

AMENDED IN ASSEMBLY MAY 18, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2158

Introduced by Assembly Member Strickland
(Coauthor: Assembly Member Knox)

February 23, 2000

~~An act to amend Section 218 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy. An act to amend Sections 20542, 20543, and 20544 of the Revenue and Taxation Code, relating to taxation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2158, as amended, Strickland. ~~Property taxation: homeowners' exemption: amount—Seniors' tax assistance: full value: property tax equivalent.~~

The Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Assistance Law provides for payment of assistance by the Franchise Tax Board to claimants, whether those claimants own or rent their residence, in accordance with schedules that reduce the amount of assistance provided as the amount of a claimant's household income increases along a specified scale of household income amounts. The amount of assistance for a claimant owning his or her residential dwelling is a specified percentage, based on household income, of tax on the first \$34,000 of full value. The amount of assistance for a claimant renting his or her residence is a specified percentage, based on household income, of the statutory property tax equivalent of \$250.

This bill would increase the \$34,000 amount to \$47,600, and would increase the statutory property tax equivalent amount to \$350, as provided.

~~Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' exemption in the amount of \$7,000 of the full value of a "dwelling," as defined. The California Constitution authorizes the Legislature to increase the amount of the exemption.~~

~~This bill would, pursuant to the Legislature's authority under the California Constitution, increase the amount of this exemption by 25% in the case of a claimant for the exemption who is 62 years of age or older.~~

~~The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.~~

~~This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act.~~

~~This bill would take effect immediately as a tax levy.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes *no*.~~

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

1 ~~SECTION 1. Section 218 of the Revenue and Taxation~~
2 ~~Code is amended to read:~~
3 ~~218. The homeowners' property tax exemption is in~~
4 ~~the amount of the assessed value of the dwelling specified~~
5 ~~in this section, as authorized by subdivision (k) of Section~~
6 ~~3 of Article XIII of the Constitution. That exemption shall~~
7 ~~be in the amount of seven thousand dollars (\$7,000) of the~~
8 ~~full value of the dwelling, except that this exemption~~
9 ~~amount is increased by 25 percent in the case of a~~
10 ~~claimant who is 62 years of age or older.~~
11 ~~The exemption does not extend to property that is~~
12 ~~rented, vacant, under construction on the lien date, or~~
13 ~~that is a vacation or secondary home of the owner or~~
14 ~~owners, nor does it apply to property on which an owner~~
15 ~~receives the veteran's exemption. "Owner" includes a~~
16 ~~person purchasing the dwelling under a contract of sale~~



1 ~~or who holds shares or membership in a cooperative~~
2 ~~housing corporation, the holding of which is a requisite to~~
3 ~~the exclusive right of occupancy of a dwelling. As used in~~
4 ~~this section, “dwelling” includes:~~

5 ~~(a) A single-family dwelling occupied by an owner~~
6 ~~thereof as his or her principal place of residence on the~~
7 ~~lien date.~~

8 ~~(b) A multiple-dwelling unit occupied by an owner~~
9 ~~thereof on the lien date as his or her principal place of~~
10 ~~residence.~~

11 ~~(c) A condominium occupied by an owner thereof as~~
12 ~~his or her principal place of residence on the lien date.~~

13 ~~(d) Premises occupied by the owner of shares or a~~
14 ~~membership interest in a cooperative housing~~
15 ~~corporation, as defined in subdivision (h) of Section 61, as~~
16 ~~his or her principal place of residence on the lien date.~~
17 ~~Each exemption allowed pursuant to this subdivision shall~~
18 ~~be deducted from the total assessed valuation of the~~
19 ~~cooperative housing corporation. The exemption shall be~~
20 ~~taken into account in apportioning property taxes among~~
21 ~~owners of share or membership interests in the~~
22 ~~cooperative housing corporations so as to benefit those~~
23 ~~owners who qualify for the exemption.~~

24 ~~“Dwelling” means a building, structure or other shelter~~
25 ~~constituting a place of abode, whether real property or~~
26 ~~personal property, and any land on which it may be~~
27 ~~situated. For purposes of this section a two-dwelling unit~~
28 ~~shall be considered as two separate single-family~~
29 ~~dwelling.~~

