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An act to add Section 95.50 to the Revenue and Taxation Code, relating to taxation.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 95.50 is added to the Revenue and Taxation Code, to read:

95.50. (a) The Legislature finds and declares that the state and local governments benefit when county assessors are able to fairly, accurately, and expeditiously assess property for property tax purposes. It is the intent of the Legislature in enacting this section to assist county assessors in performing property assessments.

(b) For the 2018–19 fiscal year to the 2020–21 fiscal year, inclusive, there is hereby created the State Supplementation for County Assessors Program, hereinafter referred to as the “Program” in this section, to be administered by the Department of Finance, hereinafter referred to as the “department” in this section.

(1) Program funding shall be subject to appropriation in the annual Budget Act.

(2) (A) In each fiscal year in which it receives program funds, a participating county assessor’s office shall match the Program funds apportioned to that county assessor’s office, at the rate of one dollar (\$1) for every two dollars (\$2) in Program funds that the county assessor’s office receives in Program funds.

(B) If a county assessor’s office authorized to participate in the Program pursuant to subdivision (f) fails to provide matching funds as required by this paragraph, the county assessor’s office shall, within 30 days of an order by the department to do so, return to the State Controller’s office all Program funds it received in the fiscal year during which it did not provide matching funds.

(3) Program funds provided to participating county assessors shall be used to supplement, and not supplant, existing funding and staffing levels.

(c) All counties shall be eligible to apply to participate in the Program. The department shall annually apportion to an individual county no more than 15 percent of the amount appropriated for the Program in the Budget Act for the relevant fiscal year.

(d) County assessors’ offices shall use Program funds only for the following purposes:

(1) The payment of salaries and benefits to the county assessor’s office staff for the following activities:

(A) Assessing and enrolling newly constructed real property.

(B) Reassessing real property that has changed ownership.

(C) Processing supplemental assessments for real property that has changed ownership.

(D) Reassessing existing real property that has been modified in a way that changes its current assessed value.

(E) Reassessing real and personal property that has escaped assessment, as provided in Article 4 (commencing with Section 531) of Chapter 3 of Part 2.

(F) Reassessing to current market value those real properties for which the county assessor previously reduced the assessed valuation pursuant to subdivision (b) of Section 2 of Article XIII A of the California Constitution.

(G) Discovering unassessed real and personal property.

(H) Responding to real property assessment appeals pursuant to Part 3 (commencing with Section 1601).

(I) Conducting property tax audits pursuant to Sections 469 and 470.



(2) Procuring office space for staff hired pursuant to paragraph (1).

(3) Procuring office supplies and related items for staff hired pursuant to paragraph (1).

(4) Procuring information technology systems and software to assist with the activities specified in subparagraphs (A) to (G), inclusive, of paragraph (1) by increasing efficiencies and effectiveness of property tax administration, and allowing for appropriate utilization of Program funds.

(e) County assessors' offices that elect to apply to participate in the Program shall do all of the following on or before September 1, 2018:

(1) Transmit to the department a resolution of the county board of supervisors that states that the county agrees to provide the county assessor's office with matching funds as specified in paragraph (2) of subdivision (b).

(2) Submit to the department an application, in the form and manner specified by the department. The department may reject applications not received by September 1, 2018. At a minimum, the application shall include the following:

(A) The number of budgeted, permanent positions in the 2017–18 fiscal year, as the county assessor will report that number to the State Board of Equalization for purposes of the publication titled "A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices," hereinafter referred to as the "report" in this section.

(B) The additional staff the county assessor will fund using Program funds or matching county funds, or both Program funds and matching county funds.

(C) The total assessed value of county-assessed property in the 2017–18 fiscal year.

(D) The estimated value that the staff identified in subparagraph (B) will add to the county property tax roll by assessing and enrolling newly constructed property in each fiscal year that the Program is authorized to operate, including the following:

(i) The number of new construction assessments completed in the 2017–18 fiscal year, as the assessor will report that number to the State Board of Equalization for purposes of the report, and the number of those assessments that the assessor expects to complete in each fiscal year that the Program is authorized to operate.

