

Senate Bill No. 1231

CHAPTER 941

An act to amend Section 25205.9 of the Health and Safety Code, to amend Section 42886 of, and to add Section 42886.1 to, the Public Resources Code, and to amend Sections 63.1, 66, 75.51, 402.9, 531.2, 531.8, 602, 1622.6, 1624, 1624.05, 2512, 2610.5, 2613, 2910.1, 3437, 3692, 4222.5, 4837.5, 4985, 8877, 30103.5, 30188, 30436, 38631, 43010.1, 43011.1, and 50159 of, to add Sections 69.4, 168.5, 237, 1612.5, 1612.7, 1624.3, 1636.2, and 1636.5, and to repeal Section 3440 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor October 10, 1999. Filed
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LEGISLATIVE COUNSEL'S DIGEST

SB 1231, Committee on Revenue and Taxation. Taxation.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution also excludes from the terms "purchased" and "change in ownership" the purchase or transfer of the principal residence of the transferor, or the purchase or transfer of the first \$1,000,000 of all other real property, in the case of a purchase or transfer between parents and their children, as defined by the Legislature.

Statutory law that implements this constitutional exclusion requires an application for exclusion to be filed within certain specified time periods.

This bill would clarify the filing requirements for claiming an exclusion in the circumstance where the property has not been transferred to a 3rd party. By imposing new duties upon local assessors in the processing of exclusion claims, this bill would impose a state-mandated local program.

Existing law provides that, unless otherwise provided in the California Constitution, all property is taxable and shall be assessed at the same percentage of fair market value, and further requires that all property so assessed shall be taxed in proportion to its full value. The taxable value of real property may not be increased by more than 2% annually unless there is a change in ownership or new construction. Provisions of the California Constitution enacted by initiative in 1998 permit persons whose property was affected by

contamination to transfer the base assessed value of their property to replacement property or to have repair or replacement construction excluded from reappraisal as “new construction.”

This bill would enact statutory provisions to implement the initiative and would establish a method for determining base year value for transfers under these provisions.

The California Constitution permits the Legislature to exempt from taxation property that is used exclusively for religious, hospital, or charitable purposes and owned or held in trust by nonprofit entities.

This bill would create an exemption under the above constitutional provisions for low-income housing owned and operated by a housing entity of a federally designated Indian tribe.

Existing law prohibits the assessor from considering as income certain subsidy payments made by the federal government to a lender on certain property when valuing that property for persons of low and moderate income that is financed under Section 236 of the federal National Housing Act.

This bill would make those provisions also applicable to property financed under Section 515 of the federal National Housing Act.

The Timber Yield Tax Law at one time required the State Board of Control to approve whether any amount in excess of \$50,000 had been illegally determined to be in excess of the amount legally due, prior to the State Board of Equalization authorizing the cancellation of the amount upon its records.

This bill would eliminate the reference to any amount in excess of \$50,000 with respect to that prior approval requirement of the State Board of Control.

Existing law requires every generator of hazardous waste to pay an annual generator fee to the State Board of Equalization but exempts, from those fees hazardous materials that are recycled and used onsite, and certain aqueous wastes.

Existing law provides that a generator who pays a hazardous waste generator inspection fee to a certified unified program agency is eligible for a refund of the generator fee, under specified conditions.

This bill would revise the computation of the maximum permissible refund.

Under existing law, tire recycling fees of \$0.25 per tire are required to be paid to the State Board of Equalization.

This bill would revise the timeframe for reporting and paying these fees.

Under the Use Fuel Tax Law, the State Board of Equalization is authorized to relieve various penalties imposed pursuant to that law under specified circumstances.

This bill would make technical corrections in these provisions.



The existing Cigarette and Tobacco Products Tax Law exempts from taxation the sale or transfer of untaxed cigarettes to law enforcement agencies for use in criminal investigations.

This bill would also provide an exemption from the tax for tobacco products under similar circumstances, and would also require wholesalers to report to the State Board of Equalization on information regarding purchases, sales, and inventory of tobacco products in the same manner as they are required to report that information to the board regarding cigarettes.

The bill would also permit cigarettes in packages that fail to conform to federal labelling requirements to be forfeited to the state upon seizure by the board.

Under existing law, the State Board of Equalization administers and collects both occupational and childhood lead poisoning prevention fees.

This bill would make clarifying changes in references for “department” and “director” with regard to the childhood lead poisoning prevention fee to mean the State Department of Health Services and the State Director of Health Services in order to conform those provisions with the occupational lead poisoning prevention fee provisions.

Under the existing Underground Storage Tank Maintenance Fee Law, the State Board of Equalization is authorized to disclose otherwise confidential information obtained from the lessee or operator of an underground storage tank only to the fee payer, and only to a limited extent.

This bill would authorize the board to disclose the information obtained from the person who sold or provided petroleum to the lessee or operator of the underground storage tank.

Existing property tax law requires alternative assessment appeals board procedures to determine assessment appeals filed by assessment appeals boards or alternate board members.

This bill would require these alternative procedures to determine assessment appeals filed by employees of the clerk of the county board of equalization or employees of assessment appeals boards when representing themselves or family members, or by members of the assessment appeals board or alternate board members when representing family members, as specified, and would preclude these employees and board members from representing, for compensation, applicants who have filed assessment appeals.

Under existing property tax law, a remittance to a taxing agency is deemed to be received on the date shown by the post office cancellation mark under specified conditions.

This bill would also permit payments to be made through independent delivery services under specified conditions, and would clarify the postal provisions regarding payments on property on the secured roll.



Existing property tax law requires the tax collector to mail a tax bill for every property on the secured roll and authorizes the tax collector to mail a tax bill on assessments on the unsecured roll.

This bill would permit the tax collector to electronically transmit these tax bills.

Existing property tax law requires the tax collector to transmit a statement to the Controller after a declaration of default showing the amount in default and the property affected.

This bill would repeal that provision.

Existing law requires the tax collector to take various actions regarding the sale of tax-defaulted property, and requires the original notice to indicate that any parcel remaining unsold may be resold within a 90-day period.

This bill would specify the types of notices in which that provision would be required.

Existing property tax law permits, at the election of the assessee, the installment payment of delinquent taxes on tax-defaulted property under an installment payment plan. Existing law permits a one-year deferral of payment under an existing installment plan if the county in which the property is located was declared by the Governor to be in a state of disaster as a result of the fires which occurred in 1987.

