

AMENDED IN SENATE APRIL 2, 2014

AMENDED IN SENATE MARCH 25, 2014

SENATE BILL

No. 1323

Introduced by Senator Lieu

February 21, 2014

An act to amend Sections 75.21, 206.1, 254, 254.5, 255, 257, 257.1, 270, 271, and 276 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1323, as amended, Lieu. Property taxation.

Existing property tax law allows taxes, penalties, and interest imposed for late filings of certain property tax exemption applications to be canceled or refunded in an amount equal to 90% or 85%, as applicable, of any tax, penalty, or interest or any amount of tax, penalty, or interest exceeding \$250, whichever is greater.

This bill would instead require 90% of any tax, penalty, or interest resulting from the assessed value of the property or *that portion of any amount of tax, penalty, or interest exceeding \$200; that exceeds \$20,000*, whichever is greater, to be canceled or refunded, provided an appropriate application for exemption is thereafter filed. This bill would require this property tax relief to apply to each claim for exemption filed, and in the case where a claim for exemption is filed for a property location consisting of contiguous parcels, would authorize any tax or penalty or interest thereon resulting from the reduction of the amount of the exemption otherwise available to be applied to a single parcel.

The California Constitution authorizes the Legislature to exempt from taxation property not used for commercial purposes that is reasonably and necessarily required for the parking of vehicles of persons

worshipping on exempt land. Pursuant to this constitutional authorization, existing property tax law exempts from tax any real property that is reasonably and necessarily required for the parking of automobiles by persons engaged in religious activities, as specified. Existing property tax law provides that this exemption shall apply to land and improvements that are not owned by a church, religious denomination, or sect using the land and improvements for the parking of automobiles, provided that certain conditions are met, including, among others, that the congregation of the church, religious denomination, or sect is no greater than 500 members.

This bill would modify this exemption to apply to any real property that is required for the parking of vehicles, and would remove the limitation that the congregation of the church, religious denomination, or sect be no greater than 500 members.

Existing property tax law requires applicants for certain property tax exemptions to notify the assessor if the applicant or the property becomes ineligible for the exemption, as specified. Existing property tax law requires a penalty to be assessed for failure to provide this notification to the assessor in an amount not to exceed \$250.

This bill would reduce the \$250 limitation on the penalty for failure to notify the assessor to \$200.

Existing property tax law requires any person claiming certain property tax exemptions and anyone claiming the classification of a vessel as a documented vessel eligible for assessment, as provided, to submit to the assessor annually an affidavit giving any information required by the board. Existing property tax law requires these affidavits to be filed with the assessor between the lien date and 5 p.m. on February 15.

This bill would require the affidavit to be submitted for each property location for which the property tax exemption is sought, and would authorize any person claiming any exemption specified above to submit a single claim for a property location consisting of contiguous parcels. This bill would require an affidavit for the disabled veterans' exemption to instead be filed with the assessor any time after the claimant becomes eligible but no later than 5 p.m. on February 15, except as otherwise provided.

Existing property tax law requires a claim for certain property tax exemptions to be filed by a specified date with the assessor each year. Existing property tax law does not require applicants granted certain property tax exemptions to reapply for the exemption in any subsequent

year in which there has been no change in the title to, or the use of, the property. Existing property tax law requires the assessor to annually mail a notice to every applicant relieved of the requirement of filing an annual application, as specified, which is required to include a card in a specified form, to be returned to the assessor by the applicant desiring to maintain eligibility for the exemption.

This bill would instead require the State Board of Equalization to prescribe the form of the card included with the notice.

By changing the manner in which property tax refunds for late filings of certain property tax exemptions are made by local county officials, this bill would impose 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.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

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. Section 75.21 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 75.21. (a) Exemptions shall be applied to the amount of the
- 4 supplemental assessment, provided that the property is not
- 5 receiving any other exemption on either the current roll or the roll
- 6 being prepared except as provided for in subdivision (b), that the
- 7 assessee is eligible for the exemption, and that, in those instances
- 8 in which the provisions of this division require the filing of a claim
- 9 for the exemption, the assessee makes a claim for the exemption.

