

AMENDED IN SENATE SEPTEMBER 1, 2009

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, Maldonado and Runner)

December 1, 2008

An act to amend ~~Sections 8686~~ *Section* and 65302.6 of the Government Code, and to amend Sections 218, 17207, and 24347.5 of, and to add Sections 170.5, 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)~~

~~(1) 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)~~

~~(2) 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)

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

This bill would also provide that any dwelling that qualified for the exemption prior to the commencement dates of the wildfires 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)

(4) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant

specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the County of 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.

(5) Existing law requires the auditor of a county which was the subject of the Governor's proclamation of a state of emergency to certify to the Director of Finance an estimate of the total reduction in property tax revenues resulting from the reassessment by the county assessor of those properties that are eligible as a result of disasters, and requires the director to verify the county auditor's estimate and certify that amount to the Controller for allocation to the county.

This bill would prohibit, for any fire disaster occurring after January 1, 2010, the Department of Finance to certify a county auditor's estimate of the total reduction in property tax resulting from the reassessment by the county assessor of eligible properties as a result of those disasters unless the county demonstrates compliance with specified requirements at the time the fire disaster occurred.

(6) This bill would become operative only if both Assembly Bill 666 and Senate Bill 505 of the 2009–10 Regular Session of the Legislature are enacted in 2009, and the operative date would depend on the enactment date of those bills.

~~(6)~~

(7) 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.~~

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

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

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

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

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

12 ~~(7) The winter storms and flooding that occurred from February~~
13 ~~1, 1998, to April 30, 1998, inclusive, as specified in agreements~~
14 ~~between this state and the United States for federal financial~~
15 ~~assistance.~~

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

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

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

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

32 ~~(12) The severe storms, flooding, mudslides, and landslides that~~
33 ~~occurred in northern California during the period from December~~
34 ~~17, 2005, to January 3, 2006, inclusive, as specified in agreements~~
35 ~~between this state and the United States for federal financial~~
36 ~~assistance.~~

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

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

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

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

14 ~~SEC. 2:~~

15 ~~SECTION 1. Section 65302.6 of the Government Code is~~
16 ~~amended to read:~~

17 ~~65302.6. (a) A city, county, or a city and county may adopt,~~
18 ~~with its safety element pursuant to subdivision (g) of Section~~
19 ~~65302, a local hazard mitigation plan (HMP) specified in the~~
20 ~~federal Disaster Mitigation Act of 2000 (Public Law 106-390; 42~~
21 ~~U.S.C. Sec. 5121 et seq.).~~

22 ~~(b) Local jurisdictions that have not adopted a local hazard~~
23 ~~mitigation plan shall be given preference by the Office of~~
24 ~~Emergency Services in recommending actions to be funded from~~
25 ~~the Pre-Disaster Mitigation Program, the Hazard Mitigation Grant~~
26 ~~Program, and the Flood Mitigation Assistance Program to assist~~
27 ~~the local jurisdiction in developing and adopting a local hazard~~
28 ~~mitigation plan, subject to available funding from the Federal~~
29 ~~Emergency Management Agency.~~

30 ~~SEC. 2. Section 170.5 is added to the Revenue and Taxation~~
31 ~~Code, to read:~~

32 ~~170.5. For any fire disaster occurring after January 1, 2010,~~
33 ~~the Department of Finance shall not certify a county auditor's~~
34 ~~estimate of the total amount of the reduction in property tax~~
35 ~~revenues resulting from the reassessment by the county assessor~~
36 ~~pursuant to paragraph (1) of subdivision (a) of Section 170 of~~
37 ~~those properties that are eligible properties as a result of those~~
38 ~~disasters, unless the county demonstrates compliance with all of~~
39 ~~the following requirements at the time the fire disaster occurred:~~

1 (a) *The county had at least one of the following for each state*
2 *responsibility area within its jurisdiction:*

