

Statutes of Interest to County Tax Collectors

as Amended by Statutes of 2011



October 2011

California State Controller's Office

Foreword

The 2011 edition of the *Statutes of Interest to County Tax Collectors* is published to provide an annual compilation of legislation related to tax collector operations that has added, amended, or repealed sections of the California law codes.

The codes in this publication are listed numerically by code section under each alphabetized code classification name. The “Index of Statutory Code Sections” indicates the code section affected; whether the code section was added to, amended, or repealed, the bill number, the chapter number, the effective date of the change, the publication page number, and a brief topic description.

Within the text, bold italicized type indicates new language added to a code section. Language that has been deleted from a code section is indicated by bold strike-through type.

This publication may be viewed at or downloaded from URL www.sco.ca.gov/Files-ARD-Tax-Info/Statutes/soi.pdf on the State Controller's Office internet site.

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Index of Statutory Code Sections

Chaptered Bills

Government Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
16142	Am	AB 1265	90	1/1/11	1	Williamson Act
16142	Rp/Ad	AB 1265	90	1/1/16	2	Williamson Act
16142.1	Am	AB 1265	90	1/1/11	2	Williamson Act
16142.1	Rp/Ad	AB 1265	90	1/1/16	3	Williamson Act
50057	Am	SB 194	382	1/1/12	4	Authorization for the county treasurer to act on behalf of the board of supervisors
51190	Ad	SB 618	596	1/1/12	4	Solar-use easement: definitions
51191	Ad	SB 618	596	1/1/12	5	Solar-use easement: criteria for determination
51191.1	Ad	SB 618	596	1/1/12	6	Solar-use easement
51191.2	Ad	SB 618	596	1/1/12	6	Solar-use easement: terms and conditions
51191.3	Ad	SB 618	596	1/1/12	6	Solar-use easement: restrictions, conditions, or covenants
51191.4	Ad	SB 618	596	1/1/12	7	Solar-use easement: resolution of the governing body
51191.5	Ad	SB 618	596	1/1/12	7	Solar-use easement: restrictions on land use
51191.6	Ad	SB 618	596	1/1/12	8	Solar-use easement: recorded instrument
51191.7	Ad	SB 618	596	1/1/12	8	Solar-use easement: assessment
51191.8	Ad	SB 618	596	1/1/12	8	Solar-use easement: regulations adopted
51192	Ad	SB 618	596	1/1/12	9	Solar-use easement: termination
51192.1	Ad	SB 618	596	1/1/12	9	Solar-use easement: return to prior land use
51192.2	Ad	SB 618	596	1/1/12	9	Solar-use easement: petition for termination
51244	Am	AB 1265	90	1/1/11	11	Williamson Act
51244	Rp/Ad	AB 1265	90	1/1/16	12	Williamson Act

*Am = Amended; Ad = Added; Rp = Repealed

Government Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
51244.3	Ad	AB 1265	90	1/1/11	13	Williamson Act
51244.4	Ad	AB 1265	90	1/1/11	13	Williamson Act
51255.1	Ad	SB 618	596	1/1/12	13	Solar-use easement: contracts
51257.5	Ad	SB 668	254	1/1/12	14	Williamson Act
53601	Am	SB 194	382	1/1/12	15	Yankee Banks
53684	Am	AB 1090	369	1/1/12	20	County Deferred Property Tax Program

Revenue and Taxation Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
63.1	Am	SB 947	351	1/1/12	23	Change in ownership
69	Am	SB 947	351	1/1/12	28	Transfer of base-year value
69.3	Am	SB 947	351	1/1/12	30	Disaster-damaged property
69.5	Am	SB 947	351	1/1/12	33	Transfer of base-year value
74.5	Am	SB 947	351	1/1/12	42	New construction exceptions: seismic retrofitting
75.23	Rp	SB 947	351	1/1/12	43	Supplemental assessment
162	Am	AB 820	207	1/1/12	43	Fee for preparing a certificate of taxes paid
162.1	Ad	AB 820	207	1/1/12	44	Fee for preparing a certificate of taxes paid
167	Am	AB 711	220	1/1/12	44	Owner-occupied dwelling: definition
205.5	Am	AB 188	202	1/1/12	44	Deceased veterans and their unmarried surviving spouses: tax exemption
271.5	Ad	SB 947	351	1/1/12	47	Welfare exemption: transfer of title
276.2	Am	SB 947	351	1/1/12	47	Disabled veterans' exemption
278	Am	SB 947	351	1/1/12	48	Disabled veterans' exemption
279	Am	AB 188	202	1/1/12	48	Disabled veterans' exemption
402.1	Am	SB 618	596	1/1/12	49	Solar-use easement: valuation
408	Am	AB 948	352	1/1/12	51	Assessor to provide information to the tax collector

*Am = Amended; Ad = Added; Rp = Repealed

Revenue and Taxation Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
480	Am	SB 507	708	1/1/12	53	Failure to file change in ownership statement: penalties
480.1	Am	SB 507	708	1/1/12	55	Change in ownership statement: time period to file with BOE
480.2	Am	SB 507	708	1/1/12	56	Change in ownership statement: time period to file with BOE
482	Am	SB 507	708	1/1/12	57	Failure to file change in ownership statement: penalties
483	Am	SB 947	351	1/1/12	59	Failure to file change in ownership statement due to reasonable cause
620	Am	AB 948	352	1/1/12	60	Taxes paid under protest
1150	Am	SB 947	351	1/1/12	61	Certified aircraft: definition
1154	Am	SB 947	351	1/1/12	61	Air taxi: definition
2611.1	Am	AB 948	352	1/1/12	61	Discharge of Accountability
2821	Am	SB 947	351	1/1/12	62	Application for separate valuation: time period to file
2923	Am	AB 948	352	1/1/12	63	Discharge of Accountability
3698.8	Am	AB 948	352	1/1/12	63	Removal of a parcel from a tax sale
3704.7	Am	AB 902	208	1/1/12	63	Cost to make personal contact
3712	Am	AB 261	288	1/1/12	64	Liens and encumbrances: prescriptive easements
3725	Am	AB 261	288	1/1/12	65	Contesting the validity of a tax sale
3731	Am	AB 261	288	1/1/12	65	Contesting the validity of a tax sale
4112	Am	AB 902	208	1/1/12	67	Costs of obtaining names and addresses of parties of interest
4672.2	Am	AB 902	208	1/1/12	68	Costs of giving notice
4672.3	Am	AB 902	208	1/1/12	68	Costs of making personal contact
4675	Am	AB 948	352	1/1/12	68	Claiming excess proceeds: parties of interest
4676	Am	AB 948	352	1/1/12	69	Notice of the right to claim excess proceeds: publication
4831	Am	SB 947	351	1/1/12	70	Corrections: decline in value
4842	Am	AB 948	352	1/1/12	70	Errors in mandatory publication: republication
4911	Am	AB 948	352	1/1/12	71	Payment on wrong property

*Am = Amended; Ad = Added; Rp = Repealed

Revenue and Taxation Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
5096	Am	AB 948	352	1/1/12	71	Refunds
5097.2	Am	AB 948	352	1/1/12	72	Refunds
5150.5	Am	AB 948	352	1/1/12	72	Refunds
5303	Am	SB 947	351	1/1/12	73	Air carrier or foreign air carrier: definition
20800	Ad	AB 1090	369	1/1/12	73	County Deferred Property Tax Program
20801	Ad	AB 1090	369	1/1/12	73	County Deferred Property Tax Program
20802	Ad	AB 1090	369	1/1/12	74	Claimant: definition and eligibility
20803	Ad	AB 1090	369	1/1/12	74	Income: definition
20804	Ad	AB 1090	369	1/1/12	75	Ownership: definition
20805	Ad	AB 1090	369	1/1/12	76	Participating county: definition
20806	Ad	AB 1090	369	1/1/12	76	Program: definition
20807	Ad	AB 1090	369	1/1/12	77	Property taxes: definition
20808	Ad	AB 1090	369	1/1/12	77	Residential dwelling: definition
20810	Ad	AB 1090	369	1/1/12	78	Adoption of resolution to participate in the program
20811	Ad	AB 1090	369	1/1/12	78	Claim for participation
20812	Ad	AB 1090	369	1/1/12	79	Filing period
20813	Ad	AB 1090	369	1/1/12	79	Enter on the roll
20814	Ad	AB 1090	369	1/1/12	80	Amounts secured by the lien
20815	Ad	AB 1090	369	1/1/12	80	Release of lien
20816	Ad	AB 1090	369	1/1/12	81	Payment amount: when due
20817	Ad	AB 1090	369	1/1/12	81	Record of participants
20820	Ad	AB 1090	369	1/1/12	82	Application fee
20821	Ad	AB 1090	369	1/1/12	82	Interest rate
20822	Ad	AB 1090	369	1/1/12	82	Funding the program
20823	Ad	AB 1090	369	1/1/12	83	Restrictions on lenders
20824	Ad	AB 1090	369	1/1/12	83	Cancellation of delinquent penalties and interest
20825	Ad	AB 1090	369	1/1/12	84	Refund of overpayment

***Am = Amended; Ad = Added; Rp = Repealed**

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Government Code

Assembly Bill 1265, Chapter 90 Williamson Act Effective 1/1/2011

Section 16142 of the Government Code is amended to read:

16142. (a) The Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Natural Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

(f) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**Assembly Bill 1265, Chapter 90
Williamson Act
Effective 1/1/2016**

Section 16142 is added to the Government Code, to read:

16142. (a) The Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Natural Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) This section shall become operative on January 1, 2016.

**Assembly Bill 1265, Chapter 90
Williamson Act
Effective 1/1/2011**

Section 16142.1 of the Government Code is amended to read:

16142.1. (a) In lieu of the payments made pursuant to Section 16142, in a county that has adopted farmland security zones pursuant to Section 51296, the Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amount for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423.4 or 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code:

Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

(d) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

(e) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**Assembly Bill 1265, Chapter 90
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Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

(d) This section shall become operative on January 1, 2016.

Senate Bill 194, Chapter 382
Authorization for the country treasurer to act on behalf of the board of supervisors
Effective 1/1/2012

Section 50057 of the Government Code is amended to read:

50057. For individual items in the amount of ~~one thousand dollars (\$1,000)~~ *five thousand dollars (\$5,000)* or less, the legislative body of any county may, by resolution, authorize the county treasurer to perform on its behalf any act required or authorized to be performed by it under Sections 50050, 50053, and 50055. The resolution shall require that the county auditor be informed of each act performed under the authorization.

Senate Bill 618, Chapter 596
Solar-use easement: definitions
Effective 1/1/2012

Section 51190 is added to the Government Code, to read:

51190. As used in this chapter, the following terms have the following meanings:

(a) "City" means any city or city and county.

(b) "Landowner" includes a lessee or trustee, if the expiration of the lease or trust occurs at a time later than the expiration of the restriction of the use of the land to photovoltaic solar facilities or any extension of the restriction.

(c) "Solar-use easement" means any right or interest acquired by a county, or city in perpetuity, for a term of years, or annually self-renewing as provided in Section 51191.2, in a parcel or parcels determined by the Department of Conservation pursuant to Section 51191 to be eligible, where the deed or other instrument granting the right or interest imposes restrictions that, through limitation of future use, will effectively restrict the use of the land to photovoltaic solar facilities for the purpose of providing for the collection and distribution of solar energy for the generation of electricity, and any other incidental or subordinate agricultural, open-space uses, or other alternative renewable energy facilities. A solar-use easement shall not permit any land located in the easement to be used for any other use allowed in commercial, industrial, or residential zones. A solar-use easement shall contain a covenant with the county, or city running with the land, either in perpetuity or for a term of years, that the landowner shall not construct or permit the construction of improvements except those for which the right is expressly reserved in the instrument provided that those reservations would not be inconsistent with the purposes of this chapter and which would not be incompatible with the sole use of the property for solar photovoltaic facilities.

Senate Bill 618, Chapter 596
Solar-use easement: criteria for determination
Effective 1/1/2012

Section 51191 is added to the Government Code, to read:

51191. (a) For purposes of this chapter, and for purposes of Chapter 7 (commencing with Section 51200), the Department of Conservation, in consultation with the Department of Food and Agriculture, upon a request from a city or county, may determine, based on substantial evidence, that a parcel or parcels is eligible for rescission under Section 51255.1 for placement into a solar-use easement if the following criteria are met:

(1) The land meets either of the following:

(A) The land consists predominately of soils with significantly reduced agricultural productivity for agricultural activities due to chemical or physical limitations, topography, drainage, flooding, adverse soil conditions, or other physical reasons.

(B) The land has severely adverse soil conditions that are detrimental to continued agricultural activities and production. Severely adverse soil conditions may include, but are not limited to, contamination by salts or selenium, or other naturally occurring contaminants.

(2) The parcel or parcels are not located on lands designated as prime farmland, unique farmland, or farmland of statewide importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Natural Resources Agency, unless the Department of Conservation, in consultation with the Department of Food and Agriculture, determines that a parcel or parcels are eligible to be placed in a solar-use easement based on the information provided in subdivision (b) that demonstrates that circumstances exist that limit the use of the parcel for agricultural activities. For purposes of this section, the important farmland designations shall not be changed solely due to irrigation status.

(b) To assist in the determination described in this section, the city or county shall require the landowner to provide to the Department of Conservation the following information to the extent applicable:

(1) A written narrative demonstrating that even under the best currently available management practices, continued agricultural practices would be substantially limited due to the soil's reduced agricultural productivity from chemical or physical limitations,

(2) A recent soil test demonstrating that the characteristics of the soil significantly reduce its agricultural productivity.

(3) An analysis of water availability demonstrating the insufficiency of water supplies for continued agricultural production.

(4) An analysis of water quality demonstrating that continued agricultural production would, under the best currently available management practices, be significantly reduced.

(5) Crop and yield information for the past six years.

(c) The landowner shall provide the Department of Conservation with a proposed management plan describing how the soil will be managed during the life of the easement, how impacts to adjacent agricultural operations will be minimized, how the land will be restored to its previous general condition, as it existed at the time of project approval, upon the termination of the easement. If the Department of Conservation determines, in consultation with the Department of Food and Agriculture, pursuant to subdivision (a), that lands are subject to this section, the city or county shall require implementation of the management

plan, which shall include any recommendations provided by the Department of Conservation, as part of any project approval.

(d) A determination by the Department of Conservation pursuant to this section related to a project described in Section 21080.43 of the Public Resources Code shall not be subject to Division 13 of the Public Resources Code.

(e) The Department of Conservation may establish a fee to be paid by the landowner to recover the estimated costs incurred by the department in participating in the consultation described in this section.

**Senate Bill 618, Chapter 596
Solar-use easement
Effective 1/1/2012**

Section 51191.1 is added to the Government Code, to read:

51191.1. Any county or city may enter into an agreement with a landowner pursuant to Section 51255.1 to use lands determined to be eligible pursuant to Section 51191 in a solar-use easement in the manner provided in this chapter.

**Senate Bill 618, Chapter 596
Solar-use easement: terms and conditions
Effective 1/1/2012**

Section 51191.2 is added to the Government Code, to read:

51191.2. The execution and acceptance of a deed or other instrument described in subdivision (c) of Section 51190 shall constitute a dedication to the public of the use of lands for solar photovoltaic use. Any term easement and covenant shall run for a term of not less than 20 years unless a shorter term is requested by the landowner, in which case the term may be not less than 10 years. A solar-use easement for a term of years may provide that on the anniversary date of the acceptance of the solar-use easement, or on any other annual date as specified by the deed or other instrument described in subdivision (c) of Section 51190, a year shall be added automatically to the initial term unless a notice of nonrenewal is given as provided in Section 51192.

**Senate Bill 618, Chapter 596
Solar-use easement: restrictions, conditions, or covenants
Effective 1/1/2012**

Section 51191.3 is added to the Government Code, to read:

51191.3. (a) A county or city may require a deed or other instrument described in subdivision (c) of Section 51190 to contain any restrictions, conditions, or covenants as are necessary or desirable to restrict the use of the land to photovoltaic solar facilities.

(b) The restrictions, conditions, or covenants may include, but are not limited to, the following:

(1) Mitigation measures on the land that is subject to the solar-use easement.

(2) Mitigation measures beyond the land that is subject to the solar-use easement.

(3) If deemed necessary by the city or county to ensure that decommissioning requirements are met, the provision for financial assurances, such as performance bonds, letters of credit, a corporate guarantee, or other securities to fund, upon the cessation of the solar photovoltaic use, the restoration of the land that is subject to the easement to the conditions that existed before the approval or acceptance of that easement by the time that the easement terminates.

(4) Provision for necessary amendments by the parties provided that the amendments are consistent with the provisions of this chapter.

(c) For term easements or self-renewing easements, the restrictions, conditions, or covenants shall include a requirement for the landowner to post a performance bond or other securities to fund the restoration of the land that is subject to the easement to the conditions that existed before the approval or acceptance of the easement by the time the easement terminates. The Department of Conservation may adopt regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2) to implement this subdivision.

Senate Bill 618, Chapter 596
Solar-use easement: resolution of the governing body
Effective 1/1/2012

Section 51191.4 is added to the Government Code, to read:

51191.4. No deed or other instrument described in subdivision (c) of Section 51190 shall be effective until it has been accepted or approved by resolution of the governing body of the county or city and its acceptance endorsed thereon.

Senate Bill 618, Chapter 596
Solar-use easement: restrictions on land use
Effective 1/1/2012

Section 51191.5 is added to the Government Code, to read:

51191.5. (a) During the term of the solar-use easement, the county or city shall not approve any land use on land covered by a solar easement that is inconsistent with the easement, and no building permit may be issued for any structure that would violate the easement. The county or city shall seek, by appropriate proceedings, an injunction against any threatened construction or other development or activity on the land that would violate the easement and shall seek a mandatory injunction requiring the removal of any structure erected in violation of the easement.

If the county or city fails to seek an injunction against any threatened construction or other development or activity on the land that would violate the easement or to seek a mandatory injunction requiring the removal of any structure erected in violation of the easement, or if the

county or city should construct any structure or development or conduct or permit any activity in violation of the easement, a person or entity may, by appropriate proceedings, seek an injunction.

(b) The court may award to a plaintiff who prevails in an action authorized by this section his or her cost of litigation, including reasonable attorney's fees.

(c) Nothing in this chapter shall limit the power of the state or any county, city, school district, or any other local public district, agency, or entity, or any other person authorized by law, to acquire land subject to a solar-use easement by eminent domain.

**Senate Bill 618, Chapter 596
Solar-use easement: recorded instrument
Effective 1/1/2012**

Section 51191.6 is added to the Government Code, to read:

51191.6. Upon the acceptance or approval of any instrument creating a solar-use easement, the clerk of the governing body shall record the instrument in the office of the county recorder and file a copy with the county assessor. After the easement is recorded, it shall impart notice to all persons under the recording laws of this state.

**Senate Bill 618, Chapter 596
Solar-use easement: assessment
Effective 1/1/2012**

Section 51191.7 is added to the Government Code, to read:

51191.7. The parcel or parcels subject to a solar-use easement shall be assessed pursuant to Section 402.1 of the Revenue and Taxation Code during the term of the easement.

**Senate Bill 618, Chapter 596
Solar-use easement: regulations adopted by the Dept. of Conservation
Effective 1/1/2012**

Section 51191.8 is added to the Government Code, to read:

51191.8. The Department of Conservation may adopt regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2) for the implementation of this chapter.

Senate Bill 618, Chapter 596
Solar-use easement: termination
Effective 1/1/2012

Section 51192 is added to the Government Code, to read:

51192. (a) A solar-use easement may be extinguished on all or a portion of the parcel only by nonrenewal, termination, or by returning the land to its previous contract pursuant to Article 3 (commencing with Section 51240) of Chapter 7.

(b) (1) If either the landowner or the county or city desires in any year not to renew the solar-use easement on all or a portion of the parcel, that party shall serve written notice of nonrenewal of the easement upon the other party at least 90 days in advance of the annual renewal date of the solar-use easement. Unless written notice is served at least 90 days in advance of the renewal date, the solar-use easement shall be considered renewed as provided in Section 51191.2.

(2) Upon receipt by the owner of a notice from the county or city of nonrenewal, the owner may make a written protest of the notice of nonrenewal. The county or city may, at any time prior to the renewal date, withdraw the notice of nonrenewal.

(c) If the county, city, or the landowner serves notice of intent in any year not to renew the solar-use easement, the existing solar-use easement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the solar-use easement, as the case may be.

Senate Bill 618, Chapter 596
Solar-use easement: return to prior land use upon termination
Effective 1/1/2012

Section 51192.1 is added to the Government Code, to read:

51192.1. In the case of a solar-use easement that is extinguished because of a notice of nonrenewal by the landowner or due to termination, the landowner shall restore the land that is subject to the easement to the conditions that existed before the approval of the easement by the time the easement terminates.

Senate Bill 618, Chapter 596
Solar-use easement: petition for termination
Effective 1/1/2012

Section 51192.2 is added to the Government Code, to read:

51192.2. (a) If all or a portion of the parcel held in a solar-use easement will no longer be used for the purposes outlined in the easement the landowner may petition the county or city to approve termination of the easement.

(b) Prior to any action by the county or city giving tentative approval to the termination of any easement, the county assessor of the county in which the land is located shall determine

the current fair market value of the parcel or parcels to be terminated as though the parcel or parcels were free of the easement restriction. The assessor shall certify to the county or city the termination valuation of the parcel or parcels for the purpose of determining the termination fee. At the same time, the assessor shall send a notice to the landowner and the Department of Conservation indicating the current fair market value of the parcel or parcels as though the parcel or parcels were free of the easement restriction and advise the parties, that upon their request, the assessor shall provide all information relevant to the valuation, excluding third-party information. If any information is confidential or otherwise protected from release, the department and the landowner shall hold it as confidential and return or destroy any protected information upon completion of all actions relating to valuation or termination of the easement on the property. The notice shall also advise the landowner and the department of the opportunity to request formal review from the assessor.

