

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 748

Introduced by Assembly Member Lackey

February 25, 2015

An act to amend Sections 75.21, 271, and 271.5 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 748, as amended, Lackey. Taxation: exemptions: public schools.

Existing law, with respect to supplemental property tax assessments, specifies various limitation periods for assessments on the supplemental tax roll. Existing law provides for the application of property tax exemptions to those supplemental assessments provided, among other things, that an assessee file an exemption application within a specified time. Existing property tax law allows taxes, penalties, and interest imposed for late filings of property tax exemption applications for the supplemental roll that exceed \$250 in total to be canceled or refunded up to 85% or 90%, as applicable, in the case of the exemption for a college, cemetery, church, religious, exhibition, or veterans' organization.

This bill would expand this reduction to be applied to exemptions for public schools, as provided.

Existing property tax law provides, with respect to property as to which the college, cemetery, church, religious, exhibition, veterans' organization, free public libraries, free museums, public schools, community colleges, state colleges, state universities, tribal housing, or welfare exemption was available but for which a timely application for exemption was not filed, that 90% of any tax or penalty or interest

on that property shall be canceled or refunded if an appropriate application for exemption is filed on or before the lien date in the calendar year next succeeding the calendar year in which the exemption was not claimed by a timely application.

Existing property tax law requires, if an appropriate application for exemption is filed within 90 days from the first day of the month following the month in which the property was acquired or by February 15 of the following calendar year, whichever occurs first, any tax or penalty or interest imposed upon property owned by any organization qualified for the college, cemetery, church, religious, exhibition, veterans' organization, tribal housing, or welfare exemption that is acquired by that organization during a given calendar year, after the lien date but before the first day of the fiscal year commencing within that calendar year, if the property is of a kind that would have been qualified for the college, cemetery, church, religious, exhibition, veterans' organization, tribal housing, or welfare exemption if it had been owned by the organization on the lien date, to be canceled or refunded.

This bill would add public schools to the list of entities eligible for the cancellation or refund of any tax or penalty or interest imposed on property acquired in a given calendar year after the lien date but before the first day of the fiscal year commencing within that calendar year. The bill also would make conforming changes.

By increasing the duties of local officials relative to the administration of taxes, 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.

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

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

1 SECTION 1. Section 75.21 of the Revenue and Taxation Code
2 is amended to read:

1 75.21. (a) Exemptions shall be applied to the amount of the
2 supplemental assessment, provided that the property is not
3 receiving any other exemption on either the current roll or the roll
4 being prepared except as provided for in subdivision (b), that the
5 assessee is eligible for the exemption, and that, in those instances
6 in which the provisions of this division require the filing of a claim
7 for the exemption, the assessee makes a claim for the exemption.

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

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

23 (1) With respect to property as to which the college, cemetery,
24 church, religious, exhibition, veterans' organization, *public school*,
25 free public libraries, free museums, or welfare exemption was
26 available, but for which a timely application for exemption was
27 not filed, the following amounts shall be canceled or refunded:

28 (A) Ninety percent of any tax or penalty or interest thereon, or
29 any amount of tax or penalty or interest thereon exceeding two
30 hundred fifty dollars (\$250) in total amount, whichever is greater,
31 for each supplemental assessment, provided that an appropriate
32 application for exemption is filed on or before the date on which
33 the first installment of taxes on the supplemental tax bill becomes
34 delinquent, as provided by Section 75.52.

35 (B) Eighty-five percent of any tax or penalty or interest thereon,
36 or any amount of tax or penalty or interest thereon exceeding two
37 hundred fifty dollars (\$250) in total amount, whichever is greater,
38 for each supplemental assessment, if an appropriate application
39 for exemption is thereafter filed.

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

5 (3) With respect to property as to which the veterans' or
6 homeowners' exemption was available, but for which a timely
7 application for exemption was not filed, that portion of tax
8 attributable to 80 percent of the amount of exemption available
9 shall be canceled or refunded, provided that an appropriate
10 application for exemption is filed on or before the date on which
11 the first installment of taxes on the supplemental tax bill becomes
12 delinquent, as provided by Section 75.52.

