

AMENDED IN SENATE AUGUST 5, 2014

AMENDED IN SENATE JUNE 25, 2014

AMENDED IN SENATE JUNE 12, 2014

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)  
(Coauthors: Assembly 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, *and to amend Section 12195 of the Government 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 April 1, 2016, prohibit a Property Tax Agent, defined as any individual who is employed, under contract, or otherwise receives compensation, from communicating directly or indirectly 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, including 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, under penalty of perjury, with the Secretary of State an application for registration that includes specified information and a registration fee, as specified. Because this bill would create new crimes, this bill would impose a state-mandated local program.

This bill would make the registration subject to biennial renewal. This bill would require the Secretary of State to issue a cease and desist order to ~~a person who is subject to these provisions~~ *Property Tax Agent* 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;~~ ~~to a Property Tax Agent who engages in prohibited activities, and to an individual who acts as a Property Tax Agent without registering,~~ *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 Property Tax Agents who, after exhausting their administrative remedies, have been issued a cease and desist order, fined or convicted for committing specified violations, or whose license, as specified, has been revoked, and to make those lists publicly available on its Internet Web site, as specified. The bill would provide that a Property Tax Agent is subject to ~~disqualification~~ *suspension or termination of his or her registration* for engaging in specified activities and would authorize the imposition of civil penalties not to exceed \$1,500 for 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 *or change in eligibility* imposed against, a Property Tax Agent pursuant to these provisions. By imposing new duties on city attorneys' offices, this bill would impose a state-mandated 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: 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.

13 (b) "Gift" shall be defined as set forth in the Political Reform  
14 Act of 1974 (Title 9 (commencing with Section 81000) of the  
15 Government Code) and the regulations adopted thereunder.

16 (c) (1) "Influencing official action" means representing a  
17 taxpayer as an agent in connection with any matter before any  
18 county official by promoting, supporting, influencing, seeking  
19 modification of, opposing, or seeking delay of any official action  
20 by any means.

21 (2) The following shall not be considered to be influencing  
22 official action:

1 (A) ~~The filing or submitting of required county forms for~~  
 2 ~~compliance purposes and communication related to these filings~~  
 3 ~~shall not be considered to be influencing official action.~~  
 4 *preparation, filing, or submitting of a form required by a county*  
 5 *official for compliance purposes and communication with a county*  
 6 *official related to factual information set forth, or required to be*  
 7 *set forth, in that form, including communication occurring as a*  
 8 *result of a statutory audit of that form by a county official.*

9 (B) The act of contacting, or being contacted by, a county  
 10 official solely for the purpose of ascertaining the current status of,  
 11 *or the methodology used by the county assessor in establishing,*  
 12 any of the following:

- 13 (i) A property’s taxable value.
- 14 (ii) A pending property tax refund.
- 15 (iii) A pending property tax ~~exemption~~ *transfer of base year*  
 16 *value, exemption application, or exclusion application.*

17 (C) *If, while engaging in the activities described in*  
 18 *subparagraph (A) or (B), an individual becomes engaged in*  
 19 *influencing official action, the individual shall have 10 business*  
 20 *days to file an application for registration as a Property Tax Agent.*

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~~ *his or her* expert opinion  
7 to a county official.

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

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

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

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

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

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

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

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

30 (2) ~~Intentionally providing~~ *Providing* false information on the  
31 application for registration shall disqualify an individual from  
32 registration as a Property Tax Agent and subject ~~a person who was~~  
33 ~~previously registered as a~~ *the* Property Tax Agent to the issuance  
34 of a cease and desist order by the Secretary of State.

35 (3) (A) A Property Tax Agent shall ~~also~~ pay the Secretary of  
36 State a registration fee in the amount of ~~two hundred fifty dollars~~  
37 ~~(\$250) or a fee not to exceed the amount necessary to administer~~  
38 ~~this chapter.~~ *prescribed by subdivision (f) of Section 12195 of the*  
39 *Government Code. The fee shall be deposited in the Secretary of*

1 *State's Business Fees Fund established in Section 12176 of the*  
2 *Government Code.*

3 (B) The Secretary of State may cancel the registration of a  
4 Property Tax Agent if a check or other remittance accepted as  
5 payment for the registration or reissuance of a registration is not  
6 paid upon presentation to the financial institution upon which the  
7 check or other remittance was drawn. Upon receiving written  
8 notification that the item presented for payment has not been  
9 honored for payment, the Secretary of State shall first issue a  
10 written notice of the applicability of this section to the Property  
11 Tax Agent or the person who submitted the payment instrument.  
12 Thereafter, if the amount is not paid by a cashier's check or the  
13 equivalent in certified funds, the Secretary of State shall issue a  
14 second written notice of cancellation and the cancellation shall  
15 thereupon be effective. The second written notice shall be issued  
16 at least 20 days after the first notice, and no more than 90 days  
17 after the date of the issuance or reissuance of the registration  
18 number.

