

AMENDED IN SENATE JANUARY 14, 2016

AMENDED IN SENATE JUNE 29, 2015

SENATE BILL

No. 259

Introduced by Senator Bates

February 18, 2015

An act to amend 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. 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~~ *revenue* impact and frequency of reassessments of real property owned by legal entities. *The bill would require the Legislative Analyst's Office to report to the Legislature no later than January 1, 2021, regarding the economic impact of this bill.*

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.

Vote: $\frac{2}{3}$. 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 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), the purchase or transfer of ownership
5 interests in legal entities, such as corporate stock or partnership or
6 limited liability company interests, does not constitute a transfer
7 of the real property of the legal entity. This subdivision applies to
8 the purchase or transfer of ownership interests in a partnership
9 without regard to whether it is a continuing or a dissolved
10 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
17 institutions pursuant to the federal Farm Credit Act of 1971 (Public
18 Law 92-181), as amended, shall not be a change of ownership.
19 The taxpayer shall furnish proof, under penalty of perjury, to the
20 assessor that the transfer meets the requirements of this subdivision.

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

5 (1) One hundred percent of the voting stock, exclusive of any
6 share owned by directors, of each of the corporations, except the
7 parent corporation, is owned by one or more of the other
8 corporations.

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

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

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

36 (ii) For purposes of this subparagraph:

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

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

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

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

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

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

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

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

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

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

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

37 (d) If property is transferred on or after March 1, 1975, to a
38 legal entity in a transaction excluded from change in ownership
39 by paragraph (2) of subdivision (a) of Section 62, then the persons
40 holding ownership interests in that legal entity immediately after

1 the transfer shall be considered the “original coowners.” Whenever
2 shares or other ownership interests representing cumulatively more
3 than 50 percent of the total interests in the entity are transferred
4 by any of the original coowners in one or more transactions, a
5 change in ownership of that real property owned by the legal entity
6 shall have occurred, and the property that was previously excluded
7 from change in ownership under the provisions of paragraph (2)
8 of subdivision (a) of Section 62 shall be reappraised.

9 The date of reappraisal shall be the date of the transfer of the
10 ownership interest representing individually or cumulatively more
11 than 50 percent of the interests in the entity.

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

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

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

29 (B) If the corporation (or partnership or limited liability
30 company) owns real property in California, has 90 percent or more
31 of the direct or indirect ownership interests in that legal entity been
32 sold or transferred (1) in a single transaction, or (2) amongst
33 persons described in Section 267(b) of Title 26 of the United States
34 Code, or (3) in multiple transactions (other than those occurring
35 on an established securities market) within a 36-month period?
36 (See instructions.)

37 (2) If the entity answers “yes” to any of the above questions,
38 then the Franchise Tax Board shall furnish the names and addresses
39 of that entity and of the stock or partnership or limited liability

1 company ownership interest transferees to the State Board of
2 Equalization.

3 (f) For purposes of this section, ownership interests counted to
4 determine that a change in control or change in ownership of a
5 legal entity has occurred shall not be counted again in determining
6 whether any other sale or transfer of ownership interests results in
7 a change in ownership of the real property reassessed as a result
8 of the change in control or change in ownership.

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

11 SEC. 2. Section 480.1 of the Revenue and Taxation Code is
12 amended to read:

13 480.1. (a) Whenever there is a change in control of any
14 corporation, partnership, limited liability company, or other legal
15 entity, as defined in subparagraph (A) of paragraph (1) of
16 subdivision (c) of Section 64, a signed change in ownership
17 statement as provided for in subdivision (b), shall be filed by the
18 person or legal entity acquiring ownership control of the
19 corporation, partnership, limited liability company, or other legal
20 entity with the board at its office in Sacramento within 90 days
21 from the date of the change in control of the corporation,
22 partnership, limited liability company, or other legal entity. The
23 statement shall list all counties in which the corporation,
24 partnership, limited liability company, or legal entity owns real
25 property.

26 (b) The change in ownership statement as required pursuant to
27 subdivision (a), shall be declared to be true under penalty of perjury
28 and shall give that information relative to the ownership control
29 acquisition transaction as the board shall prescribe after
30 consultation with the California Assessors' Association. The
31 information shall include, but not be limited to, a description of
32 the property owned by the corporation, partnership, limited liability
33 company, or other legal entity, the parties to the transaction, and
34 the date of the ownership control acquisition. The change in
35 ownership statement shall not include any question which is not
36 germane to the assessment function. The statement shall contain
37 a notice that is printed, with the title in at least 12-point boldface
38 type and the body in at least 8-point boldface type, in the following
39 form:

“Important Notice”

