

**ASSEMBLY BILL**

**No. 920**

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**Introduced by Assembly Member Ting**

February 22, 2013

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An act to amend Sections 2611.6 and 5151 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 920, as introduced, Ting. Property taxation: tax bill information: interest on refunds.

(1) Existing property tax law requires that each county tax bill, or a statement accompanying that bill, include specified information.

This bill would additionally require that each county tax bill, or a statement accompanying that bill, include a list of services funded by the general ad valorem property tax, as specified.

By imposing a new duty upon local tax officials with respect to information required to be included in each county tax bill, this bill would create 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.

(2) Existing property tax law requires the payment of interest on property tax refunds at the greater of 3% per annum or the county pool apportioned rate.

This bill would eliminate the requirement of the payment of interest on those refunds at 3% per annum and would instead require payment at the county pool apportioned rate.

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

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

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) The general ad valorem property tax supports a large portion  
4 of the public services provided by local governments.

5 (b) For many taxpayers, the connection between the general ad  
6 valorem property tax and the public services they receive is not  
7 clear. While each parcel tax on a county tax bill is itemized, the  
8 general ad valorem property tax, which is usually the larger  
9 amount, is not.

10 (c) Increased transparency, by requiring a list of services funded  
11 by the general ad valorem property tax to be listed on the county  
12 tax bill, will promote taxpayer understanding of how the general  
13 ad valorem property tax is used by local governments in the tax  
14 rate area in which the taxpayer's property is located.

15 SEC. 2. Section 2611.6 of the Revenue and Taxation Code is  
16 amended to read:

17 2611.6. The following information shall be included in each  
18 county tax bill, whether mailed or electronically transmitted, or in  
19 a separate statement accompanying the bill:

20 (a) The full value of locally assessed property, including  
21 assessments made for irrigation district purposes in accordance  
22 with Section 26625.1 of the Water Code.

23 (b) The tax rate required by Article XIII A of the California  
24 Constitution.

25 (c) The rate or dollar amount of taxes levied in excess of the  
26 1-percent limitation to pay for voter-approved indebtedness  
27 incurred before July 1, 1978, or bonded indebtedness for the  
28 acquisition or improvement of real property approved by two-thirds  
29 of the voters on or after June 4, 1986.

30 (d) The amount of any special taxes and special assessments  
31 levied.

1 (e) The amount of any tax rate reduction pursuant to Section  
2 96.8, with the notation: “Tax reduction by (name of jurisdiction).”

3 (f) The amount of any exemptions. Exemptions reimbursable  
4 by the state shall be shown separately.

5 (g) The total taxes due and payable on the property covered by  
6 the bill.

7 (h) Instructions on tendering payment, including the name and  
8 mailing address of the tax collector.

9 (i) The billing of any special purpose parcel tax as required by  
10 paragraph (2) of subdivision (b) of Section 53087.4 of the  
11 Government Code, or any successor to that paragraph.

12 (j) *(1) A list of services funded by the general ad valorem*  
13 *property tax, including, but not limited to, services provided by*  
14 *the county, any city, and any special district, including any school*  
15 *district, in the tax rate area in which the property is located.*

16 *(2) The list of services shall identify the dollar amount paid by*  
17 *the taxpayer for each service and shall be ordered such that the*  
18 *largest expenditure is listed first, with subsequent services ordered*  
19 *by decreasing amounts.*

20 (j)

21 (k) Information specifying all of the following:

22 (1) That if the taxpayer disagrees with the assessed value as  
23 shown on the tax bill, the taxpayer has the right to an informal  
24 assessment review by contacting the assessor’s office.

25 (2) That if the taxpayer and the assessor are unable to agree on  
26 a proper assessed value pursuant to an informal assessment review,  
27 the taxpayer has the right to file an application for reduction in  
28 assessment for the following year with the county board of  
29 equalization or the assessment appeals board, as applicable, and  
30 the time period during which the application will be accepted.