19 (b) If the requirements of subdivision (a) are satisfied, the  
20 Secretary of State shall issue a Property Tax Agent registration  
21 number to the Property Tax Agent.

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

24 (d) Beginning April 1, 2016, a Property Tax Agent shall not  
25 represent taxpayers before a county official without first being  
26 registered and issued a registration number pursuant to this section.  
27 The Secretary of State shall provide the Property Tax Agent the  
28 same registration number should that Property Tax Agent reregister  
29 at a subsequent date.

30 (e) A registration issued pursuant to this section shall expire  
31 two years from its date of issuance unless and until that person  
32 ~~Property Tax Agent terminates the registration or until that person~~  
33 ~~no longer qualifies as a registrant.~~ *registration, the Secretary of*  
34 *State issues a cease and desist order, or a court suspends or*  
35 *terminates the person's eligibility to register.*

36 (f) The Secretary of State, at least 30 days but no more than 90  
37 days, prior to the expiration of the registration, shall send to the  
38 Property Tax Agent a notice of the 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 22260.3. (a) Within 10 days of any change in any of the  
5 registration information submitted pursuant to Section 22260.1, a  
6 Property Tax Agent shall file updated accurate registration  
7 information with the Secretary of State.

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

11 (c) It shall be a misdemeanor for any person to act as a Property  
12 Tax Agent if that person ~~intentionally~~ provided false information  
13 relating to the statements required by subparagraph (C) of  
14 paragraph (1) of subdivision (a) of Section 22260.1 ~~for at the time~~  
15 ~~of his or her registration, or~~ if that person is not registered as a  
16 Property Tax Agent pursuant to Section 22260.1.

17 22260.4. This chapter shall not be construed to prohibit a  
18 county from, by ordinance, enacting Property Tax Agent reporting  
19 requirements for campaign contributions to elected officials in that  
20 county or prohibiting such campaign contributions.

21 22260.5. (a) The Secretary of State shall develop a list of  
22 registered Property Tax Agents and make that list available to the  
23 public on its Internet Web site.

24 (b) The Secretary of State shall develop a list of registered  
25 Property Tax Agents, who after exhausting their administrative  
26 remedies, have been issued a cease and desist order, fined for or  
27 convicted of a violation of this chapter, or whose license as an  
28 attorney, certified public accountant, public accountant, or actuary  
29 has been revoked, and *shall* post the names and business addresses  
30 of those Property Tax Agents on the ~~secretary's~~ *Secretary of State's*  
31 Internet Web site.

32 22260.6. A ~~property tax agent~~ *Property Tax Agent* shall be  
33 subject to ~~disqualification~~ *civil penalties, and may be subject to*  
34 *suspension or termination of his or her Property Tax Agent*  
35 *registration, pursuant to Section 22260.8, for engaging in any of*  
36 *the following activities:*

37 (a) Use, or participate in the use of, any public communication  
38 or private solicitation containing false, misleading, fraudulent, or  
39 deceptive representations, or intimate that the Property Tax Agent

1 is able to improperly obtain special consideration or action from  
2 the county of any county official.

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

6 (c) Violate Section 17533.6 or 17537.9 of the Business and  
7 Professions Code.

8 (d) Knowingly aid and abet another person to practice as a  
9 Property Tax Agent before the county or a county official during  
10 a period when the other person is not currently registered by the  
11 Secretary of State as a Property Tax Agent.

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

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

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

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

25 (i) Act as a Property Tax Agent in a county in which he or she  
26 serves as a county supervisor *or* as a member of the assessment  
27 appeals board.

28 (j) Make a campaign contribution to a *county assessor, a*  
29 *candidate for office of county-assessor assessor,* or member of the  
30 State Board of Equalization.

