

AMENDED IN ASSEMBLY MARCH 25, 2009
AMENDED IN ASSEMBLY FEBRUARY 26, 2009
CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 15

**Introduced by Assembly Member Fuentes
(Principal coauthor: Assembly Member Smyth)**

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 amended, 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~~ *Counties of Los Angeles and Ventura*, which ~~was~~ *were* declared by the Governor to be in a state of emergency due to the wildfires that commenced in October 2008 or 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~~ *Counties of Los Angeles and Ventura* 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 *and Ventura* as a result of the wildfires that occurred during October 2008 or 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 the commencement dates of the wildfires that were the subject of the Governor's proclamations in October 2008 and November 2008, that was damaged or destroyed by the wildfires in the ~~County of Los Angeles~~ *Counties of Los Angeles and Ventura*, and that has not changed ownership since the commencement date of those wildfires, 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~~ *Counties of Los Angeles and Ventura* as a result of the wildfires that commenced in October 2008 or 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

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

3 (6) The storms that occurred in California in December of 1996
4 and early January of 1997, as specified in agreements between this
5 state and the United States for federal financial assistance.

6 (7) The winter storms and flooding that occurred from February
7 1, 1998, to April 30, 1998, inclusive, as specified in agreements
8 between this state and the United States for federal financial
9 assistance.

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

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

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

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

26 (12) The severe storms, flooding, mudslides, and landslides that
27 occurred in northern California during the period from December
28 17, 2005, to January 3, 2006, inclusive, as specified in agreements
29 between this state and the United States for federal financial
30 assistance.

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

35 (14) The Marek and Sesnon Fires, which occurred in the ~~County~~
36 ~~of Los Angeles~~ *Counties of Los Angeles and Ventura* commencing
37 on or after October 12, 2008, as specified in agreements between
38 this state and the United States for federal financial assistance.

39 (15) The Sayre Fire, which occurred in the County of Los
40 Angeles commencing on November 14, 2008, as specified in

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

3 (c) For any federally declared disaster subsequent to January 1,
4 1995, that the Legislature has designated in subdivision (b), the
5 state shall assume the increased share specified in subdivision (b)
6 in those cases where the Federal Emergency Management Agency
7 or another applicable federal agency has approved the federal share
8 of costs.

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

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

14 195.149. (a) By October 30, 2009, the ~~auditor of the County~~
15 ~~of Los Angeles, which was~~ *auditors of the Counties of Los Angeles*
16 *and Ventura, which were* the subject of the Governor's disaster
17 proclamations of October 12, 2008, and November 15, 2008, shall
18 certify to the Director of Finance an estimate of the total amount
19 of the reduction in property tax revenues on both the regular
20 secured roll and the supplemental roll for the 2008–09 fiscal year
21 resulting from the reassessment by the county assessor pursuant
22 to paragraph (1) of subdivision (a) of Section 170 of those
23 properties that are eligible properties as a result of those disasters,
24 except that the amount certified shall not include any estimated
25 property tax revenue reductions to school districts, other than basic
26 state aid school districts, and county offices of education.

27 (b) For purposes of this section, "basic state aid school district"
28 means any school district that does not receive a state
29 apportionment pursuant to subdivision (h) of Section 42238 of the
30 Education Code, but receives from the state only a basic
31 apportionment pursuant to Section 6 of Article IX of the California
32 Constitution.

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

35 195.150. After the county auditor of the eligible county, as
36 described in Section 195.149, has made the applicable certification
37 to the Director of Finance pursuant to that section, the director
38 shall within 30 days after verification of the county auditor's
39 estimate, certify this amount to the Controller for allocation to the
40 county. Upon receipt of certification from the Director of Finance,

1 the Controller shall make the appropriate allocation to the county
2 within 10 working days.

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

5 195.151. (a) On or before June 30, 2010, an eligible county,
6 as described in Section 195.149, shall compute and remit to the
7 Controller for deposit in the General Fund an amount equal to the
8 amount allocated to it by the Controller pursuant to Section
9 195.150, less the actual amount of its property tax revenue lost on
10 the regular secured and supplemental rolls with respect to those
11 eligible properties described in Section 195.149 as a result of the
12 reassessment of those properties pursuant to paragraph (1) of
13 subdivision (a) of Section 170, excluding any property tax revenue
14 lost by school districts, other than basic state aid school districts,
15 and county offices of education. If the actual amount of property
16 tax revenue lost by an eligible county in the immediately preceding
17 fiscal year, as described and limited in the preceding sentence,
18 exceeds the amount allocated by the Controller to that county
19 pursuant to Section 195.150, the Controller shall allocate the
20 amount of that excess to that eligible county.

