

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY APRIL 3, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2415**

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**Introduced by Assembly Member Ting**  
**(Principal coauthor: Assembly Member Cooley)**  
**(Coauthor: Coauthors: Assembly Member Members Bocanegra and**  
**Dababneh)**

February 21, 2014

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An act to add Chapter 14.5 (commencing with Section 22260) to Division 8 of the Business and Professions Code, relating to property tax agents.

LEGISLATIVE COUNSEL'S DIGEST

AB 2415, as amended, Ting. Property tax agents.

Existing law requires every assessor to assess all property subject to general property taxation at its full value and to prepare an assessment roll in which all property within the county that it is the assessor's duty to assess is required to be listed. Existing law requires a county board of equalization or an assessment appeals board to equalize the assessment of property on the local roll for the purpose of taxation. Existing law authorizes a taxpayer, with respect to each assessment year, to file an application for a reduction in an assessment, as provided, with the county board, which is the county board of supervisors meeting as a county board of equalization or an assessment appeals board.

This bill would, commencing ~~September 1, 2015~~, *April 1, 2016*, prohibit a ~~property tax agent~~, *Property Tax Agent*, defined as any individual who is employed, under contract, or otherwise receives

compensation, from communicating directly with any county official for the purpose of influencing official action relating to the establishment of a taxable value for any property subject to taxation, and from representing a taxpayer before a county official, without first being registered and issued a registration number by the Secretary of State. *The bill would provide that a violation of these provisions is a misdemeanor.* The bill would require a Property Tax Agent to ~~file~~ *file*, under penalty of perjury, with the Secretary of State an application for registration that includes specified information and a registration ~~fee~~ *in the amount of \$250 fee, as specified.* *Because this bill would create new crimes, this bill would impose a state-mandated local program.* This

~~This bill would make the registration subject to biennial renewal and require the payment of a \$250 renewal fee. renewal. This bill would prohibit a person from registering, renewing his or her registration, or providing services as a Property Tax Agent require the Secretary of State to issue a cease and desist order to a person who is subject to these provisions if that person has been convicted of a felony or certain other criminal offenses or has had his or her professional license, as specified, revoked. This bill would authorize the Secretary of State to revoke a Property Tax Agent's registration for any violation of these provisions subject to specified procedures, and would require the Secretary of State to send the Property Tax Agent a written notice of intent to revoke prior to the revocation. This bill would also require the Secretary of State to conduct a background check on each property tax agent in accordance with regulations to be developed by the Secretary of State. revoked, and to provide a copy of the notice to the Attorney General.~~

This bill would require the Secretary of State to develop a list of registered property tax agents, and a list of registered property tax agents who have been fined or whose license has been revoked, and to make those lists publicly available on its Internet Web site, as specified. The bill would prohibit a Property Tax Agent from engaging in specified activities, including, but not limited to, representing that the Property Tax Agent can control the official action of any county official and making a gift, as defined, to any county official. The bill would authorize ~~the Secretary of State to pursue imposition of civil penalties not to exceed \$1,500 for the failure to comply with, or a violation of, these provisions subject to specified procedures, and would require the Secretary of State to send the Property Tax Agent a written notice of~~

noncompliance or violation prior to the imposition of these civil penalties each violation of these provisions.

*This bill would require the Attorney General, District Attorney, or City Attorney, as applicable, to notify the Secretary of State of any conviction of, or of any penalty imposed against, a Property Tax Agent pursuant to these provisions. By imposing new duties on city attorneys' offices, this bill would impose a state-mandate local program.*

This bill would preempt and supersede all local ordinances regarding the registration of any individual who communicates directly or indirectly with any county official for the purpose of influencing official action regarding a property tax assessment.

*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 with regard to certain mandates no reimbursement is required by this act for a specified reason.*

*With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.*

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

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

1 SECTION 1. Chapter 14.5 (commencing with Section 22260)  
2 is added to Division 8 of the Business and Professions Code, to  
3 read:

4  
5 CHAPTER 14.5. PROPERTY TAX AGENTS

6  
7 22260. The following definitions apply for purposes of this  
8 chapter:

9 (a) "County official" means the county assessor, an assessment  
10 appeals board member, an assessment hearing officer, and any  
11 other county employee within those offices whose duties are not  
12 primarily clerical or manual.

1 (b) “Gift” shall be defined as set forth in the Political Reform  
 2 Act of 1974 (Title 9 (commencing with Section 81000) of the  
 3 Government Code) and the regulations adopted thereunder.

