

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

AMENDED IN ASSEMBLY MARCH 23, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 50

Introduced by Assembly Member Nava

December 1, 2008

An act to amend Sections 8686 and 65302.6 of the Government Code, and to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.146, 195.147, ~~and 195.148~~ 195.148, 195.155, 195.156, and 195.157 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 50, as amended, Nava. Disaster relief.

(1) Under existing law, the California Disaster Assistance Act, the state share for eligible project costs is no more than 75% of total state eligible costs, and for specific incidents, the state share is up to 100% of total eligible state costs.

This bill would include, as eligible for 100% state share, the wildfires that occurred in southern California commencing on or about October 20, 2007, as specified in agreements between this state and the United States for federal financial assistance. This bill would also declare the intent of the Legislature that this eligibility is subject to specified requirements under existing law.

(2) Under the California Disaster Assistance Act the state share may be up to 100% for costs connected with certain events only if the local

agency has adopted a local hazard mitigation plan in accordance with specified federal law.

Existing law, the Planning and Zoning Law, requires that a city, county, or city and county general plan contain a safety element for the protection of the community from specified safety risks, and authorizes a city, county, or a city and county to adopt with its safety element a federally specified local hazard mitigation plan that includes specified elements.

This bill would eliminate the requirement that adoption of the federally specified local hazard mitigation plan include required specified elements.

(3) 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 Santa Barbara, which was declared by the Governor to be in a state of emergency due to the wildfires that commenced in November 2008 *or May 2009*.

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

(4) 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 13, 2008~~ *the commencement dates of the wildfires listed in the Governor's disaster proclamations of November*

14, 2008, and May 7, 2009, that was damaged or destroyed by the wildfires in the County of Santa Barbara, as declared by the Governor in November 2008 or May 2009, and that has not changed ownership since ~~November 13, 2008~~ *the commencement dates of these disasters as listed in the proclamations*, 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.

(5) 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 Santa Barbara as a result of the wildfires that commenced in November 2008 or May 2009. 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.

(6) 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:

SECTION 1. Section 8686 of the Government Code is amended to read:

8686. (a) For any eligible project, the state share shall amount to no more than 75 percent of total state eligible costs.

(b) Notwithstanding subdivision (a), the state share shall be up to 100 percent of total state eligible costs connected with the following events:

(1) The October 17, 1989, Loma Prieta earthquake.

(2) The October 20, 1991, East Bay fire.

(3) The fires that occurred in southern California from October 1, 1993, to November 30, 1993, inclusive.

(4) The January 17, 1994, Northridge earthquake.

(5) Storms that occurred in California during the periods commencing January 3, 1995, and February 13, 1995, as specified in agreements between this state and the United States for federal financial assistance.

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

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

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

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

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

(11) The severe storms, flooding, landslides, and mud and debris flows that occurred in southern California during the period from February 16 to February 23, 2005, inclusive, as specified in

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

3 (12) The severe storms, flooding, mudslides, and landslides that
4 occurred in northern California during the period from December
5 17, 2005, to January 3, 2006, inclusive, as specified in agreements
6 between this state and the United States for federal financial
7 assistance.

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

12 (14) The wildfires that occurred in southern California
13 commencing on or about October 20, 2007, as specified in
14 agreements between this state and the United States for federal
15 financial assistance.

16 (c) For any federally declared disaster subsequent to January 1,
17 1995, that the Legislature has designated in subdivision (b), the
18 state shall assume the increased share specified in subdivision (b)
19 in those cases where the Federal Emergency Management Agency
20 or another applicable federal agency has approved the federal share
21 of costs.

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

25 SEC. 2. Section 65302.6 of the Government Code is amended
26 to read:

27 65302.6. (a) A city, county, or a city and county may adopt,
28 with its safety element pursuant to subdivision (g) of Section
29 65302, a local hazard mitigation plan (HMP) specified in the
30 federal Disaster Mitigation Act of 2000 (Public Law 106-390; 42
31 U.S.C. Sec. 5121 et seq.).

32 (b) Local jurisdictions that have not adopted a local hazard
33 mitigation plan shall be given preference by the Office of
34 Emergency Services in recommending actions to be funded from
35 the Pre-Disaster Mitigation Program, the Hazard Mitigation Grant
36 Program, and the Flood Mitigation Assistance Program to assist
37 the local jurisdiction in developing and adopting a local hazard
38 mitigation plan, subject to available funding from the Federal
39 Emergency Management Agency.