21 (b) For purposes of this section, “basic state aid school district”
22 means any school district that does not receive a state
23 apportionment pursuant to subdivision (h) of Section 42238 of the
24 Education Code, but receives from the state only a basic
25 apportionment pursuant to Section 6 of Article IX of the California
26 Constitution.

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

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

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

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

39 (1) “Owner” includes a person purchasing the dwelling under
40 a contract of sale or who holds shares or membership in a

1 cooperative housing corporation, which holding is a requisite to
2 the exclusive right of occupancy of a dwelling.

3 (2) (A) “Dwelling” means a building, structure, or other shelter
4 constituting a place of abode, whether real property or personal
5 property, and any land on which it may be situated. A two-dwelling
6 unit shall be considered as two separate single-family dwellings.

7 (B) “Dwelling” includes the following:

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

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

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

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

24 (d) Any dwelling that qualified for an exemption under this
25 section prior to October 20, 1991, that was damaged or destroyed
26 by fire in a disaster, as declared by the Governor, occurring on or
27 after October 20, 1991, and before November 1, 1991, and that
28 has not changed ownership since October 20, 1991, shall not be
29 disqualified as a “dwelling” or be denied an exemption under this
30 section solely on the basis that the dwelling was temporarily
31 damaged or destroyed or was being reconstructed by the owner.

32 (e) Any dwelling that qualified for an exemption under this
33 section prior to October 15, 2003, that was damaged or destroyed
34 by fire or earthquake in a disaster, as declared by the Governor,
35 during October, November, or December 2003, and that has not
36 changed ownership since October 15, 2003, shall not be
37 disqualified as a “dwelling” or be denied an exemption under this
38 section solely on the basis that the dwelling was temporarily
39 damaged or destroyed or was being reconstructed by the owner.

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

8 (g) Any dwelling that qualified for an exemption under this
9 section prior to August 11, 2004, that was damaged or destroyed
10 by the wildfires and any other related casualty that occurred in
11 Shasta County in a disaster, as declared by the Governor, during
12 August 2004, and that has not changed ownership since August
13 11, 2004, shall not be disqualified as a “dwelling” or be denied an
14 exemption under this section solely on the basis that the dwelling
15 was temporarily damaged or destroyed or was being reconstructed
16 by the owner.

17 (h) Any dwelling that qualified for an exemption under this
18 section prior to December 28, 2004, 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, during December
21 2004, January 2005, February 2005, March 2005, or June 2005,
22 and that has not changed ownership since December 28, 2004,
23 shall not be disqualified as a “dwelling” or be denied an exemption
24 under this section solely on the basis that the dwelling was
25 temporarily damaged or destroyed or was being reconstructed by
26 the owner, or was temporarily uninhabited as a result of restricted
27 access to the property due to floods, mudslides, the accumulation
28 of debris, or washed-out or damaged roads.

29 (i) Any dwelling that qualified for an exemption under this
30 section prior to December 19, 2005, that was damaged or destroyed
31 by severe rainstorms, floods, mudslides, or the accumulation of
32 debris in a disaster, as declared by the Governor in January 2006,
33 April 2006, May 2006, or June 2006, and that has not changed
34 ownership since December 19, 2005, shall not be disqualified as
35 a “dwelling” or be denied an exemption under this section solely
36 on the basis that the dwelling was temporarily damaged or
37 destroyed or was being reconstructed by the owner, or was
38 temporarily uninhabited as a result of restricted access to the
39 property due to floods, mudslides, the accumulation of debris, or
40 washed-out or damaged roads.

1 (j) Any dwelling that qualified for an exemption under this
2 section prior to July 9, 2006, that was damaged or destroyed by
3 the wildfires and any other related casualty that occurred in the
4 County of San Bernardino, as declared by the Governor in July
5 2006, and that has not changed ownership since July 9, 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 (k) Any dwelling that qualified for an exemption under this
12 section prior to the commencement dates of the wildfires listed in
13 the Governor’s proclamations of 2006 that was damaged or
14 destroyed by the wildfires and any other related casualty that
15 occurred in the Counties of Riverside and Ventura, and that has
16 not changed ownership since the commencement dates of these
17 disasters as listed in the Governor’s proclamations of 2006 shall
18 not be disqualified as a “dwelling” or be denied an exemption
19 under this section solely on the basis that the dwelling was
20 temporarily damaged or destroyed or was being reconstructed by
21 the owner, or was temporarily uninhabited as a result of restricted
22 access to the property due to the wildfires.

