

AMENDED IN ASSEMBLY MAY 7, 2013  
AMENDED IN ASSEMBLY APRIL 22, 2013  
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 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: information.~~

~~(1) Existing~~

*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 participating counties to provide specified information in each county tax bill, 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 2611.8 is added to the Revenue and Taxation  
16 Code, to read:

17 2611.8. (a) (1) In order to increase transparency about the  
18 use of general ad valorem property tax revenues by local  
19 governments, the Property Tax Transparency and Accountability

1 Program is hereby established as a pilot program in each  
2 participating county. Under the pilot program, each participating  
3 county shall include in each county tax bill, in addition to the  
4 information specified in Section 2611.6, the following information:

5 (2) *Participating counties shall include one geographically*  
6 *small, one geographically medium, and one geographically large*  
7 *county, and each participating county shall represent different*  
8 *population demographics and service needs.*

9 (b) *Under the pilot program, each participating county shall*  
10 *include in each county tax bill, in addition to the information*  
11 *specified in Section 2611.6, the following information:*

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

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

22 (b)

23 (c) 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.~~

15 *SEC. 3.* If the Commission on State Mandates determines that  
16 this act contains costs mandated by the state, reimbursement to  
17 local agencies and school districts for those costs shall be made  
18 pursuant to Part 7 (commencing with Section 17500) of Division  
19 4 of Title 2 of the Government Code.