

AMENDED IN SENATE SEPTEMBER 10, 2009

AMENDED IN SENATE SEPTEMBER 4, 2009

AMENDED IN ASSEMBLY APRIL 23, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1568

Introduced by Assembly Member Salas

March 16, 2009

An act to amend Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, relating to ~~taxation, to take effect immediately, tax levy, taxation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1568, as amended, Salas. Property taxation: ~~disaster relief.~~ *disaster relief: Children's Health and Human Services Special Fund.*

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

This bill would also provide that any dwelling that qualified for the exemption prior to the commencement dates of the wildfires that were the subject of the Governor's proclamations in October 2008, November 2008, and May 2009, that was damaged or destroyed by the wildfires in the Counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Santa Barbara, and that has not changed ownership since the commencement date of those wildfires, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was

temporarily uninhabited as a result of restricted access to the property due to wildfires.

The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(2) 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 Counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Santa Barbara as a result of the wildfires that commenced in October 2008, 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.

~~(3) This bill would take effect immediately as a tax levy.~~

(3) *Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services are provided to qualified low-income recipients.*

Existing law creates the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health care services to children less than 19 years of age who meet certain criteria, including having a limited gross household income.

Existing law imposes various taxes, including a tax at a specified rate on the gross premiums of an insurer, as defined.

AB 1422 of the 2009–10 Regular Session of the Legislature would, until January 1, 2011, impose that tax on the total operating revenue, as specified, of a Medi-Cal managed care plan, as defined. AB 1422 of the 2009–10 Regular Session of the Legislature would continuously appropriate the proceeds from the tax (A) to the department for purposes of the Medi-Cal program in an amount equal to 38.41% of the proceeds from the tax and (B) to the Managed Risk Medical Insurance Board for purposes of the Healthy Families Program in an amount equal to 61.59% of the proceeds from the tax.

This bill, if AB 1422 is enacted and becomes operative during the 2009 portion of the 2009–10 Regular Session of the Legislature, would create the Children’s Health and Human Services Special Fund in the State Treasury, into which revenues derived from the tax on Medi-Cal managed care plans, net of refunds, would be deposited. This bill would require the moneys in the fund to be used exclusively for the purposes of the Medi-Cal program and the Healthy Families Program, as prescribed in AB 1422.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

- 1 SECTION 1. Section 218 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 218. (a) The homeowners’ property tax exemption is in the
- 4 amount of the assessed value of the dwelling specified in this
- 5 section, as authorized by subdivision (k) of Section 3 of Article
- 6 XIII of the California Constitution. That exemption shall be in the
- 7 amount of seven thousand dollars (\$7,000) of the full value of the
- 8 dwelling.
- 9 (b) The exemption does not extend to property that is rented,
- 10 vacant, under construction on the lien date, or that is a vacation or
- 11 secondary home of the owner or owners, nor does it apply to
- 12 property on which an owner receives the veteran’s exemption.
- 13 (c) For purposes of this section, all of the following apply:
- 14 (1) “Owner” includes a person purchasing the dwelling under
- 15 a contract of sale or who holds shares or membership in a
- 16 cooperative housing corporation, which holding is a requisite to
- 17 the exclusive right of occupancy of a dwelling.

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

(B) “Dwelling” includes the following:

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

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

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

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

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

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

(f) Any dwelling that qualified for an exemption under this section prior to June 3, 2004, that was damaged or destroyed by flood in a disaster, as declared by the Governor, during June 2004,

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

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

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

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

38 (j) Any dwelling that qualified for an exemption under this
39 section prior to July 9, 2006, that was damaged or destroyed by
40 the wildfires and any other related casualty that occurred in the

1 County of San Bernardino, as declared by the Governor in July
2 2006, and that has not changed ownership since July 9, 2006, shall
3 not be disqualified as a “dwelling” or be denied an exemption
4 under this section solely on the basis that the dwelling was
5 temporarily damaged or destroyed or was being reconstructed by
6 the owner, or was temporarily uninhabited as a result of restricted
7 access to the property due to the wildfires.

