



STATE BOARD OF EQUALIZATION
PROPERTY TAX DEPARTMENT
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No. 2018/051

November 7, 2018

TO COUNTY ASSESSORS:

SUMMARY OF 2018 PROPERTY TAX LEGISLATION

This is a summary of 2018 legislation affecting property taxes. All bills will become effective January 1, 2019, unless otherwise specified.

AB 1817 (Committee on Budget), Chapter 37, effective June 27, 2018

Among others, amends section 15600 of the Government Code; and amends sections 214, 215.1, 254.5, 254.6, 480.1, 480.2 of, and adds section 95.50 to, the Revenue and Taxation Code.

State Board of Equalization. Authorizes the California Department of Tax and Fee Administration (CDTFA) and the Board of Equalization (BOE) to delegate, share, and provide assistance for, or transfer between themselves administrative responsibilities for tax and fee programs within the CDTFA's and the BOE's respective duties, powers, and responsibilities pursuant to an agreement. Transfers authority to administer the welfare exemption, the veterans' organization exemption, change in control and change in ownership of a legal entity, and the Tax-Rate Area System and related provisions from the CDTFA to the BOE.

State Supplementation for County Assessors Program. Establishes this program under terms and conditions similar to the State-County Assessors' Partnership Agreement Program. Requires counties selected for participation to match program funds apportioned to that county assessor's office at the rate of \$1 for every \$2 in program funds that the county assessor's office receives. Requires each participating county assessor's office to report specified information while the program is operative.

AB 1900 (Brough), Chapter 382

Amends section 51298.5 of the Government Code.

Capital Investment Incentive Program. Extends until January 1, 2024 the program that authorizes local governments to make capital investment incentive payments equal to certain property taxes paid above a specified threshold to attract new or expanding specified businesses.

AB 1943 (Waldron), Chapter 254, effective September 5, 2018

Amends section 18551 of the Health and Safety Code.

Manufactured Home Installation on Permanent Foundation. For purposes of a resident-owned mobilehome park, provides that a registered owner of a manufactured home who owns an interest in the entity that owns the park may submit written evidence of that owner's resident ownership in that park to comply with the requirement that the owner of the

manufactured home owns, has title to, or is purchasing the real property where the manufactured home is to be attached.

AB 2425 (Berman), Chapter 968

Amends sections 408, 441, and 470 of the Revenue and Taxation Code.

Exchange of Records. Clarifies that, upon request, the assessor or the assessee need provide information in an electronic format only if the information, documents, or records are available in electronic format or have been previously digitized. Provides that, upon request, information, documents, or records must be sent within a reasonable time period. Provides double-jointed language for SB 1172 so the provisions of SB 1172 are not chaptered out.

AB 2663 (Friedman), Chapter 919, effective September 29, 2018

Amends section 62 of the Revenue and Taxation Code.

Change in Ownership Exclusion – Local Registered Domestic Partners. Requires assessors to reverse any transfer between local registered domestic partners that occurred January 1, 2000 through June 26, 2015 if, among other requirements, a claim is filed with the assessor by June 30, 2022. Provides prospective relief only. Authorizes the county to charge a filing fee to cover actual costs related to the filing of such claims.

Change in Ownership Exclusion – Disabled Child/Ward Exclusion. Makes a nonsubstantive change to section 62(n) for the 1984-85 assessment year.

AB 2746 (E. Garcia), Chapter 284

Amends section 3707 of the Revenue and Taxation Code.

Tax-Defaulted Property Sales. Specifies that the commencement of the tax sale constitutes the actual sale date, regardless of the date of the conclusion of the auction.

AB 3122 (Gallagher), Chapter 149

Amends section 194.1 of the Revenue and Taxation Code.

Disaster Relief Deferral. Clarifies that when a property owner has filed a claim for disaster relief and deferral of the next property tax bill installment, but the real property is not eligible for disaster relief, the property tax bill must be paid on the later of (1) either December 10 for the first installment or April 10 for the second installment, or (2) within 30 days of the later of the date of mailing or postmark date on the county assessor's notification of ineligibility.

SB 558 (Glazer), Chapter 1

Adds section 74.8 to the Revenue and Taxation Code.

New Construction Exclusion – Rain Water Capture System. Excludes from assessment the construction or addition of a rain water capture system. Specifies that a "rain water capture system" is a facility designed to capture, retain, and store rain water flowing off a building rooftop or other manmade aboveground hard surface for subsequent onsite use. Applies to construction completed from January 1, 2019 to January 1, 2029. Provides that the exclusion applies to an initial purchaser of a new building as long as the owner-builder did not receive this exclusion, the new building was purchased prior to that building becoming subject to

reassessment to the owner-builder, and a form is filed with the county assessor. Implements Proposition 72, which was approved by the voters on June 5, 2018.

SB 1115 (Hill), Chapter 694

Amends section 214 of, and adds section 214.19 to, the Revenue and Taxation Code.

Welfare Exemption Limitation. Beginning with the 2019 lien date, increases the \$10 million limitation to \$20 million. Requires nonprofit organizations subject to this limitation to provide additional information with their annual welfare exemption claim. Also authorizes the cancellation of any outstanding tax, interest, or penalty between \$10 million and \$20 million levied or imposed on these organizations from January 1, 2017 to January 1, 2019, provided they were levied or imposed because of the exemption cap.

SB 1172 (Beall), Chapter 790

Among others, amends section 408 of the Revenue and Taxation Code.

Assessor's Records. Allows an assessor to disclose property information, furnish abstracts, or permit access to records upon request by the High-Speed Rail Authority. Requires the High-Speed Rail Authority to reimburse the assessor for any costs associated with the request.

SB 1498 (Committee on Governance and Finance), Chapter 467

Among others, amends section 469 of the Revenue and Taxation Code.

Audit Requirements. Commencing with the four-year period beginning with the 2019-20 fiscal year, adds an alternative manner for the assessor to satisfy the "significant number of audits" requirement.

SCA 9 (Glazer), Resolution Chapter 1 (Proposition 72 approved on June 5, 2018)

Proposal to amend section 2 of article XIII A of the California Constitution.

New Construction Exclusion – Rain Water Capture System. Excludes from assessment the construction or addition of a rain water capture system.

These bills may be viewed from the California State Legislature's website at <http://leginfo.legislature.ca.gov/#>. The Board of Equalization's bill analyses may be viewed from our website at www.boe.ca.gov/legislative-research-and-stats/legislation.htm.

If you have any questions regarding the application of these measures, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David Yeung

David Yeung, Chief
County-Assessed Properties Division
Property Tax Department

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