

Senate Bill No. 716

CHAPTER 527

An act to amend Sections 25831 and 27001 of the Government Code, to amend Sections 3912 and 3913 of the Public Resources Code, and to amend Sections 408.3, 2503.2, 3692, 3704, 4710, 4831, and 4986.8 of, to add Sections 163, 623, and 4101.5 to, and to repeal Section 2623.5 of, the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor October 4, 1995. Filed
with Secretary of State October 4, 1995.]

LEGISLATIVE COUNSEL'S DIGEST

SB 716, Committee on Revenue and Taxation. Property taxation.

(1) Existing law permits the board of supervisors of any county to establish a schedule of fees to be imposed and used for waste disposal sites and waste collection, as specified, and provides for collection of delinquent fees.

This bill would waive the requirements of a hearing and notice of hearing to protest delinquent fees only if the county has adopted an alternative administrative procedure that allows property owners to appeal the fees, and property owners are notified of their right to appeal, as specified.

(2) Existing law authorizes a county treasurer to destroy a certificate of the county auditor that is received when money is paid into the county treasury if that certificate has been filed for more than one year and certain requirements are met with respect to reproduction and alternative preservation.

This bill would also authorize a county treasurer to destroy a certificate if it has been filed with the treasurer for more than 5 years.

(3) Existing law requires an affidavit of labor performed or improvements made on a mining claim to be made and recorded with the county recorder in the county in which the mining claim is situated to avoid that claim being treated as abandoned for the following assessment year.

This bill would provide for the payment of a maintenance fee to the Bureau of Land Management in the United States Department of Interior as an alternative means of avoiding a claim being treated as abandoned.

(4) The Improvement Bond Acts of 1911 and 1915, and the Municipal Improvement Act of 1913, provide for the issuance of bonds secured by liens on real property, and provide for the allocation to local agencies of assessment revenues paid with respect to those liens.

This bill would require any entity that receives these assessment revenues to annually provide the county auditor with specified information. By imposing new annual reporting duties upon local agencies, this bill would impose a state-mandated local program.

(5) Existing property tax law provides that, with certain exceptions, information relating to property characteristics, as specified, is a public record and open to public inspection. This provision is applicable in all counties with a population in excess of 715,000 and is permitted in any county with a lesser population.

This bill would, instead, provide that property characteristics information is a public record and open to public inspection in all counties.

(6) Existing property tax law establishes various requirements and procedures for the assessment of property and the compilation of the tax assessment rolls.

This bill would authorize an assessor to make a single entry on the assessment roll for all leased personal property in the county that is assessed with respect to the same taxpayer. This bill would provide that any property so assessed, in the absence of evidence establishing otherwise, shall be deemed to be located at the taxpayer's primary place of business within the county.

(7) Existing law authorizes a tax collector to require any taxpayer who makes an aggregate payment of \$100,000 or more on recent regular installments on the secured roll to make subsequent payments by electronic funds transfer.

This bill would extend that authorization to require payment by electronic funds transfer to taxpayers with aggregate payments of \$100,000 or more on the one installment of the most recent unsecured tax roll.

(8) Existing law provides that in computing delinquent penalties, redemption penalties, or interest, fractions of a cent shall be rejected.

This bill would delete that provision.

(9) Existing law authorizes a tax collector, with respect to the sale of tax-defaulted property, to offer at a minimum bid to owners of contiguous parcels those tax-defaulted parcels that are rendered unusable by their size, location, or other conditions. Existing law also authorizes the tax collector to require that a defaulted unusable parcel be joined with a contiguous parcel as a condition of sale.

This bill would, instead, provide that the tax collector shall require that the successful bidder request the assessor and the planning director to combine the unusable parcel with his or her own parcel as a condition of sale.

(10) Existing law regulates the sale of tax-defaulted property by a tax collector.

This bill would require the original notice of sale to indicate that a parcel remaining unsold may be resold within a 90-day period and would require new parties of interest to be notified, as specified.



(11) Existing property tax law authorizes a county tax collector to cancel any tax assessment, special district tax, or special assessment if the amount is so small as not to justify the cost of collection, not to exceed \$20 per tax bill. Existing law also provides that any penalties, costs, or fees that are the result of nonpayment of any tax that is canceled may also be canceled.

This bill would eliminate the dollar limit and would also allow the cancellation of any special assessments, excluding improvement bonds, that are the result of nonpayment of any tax bill that is canceled.

(12) Existing property tax law requires notice on the tax bill for tax-defaulted property that prior year taxes are in default.