(c) Prior to giving tentative approval to the termination of any easement, the county or city shall determine and certify to the county auditor the amount of the termination fee that the landowner shall pay the county treasurer upon termination. That fee shall be an amount equal to 12 1/2 percent of the termination valuation of the property.

(d) If it finds that it is in the public interest to do so, the county or city may waive any payment or any portion of a payment by the landowner, or may extend the time for making the payment or a portion of the payment contingent upon the future use made of the parcel or parcels and the parcel or parcels economic return to the landowner for a period of time not to exceed the unexpired period of the easement, had it not been terminated, if both of the following occur:

(1) The termination is caused by an involuntary transfer or change in the use which may be made of the land and the land is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to the owner.

(2) The waiver or extension of time is approved by the Secretary of the Natural Resources Agency. The secretary shall approve a waiver or extension of time if the secretary finds that the granting of the waiver or extension of time by the county or city is consistent with the policies of this chapter and that the county or city complied with this article. In evaluating a request for a waiver or extension of time, the secretary shall review the findings of the county or city, the evidence in the record of the county or city, and any other evidence the secretary may receive concerning the abandonment, waiver, or extension of time.

(e) When termination fees required by this section are collected, they shall be transmitted by the county treasurer to the Controller and deposited in the General Fund, except as provided in subdivision (b) of Section 51203 or subdivision (d) of Section 51283.

(f) It is the intent of the Legislature that fees paid to terminate a contract do not constitute taxes but are payments that, when made, provide a private benefit that tends to increase the value of the property.

**Assembly Bill 1265, Chapter 90
Williamson Act
Effective 1/1/2011**

Section 51244 of the Government Code is amended to read:

51244. (a) Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

(b) (1) If the county makes a determination pursuant to subdivision (e) of Section 16142 or subdivision (d) of Section 16142.1, contracts shall be for a term of no less than nine years for contracts currently 10 years in length or 18 years for contracts currently 20 years in length, as the case may be. For new contracts entered into during a year in which this subdivision is in effect, the initial contract length shall be either 9 or 18 years. Each contract shall provide, except in the initial year of the determination, that on the anniversary date of the contract or such other annual date as specified by the contract, a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

In any subsequent year during the reduced term of contract in which increased revenue is not realized by the county pursuant to Section 51244.3, two or three additional years shall be added to the contract on the next anniversary date, as necessary, to restore the contract to its full 10-year or 20-year contract length.

(2) In any year in which this subdivision is implemented, the county shall record a notice that states the affected parcel number or numbers and current owner's names, or, alternatively, the same information for those parcels that are not affected.

(3) An addition to the assessed value shall be conveyed to the auditor, consistent with the 10-percent reduction in the length of the restriction, equal to 10 percent of the difference between the valuation pursuant to Section 423, 423.3, or 423.5 of the Revenue and Taxation Code, as applicable, and the valuation under subdivision (b) of Section 51 or Section 110.1 of the Revenue and Taxation Code whichever is lower. If the valuation under subdivision (b) of Section 51 or Section 110.1 of the Revenue and Taxation Code is lower, the addition to the assessed value shall be zero. The increased amount of tax revenue that results from the decrease in restriction shall be separately displayed on the taxpayer's annual bill.

(4) A landowner may elect to serve notice of nonrenewal instead of accepting a 9-year or 18-year contract, as the case may be. In that case, the additional assessed value shall not be added to the property as provided for in paragraph (3).

For purposes of this subdivision, a landowner may serve notice of nonrenewal at any time. However, a landowner who withdraws that notice prior to the effective date shall be subject to term modification and additional assessed value. Once served and effective, a landowner nonrenewal notice may not be withdrawn except for cause and with the consent of the county. A county may adopt amendments to its uniform rules to facilitate implementation of this subdivision during the 2011–12 fiscal year, and thereafter as necessary.

(5) In addition to any other notice requirements, a county shall provide a landowner under contract with timely written notice of all of the following:

(A) Any initial hearing by the county on a proposal to adopt or rescind the implementation of this subdivision.

(B) Any final decision regarding the adoption or rescission of implementation of this subdivision.

(C) The landowner's right to prevent the reduction in the term of his or her contract pursuant to this subdivision by serving notice of nonrenewal as specified by Section 51245. This notice may be combined with the county's notice in subparagraph (B).

(6) A county shall not modify or revalue a landowner's contract pursuant to this subdivision unless the landowner is given at least 90 days' notice of the opportunity to prevent the modification and revaluation by serving notice of nonrenewal and the landowner fails to serve notice of nonrenewal. The county may use the primary owner of record from the assessment roll to identify landowners entitled to receive notice under this subdivision. A landowner shall be advised of the landowner's right to avoid continued imposition of this subdivision in any future year and thereafter by serving a notice of nonrenewal for that contract year. Failure of the landowner to serve timely notice of nonrenewal in any year shall be considered implied consent to the implementation of this subdivision for that year.

The 90-day notice requirement may be reduced to 60 days if the county adopts a procedure to allow landowners to serve a notice of nonrenewal until February 1, 2012.

(7) This subdivision shall not apply to any of the following:

(A) Contracts that have been nonrenewed.

(B) Contracts with cities.

(C) Open-space or agricultural easements.

(D) Scenic restrictions.

(E) Wildlife habitat contracts.

(F) Atypical term contracts, including, but not limited to, 20-year initial term contracts declining to 10 years, or reencumbrances pursuant to Section 51295, if the county's board of supervisors determines the application of this subdivision to them would be inequitable or administratively infeasible.

(c) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**Assembly Bill 1265, Chapter 90
Williamson Act
Effective 1/1/2016**

Section 51244 is added to the Government Code, to read:

51244. (a) Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

(b) This section shall become operative on January 1, 2016.

**Assembly Bill 1265, Chapter 90
Williamson Act
Effective 1/1/2011**

Section 51244.3 is added to the Government Code, to read:

51244.3. (a) This section shall apply to properties under a 9-year or 18-year contract, as the case may be, pursuant to subdivision (b) of Section 51244. Notwithstanding any other provision to the contrary, increased revenues generated by those properties shall be allocated exclusively to the respective counties in which those properties are located.

(b) This section shall only apply if the county makes a determination pursuant to either Section 16142 or 16142.1.

(c) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**Assembly Bill 1265, Chapter 90
Williamson Act
Effective 1/1/2011**

Section 51244.4 is added to the Government Code, to read:

51244.4. Notwithstanding subdivision (c) of Section 51244.3, payments authorized until January 1, 2016, pursuant to Sections 16142, 16142.1, 51244, or 51244.3, may be collected after January 1, 2016.

**Senate Bill 618, Chapter 596
Solar-use easement: contracts
Effective 1/1/2011**

Section 51255.1 is added to the Government Code, to read:

51255.1. (a) Notwithstanding any other provision of this chapter, the parties may upon their mutual agreement rescind a contract for a parcel or parcels of land that, upon review and approval, are determined by the Department of Conservation to be eligible to be placed into a solar-use easement pursuant to Section 51191, in order to simultaneously enter into a solar-use easement pursuant to Chapter 6.9 (commencing with Section 51190). This action may be taken notwithstanding the prior serving of a notice of nonrenewal.

(b) Nothing in this section limits the ability of the parties to a contract to seek nonrenewal, or petition for cancellation or termination of a contract pursuant to this chapter. This section is provided in addition to, not in replacement of, other methods for contract termination, Williamson Act compliance, or a county finding that a solar facility is a compatible use pursuant to this chapter.

(c) (1) Prior to the board or council agreeing to mutually rescind a contract pursuant to this section, the county assessor of the county in which the land is located shall determine the current fair market value of the land as though it were free of the contractual restriction. The

assessor shall certify to the board or council the fair market valuation of the land for the purpose of determining the rescission fee. At the same time, the assessor shall send a notice to the landowner and the Department of Conservation indicating the current fair market value of the land as though it were free of the contractual restriction and advise the parties, that upon their request, the assessor shall provide all information relevant to the valuation, excluding third-party information. If any information is confidential or otherwise protected from release, the department and the landowner shall hold it as confidential and return or destroy any protected information upon termination of all actions relating to valuation or rescission of the contract on the property. The notice shall also advise the landowner and the department of the opportunity to request formal review from the assessor.

(2) Prior to agreeing to mutually rescind a contract pursuant to this section, the board or council shall determine and certify to the county auditor the amount of the rescission fee that the landowner shall pay the county treasurer upon rescission. That fee shall be an amount equal to 6 1/4 percent of the fair market valuation of the property if the land was held under a contract pursuant to Section 51240, and 12 1/2 percent if the land was held in a contract designating the property as a farmland security zone.

(3) When rescission fees required by this subdivision are collected, they shall be transmitted by the county treasurer to the Controller and deposited in the General Fund, except as provided in subdivision (b) of Section 51203 or subdivision (d) of Section 51283. The funds collected by the county treasurer with respect to each rescission of a contract shall be transmitted to the Controller within 30 days of the execution of the mutual rescission of the contract by the parties.

(4) It is the intent of the Legislature that fees paid to rescind a contract do not constitute taxes but are payments that, when made, provide a private benefit that tends to increase the value of the property.

**Senate Bill 668, Chapter 254
Williamson Act
Effective 1/1/2012**

Section 51257.5 is added to the Government Code, to read:

51257.5. (a) If the state fails to make payments to a city or county pursuant to Section 16142 or 16142.1, or if the state provides a reduced subvention, a city or county may accept contributions from a nonprofit land-trust organization, a nonprofit entity, or a public agency for specific land under a contract within the city or county to supplement foregone property tax revenues pursuant to this section.

(b) (1) A nonprofit land-trust organization, nonprofit entity, or public agency may contract with an owner of land currently under a contract pursuant to this chapter, upon approval of the contract by the city or county, for a period of up to 10 years, to keep the landowner's property under contract with the county pursuant to this chapter, in exchange for the contribution by the nonprofit land-trust organization or nonprofit entity's payment for an equivalent period of years of all or a portion of the foregone property tax revenue to the city or county.

(2) A contract entered into pursuant to this subdivision shall be subject to any limitation in power of a nonprofit land-trust organization, nonprofit entity, or public agency.

(3) A contract entered into pursuant to this subdivision shall not authorize or require the conversion of land subject to the contract into a mitigation bank site.

(c) In implementing this section, a city or county shall not request or require additional conditions or restrictions on the land or the landowner for existing or future contracts.

(d) This section shall not be construed as a limitation on the right of a landowner to engage in other lawful contracts or transactions with respect to their land, including, but not limited to, contracts entered into pursuant to this chapter.

(e) As used in this section, “nonprofit land-trust organization” means a nonprofit land-trust organization as defined in subdivision (b) of Section 5011.7 of the Public Resources Code.

(f) No contract shall be entered into on or after January 1, 2016, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**Senate Bill 194, Chapter 382
Yankee Banks
Effective 1/1/2012**

Section 53601 of the Government Code is amended to read:

53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency’s funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank’s customer book entry account may be used for book entry delivery.

For purposes of this section, “counterparty” means the other party to the transaction. A counterparty bank’s trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 ~~United States~~ *states* in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 ~~United States~~ *states*, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or

federal credit union, or by a *federally licensed or* state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal

Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, “significant banking relationship” means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency’s bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency’s activities.

(iii) Acceptance of a local agency’s securities or funds as deposits.

(5) (A) “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery.

(B) “Securities,” for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) “Securities lending agreement” means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency’s pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated “A” or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company’s board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of

“AA” or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency’s surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

Assembly Bill 1090, Chapter 369
County Deferred Property Tax Program
Effective 1/1/2012

Section 53684 of the Government Code is amended to read:

53684. (a) Unless otherwise provided by law, if the treasurer of any local agency, or other official responsible for the funds of the local agency, determines that the local agency has excess funds which are not required for immediate use, the treasurer or other official may, upon the adoption of a resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to this section and with the consent of the county treasurer, deposit the excess funds in the county treasury for the purpose of investment by the county treasurer pursuant to Section 53601 or 53635, **or Section 20822 of the Revenue and Taxation Code.**

(b) The county treasurer shall, at least quarterly, apportion any interest or other increment derived from the investment of funds pursuant to this section in an amount proportionate to the average daily balance of the amounts deposited by the local agency and to the total average daily balance of deposits in the investment pool. In apportioning and distributing that interest or increment, the county treasurer may use the cash method, the accrual method, or any other method in accordance with generally accepted accounting principles.

Prior to distributing that interest or increment, the county treasurer may deduct the actual costs incurred by the county in administering this section in proportion to the average daily balance of the amounts deposited by the local agency and to the total average daily balance of deposits in the investment pool.

(c) The county treasurer shall disclose to each local agency that invests funds pursuant to this section the method of accounting used, whether cash, accrual, or other, and shall notify each local agency of any proposed changes in the accounting method at least 30 days prior to the date on which the proposed changes take effect.

(d) The treasurer or other official responsible for the funds of the local agency may withdraw the funds of the local agency pursuant to the procedure specified in Section 27136.

(e) Any moneys deposited in the county treasury for investment pursuant to this section are not subject to impoundment or seizure by any county official or agency while the funds are so deposited.

(f) This section is not operative in any county until the board of supervisors of the county, by majority vote, adopts a resolution making this section operative in the county.

(g) It is the intent of the Legislature in enacting this section to provide an alternative procedure to Section 51301 for local agencies to deposit money in the county treasury for investment purposes. Nothing in this section shall, therefore, be construed as a limitation on the authority of a county and a city to contract for the county treasurer to perform treasury functions for a city pursuant to Section 51301.

Revenue and Taxation Code

Senate Bill 947, Chapter 351 Change in ownership Effective 1/1/12

Section 63.1 of the Revenue and Taxation Code is amended to read:

63.1. (a) Notwithstanding any other provision of this chapter, a change in ownership shall not include the following purchases or transfers for which a claim is filed pursuant to this section:

(1) (A) The purchase or transfer of real property which is the principal residence of an eligible transferor in the case of a purchase or transfer between parents and their children.

(B) A purchase or transfer of a principal residence from a foster child to the child's biological parent shall not be excluded under subparagraph (A) if the transferor child received that principal residence, or interest therein, from a foster parent through a purchase or transfer that was excluded under subparagraph (A).

(2) The purchase or transfer of the first one million dollars (\$1,000,000) of full cash value of all other real property of an eligible transferor in the case of a purchase or transfer between parents and their children.

(3) (A) Subject to subparagraph (B), the purchase or transfer of real property described in paragraphs (1) and (2) of subdivision (a) occurring on or after March 27, 1996, between grandparents and their grandchild or grandchildren, if all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer. Notwithstanding any other provision of law, for the lien date for the 2006–07 fiscal year and each fiscal year thereafter, in determining whether “all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer,” a son-in-law or daughter-in-law of the grandparent that is a stepparent to the grandchild need not be deceased on the date of the transfer.

(B) A purchase or transfer of a principal residence shall not be excluded pursuant to subparagraph (A) if the transferee grandchild or grandchildren also received a principal residence, or interest therein, through another purchase or transfer that was excludable pursuant to paragraph (1) of subdivision (a). The full cash value of any real property, other than a principal residence, that was transferred to the grandchild or grandchildren pursuant to a purchase or transfer that was excludable pursuant to paragraph (2) of subdivision (a) and the full cash value of a principal residence that fails to qualify for exclusion as a result of the preceding sentence shall be included in applying, for purposes of paragraph (2) of subdivision (a), the one million dollar (\$1,000,000) full cash value limit specified in paragraph (2) of subdivision (a).

(b) (1) For purposes of paragraph (1) of subdivision (a), “principal residence” means a dwelling that is eligible for a homeowners’ exemption or a disabled veterans’ exemption as a result of the transferor’s ownership and occupation of the dwelling. “Principal residence” includes only that portion of the land underlying the residence that consists of an area of reasonable size that is used as a site for the residence.

(2) For purposes of paragraph (2) of subdivision (a), the one-million-dollar (\$1,000,000) exclusion shall apply separately to each eligible transferor with respect to all purchases by and transfers to eligible transferees on and after November 6, 1986, of real property, other than the

principal residence, of that eligible transferor. The exclusion shall not apply to any property in which the eligible transferor's interest was received through a transfer, or transfers, excluded from change in ownership by the provisions of either subdivision (f) of Section 62 or subdivision (b) of Section 65, unless the transferor qualifies as an original transferor under subdivision (b) of Section 65. In the case of any purchase or transfer subject to this paragraph involving two or more eligible transferors, the transferors may elect to combine their separate one-million-dollar (\$1,000,000) exclusions and, upon making that election, the combined amount of their separate exclusions shall apply to any property jointly sold or transferred by the electing transferors, provided that in no case shall the amount of full cash value of real property of any one eligible transferor excluded under this election exceed the amount of the transferor's separate unused exclusion on the date of the joint sale or transfer.

(c) As used in this section:

(1) "Purchase or transfer between parents and their children" means either a transfer from a parent or parents to a child or children of the parent or parents or a transfer from a child or children to a parent or parents of the child or children. For purposes of this section, the date of any transfer between parents and their children under a will or intestate succession shall be the date of the decedent's death, if the decedent died on or after November 6, 1986.

(2) "Purchase or transfer of real property between grandparents and their grandchild or grandchildren" means a purchase or transfer on or after March 27, 1996, from a grandparent or grandparents to a grandchild or grandchildren if all of the parents of that grandchild or those grandchildren who qualify as the children of the grandparents are deceased as of the date of the transfer. For purposes of this section, the date of any transfer between grandparents and their grandchildren under a will or by intestate succession shall be the date of the decedent's death. Notwithstanding any other provision of law, for the lien date for the 2006–07 fiscal year and each fiscal year thereafter, in determining whether "all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer," a son-in-law or daughter-in-law of the grandparent that is a stepparent to the grandchild need not be deceased on the date of the transfer.

(3) "Children" means any of the following:

(A) Any child born of the parent or parents, except a child, as defined in subparagraph (D), who has been adopted by another person or persons.

(B) Any stepchild of the parent or parents and the spouse of that stepchild while the relationship of stepparent and stepchild exists. For purposes of this paragraph, the relationship of stepparent and stepchild shall be deemed to exist until the marriage on which the relationship is based is terminated by divorce, or, if the relationship is terminated by death, until the remarriage of the surviving stepparent.

(C) Any son-in-law or daughter-in-law of the parent or parents. For the purposes of this paragraph, the relationship of parent and son-in-law or daughter-in-law shall be deemed to exist until the marriage on which the relationship is based is terminated by divorce, or, if the relationship is terminated by death, until the remarriage of the surviving son-in-law or daughter-in-law.

(D) Any child adopted by the parent or parents pursuant to statute, other than an individual adopted after reaching the age of 18 years.

(E) Any foster child of a state-licensed foster parent, if that child was not, because of a legal barrier, adopted by the foster parent or foster parents before the child aged out of the foster care system. For purposes of this paragraph, the relationship between a foster child and foster parent

shall be deemed to exist until terminated by death. However, for purposes of a transfer that occurs on the date of death, the relationship shall be deemed to exist on the date of death.

(4) “Grandchild” or “grandchildren” means any child or children of the child or children of the grandparent or grandparents.

(5) “Full cash value” means full cash value, as defined in Section 2 of Article XIII A of the California Constitution and Section 110.1, with any adjustments authorized by those sections, and the full value of any new construction in progress, determined as of the date immediately prior to the date of a purchase by or transfer to an eligible transferee of real property subject to this section.

(6) “Eligible transferor” means a grandparent, parent, or child of an eligible transferee.

(7) “Eligible transferee” means a parent, child, or grandchild of an eligible transferor.

(8) “Real property” means real property as defined in Section 104. Real property does not include any interest in a legal entity. ***For purposes of this section, real property includes an interest in a unit or lot within a cooperative housing corporation, as defined in subdivision (i) of Section 61.***

(9) “Transfer” includes, and is not limited to, any transfer of the present beneficial ownership of property from an eligible transferor to an eligible transferee through the medium of an inter vivos or testamentary trust.

(10) “Social security number” also includes a taxpayer identification number issued by the Internal Revenue Service in the case in which the taxpayer is a foreign national who cannot obtain a social security number.

(d) (1) The exclusions provided for in subdivision (a) shall not be allowed unless the eligible transferee, the transferee’s legal representative, the trustee of the transferee’s trust, or the executor or administrator of the transferee’s estate files a claim with the assessor for the exclusion sought and furnishes to the assessor each of the following:

(A) A written certification by the transferee, the transferee’s legal representative, the trustee of the transferee’s trust, or the executor or administrator of the transferee’s estate, signed and made under penalty of perjury that the transferee is a parent, child, or grandchild of the transferor and that the transferor is his or her parent, child, or grandparent. In the case of a grandparent-grandchild transfer, the written certification shall also include a certification that all the parents of the grandchild or grandchildren who qualify as children of the grandparents were deceased as of the date of the purchase or transfer and that the grandchild or grandchildren did or did not receive a principal residence excludable under paragraph (1) of subdivision (a) from the deceased parents, and that the grandchild or grandchildren did or did not receive real property other than a principal residence excludable under paragraph (2) of subdivision (a) from the deceased parents. The claimant shall provide legal substantiation of any matter certified pursuant to this subparagraph at the request of the county assessor.

(B) A written certification by the transferor, the transferor’s legal representative, the trustee of the transferor’s trust, or the executor or administrator of the transferor’s estate, signed and made under penalty of perjury that the transferor is a grandparent, parent, or child of the transferee and that the transferor is seeking the exclusion under this section and will not file a claim to transfer the base year value of the property under Section 69.5.

(C) A written certification shall also include either or both of the following:

(i) If the purchase or transfer of real property includes the purchase or transfer of residential real property, a certification that the residential real property is or is not the transferor’s principal residence.

(ii) If the purchase or transfer of real property includes the purchase or transfer of real property other than the transferor's principal residence, a certification that other real property of the transferor that is subject to this section has or has not been previously sold or transferred to an eligible transferee, the total amount of full cash value, as defined in subdivision (c), of any real property subject to this section that has been previously sold or transferred by that transferor to eligible transferees, the location of that real property, the social security number of each eligible transferor, and the names of the eligible transferees of that property.

