

ASSEMBLY BILL

No. 15

Introduced by Assembly Member Fuentes

December 1, 2008

An act to amend Section 8686 of the Government Code, and to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.149, 195.150, and 195.151 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 15, as introduced, Fuentes. Disaster relief.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Los Angeles, which was declared

by the Governor to be in a state of emergency due to the wildfires that commenced in November 2008.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing the County of Los Angeles for these property tax revenue reductions, this bill would make an appropriation.

(2) The Natural Disaster Assistance Act provides for, among other things, specified allocations to local agencies with respect to natural disasters.

This bill would include within those provisions the disaster that occurred in the Counties of Los Angeles as a result of the wildfires that occurred during November 2008, as provided.

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

This bill would also provide that any dwelling that qualified for the exemption prior to November 14, 2008, that was damaged or destroyed by the wildfires in the County of Los Angeles, as declared by the Governor in November 2008, and that has not changed ownership since November 14, 2008, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

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. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

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.

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.

(4) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the County of Los Angeles as a result of the wildfires that commenced in November 2008. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Section 8686 of the Government Code is amended
2 to read:
3 8686. (a) For any eligible project, the state share shall amount
4 to no more than 75 percent of total state eligible costs.
5 (b) Notwithstanding subdivision (a), the state share shall be up
6 to 100 percent of total state eligible costs connected with the
7 following events:
8 (1) The October 17, 1989, Loma Prieta earthquake.
9 (2) The October 20, 1991, East Bay fire.
10 (3) The fires that occurred in southern California from October
11 1, 1993, to November 30, 1993, inclusive.
12 (4) The January 17, 1994, Northridge earthquake.
13 (5) Storms that occurred in California during the periods
14 commencing January 3, 1995, and February 13, 1995, as specified
15 in agreements between this state and the United States for federal
16 financial assistance.
17 (6) The storms that occurred in California in December of 1996
18 and early January of 1997, as specified in agreements between this
19 state and the United States for federal financial assistance.
20 (7) The winter storms and flooding that occurred from February
21 1, 1998, to April 30, 1998, inclusive, as specified in agreements

1 between this state and the United States for federal financial
2 assistance.

3 (8) The wildfires that occurred in southern California
4 commencing October 21, 2003, as specified in agreements between
5 this state and the United States for federal financial assistance.

6 (9) The December 22, 2003, San Simeon earthquake, as
7 specified in agreements between this state and the United States
8 for federal financial assistance.

9 (10) The severe storms, flooding, debris flows, and mudslides
10 that occurred during December 27, 2004, to January 11, 2005,
11 inclusive, in southern California, as specified in agreements
12 between this state and the United States for federal financial
13 assistance.

14 (11) The severe storms, flooding, landslides, and mud and debris
15 flows that occurred in southern California during the period from
16 February 16 to February 23, 2005, inclusive, as specified in
17 agreements between this state and the United States for federal
18 financial assistance.

19 (12) The severe storms, flooding, mudslides, and landslides that
20 occurred in northern California during the period from December
21 17, 2005, to January 3, 2006, inclusive, as specified in agreements
22 between this state and the United States for federal financial
23 assistance.

24 (13) The severe storms and flooding that occurred in northern
25 and central California during the period from March 29, 2006, to
26 April 16, 2006, inclusive, as specified in agreements between this
27 state and the United States for federal financial assistance.

28 (14) *The Sayre Fire, which occurred in the County of Los*
29 *Angeles commencing on November 14, 2008, as specified in*
30 *agreements between this state and the United States for federal*
31 *financial assistance.*

32 (c) For any federally declared disaster subsequent to January 1,
33 1995, that the Legislature has designated in subdivision (b), the
34 state shall assume the increased share specified in subdivision (b)
35 in those cases where the Federal Emergency Management Agency
36 or another applicable federal agency has approved the federal share
37 of costs.

38 (d) The state shall make no allocation for any project application
39 resulting in a state share of less than two thousand five hundred
40 dollars (\$2,500) under this section.

1 SEC. 2. Section 195.149 is added to the Revenue and Taxation
2 Code, to read:

3 195.149. (a) By October 30, 2009, the auditor of the County
4 of Los Angeles, which was the subject of the Governor's
5 proclamation of a state of emergency for wildfires that commenced
6 on November 14, 2008, shall certify to the Director of Finance an
7 estimate of the total amount of the reduction in property tax
8 revenues on both the regular secured roll and the supplemental
9 roll for the 2008–09 fiscal year resulting from the reassessment
10 by the county assessor pursuant to paragraph (1) of subdivision
11 (a) of Section 170 of those properties that are eligible properties
12 as a result of those disasters, except that the amount certified shall
13 not include any estimated property tax revenue reductions to school
14 districts, other than basic state aid school districts, and county
15 offices of education.

