

**STATE BOARD OF EQUALIZATION**

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No. 85/126

December 5, 1985

TO COUNTY ASSESSORS:

CHAPTER 186 OF THE STATUTES OF 1985
ASSEMBLY BILL 312

The above-captioned legislation is effective January 1, 1986. It is a Board-sponsored omnibus measure designed to make several technical and clarifying changes to existing property tax law. Following is a section-by-section analysis of the chaptered bill.

Section 1

Section 11126 of the Government Code is amended to reinstate the provision authorizing the Board to hold closed sessions when hearing confidential taxpayer matters. This provision had been added by Chapter 678 of the Statutes of 1984 but was inadvertently chaptered out by Chapter 1284 of the Statutes of 1984.

Section 2

Section 65913.5 of the Government Code is amended to exclude property taxes from the scope of the protest procedure whereby any party may protest the establishment of the imposition of any fees, taxes, assessments, dedications, reservations, or other exactions imposed on a residential housing development by a local public entity. This amendment merely clarifies the legislative intent of Chapter 653 of the Statutes of 1984 as there is a pre-existing and separate statutory refund procedure for property taxes and the intent of Chapter 653 was to provide for a refund procedure for other types of fees, exactions, and taxes that have been levied on new construction since the passage of Proposition 13.

Section 3

Section 61(a) of the Revenue and Taxation Code is amended to clarify that the creation, renewal, sublease, assignment, or other transfer of a mineral right is a change in ownership of the mineral right, regardless of the period during which the right may be exercised. Since leased minerals do in fact change ownership in all cases, once they are produced and extracted, this clarification of the law is consistent with the fundamental concept of "change in ownership." This provision only effects the mineral right itself and has no application to the balance of the real property.

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Section 4

The word "or" was inadvertently substituted for the word "of" in Section 62(a) (2) of the Revenue and Taxation Code as amended by Chapter 1465 of the Statutes of 1982. Section 4 of this bill corrects this to bring Section 62 into conformity with original legislative intent.

Sections 5 and 6

Sections 68 and 75.10 of the Revenue and Taxation Code are amended to authorize the use of the supplemental assessment roll as a means of providing immediate property tax relief to persons who purchase replacement property for real estate taken by governmental action. In appraising the replacement property, however, the assessor will follow the provisions of Section 68, rather than the provision of Section 75.10 which require that the property be assessed at full cash value.

Sections 7, 8, 9, and 10

These sections make technical amendments to the supplemental roll provisions as follows:

- (1) Section 75.15 of the Revenue and Taxation Code is amended to require that taxpayers reporting on fixtures added or removed during the prior 12 month period, report "costs" rather than "values" as was previously required.
- (2) Section 75.21 of the Revenue and Taxation Code is amended to specifically provide for late filing of exemption claims for purposes of the supplemental roll.
- (3) Section 75.31 of the Revenue and Taxation Code is amended to clarify certain time limits placed on taxpayers to file assessment appeal notices. The term "filed" is substituted for the term "received" in subdivisions (c) and (d) in order to make these provisions consistent with the general rules for filing assessment appeals.

Sections 11 and 11.3

Sections 110.1 and 532.3 of the Revenue and Taxation Code are amended to authorize county assessors to enroll real property which existed on the 1975 lien date, but which escaped taxation entirely and was not merely under-assessed. Upon discovery, the assessor would enroll the property on the current roll using 1975 base value criteria. The assessor would be able to go back four years in enrolling an escape, but no further than four years from the date of discovery.

Section 11.1

Senate Bill 1425 (Chapter 1332, Statutes of 1984) amended Section 205.5 of the Revenue and Taxation Code to increase the disabled veterans' exemption

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to \$100,000 for a veteran who is totally disabled as a result of injury or disease incurred in military service, and for the unmarried surviving spouse of a totally disabled veteran. The new law, however, did not amend Section 276, which provides for late filing for the \$40,000 and \$60,000 disabled veterans' exemptions; consequently, there was no late filing provision for the \$100,000 exemption. The amended Section 11.1 of this bill now makes such a provision. See our November 4, 1985 letter number 85/114 in this regard.

Section 11.2

This amendment to Section 428 of the Revenue and Taxation Code clarifies the intent of Senate Bill 1727 (Chapter 764, Statutes of 1980) and Assembly Bill 2481 (Chapter 1219, Statutes of 1980), which, in part, provided that agricultural laborer housing facilities are a compatible use within an agricultural preserve for purposes of the Williamson Act. Assessors should treat agricultural laborer housing facilities and appropriate land sites the same as other residences and land sites on Williamson Act lands; i.e., in accordance with provisions of Article XIII A.

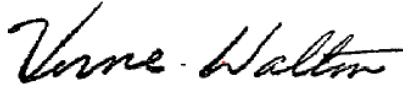
Section 12

Section 4986 of the Revenue and Taxation Code is amended to correct an erroneous cross-reference.

Sections 13 through 20

The Timber Yield Tax Law is amended to make the collection provisions comparable to those of the Sales and Use Tax Law.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:sk