

ASSEMBLY BILL

No. 571

Introduced by Assembly Member Brown

February 24, 2015

An act to amend Sections 69.5, 463, and 483 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 571, as introduced, Brown. Property taxation.

The California Constitution and existing property tax law authorize persons over the age of 55 and persons who are severely and permanently disabled, as specified, to transfer the base year value, as defined, of property to replacement property, if certain conditions are met.

This bill would additionally authorize the transfer of the base year value of property to replacement property for persons who have a severely and permanently disabled child. This bill would apply this property tax relief to replacement dwellings that are purchased or newly constructed on or after January 1, 2016.

Existing law authorizes the county board of equalization or the assessment appeals board to order the penalty abated for failure to file a specified property statement or change in ownership statement, if the assessee establishes to the satisfaction of the county board of equalization or the assessment appeals board that the failure to file the property statement or change in ownership statement within the specified time required was due to reasonable cause and not due to willful neglect and the assessee has filed a written application for abatement of the penalty, as provided.

This bill would instead authorize the penalty to be abated if the assessee establishes that the failure to file the property statement or change in ownership statement within the specified time period was due to reasonable cause and circumstances beyond the assessee’s control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect.

By imposing new duties upon local county officials with respect to the implementation of the property tax relief described above, 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 69.5 of the Revenue and Taxation Code
2 is amended to read:
3 69.5. (a) (1) Notwithstanding any other ~~provision~~ of law,
4 pursuant to subdivision (a) of Section 2 of Article XIII A of the
5 California Constitution, any person over the age of 55 years, ~~or~~
6 any severely and permanently disabled person, *or any person with*
7 *a severely and permanently disabled child*, who resides in property
8 that is eligible for the homeowners’ exemption under subdivision
9 (k) of Section 3 of Article XIII of the California Constitution and
10 Section 218 may transfer, subject to the conditions and limitations
11 provided in this section, the base year value of that property to any

1 replacement dwelling of equal or lesser value that is located within
2 the same county and is purchased or newly constructed by that
3 person as his or her principal residence within two years of the
4 sale by that person of the original property, provided that the base
5 year value of the original property shall not be transferred to the
6 replacement dwelling until the original property is sold.

7 (2) Notwithstanding the limitation in paragraph (1) requiring
8 that the original property and the replacement dwelling be located
9 in the same county, this limitation shall not apply in any county
10 in which the county board of supervisors, after consultation with
11 local affected agencies within the boundaries of the county, adopts
12 an ordinance making the provisions of paragraph (1) also applicable
13 to situations in which replacement dwellings are located in that
14 county and the original properties are located in another county
15 within this state. The authorization contained in this paragraph
16 shall be applicable in a county only if the ordinance adopted by
17 the board of supervisors complies with all of the following
18 requirements:

19 (A) It is adopted only after consultation between the board of
20 supervisors and all other local affected agencies within the county's
21 boundaries.

22 (B) It requires that all claims for transfers of base year value
23 from original property located in another county be granted if the
24 claims meet the applicable requirements of both subdivision (a)
25 of Section 2 of Article XIII A of the California Constitution and
26 this section.

27 (C) It requires that all base year valuations of original property
28 located in another county and determined by its assessor be
29 accepted in connection with the granting of claims for transfers of
30 base year value.

31 (D) It provides that its provisions are operative for a period of
32 not less than five years.

33 (E) The ordinance specifies the date on and after which its
34 provisions shall be applicable. However, the date specified shall
35 not be earlier than November 9, 1988. The specified applicable
36 date may be a date earlier than the date the county adopts the
37 ordinance.

38 (b) In addition to meeting the requirements of subdivision (a),
39 any person claiming the property tax relief provided by this section

1 shall be eligible for that relief only if the following conditions are
2 met:

3 (1) The claimant is an owner and a resident of the original
4 property either at the time of its sale, or at the time when the
5 original property was substantially damaged or destroyed by
6 misfortune or calamity, or within two years of the purchase or new
7 construction of the replacement dwelling.

8 (2) The original property is eligible for the homeowners'
9 exemption, as the result of the claimant's ownership and occupation
10 of the property as his or her principal residence, either at the time
11 of its sale, or at the time when the original property was
12 substantially damaged or destroyed by misfortune or calamity, or
13 within two years of the purchase or new construction of the
14 replacement dwelling.

