

AMENDED IN ASSEMBLY MARCH 25, 2003

AMENDED IN ASSEMBLY MARCH 6, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 211

Introduced by Assembly Member Maze
(Coauthors: Assembly Members Benoit, Cogdill, Dutton,
Harman, Plescia, and Wyland)
(Coauthor: Senator Battin)

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 amended, 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 assesseees 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 is, except as



1 otherwise provided in paragraph (2), in the amount of seven
2 thousand dollars (\$7,000) of the full value of the dwelling.

3 (2) (A) For any assessment year beginning on or after January
4 1, 2004, if the assessee for a dwelling *that is eligible for the*
5 *homeowners' property tax exemption* is aged 62 years or ~~older,~~
6 *older on or before the lien date*, the exemption is in the amount of
7 seventeen thousand dollars (\$17,000) of the full value of the
8 dwelling.

9 (B) *If a dwelling that is eligible for the homeowners' property*
10 *tax exemption is both owned and occupied as a principal residence*
11 *by more than one assessee, only one of those assesses is required*
12 *to be 62 years of age or older on or before the lien date in order*
13 *for that dwelling to be eligible for the seventeen thousand dollar*
14 *(\$17,000) exemption authorized by subparagraph (A).*

15 (b) The exemption does not extend to property that is rented,
16 vacant, under construction on the lien date, or that is a vacation or
17 secondary home of the owner or owners, nor does it apply to
18 property on which an owner receives the veteran's exemption.
19 "Owner" includes a person purchasing the dwelling under a
20 contract of sale or who holds shares or membership in a
21 cooperative housing corporation, the holding of which is a
22 requisite to the exclusive right of occupancy of a dwelling.
23 "Dwelling" means a building, structure or other shelter
24 constituting a place of abode, whether real property or personal
25 property, and any land on which it may be situated. As used in this
26 section, "dwelling" includes:

27 (1) A single-family dwelling occupied by an owner thereof as
28 his or her principal place of residence on the lien date.

29 (2) A multiple-dwelling unit occupied by an owner thereof on
30 the lien date as his or her principal place of residence.

31 (3) A condominium occupied by an owner thereof as his or her
32 principal place of residence on the lien date.

33 (4) Premises occupied by the owner of shares or a membership
34 interest in a cooperative housing corporation, as defined in
35 subdivision (i) of Section 61, as his or her principal place of
36 residence on the lien date. Each exemption allowed pursuant to this
37 subdivision shall be deducted from the total assessed valuation of
38 the cooperative housing corporation. The exemption shall be taken
39 into account in apportioning property taxes among owners of share



1 or membership interests in the cooperative housing corporations
2 so as to benefit those owners who qualify for the exemption.

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

5 (c) Any dwelling that qualified for an exemption under this
6 section prior to October 20, 1991, that was damaged or destroyed
7 by fire in a disaster, as declared by the Governor, occurring on or
8 after October 20, 1991, and before November 1, 1991, and that has
9 not changed ownership since October 20, 1991, is not disqualified
10 as a “dwelling” and is not ineligible for an exemption under this
11 section solely on the basis that the dwelling was temporarily
12 damaged or destroyed or was being reconstructed by the owner.

13 (d) The exemption provided for in subdivision (k) of Section
14 3 of Article XIII of the California Constitution shall first be
15 applied to the building, structure, or other shelter and the excess,
16 if any, shall be applied to any land on which it may be located.

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

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

33 (b) On claims filed pursuant to subdivision (a) after November
34 15, this partial homeowners’ exemption may be applied to the
35 second installment, and if applied to the second installment, the
36 first installment will still become delinquent on December 10 and
37 the delinquent penalty provided for in this division will attach if
38 the tax amount due is not paid.

39 If this partial homeowners’ exemption is applied to the second
40 installment and if both installments are paid on or before



1 December 10 or if the reduction in taxes from this partial
2 exemption exceeds the amount of taxes due on the second
3 installment, a refund shall be made to the taxpayer upon a claim
4 submitted by the taxpayer to the auditor.

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

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

14 SEC. 5. Notwithstanding Section 17610 of the Government
15 Code, if the Commission on State Mandates determines that this
16 act contains costs mandated by the state, reimbursement to local
17 agencies and school districts for those costs shall be made pursuant
18 to Part 7 (commencing with Section 17500) of Division 4 of Title
19 2 of the Government Code. If the statewide cost of the claim for
20 reimbursement does not exceed one million dollars (\$1,000,000),
21 reimbursement shall be made from the State Mandates Claims
22 Fund.

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