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

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

34 (m) Any dwelling that qualified for an exemption under this
35 section prior to June 24, 2007, 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 El Dorado, as declared by the
38 Governor in June 2007, and that has not changed ownership since
39 June 24, 2007, shall not be disqualified as a “dwelling” or be denied
40 an exemption under this section solely on the basis that the

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

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

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

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

36 (q) Any dwelling that qualified for an exemption under this
37 section prior to October 20, 2007, that was damaged or destroyed
38 by the extremely strong and damaging winds and any other related
39 casualty that occurred as a result of this disaster in the County of
40 Riverside, as declared by the Governor in November 2007, and

1 that has not changed ownership since October 20, 2007, shall not
2 be disqualified as a “dwelling” or be denied an exemption under
3 this section 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 extremely strong and damaging winds.

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

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

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

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

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

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

34 (x) 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 November 15, 2008, and
37 November 17, 2008, that was damaged or destroyed by the
38 wildfires and any other related casualty that occurred as a result
39 of this disaster in the Counties of Orange, Riverside, and San
40 Bernardino, as declared by the Governor in November 2008, and

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

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

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

22 SEC. 2. Section 17207 of the Revenue and Taxation Code is
23 amended to read:

24 17207. (a) An excess disaster loss, as defined in subdivision
25 (c), shall be carried to other taxable years as provided in
26 subdivision (b), with respect to losses resulting from any of the
27 following disasters:

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

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

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

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

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

38 (6) Any loss sustained during 1990 as a result of fire or any
39 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 that
10 occurred in the County of San Bernardino in June and July of 1992,
11 or any other related casualty.

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 Counties of Los Angeles and
2 Ventura as a result of wildfires that commenced in October 2008
3 or November 2008 that were the subject of the Governor's
4 proclamations of a state of emergency.

5 (42) Any loss sustained in the Counties of Orange, Riverside,
6 and San Bernardino as a result of wildfires that commenced in
7 November 2008.

8 (43) Any loss sustained in the County of Santa Barbara as a
9 result of wildfires that commenced in May 2009.

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

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

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

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

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

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

(g) For losses described in paragraphs (15) to (43), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in 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,

1 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
2 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
3 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
4 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
5 Fillmore in January 1993.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(41) Any loss sustained in the Counties of Los Angeles and Ventura as a result of wildfires that commenced in October 2008 or November 2008 that were the subject of the Governor's proclamations of a state of emergency.

(42) Any loss sustained in the Counties of Orange, Riverside, and San Bernardino as a result of wildfires that commenced in November 2008.

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

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

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

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

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

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

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

(g) For losses described in paragraphs (15) to (43), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 4. (a) There is hereby created in the State Treasury the Children's Health and Human Services Special Fund, into which shall be deposited the revenues, net of refunds, derived from the imposition of tax on Medi-Cal managed care plans pursuant to Chapter 3 (commencing with Section 12201) of Part 7 of Division 2 of the Revenue and Taxation Code.

(b) Moneys in the Children's Health and Human Services Special Fund shall be used exclusively for the purposes set forth in subdivision (b) of Section 12201 of the Revenue and Taxation Code, as contained in Section 5 of Assembly Bill 1422 of the 2009–10 Regular Session of the Legislature.

1 *SEC. 5. Section 4 of this act shall become operative only if*
2 *Assembly Bill 1422 is enacted and becomes operative during the*
3 *2009 portion of the 2009–10 Regular Session of the Legislature.*

4 ~~SEC. 4.~~

5 *SEC. 6.* It is the intent of the Legislature to provide in the
6 annual Budget Act those additional reimbursements to local
7 governments that, as a result of Section 1 of this act, are required
8 by Section 25 of Article XIII of the California Constitution.

9 ~~SEC. 5.~~

10 *SEC. 7.* The Legislature finds and declares that this act fulfills
11 a statewide public purpose because of all of the following:

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

19 (b) The Governor of California has officially proclaimed a state
20 of emergency declaring that the wildfires that occurred within the
21 Counties of Orange, Riverside, and San Bernardino, commencing
22 in November 2008, constitute conditions of extreme peril to public
23 health and safety to persons and property within those counties,
24 thus qualifying affected persons for various forms of governmental
25 assistance and relief.

26 (c) 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 (d) 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. 6.~~

39 *SEC. 8.* If the Commission on State Mandates determines that
40 this act contains costs mandated by the state, reimbursement to

1 local agencies and school districts for those costs shall be made
2 pursuant to Part 7 (commencing with Section 17500) of Division
3 4 of Title 2 of the Government Code.

4 ~~SEC. 7. This act provides for a tax levy within the meaning of~~
5 ~~Article IV of the Constitution and shall go into immediate effect.~~

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