

ASSEMBLY BILL

No. 211

Introduced by Assembly Member Maze

January 29, 2003

An act to amend Sections 218 and 275 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 211, as introduced, Maze. Taxation: homeowners' property tax exemption: senior citizens.

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. Existing property tax law reduces the amount of this exemption to the lesser of \$5,600 or 80% of the full value of the dwelling, if a claimant for the exemption does not claim the exemption before a specified date.

This bill would, for assessment years beginning on or after January 1, 2004, pursuant to the Legislature's authority under the California Constitution, increase the amount of this exemption to \$17,000 for assessees that are aged 62 years or older. This bill also would, for assessees aged 62 years or older who do not claim the exemption before a specified date, allow an exemption of the lesser of \$13,600 or 80% of the full value of the dwelling. By requiring local tax officials to implement new exemption amounts and new exemption criteria, this bill would impose a state-mandated local program.

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.

The California Constitution requires the Legislature to increase benefits for qualified renters whenever the Legislature increases the homeowners' property tax exemption.

This bill would state the intent of the Legislature to implement a program to meet this requirement for qualified renters.

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.

This bill would take effect immediately as a tax levy.

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

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

1 SECTION 1. Section 218 of the Revenue and Taxation Code
 2 is amended to read:
 3 218. (a) (1) The homeowners' property tax exemption is in
 4 the amount of the assessed value of the dwelling specified in this
 5 section, as authorized by subdivision (k) of Section 3 of Article
 6 XIII of the *California* Constitution. That exemption ~~shall be~~ *is*,
 7 *except as otherwise provided in paragraph (2)*, in the amount of
 8 seven thousand dollars (\$7,000) of the full value of the dwelling.
 9 ~~The~~
 10 (2) *For any assessment year beginning on or after January 1,*
 11 *2004, if the assessee for a dwelling is aged 62 years or older, the*
 12 *exemption is in the amount of seventeen thousand dollars*
 13 *(\$17,000) of the full value of the dwelling.*



1 (b) The exemption does not extend to property ~~which~~ that is
 2 rented, vacant, under construction on the lien date, or ~~which~~ that
 3 is a vacation or secondary home of the owner or owners, nor does
 4 it apply to property on which an owner receives the veteran's
 5 exemption. "Owner" includes a person purchasing the dwelling
 6 under a contract of sale or who holds shares or membership in a
 7 cooperative housing corporation, ~~which~~ the holding of which is a
 8 requisite to the exclusive right of occupancy of a dwelling.
 9 "Dwelling" means a building, structure or other shelter
 10 constituting a place of abode, whether real property or personal
 11 property, and any land on which it may be situated. As used in this
 12 section, "dwelling" ~~shall include~~ includes:

13 ~~(a)~~
 14 (1) A single-family dwelling occupied by an owner thereof as
 15 his or her principal place of residence on the lien date.

16 ~~(b)~~
 17 (2) A multiple-dwelling unit occupied by an owner thereof on
 18 the lien date as his or her principal place of residence.

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

22 ~~(d)~~
 23 (4) Premises occupied by the owner of shares or a membership
 24 interest in a cooperative housing corporation, as defined in
 25 subdivision ~~(h)~~ (i) of Section 61, as his or her principal place of
 26 residence on the lien date. Each exemption allowed pursuant to this
 27 subdivision shall be deducted from the total assessed valuation of
 28 the cooperative housing corporation. The exemption shall be taken
 29 into account in apportioning property taxes among owners of share
 30 or membership interests in the cooperative housing corporations
 31 so as to benefit those owners who qualify for the exemption.

32 ~~"Dwelling" means a building, structure or other shelter~~
 33 ~~constituting a place of abode, whether real property or personal~~
 34 ~~property, and any land on which it may be situated. For~~

35 For purposes of this section a two-dwelling unit shall be
 36 considered as two separate single-family dwellings.

37 ~~Any~~
 38 (c) Any dwelling that qualified for an exemption under this
 39 section prior to October 20, 1991, that was damaged or destroyed
 40 by fire in a disaster, as declared by the Governor, occurring on or



1 after October 20, 1991, and before November 1, 1991, and that has
2 not changed ownership since October 20, 1991, ~~shall~~ *is not be*
3 disqualified as a “dwelling” ~~or be denied~~ *and is not ineligible for*
4 an exemption under this section solely on the basis that the
5 dwelling was temporarily damaged or destroyed or was being
6 reconstructed by the owner.

7 ~~The~~

8 (d) *The exemption provided for in subdivision (k) of Section 3*
9 *of Article XIII of the California Constitution shall first be applied*
10 *to the building, structure or other shelter and the excess, if any,*
11 *shall be applied to any land on which it may be located.*

12 SEC. 2. Section 275 of the Revenue and Taxation Code is
13 amended to read:

14 275. (a) If a claimant for the homeowners’ property tax
15 exemption fails to file the required affidavit with the assessor by
16 5 p.m. on February 15 of the calendar year in which the fiscal year
17 begins, but files that affidavit on or before the following December
18 10, an exemption of the lesser of five thousand six hundred dollars
19 (\$5,600) or 80 percent of the full value of the dwelling shall be
20 granted by the assessor, *except as otherwise provided by this*
21 *section with respect to a claimant who is aged 62 years or older.*
22 *If a claimant subject to the preceding sentence is aged 62 years or*
23 *older, the exemption granted by the assessor pursuant to this*
24 *section shall, for claims filed for assessment years beginning on or*
25 *after January 1, 2004, instead be the lesser of thirteen thousand six*
26 *hundred dollars (\$13,600) or 80 percent of the full value of the*
27 *dwelling.*

28 (b) On claims filed pursuant to subdivision (a) after November
29 15, this partial homeowners’ exemption may be applied to the
30 second installment, and if applied to the second installment, the
31 first installment will still become delinquent on December 10 and
32 the delinquent penalty provided for in this division will attach if
33 the tax amount due is not paid.

34 If this partial homeowners’ exemption is applied to the second
35 installment and if both installments are paid on or before
36 December 10 or if the reduction in taxes from this partial
37 exemption exceeds the amount of taxes due on the second
38 installment, a refund shall be made to the taxpayer upon a claim
39 submitted by the taxpayer to the auditor.



1 SEC. 3. It is the intent of the Legislature to provide in the
2 annual Budget Act those additional reimbursements to local
3 governments that, as a result of this act, are required by Section 25
4 of Article XIII of the California Constitution.

5 SEC. 4. Pursuant to subdivision (k) of Section 3 of Article
6 XIII of the California Constitution, it is the intent of the
7 Legislature to implement a program for qualified renters, aged 62
8 years or older, that provides a benefit that is comparable to the
9 benefit given by this act to homeowners of the same age.

10 SEC. 5. Notwithstanding Section 17610 of the Government
11 Code, if the Commission on State Mandates determines that this
12 act contains costs mandated by the state, reimbursement to local
13 agencies and school districts for those costs shall be made pursuant
14 to Part 7 (commencing with Section 17500) of Division 4 of Title
15 2 of the Government Code. If the statewide cost of the claim for
16 reimbursement does not exceed one million dollars (\$1,000,000),
17 reimbursement shall be made from the State Mandates Claims
18 Fund.

19 SEC. 6. This act provides for a tax levy within the meaning of
20 Article IV of the Constitution and shall go into immediate effect.