30 ~~Any dwelling that qualified for an exemption under this~~
31 ~~section prior to October 20, 1991, that was damaged or~~
32 ~~destroyed by fire in a disaster, as declared by the~~
33 ~~Governor, occurring on or after October 20, 1991, and~~
34 ~~before November 1, 1991, and that has not changed~~
35 ~~ownership since October 20, 1991, is not disqualified as a~~
36 ~~“dwelling” or be denied an exemption under this section~~
37 ~~solely on the basis that the dwelling was temporarily~~
38 ~~damaged or destroyed or was being reconstructed by the~~
39 ~~owner.~~



1 ~~The exemption provided for in subdivision (k) of~~
2 ~~Section 3 of Article XIII of the Constitution shall first be~~
3 ~~applied to the building, structure or other shelter and the~~
4 ~~excess, if any, shall be applied to any land on which it may~~
5 ~~be located.~~

6 ~~SEC. 2. It is the intent of the Legislature to provide in~~
7 ~~the annual Budget Act those additional reimbursements~~
8 ~~to local governments that, as a result of this act, are~~
9 ~~required by Section 25 of Article XIII of the California~~
10 ~~Constitution.~~

11 ~~SEC. 3. This act provides for a tax levy within the~~
12 ~~meaning of Article IV of the Constitution and shall go into~~
13 ~~immediate effect.~~

14 *SECTION 1. Section 20542 of the Revenue and*
15 *Taxation Code is amended to read:*

16 20542. (a) The Franchise Tax Board, pursuant to the
17 provisions of Article 3 (commencing with Section 20561),
18 of this chapter, shall provide assistance to the claimant
19 based on a percentage of the property tax accrued and
20 paid by the claimant on the residential dwelling as
21 provided in Section 20543 or the statutory property tax
22 equivalent pursuant to Section 20544. In case of an
23 owner-claimant, the assistance shall be equal to the
24 applicable percentage of property taxes paid on the full
25 value of the residential dwelling up to, and including,
26 ~~thirty-four thousand dollars (\$34,000)~~ *forty-seven*
27 *thousand six hundred dollars (\$47,600)*. No assistance
28 shall be allowed for property taxes paid on that portion of
29 full value of a residential dwelling exceeding ~~thirty-four~~
30 ~~thousand dollars (\$34,000)~~ *forty-seven thousand six*
31 *hundred dollars (\$47,600)*. No assistance shall be provided
32 if the amount of the assistance claim is five dollars (\$5) or
33 less.

34 (b) For purposes of allowing assistance provided for by
35 this section:

36 (1) (A) Only one owner-claimant from one
37 household each year shall be entitled to assistance under
38 this chapter. When two or more individuals of a
39 household are able to meet the qualifications for an
40 owner-claimant, they may determine who the



1 owner-claimant shall be. If they are unable to agree, the
2 matter shall be referred to the Franchise Tax Board and
3 its decision shall be final.

4 (B) When two or more individuals pay rent for the
5 same premises and each individual meets the
6 qualifications for a renter-claimant, each qualified
7 individual shall be entitled to assistance under this part.

8 For the purposes of this subparagraph, a husband and
9 wife residing in the same premises shall be presumed to
10 be one renter.

11 (2) Except as provided in paragraph (3), the right to
12 file a claim shall be personal to the claimant and shall not
13 survive his death; however, when a claimant dies after
14 having filed a timely claim, the amount thereof may be
15 disbursed to the surviving spouse and, if no surviving
16 spouse, to any other member of the household who is a
17 qualified claimant. If there is no surviving spouse or
18 otherwise qualified claimant, the claim shall be disbursed
19 to any other member of the household. In the event two
20 or more individuals qualify for payment as either an
21 otherwise qualified claimant or a member of the
22 household, they may determine which of them will be
23 paid. If they are unable to agree, the matter shall be
24 referred to the Franchise Tax Board and its decision shall
25 be final.

26 (3) If, after January 1 of the property tax fiscal year for
27 which a claim may be filed, a claimant dies without filing
28 a timely claim, a claim on behalf of such claimant may be
29 filed by the surviving spouse within the filing period
30 prescribed in subdivision (a) or (b) of Section 20563.