(ii) The dollar value added to the county property tax roll in the 2017–18 fiscal year by assessing and enrolling the newly constructed property.

(E) The estimated value that the staff identified in subparagraph (B) will add to the county property tax roll by reassessing real property that has changed ownership. This information shall be provided for each fiscal year that the Program is authorized to operate and shall include the following:

(i) The number of real property change in ownership assessments completed in the 2017–18 fiscal year, and the number of those assessments that the assessor expects to complete in each fiscal year that the Program is authorized to operate.

(ii) The dollar value added to the county property tax roll in the 2017–18 fiscal year through the assessment of real property that has changed ownership.

(F) The estimated value that the staff identified in subparagraph (B) will add to the county property tax roll by processing real property supplemental assessments. This information shall be provided for each fiscal year that the Program is authorized to operate and shall include the following:



(i) The number of real property supplemental assessments completed in the 2017–18 fiscal year, and the number of those assessments that the assessor expects to complete in each fiscal year that the Program is authorized to operate.

(ii) The dollar value added to the county property tax roll in the 2017–18 fiscal year through real property supplemental assessments.

(G) The estimated value that the staff identified in subparagraph (B) will add to the county property tax roll by reassessing modified existing real property. This information shall be provided for each of the three fiscal years that the Program is authorized to operate and shall include the following:

(i) The number of modified existing real property reassessments completed in the 2017–18 fiscal year, and the number of those reassessments that the assessor expects to complete in each fiscal year that the Program is authorized to operate.

(ii) The dollar value added to the county property tax roll in the 2017–18 fiscal year by reassessing modified existing real property.

(H) The estimated value that the staff identified in subparagraph (B) will add to the county property tax roll by assessing real and personal property that has escaped assessment. This information shall be provided for each fiscal year that the Program is authorized to operate and shall include the following:

(i) The number of assessments of real and personal property that had previously escaped assessment completed in the 2017–18 fiscal year, and the number of those assessments that the assessor expects to complete in each fiscal year that the Program is authorized to operate.

(ii) The dollar value added to the county property tax roll in the 2017–18 fiscal year through the assessment of real and personal property that had previously escaped assessment.

(I) The estimated value that the staff identified in subparagraph (B) will add to the county property tax roll by reassessing to current market value real property for which the county assessor previously reduced the assessed valuation pursuant to subdivision (b) of Section 2 of Article XIII A of the California Constitution. This information shall be provided for each fiscal year that the Program is authorized to operate and shall include the following:

(i) The number of reassessments to current market value of those real properties for which the county assessor previously reduced the assessed valuation pursuant to subdivision (b) of Section 2 of Article XIII A of the California Constitution completed in the 2017–18 fiscal year, and the number of those reassessments that the assessor expects to complete in each fiscal year that the Program is authorized to operate.

(ii) The dollar value added to the county property tax roll in the 2017–18 fiscal year by reassessing to current market value those real properties for which the county assessor previously reduced the assessed valuation pursuant to subdivision (b) of Section 2 of Article XIII A of the California Constitution.

(J) The estimated value that the staff identified in subparagraph (B) will add to the county property tax roll by discovering unassessed real and personal property. This information shall be provided for each fiscal year that the Program is authorized to operate and shall include the following:

(i) The number of unassessed real and personal properties discovered in the 2017–18 fiscal year, and the number of those properties that the assessor expects to discover in each fiscal year that the Program is authorized to operate.



(ii) The dollar value added to the county property tax roll in the 2017–18 fiscal year by discovering unassessed real and personal properties.

(K) The estimated number of assessment appeals that the staff identified in subparagraph (B) will resolve in accordance with subparagraph (H) of paragraph (1) of subdivision (d). This information shall be provided for each fiscal year that the Program is authorized to operate and shall include the following:

(i) The number of assessment appeals resolved by the county assessor's office in the 2017–18 fiscal year, as that number will be reported to the State Board of Equalization for purposes of the report.

(ii) The dollar value retained on the property tax roll by the county assessor's office staff in the 2017–18 fiscal year by resolving assessment appeals.