This bill would permit a one-year deferral of payment under an existing installment plan if the county was declared by the Governor to be in a state of emergency or disaster due to a major misfortune or calamity, and specified conditions are met.

Existing property tax law provides, as specified, for the payment of escape assessments for prior fiscal years over a 4-year period. However, the balance of the tax to be paid becomes immediately due and payable under specified circumstances, including an installment not being paid timely or a default.

This bill would authorize the tax collector to reinstate the installment account under specified conditions if the tax collector is convinced that the missed payment was not due to the fault of the assessee.

The bill would also make technical or clarifying changes to the provisions regarding the making of escape assessments, the contents of the local property tax roll, the place of payment of taxes, the accrual of interest on escape assessments and under assessments, and the cancellation of fees and penalties due to errors made by the tax collector, auditor, or assessor.

The bill would also permit any document that is required by the property tax law to be acknowledged by the county clerk to be acknowledged by a notary public or other county official under specified conditions.

The bill would also make various technical and clarifying changes to certain property tax provisions.



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 25205.9 of the Health and Safety Code is amended to read:

25205.9. (a) On or before June 30 of each year, the department shall determine if there are surplus funds in the Hazardous Waste Control Account and shall, upon appropriation by the Legislature, allocate these surplus funds to pay refunds in the following order of priority:

(1) To pay refunds to generators pursuant to subdivision (c).

(2) To pay refunds to generators pursuant to subdivision (d). However, the department shall not pay refunds pursuant to subdivision (d) until all applications for refunds pursuant to subdivision (c) have first been paid.

(b) The department shall certify the amount of the surplus in the Hazardous Waste Control Account to the board and shall direct the board to pay refunds to generators pursuant to subdivisions (c) and (d) to the extent funds permit. If funds are not sufficient to pay all the refunds for which the board receives applications pursuant to subdivision (h) of Section 25205.5, the department shall direct the board to pay refunds pursuant to subdivision (c) on a pro rata basis. If funds are sufficient to pay all refunds for which applications are received pursuant to subdivision (h) of Section 25205.5 but not sufficient to pay all refunds for which applications were received by the board pursuant to subdivision (i) of Section 25205.5, the department shall direct the board to pay refunds pursuant to subdivision (d) on a pro rata basis.

(c) (1) If the department certifies that there are sufficient funds to do so, the board shall issue refunds, in the manner directed by the department pursuant to subdivision (b), to hazardous waste generators who are eligible for refunds pursuant to paragraph (1) of subdivision (h) of Section 25205.5.

(2) The refund made to a generator pursuant to this subdivision shall not exceed the fee paid by the generator pursuant to Section 25205.5, or exceed the hazardous waste generator inspection fee paid



to the certified unified program agency for the previous calendar year, whichever is less.

(3) The board may issue refunds pursuant to this section only if the department certifies, pursuant to subdivision (b), that funds for these refunds are available.

(d) (1) If the department certifies that there are sufficient funds to do so, the board shall issue refunds, in the manner directed by the department pursuant to subdivision (b), to hazardous waste generators who are eligible for refunds pursuant to paragraph (1) of subdivision (i) of Section 25205.5.

(2) The refund made to a generator pursuant to this subdivision shall be equal to the difference between the amount of the generator fee paid by the generator pursuant to Section 25205.5 and the amount the generator would have paid if the amount of hazardous materials transferred to an offsite facility for recycling had been deducted from the total tonnage of hazardous waste generated at the generator's site. However, if a generator receives a refund pursuant to subdivision (c), the generator may not receive a refund pursuant to this subdivision that exceeds the difference between the amount of the generator fee paid pursuant to Section 25205.5 and the amount of the refund received pursuant to subdivision (c).

(3) The board may issue refunds pursuant to this subdivision only if the department certifies, pursuant to subdivision (b), that funds for these refunds are available.

(e) For purposes of this section, "surplus" means the amount in the Hazardous Waste Control Account on June 30 of each year that is in excess of the reserve required by subdivision (k) of Section 25174.

SEC. 2. Section 42886 of the Public Resources Code is amended to read:

42886. (a) The fees remitted pursuant to Section 42885 are due and payable quarterly on or before the 15th day of the month following each quarterly or yearly reporting period.

(b) A penalty of 20 percent of any fees not paid when due shall be assessed and collected.

SEC. 3. Section 42886.1 is added to the Public Resources Code, to read:

42886.1. (a) The board if it deems it necessary in order to ensure payment to or facilitate the collection by the state of the amount of fees, may require returns and payment of the amount of fees for a yearly period.

(b) On or before the 15th day of the month following each designated yearly period, a return for the preceding designated yearly period shall be filed with the board in the form as the board may prescribe.

SEC. 4. Section 63.1 of the Revenue and Taxation Code is amended to read:



63.1. (a) Notwithstanding any other provision of this chapter, a change in ownership shall not include the following purchases or transfers for which a claim is filed pursuant to this section:

(1) The purchase or transfer of real property which is the principal residence of an eligible transferor in the case of a purchase or transfer between parents and their children.

(2) The purchase or transfer of the first one million dollars (\$1,000,000) of full cash value of all other real property of an eligible transferor in the case of a purchase or transfer between parents and their children.

(3) (A) Subject to subparagraph (B), the purchase or transfer of real property described in paragraphs (1) and (2) of subdivision (a) occurring on or after March 27, 1996, between grandparents and their grandchild or grandchildren, if all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer.

(B) A purchase or transfer of a principal residence shall not be excluded pursuant to subparagraph (A) if the transferee grandchild or grandchildren also received a principal residence, or interest therein, through another purchase or transfer that was excludable pursuant to paragraph (1) of subdivision (a). The full cash value of any real property, other than a principal residence, that was transferred to the grandchild or grandchildren pursuant to a purchase or transfer that was excludable pursuant to paragraph (2) of subdivision (a) and the full cash value of a principal residence that fails to qualify for exclusion as a result of the preceding sentence shall be included in applying, for purposes of paragraph (2) of subdivision (a), the one million dollar (\$1,000,000) full cash value limit specified in paragraph (2) of subdivision (a).

(b) (1) For purposes of paragraph (1) of subdivision (a), “principal residence” means a dwelling for which a homeowners’ exemption or a disabled veterans’ residence exemption has been granted in the name of the eligible transferor. “Principal residence” includes only that portion of the land underlying the principal residence that consists of an area of reasonable size that is used as a site for the residence.