3 (1) *Its own structural fire protection services.*

4 (2) *A contract providing structural fire protection services by*
5 *the Department of Forestry and Fire Protection that requires all*
6 *state costs to provide structural fire protection be included in the*
7 *contract, including, but not limited to, salaries and wages, benefits,*
8 *retirement, distributed administrative costs, workers'*
9 *compensation, equipment, and costs associated with entering into*
10 *the contract.*

11 (3) *Structural fire protection services from another county, city,*
12 *special district, or political subdivision of the state, or another*
13 *entity organized solely to provide fire protection services that is*
14 *monitored and funded by a county or other public entity.*

15 (b) *The county was in compliance with Chapter 6.8 (commencing*
16 *with Section 51175) of Part 1 of Division 1 of Title 5 of the*
17 *Government Code.*

18 (c) *If a county had land designated as a very high fire hazard*
19 *severity zone of state responsibility area within its jurisdiction,*
20 *the county had a fire risk reduction public education program that*
21 *included, but was not limited to, recommendations for*
22 *ignition-resistant landscaping, creating and maintaining defensible*
23 *space around homes and other structures, and ignition-resistant*
24 *construction principles.*

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

27 195.146. (a) By October 30, 2009, the auditor of the County
28 of Santa Barbara, which was the subject of the Governor's
29 proclamation of a state of emergency for wildfires that commenced
30 on November 13, 2008, shall, certify to the Director of Finance
31 an estimate of the total amount of the reduction in property tax
32 revenues on both the regular secured roll and the supplemental
33 roll for the 2008–09 fiscal year resulting from the reassessment
34 by the county assessor pursuant to paragraph (1) of subdivision
35 (a) of Section 170 of those properties that are eligible properties
36 as a result of those disasters, except that the amount certified shall
37 not include any estimated property tax revenue reductions to school
38 districts, other than basic state aid school districts, and county
39 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.

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

3 195.155. (a) By October 30, 2010, the auditor of the County
4 of Santa Barbara, which was the subject of the Governor's
5 proclamation of a state of emergency for wildfires that commenced
6 on May 5, 2009, shall certify to the Director of Finance an estimate
7 of the total amount of the reduction in property tax revenues on
8 both the regular secured roll and the supplemental roll for the
9 2009–10 fiscal year resulting from the reassessment by the county
10 assessor pursuant to paragraph (1) of subdivision (a) of Section
11 170 of those properties that are eligible properties as a result of
12 those disasters, except that the amount certified shall not include
13 any estimated property tax revenue reductions to school districts,
14 other than basic state aid school districts, and county offices of
15 education.

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

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

24 195.156. After the county auditor of the eligible county, as
25 described in Section 195.155, has made the applicable certification
26 to the Director of Finance pursuant to that section, the director
27 shall within 30 days after verification of the county auditor's
28 estimate, certify this amount to the Controller for allocation to the
29 county. Upon receipt of certification from the Director of Finance,
30 the Controller shall make the appropriate allocation to the county
31 within 10 working days.

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

34 195.157. (a) On or before June 30, 2011, an eligible county,
35 as described in Section 195.155, shall compute and remit to the
36 Controller for deposit in the General Fund an amount equal to the
37 amount allocated to it by the Controller pursuant to Section
38 195.156, less the actual amount of its property tax revenue lost on
39 the regular secured and supplemental rolls with respect to those
40 eligible properties described in Section 195.155 as a result of the

1 reassessment of those properties pursuant to paragraph (1) of
2 subdivision (a) of Section 170, excluding any property tax revenue
3 lost by school districts, other than basic state aid school districts,
4 and county offices of education. If the actual amount of property
5 tax revenue lost by an eligible county in the immediately preceding
6 fiscal year, as described and limited in the preceding sentence,
7 exceeds the amount allocated by the Controller to that county
8 pursuant to Section 195.156, the Controller shall allocate the
9 amount of that excess to that eligible county.

