

AMENDED IN SENATE JUNE 24, 2009

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

(Coauthors: Assembly Members Adams, Carter, DeVore, Harkey, Jeffries, Nestande, John A. Perez, Saldana, and Smyth)

(Coauthors: Senators Dutton, Maldonado, and Runner)

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, 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 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 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:

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

3 8686. (a) For any eligible project, the state share shall amount
4 to no more than 75 percent of total state eligible costs.

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

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

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

10 (3) The fires that occurred in southern California from October
11 1, 1993, to November 30, 1993, inclusive.

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

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

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

20 (7) The winter storms and flooding that occurred from February
21 1, 1998, to April 30, 1998, inclusive, as specified in agreements
22 between this state and the United States for federal financial
23 assistance.

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

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

30 (10) The severe storms, flooding, debris flows, and mudslides
31 that occurred during December 27, 2004, to January 11, 2005,
32 inclusive, in southern California, as specified in agreements

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

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

8 (12) The severe storms, flooding, mudslides, and landslides that
9 occurred in northern California during the period from December
10 17, 2005, to January 3, 2006, inclusive, as specified in agreements
11 between this state and the United States for federal financial
12 assistance.

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

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

21 (c) For any federally declared disaster subsequent to January 1,
22 1995, that the Legislature has designated in subdivision (b), the
23 state shall assume the increased share specified in subdivision (b)
24 in those cases where the Federal Emergency Management Agency
25 or another applicable federal agency has approved the federal share
26 of costs.

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

30 SEC. 2. Section 65302.6 of the Government Code is amended
31 to read:

32 65302.6. (a) A city, county, or a city and county may adopt,
33 with its safety element pursuant to subdivision (g) of Section
34 65302, a local hazard mitigation plan (HMP) specified in the
35 federal Disaster Mitigation Act of 2000 (Public Law 106-390; 42
36 U.S.C. Sec. 5121 et seq.).

37 (b) Local jurisdictions that have not adopted a local hazard
38 mitigation plan shall be given preference by the Office of
39 Emergency Services in recommending actions to be funded from
40 the Pre-Disaster Mitigation Program, the Hazard Mitigation Grant

1 Program, and the Flood Mitigation Assistance Program to assist
2 the local jurisdiction in developing and adopting a local hazard
3 mitigation plan, subject to available funding from the Federal
4 Emergency Management Agency.

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

7 195.146. (a) By October 30, 2009, the auditor of the County
8 of Santa Barbara, which was the subject of the Governor's
9 proclamation of a state of emergency for wildfires that commenced
10 on November 13, 2008, shall, certify to the Director of Finance
11 an estimate of the total amount of the reduction in property tax
12 revenues on both the regular secured roll and the supplemental
13 roll for the 2008–09 fiscal year resulting from the reassessment
14 by the county assessor pursuant to paragraph (1) of subdivision
15 (a) of Section 170 of those properties that are eligible properties
16 as a result of those disasters, except that the amount certified shall
17 not include any estimated property tax revenue reductions to school
18 districts, other than basic state aid school districts, and county
19 offices of education.

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

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

28 195.147. After the county auditor of the eligible county, as
29 described in Section 195.146, has made the applicable certification
30 to the Director of Finance pursuant to that section, the director
31 shall within 30 days after verification of the county auditor's
32 estimate, certify this amount to the Controller for allocation to the
33 county. Upon receipt of certification from the Director of Finance,
34 the Controller shall make the appropriate allocation to the county
35 within 10 working days.

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

38 195.148. (a) On or before June 30, 2010, an eligible county,
39 as described in Section 195.146, shall compute and remit to the
40 Controller for deposit in the General Fund an amount equal to the

1 amount allocated to it by the Controller pursuant to Section
2 195.147, less the actual amount of its property tax revenue lost on
3 the regular secured and supplemental rolls with respect to those
4 eligible properties described in Section 195.146 as a result of the
5 reassessment of those properties pursuant to paragraph (1) of
6 subdivision (a) of Section 170, excluding any property tax revenue
7 lost by school districts, other than basic state aid school districts,
8 and county offices of education. If the actual amount of property
9 tax revenue lost by an eligible county in the immediately preceding
10 fiscal year, as described and limited in the preceding sentence,
11 exceeds the amount allocated by the Controller to that county
12 pursuant to Section 195.147, the Controller shall allocate the
13 amount of that excess to that eligible county.