31 22260.7. (a) The Secretary of State shall issue a cease and  
32 desist order to ~~a person subject to the provisions of this chapter~~  
33 ~~who had his or her professional license to practice as an attorney,~~  
34 ~~certified public accountant, public accountant, or actuary revoked,~~  
35 ~~or has been convicted of any felony under state or federal tax laws,~~  
36 ~~or has been convicted of any other criminal offense involving~~  
37 ~~dishonesty, breach of trust, or moral turpitude, and shall provide~~  
38 ~~a copy of the order to the Attorney General. Unless the person has~~  
39 ~~been punished by imposition of a civil penalty pursuant to Section~~  
40 ~~22260.8, prior to issuing a cease and desist order to a person~~

1 ~~pursuant to this subdivision, the Secretary of State shall provide~~  
2 ~~the person with written notice and an opportunity to demonstrate~~  
3 ~~that grounds for the cease and desist order do not exist. a registered~~  
4 ~~Property Tax Agent if the Secretary of State is notified, pursuant~~  
5 ~~to Section 22260.3, or otherwise discovers that either of the~~  
6 ~~following circumstances exist:~~

7 ~~(1) The Property Tax Agent had his or her professional license~~  
8 ~~to practice as an attorney, certified public accountant, public~~  
9 ~~accountant, or actuary revoked.~~

10 ~~(2) The Property Tax Agent has been convicted of any felony~~  
11 ~~under state or federal tax laws or has been convicted of any other~~  
12 ~~criminal offense involving dishonesty, breach of trust, or moral~~  
13 ~~turpitude.~~

14 ~~(b) The Secretary of State shall provide a copy of the cease and~~  
15 ~~desist order to the Attorney General.~~

16 ~~(c) Prior to issuing a cease and desist order to a registered~~  
17 ~~Property Tax Agent pursuant to this section, the Secretary of State~~  
18 ~~shall provide the Property Tax Agent with a written notice and an~~  
19 ~~opportunity to demonstrate that grounds for the cease and desist~~  
20 ~~order do not exist.~~

21 ~~(d) If the Secretary of State is notified by the Attorney General,~~  
22 ~~a district attorney, or city attorney pursuant to Section 22260.9,~~  
23 ~~the Secretary of State shall suspend or permanently terminate the~~  
24 ~~Property Tax Agent's registration, as appropriate, and update the~~  
25 ~~list of Property Tax Agents established pursuant to Section~~  
26 ~~22260.5.~~

27 ~~(b) The Secretary of State shall issue a cease and desist order~~  
28 ~~to a Property Tax Agent who commits any of the acts listed in~~  
29 ~~Section 22260.6, and shall provide a copy of the order to the~~  
30 ~~Attorney General. Unless the person has been punished by~~  
31 ~~imposition of a civil penalty pursuant to Section 22260.8, prior to~~  
32 ~~issuing a cease and desist order to a person pursuant to this~~  
33 ~~subdivision, the Secretary of State shall provide the person with~~  
34 ~~written notice and an opportunity to demonstrate that grounds for~~  
35 ~~the cease and desist order do not exist.~~

36 ~~(e) The Secretary of State shall issue a cease and desist order~~  
37 ~~to an individual who is employed, under contract, or otherwise~~  
38 ~~receives compensation to communicate directly, or through agents,~~  
39 ~~employees, or subcontractors, with any county official for the~~  
40 ~~purpose of influencing official action who has not registered as a~~

1 ~~Property Tax Agent pursuant to Section 22260.1, and shall provide~~  
 2 ~~a copy of the order to the Attorney General.~~  
 3 22260.8. (a) A person who violates this chapter shall be subject  
 4 to a civil penalty not to exceed one thousand five hundred dollars  
 5 (\$1,500) in a civil action for each violation brought in the name  
 6 of the people of the State of California by the Attorney General,  
 7 a district attorney, or a city attorney.  
 8 (b) The court shall impose a civil penalty for each violation of  
 9 this chapter *and may determine if a person who violates this*  
 10 *chapter shall remain eligible to be a Property Tax Agent or if that*  
 11 *person's eligibility shall be suspended or permanently terminated.*  
 12 In assessing the amount of the civil penalty, *and in determining*  
 13 *eligibility, suspension, or termination,* the court may consider  
 14 relevant circumstances presented, including, but not limited to,  
 15 the following:  
 16 (1) The nature and seriousness of the misconduct.  
 17 (2) The number of violations.  
 18 (3) The persistence of the misconduct.  
 19 (4) The length of time over which the misconduct occurred.  
 20 (5) The willfulness of the defendant's misconduct.  
 21 (6) The defendant's assets, liabilities, and net worth.  
 22 (c) If the Attorney General brings the action, one-half of the  
 23 civil penalty collected shall be paid to the treasurer of the county  
 24 in which the judgment was entered for distribution to the county  
 25 general fund, and one-half to the state's General Fund. If a district  
 26 attorney brings the action, the civil penalty collected shall be paid  
 27 to the treasurer of the county in which the judgment was entered  
 28 for distribution to the county general fund. If a city attorney brings  
 29 the action, one-half of the civil penalty collected shall be paid to  
 30 the treasurer of the city in which the judgment was entered for  
 31 distribution to the city's general fund, and one-half to the treasurer  
 32 of the county in which the judgment was entered for distribution  
 33 to the county general fund.  
 34 ~~(d) Notwithstanding subdivision (a), a penalty shall not be~~  
 35 ~~imposed if the first noncompliance with, or violation of, this~~  
 36 ~~chapter is cured within 30 days of the date on which the Secretary~~  
 37 ~~of State issues a cease and desist order pursuant to Section 22260.7~~  
 38 ~~to a person subject to this chapter.~~

