

AMENDED IN SENATE JUNE 29, 2015

**SENATE BILL**

**No. 259**

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**Introduced by Senator Bates**

February 18, 2015

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An act to amend ~~Section 921 of the Business and Professions Code, relating to healing arts. Sections 64, 480.1, 480.2, and 482 of, to add Section 480.9 to, and to add and repeal Section 486 of, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 259, as amended, Bates. ~~Health care professionals. Property taxation: change in ownership.~~

*The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred.*

*Existing law specifies those circumstances in which the transfer of ownership interests in a corporation, partnership, limited liability company, or other legal entity results in a change in ownership of the real property owned by that entity, and generally provides that a change in ownership as so described occurs if a legal entity or other person obtains a controlling or majority ownership interest in the legal entity. Existing law requires the Franchise Tax Board to include a question on returns for partnerships, banks, and corporations to assist in the determination of whether a change in ownership under the circumstances described above has occurred.*

*This bill would additionally specify that if 90% or more of the direct or indirect ownership interests in a legal entity are sold or transferred in a single transaction, as defined, the real property owned by that legal entity has changed ownership whether or not any one legal entity or person that is a party to the transaction obtains control, as defined. This bill would require the Franchise Tax Board to include an additional question on returns for partnerships, banks, and corporations to assist in the determination of whether a change in ownership as so described has occurred. This bill would require the State Board of Equalization to prescribe regulations as may be necessary to carry out the purposes of this act. This bill would also require the State Board of Equalization to report to the Legislature, no later than January 1, 2021, regarding the implementation of these changes in ownership, including, but not limited to, the economic impact and frequency of reassessments of real property owned by legal entities.*

*Existing law requires, upon a change in control or change in ownership of a legal entity that owns an interest in real property in this state, or when requested by the State Board of Equalization, that the person or legal entity acquiring ownership or control, or the legal entity that has undergone a change in ownership, file a change in ownership statement with the board, as specified. Existing law requires a penalty of 10% of the taxes applicable to the new base year value, as specified, or 10% of the current year's taxes on the property, as specified, to be added to the assessment made on the roll if a person or legal entity required to file a change in ownership statement fails to do so.*

*This bill would require a person or legal entity acquiring ownership interests in a legal entity, if 90% or more of the ownership interests in the legal entity are sold or transferred, as described above, to file a change in ownership statement signed under penalty of perjury with the State Board of Equalization. This bill would increase the penalties for failure to file a change in ownership statement, as described above, from 10% to 15%, and would provide that the penalty shall apply for failure to file a complete statement with the State Board of Equalization following a transfer of legal entity ownership interests.*

*This bill would require the State Board of Equalization to notify assessors if a change in control or a change in ownership of a legal entity has occurred.*

*By expanding the crime of perjury and by imposing new duties upon local county officials with respect to changes in ownership, 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.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

~~Existing law, the Health Care Professional Disaster Response Act, states findings of the Legislature regarding the shortage of qualified health care practitioners during times of national or state disasters, and allows a physician and surgeon, whose license has been expired for less than 5 years and who meets specified criteria, to obtain a license without paying fees.~~

~~This bill would make a nonsubstantive change to those provisions.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: ~~no~~<sup>yes</sup>. State-mandated local program: ~~no~~<sup>yes</sup>.

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

- 1     SECTION 1. Section 64 of the Revenue and Taxation Code is
- 2     amended to read:
- 3     64. (a) Except as provided in subdivision (i) of Section 61 and
- 4     subdivisions (c) and ~~(d)~~ of this section, (d), the purchase or transfer
- 5     of ownership interests in legal entities, such as corporate stock or
- 6     partnership or limited liability company interests, ~~shall not be~~
- 7     ~~deemed to~~ *does not* constitute a transfer of the real property of the
- 8     legal entity. This subdivision ~~is applicable~~ *applies* to the purchase
- 9     or transfer of ownership interests in a partnership without regard
- 10    to whether it is a continuing or a dissolved partnership.
- 11    (b) Any corporate reorganization, where all of the corporations
- 12    involved are members of an affiliated group, and that qualifies as
- 13    a reorganization under Section 368 of the United States Internal
- 14    Revenue Code and that is accepted as a nontaxable event by similar
- 15    California statutes, or any transfer of real property among members
- 16    of an affiliated group, or any reorganization of farm credit

1 institutions pursuant to the federal Farm Credit Act of 1971 (Public  
2 Law 92-181), as amended, shall not be a change of ownership.  
3 The taxpayer shall furnish proof, under penalty of perjury, to the  
4 assessor that the transfer meets the requirements of this subdivision.