15 (3) At the time of the sale of the original property, the claimant
16 or the claimant's spouse who resides with the claimant is at least
17 55 years of age, ~~or is severely and permanently disabled~~ *disabled,*
18 *or has a severely and permanently disabled child.*

19 (4) At the time of claiming the property tax relief provided by
20 subdivision (a), the claimant is an owner of a replacement dwelling
21 and occupies it as his or her principal place of residence and, as a
22 result thereof, the property is currently eligible for the homeowners'
23 exemption or would be eligible for the exemption except that the
24 property is already receiving the exemption because of an
25 exemption claim filed by the previous owner.

26 (5) The original property of the claimant is sold by him or her
27 within two years of the purchase or new construction of the
28 replacement dwelling. For purposes of this paragraph, the purchase
29 or new construction of the replacement dwelling includes the
30 purchase of that portion of land on which the replacement building,
31 structure, or other shelter constituting a place of abode of the
32 claimant will be situated and that, pursuant to paragraph (3) of
33 subdivision (g), constitutes a part of the replacement dwelling.

34 (6) Except as otherwise provided in paragraph (2) of subdivision
35 (a), the replacement dwelling, including that portion of land on
36 which it is situated that is specified in paragraph (5), is located
37 entirely within the same county as the claimant's original property.

38 (7) The claimant has not previously been granted, as a claimant,
39 the property tax relief provided by this section, except that this
40 paragraph shall not apply to any person who becomes severely

1 and permanently disabled subsequent to being granted, as a
2 claimant, the property tax relief provided by this section for any
3 person over the age of 55 years. In order to prevent duplication of
4 claims under this section within this state, county assessors shall
5 report quarterly to the State Board of Equalization that information
6 from claims filed in accordance with subdivision (f) and from
7 county records as is specified by the board necessary to identify
8 fully all claims under this section allowed by assessors and all
9 claimants who have thereby received relief. The board may specify
10 that the information include all or a part of the names and social
11 security numbers of claimants and their spouses and the identity
12 and location of the replacement dwelling to which the claim
13 applies. The information may be required in the form of data
14 processing media or other media and in a format that is compatible
15 with the recordkeeping processes of the counties and the auditing
16 procedures of the state.

17 (c) The property tax relief provided by this section shall be
18 available if the original property or the replacement dwelling, or
19 both, of the claimant includes, but is not limited to, either of the
20 following:

21 (1) A unit or lot within a cooperative housing corporation, a
22 community apartment project, a condominium project, or a planned
23 unit development. If the unit or lot constitutes the original property
24 of the claimant, the assessor shall transfer to the claimant's
25 replacement dwelling only the base year value of the claimant's
26 unit or lot and his or her share in any common area reserved as an
27 appurtenance of that unit or lot. If the unit or lot constitutes the
28 replacement dwelling of the claimant, the assessor shall transfer
29 the base year value of the claimant's original property only to the
30 unit or lot of the claimant and any share of the claimant in any
31 common area reserved as an appurtenance of that unit or lot.

32 (2) A manufactured home or a manufactured home and any land
33 owned by the claimant on which the manufactured home is situated.
34 For purposes of this paragraph, "land owned by the claimant"
35 includes a pro rata interest in a resident-owned mobilehome park
36 that is assessed pursuant to subdivision (b) of Section 62.1.

37 (A) If the manufactured home or the manufactured home and
38 the land on which it is situated constitutes the claimant's original
39 property, the assessor shall transfer to the claimant's replacement
40 dwelling either the base year value of the manufactured home or

1 the base year value of the manufactured home and the land on
2 which it is situated, as appropriate. If the manufactured home
3 dwelling that constitutes the original property of the claimant
4 includes an interest in a resident-owned mobilehome park, the
5 assessor shall transfer to the claimant's replacement dwelling the
6 base year value of the claimant's manufactured home and his or
7 her pro rata portion of the real property of the park. No transfer of
8 base year value shall be made by the assessor of that portion of
9 land that does not constitute a part of the original property, as
10 provided in paragraph (4) of subdivision (g).

11 (B) If the manufactured home or the manufactured home and
12 the land on which it is situated constitutes the claimant's
13 replacement dwelling, the assessor shall transfer the base year
14 value of the claimant's original property either to the manufactured
15 home or the manufactured home and the land on which it is
16 situated, as appropriate. If the manufactured home dwelling that
17 constitutes the replacement dwelling of the claimant includes an
18 interest in a resident-owned mobilehome park, the assessor shall
19 transfer the base year value of the claimant's original property to
20 the manufactured home of the claimant and his or her pro rata
21 portion of the park. No transfer of base year value shall be made
22 by the assessor to that portion of land that does not constitute a
23 part of the replacement dwelling, as provided in paragraph (3) of
24 subdivision (g).

