.

27 The reduction in assessment reflecting the applicant’s opinion  
28 of value shall not be made, however, until two years after the close  
29 of the filing period during which the timely application was filed.  
30 Further, this subdivision shall not apply to applications for  
31 reductions in assessments of property where the applicant has  
32 failed to provide full and complete information as required by law  
33 or where litigation is pending directly relating to the issues involved  
34 in the application.

35 (d) (1) When the applicant’s opinion of value, as stated on the  
36 application, has been placed on the assessment roll pursuant to  
37 subdivision (c), and the application requested a reduction in the  
38 base year value of an assessment, the applicant’s opinion of value  
39 shall remain on the roll until the county board makes a final  
40 determination on the application. The value so determined by the

1 county board, plus appropriate adjustments for the inflation factor,  
2 shall be entered on the assessment roll for the fiscal year in which  
3 the value is determined. No increased or escape taxes other than  
4 those required by a purchase, change in ownership, or new  
5 construction, or resulting from application of the inflation factor  
6 to the applicant's opinion of value shall be levied for the tax years  
7 during which the county board failed to act.

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

13 (e) The county board shall notify the applicant in writing of any  
14 decision by that board not to hold a hearing on his or her  
15 application for reduction in assessment within the two-year period  
16 specified in subdivision (c). This notice shall also inform the  
17 applicant that the applicant's opinion of value as reflected on the  
18 application for reduction in assessment shall, as a result of the  
19 county board's failure to hold a hearing within the prescribed time  
20 period, be the value upon which taxes are to be levied in the  
21 absence of the application of either paragraph (1) or (2) of  
22 subdivision (c).

23 ~~SEC. 10.~~

24 *SEC. 8.* Section 1624.3 of the Revenue and Taxation Code is  
25 repealed.

26 ~~SEC. 11.~~

27 *SEC. 9.* Section 1636.2 of the Revenue and Taxation Code is  
28 repealed.

29 ~~SEC. 12.~~

30 *SEC. 10.* Section 1636.5 of the Revenue and Taxation Code  
31 is repealed.

32 ~~SEC. 13.~~

33 *SEC. 11.* Section 4831 of the Revenue and Taxation Code is  
34 amended to read:

35 4831. Incorrect entries on a roll may be corrected under this  
36 article as follows:

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

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

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

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

13 (d) Taxes that are not a lien or charge on the property assessed  
14 may be transferred from the secured roll to the unsecured roll of  
15 the corresponding year by the county auditor. These taxes shall be  
16 collected in the same manner as other delinquent taxes on the  
17 unsecured roll and shall be subject to delinquent penalties in the  
18 same manner as taxes transferred to the unsecured roll under  
19 Section 5090. The statute of limitations for the collection of those  
20 taxes shall commence to run from the date of transfer.

21 ~~SEC. 14.~~

22 *SEC. 12.* Section 5096 of the Revenue and Taxation Code is  
23 amended to read:

24 5096. Any taxes paid before or after delinquency shall be  
25 refunded if they were:

26 (a) Paid more than once.

27 (b) Erroneously or illegally collected.

28 (c) Illegally assessed or levied.

29 (d) Paid on an assessment in excess of the ratio of assessed value  
30 to the full value of the property as provided in Section 401 by  
31 reason of the assessor's clerical error or excessive or improper  
32 assessments attributable to erroneous property information supplied  
33 by the assessee.

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

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

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

1     ~~SEC. 15.~~

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

4     41030. The office of the State Chief Information Officer shall  
5 determine annually, on or before October 1, a surcharge rate that  
6 it estimates will produce sufficient revenue to fund the current  
7 fiscal year's 911 costs. The surcharge rate shall be determined by  
8 dividing the costs (including incremental costs) the Department  
9 of General Services estimates for the current fiscal year of 911  
10 plans approved pursuant to Section 53115 of the Government  
11 Code, less the available balance in the State Emergency Telephone  
12 Number Account in the General Fund, by its estimate of the charges  
13 for intrastate telephone communications services and VoIP service  
14 to which the surcharge will apply for the period of January 1 to  
15 December 31, inclusive, of the next succeeding calendar year, but  
16 in no event shall such surcharge rate in any year be greater than  
17 three-quarters of 1 percent nor less than one-half of 1 percent.

18     ~~SEC. 16.~~

19     *SEC. 14.* Section 41031 of the Revenue and Taxation Code is  
20 amended to read:

21     41031. The office of the State Chief Information Officer shall  
22 make its determination of such surcharge rate each year no later  
23 than October 1 and shall notify the board of the new rate, which  
24 shall be fixed by the board to be effective with respect to charges  
25 made for intrastate telephone communication services and VoIP  
26 service on or after January 1 of the next succeeding calendar year.