This bill would authorize the tax collector to provide additional notification of the tax defaulted status of the property to the property owner.

(13) Existing property tax law generally authorizes the correction of any error that results in an incorrect entry on the assessment roll.

This bill would, as provided, specify that this authority extends to an assessor’s failure to apply, where relevant, a specified statutory provision to determine the taxable value of property.

(14) This bill would also make clarifying changes with respect to property taxation.

(15) 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.

However, the bill would provide that if the Commission on State Mandates determines that this bill contains other costs mandated by the state, reimbursement for those costs shall be made pursuant to those statutory procedures and, if the statewide cost does not exceed \$1,000,000, shall be payable from the State Mandates Claims Fund.

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

SECTION 1. Section 25831 of the Government Code is amended to read:

25831. Any fees authorized pursuant to Section 25830 or 25830.1 which remain unpaid for a period of 60 or more days after the date upon which they were billed may be collected thereafter by the county as provided herein.

(a) Once a year the board of supervisors shall cause to be prepared a report of delinquent fees. The board shall fix a time, date, and place for hearing the report and any objections or protests thereto.



(b) The board shall cause notice of the hearing to be mailed to the landowners listed on the report not less than 10 days prior to the date of the hearing.

(c) At the hearing the board shall hear any objections or protests of landowners liable to be assessed for delinquent fees. The board may make revisions or corrections to the report as it deems just, after which, by resolution, the report shall be confirmed.

(d) The delinquent fees set forth in the report as confirmed, or the list prepared pursuant to subdivision (e), shall constitute special assessments against the respective parcels of land and are a lien on the property for the amount of the delinquent fees. A certified copy of the confirmed report, or the list prepared pursuant to subdivision (e), shall be filed with the county auditor for the amounts of the respective assessments against the respective parcels of land as they appear on the current assessment roll. The lien created attaches upon recordation, in the office of the county recorder of the county in which the property is situated, of a certified copy of the resolution of confirmation or the list prepared pursuant to subdivision (e). The assessment may be collected at the same time and in the same manner as ordinary county ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for those taxes. All laws applicable to the levy, collection, and enforcement of county ad valorem property taxes shall be applicable to the assessment, except that if any real property to which the lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of the taxes would become delinquent, then the lien that would otherwise be imposed by this section shall not attach to the real property and the delinquent fees, as confirmed, relating to the property shall be transferred to the unsecured roll for collection.

(e) The requirements of subdivisions (a), (b), and (c) may be waived only if the county has adopted an alternative administrative procedure that allows property owners to appeal the solid waste fee and property owners are notified of their right to appeal. A list of delinquent fees shall be prepared showing the assessments of each respective parcel and shall be filed with the auditor.

SEC. 2. Section 27001 of the Government Code is amended to read:

27001. The treasurer shall file and keep the certificates of the auditor delivered to him or her when money is paid into the treasury. Notwithstanding Sections 26201, 26202, and 26205, the treasurer may destroy any certificate pursuant to this section under either of the following circumstances:

(a) The certificate has been filed for more than five years.



(b) The certificate has been filed for more than one year, and all of the following conditions are complied with:

(1) The record, paper, or document is photographed, microphotographed, or reproduced on film of a type approved for permanent photographic records by the National Bureau of Standards.

(2) The device used to reproduce the record, paper, or document on film is one that accurately reproduces the original thereof in all details.

(3) The photographs, microphotographs, or other reproductions on film are placed in conveniently accessible files and provision is made for preserving, examining, and using the same.

SEC. 3. Section 3912 of the Public Resources Code is amended to read:

3912. The amount of work done, improvements made, or maintenance fee paid to the Bureau of Land Management in the United States Department of Interior during each year to hold possession of a mining claim shall be that prescribed by the laws of the United States.

SEC. 3.5. Section 3913 of the Public Resources Code is amended to read:

3913. (a) Whenever labor is performed, improvements are made, or a maintenance fee is paid as required by law upon any mining claim, the person on whose behalf the labor was performed, improvements made, or a maintenance fee was paid, or someone in his or her behalf, shall, within 30 days after the time required by law for performing the labor, making the improvements, or paying the maintenance fee, make and have recorded by the county recorder, in the county in which the mining claim is situated, an affidavit setting forth all of the following:

(1) The name of the claim and the serial number, if any, assigned to the claim by the Bureau of Land Management in the United States Department of Interior.

(2) A reference by book and page or document number to the public record of the notice of location of the claim and, if amended, of the last recorded amendment thereof.