1 22260.9. The Attorney General, District Attorney, or City  
2 Attorney shall notify the Secretary of State of ~~both~~ *either* of the  
3 following:

4 (a) Any conviction of a Property Tax Agent under Section  
5 22260.3. The prosecuting office shall make this notification.

6 (b) Any civil penalty *or change in eligibility* imposed against  
7 a Property Tax Agent pursuant to Section 22260.8. The office  
8 bringing the action shall make this notification.

9 22260.11. The provisions of this chapter shall preempt and  
10 supersede all local ordinances regarding the registration of any  
11 individual who communicates directly or indirectly with any county  
12 official for the purpose of influencing official action regarding a  
13 property tax assessment.

14 *SEC. 2. Section 12195 of the Government Code is amended to*  
15 *read:*

16 12195. (a) Special filing fees for joint powers agreements are  
17 the following:

18 (1) Filing a notice of a joint powers agreement: One dollar (\$1).

19 (2) Filing an amendment of a joint powers agreement: One  
20 dollar (\$1).

21 (3) Filing an executed copy of each agreement, lease, or  
22 equipment trust certificate for an agency that financed or refinanced  
23 transit equipment or transferred federal income tax benefits with  
24 respect to transit equipment pursuant to subdivision (a) of Section  
25 6518: One dollar (\$1).

26 (b) Special filing fees for athlete agents are the following:

27 (1) Filing an athlete agent disclosure statement: Thirty dollars  
28 (\$30).

29 (2) Filing an amendment to an athlete agent disclosure statement:  
30 Twenty dollars (\$20).

31 ~~(c) Special filing fees for a durable power of attorney for health~~  
32 ~~care are the following:~~

33 ~~(1) Filing a durable power of attorney for health care~~  
34 ~~registration: No fee.~~

35 ~~(2) Filing an amendment to a durable power of attorney for~~  
36 ~~health care: No fee.~~

37 ~~(d)~~

38 (c) The special filing fee for registering a claim as successor in  
39 interest is ten dollars (\$10).

40 (e)

1 (d) The special filing fee for issuing a certificate of official  
2 character is twenty dollars (\$20).

3 (e) *Special filing fees for a Property Tax Agent registration are*  
4 *the following:*

5 (1) *Filing a Property Tax Agent registration: one hundred*  
6 *dollars (\$100) or a fee established by the Secretary of State in an*  
7 *amount so that the total amount of fees collected pursuant to this*  
8 *subdivision do not exceed the amount necessary to administer*  
9 *Chapter 14.5 (commencing with Section 22260) of Division 8 of*  
10 *the Business and Professions Code.*

11 (2) *Filing updated information for an unexpired Property Tax*  
12 *Agent registration: no fee.*

13 ~~SEC. 2.~~

14 SEC. 3. No reimbursement is required by this act pursuant to  
15 Section 6 of Article XIII B of the California Constitution for certain  
16 costs that may be incurred by a local agency or school district  
17 because, in that regard, this act creates a new crime or infraction,  
18 eliminates a crime or infraction, or changes the penalty for a crime  
19 or infraction, within the meaning of Section 17556 of the  
20 Government Code, or changes the definition of a crime within the  
21 meaning of Section 6 of Article XIII B of the California  
22 Constitution.

23 However, if the Commission on State Mandates determines that  
24 this act contains other costs mandated by the state, reimbursement  
25 to local agencies and school districts for those costs shall be made  
26 pursuant to Part 7 (commencing with Section 17500) of Division  
27 4 of Title 2 of the Government Code.