(2) For purposes of paragraph (2) of subdivision (a), the one million dollar (\$1,000,000) exclusion shall apply separately to each eligible transferor with respect to all purchases by and transfers to eligible transferees on and after November 6, 1986, of real property, other than the principal residence, of that eligible transferor. The exclusion shall not apply to any property in which the eligible transferor’s interest was received through a transfer, or transfers, excluded from change in ownership by the provisions of either subdivision (f) of Section 62 or subdivision (b) of Section 65, unless the transferor qualifies as an original transferor under subdivision (b) of Section 65. In the case of any purchase or transfer subject to this



paragraph involving two or more eligible transferors, the transferors may elect to combine their separate one million dollar (\$1,000,000) exclusions and, upon making that election, the combined amount of their separate exclusions shall apply to any property jointly sold or transferred by the electing transferors, provided that in no case shall the amount of full cash value of real property of any one eligible transferor excluded under this election exceed the amount of the transferor's separate unused exclusion on the date of the joint sale or transfer.

(c) As used in this section:

(1) "Purchase or transfer between parents and their children" means either a transfer from a parent or parents to a child or children of the parent or parents or a transfer from a child or children to a parent or parents of the child or children. For purposes of this section, the date of any transfer between parents and their children under a will or intestate succession shall be the date of the decedent's death, if the decedent died on or after November 6, 1986.

(2) "Purchase or transfer of real property between grandparents and their grandchild or grandchildren" means a purchase or transfer on or after March 27, 1996, from a grandparent or grandparents to a grandchild or grandchildren if all of the parents of that grandchild or those grandchildren who qualify as the children of the grandparents are deceased as of the date of the transfer. For purposes of this section, the date of any transfer between grandparents and their grandchildren under a will or by intestate succession shall be the date of the decedent's death.

(3) "Children" means any of the following:

(A) Any child born of the parent or parents, except a child, as defined in subparagraph (D), who has been adopted by another person or persons.

(B) Any stepchild of the parent or parents and the spouse of that stepchild while the relationship of stepparent and stepchild exists. For purposes of this paragraph, the relationship of stepparent and stepchild shall be deemed to exist until the marriage on which the relationship is based is terminated by divorce, or, if the relationship is terminated by death, until the remarriage of the surviving stepparent.

(C) Any son-in-law or daughter-in-law of the parent or parents. For the purposes of this paragraph, the relationship of parent and son-in-law or daughter-in-law shall be deemed to exist until the marriage on which the relationship is based is terminated by divorce or, if the relationship is terminated by death, until the remarriage of the surviving son-in-law or daughter-in-law.

(D) Any child adopted by the parent or parents pursuant to statute, other than an individual adopted after reaching the age of 18 years.



(4) “Grandchild” or “grandchildren” means any child or children of the child or children of the grandparent or grandparents.

(5) “Full cash value” means full cash value, as defined in Section 2 of Article XIII A of the California Constitution and Section 110.1, with any adjustments authorized by those sections, and the full value of any new construction in progress, determined as of the date immediately prior to the date of a purchase by or transfer to an eligible transferee of real property subject to this section.

(6) “Eligible transferor” means a grandparent, parent, or child of an eligible transferee.

(7) “Eligible transferee” means a parent, child, or grandchild of an eligible transferor.

(8) “Real property” means real property as defined in Section 104. Real property does not include any interest in a legal entity.

(9) “Transfer” includes, and is not limited to, any transfer of the present beneficial ownership of property from an eligible transferor to an eligible transferee through the medium of an inter vivos or testamentary trust.

(10) “Social security number” also includes a taxpayer identification number issued by the Internal Revenue Service in the case in which the taxpayer is a foreign national who cannot obtain a social security number.

(d) (1) The exclusions provided for in subdivision (a) shall not be allowed unless the eligible transferee, the transferee’s legal representative, or the executor or administrator of the transferee’s estate files a claim with the assessor for the exclusion sought and furnishes to the assessor each of the following:

(A) A written certification by the transferee, the transferee’s legal representative, or the executor or administrator of the transferee’s estate made under penalty of perjury that the transferee is a grandparent, parent, child, or grandchild of the transferor. In the case of a grandparent-grandchild transfer, the written certification shall also include a certification that all the parents of the grandchild or grandchildren who qualify as children of the grandparents were deceased as of the date of the purchase or transfer and that the grandchild or grandchildren did or did not receive a principal residence excludable under paragraph (1) of subdivision (a) from the deceased parents, and that the grandchild or grandchildren did or did not receive real property other than a principal residence excludable under paragraph (2) of subdivision (a) from the deceased parents. The claimant shall provide legal substantiation of any matter certified pursuant to this subparagraph at the request of the county assessor.

(B) A copy of a written certification by the transferor, the transferor’s legal representative, or the executor or administrator of the transferor’s estate made under penalty of perjury that the



transferor is a grandparent, parent, or child of the transferee. The written certification shall also include either or both of the following:

(i) If the purchase or transfer of real property includes the purchase or transfer of residential real property, a certification that the residential real property is or is not the transferor's principal residence.

(ii) If the purchase or transfer of real property includes the purchase or transfer of real property other than the transferor's principal residence, a certification that other real property of the transferor that is subject to this section has or has not been previously sold or transferred to an eligible transferee, the total amount of full cash value, as defined in subdivision (c), of any real property subject to this section that has been previously sold or transferred by that transferor to eligible transferees, the location of that real property, the social security number of each eligible transferor, and the names of the eligible transferees of that property.

(2) If the full cash value of the real property purchased by or transferred to the transferee exceeds the permissible exclusion of the transferor or the combined permissible exclusion of the transferors, in the case of a purchase or transfer from two or more joint transferors, taking into account any previous purchases by or transfers to an eligible transferee from the same transferor or transferors, the transferee shall specify in his or her claim the amount and the allocation of the exclusion he or she is seeking. Within any appraisal unit, as determined in accordance with subdivision (d) of Section 51 by the assessor of the county in which the real property is located, the exclusion shall be applied only on a pro rata basis, however, and shall not be applied to a selected portion or portions of the appraisal unit.

(e) (1) The State Board of Equalization shall design the form for claiming eligibility. Except as provided in paragraph (2), any claim under this section shall be filed:

(A) For transfers of real property between parents and their children occurring prior to September 30, 1990, within three years after the date of the purchase or transfer of real property for which the claim is filed.