SEC. 3. Section 195.146 is added to the Revenue and Taxation Code, to read:

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

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

SEC. 4. Section 195.147 is added to the Revenue and Taxation Code, to read:

195.147. After the county auditor of the eligible county, as described in Section 195.146, has made the applicable certification to the Director of Finance pursuant to that section, the director shall within 30 days after verification of the county auditor's estimate, certify this amount to the Controller for allocation to the county. Upon receipt of certification from the Director of Finance, the Controller shall make the appropriate allocation to the county within 10 working days.

SEC. 5. Section 195.148 is added to the Revenue and Taxation Code, to read:

195.148. (a) On or before June 30, 2010, an eligible county, as described in Section 195.146, shall compute and remit to the Controller for deposit in the General Fund an amount equal to the amount allocated to it by the Controller pursuant to Section 195.147, less the actual amount of its property tax revenue lost on the regular secured and supplemental rolls with respect to those eligible properties described in Section 195.146 as a result of the

reassessment of those properties pursuant to paragraph (1) of subdivision (a) of Section 170, excluding any property tax revenue lost by school districts, other than basic state aid school districts, and county offices of education. If the actual amount of property tax revenue lost by an eligible county in the immediately preceding fiscal year, as described and limited in the preceding sentence, exceeds the amount allocated by the Controller to that county pursuant to Section 195.147, the Controller shall allocate the amount of that excess to that eligible county.

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

SEC. 6. Section 195.155 is added to the Revenue and Taxation Code, to read:

195.155. (a) By October 30, 2010, the auditor of the County of Santa Barbara, which was the subject of the Governor’s proclamation of a state of emergency for wildfires that commenced on May 5, 2009, shall certify to the Director of Finance an estimate of the total amount of the reduction in property tax revenues on both the regular secured roll and the supplemental roll for the 2009–10 fiscal year resulting from the reassessment by the county assessor pursuant to paragraph (1) of subdivision (a) of Section 170 of those properties that are eligible properties as a result of those disasters, except that the amount certified shall not include any estimated property tax revenue reductions to school districts, other than basic state aid school districts, and county offices of education.

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

SEC. 7. Section 195.156 is added to the Revenue and Taxation Code, to read:

195.156. After the county auditor of the eligible county, as described in Section 195.155, has made the applicable certification

1 to the Director of Finance pursuant to that section, the director
2 shall within 30 days after verification of the county auditor's
3 estimate, certify this amount to the Controller for allocation to the
4 county. Upon receipt of certification from the Director of Finance,
5 the Controller shall make the appropriate allocation to the county
6 within 10 working days.

7 SEC. 8. Section 195.157 is added to the Revenue and Taxation
8 Code, to read:

9 195.157. (a) On or before June 30, 2011, an eligible county,
10 as described in Section 195.155, shall compute and remit to the
11 Controller for deposit in the General Fund an amount equal to
12 the amount allocated to it by the Controller pursuant to Section
13 195.156, less the actual amount of its property tax revenue lost on
14 the regular secured and supplemental rolls with respect to those
15 eligible properties described in Section 195.155 as a result of the
16 reassessment of those properties pursuant to paragraph (1) of
17 subdivision (a) of Section 170, excluding any property tax revenue
18 lost by school districts, other than basic state aid school districts,
19 and county offices of education. If the actual amount of property
20 tax revenue lost by an eligible county in the immediately preceding
21 fiscal year, as described and limited in the preceding sentence,
22 exceeds the amount allocated by the Controller to that county
23 pursuant to Section 195.156, the Controller shall allocate the
24 amount of that excess to that eligible county.

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

31 ~~SEC. 6.~~

32 SEC. 9. Section 218 of the Revenue and Taxation Code is
33 amended to read:

34 218. (a) The homeowners' property tax exemption is in the
35 amount of the assessed value of the dwelling specified in this
36 section, as authorized by subdivision (k) of Section 3 of Article
37 XIII of the Constitution. That exemption shall be in the amount
38 of seven thousand dollars (\$7,000) of the full value of the dwelling.

39 (b) The exemption does not extend to property that is rented,
40 vacant, under construction on the lien date, or that is a vacation or

1 secondary home of the owner or owners, nor does it apply to
2 property on which an owner receives the veteran's exemption.