4 (c) (1) “Influencing official action” means representing a  
 5 taxpayer as an agent in connection with any matter before any  
 6 county official by promoting, supporting, influencing, seeking  
 7 modification of, opposing, or seeking delay of any official action  
 8 by any means.

9 (2) *The following shall not be considered to be influencing*  
 10 *official action:*

11 ~~(2)~~

12 (A) The filing or submitting of required county forms for  
 13 compliance purposes and communication related to these filings  
 14 shall not be considered to be influencing official action.

15 (B) *The act of contacting, or being contacted by, a county*  
 16 *official solely for the purpose of ascertaining the current status of*  
 17 *any of the following:*

18 (i) *A property’s taxable value.*

19 (ii) *A pending property tax refund.*

20 (iii) *A pending property tax exemption application.*

21 (d) “Official action” means establishing a taxable value for any  
 22 property subject to property taxation, including initial value,  
 23 declines in value, corrections to values and any other changes in  
 24 the taxable value set; completing an assessment roll showing the  
 25 assessed values of all property; applying all legal exemptions to  
 26 assessments; issuing refunds; and deciding all property assessment  
 27 disputes between taxpayers and a county official.

28 (e) “Public official” and “public employee” mean any  
 29 government official or employee of any state or local government  
 30 agency.

31 (f) “Property Tax Agent” means any individual who is  
 32 employed, under contract, or otherwise receives compensation to  
 33 communicate directly, or through agents, employees, or  
 34 subcontractors, with any county official for the purpose of  
 35 influencing official action. A Property Tax Agent shall not include:

36 (1) An elected or appointed public official or public employee  
 37 when acting in his or her official capacity.

38 (2) A person representing any of the following:

39 (A) Himself or herself.

40 (B) An immediate family member.

1 (C) An entity of which the person is a partner or owner of 10  
2 percent or more of the value of the entity.

3 (3) An in-house tax professional or in-house employee  
4 representing his or her employer by influencing official action.

5 (4) *A person who, accompanying the taxpayer or a registered*  
6 *Property Tax Agent, only provides their expert opinion to a county*  
7 *official.*

8 22260.1. (a) (1) ~~Each Property Tax Agent, within 30 days of~~  
9 ~~becoming a Property Tax Agent, Agent shall file, under penalty~~  
10 ~~of perjury, with the Secretary of State an application for a~~  
11 ~~registration containing the following information:~~

12 (A) The Property Tax Agent's full name, business address,  
13 business telephone number, ~~and~~ business email address, *date of*  
14 *birth, and previous Property Tax Agent number issued by the*  
15 *Secretary of State, if applicable.*

16 (B) The name of the Property Tax Agent's employing tax agent  
17 firm, if applicable.

18 (C) *A statement affirming that the person has not:*

19 (i) *Been convicted of any felony under state or federal tax laws.*

20 (ii) *Been convicted of any other criminal offense involving*  
21 *dishonesty, breach of trust, or moral turpitude.*

22 (iii) *Had his or her professional license to practice as an*  
23 *attorney, certified public accountant, public accountant, or actuary*  
24 *revoked by any duly constituted authority of any state, territory,*  
25 *or possession of the United States, including a commonwealth, or*  
26 *the District of Columbia, any court of record, or any agency, body,*  
27 *or board.*

28 (C)

29 (D) A statement that the Property Tax Agent has read and  
30 understands the duties and prohibitions contained in Section  
31 22260.6.

32 (2) *Providing false information on the application for*  
33 *registration shall subject the Property Tax Agent to a cease and*  
34 *desist order by the Secretary of State.*

35 (2)

36 (3) A Property Tax Agent shall also pay the Secretary of State  
37 a registration fee in the amount of two hundred fifty dollars ~~(\$250).~~  
38 ~~(\$250) or a fee not to exceed the amount necessary to administer~~  
39 ~~this chapter.~~

1 (b) If the requirements of subdivision (a) are satisfied, the  
2 Secretary of State shall issue a Property Tax Agent registration  
3 number to the Property Tax Agent within ~~5~~ \_\_\_ business days.