1 (b) If the property received an exemption on the current roll or
2 the roll being prepared and the assessee on the supplemental roll
3 is eligible for an exemption and, in those instances in which the
4 provisions of this division require the filing of a claim for the
5 exemption, the assessee makes a claim for an exemption of a
6 greater amount, then the difference in the amount between the two
7 exemptions shall be applied to the supplemental assessment.

8 (c) In those instances in which the provisions of this division
9 require the filing of a claim for the exemption, except as provided
10 in subdivision (d), (e), or (f), any person claiming to be eligible
11 for an exemption to be applied against the amount of the
12 supplemental assessment shall file a claim or an amendment to a
13 current claim, in that form as prescribed by the board, on or before
14 the 30th day following the date of notice of the supplemental
15 assessment, in order to receive a 100-percent exemption.

16 (1) With respect to property as to which the college, cemetery,
17 church, religious, exhibition, veterans' organization, free public
18 libraries, free museums, or welfare exemption was available, but
19 for which a timely application for exemption was not filed, 90
20 percent of any tax or penalty or interest resulting from the assessed
21 value thereon, or *that portion of* any amount of tax or penalty or
22 interest resulting from the assessed value thereon ~~exceeding two~~
23 ~~hundred dollars (\$200)~~, *that exceeds twenty thousand dollars*
24 *(\$20,000)*, whichever is greater, shall be canceled or refunded for
25 each supplemental assessment, provided that an appropriate
26 application for exemption is thereafter filed.

27 (2) With respect to property as to which the welfare exemption
28 or veterans' organization exemption was available, all provisions
29 of Section 254.5, other than the specified dates for the filing of
30 affidavits and other acts, are applicable to this section.

31 (3) With respect to property as to which the veterans' or
32 homeowners' exemption was available, but for which a timely
33 application for exemption was not filed, that portion of tax
34 attributable to 80 percent of the amount of exemption available
35 shall be canceled or refunded, provided that an appropriate
36 application for exemption is filed on or before the date on which
37 the first installment of taxes on the supplemental tax bill becomes
38 delinquent, as provided by Section 75.52.

39 (4) With respect to property as to which the disabled veterans'
40 exemption was available, but for which a timely application for

1 exemption was not filed, that portion of tax attributable to 90
2 percent of the amount of exemption available shall be canceled or
3 refunded, provided that an appropriate application for exemption
4 is thereafter filed.

5 (5) With respect to property as to which any other exemption
6 was available, but for which a timely application for exemption
7 was not filed, 90 percent of any tax or penalty or interest resulting
8 from the assessed value thereon, or *that portion of* any amount of
9 tax or penalty or interest resulting from the assessed value thereon
10 ~~exceeding two hundred dollars (\$200); that exceeds twenty~~
11 ~~thousand dollars (\$20,000)~~, whichever is greater, shall be canceled
12 or refunded, for each supplemental assessment, provided that an
13 appropriate application for exemption is thereafter filed.

14 Other provisions of this division pertaining to the late filing of
15 claims for exemption do not apply to assessments made pursuant
16 to this chapter.

17 (d) For purposes of this section, any claim for the homeowners'
18 exemption, veterans' exemption, or disabled veterans' exemption
19 previously filed by the owner of a dwelling, granted and in effect,
20 constitutes the claim or claims for that exemption required in this
21 section. In the event that a claim for the homeowners' exemption,
22 veterans' exemption, or disabled veterans' exemption is not in
23 effect, a claim for any of those exemptions for a single
24 supplemental assessment for a change in ownership or new
25 construction occurring on or after June 1, up to and including
26 December 31, shall apply to that assessment; a claim for any of
27 those exemptions for the two supplemental assessments for a
28 change in ownership or new construction occurring on or after
29 January 1, up to and including May 31, one for the current fiscal
30 year and one for the following fiscal year, shall apply to those
31 assessments. In either case, if granted, the claim shall remain in
32 effect until title to the property changes, the owner does not occupy
33 the home as his or her principal place of residence on the lien date,
34 or the property is otherwise ineligible pursuant to Section 205,
35 205.5, or 218.

