

AMENDED IN SENATE SEPTEMBER 1, 2015

AMENDED IN ASSEMBLY MAY 4, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 571**

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**Introduced by Assembly Member Brown**

February 24, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

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

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.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 463 of the Revenue and Taxation Code  
2 is amended to read:  
3 463. (a) If any person who is required by law or is requested  
4 by the assessor to make an annual property statement fails to file  
5 an annual property statement within the time limit specified by  
6 Section 441 or make and subscribe the affidavit respecting his or  
7 her name and place of residence, a penalty of 10 percent of the  
8 assessed value of the unreported taxable tangible property of that  
9 person placed on the current roll shall be added to the assessment  
10 made on the current roll.  
11 (b) Notice of any penalty added to the secured roll pursuant to  
12 this section shall be mailed by the assessor to the assessee at his  
13 or her address as contained in the official records of the county  
14 assessor.  
15 (c) If the assessee establishes to the satisfaction of the county  
16 board of equalization or the assessment appeals board that the  
17 failure to file the property statement within the time required by  
18 Section 441 was due to reasonable cause and circumstances beyond  
19 the assessee’s control, and occurred notwithstanding the exercise  
20 of ordinary care in the absence of willful neglect, it may order the  
21 penalty abated, provided the assessee has filed with the county  
22 board written application for abatement of the penalty within the  
23 time prescribed by law for the filing of applications for assessment  
24 reductions.  
25 (d) If the penalty is abated it shall be canceled or refunded in  
26 the same manner as an amount of tax erroneously charged or  
27 collected.  
28 SEC. 2. Section 483 of the Revenue and Taxation Code is  
29 amended to read:  
30 483. (a) If the assessee establishes to the satisfaction of the  
31 county board of equalization or the assessment appeals board that  
32 the failure to file the change in ownership statement within the  
33 time required by subdivision (a) of Section 482 was due to  
34 reasonable cause and ~~not due to~~ *circumstances beyond the*  
35 *assessee’s control, and occurred notwithstanding the exercise of*

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

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

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

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

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

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

1 with the written request notifies both the board and the county  
2 assessor responsible for assessing the penalty of the error no later  
3 than 60 days after the date on which the person or legal entity is  
4 notified of the penalty.

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

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