

Assembly Bill No. 1790

CHAPTER 272

An act to amend Section 53 of the Revenue and Taxation Code, relating to grapes.

[Approved by Governor August 31, 2000. Filed with Secretary of State September 1, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1790, Wiggins. Tax relief: vineyards: Pierce's Disease.

The California Constitution exempts grapevines from property taxation until 3 years after the season in which they were planted in vineyard form. Existing statutory provisions authorize a county board of supervisors to provide by ordinance that, thereafter, the property tax base year value of substantially equivalent grapevines that are planted to replace certain grapevines that were removed solely as a result of a phylloxera infestation or Pierce's Disease, shall be the property tax base year value of the removed grapevines factored to the lien date of the first taxable year of the replacement grapevines. In order to fall within this exemption, the replacement grapevines must be substantially equivalent, as provided, to the grapevines that were replaced.

This bill would delete that portion of these substantial equivalence restrictions limiting the type of the replacement grapevines, and would revise and recast those portions of those restrictions addressing planting density.

This bill would incorporate additional changes in Section 53 of the Revenue and Taxation Code, proposed by SB 1445, to be operative only if SB 1445 and this bill are both chaptered and become effective January 1, 2001, and this bill is chaptered last.

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

SECTION 1. Section 53 of the Revenue and Taxation Code is amended to read:

53. (a) Except as provided in subdivision (b), the initial base year value for fruit and nut trees and grapevines subject to exemption pursuant to subdivision (i) of Section 3 of Article XIII of the California Constitution shall be the full cash value of those properties as of the lien date of their first taxable year.

(b) A county board of supervisors may, after consulting with affected local agencies within the county's boundaries, provide by ordinance that the initial base year value for replacement grapevines that are planted to replace grapevines less than 15 years of age that



were removed solely as a result of phylloxera infestation or Pierce's Disease, and are planted on the same parcel as the replaced grapevines, as certified in writing by the county agricultural commissioner, shall be the base year value of the removed grapevines factored to the lien date of the first taxable year of the replacement grapevines. The assignment of base year replacement value shall be limited to that portion of the replacement grapevines that are substantially equivalent to the grapevines that were replaced, if the replacement grapevines are planted at a greater density.

SEC. 1.5. Section 53 of the Revenue and Taxation Code is amended to read:

53. (a) Except as provided in subdivision (b), the initial base year value for fruit and nut trees and grapevines subject to exemption pursuant to subdivision (i) of Section 3 of Article XIII of the California Constitution shall be the full cash value of those properties as of the lien date of their first taxable year.

(b) A county board of supervisors may, after consulting with affected local agencies within the county's boundaries, provide by ordinance that the initial base year value for replacement grapevines that are planted to replace grapevines that were removed solely as a result of phylloxera infestation, or Pierce's disease (caused by the bacterium *xylella fastidiosa*), and are planted on the same parcel as the replaced grapevines, as certified in writing by the county agricultural commissioner, shall be the base year value of the removed grapevines factored to the lien date of the first taxable year of the replacement grapevines. The assignment of base year replacement value shall be limited to that portion of the replacement grapevines that are substantially equivalent to the grapevines that were replaced, if the replacement grapevines are planted at a greater density.

SEC. 2. Section 1.5 of this bill incorporates amendments to Section 53 of the Revenue and Taxation Code proposed by both this bill and SB 1445. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2001, (2) each bill amends Section 53 of the Revenue and Taxation Code, and (3) this bill is enacted after SB 1445, in which case Section 1 of this bill shall not become operative.