36 (e) Notwithstanding subdivision (c), an additional exemption
37 claim may not be required to be filed until the next succeeding
38 lien date in the case in which a supplemental assessment results
39 from the completion of new construction on property that has

1 previously been granted exemption on either the current roll or the
2 roll being prepared.

3 (f) (1) Notwithstanding subdivision (c), an additional exemption
4 claim is not required to be filed in the instance where a
5 supplemental assessment results from a change in ownership of
6 property where the purchaser of the property owns and uses or
7 uses, as the case may be, other property that has been granted the
8 college, cemetery, church, religious, exhibition, veterans'
9 organization, free public libraries, free museums, or welfare
10 exemption on either the current roll or the roll being prepared and
11 the property purchased is put to the same use.

12 (2) In all other instances where a supplemental assessment
13 results from a change in ownership of property, an application for
14 exemption shall be filed pursuant to the provisions of subdivision
15 (c).

16 (g) The relief authorized under this section applies to each
17 supplemental assessment for which an application for exemption
18 is filed. If a claim for the exemption is filed for a property location
19 consisting of contiguous parcels, and the assessor grants the claim
20 for that property location, any tax or penalty or interest resulting
21 from the reduction of the amount of the exemption otherwise
22 available may be applied to a single parcel.

23 SEC. 2. Section 206.1 of the Revenue and Taxation Code is
24 amended to read:

25 206.1. (a) Pursuant to the authority of subdivision (d) of
26 Section 4 of Article XIII of the California Constitution, and in
27 accordance with subdivision (b) of this section, all real property
28 that is necessarily and reasonably required for the parking of
29 vehicles of persons who are attending religious services, or are
30 engaged in religious services or worship or any religious activity,
31 is exempt from taxation.

32 (b) For purposes of the exemption established by subdivision
33 (a), all of the following shall apply:

34 (1) "Real property" means land and improvements or a
35 possessory interest in land and improvements.

36 (2) The real property is not required to be contiguous to the land
37 on which the church or other structure used for religious services
38 or as the place of worship or religious activity is located.

39 (3) The real property is not at other times used for commercial
40 purposes. For purposes of this paragraph, "commercial purposes"

1 does not include use of the property for the parking of vehicles or
2 bicycles, the revenue from which does not exceed the ordinary
3 and necessary costs of maintaining the real property.

4 (4) The exemption shall apply to otherwise qualifying land and
5 improvements regardless of whether the land and improvements
6 are owned by the church, religious denomination, or sect using the
7 land and improvements for the parking of vehicles by persons
8 described in subdivision (a). However, the exemption shall apply
9 to land and improvements that are not owned by the church,
10 religious denomination, or sect using the land and improvements
11 for the parking of vehicles by persons described in subdivision (a)
12 only as long as all of the following conditions are met:

13 (A) The church, religious denomination, or sect is engaged in
14 a lease of the land and improvements for the exclusive purpose of
15 the parking of vehicles by persons described in subdivision (a).

16 (B) The church, religious denomination, or sect is responsible,
17 under the terms of its lease with the fee owner of the land and
18 improvements, for paying the property taxes levied on the land
19 and improvements. For purposes of this subparagraph, paying
20 property taxes levied on land and improvements includes
21 reimbursement paid to the fee owner of the land and improvements
22 for those taxes.

23 (C) The real property is used exclusively for the parking of
24 vehicles by persons described in subdivision (a).

25 (D) The fee owner of the real property and the county agree that
26 the fee owner shall pay the total amount of taxes that would be
27 levied on the real property for the current fiscal year and the first
28 two subsequent fiscal years in the absence of a grant of exemption
29 pursuant to this paragraph for the current fiscal year, if the real
30 property is used for any purpose other than that specified in
31 subparagraph (C) during either of those two subsequent fiscal
32 years.