23 (l) Any dwelling that qualified for an exemption under this
24 section prior to January 11, 2007, that was damaged or destroyed
25 by severe freezing conditions, commencing January 11, 2007, and
26 any other related casualty that occurred in the Counties of El
27 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
28 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
29 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
30 result of a disaster as declared by the Governor, and that has not
31 changed ownership since January 11, 2007, shall not be disqualified
32 as a “dwelling” or be denied an exemption under this section solely
33 on the basis that the dwelling was temporarily damaged or
34 destroyed or was being reconstructed by the owner, or was
35 temporarily uninhabited as a result of restricted access to the
36 property due to severe freezing conditions.

37 (m) Any dwelling that qualified for an exemption under this
38 section prior to June 24, 2007, that was damaged or destroyed by
39 the wildfires and any other related casualty that occurred as a result
40 of this disaster in the County of El Dorado, as declared by the

1 Governor in June 2007, and that has not changed ownership since
2 June 24, 2007, shall not be disqualified as a “dwelling” or be denied
3 an exemption under this section solely on the basis that the
4 dwelling was temporarily damaged or destroyed or was being
5 reconstructed by the owner, or was temporarily uninhabited as a
6 result of restricted access to the property due to the wildfires.

7 (n) Any dwelling that qualified for an exemption under this
8 section prior to July 4, 2007, that was damaged or destroyed by
9 the Zaca Fire and any other related casualty that occurred as a
10 result of this disaster in the Counties of Santa Barbara and Ventura,
11 as declared by the Governor in August 2007, and that has not
12 changed ownership since July 4, 2007, may not be denied an
13 exemption solely on the basis that the dwelling was temporarily
14 damaged or destroyed or was being reconstructed by the owner,
15 or was temporarily uninhabited as a result of restricted access to
16 the property due to the Zaca Fire.

17 (o) Any dwelling that qualified for an exemption under this
18 section prior to July 6, 2007, that was damaged or destroyed by
19 the wildfires and any other related casualty that occurred as a result
20 of this disaster in the County of Inyo, as declared by the Governor
21 in July 2007, and that has not changed ownership since July 6,
22 2007, may not be denied an exemption solely on the basis that the
23 dwelling was temporarily damaged or destroyed or was being
24 reconstructed by the owner, or was temporarily uninhabited as a
25 result of restricted access to the property due to the wildfires.

26 (p) Any dwelling that qualified for an exemption under this
27 section prior to the commencement dates of the wildfires listed in
28 the Governor’s disaster proclamations of September 15, 2007, and
29 October 21, 2007, that was damaged or destroyed by the wildfires
30 and any other related casualty that occurred in the Counties of Los
31 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
32 Barbara, and Ventura, and that has not changed ownership since
33 the commencement dates of these disasters as listed in the
34 proclamations shall not be disqualified as a “dwelling” or be denied
35 an exemption under this section solely on the basis that the
36 dwelling was temporarily damaged or destroyed or was being
37 reconstructed by the owner, or was temporarily uninhabited as a
38 result of restricted access to the property due to the wildfires.

39 (q) Any dwelling that qualified for an exemption under this
40 section prior to October 20, 2007, that was damaged or destroyed

1 by the extremely strong and damaging winds and any other related
2 casualty that occurred as a result of this disaster in the County of
3 Riverside, as declared by the Governor in November 2007, and
4 that has not changed ownership since October 20, 2007, shall not
5 be disqualified as a “dwelling” or be denied an exemption under
6 this section solely on the basis that the dwelling was temporarily
7 damaged or destroyed or was being reconstructed by the owner,
8 or was temporarily uninhabited as a result of restricted access to
9 the property due to the extremely strong and damaging winds.

10 (r) Any dwelling that qualified for an exemption under this
11 section prior to the commencement dates of the wildfires listed in
12 the Governor’s disaster proclamations of May, June, or July 2008,
13 that was damaged or destroyed by the wildfires and any other
14 related casualty that occurred in the Counties of Butte, Kern,
15 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
16 Shasta, and Trinity and that has not changed ownership since the
17 commencement dates of these disasters as listed in the
18 proclamations shall not be disqualified as a “dwelling” or be denied
19 an exemption under this section solely on the basis that the
20 dwelling was temporarily damaged or destroyed or was being
21 reconstructed by the owner, or was temporarily uninhabited as a
22 result of restricted access to the property due to the wildfires.