(B) For transfers of real property between parents and their children occurring on or after September 30, 1990, and for the purchase or transfer of real property between grandparents and their grandchildren occurring on or after March 27, 1996, within three years after the date of the purchase or transfer of real property for which the claim is filed, or prior to transfer of the real property to a third party, whichever is earlier.

(C) Notwithstanding subparagraphs (A) and (B), a claim shall be deemed to be timely filed if it is filed within six months after the date of mailing of a notice of supplemental or escape assessment, issued



as a result of the purchase or transfer of real property for which the claim is filed.

(2) In the case in which the real property subject to purchase or transfer has not been transferred to a third party, a claim for exclusion under this section that is filed subsequent to the expiration of the filing periods set forth in paragraph (1) shall be considered by the assessor, subject to all of the following conditions:

(A) Any exclusion granted pursuant to that claim shall apply commencing with the lien date of the assessment year in which the claim is filed.

(B) Under any exclusion granted pursuant to that claim, the adjusted full cash value of the subject real property in the assessment year described in subparagraph (A) shall be the adjusted base year value of the subject real property in the assessment year in which the excluded purchase or transfer took place, factored to the assessment year described in subparagraph (A) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property.

(3) (A) Unless otherwise expressly provided, the provisions of this subdivision shall apply to any purchase or transfer of real property that occurred on or after November 6, 1986.

(B) Paragraph (2) shall apply to purchases or transfers between parents and their children that occurred on or after November 6, 1986, and to purchases or transfers between grandparents and their grandchildren that occurred on or after March 27, 1996.

(4) For purposes of this subdivision, a transfer of real property to a parent or child of the transferor shall not be considered a transfer to a third party.

(f) The assessor shall report quarterly to the State Board of Equalization all purchases or transfers, other than purchases or transfers involving a principal residence, for which a claim for exclusion is made pursuant to subdivision (d). Each report shall contain the assessor's parcel number for each parcel for which the exclusion is claimed, the amount of each exclusion claimed, the social security number of each eligible transferor, and any other information the board shall require in order to monitor the one million dollar (\$1,000,000) limitation in paragraph (2) of subdivision (a).

(g) This section shall apply to both voluntary transfers and transfers resulting from a court order or judicial decree. Nothing in this subdivision shall be construed as conflicting with paragraph (1) of subdivision (c) or the general principle that transfers by reason of death occur at the time of death.

(h) (1) Except as provided in paragraph (2), this section shall apply to purchases and transfers of real property completed on or



after November 6, 1986, and shall not be effective for any change in ownership, including a change in ownership arising on the date of a decedent's death, that occurred prior to that date.

(2) This section shall apply to purchases or transfers of real property between grandparents and their grandchildren occurring on or after March 27, 1996, and, with respect to purchases or transfers of real property between grandparents and their grandchildren, shall not be effective for any change in ownership, including a change in ownership arising on the date of a decedent's death, that occurred prior to that date.

SEC. 5. Section 66 of the Revenue and Taxation Code is amended to read:

66. Change in ownership does not include any of the following:

(a) The creation, vesting, transfer, distribution, or termination of a participant's or beneficiary's interest in an employee benefit plan.

(b) Any contribution of real property to an employee benefit plan.

(c) Any acquisition by an employee benefit plan of the stock of the employer corporation pursuant to which the employee benefit plan obtains direct or indirect ownership or control of more than 50 percent of the voting stock of the employer corporation.

As used in this section, the terms "employer," "employee benefit plan," "participant," and "beneficiary" shall be defined as they are defined in the Employee Retirement Income Security Act of 1974.

SEC. 6. Section 69.4 is added to the Revenue and Taxation Code, to read:

69.4. (a) Notwithstanding any other provision of law, pursuant to the authority of subdivision (i) of Section 2 of Article XIII A of the California Constitution, the base year value of qualified contaminated property may be transferred to a replacement property that is acquired or newly constructed as a replacement for the contaminated property, pursuant to subparagraph (A) of paragraph 1 of that subdivision, or if the remediation of the contamination requires the repair or replacement of contaminated property, that repair or replacement shall not be considered "new construction," pursuant to subparagraph (B) of that subdivision.

(b) The base year value of the original property shall be the base year value of the original property as determined in accordance with Section 110.1, with the inflation factor adjustments permitted by subdivision (f) of Section 110.1. The base year value of the original property shall also include any inflation factor adjustments permitted by subdivision (f) of Section 110.1 up to the date the replacement property is acquired or newly constructed, regardless of whether the claimant continued to own the original property during this entire period. The base year or years used to compute the base year value of the original property shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.



SEC. 7. Section 75.51 of the Revenue and Taxation Code is amended to read:

75.51. The tax collector shall mail or electronically transmit a supplemental tax bill to the assessee, including the following information either on the bill or in a separate statement accompanying the bill:

(a) The information supplied by the assessor to the auditor pursuant to Section 75.40.

(b) The amount of the supplemental taxes due.

(c) The date the notice is mailed.

(d) The date on which the taxes will become delinquent and the penalties for delinquency.

(e) A statement that the supplemental taxes were determined in accordance with Article XIII A of the California Constitution which generally requires reappraisal of property whenever a change in ownership occurs or property is newly constructed.

(f) The tax rates or the dollar amounts of taxes levied by each revenue district and taxing agency on the property covered by the tax bill.

(g) All of the following:

(1) Information specifying that if the taxpayer disagrees with a change in the assessed value as shown on the tax bill, the taxpayer has the right to an informal assessment review by contacting the assessor's office.

(2) (A) Except as provided in subparagraph (B), information specifying that if the taxpayer and the assessor are unable to agree on proper assessed value pursuant to an informal assessment review, the taxpayer has the right to file an application for reduction in assessment for the following year with the county board of equalization or the assessment appeals board, as applicable, during the period from July 2 to September 15, inclusive.

(B) For counties in which the board of supervisors has adopted the provisions of subdivision (c) of Section 1605, information advising that the assessee has a right to appeal the supplemental assessment, and that the appeal is required to be filed within 60 days of the date of the mailing or electronic transmittal of the tax bill. For the purposes of equalization proceedings, the supplemental assessment shall be considered an assessment made outside of the regular assessment period as provided in Section 1605.

(3) The address of the clerk of the county board of equalization or the assessment appeals board, as applicable, at which forms for an application for reduction may be obtained.

SEC. 8. Section 168.5 is added to the Revenue and Taxation Code, to read:

168.5. Any document required in this division to be acknowledged by the county clerk at no charge may be



acknowledged by a notary public or other county official pursuant to Section 1181 of the Civil Code, at no charge.