5 For purposes of this subdivision, “affiliated group” means one  
6 or more chains of corporations connected through stock ownership  
7 with a common parent corporation if both of the following  
8 conditions are met:

9 (1) One hundred percent of the voting stock, exclusive of any  
10 share owned by directors, of each of the corporations, except the  
11 parent corporation, is owned by one or more of the other  
12 corporations.

13 (2) The common parent corporation owns, directly, 100 percent  
14 of the voting stock, exclusive of any shares owned by directors,  
15 of at least one of the other corporations.

16 (c) (1) (A) When a corporation, partnership, limited liability  
17 company, other legal entity, or any other person obtains control  
18 through direct or indirect ownership or control of more than 50  
19 percent of the voting stock of any corporation, or obtains a majority  
20 ownership interest in any partnership, limited liability company,  
21 or other legal entity through the purchase or transfer of corporate  
22 stock, partnership, or limited liability company interest, or  
23 ownership interests in other legal entities, including any purchase  
24 or transfer of 50 percent or less of the ownership interest through  
25 which control or a majority ownership interest is obtained, the  
26 purchase or transfer of that stock or other interest shall be a change  
27 of ownership of the real property owned by the corporation,  
28 partnership, limited liability company, or other legal entity in which  
29 the controlling interest is obtained.

30 (B) (i) *When 90 percent or more of the direct or indirect*  
31 *ownership interests in a legal entity are sold or transferred in a*  
32 *single transaction, the purchase or transfer of the ownership*  
33 *interests is a change in ownership of the real property owned by*  
34 *the legal entity, including the real property owned by legal entities*  
35 *under its control, whether or not any one legal entity or person*  
36 *that is a party to the transaction obtains control, except when the*  
37 *sale or transfer qualifies for an exclusion from change in ownership*  
38 *under any other law or does not result in a change in ownership*  
39 *under any other law.*

40 (ii) *For purposes of this subparagraph:*

1 (I) “Control” means control as described in subparagraph (A).

2 (II) “Legal entity” means a corporation, partnership, limited  
3 liability company, or other legal entity.

4 (III) “Ownership interests” means corporate voting stock,  
5 partnership capital and profits interests, limited liability company  
6 membership interests, and other ownership interests in legal  
7 entities.

8 (IV) “Single transaction” means a plan consisting of one or  
9 more sales or transfers of ownership interests that occur on or  
10 after January 1, 2016. For purposes of this subclause, it shall be  
11 rebuttably presumed that a sale or transfer is part of a single  
12 transaction if either of the following occur:

13 (ia) The transferees are persons described in Section 267(b) of  
14 Title 26 of the United States Code.

15 (ib) The sales or transfers occur with a 36-month period,  
16 commencing on the date of the first sale or transfer of the  
17 ownership interests that occurs on or after January 1, 2016.

18 (V) “Sold or transferred” does not include either of the  
19 following:

20 (ia) A transfer of ownership interests that occurs upon death,  
21 without payment for the ownership interests, other than taxes due  
22 with respect to the transfer, paid by or on behalf of the transferee.

23 (ib) A sale of stock or interests of a publicly traded corporation  
24 or a publicly traded partnership in the regular course of a trading  
25 activity on an established securities market, as defined in Section  
26 1.7704-1(b) of Title 26 of the Code of Federal Regulations, unless  
27 shares are acquired as part of a merger, acquisition, private equity  
28 buyout, transfer of partnership shares, or any other means by  
29 which a change in ownership would otherwise occur pursuant to  
30 this subparagraph.

