

AMENDED IN ASSEMBLY APRIL 9, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 920**

---

---

**Introduced by Assembly Member Ting**

February 22, 2013

---

---

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 amended, 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~~ *information that indicates what percentage of the general ad valorem property tax is allocated to each local government entity, as specified, and a comprehensive account of all the services funded by local governments, 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

1 acquisition or improvement of real property approved by two-thirds  
2 of the voters on or after June 4, 1986.

3 (d) The amount of any special taxes and special assessments  
4 levied.

5 (e) The amount of any tax rate reduction pursuant to Section  
6 96.8, with the notation: "Tax reduction by (name of jurisdiction)."

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

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

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

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

16 (j) *Beginning with the 2014–15 fiscal year, information that*  
17 *indicates what percentage of the general ad valorem property tax*  
18 *is allocated to each local government jurisdiction including the*  
19 *county, any city, and any special district, including any school*  
20 *district, in the tax rate area in which the property is located.*

21 ~~(j) (1) A list of services funded by the general ad valorem~~  
22 ~~property tax,~~

23 (k) *Beginning with the 2015–16 fiscal year, a comprehensive*  
24 *account of all the services funded by local governments, including,*  
25 *but not limited to, services provided by the county, any city, and*  
26 *any special district, including any school district, in the tax rate*  
27 *area in which the property is located.*

28 ~~(2) The list of services shall identify the dollar amount paid by~~  
29 ~~the taxpayer for each service and shall be ordered such that the~~  
30 ~~largest expenditure is listed first, with subsequent services ordered~~  
31 ~~by decreasing amounts.~~

32 ~~(k)~~

33 (l) Information specifying all of the following:

34 (1) That if the taxpayer disagrees with the assessed value as  
35 shown on the tax bill, the taxpayer has the right to an informal  
36 assessment review by contacting the assessor's office.

37 (2) That if the taxpayer and the assessor are unable to agree on  
38 a proper assessed value pursuant to an informal assessment review,  
39 the taxpayer has the right to file an application for reduction in  
40 assessment for the following year with the county board of

1 equalization or the assessment appeals board, as applicable, and  
2 the time period during which the application will be accepted.

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

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

8 5151. (a) Interest at the county pool apportioned rate shall be  
9 paid, when that interest is ten dollars (\$10) or more, on any amount  
10 refunded under Section 5096.7, or refunded to a taxpayer for any  
11 reason whatsoever. However, no interest shall be paid under the  
12 provisions of this section if the taxpayer has been given the notice  
13 required by Section 2635 and has failed to apply for the refund  
14 within 30 days after the mailing of that notice. For purposes of  
15 this section, “county pool apportioned rate” means the annualized  
16 rate of interest earned on the total amount of pooled idle funds  
17 from all accounts held by the county treasurer, in excess of the  
18 county treasurer’s administrative costs with respect to that amount,  
19 as of June 30 of the fiscal year preceding the date the refund is  
20 calculated by the auditor. For each fiscal year, the county treasurer  
21 shall advise the Controller of the county pool apportioned rate,  
22 and of computations made in deriving that rate, no later than 90  
23 days after the end of that fiscal year. Any interest paid on a refund  
24 at a rate provided for by this subdivision as it read prior to January  
25 1, 2009, shall be deemed to be correct.

26 (b) The interest rate provided for in subdivision (a) does not  
27 apply to interest on refunds of those amounts of tax that became  
28 due and payable before March 1, 1993. Interest on refunds of  
29 amounts of a qualified tax shall be paid at that rate provided for  
30 by this section as it read prior to January 1, 1993. As used in this  
31 section, a “qualified tax” means a tax that became due and payable  
32 before March 1, 1993, and had not been refunded as of April 6,  
33 1995. This subdivision shall not be construed to affect the interest  
34 paid on refunds of those amounts of tax that became due and  
35 payable before March 1, 1993, and have been refunded as of April  
36 6, 1995.

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

39 (A) A timely application for reduction in an assessment was  
40 filed, without regard to whether the refund ultimately results from

1 a judgment or order of a court, an order of a board of equalization  
2 or assessment appeals board, or an assessor's correction to the  
3 assessment roll.

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

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

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

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

20 (d) The computation of interest shall terminate as of a date  
21 within 30 days of the date of mailing or personal delivery of the  
22 refund payment.

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

25 (f) The amendments made to this section by Section 4 of Chapter  
26 801 of the Statutes of 1996 shall apply to all refunds made after  
27 January 1, 1997.

28 SEC. 4. If the Commission on State Mandates determines  
29 that this act contains costs mandated by the state, reimbursement  
30 to local agencies and school districts for those costs shall be made  
31 pursuant to Part 7 (commencing with Section 17500) of Division  
32 4 of Title 2 of the Government Code.