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

4 (1) "Owner" includes a person purchasing the dwelling under
5 a contract of sale or who holds shares or membership in a
6 cooperative housing corporation, which holding is a requisite to
7 the exclusive right of occupancy of a dwelling.

8 (2) (A) "Dwelling" means a building, structure, or other shelter
9 constituting a place of abode, whether real property or personal
10 property, and any land on which it may be situated. A two-dwelling
11 unit shall be considered as two separate single-family dwellings.

12 (B) "Dwelling" includes the following:

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

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

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

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

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

37 (e) Any dwelling that qualified for an exemption under this
38 section prior to October 15, 2003, that was damaged or destroyed
39 by fire or earthquake in a disaster, as declared by the Governor,
40 during October, November, or December 2003, and that has not

1 changed ownership since October 15, 2003, shall not be
2 disqualified as a “dwelling” or be denied an exemption under this
3 section solely on the basis that the dwelling was temporarily
4 damaged or destroyed or was being reconstructed by the owner.

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

12 (g) Any dwelling that qualified for an exemption under this
13 section prior to August 11, 2004, that was damaged or destroyed
14 by the wildfires and any other related casualty that occurred in
15 Shasta County in a disaster, as declared by the Governor, during
16 August 2004, and that has not changed ownership since August
17 11, 2004, shall not be disqualified as a “dwelling” or be denied an
18 exemption under this section solely on the basis that the dwelling
19 was temporarily damaged or destroyed or was being reconstructed
20 by the owner.

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

33 (i) Any dwelling that qualified for an exemption under this
34 section prior to December 19, 2005, that was damaged or destroyed
35 by severe rainstorms, floods, mudslides, or the accumulation of
36 debris in a disaster, as declared by the Governor in January 2006,
37 April 2006, May 2006, or June 2006, and that has not changed
38 ownership since December 19, 2005, shall not be disqualified as
39 a “dwelling” or be denied an exemption under this section solely
40 on the basis that the dwelling was temporarily damaged or

1 destroyed or was being reconstructed by the owner, or was
2 temporarily uninhabited as a result of restricted access to the
3 property due to floods, mudslides, the accumulation of debris, or
4 washed-out or damaged roads.

5 (j) Any dwelling that qualified for an exemption under this
6 section prior to July 9, 2006, that was damaged or destroyed by
7 the wildfires and any other related casualty that occurred in the
8 County of San Bernardino, as declared by the Governor in July
9 2006, and that has not changed ownership since July 9, 2006, shall
10 not be disqualified as a “dwelling” or be denied an exemption
11 under this section solely on the basis that the dwelling was
12 temporarily damaged or destroyed or was being reconstructed by
13 the owner, or was temporarily uninhabited as a result of restricted
14 access to the property due to the wildfires.

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

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

1 (m) Any dwelling that qualified for an exemption under this
2 section prior to June 24, 2007, that was damaged or destroyed by
3 the wildfires and any other related casualty that occurred as a result
4 of this disaster in the County of El Dorado, as declared by the
5 Governor in June 2007, and that has not changed ownership since
6 June 24, 2007, 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 (n) Any dwelling that qualified for an exemption under this
12 section prior to July 4, 2007, that was damaged or destroyed by
13 the Zaca Fire and any other related casualty that occurred as a
14 result of this disaster in the Counties of Santa Barbara and Ventura,
15 as declared by the Governor in August 2007, and that has not
16 changed ownership since July 4, 2007, may not be denied an
17 exemption solely on the basis that the dwelling was temporarily
18 damaged or destroyed or was being reconstructed by the owner,
19 or was temporarily uninhabited as a result of restricted access to
20 the property due to the Zaca Fire.

21 (o) Any dwelling that qualified for an exemption under this
22 section prior to July 6, 2007, that was damaged or destroyed by
23 the wildfires and any other related casualty that occurred as a result
24 of this disaster in the County of Inyo, as declared by the Governor
25 in July 2007, and that has not changed ownership since July 6,
26 2007, may not be denied an exemption solely on the basis that the
27 dwelling was temporarily damaged or destroyed or was being
28 reconstructed by the owner, or was temporarily uninhabited as a
29 result of restricted access to the property due to the wildfires.

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

1 reconstructed by the owner, or was temporarily uninhabited as a
2 result of restricted access to the property due to the wildfires.