16 (b) For purposes of this section, "basic state aid school district"
17 means any school district that does not receive a state
18 apportionment pursuant to subdivision (h) of Section 42238 of the
19 Education Code, but receives from the state only a basic
20 apportionment pursuant to Section 6 of Article IX of the California
21 Constitution.

22 SEC. 3. Section 195.150 is added to the Revenue and Taxation
23 Code, to read:

24 195.150. After the county auditor of the eligible county, as
25 described in Section 195.149, has made the applicable certification
26 to the Director of Finance pursuant to that section, the director
27 shall within 30 days after verification of the county auditor's
28 estimate, certify this amount to the Controller for allocation to the
29 county. Upon receipt of certification from the Director of Finance,
30 the Controller shall make the appropriate allocation to the county
31 within 10 working days.

32 SEC. 4. Section 195.151 is added to the Revenue and Taxation
33 Code, to read:

34 195.151. (a) On or before June 30, 2010, an eligible county,
35 as described in Section 195.149, shall compute and remit to the
36 Controller for deposit in the General Fund an amount equal to the
37 amount allocated to it by the Controller pursuant to Section
38 195.150, less the actual amount of its property tax revenue lost on
39 the regular secured and supplemental rolls with respect to those
40 eligible properties described in Section 195.149 as a result of the

1 reassessment of those properties pursuant to paragraph (1) of
2 subdivision (a) of Section 170, excluding any property tax revenue
3 lost by school districts, other than basic state aid school districts,
4 and county offices of education. If the actual amount of property
5 tax revenue lost by an eligible county in the immediately preceding
6 fiscal year, as described and limited in the preceding sentence,
7 exceeds the amount allocated by the Controller to that county
8 pursuant to Section 195.150, the Controller shall allocate the
9 amount of that excess to that eligible county.

10 (b) For purposes of this section, “basic state aid school district”
11 means any school district that does not receive a state
12 apportionment pursuant to subdivision (h) of Section 42238 of the
13 Education Code, but receives from the state only a basic
14 apportionment pursuant to Section 6 of Article IX of the California
15 Constitution.

16 SEC. 5. Section 218 of the Revenue and Taxation Code is
17 amended to read:

18 218. (a) The homeowners’ property tax exemption is in the
19 amount of the assessed value of the dwelling specified in this
20 section, as authorized by subdivision (k) of Section 3 of Article
21 XIII of the Constitution. That exemption shall be in the amount
22 of seven thousand dollars (\$7,000) of the full value of the dwelling.

23 (b) The exemption does not extend to property that is rented,
24 vacant, under construction on the lien date, or that is a vacation or
25 secondary home of the owner or owners, nor does it apply to
26 property on which an owner receives the veteran’s exemption.

27 (c) For purposes of this section, all of the following apply:

28 (1) “Owner” includes a person purchasing the dwelling under
29 a contract of sale or who holds shares or membership in a
30 cooperative housing corporation, which holding is a requisite to
31 the exclusive right of occupancy of a dwelling.

32 (2) (A) “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. A two-dwelling
35 unit shall be considered as two separate single-family dwellings.

36 (B) “Dwelling” includes the following:

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

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

1 (iii) A condominium occupied by an owner thereof as his or her
2 principal place of residence on the lien date.

3 (iv) Premises occupied by the owner of shares or a membership
4 interest in a cooperative housing corporation, as defined in
5 subdivision (i) of Section 61, as his or her principal place of
6 residence on the lien date. Each exemption allowed pursuant to
7 this subdivision shall be deducted from the total assessed valuation
8 of the cooperative housing corporation. The exemption shall be
9 taken into account in apportioning property taxes among owners
10 of share or membership interests in the cooperative housing
11 corporations so as to benefit those owners who qualify for the
12 exemption.

13 (d) Any dwelling that qualified for an exemption under this
14 section prior to October 20, 1991, that was damaged or destroyed
15 by fire in a disaster, as declared by the Governor, occurring on or
16 after October 20, 1991, and before November 1, 1991, and that
17 has not changed ownership since October 20, 1991, shall not be
18 disqualified as a “dwelling” or be denied an exemption under this
19 section solely on the basis that the dwelling was temporarily
20 damaged or destroyed or was being reconstructed by the owner.

21 (e) Any dwelling that qualified for an exemption under this
22 section prior to October 15, 2003, that was damaged or destroyed
23 by fire or earthquake in a disaster, as declared by the Governor,
24 during October, November, or December 2003, and that has not
25 changed ownership since October 15, 2003, shall not be
26 disqualified as a “dwelling” or be denied an exemption under this
27 section solely on the basis that the dwelling was temporarily
28 damaged or destroyed or was being reconstructed by the owner.

