

Memorandum

To: Honorable Antonio Vazquez, Chairman
Honorable Sally J. Lieber, Vice Chair
Honorable Ted Gaines, First District
Honorable Mike Schaefer, Fourth District
Honorable Malia M. Cohen, State Controller

Date: September 21, 2023

From: Ted Angelo, Chief
Legislative, Research, and Statistics Division

Subject: **Legislative Summary – September 2023 Board Meeting**

Attached is a current listing of proposed legislation impacting the State Board of Equalization (BOE) or any of its programs. Included are BOE-sponsored legislation, Board-supported bills, and other legislation that will be highlighted at the Board meeting.

The Legislative, Research, and Statistics Division (LRSD) prepares comprehensive bill analyses for dissemination to the Board, BOE staff, the Governor's Office, the author of the bill, related policy committees in the Legislature, the Department of Finance, the Legislative Analyst's Office, caucus staff, and those subscribed to the LRSD's electronic distribution list. Analyses are continually updated and redistributed as bills affecting the BOE are amended.

Bill analyses prepared by BOE staff address the various administrative, cost, revenue, and policy issues associated with proposed legislation and can be found at: <https://www.boe.ca.gov/legislative-research-and-stats/legislation.htm>. BOE bill analyses should not be construed to reflect or suggest the Board's formal position.

Approved:

/s/ Yvette M. Stowers

Yvette M. Stowers
Executive Director

Attachment

cc: Ms. Deborah Bautista-Zavala
Mr. Gary Gartner
Mr. Matt Cox
Mr. Cody Petterson
Mr. Hasib Emran
Ms. Lisa M. Renati

Legislative, Research, and Statistics Division Report

September 22, 2023

BOE Sponsored Legislation

SB 889 (Governance & Finance Committee) - Sent to Governor

Amends section 32387 of the Revenue and Taxation Code to authorize electronic service of levies. Amends sections 32401 & 32440 of the Revenue and Taxation code requiring any determinations or cancellations made by the Board under the Alcoholic Beverage Tax (ABT) program, that are in excess of \$50,000, to be made public for 10 days after the effective date of the determination or cancellation.

SB 890 (Governance & Finance Committee) - Sent to Governor

A technical change regarding the implementation of Proposition 19 (2020) that amends sections 62.1, 62.5, and 69.4 of the Revenue and Taxation Code to include references to section 63.2 relating to the intergenerational transfer exclusion and 69.6 relating to the age 55 and older/disabled/disaster base year value transfer.

Board Supported Legislation

AB 556, James Gallagher

To Governor

Property Taxation: Transfer of Base Year Value

Relates to the property tax law, which provides that the property tax base year value of real property that is substantially damaged or destroyed by a disaster may be transferred to a comparable property located within the same county that is acquired or newly constructed within 5 years after the disaster as a replacement property. Extends this time period if the property was substantially damaged or destroyed by the 2018 Camp Fire disaster, as proclaimed by the Governor. Declares bill as an urgency statute.

Status: Sep 16, 2023: Enrolled.

SB 4, Scott D. Wiener

To Governor

Planning and Zoning: Housing Development

Requires that a housing development project be a use by right upon the request of an applicant who submits an application for streamlined approval, on any land owned by an independent institution of higher education or religious institution on the specified date, if the development satisfies specified criteria, including that the development is not adjoined to any site where more than specified square footage on the site is dedicated to industrial use.

Status: Sep 15, 2023: Sent to Governor

Legislative, Research, and Statistics Division Report

September 22, 2023

SB 20, Susan Rubio

Enacted - Effective Date: 01/01/2024

Joint Powers Agreements: Regional Housing Trusts

Authorizes 2 or more local agencies, as defined, to create a regional housing trust for the purpose of funding housing to assist the homeless population and persons and families of extremely low, very low, and low income within their jurisdictions by entering into a joint powers agreement pursuant to the Joint Exercise of Powers Act. Authorizes a federally recognized tribal government to enter into the joint powers agreement.

Status: Sep 1, 2023: Signed by Governor. Chapter No. 147

SB 423, Scott D. Wiener

To Governor

Land Use: Streamlined Housing Approvals: Multifamily

SB 423 streamlines and expedites the ministerial approval process first established under SB 35 (Wiener, Chapter 366, 2017) for multi-unit housing in cities that are falling short of their Regional Housing Needs Allocation and extends the current sunset date by 10 years until January 1, 2036. Among other technical changes, SB 423 will also, (1) require that, in jurisdictions not meeting their housing targets for above moderate-households, projects eligible for SB 35 streamlining must contain at least 10% of the units affordable to very low-income households, as specified; (2) authorize SB 35 to apply within the coastal zone, beginning January 1, 2025, consistent with the applicable local coastal plan or land use plan, except in areas that are environmentally sensitive or hazardous, as specified; (3) specify that SB 35 streamlining shall not apply in specified fire hazard zones unless sites have adopted all applicable fire hazard mitigation measures, as specified; and (4) make other clarifying changes.

Status: September 15, 2023: To Governor

SB 588, Ben Allen

Pending - Assembly Revenue and Taxation Committee

Property Taxation: Welfare Exemption

Provides that existing law partially exempts from property taxation property that is used exclusively for rental housing and related facilities and that is owned and operated by specified entities if any of specified criteria are met, including that 90% or more of the occupants are lower income households. Provides that the claimant is liable for property tax for the years for which the property received the bill's tax benefit if single or multifamily residential units were not constructed or rehabilitated.

Status: July 10, 2023: In Assembly R&T: Not heard. Two-Year Bill.