23 (s) Any dwelling that qualified for an exemption under this
24 section prior to July 1, 2008, that was damaged or destroyed by
25 the wildfires and any other related casualty that occurred as a result
26 of this disaster in the County of Santa Barbara, as declared by the
27 Governor in July 2008, and that has not changed ownership since
28 July 1, 2008, may not be denied an exemption solely on the basis
29 that the dwelling was temporarily damaged or destroyed or was
30 being reconstructed by the owner, or was temporarily uninhabited
31 as a result of restricted access to the property due to the wildfires.

32 (t) Any dwelling that qualified for an exemption under this
33 section prior to July 12, 2008, that was damaged or destroyed by
34 severe rainstorms, floods, landslides, or the accumulation of debris
35 in a disaster, as declared by the Governor, in July 2008, and that
36 has not changed ownership since July 12, 2008, shall not be
37 disqualified as a “dwelling” or be denied an exemption under this
38 section solely on the basis that the dwelling was temporarily
39 damaged or destroyed or was being reconstructed by the owner,
40 or was temporarily uninhabited as a result of restricted access to

1 the property due to floods, landslides, the accumulation of debris,
2 or washed-out or damaged roads.

3 (u) Any dwelling that qualified for an exemption under this
4 section prior to May 22, 2008, that was damaged or destroyed by
5 the wildfires and any other related casualty that occurred as a result
6 of this disaster in the County of Humboldt, as declared by the
7 Governor in August 2008, and that has not changed ownership
8 since May 22, 2008, may not be denied an exemption solely on
9 the basis that the dwelling was temporarily damaged or destroyed
10 or was being reconstructed by the owner, or was temporarily
11 uninhabited as a result of restricted access to the property due to
12 the wildfires.

13 (v) Any dwelling that qualified for an exemption under this
14 section prior to the commencement dates of the wildfires that were
15 the subject of the Governor's disaster proclamations of October
16 12, 2008, and November 15, 2008, that was damaged or destroyed
17 by the wildfires and any other related casualty that occurred in the
18 ~~County of Los Angeles~~ *Counties of Los Angeles and Ventura* and
19 that has not changed ownership since the commencement dates of
20 these wildfires, shall not be disqualified as a "dwelling" or be
21 denied an exemption under this section solely on the basis that the
22 dwelling was temporarily damaged or destroyed or was being
23 reconstructed by the owner, or was temporarily uninhabited as a
24 result of restricted access to the property due to the wildfires.

25 (w) The exemption provided for in subdivision (k) of Section
26 3 of Article XIII of the Constitution shall first be applied to the
27 building, structure, or other shelter and the excess, if any, shall be
28 applied to any land on which it may be located.

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

31 17207. (a) An excess disaster loss, as defined in subdivision
32 (c), shall be carried to other taxable years as provided in
33 subdivision (b), with respect to losses resulting from any of the
34 following disasters:

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

37 (2) Storm, flooding, or any other related casualty occurring in
38 1986 in California.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (17) Any loss sustained as a result of the storms or flooding
40 occurring in 1995, or any other related casualty, sustained in any

1 county of this state subject to a disaster declaration with respect
2 to the storms and flooding.

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

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

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

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

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

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

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

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

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

36 (27) Any loss sustained in the Counties of Alameda, Alpine,
37 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
38 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
39 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
40 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,

1 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
2 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
3 the severe rainstorms, related flooding and slides, and any other
4 related casualties, that occurred in December 2005, January 2006,
5 March 2006, or April 2006.

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

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

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

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

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

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

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

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

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

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

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

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

3 (40) Any loss sustained in the ~~County of Los Angeles~~ *Counties*
4 *of Los Angeles and Ventura* as a result of wildfires that commenced
5 in October 2008 or November 2008 *that were the subject of the*
6 *Governor's proclamations of a state of emergency.*

7 (b) (1) In the case of any loss allowed under Section 165(c) of
8 the Internal Revenue Code, relating to limitation of losses of
9 individuals, any excess disaster loss shall be carried forward to
10 each of the five taxable years following the taxable year for which
11 the loss is claimed. However, if there is any excess disaster loss
12 remaining after the five-year period, then the applicable percentage,
13 as set forth in paragraph (1) of subdivision (b) of Section 17276,
14 of that excess disaster loss shall be carried forward to each of the
15 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 adjusted taxable income for each
22 of the prior taxable years to which that excess disaster loss is
23 carried.

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

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

33 (e) Losses allowable under this section may not be taken into
34 account in computing a net operating loss deduction under Section
35 172 of the Internal Revenue Code.

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

38 (g) For losses described in paragraphs (15) to (40), inclusive,
39 of subdivision (a), the election under Section 165(i) of the Internal
40 Revenue Code may be made on a return or amended return filed

1 on or before the due date of the return (determined with regard to
2 extension) for the taxable year in which the disaster occurred.