(D) If there are multiple transferees, the certification and signature may be made by any one of the transferees, if both of the following conditions are met:

(i) The transferee has actual knowledge that, and the certification signed by the transferee states that, all of the transferees are eligible transferees within the meaning of this section.

(ii) The certification is signed by the transferee as a true statement made under penalty of perjury.

(E) In the case of a transfer between a foster parent and foster child, the claim filed with the assessor shall include a certified copy of the court decision regarding the foster child status of the individual and a certified statement from the appropriate county agency stating that the foster child was not, because of a legal barrier, adopted by the foster parent or foster parents. Upon a request by the county assessor, the claimant also shall provide to the assessor legal substantiation of any matter certified under this subparagraph.

(2) If the full cash value of the real property purchased by or transferred to the transferee exceeds the permissible exclusion of the transferor or the combined permissible exclusion of the transferors, in the case of a purchase or transfer from two or more joint transferors, taking into account any previous purchases by or transfers to an eligible transferee from the same transferor or transferors, the transferee shall specify in his or her claim the amount and the allocation of the exclusion he or she is seeking. Within any appraisal unit, as determined in accordance with subdivision (d) of Section 51 by the assessor of the county in which the real property is located, the exclusion shall be applied only on a pro rata basis, however, and shall not be applied to a selected portion or portions of the appraisal unit.

(e) (1) The State Board of Equalization shall design the form for claiming eligibility. Except as provided in paragraph (2), any claim under this section shall be filed:

(A) For transfers of real property between parents and their children occurring prior to September 30, 1990, within three years after the date of the purchase or transfer of real property for which the claim is filed.

(B) For transfers of real property between parents and their children occurring on or after September 30, 1990, and for the purchase or transfer of real property between grandparents and their grandchildren occurring on or after March 27, 1996, within three years after the date of the purchase or transfer of real property for which the claim is filed, or prior to transfer of the real property to a third party, whichever is earlier.

(C) Notwithstanding subparagraphs (A) and (B), a claim shall be deemed to be timely filed if it is filed within six months after the date of mailing of a notice of supplemental or escape assessment, issued as a result of the purchase or transfer of real property for which the claim is filed.

(2) In the case in which the real property subject to purchase or transfer has not been transferred to a third party, a claim for exclusion under this section that is filed subsequent to the expiration of the filing periods set forth in paragraph (1) shall be considered by the assessor, subject to all of the following conditions:

(A) Any exclusion granted pursuant to that claim shall apply commencing with the lien date of the assessment year in which the claim is filed.

(B) Under any exclusion granted pursuant to that claim, the adjusted full cash value of the subject real property in the assessment year described in subparagraph (A) shall be the adjusted base year value of the subject real property in the assessment year in which the excluded purchase or transfer took place, factored to the assessment year described in subparagraph (A) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property.

(3) (A) Unless otherwise expressly provided, the provisions of this subdivision shall apply to any purchase or transfer of real property that occurred on or after November 6, 1986.

(B) Paragraph (2) shall apply to purchases or transfers between parents and their children that occurred on or after November 6, 1986, and to purchases or transfers between grandparents and their grandchildren that occurred on or after March 27, 1996.

(4) For purposes of this subdivision, a transfer of real property to a parent or child of the transferor shall not be considered a transfer to a third party.

(f) The assessor may report quarterly to the State Board of Equalization all purchases or transfers, other than purchases or transfers involving a principal residence, for which a claim for exclusion is made pursuant to subdivision (d). Each report shall contain the assessor's parcel number for each parcel for which the exclusion is claimed, the amount of each exclusion claimed, the social security number of each eligible transferor, and any other information the board may require in order to monitor the one-million-dollar (\$1,000,000) limitation in paragraph (2) of subdivision (a). In recognition of the state and local interests served by the action made optional in this subdivision, the Legislature encourages the assessor to continue taking the action formerly mandated by this subdivision.

(g) This section shall apply to both voluntary transfers and transfers resulting from a court order or judicial decree. Nothing in this subdivision shall be construed as conflicting with paragraph (1) of subdivision (c) or the general principle that transfers by reason of death occur at the time of death.

(h) (1) Except as provided in paragraph (2), this section shall apply to purchases and transfers of real property completed on or after November 6, 1986, and shall not be effective for any change in ownership, including a change in ownership arising on the date of a decedent's death, that occurred prior to that date.

(2) This section shall apply to purchases or transfers of real property between grandparents and their grandchildren occurring on or after March 27, 1996, and, with respect to purchases or transfers of real property between grandparents and their grandchildren, shall not be effective for any change in ownership, including a change in ownership arising on the date of a decedent's death, that occurred prior to that date.

(i) A claim filed under this section is not a public document and is not subject to public inspection, except that a claim shall be available for inspection by the transferee and the transferor or their respective spouse, the transferee's legal representative, the transferor's legal representative, the trustee of the transferee's trust, the trustee of the transferor's trust, and the executor or administrator of the transferee's or transferor's estate.

(j) (1) If the assessor notifies the transferee in writing of potential eligibility for exclusion from change in ownership under this section, a certified claim for exclusion shall be filed with the assessor within 45 days of the date of the notice of potential eligibility. If a certified claim for

exclusion is not filed within 45 days, the assessor may send a second notice of potential eligibility for exclusion, notifying the transferee that a certified claim for exclusion has not been received and that reassessment of the property will commence unless a certified claim for exclusion is filed within 60 days of the date of the second notice of potential eligibility. The second notice of potential eligibility shall indicate whether a certified claim for exclusion that is not filed within 60 days will be subject to a processing fee as provided in paragraph (2).

(2) If a certified claim for exclusion is not filed within 60 days of the date of the second notice of potential eligibility and an eligible transferee subsequently files a claim and qualifies for the exclusion, the assessor may, upon authorization by a county board of supervisors, require an eligible transferee to pay a one-time processing fee, collected at the time the claim is submitted, and reimbursed by the assessor if the claim is ineligible. The fee shall be subject to the provisions of Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code and shall not exceed the amount of the actual and reasonable costs incurred by the assessor for reassessment work done due to failure to file the claim for exclusion or one hundred seventy-five dollars (\$175), whichever is less.

(3) The failure to file a certified claim for exclusion within the filing periods specified by this subdivision shall not be construed to limit any exclusion from being granted pursuant to a claim filed within the filing periods specified by subdivision (e).

Senate Bill 947, Chapter 351
Transfer of base-year value
Effective 1/1/12

Section 69 of the Revenue and Taxation Code is amended to read:

69. (a) Notwithstanding any other law, pursuant to Section 2 of Article XIII A of the Constitution, the base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property within the same county, which is acquired or newly constructed within five years after the disaster, including in the case of the Northridge earthquake, as a replacement for the substantially damaged or destroyed property. At the time the base year value of the substantially damaged or destroyed property is transferred to the replacement property, the substantially damaged or destroyed property shall be reassessed at its full cash value; however, the substantially damaged or destroyed property shall retain its base year value notwithstanding the transfer authorized by this section. If the owner or owners of substantially damaged or destroyed property receive property tax relief under this section, that property shall not be eligible for property tax relief under subdivision (c) of Section 70 in the event of its reconstruction.

(b) The replacement base year value of the replacement property acquired shall be determined in accordance with this section.

The assessor shall use the following procedure in determining the appropriate replacement base year value of comparable replacement property:

(1) If the full cash value of the comparable replacement property does not exceed 120 percent of the full cash value of the property substantially damaged or destroyed, then the adjusted base year value of the property substantially damaged or destroyed shall be transferred to the comparable replacement property as its replacement base year value.

(2) If the full cash value of the replacement property exceeds 120 percent of the full cash value of the property substantially damaged or destroyed, then the amount of the full cash value over 120 percent of the full cash value of the property substantially damaged or destroyed shall be added to the adjusted base year value of the property substantially damaged or destroyed. The sum of these amounts shall become the replacement property's replacement base year value.

(3) If the full cash value of the comparable replacement property is less than the adjusted base year value of the property substantially damaged or destroyed, then that lower value shall become the replacement property's base year value.

(4) The full cash value of the property substantially damaged or destroyed shall be the amount of its full cash value immediately prior to its substantial damage or destruction, as determined by the county assessor of the county in which the property is located.

(c) For purposes of this section:

(1) Property is substantially damaged or destroyed if *either* the land or the improvements sustain physical damage amounting to more than 50 percent of ~~its~~ *either the land's or the improvement's* full cash value immediately prior to the disaster. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the disaster and is permanent in nature.

(2) Replacement property is comparable to the property substantially damaged or destroyed if it is similar in size, utility, and function to the property which it replaces.

(A) Property is similar in function if the replacement property is subject to similar governmental restrictions, such as zoning.

(B) Both the size and utility of property are interrelated and associated with value. Property is similar in size and utility only to the extent that the replacement property is, or is intended to be, used in the same manner as the property substantially damaged or destroyed and its full cash value does not exceed 120 percent of the full cash value of the property substantially damaged or destroyed.

(i) A replacement property or any portion thereof used or intended to be used for a purpose substantially different than the use made of the property substantially damaged or destroyed shall to the extent of the dissimilar use be considered not similar in utility.

(ii) A replacement property or portion thereof that satisfies the use requirement but has a full cash value that exceeds 120 percent of the full cash value of the property substantially damaged or destroyed shall be considered, to the extent of the excess, not similar in utility and size.

(C) To the extent that replacement property, or any portion thereof, is not similar in function, size, and utility, the property, or portion thereof, shall be considered to have undergone a change in ownership when the replacement property is acquired or newly constructed.

(3) "Disaster" means a major misfortune or calamity in an area subsequently proclaimed by the Governor to be in a state of disaster as a result of the misfortune or calamity.

(d) (1) This section applies to any comparable replacement property acquired or newly constructed on or after July 1, 1985.

(2) The amendments made by Chapter 1053 of the Statutes of 1993 apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster occurring on or after October 20, 1991, and to the determination of base year values for the 1991–92 fiscal year and fiscal years thereafter.

(3) The amendments made by Chapter 317 of the Statutes of 2006 apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster occurring on or after July 1, 2003, and to the determination of base year values for the 2003–04 fiscal year and fiscal years thereafter.

(e) Only the owner or owners of the property substantially damaged or destroyed, whether one or more individuals, partnerships, corporations, other legal entities, or a combination thereof, shall receive property tax relief under this section. Relief under this section shall be granted to an owner or owners of substantially damaged or destroyed property obtaining title to replacement property. The acquisition of an ownership interest in a legal entity, which directly or indirectly owns real property, is not an acquisition of comparable property.

(f) Notwithstanding any other law, the board of supervisors of the County of San Diego may by ordinance extend the time period specified in subdivision (a) to transfer the base year value of property that is substantially damaged or destroyed by the Cedar Fire that commenced in October 2003, as declared by the Governor, to comparable property within the same county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property by two years. This subdivision shall apply to the determination of base year values for the 2003–04 fiscal year and fiscal years thereafter.

(g) The amendments made to this section by the act adding this subdivision shall apply commencing with the lien date for the 2012–13 fiscal year.

Senate Bill 947, Chapter 351
Disaster-damaged property
Effective 1/1/12

Section 69.3 of the Revenue and Taxation Code is amended to read:

69.3 (a) (1) Notwithstanding any other law, pursuant to the authority of paragraph (3) of subdivision (e) of Section 2 of Article XIII A of the California Constitution, a county board of supervisors, after consultation with affected local agencies located within the boundaries of the county, may adopt an ordinance that authorizes the transfer, subject to the conditions and limitations of this section, of the base year value of real property that is located within another county in this state and has been substantially damaged or destroyed by a disaster to comparable replacement property, including land, of equal or lesser value that is located within the adopting county and has been acquired or newly constructed as a replacement for the damaged or destroyed property within three years after the damage or destruction of the original property.

(2) The base year value of the original property shall be the base year value of the original property as determined in accordance with Section 110.1, with the inflation factor adjustments permitted by subdivision (f) of Section 110.1, determined as of the date immediately prior to the date that the original property was substantially damaged or destroyed. The base year value of the original property shall also include any inflation factor adjustments permitted by subdivision (f) of Section 110.1 for the period subsequent to the date of the substantial damage to, or destruction of, the original property and up to the date the replacement property is acquired or newly constructed, regardless of whether the claimant continued to own the original property during this entire period. The base year or years used to compute the base year value of the original property shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(b) For purposes of this section:

(1) “Affected local agency” means any city, special district, school district, or community college district that receives an annual allocation of ad valorem property tax revenues.

(2) “Claimant” means an owner or owners of real property claiming the property tax relief provided by this section.

(3) “Comparable replacement property” means a replacement property that has a full cash value of equal or lesser value as defined in paragraph (6).

(4) “Consultation” means a noticed hearing that is conducted by a county board of supervisors concerning the adoption of an ordinance described in subdivision (a) and with respect to which all affected local agencies within the boundaries of the county are provided with reasonable notice of the time and the place of the hearing and a reasonable opportunity to appear and participate.

(5) “Disaster” means a major misfortune or calamity in an area subsequently proclaimed by the Governor to be in a state of disaster as a result of the misfortune or calamity.

(6) “Equal or lesser value” means that the amount of the full cash value of the replacement property does not exceed one of the following:

(A) One hundred five percent of the amount of the full cash value of the original property if the replacement property is purchased or newly constructed within the first year following the date of the damage or destruction of the original property.

(B) One hundred ten percent of the amount of the full cash value of the original property if the replacement property is purchased or newly constructed within the second year following the date of the damage or destruction of the original property.

(C) One hundred fifteen percent of the amount of the full cash value of the original property if the replacement property is purchased or newly constructed within the third year following the date of the damage or destruction of the original property.

For purposes of this paragraph, if the replacement property is, in part, purchased and, in part, newly constructed, the date the “replacement property is purchased or newly constructed” is the date of the purchase or the date of completion of new construction, whichever is later.

(7) “Full cash value of the original property” means its full cash value, as determined in accordance with Section 110, immediately prior to its substantial damage or destruction, as determined by the county assessor of the county in which the property is located.

(8) “Full cash value of the replacement property” means its full cash value, as determined in accordance with Section 110.1 as of the date upon which it was purchased or new construction was completed, that is applicable on and after that date.

(9) “Original property” means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated, that has been substantially damaged or destroyed by a disaster. For purposes of this paragraph, land constituting a part of original property includes only that area of reasonable size that is used as a site for a residence, and “land owned by the claimant” includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. For purposes of this paragraph, each unit of a multiunit dwelling shall be considered a separate original property.

(10) “Owner or owners” means an individual or individuals, but does not include any firm, partnership, association, corporation, company, or other legal entity or organization of any kind.

(11) “Replacement property” means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of the replacement property includes only that area of reasonable size that is used as the site

for a residence, and “land owned by the claimant” includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. For purposes of this paragraph, each unit of a multiunit dwelling shall be considered a separate replacement property. “Replacement property” does not include any property, including land or improvements, if the claimant owned any portion of that property prior to the date of the disaster that damaged or destroyed the original property.

(12) “Substantially damaged or destroyed” means property where either the land or the improvements sustain physical damage amounting to more than 50 percent of ~~its~~ **either the land’s or the improvement’s** full cash value immediately prior to the disaster. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the disaster and is permanent in nature.

(c) At the time the base year value of the substantially damaged or destroyed property is transferred to the replacement property pursuant to an ordinance adopted under this section, the substantially damaged or destroyed property shall be reassessed at its full cash value. However, the substantially damaged or destroyed property shall retain its base year value notwithstanding that transfer. If the owner or owners of substantially damaged or destroyed property receive property tax relief under this section, that property shall not be eligible for property tax relief under subdivision (c) of Section 70 in the event of its reconstruction.

(d) Only the owner or owners of the property that has been substantially damaged or destroyed may receive property tax relief under an ordinance adopted pursuant to this section. Relief under an ordinance adopted pursuant to this section shall be granted to an owner or owners of a substantially damaged or destroyed property obtaining comparable replacement property. The acquisition of an ownership interest in a legal entity that, directly or indirectly, owns real property is not an acquisition of comparable replacement property for purposes of this section.

(e) A timely claim for relief under an ordinance adopted pursuant to this section, in that form as shall be prescribed by the board, shall be filed by the owner with the assessor of the county in which the replacement property is located. No relief under an ordinance adopted pursuant to this section shall be granted unless the claim is filed no later than January 1, 1996, or within three years after the replacement property is acquired or newly constructed, whichever is later.

(f) Any taxes that were levied on the replacement property prior to the filing of a claim on the basis of the replacement property’s new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that taxes exceed the amount that would be due when determined on the basis of the adjusted new base year value.

(g) This section shall apply to any comparable replacement property of equal or lesser value that is acquired or newly constructed as a replacement for property that has been substantially damaged or destroyed by a disaster occurring on or after October 20, 1991, and to the determination of base year values for the 1991–92 fiscal year and each fiscal year thereafter.

(h) The amendments made to this section by the act adding this subdivision shall apply commencing with the lien date for the 2012–13 fiscal year.

Senate Bill 947, Chapter 351
Transfer of base-year value
Effective 1/1/12

Section 69.5 of the Revenue and Taxation Code is amended to read:

69.5. (a) (1) Notwithstanding any other provision of law, pursuant to subdivision (a) of Section 2 of Article XIII A of the California Constitution, any person over the age of 55 years, or any severely and permanently disabled person, who resides in property that is eligible for the homeowners' exemption under subdivision (k) of Section 3 of Article XIII of the California Constitution and Section 218 may transfer, subject to the conditions and limitations provided in this section, the base year value of that property to any replacement dwelling of equal or lesser value that is located within the same county and is purchased or newly constructed by that person as his or her principal residence within two years of the sale by that person of the original property, provided that the base year value of the original property shall not be transferred to the replacement dwelling until the original property is sold.

(2) Notwithstanding the limitation in paragraph (1) requiring that the original property and the replacement dwelling be located in the same county, this limitation shall not apply in any county in which the county board of supervisors, after consultation with local affected agencies within the boundaries of the county, adopts an ordinance making the provisions of paragraph (1) also applicable to situations in which replacement dwellings are located in that county and the original properties are located in another county within this state. The authorization contained in this paragraph shall be applicable in a county only if the ordinance adopted by the board of supervisors complies with all of the following requirements:

(A) It is adopted only after consultation between the board of supervisors and all other local affected agencies within the county's boundaries.

(B) It requires that all claims for transfers of base year value from original property located in another county be granted if the claims meet the applicable requirements of both subdivision (a) of Section 2 of Article XIII A of the California Constitution and this section.

(C) It requires that all base year valuations of original property located in another county and determined by its assessor be accepted in connection with the granting of claims for transfers of base year value.

(D) It provides that its provisions are operative for a period of not less than five years.

(E) The ordinance specifies the date on and after which its provisions shall be applicable. However, the date specified shall not be earlier than November 9, 1988. The specified applicable date may be a date earlier than the date the county adopts the ordinance.

(b) In addition to meeting the requirements of subdivision (a), any person claiming the property tax relief provided by this section shall be eligible for that relief only if the following conditions are met:

(1) The claimant is an owner and a resident of the original property either at the time of its sale, or at the time when the original property was substantially damaged or destroyed by misfortune or calamity, or within two years of the purchase or new construction of the replacement dwelling.

(2) The original property is eligible for the homeowners' exemption, as the result of the claimant's ownership and occupation of the property as his or her principal residence, either at the time of its sale, or at the time when the original property was substantially damaged or

destroyed by misfortune or calamity, or within two years of the purchase or new construction of the replacement dwelling.

(3) At the time of the sale of the original property, the claimant or the claimant's spouse who resides with the claimant is at least 55 years of age, or is severely and permanently disabled.

(4) At the time of claiming the property tax relief provided by subdivision (a), the claimant is an owner of a replacement dwelling and occupies it as his or her principal place of residence and, as a result thereof, the property is currently eligible for the homeowners' exemption or would be eligible for the exemption except that the property is already receiving the exemption because of an exemption claim filed by the previous owner.

(5) The original property of the claimant is sold by him or her within two years of the purchase or new construction of the replacement dwelling. For purposes of this paragraph, the purchase or new construction of the replacement dwelling includes the purchase of that portion of land on which the replacement building, structure, or other shelter constituting a place of abode of the claimant will be situated and that, pursuant to paragraph (3) of subdivision (g), constitutes a part of the replacement dwelling.

(6) ~~The~~ ***Except as otherwise provided in paragraph (2) of subdivision (a), the*** replacement dwelling, including that portion of land on which it is situated that is specified in paragraph (5), is located entirely within the same county as the claimant's original property.

(7) The claimant has not previously been granted, as a claimant, the property tax relief provided by this section, except that this paragraph shall not apply to any person who becomes severely and permanently disabled subsequent to being granted, as a claimant, the property tax relief provided by this section for any person over the age of 55 years. In order to prevent duplication of claims under this section within this state, county assessors shall report quarterly to the State Board of Equalization that information from claims filed in accordance with subdivision (f) and from county records as is specified by the board necessary to identify fully all claims under this section allowed by assessors and all claimants who have thereby received relief. The board may specify that the information include all or a part of the names and social security numbers of claimants and their spouses and the identity and location of the replacement dwelling to which the claim applies. The information may be required in the form of data processing media or other media and in a format that is compatible with the recordkeeping processes of the counties and the auditing procedures of the state.

(c) The property tax relief provided by this section shall be available if the original property or the replacement dwelling, or both, of the claimant includes, but is not limited to, either of the following:

(1) A unit or lot within a cooperative housing corporation, a community apartment project, a condominium project, or a planned unit development. If the unit or lot constitutes the original property of the claimant, the assessor shall transfer to the claimant's replacement dwelling only the base year value of the claimant's unit or lot and his or her share in any common area reserved as an appurtenance of that unit or lot. If the unit or lot constitutes the replacement dwelling of the claimant, the assessor shall transfer the base year value of the claimant's original property only to the unit or lot of the claimant and any share of the claimant in any common area reserved as an appurtenance of that unit or lot.

