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Executive Director
No. 2012/045

November 1, 2012

TO COUNTY ASSESSORS:

SUMMARY OF 2012 PROPERTY TAXES LEGISLATION

This is a summary of 2012 legislation affecting property taxes. All bills will become effective January 1, 2013, unless otherwise specified.

AB 1589 (Huffman), Chapter 533

Among others, adds section 201.7 to the Revenue and Taxation Code.

Possessory Interests – State Parks. Provides that a qualified nonprofit organization entering into an operating agreement with the California Department of Parks and Recreation with respect to a state park is acting as an agent of the state. As such, a taxable possessory interest is not created.

AB 1700 (Butler), Chapter 781, Effective September 29, 2012

Adds section 62.3 to the Revenue and Taxation Code.

Change in Ownership Exclusion - Cotenancy. Excludes from reassessment a transfer of a cotenancy interest from one cotenant to another that occurs upon the death of one cotenant. Applies to transfers that occur on or after January 1, 2013. Requires that the following conditions be met:

- The sole two cotenants together must own 100 percent of the property as joint tenants or tenants in common.
- The transfer results in the surviving cotenant owning a 100 percent interest in the property.
- The property was the principal residence of both cotenants immediately preceding the transferor cotenant's death.
- For the one year period prior to the date of transfer, the property was co-owned by the two cotenants and that the two cotenants continuously resided in the property.
- The transferee must sign an affidavit affirming residency.

AB 2046 (Allen), Chapter 817, Effective September 30, 2012

Adds section 62.5 to the Revenue and Taxation Code.

Change in Ownership Exclusion – Floating Homes. Excludes from change in ownership the transfer of a floating home marina to an entity formed by the tenants of the marina for the

purpose of purchasing the marina provided that at least 51 percent of the berths participate in the transaction. Provides that once the transfer of a marina is excluded, subsequent transfers of shares or membership interests in the entity that acquired the marina is a change in ownership of a pro rata portion of the real property. If a marina does not use recorded deeds to transfer ownership interests, requires the transferee to file a *Change in Ownership Statement* with the appropriate assessor within 30 days of a change in ownership and requires the marina to file an annual report with the assessor's office.

AB 2207 (Gordon), Chapter 863, Effective September 30, 2012

Amends section 214.02 of the Revenue and Taxation Code.

Welfare Exemption—Natural Resources and Open Space Lands. Beginning with the 2013-14 fiscal year, provides that, in determining whether property is used for exempt activity, consideration is not to be given to the use of activities resulting in direct or in-kind revenues such as grazing leases, hunting and camping permits, caretaker rents, or admission fees, provided that the activities further the conservation objectives of the property.

AB 2643 (Ma), Chapter 161

Amends sections 2635.5 and 5151 of, and adds section 4985.5 to, the Revenue and Taxation Code.

Delinquent Property Tax Penalty—Pending Informal Assessment Review. Limits penalty relief to the difference between the county assessor's final determination of value and the value on the assessment roll where a taxpayer has failed to pay taxes on an assessment that is the subject of a pending informal review due to a decline in value. Requires the tax collector to accept a payment in the amount of 80 percent of the amount finally determined due if that payment is made within 30 days of the taxpayer filing an application for reassessment. Requires the county board of supervisors, with the approval of the county's tax collector and auditor, to adopt a resolution or ordinance approving these provisions.

AB 2680 (Committee on Agriculture), Chapter 128

Amends section 51257 of the Government Code.

Williamson Act Lot Line Adjustments. Eliminates the sunset date and extends indefinitely the provisions that allow a landowner to rescind a contract and simultaneously enter into a new contract to facilitate a lot line adjustment.

AB 2688 (Committee on Revenue and Taxation), Chapter 362

Among others, amends section 1154 of the Revenue and Taxation Code.

Definition of Air Taxi. Revises definition to increase the passenger capacity to 60 seats and maximum payload capacity to 18,000 pounds, and updates the reference to the appropriate federal agency charged with issuing economic authority for air carriers.

SB 1099 (Wright), Chapter 295

Among others, amends sections 11343, 11343.4, and 11344 of the Government Code.

Regulations—Effective Date. Changes effective date of regulations from 30 days after filing with the Secretary of State to a quarterly basis as specified (January 1, April 1, July 1, or

October 1). Requires a state agency to post a regulation on its website in an easily marked and identifiable location within 15 days of that regulation's filing with the Secretary of State (see www.boe.ca.gov/info/annotations.html). Requires the state agency to keep the regulation on its website for at least six months from the date the regulation is filed with the Secretary of State.

SB 1171 (Harman), Chapter 162

Among others, amends section 214.02 of the Revenue and Taxation Code.

Welfare Exemption for Property in its Natural State. Clarifies that (1) sections 4 and 5 refer to article XIII of the California Constitution, (2) section 214 refers to the Revenue and Taxation Code, and (3) amendments made effective January 1, 2005 were made by Chapter 354 of the Statutes of 2004. While the provisions of item 3 were enacted in Assembly Bill 2207 (Chapter 863), the provisions of items 1 and 2 included in this annual Maintenance of the Codes bill were not. This resulted in the provisions of items 1 and 2 being amended out when Assembly Bill 2207 was chaptered.

These bills may be viewed from the Legislative Counsel's website at www.leginfo.ca.gov/bilinfo.html. The Board of Equalization's bill analyses may be viewed from our website at www.boe.ca.gov/legdiv/legcont.htm.

If you have any questions regarding the application of these measures, please contact the County-Assessed Properties Division at 916-274-3350.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

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