

ASSEMBLY BILL

No. 2014

Introduced by Assembly Member Ammiano

February 23, 2012

An act to add Section 64.1 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2014, as introduced, Ammiano. Property taxation: change in ownership: legal entities: task force.

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. Existing property tax law specifies those circumstances in which the transfer of ownership interests in a corporation, partnership, limited liability company, or other legal entity results in a change in ownership of the real property owned by that entity, and generally provides that a change in ownership as so described occurs when a legal entity or other person obtains a controlling or majority ownership interest in the legal entity. Existing law also specifies other circumstances in which certain transfers of ownership interests in legal entities result in a change in ownership of the real property owned by those legal entities.

This bill would require the Legislature to convene a task force composed of specified citizens and officials to update the work done by a task force in 1979 that provided recommendations to the Legislature

regarding the definition of change of ownership described above for complex legal entities, as provided.

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

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

- 1 SECTION 1. Section 64.1 is added to the Revenue and Taxation
- 2 Code, to read:
- 3 64.1. (a) The Legislature shall convene a task force to update
- 4 the work done by a task force in 1979 that provided
- 5 recommendations to the Legislature regarding the definition of
- 6 change of ownership for complex legal entities.
- 7 (b) The task force shall examine all of the following issues
- 8 relating to changes in ownership of real property owned by
- 9 complex legal entities:
- 10 (1) The availability of information.
- 11 (2) The sufficiency of reporting requirements.
- 12 (3) Whether current definitions are sufficient to capture the
- 13 concept of change of ownership.
- 14 (c) The task force shall be composed of a representative group
- 15 of citizens and officials who have been engaged in the issues
- 16 described in subdivision (b), including, but not limited to, assessors,
- 17 researchers, attorneys, members of assessment appeals boards,
- 18 other local officials, and representatives from the State Board of
- 19 Equalization.