(2) A manufactured home or a manufactured home and any land owned by the claimant on which the manufactured home is situated. For purposes of this paragraph, "land owned by the claimant" includes a pro rata interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(A) If the manufactured home or the manufactured home and the land on which it is situated constitutes the claimant's original property, the assessor shall transfer to the claimant's replacement dwelling either the base year value of the manufactured home or the base year value of the manufactured home and the land on which it is situated, as appropriate. If the manufactured home dwelling that constitutes the original property of the claimant includes an interest in a resident-owned mobilehome park, the assessor shall transfer to the claimant's replacement dwelling the base year value of the claimant's manufactured home and his or her pro rata portion of the real property of the park. No transfer of base year value shall be made by the assessor of that portion of land that does not constitute a part of the original property, as provided in paragraph (4) of subdivision (g).

(B) If the manufactured home or the manufactured home and the land on which it is situated constitutes the claimant's replacement dwelling, the assessor shall transfer the base year value of the claimant's original property either to the manufactured home or the manufactured home and the land on which it is situated, as appropriate. If the manufactured home dwelling that constitutes the replacement dwelling of the claimant includes an interest in a resident-owned mobilehome park, the assessor shall transfer the base year value of the claimant's original property to the manufactured home of the claimant and his or her pro rata portion of the park. No transfer of base year value shall be made by the assessor to that portion of land that does not constitute a part of the replacement dwelling, as provided in paragraph (3) of subdivision (g). This subdivision shall be subject to the limitations specified in subdivision (d).

(d) The property tax relief provided by this section shall be available to a claimant who is the coowner of the original property, as a joint tenant, a tenant in common, a community property owner, or a present beneficiary of a trust subject to the following limitations:

(1) If a single replacement dwelling is purchased or newly constructed by all of the coowners and each coowner retains an interest in the replacement dwelling, the claimant shall be eligible under this section whether or not any or all of the remaining coowners would otherwise be eligible claimants.

(2) If two or more replacement dwellings are separately purchased or newly constructed by two or more coowners and more than one coowner would otherwise be an eligible claimant, only one coowner shall be eligible under this section. These coowners shall determine by mutual agreement which one of them shall be deemed eligible.

(3) If two or more replacement dwellings are separately purchased or newly constructed by two coowners who held the original property as community property, only the coowner who has attained the age of 55 years, or is severely and permanently disabled, shall be eligible under this section. If both spouses are over 55 years of age, they shall determine by mutual agreement which one of them is eligible.

In the case of coowners whose original property is a multiunit dwelling, the limitations imposed by paragraphs (2) and (3) shall only apply to coowners who occupied the same dwelling unit within the original property at the time specified in paragraph (2) of subdivision (b).

(e) Upon the sale of original property, the assessor shall determine a new base year value for that property in accordance with subdivision (a) of Section 2 of Article XIII A of the California Constitution and Section 110.1, whether or not a replacement dwelling is subsequently purchased or newly constructed by the former owner or owners of the original property.

This section shall not apply unless the transfer of the original property is a change in ownership that either (1) subjects that property to reappraisal at its current fair market value in accordance with Section 110.1 or 5803 or (2) results in a base year value determined in accordance with this

section, Section 69, or Section 69.3 because the property qualifies under this section, Section 69, or Section 69.3 as a replacement dwelling or property.

(f) (1) A claimant shall not be eligible for the property tax relief provided by this section unless the claimant provides to the assessor, on a form that shall be designed by the State Board of Equalization and that the assessor shall make available upon request, the following information:

(A) The name and social security number of each claimant and of any spouse of the claimant who is a record owner of the replacement dwelling.

(B) Proof that the claimant or the claimant's spouse who resided on the original property with the claimant was, at the time of its sale, at least 55 years of age, or severely and permanently disabled. Proof of severe and permanent disability shall be considered a certification, signed by a licensed physician and surgeon of appropriate specialty, attesting to the claimant's severely and permanently disabled condition. In the absence of available proof that a person is over 55 years of age, the claimant shall certify under penalty of perjury that the age requirement is met. In the case of a severely and permanently disabled claimant either of the following shall be submitted:

(i) A certification, signed by a licensed physician or surgeon of appropriate specialty that identifies specific reasons why the disability necessitates a move to the replacement dwelling and the disability-related requirements, including any locational requirements, of a replacement dwelling. The claimant shall substantiate that the replacement dwelling meets disability-related requirements so identified and that the primary reason for the move to the replacement dwelling is to satisfy those requirements. If the claimant, or the claimant's spouse or guardian, so declares under penalty of perjury, it shall be rebuttably presumed that the primary purpose of the move to the replacement dwelling is to satisfy identified disability-related requirements.

(ii) The claimant's substantiation that the primary purpose of the move to the replacement dwelling is to alleviate financial burdens caused by the disability. If the claimant, or the claimant's spouse or guardian, so declares under penalty of perjury, it shall be rebuttably presumed that the primary purpose of the move is to alleviate the financial burdens caused by the disability.

(C) The address and, if known, the assessor's parcel number of the original property.

(D) The date of the claimant's sale of the original property and the date of the claimant's purchase or new construction of a replacement dwelling.

(E) A statement by the claimant that he or she occupied the replacement dwelling as his or her principal place of residence on the date of the filing of his or her claim.

(F) Any claim under this section shall be filed within three years of the date the replacement dwelling was purchased or the new construction of the replacement dwelling was completed subject to subdivision (k) or (m).

(2) A claim for transfer of base year value under this section that is filed after the expiration of the filing period set forth in subparagraph (F) of paragraph (1) shall be considered by the assessor, subject to all of the following conditions:

(A) Any base year value transfer granted pursuant to that claim shall apply commencing with the lien date of the assessment year in which the claim is filed.

(B) The full cash value of the replacement property in the assessment year described in subparagraph (A) shall be the base year value of the real property in the assessment year in which the base year value was transferred, factored to the assessment year described in subparagraph (A) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property that does not qualify for property tax relief pursuant to the criteria set forth in subparagraphs (A) and (B) of paragraph (4) of subdivision (h).

(g) For purposes of this section:

(1) "Person over the age of 55 years" means any person or the spouse of any person who has attained the age of 55 years or older at the time of the sale of the original property.

(2) "Base year value of the original property" means its base year value, as determined in accordance with Section 110.1, with the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, determined as of the date immediately prior to the date that the original property is sold by the claimant, or in the case where the original property has been substantially damaged or destroyed by misfortune or calamity and the owner does not rebuild on the original property, determined as of the date immediately prior to the misfortune or calamity.

If the replacement dwelling is purchased or newly constructed after the transfer of the original property, "base year value of the original property" also includes any inflation factor adjustments permitted by subdivision (f) of Section 110.1 for the period subsequent to the sale of the original property. The base year or years used to compute the "base year value of the original property" shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(3) "Replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of a replacement dwelling includes only that area of reasonable size that is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate replacement dwelling. For purposes of this paragraph, "area of reasonable size that is used as a site for a residence" includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site. For purposes of this paragraph, "land owned by the claimant" includes an ownership interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(4) "Original property" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of the original property includes only that area of reasonable size that is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate original property. For purposes of this paragraph, "area of reasonable size that is used as a site for a residence" includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site. For purposes of this paragraph, "land owned by the claimant" includes an ownership interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(5) “Equal or lesser value” means that the amount of the full cash value of a replacement dwelling does not exceed one of the following:

(A) One hundred percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed prior to the date of the sale of the original property.

(B) One hundred and five percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed within the first year following the date of the sale of the original property.

(C) One hundred and ten percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed within the second year following the date of the sale of the original property.

For the purposes of this paragraph, except as otherwise provided in paragraph (4) of subdivision (h), if the replacement dwelling is, in part, purchased and, in part, newly constructed, the date the “replacement dwelling is purchased or newly constructed” is the date of purchase or the date of completion of construction, whichever is later.

(6) “Full cash value of the replacement dwelling” means its full cash value, determined in accordance with Section 110.1, as of the date on which it was purchased or new construction was completed, and after the purchase or the completion of new construction.

(7) “Full cash value of the original property” means, either:

(A) Its new base year value, determined in accordance with subdivision (e), without the application of subdivision (h) of Section 2 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A and subdivision (f) of Section 110.1 for the period from the date of its sale by the claimant to the date on which the replacement property was purchased or new construction was completed.

(B) In the case where the original property has been substantially damaged or destroyed by misfortune or calamity and the owner does not rebuild on the original property, its full cash value, as determined in accordance with Section 110, immediately prior to its substantial damage or destruction by misfortune or calamity, as determined by the county assessor of the county in which the property is located, without the application of subdivision (h) of Section 2 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A *of the California Constitution* and subdivision (f) of Section 110.1, for the period from the date of its sale by the claimant to the date on which the replacement property was purchased or new construction was completed.

(8) “Sale” means any change in ownership of the original property for consideration.

(9) “Claimant” means any person claiming the property tax relief provided by this section. If a spouse of that person is a record owner of the replacement dwelling, the spouse is also a claimant for purposes of determining whether in any future claim filed by the spouse under this section the condition of eligibility specified in paragraph (7) of subdivision (b) has been met.

(10) “Property that is eligible for the homeowners’ exemption” includes property that is the principal place of residence of its owner and is entitled to exemption pursuant to Section 205.5.

(11) “Person” means any individual, but does not include any firm, partnership, association, corporation, company, or other legal entity or organization of any kind. “Person” includes an individual who is the present beneficiary of a trust.

(12) “Severely and permanently disabled” means any person described in subdivision (b) of Section 74.3.

(13) For the purposes of this section, property is “substantially damaged or destroyed by misfortune or calamity” if ~~it sustains~~ *either the land or the improvements sustain* physical damage amounting to more than 50 percent of ~~its~~ *either the land’s or the improvement’s* full cash value immediately prior to the misfortune or calamity. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the misfortune or calamity and is permanent in nature.

(h) (1) Upon the timely filing of a claim described in subparagraph (F) of paragraph (1) of subdivision (f), the assessor shall adjust the new base year value of the replacement dwelling in conformity with this section. This adjustment shall be made as of the latest of the following dates:

- (A) The date the original property is sold.
- (B) The date the replacement dwelling is purchased.
- (C) The date the new construction of the replacement dwelling is completed.

(2) Any taxes that were levied on the replacement dwelling prior to the filing of the claim on the basis of the replacement dwelling’s new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that the taxes exceed the amount that would be due when determined on the basis of the adjusted new base year value.

(3) Notwithstanding Section 75.10, Chapter 3.5 (commencing with Section 75) shall be utilized for purposes of implementing this subdivision, including adjustments of the new base year value of replacement dwellings acquired prior to the sale of the original property.

(4) In the case where a claim under this section has been timely filed and granted, and new construction is performed upon the replacement dwelling subsequent to the transfer of base year value, the property tax relief provided by this section also shall apply to the replacement dwelling, as improved, and thus there shall be no reassessment upon completion of the new construction if both of the following conditions are met:

(A) The new construction is completed within two years of the date of the sale of the original property and the owner notifies the assessor in writing of completion of the new construction within ~~30 days~~ *six months* after completion.

(B) The fair market value of the new construction on the date of completion, plus the full cash value of the replacement dwelling on the date of acquisition, is not more than the full cash value of the original property as determined pursuant to paragraph (7) of subdivision (g) for purposes of granting the original claim.

(i) Any claimant may rescind a claim for the property tax relief provided by this section and shall not be considered to have received that relief for purposes of paragraph (7) of subdivision (b), and the assessor shall grant the rescission, if a written notice of rescission is delivered to the office of the assessor as follows:

(1) A written notice of rescission signed by the original filing claimant or claimants is delivered to the office of the assessor in which the original claim was filed.

(2) (A) Except as otherwise provided in this paragraph, the notice of rescission is delivered to the office of the assessor before the date that the county first issues, as a result of relief granted under this section, a refund check for property taxes imposed upon the replacement dwelling. If granting relief will not result in a refund of property taxes, then the notice shall be delivered before payment is first made of any property taxes, or any portion thereof, imposed upon the replacement dwelling consistent with relief granted under this section. If payment of the taxes is not made, then notice shall be delivered before the first date that those property taxes, or any

portion thereof, imposed upon the replacement dwelling, consistent with relief granted under this section, are delinquent.

(B) Notwithstanding any other provision in this division, any time the notice of rescission is delivered to the office of the assessor within six years after relief was granted, provided that the replacement property has been vacated as the claimant's principal place of residence within 90 days after the original claim was filed, regardless of whether the property continues to receive the homeowners' exemption. If the rescission increases the base year value of a property, or the homeowners' exemption has been incorrectly allowed, appropriate escape assessments or supplemental assessments, including interest as provided in Section 506, shall be imposed. The limitations periods for any escape assessments or supplemental assessments shall not commence until July 1 of the assessment year in which the notice of rescission is delivered to the office of the assessor.

(3) The notice is accompanied by the payment of a fee as the assessor may require, provided that the fee shall not exceed an amount reasonably related to the estimated cost of processing a rescission claim, including both direct costs and developmental and indirect costs, such as costs for overhead, personnel, supplies, materials, office space, and computers.

(j) (1) With respect to the transfer of base year value of original properties to replacement dwellings located in the same county, this section, except as provided in paragraph (3) or (4), shall apply to any replacement dwelling that is purchased or newly constructed on or after November 6, 1986.

(2) With respect to the transfer of base year value of original properties to replacement dwellings located in different counties, except as provided in paragraph (4), this section shall apply to any replacement dwelling that is purchased or newly constructed on or after the date specified in accordance with subparagraph (E) of paragraph (2) of subdivision (a) in the ordinance of the county in which the replacement dwelling is located, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988.

(3) With respect to the transfer of base year value by a severely and permanently disabled person, this section shall apply only to replacement dwellings that are purchased or newly constructed on or after June 6, 1990.

(4) The amendments made to subdivision (e) by the act adding this paragraph shall apply only to replacement dwellings under Section 69 that are acquired or newly constructed on or after October 20, 1991, and shall apply commencing with the 1991–92 fiscal year.

(k) (1) In the case in which a county adopts an ordinance pursuant to paragraph (2) of subdivision (a) that establishes an applicable date which is more than three years prior to the date of adoption of the ordinance, those potential claimants who purchased or constructed replacement dwellings more than three years prior to the date of adoption of the ordinance and who would, therefore, be precluded from filing a timely claim, shall be deemed to have timely filed a claim if the claim is filed within three years after the date that the ordinance is adopted. This paragraph may not be construed as a waiver of any other requirement of this section.

(2) In the case in which a county assessor corrects a base year value to reflect a pro rata change in ownership of a resident-owned mobilehome park that occurred between January 1, 1989, and January 1, 2002, pursuant to paragraph (4) of subdivision (b) of Section 62.1, those claimants who purchased or constructed replacement dwellings more than three years prior to the correction and who would, therefore, be precluded from filing a timely claim, shall be deemed to have timely filed a claim if the claim is filed within three years of the date of notice of the correction of the base year value to reflect the pro rata change in ownership.

This paragraph may not be construed as a waiver of any other requirement of this section.

(3) This subdivision does not apply to a claimant who has transferred his or her replacement dwelling prior to filing a claim.

(4) The property tax relief provided by this section, but filed under this subdivision, shall apply prospectively only, commencing with the lien date of the assessment year in which the claim is filed. There shall be no refund or cancellation of taxes prior to the date that the claim is filed.

(l) No escape assessment may be levied if a transfer of base year value under this section has been erroneously granted by the assessor pursuant to an expired ordinance authorizing intercounty transfers of base year value.

(m) (1) The amendments made to subdivisions (b) and (g) of this section by Chapter 613 of the Statutes of 2001 shall apply:

(A) With respect to the transfer of base year value of original properties to replacement dwellings located in the same county, to any replacement dwelling that is purchased or newly constructed on or after November 6, 1986.

(B) With respect to the transfer of base year value of original properties to replacement dwellings located in different counties, to any replacement dwelling that is purchased or newly constructed on or after the date specified in accordance with subparagraph (E) of paragraph (2) of subdivision (a) in the ordinance of the county in which the replacement dwelling is located, but not to any replacement dwelling that was purchased or newly constructed before November 9, 1988.

(C) With respect to the transfer of base year value by a severely and permanently disabled person, to replacement dwellings that are purchased or newly constructed on or after June 6, 1990.

(2) The property tax relief provided by this section in accordance with this subdivision shall apply prospectively only commencing with the lien date of the assessment year in which the claim is filed. There shall be no refund or cancellation of taxes prior to the date that the claim is filed.

(n) A claim filed under this section is not a public document and is not subject to public inspection, except that a claim shall be available for inspection by the claimant or the claimant's spouse, the claimant's or the claimant's spouse's legal representative, the trustee of a trust in which the claimant or the claimant's spouse is a present beneficiary, and the executor or administrator of the claimant's or the claimant's spouse's estate.

(o) The amendments made to this section by the act adding this subdivision shall apply commencing with the lien date for the 2012–13 fiscal year.

Senate Bill 947, Chapter 351
New construction exceptions: seismic retrofitting
Effective 1/1/12

Section 74.5 of the Revenue and Taxation Code is amended to read:

74.5. (a) For purposes of subdivision (a) of Section 2 of Article XIII A of the California Constitution, “newly constructed” and “new construction” does not include that portion of an existing structure that consists of the construction or reconstruction of seismic retrofitting components, as defined in this section.

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

(1) “Seismic retrofitting components” means seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies.

(2) “Seismic retrofitting improvements” means retrofitting or reconstruction of an existing building or structure, to abate falling hazards from structural or nonstructural components of any building or structure including, but not limited to, parapets, appendages, cornices, hanging objects, and building cladding that pose serious danger. “Seismic retrofitting improvements” also means either structural strengthening or providing the means necessary to resist seismic force levels that would otherwise be experienced by an existing building or structure during an earthquake, so as to significantly reduce hazards to life and safety while also providing for the substantially safe ingress and egress of building occupants during and immediately after an earthquake. “Seismic retrofitting improvements” does not include alterations, such as new plumbing, electrical, or other added finishing materials, made in addition to seismic-related work performed on an existing structure. “Seismic retrofitting” includes, but is not limited to, those items referenced in Appendix ~~Chapters 5 and 6 of the Uniform Code for Building Conservation of the International Conference of Building Officials A of the International Existing Building Code of the International Code Council.~~

(3) “Improvements utilizing earthquake hazard mitigation technologies” means improvements to existing buildings identified by a local government as being hazardous to life in the event of an earthquake. These improvements shall involve strategies for earthquake protection of structures. These improvements shall use technologies such as those referenced in the California Building Code and similar seismic provisions in the ~~Uniform International~~ Building Code.

(c) The property owner, primary contractor, civil or structural engineer, or architect shall certify to the building department those portions of the project that are seismic retrofitting components, as defined in this section. Upon completion of the project, the building department shall report to the county assessor the costs of the portions of the project that are seismic retrofitting components.

(d) In order to receive the exclusion, the property owner shall notify the assessor prior to, or within 30 days of, completion of the project that he or she intends to claim the exclusion for seismic retrofitting components. The State Board of Equalization shall prescribe the manner and form for claiming the exclusion. All documents necessary to support the exclusion shall be filed by the property owner with the assessor not later than six months after the completion of the project.

(e) The Legislature finds and declares that the reconstruction and improvement actions that were excluded from “newly constructed” and “new construction” by Chapter 1187 of the Statutes of 1983 meet the requirements of “construction or reconstruction of seismic retrofitting components on an existing structure,” as provided in the act that amended this subdivision.

Therefore, a structure constructed of unreinforced masonry bearing wall construction that is receiving a 15-year new construction exclusion as provided by Chapter 1187 of the Statutes of 1983 on the operative date of this act shall continue to receive, pursuant to this section, an exclusion after the 15-year period expires, unless the property is purchased or changes ownership, in which case Chapter 2 (commencing with Section 60) applies.

**Senate Bill 947, Chapter 351
Supplemental assessment
Effective 1/1/12**

Section 75.23 of the Revenue and Taxation Code is repealed.

~~75.23. (a) Notwithstanding any other provision of law, in the case of a supplemental assessment on property that has undergone a change in ownership, an exemption that was granted to that property on the current roll or the roll being prepared shall not apply to that property as of the date of the change in ownership if the transferee did not otherwise qualify for that exemption on the date of the change in ownership. This subdivision shall not be construed to preclude a transferee from qualifying, on and after the date of a change in ownership, for an exemption for that property that is otherwise provided by law.~~

~~(b) Subdivision (a) does not apply to property that was granted the homeowners' exemption on the current roll or the roll being prepared.~~

**Assembly Bill 820, Chapter 207
Fee for preparing a certificate of taxes paid
Effective 1/1/12**

Section 162 of the Revenue and Taxation Code is amended to read:

162. The assessor, tax collector, and auditor shall, except where specifically prohibited by law, charge and collect a fee of one dollar (\$1) for preparing each of the following documents:

- (a) A certified copy of a redemption certificate.
- (b) A certified copy of an installment redemption receipt.
- ~~(c) A certificate of payment showing taxes paid.~~
- ~~(d)~~
- (c) A certified copy of an assessment as entered on the assessment roll.

The fee for providing a copy of a record or document by photographic process shall be the actual cost thereof plus the sum of one dollar (\$1). The fee shall be placed in the county general fund.

Assembly Bill 820, Chapter 207
Fee for preparing a certificate of taxes paid
Effective 1/1/12

Section 162.1 is added to the Revenue and Taxation Code, to read:

162.1. (a) The assessor, tax collector, or auditor shall charge and collect a fee to cover the actual and reasonable costs incurred by the assessor, tax collector, or auditor to prepare a certificate of payment showing taxes paid.

(b) The amount of the fee shall be established by the board of supervisors of the county and shall be subject to the requirements of Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code.