25 This subdivision shall be subject to the limitations specified in
26 subdivision (d).

27 (d) The property tax relief provided by this section shall be
28 available to a claimant who is the coowner of the original property,
29 as a joint tenant, a tenant in common, a community property owner,
30 or a present beneficiary of a trust subject to the following
31 limitations:

32 (1) If a single replacement dwelling is purchased or newly
33 constructed by all of the coowners and each coowner retains an
34 interest in the replacement dwelling, the claimant shall be eligible
35 under this section whether or not any or all of the remaining
36 coowners would otherwise be eligible claimants.

37 (2) If two or more replacement dwellings are separately
38 purchased or newly constructed by two or more coowners and
39 more than one coowner would otherwise be an eligible claimant,
40 only one coowner shall be eligible under this section. These

1 coowners shall determine by mutual agreement which one of them
2 shall be deemed eligible.

3 (3) If two or more replacement dwellings are separately
4 purchased or newly constructed by two coowners who held the
5 original property as community property, only the coowner who
6 has attained the age of 55 years, ~~or~~ is severely and permanently
7 disabled, *or has a severely and permanently disabled child*, shall
8 be eligible under this section. If both spouses are over 55 years of
9 age, they shall determine by mutual agreement which one of them
10 is eligible.

11 In the case of coowners whose original property is a multiunit
12 dwelling, the limitations imposed by paragraphs (2) and (3) shall
13 only apply to coowners who occupied the same dwelling unit
14 within the original property at the time specified in paragraph (2)
15 of subdivision (b).

16 (e) Upon the sale of original property, the assessor shall
17 determine a new base year value for that property in accordance
18 with subdivision (a) of Section 2 of Article XIII A of the California
19 Constitution and Section 110.1, whether or not a replacement
20 dwelling is subsequently purchased or newly constructed by the
21 former owner or owners of the original property.

22 This section shall not apply unless the transfer of the original
23 property is a change in ownership that either (1) subjects that
24 property to reappraisal at its current fair market value in accordance
25 with Section 110.1 or 5803 or (2) results in a base year value
26 determined in accordance with this section, Section 69, or Section
27 69.3 because the property qualifies under this section, Section 69,
28 or Section 69.3 as a replacement dwelling or property.

29 (f) (1) A claimant shall not be eligible for the property tax relief
30 provided by this section unless the claimant provides to the
31 assessor, on a form that shall be designed by the State Board of
32 Equalization and that the assessor shall make available upon
33 request, the following information:

34 (A) The name and social security number of each claimant and
35 of any spouse of the claimant who is a record owner of the
36 replacement dwelling.

37 (B) Proof that the claimant or the claimant's spouse who resided
38 on the original property with the claimant was, at the time of its
39 sale, at least 55 years of age, ~~or severely and permanently disabled.~~
40 *disabled, or had a permanently and disabled child*. Proof of severe

1 and permanent disability shall be considered a certification, signed
2 by a licensed physician and surgeon of appropriate specialty,
3 attesting to the claimant's severely and permanently disabled
4 ~~condition~~ *or a child's severely and permanently disabled*
5 *condition*. In the absence of available proof that a person is over
6 55 years of age, the claimant shall certify under penalty of perjury
7 that the age requirement is met. In the case of a severely and
8 permanently disabled claimant *or a severely and permanently*
9 *disabled child* either of the following shall be submitted:

10 (i) A certification, signed by a licensed physician or surgeon of
11 appropriate specialty that identifies specific reasons why the
12 disability necessitates a move to the replacement dwelling and the
13 disability-related requirements, including any locational
14 requirements, of a replacement dwelling. The claimant shall
15 substantiate that the replacement dwelling meets disability-related
16 requirements so identified and that the primary reason for the move
17 to the replacement dwelling is to satisfy those requirements. If the
18 claimant, or the claimant's spouse or guardian, so declares under
19 penalty of perjury, it shall be rebuttably presumed that the primary
20 purpose of the move to the replacement dwelling is to satisfy
21 identified disability-related requirements.

