

**Introduced by Senator Portantino**February 9, 2017

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An act to add Section 54238.8 to the Government Code, relating to surplus residential property, to take effect immediately, tax levy.

## LEGISLATIVE COUNSEL'S DIGEST

SB 275, as introduced, Portantino. Surplus residential property: State Route 710: property taxes: assessments.

Existing law declares the intent of the Legislature to preserve, upgrade, and expand the supply of housing to persons and families of low or moderate income through the sale of specified surplus residential property owned by public agencies. Existing law establishes priorities and procedures that any state agency disposing of that surplus residential property is required to follow.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, existing property tax law defines "full cash value" as the assessor's fair market value valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. Existing property tax law generally defines this "full cash value" of property as the property's "fair market value" and defines these terms to mean the amount of cash or its equivalent that property would bring if exposed for sale in the open market under conditions in which neither buyer nor seller could take advantage of the exigencies of the other, and both the buyer and the seller have knowledge of all of the uses and purposes to which the property is adapted and for which it is capable of being used, and of the enforceable restrictions upon those uses and purposes.

This bill would require surplus residential property purchased at an affordable price pursuant to the procedures described above to be assessed at its affordable price for property tax purposes. The bill would also require surplus residential property purchased at a reasonable price pursuant to the procedures described above to be assessed at its reasonable price for property tax purposes. The bill would provide that these provisions only apply to surplus residential properties for State Route 710, in Los Angeles County.

By imposing new duties upon local government officials, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for Los Angeles County.

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.

Existing law requires the state to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 54238.8 is added to the Government
- 2 Code, to read:
- 3 54238.8. (a) Any surplus residential property purchased at an
- 4 affordable price pursuant to this article shall be assessed at its
- 5 affordable price for property tax purposes.
- 6 (b) Any surplus residential property purchased at a reasonable
- 7 price pursuant to this article shall be assessed at its reasonable
- 8 price for property tax purposes.

1 (c) This section shall only apply to surplus residential properties  
2 for State Route 710, in Los Angeles County.

3 SEC. 2. The Legislature finds and declares that a special statute  
4 is necessary and that a general statute cannot be made applicable  
5 within the meaning of Section 16 of Article IV of the California  
6 Constitution because of the unique circumstances regarding the  
7 sale of surplus residential properties for State Route 710, in Los  
8 Angeles County.

9 SEC. 3. If the Commission on State Mandates determines that  
10 this act contains costs mandated by the state, reimbursement to  
11 local agencies and school districts for those costs shall be made  
12 pursuant to Part 7 (commencing with Section 17500) of Division  
13 4 of Title 2 of the Government Code.

14 SEC. 4. Notwithstanding Section 2229 of the Revenue and  
15 Taxation Code, no appropriation is made by this act and the state  
16 shall not reimburse any local agency for any property tax revenues  
17 lost by it pursuant to this act.

18 SEC. 5. This act provides for a tax levy within the meaning of  
19 Article IV of the California Constitution and shall go into  
20 immediate effect.