SEC. 9. Section 237 is added to the Revenue and Taxation Code, to read:

237. (a) Property owned and operated by a federally designated Indian tribe or its tribally designated housing entity is not subject to taxation under this part if the property and entity meet the following requirements:

(1) The property is used exclusively and solely for the charitable purpose of providing rental housing and related facilities for tenants who are persons of low income (as defined in Section 50093 of the Health and Safety Code).

(2) The housing entity is nonprofit.

(3) No part of the net earnings of the housing entity inure to the benefit of any private shareholder or individual.

(b) In lieu of the tax imposed by this part, a tribe or tribally designated housing entity may agree to make payments to a county, city, city and county, or political subdivision of the state for providing services, improvements, or facilities by that entity for the benefit of a low-income housing project owned and operated by the tribe or tribally designated housing entity. Any payments in lieu of tax may not exceed the estimated cost to the city, county, city and county, or political subdivision of the state of the services, improvements, or facilities to be provided.

(c) A tribe or tribally designated housing entity applying for an exemption under this section shall provide the following documents to the assessor:

(1) Documents establishing that the designating tribe is federally recognized.

(2) Documents establishing that the housing entity has been designed by the tribe.

(3) Documents establishing that there is a deed restriction, agreement, or other legally binding document restricting the property's use to low-income housing and that provides that the property's housing units are continuously available to or occupied by persons who are low income, as defined by Section 50093 of the Health and Safety Code, at rents that do not exceed those prescribed by Section 50053 of the Health and Safety Code, or, to the extent that the terms of federal, state, or local financing or financial assistance conflict with that section, rents that do not exceed those prescribed by the terms of the financing agreements or financial assistance agreements.

SEC. 10. Section 402.9 of the Revenue and Taxation Code is amended to read:

402.9. In valuing property for persons of low and moderate income that is financed under Section 236 or Section 515 of the federal National Housing Act, since federal restrictions



accompanying these programs substantially affect actual income and expenses of the property owner, the assessor shall not consider as income any interest subsidy payments made to a lender on that property by the federal government.

SEC. 11. Section 531.2 of the Revenue and Taxation Code is amended to read:

531.2. (a) When the property is real property which subsequent to July 1 of the year of escape for purposes of this article, or subsequent to July 1 of the year in which the property should have been lawfully assessed, for purposes of Article 3 (commencing with Section 501), but prior to the date of that assessment and the showing thereof on the secured roll, with the date of entry specified thereon, has (1) been transferred or conveyed to a bona fide purchaser for value, or (2) become subject to a lien of a bona fide encumbrance for value, the escape assessment pursuant to either of these articles shall not create or impose a lien or charge on that real property, but shall be entered on the unsecured roll in the name of the person who would have been the assessee in the year in which it escaped assessment and shall thereafter be treated and collected like other taxes on that roll. The tax rate applicable shall be the secured tax rate of the year in which the property escaped assessment.

(b) If the real property escaped assessment as a result of an unrecorded change in ownership or change in control for which a change in ownership statement required by Section 480, 480.1, or 480.2, or a preliminary change in ownership report, pursuant to Section 480.3, is not filed, the assessor shall appraise the property as of the date of transfer and enroll the difference in taxable value for each of the subsequent years on the secured roll, with the date of entry specified thereon. However, if prior to the date of the assessment the property has (1) been transferred or conveyed to a bona fide purchaser for value, or (2) become subject to a lien of a bona fide encumbrance for value, the escape assessment pursuant to this paragraph shall not create or impose a lien or charge on that real property, but shall be entered on the unsecured roll in the name of the person who would have been the assessee in the year in which it escaped assessment and shall thereafter be treated and collected like other taxes on that roll. The tax rate applicable shall be the secured rate of the year in which the property escaped assessment. "Assessment year" means the period defined in Section 118.

In the event of a failure to file a change in ownership statement required by Section 480, 480.1, or 480.2, or a preliminary change in ownership report, pursuant to Section 480.3, the interest provided in Section 506 may, by the order of the board of supervisors, be added.

(c) (1) Taxes resulting from escape assessments shall be prorated pursuant to paragraphs (2) to (5), inclusive, only if the board of supervisors of a county has adopted a resolution specifying that taxes shall be prorated pursuant to this subdivision.



(2) When real property has been transferred or conveyed to a bona fide purchaser for value subsequent to July 1 of the year of escape for purposes of this article, or subsequent to July 1 of the year in which the property should have been lawfully assessed, for purposes of Article 3 (commencing with Section 501), taxes resulting from escape assessments pursuant to this section shall be prorated between the following:

(A) The person who would have been the assessee if the change in ownership had not occurred.

(B) The person who purchased the property.

(3) If the real property has been transferred or conveyed to a bona fide purchaser for value more than once during the year of escape or assessment, each owner of record during that period shall be liable for a pro rata share of taxes based on the length of time during that period each bona fide purchaser was the record owner of that real property.

(4) When the assessor has identified the fact and amount of the escape assessment, the assessor shall identify the owners of record during the year of escape or assessment and the dates of ownership for each owner.

(5) The auditor shall compute the respective prorated shares of taxes for each owner of record. The share of taxes of the current owner of the real property shall be placed on the secured roll as a lien on the parcel for which the escaped assessment was discovered. The share of taxes of any previous owner during the year of escape or assessment shall be entered on the unsecured roll.

SEC. 12. Section 531.8 of the Revenue and Taxation Code is amended to read:

531.8. No escape assessment shall be enrolled under this article before 10 days after the assessor has mailed or otherwise delivered to the affected taxpayer a “Notice of Proposed Escape Assessment” with respect to one or more specified tax years. The notice shall prominently display on its face the following heading:

“NOTICE OF PROPOSED ESCAPE ASSESSMENT”

The notice shall contain all of the following:

(a) The amount of the proposed escape assessments for each tax year at issue.

(b) The name and telephone number of a person at the assessor’s office who is knowledgeable with respect to the proposed escape assessment or assessments and may be contacted with any questions with respect to the proposed assessment or assessments.