4 (c) *Beginning on January 1, 2016, the Secretary of State shall*  
5 *accept applications for a registration from Property Tax Agents.*

6 (e)  
7 (d) ~~Beginning September 1, 2015,~~ *April 1, 2016,* a Property Tax  
8 Agent shall not represent taxpayers before a county official without  
9 first being registered and issued a registration number pursuant to  
10 this section. *The Secretary of State shall provide the Property Tax*  
11 *Agent the same registration number should that Property Tax*  
12 *Agent reregister at a subsequent date.*

13 (d)  
14 (e) A registration issued pursuant to this section shall expire  
15 two years from its date of issuance unless and until that person  
16 terminates the registration or the registration is revoked pursuant  
17 to Section 22260.8. ~~An expired registration may be renewed~~  
18 ~~biennially if the registrant pays an annual renewal registration fee~~  
19 ~~in the amount of two hundred fifty dollars (\$250) to the Secretary~~  
20 ~~of State.~~

21 (e) ~~A person may not register, renew his or her registration, or~~  
22 ~~provide services as a Property Tax Agent if that person:~~

23 (1) ~~Has been convicted of any felony under state or federal tax~~  
24 ~~laws.~~

25 (2) ~~Has been convicted of any other criminal offense involving~~  
26 ~~dishonesty, breach of trust, or moral turpitude.~~

27 (3) ~~Has had his or her professional license to practice as an~~  
28 ~~attorney, certified public accountant, public accountant, or actuary~~  
29 ~~revoked by any duly constituted authority of any state, territory,~~  
30 ~~or possession of the United States, including a commonwealth, or~~  
31 ~~the District of Columbia, any court of record, or any agency, body,~~  
32 ~~or board.~~

33 (f) ~~The Secretary of State shall conduct a background check on~~  
34 ~~each Property Tax Agent applicant in accordance with rules and~~  
35 ~~regulations developed by the Secretary of State.~~

36 (f) *The Secretary of State, 30 days prior to the expiration of the*  
37 *registration, shall send to the Property Tax Agent a notice of the*  
38 *registration's expiration.*

1 (g) Registration fees collected pursuant to this chapter shall be  
2 deposited in the Secretary of State's Business Fees Fund  
3 established in Section 12176 of the Government Code.

4 22260.2. A county supervisor or a member of a county  
5 assessment appeals board shall not act as a Property Tax Agent in  
6 the county in which they currently serve as a county supervisor or  
7 as a member of a county assessment appeals board.

8 22260.3. (a) Within ~~30~~ 10 days of any change in any of the  
9 registration information submitted pursuant to Section 22260.1, a  
10 Property Tax Agent shall file updated registration information with  
11 the Secretary of State.

12 (b) When a Property Tax Agent ceases all activities related to  
13 influencing official action, this fact shall be reported to the  
14 Secretary of State.

15 (c) It shall be a ~~violation of this chapter~~ *misdemeanor* for any  
16 person to act as a Property Tax Agent if that person is not registered  
17 as a Property Tax Agent pursuant to Section 22260.1 or if that  
18 person was previously registered as a Property Tax Agent pursuant  
19 to Section 22260.1 but that person is no longer registered as a  
20 Property Tax Agent.

21 22260.4. This chapter shall not be construed to prohibit a  
22 county from, by ordinance, enacting Property Tax Agent reporting  
23 requirements for campaign contributions to elected officials in that  
24 ~~county~~ *county or prohibiting such campaign contributions.*

25 22260.5. (a) ~~The secretary~~ *Secretary of State* shall develop a  
26 list of registered Property Tax Agents and make that list available  
27 to the public on its Internet Web site.

28 (b) ~~The secretary~~ *Secretary of State* shall develop a list of  
29 registered Property Tax Agents, who after exhausting their  
30 administrative remedies, have been ~~fin~~ *fin*ed, or whose license  
31 has been revoked, and post the names and business addresses of  
32 those Property Tax Agents on the secretary's Internet Web site.

33 22260.6. A property tax agent shall not engage in any of the  
34 following activities:

35 (a) Use, or participate in the use of, any public communication  
36 or private solicitation containing false, misleading, fraudulent, or  
37 deceptive representations, or intimate that the Property Tax Agent  
38 is able to improperly obtain special consideration or action from  
39 the county of any county official.

1 (b) Act as or attempt to act as, or claim to be the Property Tax  
2 Agent of a taxpayer, or represent a taxpayer before a county or  
3 any county official, without the authorization of that taxpayer.

4 (c) Violate Section 17533.6 or 17537.9 of the California  
5 Business and Professions Code.

6 (d) Knowingly aid and abet another person to practice as a  
7 Property Tax Agent before the county or a county official during  
8 a period when the other person has been deregistered as a Property  
9 Tax Agent or otherwise is ineligible to lawfully act as a Property  
10 Tax Agent.

