

AMENDED IN ASSEMBLY APRIL 25, 2016

AMENDED IN ASSEMBLY APRIL 12, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2450

Introduced by Assembly Member Achadjian

February 19, 2016

An act to amend ~~Sections 480 and~~ *Section 5091* of the Revenue and Taxation Code, relating to property tax.

LEGISLATIVE COUNSEL'S DIGEST

AB 2450, as amended, Achadjian. ~~Property tax. taxation: property acquired for public use: notice.~~

~~Existing property tax law, when there is a change in ownership of real property, a manufactured home, or a floating home that is subject to local property taxation, requires the transferee to file a change in ownership statement, under penalty of perjury, in the county where the real property, manufactured home, or floating home is located. Existing property tax law requires the change in ownership statement to include information relative to the real property, manufactured home, or floating home acquisition transaction, including, but not limited to, a description of the property, the parties to the transaction, the date of acquisition, the amount of the consideration paid for the property, and the terms of the transaction.~~

~~This bill would additionally require the change in ownership statement to include information regarding any enforceable restrictions placed upon the property that the assessor is required to consider, as specified.~~

~~By requiring additional information to be filed under penalty of perjury, thereby expanding the crime of perjury, this bill would impose a state-mandated local program.~~

The California Constitution exempts from property taxation property that is owned by the state or, with certain exceptions, by local governments. Existing property tax law establishes a procedure by which a public entity may cancel property taxes on property that it acquires. Under existing law, if a public entity proposes to acquire property for public use that will make the property exempt from taxation, the public entity is required to give notice to the county tax collector and to other public entities whose taxes are not collected by the county tax collector, as provided.

This bill would additionally require the public entity to give notice to the county assessor.

By adding to the duties of local government officials with regard to the cancellation of property 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 with regard to certain mandates no reimbursement is required by this act for a specified reason.~~

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

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 480 of the Revenue and Taxation Code~~
2 ~~is amended to read:~~
3 ~~480. (a) Whenever there occurs any change in ownership of~~
4 ~~real property, a manufactured home, or a floating home that is~~
5 ~~subject to local property taxation and is assessed by the county~~
6 ~~assessor, the transferee shall file a signed change in ownership~~
7 ~~statement in the county where the real property, manufactured~~
8 ~~home, or floating home is located, as provided for in subdivision~~
9 ~~(e). In the case of a change in ownership where the transferee is~~
10 ~~not locally assessed, no change in ownership statement is required.~~
11 ~~(b) The personal representative shall file a change in ownership~~
12 ~~statement with the county recorder or assessor in each county in~~
13 ~~which the decedent owned real property at the time of death that~~
14 ~~is subject to probate proceedings. The statement shall be filed prior~~
15 ~~to or at the time the inventory and appraisal is filed with the court~~
16 ~~clerk. In all other cases in which an interest in real property is~~
17 ~~transferred by reason of death, including a transfer through the~~
18 ~~medium of a trust, the change in ownership statement or statements~~
19 ~~shall be filed by the trustee (if the property was held in trust) or~~
20 ~~the transferee with the county recorder or assessor in each county~~
21 ~~in which the decedent owned an interest in real property within~~
22 ~~150 days after the date of death.~~
23 ~~(c) Except as provided in subdivision (d), the change in~~
24 ~~ownership statement as required pursuant to subdivision (a) shall~~
25 ~~be declared to be true under penalty of perjury and shall give that~~
26 ~~information relative to the real property, manufactured home, or~~
27 ~~floating home acquisition transaction as the board shall prescribe~~
28 ~~after consultation with the California Assessors' Association. The~~
29 ~~information shall include, but not be limited to, a description of~~
30 ~~the property, the parties to the transaction, the date of acquisition,~~
31 ~~the amount, if any, of the consideration paid for the property,~~
32 ~~whether paid in money or otherwise, any enforceable restrictions~~
33 ~~placed upon the property that the assessor is required to consider~~
34 ~~pursuant to Section 402.1, and the terms of the transaction. The~~
35 ~~change in ownership statement shall not include any question that~~
36 ~~is not germane to the assessment function. The statement shall~~
37 ~~contain a notice informing the transferee of the property tax relief~~
38 ~~available under Section 69.5. The statement shall contain a notice~~

1 that is printed, with the title in at least 12-point boldface type and
2 the body in at least 8-point boldface type, in the following form:

3 -

4 "Important Notice"

5

6 "The law requires any transferee acquiring an interest in real
7 property, manufactured home, or floating home subject to local
8 property taxation, and that is assessed by the county assessor, to
9 file a change in ownership statement with the county recorder or
10 assessor. The change in ownership statement must be filed at the
11 time of recording or, if the transfer is not recorded, within 90 days
12 of the date of the change in ownership, except that where the
13 change in ownership has occurred by reason of death the statement
14 shall be filed within 150 days after the date of death or, if the estate
15 is probated, shall be filed at the time the inventory and appraisal
16 is filed. The failure to file a change in ownership statement within
17 90 days from the date a written request is mailed by the assessor
18 results in a penalty of either: (1) one hundred dollars (\$100), or
19 (2) 10 percent of the taxes applicable to the new base year value
20 reflecting the change in ownership of the real property,
21 manufactured home, or floating home, whichever is greater, but
22 not to exceed five thousand dollars (\$5,000) if the property is
23 eligible for the homeowners' exemption or twenty thousand dollars
24 (\$20,000) if the property is not eligible for the homeowners'
25 exemption if that failure to file was not willful. This penalty will
26 be added to the assessment roll and shall be collected like any
27 other delinquent property taxes, and be subject to the same
28 penalties for nonpayment."

