



STATE BOARD OF EQUALIZATION
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Executive Director

September 22, 1999

No. 99/52

TO COUNTY ASSESSORS:

DISASTER RELIEF—DECEMBER 1998 FREEZE

Chapter 291 of the Statutes of 1999 (Senate Bill 1014, Poochigian) became effective on September 1, 1999. This legislation restarts the four-year exemption period for newly planted fruit and nut trees that were severely damaged by the 1998 freeze.

Section 3(i) of article XIII of the California Constitution exempts from property tax fruit and nut trees until four years after the season in which they were first planted in orchard form. The land upon which the trees are planted remains subject to tax. Existing section 211 of the Revenue and Taxation Code restates this provision and additionally provides that any tree severely damaged during the exemption period as a result of the freeze that occurred in December of 1990 shall receive a new four-year exemption period. Any tree pruned to the trunk or bud union to establish a new shoot as a replacement is considered "severely damaged."

Chapter 291 amends subdivision (a) of section 211 to specify that "any fruit- or nut-bearing tree severely damaged during the exemption period by the December 1998 freeze so as to require pruning to the trunk or bud union to establish a new shoot as a replacement for the damaged tree shall be considered a new planting in orchard form." This measure merely extends the exemption period for trees that are already exempt from property tax. It follows the basic tax policy that trees will not be subject to taxation until they reach maturity and start producing a harvestable crop.

A copy of Chapter 291 is enclosed for your information. If you have any questions regarding this legislation, please contact our Real Property Technical Services Unit at (916) 445-4982.

Sincerely,

/s/ Richard C. Johnson

Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ:grs
Enclosure