29 (f) Any dwelling that qualified for an exemption under this
30 section prior to June 3, 2004, that was damaged or destroyed by
31 flood in a disaster, as declared by the Governor, during June 2004,
32 and that has not changed ownership since June 3, 2004, shall not
33 be disqualified as a “dwelling” or be denied an exemption under
34 this section solely on the basis that the dwelling was temporarily
35 damaged or destroyed or was being reconstructed by the owner.

36 (g) Any dwelling that qualified for an exemption under this
37 section prior to August 11, 2004, that was damaged or destroyed
38 by the wildfires and any other related casualty that occurred in
39 Shasta County in a disaster, as declared by the Governor, during
40 August 2004, and that has not changed ownership since August

1 11, 2004, shall not be disqualified as a “dwelling” or be denied an
2 exemption under this section solely on the basis that the dwelling
3 was temporarily damaged or destroyed or was being reconstructed
4 by the owner.

5 (h) Any dwelling that qualified for an exemption under this
6 section prior to December 28, 2004, that was damaged or destroyed
7 by severe rainstorms, floods, mudslides, or the accumulation of
8 debris in a disaster, as declared by the Governor, during December
9 2004, January 2005, February 2005, March 2005, or June 2005,
10 and that has not changed ownership since December 28, 2004,
11 shall not be disqualified as a “dwelling” or be denied an exemption
12 under this section solely on the basis that the dwelling was
13 temporarily damaged or destroyed or was being reconstructed by
14 the owner, or was temporarily uninhabited as a result of restricted
15 access to the property due to floods, mudslides, the accumulation
16 of debris, or washed-out or damaged roads.

17 (i) Any dwelling that qualified for an exemption under this
18 section prior to December 19, 2005, that was damaged or destroyed
19 by severe rainstorms, floods, mudslides, or the accumulation of
20 debris in a disaster, as declared by the Governor in January 2006,
21 April 2006, May 2006, or June 2006, and that has not changed
22 ownership since December 19, 2005, shall not be disqualified as
23 a “dwelling” or be denied an exemption under this section solely
24 on the basis that the dwelling was temporarily damaged or
25 destroyed or was being reconstructed by the owner, or was
26 temporarily uninhabited as a result of restricted access to the
27 property due to floods, mudslides, the accumulation of debris, or
28 washed-out or damaged roads.

29 (j) Any dwelling that qualified for an exemption under this
30 section prior to July 9, 2006, that was damaged or destroyed by
31 the wildfires and any other related casualty that occurred in the
32 County of San Bernardino, as declared by the Governor in July
33 2006, and that has not changed ownership since July 9, 2006, shall
34 not be disqualified as a “dwelling” or be denied an exemption
35 under this section solely on the basis that the dwelling was
36 temporarily damaged or destroyed or was being reconstructed by
37 the owner, or was temporarily uninhabited as a result of restricted
38 access to the property due to the wildfires.

39 (k) Any dwelling that qualified for an exemption under this
40 section prior to the commencement dates of the wildfires listed in

1 the Governor's proclamations of 2006 that was damaged or
2 destroyed by the wildfires and any other related casualty that
3 occurred in the Counties of Riverside and Ventura, and that has
4 not changed ownership since the commencement dates of these
5 disasters as listed in the Governor's proclamations of 2006 shall
6 not be disqualified as a "dwelling" or be denied an exemption
7 under this section solely on the basis that the dwelling was
8 temporarily damaged or destroyed or was being reconstructed by
9 the owner, or was temporarily uninhabited as a result of restricted
10 access to the property due to the wildfires.

11 (l) Any dwelling that qualified for an exemption under this
12 section prior to January 11, 2007, that was damaged or destroyed
13 by severe freezing conditions, commencing January 11, 2007, and
14 any other related casualty that occurred in the Counties of El
15 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
16 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
17 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
18 result of a disaster as declared by the Governor, and that has not
19 changed ownership since January 11, 2007, shall not be disqualified
20 as a "dwelling" or be denied an exemption under this section solely
21 on the basis that the dwelling was temporarily damaged or
22 destroyed or was being reconstructed by the owner, or was
23 temporarily uninhabited as a result of restricted access to the
24 property due to severe freezing conditions.

