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PROPERTY TAX DEPARTMENT  
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December 8, 2015

CYNTHIA BRIDGES  
Executive Director

No. 2015/056

TO COUNTY ASSESSORS:

## SUMMARY OF 2015 PROPERTY TAXES LEGISLATION

This is a summary of 2015 legislation affecting property taxes. All bills will become effective January 1, 2016, unless otherwise specified.

### **AB 139 (Gatto), Chapter 293**

*Amends sections 2337 and 2040 of the Family Code; amends sections 250, 267, 279, 2580, 5000, 5302, 13111, 13206, and 13562 of, amends and renumbers sections 5600, 5601, 5602, 5603, and 5604 of, adds section 69 to, adds the heading of chapter 3 (commencing with section 5040) to part 1 of division 5 of, adds and repeals part 4 (commencing with section 5600) of division 5 of, and repeals the heading of part 4 (commencing with section 5600) of division 5 of, the Probate Code.*

**Revocable Transfer Upon Death Deeds.** Until January 1, 2021, creates the revocable transfer on death (TOD) deed which transfers residential real property on the death of its owner without probate proceeding. Provides that the deed, during the owner's life, does not affect ownership rights and that the real property transfers upon date of death. For purposes of the property tax, specifies that the execution and recordation of a revocable TOD deed is not a change in ownership and does not require a preliminary change in ownership report to be filed. Specifies that the transfer of real property on the death of the transferor by a revocable TOD deed is a change in ownership and requires a change in ownership statement to be filed. Limited to residences (1-4 units), condominiums, and agricultural land of 40 acres or less with a single-family residence.

### **AB 571 (Brown), Chapter 501**

*Amends sections 463 and 483 of the Revenue and Taxation Code.*

**Late Filing Penalty Abatement.** Modifies the "reasonable cause" standard that authorizes the penalty to be abated for failure to file the property statement or change in ownership statement within the specified time period. Provides that an assessee must establish that the failure was due to reasonable cause and circumstances beyond the assessee's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect.

**AB 668 (Gomez), Chapter 698**

*Amends section 402.1 of the Revenue and Taxation Code.*

**Land Use Restrictions.** When valuing real property, requires the county assessor to consider a recorded contract with a nonprofit corporation that meets prescribed requirements, including requirements that the nonprofit corporation has received a welfare exemption for properties intended to be sold to low-income families who participate in a special no-interest loan program, and that the contract includes a restriction on the use of the land for at least 30 years to owner-occupied housing available at affordable housing cost. Contains double-jointed language for Assembly Bill 1251 regarding greenway easements.

**AB 681 (Ting), Chapter 404**

*Amends section 15645, and amends, repeals, and adds section 15643, of the Government Code.*

**Assessment Practices Surveys.** Modifies the county assessment practices survey cycle, reduces the time within which the Board of Equalization (BOE) must issue a survey report from two years to one year, and allows former assessors to provide feedback on the survey of their former office.

**AB 707 (Wood), Chapter 631**

*Amends section 51203 of the Government Code.*

**Williamson Act Contract Cancellation.** Where the Department of Conservation and landowner agree to a cancellation valuation for purposes of cancellation fees and where the land under contract is subject to additional locally-imposed cancellation fees, requires the Department of Conservation to provide a specified preliminary valuation to the county assessor and the city council or county board of supervisors at least 60 days prior to the effective date of the agreed-upon cancellation valuation. Allows the assessor to provide comments to the city council or board of supervisors on the Department of Conservation's preliminary valuation.

**AB 1157 (Nazarian), Chapter 440**

*Amends sections 401.17, 441, and 1153.5 of the Revenue and Taxation Code.*

**Certificated Aircraft.** Extends for one year the current commercial air carrier centralized "lead county" administrative procedures and the aircraft valuation methodology provisions for use in the 2015-16 fiscal year to the 2016-17 fiscal year. Extends the repeal date from December 31, 2015 to December 31, 2016.

**AB 1251 (Gomez), Chapter 639**

*Adds chapter 4.5 (commencing with section 816.50) to title 2 of part 2 of division 2 of the Civil Code, amends section 65560 of the Government Code, and amends section 402.1 of the Revenue and Taxation Code.*

**Land Use Restrictions.** Requires assessors to consider the impact upon the value of land subject to a recorded greenway easement, which the bill creates as the Greenway Development and Sustainment Act. These provisions were incorporated into Assembly Bill 668, which was chaptered last.

**AB 1534 (Committee on Revenue and Taxation), Chapter 446**

*Amends and renumbers section 674 of, adds article 8.5 (commencing with section 674) to chapter 3 of part 2 of division 1 of, the Revenue and Taxation Code.*

**Assessment Analyst Certification.** Allows local boards of supervisors to impose certification and annual training requirements on certain county assessor employees. If locally enacted, requires any county assessor employee who makes change in ownership decisions or property tax exemption decisions (excluding the homeowners' exemption) to hold a BOE-issued assessment analyst certificate. Excludes county assessor employees who are BOE-certified appraisers from these provisions, including an assessor (elected or appointed) who is required by law to hold an appraiser certification from the BOE.

**SB 803 (Committee on Governance and Finance), Chapter 454**

*Amends section 7510 of the Government Code, and amends sections 63.1, 68, 401.10, 423.3, 480, 482, 2609, and 3726 of the Revenue and Taxation Code.*

**Possessory Interests – State Retirement System-Owned Property.** Replaces a possessory interest valuation methodology for state retirement system-owned property, which a court ruled unconstitutional,<sup>1</sup> with a reference to pre-existing Property Tax Rule 21 (section 7510).

**Parent-Child Exclusion.** Provides that the parent-child change in ownership exclusion applies to a transfer of a pro rata ownership interest in a resident-owned manufactured home park or a floating home marina owned by a legal entity (section 63.1).

**Government Acquisition Base Year Value Transfer.** Allows retroactive relief for base year value transfer claims filed after the four-year timeline, related to a recent court decision concerning filing deadlines.<sup>2</sup> Limits roll corrections and the refund or cancellation of taxes prior to the date the request is made to the lien dates for the last four fiscal years (section 68).

**Intercounty Pipeline Rights-of-Way.** Extends the sunset on the codified valuation methodology for five years until January 1, 2021 (section 401.10).

**Williamson Act.** Corrects cross references for prime agricultural land and other than prime agricultural land (section 423.3).

**Change in Ownership Reporting.** Extends the change in ownership reporting and filing penalties to transferees of floating homes (sections 480 and 482).

These bills may be viewed from the California State Legislature's website at [www.legislature.ca.gov/the\\_state\\_legislature/bill\\_information/bill\\_information.html](http://www.legislature.ca.gov/the_state_legislature/bill_information/bill_information.html). The Board of Equalization's bill analyses may be viewed from our website at [www.boe.ca.gov/legdiv/legcont.htm](http://www.boe.ca.gov/legdiv/legcont.htm).

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<sup>1</sup> *California State Teachers' Retirement System v. County of Los Angeles*, (2013) 216 Cal.App.4th 41.

<sup>2</sup> *Olive Lane Industrial Park, LLC v. County of San Diego* (2014) 227 Cal.App.4th 1480.

If you have any questions regarding the application of these measures, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee  
Deputy Director  
Property Tax Department

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