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

5 24347.5. (a) An excess disaster loss, as defined in subdivision
6 (c), shall be carried to other taxable years as provided in
7 subdivision (b), with respect to losses resulting from any of the
8 following disasters:

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

11 (2) Storm, flooding, or any other related casualty occurring in
12 1986 in California.

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

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

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

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

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

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

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

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

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

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

36 (13) Any loss sustained as a result of storm, flooding, or any
37 other related casualty that occurred in the Counties of Alpine,
38 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
39 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
40 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,

1 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
2 Fillmore in January 1993.

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

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

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

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

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

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

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

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

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

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

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

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

4 (26) Any loss sustained in the Counties of Kern, Los Angeles,
5 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
6 and Ventura as a result of the severe rainstorms, related flooding
7 and slides, and any other related casualties, that occurred in
8 December 2004, January 2005, February 2005, March 2005, or
9 June 2005.

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

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

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

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

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

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

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

37 (34) Any loss sustained in the Counties of Los Angeles, Orange,
38 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
39 as a result of wildfires that occurred during the 2007 calendar year

1 that were the subject of the Governor's disaster proclamations of
2 September 15, 2007, and October 21, 2007.

3 (35) Any loss sustained in the County of Riverside as a result
4 of extremely strong and damaging winds that occurred in October
5 2007.

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

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

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

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

18 (40) Any loss sustained in the ~~County of Los Angeles~~ *Counties*
19 *of Los Angeles and Ventura* as a result of wildfires that commenced
20 in October 2008 or November 2008 *that were the subject of the*
21 *Governor's proclamations of a state of emergency.*

22 (b) (1) In the case of any loss allowed under Section 165 of the
23 Internal Revenue Code, relating to losses, any excess disaster loss
24 shall be carried forward to each of the five taxable years following
25 the taxable year for which the loss is claimed. However, if there
26 is any excess disaster loss remaining after the five-year period,
27 then the applicable percentage, as set forth in paragraph (1) of
28 subdivision (b) of Section 24416, of that excess disaster loss shall
29 be carried forward to each of the next 10 taxable years.

30 (2) The entire amount of any excess disaster loss as defined in
31 subdivision (c) shall be carried to the earliest of the taxable years
32 to which, by reason of subdivision (b), the loss may be carried.
33 The portion of the loss which shall be carried to each of the other
34 taxable years shall be the excess, if any, of the amount of excess
35 disaster loss over the sum of the net income for each of the prior
36 taxable years to which that excess disaster loss is carried.

37 (c) "Excess disaster loss" means a disaster loss computed
38 pursuant to Section 165 of the Internal Revenue Code, which
39 exceeds the net income of the year of loss or, if the election under

1 Section 165(i) of the Internal Revenue Code is made, the net
2 income of the year preceding the loss.

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

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

12 (f) Losses allowable under this section may not be taken into
13 account in computing a net operating loss deduction under Section
14 172 of the Internal Revenue Code.

15 (g) For losses described in paragraphs (15) to (40), inclusive,
16 of subdivision (a), the election under Section 165(i) of the Internal
17 Revenue Code may be made on a return or amended return filed
18 on or before the due date of the return (determined with regard to
19 extension) for the taxable year in which the disaster occurred.

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

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

26 (a) The Governor of California has officially proclaimed a state
27 of emergency declaring that the wildfires that occurred within the
28 ~~County of Los Angeles~~ *Counties of Los Angeles and Ventura*,
29 commencing in October 2008 or November 2008, constitute
30 conditions of extreme peril to public health and safety to persons
31 and property within that county, thus qualifying affected persons
32 for various forms of governmental assistance and relief.

33 (b) This act is consistent with, and supplements, the proclaimed
34 disaster assistance and relief by providing necessary fiscal
35 assistance and tax relief to affected jurisdictions and persons to
36 allow them to maintain essential basic services and repair damage
37 to, and restore, their homes and businesses.

38 SEC. 10. If the Commission on State Mandates determines
39 that this act contains costs mandated by the state, reimbursement
40 to local agencies and school districts for those costs shall be made

1 pursuant to Part 7 (commencing with Section 17500) of Division
2 4 of Title 2 of the Government Code.

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

7 In order to timely provide essential relief to those persons and
8 jurisdictions that have suffered damage or loss as a result of the
9 wildfires that occurred within the ~~County of Los Angeles~~ *Counties*
10 *of Los Angeles and Ventura*, commencing in October 2008 or
11 November 2008, that were the subject of the Governor's
12 ~~proclamation~~ *proclamations* of a state of emergency, it is necessary
13 that this act take effect immediately.