



STATE OF CALIFORNIA

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No. 86/33

April 4, 1986

TO COUNTY ASSESSORS:

DISASTER RELIEF

Assembly Bill 2536 (Chapter 16, Statutes of 1986) was signed into law March 11, 1986 and is effective immediately as an urgency statute. It is a disaster relief measure that includes a property tax provision.

Chapter 4 (commencing with Section 181) is added to Part 1 of Division 1 of the Revenue and Taxation Code to permit owners of eligible property to apply for deferral of the second installment of the regular secured roll property tax for the 1985-86 fiscal year and for the deferral of unpaid and nondelinquent supplemental taxes for the 1985-86 fiscal year.

Deferral - Regular Roll

To be eligible for the deferral relief, a property must be located in a county proclaimed by the Governor to be in a state of disaster as a result of storms and floods occurring during February 1986. The affected county must have an ordinance in effect providing for reassessment pursuant to Section 170 of the Revenue and Taxation Code. The property must have received the homeowners' exemption or was eligible for the homeowners' exemption as of March 1, 1986, and the property owner must file a property tax deferral claim by April 10, 1986. In order to qualify, the property must have suffered damage of \$10,000 or more.

In event of timely application, the tax payment shall be deferred without penalty or interest until the assessor has reassessed the property and a corrected bill prepared pursuant to Section 170 is mailed to the taxpayer. If on reassessment the assessor determines the property was not eligible for a deferral of the tax, a delinquency penalty shall be levied for the nonpayment of the deferred taxes. The tax deferral provision does not apply to taxes paid through impound accounts, nor does it provide for refunds if the second installment has already been made.

If a corrected bill is prepared reflecting the adjusted value due to damage, the deferred installment of taxes will be due 30 days after the taxpayer receives the corrected bill. If unpaid after the 30 days, the bill will become delinquent as provided in Section 2610.5 of the Revenue and Taxation Code and shall be subject to the penalty provided by law.

Deferral - Supplemental Roll

The eligibility requirements for deferral of unpaid nondelinquent 1985-86 fiscal year supplemental roll taxes are the same as those for the regular roll with the following addition. Each eligible county must adopt an ordinance to permit the deferral of the specified supplemental taxes. If a corrected supplemental tax bill is prepared reflecting the adjusted value due to damage, payment is due on the last day of the month following the month in which the corrected bill is mailed, or the delinquent date of the second installment of the original supplemental bill, whichever is later. If unpaid by the preceding date, the installment will become delinquent as provided in Section 2610.5 of the Revenue and Taxation Code, and shall be subject to the penalty provided by law. This legislation provides for deferral of unpaid and nondelinquent supplemental taxes for the 1985-86 fiscal year.

County Reimbursement and Recordkeeping

A fund of \$20 million is provided to compensate local government for the loss of revenue caused by the payment deferrals due to the disaster and for the increased administrative costs caused by the need to reassess and rebill assessees. The reimbursement concept relates only to lost revenue and increased administrative expense incurred during the 1985-86 fiscal year.

Assessors should document administrative costs related to notification and reassessment of flood damaged property from March 1, 1986 to the end of the fiscal year. The Department of Finance and the State Controller will issue reporting guidelines to county administrators. The reports will be subject to review and audit activity when filed with the appropriate state agency.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

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