SEC. 13. Section 602 of the Revenue and Taxation Code is amended to read:

602. This local roll shall show:



- (a) The name and address, if known, of the assessee. The assessor is not required to maintain electronic mail addresses.
- (b) Land, by legal description.
- (c) A description of possessory interests sufficient to identify them.
- (d) Personal property. A failure to enumerate personal property in detail does not invalidate the assessment.
- (e) The assessed value of real estate, except improvements.
- (f) The assessed value of improvements on the real estate.
- (g) The assessed value of improvements assessed to any person other than the owner of the land.
- (h) The assessed value of possessory interests.
- (i) The assessed value of personal property, other than intangibles.
- (j) The revenue district in which each piece of property assessed is situated.
- (k) The total taxable value of all property assessed, exclusive of intangibles.
- (l) Any other things required by the board.

SEC. 14. Section 1612.5 is added to the Revenue and Taxation Code, to read:

1612.5. No current employee of the office of the clerk of the county board of equalization or assessment appeals board may represent an applicant for compensation on any application for equalization filed pursuant to Section 1603.

SEC. 15. Section 1612.7 is added to the Revenue and Taxation Code, to read:

1612.7. An employee of the clerk of the assessment appeals board shall notify the clerk immediately upon filing an application on his or her own behalf, or upon his or her decision to represent his or her spouse, parent, or child in an assessment appeal. The application shall be heard in accordance with the provisions of Section 1622.6.

SEC. 16. Section 1622.6 of the Revenue and Taxation Code is amended to read:

1622.6. An application for equalization filed pursuant to Section 1603 by a member or alternate member of an assessment appeals board, or an application in which that member represents his or her spouse, parent, or child, shall be heard before an assessment appeals board panel consisting of three special alternate assessment appeals board members appointed by order of the presiding judge of the superior court in the county in which the application is filed.

A member or alternate member of an assessment appeals board shall notify the clerk immediately upon filing an application on his or her own behalf, or upon his or her decision to represent his or her spouse, parent, or child in an assessment appeal matter. A special alternate assessment appeals board member may hear only the



application or applications for equalization set forth in the superior court order appointing the member.

Any person shall be eligible for appointment as a special alternate assessment appeals board member who meets the qualifications set forth in Section 1624.

Sections 1624.1 and 1624.2 shall be applicable to the appointment of a special assessment appeals board member.

SEC. 17. Section 1624 of the Revenue and Taxation Code is amended to read:

1624. (a) A person shall not be eligible for nomination for membership on an assessment appeals board unless he or she has a minimum of five years' professional experience in this state as one of the following: certified public accountant or public accountant, licensed real estate broker, attorney, property appraiser accredited by a nationally recognized professional organization, property appraiser certified by the Office of Real Estate Appraisers, or is a person who the nominating member of the board of supervisors has reason to believe is possessed of competent knowledge of property appraisal and taxation.

(b) This section shall become operative on January 1, 1996.

SEC. 18. Section 1624.05 of the Revenue and Taxation Code is amended to read:

1624.05. (a) A person shall not be eligible for nomination for membership on an assessment appeals board unless he or she has a minimum of five years' professional experience in this state as one of the following: certified public accountant or public accountant, licensed real estate broker, attorney, or property appraiser accredited by a nationally recognized professional organization, or property appraiser certified by the Office of Real Estate Appraisers.

(b) This section shall apply only to an assessment appeals board in a county with a population of 1,000,000 or more.

(c) County population estimates conducted by the Department of Finance pursuant to Section 13073.5 of the Government Code shall be used in determining the population of a county for purposes of this section.

SEC. 19. Section 1624.3 is added to the Revenue and Taxation Code, to read:

1624.3. No current member of an assessment appeals board, nor any alternate member, may represent an applicant for compensation on any application for equalization filed pursuant to Section 1603 in the county in which the board member or alternate member serves.

SEC. 20. Section 1636.2 is added to the Revenue and Taxation Code, to read:

1636.2. No current hearing officer may represent an applicant for compensation on any application for equalization filed pursuant to Section 1603 in the county in which the hearing officer serves.



SEC. 21. Section 1636.5 is added to the Revenue and Taxation Code, to read:

1636.5. (a) An assessment hearing officer shall notify the clerk immediately upon filing an application on his or her own behalf, or upon his or her decision to represent his or her spouse, parent, or child in an assessment appeal.

(b) When the application described in subdivision (a) is scheduled for hearing, the clerk shall schedule the matter before an alternate assessment appeals board pursuant to the provisions of Section 1622.6.

SEC. 22. Section 2512 of the Revenue and Taxation Code is amended to read:

2512. If a remittance to cover a payment required by law to be made to a taxing agency prior to a specified date and hour is (a) deposited in the United States mail in a sealed envelope, properly addressed with the required postage prepaid, or (b) deposited for shipment with an independent delivery service that is an Internal Revenue Service designated delivery service or has been approved by the tax collector in a sealed envelope or package, properly addressed with the required fee prepaid, delivery of which shall not be later than 5 p.m. on the next business day after the effective delinquent date, the remittance shall be deemed received on the date shown by the post office cancellation mark stamped upon the envelope containing the remittance, or the independent delivery service shipment date shown on the packing slip or air bill attached to the outside of the envelope or package containing the remittance, or on the date it was mailed if proof satisfactory to the tax collector establishes that the mailing occurred on an earlier date. The taxing agency is not required to accept such a payment actually received in the mail if it is received more than 30 days after the date and time set by law for the payment. This section shall not, for purposes of applying subdivision (a) of Section 3707, apply to a remittance sent by mail or by independent delivery service for the redemption of tax-defaulted property.

SEC. 23. Section 2610.5 of the Revenue and Taxation Code is amended to read:

2610.5. Annually, on or before November 1, the tax collector shall mail or electronically transmit a county tax bill or a copy thereof for every property on the secured roll. This requirement need not be met where no taxes are due. Failure to receive a tax bill shall not relieve the lien of taxes, nor shall it prevent the imposition of penalties imposed by this code. However, the penalty imposed for delinquent taxes as provided by any section of this code shall be canceled if the assessee or fee owner demonstrates to the tax collector that delinquency is due to the tax collector's failure to mail or electronically transmit the tax bill to the address provided on the tax roll or electronic address provided and authorized by the taxpayer to



the tax collector. Penalties imposed may be canceled if the board of supervisors, upon recommendation of the tax collector, has authorized the tax collector to establish, and the tax collector has so established, specific procedures for the consideration of penalty cancellations. Those procedures may provide that penalties imposed may be canceled by resolution of the county board of supervisors upon the recommendation of the tax collector if the assessee or fee owners demonstrate to the tax collector that the delinquency is due to the county's failure to send a notice of taxes to the owner of property acquired after the lien date on the secured roll, provided payment of the amount of taxes due, minus any penalties and costs, is made no later than June 30 of the fiscal year in which the property owner is named as the assessee for taxes coming due.