31 (4) If an individual postponed taxes for any given
32 property tax fiscal year under Chapter 2 (commencing
33 with Section 20581), Chapter 3 (commencing with
34 Section 20625), Chapter 3.3 (commencing with Section
35 20639), or Chapter 3.5 (commencing with Section 20640),
36 then any claim for assistance under this chapter for the
37 same property tax fiscal year shall be filed by such
38 individual (assuming all other eligibility requirements in
39 this chapter are satisfied) and not an otherwise qualified
40 member of the individual's household.



1 SEC. 2. Section 20543 of the Revenue and Taxation
2 Code is amended to read:

3 20543. (a) (1) The amount of assistance for a
4 claimant owning his or her residential dwelling shall be
5 based on claimant's household income for the period set
6 forth in Section 20503.

7 (2) The percentage of assistance for which each
8 claimant owning his or her residential dwelling shall be
9 eligible shall be based on the following scale:

10		
11		The percentage of tax on
12		the first \$34,000 \$47,600
13		of full value
14		(as determined for tax
15	If the total household income (as defined	purposes) used to
16	in this part) is not more than:	provide assistance is:
17	\$3,300	96%
18	3,520	94
19	3,740	92
20	3,960	90
21	4,180	88
22	4,400	86
23	4,620	84
24	4,840	82
25	5,060	80
26	5,280	78
27	5,500	76
28	5,720	73
29	5,940	69
30	6,160	65
31	6,380	61
32	6,600	57
33	6,820	53
34	7,040	49
35	7,260	45
36	7,480	41
37	7,700	37
38	7,920	34
39	8,140	31
40	8,360	28



1	8,580	25
2	8,800	22
3	9,020	20
4	9,240	18
5	9,460	16
6	9,680	14
7	9,900	12
8	10,450	10
9	11,000	8
10	11,550	7
11	12,100	6
12	12,650	5
13	13,200	4
14		

15 (b) (1) With respect to assistance that is provided by
 16 the Franchise Tax Board pursuant to this chapter for the
 17 1999 calendar year, the household income figures set
 18 forth in paragraph (2) of subdivision (a) shall be
 19 multiplied by a factor of 2.51.

20 (2) *With respect to assistance that is provided by the*
 21 *Franchise Tax Board pursuant to this chapter for the 2000*
 22 *calendar year, the household income figures set forth in*
 23 *paragraph (2) of subdivision (a) shall be multiplied by a*
 24 *factor of 3.03.*

25 (c) With respect to assistance that is provided by the
 26 Franchise Tax Board pursuant to this chapter for the ~~2000~~
 27 2002 calendar year and each year thereafter, the
 28 household income figures that apply to assistance
 29 provided by the Franchise Tax Board during that period
 30 shall be the household income figures that applied to
 31 assistance provided by the Franchise Tax Board in the
 32 same period in the immediately preceding year,
 33 multiplied by an inflation factor calculated as follows:

34 (1) On or before February 1 of each year, the
 35 Department of Industrial Relations shall transmit to the
 36 Franchise Tax Board the percentage change in the
 37 California Consumer Price Index for all items from June
 38 of the second preceding calendar year to June of the
 39 immediately preceding calendar year.



1 (2) The Franchise Tax Board shall add 100 percent to
2 the percentage change figure that is furnished pursuant
3 to paragraph (1) and divide the result by 100.

4 (3) The Franchise Tax Board shall multiply the
5 immediately preceding household income figure by the
6 inflation adjustment factor determined in paragraph (2),
7 and round off the resulting product to the nearest one
8 dollar (\$1).

9 *SEC. 3. Section 20544 of the Revenue and Taxation*
10 *Code is amended to read:*

11 20544. (a) (1) The amount of assistance for a
12 claimant renting his or her residence shall be based on the
13 claimant's household income for the time period set forth
14 in Section 20503.