Legislative, Research, and Statistics Division Report

September 22, 2023

SB 734, Susan Rubio

To Governor

Property Tax: Possessory Interests

Provides that existing law requires that all property subject to tax be assessed at its full value, and includes certain possessory interests among those property interests subject to tax. Provides that, for the purpose of defining possessory interest, a tenancy in a residential unit of a publicly owned housing project by a low-income household leased at affordable rents does not create independent possession or use of land or improvements by the tenant.

Status: Sep 11, 2023 - To Governor

SB 871, Bob Archuleta

Pending - Assembly

Property Taxation: Exemptions

Legislative companion measure to SCA 6. Provides that if Senate Constitutional Amendment 6 is approved by the voters at the statewide general election scheduled for specified date notwithstanding that prohibition, the homeowners' exemption also applies to property on which an owner receives the veterans' exemption or the disabled veterans' exemption.

Status: Sep 12, 2023: Held at Assembly Desk

SCA 6, Bob Archuleta

Pending - Assembly

Property Taxation: Veterans' Exemption

Allows a dwelling that receives the veterans' exemption or the disabled veteran's exemption to also receive the homeowners' exemption. Authorizes the Legislature to exempt property eligible for the veterans' exemption up to a specified amount. Provides that if the Legislature increases the homeowners' exemption, the Legislature shall provide the same increase in the veterans' exemption. Removes certain prohibitions based on the amount of property that a veteran or their parent or spouse owns.

Status: Sep 12, 2023: Adopted by Senate. Sent to Assembly. Held at Desk.

Legislative, Research, and Statistics Division Report

September 22, 2023

Other Legislation Impacting BOE and the Board

SB 544, John Laird

To Governor – Effective 1/1/24 if signed

Bagley-Keene Open Meeting Act: Teleconferencing

Enacts an additional, alternative set of provisions under which a state body may hold a meeting by teleconference. Requires at least one member of the state body to be physically present at each teleconference location, defined for these purposes as a physical location that is accessible to the public and from which members of the public may participate in the meeting. Requires the members of the state body to visibly appear on camera during the open portion of a meeting that is publicly accessible.

Status: Sep 14, 2023: To enrollment.

SCA 4, Kelly Seyarto

Senate Governance and Finance Committee

Property Taxation: Principal Residence Home Transfers

Ends the operation of specified provisions of Proposition 19 relating to ad valorem taxes on real property. Reinstates the prior rule excluding from classification as a purchase or change in ownership the purchase or transfer of a principal residence, and the first specified dollar amount of other real property, in the case of a purchase or transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased.

Status: Failed Passage - Reconsideration granted.

Similar language sponsored by the Howard Jarvis Taxpayers' Association was cleared for circulation on August 21, 2023, and is currently in the signature-gathering phase. To qualify, approximately 875,000 signatures must be submitted by February 20, 2024.

Legislative, Research, and Statistics Division Report

September 22, 2023

Proposed Constitutional Amendments

Bill Number	Author	Title	Status
SCA-1	Newman	Elections: Recall of State Officers	Senate Floor
SCA-4	Seyarto	Property Taxation: Principal Residence	Failed in Committee; Reconsideration Granted
SCA-6	Archuleta	Property Taxation: Veterans' Exemption	Assembly Floor - Inactive
ACA-1	Aguiar-Curry	Elections: Vote Thresholds	Legislature Approved November 2024 Ballot
ACA-11	Ting	State Tax Agency	Assembly Rev & Tax Hearing Cancelled
ACA-13	Ward	Elections: Threshold for Special Taxes and Bonds	Legislature Approved November 2024 Ballot

Pending Legislation Affecting BOE Tax Programs

Bill Number	Author	Title	Location
SB82	Seyarto	Disabled Veterans' Exemption	To Governor
SB320	Skinner	Possessory Interests Housing Projects	Senate Gov. & Fin./Held
SB388	Archuleta	Beer Manufacturer Returns & Schedules	To Governor
SB419	Roth	Exemption: Property Used in Space Flight	To Governor
SB520	Seyarto	Homeowners' Exemption	To Governor
SB588	Allen	Welfare Exemption: Lower Income Households: Cap	Assembly Rev. & Tax/Held
SB726	Archuleta	Disabled Veterans' Exemption	Assembly Rev. & Tax/Held
SB734	Rubio	Property Tax: Possessory Interests	To Governor
AB 84	Ward	Property Taxation: Welfare Exemption	To Governor
AB 430	Bennett	Community Land Trusts: Welfare Exemption: Assessment: Foreclosure Sales	Senate Appr./Held
AB 556	Gallagher	Taxation: Transfer of Base Year Value, Disaster Relief	To Governor
AB 1066	Patterson	Property Taxation: Exemption: Low-Value Properties	Assembly Appr./Held
AB 1361	Hoover	Veterans Exemption: Preliminary Application	To Governor
AB1500	Irwin	Property Taxation: Application of Base Year Value; Disaster Relief	To Governor
AB 1528	Gipson	Housing Authorities	To Governor

Legislative, Research, and Statistics Division Report

September 22, 2023

Pending Legislation Affecting Agency Administration

Bill Number	Author	Title	Location
SB74	Dodd	State Issued Devices: : Social Media Platforms	Assembly Floor-Inactive
SB411	Portantino	Open Meetings: Teleconferences	To Governor
SB544	Laird	Bagley-Keene Open Meeting Act: Teleconferencing	To Governor
AB557	Hart	Open Meetings: Teleconferences	To Governor