(3) The section or sections, township, range, and meridian of the United States survey within which all or any part of the claim is located.

(4) A description of the labor performed or improvements made upon or for the benefit of the claim for which the proof is made, the value of each item, and the dates on which, or the period of time within which, the labor was performed or the improvement was made, or a statement that a maintenance fee in the amount prescribed by the laws of the United States has been or will be paid, the amount of the maintenance fee, and the date of payment or anticipated payment.



(5) The name, current mailing address, and current residence address of the person who makes the proof and of the owner of the claim, as known to the affiant.

(6) A statement that the claim is held and claimed by the owner, or the person making the proof if he or she is entitled to possession thereof, for the valuable mineral contained therein.

(7) The name and address of the person who performed or made the work and improvements described in the affidavit, as known to the affiant, if applicable.

(8) A statement that all monuments required by law to have been erected upon the claim and all notices required by law to have been posted on the claim or copies thereof were in place at a date within the assessment year for which the affidavit is made and a statement of the date.

(9) A statement that, at that date, each corner monument bore or contained a marking sufficient to appropriately designate the corner of the mining claim to which it pertains and the name of the claim.

(b) An affidavit recorded as required by subdivision (a), or a copy thereof duly certified by the county recorder, shall be prima facie evidence of the performance of the labor, the making of the improvements, or the payment of the maintenance fee as stated in the affidavit.

(c) The neglect or failure of the owner of any mining claim to record, or cause to be recorded, within the time allowed by this section an affidavit containing the statements required by subdivision (a) creates a prima facie presumption of the act and intent of the owner to abandon the claim at the end of the assessment year within which the labor should have been performed, the improvements should have been made, or the maintenance fee should have been paid under the laws of the United States, and imposes the burden of proof upon the owner of the claim to show that the labor has been performed, that the improvements have been made, or that the maintenance fee has been paid in any contest, suit, or proceeding touching the title to the claim. However, if the affidavit is executed and recorded by anyone other than an owner within the 30-day period, and the owner apprehends that there are deficiencies in the recorded affidavit, he or she may supplement the recorded affidavit by further affidavit to comply with the section and may record the supplemental affidavit within 30 days following the last day of the 30-day period after the time required by law for performance of the work, making of improvements, or payment of the maintenance fee, and thereby obtain the prima facie evidence of the performance of labor, the making of improvements, or the payment of the maintenance fee, and avoid the prima facie presumption of abandonment and the burden of proving the performance of labor, the making of improvements, or the payment of the maintenance fee required by law.



(d) Any person who willfully makes a false statement with respect to any mining claim on the affidavit required by subdivision (a), or on the supplementary affidavit permitted by subdivision (c), is guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than two hundred dollars (\$200) or by imprisonment in the county jail for not more than six months, or by both the fine and imprisonment.

SEC. 4. Section 163 is added to the Revenue and Taxation Code, to read:

163. Any entity that receives revenue that is derived from payments with respect to an assessment lien created pursuant to the Improvement Bond Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code), the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code), or the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) shall annually notify the assessor of all of the following:

(a) The lien amount on each subject parcel at the time the lien was created.

(b) In the case in which a lien has been completely satisfied, the date and amount of the payment in satisfaction of the lien, and the identity of the party that made that payment.

(c) The amount of the principal balance of the lien on each subject parcel.

SEC. 5. Section 408.3 of the Revenue and Taxation Code is amended to Read:

408.3. (a) Except as otherwise provided in Sections 451 and 481 and in Section 6254 of the Government Code, property characteristics information maintained by the assessor is a public record and shall be open to public inspection.

(b) For purposes of this section, "property characteristics," includes, but is not limited to, the year of construction of improvements to the property, their square footage, the number of bedrooms and bathrooms of all dwellings, the property's acreage, and other attributes of or amenities to the property, such as swimming pools, views, zoning classifications or restrictions, use code designations, and the number of dwelling units of multiple family properties.

(c) Notwithstanding Section 6257 of the Government Code or any other provision of law, if the assessor provides property characteristics information at the request of any party, the assessor may require that a fee reasonably related to the actual cost of developing and providing the information be paid by the party receiving the information.

The actual cost of providing the information is not limited to duplication or production costs, but may include recovery of



developmental and indirect costs, as overhead, personnel, supply, material, office, storage, and computer costs. All revenue collected by the assessor for providing information under this section shall be used solely to support, maintain, improve, and provide for the creation, retention, automation, and retrieval of assessor information.