31 (2) On or after January 1, 1996, when an owner of a majority  
32 ownership interest in any partnership obtains all of the remaining  
33 ownership interests in that partnership or otherwise becomes the  
34 sole partner, the purchase or transfer of the minority interests,  
35 subject to the appropriate application of the step-transaction  
36 doctrine, shall not be a change in ownership of the real property  
37 owned by the partnership.

38 (3) For purposes of this section, indirect ownership or transfer  
39 of ownership interests shall be measured proportionately.

1 (d) If property is transferred on or after March 1, 1975, to a  
2 legal entity in a transaction excluded from change in ownership  
3 by paragraph (2) of subdivision (a) of Section 62, then the persons  
4 holding ownership interests in that legal entity immediately after  
5 the transfer shall be considered the “original coowners.” Whenever  
6 shares or other ownership interests representing cumulatively more  
7 than 50 percent of the total interests in the entity are transferred  
8 by any of the original coowners in one or more transactions, a  
9 change in ownership of that real property owned by the legal entity  
10 shall have occurred, and the property that was previously excluded  
11 from change in ownership under the provisions of paragraph (2)  
12 of subdivision (a) of Section 62 shall be reappraised.

13 The date of reappraisal shall be the date of the transfer of the  
14 ownership interest representing individually or cumulatively more  
15 than 50 percent of the interests in the entity.

16 A transfer of shares or other ownership interests that results in  
17 a change in control of a corporation, partnership, limited liability  
18 company, or any other legal entity is subject to reappraisal as  
19 provided in subdivision (c) rather than this subdivision.

20 (e) (1) To assist in the determination of whether a change of  
21 ownership has occurred under subdivisions (c) and (d), the  
22 Franchise Tax Board shall include a question in substantially the  
23 following form on returns for partnerships, banks, and corporations  
24 (except tax-exempt organizations):

25 If

26 (A) *If the corporation (or partnership or limited liability*  
27 *company) owns real property in California, has cumulatively more*  
28 *than 50 percent of the voting stock (or more than 50 percent of*  
29 *total interest in both partnership or limited liability company capital*  
30 *and partnership or limited liability company profits) (1) been*  
31 *transferred by the corporation (or partnership or limited liability*  
32 *company) since March 1, 1975, or (2) been acquired by another*  
33 *legal entity or person during the year? (See instructions.)*

34 (B) *If the corporation (or partnership or limited liability*  
35 *company) owns real property in California, has 90 percent or*  
36 *more of the direct or indirect ownership interests in that legal*  
37 *entity been sold or transferred (1) in a single transaction, or (2)*  
38 *amongst persons described in Section 267(b) of Title 26 of the*  
39 *United States Code, or (3) in multiple transactions (other than*

1 *those occurring on an established securities market) within a*  
2 *36-month period? (See instructions.)*

3 ~~If~~

4 ~~(2) If the entity answers “yes” to (1) or (2) in the above question,~~  
5 *any of the above questions, then the Franchise Tax Board shall*  
6 *furnish the names and addresses of that entity and of the stock or*  
7 *partnership or limited liability company ownership interest*  
8 *transferees to the State Board of Equalization.*

9 *(f) For purposes of this section, ownership interests counted to*  
10 *determine that a change in control or change in ownership of a*  
11 *legal entity has occurred shall not be counted again in determining*  
12 *whether any other sale or transfer of ownership interests results*  
13 *in a change in ownership of the real property reassessed as a result*  
14 *of the change in control or change in ownership.*

15 *(g) The board shall prescribe regulations as may be necessary*  
16 *to carry out the purposes of the act adding this subdivision.*

17 *SEC. 2. Section 480.1 of the Revenue and Taxation Code is*  
18 *amended to read:*

19 480.1. (a) Whenever there is a change in control of any  
20 corporation, partnership, limited liability company, or other legal  
21 entity, as defined in *subparagraph (A) of paragraph (1) of*  
22 *subdivision (c) of Section 64, a signed change in ownership*  
23 *statement as provided for in subdivision (b), shall be filed by the*  
24 *person or legal entity acquiring ownership control of the*  
25 *corporation, partnership, limited liability company, or other legal*  
26 *entity with the board at its office in Sacramento within 90 days*  
27 *from the date of the change in control of the corporation,*  
28 *partnership, limited liability company, or other legal entity. The*  
29 *statement shall list all counties in which the corporation,*  
30 *partnership, limited liability company, or legal entity owns real*  
31 *property.*

