

**Introduced by Committee on Revenue and Taxation
(Senators Alpert (Chair), Greene, Karnette, Knight, Lee,
and McPherson)**

March 3, 1998

An act to amend Sections 619, 744, and 749 of, to amend and renumber Sections 11472 and 11473 of, to add Sections 11472 and 11475 to, and to repeal and add Section 11471 of, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 2235, as introduced, Committee on Revenue and Taxation. Taxation: property and private railroad cars.

Existing property tax law requires the assessor to inform each assessee of real property, as specified, of the assessed value of that property, as provided.

This bill would correct an erroneous reference in those provisions.

Existing property tax law requires the State Board of Equalization, with respect to an assessment appeals hearing, to make written findings and conclusions if requested at or prior to the commencement of the hearing.

This bill would provide that the board may make written findings and conclusions if requested at the conclusion of the hearing.

The Private Railroad Car Tax Law imposes a tax on private railroad cars operated upon railroads into, out of, or through this state. That law requires the Attorney General to proceed by appropriate legal action to collect all delinquent sums due under that law.

This bill would authorize the State Board of Equalization to bring an action in the courts to collect the delinquent amounts, as provided. It would require the Attorney General to prosecute the action and would specify provisions of civil procedure law and civil law that would apply.

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

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

1 SECTION 1. Section 619 of the Revenue and Taxation
 2 Code is amended to read:
 3 619. (a) Except as provided in subdivision (f), the
 4 assessor shall, upon or prior to completion of the local roll,
 5 do either of the following:
 6 (1) Inform each assessee of real property on the local
 7 secured roll whose property's full value has increased
 8 over its full value for the prior year of the assessed value
 9 of that property as it shall appear on the completed local
 10 roll.
 11 (2) Inform each assessee of real property on the local
 12 secured roll, or each assessee on the local secured roll and
 13 each assessee on the unsecured roll, of the assessed value
 14 of his or her real property or of both his or her real and
 15 his or her personal property as it shall appear on the
 16 completed local roll.
 17 (b) The information given by the assessor to the
 18 assessee pursuant to paragraph (1) or (2) of subdivision
 19 (a) shall include a notification of hearings by the county
 20 board of equalization, which shall include the period
 21 during which assessment protests will be accepted and
 22 the place where they may be filed. The information shall
 23 also include an explanation of the stipulation procedure
 24 set forth in Section 1607 and the manner in which the
 25 assessee may request use of this procedure.
 26 (c) In the case of an increase in a property's full value
 27 that is determined pursuant to paragraph (1) of
 28 subdivision (a) ~~of Section 51~~ over the property's full value
 29 determined for the prior year in accordance with
 30 paragraph (2) of ~~that same~~ subdivision (a) of Section 51,



1 the information shall also include the ~~full-cash-value~~ base
2 *year value* of the property, compounded annually from
3 the base year to the current year by the appropriate
4 inflation factors.

5 (d) The information shall be furnished by the assessor
6 to the assessee by regular United States mail directed to
7 him or her at his or her latest address known to the
8 assessor.

9 (e) Neither the failure of the assessee to receive the
10 information nor the failure of the assessor to so inform the
11 assessee shall in any way affect the validity of any
12 assessment or the validity of any taxes levied pursuant
13 thereto.

14 (f) This section shall not apply to annual increases in
15 the valuation of property which reflect the inflation rate,
16 not to exceed 2 percent, pursuant to the authority of
17 subdivision (b) of Section 2 of Article XIII A of the
18 California Constitution, for purposes of property tax
19 limitation determinations.

20 (g) This section does not apply to increases in assessed
21 value caused solely by changes in the assessment ratio
22 provided for in Section 401.

23 (h) This section shall become operative on January 1,
24 1999.

25 SEC. 2. Section 744 of the Revenue and Taxation
26 Code is amended to read:

27 744. (a) The board shall notify the petitioner of its
28 decision on a petition for reassessment by mail ~~and shall~~.
29 *In addition, the board may* make written findings and
30 conclusions if requested at ~~or prior to the~~
31 ~~commencement of the conclusion of~~ the hearing. The
32 board shall send a periodic report of its decisions and any
33 written findings and conclusions thereon to each county
34 in which affected state-assessed property is situated. The
35 findings shall fairly disclose the board's determination of
36 material factual issues and shall contain a statement of the
37 method or methods of valuation used by the board in
38 valuing the property. Notwithstanding the requirement
39 for a statement of method or methods, the board's
40 approval of a settlement of a lawsuit contesting the value



1 of state-assessed property shall be sufficient disclosure
2 when value is determined in accordance with a
3 board-approved settlement. Decisions of the board on
4 petitions for reassessment of state-assessed property shall
5 be completed on or before December 31.