1
2
3 “The law requires any person or legal entity acquiring ownership
4 control in any corporation, partnership, limited liability company,
5 or other legal entity owning real property in California subject to
6 local property taxation to complete and file a change in ownership
7 statement with the State Board of Equalization at its office in
8 Sacramento. The change in ownership statement must be filed
9 within 90 days from the date of the change in control of a
10 corporation, partnership, limited liability company, or other legal
11 entity. The law further requires that a change in ownership
12 statement be completed and filed whenever a written request is
13 made therefor by the State Board of Equalization, regardless of
14 whether a change in control of the legal entity has occurred. The
15 failure to file a change in ownership statement within 90 days from
16 the earlier of the date of the change in control of the corporation,
17 partnership, limited liability company, or other legal entity, or the
18 date of a written request by the State Board of Equalization, results
19 in a penalty of 15 percent of the taxes applicable to the new base
20 year value reflecting the change in control of the real property
21 owned by the corporation, partnership, limited liability company,
22 or legal entity (or 15 percent of the current year’s taxes on that
23 property if no change in control occurred). This penalty will be
24 added to the assessment roll and shall be collected like any other
25 delinquent property taxes, and be subject to the same penalties for
26 nonpayment.”

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

36 (d) No person or entity acting for or on behalf of the parties to
37 a transfer of real property shall incur liability for the consequences
38 of assistance rendered to the transferee in preparation of any change
39 in ownership statement, and no action may be brought or

1 maintained against any person or entity as a result of that
2 assistance.

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

6 (e) The board or assessors may inspect any and all records and
7 documents of a corporation, partnership, limited liability company,
8 or legal entity to ascertain whether a change in control as defined
9 in subparagraph (A) of paragraph (1) of subdivision (c) of Section
10 64 has occurred. The corporation, partnership, limited liability
11 company, or legal entity shall, upon request, make those documents
12 available to the board during normal business hours.

13 SEC. 3. Section 480.2 of the Revenue and Taxation Code is
14 amended to read:

15 480.2. (a) Whenever there is a change in ownership of any
16 corporation, partnership, limited liability company, or other legal
17 entity, as defined in subparagraph (B) of paragraph (1) of
18 subdivision (c) or subdivision (d) of Section 64, a signed change
19 in ownership statement as provided in subdivision (b) shall be filed
20 by the corporation, partnership, limited liability company, or other
21 legal entity with the board at its office in Sacramento within 90
22 days from the date of the change in ownership of the corporation,
23 partnership, limited liability company, or other legal entity. The
24 statement shall list all counties in which the corporation,
25 partnership, limited liability company, or legal entity owns real
26 property.

27 (b) The change in ownership statement required pursuant to
28 subdivision (a) shall be declared to be true under penalty of perjury
29 and shall give that information relative to the ownership interest
30 acquisition transaction as the board shall prescribe after
31 consultation with the California Assessors' Association. The
32 information shall include, but not be limited to, a description of
33 the property owned by the corporation, partnership, limited liability
34 company, or other legal entity, the parties to the transaction, the
35 date of the ownership interest acquisition, and a listing of the
36 "original coowners" of the corporation, partnership, limited liability
37 company, or other legal entity prior to the transaction. The change
38 in ownership statement shall not include any question which is not
39 germane to the assessment function. The statement shall contain
40 a notice that is printed, with the title in at least 12-point boldface

1 type and the body in at least 8-point boldface type, in the following
2 form:

3

4

“Important Notice”

5

6 “The law requires any corporation, partnership, limited liability
7 company, or other legal entity owning real property in California
8 subject to local property taxation and transferring shares or other
9 ownership interest in such legal entity which constitute a change
10 in ownership pursuant to subparagraph (B) of paragraph (1) of
11 subdivision (c) or subdivision (d) of Section 64 of the Revenue
12 and Taxation Code 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 that shares or other ownership
16 interests representing either (1) cumulatively more than 50 percent
17 of the total control or ownership interests in the entity are
18 transferred by any of the original coowners in one or more
19 transactions, or (2) when 90 percent or more of the direct or indirect
20 ownership interests in a legal entity are sold or transferred in a
21 single transaction, as defined in subparagraph (B) of paragraph
22 (1) of subdivision (c) of Section 64. The law further requires that
23 a change in ownership statement be completed and filed whenever
24 a written request is made therefor by the State Board of
25 Equalization, regardless of whether a change in ownership of the
26 legal entity has occurred. The failure to file a change in ownership
27 statement within 90 days from the earlier of the date of the change
28 in ownership of the corporation, partnership, limited liability
29 company, or other legal entity, or the date of a written request by
30 the State Board of Equalization, results in a penalty of 15 percent
31 of the taxes applicable to the new base year value reflecting the
32 change in ownership of the real property owned by the corporation,
33 partnership, limited liability company, or legal entity (or 15 percent
34 of the current year’s taxes on that real property if no change in
35 ownership occurred). This penalty will be added to the assessment
36 roll and shall be collected like any other delinquent property taxes,
37 and be subject to the same penalties for nonpayment.”