22 (ii) The claimant's substantiation that the primary purpose of
23 the move to the replacement dwelling is to alleviate financial
24 burdens caused by the disability. If the claimant, or the claimant's
25 spouse or guardian, so declares under penalty of perjury, it shall
26 be rebuttably presumed that the primary purpose of the move is
27 to alleviate the financial burdens caused by the disability.

28 (C) The address and, if known, the assessor's parcel number of
29 the original property.

30 (D) The date of the claimant's sale of the original property and
31 the date of the claimant's purchase or new construction of a
32 replacement dwelling.

33 (E) A statement by the claimant that he or she occupied the
34 replacement dwelling as his or her principal place of residence on
35 the date of the filing of his or her claim.

36 (F) Any claim under this section shall be filed within three years
37 of the date the replacement dwelling was purchased or the new
38 construction of the replacement dwelling was completed subject
39 to subdivision (k) or (m).

1 (2) A claim for transfer of base year value under this section
2 that is filed after the expiration of the filing period set forth in
3 subparagraph (F) of paragraph (1) shall be considered by the
4 assessor, subject to all of the following conditions:

5 (A) Any base year value transfer granted pursuant to that claim
6 shall apply commencing with the lien date of the assessment year
7 in which the claim is filed.

8 (B) The full cash value of the replacement property in the
9 assessment year described in subparagraph (A) shall be the base
10 year value of the real property in the assessment year in which the
11 base year value was transferred, factored to the assessment year
12 described in subparagraph (A) for both of the following:

13 (i) Inflation as annually determined in accordance with
14 paragraph (1) of subdivision (a) of Section 51.

15 (ii) Any subsequent new construction occurring with respect to
16 the subject real property that does not qualify for property tax relief
17 pursuant to the criteria set forth in subparagraphs (A) and (B) of
18 paragraph (4) of subdivision (h).

19 (g) For purposes of this section:

20 (1) “Person over the age of 55 years” means any person or the
21 spouse of any person who has attained the age of 55 years or older
22 at the time of the sale of the original property.

23 (2) “Base year value of the original property” means its base
24 year value, as determined in accordance with Section 110.1, with
25 the adjustments permitted by subdivision (b) of Section 2 of Article
26 XIII A of the California Constitution and subdivision (f) of Section
27 110.1, determined as of the date immediately prior to the date that
28 the original property is sold by the claimant, or in the case where
29 the original property has been substantially damaged or destroyed
30 by misfortune or calamity and the owner does not rebuild on the
31 original property, determined as of the date immediately prior to
32 the misfortune or calamity.

33 If the replacement dwelling is purchased or newly constructed
34 after the transfer of the original property, “base year value of the
35 original property” also includes any inflation factor adjustments
36 permitted by subdivision (f) of Section 110.1 for the period
37 subsequent to the sale of the original property. The base year or
38 years used to compute the “base year value of the original property”
39 shall be deemed to be the base year or years of any property to
40 which that base year value is transferred pursuant to this section.

1 (3) “Replacement dwelling” means a building, structure, or
2 other shelter constituting a place of abode, whether real property
3 or personal property, that is owned and occupied by a claimant as
4 his or her principal place of residence, and any land owned by the
5 claimant on which the building, structure, or other shelter is
6 situated. For purposes of this paragraph, land constituting a part
7 of a replacement dwelling includes only that area of reasonable
8 size that is used as a site for a residence, and “land owned by the
9 claimant” includes land for which the claimant either holds a
10 leasehold interest described in subdivision (c) of Section 61 or a
11 land purchase contract. Each unit of a multiunit dwelling shall be
12 considered a separate replacement dwelling. For purposes of this
13 paragraph, “area of reasonable size that is used as a site for a
14 residence” includes all land if any nonresidential uses of the
15 property are only incidental to the use of the property as a
16 residential site. For purposes of this paragraph, “land owned by
17 the claimant” includes an ownership interest in a resident-owned
18 mobilehome park that is assessed pursuant to subdivision (b) of
19 Section 62.1.

20 (4) “Original property” means a building, structure, or other
21 shelter constituting a place of abode, whether real property or
22 personal property, that is owned and occupied by a claimant as his
23 or her principal place of residence, and any land owned by the
24 claimant on which the building, structure, or other shelter is
25 situated. For purposes of this paragraph, land constituting a part
26 of the original property includes only that area of reasonable size
27 that is used as a site for a residence, and “land owned by the
28 claimant” includes land for which the claimant either holds a
29 leasehold interest described in subdivision (c) of Section 61 or a
30 land purchase contract. Each unit of a multiunit dwelling shall be
31 considered a separate original property. For purposes of this
32 paragraph, “area of reasonable size that is used as a site for a
33 residence” includes all land if any nonresidential uses of the
34 property are only incidental to the use of the property as a
35 residential site. For purposes of this paragraph, “land owned by
36 the claimant” includes an ownership interest in a resident-owned
37 mobilehome park that is assessed pursuant to subdivision (b) of
38 Section 62.1.

