

CHANGES WITHOUT REGULATORY EFFECT UNDER CALIFORNIA CODE OF REGULATIONS, TITLE 1, SECTION 100

Statement of Explanation

California Code of Regulations, Title 18. Public Revenues

Division 1, State Board of Equalization – Property Tax

Chapter 2, *Assessment*, Article 3. Exemptions and Immunities

Property Tax Rule 135, *Homeowners' Property Tax Exemption*

California Code of Regulations, title 18, section 135 (Rule 135, *Homeowners' Property Tax Exemption*), provides for the Homeowners' Exemption for property tax as well as the maintenance of assessors' records pertaining to the exemption.

Senate Bill 1493 (Stats. 2010, ch. 185), in part, amended Revenue and Taxation Code section 465 to allow documents obtained from taxpayers and affidavits for certain first-time exemption claims to be destroyed immediately upon preservation in a medium that captures a true image of the document that may later be retrieved. The change in law eliminated the requirement that original documents and affidavits be retained for three years after preservation in an accessible format. Currently, Rule 135 reflects the requirements under the old law, which requires assessors to maintain the original records for three years after preserving them.

The proposed amendments to Rule 135 update subdivision (e)(5) to allow assessors to immediately destroy physical records required in the administration of the Homeowners' Exemption upon preservation in an electronic image format that provides access to the documents in a machine readable form pursuant to subdivision (e)(1) of the rule. Additionally, the amendments include nonsubstantive revisions to structure, syntax, grammar, and punctuation.

The State Board of Equalization has determined that the changes to Rule 135 are appropriate for processing under California Code of Regulations, title 1, section 100 because the changes make "a regulatory provision consistent with a changed California statute" where "the regulatory provision is inconsistent with and superseded by the changed statute" and the Board has "no discretion to adopt a change that differs in substance from the one chosen." (Cal. Code Regs., tit. 1, § 100, subd. (a)(6).) Furthermore, the changes are merely reflective of existing law and therefore, they do "not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision." (Cal. Code Regs., tit. 1, § 100, subd. (a).) Finally, the amendments include nonsubstantive revisions to structure, syntax, grammar, and punctuation. (*Id.* at subd. (a)(4).)