27     ~~SEC. 17.~~

28     *SEC. 15.* Section 41032 of the Revenue and Taxation Code is  
29 amended to read:

30     41032. Immediately upon notification by the office of the State  
31 Chief Information Officer and fixing the surcharge rate, the board  
32 shall each year no later than November 15 publish in its minutes  
33 the new rate, and it shall notify by mail every service supplier  
34 registered with it of the new rate.

35     ~~SEC. 18.~~

36     *SEC. 16.* Section 41136.1 of the Revenue and Taxation Code  
37 is amended to read:

38     41136.1. For each fiscal year, moneys in the State Emergency  
39 Telephone Number Account not appropriated for a purpose  
40 specified in Section 41136 shall be held in trust for future

1 appropriation for upcoming, planned “911” emergency telephone  
2 number projects that have been approved by the office of the State  
3 Chief Information Officer, even if the projects have not yet  
4 commenced.

5 ~~SEC. 19.~~

6 *SEC. 17.* Section 41137 of the Revenue and Taxation Code is  
7 amended to read:

8 41137. The office of the State Chief Information Officer shall  
9 pay, from funds appropriated from the State Emergency Telephone  
10 Number Account by the Legislature, as provided in Section 41138,  
11 bills submitted by service suppliers or communications equipment  
12 companies for the installation and ongoing costs of the following  
13 communication services provided local agencies by service  
14 suppliers in connection with the “911” emergency telephone  
15 number system:

- 16 (a) A basic system.
- 17 (b) A basic system with telephone central office identification.
- 18 (c) A system employing automatic call routing.
- 19 (d) Approved incremental costs that have been concurred in by  
20 the office of the State Chief Information Officer.

21 ~~SEC. 20.~~

22 *SEC. 18.* Section 41137.1 of the Revenue and Taxation Code  
23 is amended to read:

24 41137.1. The office of the State Chief Information Officer shall  
25 pay, from funds appropriated from the State Emergency Telephone  
26 Number Account by the Legislature, as provided in Section 41138,  
27 claims submitted by local agencies for approved incremental costs  
28 and for the cost of preparation of final plans submitted to the office  
29 of the State Chief Information Officer for approval on or before  
30 October 1, 1978, as provided in Section 53115 of the Government  
31 Code.

32 ~~SEC. 21.~~

33 *SEC. 19.* Section 41138 of the Revenue and Taxation Code is  
34 amended to read:

35 41138. (a) It is the intent of the Legislature that the  
36 reimbursement rates for “911” emergency telephone number  
37 equipment shall not exceed specified amounts negotiated with  
38 each interested supplier and approved by the office of the State  
39 Chief Information Officer. The office of the State Chief  
40 Information Officer shall negotiate supplier pricing to ensure cost

1 effectiveness and the best value for the “911” emergency telephone  
2 number system. The office of the State Chief Information Officer  
3 shall pay those bills as provided in Section 41137 only under the  
4 following conditions:

5 (1) The office of the State Chief Information Officer shall have  
6 received the local agency’s “911” emergency telephone number  
7 system plan by July 1 of the prior fiscal year and approved the  
8 plan by October 1 of the prior fiscal year.

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

11 (3) The office of the State Chief Information Officer has  
12 reviewed and approved each line item of a request for funding to  
13 ensure the necessity of the proposed equipment or services and  
14 the eligibility for reimbursement.

15 (4) The amounts to be paid do not exceed the pricing submitted  
16 by the supplier and approved by the office of the State Chief  
17 Information Officer. Extraordinary circumstances may warrant  
18 spending in excess of the established rate, but shall be preapproved  
19 by the office of the State Chief Information Officer. In determining  
20 the reimbursement rate, the office of the State Chief Information  
21 Officer shall utilize the approved pricing submitted by the supplier  
22 providing the equipment or service.

23 (b) Nothing in this section shall be construed to limit an agency’s  
24 ability to select a supplier or procure telecommunications  
25 equipment as long as the supplier’s pricing is preapproved by the  
26 office of the State Chief Information Officer. Agencies shall be  
27 encouraged to procure equipment on a competitive basis. Any  
28 amount in excess of the pricing approved by the office of the State  
29 Chief Information Officer shall not be reimbursed.

30 ~~SEC. 22.~~

31 *SEC. 20.* Section 41139 of the Revenue and Taxation Code is  
32 amended to read:

33 41139. From funds appropriated by the Legislature from the  
34 Emergency Telephone Number Account, the office of the State  
35 Chief Information Officer shall begin paying such bills as provided  
36 in Sections 41137, 41137.1, and 41138 in the 1977–78 fiscal year  
37 for plans submitted by local agencies by July 1, 1976, to the office  
38 of the State Chief Information Officer which the office of the State  
39 Chief Information Officer has approved.