25 (m) Any dwelling that qualified for an exemption under this
26 section prior to June 24, 2007, that was damaged or destroyed by
27 the wildfires and any other related casualty that occurred as a result
28 of this disaster in the County of El Dorado, as declared by the
29 Governor in June 2007, and that has not changed ownership since
30 June 24, 2007, shall not be disqualified as a "dwelling" or be denied
31 an exemption under this section solely on the basis that the
32 dwelling was temporarily damaged or destroyed or was being
33 reconstructed by the owner, or was temporarily uninhabited as a
34 result of restricted access to the property due to the wildfires.

35 (n) Any dwelling that qualified for an exemption under this
36 section prior to July 4, 2007, that was damaged or destroyed by
37 the Zaca Fire and any other related casualty that occurred as a
38 result of this disaster in the Counties of Santa Barbara and Ventura,
39 as declared by the Governor in August 2007, and that has not
40 changed ownership since July 4, 2007, may not be denied an

1 exemption solely on the basis that the dwelling was temporarily
2 damaged or destroyed or was being reconstructed by the owner,
3 or was temporarily uninhabited as a result of restricted access to
4 the property due to the Zaca Fire.

5 (o) Any dwelling that qualified for an exemption under this
6 section prior to July 6, 2007, that was damaged or destroyed by
7 the wildfires and any other related casualty that occurred as a result
8 of this disaster in the County of Inyo, as declared by the Governor
9 in July 2007, and that has not changed ownership since July 6,
10 2007, may not be denied an exemption solely on the basis that the
11 dwelling was temporarily damaged or destroyed or was being
12 reconstructed by the owner, or was temporarily uninhabited as a
13 result of restricted access to the property due to the wildfires.

14 (p) Any dwelling that qualified for an exemption under this
15 section prior to the commencement dates of the wildfires listed in
16 the Governor's disaster proclamations of September 15, 2007, and
17 October 21, 2007, that was damaged or destroyed by the wildfires
18 and any other related casualty that occurred in the Counties of Los
19 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
20 Barbara, and Ventura, and that has not changed ownership since
21 the commencement dates of these disasters as listed in the
22 proclamations shall not be disqualified as a "dwelling" or be denied
23 an exemption under this section solely on the basis that the
24 dwelling was temporarily damaged or destroyed or was being
25 reconstructed by the owner, or was temporarily uninhabited as a
26 result of restricted access to the property due to the wildfires.

27 (q) Any dwelling that qualified for an exemption under this
28 section prior to October 20, 2007, that was damaged or destroyed
29 by the extremely strong and damaging winds and any other related
30 casualty that occurred as a result of this disaster in the County of
31 Riverside, as declared by the Governor in November 2007, and
32 that has not changed ownership since October 20, 2007, shall not
33 be disqualified as a "dwelling" or be denied an exemption under
34 this section solely on the basis that the dwelling was temporarily
35 damaged or destroyed or was being reconstructed by the owner,
36 or was temporarily uninhabited as a result of restricted access to
37 the property due to the extremely strong and damaging winds.

38 (r) Any dwelling that qualified for an exemption under this
39 section prior to the commencement dates of the wildfires listed in
40 the Governor's disaster proclamations of May, June, or July 2008,

1 that was damaged or destroyed by the wildfires and any other
2 related casualty that occurred in the Counties of Butte, Kern,
3 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
4 Shasta, and Trinity and that has not changed ownership since the
5 commencement dates of these disasters as listed in the
6 proclamations shall not be disqualified as a “dwelling” or be denied
7 an exemption under this section solely on the basis that the
8 dwelling was temporarily damaged or destroyed or was being
9 reconstructed by the owner, or was temporarily uninhabited as a
10 result of restricted access to the property due to the wildfires.

11 (s) Any dwelling that qualified for an exemption under this
12 section prior to July 1, 2008, that was damaged or destroyed by
13 the wildfires and any other related casualty that occurred as a result
14 of this disaster in the County of Santa Barbara, as declared by the
15 Governor in July 2008, and that has not changed ownership since
16 July 1, 2008, may not be denied an exemption solely on the basis
17 that the dwelling was temporarily damaged or destroyed or was
18 being reconstructed by the owner, or was temporarily uninhabited
19 as a result of restricted access to the property due to the wildfires.

20 (t) Any dwelling that qualified for an exemption under this
21 section prior to July 12, 2008, that was damaged or destroyed by
22 severe rainstorms, floods, landslides, or the accumulation of debris
23 in a disaster, as declared by the Governor, in July 2008, and that
24 has not changed ownership since July 12, 2008, shall not be
25 disqualified as a “dwelling” or be denied an exemption under this
26 section solely on the basis that the dwelling was temporarily
27 damaged or destroyed or was being reconstructed by the owner,
28 or was temporarily uninhabited as a result of restricted access to
29 the property due to floods, landslides, the accumulation of debris,
30 or washed-out or damaged roads.