13 (4) With respect to property as to which the disabled veterans'
14 exemption was available, but for which a timely application for
15 exemption was not filed, that portion of tax attributable to 90
16 percent of the amount of exemption available shall be canceled or
17 refunded, provided that an appropriate application for exemption
18 is filed on or before the date on which the first installment of taxes
19 on the supplemental tax bill becomes delinquent, as provided by
20 Section 75.52. If an appropriate application for exemption is
21 thereafter filed, 85 percent of the amount of the exemption available
22 shall be canceled or refunded.

23 (5) With respect to property as to which any other exemption
24 was available, but for which a timely application for exemption
25 was not filed, the following amounts shall be canceled or refunded:

26 (A) Ninety percent of any tax or penalty or interest thereon,
27 provided that an appropriate application for exemption is filed on
28 or before the date on which the first installment of taxes on the
29 supplemental tax bill becomes delinquent, as provided by Section
30 75.52.

31 (B) Eighty-five percent of any tax or penalty or interest thereon,
32 or any amount of tax or penalty or interest thereon exceeding two
33 hundred fifty dollars (\$250) in total amount, whichever is greater,
34 for each supplemental assessment, if an appropriate application
35 for exemption is thereafter filed.

36 Other provisions of this division pertaining to the late filing of
37 claims for exemption do not apply to assessments made pursuant
38 to this chapter.

39 (d) For purposes of this section, any claim for the homeowners'
40 exemption, veterans' exemption, or disabled veterans' exemption

previously filed by the owner of a dwelling, granted and in effect, constitutes the claim or claims for that exemption required in this section. In the event that a claim for the homeowners' exemption, veterans' exemption, or disabled veterans' exemption is not in effect, a claim for any of those exemptions for a single supplemental assessment for a change in ownership or new construction occurring on or after June 1, up to and including December 31, shall apply to that assessment; a claim for any of those exemptions for the two supplemental assessments for a change in ownership or new construction occurring on or after January 1, up to and including May 31, one for the current fiscal year and one for the following fiscal year, shall apply to those assessments. In either case, if granted, the claim shall remain in effect until title to the property changes, the owner does not occupy the home as his or her principal place of residence on the lien date, or the property is otherwise ineligible pursuant to Section 205, 205.5, or 218.

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

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

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

SECTION 1.

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

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

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

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

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

35 (b) Eighty-five percent of any tax or penalty or interest thereon
36 imposed upon property that would be entitled to relief under
37 subdivision (a) or Section 214.01, except that an appropriate
38 application for exemption was not filed within the time required
39 by the applicable provision, shall be canceled or refunded provided
40 that an appropriate application for exemption is filed after the last

1 day on which relief could be granted under subdivision (a) or
2 Section 214.01.

3 (c) Notwithstanding subdivision (b), any tax or penalty or
4 interest thereon exceeding two hundred fifty dollars (\$250) in total
5 amount shall be canceled or refunded provided it is imposed upon
6 property entitled to relief under subdivision (b) for which an
7 appropriate claim for exemption has been filed.

8 (d) With respect to property acquired after the beginning of the
9 fiscal year for which relief is sought, subdivisions (b) and (c) shall
10 apply only to that pro rata portion of any tax or penalty or interest
11 thereon that would have been canceled or refunded had the property
12 qualified for relief under paragraph (3) of subdivision (a).

13 ~~SEC. 2.~~

14 *SEC. 3.* Section 271.5 of the Revenue and Taxation Code is
15 amended to read:

16 271.5. (a) In the event that property receiving the college,
17 cemetery, church, religious, exhibition, veterans' organization,
18 tribal housing, public school, or welfare exemption is sold or
19 otherwise transferred, the exemption shall cease to apply on the
20 date of that sale or transfer. A new exemption shall be available
21 subject to the provisions of Section 271.

22 (b) Termination of the exemption under this section shall result
23 in an escape assessment of the property pursuant to Section 531.1.

24 ~~SEC. 3.~~

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