33 SEC. 3. Section 254 of the Revenue and Taxation Code is
34 amended to read:

35 254. (a) (1) Any person claiming the church, cemetery,
36 college, exhibition, welfare, veterans' organization, free public
37 libraries, free museums, aircraft of historical significance, tribal
38 housing, or public schools property tax exemption and anyone
39 claiming the classification of a vessel as a documented vessel
40 eligible for assessment under Section 227, shall submit to the

1 assessor annually an affidavit, giving any information required by
2 the board.

3 (2) The affidavit required pursuant to subdivision (a) shall be
4 submitted for each property location for which the property tax
5 exemption is sought.

6 (b) Any person claiming any exemption specified in subdivision
7 (a) may submit a single claim for a property location consisting
8 of contiguous parcels.

9 SEC. 4. Section 254.5 of the Revenue and Taxation Code is
10 amended to read:

11 254.5. (a) Claims for the welfare exemption and the veterans'
12 organization exemption shall be filed on or before February 15 of
13 each year with the assessor.

14 The assessor may not approve a property tax exemption claim
15 until the claimant has been issued a valid organizational clearance
16 certificate pursuant to Section 254.6. Financial statements shall
17 be submitted only if requested in writing by the assessor.

18 (b) (1) The assessor shall review all claims for the welfare
19 exemption to ascertain whether the property on which the
20 exemption is claimed meets the requirements of Section 214. The
21 assessor shall also review all claims for the veterans' organization
22 exemption to ascertain whether the property on which the
23 exemption is claimed meets the requirements of Section 215.1. In
24 this connection, the assessor shall consider, among other matters,
25 whether:

26 (A) Any capital investment of the owner or operator for
27 expansion of a physical plant is justified by the contemplated return
28 thereon, and required to serve the interests of the community.

29 (B) The property on which the exemption is claimed is used for
30 the actual operation of an exempt activity and does not exceed an
31 amount of property reasonably necessary to the accomplishment
32 of the exempt purpose.

33 (2) The assessor may institute an audit or verification of the
34 operations of the owner or operator of the applicant's property to
35 ascertain whether both the owner and operator meet the
36 requirements of Section 214.

37 (c) (1) The assessor may deny a claim for the welfare exemption
38 on a property, notwithstanding that the claimant has been granted
39 an organizational clearance certificate by the board.

1 (2) If the assessor finds that the claimant's property is ineligible
2 for the welfare exemption or the veterans' organization exemption,
3 the assessor shall notify the claimant in writing of all of the
4 following:

5 (A) That the property is ineligible for the exemption.

6 (B) That the claimant may seek a refund of property taxes paid
7 by filing a refund claim with the county.

8 (C) That if the claimant's refund claim with the county is denied,
9 the claimant may file a refund action in superior court.

10 (d) Notwithstanding subdivision (a), an applicant, granted a
11 welfare exemption and owning any property exempted pursuant
12 to Section 214.15 or Section 231, shall not be required to reapply
13 for the welfare exemption in any subsequent year in which there
14 has been no transfer of, or other change in title to, the exempted
15 property and the property is used exclusively by a governmental
16 entity or by a nonprofit corporation described in Section 214.15
17 for its interest and benefit. The applicant shall notify the assessor
18 on or before February 15 if, on or before the preceding lien date,
19 the applicant became ineligible for the welfare exemption or if,
20 on or before that lien date, the property was no longer owned by
21 the applicant or otherwise failed to meet all requirements for the
22 welfare exemption.

23 Prior to the lien date, the assessor shall annually mail a notice
24 to every applicant relieved of the requirement of filing an annual
25 application by this subdivision.

26 The notice shall be in a form and contain that information that
27 the board may prescribe, and shall set forth the circumstances
28 under which the property may no longer be eligible for exemption,
29 and advise the applicant of the duty to inform the assessor if the
30 property is no longer eligible for exemption.

31 The notice shall include a card, as prescribed by the board, that
32 is to be returned to the assessor by any applicant desiring to
33 maintain eligibility for the welfare exemption under Section 214.15
34 or Section 231.

35 Failure to return this card does not of itself constitute a waiver
36 of exemption as called for by the California Constitution, but may
37 result in onsite inspection to verify exempt activity.