1 (5) “Equal or lesser value” means that the amount of the full
2 cash value of a replacement dwelling does not exceed one of the
3 following:

4 (A) One hundred percent of the amount of the full cash value
5 of the original property if the replacement dwelling is purchased
6 or newly constructed prior to the date of the sale of the original
7 property.

8 (B) One hundred and five percent of the amount of the full cash
9 value of the original property if the replacement dwelling is
10 purchased or newly constructed within the first year following the
11 date of the sale of the original property.

12 (C) One hundred and ten percent of the amount of the full cash
13 value of the original property if the replacement dwelling is
14 purchased or newly constructed within the second year following
15 the date of the sale of the original property.

16 For the purposes of this paragraph, except as otherwise provided
17 in paragraph (4) of subdivision (h), if the replacement dwelling is,
18 in part, purchased and, in part, newly constructed, the date the
19 “replacement dwelling is purchased or newly constructed” is the
20 date of purchase or the date of completion of construction,
21 whichever is later.

22 (6) “Full cash value of the replacement dwelling” means its full
23 cash value, determined in accordance with Section 110.1, as of
24 the date on which it was purchased or new construction was
25 completed, and after the purchase or the completion of new
26 construction.

27 (7) “Full cash value of the original property” means, either:

28 (A) Its new base year value, determined in accordance with
29 subdivision (e), without the application of subdivision (h) of
30 Section 2 of Article XIII A of the California Constitution, plus the
31 adjustments permitted by subdivision (b) of Section 2 of Article
32 XIII A and subdivision (f) of Section 110.1 for the period from the
33 date of its sale by the claimant to the date on which the replacement
34 property was purchased or new construction was completed.

35 (B) In the case where the original property has been substantially
36 damaged or destroyed by misfortune or calamity and the owner
37 does not rebuild on the original property, its full cash value, as
38 determined in accordance with Section 110, immediately prior to
39 its substantial damage or destruction by misfortune or calamity,
40 as determined by the county assessor of the county in which the

1 property is located, without the application of subdivision (h) of
2 Section 2 of Article XIII A of the California Constitution, plus the
3 adjustments permitted by subdivision (b) of Section 2 of Article
4 XIII A of the California Constitution and subdivision (f) of Section
5 110.1, for the period from the date of its sale by the claimant to
6 the date on which the replacement property was purchased or new
7 construction was completed.

8 (8) “Sale” means any change in ownership of the original
9 property for consideration.

10 (9) “Claimant” means any person claiming the property tax
11 relief provided by this section. If a spouse of that person is a record
12 owner of the replacement dwelling, the spouse is also a claimant
13 for purposes of determining whether in any future claim filed by
14 the spouse under this section the condition of eligibility specified
15 in paragraph (7) of subdivision (b) has been met.

16 (10) “Property that is eligible for the homeowners’ exemption”
17 includes property that is the principal place of residence of its
18 owner and is entitled to exemption pursuant to Section 205.5.

19 (11) “Person” means any individual, but does not include any
20 firm, partnership, association, corporation, company, or other legal
21 entity or organization of any kind. “Person” includes an individual
22 who is the present beneficiary of a trust.

23 (12) “Severely and permanently disabled” means any person
24 described in subdivision (b) of Section 74.3.

25 (13) For the purposes of this section, property is “substantially
26 damaged or destroyed by misfortune or calamity” if either the land
27 or the improvements sustain physical damage amounting to more
28 than 50 percent of either the land’s or the improvement’s full cash
29 value immediately prior to the misfortune or calamity. Damage
30 includes a diminution in the value of property as a result of
31 restricted access to the property where the restricted access was
32 caused by the misfortune or calamity and is permanent in nature.

33 (h) (1) Upon the timely filing of a claim described in
34 subparagraph (F) of paragraph (1) of subdivision (f), the assessor
35 shall adjust the new base year value of the replacement dwelling
36 in conformity with this section. This adjustment shall be made as
37 of the latest of the following dates:

38 (A) The date the original property is sold.