15 (2) The percentage of assistance for which each
16 claimant renting his or her residence shall be eligible shall
17 be based on the following scale:

_____	_____	_____
If the total household	The statutory	The percentage of the
income (as defined in this	property tax	statutory property tax
part) is not more than:	equivalent is:	equivalent used to
_____	_____	provide assistance is:
\$3,300	\$250	96%
3,520	250	94
3,740	250	92
3,960	250	90
4,180	250	88
4,400	250	86
4,620	250	84
4,840	250	82
5,060	250	80
5,280	250	78
5,500	250	76
5,720	250	73
5,940	250	69
6,160	250	65
6,380	250	61
6,600	250	57
6,820	250	53
7,040	250	49



1	7,260	250	45
2	7,480	250	41
3	7,700	250	37
4	7,920	250	34
5	8,140	250	31
6	8,360	250	28
7	8,580	250	25
8	8,800	250	22
9	9,020	250	20
10	9,240	250	18
11	9,460	250	16
12	9,680	250	14
13	9,900	250	12
14	10,450	250	10
15	11,000	250	8
16	11,550	250	7
17	12,100	250	6
18	12,600	250	5
19	13,200	250	4

	<i>The statutory property tax equivalent is:</i>	<i>The percentage of the statutory property tax equivalent used to provide assistance is:</i>
22	<i>If the total household income (as defined in this part) is not more than:</i>	
23		
24		
25	<i>\$3,300</i>	<i>\$350 96%</i>
26	<i>3,520</i>	<i>350 94</i>
27	<i>3,740</i>	<i>350 92</i>
28	<i>3,960</i>	<i>350 90</i>
29	<i>4,180</i>	<i>350 88</i>
30	<i>4,400</i>	<i>350 86</i>
31	<i>4,620</i>	<i>350 84</i>
32	<i>4,840</i>	<i>350 82</i>
33	<i>5,060</i>	<i>350 80</i>
34	<i>5,280</i>	<i>350 78</i>
35	<i>5,500</i>	<i>350 76</i>
36	<i>5,720</i>	<i>350 73</i>
37	<i>5,940</i>	<i>350 69</i>
38	<i>6,160</i>	<i>350 65</i>
39	<i>6,380</i>	<i>350 61</i>
40	<i>6,600</i>	<i>350 57</i>



1	6,820	350	53
2	7,040	350	49
3	7,260	350	45
4	7,480	350	41
5	7,700	350	37
6	7,920	350	34
7	8,140	350	31
8	8,360	350	28
9	8,580	350	25
10	8,800	350	22
11	9,020	350	20
12	9,240	350	18
13	9,460	350	16
14	9,680	350	14
15	9,900	350	12
16	10,450	350	10
17	11,000	350	8
18	11,550	350	7
19	12,100	350	6
20	12,600	350	5
21	13,200	350	4

22

23 (b) (1) With respect to assistance that is provided by
 24 the Franchise Tax Board pursuant to this chapter for the
 25 1999 calendar year, the household income figures set
 26 forth in paragraph (2) of subdivision (a) shall be
 27 multiplied by a factor of 2.51.

28 (2) *With respect to assistance that is provided by the*
 29 *Franchise Tax Board pursuant to this chapter for the 2000*
 30 *calendar year, the household income figures set forth in*
 31 *paragraph (2) of subdivision (a) shall be multiplied by a*
 32 *factor of 3.03.*

33 (c) With respect to assistance that is provided by the
 34 Franchise Tax Board pursuant to this chapter for the ~~2000~~
 35 2002 calendar year and each year thereafter, the
 36 household income figures that apply to assistance
 37 provided by the Franchise Tax Board during that period
 38 shall be the household income figures that applied to
 39 assistance provided by the Franchise Tax Board in the



1 same period in the immediately preceding year,
2 multiplied by an inflation factor calculated as follows:

3 (1) On or before February 1 of each year, the
4 Department of Industrial Relations shall transmit to the
5 Franchise Tax Board the percentage change in the
6 California Consumer Price Index for all items from June
7 of the second preceding calendar year to June of the
8 immediately preceding calendar year.

9 (2) The Franchise Tax Board shall add 100 percent to
10 the percentage change figure that is furnished pursuant
11 to paragraph (1) and divide the result by 100.

12 (3) The Franchise Tax Board shall multiply the
13 immediately preceding household income figure by the
14 inflation adjustment factor determined in paragraph (2),
15 and round off the resulting product to the nearest one
16 dollar (\$1).

