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AB-2450 Property taxation. (2015-2016)

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Assembly Bill No. 2450

CHAPTER 300

An act to amend Section 5091 of, and to add Section 402.2 to, the Revenue and Taxation Code, relating to property tax.

[Approved by Governor September 12, 2016. Filed with Secretary of State September 12, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2450, Achadjian. Property taxation.

Existing property tax law requires the county assessor to consider, when valuing real property for property taxation purposes, the effect of any enforceable restrictions to which the use of the land may be subjected. Under existing law these restrictions include, but are not limited to, zoning, recorded contracts with governmental agencies, and various other restrictions imposed by governments.

This bill would require contracts with governmental agencies that restrict the use of the property to owner-occupied housing available at affordable housing cost to be recorded. The bill would provide that this requirement would not prevent the assessor from considering a contract that restricts the use of the property to owner-occupied housing available at affordable housing cost, including under any locally adopted inclusionary housing program, for purposes of assessing real property, as provided.

The California Constitution exempts from property taxation property that is owned by the state or, with certain exceptions, by local governments. Existing property tax law establishes a procedure by which a public entity may cancel property taxes on property that it acquires. Under existing law, if a public entity proposes to acquire property for public use that will make the property exempt from taxation, the public entity is required to give notice to the county tax collector and to other public entities whose taxes are not collected by the county tax collector, as provided.

This bill would additionally require the public entity to give notice to the county assessor.

By adding to the duties of local government officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 402.2 is added to the Revenue and Taxation Code, to read:

402.2. Contracts with government agencies restricting the use of property for owner-occupied housing available at affordable cost shall be recorded. Nothing in this section shall be construed to prevent the assessor from considering a contract that restricts the use of the property to owner-occupied housing available at affordable housing cost, including under any locally adopted inclusionary housing program, for purposes of applying Section 402.1 or subdivision (a) of Section 110.

SEC. 2. Section 5091 of the Revenue and Taxation Code is amended to read:

5091. (a) If a public entity proposes to acquire property for a public use that will make the property exempt from taxation, the public entity shall give notice to the county assessor, the county tax collector, and to any public entities whose taxes are not collected by the county tax collector but who at the time exercise the right of assessment and taxation.

(b) The notice shall be given within a reasonable time following the initial budgeting of funds for the proposed acquisition, and shall state all of the following:

(1) The approximate extent of the proposed project.

(2) The estimated time of completion of all acquisitions necessary for the proposed project.

(c) This section creates no rights or liabilities and does not affect the validity of any property acquisitions by negotiated purchase or eminent domain.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.