

ASSEMBLY BILL

No. 2844

Introduced by Assembly Member Simitian

February 25, 2002

An act to add Section 214.03 to the Revenue and Taxation Code, relating to property taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2844, as introduced, Simitian. Property taxation: welfare exemption.

Existing property tax law provides, as specified, for a welfare exemption under which property used exclusively for religious, hospital, scientific, or charitable purposes and owned and operated by funds, foundations, or corporations meeting statutory requirements is exempt from taxation. Existing law also provides, with specified exceptions, that property used exclusively for the preservation of specified nature resources or open-space lands and meeting other specified criteria, shall be deemed to be included within the welfare exemption up to and including the lien date in 2012.

This bill would allow a qualified land conservation organization, as defined, that qualifies for the welfare exemption apply to the County of San Mateo to lease its real property exclusively for agricultural uses, and still retain the welfare exemption, if certain conditions are met.

This bill would make legislative findings and declarations as to its purposes and the necessity for a special statute.

Section 2229 of the Revenue and Taxation Code requires the Legislature 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 Section 2229 of the Revenue and Taxation Code, 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 214.03 is added to the Revenue and
2 Taxation Code, to read:
3 214.03. (a) A qualified nonprofit land conservation
4 organization in the County of San Mateo that qualifies for the
5 welfare exemption provided by Section 214 may apply to the
6 board of supervisors of that county to authorize that organization
7 to lease real property held in trust by that organization, and still
8 retain the welfare exemption on that real property, if all of the
9 following conditions are met:
10 (1) The lessee uses the property exclusively for agricultural
11 purposes.
12 (2) The revenues from the lease are used by the organization
13 exclusively for natural resource management and agricultural
14 infrastructure improvements.
15 (3) The organization annually provides to the assessor of the
16 County of San Mateo all of the following:
17 (A) Records of all income received from the leases described
18 in this section.
19 (B) Records that indicate:
20 (i) Projects that were funded by the revenues from the lease.
21 (ii) A finding that the lease revenues were expended
22 exclusively for the purposes described in paragraph (2).
23 (b) For purposes of this section:
24 (1) "Agricultural infrastructure improvements" means the
25 construction, repair, and maintenance of any of the following:
26 (A) Agricultural fences.
27 (B) Farm roads.
28 (C) Nonpermanent farm structures.
29 (D) Hazardous materials removal that is related to prior
30 agricultural activities.



1 (2) “Natural resources management” means all of the
2 following:

- 3 (A) Erosion control.
- 4 (B) Stream bank stabilization.
- 5 (C) Native plant restoration.
- 6 (D) Exotic species control.
- 7 (E) Wildlife habitat improvement and mitigation.

8 (3) “Qualified nonprofit land conservation organization”
9 means a nonprofit land conservation organization in the County of
10 San Mateo whose application has been approved by a resolution
11 adopted by a majority of the membership of the board of
12 supervisors of that county.

13 SEC. 2. In enacting this act, the Legislature finds and declares
14 all of the following:

15 (a) Since the decision in *San Francisco Boys’ Club Inc. v.*
16 *County of Mendocino* (1967) 254 Cal.App.2d 548, courts have
17 recognized that a charitable organization that qualifies for the
18 welfare exemption should be able to manage its real property as a
19 prudent landowner.

20 (b) The charitable purpose of a nonprofit land conservation
21 organization is furthered if that organization leases its real
22 property for exclusively agricultural purposes.

23 (c) This act shall be known and may be cited as the Land
24 Stewardship Reinvestment Act.

25 SEC. 3. The Legislature finds and declares that a special law
26 is necessary and that a general law cannot be made applicable
27 within the meaning of Section 16 of Article IV of the California
28 Constitution because the unique land use patterns and land use
29 issues in the County of San Mateo provide a unique opportunity
30 to implement and refine possible solutions for the preservation of
31 open space throughout the state.

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

36 SEC. 5. This act provides for a tax levy within the meaning of
37 Article IV of the Constitution and shall go into immediate effect.

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