

AMENDED IN ASSEMBLY MAY 4, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 571

Introduced by Assembly Member Brown

February 24, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

AB 571, as amended, Brown. ~~Property taxation. Property taxation:~~ *Property taxation: property statement: change in ownership statement: penalty.*

~~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-no*. State-mandated local program: *yes-no*.

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 law, pursuant to~~
- 4 ~~subdivision (a) of Section 2 of Article XIII A of the California~~
- 5 ~~Constitution, any person over the age of 55 years, any severely~~
- 6 ~~and permanently disabled person, or any person with a severely~~
- 7 ~~and permanently disabled child, who resides in property that is~~
- 8 ~~eligible for the homeowners’ exemption under subdivision (k) of~~
- 9 ~~Section 3 of Article XIII of the California Constitution and Section~~

1 218 may transfer, subject to the conditions and limitations provided
2 in this section, the base year value of that property to any
3 replacement dwelling of equal or lesser value that is located within
4 the same county and is purchased or newly constructed by that
5 person as his or her principal residence within two years of the
6 sale by that person of the original property, provided that the base
7 year value of the original property shall not be transferred to the
8 replacement dwelling until the original property is sold.

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

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

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

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

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

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

1 ~~(b) In addition to meeting the requirements of subdivision (a),~~
2 ~~any person claiming the property tax relief provided by this section~~
3 ~~shall be eligible for that relief only if the following conditions are~~
4 ~~met:~~

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

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

17 ~~(3) At the time of the sale of the original property, the claimant~~
18 ~~or the claimant's spouse who resides with the claimant is at least~~
19 ~~55 years of age, is severely and permanently disabled, or has a~~
20 ~~severely and permanently disabled child.~~

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

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

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

1 ~~(7) The claimant has not previously been granted, as a claimant,~~
2 ~~the property tax relief provided by this section, except that this~~
3 ~~paragraph shall not apply to any person who becomes severely~~
4 ~~and permanently disabled subsequent to being granted, as a~~
5 ~~claimant, the property tax relief provided by this section for any~~
6 ~~person over the age of 55 years. In order to prevent duplication of~~
7 ~~claims under this section within this state, county assessors shall~~
8 ~~report quarterly to the State Board of Equalization that information~~
9 ~~from claims filed in accordance with subdivision (f) and from~~
10 ~~county records as is specified by the board necessary to identify~~
11 ~~fully all claims under this section allowed by assessors and all~~
12 ~~claimants who have thereby received relief. The board may specify~~
13 ~~that the information include all or a part of the names and social~~
14 ~~security numbers of claimants and their spouses and the identity~~
15 ~~and location of the replacement dwelling to which the claim~~
16 ~~applies. The information may be required in the form of data~~
17 ~~processing media or other media and in a format that is compatible~~
18 ~~with the recordkeeping processes of the counties and the auditing~~
19 ~~procedures of the state.~~

20 ~~(e) The property tax relief provided by this section shall be~~
21 ~~available if the original property or the replacement dwelling, or~~
22 ~~both, of the claimant includes, but is not limited to, either of the~~
23 ~~following:~~

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

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

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

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

29 ~~This subdivision shall be subject to the limitations specified in~~
30 ~~subdivision (d).~~

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

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

1 ~~(2) If two or more replacement dwellings are separately~~
2 ~~purchased or newly constructed by two or more coowners and~~
3 ~~more than one coowner would otherwise be an eligible claimant,~~
4 ~~only one coowner shall be eligible under this section. These~~
5 ~~coowners shall determine by mutual agreement which one of them~~
6 ~~shall be deemed eligible.~~

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

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

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

26 ~~This section shall not apply unless the transfer of the original~~
27 ~~property is a change in ownership that either (1) subjects that~~
28 ~~property to reappraisal at its current fair market value in accordance~~
29 ~~with Section 110.1 or 5803 or (2) results in a base year value~~
30 ~~determined in accordance with this section, Section 69, or Section~~
31 ~~69.3 because the property qualifies under this section, Section 69,~~
32 ~~or Section 69.3 as a replacement dwelling or property.~~

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

38 ~~(A) The name and social security number of each claimant and~~
39 ~~of any spouse of the claimant who is a record owner of the~~
40 ~~replacement dwelling.~~

1 ~~(B) Proof that the claimant or the claimant's spouse who resided~~
2 ~~on the original property with the claimant was, at the time of its~~
3 ~~sale, at least 55 years of age, severely and permanently disabled,~~
4 ~~or had a permanently and disabled child. Proof of severe and~~
5 ~~permanent disability shall be considered a certification, signed by~~
6 ~~a licensed physician and surgeon of appropriate specialty, attesting~~
7 ~~to the claimant's severely and permanently disabled or a child's~~
8 ~~severely and permanently disabled condition. In the absence of~~
9 ~~available proof that a person is over 55 years of age, the claimant~~
10 ~~shall certify under penalty of perjury that the age requirement is~~
11 ~~met. In the case of a severely and permanently disabled claimant~~
12 ~~or a severely and permanently disabled child either of the following~~
13 ~~shall be submitted:~~

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

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

32 ~~(C) The address and, if known, the assessor's parcel number of~~
33 ~~the original property.~~

34 ~~(D) The date of the claimant's sale of the original property and~~
35 ~~the date of the claimant's purchase or new construction of a~~
36 ~~replacement dwelling.~~

37 ~~(E) A statement by the claimant that he or she occupied the~~
38 ~~replacement dwelling as his or her principal place of residence on~~
39 ~~the date of the filing of his or her claim.~~