With respect to a late, amended, or corrected tax bill, the penalties imposed for delinquent taxes shall be canceled if the tax amount is paid within 30 days following the date that bill is mailed or electronically transmitted.

Under no circumstance shall a taxpayer have fewer than 30 days to pay without penalty.

SEC. 24. Section 2613 of the Revenue and Taxation Code is amended to read:

2613. All taxes on the secured roll shall be paid at the tax collector's office unless the board of supervisors, upon recommendation of the tax collector and on or before the day when payments may be made, orders that taxes be collected in any other or additional location with the county.

SEC. 25. Section 2910.1 of the Revenue and Taxation Code is amended to read:

2910.1. The tax collector may, no later than 30 days prior to the date on which taxes are delinquent and as soon as reasonably possible after receipt of the extended assessment roll, mail or electronically transmit a tax bill for every assessment on the unsecured roll on which taxes are due, unless the total tax bill amount due is too small to justify the cost of collection. Failure to receive a tax bill shall not relieve the lien of taxes, nor shall it prevent the imposition of penalties imposed by this code. However, the penalty imposed for delinquent taxes as provided by any section in this code shall be canceled if the assessee convinces the tax collector that he or she did not receive the tax bill mailed to the address provided on the roll or electronic address provided and authorized by the taxpayer to the tax collector.

SEC. 26. Section 3437 of the Revenue and Taxation Code is amended to read:

3437. The amount due on any property may be paid until the close of business on June 30 if it was separately valued on the secured roll. If June 30 falls on a Saturday, Sunday, or legal holiday, and payment is received by the close of business on the next business day,



redemption penalties shall not attach. If the board of supervisors, by adoption of an ordinance or resolution, closes the county's offices for business prior to the time of delinquency on the "next business day" or for that whole day, that day shall be considered a legal holiday for purposes of this section. Section 2512 shall apply to remittances made by mail.

SEC. 27. Section 3440 of the Revenue and Taxation Code is repealed.

SEC. 28. 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 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 Notice of Power to Sell Tax-Defaulted Property, Notice of Power and Intent to Sell Tax-Defaulted Property, Notice to the Board of Supervisors, and Notice of Intended Sale of Tax-Defaulted Property 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. 29. Section 4222.5 of the Revenue and Taxation Code is amended to read:



4222.5. (a) Notwithstanding any other provision of this article, the tax collector of any county that is designated by the Governor to be in a state of emergency or disaster due to a major misfortune or calamity and is therefore an eligible county for tax relief, as defined in Chapter 5 (commencing with Section 194) of Part 2, may defer for a period of one year payments under an installment plan if all of the following conditions are met:

(1) The installment plan was already in existence at the time deferral is requested by the assessee or the agent of the assessee.

(2) The assessee or the agent of the assessee can establish to the satisfaction of the tax collector that the assessee incurred substantial disaster damage as defined in Section 194 in connection with his or her property as a result of the disaster.

(3) The assessee or the agent of the assessee files an application for deferral with the tax collector on or before September 1 of the following fiscal year.

(4) The assessee is not receiving any other relief relating to the disaster.

(b) This section does not preclude the assessment of interest in connection with the deferral of any installment payment. Any interest so assessed shall be due and payable together with the deferred installment payment.

(c) For purposes of this section, “substantial business losses” means net business losses incurred by the assessee after accounting for the assessee’s receipt of any federal disaster aid, state disaster aid, related insurance loss claim payments, or property tax relief under Chapter 5 (commencing with Section 194) of Part 2.

SEC. 30. Section 4837.5 of the Revenue and Taxation Code is amended to read:

4837.5. (a) Notwithstanding any other provision of law, taxes due, whether secured or unsecured, on escape assessments for prior fiscal years may be paid over a four-year period at the option of the assessee if: (1) the additional tax is over five hundred dollars (\$500), and (2) a written request for installment payment is filed by the assessee with the tax collector prior to the time the second installment of taxes on the secured roll becomes delinquent, or by the last day of the month following the month in which the tax bill is mailed, whichever is later. The tax collector shall include with the property tax bill a notice of the payment provisions of this section. For unsecured taxes, the written request for installment payment shall be filed with the tax collector prior to the date on which those taxes become delinquent.

(b) If payment by installments is requested, 20 percent or more of the tax shall be paid no later than the deadline for filing the written request. The current taxes and prior year taxes with penalties and costs thereon shall be paid with or prior to the initial installment payment. In each succeeding fiscal year, the assessee shall pay, before



the delinquency date of the second installment of current taxes on the secured roll, all current year taxes, and a sum at least sufficient to reduce the outstanding balance of the tax by 20 percent of the original amount. In the case of unsecured taxes, the required annual installment shall be paid on or before August 31.

(c) Interest at the rate of three-fourths of 1 percent per month, starting with the month following the date of the deadline for filing the written request, shall be applied to the outstanding balance, on the first day of the month, if the escape or underassessment was due, in whole or in part, to the error, omission, or other fault of the assessee. If the first day of any month falls on a Saturday, Sunday, or legal holiday, the next additional three-fourths of one percent of interest shall be applied to the outstanding balance on the next business day.

(d) No additional penalties shall be charged as long as installment payments are made timely; and, in the case of secured taxes, as long as all payments are made timely, an affidavit regarding the property shall not be published pursuant to Section 3371.

(e) If any installment is not paid timely, or if the property on the secured roll becomes tax defaulted, or if the property changes ownership, or if taxes for the property on the unsecured roll are not paid before becoming delinquent, the balance of the tax remaining to be paid shall immediately become due and payable, and no further installment payments for that escape assessment or correction shall be authorized. The tax collector shall inform the auditor of the defaulted, off-roll installment plan and of the delinquent amount remaining unpaid. With regard to property on the secured roll that has not become tax defaulted, or property on the unsecured roll that has not become delinquent, in the event the payment is missed at the time the second or subsequent installment is due and the assessee or agent of the assessee can, by substantial evidence, convince the tax collector that the payment was not made through any fault of the assessee, the tax collector may reinstate the account upon receipt of a payment in an amount reflecting the installment plus interest under subdivision (c) to the date of reinstatement, provided that the payment is physically received by the tax collector prior to the time the property becomes tax defaulted or prior to June 30 of the current fiscal year, whichever occurs earlier.