31 (u) Any dwelling that qualified for an exemption under this
32 section prior to May 22, 2008, that was damaged or destroyed by
33 the wildfires and any other related casualty that occurred as a result
34 of this disaster in the County of Humboldt, as declared by the
35 Governor in August 2008, and that has not changed ownership
36 since May 22, 2008, may not be denied an exemption solely on
37 the basis that the dwelling was temporarily damaged or destroyed
38 or was being reconstructed by the owner, or was temporarily
39 uninhabited as a result of restricted access to the property due to
40 the wildfires.

(v) Any dwelling that qualified for an exemption under this section prior to November 14, 2008, that was damaged or destroyed by the wildfires and any other related casualty that occurred as a result of this disaster in the County of Los Angeles, as declared by the Governor in November 2008, and that has not changed ownership since November 14, 2008, shall not be disqualified as a “dwelling” or be denied an exemption under this section solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the wildfires.

~~(v)~~

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

SEC. 6. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

1 (10) Riots, arson, or any other related casualty occurring in
2 April or May 1992 in California.

3 (11) Any loss sustained as a result of the earthquakes that
4 occurred in the County of San Bernardino in June and July of 1992,
5 or any other related casualty.

6 (12) Any loss sustained as a result of the Fountain Fire that
7 occurred in the County of Shasta, or as a result of either of the
8 fires in the Counties of Calaveras and Trinity that occurred in
9 August 1992, or any other related casualty.

10 (13) Any loss sustained as a result of storm, flooding, or any
11 other related casualty that occurred in the Counties of Alpine,
12 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
13 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
14 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
15 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
16 Fillmore in January 1993.

17 (14) Any loss sustained as a result of a fire that occurred in the
18 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
19 Diego, and Ventura, during October or November of 1993, or any
20 other related casualty.

21 (15) Any loss sustained as a result of the earthquake, aftershocks,
22 or any other related casualty that occurred in the Counties of Los
23 Angeles, Orange, and Ventura on or after January 17, 1994.

24 (16) Any loss sustained as a result of a fire that occurred in the
25 County of San Luis Obispo during August of 1994, or any other
26 related casualty.

27 (17) Any loss sustained as a result of the storms or flooding
28 occurring in 1995, or any other related casualty, sustained in any
29 county of this state subject to a disaster declaration with respect
30 to the storms and flooding.

31 (18) Any loss sustained as a result of the storms or flooding
32 occurring in December 1996 or January 1997, or any related
33 casualty, sustained in any county of this state subject to a disaster
34 declaration with respect to the storms or flooding.

35 (19) Any loss sustained as a result of the storms or flooding
36 occurring in February 1998, or any related casualty, sustained in
37 any county of this state subject to a disaster declaration with respect
38 to the storms or flooding.

39 (20) Any loss sustained as a result of a freeze occurring in the
40 winter of 1998–99, or any related casualty, sustained in any county

1 of this state subject to a disaster declaration with respect to the
2 freeze.

3 (21) Any loss sustained as a result of an earthquake occurring
4 in September 2000, that was included in the Governor's
5 proclamation of a state of emergency for the County of Napa.

6 (22) Any loss sustained as a result of the Middle River levee
7 break in San Joaquin County occurring in June 2004.

8 (23) Any losses sustained as a result of the fires that occurred
9 in the Counties of Los Angeles, Riverside, San Bernardino, San
10 Diego, and Ventura in October and November 2003, or as a result
11 of floods, mudflows, and debris flows, directly related to fires.

12 (24) Any losses sustained in the Counties of Santa Barbara and
13 San Luis Obispo as a result of the San Simeon earthquake,
14 aftershocks, and any other related casualties.

15 (25) Any losses sustained as a result of the wildfires that
16 occurred in Shasta County, commencing August 11, 2004, and
17 any other related casualty.

18 (26) Any loss sustained in the Counties of Kern, Los Angeles,
19 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
20 and Ventura as a result of the severe rainstorms, related flooding
21 and slides, and any other related casualties, that occurred in
22 December 2004, January 2005, February 2005, March 2005, or
23 June 2005.

24 (27) Any loss sustained in the Counties of Alameda, Alpine,
25 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
26 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
27 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
28 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
29 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
30 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
31 the severe rainstorms, related flooding and slides, and any other
32 related casualties, that occurred in December 2005, January 2006,
33 March 2006, or April 2006.

34 (28) Any loss sustained in the County of San Bernardino as a
35 result of the wildfires that occurred in July 2006.

36 (29) Any loss sustained in the Counties of Riverside and Ventura
37 as a result of wildfires that occurred during the 2006 calendar year.

