

AMENDED IN ASSEMBLY MARCH 21, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

## ASSEMBLY BILL

No. 653

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**Introduced by Assembly Member Ridley-Thomas**

February 14, 2017

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An act to ~~amend Section 90 of the Revenue and Taxation Code, relating to taxation~~; *add Section 238 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 653, as amended, Ridley-Thomas. Property taxation: ~~change in ownership information; report to assessor~~; *exemption: property owned in fee by Indian tribes.*

*The California Constitution provides that all property is taxable unless exempted by the California Constitution or by federal law.*

*This bill, commencing with the 2018–19 fiscal year, would exempt from taxation property owned in fee by a federally recognized Indian tribe if specified conditions are met.*

*By imposing new duties upon local county 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 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.*

~~Existing property tax law requires assesses to report change in ownership information to the assessor, as provided.~~

~~This bill would make a nonsubstantive change to that provision.~~

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

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

- 1     *SECTION 1. Section 238 is added to the Revenue and Taxation*
- 2     *Code, to read:*
- 3     *238. (a) Commencing with the lien date for the 2018–19 fiscal*
- 4     *year, property owned in fee by a federally recognized Indian tribe*
- 5     *is exempt from taxation if the following conditions are met:*
- 6         *(1) The tribe has submitted an initial written request or trust*
- 7         *application to the United States Department of the Interior and*
- 8         *the department has determined that the initial written request or*
- 9         *trust application is complete.*
- 10        *(2) The tribe has submitted both of the following to the assessor:*
- 11            *(A) Documents establishing that the tribe is federally recognized.*
- 12            *(B) Documents establishing that the initial written request or*
- 13            *trust application is under consideration by the United States*
- 14            *Department of the Interior.*
- 15        *(b) The exemption required by this section shall cease to apply*
- 16        *on the earlier of either of the following dates:*
- 17            *(1) The lien date that occurs five years from the date of the*
- 18            *initial grant of the exemption.*
- 19            *(2) (A) The lien date that occurs following a denial of the initial*
- 20            *written request or trust application by the United States*
- 21            *Department of the Interior.*
- 22            *(B) The tribe shall notify the assessor if the initial written*
- 23            *request or trust application has been denied by the United States*
- 24            *Department of the Interior.*

1     *SEC. 2. If the Commission on State Mandates determines that*  
2     *this act contains costs mandated by the state, reimbursement to*  
3     *local agencies and school districts for those costs shall be made*  
4     *pursuant to Part 7 (commencing with Section 17500) of Division*  
5     *4 of Title 2 of the Government Code.*

6     *SEC. 3. Notwithstanding Section 2229 of the Revenue and*  
7     *Taxation Code, no appropriation is made by this act and the state*  
8     *shall not reimburse any local agency for any property tax revenues*  
9     *lost by it pursuant to this act.*

10    *SEC. 4. This act provides for a tax levy within the meaning of*  
11    *Article IV of the California Constitution and shall go into*  
12    *immediate effect.*

13    ~~SECTION 1. Section 90 of the Revenue and Taxation Code is~~  
14    ~~amended to read:~~

15    ~~90. An assessee shall report change in ownership information~~  
16    ~~to the assessor as provided in Article 2.5 (commencing with Section~~  
17    ~~480) of Chapter 3 of Part 2.~~