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

14 (r) 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 May, June, or July 2008,
17 that was damaged or destroyed by the wildfires and any other
18 related casualty that occurred in the Counties of Butte, Kern,
19 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
20 Shasta, and Trinity and that has not changed ownership since the
21 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 (s) Any dwelling that qualified for an exemption under this
28 section prior to July 1, 2008, that was damaged or destroyed by
29 the wildfires and any other related casualty that occurred as a result
30 of this disaster in the County of Santa Barbara, as declared by the
31 Governor in July 2008, and that has not changed ownership since
32 July 1, 2008, may not be denied an exemption solely on the basis
33 that the dwelling was temporarily damaged or destroyed or was
34 being reconstructed by the owner, or was temporarily uninhabited
35 as a result of restricted access to the property due to the wildfires.

36 (t) Any dwelling that qualified for an exemption under this
37 section prior to July 12, 2008, that was damaged or destroyed by
38 severe rainstorms, floods, landslides, or the accumulation of debris
39 in a disaster, as declared by the Governor, in July 2008, and that
40 has not changed ownership since July 12, 2008, shall not be

1 disqualified as a “dwelling” or be denied an exemption under this
2 section solely on the basis that the dwelling was temporarily
3 damaged or destroyed or was being reconstructed by the owner,
4 or was temporarily uninhabited as a result of restricted access to
5 the property due to floods, landslides, the accumulation of debris,
6 or washed-out or damaged roads.

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

17 (v) Any dwelling that qualified for an exemption under this
18 section prior to November 13, 2008, that was damaged or destroyed
19 by the wildfires and any other related casualty that occurred as a
20 result of this disaster in the County of Santa Barbara, as declared
21 by the Governor in November 2008, and that has not changed
22 ownership since November 13, 2008, 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 the wildfires.

28 (w) *Any dwelling that qualified for an exemption under this*
29 *section prior to May 5, 2009, that was damaged or destroyed by*
30 *the wildfires and any other related casualty that occurred as a*
31 *result of this disaster in the County of Santa Barbara, as declared*
32 *by the Governor in May 2009, and that has not changed ownership*
33 *since May 5, 2009, shall not be disqualified as a “dwelling” or*
34 *be denied an exemption under this section solely on the basis that*
35 *the dwelling was temporarily damaged or destroyed or was being*
36 *reconstructed by the owner, or was temporarily uninhabited as a*
37 *result of restricted access to the property due to the wildfires.*

38 (~~w~~)

39 (x) The exemption provided for in subdivision (k) of Section 3
40 of Article XIII of the Constitution shall first be applied to the

1 building, structure, or other shelter and the excess, if any, shall be
2 applied to any land on which it may be located.

3 ~~SEC. 7.~~

4 *SEC. 10.* Section 17207 of the Revenue and Taxation Code is
5 amended to read:

6 17207. (a) An excess disaster loss, as defined in subdivision
7 (c), shall be carried to other taxable years as provided in
8 subdivision (b), with respect to losses resulting from any of the
9 following disasters:

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

12 (2) Storm, flooding, or any other related casualty occurring in
13 1986 in California.

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

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

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

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

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

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

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

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

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

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

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

1 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
2 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
3 Fillmore in January 1993.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (35) Any loss sustained in the County of Riverside as a result
7 of extremely strong and damaging winds that occurred in October
8 2007.

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

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

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

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

21 (40) Any loss sustained in the County of Santa Barbara as a
22 result of wildfires that commenced in November 2008.

23 (41) *Any loss sustained in the County of Santa Barbara as a*
24 *result of wildfires that commenced in May 2009.*

25 (b) (1) In the case of any loss allowed under Section 165(c) of
26 the Internal Revenue Code, relating to limitation of losses of
27 individuals, any excess disaster loss shall be carried forward to
28 each of the five taxable years following the taxable year for which
29 the loss is claimed. However, if there is any excess disaster loss
30 remaining after the five-year period, then the applicable percentage,
31 as set forth in paragraph (1) of subdivision (b) of Section 17276,
32 of that excess disaster loss shall be carried forward to each of the
33 next 10 taxable years.

34 (2) The entire amount of any excess disaster loss as defined in
35 subdivision (c) shall be carried to the earliest of the taxable years
36 to which, by reason of subdivision (b), the loss may be carried.
37 The portion of the loss which shall be carried to each of the other
38 taxable years shall be the excess, if any, of the amount of excess
39 disaster loss over the sum of the adjusted taxable income for each

1 of the prior taxable years to which that excess disaster loss is
2 carried.