38 (30) Any loss sustained in the Counties of El Dorado, Fresno,
39 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
40 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa

1 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
2 of the Governor's proclamations of a state of emergency for the
3 severe freezing conditions that occurred in January 2007.

4 (31) Any loss sustained in the County of El Dorado as a result
5 of wildfires that occurred in June 2007.

6 (32) Any loss sustained in the Counties of Santa Barbara and
7 Ventura as a result of the Zaca Fire that occurred during the 2007
8 calendar year.

9 (33) Any loss sustained in the County of Inyo as a result of
10 wildfires that commenced in July 2007.

11 (34) Any loss sustained in the Counties of Los Angeles, Orange,
12 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
13 as a result of wildfires that occurred during the 2007 calendar year
14 that were the subject of the Governor's disaster proclamations of
15 September 15, 2007, and October 21, 2007.

16 (35) Any loss sustained in the County of Riverside as a result
17 of extremely strong and damaging winds that occurred in October
18 2007.

19 (36) Any loss sustained in the Counties of Butte, Kern,
20 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
21 Shasta, and Trinity as a result of wildfires that occurred in May or
22 June 2008 that were the subject of the Governor's proclamations
23 of a state of emergency.

24 (37) Any loss sustained in the County of Santa Barbara as a
25 result of wildfires that occurred in July 2008.

26 (38) Any loss sustained in the County of Inyo as a result of the
27 severe rainstorms, related flooding and landslides, and any other
28 related casualties, that occurred in July 2008.

29 (39) Any loss sustained in the County of Humboldt as a result
30 of wildfires that commenced in May 2008.

31 (40) *Any loss sustained in the County of Los Angeles as a result*
32 *of wildfires that commenced in November 2008.*

33 (b) (1) In the case of any loss allowed under Section 165(c) of
34 the Internal Revenue Code, relating to limitation of losses of
35 individuals, any excess disaster loss shall be carried forward to
36 each of the five taxable years following the taxable year for which
37 the loss is claimed. However, if there is any excess disaster loss
38 remaining after the five-year period, then the applicable percentage,
39 as set forth in paragraph (1) of subdivision (b) of Section 17276,

1 of that excess disaster loss shall be carried forward to each of the
2 next 10 taxable years.

3 (2) The entire amount of any excess disaster loss as defined in
4 subdivision (c) shall be carried to the earliest of the taxable years
5 to which, by reason of subdivision (b), the loss may be carried.
6 The portion of the loss which shall be carried to each of the other
7 taxable years shall be the excess, if any, of the amount of excess
8 disaster loss over the sum of the adjusted taxable income for each
9 of the prior taxable years to which that excess disaster loss is
10 carried.

11 (c) "Excess disaster loss" means a disaster loss computed
12 pursuant to Section 165 of the Internal Revenue Code which
13 exceeds the adjusted taxable income of the year of loss or, if the
14 election under Section 165(i) of the Internal Revenue Code is
15 made, the adjusted taxable income of the year preceding the loss.

16 (d) The provisions of this section and Section 165(i) of the
17 Internal Revenue Code shall be applicable to any of the losses
18 listed in subdivision (a) sustained in any county or city in this state
19 which was proclaimed by the Governor to be in a state of disaster.

20 (e) Losses allowable under this section may not be taken into
21 account in computing a net operating loss deduction under Section
22 172 of the Internal Revenue Code.

23 (f) For purposes of this section, "adjusted taxable income" shall
24 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

25 (g) For losses described in paragraphs (15) to ~~(39)~~ (40),
26 inclusive, of subdivision (a), the election under Section 165(i) of
27 the Internal Revenue Code may be made on a return or amended
28 return filed on or before the due date of the return (determined
29 with regard to extension) for the taxable year in which the disaster
30 occurred.

31 SEC. 7. Section 24347.5 of the Revenue and Taxation Code
32 is amended to read:

33 24347.5. (a) An excess disaster loss, as defined in subdivision
34 (c), shall be carried to other taxable years as provided in
35 subdivision (b), with respect to losses resulting from any of the
36 following disasters:

37 (1) Forest fire or any other related casualty occurring in 1985
38 in California.

39 (2) Storm, flooding, or any other related casualty occurring in
40 1986 in California.

1 (3) Any loss sustained during 1987 as a result of a forest fire or
2 any other related casualty.

3 (4) Earthquake, aftershock, or any other related casualty
4 occurring in October 1987 in California.

5 (5) Earthquake, aftershock, or any other related casualty
6 occurring in October 1989 in California.

7 (6) Any loss sustained during 1990 as a result of fire or any
8 other related casualty in California.

