

Assembly Bill No. 1668

Passed the Assembly June 17, 1996

Chief Clerk of the Assembly

Passed the Senate April 25, 1996

Secretary of the Senate

This bill was received by the Governor this ____ day
of _____, 1996, at ____ o'clock __M.

Private Secretary of the Governor

└

CHAPTER _____

An act to amend Sections 213.6, 648, and 5151 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1668, Takasugi. Property taxation: welfare exemption: interest rates: information requests.

(1) The California Constitution authorizes the Legislature to classify personal property for differential taxation or for exemption by means of a statute approved by a 2/3 vote of the membership of each house. Pursuant to this constitutional authorization, existing property tax law exempts, until January 1, 1996, personal property owned and operated by an organization incorporated by an act of the United States Congress whose purposes are to provide adequate facilities to assist in meeting local and national emergencies and to promote the public welfare and provide aviation and aerospace education.

This bill would eliminate the provision repealing that exemption, thereby extending it indefinitely.

(2) Existing property tax law requires a county assessor to comply by the 1st Monday in each month with a written request by a city, or a lighting, water, or irrigation district, for specified information with respect to property on the unsecured roll that is located within the requesting city or district.

This bill would, as provided, include within that specified information the location of property on the unsecured roll that is located within the requesting city or district. By requiring county assessors to determine and report additional information to requesting cities and districts, this bill would impose a state-mandated local program.

(3) Existing property tax law requires that interest be paid at the greater of 3% per annum or the "county pool apportioned rate" on any amount that is refunded to a property taxpayer, and that any interest so paid be calculated with respect to the longest of any of certain



applicable time periods. For purposes of this requirement, existing law defines the “county pool apportioned rate” for each fiscal year with respect to which a refund is paid as the annualized rate of interest earned as of June 30 of that fiscal year on certain idle, pooled moneys held by the county treasurer.

This bill would, for each fiscal year, require each county treasurer to advise the Controller of the county pool apportioned rate determined for that treasurer’s county, and of the computations made in deriving that rate, no later than 60 days after the end of that fiscal year. This bill would also modify those provisions establishing the period during which interest at the “county pool apportioned rate” is to accrue to provide, as specified, that interest accrues from the date of payment of tax, the date of the recordation of a deed, or the date of filing a claim for refund, as applicable, and that the computation of interest terminates as of a date within 30 days of the mailing or personal delivery of a refund.

(4) Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

(5) 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, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

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.

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

SECTION 1. Section 213.6 of the Revenue and Taxation Code is amended to read:

213.6. (a) Personal property owned and operated by an organization incorporated by an act of the United States Congress whose purposes are to provide adequate facilities to assist in meeting local and national emergencies and to promote the public welfare and provide aviation and aerospace education and training, which is used exclusively for those purposes, shall be exempt from taxation, provided that the organization qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code.

(b) This section shall be effective commencing with the lien date in 1986.

SEC. 2. Section 648 of the Revenue and Taxation Code is amended to read:

648. If any city or lighting, water, or irrigation district makes a written request for a description of all property within its limits that is on the unsecured roll, its assessed value, the location of property as reported on a property statement filed pursuant to Section 441, and the name and address, by street and number, of each owner, the assessor shall comply with the request on the first Monday in each month. For purposes of this section, any property assessed pursuant to Section 623 is deemed to be located at the taxpayer's primary place of business within the county.

SEC. 3. Section 5151 of the Revenue and Taxation Code is amended to read:

5151. (a) Interest at the greater of 3 percent per annum or the county pool apportioned rate shall be paid, when that interest is ten dollars (\$10) or more, on any amount refunded under Section 5096.7, or refunded to a taxpayer for any reason whatsoever. However, no interest shall be paid under the provisions of this section if the taxpayer has been given the notice required by Section



2635 and has failed to apply for the refund within 30 days after the mailing of that notice. For purposes of this section, “county pool apportioned rate” means the annualized rate of interest earned on the total amount of pooled idle funds from all accounts held by the county treasurer, in excess of the county treasurer’s administrative costs with respect to that amount, as of June 30 of the preceding fiscal year for which the refund is calculated. For each fiscal year, the county treasurer shall advise the Controller of the county pool apportioned rate, and of computations made in deriving that rate, no later than 60 days after the end of that fiscal year.

(b) The interest rate provided for in subdivision (a) does not apply to interest on refunds of those amounts of tax that became due and payable before March 1, 1993. Interest on refunds of those amounts of tax that became due and payable before March 1, 1993, and have not been refunded as of April 6, 1995, shall be paid at that rate provided for by this section as it read prior to January 1, 1993. This subdivision shall not be construed to affect the interest paid on refunds of those amounts of tax that became due and payable before March 1, 1993, and have been refunded as of April 6, 1995.

(c) (1) The interest computation period shall commence with the date of payment of the tax when any of the following apply:

(A) A timely application for reduction in an assessment was filed, without regard to whether the refund ultimately results from a judgment or order of a court, an order of a board of equalization or assessment appeals board, or an assessor’s correction to the assessment roll.

(B) The refund is pursuant to a roll correction resulting from the determination or adjustment by the assessor or a local assessment appeals board of a base year value.

(C) The refund results from a correction to the assessment roll pursuant to Section 4831 or 4876.



(2) Interest on refunds of taxes on property acquired by a public agency in eminent domain shall accrue from the date of recordation of the deed.

(3) In all other cases the interest computation period shall commence on the date of filing a claim for refund or payment of the tax, whichever is later.

(d) The computation of interest shall terminate as of a date within 30 days of the date of mailing or personal delivery of the refund payment.

(e) The interest charged shall be apportioned to the appropriate funds, as determined by the county auditor.

(f) The amendments made to this section by the act adding this subdivision shall apply to all refunds made after January 1, 1997.

SEC. 4. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

SEC. 5. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

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.



Approved _____, 1996

Governor