29 -

30 (d) The change in ownership statement may be attached to or
31 accompany the deed or other document evidencing a change in
32 ownership filed for recording, in which case the notice, declaration
33 under penalty of perjury, and any information contained in the
34 deed or other transfer document otherwise required by subdivision
35 (e) may be omitted.

36 (e) If the document evidencing a change in ownership is
37 recorded in the county recorder's office, then the statement shall
38 be filed with the recorder at the time of recordation. However, the
39 recordation of the deed or other document evidencing a change in
40 ownership shall not be denied or delayed because of the failure to

1 file a change of ownership statement, or filing of an incomplete
2 statement, in accordance with this subdivision. If the document
3 evidencing a change in ownership is not recorded or is recorded
4 without the concurrent filing of a change in ownership statement,
5 then the statement shall be filed with the assessor no later than 90
6 days from the date the change in ownership occurs, except that
7 where the change in ownership has occurred by reason of death
8 the statement shall be filed within 150 days after the date of death
9 or, if the estate is probated, shall be filed at the time the inventory
10 and appraisal is filed.

11 (f) ~~Whenever a change in ownership statement is filed with the~~
12 ~~county recorder's office, the recorder shall transmit, as soon as~~
13 ~~possible, the original statement or a true copy thereof to the~~
14 ~~assessor along with a copy of every recorded document as required~~
15 ~~by Section 255.7.~~

16 (g) (1) ~~The change in ownership statement may be filed with~~
17 ~~the assessor through the United States mail, properly addressed~~
18 ~~with the postage prepaid.~~

19 (2) ~~A change in ownership statement that is filed with the~~
20 ~~assessor, as authorized by paragraph (1), shall be deemed filed on~~
21 ~~either the date of the postmark affixed by the United States Postal~~
22 ~~Service containing the statement or on the date certified by a bona~~
23 ~~fide private courier service on the envelope containing the~~
24 ~~statement.~~

25 (h) ~~In the case of a corporation, the change in ownership~~
26 ~~statement shall be signed either by an officer of the corporation or~~
27 ~~an employee or agent who has been designated in writing by the~~
28 ~~board of directors to sign those statements on behalf of the~~
29 ~~corporation. In the case of a partnership, limited liability company,~~
30 ~~or other legal entity, the statement shall be signed by an officer,~~
31 ~~partner, manager, or an employee or agent who has been designated~~
32 ~~in writing by the partnership, limited liability company, or legal~~
33 ~~entity.~~

34 (i) ~~No person or entity acting for or on behalf of the parties to~~
35 ~~a transfer of real property shall incur liability for the consequences~~
36 ~~of assistance rendered to the transferee in preparation of any change~~
37 ~~in ownership statement, and no action may be brought or~~
38 ~~maintained against any person or entity as a result of that~~
39 ~~assistance.~~

1 Nothing in this section shall create a duty, either directly or by
2 implication, that the assistance be rendered by any person or entity
3 acting for or on behalf of parties to a transfer of real property.

4 ~~SEC. 2.~~

5 *SECTION 1.* Section 5091 of the Revenue and Taxation Code
6 is amended to read:

7 5091. (a) If a public entity proposes to acquire property for a
8 public use that will make the property exempt from taxation, the
9 public entity shall give notice to the county assessor, the county
10 tax collector, and to any public entities whose taxes are not
11 collected by the county tax collector but who at the time exercise
12 the right of assessment and taxation.

13 (b) The notice shall be given within a reasonable time following
14 the initial budgeting of funds for the proposed acquisition, and
15 shall state all of the following:

- 16 (1) The approximate extent of the proposed project.
- 17 (2) The estimated time of completion of all acquisitions
18 necessary for the proposed project.

19 (c) This section creates no rights or liabilities and does not affect
20 the validity of any property acquisitions by negotiated purchase
21 or eminent domain.

22 ~~SEC. 3.~~ No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution for certain
24 costs that may be incurred by a local agency or school district
25 because, in that regard, this act creates a new crime or infraction,
26 eliminates a crime or infraction, or changes the penalty for a crime
27 or infraction, within the meaning of Section 17556 of the
28 Government Code, or changes the definition of a crime within the
29 meaning of Section 6 of Article XIII B of the California
30 Constitution.

31 However, if the Commission on State Mandates determines that
32 this act contains other costs mandated by the state, reimbursement
33 to local agencies and school districts for those costs shall be made
34 pursuant to Part 7 (commencing with Section 17500) of Division
35 4 of Title 2 of the Government Code.

36 *SEC. 2.* If the Commission on State Mandates determines that
37 this act contains costs mandated by the state, reimbursement to
38 local agencies and school districts for those costs shall be made

1 *pursuant to Part 7 (commencing with Section 17500) of Division*
2 *4 of Title 2 of the Government Code.*

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