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

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

22 195.155. (a) By October 30, 2010, the auditor of the County
23 of Santa Barbara, which was the subject of the Governor’s
24 proclamation of a state of emergency for wildfires that commenced
25 on May 5, 2009, shall certify to the Director of Finance an estimate
26 of the total amount of the reduction in property tax revenues on
27 both the regular secured roll and the supplemental roll for the
28 2009–10 fiscal year resulting from the reassessment by the county
29 assessor pursuant to paragraph (1) of subdivision (a) of Section
30 170 of those properties that are eligible properties as a result of
31 those disasters, except that the amount certified shall not include
32 any estimated property tax revenue reductions to school districts,
33 other than basic state aid school districts, and county offices of
34 education.

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

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

3 195.156. After the county auditor of the eligible county, as
4 described in Section 195.155, has made the applicable certification
5 to the Director of Finance pursuant to that section, the director
6 shall within 30 days after verification of the county auditor's
7 estimate, certify this amount to the Controller for allocation to the
8 county. Upon receipt of certification from the Director of Finance,
9 the Controller shall make the appropriate allocation to the county
10 within 10 working days.

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

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

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

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

37 218. (a) The homeowners' property tax exemption is in the
38 amount of the assessed value of the dwelling specified in this
39 section, as authorized by subdivision (k) of Section 3 of Article
40 XIII of the *California* Constitution. That exemption shall be in the

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

3 (b) The exemption does not extend to property that is rented,
4 vacant, under construction on the lien date, or that is a vacation or
5 secondary home of the owner or owners, nor does it apply to
6 property on which an owner receives the veteran's exemption.

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

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

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

16 (B) "Dwelling" includes the following:

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

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

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

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

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

1 (e) Any dwelling that qualified for an exemption under this
2 section prior to October 15, 2003, that was damaged or destroyed
3 by fire or earthquake in a disaster, as declared by the Governor,
4 during October, November, or December 2003, and that has not
5 changed ownership since October 15, 2003, shall not be
6 disqualified as a “dwelling” or be denied an exemption under this
7 section solely on the basis that the dwelling was temporarily
8 damaged or destroyed or was being reconstructed by the owner.

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

16 (g) Any dwelling that qualified for an exemption under this
17 section prior to August 11, 2004, that was damaged or destroyed
18 by the wildfires and any other related casualty that occurred in
19 Shasta County in a disaster, as declared by the Governor, during
20 August 2004, and that has not changed ownership since August
21 11, 2004, shall not be disqualified as a “dwelling” or be denied an
22 exemption under this section solely on the basis that the dwelling
23 was temporarily damaged or destroyed or was being reconstructed
24 by the owner.

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

37 (i) Any dwelling that qualified for an exemption under this
38 section prior to December 19, 2005, that was damaged or destroyed
39 by severe rainstorms, floods, mudslides, or the accumulation of
40 debris in a disaster, as declared by the Governor in January 2006,

1 April 2006, May 2006, or June 2006, and that has not changed
2 ownership since December 19, 2005, shall not be disqualified as
3 a “dwelling” or be denied an exemption under this section solely
4 on the basis that the dwelling was temporarily damaged or
5 destroyed or was being reconstructed by the owner, or was
6 temporarily uninhabited as a result of restricted access to the
7 property due to floods, mudslides, the accumulation of debris, or
8 washed-out or damaged roads.

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

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

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

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

5 (m) Any dwelling that qualified for an exemption under this
6 section prior to June 24, 2007, that was damaged or destroyed by
7 the wildfires and any other related casualty that occurred as a result
8 of this disaster in the County of El Dorado, as declared by the
9 Governor in June 2007, and that has not changed ownership since
10 June 24, 2007, shall not be disqualified as a “dwelling” or be denied
11 an exemption under this section solely on the basis that the
12 dwelling was temporarily damaged or destroyed or was being
13 reconstructed by the owner, or was temporarily uninhabited as a
14 result of restricted access to the property due to the wildfires.

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

25 (o) Any dwelling that qualified for an exemption under this
26 section prior to July 6, 2007, that was damaged or destroyed by
27 the wildfires and any other related casualty that occurred as a result
28 of this disaster in the County of Inyo, as declared by the Governor
29 in July 2007, and that has not changed ownership since July 6,
30 2007, may not be denied an exemption solely on the basis that the
31 dwelling was temporarily damaged or destroyed or was being
32 reconstructed by the owner, or was temporarily uninhabited as a
33 result of restricted access to the property due to the wildfires.