9 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
10 of 1991, or any other related casualty.

11 (8) Any loss sustained as a result of storm, flooding, or any
12 other related casualty occurring in February 1992 in California.

13 (9) Earthquake, aftershock, or any other related casualty
14 occurring in April 1992 in the County of Humboldt.

15 (10) Riots, arson, or any other related casualty occurring in
16 April or May 1992 in California.

17 (11) Any loss sustained as a result of the earthquakes or any
18 other related casualty that occurred in the County of San
19 Bernardino in June and July of 1992.

20 (12) Any loss sustained as a result of the Fountain Fire that
21 occurred in the County of Shasta, or as a result of either of the
22 fires in the Counties of Calaveras and Trinity that occurred in
23 August 1992, or any other related casualty.

24 (13) Any loss sustained as a result of storm, flooding, or any
25 other related casualty that occurred in the Counties of Alpine,
26 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
27 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
28 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
29 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
30 Fillmore in January 1993.

31 (14) Any loss sustained as a result of a fire that occurred in the
32 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
33 Diego, and Ventura, during October or November of 1993, or any
34 other related casualty.

35 (15) Any loss sustained as a result of the earthquake, aftershocks,
36 or any other related casualty that occurred in the Counties of Los
37 Angeles, Orange, and Ventura on or after January 17, 1994.

38 (16) Any loss sustained as a result of a fire that occurred in the
39 County of San Luis Obispo during August of 1994, or any other
40 related casualty.

1 (17) Any loss sustained as a result of the storms or flooding
2 occurring in 1995, or any other related casualty, sustained in any
3 county of this state subject to a disaster declaration with respect
4 to the storms and flooding.

5 (18) Any loss sustained as a result of the storms or flooding
6 occurring in December 1996 or January 1997, or any related
7 casualty, sustained in any county of this state subject to a disaster
8 declaration with respect to the storms or flooding.

9 (19) Any loss sustained as a result of the storms or flooding
10 occurring in February 1998, or any related casualty, sustained in
11 any county of this state subject to a disaster declaration with respect
12 to the storms or flooding.

13 (20) Any loss sustained as a result of a freeze occurring in the
14 winter of 1998–99, or any related casualty, sustained in any county
15 of this state subject to a disaster declaration with respect to the
16 freeze.

17 (21) Any loss sustained as a result of an earthquake occurring
18 in September 2000, that was included in the Governor's
19 proclamation of a state of emergency for the County of Napa.

20 (22) Any loss sustained as a result of the Middle River levee
21 break in San Joaquin County occurring in June 2004.

22 (23) Any losses sustained as a result of the fires that occurred
23 in the Counties of Los Angeles, Riverside, San Bernardino, San
24 Diego, and Ventura in October and November 2003, or as a result
25 of floods, mudflows, and debris flows, directly related to fires.

26 (24) Any losses sustained in the Counties of Santa Barbara and
27 San Luis Obispo as a result of the San Simeon earthquake,
28 aftershocks, and any other related casualties.

29 (25) Any losses sustained as a result of the wildfires that
30 occurred in Shasta County, commencing August 11, 2004, and
31 any other related casualty.

32 (26) Any loss sustained in the Counties of Kern, Los Angeles,
33 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
34 and Ventura as a result of the severe rainstorms, related flooding
35 and slides, and any other related casualties, that occurred in
36 December 2004, January 2005, February 2005, March 2005, or
37 June 2005.

38 (27) Any loss sustained in the Counties of Alameda, Alpine,
39 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
40 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,

1 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
2 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
3 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
4 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
5 the severe rainstorms, related flooding and slides, and any other
6 related casualties, that occurred in December 2005, January 2006,
7 March 2006, or April 2006.

8 (28) Any loss sustained in the County of San Bernardino as a
9 result of the wildfires that occurred in July 2006.

10 (29) Any loss sustained in the Counties of Riverside and Ventura
11 as a result of wildfires that occurred during the 2006 calendar year.

12 (30) Any loss sustained in the Counties of El Dorado, Fresno,
13 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
14 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
15 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
16 of the Governor's proclamations of a state of emergency for the
17 severe freezing conditions that occurred in January 2007.

18 (31) Any loss sustained in the County of El Dorado as a result
19 of wildfires that occurred in June 2007.

20 (32) Any loss sustained in the Counties of Santa Barbara and
21 Ventura as a result of the Zaca Fire that occurred during the 2007
22 calendar year.

23 (33) Any loss sustained in the County of Inyo as a result of
24 wildfires that commenced in July 2007.

25 (34) Any loss sustained in the Counties of Los Angeles, Orange,
26 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
27 as a result of wildfires that occurred during the 2007 calendar year
28 that were the subject of the Governor's disaster proclamations of
29 September 15, 2007, and October 21, 2007.