Assembly Bill 711, Chapter 220
Owner-occupied dwelling: definition
Effective 1/1/12

Section 167 of the Revenue and Taxation Code is amended to read:

167. (a) Notwithstanding any other provision of law to the contrary, and except as provided in subdivision (b), there shall be a rebuttable presumption affecting the burden of proof in favor of the taxpayer or assessee who has supplied all information as required by law to the assessor in any administrative hearing involving the imposition of a tax on an owner-occupied single-family dwelling, the assessment of an owner-occupied single-family dwelling pursuant to this division, or the appeal of an escape assessment.

(b) Notwithstanding subdivision (a), the rebuttable presumption described in that subdivision shall not apply in the case of an administrative hearing with respect to the appeal of an escape assessment resulting from a taxpayer's failure either to file with the assessor a change in ownership statement or a business property statement, or to obtain a permit for new construction.

(c) For the purposes of this section, an owner-occupied single-family dwelling means a single-family dwelling that satisfies both of the following:

(1) The dwelling is the owner's principal place of residence.

(2) The dwelling qualifies for a homeowners' property tax exemption.

Assembly Bill 188, Chapter 202
Deceased veterans and their unmarried surviving spouses: tax exemption
Effective 1/1/12

Section 205.5 of the Revenue and Taxation Code is amended to read:

205.5. (a) Property that constitutes the principal place of residence of a veteran, that is owned by the veteran, the veteran's spouse, or the veteran and the veteran's spouse jointly, is exempted from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), as adjusted for the relevant assessment year as provided in subdivision (h), if the veteran is blind in both eyes, has lost the use of two or more limbs, or if

the veteran is totally disabled as a result of injury or disease incurred in military service. The one hundred thousand dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), as adjusted for the relevant assessment year as provided in subdivision (h), in the case of an eligible veteran whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(b) (1) For purposes of this section, “veteran” means either of the following:

(A) A veteran as specified in subdivision (o) of Section 3 of Article XIII of the California Constitution without regard to any limitation contained therein on the value of property owned by the veteran or the veteran’s spouse.

(B) Any person who would qualify as a veteran pursuant to paragraph (1) except that he or she has, as a result of a service-connected injury or disease, died while on active duty in military service. The United States Department of Veterans Affairs shall determine whether an injury or disease is service connected.

(2) For purposes of this section, property is deemed to be the principal place of residence of a veteran, disabled as described in subdivision (a), who is confined to a hospital or other care facility, if that property would be that veteran’s principal place of residence were it not for his or her confinement to a hospital or other care facility, provided that the residence is not rented or leased to a third party. A family member that resides at the residence is not considered to be a third party.

(c) (1) Property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a deceased veteran is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), as adjusted for the relevant assessment year as provided in subdivision (h), in the case of a veteran who was blind in both eyes, had lost the use of two or more limbs, or was totally disabled provided that either of the following conditions is met:

(A) The deceased veteran during his or her lifetime qualified in all respects for the exemption or would have qualified for the exemption under the laws effective on January 1, 1977, except that the veteran died prior to January 1, 1977.

(B) The veteran died from a disease that was service connected as determined by the United States Department of Veterans Affairs.

The one hundred thousand dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), as adjusted for the relevant assessment year as provided in subdivision (h), in the case of an eligible unmarried surviving spouse whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(2) Commencing with the 1994–95 fiscal year, property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran as described in ~~paragraph (2) of subparagraph (B) of paragraph (1) of~~ subdivision (b) is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), as adjusted for the relevant assessment year as provided in subdivision (h). The one hundred thousand dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), as adjusted for the relevant assessment year as provided in subdivision (h), in the case of an eligible unmarried surviving spouse whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(3) Beginning with the 2012–13 fiscal year and for each fiscal year thereafter, property is deemed to be the principal place of residence of the unmarried surviving spouse of a deceased veteran, who is confined to a hospital or other care facility, if that property would be the unmarried surviving spouse’s principal place of residence were it not for his or her confinement to a hospital or other care facility, provided that the residence is not rented or leased to a third party. For purposes of this paragraph, a family member who resides at the residence is not considered to be a third party.

(d) As used in this section, “property that is owned by a veteran” or “property that is owned by the veteran’s unmarried surviving spouse” includes all of the following:

(1) Property owned by the veteran with the veteran’s spouse as a joint tenancy, tenancy in common, or as community property.

(2) Property owned by the veteran or the veteran’s spouse as separate property.

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran’s spouse, or both the veteran and the veteran’s spouse.

(4) Property owned by the veteran’s unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran’s unmarried surviving spouse.

(5) So much of the property of a corporation as constitutes the principal place of residence of a veteran or a veteran’s unmarried surviving spouse when the veteran, or the veteran’s spouse, or the veteran’s unmarried surviving spouse is a shareholder of the corporation and the rights of shareholding entitle one to the possession of property, legal title to which is owned by the corporation. The exemption provided by this paragraph shall be shown on the local roll and shall reduce the full value of the corporate property. Notwithstanding any provision of law or articles of incorporation or bylaws of a corporation described in this paragraph, any reduction of property taxes paid by the corporation shall reflect an equal reduction in any charges by the corporation to the person who, by reason of qualifying for the exemption, made possible the reduction for the corporation.

(e) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less, or concentric contraction of the visual field to 5 degrees or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and being totally disabled means that the United States Department of Veterans Affairs or the military service from which the veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(f) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of the veteran’s exemption provided by subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the California Constitution and any other real property tax exemption to which the claimant may be entitled. No other real property tax exemption may be granted to any other person with respect to the same residence for which an exemption has been granted under the provisions of this section; provided, that if two or more veterans qualified pursuant to this section to own a property in which they reside, each is entitled to the exemption to the extent of his or her interest.

(g) Commencing on January 1, 2002, and for each assessment year thereafter, the household income limit shall be compounded annually by an inflation factor that is the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

(h) Commencing on January 1, 2006, and for each assessment year thereafter, the exemption amounts set forth in subdivisions (a) and (c) shall be compounded annually by an inflation factor that is the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

Senate Bill 947, Chapter 351
Welfare exemption: transfer of title
Effective 1/1/12

Section 271.5 is added to the Revenue and Taxation Code, to read:

271.5. (a) In the event that property receiving the college, cemetery, church, religious, exhibition, veterans' organization, tribal housing, or welfare exemption is sold or otherwise transferred, the exemption shall cease to apply on the date of that sale or transfer. A new exemption shall be available subject to the provisions of Section 271.

(b) Termination of the exemption under this section shall result in an escape assessment of the property pursuant to Section 531.1.

Senate Bill 947, Chapter 351
Disabled veterans' exemption
Effective 1/1/12

Section 276.2 of the Revenue and Taxation Code is amended to read:

276.2. (a) If property becomes eligible for the disabled veterans' exemption as described in Section 205.5 after the lien date, and an appropriate application for that exemption is filed on ~~or before the lien date in the calendar year next following the calendar year in which the later~~ *of 90 days after the date on which the property became eligible or on or before the next following lien date*, there shall be canceled or refunded the amount of any taxes, including any interest and penalties thereon, levied on that portion of the assessed value of the property that would have been exempt under a timely and appropriate application.

(b) The entire amount of the exemption applies to any property tax assessment, including a supplemental and escape assessment, that was made and that served as a lien against the property. The exemption amount shall be appropriately prorated from the date the property became eligible for the exemption.

**Senate Bill 947, Chapter 351
Disabled veterans' exemption
Effective 1/1/12**

Section 278 of the Revenue and Taxation Code is amended to read:

278. ~~For the 1977-78 fiscal year and thereafter, county assessors~~ *Prior to the lien date, the assessor* shall ~~each year annually~~ mail a notice to all ~~disabled veterans claimants~~ who received the disabled veterans' exemption in the immediately preceding year, except where such person has transferred title in the property since the immediately preceding lien date. The notice shall inform the taxpayer of the requirements that must be met in order to be eligible for the exemption, of the penalties if the taxpayer allows the exemption to continue when he *or she* is not eligible for the exemption, and of his *or her* duty to inform the assessor when he *or she* is no longer eligible for the exemption.

**Assembly Bill 188, Chapter 202
Disabled veterans' exemption
Effective 1/1/12**

Section 279 of the Revenue and Taxation Code is amended to read:

279. (a) ~~A claim for the disabled veterans' property tax exemption described in Section 205.5 filed by the owner of a dwelling, once granted, shall remain in continuous effect unless any of the following occurs:~~ *Subject to the provisions regarding cancellations and the limitation periods on refunds, property becomes eligible for the disabled veterans' property tax exemption, as described in Section 205.5, as of:*

(1) *The effective date of a disability rating, as determined by the United States Department of Veterans Affairs, that qualifies the claimant for the exemption.*

(2) *The date a qualified claimant purchases a property that constitutes the principal place of residence, provided residency is established within 90 days of purchase.*

(3) *The date a qualified claimant establishes residency at a property owned by the claimant or the spouse, as specified in subdivision (a) of Section 205.5.*

(4) *The date the veteran died, as a result of a service-connected injury or disease, in the case where the unmarried surviving spouse is the claimant.*

(b) *A claim for the disabled veterans' property tax exemption filed by a qualified claimant, once granted, shall remain in continuous effect unless any of the following occurs:*

(1) Title to the property changes.

(2) The owner does not occupy the dwelling as his or her principal place of residence ~~on the lien date.~~

(A) ~~If a veteran is, on the lien date, the claimant is~~ *confined to a hospital or other care facility but principally resided at a dwelling immediately prior to that confinement, the veteran claimant will be deemed to occupy that same dwelling as his or her principal place of residence on the lien date, provided that the dwelling has not been rented or leased as described in Section 205.5.*

(B) ~~If a person receiving the disabled veterans' exemption is not occupying the dwelling on the lien date~~ *because the dwelling was damaged in a misfortune or calamity, the person will be*

deemed to occupy that same dwelling as his or her principal place of residence ~~on the lien date~~, provided the person's absence from the dwelling is temporary and the person intends to return to the dwelling when possible to do so. Except as provided in subparagraph (C), when a dwelling has been totally destroyed, and thus no dwelling exists ~~on the lien date~~, the exemption provided by Section 205.5 is not applicable until the structure has been replaced and is occupied as a dwelling.

(C) A dwelling that was totally destroyed in a disaster for which the Governor proclaimed a state of emergency, that qualified for the exemption provided by Section 205.5 and has not changed ownership since the disaster, will be deemed occupied by the person receiving a disabled veterans' exemption ~~on the lien date~~ provided the person intends to reconstruct a dwelling on the property and occupy the dwelling as his or her principal place of residence when it is possible to do so.

(3) The property is altered so that it is no longer a dwelling.

(4) The veteran is no longer disabled as defined in Section 205.5.

(5) *The unmarried surviving spouse claimant remarries.*

~~(b)~~ (c) The assessor of each county shall verify the continued eligibility of each person receiving a disabled veterans' exemption, and shall provide for a periodic audit of, and establish a control system to monitor, disabled veterans' exemption claims.

Senate Bill 618, Chapter 596
Solar-use easement: valuation
Effective 1/1/12

Section 402.1 of the Revenue and Taxation Code is amended to read:

402.1. (a) In the assessment of land, the assessor shall consider the effect upon value of any enforceable restrictions to which the use of the land may be subjected. These restrictions shall include, but are not limited to, all of the following:

(1) Zoning.

(2) Recorded contracts with governmental agencies other than those provided in Sections 422 and 422.5.

(3) Permit authority of, and permits issued by, governmental agencies exercising land use powers concurrently with local governments, including the California Coastal Commission and regional coastal commissions, the San Francisco Bay Conservation and Development Commission, and the Tahoe Regional Planning Agency.

(4) Development controls of a local government in accordance with any local coastal program certified pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code.

(5) Development controls of a local government in accordance with a local protection program, or any component thereof, certified pursuant to Division 19 (commencing with Section 29000) of the Public Resources Code.

(6) Environmental constraints applied to the use of land pursuant to provisions of statutes.

(7) Hazardous waste land use restriction pursuant to Section 25240 of the Health and Safety Code.

(8) A recorded conservation, trail, or scenic easement, as described in Section 815.1 of the Civil Code, that is granted in favor of a public agency, or in favor of a nonprofit corporation

organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has as its primary purpose the preservation, protection, or enhancement of land in its natural, scenic, historical, agricultural, forested, or open-space condition or use.

(9) A solar-use easement pursuant to Chapter 6.9 (commencing with Section 51190) of Part 1 of Division 1 of Title 5 of the Government Code.

(b) There is a rebuttable presumption that restrictions will not be removed or substantially modified in the predictable future and that they will substantially equate the value of the land to the value attributable to the legally permissible use or uses.

(c) Grounds for rebutting the presumption may include, but are not necessarily limited to, the past history of like use restrictions in the jurisdiction in question and the similarity of sales prices for restricted and unrestricted land. The possible expiration of a restriction at a time certain shall not be conclusive evidence of the future removal or modification of the restriction unless there is no opportunity or likelihood of the continuation or renewal of the restriction, or unless a necessary party to the restriction has indicated an intent to permit its expiration at that time.

(d) In assessing land with respect to which the presumption is unrebutted, the assessor shall not consider sales of otherwise comparable land not similarly restricted as to use as indicative of value of land under restriction, unless the restrictions have a demonstrably minimal effect upon value.

(e) In assessing land under an enforceable use restriction wherein the presumption of no predictable removal or substantial modification of the restriction has been rebutted, but where the restriction nevertheless retains some future life and has some effect on present value, the assessor may consider, in addition to all other legally permissible information, representative sales of comparable lands that are not under restriction but upon which natural limitations have substantially the same effect as restrictions.

(f) For the purposes of this section the following definitions apply:

(1) "Comparable lands" are lands that are similar to the land being valued in respect to legally permissible uses and physical attributes.

(2) "Representative sales information" is information from sales of a sufficient number of comparable lands to give an accurate indication of the full cash value of the land being valued.

(g) It is hereby declared that the purpose and intent of the Legislature in enacting this section is to provide for a method of determining whether a sufficient amount of representative sales information is available for land under use restriction in order to ensure the accurate assessment of that land. It is also hereby declared that the further purpose and intent of the Legislature in enacting this section and Section 1630 is to avoid an assessment policy which, in the absence of special circumstances, considers uses for land that legally are not available to the owner and not contemplated by government, and that these sections are necessary to implement the public policy of encouraging and maintaining effective land use planning. Nothing in this statute shall be construed as requiring the assessment of any land at a value less than as required by Section 401 or as prohibiting the use of representative comparable sales information on land under similar restrictions when this information is available.

Senate Bill 948, Chapter 352
Assessor to provide information to the tax collector
Effective 1/1/12

Section 408 of the Revenue and Taxation Code is amended to read:

408. (a) Except as otherwise provided in subdivisions (b), (c), (d), ~~and~~ (e), **and** (g), any information and records in the assessor's office that are not required by law to be kept or prepared by the assessor, disabled veterans' exemption claims, and homeowners' exemption claims, are not public documents and shall not be open to public inspection. Property receiving the homeowners' exemption shall be clearly identified on the assessment roll. The assessor shall maintain records which shall be open to public inspection to identify those claimants who have been granted the homeowners' exemption.

(b) The assessor may provide any appraisal data in his or her possession to the assessor of any county.

The assessor shall disclose information, furnish abstracts, or permit access to all records in his or her office to law enforcement agencies, the county grand jury, the board of supervisors or their duly authorized agents, employees, or representatives when conducting an investigation of the assessor's office pursuant to Section 25303 of the Government Code, the county recorder when conducting an investigation to determine whether a documentary transfer tax is imposed, the Controller, employees of the Controller for property tax postponement purposes, probate referees, employees of the Franchise Tax Board for tax administration purposes only, staff appraisers of the Department of Financial Institutions, the Department of Transportation, the Department of General Services, the State Board of Equalization, the State Lands Commission, the State Department of Social Services, the Department of Child Support Services, the Department of Water Resources, and other duly authorized legislative or administrative bodies of the state pursuant to their authorization to examine the records. Whenever the assessor discloses information, furnishes abstracts, or permits access to records in his or her office to staff appraisers of the Department of Financial Institutions, the Department of Transportation, the Department of General Services, the State Lands Commission, or the Department of Water Resources pursuant to this section, the department shall reimburse the assessor for any costs incurred as a result thereof.

(c) Upon the request of the tax collector, the assessor shall disclose and provide to the tax collector information used in the preparation of that portion of the unsecured roll for which the taxes thereon are delinquent. The tax collector shall certify to the assessor that he or she needs the information requested for the enforcement of the tax lien in collecting those delinquent taxes. Information requested by the tax collector may include social security numbers, and the assessor shall recover from the tax collector his or her actual and reasonable costs for providing the information. The tax collector shall add the costs described in the preceding sentence to the assessee's delinquent tax lien and collect those costs subject to subdivision (e) of Section 2922.

(d) The assessor shall, upon the request of an assessee or his or her designated representative, permit the assessee or representative to inspect or copy any market data in the assessor's possession. For purposes of this subdivision, "market data" means any information in the assessor's possession, whether or not required to be prepared or kept by him or her, relating to the sale of any property comparable to the property of the assessee, if the assessor bases his or her assessment of the assessee's property, in whole or in part, on that comparable sale or sales. The assessor shall provide the names of the seller and buyer of each property on which the

comparison is based, the location of that property, the date of the sale, and the consideration paid for the property, whether paid in money or otherwise. However, for purposes of providing market data, the assessor may not display any document relating to the business affairs or property of another.

(e) (1) With respect to information, documents, and records, other than market data as defined in subdivision (d), the assessor shall, upon request of an assessee of property, or his or her designated representative, permit the assessee or representative to inspect or copy all information, documents, and records, including auditors' narrations and workpapers, whether or not required to be kept or prepared by the assessor, relating to the appraisal and the assessment of the assessee's property, and any penalties and interest thereon.

(2) After enrolling an assessment, the assessor shall respond to a written request for information supporting the assessment, including, but not limited to, any appraisal and other data requested by the assessee.

(3) Except as provided in Section 408.1, an assessee, or his or her designated representative, may not be permitted to inspect or copy information and records that also relate to the property or business affairs of another, unless that disclosure is ordered by a competent court in a proceeding initiated by a taxpayer seeking to challenge the legality of the assessment of his or her property.

(f) (1) Permission for the inspection or copying requested pursuant to subdivision (d) or (e) shall be granted as soon as reasonably possible to the assessee or his or her designated representative.

(2) If the assessee, or his or her designated representative, requests the assessor to make copies of any of the requested records, the assessee shall reimburse the assessor for the reasonable costs incurred in reproducing and providing the copies.

(3) If the assessor fails to permit the inspection or copying of materials or information as requested pursuant to subdivision (d) or (e) and the assessor introduces any requested materials or information at any assessment appeals board hearing, the assessee or his or her representative may request and shall be granted a continuance for a reasonable period of time. The continuance shall extend the two-year period specified in subdivision (c) of Section 1604 for a period of time equal to the period of continuance.

(g) Upon the written request of the tax collector, the assessor shall provide to the tax collector information for the preparation and enforcement of Part 6 (commencing with Section 3351). The tax collector shall certify to the assessor that he or she needs the information to assist with the preparation and enforcement of Part 6 (commencing with Section 3351). The assessor shall provide the information, which may not include social security numbers. Any information provided to the tax collector pursuant to this subdivision shall not become a public record and shall not be open to public inspection. The tax collector shall reimburse the assessor for the actual and reasonable costs incurred by the assessor for providing the information to administer this subdivision. The tax collector shall add the costs described in the preceding sentence to the assessee's delinquent taxes and include the costs incurred subject to Sections 4112 and 4672.2.

Senate Bill 507, Chapter 708
Failure to file change in ownership statement: penalties
Effective 1/1/12

Section 480 of the Revenue and Taxation Code is amended to read:

480. (a) Whenever there occurs any change in ownership of real property or of a manufactured home that is subject to local property taxation and is assessed by the county assessor, the transferee shall file a signed change in ownership statement in the county where the real property or manufactured home is located, as provided for in subdivision (c). In the case of a change in ownership where the transferee is not locally assessed, no change in ownership statement is required.

(b) The personal representative shall file a change in ownership statement with the county recorder or assessor in each county in which the decedent owned real property at the time of death that is subject to probate proceedings. The statement shall be filed prior to or at the time the inventory and appraisal is filed with the court clerk. In all other cases in which an interest in real property is transferred by reason of death, including a transfer through the medium of a trust, the change in ownership statement or statements shall be filed by the trustee (if the property was held in trust) or the transferee with the county recorder or assessor in each county in which the decedent owned an interest in real property within 150 days after the date of death.

(c) Except as provided in subdivision (d), the change in ownership statement as required pursuant to subdivision (a) shall be declared to be true under penalty of perjury and shall give that information relative to the real property or manufactured home acquisition transaction as the board shall prescribe after consultation with the California Assessors' Association. The information shall include, but not be limited to, a description of the property, the parties to the transaction, the date of acquisition, the amount, if any, of the consideration paid for the property, whether paid in money or otherwise, and the terms of the transaction. The change in ownership statement shall not include any question that is not germane to the assessment function. The statement shall contain a notice informing the transferee of the property tax relief available under Section 69.5. The statement shall contain a notice that is printed, with the title in at least 12-point boldface type and the body in at least 8-point boldface type, in the following form:

“Important Notice”

“The law requires any transferee acquiring an interest in real property or manufactured home subject to local property taxation, and that is assessed by the county assessor, to file a change in ownership statement with the county recorder or assessor. The change in ownership statement must be filed at the time of recording or, if the transfer is not recorded, within ~~45 90~~ days of the date of the change in ownership, except that where the change in ownership has occurred by reason of death the statement shall be filed within 150 days after the date of death or, if the estate is probated, shall be filed at the time the inventory and appraisal is filed. The failure to file a change in ownership statement within ~~45 90~~ days from the date ~~of~~ a written request *is mailed* by the assessor results in a penalty of either: (1) one hundred dollars (\$100), or (2) 10 percent of the taxes applicable to the new base year value reflecting the change in ownership of the real property or manufactured home, whichever is greater, but not to exceed ~~two thousand five hundred dollars (\$2,500)~~ *five thousand dollars (\$5,000) if the property is eligible for the*

homeowners' exemption or twenty thousand dollars (\$20,000) if the property is not eligible for the homeowners' exemption if that failure to file was not willful. This penalty will be added to the assessment roll and shall be collected like any other delinquent property taxes, and be subject to the same penalties for nonpayment.”