32 (b) The change in ownership statement as required pursuant to  
33 subdivision (a), shall be declared to be true under penalty of perjury  
34 and shall give ~~such~~ *that* information relative to the ownership  
35 control acquisition transaction as the board shall prescribe after  
36 consultation with the California Assessors' Association. The  
37 information shall include, but not be limited to, a description of  
38 the property owned by the corporation, partnership, limited liability  
39 company, or other legal entity, the parties to the transaction, and  
40 the date of the ownership control acquisition. The change in

1 ownership statement shall not include any question which is not  
2 germane to the assessment function. The statement shall contain  
3 a notice that is printed, with the title in at least 12-point boldface  
4 type and the body in at least 8-point boldface type, in the following  
5 form:

6

7

“Important Notice”

8

9 “The law requires any person or legal entity acquiring ownership  
10 control in any corporation, partnership, limited liability company,  
11 or other legal entity owning real property in California subject to  
12 local property taxation to complete and file a change in ownership  
13 statement with the State Board of Equalization at its office in  
14 Sacramento. The change in ownership statement must be filed  
15 within 90 days from the date of the change in control of a  
16 corporation, partnership, limited liability company, or other legal  
17 entity. The law further requires that a change in ownership  
18 statement be completed and filed whenever a written request is  
19 made therefor by the State Board of Equalization, regardless of  
20 whether a change in control of the legal entity has occurred. The  
21 failure to file a change in ownership statement within 90 days from  
22 the earlier of the date of the change in control of the corporation,  
23 partnership, limited liability company, or other legal entity, or the  
24 date of a written request by the State Board of Equalization, results  
25 in a penalty of ~~10~~ 15 percent of the taxes applicable to the new  
26 base year value reflecting the change in control of the real property  
27 owned by the corporation, partnership, limited liability company,  
28 or legal entity (or ~~10~~ 15 percent of the current year’s taxes on that  
29 property if no change in control occurred). This penalty will be  
30 added to the assessment roll and shall be collected like any other  
31 delinquent property taxes, and be subject to the same penalties for  
32 nonpayment.”

33 (c) In the case of a corporation, the change in ownership  
34 statement shall be signed either by an officer of the corporation or  
35 an employee or agent who has been designated in writing by the  
36 board of directors to sign such statements on behalf of the  
37 corporation. In the case of a partnership, limited liability company,  
38 or other legal entity, the statement shall be signed by an officer,  
39 partner, manager, or an employee or agent who has been designated

1 in writing by the partnership, limited liability company, or legal  
2 entity.

3 (d) No person or entity acting for or on behalf of the parties to  
4 a transfer of real property shall incur liability for the consequences  
5 of assistance rendered to the transferee in preparation of any change  
6 in ownership statement, and no action may be brought or  
7 maintained against any person or entity as a result of that  
8 assistance.

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

12 (e) The board or assessors may inspect any and all records and  
13 documents of a corporation, partnership, limited liability company,  
14 or legal entity to ascertain whether a change in control as defined  
15 in *subparagraph (A) of paragraph (1) of subdivision (c) of Section*  
16 *64* has occurred. The corporation, partnership, limited liability  
17 company, or legal entity ~~shall~~ *shall*, upon request, make those  
18 documents available to the board during normal business hours.

19 *SEC. 3. Section 480.2 of the Revenue and Taxation Code is*  
20 *amended to read:*

21 480.2. (a) Whenever there is a change in ownership of any  
22 corporation, partnership, limited liability company, or other legal  
23 entity, as defined in *subparagraph (B) of paragraph (1) of*  
24 *subdivision (c) or subdivision (d) of Section 64*, a signed change  
25 in ownership statement as provided in subdivision (b) shall be filed  
26 by the corporation, partnership, limited liability company, or other  
27 legal entity with the board at its office in Sacramento within 90  
28 days from the date of the change in ownership of the corporation,  
29 partnership, limited liability company, or other legal entity. The  
30 statement shall list all counties in which the corporation,  
31 partnership, limited liability company, or legal entity owns real  
32 property.