30 (35) Any loss sustained in the County of Riverside as a result
31 of extremely strong and damaging winds that occurred in October
32 2007.

33 (36) Any loss sustained in the Counties of Butte, Kern,
34 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
35 Shasta, and Trinity as a result of wildfires that occurred in May or
36 June 2008 that were the subject of the Governor's proclamations
37 of a state of emergency.

38 (37) Any loss sustained in the County of Santa Barbara as a
39 result of wildfires that occurred in July 2008.

1 (38) Any loss sustained in the County of Inyo as a result of the
2 severe rainstorms, related flooding and landslides, and any other
3 related casualties, that occurred in July 2008.

4 (39) Any loss sustained in the County of Humboldt as a result
5 of wildfires that commenced in May 2008.

6 (40) *Any loss sustained in the County of Los Angeles as a result*
7 *of wildfires that commenced in November 2008.*

8 (b) (1) In the case of any loss allowed under Section 165 of the
9 Internal Revenue Code, relating to losses, any excess disaster loss
10 shall be carried forward to each of the five taxable years following
11 the taxable year for which the loss is claimed. However, if there
12 is any excess disaster loss remaining after the five-year period,
13 then the applicable percentage, as set forth in paragraph (1) of
14 subdivision (b) of Section 24416, of that excess disaster loss shall
15 be carried forward to each of the next 10 taxable years.

16 (2) The entire amount of any excess disaster loss as defined in
17 subdivision (c) shall be carried to the earliest of the taxable years
18 to which, by reason of subdivision (b), the loss may be carried.
19 The portion of the loss which shall be carried to each of the other
20 taxable years shall be the excess, if any, of the amount of excess
21 disaster loss over the sum of the net income for each of the prior
22 taxable years to which that excess disaster loss is carried.

23 (c) "Excess disaster loss" means a disaster loss computed
24 pursuant to Section 165 of the Internal Revenue Code, which
25 exceeds the net income of the year of loss or, if the election under
26 Section 165(i) of the Internal Revenue Code is made, the net
27 income of the year preceding the loss.

28 (d) The provisions of this section and Section 165(i) of the
29 Internal Revenue Code shall be applicable to any of the losses
30 listed in subdivision (a) sustained in any county or city in this state
31 which was proclaimed by the Governor to be in a state of disaster.

32 (e) Any corporation subject to the provisions of Section 25101
33 or 25101.15 that has disaster losses pursuant to this section, shall
34 determine the excess disaster loss to be carried to other taxable
35 years under the principles specified in Section 25108 relating to
36 net operating losses.

37 (f) Losses allowable under this section may not be taken into
38 account in computing a net operating loss deduction under Section
39 172 of the Internal Revenue Code.

1 (g) For losses described in paragraphs (15) to ~~(39)~~ (40),
2 inclusive, of subdivision (a), the election under Section 165(i) of
3 the Internal Revenue Code may be made on a return or amended
4 return filed on or before the due date of the return (determined
5 with regard to extension) for the taxable year in which the disaster
6 occurred.

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

11 SEC. 9. The Legislature finds and declares that this act fulfills
12 a statewide public purpose because of all of the following:

13 (a) The Governor of California has officially proclaimed a state
14 of emergency declaring that the wildfires that occurred within the
15 County of Los Angeles, commencing in November 2008, constitute
16 conditions of extreme peril to public health and safety to persons
17 and property within that county, thus qualifying affected persons
18 for various forms of governmental assistance and relief.

19 (b) This act is consistent with, and supplements, the proclaimed
20 disaster assistance and relief by providing necessary fiscal
21 assistance and tax relief to affected jurisdictions and persons to
22 allow them to maintain essential basic services and repair damage
23 to, and restore, their homes and businesses.

24 SEC. 10. If the Commission on State Mandates determines
25 that this act contains costs mandated by the state, reimbursement
26 to local agencies and school districts for those costs shall be made
27 pursuant to Part 7 (commencing with Section 17500) of Division
28 4 of Title 2 of the Government Code.

29 SEC. 11. This act is an urgency statute necessary for the
30 immediate preservation of the public peace, health, or safety within
31 the meaning of Article IV of the Constitution and shall go into
32 immediate effect. The facts constituting the necessity are:

33 In order to timely provide essential relief to those persons and
34 jurisdictions that have suffered damage or loss as a result of the
35 wildfires that occurred within the County of Los Angeles,
36 commencing in November 2008, that were the subject of the
37 Governor's proclamation of a state of emergency, it is necessary
38 that this act take effect immediately.

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