39 (B) The date the replacement dwelling is purchased.

1 (C) The date the new construction of the replacement dwelling
2 is completed.

3 (2) Any taxes that were levied on the replacement dwelling prior
4 to the filing of the claim on the basis of the replacement dwelling's
5 new base year value, and any allowable annual adjustments thereto,
6 shall be canceled or refunded to the claimant to the extent that the
7 taxes exceed the amount that would be due when determined on
8 the basis of the adjusted new base year value.

9 (3) Notwithstanding Section 75.10, Chapter 3.5 (commencing
10 with Section 75) shall be utilized for purposes of implementing
11 this subdivision, including adjustments of the new base year value
12 of replacement dwellings acquired prior to the sale of the original
13 property.

14 (4) In the case where a claim under this section has been timely
15 filed and granted, and new construction is performed upon the
16 replacement dwelling subsequent to the transfer of base year value,
17 the property tax relief provided by this section also shall apply to
18 the replacement dwelling, as improved, and thus there shall be no
19 reassessment upon completion of the new construction if both of
20 the following conditions are met:

21 (A) The new construction is completed within two years of the
22 date of the sale of the original property and the owner notifies the
23 assessor in writing of completion of the new construction within
24 six months after completion.

25 (B) The fair market value of the new construction on the date
26 of completion, plus the full cash value of the replacement dwelling
27 on the date of acquisition, is not more than the full cash value of
28 the original property as determined pursuant to paragraph (7) of
29 subdivision (g) for purposes of granting the original claim.

30 (i) Any claimant may rescind a claim for the property tax relief
31 provided by this section and shall not be considered to have
32 received that relief for purposes of paragraph (7) of subdivision
33 (b), and the assessor shall grant the rescission, if a written notice
34 of rescission is delivered to the office of the assessor as follows:

35 (1) A written notice of rescission signed by the original filing
36 claimant or claimants is delivered to the office of the assessor in
37 which the original claim was filed.

38 (2) (A) Except as otherwise provided in this paragraph, the
39 notice of rescission is delivered to the office of the assessor before
40 the date that the county first issues, as a result of relief granted

1 under this section, a refund check for property taxes imposed upon
2 the replacement dwelling. If granting relief will not result in a
3 refund of property taxes, then the notice shall be delivered before
4 payment is first made of any property taxes, or any portion thereof,
5 imposed upon the replacement dwelling consistent with relief
6 granted under this section. If payment of the taxes is not made,
7 then notice shall be delivered before the first date that those
8 property taxes, or any portion thereof, imposed upon the
9 replacement dwelling, consistent with relief granted under this
10 section, are delinquent.

11 (B) Notwithstanding any other provision in this division, any
12 time the notice of rescission is delivered to the office of the assessor
13 within six years after relief was granted, provided that the
14 replacement property has been vacated as the claimant's principal
15 place of residence within 90 days after the original claim was filed,
16 regardless of whether the property continues to receive the
17 homeowners' exemption. If the rescission increases the base year
18 value of a property, or the homeowners' exemption has been
19 incorrectly allowed, appropriate escape assessments or
20 supplemental assessments, including interest as provided in Section
21 506, shall be imposed. The limitations periods for any escape
22 assessments or supplemental assessments shall not commence until
23 July 1 of the assessment year in which the notice of rescission is
24 delivered to the office of the assessor.

25 (3) The notice is accompanied by the payment of a fee as the
26 assessor may require, provided that the fee shall not exceed an
27 amount reasonably related to the estimated cost of processing a
28 rescission claim, including both direct costs and developmental
29 and indirect costs, such as costs for overhead, personnel, supplies,
30 materials, office space, and computers.

31 (j) (1) With respect to the transfer of base year value of original
32 properties to replacement dwellings located in the same county,
33 this section, except as provided in paragraph (3) or (4), shall apply
34 to any replacement dwelling that is purchased or newly constructed
35 on or after November 6, 1986.

36 (2) With respect to the transfer of base year value of original
37 properties to replacement dwellings located in different counties,
38 except as provided in paragraph (4), this section shall apply to any
39 replacement dwelling that is purchased or newly constructed on
40 or after the date specified in accordance with subparagraph (E) of

1 paragraph (2) of subdivision (a) in the ordinance of the county in
2 which the replacement dwelling is located, but shall not apply to
3 any replacement dwelling which was purchased or newly
4 constructed before November 9, 1988.