33 (b) The change in ownership statement required pursuant to  
34 subdivision (a) shall be declared to be true ~~and~~ under penalty of  
35 perjury and shall give ~~such~~ *that* information relative to the  
36 ownership interest acquisition transaction as the board shall  
37 prescribe after consultation with the California Assessors'  
38 Association. The information shall include, but not be limited to,  
39 a description of the property owned by the corporation, partnership,  
40 limited liability company, or other legal entity, the parties to the

1 transaction, the date of the ownership interest acquisition, and a  
2 listing of the “original coowners” of the corporation, partnership,  
3 limited liability company, or other legal entity prior to the  
4 transaction. The change in ownership statement shall not include  
5 any question which is not germane to the assessment function. The  
6 statement shall contain a notice that is printed, with the title in at  
7 least 12-point boldface type and the body in at least 8-point  
8 boldface type, in the following form:

9

10 “Important Notice”

11

12 “The law requires any corporation, partnership, limited liability  
13 company, or other legal entity owning real property in California  
14 subject to local property taxation and transferring shares or other  
15 ownership interest in such legal entity which constitute a change  
16 in ownership pursuant to *subparagraph (B) of paragraph (1) of*  
17 *subdivision (c) or subdivision (d) of Section 64 of the Revenue*  
18 *and Taxation Code to complete and file a change in ownership*  
19 *statement with the State Board of Equalization at its office in*  
20 *Sacramento. The change in ownership statement must be filed*  
21 *within 90 days from the date that shares or other ownership*  
22 *interests representing either (1) cumulatively more than 50 percent*  
23 *of the total control or ownership interests in the entity are*  
24 *transferred by any of the original coowners in one or more*  
25 *transactions, or (2) when 90 percent or more of the direct or*  
26 *indirect ownership interests in a legal entity are sold or transferred*  
27 *in a single transaction, as defined in subparagraph (B) of*  
28 *paragraph (1) of subdivision (c) of Section 64. The law further*  
29 *requires that a change in ownership statement be completed and*  
30 *filed whenever a written request is made therefor by the State*  
31 *Board of Equalization, regardless of whether a change in ownership*  
32 *of the legal entity has occurred. The failure to file a change in*  
33 *ownership statement within 90 days from the earlier of the date of*  
34 *the change in ownership of the corporation, partnership, limited*  
35 *liability company, or other legal entity, or the date of a written*  
36 *request by the State Board of Equalization, results in a penalty of*  
37 ~~10~~ *15 percent of the taxes applicable to the new base year value*  
38 *reflecting the change in ownership of the real property owned by*  
39 *the corporation, partnership, limited liability company, or legal*  
40 *entity (or ~~10~~ 15 percent of the current year’s taxes on that real*

1 property if no change in ownership occurred). This penalty will  
2 be added to the assessment roll and shall be collected like any  
3 other delinquent property taxes, and be subject to the same  
4 penalties for nonpayment.”

5 (c) In the case of a corporation, the change in ownership  
6 statement shall be signed either by an officer of the corporation or  
7 an employee or agent who has been designated in writing by the  
8 board of directors to sign such statements on behalf of the  
9 corporation. In the case of a partnership, limited liability company,  
10 or other legal entity, the statement shall be signed by an officer,  
11 partner, manager, or an employee or agent who has been designated  
12 in writing by the partnership, limited liability company, or legal  
13 entity.

14 (d) No person or entity acting for or on behalf of the parties to  
15 a transfer of real property shall incur liability for the consequences  
16 of assistance rendered to the transferee in preparation of any change  
17 in ownership statement, and no action may be brought or  
18 maintained against any person or entity as a result of that  
19 assistance.

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

23 (e) The board or assessors may inspect any and all records and  
24 documents of a corporation, partnership, limited liability company,  
25 or legal entity to ascertain whether a change in ownership as  
26 defined in *subparagraph (B) of paragraph (1) of subdivision (c)*  
27 *or* subdivision (d) of Section 64 has occurred. The corporation,  
28 partnership, limited liability company, or legal entity shall upon  
29 request, make those documents available to the board during  
30 normal business hours.