(iii) The dollar value that the county assessor's office expects to retain on the property tax roll by resolving assessment appeals in each fiscal year that the Program is authorized to operate.

(L) The estimated value that the staff identified in subparagraph (B) will add to the county property tax roll by performing property tax audits pursuant to Sections 469 and 470. This information shall be provided for each fiscal year that the Program is authorized to operate and shall include the following:

(i) The number of property tax audits completed pursuant to Sections 469 and 470 in the 2017–18 fiscal year, and the number of those audits that the assessor expects to complete in each fiscal year that the Program is authorized to operate.

(ii) The dollar value added to the county property tax roll in the 2017–18 fiscal year by conducting property tax audits pursuant to Sections 469 and 470.

(M) The number of assessment tasks specified in subparagraphs (D) to (J), inclusive, that will be completed with Program-funded information technology systems and software in each fiscal year that the Program is authorized to operate and the dollar value that will be added to the property tax roll in each fiscal year as a result.

(N) The amount of Program funds and county matching funds that the county assessor proposes to expend for the purposes identified in paragraphs (2) and (3) of subdivision (d).

(f) The department shall review the applications submitted pursuant to subdivision (e), select the Program participants, and notify the participants of their selection no later than October 1, 2018. No later than October 10, 2018, and each subsequent September 1 in fiscal years for which the annual Budget Act appropriates funds for the Program, the department shall instruct the office of the State Controller to remit the appropriate sum to each participating county.

(g) No later than August 10, 2019, and each subsequent August 10 in fiscal years for which the Program is authorized to operate, each participating county assessor's office shall report the following information to the Department of Finance in the form and manner specified by the Department of Finance:

(1) The matching funds provided by the county in the fiscal year.

(2) The number of staff employed by the county assessor's office in the preceding fiscal year.

(3) The number of staff identified pursuant to paragraph (2) whose positions were fully funded using Program funds or county matching funds, or both Program funds and county matching funds.

(4) The total value of county-assessed property in the preceding fiscal year.



(5) (A) The number of newly constructed properties assessed and enrolled in the preceding fiscal year as that number will be reported to the State Board of Equalization for purposes of the report and the dollar value added to the property tax roll.

(B) The number of assessments specified in this paragraph that were performed by the staff identified pursuant to paragraph (3) and the dollar value added to the property tax roll.

(6) (A) The number of reassessments performed for real property that changed ownership in the preceding fiscal year and the dollar value added to the property tax roll.

(B) The number of reassessments specified in this paragraph that were performed by the staff identified pursuant to paragraph (3) and the dollar value added to the property tax roll.

(7) (A) The number of supplemental assessments performed in the preceding fiscal year and the dollar value added to the property tax roll.

(B) The number of supplemental assessments specified in this paragraph that were performed by the staff identified pursuant to paragraph (3) and the dollar value added to the property tax roll.

(8) (A) The number of reassessments performed in the preceding fiscal year for existing modified real property and the dollar value added to the property tax roll.

(B) The number of reassessments specified in this paragraph that were performed by the staff identified pursuant to paragraph (3) and the dollar value added to the property tax roll.

(9) (A) The number of assessments performed in the preceding fiscal year for real and personal property that had previously escaped assessment and the dollar value added to the property tax roll.

(B) The number of assessments specified in this paragraph that were performed by the staff identified pursuant to paragraph (3) and the dollar value added to the property tax roll.

(10) (A) The number of properties reassessed to current market value subsequent to the county assessor having previously reduced their assessed valuations pursuant to subdivision (b) of Section 2 of Article XIII A of the California Constitution in the preceding fiscal year and the dollar value added to the property tax roll.

(B) The number of reassessments specified in this paragraph that were performed by the staff identified pursuant to paragraph (3) and the dollar value added to the property tax roll.

(11) (A) The number of unassessed properties discovered and enrolled in the preceding fiscal year and the dollar value added to the property tax roll.

(B) The number of assessments specified in this paragraph that were performed by the staff identified pursuant to paragraph (3) and the dollar value added to the property tax roll.

