

AMENDED IN ASSEMBLY APRIL 22, 2013

AMENDED IN ASSEMBLY APRIL 9, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**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~~ *Section 5151* of, and to add *Section 2611.8* to, 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 *establish the Property Tax Transparency and Accountability Program as a pilot program which would, commencing with specified fiscal years, require that participating counties to provide specified information in each county tax bill, or a statement accompanying that bill, include including* 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. *This bill would additionally require those participating counties, after the cessation of the pilot program, to provide the Legislature with a report relating to the program, as described.*

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.~~

- 1 ~~(b) The tax rate required by Article XIII A of the California~~  
2 ~~Constitution.~~
- 3 ~~(c) The rate or dollar amount of taxes levied in excess of the~~  
4 ~~1-percent limitation to pay for voter-approved indebtedness~~  
5 ~~incurred before July 1, 1978, or bonded indebtedness for the~~  
6 ~~acquisition or improvement of real property approved by two-thirds~~  
7 ~~of the voters on or after June 4, 1986.~~
- 8 ~~(d) The amount of any special taxes and special assessments~~  
9 ~~levied.~~
- 10 ~~(e) The amount of any tax rate reduction pursuant to Section~~  
11 ~~96.8, with the notation: "Tax reduction by (name of jurisdiction)."~~
- 12 ~~(f) The amount of any exemptions. Exemptions reimbursable~~  
13 ~~by the state shall be shown separately.~~
- 14 ~~(g) The total taxes due and payable on the property covered by~~  
15 ~~the bill.~~
- 16 ~~(h) Instructions on tendering payment, including the name and~~  
17 ~~mailing address of the tax collector.~~
- 18 ~~(i) The billing of any special purpose parcel tax as required by~~  
19 ~~paragraph (2) of subdivision (b) of Section 53087.4 of the~~  
20 ~~Government Code, or any successor to that paragraph.~~
- 21 ~~(j) Beginning with the 2014–15 fiscal year, information that~~  
22 ~~indicates what percentage of the general ad valorem property tax~~  
23 ~~is allocated to each local government jurisdiction including the~~  
24 ~~county, any city, and any special district, including any school~~  
25 ~~district, in the tax rate area in which the property is located.~~
- 26 ~~(k) Beginning with the 2015–16 fiscal year, a comprehensive~~  
27 ~~account of all the services funded by local governments, including,~~  
28 ~~but not limited to, services provided by the county, any city, and~~  
29 ~~any special district, including any school district, in the tax rate~~  
30 ~~area in which the property is located.~~
- 31 ~~(l) Information specifying all of the following:~~
  - 32 ~~(1) That if the taxpayer disagrees with the assessed value as~~  
33 ~~shown on the tax bill, the taxpayer has the right to an informal~~  
34 ~~assessment review by contacting the assessor's office.~~
  - 35 ~~(2) That if the taxpayer and the assessor are unable to agree on~~  
36 ~~a proper assessed value pursuant to an informal assessment review,~~  
37 ~~the taxpayer has the right to file an application for reduction in~~  
38 ~~assessment for the following year with the county board of~~  
39 ~~equalization or the assessment appeals board, as applicable, and~~  
40 ~~the time period during which the application will be accepted.~~

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

4     SEC. 2. Section 2611.8 is added to the Revenue and Taxation  
 5     Code, to read:

6     2611.8. (a) *In order to increase transparency about the use*  
 7     *of general ad valorem property tax revenues by local governments,*  
 8     *the Property Tax Transparency and Accountability Program is*  
 9     *hereby established as a pilot program in each participating county.*  
 10    *Under the pilot program, each participating county shall include*  
 11    *in each county tax bill, in addition to the information specified in*  
 12    *Section 2611.6, the following information:*

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

18    (2) *Beginning with the 2015–16 fiscal year, a comprehensive*  
 19    *account of all the services funded by local governments, including,*  
 20    *but not limited to, services provided by the county, any city, and*  
 21    *any special district, including any school district, in the tax rate*  
 22    *area in which the property is located.*

23    (b) *The pilot program shall remain operative through the*  
 24    *2017–18 fiscal year. Upon cessation of the pilot program, each*  
 25    *participating county shall provide a report to the Legislature*  
 26    *regarding the implementation of the pilot program, including, but*  
 27    *not limited to, any required technology upgrades, workload*  
 28    *adjustments, tax bill designs, costs, and other factors, and any*  
 29    *recommendations regarding how a county can best increase*  
 30    *transparency about the use of general ad valorem property tax*  
 31    *revenues by local governments.*

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

34    5151. (a) Interest at the county pool apportioned rate shall be  
 35    paid, when that interest is ten dollars (\$10) or more, on any amount  
 36    refunded under Section 5096.7, or refunded to a taxpayer for any  
 37    reason whatsoever. However, no interest shall be paid under the  
 38    provisions of this section if the taxpayer has been given the notice  
 39    required by Section 2635 and has failed to apply for the refund  
 40    within 30 days after the mailing of that notice. For purposes of

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

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

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

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

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

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

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

38 (3) In all other cases the interest computation period shall  
39 commence on the date of filing a claim for refund or payment of  
40 the tax, whichever is later. However, in the event of the granting

1 of property tax relief pursuant to Section 69, 69.3, or 170, interest  
2 is not payable on any resulting refund of taxes, provided that  
3 payment of that refund of taxes is made within 120 days after the  
4 county assessor has sent authorization for the reduction to the  
5 county auditor.

6 (d) The computation of interest shall terminate as of a date  
7 within 30 days of the date of mailing or personal delivery of the  
8 refund payment.

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

11 (f) The amendments made to this section by Section 4 of Chapter  
12 801 of the Statutes of 1996 shall apply to all refunds made after  
13 January 1, 1997.

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