38 (e) Upon any indication that a welfare exemption or veterans'
39 organization exemption on the property has been incorrectly
40 granted, the assessor shall redetermine eligibility for the exemption.

1 If the assessor determines that the property, or any portion thereof,
2 is no longer eligible for the exemption, he or she shall immediately
3 cancel the exemption on so much of the property as is no longer
4 eligible for the exemption.

5 (f) If a welfare exemption or veterans' organization exemption
6 on the property has been incorrectly allowed, an escape assessment
7 as provided by Article 4 (commencing with Section 531) of Chapter
8 3 in the amount of the exemption, with interest as provided in
9 Section 506, shall be made, and a penalty shall be assessed for any
10 failure to notify the assessor as required by this section in an
11 amount equaling 10 percent of the escape assessment, but may not
12 exceed two hundred dollars (\$200).

13 (g) Pursuant to Section 15640 of the Government Code, the
14 board shall review the assessor's administration of the welfare
15 exemption and the veterans' organization exemption as part of the
16 board's survey of the county assessment roll to ensure the proper
17 administration of the exemption.

18 SEC. 5. Section 255 of the Revenue and Taxation Code is
19 amended to read:

20 255. (a) Affidavits required for exemptions named in this
21 article, except the homeowners' exemption and the disabled
22 veterans' exemption, shall be filed with the assessor between the
23 lien date and 5 p.m. on February 15.

24 (b) Affidavits for the homeowners' exemption except as
25 otherwise provided in Sections 255.1, 255.2, and 275, shall be
26 filed with the assessor any time after the claimant becomes eligible
27 but no later than 5 p.m. on February 15.

28 (c) Except as otherwise provided in Sections 276, 276.1, and
29 276.2, affidavits for the disabled veterans' exemption shall be filed
30 with the assessor any time after the claimant becomes eligible for
31 the exemption but no later than 5 p.m. on February 15.

32 (d) Notwithstanding the provisions of subdivision (a), any
33 claimant who has been found ineligible for the church exemption
34 or the religious exemption may file an affidavit for a welfare
35 exemption. Affidavits for the welfare exemption filed pursuant to
36 this subdivision shall be filed within 15 days from the date of
37 notification by the assessor of the claimants' ineligibility for the
38 church exemption or the religious exemption.

39 SEC. 6. Section 257 of the Revenue and Taxation Code is
40 amended to read:

1 257. (a) Any person claiming the religious exemption shall
2 submit to the assessor an affidavit giving specific information
3 relating to property tax exemption.

4 (b) The affidavit shall show that:

5 (1) The building, equipment, and land are used exclusively for
6 religious purposes.

7 (2) The land claimed as exempt is required for the convenient
8 use of the building.

9 (3) The property is owned by an entity organized and operating
10 exclusively for religious purposes.

11 (4) The entity is nonprofit.

12 (5) No part of the net earnings inures to the benefit of any private
13 individual.

14 (c) Any exemption granted pursuant to a claim filed in
15 accordance with this section, once granted, shall remain in effect
16 until that time that title to the property changes or the property is
17 no longer used for exempt purposes. Any person who is granted
18 an exemption pursuant to a claim filed in accordance with this
19 section shall notify the assessor by February 15 if the property
20 becomes ineligible for the exemption.

21 (d) Upon any indication that a religious exemption has been
22 incorrectly allowed, the assessor shall make a redetermination of
23 eligibility for the religious exemption. If the assessor determines
24 that the property or any portion thereof is no longer eligible for
25 the exemption, he or she shall immediately cancel the exemption
26 on so much of the property as is no longer eligible for exemption.

27 If a religious exemption has been incorrectly allowed, an escape
28 assessment as allowed by Article 4 (commencing with Section
29 531) of Chapter 3 in the amount of the exemption with interest as
30 provided in Section 506 shall be made, together with a penalty for
31 failure to notify the assessor, where applicable, in the amount of
32 10 percent of the assessment, but may not exceed two hundred
33 dollars (\$200) in tax liability.

