



STATE BOARD OF EQUALIZATION
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Executive Director

No. 98/08

January 9, 1998

TO COUNTY ASSESSORS,
COUNTY COUNSELS,
ASSESSMENT APPEALS BOARDS,
AND OTHER INTERESTED PARTIES:

NOTICE OF PROPOSED REGULATORY ACTION
BY THE
STATE BOARD OF EQUALIZATION

PROPERTY TAX RULE 464 - EXEMPTIONS.

PUBLIC HEARING: WEDNESDAY, FEBRUARY 25, 1998
AT 1:30 P.M.

NOTICE IS HEREBY GIVEN:

The State Board of Equalization, pursuant to the authority vested in the Board by Section 15606(c) of the Government Code proposes to amend Regulation 464 - Exemptions in Title 18, Division 1 of the California Code of Regulations, relating to property taxes. A public hearing on the proposed regulation will be held in Room 121, 450 N Street, Sacramento, at 1:30 p.m., or as soon thereafter as the matter may be heard on, Wednesday, February 25, 1998. Any person interested may present statements or arguments orally or in writing at that time and place. Written statements or arguments will be considered by the Board if received by February 25, 1998.

INFORMATIVE DIGEST/PLAIN ENGLISH OVERVIEW

The State Board of Equalization proposes to amend Property Tax Rule 464 (18 California Code of Regulations, Section 464), Exemptions, to delete portions of the rule that are outdated. Rule 464 was adopted on an emergency basis to implement Proposition 13, Article XIII A of the California Constitution. The purpose of the rule was to clarify that Article XIII A did not have the effect of repealing property tax exemptions in effect at that time. Thus, such provisions are no longer necessary for purposes of clarification since properties eligible for such exemptions have continued to receive the benefit of the exemptions since Article XIII A went into effect.

The express terms of the proposed action, written in plain English, are available from the agency contact person named in this notice.

COST TO LOCAL AGENCIES AND SCHOOL DISTRICTS

The State Board of Equalization has determined the proposed amendment of Rule 464 does not impose a mandate on local agencies or school districts. Further, the Board has determined that the rule as amended will result in no additional direct or indirect costs or savings to any State Agency, any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, and that there are no other nondiscretionary

costs or savings imposed on local agencies, or cost or savings in Federal funding to the State of California.

EFFECT ON BUSINESS

Pursuant to Government Code Section 11346.53(c), the Board of Equalization finds that the rule, as amended will have no significant adverse economic impact on business.

The rule, as amended, will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

The rule, as amended, will not be detrimental to California businesses in competing with businesses in other states.

The rule, as amended, will not affect small business.

ADVERSE ECONOMIC IMPACT ON PRIVATE PERSONS/BUSINESSES

No impact.

FEDERAL REGULATIONS

There are no comparable federal regulations.

PLAIN ENGLISH STATEMENT

Preparation of the proposed amendment to the rule included consideration of the plain English requirement and technical terms are defined in more simple language.

AUTHORITY

Government Code Section 15606, subdivision (c).

REFERENCE

Section 3, Article XIII, California Constitution; Sections 110, 110.1, 205.1, Revenue and Taxation Code.

CONTACT

Questions regarding the content of the regulation should be directed to Ms. Mary Ann Alonzo, Tax Counsel, at P.O. Box 942879, 450 N Street, MIC:82, Sacramento, CA 94279-0082. Telephone: (916) 324-1392 - FAX (916) 323-3387.

Written comments for the Board's consideration or requests to present testimony and bring witnesses to the public hearing should be directed to Ms. Mary Ann Stumpf, Regulations Coordinator, (916) 322-9569, and at P.O. Box 942879, 450 N Street, MIC:80, Sacramento, CA 94279-0080

ALTERNATIVES CONSIDERED

The Board must determine that no alternative considered would be more effective in carrying out the purpose for which this action is proposed or be as effective and less burdensome to affected private persons than the proposed action.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Board has prepared a statement of reasons and a strike-out and underscore version (express terms) of the proposed amendment to Rule 464.

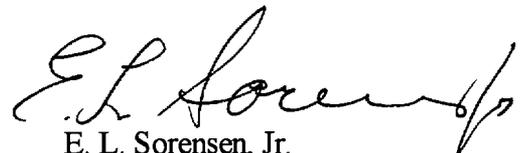
Those documents and all information on which the proposed amendment to Rule 464 is based are available to the public upon request. The rulemaking file is available for public inspection at 450 N Street, Sacramento, California. Requests for copies should be addressed to Ms. Mary Ann Stumpf, Regulations Coordinator, (916) 322-9569, at P.O. Box 942879, 450 N Street, MIC:80, Sacramento, CA 94279-0080.

ADDITIONAL COMMENTS

Following the hearing, the State Board of Equalization may in accordance with law amend the proposed regulation if the text remains substantially the same as described in the text originally made available to the public. If the State Board of Equalization makes modifications which are substantially related to the originally proposed text, the Board will make the modified text, with the changes clearly indicated, available to the public for fifteen days before adoption of the regulation. The text of any modified regulation will be mailed to those interested parties who commented orally or in writing or who asked to be informed of such changes. The modified regulation will be available to the public from Ms. Stumpf. The State Board of Equalization will consider written comments on the modified regulation for fifteen days after the date on which the modified regulation is made available to the public.

Date: December 19, 1997

STATE BOARD OF EQUALIZATION



E. L. Sorensen, Jr.
Executive Director

Rule 464. VETERANS' EXEMPTIONS.

~~Article XIII A does not repeal any property tax exemptions granted or authorized by the Constitution on or before July 1, 1978. The property tax rate shall apply to the current taxable value less any exemptions applicable to a specific property. Examples of the application of partial exemptions are as follows:~~

~~(a) Homeowners' exemption. The property tax rate applies to the current taxable value of property qualifying for the homeowners' exemption less the value of the exemption.~~

~~(b) Veterans' exemption. The sum of 25 percent of the taxable value of taxable assets and 100 percent of the current full cash value as defined in Revenue and Taxation Code section 110 for non-taxable assets will determine the limitation for the veterans' property tax exemption. Article XIII A contains no provision for reconsidering the granting of the exemption prior to 1978. The property tax rate applies to the current taxable value of property qualifying for the veterans' exemption less the value of the exemption.~~

~~(c) Disabled veterans' exemption. The property tax rate applies to current taxable value of property qualifying for the disabled veterans' property tax exemption less the value of the exemption.~~

Note: Authority Cited: Sec. 15606(c) Gov. Code.

Reference: Sections 110, 110.1, and 440.5, 205.1, Revenue and Taxation Code.