

REVISED LEGISLATIVE DIGEST
(Amended in Committee, 10/26/2022)

[Administrative Code - Low-Value Real Property and Possessory Interest Tax Exemptions]

Ordinance amending the Administrative Code to exempt from property taxation real property valued at \$500 or less and possessory interests valued at \$4,000 or less, beginning in the 2023-2024 assessment year.

Existing Law

California Revenue and Taxation Code Section 155.20 permits County Boards of Supervisors to exempt from property tax property with a total full value so low that, if not exempt, the total taxes, special assessments, and applicable subventions on the property would amount to less than the cost of assessing and collecting them. Under existing law, the Board of Supervisors has exempted only personal property on the unsecured roll with a total full value of \$4,000 or less.

Amendments to Current Law

This ordinance will expand the low value property tax exemption to real property and possessory interests in the City. Beginning with the 2023-2024 assessment year, all real property with a total full cash value of \$500 or less and all possessory interests with a total cash value of \$4,000 or less shall be exempt from property taxation and shall not be entered on the secured or unsecured property tax roll.

Background Information

This digest reflects amendments made by the Board in committee on October 26, 2022 reducing the exemption threshold from \$1,000 to \$500 for real property.

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