

AMENDED IN SENATE APRIL 29, 2014
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 that exceeds \$20,000 *in total amount*, 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 worshiping 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

1 being prepared except as provided for in subdivision (b), that the
2 assessee is eligible for the exemption, and that, in those instances
3 in which the provisions of this division require the filing of a claim
4 for the exemption, the assessee makes a claim for the exemption.

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

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

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

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

35 (3) With respect to property as to which the veterans' or
36 homeowners' exemption was available, but for which a timely
37 application for exemption was not filed, that portion of tax
38 attributable to 80 percent of the amount of exemption available
39 shall be canceled or refunded, provided that an appropriate
40 application for exemption is filed on or before the date on which

1 the first installment of taxes on the supplemental tax bill becomes
2 delinquent, as provided by Section 75.52.

3 (4) With respect to property as to which the disabled veterans'
4 exemption was available, but for which a timely application for
5 exemption was not filed, that portion of tax attributable to 90
6 percent of the amount of exemption available shall be canceled or
7 refunded, provided that an appropriate application for exemption
8 is thereafter filed.

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

18 Other provisions of this division pertaining to the late filing of
19 claims for exemption do not apply to assessments made pursuant
20 to this chapter.

21 (d) For purposes of this section, any claim for the homeowners'
22 exemption, veterans' exemption, or disabled veterans' exemption
23 previously filed by the owner of a dwelling, granted and in effect,
24 constitutes the claim or claims for that exemption required in this
25 section. In the event that a claim for the homeowners' exemption,
26 veterans' exemption, or disabled veterans' exemption is not in
27 effect, a claim for any of those exemptions for a single
28 supplemental assessment for a change in ownership or new
29 construction occurring on or after June 1, up to and including
30 December 31, shall apply to that assessment; a claim for any of
31 those exemptions for the two supplemental assessments for a
32 change in ownership or new construction occurring on or after
33 January 1, up to and including May 31, one for the current fiscal
34 year and one for the following fiscal year, shall apply to those
35 assessments. In either case, if granted, the claim shall remain in
36 effect until title to the property changes, the owner does not occupy
37 the home as his or her principal place of residence on the lien date,
38 or the property is otherwise ineligible pursuant to Section 205,
39 205.5, or 218.

1 (e) Notwithstanding subdivision (c), an additional exemption
2 claim may not be required to be filed until the next succeeding
3 lien date in the case in which a supplemental assessment results
4 from the completion of new construction on property that has
5 previously been granted exemption on either the current roll or the
6 roll being prepared.

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

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

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

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

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

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

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

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

4 (3) The real property is not at other times used for commercial
5 purposes. For purposes of this paragraph, “commercial purposes”
6 does not include use of the property for the parking of vehicles or
7 bicycles, the revenue from which does not exceed the ordinary
8 and necessary costs of maintaining the real property.

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

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

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

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

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

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

1 254. (a) (1) Any person claiming the church, cemetery,
 2 college, exhibition, welfare, veterans' organization, free public
 3 libraries, free museums, aircraft of historical significance, tribal
 4 housing, or public schools property tax exemption and anyone
 5 claiming the classification of a vessel as a documented vessel
 6 eligible for assessment under Section 227, shall submit to the
 7 assessor annually an affidavit, giving any information required by
 8 the board.

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

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

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

17 254.5. (a) Claims for the welfare exemption and the veterans'
 18 organization exemption shall be filed on or before February 15 of
 19 each year with the assessor.

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

24 (b) (1) The assessor shall review all claims for the welfare
 25 exemption to ascertain whether the property on which the
 26 exemption is claimed meets the requirements of Section 214. The
 27 assessor shall also review all claims for the veterans' organization
 28 exemption to ascertain whether the property on which the
 29 exemption is claimed meets the requirements of Section 215.1. In
 30 this connection, the assessor shall consider, among other matters,
 31 whether:

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

35 (B) The property on which the exemption is claimed is used for
 36 the actual operation of an exempt activity and does not exceed an
 37 amount of property reasonably necessary to the accomplishment
 38 of the exempt purpose.

39 (2) The assessor may institute an audit or verification of the
 40 operations of the owner or operator of the applicant's property to

1 ascertain whether both the owner and operator meet the
2 requirements of Section 214.

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

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

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

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

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

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

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

31 The notice shall be in a form and contain that information that
32 the board may prescribe, and shall set forth the circumstances
33 under which the property may no longer be eligible for exemption,
34 and advise the applicant of the duty to inform the assessor if the
35 property is no longer eligible for exemption.

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

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

4 (e) Upon any indication that a welfare exemption or veterans'
5 organization exemption on the property has been incorrectly
6 granted, the assessor shall redetermine eligibility for the exemption.
7 If the assessor determines that the property, or any portion thereof,
8 is no longer eligible for the exemption, he or she shall immediately
9 cancel the exemption on so much of the property as is no longer
10 eligible for the exemption.