38 (c) In the case of a corporation, the change in ownership
39 statement shall be signed either by an officer of the corporation or
40 an employee or agent who has been designated in writing by the

1 board of directors to sign such statements on behalf of the
2 corporation. In the case of a partnership, limited liability company,
3 or other legal entity, the statement shall be signed by an officer,
4 partner, manager, or an employee or agent who has been designated
5 in writing by the partnership, limited liability company, or legal
6 entity.

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

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

16 (e) The board or assessors may inspect any and all records and
17 documents of a corporation, partnership, limited liability company,
18 or legal entity to ascertain whether a change in ownership as
19 defined in subparagraph (B) of paragraph (1) of subdivision (c) or
20 subdivision (d) of Section 64 has occurred. The corporation,
21 partnership, limited liability company, or legal entity shall upon
22 request, make those documents available to the board during
23 normal business hours.

24 SEC. 4. Section 480.9 is added to the Revenue and Taxation
25 Code, to read:

26 480.9. The board shall notify assessors if a change in control
27 or a change in ownership described in Section 64 has occurred.

28 SEC. 5. Section 482 of the Revenue and Taxation Code is
29 amended to read:

30 482. (a) (1) If a person or legal entity required to file a
31 statement described in Section 480 fails to do so within 90 days
32 from the date a written request is mailed by the assessor, a penalty
33 of either: (A) one hundred dollars (\$100), or (B) 10 percent of the
34 taxes applicable to the new base year value reflecting the change
35 in ownership of the real property or manufactured home, whichever
36 is greater, but not to exceed five thousand dollars (\$5,000) if the
37 property is eligible for the homeowners' exemption or twenty
38 thousand dollars (\$20,000) if the property is not eligible for the
39 homeowners' exemption if the failure to file was not willful, shall,
40 except as otherwise provided in this section, be added to the

1 assessment made on the roll. The penalty shall apply for failure to
2 file a complete change in ownership statement notwithstanding
3 the fact that the assessor determines that no change in ownership
4 has occurred as defined in Chapter 2 (commencing with Section
5 60) of Part 0.5. The penalty may also be applied if after a request
6 the transferee files an incomplete statement and does not supply
7 the missing information upon a second request.

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

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

32 (c) The penalty for failure to file a timely statement pursuant to
33 Sections 480, 480.1, and 480.2 for any one transfer may be imposed
34 only one time, even though the assessor may initiate a request as
35 often as he or she deems necessary.

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

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

6 (2) Any penalty added to the roll pursuant to this section
7 between January 1 and June 30 may be entered either on the
8 unsecured roll or the roll being prepared. After January 1, the
9 penalty may be added to the current roll only with the approval of
10 the tax collector.

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

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

21 (f) Notice of any penalty added to either the secured or
22 unsecured roll pursuant to this section, which shall identify the
23 parcel or parcels for which the penalty is assessed, and the written
24 request to file a statement specified in subdivision (a), which shall
25 identify the real property or manufactured home for which the
26 statement is required to be filed, shall be mailed by the assessor
27 to the transferee at his or her address contained in any recorded
28 instrument or document evidencing a transfer of an interest in real
29 property or manufactured home or the address specified for mailing
30 tax information contained in the preliminary change in ownership
31 report. If the transferee has subsequently notified the assessor of
32 a change in address for mailing tax information, the assessor shall
33 mail the notice of any penalty, or the written request to file a
34 statement specified in subdivision (a), to this address. If there is
35 no address specified for mailing tax information on either the
36 recorded instrument, the document evidencing a transfer of an
37 interest in real property or manufactured home, or on the filed
38 preliminary change in ownership report, and the transferee has not
39 provided an address for purposes of mailing tax information, the
40 assessor shall mail the notice of any penalty, or the written request

1 to file a statement specified in subdivision (a), to the transferee at
2 any address reasonably known to the assessor.

3 SEC. 6. Section 486 is added to the Revenue and Taxation
4 Code, to read:

5 486. (a) The board shall report to the Legislature, no later than
6 January 1, 2021, regarding the implementation of subparagraph
7 (B) of paragraph (1) of subdivision (c) of Section 64, including,
8 but not limited to, the ~~economic~~ revenue impact and frequency of
9 reassessments of real property owned by legal entities.

10 (b) *The Legislative Analyst's Office shall report to the*
11 *Legislature no later than January 1, 2021, regarding the economic*
12 *impact of this bill.*

13 ~~(b)~~

14 (c) (1) ~~A report~~ Reports submitted pursuant to ~~subdivision (a)~~
15 ~~subdivisions (a) and (b)~~ shall be submitted in compliance with
16 Section 9795 of the Government Code.

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

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

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

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

37 In order to close a loophole to provide fair and equitable tax
38 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.

O