(d) The change in ownership statement may be attached to or accompany the deed or other document evidencing a change in ownership filed for recording, in which case the notice, declaration under penalty of perjury, and any information contained in the deed or other transfer document otherwise required by subdivision (c) may be omitted.

(e) If the document evidencing a change in ownership is recorded in the county recorder's office, then the statement shall be filed with the recorder at the time of recordation. However, the recordation of the deed or other document evidencing a change in ownership shall not be denied or delayed because of the failure to file a change of ownership statement, or filing of an incomplete statement, in accordance with this subdivision. If the document evidencing a change in ownership is not recorded or is recorded without the concurrent filing of a change in ownership statement, then the statement shall be filed with the assessor no later than **45 90** days from the date the change in ownership occurs, except that where the change in ownership has occurred by reason of death the statement shall be filed within 150 days after the date of death or, if the estate is probated, shall be filed at the time the inventory and appraisal is filed.

(f) Whenever a change in ownership statement is filed with the county recorder's office, the recorder shall transmit, as soon as possible, the original statement or a true copy thereof to the assessor along with a copy of every recorded document as required by Section 255.7.

(g) **(1)** The change in ownership statement may be filed with the assessor through the United States mail, properly addressed with the postage prepaid.

(2) A change in ownership statement that is filed with the assessor, as authorized by paragraph (1), shall be deemed filed on either the date of the postmark affixed by the United States Postal Service containing the statement or on the date certified by a bona fide private courier service on the envelope containing the statement.

(h) In the case of a corporation, the change in ownership statement shall be signed either by an officer of the corporation or an employee or agent who has been designated in writing by the board of directors to sign those statements on behalf of the corporation. In the case of a partnership, limited liability company, or other legal entity, the statement shall be signed by an officer, partner, manager, or an employee or agent who has been designated in writing by the partnership, limited liability company, or legal entity.

(i) No person or entity acting for or on behalf of the parties to a transfer of real property shall incur liability for the consequences of assistance rendered to the transferee in preparation of any change in ownership statement, and no action may be brought or maintained against any person or entity as a result of that assistance.

Nothing in this section shall create a duty, either directly or by implication, that the assistance be rendered by any person or entity acting for or on behalf of parties to a transfer of real property.

Senate Bill 507, Chapter 708
Change in ownership statement: time period to file with State Board of Equalization
Effective 1/1/12

Section 480.1 of the Revenue and Taxation Code is amended to read:

480.1. (a) Whenever there is a change in control of any corporation, partnership, limited liability company, or other legal entity, as defined in subdivision (c) of Section 64, a signed change in ownership statement as provided for in subdivision (b), shall be filed by the person or legal entity acquiring ownership control of the corporation, partnership, limited liability company, or other legal entity with the board at its office in Sacramento within ~~45~~ **90** days from the date of the change in control of the corporation, partnership, limited liability company, or other legal entity. The statement shall list all counties in which the corporation, partnership, limited liability company, or legal entity owns real property.

(b) The change in ownership statement as required pursuant to subdivision (a), shall be declared to be true under penalty of perjury and shall give such information relative to the ownership control acquisition transaction as the board shall prescribe after consultation with the California Assessors' Association. The information shall include, but not be limited to, a description of the property owned by the corporation, partnership, limited liability company, or other legal entity, the parties to the transaction, and the date of the ownership control acquisition. The change in ownership statement shall not include any question which is not germane to the assessment function. The statement shall contain a notice that is printed, with the title at least 12-point boldface type and the body in at least 8-point boldface type, in the following form:

“Important Notice”

“The law requires any person or legal entity acquiring ownership control in any corporation, partnership, limited liability company, or other legal entity owning real property in California subject to local property taxation to complete and file a change in ownership statement with the State Board of Equalization at its office in Sacramento. The change in ownership statement must be filed within ~~45~~ **90** days from the date of the change in control of a corporation, partnership, limited liability company, or other legal entity. The law further requires that a change in ownership statement be completed and filed whenever a written request is made therefor by the State Board of Equalization, regardless of whether a change in control of the legal entity has occurred. The failure to file a change in ownership statement within ~~45~~ **90** days from the earlier of the date of the change in control of the corporation, partnership, limited liability company, or other legal entity, or the date of a written request by the State Board of Equalization, results in a penalty of 10 percent of the taxes applicable to the new base year value reflecting the change in control of the real property owned by the corporation, partnership, limited liability company, or legal entity (or 10 percent of the current year's taxes on that property if no change in control occurred). This penalty will be added to the assessment roll and shall be collected like any other delinquent property taxes, and be subject to the same penalties for nonpayment.”

(c) In the case of a corporation, the change in ownership statement shall be signed either by an officer of the corporation or an employee or agent who has been designated in writing by the board of directors to sign such statements on behalf of the corporation. In the case of a partnership, limited liability company, or other legal entity, the statement shall be signed by an

officer, partner, manager, or an employee or agent who has been designated in writing by the partnership, limited liability company, or legal entity.

(d) No person or entity acting for or on behalf of the parties to a transfer of real property shall incur liability for the consequences of assistance rendered to the transferee in preparation of any change in ownership statement, and no action may be brought or maintained against any person or entity as a result of that assistance.

Nothing in this section shall create a duty, either directly or by implication, that such assistance be rendered by any person or entity acting for or on behalf of parties to a transfer of real property.

(e) The board or assessors may inspect any and all records and documents of a corporation, partnership, limited liability company, or legal entity to ascertain whether a change in control as defined in subdivision (c) of Section 64 has occurred. The corporation, partnership, limited liability company, or legal entity shall upon request, make those documents available to the board during normal business hours.

Senate Bill 507, Chapter 708

Change in ownership statement: time period to file with State Board of Equalization Effective 1/1/12

Section 480.2 of the Revenue and Taxation Code is amended to read:

480.2. (a) Whenever there is a change in ownership of any corporation, partnership, limited liability company, or other legal entity, as defined in subdivision (d) of Section 64, a signed change in ownership statement as provided in subdivision (b) shall be filed by the corporation, partnership, limited liability company, or other legal entity with the board at its office in Sacramento within ~~45~~ **90** days from the date of the change in ownership of the corporation, partnership, limited liability company, or other legal entity. The statement shall list all counties in which the corporation, partnership, limited liability company, or legal entity owns real property.

(b) The change in ownership statement required pursuant to subdivision (a) shall be declared to be true and under penalty of perjury and shall give such information relative to the ownership interest acquisition transaction as the board shall prescribe after consultation with the California Assessors' Association. The information shall include, but not be limited to, a description of the property owned by the corporation, partnership, limited liability company, or other legal entity, the parties to the transaction, the date of the ownership interest acquisition, and a listing of the "original coowners" of the corporation, partnership, limited liability company, or other legal entity prior to the transaction. The change in ownership statement shall not include any question which is not germane to the assessment function. The statement shall contain a notice that is printed, with the title in at least 12-point boldface type and the body in at least 8-point boldface type, in the following form:

"Important Notice"

"The law requires any corporation, partnership, limited liability company, or other legal entity owning real property in California subject to local property taxation and transferring shares or other ownership interest in such legal entity which constitute a change in ownership pursuant to

subdivision (d) of Section 64 of the Revenue and Taxation Code to complete and file a change in ownership statement with the State Board of Equalization at its office in Sacramento. The change in ownership statement must be filed within ~~45 90~~ days from the date that shares or other ownership interests representing cumulatively more than 50 percent of the total control or ownership interests in the entity are transferred by any of the original coowners in one or more transactions. The law further requires that a change in ownership statement be completed and filed whenever a written request is made therefor by the State Board of Equalization, regardless of whether a change in ownership of the legal entity has occurred. The failure to file a change in ownership statement within ~~45 90~~ days from the earlier of the date of the change in ownership of the corporation, partnership, limited liability company, or other legal entity, or the date of a written request by the Board of Equalization, results in a penalty of 10 percent of the taxes applicable to the new base year value reflecting the change in ownership of the real property owned by the corporation, partnership, limited liability company, or legal entity (or 10 percent of the current year's taxes on that real property if no change in ownership occurred). This penalty will be added to the assessment roll and shall be collected like any other delinquent property taxes, and be subject to the same penalties for nonpayment.”

(c) In the case of a corporation, the change in ownership statement shall be signed either by an officer of the corporation or an employee or agent who has been designated in writing by the board of directors to sign such statements on behalf of the corporation. In the case of a partnership, limited liability company, or other legal entity, the statement shall be signed by an officer, partner, manager, or an employee or agent who has been designated in writing by the partnership, limited liability company, or legal entity.

(d) No person or entity acting for or on behalf of the parties to a transfer of real property shall incur liability for the consequences of assistance rendered to the transferee in preparation of any change in ownership statement, and no action may be brought or maintained against any person or entity as a result of that assistance.

Nothing in this section shall create a duty, either directly or by implication, that such assistance be rendered by any person or entity acting for or on behalf of parties to a transfer of real property.

(e) The board or assessors may inspect any and all records and documents of a corporation, partnership, limited liability company, or legal entity to ascertain whether a change in ownership as defined in subdivision (d) of Section 64 has occurred. The corporation, partnership, limited liability company, or legal entity shall upon request, make those documents available to the board during normal business hours.

Senate Bill 507, Chapter 708
Failure to file change in ownership statement: penalties
Effective 1/1/12

Section 482 of the Revenue and Taxation Code is amended to read:

482. (a) *(1)* If a person or legal entity required to file a statement described in Section 480 fails to do so within ~~45 90~~ days from the date ~~of~~ a written request *is mailed* by the assessor, a penalty of either: ~~(1)~~ *(A)* one hundred dollars (\$100), or ~~(2)~~ *(B)* 10 percent of the taxes applicable to the new base year value reflecting the change in ownership of the real property or manufactured home, whichever is greater, but not to exceed ~~two thousand five hundred dollars~~

~~(\$2,500)~~ **five thousand dollars (\$5,000) if the property is eligible for the homeowners' exemption or twenty thousand dollars (\$20,000) if the property is not eligible for the homeowners' exemption** if the failure to file was not willful, shall, except as otherwise provided in this section, be added to the assessment made on the roll. The penalty shall apply for failure to file a complete change in ownership statement notwithstanding the fact that the assessor determines that no change in ownership has occurred as defined in Chapter 2 (commencing with Section 60) of Part 0.5. The penalty may also be applied if after a request the transferee files an incomplete statement and does not supply the missing information upon a second request.

(2) The assessor shall mail the written request specified in paragraph (1) to the mailing address of the transferee as provided by subdivision (f).

(b) If a person or legal entity required to file a statement described in Section 480.1 or 480.2 fails to do so within ~~45~~ **90** days from the earlier of (1) the date of the change in control or the change in ownership of the corporation, partnership, limited liability company, or other legal entity, or (2) the date of a written request by the State Board of Equalization, a penalty of 10 percent of the taxes applicable to the new base year value reflecting the change in control or change in ownership of the real property owned by the corporation, partnership, or legal entity, or 10 percent of the current year's taxes on that property if no change in control or change in ownership occurred, shall be added **by the county assessor** to the assessment made on the roll. The penalty shall apply for failure to file a complete statement **with the board** notwithstanding the fact that the board determines that no change in control or change in ownership has occurred as defined in subdivision (c) or (d) of Section 64. The penalty may also be applied if after a request the person or legal entity files an incomplete statement and does not supply the missing information upon ~~a second request~~ **that second request to complete the statement**. That penalty shall be in lieu of the penalty provisions of subdivision (a).

(c) The penalty for failure to file a timely statement pursuant to Sections 480, 480.1, and 480.2 for any one transfer may be imposed only one time, even though the assessor may initiate a request as often as he or she deems necessary.

(d) The penalty shall be added to the roll in the same manner as a special assessment and treated, collected, and subject to the same penalties for the delinquency as all other taxes on the roll in which it is entered.

(1) When the transfer to be reported under this section is of a portion of a property or parcel appearing on the roll during the fiscal year in which the ~~45-day~~ **90-day** period expires, the current year's taxes shall be prorated so the penalty will be computed on the proportion of property which has transferred.

(2) Any penalty added to the roll pursuant to this section between January 1 and June 30 may be entered either on the unsecured roll or the roll being prepared. After January 1, the penalty may be added to the current roll only with the approval of the tax collector.

(3) If the property is transferred or conveyed to a bona fide purchaser for value or becomes subject to a lien of a bona fide encumbrancer for value after the transfer of ownership resulting in the imposition of the penalty and before the enrollment of the penalty, the penalty shall be entered on the unsecured roll in the name of the transferee whose failure to file the change in ownership statement resulted in the imposition of the penalty.

(e) When a penalty imposed pursuant to this section is entered on the unsecured roll, the tax collector may immediately file a certificate authorized by Section 2191.3.

(f) Notice of any penalty added to either the secured or unsecured roll pursuant to this section, **which shall identify the parcel or parcels for which the penalty is assessed, and the written request to file a statement specified in subdivision (a), which shall identify the real property or**

manufactured home for which the statement is required to be filed, shall be mailed by the assessor to the transferee at his or her address contained in any recorded instrument or document evidencing a transfer of an interest in real property or manufactured home or ~~at any address reasonably known to the assessor~~ the address specified for mailing tax information contained in the preliminary change in ownership report. If the transferee has subsequently notified the assessor of a change in address for mailing tax information, the assessor shall mail the notice of any penalty, or the written request to file a statement specified in subdivision (a), to this address. If there is no address specified for mailing tax information on either the recorded instrument, the document evidencing a transfer of an interest in real property or manufactured home, or on the filed preliminary change in ownership report, and the transferee has not provided an address for purposes of mailing tax information, the assessor shall mail the notice of any penalty, or the written request to file a statement specified in subdivision (a), to the transferee at any address reasonably known to the assessor.

Senate Bill 947, Chapter 351
Failure to file ownership statement due to reasonable cause
Effective 1/1/12

Section 483 of the Revenue and Taxation Code is amended to read:

483. (a) If the assessee establishes to the satisfaction of the county board of ~~supervisors equalization or the assessment appeals board~~ that the failure to file the change in ownership statement within the time required by subdivision (a) of Section 482 was due to reasonable cause and not due to willful neglect, and has filed the statement with the assessor, the county board of ~~supervisors equalization or the assessment appeals board~~ may order the penalty abated, provided the assessee has filed with the county board of ~~supervisors equalization or the assessment appeals board~~ a written application for abatement of the penalty no later than 60 days after the date on which the assessee was notified of the penalty. If the penalty is abated it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

(b) The provisions of subdivision (a) shall not apply in any county in which the board of supervisors adopts a resolution to that effect. In that county the penalty provided for in subdivision (a) of Section 482 shall be abated if the assessee files the change of ownership statement with the assessor no later than 60 days after the date on which the assessee was notified of the penalty. If the penalty is abated it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

(c) If a person or legal entity establishes to the satisfaction of the county board of ~~supervisors equalization or the assessment appeals board~~ that the failure to file the change in ownership statement within the time required by subdivision (b) of Section 482 was due to reasonable cause and not due to willful neglect, and has filed the statement with the State Board of Equalization, the county board of ~~supervisors equalization or the assessment appeals board~~ may order the penalty be abated, provided the person or legal entity has filed with the county board of ~~supervisors equalization or the assessment appeals board~~ a written application for abatement of

the penalty no later than 60 days after the date on which the person or legal entity was notified of the penalty by the assessor.

If the penalty is abated by the county board of ~~supervisors~~ *equalization or the assessment appeals board*, it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

Senate Bill 948, Chapter 352
Taxes paid under protest
Effective 1/1/12

Section 620 of the Revenue and Taxation Code is amended to read:

620. If the assessor does not send a notice pursuant to Section 619 or Section 621 to an assessee whose property was not on the prior year's secured roll, or to an assessee of real property on the local secured roll whose property's full value has increased, then ~~such the~~ assessee may pay taxes under protest. If payments are made in installments, the protest need not be repeated with the second installment. Protests shall be made by filing with the ~~tax collector, together with the payment of the taxes or their first installment~~ *clerk of the county board*, a petition for assessment reduction on the form prescribed by the county board, ~~which form the collector is to forward to the clerk of the county board with the notation that taxes were paid under protest pursuant to this section.~~ The county board may, after receipt of the petition for assessment reduction ~~from the tax collector~~, hold a public hearing at the next regular board meeting, notice of time and place of which shall be sent to the person paying the tax under protest at the address stated in the protest or if no such address is stated, then to the address of the assessee according to the last equalized assessment roll. If the taxes are so paid and the assessee has not previously applied for a reduction of the assessment, the county board, at its next annual meeting as an equalization board, shall ~~thereupon~~ equalize ~~such the~~ assessment in the manner prescribed by Article 1 (commencing with Section 1601) of Chapter 1 of Part 3 of this division.

The tax rate fixed for property on the roll on which the property so equalized appears at the time of its original assessment shall be applied to the amount of the equalized assessment, determined in accordance with the preceding paragraph. In the event that the resulting figure is less than the tax ~~theretofore~~ computed, the taxpayer shall be liable for tax only for the lesser amount, and the difference shall be canceled. If the taxpayer has already paid the tax previously computed, ~~such the~~ difference shall be refunded to him *or her* pursuant to Chapter 5 (commencing with Section 5096) of Part 9 of this division, as an erroneously collected tax.

If any taxes are paid under protest pursuant to this section, the taxing agency to which the taxes are paid may, in accordance with Section 26906.1 of the Government Code, impound ~~such those~~ taxes until the final disposition of the claim or action respecting the protest. No ~~such~~ impounding *of taxes* is required.

**Senate Bill 947, Chapter 351
Certified aircraft: definition
Effective 1/1/12**

Section 1150 of the Revenue and Taxation Code is amended to read:

1150. As used in this article, “certificated aircraft” means aircraft operated by an air carrier or foreign air carrier engaged in air transportation, as defined in ~~subdivisions (3), (5), (10), and (19) of Section 101 of Title I of the “Federal Aviation Act of 1958” (P.L. 85-726; 72 Stat. 731) Section 40102(a)(2), (5), (6), and (21) of Title 49 of the United States Code~~, while there is in force a certificate or permit issued by the ~~Civil Aeronautics Board of the United States Federal Aviation Administration~~, or its successor, ~~or a certificate or permit issued by the California Public Utilities Commission, or its successor~~, authorizing such air carrier to engage in such transportation.

**Senate Bill 947, Chapter 351
Air taxi: definition
Effective 1/1/12**

Section 1154 of the Revenue and Taxation Code is amended to read:

1154. (a) As used in this section, “air taxi” means aircraft used by an air carrier which does not utilize aircraft having a maximum passenger capacity of more than 30 seats or a maximum payload capacity of more than 7,500 pounds in air transportation and which does not hold a certificate of public convenience and necessity or other economic authority issued by the ~~Civil Aeronautics Board of the United States Federal Aviation Administration~~, or its successor, ~~or by the California Public Utilities Commission, or its successor~~.

(b) Air taxis which are operated in scheduled air taxi operations are not subject to the provisions of Part 10 (commencing with Section 5301) of this division and shall be assessed in accordance with the allocation formula set forth in Section 1152.

(c) All other air taxis shall be assessed in the county where the aircraft is habitually situated in the same manner and at the same ratio as other personal property in the county subject to general property taxation. Such aircraft shall be taxed at the same rate and in the same manner as all other property on the unsecured roll.

**Senate Bill 948, Chapter 352
Discharge of Accountability
Effective 1/1/12**

Section 2611.1 of the Revenue and Taxation Code is amended to read:

2611.1. Any county department, officer, or employee charged by law with the collection of any county tax assessment, penalty or cost, license fees or money owing the county for any reason, that is due and payable, may file a verified application with the board *of supervisors* for a

discharge from accountability for the collection of the tax assessment, penalty or cost, license fees or money owing the county for any reason ~~if the amount is so small as not to justify the cost of collection or if collection enforcement is impractical. The board of supervisors may adopt, with the approval of a majority of its entire membership, a resolution that authorizes and designates the county auditor as the officer to exercise the authority of the board under this section. No discharge from accountability obtained pursuant to this section shall be construed to release any person other than the person who obtained that discharge from an obligation to pay amounts that are due and owing in accordance with Sections 25257, 25258, 25259, and 25259.5 of the Government Code.~~

Senate Bill 947, Chapter 351
Application for separate valuation: time period to file
Effective 1/1/12

Section 2821 of the Revenue and Taxation Code is amended to read:

2821. Any person filing an affidavit of interest may apply to the tax collector to have any parcel separately valued on the current roll for the purpose of paying taxes. A county may, upon approval of the board of supervisors, require that the applicant notify the property owner.

The application shall be made during the current fiscal year, and shall set forth the fact that a duly executed and recorded deed, purchase contract, deed of trust, mortgage, or final decree of court describes the parcel sought to be separately valued. A county may, upon approval of the board of supervisors, ~~prohibit~~ **allow** these applications ~~during the 10 working days preceding each tax installment delinquency date and during the 10 working days preceding June 30 of each year between July 1 and March 31.~~

The application may request that the tax created by the assessment of personal property, or leasehold improvements, or possessory interests on the whole assessment be allowed to remain as a lien on the parcel sought to be separately valued.

If any lien not determined by the application of a tax rate on a valuation of property has been levied or placed on the whole assessment, the application may be accompanied by the certification of the taxing agency or revenue district authorized by law to levy or place the lien, setting forth the specific amount of that portion of the lien levied or placed on the whole assessment which is to continue to be levied or placed on the parcel sought to be separately valued.

The board of supervisors may provide that a parcel with a lien against it and other property, pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code) or the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) will not be separately valued unless a request has been made to the agency levying the bond lien for a division of land and bond. A copy of the requested division of land and bond shall accompany the request for separate property tax valuation.