31 *SEC. 4. Section 480.9 is added to the Revenue and Taxation*  
32 *Code, to read:*

33 *480.9. The board shall notify assessors if a change in control*  
34 *or a change in ownership described in Section 64 has occurred.*

35 *SEC. 5. Section 482 of the Revenue and Taxation Code is*  
36 *amended to read:*

37 482. (a) (1) If a person or legal entity required to file a  
38 statement described in Section 480 fails to do so within 90 days  
39 from the date a written request is mailed by the assessor, a penalty  
40 of either: (A) one hundred dollars (\$100), or (B) 10 percent of the

1 taxes applicable to the new base year value reflecting the change  
2 in ownership of the real property or manufactured home, whichever  
3 is greater, but not to exceed five thousand dollars (\$5,000) if the  
4 property is eligible for the homeowners' exemption or twenty  
5 thousand dollars (\$20,000) if the property is not eligible for the  
6 homeowners' exemption if the failure to file was not willful, shall,  
7 except as otherwise provided in this section, be added to the  
8 assessment made on the roll. The penalty shall apply for failure to  
9 file a complete change in ownership statement notwithstanding  
10 the fact that the assessor determines that no change in ownership  
11 has occurred as defined in Chapter 2 (commencing with Section  
12 60) of Part 0.5. The penalty may also be applied if after a request  
13 the transferee files an incomplete statement and does not supply  
14 the missing information upon a second request.

15 (2) The assessor shall mail the written request specified in  
16 paragraph (1) to the mailing address of the transferee as provided  
17 by subdivision (f).

18 (b) If a person or legal entity required to file a statement  
19 described in Section 480.1 or 480.2 fails to do so within 90 days  
20 from the earlier of (1) the date of the change in control or the  
21 change in ownership of the corporation, partnership, limited  
22 liability company, or other legal entity, or (2) the date of a written  
23 request by the State Board of Equalization, a penalty of ~~10~~ 15  
24 percent of the taxes applicable to the new base year value reflecting  
25 the change in control or change in ownership of the real property  
26 owned by the corporation, partnership, or legal entity, or ~~10~~ 15  
27 percent of the current year's taxes on that property if no change  
28 in control or change in ownership occurred, shall be added by the  
29 county assessor to the assessment made on the roll. The penalty  
30 shall apply for failure to file a complete statement with the board  
31 *following a transfer of legal entity ownership interests*  
32 notwithstanding the fact that the board determines that no change  
33 in control or change in ownership has occurred as defined in  
34 subdivision (c) or (d) of Section 64. The penalty may also be  
35 applied if after a request the person or legal entity files an  
36 incomplete statement and does not supply the missing information  
37 upon that second request to complete the statement. That penalty  
38 shall be in lieu of the penalty provisions of subdivision (a).

39 (c) The penalty for failure to file a timely statement pursuant to  
40 Sections 480, 480.1, and 480.2 for any one transfer may be imposed

1 only one time, even though the assessor may initiate a request as  
2 often as he or she deems necessary.

3 (d) The penalty shall be added to the roll in the same manner  
4 as a special assessment and treated, collected, and subject to the  
5 same penalties for the delinquency as all other taxes on the roll in  
6 which it is entered.

7 (1) When the transfer to be reported under this section is of a  
8 portion of a property or parcel appearing on the roll during the  
9 fiscal year in which the 90-day period expires, the current year's  
10 taxes shall be prorated so the penalty will be computed on the  
11 proportion of property which has transferred.

12 (2) Any penalty added to the roll pursuant to this section  
13 between January 1 and June 30 may be entered either on the  
14 unsecured roll or the roll being prepared. After January 1, the  
15 penalty may be added to the current roll only with the approval of  
16 the tax collector.

17 (3) If the property is transferred or conveyed to a bona fide  
18 purchaser for value or becomes subject to a lien of a bona fide  
19 encumbrancer for value after the transfer of ownership resulting  
20 in the imposition of the penalty and before the enrollment of the  
21 penalty, the penalty shall be entered on the unsecured roll in the  
22 name of the transferee whose failure to file the change in ownership  
23 statement resulted in the imposition of the penalty.