6 (b) When the value of an assessee's state-assessed
7 property is determined, after a hearing on a petition for
8 reassessment, to be different from the value originally
9 adopted by the board, the board shall determine the year
10 in which the corrected value is to be entered on the roll.
11 The correct value may be entered on the roll for the fiscal
12 year in which the determination is made, or the
13 difference between the original and the corrected value
14 may be entered as an increase or decrease in the
15 assessment for the succeeding fiscal year. If the corrected
16 value is entered on the roll for the fiscal year in which it
17 is determined, and the board roll has been transmitted to
18 the county auditors, the board shall make the
19 corresponding changes in allocations and transmit the
20 roll corrections to the county auditor.

21 (c) If the amount of the correction is to be entered on
22 the roll for the succeeding fiscal year, an amount is to be
23 added in lieu of interest. If the correction results in a
24 reduction in assessed value, there shall be added to the
25 reduction, in lieu of interest, 9 percent of the difference
26 between the original assessed value and the reduced
27 assessed value. If the correction results in an increase in
28 assessed value, there shall be added to the increase, in lieu
29 of interest, 9 percent of the difference between the
30 original assessed value and the increased assessed value.

31 SEC. 3. Section 749 of the Revenue and Taxation
32 Code is amended to read:

33 749. Section 743 shall be applicable to hearings on
34 petitions for correction of an allocated assessment and the
35 board shall notify the petitioner of its decision by mail
36 prior to July 31. The decision ~~shall~~ may include written
37 findings and conclusions of the board if requested at ~~or~~
38 ~~prior to the commencement~~ *the conclusion* of the
39 hearing.



1 SEC. 4. Section 11471 of the Revenue and Taxation
2 Code is repealed.

3 ~~11471. Whenever any person is delinquent in the~~
4 ~~payment of any obligation imposed under this part, the~~
5 ~~board may transmit notice of the delinquency to the~~
6 ~~Attorney General who shall at once proceed by~~
7 ~~appropriate legal action to collect all sums due the State.~~

8 SEC. 5. Section 11471 is added to the Revenue and
9 Taxation Code, to read:

10 11471. An any time within four years after any tax or
11 any amount of tax required to be collected becomes due
12 and payable and at any time within four years after the
13 delinquency of any tax or any amount of tax required to
14 be collected, or within the period during which a lien is
15 in force as the result of the recording or filing of a notice
16 of state tax lien under Section 7171 of the Government
17 Code, the board may bring an action in the courts of this
18 state, of any other state, or of the United States in the
19 name of the people of the State of California to collect the
20 amount delinquent together with penalties and interest.

21 SEC. 6. Section 11472 is added to the Revenue and
22 Taxation Code, to read:

23 11472. The Attorney General shall prosecute the
24 action, and the provisions of the Code of Civil Procedure
25 relating to service of summons, pleadings, proofs, trials,
26 and appeals are applicable to the proceedings.

27 SEC. 7. Section 11472 of the Revenue and Taxation
28 Code is amended and renumbered to read:

29 ~~11472.~~

30 *11473.* In the action a writ of attachment may be
31 issued in the manner provided by Chapter 5
32 (commencing with Section 485.010) of Title 6.5 of Part 2
33 of the Code of Civil Procedure without the showing
34 required by Section 485.010 of the Code of Civil
35 Procedure.

36 SEC. 8. Section 11473 of the Revenue and Taxation
37 Code is amended and renumbered to read:

38 ~~11473.~~

39 *11474.* In the action a certificate by the board showing
40 the delinquency shall be prima facie evidence of the levy



1 of the tax, of the delinquency of the amount of tax,
2 interest, and penalties set forth in the certificate, and of
3 compliance by the board with all provisions of this part in
4 relation to the assessment of the property and
5 computation and levy of the tax.

6 SEC. 9. Section 11475 is added to the Revenue and
7 Taxation Code, to read:

8 11475. In any action brought under this part, process
9 may be served according to the Code of Civil Procedure
10 and the Civil Code or may be served upon any agent or
11 clerk in this state employed by any private railroad car
12 company in a place of business maintained by the private
13 railroad car company in this state. In the latter case, a
14 copy of the process shall be sent by registered mail to the
15 private railroad car company at its principal or home
16 office.