11 (f) If a welfare exemption or veterans' organization exemption
12 on the property has been incorrectly allowed, an escape assessment
13 as provided by Article 4 (commencing with Section 531) of Chapter
14 3 in the amount of the exemption, with interest as provided in
15 Section 506, shall be made, and a penalty shall be assessed for any
16 failure to notify the assessor as required by this section in an
17 amount equaling 10 percent of the escape assessment, but may not
18 exceed two hundred dollars (\$200).

19 (g) Pursuant to Section 15640 of the Government Code, the
20 board shall review the assessor's administration of the welfare
21 exemption and the veterans' organization exemption as part of the
22 board's survey of the county assessment roll to ensure the proper
23 administration of the exemption.

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

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

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

34 (c) Except as otherwise provided in Sections 276, 276.1, and
35 276.2, affidavits for the disabled veterans' exemption shall be filed
36 with the assessor any time after the claimant becomes eligible for
37 the exemption but no later than 5 p.m. on February 15.

38 (d) Notwithstanding the provisions of subdivision (a), any
39 claimant who has been found ineligible for the church exemption
40 or the religious exemption may file an affidavit for a welfare

1 exemption. Affidavits for the welfare exemption filed pursuant to
2 this subdivision shall be filed within 15 days from the date of
3 notification by the assessor of the claimants' ineligibility for the
4 church exemption or the religious exemption.

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

7 257. (a) Any person claiming the religious exemption shall
8 submit to the assessor an affidavit giving specific information
9 relating to property tax exemption.

10 (b) The affidavit shall show that:

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

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

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

17 (4) The entity is nonprofit.

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

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

27 (d) Upon any indication that a religious exemption has been
28 incorrectly allowed, the assessor shall make a redetermination of
29 eligibility for the religious exemption. If the assessor determines
30 that the property or any portion thereof is no longer eligible for
31 the exemption, he or she shall immediately cancel the exemption
32 on so much of the property as is no longer eligible for exemption.

33 If a religious exemption has been incorrectly allowed, an escape
34 assessment as allowed by Article 4 (commencing with Section
35 531) of Chapter 3 in the amount of the exemption with interest as
36 provided in Section 506 shall be made, together with a penalty for
37 failure to notify the assessor, where applicable, in the amount of
38 10 percent of the assessment, but may not exceed two hundred
39 dollars (\$200) in tax liability.

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

3 257.1. For the 1983–84 fiscal year and fiscal years thereafter,
4 the assessor shall annually, prior to the lien date, mail a notice to
5 every person who received the religious exemption for the previous
6 fiscal year.

7 The notice shall be in a form and contain that information which
8 the board may prescribe, and shall set forth the circumstances
9 under which the property may no longer be eligible for exemption
10 and advise the person of the duty to inform the assessor if the
11 property is no longer eligible for exemption.

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

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

17 270. (a) With respect to property as to which the college,
18 cemetery, church, religious, exhibition, veterans' organization,
19 free public libraries, free museums, public schools, community
20 colleges, state colleges, state universities, tribal housing, or welfare
21 exemption was available but for which a timely application for
22 exemption was not filed, 90 percent of any tax or penalty or interest
23 resulting from the assessed value thereon shall be canceled or
24 refunded provided an appropriate application for exemption is
25 thereafter filed.

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

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

39 (d) With respect to property as to which the welfare exemption
40 or veterans' organization exemption was available, Section 254.5,

1 other than the specified dates for the filing of affidavits and other
2 acts, is applicable to this section.

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

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

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

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

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

1 (b) Ninety percent of any tax or penalty or interest resulting
2 from the assessed value thereon imposed upon property that would
3 be entitled to relief under subdivision (a) or Section 214.01, except
4 that an appropriate application for exemption was not filed within
5 the time required by the applicable provision, shall be canceled or
6 refunded provided that an appropriate application for exemption
7 is filed after the last day on which relief could be granted under
8 subdivision (a) or Section 214.01.

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

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

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

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

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

1 Cancellations made under this subdivision are subject to the
2 provisions of Article 1 (commencing with Section 4985) of Chapter
3 4. Refunds issued under this subdivision are subject to the
4 limitations periods on refunds as described in Article 1
5 (commencing with Section 5096) of Chapter 5.

6 (b) If a late-filed claim for the one-hundred-fifty-thousand-dollar
7 (\$150,000) exemption is filed in conjunction with a timely filed
8 claim for the one-hundred-thousand-dollar (\$100,000) exemption,
9 the amount of any exemption allowed under the late-filed claim
10 under subdivision (a) shall be determined on the basis of that
11 portion of the exemption amount, otherwise available under
12 subdivision (a), that exceeds one hundred thousand dollars
13 (\$100,000).

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

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

25 SEC. 11. If the Commission on State Mandates determines
26 that this act contains costs mandated by the state, reimbursement
27 to local agencies and school districts for those costs shall be made
28 pursuant to Part 7 (commencing with Section 17500) of Division
29 4 of Title 2 of the Government Code.

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