34 (p) Any dwelling that qualified for an exemption under this
35 section prior to the commencement dates of the wildfires listed in
36 the Governor’s disaster proclamations of September 15, 2007, and
37 October 21, 2007, that was damaged or destroyed by the wildfires
38 and any other related casualty that occurred in the Counties of Los
39 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
40 Barbara, and Ventura, and that has not changed ownership since

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

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

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

1 (t) Any dwelling that qualified for an exemption under this
2 section prior to July 12, 2008, that was damaged or destroyed by
3 severe rainstorms, floods, landslides, or the accumulation of debris
4 in a disaster, as declared by the Governor, in July 2008, and that
5 has not changed ownership since July 12, 2008, shall not be
6 disqualified as a “dwelling” or be denied an exemption under this
7 section solely on the basis that the dwelling was temporarily
8 damaged or destroyed or was being reconstructed by the owner,
9 or was temporarily uninhabited as a result of restricted access to
10 the property due to floods, landslides, the accumulation of debris,
11 or washed-out or damaged roads.

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

22 (v) Any dwelling that qualified for an exemption under this
23 section prior to November 13, 2008, that was damaged or destroyed
24 by the wildfires and any other related casualty that occurred as a
25 result of this disaster in the County of Santa Barbara, as declared
26 by the Governor in November 2008, and that has not changed
27 ownership since November 13, 2008, shall not be disqualified as
28 a “dwelling” or be denied an exemption under this section solely
29 on the basis that the dwelling was temporarily damaged or
30 destroyed or was being reconstructed by the owner, or was
31 temporarily uninhabited as a result of restricted access to the
32 property due to the wildfires.

33 (w) Any dwelling that qualified for an exemption under this
34 section prior to May 5, 2009, that was damaged or destroyed by
35 the wildfires and any other related casualty that occurred as a result
36 of this disaster in the County of Santa Barbara, as declared by the
37 Governor in May 2009, and that has not changed ownership since
38 May 5, 2009, 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 (x) The exemption provided for in subdivision (k) of Section 3
4 of Article XIII of the *California* Constitution shall first be applied
5 to the building, structure, or other shelter and the excess, if any,
6 shall be applied to any land on which it may be located.

7 SEC. 10. Section 17207 of the Revenue and Taxation Code is
8 amended to read:

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

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

15 (2) Storm, flooding, or any other related casualty occurring in
16 1986 in California.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(18) Any loss sustained as a result of the storms or flooding 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

1 Diego, and Ventura in October and November 2003, or as a result
2 of floods, mudflows, and debris flows, directly related to fires.

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

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

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

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

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

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

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

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

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

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

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

8 (35) Any loss sustained in the County of Riverside as a result
9 of extremely strong and damaging winds that occurred in October
10 2007.

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

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

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

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

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

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

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

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

1 disaster loss over the sum of the adjusted taxable income for each
2 of the prior taxable years to which that excess disaster loss is
3 carried.

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

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

13 (e) Losses allowable under this section may not be taken into
14 account in computing a net operating loss deduction under Section
15 172 of the Internal Revenue Code.

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

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

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

25 24347.5. (a) An excess disaster loss, as defined in subdivision
26 (c), shall be carried to other taxable years as provided in
27 subdivision (b), with respect to losses resulting from any of the
28 following disasters:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (g) For losses described in paragraphs (15) to (41), inclusive,
36 of subdivision (a), the election under Section 165(i) of the Internal
37 Revenue Code may be made on a return or amended return filed
38 on or before the due date of the return (determined with regard to
39 extension) for the taxable year in which the disaster occurred.

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

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

7 (a) The Governor of California has officially proclaimed a state
8 of emergency declaring that the wildfires that occurred within the
9 County of Santa Barbara, commencing in November 2008 or May
10 2009, constitute conditions of extreme peril to public health and
11 safety to persons and property within that county, thus qualifying
12 affected persons for various forms of governmental assistance and
13 relief.

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

19 SEC. 14. If the Commission on State Mandates determines
20 that this act contains costs mandated by the state, reimbursement
21 to local agencies and school districts for those costs shall be made
22 pursuant to Part 7 (commencing with Section 17500) of Division
23 4 of Title 2 of the Government Code.

24 SEC. 15. The Legislature finds and declares that county
25 eligibility pursuant to paragraph (14) of subdivision (b) of Section
26 8686 of the Government Code is subject to the requirements of
27 Section 8685.9 of the Government Code.

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

32 In order to timely provide essential relief to those persons and
33 jurisdictions who have suffered damage or loss as a result of the
34 wildfires that occurred within the state in 2007, 2008, and 2009,
35 that were the subject of a Governor's proclamation of a state of
36 emergency, it is necessary that this act take effect immediately.