5 (3) With respect to the transfer of base year value by a severely
6 and permanently disabled person, this section shall apply only to
7 replacement dwellings that are purchased or newly constructed on
8 or after June 6, 1990.

9 (4) The amendments made to subdivision (e) by the act adding
10 this paragraph shall apply only to replacement dwellings under
11 Section 69 that are acquired or newly constructed on or after
12 October 20, 1991, and shall apply commencing with the 1991–92
13 fiscal year.

14 (k) (1) In the case in which a county adopts an ordinance
15 pursuant to paragraph (2) of subdivision (a) that establishes an
16 applicable date which is more than three years prior to the date of
17 adoption of the ordinance, those potential claimants who purchased
18 or constructed replacement dwellings more than three years prior
19 to the date of adoption of the ordinance and who would, therefore,
20 be precluded from filing a timely claim, shall be deemed to have
21 timely filed a claim if the claim is filed within three years after the
22 date that the ordinance is adopted. This paragraph may not be
23 construed as a waiver of any other requirement of this section.

24 (2) In the case in which a county assessor corrects a base year
25 value to reflect a pro rata change in ownership of a resident-owned
26 mobilehome park that occurred between January 1, 1989, and
27 January 1, 2002, pursuant to paragraph (4) of subdivision (b) of
28 Section 62.1, those claimants who purchased or constructed
29 replacement dwellings more than three years prior to the correction
30 and who would, therefore, be precluded from filing a timely claim,
31 shall be deemed to have timely filed a claim if the claim is filed
32 within three years of the date of notice of the correction of the base
33 year value to reflect the pro rata change in ownership. This
34 paragraph may not be construed as a waiver of any other
35 requirement of this section.

36 (3) This subdivision does not apply to a claimant who has
37 transferred his or her replacement dwelling prior to filing a claim.

38 (4) The property tax relief provided by this section, but filed
39 under this subdivision, shall apply prospectively only, commencing
40 with the lien date of the assessment year in which the claim is

1 filed. There shall be no refund or cancellation of taxes prior to the
2 date that the claim is filed.

3 (l) No escape assessment may be levied if a transfer of base
4 year value under this section has been erroneously granted by the
5 assessor pursuant to an expired ordinance authorizing intercounty
6 transfers of base year value.

7 (m) (1) The amendments made to subdivisions (b) and (g) of
8 this section by Chapter 613 of the Statutes of 2001 shall apply:

9 (A) With respect to the transfer of base year value of original
10 properties to replacement dwellings located in the same county,
11 to any replacement dwelling that is purchased or newly constructed
12 on or after November 6, 1986.

13 (B) With respect to the transfer of base year value of original
14 properties to replacement dwellings located in different counties,
15 to any replacement dwelling that is purchased or newly constructed
16 on or after the date specified in accordance with subparagraph (E)
17 of paragraph (2) of subdivision (a) in the ordinance of the county
18 in which the replacement dwelling is located, but not to any
19 replacement dwelling that was purchased or newly constructed
20 before November 9, 1988.

21 (C) With respect to the transfer of base year value by a severely
22 and permanently disabled person, to replacement dwellings that
23 are purchased or newly constructed on or after June 6, 1990.

24 (2) The property tax relief provided by this section in accordance
25 with this subdivision shall apply prospectively only commencing
26 with the lien date of the assessment year in which the claim is
27 filed. There shall be no refund or cancellation of taxes prior to the
28 date that the claim is filed.

29 (n) A claim filed under this section is not a public document
30 and is not subject to public inspection, except that a claim shall be
31 available for inspection by the claimant or the claimant's spouse,
32 the claimant's or the claimant's spouse's legal representative, the
33 trustee of a trust in which the claimant or the claimant's spouse is
34 a present beneficiary, and the executor or administrator of the
35 claimant's or the claimant's spouse's estate.

36 (o) The amendments made to this section by the act adding this
37 subdivision shall apply commencing with the lien date for the
38 2012–13 fiscal year.

39 (p) *With respect to the transfer of base year value by a person*
40 *with a severely and permanently disabled child, this section shall*

1 *only apply to replacement dwellings that are purchased or newly*
2 *constructed on or after January 1, 2016.*

3 SEC. 2. Section 463 of the Revenue and Taxation Code is
4 amended to read:

5 463. (a) If any person who is required by law or is requested
6 by the assessor to make an annual property statement fails to file
7 an annual property statement within the time limit specified by
8 Section 441 or make and subscribe the affidavit respecting his or
9 her name and place of residence, a penalty of 10 percent of the
10 assessed value of the unreported taxable tangible property of that
11 person placed on the current roll shall be added to the assessment
12 made on the current roll.