Any separations of property pursuant to this section are for valuing property for tax purposes only, and are not intended to create a legal building site or to supersede requirements pursuant to zoning, building, lot split, or subdivision ordinances.

Once created, an individual interest parcel may be entered as a separate assessment on subsequent assessment rolls until the time that ownership of the interest is conveyed or until the original applicant or his or her agent requests that the parcel be recombined.

Upon authorization by ordinance by the board of supervisors, the county may charge a fee for actual costs incurred for the processing of an application for separate assessment, and the initial and ongoing costs of separate assessment, billings, and mailings. Fees shall be subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and may be billed separately or prior to initial separate tax bills, or both, or collected on subsequent tax bills, and shall be deposited in the county's general fund.

Senate Bill 948, Chapter 352
Discharge of Accountability
Effective 1/1/12

Section 2923 of the Revenue and Taxation Code is amended to read:

2923. Any ~~tax collector~~ *county department, officer, or employee* charged by law with the collection of any delinquent taxes on unsecured property may file a verified application with the board of supervisors for a discharge from accountability for the collection of the taxes, penalty, ~~and~~ interest, ~~and or~~ any other charge pertaining thereto, ~~if the amount is so small as to not justify the cost of collection or if collection enforcement is impractical in accordance with Sections 25257, 25258, 25259, and 25259.5 of the Government Code.~~

Senate Bill 948, Chapter 352
Removal of a parcel from a tax sale
Effective 1/1/12

Section 3698.8 of the Revenue and Taxation Code is amended to read:

3698.8. The tax collector, upon the recommendation of county counsel, may remove a parcel from the tax sale if it is deemed the removal is in the best interest of the county. ~~The tax collector shall notify the controller, in writing, whenever a parcel is removed from a tax sale.~~

Assembly Bill 902, Chapter 208
Cost to make personal contact
Effective 1/1/12

Section 3704.7 of the Revenue and Taxation Code is amended to read:

3704.7. (a) In the case of a property that is the primary residence of the last known assessee, as indicated by either a valid homeowner's exemption on file with the county assessor in the name of the last known assessee, or the fact that the mailing address for the last tax bill is the same address as the property, the tax collector or his or her agent shall, in addition to any other

notice required by this chapter, make a reasonable effort to contact in person, not more than 120 days or less than 10 days prior to the date of the sale, the owner-occupant of that property. In the course of the personal contact, the tax collector, or his or her agent, shall inform the owner-occupant of the following:

- (1) That the property, if not redeemed, shall be offered for sale at a public auction.
- (2) His or her redemption rights pursuant to Part 7 (commencing with Section 4101).

(b) If the personal contact described in subdivision (a) is not made after reasonable efforts, the tax collector or his or her agent shall attempt to serve written notice, no less than five days prior to the date of the sale, with respect to the fact of the sale and the requirement that the tax collector be contacted immediately with respect to redemption of the property.

(c) The amount of the actual and reasonable costs incurred by the tax collector, or his or her agent, or both, in complying with the requirements of subdivisions (a) and (b), ~~not to exceed one hundred dollars (\$100)~~ **as established pursuant to the requirements of Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code**, shall be added to the required amount for redemption of the property.

(d) No transfer of title shall be invalidated by reason of failure to comply with the requirements of this section.

Assembly Bill 261, Chapter 288
Liens and encumbrances: prescriptive easements
Effective 1/1/12

Section 3712 of the Revenue and Taxation Code is amended to read:

3712. The deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, except:

- (a) Any lien for installments of taxes and special assessments, that installments will become payable upon the secured roll after the time of the sale.
- (b) The lien for taxes or assessments or other rights of any taxing agency that does not consent to the sale under this chapter.
- (c) Liens for special assessments levied upon the property conveyed that were, at the time of the sale under this chapter, not included in the amount necessary to redeem the tax-defaulted property, and, where a taxing agency that collects its own taxes has consented to the sale under this chapter, not included in the amount required to redeem from sale to the taxing agency.
- (d) Easements **of any kind, including prescriptive**, constituting servitudes upon or burdens to the property; water rights, the record title to which is held separately from the title to the property; and restrictions of record.
- (e) Unaccepted, recorded, irrevocable offers of dedication of the property to the public or a public entity for a public purpose, and recorded options of any taxing agency to purchase the property or any interest therein for a public purpose.

(f) Unpaid assessments under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) that are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8, or that are being collected through a foreclosure action pursuant to Part 14 (commencing with Section 8830) of Division 10 of the Streets and Highways Code. A sale pursuant to this chapter

shall not nullify, eliminate, or reduce the amount of a foreclosure judgment pursuant to Part 14 (commencing with Section 8830) of Division 10 of the Streets and Highways Code.

(g) Any federal Internal Revenue Service liens that, pursuant to provisions of federal law, are not discharged by the sale, even though the tax collector has provided proper notice to the Internal Revenue Service before that date.

(h) Unpaid special taxes under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code) that are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8, or that are being collected through a foreclosure action pursuant to Section 53356.1 of the Government Code. A sale pursuant to this chapter shall not nullify, eliminate, or reduce the amount of a foreclosure judgment pursuant to Section 53356.1 of the Government Code.

Assembly Bill 261, Chapter 288
Contesting the validity of a tax sale
Effective 1/1/12

Section 3725 of the Revenue and Taxation Code is amended to read:

3725. (a) A proceeding based on alleged invalidity or irregularity of any proceedings instituted under this chapter can only be commenced ~~within one year after the date of execution of the tax collector's deed.~~ *in a court if both of the following are satisfied:*

(1) The person commencing the proceeding has first petitioned the board of supervisors pursuant to Section 3731 within one year of the date of the execution of the tax collector's deed.

(2) The proceeding is commenced within one year of the date the board of supervisors determines that a tax deed sold under this part should not be rescinded pursuant to Section 3731.

Sections

(b) Sections 351 to 358, inclusive, of the Code of Civil Procedure do not apply to the time within which a proceeding may be brought under this section.

(c) The amendments made to this section by the act adding this subdivision shall apply to sales that are completed on or after January 1, 2012.

Assembly Bill 261, Chapter 288
Contesting the validity of a tax sale
Effective 1/1/12

Section 3731 of the Revenue and Taxation Code is amended to read:

3731. (a) When a tax deed to a purchaser of property sold by the tax collector pursuant to this part is recorded and it is determined that the property should not have been sold, the sale may be rescinded by the board of supervisors with the written consent of the county legal adviser and the purchaser of the property or a successor in interest in the property, except a bona fide purchaser for value, under any of the following circumstances:

(1) The property has not been transferred or conveyed by the purchaser at the tax sale to a bona fide purchaser for value.

(2) The property has not become subject to a bona fide encumbrance for value subsequent to the recordation of the tax deed.

(b) If the written consent of the purchaser of the property or a successor in interest is not obtained pursuant to subdivision (a), the sale may be rescinded by the board of supervisors pursuant to the circumstances specified in subdivision (a), if both of the following conditions are met:

(1) Notwithstanding Section 3731.1, a hearing is scheduled before the board of supervisors.

(2) (A) A notification is provided to the purchaser of the property or a successor in interest that contains all of the following information:

(i) The date, time, and place of the hearing.

(ii) A description of the property that was sold.

(iii) The reason for rescinding the sale of the property.

(iv) A statement that a refund will be issued to the purchaser of the property or the successor in interest, if applicable, for the purchase amount of the property plus interest at the county pool apportioned rate as specified in Section 5151 from the date of the purchase of the property.

(B) The tax collector shall send the notice, not less than 45 days prior to the date of the hearing, to the purchaser of the property or a successor in interest by certified mail with return receipt requested. The notice shall be sent to the last known mailing address of the purchaser of the property or a successor in interest.

(c) When the sale of tax-defaulted property is rescinded pursuant to this section, the purchaser or a successor in interest is entitled to a refund of the amount paid as the purchase price plus interest at the county pool apportioned rate as specified in Section 5151 from the date of the purchase of the property after rescission of the tax deed is recorded.

(d) The rescission shall be executed by the county tax collector and, if rescinded pursuant to subdivision (a), also by the purchaser or a successor in interest. The signature of both the county tax collector and the purchaser or a successor in interest shall be acknowledged by the county clerk, without charge, and the county tax collector shall then record the rescission with the county recorder, without charge. When the rescission is recorded, the tax deed becomes null and void as though never issued and all provisions of law relating to tax-defaulted property shall apply to the property.

(e) The holder of a tax certificate who received all or any part of the amount paid by the purchaser or a successor in interest shall not be obligated to make any refund or repayment of any amount to the purchaser, the delinquent taxpayer, the county, or any other person. The tax collector may use amounts on deposit in the Tax Certificate Redemption Fund to make the refund, but only to the extent those amounts were paid to the holder of the applicable tax certificate.

(f) Subdivision (b) shall apply to sales that are completed on or after January 1, 2010.

(g) A proceeding may be commenced in a court pursuant to Section 3725 only if the person commencing the proceeding first petitions the board of supervisors to rescind the sale of a tax deed pursuant to this section.

Assembly Bill 902, Chapter 208
Costs of obtaining names and addresses of parties of interest
Effective 1/1/12

Section 4112 of the Revenue and Taxation Code is amended to read:

4112. (a) When tax-defaulted property subject to the notice recorded under Section 3691.4 is redeemed, the tax collector shall collect all of the following, in addition to the amount required to redeem:

(1) A fee ~~of thirty-five dollars (\$35) that shall be distributed to the county general fund~~ to reimburse the county for its ~~cost of actual and reasonable costs incurred in~~ obtaining the names and last known mailing addresses of, and for mailing notices required by ~~Section Sections~~ **Sections 3701 and 3799** to, parties of interest as defined by Section 4675, **which shall be distributed to the county general fund.**

(2) A fee in the amount required by Section 27361.3 of the Government Code that shall be distributed to the county recorder for the cost of recordation of a rescission of the notice, as required by subdivision (c).

(3) A fee of one hundred fifty dollars (\$150) if redemption is within 90 days of the proposed date for the tax sale of the redeemed property. In the case of unsold ~~tax sale tax-defaulted~~ properties remaining on the abstract after the tax sale, the fee shall become a part of the redemption amount and collectible whenever the property is redeemed. The fee shall be distributed to the county general fund to reimburse the county for costs incurred by the county in preparing to conduct that sale.

(4) The amount described in subdivision (c) of Section 3704.7 to reimburse the county for the cost of a personal contact required by that section.

(b) Notwithstanding subdivision (a), if the tax-defaulted property is redeemed prior to the proposed sale, but after the county has incurred notice or publication costs pursuant to Section 3702 *or* 3798 in connection with a notice of intended sale, a fee in an amount reasonably necessary to reimburse the tax collector for those costs may be collected.

(c) When tax-defaulted property subject to the notice recorded under Section 3691.4 is redeemed, the notice becomes null and void and the tax collector shall execute and record with the county recorder a rescission of the notice in the form prescribed by the Controller. The rescission shall be acknowledged by the county clerk, without charge.

(d) ~~Any~~ **The amount of any** fee imposed under paragraph (1) of subdivision (a) or subdivision (b) shall be ~~subject to the requirements of Section 54986~~ **established by the board of supervisors of the county and shall be subject to the requirements of Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5** of the Government Code.

Assembly Bill 902, Chapter 208
Costs of giving notice
Effective 1/1/12

Section 4672.2 of the Revenue and Taxation Code is amended to read:

4672.2. There shall be distributed to the county general fund *any fee collected* to reimburse the county for ~~the cost of its actual and reasonable costs incurred in~~ giving notice pursuant to ~~Section Sections~~ 3701 ~~thirty-five dollars (\$35)~~ and 3799 for all or any portion of each separately valued parcel of real property subject to a power of sale pursuant to Section 3691 and sold to private parties or to taxing agencies. ~~Thirty-five dollars (\$35)~~ *The notice fee* for property sold shall be paid from the total amount to be distributed after satisfaction of the amounts specified in Sections 4672 and 4672.1. If the amount is insufficient, the ~~thirty-five dollars (\$35)~~ *notice fee* shall be reduced accordingly.

Assembly Bill 902, Chapter 208
Costs of making personal contact
Effective 1/1/12

Section 4672.3 of the Revenue and Taxation Code is amended to read:

4672.3. (a) To reimburse the county for the costs of a personal contact, there shall be distributed to the tax collector a sum equal to the total amount of *the actual and reasonable costs* ~~of incurred by~~ the tax collector, ~~but not to exceed one hundred dollars (\$100), incurred~~ in conducting the personal contact pursuant to Section 3704.7, for all or any portion of each separately valued parcel of real property subject to a power of sale and sold to private parties or a taxing agency.

(b) The amount of the costs shall be paid from the total amount to be distributed from the sold property, after satisfaction of the amount specified in Section 4672. If, after satisfaction of the amount specified in Section 4672, there are insufficient funds to pay the costs specified in subdivision (a), the costs shall be reduced accordingly.

Senate Bill 948, Chapter 352
Claiming excess proceeds: parties of interest
Effective 1/1/12

Section 4675 of the Revenue and Taxation Code is amended to read:

4675. (a) Any party of interest in the property may file with the county a claim for the excess proceeds, in proportion to his or her interest held with others of equal priority in the property at the time of sale, at any time prior to the expiration of one year following the recordation of the tax collector's deed to the purchaser.

(b) After the property has been sold, a party of interest in the property at the time of the sale may assign his or her right to claim the excess proceeds only by a dated, written instrument that explicitly states that the right to claim the excess proceeds is being assigned, and only after each

party to the proposed assignment has disclosed to each other party to the proposed assignment all facts of which he or she is aware relating to the value of the right that is being assigned. Any attempted assignment that does not comply with these requirements shall have no effect. This paragraph shall apply only with respect to assignments on or after the effective date of this paragraph.

(c) Any person or entity who in any way acts on behalf of, or in place of, any party of interest with respect to filing a claim for any excess proceeds shall submit proof with the claim that the amount **and source** of excess proceeds ~~has~~ **have** been disclosed to the party of interest and that the party of interest has been advised of his or her right to file a claim for the excess proceeds on his or her own behalf **directly with the county at no cost**.

(d) The claims shall contain any information and proof deemed necessary by the board of supervisors to establish the claimant's rights to all or any portion of the excess proceeds.

(e) No sooner than one year following the recordation of the tax collector's deed to the purchaser, and if the excess proceeds have been claimed by any party of interest as provided herein, the excess proceeds shall be distributed on order of the board of supervisors to the parties of interest who have claimed the excess proceeds in the order of priority set forth in subdivisions (a) and (b). For the purposes of this article, parties of interest and their order of priority are:

(1) First, lienholders of record prior to the recordation of the tax deed to the purchaser in the order of their priority.

(2) Second, any person with title of record to all or any portion of the property prior to the recordation of the tax deed to the purchaser.

(f) In the event that a person with title of record is deceased at the time of the distribution of the excess proceeds, the heirs may submit an affidavit pursuant to Chapter 3 (commencing with Section 13100) of Part 1 of Division 8 of the Probate Code, to support their claim for excess proceeds.

(g) Any action or proceeding to review the decision of the board of supervisors shall be commenced within 90 days after the date of that decision of the board of supervisors.

Senate Bill 948, Chapter 352
Notice of the right to claim excess proceeds: publication
Effective 1/1/12

Section 4676 of the Revenue and Taxation Code is amended to read:

4676. (a) When excess proceeds from the sale of tax-defaulted property ~~exceeds~~ **exceed** one hundred fifty dollars (\$150), the county shall provide notice of the right to claim the excess proceeds, as provided in this section.

(b) No later than 90 days after the sale of the property, the county shall mail written notice of the right to claim excess proceeds to the last known mailing address of parties of interest, as defined in Section 4675. The county shall make a reasonable effort to obtain the name and last known mailing address of parties of interest.

(c) If the last known address of a party of interest cannot be obtained, the county shall publish notice of the right to claim excess proceeds in a newspaper of general circulation in the county. **Publication is not required if the cost to publish is equal to or greater than the amount of the excess proceeds.** The notice shall be published once a week for three successive weeks and shall commence no later than 90 days after the sale of the property.

(d) The cost of obtaining the name and last known mailing address of parties of interest and of mailing or publishing the notices required under this section shall be deducted from the excess proceeds and shall be distributed to the county general fund.

Senate Bill 947, Chapter 351
Corrections: decline in value
Effective 1/1/12

Section 4831 of the Revenue and Taxation Code is amended to read:

4831. Incorrect entries on a roll may be corrected under this article as follows:

(a) (1) Any error or omission not involving the exercise of assessor value judgment may be corrected within four years after the making of the assessment being corrected.

(2) Notwithstanding paragraph (1), the four-year limit shall not apply to escape assessments caused by the assessee's failure to report the information required by Article 2 (commencing with Section 441) of Chapter 3 of Part 2.

(b) Any error or omission not involving the exercise of assessor value judgment that is discovered as a result of any audit may be corrected within six months after the completion of the audit.

(c) Any error or omission involving the exercise of assessor value judgment that arises solely from a failure to reflect a decline in the taxable value of real property, *floating homes subject to taxation pursuant to Section 229, and manufactured homes subject to taxation under Part 13 (commencing with Section 5800)*, as required by paragraph (2) of subdivision (a) of Section 51 shall only be corrected within one year after the making of the assessment that is being corrected.

(d) Taxes that are not a lien or charge on the property assessed may be transferred from the secured roll to the unsecured roll of the corresponding year by the county auditor. These taxes shall be collected in the same manner as other delinquent taxes on the unsecured roll and shall be subject to delinquent penalties in the same manner as taxes transferred to the unsecured roll under Section 5090. The statute of limitations for the collection of those taxes shall commence to run from the date of transfer.

Senate Bill 948, Chapter 352
Errors in mandatory publication: republication
Effective 1/1/12

Section 4842 of the Revenue and Taxation Code is amended to read:

4842. (a) *If the error or defect is discovered after the time required for the original publication, the publication may be republished within 60 days of the original time period required. The republication shall not adversely affect the right of a taxpayer, assessee, or other private party in a material way.*

~~The publication~~

(b) *The republication shall be made in the same manner as the original publication, and for not less than one week.*

Senate Bill 948, Chapter 352
Payment on wrong property
Effective 1/1/12

Section 4911 of the Revenue and Taxation Code is amended to read:

4911. (a) If an assessee or agent of the assessee, by mistake, pays the tax on other than the property intended and by substantial evidence convinces the tax collector that the payment was intended for another property, the tax collector shall cancel the credit on the unintended property and transfer the payment to the property intended as prescribed in this article at any time before a guaranty or certificate of title issues respecting the unintended property and before two years have elapsed since the date of payment.

(b) If through no fault of the assessee or agent of the assessee, a tax payment is credited to property other than the property intended and the taxpayer by substantial evidence convinces the tax collector that the payment should have been credited to another property, the tax collector shall cancel the credit on the unintended property and transfer the payment to the property intended as prescribed in this article at any time before a guaranty or certificate of title issues respecting the unintended property and before two years have elapsed since the date of the payment.

(c) If any person mistakenly pays an amount of tax and there is no property of that person in the county to which that payment properly applies, the tax collector shall, by being convinced upon substantial evidence that the payment was a mistake, cancel the payment and return the amount paid to that person, as prescribed in this article at any time before a guaranty or certificate of title issues respecting the unintended property and before two years have elapsed since the date of the payment.

(d) The county shall transfer a payment pursuant to subdivision (a) or return a payment pursuant to subdivision (c) within 60 days of the later of the date of the county verifying that the payment was paid by mistake or the date the payment is not subject to chargeback, dishonor, or reversal, or shall pay interest as prescribed in subdivision (e).

(e) If a refund to an assessee or agent of the assessee is created as a result of subdivision (a) or (c), interest as prescribed by Section 5151 shall not be paid. However, if the refund was not issued within 60 days of the county verification of the refund or credit due, interest shall be paid from the date of verification.

Senate Bill 948, Chapter 352
Refunds
Effective 1/1/12

Section 5096 of the Revenue and Taxation Code is amended to read:

5096. Any taxes paid before or after delinquency shall be refunded if they were:

- (a) Paid more than once.
- (b) Erroneously or illegally collected.
- (c) Illegally assessed or levied.

(d) Paid on an assessment in excess of the ratio of assessed value to the full value of the property as provided in Section 401 by reason of the assessor's clerical error or excessive or improper assessments attributable to erroneous property information supplied by the assessee.

(e) Paid on an assessment of improvements when the improvements did not exist on the lien date.

(f) Paid on an assessment in excess of the ~~equalized~~ value of the property as determined pursuant to Section ~~1610.8~~ **1614** by the county ~~board of equalization~~ **assessment appeals board**.

(g) Paid on an assessment in excess of the value of the property as determined by the assessor pursuant to Section 469.

Senate Bill 948, Chapter 352
Refunds
Effective 1/1/12

Section 5097.2 of the Revenue and Taxation Code is amended to read:

5097.2. Notwithstanding Sections 5096 and 5097, any taxes paid before or after delinquency may be refunded by the county tax collector or the county auditor, within four years after the date of payment, if:

(a) Paid more than once.

(b) The amount paid exceeds the amount due on the property as shown on the roll **by an amount greater than ten dollars (\$10)**.

(c) The amount paid exceeds the amount due on the property as the result of corrections to the roll or cancellations after those taxes were paid.

(d) In any other case, where ~~the a~~ claim for refund is made under penalty of perjury and is for an amount less than ten dollars (\$10).

(e) The amount paid exceeds the amount due on the property as the result of a reduction attributable to a hearing before an assessment appeals board or an assessment hearing officer.

Senate Bill 948, Chapter 352
Refunds
Effective 1/1/12

Section 5150.5 of the Revenue and Taxation Code is amended to read:

5150.5. In any action in which the recovery of a penalty assessed pursuant to paragraph (1), (2), or (3) of subdivision ~~(a)~~ **(c)** of Section 830 is allowed by the court, the plaintiff shall be entitled to interest on the penalties for which recovery is allowed, at the applicable rate or rates in effect from time to time and payable on a refund of tax, as provided in Section 5151. This interest shall be payable from the date of filing of the claim for refund, but in no event earlier than the date of payment of the penalty or installments thereof sought to be refunded, to the date of entry of judgment. This accrued interest shall be included in the judgment.