31 (3) The address of the clerk of the county board of equalization  
32 or the assessment appeals board, as applicable, at which forms for  
33 an application for reduction in assessment may be obtained.

34 SEC. 3. Section 5151 of the Revenue and Taxation Code is  
35 amended to read:

36 5151. (a) Interest at ~~the greater of 3 percent per annum or the~~  
37 county pool apportioned rate shall be paid, when that interest is  
38 ten dollars (\$10) or more, on any amount refunded under Section  
39 5096.7, or refunded to a taxpayer for any reason whatsoever.  
40 However, no interest shall be paid under the provisions of this

1 section if the taxpayer has been given the notice required by  
2 Section 2635 and has failed to apply for the refund within 30 days  
3 after the mailing of that notice. For purposes of this section,  
4 “county pool apportioned rate” means the annualized rate of interest  
5 earned on the total amount of pooled idle funds from all accounts  
6 held by the county treasurer, in excess of the county treasurer’s  
7 administrative costs with respect to that amount, as of June 30 of  
8 the fiscal year preceding the date the refund is calculated by the  
9 auditor. For each fiscal year, the county treasurer shall advise the  
10 Controller of the county pool apportioned rate, and of computations  
11 made in deriving that rate, no later than 90 days after the end of  
12 that fiscal year. Any interest paid on a refund at a rate provided  
13 for by this subdivision as it read prior to January 1, 2009, shall be  
14 deemed to be correct.

15 (b) The interest rate provided for in subdivision (a) does not  
16 apply to interest on refunds of those amounts of tax that became  
17 due and payable before March 1, 1993. Interest on refunds of  
18 amounts of a qualified tax shall be paid at that rate provided for  
19 by this section as it read prior to January 1, 1993. As used in this  
20 section, a “qualified tax” means a tax that became due and payable  
21 before March 1, 1993, and had not been refunded as of April 6,  
22 1995. This subdivision shall not be construed to affect the interest  
23 paid on refunds of those amounts of tax that became due and  
24 payable before March 1, 1993, and have been refunded as of April  
25 6, 1995.

26 (c) (1) The interest computation period shall commence with  
27 the date of payment of the tax when any of the following applies:

28 (A) A timely application for reduction in an assessment was  
29 filed, without regard to whether the refund ultimately results from  
30 a judgment or order of a court, an order of a board of equalization  
31 or assessment appeals board, or an assessor’s correction to the  
32 assessment roll.

33 (B) The refund is pursuant to a roll correction resulting from  
34 the determination or adjustment by the assessor or a local  
35 assessment appeals board of a base year value.

36 (C) The refund results from a correction to the assessment roll  
37 pursuant to Section 4831 or 4876.

38 (2) Interest on refunds of taxes on property acquired by a public  
39 agency in eminent domain shall accrue from the date of recordation  
40 of the deed.

1 (3) In all other cases the interest computation period shall  
2 commence on the date of filing a claim for refund or payment of  
3 the tax, whichever is later. However, in the event of the granting  
4 of property tax relief pursuant to Section 69, 69.3, or 170, interest  
5 is not payable on any resulting refund of taxes, provided that  
6 payment of that refund of taxes is made within 120 days after the  
7 county assessor has sent authorization for the reduction to the  
8 county auditor.

9 (d) The computation of interest shall terminate as of a date  
10 within 30 days of the date of mailing or personal delivery of the  
11 refund payment.

12 (e) The interest charged shall be apportioned to the appropriate  
13 funds, as determined by the county auditor.

14 (f) The amendments made to this section by Section 4 of Chapter  
15 801 of the Statutes of 1996 shall apply to all refunds made after  
16 January 1, 1997.

17 SEC. 4. If the Commission on State Mandates determines  
18 that this act contains costs mandated by the state, reimbursement  
19 to local agencies and school districts for those costs shall be made  
20 pursuant to Part 7 (commencing with Section 17500) of Division  
21 4 of Title 2 of the Government Code.