(d) The Legislature finds and declares that information concerning property characteristics is maintained solely for assessment purposes and is not continuously updated by the assessor. Therefore, neither the county nor the assessor shall incur any liability for errors, omissions, or approximations with respect to property characteristics information provided by the assessor to any party pursuant to this section. Further, this subdivision shall not be construed to imply liability on the part of the county or the assessor for errors, omissions, or other defects in any other information or records provided by the assessor pursuant to the provisions of this part.

SEC. 6. Section 623 is added to the Revenue and Taxation Code, to read:

623. The assessor may place a single assessment on the roll for all leased personal property in the county that is assessed with respect to the same taxpayer. Any property assessed pursuant to this section shall, in the absence of evidence establishing otherwise, be deemed to be located at the taxpayer's primary place of business within the county.

SEC. 7. Section 2503.2 of the Revenue and Taxation Code is amended to read:

2503.2. (a) The tax collector for any city, county, or city and county may, in his or her discretion, accept electronic fund transfers in payment of any tax or assessment, or on a redemption.

(b) The tax collector for any city, county, or city and county may, in his or her discretion, require any taxpayer, or any paying agent of a taxpayer or taxpayers, who makes an aggregate payment of one hundred thousand dollars (\$100,000) or more on the two most recent regular installments on the secured roll or on the one installment of the most recent unsecured tax roll, to make subsequent payments by electronic fund transfer.

(c) Any taxpayer or paying agent making payment by electronic fund transfer shall provide any supporting documentation and electronic information as requested by the tax collector. An electronic fund transfer made pursuant to this section shall be made to the bank account designated by the tax collector.

(d) Any costs incurred by the tax collector as a result of the acceptance of electronic fund transfers pursuant to this section shall be considered administrative costs of tax collection, except that if for any reason the electronic fund transfer is not completed, those costs shall be recovered as provided in subdivision (g).



(e) The acceptance of an electronic fund transfer shall constitute payment of a tax, assessment, or redemption as of the date of acceptance when, but not before, the transfer has been completed. An electronic fund transfer is completed by acceptance by the bank designated by the tax collector of the payment specified by the originator's payment order.

(f) If an electronic fund transfer is not accepted for any reason, any record of payment entered on any official record indicating the acceptance of that transfer shall be canceled, and the tax or assessment shall be a lien as if no payment has been attempted. When a cancellation of a record of payment is made, the canceling officer shall record the cancellation on the record which contained the notation of payment, and shall immediately cause a written notice of cancellation to be sent to the person attempting the electronic fund transfer.

(g) Upon notice of nonacceptance of an electronic fund transfer, the tax collector may charge the person who attempted the electronic fund transfer a fee not to exceed the costs of processing the transfer, providing notice of nonacceptance to that person, and making required cancellations on the tax roll. The amount of any fee charged pursuant to this subdivision shall be set by the governing body of the relevant city, county, or city and county, and may be added to the tax bill and collected in the same manner as costs recovered pursuant to Section 2621.

SEC. 8. Section 2623.5 of the Revenue and Taxation Code is repealed.

SEC. 9. Section 3692 of the Revenue and Taxation Code is amended to read:

3692. (a) The tax collector shall attempt to sell tax-defaulted property as provided in this chapter within four years of the time that the property becomes subject to sale for nonpayment of taxes unless by other provisions of law the property is not subject to sale. If there are no acceptable bids at the attempted sale, the tax collector shall with the approval of the Controller attempt to sell the property at intervals of no more than six years until the property is sold.

(b) When oil, gas, or mineral rights are subject to sale for nonpayment of taxes, the tax collector may offer the interest at minimum bid to the holders of outstanding interests where the interest subject to sale is a partial interest or, where the interest subject to sale is a complete and undivided interest, to the owner or owners of the property to which the oil, gas, or mineral rights are appurtenant.

(c) When parcels that are rendered unusable by their size, location, or other conditions are subject to sale for nonpayment of taxes, the tax collector may offer the parcel at a minimum bid to owners of contiguous parcels. The tax collector shall require that the successful bidder request the assessor and the planning director to



combine the unusable parcel with his or her own parcel as a condition of sale.

(d) Sealed bid sale procedures shall be used when offers are made pursuant to subdivision (b) or (c), and the property shall be sold to the highest eligible bidder. The offers shall remain in effect for 30 days or until notice is given pursuant to Section 3702, whichever is later.