Senate Bill 947, Chapter 351
Air carrier or foreign air carrier: definition
Effective 1/1/12

Section 5303 of the Revenue and Taxation Code is amended to read:

5303. (a) "Aircraft" means any contrivance used or designed for the navigation of or for flight in the air which has been flown at least once, other than a parachute or similar emergency safety device.

(b) "Aircraft" does not include any of the following:

(1) Rockets or missiles.

(2) Aircraft operated exclusively by an air carrier or foreign air carrier, as *respectively* defined in ~~subdivisions (3) and (19) of Section 101 of Title 1 of the "Federal Aviation Act of 1958" (P.L. 85-726; 72 Stat. 731) Section 40102(a)(2) and (21) of Title 49 of the United States Code,~~ engaged in air transportation, as defined in ~~subdivision (10) of the same section~~ *Section 40102(a)(5) of that title*, while there is in force a certificate or permit issued by the ~~Civil Aeronautics Board of the United States~~ *Federal Aviation Administration*, or its successor, ~~or a certificate or permit issued by the California Public Utilities Commission, or its successor,~~ authorizing such air carrier to engage in such transportation.

(3) Air taxis, as defined in subdivision (a) of Section 1154.

Assembly Bill 1090, Chapter 369
County Deferred Property Tax Program
Effective 1/1/2012

Section 20800 is added to the Revenue and Taxation Code, to read:

20800. This part shall be known and may be cited as the County Deferred Property Tax Program for Senior Citizens and Disabled Citizens.

Assembly Bill 1090, Chapter 369
County Deferred Property Tax Program
Effective 1/1/12

Section 20801 is added to the Revenue and Taxation Code, to read:

20801. Unless the context requires otherwise, the definitions set forth in this chapter shall govern the construction of this part.

**Assembly Bill 1090, Chapter 369
Claimant: definition and eligibility
Effective 1/1/2012**

Section 20802 is added to the Revenue and Taxation Code, to read:

20802. (a) “Claimant” means an owner of a residential dwelling, as defined in Section 20808, who applies to a participating county for deferment of property taxes pursuant to this chapter and meets all of the following requirements:

(1) Has an annual household income, as defined in subdivision (a) of Section 20803, that does not exceed thirty-five thousand five hundred dollars (\$35,500).

(2) (A) Has attained eligibility for full social security benefits as of the last day of the filing period for that fiscal year, or (B) is blind or disabled, as defined in Section 12050 of the Welfare and Institutions Code, except in the case of retroactive deferment, as provided for in Section 20810, in which the age eligibility shall be 62 years old.

(3) Has equity value of at least 20 percent. For purposes of this subdivision, “equity value” means the amount by which the fair market value of the residential dwelling exceeds the total amount of any liens or other obligations against the residential dwelling. A participating county may require a claimant to provide an appraisal by a licensed or certified appraiser in support of his or her application. If an alternate appraisal method is used, a claimant whose application is denied for insufficient equity, may provide an appraisal by a licensed or certified appraiser in support of his or her application for consideration by the county.

(b) Only one claimant per residential dwelling may have property taxes deferred under this chapter at any one time.

(c) A claimant shall apply to participate in the program in each year that he or she seeks to defer property taxes under the program.

(d) The county treasurer, or county tax collector, may require a claimant to furnish evidence of the claimant’s ongoing eligibility in order to continue participation in the program in a subsequent year.

(e) If the claimant fails or refuses to furnish any information requested in writing by the county pursuant to this chapter, or files a fraudulent claim for deferment under this chapter, the claimant’s application to defer property taxes under this chapter shall be null and void, any record of a deferment payment on the tax roll shall be canceled, the tax or assessment shall be a lien as though no payment had been made, and the amount of the lien shall be increased by any penalties or interest resultant from property tax delinquency.

**Assembly Bill 1090, Chapter 369
Income: definition
Effective 1/1/12**

Section 20803 is added to the Revenue and Taxation Code, to read:

20803. (a) “Household income” means all income, as defined in subdivision (b), received by any member of a household while that member is or was a member of that household.

(b) “Income” means adjusted gross income, as defined in Section 17072, plus all of the following cash items:

(1) Amounts contributed on behalf of the contributor to a tax-sheltered retirement plan or deferred compensation plan.

(2) Annual winnings from the California Lottery in excess of six hundred dollars (\$600) in the current calendar year.

(3) Exempt interest received from any source.

(4) Gifts and inheritances in excess of three hundred dollars (\$300), other than transfers between members of the household. Gifts and inheritances shall include noncash items.

(5) Life insurance proceeds to the extent that the proceeds exceed the expenses incurred for the last illness and funeral of the deceased spouse of the claimant. "Expenses incurred for the last illness" shall include unreimbursed expenses paid or incurred during the income calendar year and any expenses paid or incurred thereafter up until the day the claim is filed. For purposes of this paragraph, funeral expenses shall not exceed five thousand dollars (\$5,000).

(6) Nontaxable amount of any pensions and annuities.

(7) Nontaxable gain from the sale of a residence, as defined in Section 121 of the Internal Revenue Code.

(8) Nontaxable military compensation as defined in Section 112 of the Internal Revenue Code.

(9) Nontaxable scholarship and fellowship grants as defined in Section 117 of the Internal Revenue Code.

(10) Public assistance and relief.

(11) Railroad retirement benefits.

(12) Sick leave payments.

(13) Social Security benefits (not including Medicare benefits).

(14) Temporary workers' compensation payments.

(15) Unemployment insurance payments.

(16) Veterans' benefits.

(17) If an alternative minimum tax is required to be paid pursuant to Chapter 2.1 (commencing with Section 17062) of Part 10, the amount of the alternative minimum taxable income, regardless of whether or not that amount is held in cash, in excess of the regular taxable income otherwise applicable.

(c) Net business loss, net rental loss, net capital loss, or other net losses, amounts deducted for depreciation, or other noncash expenses shall not be deducted in calculating adjusted gross income for purposes of this section.

(d) For purposes of this chapter, income shall be determined for the calendar year immediately preceding the fiscal year for which deferment is claimed pursuant to this chapter.

Assembly Bill 1090, Chapter 369

Ownership: definition

Effective 1/1/2012

Section 20804 is added to the Revenue and Taxation Code, to read:

20804. (a) "Owner of a residential dwelling" includes all of the following:

(1) An individual with an ownership interest of a vendee, who is in possession of the residential dwelling under a land sale contract, provided that the contract or memorandum thereof is recorded, and only from the date of recordation of the contract or memorandum

thereof in the office of the county recorder of a participating county in which the residential dwelling is located.

(2) An individual with an ownership interest of a holder of a life estate in the residential dwelling, provided that the instrument creating the life estate is recorded, and only from the date of recordation of that instrument in the office of the county recorder of a participating county in which the residential dwelling is located.

(3) If the residential dwelling is located within a participating county, an individual with a joint-tenant or tenant-in-common ownership interest in the residential dwelling, or the interest of a tenant where title is held in tenancy by the entirety or as community property.

(4) An individual with an ownership interest in the residential dwelling and the title to the residential dwelling, located within a participating county, is held in trust.

(5) For purposes of this chapter, an individual who is the registered owner of a mobilehome attached to a permanent foundation and assessed as real property.

(b) An ownership interest described in subdivision (a) shall be required to be evidenced by a duly recorded instrument in the office of the county recorder of a participating county in which the residential dwelling is located.

**Assembly Bill 1090, Chapter 369
Participating county: definition
Effective 1/1/12**

Section 20805 is added to the Revenue and Taxation Code, to read:

20805. “Participating county” means a county that makes an election described in Section 20810.

**Assembly Bill 1090, Chapter 369
Program: definition
Effective 1/1/12**

Section 20806 is added to the Revenue and Taxation Code, to read:

20806. “Program” means the County Deferred Property Tax Program for Senior Citizens and Disabled Citizens.

Assembly Bill 1090, Chapter 369
Property taxes: definition
Effective 1/1/12

Section 20807 is added to the Revenue and Taxation Code, to read:

20807. “Property taxes” means ad valorem property taxes or special assessments imposed upon a residential dwelling within the year in which deferment is sought.

Assembly Bill 1090, Chapter 369
Residential dwelling: definition
Effective 1/1/12

Section 20808 is added to the Revenue and Taxation Code, to read:

20808. (a) (1) “Residential dwelling” means a dwelling, and the land surrounding that dwelling as is reasonably necessary for the use of the dwelling as a home, occupied by the claimant as his or her principal place of residence, and owned by any of the following:

(A) The claimant.

(B) The claimant and the claimant’s spouse.

(C) The claimant and his or her parents, children (whether natural or adopted), or grandchildren of either the claimant or the claimant’s spouse.

(D) The claimant and the spouse of any parent, child (whether natural or adopted), or grandchild of either the claimant or the claimant’s spouse.

(E) The claimant and another individual who resides in this state and is eligible for deferment under this chapter.

(2) “Residential dwelling” shall also include all of the following:

(A) A condominium that is assessed as real property for local property tax purposes.

(B) A portion of a multidwelling or multipurpose building and the portion of land upon which it is built.

(C) A mobilehome that is permanently attached to a permanent foundation and assessed as real property for local property tax purposes.

(b) “Residential dwelling” shall not include any of the following:

(1) Any dwelling in which the claimant does not have an equity value of 20 percent, as described in paragraph (3) of subdivision (a) of Section 20802.

(2) Any dwelling in which the claimant’s interest is a life estate or is held pursuant to a contract of sale, unless the claimant obtains the written consent of the holder of the reversionary interest subject to the life estate, or the vendor under the contract of sale, for the claimant to participate in the program with respect to the dwelling.

(3) Any dwelling for which the claimant does not receive a secured tax bill.

(4) Any dwelling in which the claimant’s interest is held as a possessory interest, except a life estate as described in paragraph (2).

(5) Any houseboat or floating home.

Assembly Bill 1090, Chapter 369
Adoption of resolution to participate in the program
Effective 1/1/12

Section 20810 is added to the Revenue and Taxation Code, to read:

20810. A county may elect to participate in the County Deferred Property Tax Program for Senior Citizens and Disabled Citizens by adopting a resolution indicating the county's intention to participate in and to administer the program. All requirements of a county or county officials set forth in this chapter are conditioned upon the county's adoption of this resolution. Under this program, a participating county may defer a claimant's property taxes retroactively, for property taxes due on or before February 20, 2011, and prospectively, as provided in this part.

Assembly Bill 1090, Chapter 369
Claim for participation
Effective 1/1/12

Section 20811 is added to the Revenue and Taxation Code, to read:

20811. (a) A claimant shall use the application form of a county to initiate participation in the program pursuant to Section 20810.

(b) Upon a participating county's receipt of a claim for property tax deferral under the program, submitted within the filing period specified in Section 20812, the county treasurer or county tax collector shall review the claimant's application for program eligibility, consistent with the requirements specified in Section 20802.

(c) If the claimant is eligible to participate in the program, and if there are sufficient funds within the county's Property Tax Deferral Fund, established pursuant to Section 20822, to defer property taxes on the claimant's residential dwelling for that fiscal year, the county treasurer or county tax collector, may do all of the following:

(1) Defer the property taxes due on the claimant's residential dwelling and owing for that fiscal year.

(2) Issue a subvention payment, equivalent to the amount of the deferred property taxes, from the county's Property Tax Deferral Fund to the county to be processed in the same manner as all other property tax payments.

(3) Direct the county auditor to apportion that subvention payment in the same manner as if the property taxes had been paid.

(4) Provide a letter or other written confirmation to the claimant, noting the relevant fiscal year of participation, for use as written confirmation of program participation.

(d) If the claimant's property taxes are deferred under the program, the participating county shall not charge the claimant any penalties, or undertake any collections actions with respect to taxes deferred under this chapter.

(e) (1) The amount of property taxes deferred, plus any interest accrued thereon, shall be secured by a judgment lien, against the claimant's residential dwelling for which the property taxes are deferred.

(2) In the case of a residential dwelling that is part of a larger parcel taxed as a unit, including, but not limited to, a duplex, farm, or multidwelling or multipurpose building, the lien shall be against the entire tax parcel.

(f) The lien shall be evidenced by a notice of lien for deferred property taxes executed by the county, and shall secure all sums deferred and owing under this chapter, including amounts deferred subsequent to the initial deferment. The notice of lien shall include, but not be limited to, all of the following:

(1) The names of all record owners of the real property for which the county has deferred property taxes under the program.

(2) A description of the real property for which property taxes have been deferred.

(g) The county recorder shall index the lien according to the names of each record owner and the county.

Assembly Bill 1090, Chapter 369

Filing period

Effective 1/1/12

Section 20812 is added to the Revenue and Taxation Code, to read:

20812. (a) The filing period for a claimant to apply to a participating county for deferment under the program shall be from October 1 to December 10 of each year.

(b) A participating county may require any information necessary to process the claimant's application for deferment under the program, whether through the county's application form or forms or otherwise.

(c) Any form filed by a claimant under this chapter shall not be under oath, but shall contain, or be verified by, a written declaration that the information therein was provided under the penalty of perjury.

(d) All forms supplied to the claimant shall include a statement of the interest rate that will apply to the property taxes deferred under the program.

(e) A county may grant a reasonable extension for filing a claim if it determines that good cause for the extension exists. However, no extension shall be granted beyond the termination of the fiscal year for which deferment is requested.

Assembly Bill 1090, Chapter 369

Enter on the roll

Effective 1/1/12

Section 20813 is added to the Revenue and Taxation Code, to read:

20813. (a) Upon receipt of a notice of lien for deferred property taxes from the county treasurer, the county assessor, or county tax collector shall immediately do all of the following:

(1) Enter on the notice of lien a description of the real property for which the taxes have been deferred.

(2) Enter on the notice of lien the names of all record owners of the real property, as disclosed by the county assessor's records.

(3) Enter on the assessment records applicable to the property, the fact that the taxes on the property have been deferred.

(b) Upon entry of the information required by subdivision (a), the county assessor shall immediately forward the notice of lien to the county recorder, who shall record the notice of lien.

(c) When the record reveals a change in the ownership status of the real property subsequent to the date of entry of the deferral information thereon, the county assessor shall notify the county treasurer or county tax collector, as appropriate, of the change in the ownership status in the manner prescribed by the county treasurer or county tax collector.

Assembly Bill 1090, Chapter 369

Amounts secured by the lien

Effective 1/1/12

Section 20814 is added to the Revenue and Taxation Code, to read:

20814. (a) A participating county shall reduce the amount secured by the lien provided for in subdivision (e) of Section 20811 by the amount of any payment received for that purpose. Payments shall be applied to the oldest deferral amount in order of lien recordation date until paid in full.

(b) A participating county shall increase the amount secured by that lien to reflect the accrual of interest on the property taxes deferred, or any subsequent deferral of property taxes made with respect to that residential dwelling pursuant to a claim of that claimant.

(c) A participating county shall annually adjust the lien as described in this section.

Assembly Bill 1090, Chapter 369

Release of lien

Effective 1/1/12

Section 20815 is added to the Revenue and Taxation Code, to read:

20815. If at any time the amount of the obligation secured by the lien for deferred property taxes is paid in full or is otherwise discharged, the county treasurer or county tax collector shall do all of the following:

(a) Execute and cause to be recorded by the county recorder a release of the associated lien conclusively evidencing the satisfaction of all amounts secured by the lien. The cost of recording the release of the lien shall be added to, and become part of the obligation secured by, the lien being released.

(b) Direct the county tax collector, or other appropriate county official, to remove from the secured roll the information required to be entered thereon by paragraph (1) of subdivision (a) of Section 2514 with respect to the real property described in the lien.

(c) Direct the county tax collector, or other appropriate county official, to remove the information required to be entered into the county assessment records by Section 2515 from the assessment records applicable to the real property described in the lien.

**Assembly Bill 1090, Chapter 369
Payment amount: when due
Effective 1/1/12**

Section 20816 is added to the Revenue and Taxation Code, to read:

20816. (a) If property taxes are deferred for a claimant and that claimant subsequently dies, all amounts owed by that claimant pursuant to this chapter shall become due as of the end of the next application period, unless another eligible claimant for the same residential dwelling successfully applies to the county for deferment pursuant to this chapter for the next fiscal year.

(b) All amounts owed by the claimant pursuant to this chapter shall become due immediately if any of the following occurs:

(1) The claimant ceases to own the residential dwelling by sale, conveyance, or condemnation.

(2) The claimant ceases to reside permanently at the residential dwelling.

(3) The claimant's equity in the residential dwelling falls below the amount necessary to be eligible to participate in the program, as provided by paragraph (3) of subdivision (a) of Section 20802 and subdivision (b) of Section 20808.

(4) The claimant refinances an existing mortgage or deed of trust on the residential dwelling causing his or her equity value in the residential dwelling to decline by 5 percent or more.

(5) Deferment was granted erroneously because eligibility requirements were not actually met.

**Assembly Bill 1090, Chapter 369
Record of participants
Effective 1/1/12**

Section 20817 is added to the Revenue and Taxation Code, to read:

20817. (a) The county treasurer or county tax collector shall maintain a record of all residential dwellings against which a notice of lien for deferred property taxes has been recorded pursuant to this chapter. With respect to each residential dwelling, the record shall include, but not be limited to, the name of the claimant, a description of the real property against which the lien is recorded, the identification number of the notice of lien or book and page number of the recording, and the amount of the lien.

(b) Information and records of the program not required to be disclosed shall be maintained in the same manner as described in Section 408.

Assembly Bill 1090, Chapter 369
Application fee
Effective 1/1/12

Section 20820 is added to the Revenue and Taxation Code, to read:

20820. A participating county may charge an application fee from a claimant upon that claimant's submission of an application form to participate in the program, consistent with Section 54985 of the Government Code. The application fees derived from all claimants in a participating county shall be used to offset that county's costs incurred in administering the program. The proceeds of the fee shall be deposited in an account within the Property Tax Deferral Fund, established by Section 20822, to be used exclusively to pay those administrative costs.

Assembly Bill 1090, Chapter 369
Interest rate
Effective 1/1/12

Section 20821 is added to the Revenue and Taxation Code, to read:

20821. (a) A participating county shall charge claimants interest on the amount of property taxes deferred pursuant to this part. The effective annual interest rate shall be 7 percent, or the effective annual yield earned in the prior fiscal year by the Pooled Money Investment Account plus 2 percent, whichever is higher, rounded to the nearest full percent.

(b) The interest rate provided for by subdivision (a) shall be applied as of the first day of the month in which a deferment payment is made pursuant to this chapter and every day of the month thereafter until the lien is discharged. In the event that any payment is applied, in any month, to reduce the amount owed under the lien, the interest rate shall be applied to the balance of the amount owed beginning on the first day of the following month.

(c) In computing interest in accordance with this section, fractions of a cent shall be disregarded.

Assembly Bill 1090, Chapter 369
Funding the program
Effective 1/1/12

Section 20822 is added to the Revenue and Taxation Code, to read:

20822. Each participating county shall establish a Property Tax Deferral Fund within its treasury. Expenditures from this fund shall be for the sole purposes of making property tax deferral subvention payments pursuant to subdivision (c) of Section 20811 and offsetting the county's administrative costs, as described in Section 20820.

Assembly Bill 1090, Chapter 369
Restrictions on lenders
Effective 1/1/12

Section 20823 is added to the Revenue and Taxation Code, to read:

20823. (a) The deferment of property taxes pursuant to this chapter shall not affect the obligation of a borrower to continue to make payments to a lender with respect to an impound account, trust, or other type of account described in Section 2954 of the Civil Code which was established prior to the effective date of the act that added this section.

(b) (1) No lender shall require a borrower to maintain an impound, trust, or other similar type of account with regard to property taxes once the borrower has deferred these taxes pursuant to this chapter and submits to the lender evidence of tax deferment under this part, except in the following circumstances:

(A) Federal law, regulation, rule, or program requires the borrower to maintain an impound, trust, or other similar type of account with regard to property taxes.

(B) The borrower is required to make payments to a lender using the type of account described in Section 2954 of the Civil Code for a loan that is made, guaranteed, or insured by a federal government lending or insuring agency.

(C) The prohibition would impair the express obligations of a loan agreement.

(2) If not previously used in payment or partial payment of property taxes, any payment made by a borrower to an impound, trust, or other similar type of account prior to the time of submission of evidence of tax deferment pursuant to this part shall be refunded to the borrower within 30 days thereafter.

(c) No lender or other person authorized to take sale on real property shall file a notice of default based solely on a borrower's failure to pay property taxes if the borrower provides evidence of participation in the property tax deferment program established pursuant to this part. A borrower who is a claimant shall provide evidence of participation to each lender upon a participating county's approval of the claimant's application to participate in the program.

(d) A letter or other written confirmation from the county identifying an individual as a participant in the program, provided pursuant to paragraph (4) of subdivision (c) of Section 20811, shall be considered as evidence of participation for purposes of this section.

Assembly Bill 1090, Chapter 369
Cancellation of delinquent penalties and interest
Effective 1/1/12

Section 20824 is added to the Revenue and Taxation Code, to read:

20824. If the deferment claim is filed timely, then any delinquent penalties and interest for that fiscal year shall be canceled unless the failure to perfect the claim was due to willful neglect on the part of the claimant or his or her representative. In the event of such willful neglect, any property tax deferment subvention payment may be used only if it is accompanied by sufficient amounts to pay the delinquent interest and penalties.

Assembly Bill 1090, Chapter 369
Refund of overpayment
Effective 1/1/12

Section 20825 is added to the Revenue and Taxation Code, to read:

20825. If a property tax deferral repayment is made to satisfy an obligation secured by a lien for property tax deferral, and the repayment exceeds the amount owed to the participating county under the lien, the county shall refund the overpayment to the party entitled thereto.

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