

Assembly Bill No. 1055

CHAPTER 1073

An act to amend Section 95.3 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 29, 1996. Filed
with Secretary of State September 30, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1055, Caldera. Property taxation: administration.

Existing property tax law provides, pursuant to a specified formula, for a county auditor's determination of those proportionate shares of the county's property tax administrative costs that are attributable to the other jurisdictions in the county, and further provides for a county's recovery from all other jurisdictions within the county, except for school entities, of those proportionate shares of the county's property tax administrative costs.

This bill would additionally require that a proportionate share of the county's property tax administrative costs be calculated for a specified local fund that is established by a state law for the support of school entities, and would include those costs incurred by the county board of equalization and county assessment appeals boards among those property tax administrative costs recoverable by the county. This bill would also, as provided, declare the intent of the Legislature that a specified portion of the total of those proportionate shares of the county's property tax administrative costs, that are determined with respect to school entities and the specified local fund established by state law for the support to school entities, be calculated and reimbursed pursuant to a future bill. By placing new duties upon county auditors with respect to the calculation of additional county administrative cost shares, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations, and would state the intent of the Legislature in enacting this bill.

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 no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Counties in California no longer receive ad valorem property tax revenues in an amount sufficient to adequately maintain the property tax administration system, and incentives designed to assist counties with the burdens of property tax administration have been diluted or eliminated.

(b) Recent economic difficulties in California have, in combination with other factors, given rise to a massive increase in the number of property tax assessment appeals filed throughout the state.

(c) As a result of limited resources and legal restrictions, counties are unable to adequately respond to the increased numbers of assessment appeals, to the great detriment of both the counties and taxpayers.

(d) It is the intent of the Legislature in enacting this act to specify that the equalization of local property tax assessments is an inseparable part of administering the property tax, the costs of which are required to be offset by financial assistance under state law.

SEC. 2. Section 95.3 of the Revenue and Taxation Code is amended to read:

95.3. (a) Notwithstanding any other provision of law, for the 1990–91 fiscal year and each fiscal year thereafter, the auditor shall divide the sum of the amounts calculated with respect to each jurisdiction, Educational Revenue Augmentation Fund (ERAF), or community redevelopment agency pursuant to Sections 96.1 and 100, or their predecessor sections, and Section 33670 of the Health and Safety Code, by the countywide total of those calculated amounts. The resulting ratio shall be known as the “administrative cost apportionment factor” and shall be multiplied by the sum of the property tax administrative costs incurred in the immediately preceding fiscal year by the assessor, tax collector, county board of equalization and assessment appeals boards, and auditor to determine the fiscal year property tax administrative costs proportionately attributable to each jurisdiction, ERAF, or community redevelopment agency. For purposes of this paragraph, property tax administrative costs shall also include applicable administrative overhead costs allowed by the federal Office of Management and Budget Circular A-87 standards, but shall not include any amount reimbursed pursuant to Section 75.60 and former Section 98.6, or include any amount in excess of the amounts reimbursable pursuant to Section 75.60, unless a county meets the conditions of paragraph (2) of subdivision (b) of Section 75.60. However, no amount of funds appropriated to counties for purposes of property tax administration in Item 9100-102-001 of the Budget Act



of 1994 or any subsequent Budget Act shall result in any deduction from those property tax administrative costs that are eligible for reimbursement pursuant to this subdivision.

(b) (1) Each proportionate share of property tax administrative costs determined pursuant to subdivision (a), except for those proportionate shares determined with respect to a school entity or ERAF, shall be deducted from the property tax revenue allocation of the relevant jurisdiction or community redevelopment agency, and shall be added to the property tax revenue allocation of the county. For purposes of applying this paragraph for the 1990–91 fiscal year, each proportionate share of property tax administrative costs shall be deducted from those amounts allocated to the relevant jurisdiction or community redevelopment agency after January 1, 1991.

(2) It is the intent of the Legislature that the portion of those shares of property tax administrative costs that are calculated by the auditor for each fiscal year pursuant to subdivision (a) for school entities and the county’s ERAF, that is attributable to the county’s costs in providing boards and hearing officers for the review of property tax assessment appeals, be calculated by local officials and reimbursed by the state in the time and manner specified by a future act of the Legislature that makes an appropriation for purposes of that reimbursement.

(c) Reductions made pursuant to this section to property tax revenue allocations shall be made without regard to Section 907 of the Government Code.

(d) Any additional amounts of property tax revenue allocated to the county pursuant to this section shall be used only to fund costs incurred by the county in assessing, equalizing, and collecting property taxes, and in allocating property tax revenues, and shall constitute charges for those services, not exceeding the actual and reasonable costs incurred by the county in performing those services.

(e) It is the intent of the Legislature in enacting this section to recognize that since the adoption of Article XIII A of the California Constitution by the voters, county governments have borne an unfair and disproportionate part of the financial burden of assessing, collecting, and allocating property tax revenues for other jurisdictions and for redevelopment agencies. The Legislature finds and declares that this section is intended to fairly apportion the burden of collecting property tax revenues and is not a reallocation of property tax revenue shares or a transfer of any financial or program responsibility.

(f) Commencing with the 1992–93 fiscal year and each fiscal year thereafter, this section shall supersede and replace Section 95.2, as authority for a county to recover property tax administrative costs.

(g) This section shall apply to the entire 1993–94 fiscal year, regardless of the operative date of the act adding the predecessor to this section, and to each fiscal year thereafter.



SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide timely and essential fiscal and legal relief to counties with respect to property tax administration, it is necessary that this act take effect immediately.