11 (e) Directly or indirectly attempt to influence, or offer or agree  
12 to attempt to influence, the official action of any county official  
13 by the use of threats, false accusations, duress, or coercion, by the  
14 offer of any special inducement or promise of an advantage or by  
15 bestowing any gift, campaign contribution, favor, or thing of value.

16 (f) Do anything with the purpose of placing any county official  
17 under personal obligation to the Property Tax Agent or another.

18 (g) Represent, either directly or indirectly, that the Property Tax  
19 Agent can control the official action of any county official.

20 (h) Make a gift or gifts of any monetary value to a county  
21 official. A Property Tax Agent shall not act as an agent or  
22 intermediary in the making of any gift or arrange for the making  
23 of any gift from any other person.

24 ~~22260.7.—(a) If, after investigation, it is determined by the~~  
25 ~~Secretary of State that any Property Tax Agent fails to comply~~  
26 ~~with, or is in violation of, this chapter, the Secretary of State shall~~  
27 ~~send the Property Tax Agent a written notice of Property Tax~~  
28 ~~Agent noncompliance or violation.~~

29 ~~(b) Any person may file a complaint with the Secretary of State~~  
30 ~~that any Property Tax Agent has not complied with, or has violated~~  
31 ~~this, chapter.~~

32 ~~(c) The Secretary of State shall have the discretion to pursue~~  
33 ~~civil penalties for noncompliance with, or violation of, this chapter.~~  
34 ~~The Secretary of State shall be designated as the enforcement~~  
35 ~~officer for determination and imposition of the civil penalties.~~

36 ~~(d) Notwithstanding subdivision (c), a civil penalty shall not be~~  
37 ~~imposed if the first noncompliance with, or violation of this,~~  
38 ~~chapter is cured within 30 days of the date on which the Secretary~~  
39 ~~of State sends written notice of the noncompliance with, or~~  
40 ~~violation of, this chapter to the Property Tax Agent.~~

1 ~~(e) Any noncompliance with, or violation of, this chapter is~~  
2 ~~punishable by a civil penalty not to exceed one thousand five~~  
3 ~~hundred dollars (\$1,500).~~

4 ~~(f) The civil penalty may be imposed by the Secretary of State~~  
5 ~~if a hearing is not requested pursuant to Section 22260.9. If a~~  
6 ~~hearing is requested, the hearing officer shall make the~~  
7 ~~determination.~~

8 ~~(g) Any civil penalties collected pursuant to this section shall~~  
9 ~~be transferred to the General Fund.~~

10 ~~22260.8. (a) Notwithstanding any other provision of this~~  
11 ~~chapter, if, after investigation, it is determined by the Secretary of~~  
12 ~~State that any Property Tax Agent, subsequent to his or her~~  
13 ~~registration, is ineligible to renew his or her registration or is unable~~  
14 ~~to provide services as a Property Tax Agent due to any of the~~  
15 ~~reasons specified in subdivision (c) of Section 22260.1, the~~  
16 ~~Secretary of State shall send the Property Tax Agent a written~~  
17 ~~notice of intent to revoke that Property Tax Agent's registration~~  
18 ~~within 30 days of the issuance of the notice of intent to revoke.~~

19 ~~(b) Any person may file a complaint with the Secretary of State~~  
20 ~~that any Property Tax Agent has violated subdivision (c) of Section~~  
21 ~~22260.1.~~

22 ~~(c) The Secretary of State shall have the discretion to revoke~~  
23 ~~any Property Tax Agent's registration if a Property Tax Agent is~~  
24 ~~ineligible to renew his or her registration or is unable to provide~~  
25 ~~services as a Property Tax Agent due to any of the reasons specified~~  
26 ~~in subdivision (c) of Section 22260.1. The Secretary of State shall~~  
27 ~~be designated as the enforcement officer for determination of~~  
28 ~~revocation of a Property Tax Agent's registration.~~

29 ~~(d) The registration may be revoked by the Secretary of State~~  
30 ~~if a hearing is not requested pursuant to Section 22260.9. If a~~  
31 ~~hearing is requested, the hearing officer shall make the~~  
32 ~~determination.~~

33 ~~22260.9. (a) Prior to the imposition of a civil penalty pursuant~~  
34 ~~to Section 22260.7 or the revocation of a registration pursuant to~~  
35 ~~Section 22260.8, the person affected shall have a right to a hearing~~  
36 ~~on the matter. The request for a hearing shall be submitted in~~  
37 ~~writing within 15 days of the issuance of the notice of~~  
38 ~~noncompliance or violation or the notice of intent to revoke.~~

