

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original  
POSITION: Neutral

BILL NUMBER: SB 824  
AUTHOR: Senate Revenue and Taxation

SPONSOR: California Association of Clerks and Election Officials, State Board of Equalization

**BILL SUMMARY: Taxation**

Existing law imposes various duties on the state Board of Equalization (BOE) related to property tax law and administration.

This BOE-sponsored bill would make numerous technical changes to property tax law and other BOE administrative procedures.

**FISCAL SUMMARY**

Finance estimates this bill would have no state General Fund impact. We concur with BOE estimates that the bill is revenue neutral.

**COMMENTS**

Finance notes the following with regard to this bill:

- This bill could improve the administration of property tax laws to assist both taxpayers and tax administration agencies.

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Analyst/Principal (0762) C. Hill	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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

Senate Revenue and Taxation

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**ANALYSIS****A. Programmatic Analysis**

Current law provides that persons who own property substantially damaged or destroyed in a Governor-declared disaster may transfer the base year value of that property to a property acquired or constructed as a replacement if it is acquired within five years after the disaster. "Substantially damaged" means physical damage amounting to more than 50 percent of its current market value immediately prior to the disaster.

This bill would treat land and improvements as separate units in meeting the "substantially damaged or destroyed" threshold of 50 percent for purposes of qualifying for disaster relief via a base year value transfer.

Existing law provides that property owned by nonprofit organizations and churches and leased to public schools, including colleges, are exempt from property tax under the welfare exemption provided the rents charged do not exceed the ordinary and usual expenses in maintaining and operating the property.

This bill would clarify the filing procedures for obtaining a property tax exemption on property owned by a church or a nonprofit organization that is leased to a public school or college.

Existing law provides a "disabled veterans' exemption" to reduce the assessed value of the homes of qualified veterans or their surviving unmarried spouses.

This bill would delete obsolete references to prior exemption amounts that have since been increased.

Under existing law, real property is reassessed to its current fair market value when there is a change in ownership. Current law requires that subsequent to any change in ownership of real property, the acquiring property owner must file a "Change in Ownership Statement" (COS). In actual practice, many taxpayers file a nearly identical "Preliminary Change in Ownership Report" (PCOR) rather than a COS.

This bill would amend statute to remove those provisions that specify the design of the PCOR form, and instead authorize the BOE to prescribe the form after consultation with the California Assessors' Association.

Existing law requires BOE to hold regular board meetings in Sacramento each month and special meetings at such places and times as the chairperson directs.

This bill would require the board to meet monthly in the state but not exclusively in Sacramento so long as at least one regular meeting is held in Sacramento each quarter.

**B. Fiscal Analysis**

Finance estimates this bill would have no state General Fund impact. We concur with BOE estimates that the bill is revenue neutral.

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

**AUTHOR**

**AMENDMENT DATE**

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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	2008-2009	FC	2009-2010	FC	2010-2011	
0860/Equalization	SO	No		-----	No/Minor	Fiscal Impact	-----		0001