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

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

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

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

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

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

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

37 (B) “Dwelling” includes the following:

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

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

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

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

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

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

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

38 (g) Any dwelling that qualified for an exemption under this
39 section prior to August 11, 2004, that was damaged or destroyed
40 by the wildfires and any other related casualty that occurred in

1 Shasta County in a disaster, as declared by the Governor, during
2 August 2004, and that has not changed ownership since August
3 11, 2004, shall not be disqualified as a “dwelling” or be denied an
4 exemption under this section solely on the basis that the dwelling
5 was temporarily damaged or destroyed or was being reconstructed
6 by the owner.

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

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

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

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

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

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

37 (n) Any dwelling that qualified for an exemption under this
38 section prior to July 4, 2007, that was damaged or destroyed by
39 the Zaca Fire and any other related casualty that occurred as a
40 result of this disaster in the Counties of Santa Barbara and Ventura,

1 as declared by the Governor in August 2007, and that has not
2 changed ownership since July 4, 2007, may not be denied an
3 exemption solely on the basis that the dwelling was temporarily
4 damaged or destroyed or was being reconstructed by the owner,
5 or was temporarily uninhabited as a result of restricted access to
6 the property due to the Zaca Fire.

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

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

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

1 (r) Any dwelling that qualified for an exemption under this
2 section prior to the commencement dates of the wildfires listed in
3 the Governor's disaster proclamations of May, June, or July 2008,
4 that was damaged or destroyed by the wildfires and any other
5 related casualty that occurred in the Counties of Butte, Kern,
6 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
7 Shasta, and Trinity and that has not changed ownership since the
8 commencement dates of these disasters as listed in the
9 proclamations shall not be disqualified as a "dwelling" or be denied
10 an exemption under this section solely on the basis that the
11 dwelling was temporarily damaged or destroyed or was being
12 reconstructed by the owner, or was temporarily uninhabited as a
13 result of restricted access to the property due to the wildfires.

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

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

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

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

4 (v) Any dwelling that qualified for an exemption under this
5 section prior to November 13, 2008, that was damaged or destroyed
6 by the wildfires and any other related casualty that occurred as a
7 result of this disaster in the County of Santa Barbara, as declared
8 by the Governor in November 2008, and that has not changed
9 ownership since November 13, 2008, shall not be disqualified as
10 a “dwelling” or be denied an exemption under this section solely
11 on the basis that the dwelling was temporarily damaged or
12 destroyed or was being reconstructed by the owner, or was
13 temporarily uninhabited as a result of restricted access to the
14 property due to the wildfires.

15 (w) Any dwelling that qualified for an exemption under this
16 section prior to May 5, 2009, that was damaged or destroyed by
17 the wildfires and any other related casualty that occurred as a result
18 of this disaster in the County of Santa Barbara, as declared by the
19 Governor in May 2009, and that has not changed ownership since
20 May 5, 2009, shall not be disqualified as a “dwelling” or be denied
21 an exemption under this section solely on the basis that the
22 dwelling was temporarily damaged or destroyed or was being
23 reconstructed by the owner, or was temporarily uninhabited as a
24 result of restricted access to the property due to the wildfires.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (a) The Governor of California has officially proclaimed a state
27 of emergency declaring that the wildfires that occurred within the
28 County of Santa Barbara, commencing in November 2008 or May
29 2009, constitute conditions of extreme peril to public health and
30 safety to persons and property within that county, thus qualifying
31 affected persons for various forms of governmental assistance and
32 relief.

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

38 SEC. 14. If the Commission on State Mandates determines
39 that this act contains costs mandated by the state, reimbursement
40 to local agencies and school districts for those costs shall be made

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

3 ~~SEC. 15. The Legislature finds and declares that county~~
4 ~~eligibility pursuant to paragraph (14) of subdivision (b) of Section~~
5 ~~8686 of the Government Code is subject to the requirements of~~
6 ~~Section 8685.9 of the Government Code.~~

7 *SEC. 15. This act shall become operative only if both Assembly*
8 *Bill 666 and Senate Bill 505 of the 2009–10 Regular Session of*
9 *the Legislature are enacted in 2009, in which case this act shall*
10 *become operative on the later of the effective date of this act or*
11 *the date on which both Assembly Bill 666 and Senate Bill 505 are*
12 *enacted.*

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

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