

AMENDED IN ASSEMBLY APRIL 30, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

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 amended, 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, *including, among others, 2 members who are county assessors*, 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. *This bill would require the task force to convene its first meeting on or before April 1, 2013, and to submit a report containing specified information to the Legislature within 7 months of the first task force meeting.*

By imposing new duties upon county assessors with respect to their service on the task force, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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) (1) The task force shall be composed of a representative
- 15 group 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~~

1 ~~Equalization~~. *The task force shall consist of 15 members appointed*
2 *as follows:*

3 (A) *Two members, who are members of the State Board of*
4 *Equalization. Of these two members, one shall be appointed by*
5 *the Speaker of the Assembly and one shall be appointed by the*
6 *Senate Committee on Rules.*

7 (B) *Two members, who are county assessors. Of these two*
8 *members, one shall be appointed by the Speaker of the Assembly*
9 *and one shall be appointed by the Senate Committee on Rules.*

10 (C) *Six members of the public. Of these six members, two shall*
11 *be appointed by the Governor, two shall be appointed by the*
12 *Speaker of the Assembly, and two shall be appointed by the Senate*
13 *Committee on Rules.*

14 (D) *One member, who is the Chair of the Senate Committee on*
15 *Governance and Finance, or his or her designee.*

16 (E) *One member, who is the Chair of the Assembly Committee*
17 *on Revenue and Taxation, or his or her designee.*

18 (F) *One member, who is from the Department of Finance. This*
19 *member shall be appointed by the Governor.*

20 (G) *One member, who is from the Controller's Office. This*
21 *member shall be appointed by the Controller's Office.*

22 (H) *One member, who is from the Treasurer's Office. This*
23 *member shall be appointed by the Treasurer's Office.*

24 (2) *In making appointments pursuant to this section, the Speaker*
25 *of the Assembly and the Senate Committee on Rules shall make*
26 *good faith efforts to ensure that their appointments reflect the*
27 *economic, social, and geographic diversity of the state.*

28 (3) *The authority responsible for appointing a member of the*
29 *task force shall appoint each member on or before April 1, 2013.*

30 (d) *The task force shall do both of the following:*

31 (1) *Convene its first meeting on or before June 1, 2013.*

32 (2) *Submit a report to the Legislature within seven months of*
33 *the first task force meeting. The report shall contain the results of*
34 *the examination of the issues specified in subdivision (b).*

35 SEC. 2. *If the Commission on State Mandates determines that*
36 *this act contains costs mandated by the state, reimbursement to*
37 *local agencies and school districts for those costs shall be made*

- 1 *pursuant to Part 7 (commencing with Section 17500) of Division*
- 2 *4 of Title 2 of the Government Code.*

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