13 **Notice**

14 (b) *Notice* of any penalty added to the secured roll pursuant to
15 this section shall be mailed by the assessor to the assessee at his
16 or her address as contained in the official records of the county
17 assessor.

18 **If**

19 (c) *If* the assessee establishes to the satisfaction of the county
20 board of equalization or the assessment appeals board that the
21 failure to file the property statement within the time required by
22 Section 441 was due to reasonable cause and ~~not due to~~
23 *circumstances beyond the assessee's control, and occurred*
24 *notwithstanding the exercise of ordinary care in the absence of*
25 *willful neglect*, it may order the penalty abated, provided the
26 assessee has filed with the county board written application for
27 abatement of the penalty within the time prescribed by law for the
28 filing of applications for assessment reductions.

29 **If**

30 (d) *If* the penalty is abated it shall be canceled or refunded in
31 the same manner as an amount of tax erroneously charged or
32 collected.

33 SEC. 3. Section 483 of the Revenue and Taxation Code is
34 amended to read:

35 483. (a) If the assessee establishes to the satisfaction of the
36 county board of equalization or the assessment appeals board that
37 the failure to file the change in ownership statement within the
38 time required by subdivision (a) of Section 482 was due to
39 reasonable cause and not due to willful neglect, and has filed the
40 statement with the assessor, the county board of equalization or

1 the assessment appeals board may order the penalty abated,
2 provided the assessee has filed with the county board of
3 equalization or the assessment appeals board a written application
4 for abatement of the penalty no later than 60 days after the date
5 on which the assessee was notified of the penalty.

6 If the penalty is abated it shall be canceled or refunded in the
7 same manner as an amount of tax erroneously charged or collected.

8 (b) The provisions of subdivision (a) shall not apply in any
9 county in which the board of supervisors adopts a resolution to
10 that effect. In that county the penalty provided for in subdivision
11 (a) of Section 482 shall be abated if the assessee files the change
12 of ownership statement with the assessor no later than 60 days
13 after the date on which the assessee was notified of the penalty.

14 If the penalty is abated it shall be canceled or refunded in the
15 same manner as an amount of tax erroneously charged or collected.

16 (c) (1) If a person or legal entity establishes to the satisfaction
17 of the county board of equalization or the assessment appeals board
18 that the failure to file the change in ownership statement within
19 the time required by subdivision (b) of Section 482 was due to
20 reasonable cause and ~~not due to circumstances beyond the~~
21 *assessee's control, and occurred notwithstanding the exercise of*
22 *ordinary care in the absence of willful neglect*, and has filed the
23 statement with the State Board of Equalization, the county board
24 of equalization or the assessment appeals board may order the
25 penalty be abated, provided the person or legal entity has filed
26 with the county board of equalization or the assessment appeals
27 board a written application for abatement of the penalty no later
28 than 60 days after the date on which the person or legal entity was
29 notified of the penalty by the assessor.

30 (2) If a written request to file a change in ownership statement,
31 including a written request to file a complete change in ownership
32 statement, is mailed by the State Board of Equalization to a person
33 or legal entity as specified in subdivision (b) of Section 482, and
34 the assessor determines that the written request was based on
35 erroneous information in the possession of the board provided by
36 any person or entity, including, but not limited to, the Franchise
37 Tax Board, a county assessor, or board staff, the assessor shall
38 abate the penalty if the person or legal entity required to comply
39 with the written request notifies both the board and the county
40 assessor responsible for assessing the penalty of the error no later

1 than 60 days after the date on which the person or legal entity is
2 notified of the penalty.

3 (3) If the penalty is abated, it shall be canceled or refunded in
4 the same manner as an amount of tax erroneously charged or
5 collected.

6 SEC. 4. If the Commission on State Mandates determines that
7 this act contains costs mandated by the state, reimbursement to
8 local agencies and school districts for those costs shall be made
9 pursuant to Part 7 (commencing with Section 17500) of Division
10 4 of Title 2 of the Government Code.

11 SEC. 5. Notwithstanding Section 2229 of the Revenue and
12 Taxation Code, no appropriation is made by this act and the state
13 shall not reimburse any local agency for any property tax revenues
14 lost by it pursuant to this act.

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