24 (e) When a penalty imposed pursuant to this section is entered  
25 on the unsecured roll, the tax collector may immediately file a  
26 certificate authorized by Section 2191.3.

27 (f) Notice of any penalty added to either the secured or  
28 unsecured roll pursuant to this section, which shall identify the  
29 parcel or parcels for which the penalty is assessed, and the written  
30 request to file a statement specified in subdivision (a), which shall  
31 identify the real property or manufactured home for which the  
32 statement is required to be filed, shall be mailed by the assessor  
33 to the transferee at his or her address contained in any recorded  
34 instrument or document evidencing a transfer of an interest in real  
35 property or manufactured home or the address specified for mailing  
36 tax information contained in the preliminary change in ownership  
37 report. If the transferee has subsequently notified the assessor of  
38 a change in address for mailing tax information, the assessor shall  
39 mail the notice of any penalty, or the written request to file a  
40 statement specified in subdivision (a), to this address. If there is

1 no address specified for mailing tax information on either the  
2 recorded instrument, the document evidencing a transfer of an  
3 interest in real property or manufactured home, or on the filed  
4 preliminary change in ownership report, and the transferee has not  
5 provided an address for purposes of mailing tax information, the  
6 assessor shall mail the notice of any penalty, or the written request  
7 to file a statement specified in subdivision (a), to the transferee at  
8 any address reasonably known to the assessor.

9 *SEC. 6. Section 486 is added to the Revenue and Taxation*  
10 *Code, to read:*

11 *486. (a) The board shall report to the Legislature, no later*  
12 *than January 1, 2021, regarding the implementation of*  
13 *subparagraph (B) of paragraph (1) of subdivision (c) of Section*  
14 *64, including, but not limited to, the economic impact and*  
15 *frequency of reassessments of real property owned by legal entities.*

16 *(b) (1) A report submitted pursuant to subdivision (a) shall be*  
17 *submitted in compliance with Section 9795 of the Government*  
18 *Code.*

19 *(2) Pursuant to Section 10231.5 of the Government Code, this*  
20 *section is repealed on January 1, 2025.*

21 *SEC. 7. No reimbursement is required by this act pursuant to*  
22 *Section 6 of Article XIII B of the California Constitution for certain*  
23 *costs that may be incurred by a local agency or school district*  
24 *because, in that regard, this act creates a new crime or infraction,*  
25 *eliminates a crime or infraction, or changes the penalty for a crime*  
26 *or infraction, within the meaning of Section 17556 of the*  
27 *Government Code, or changes the definition of a crime within the*  
28 *meaning of Section 6 of Article XIII B of the California*  
29 *Constitution.*

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

35 *SEC. 8. This act is an urgency statute necessary for the*  
36 *immediate preservation of the public peace, health, or safety within*  
37 *the meaning of Article IV of the Constitution and shall go into*  
38 *immediate effect. The facts constituting the necessity are:*

39 *In order to close a loophole to provide fair and equitable tax*  
40 *treatment for all individuals in this state, as all property holders*

1 *should be treated equally with regards to the imposition of property*  
2 *taxes, it is necessary that this act take effect immediately.*

3 **SECTION 1.** ~~Section 921 of the Business and Professions Code~~  
4 ~~is amended to read:~~

5 ~~921. (a) The Legislature finds and declares the following:~~

6 ~~(1) In times of national or state disasters, a shortage of qualified~~  
7 ~~health care practitioners may exist in areas throughout the state~~  
8 ~~where they are desperately required to respond to public health~~  
9 ~~emergencies.~~

10 ~~(2) Health care practitioners with lapsed or inactive licenses~~  
11 ~~could potentially serve in those areas where a shortage of qualified~~  
12 ~~health care practitioners exists, if licensing requirements were~~  
13 ~~streamlined and fees curtailed.~~

14 ~~(b) Therefore, it is the intent of the Legislature to address these~~  
15 ~~matters through the provisions of the Health Care Professional~~  
16 ~~Disaster Response Act.~~