

ASSEMBLY BILL

No. 703

Introduced by Assembly Member Gordon

February 17, 2011

An act to amend Section 214.02 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 703, as introduced, Gordon. Property taxation: welfare exemption: nature resources and open-space lands.

Existing property tax law, in accordance with the California Constitution, provides 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 certain statutory requirements is exempt from taxation. Existing law also provides that property used exclusively for the preservation of specified nature resources or open-space lands meeting other specified criteria shall be deemed to be included within the welfare exemption. Existing law makes the inclusion of this property within the welfare exemption inoperative on the lien date in 2012, which is January 1, 2012, and repeals this provision on January 1, 2013.

This bill would eliminate the January 1, 2012, inoperative date, and the January 1, 2013, repeal date, thereby extending the inclusion of this property within the welfare exemption indefinitely.

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 214.02 of the Revenue and Taxation
2 Code is amended to read:

3 214.02. (a) Except as provided in subdivision (b) or (c),
4 property that is used exclusively for the preservation of native
5 plants or animals, biotic communities, geological or geographical
6 formations of scientific or educational interest, or open-space lands
7 used solely for recreation and for the enjoyment of scenic beauty,
8 is open to the general public subject to reasonable restrictions
9 concerning the needs of the land, and is owned and operated by a
10 scientific or charitable fund, foundation, limited liability company,
11 or corporation, the primary interest of which is to preserve those
12 natural areas, and that meets all the requirements of Section 214,
13 shall be deemed to be within the exemption provided for in
14 subdivision (b) of Sections 4 and 5 of Article XIII of the
15 Constitution of the State of California and Section 214.

16 (b) The exemption provided by this section shall not apply to
17 any property of an organization that owns in the aggregate 30,000
18 acres or more in one county that were exempt under this section
19 prior to March 1, 1983, or that are proposed to be exempt, unless
20 the nonprofit organization that holds the property is fully
21 independent of the owner of any taxable real property that is
22 adjacent to the property otherwise qualifying for tax exemption
23 under this section. For purposes of this section, the nonprofit
24 organization that holds the property shall be considered fully
25 independent if the exempt property is not used or operated by that
26 organization or by any other person so as to benefit any officer,
27 trustee, director, shareholder, member, employee, contributor or
28 bondholder of the exempt organization or operator, or the owner
29 of any adjacent property, or any other person, through the
30 distribution of profits, payment of excessive charges or

1 compensations, or the more advantageous pursuit of their business
2 or profession.

3 (c) The exemption provided by this section shall not apply to
4 property that is reserved for future development.

5 ~~(d) This section shall be operative from the lien date in 1983 to~~
6 ~~and including the lien date in 2012, after which date this section~~
7 ~~shall become inoperative, and as of January 1, 2013, this section~~
8 ~~is repealed.~~

9 (e)

10 (d) The amendments made by the act adding this subdivision
11 shall apply with respect to lien dates occurring on and after January
12 1, 2005.

13 SEC. 2. Notwithstanding Section 2229 of the Revenue and
14 Taxation Code, no appropriation is made by this act and the state
15 shall not reimburse any local agency for any property tax revenues
16 lost by it pursuant to this act.

17 SEC. 3. This act provides for a tax levy within the meaning of
18 Article IV of the Constitution and shall go into immediate effect.