1 ~~(b) The hearing shall be conducted in accordance with Chapter~~  
2 ~~5 (commencing with Section 11500) of Part 1 of Division 3 of~~  
3 ~~Title 2 of the Government Code.~~

4 ~~22260.10. Subject to the Administrative Procedure Act (Chapter~~  
5 ~~3.5 (commencing with Section 11340) of Part 1 of Division 3 of~~  
6 ~~Title 2 of the Government Code), the Secretary of State may~~  
7 ~~develop rules and regulations for the administration of this chapter.~~

8 *22260.7. The Secretary of State shall issue a cease and desist*  
9 *order to a person subject to the provisions of this chapter who had*  
10 *his or her professional license to practice as an attorney, certified*  
11 *public accountant, public accountant, or actuary revoked, or has*  
12 *been convicted of any felony under state or federal tax laws, or*  
13 *has been convicted of any other criminal offense involving*  
14 *dishonesty, breach of trust, or moral turpitude, and shall provide*  
15 *a copy of the notice to the Attorney General. Prior to issuing a*  
16 *cease and desist order to a person pursuant to this subdivision,*  
17 *the Secretary of State shall provide the person with written notice*  
18 *and an opportunity to demonstrate that grounds for disqualification*  
19 *do not exist.*

20 *22260.8. (a) A person who violates this chapter shall be subject*  
21 *to a civil penalty not to exceed one thousand five hundred dollars*  
22 *(\$1,500) in a civil action for each violation brought in the name*  
23 *of the people of the State of California by the Attorney General, a*  
24 *district attorney, or a city attorney.*

25 *(b) The court shall impose a civil penalty for each violation of*  
26 *this chapter. In assessing the amount of the civil penalty, the court*  
27 *may consider relevant circumstances presented, including, but not*  
28 *limited to, the following:*

29 *(1) The nature and seriousness of the misconduct.*

30 *(2) The number of violations.*

31 *(3) The persistence of the misconduct.*

32 *(4) The length of time over which the misconduct occurred.*

33 *(5) The willfulness of the defendant's misconduct.*

34 *(6) The defendant's assets, liabilities, and net worth.*

35 *(c) If the Attorney General brings the action, one-half of the*  
36 *civil penalty collected shall be paid to the treasurer of the county*  
37 *in which the judgment was entered, and one-half to the General*  
38 *Fund. If a district attorney brings the action, the civil penalty*  
39 *collected shall be paid to the treasurer of the county in which the*  
40 *judgment was entered. If a city attorney brings the action, one-half*

1 of the civil penalty collected shall be paid to the treasurer of the  
2 city in which the judgment was entered, and one-half to the  
3 treasurer of the county in which the judgment was entered.

4 (d) Notwithstanding subdivision (a), a penalty shall not be  
5 imposed if the first noncompliance with, or violation of, this chapter  
6 is cured within 30 days of the date on which the Secretary of State  
7 issues a cease and desist order pursuant to Section 22260.7 to a  
8 person subject to this chapter.

9 22260.9. The Attorney General, District Attorney, or City  
10 Attorney shall notify the Secretary of State of both of the following:

11 (a) Any conviction of a Property Tax Agent under Section  
12 22260.3. The prosecuting office shall make this notification.

13 (b) Any civil penalty imposed against a Property Tax Agent  
14 pursuant to Section 22260.8. The office bringing the action shall  
15 make this notification.

16 22260.11. The provisions of this chapter shall preempt and  
17 supersede all local ordinances regarding the registration of any  
18 individual who communicates directly or indirectly with any county  
19 official for the purpose of influencing official action regarding a  
20 property tax assessment.

21 SEC. 2. No reimbursement is required by this act pursuant to  
22 Section 6 of Article XIII B of the California Constitution for certain  
23 costs that may be incurred by a local agency or school district  
24 because, in that regard, this act creates a new crime or infraction,  
25 eliminates a crime or infraction, or changes the penalty for a crime  
26 or infraction, within the meaning of Section 17556 of the  
27 Government Code, or changes the definition of a crime within the  
28 meaning of Section 6 of Article XIII B of the California  
29 Constitution.

30 However, if the Commission on State Mandates determines that  
31 this act contains other costs mandated by the state, reimbursement  
32 to local agencies and school districts for those costs shall be made  
33 pursuant to Part 7 (commencing with Section 17500) of Division  
34 4 of Title 2 of the Government Code.