(f) The auditor shall add the unpaid balance, plus all penalties and costs thereon, to the current roll, adjust the tax collector's charge accordingly, and the remaining balance of the tax shall become subject to all of the provisions of this division applicable to delinquent taxes.

(g) The tax collector shall maintain records listing the current status of all the installment accounts authorized under this section. The status of each installment account shall be entered on the current



roll and the tax collector may file for record with the county recorder a certificate pursuant to Section 2191.3.

(h) When the installment account is paid in full before 5 p.m. on June 30 of the year in which the account has become defaulted and the tax collector has filed for record a certificate of lien, the tax collector shall also file for record a release of that lien. Where the account is not paid in full until after June 30 of the year in which the account became defaulted, the filings of the certificates of lien and release of lien shall be subject to recording fees charged to the taxpayer.

(i) The tax collector may establish a fee for the actual cost of processing a request to pay escaped assessments in installments.

SEC. 31. Section 4985 of the Revenue and Taxation Code is amended to read:

4985. Any delinquent penalty, cost, redemption penalty, interest, or redemption fee, heretofore or hereafter attached, shall upon satisfactory proof submitted by the tax collector, the auditor, or the assessor, be canceled by the auditor upon a showing that the delinquent penalty, cost, redemption penalty, interest, or redemption fee has attached because of either of the following:

(a) An error of the tax collector, the auditor, or the assessor.

(b) They were unable to complete valid procedures initiated prior to the delinquency date. The collection shall be made upon the further showing that payment of the corrected or additional amount was made within 30 days from the date that the correction was entered on the roll or abstract record.

SEC. 32. Section 8877 of the Revenue and Taxation Code is amended to read:

8877. If the board finds that a person's failure to make a timely return or payment is due to reasonable cause and circumstances beyond the person's control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the penalty provided by Sections 8801, 8854, and 8876.

Any person seeking to be relieved of the penalty shall file with the board a statement under penalty of perjury setting forth the facts upon which he or she bases his or her claim for relief.

SEC. 33. Section 30103.5 of the Revenue and Taxation Code is amended to read:

30103.5. (a) The tax and surcharge imposed by this part shall not apply to the sale or transfer of untaxed cigarettes or tobacco products to a law enforcement agency for use in a criminal investigation when that sale or transfer is authorized by the board.

(b) A law enforcement agency authorized by the board to receive or purchase cigarettes or tobacco products as provided in subdivision (a) shall not be required to apply for, or obtain, a license as a distributor pursuant to Section 30140.



(c) A law enforcement agency making distributions of cigarettes and tobacco products received or purchased under subdivision (a) is not required to collect or remit the tax or surcharge imposed by this part with respect to those authorized distributions.

SEC. 34. Section 30103.5 of the Revenue and Taxation Code is amended to read:

30103.5. (a) The tax and surcharge imposed by this part shall not apply to the sale or transfer of untaxed cigarettes or tobacco products to a law enforcement agency for use in a criminal investigation when that sale or transfer is authorized by the board.

(b) A law enforcement agency authorized by the board to receive or purchase cigarettes or tobacco products as provided in subdivision (a) shall not be required to apply for, or obtain, a license as a distributor pursuant to Section 30140.

(c) A law enforcement agency making distributions of cigarettes and tobacco products received or purchased under subdivision (a) is not required to collect or remit the tax or surcharge imposed by this part with respect to those authorized distributions.

SEC. 35. Section 30188 of the Revenue and Taxation Code is amended to read:

30188. On or before the 25th day of each month, every wholesaler shall file on forms prescribed by the board a report respecting his inventory, purchases, and sales of cigarettes or tobacco products during the preceding month and such other information as the board may require to carry out the purposes of this part.

SEC. 36. Section 30436 of the Revenue and Taxation Code is amended to read:

30436. The following property, upon seizure by the board, is hereby forfeited to the State of California:

(a) Cigarettes or tobacco products transported upon the highways, roads or streets of this state in violation of the provisions of Section 30431 or Section 30432.

(b) Cigarettes not contained in packages to which are affixed California cigarette tax stamp or meter impressions or tobacco products upon which the tobacco products surtax has not been paid, which are offered for sale, possessed, kept, stored or owned by any person with the intent of the person to sell the cigarettes or tobacco products without payment of the taxes imposed by this part.

(c) Any cigarette or tobacco product vending machine, together with the cigarettes, tobacco products, money or other contents thereof, which has been loaded in whole or in part with packages of cigarettes which do not have California cigarette tax stamps or meter impressions affixed or tobacco products upon which the tobacco products surtax has not been paid.

(d) Cigarettes contained in packages to which are affixed California cigarette tax stamps or meter impressions in violation of Section 30163.



SEC. 37. Section 38631 of the Revenue and Taxation Code is amended to read:

38631. If any amount has been illegally determined either by the person filing the return or by the board, the board shall set forth that fact in its records, certify the amount determined to be in excess of the amount legally due and the person against whom the determination was made, and authorize the cancellation of the amount upon the records of the board. Any proposed determination by the board pursuant to this section with respect to an amount in excess of fifty thousand dollars (\$50,000) shall be available as a public record for at least 10 days prior to the effective date of that determination.

SEC. 38. Section 43010.1 of the Revenue and Taxation Code is amended to read:

43010.1. Notwithstanding Section 43010, for purposes of the fees administered under Sections 43056 and 43057, “department” means the State Department of Health Services.

SEC. 39. Section 43011.1 of the Revenue and Taxation Code is amended to read:

43011.1. Notwithstanding Section 43011, for purposes of the fees administered under Sections 43056 and 43057, “director” means the State Director of Health Services.

SEC. 40. Section 50159 of the Revenue and Taxation Code is amended to read:

50159. (a) The board shall provide any information obtained under this part to the State Water Resources Control Board, including any information regarding underground storage tanks containing petroleum.

(b) The State Water Resources Control Board and the board may utilize any information obtained pursuant to this part to develop data on underground storage tanks containing petroleum within the state. Notwithstanding Section 50161, the State Water Resources Control Board may make this underground storage tank data available to the public.

(c) The board may disclose otherwise confidential information obtained from the lessee or operator of an underground storage tank, or from the person who sold or provided petroleum to the lessee or operator of the underground storage tank, only to the fee payer and only to the extent that this information is necessary for assessment, administration, and verification of the underground storage tank fee.

SEC. 41. 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.

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