1     ~~SEC. 23.~~

2     *SEC. 21.* Section 41140 of the Revenue and Taxation Code is  
3 amended to read:

4     41140. The office of the State Chief Information Officer shall  
5 reimburse local agencies, from funds appropriated from the  
6 Emergency Telephone Number Account by the Legislature, for  
7 amounts not previously compensated for by another governmental  
8 agency, which have been paid by such agencies for approved  
9 incremental costs or to service suppliers or communication  
10 equipment companies for the following communications services  
11 supplied in connection with the “911” emergency phone number,  
12 provided such local agency plans had been approved by the office  
13 of the State Chief Information Officer:

- 14     (a) A basic system.
- 15     (b) A basic system with telephone central office identification.
- 16     (c) A system employing automatic call routing.
- 17     (d) Approved incremental costs.

18     ~~SEC. 24.~~

19     *SEC. 22.* Section 41141 of the Revenue and Taxation Code is  
20 amended to read:

21     41141. Claims for reimbursement shall be submitted by local  
22 agencies to the office of the State Chief Information Officer, which  
23 shall determine payment eligibility and shall reduce the claim for  
24 charges which exceed the approved incremental costs, approved  
25 contract amounts, or the established tariff rates for such costs. No  
26 claim shall be paid until funds are appropriated by the Legislature.

27     ~~SEC. 25.~~

28     *SEC. 23.* Section 41142 of the Revenue and Taxation Code is  
29 amended to read:

30     41142. Notwithstanding any other provision of this article, if  
31 the Legislature fails to appropriate an amount sufficient to pay  
32 bills submitted to the office of the State Chief Information Officer  
33 by service suppliers or communications equipment companies for  
34 the installation and ongoing communications services supplied  
35 local agencies in connection with the “911” emergency phone  
36 number system, and to pay claims of local agencies which, prior  
37 to the effective date of this part, paid amounts to service suppliers  
38 or communications equipment companies for the installation and  
39 ongoing expenses in connection with the “911” emergency phone  
40 number system, the obligation of service suppliers and local

1 agencies to provide “911” emergency telephone service shall  
2 terminate and such service shall not again be required until the  
3 Legislature has appropriated an amount sufficient to pay such bills  
4 or claims. Nothing in this part shall preclude local agencies from  
5 purchasing or acquiring any communication equipment from  
6 companies other than the telephone service suppliers.

7 ~~SEC. 26.~~

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

10 45855. Any information regarding solid wastes which is  
11 available to the board shall be made available to the Department  
12 of Resources Recycling and Recovery.

13 ~~SEC. 27.~~

14 *SEC. 25.* Section 45863 of the Revenue and Taxation Code is  
15 amended to read:

16 45863. The board shall, in cooperation with the Department  
17 of Resources Recycling and Recovery, the Taxpayers’ Rights  
18 Advocate, and other interested taxpayer-oriented groups, develop  
19 a plan to reduce the time required to resolve petitions for  
20 redetermination and claims for refunds. The plan shall include the  
21 determination of standard timeframes and special review of cases  
22 which take more time than the appropriate standard timeframe.

23 ~~SEC. 28.~~

24 *SEC. 26.* Section 45981 of the Revenue and Taxation Code is  
25 amended to read:

26 45981. (a) The board shall provide any information obtained  
27 under this part to the Department of Resources Recycling and  
28 Recovery.

29 (b) The Department of Resources Recycling and Recovery and  
30 the board may utilize any information obtained pursuant to this  
31 part to develop data on the generation or disposal of solid waste  
32 within the state. Notwithstanding any other provision of this  
33 chapter, the Department of Resources Recycling and Recovery  
34 may make waste generation and disposal data available to the  
35 public.

36 ~~SEC. 29.~~

37 *SEC. 27.* Section 45982 of the Revenue and Taxation Code is  
38 amended to read:

39 45982. Neither the Department of Resources Recycling and  
40 Recovery, nor any person having an administrative duty under

1 Part 9 (commencing with Section 15600) of Division 3 of Title 2  
2 of the Government Code shall disclose the business affairs,  
3 operations, or any other proprietary information pertaining to a  
4 fee payer, except a fee payer which is a public agency, which was  
5 submitted to the board in a report or return required by this part,  
6 or permit any report or copy thereof or any book containing any  
7 abstract or particulars thereof to be seen or examined by any person  
8 not expressly authorized by Section 45981 or this section.  
9 However, the Governor may, by general or special order, authorize  
10 examination of the records maintained by the board under this part  
11 by other state officers, by officers of another state, by the federal  
12 government if a reciprocal arrangement exists, or by any other  
13 person. The information so obtained pursuant to the order of the  
14 Governor shall not be made public except to the extent and in the  
15 manner that the order may authorize that it be made public.

16 *SEC. 28. Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and*  
17 *23, amending Sections 41030, 41031, 41032, 41136.1, 41137,*  
18 *41137.1, 41138, 41139, 41140, 41141, and 41142 of the Revenue*  
19 *and Tax Code, respectively, shall not become operative if Assembly*  
20 *Bill 2408 amends those sections and is enacted prior to this bill.*