

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 23, 2009
POSITION: Neutral

BILL NUMBER: SB 822
AUTHOR: Senate Revenue and Taxation

SPONSOR: The California Assessors' Association

BILL SUMMARY: Property Taxation: Local Administration

Under current law:

- County assessors are required to determine the new base year value for taxable real property that has been newly constructed.
Exempts property from assessment that has a value too low to justify the costs of assessment and collection, provided that property value does not exceed \$5,000.
The Board of Equalization (BOE) is required to monitor claims for the homeowners' property tax exemption to prevent duplicate claims from being made in other counties of the state.

This bill would make various non-controversial changes to the provisions of the property tax law. Most notably, this bill would:

- Provide that the scale copies of floor plans may be either in a paper or electronic format, and specify that the assessor may require the floor plans be provided in electronic format if available.
Authorize the county to raise the low-value exemption limit from \$5,000 to \$10,000.
Authorize, but not require, county assessor to supply specific information to the BOE from disabled veterans' property tax exemption claims to prevent duplicate or overlapping claims from being made in other counties.

FISCAL SUMMARY

The BOE indicates that for any county that opts to raise the low-value exemption to an amount exceeding \$5,000, there may be a small cost savings if the cost of assessing and billing those properties is greater than the resultant property tax revenues. The BOE is unable to quantify any potential savings.

COMMENTS

Finance notes the following regarding this bill:

- The intent of this measure is to simplify and improve property tax administration.

Analyst/Principal (0761) C. Hill Date Program Budget Manager Mark Hill Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	
9990/Var Depts	SO	No		-----	No/Minor	Fiscal Impact	-----		0001
0860/Equalization	SO	No		-----	No/Minor	Fiscal Impact	-----		0001