34 SEC. 7. Section 257.1 of the Revenue and Taxation Code is
35 amended to read:

36 257.1. For the 1983–84 fiscal year and fiscal years thereafter,
37 the assessor shall annually, prior to the lien date, mail a notice to
38 every person who received the religious exemption for the previous
39 fiscal year.

1 The notice shall be in a form and contain that information which
2 the board may prescribe, and shall set forth the circumstances
3 under which the property may no longer be eligible for exemption
4 and advise the person of the duty to inform the assessor if the
5 property is no longer eligible for exemption.

6 The notice shall include a card, as prescribed by the board, that
7 is to be returned to the assessor by any person who desires to
8 maintain eligibility for the religious exemption.

9 SEC. 8. Section 270 of the Revenue and Taxation Code is
10 amended to read:

11 270. (a) With respect to property as to which the college,
12 cemetery, church, religious, exhibition, veterans' organization,
13 free public libraries, free museums, public schools, community
14 colleges, state colleges, state universities, tribal housing, or welfare
15 exemption was available but for which a timely application for
16 exemption was not filed, 90 percent of any tax or penalty or interest
17 resulting from the assessed value thereon ~~or any tax or penalty or~~
18 ~~interest resulting from the assessed value thereon exceeding two~~
19 ~~hundred dollars (\$200) in total amount, whichever is greater,~~ shall
20 be canceled or refunded provided an appropriate application for
21 exemption is thereafter filed.

22 (b) *Notwithstanding subdivision (a), that portion of any tax or*
23 *penalty resulting from the assessed value thereon that exceeds*
24 *twenty thousand dollars (\$20,000) shall be canceled or refunded*
25 *provided it is imposed upon property entitled to relief under*
26 *subdivision (a) for which an appropriate claim for exemption has*
27 *been filed.*

28 (b)

29 (c) The relief authorized under this section applies to each claim
30 for exemption filed. In the case where a claim for exemption is
31 filed for a property location consisting of contiguous parcels, and
32 the assessor grants the claim for that property location, any tax or
33 penalty or interest thereon resulting from the reduction of the
34 amount of the exemption otherwise available may be applied to a
35 single parcel.

36 (e)

37 (d) With respect to property as to which the welfare exemption
38 or veterans' organization exemption was available, Section 254.5,
39 other than the specified dates for the filing of affidavits and other
40 acts, is applicable to this section.

1 SEC. 9. Section 271 of the Revenue and Taxation Code is
2 amended to read:

3 271. (a) Provided that an appropriate application for exemption
4 is filed within 90 days from the first day of the month following
5 the month in which the property was acquired or by February 15
6 of the following calendar year, whichever occurs earlier, any tax
7 or penalty or interest resulting from the assessed value imposed
8 upon:

9 (1) Property owned by any organization qualified for the college,
10 cemetery, church, religious, exhibition, veterans' organization,
11 tribal housing, or welfare exemption that is acquired by that
12 organization during a given calendar year, after the lien date but
13 prior to the first day of the fiscal year commencing within that
14 calendar year, when the property is of a kind that would have been
15 qualified for the college, cemetery, church, religious, exhibition,
16 veterans' organization, tribal housing, or welfare exemption if it
17 had been owned by the organization on the lien date, shall be
18 canceled or refunded.

19 (2) Property owned by any organization that would have
20 qualified for the college, cemetery, church, religious, exhibition,
21 veterans' organization, tribal housing, or welfare exemption had
22 the organization been in existence on the lien date, that was
23 acquired by it during that calendar year after the lien date in that
24 year but prior to the commencement of that fiscal year, and of a
25 kind that presently qualifies for the exemption and that would have
26 so qualified for that fiscal year had it been owned by the
27 organization on the lien date and had the organization been in
28 existence on the lien date, shall be canceled or refunded.

29 (3) Property acquired after the beginning of any fiscal year by
30 an organization qualified for the college, cemetery, church,
31 religious, exhibition, veterans' organization, tribal housing, or
32 welfare exemption and the property is of a kind that would have
33 qualified for an exemption if it had been owned by the organization
34 on the lien date, whether or not that organization was in existence
35 on the lien date, shall be canceled or refunded in the proportion
36 that the number of days for which the property was so qualified
37 during the fiscal year bears to 365.

