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**AB-3122 Property taxation: disaster relief: payment of deferred taxes.** (2017-2018)

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**Assembly Bill No. 3122**

**CHAPTER 149**

An act to amend Section 194.1 of the Revenue and Taxation Code, relating to taxation.

[ Approved by Governor July 20, 2018. Filed with Secretary of State July 20, 2018. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 3122, Gallagher. Property taxation: disaster relief: payment of deferred taxes.

Existing law authorizes the board of supervisors of a county to provide, by ordinance, for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the approval of the board of supervisors. Existing law also authorizes owners of eligible property, as defined, who have applied for reassessment under that ordinance, to apply for a deferral of payment of that installment of property taxes.

This bill would require that the application for a deferral of payment be made in conjunction with the claim for reassessment.

Existing law requires the payment to be deferred without penalty or interest until the assessor has reassessed the property and a corrected bill has been sent to the property owner, at which time the taxes deferred pursuant to these provisions become due 30 days after receipt by the owner of the corrected tax bill and, if unpaid thereafter, are delinquent, as specified.

This bill would instead provide that deferred taxes on the corrected tax bill are due and payable for the current tax year, as described above, on the later of (1) December 10 for the first installment or April 10 for the 2nd installment or (2) 30 days after the date that the corrected bill is mailed or electronically transmitted to the owner. The bill would additionally require the payment to be deferred without penalty and interest until the assessor has determined that the property is not eligible to be reassessed and the assessor has so notified the property owner.

By changing the manner by which deferral of property taxes for disaster relief is administered, 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 the statutory provisions noted above.

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

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

**SECTION 1.** Section 194.1 of the Revenue and Taxation Code is amended to read:

**194.1.** (a) Any owner of eligible property who files on or before the next property tax installment payment date, as defined in Section 194, a claim for reassessment pursuant to Section 170, or whose property is otherwise reassessed pursuant to Section 170, may, in conjunction with the claim for reassessment, apply to the county assessor to defer payment of that installment of property taxes on the regular secured roll for the current fiscal year with respect to that property which are due no later than that date which immediately follows the disaster which resulted in substantial disaster damage.

(b) If, pursuant to Section 170, a timely claim for deferral is filed, the payment shall be deferred without penalty or interest until one of the following occur:

(1) The assessor has reassessed the property and a corrected bill prepared pursuant to Section 170 has been sent to the property owner. Taxes on the corrected tax bill deferred pursuant to this paragraph are due and payable for the current year taxes on either December 10 for the first installment or April 10 for the second installment, or 30 days after the date that the bill is mailed or electronically transmitted to the owner, whichever is later. If the taxes on the corrected bill are unpaid thereafter, the taxes become delinquent as provided in Section 2610.5 and shall be subject to the penalty provided by law.

(2) The assessor has determined that the property is not eligible to be reassessed pursuant to Section 170, and the assessor has so notified the property owner. Taxes deferred pursuant to this paragraph are due and payable for the current year taxes on either December 10 for the first installment or April 10 for the second installment, or within 30 days of the latter of the date of mailing printed on the assessor's notice or the postmark date on the assessor's notice, whichever is later. If deferred taxes are unpaid thereafter, the taxes become delinquent as provided in Section 2610.5 and shall be subject to the penalty provided by law.

(c) If, following reassessment pursuant to subdivision (a), the assessor determines that an owner who applied and was granted a deferral of property taxes did not file the claim in good faith, the owner shall be assessed a delinquency penalty for the nonpayment of the deferred taxes.

(d) This section does not apply to property taxes paid through impound accounts.

**SEC. 2.** 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.