3 (c) “Excess disaster loss” means a disaster loss computed
4 pursuant to Section 165 of the Internal Revenue Code which
5 exceeds the adjusted taxable income of the year of loss or, if the
6 election under Section 165(i) of the Internal Revenue Code is
7 made, the adjusted taxable income of the year preceding the loss.

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

12 (e) 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 (f) For purposes of this section, “adjusted taxable income” shall
16 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

17 (g) For losses described in paragraphs (15) to ~~(40)~~ (41),
18 inclusive, of subdivision (a), the election under Section 165(i) of
19 the Internal Revenue Code may be made on a return or amended
20 return filed on or before the due date of the return (determined
21 with regard to extension) for the taxable year in which the disaster
22 occurred.

23 ~~SEC. 8.~~

24 *SEC. 11.* Section 24347.5 of the Revenue and Taxation Code
25 is amended to read:

26 24347.5. (a) An excess disaster loss, as defined in subdivision
27 (c), shall be carried to other taxable years as provided in
28 subdivision (b), with respect to losses resulting from any of the
29 following disasters:

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

32 (2) Storm, flooding, or any other related casualty occurring in
33 1986 in California.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (18) Any loss sustained as a result of the storms or flooding
40 occurring in December 1996 or January 1997, or any related

casualty, sustained in any county of this state subject to a disaster declaration with respect to the storms or flooding.

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

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

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

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

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

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

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

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

(27) Any loss sustained in the Counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of the severe rainstorms, related flooding and slides, and any other

1 related casualties, that occurred in December 2005, January 2006,
2 March 2006, or April 2006.

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

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

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

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

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

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

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

25 (35) Any loss sustained in the County of Riverside as a result
26 of extremely strong and damaging winds that occurred in October
27 2007.

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

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

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

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

1 (40) Any loss sustained in the County of Santa Barbara as a
2 result of wildfires that commenced in November 2008.

3 (41) *Any loss sustained in the County of Santa Barbara as a*
4 *result of wildfires that commenced in May 2009.*

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

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

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

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

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

34 (f) Losses allowable under this section may not be taken into
35 account in computing a net operating loss deduction under Section
36 172 of the Internal Revenue Code.

37 (g) For losses described in paragraphs (15) to ~~(40)~~ (41),
38 inclusive, of subdivision (a), the election under Section 165(i) of
39 the Internal Revenue Code may be made on a return or amended
40 return filed on or before the due date of the return (determined

1 with regard to extension) for the taxable year in which the disaster
2 occurred.

3 ~~SEC. 9.~~

4 *SEC. 12.* It is the intent of the Legislature to provide in the
5 annual Budget Act those additional reimbursements to local
6 governments that, as a result of Section ~~6~~ 9 of this act, are required
7 by Section 25 of Article XIII of the California Constitution.

8 ~~SEC. 10.~~

9 *SEC. 13.* The Legislature finds and declares that this act fulfills
10 a statewide public purpose because of all of the following:

11 (a) The Governor of California has officially proclaimed a state
12 of emergency declaring that the wildfires that occurred within the
13 County of Santa Barbara, commencing in November 2008 *or May*
14 *2009*, constitute conditions of extreme peril to public health and
15 safety to persons and property within that county, thus qualifying
16 affected persons for various forms of governmental assistance and
17 relief.

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

23 ~~SEC. 11.~~

24 *SEC. 14.* If the Commission on State Mandates determines that
25 this act contains costs mandated by the state, reimbursement to
26 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. 12.~~

30 *SEC. 15.* The Legislature finds and declares that county
31 eligibility pursuant to paragraph (14) of subdivision (b) of Section
32 8686 of the Government Code is subject to the requirements of
33 Section 8685.9 of the Government Code.

34 ~~SEC. 13.~~

35 *SEC. 16.* This act is an urgency statute necessary for the
36 immediate preservation of the public peace, health, or safety within
37 the meaning of Article IV of the Constitution and shall go into
38 immediate effect. The facts constituting the necessity are:

39 In order to timely provide essential relief to those persons and
40 jurisdictions who have suffered damage or loss as a result of the

1 wildfires that occurred within the state in 2007~~and 2008~~, 2008,
2 *and 2009*, that were the subject of a Governor's proclamation of
3 a state of emergency, it is necessary that this act take effect
4 immediately.

O