38 (b) Ninety percent of any tax or penalty or interest resulting
39 from the assessed value thereon imposed upon property that would
40 be entitled to relief under subdivision (a) or Section 214.01, except

1 that an appropriate application for exemption was not filed within
2 the time required by the applicable provision, shall be canceled or
3 refunded provided that an appropriate application for exemption
4 is filed after the last day on which relief could be granted under
5 subdivision (a) or Section 214.01.

6 (c) Notwithstanding subdivision (b), *that portion of any tax or*
7 *penalty or interest resulting from the assessed value thereon*
8 ~~exceeding two hundred dollars (\$200)~~ *that exceeds twenty thousand*
9 *dollars (\$20,000)* in total amount shall be canceled or refunded
10 provided it is imposed upon property that would be entitled to
11 relief under subdivision (a) except that an appropriate application
12 for exemption was not filed within the time period required by the
13 applicable provision, so long as an appropriate claim for exemption
14 has been filed.

15 (d) The relief authorized under this section applies to each claim
16 for exemption filed. In the case where a claim for exemption is
17 filed for a property location consisting of contiguous parcels, and
18 the assessor grants the claim for that property location, any tax or
19 penalty or interest thereon resulting from the reduction of the
20 amount of the exemption otherwise available may be applied to a
21 single parcel.

22 (e) With respect to property acquired after the beginning of the
23 fiscal year for which relief is sought, subdivisions (b) and (c) shall
24 apply only to that pro rata portion of any tax or penalty or interest
25 resulting from the assessed value thereon that would have been
26 canceled or refunded had the property qualified for relief under
27 paragraph (3) of subdivision (a).

28 SEC. 10. Section 276 of the Revenue and Taxation Code is
29 amended to read:

30 276. (a) Except as otherwise provided by subdivision (b), for
31 property for which the disabled veterans' exemption described in
32 Section 205.5 was available, but for which a timely claim was not
33 filed, 90 percent of any tax, including any interest or penalty
34 thereon, levied upon that portion of the assessed value of the
35 property that would have been exempt under a timely and
36 appropriate claim shall be canceled or refunded, provided that an
37 appropriate claim for exemption is thereafter filed.

38 Cancellations made under this subdivision are subject to the
39 provisions of Article 1 (commencing with Section 4985) of Chapter
40 4. Refunds issued under this subdivision are subject to the

1 limitations periods on refunds as described in Article 1
2 (commencing with Section 5096) of Chapter 5.

3 (b) If a late-filed claim for the one-hundred-fifty-thousand-dollar
4 (\$150,000) exemption is filed in conjunction with a timely filed
5 claim for the one-hundred-thousand-dollar (\$100,000) exemption,
6 the amount of any exemption allowed under the late-filed claim
7 under subdivision (a) shall be determined on the basis of that
8 portion of the exemption amount, otherwise available under
9 subdivision (a), that exceeds one hundred thousand dollars
10 (\$100,000).

11 (c) For those claims filed pursuant to subdivision (a) after
12 November 15, the exemption under that subdivision may be applied
13 to the second installment. If that exemption is so applied, the first
14 installment is still delinquent on December 10, and is subject to
15 delinquent penalties provided for in this division if that installment
16 is not timely paid. A refund shall be made to the taxpayer upon a
17 claim submitted to the auditor if the exemption is applied to the
18 second installment and either of the following is true:

- 19 (1) Both installments are paid on or before December 10.
20 (2) The reduction in taxes resulting from the exemption exceeds
21 the amount of taxes due on the second installment.

22 SEC. 11. If the Commission on State Mandates determines
23 that this act contains costs mandated by the state, reimbursement
24 to local agencies and school districts for those costs shall be made
25 pursuant to Part 7 (commencing with Section 17500) of Division
26 4 of Title 2 of the Government Code.

27 SEC. 12. Notwithstanding Section 2229 of the Revenue and
28 Taxation Code, no appropriation is made by this act and the state
29 shall not reimburse any local agency for any property tax revenues
30 lost by it pursuant to this act.