1 ~~(F) Any claim under this section shall be filed within three years~~
2 ~~of the date the replacement dwelling was purchased or the new~~
3 ~~construction of the replacement dwelling was completed subject~~
4 ~~to subdivision (k) or (m).~~

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

9 ~~(A) Any base year value transfer granted pursuant to that claim~~
10 ~~shall apply commencing with the lien date of the assessment year~~
11 ~~in which the claim is filed.~~

12 ~~(B) The full cash value of the replacement property in the~~
13 ~~assessment year described in subparagraph (A) shall be the base~~
14 ~~year value of the real property in the assessment year in which the~~
15 ~~base year value was transferred, factored to the assessment year~~
16 ~~described in subparagraph (A) for both of the following:~~

17 ~~(i) Inflation as annually determined in accordance with~~
18 ~~paragraph (1) of subdivision (a) of Section 51.~~

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

23 ~~(g) For purposes of this section:~~

24 ~~(1) "Person over the age of 55 years" means any person or the~~
25 ~~spouse of any person who has attained the age of 55 years or older~~
26 ~~at the time of the sale of the original property.~~

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

37 ~~If the replacement dwelling is purchased or newly constructed~~
38 ~~after the transfer of the original property, "base year value of the~~
39 ~~original property" also includes any inflation factor adjustments~~
40 ~~permitted by subdivision (f) of Section 110.1 for the period~~

1 subsequent to the sale of the original property. The base year or
2 years used to compute the “base year value of the original property”
3 shall be deemed to be the base year or years of any property to
4 which that base year value is transferred pursuant to this section.

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

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

1 mobilehome park that is assessed pursuant to subdivision (b) of
2 Section 62.1.

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

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

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

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

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

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

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

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

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

1 its substantial damage or destruction by misfortune or calamity,
 2 as determined by the county assessor of the county in which the
 3 property is located, without the application of subdivision (h) of
 4 Section 2 of Article XIII A of the California Constitution, plus the
 5 adjustments permitted by subdivision (b) of Section 2 of Article
 6 XIII A of the California Constitution and subdivision (f) of Section
 7 110.1, for the period from the date of its sale by the claimant to
 8 the date on which the replacement property was purchased or new
 9 construction was completed:

10 (8) “Sale” means any change in ownership of the original
 11 property for consideration:

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

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

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

25 (12) “Severely and permanently disabled” means any person
 26 described in subdivision (b) of Section 74.3:

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

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

40 (A) The date the original property is sold:

1 ~~(B) The date the replacement dwelling is purchased.~~

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

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

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

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

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

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

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

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

39 ~~(2) (A) Except as otherwise provided in this paragraph, the~~
40 ~~notice of rescission is delivered to the office of the assessor before~~

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

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

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

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

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

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

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

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

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

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

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

39 ~~(4) The property tax relief provided by this section, but filed
40 under this subdivision, shall apply prospectively only, commencing~~

1 with the lien date of the assessment year in which the claim is
2 filed. There shall be no refund or cancellation of taxes prior to the
3 date that the claim is filed.

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

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

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

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

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

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

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

37 (o) The amendments made to this section by the act adding this
38 subdivision shall apply commencing with the lien date for the
39 2012-13 fiscal year.

1 ~~(p) With respect to the transfer of base year value by a person~~
2 ~~with a severely and permanently disabled child, this section shall~~
3 ~~only apply to replacement dwellings that are purchased or newly~~
4 ~~constructed on or after January 1, 2016.~~

5 ~~SEC. 2.~~

6 *SECTION 1.* Section 463 of the Revenue and Taxation Code
7 is amended to read:

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

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

20 (c) If the assessee establishes to the satisfaction of the county
21 board of equalization or the assessment appeals board that the
22 failure to file the property statement within the time required by
23 Section 441 was due to reasonable cause and circumstances beyond
24 the assessee's control, and occurred notwithstanding the exercise
25 of ordinary care in the absence of willful neglect, it may order the
26 penalty abated, provided the assessee has filed with the county
27 board written application for abatement of the penalty within the
28 time prescribed by law for the filing of applications for assessment
29 reductions.

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.~~

34 *SEC. 2.* Section 483 of the Revenue and Taxation Code is
35 amended to read:

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

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

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

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

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

17 (c) (1) If a person or legal entity establishes to the satisfaction
18 of the county board of equalization or the assessment appeals board
19 that the failure to file the change in ownership statement within
20 the time required by subdivision (b) of Section 482 was due to
21 reasonable cause and circumstances beyond the assessee's control,
22 and occurred notwithstanding the exercise of ordinary care in the
23 absence of willful neglect, and has filed the statement with the
24 State Board of Equalization, the county board of equalization or
25 the assessment appeals board may order the penalty be abated,
26 provided the person or legal entity has filed with the county board
27 of equalization or the assessment appeals board a written
28 application for abatement of the penalty no later than 60 days after
29 the date on which the person or legal entity was notified of the
30 penalty by the assessor.

31 (2) If a written request to file a change in ownership statement,
32 including a written request to file a complete change in ownership
33 statement, is mailed by the State Board of Equalization to a person
34 or legal entity as specified in subdivision (b) of Section 482, and
35 the assessor determines that the written request was based on
36 erroneous information in the possession of the board provided by
37 any person or entity, including, but not limited to, the Franchise
38 Tax Board, a county assessor, or board staff, the assessor shall
39 abate the penalty if the person or legal entity required to comply
40 with the written request notifies both the board and the county

1 assessor responsible for assessing the penalty of the error no later
2 than 60 days after the date on which the person or legal entity is
3 notified of the penalty.

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

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

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