(e) The original notice shall indicate that any parcel remaining unsold may be resold within a 90-day period and any new parties of interest shall be notified in accordance with Section 3701. This subdivision shall not apply to properties sold pursuant to Chapter 8 (commencing with Section 3771).

SEC. 10. Section 3704 of the Revenue and Taxation Code is amended to read:

3704. The notice of intended sale shall state all of the following:

(a) The date, time, and place of the intended sale.

(b) A description of the property to be sold.

(c) The name of the last assessee of the property.

(d) The minimum acceptable bid of the property to be sold.

(e) There shall also be a statement that if the property is not redeemed before the close of business on the last business day prior to the date of the sale, the right of redemption will cease.

(f) If the property is sold, parties of interest, as defined in Section 4675, have the right to file a claim with the county for any proceeds from the sale which are in excess of the liens and costs required to be paid from the proceeds.

(g) If excess proceeds result from the sale, notice will be given to parties of interest, pursuant to law.

(h) If the parcel remains unsold after the tax sale, the date, time, and location of any subsequent sale.

SEC. 11. Section 4101.5 is added to the Revenue and Taxation Code, to read:

4101.5. The tax collector may provide notification of the tax defaulted status of the property to the property owner. This notice is in addition to the notification required by Section 2612.

SEC. 12. Section 4710 of the Revenue and Taxation Code is amended to read:

4710. After apportionment to the state of the amounts prescribed by Section 4656.5, amounts received for the redemption of tax-defaulted property shall be distributed as follows:

(a) Any amounts levied but not apportioned to funds at the time of levy in the manner authorized by this chapter and any redemption penalties collected on those amounts shall be distributed to funds as prescribed in Chapter 1c (commencing with Section 4656), except that assessments not apportioned previously shall be distributed to the funds for which levied.



(b) Any amounts which were apportioned to funds at the time of the levy in the manner authorized by this chapter shall be distributed to the apportioned tax resources accounts. The pro rata of redemption penalties or interest collected on any amounts levied but not apportioned to funds at the time of levy shall be distributed to the respective funds and the balance of redemption penalties or interest together with delinquency penalties shall be apportioned to the tax losses reserve fund.

(c) Amounts collected as costs shall be distributed to a restricted county fund to be allocated only for the following purposes:

(1) Updating and improving information with respect to delinquent taxes.

(2) Redemption systems.

(3) Monthly settlements with the auditor pursuant to Section 4108.

(4) The collection of taxes by the tax collector.

The total amount collected on the secured tax roll shall be entered on the secured taxes receivable accounts.

SEC. 13. Section 4831 of the Revenue and Taxation Code is amended to read:

4831. (a) Any error resulting in incorrect entries on the roll may be corrected under this article, including an assessor's failure to apply subdivision (b) of Section 51, in any case in which that subdivision applies, to determine the taxable value of property. The correction may be made at any time after the roll is delivered to the auditor but, except as provided in subdivision (b), shall be made within four years after the making of the assessment that is being corrected, except that an assessor's failure, as described in the preceding sentence, to apply subdivision (b) of Section 51 shall be corrected within one year of the delivery of the affected roll. This section does not apply to either of the following:

(1) Except as provided in subdivision (b), errors involving the exercise of value judgments.

(2) Escape assessments caused by the assessee's failure to report the information required by Article 2 (commencing with Section 441) of Chapter 3 of Part 2.

If any error referred to in this subdivision is discovered as the result of an audit of a taxpayer's books and records, that error may be corrected at any time prior to the expiration of six months after the completion of the audit.

(b) Any error or omission involving the exercise of a value judgment that arises solely from a failure to reflect a decline in the taxable value of real property as required by subdivision (b) of Section 51, may be corrected within one year after the making of the assessment that is being corrected.

(c) Taxes which are not a lien or charge on the property assessed may be transferred from the secured roll to the unsecured roll of the



corresponding year by the county auditor. These taxes shall be collected in the same manner as other delinquent taxes on the unsecured roll and shall be subject to delinquent penalties in the same manner as taxes transferred to the unsecured roll under Section 5090. The statute of limitations for the collection of those taxes shall commence to run from the date of transfer.

SEC. 14. Section 4986.8 of the Revenue and Taxation Code is amended to read:

4986.8. (a) On recommendation of the tax collector, the auditor may cancel any tax bill if the amount is so small as not to justify the cost of collection.

(b) Any penalties, costs, fees, or special assessments, excluding improvement bonds, that are the result of nonpayment of any tax bill which is canceled pursuant to this section may also be canceled.

SEC. 15. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the 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.

However, 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 in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