(12) (A) The number of assessments appeals successfully responded to in the preceding fiscal year and the dollar value retained on the property tax roll as a result. For purposes of this paragraph, "successfully responded to" means that the assessment appeals board did not reduce the assessed value to that claimed by the person seeking a reduction in the assessment.



(B) The number of assessment appeals specified in this paragraph that were responded to by the staff identified pursuant to paragraph (3) and the dollar value retained on the property tax roll.

(13) (A) The number of additional tax audits completed in the preceding fiscal year and the dollar value added to the property tax roll as a result. For purposes of this paragraph, "additional tax audits" means the number of tax audits in excess of the volume of pool audits required by Section 469.

(B) The number of audits specified in this paragraph that were performed by the staff identified pursuant to paragraph (3) and the dollar value added to the property tax roll.

(14) The number of assessment tasks specified in paragraphs (5) through (11), inclusive, that were completed with Program-funded information technology systems and software in each fiscal year that the Program is authorized to operate and the dollar value added to the property tax roll.

(h) Upon the request of the department, participating county assessors' offices shall provide the department with any supplemental information necessary to substantiate the information contained in the report submitted pursuant to subdivision (g).

(i) No later than March 1, 2022, the Department of Finance shall provide the Joint Legislative Budget Committee with a report that, at a minimum, includes the following information, organized by county, for each fiscal year for which Program funding was appropriated in the annual Budget Act:

(1) The total assessed value of county-assessed property and the dollar amount by which that figure increased or decreased in comparison to the preceding fiscal year.

(2) The assessed value added to the property tax roll by all county assessor's office staff for each of the activities specified in paragraphs (5) through (13), inclusive, of subdivision (g).

(3) A determination as to how much of the assessed value added to the property tax roll for each activity specified in paragraph (2) is attributable to county assessor's office staff whose positions were fully funded using Program funds or county matching funds, or both Program funds and county matching funds.

(4) The amount by which the assessed values derived pursuant to paragraphs (2) and (3) increased or decreased in comparison to the preceding fiscal year.

(5) A determination as to the assessed value added to the property tax roll for each activity specified in paragraphs (5) through (13), inclusive, of subdivision (g) using Program-funded information technology systems and software.

(6) An estimate of the countywide property tax revenue resulting from the assessed value added to the property tax roll as determined pursuant to paragraphs (3) and (5).

(7) An estimate of the amount of revenue identified in paragraph (6) that accrued to the following entities:

(A) K-12 school districts.

(B) California Community College districts.

(C) County offices of education.

(8) A determination as to whether the Program resulted in assessed value increases that would not have otherwise occurred.



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(j) The Legislature finds and declares that there is a compelling public interest in allowing the department to implement and administer this section as expeditiously as possible, and to thereby accelerate countywide equalization efforts. The department is therefore exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) for the purpose of carrying out the duties enumerated in this section.

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LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Property tax administration: State Supplementation for County Assessors Program.

Existing property tax law, for the 2014–15 fiscal year to the 2016–17 fiscal year, inclusive, established the State-County Assessors' Partnership Agreement Program, administered by the Department of Finance, under which counties selected by the department, as specified, received funding, subject to appropriation in the annual Budget Act, for certain property tax administration purposes. Existing property tax law required the counties to match on a dollar-for-dollar basis program funds apportioned to the county assessor's office under the program.

This bill, for the 2018–19 fiscal year to the 2020–21 fiscal year, inclusive, would establish the State Supplementation for County Assessors Program under terms and conditions similar to the above-described State-County Assessors' Partnership Agreement Program. The bill would require counties selected by the department for participation in the new Program to match the 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 in Program funds. The bill would require county assessors' offices that elect to participate in the Program to transmit a resolution and an application, as specified, to the department. The bill would also require each participating county assessor's office to report specified information to the department while the Program is operative. This bill would require the department to submit, by March 1, 2022, a report that includes specified information for each fiscal year that the Program was in operation to the Joint Legislative Budget Committee.

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

