

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2207

Introduced by Assembly Member Gordon

February 23, 2012

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 2207, as amended, 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 is deemed to be included within the welfare exemption.

This bill would *provide that, for the purposes of determining whether the property is used for the actual operation of the exempt activity described above, consideration shall not be given to the use of the property for activities resulting in direct or in-kind revenues, as specified, provided that the activities further the conservation objectives of the property, or for any lease of the property for a purpose that furthers the conservation objectives of the property, as provided. This bill would also make a technical, nonsubstantive change to this provision.*

By imposing new duties upon local tax officials with respect to the welfare exemption, 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 these statutory provisions.

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: ~~no~~-yes.
State-mandated local program: ~~no~~-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.

1 (b) The exemption provided by this section shall not apply to
2 any property of an organization that owns in the aggregate 30,000
3 acres or more in one county that were exempt under this section
4 prior to March 1, 1983, or that are proposed to be exempt, unless
5 the nonprofit organization that holds the property is fully
6 independent of the owner of any taxable real property that is
7 adjacent to the property otherwise qualifying for tax exemption
8 under this section. For purposes of this section, the nonprofit
9 organization that holds the property shall be considered fully
10 independent if the exempt property is not used or operated by that
11 organization or by any other person so as to benefit any officer,
12 trustee, director, shareholder, member, employee, contributor or
13 bondholder of the exempt organization or operator, or the owner
14 of any adjacent property, or any other person, through the
15 distribution of profits, payment of excessive charges or
16 compensations, or the more advantageous pursuit of their business
17 or profession.

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

20 (d) *For the purposes of determining whether the property is*
21 *used for the actual operation of the exempt activity as required by*
22 *subdivision (a), consideration shall not be given to the use of the*
23 *property for either of the following:*

24 (1) *Activities resulting in direct or in-kind revenues provided*
25 *that the activities further the conservation objectives of the property*
26 *as provided in a management plan for the property. These revenues*
27 *may include, but are not limited to, revenues derived from grazing*
28 *leases, fees for events or recreational activities, or fees for permits.*

29 (2) *Any lease of the property for a purpose that furthers the*
30 *conservation objectives of the property as provided in a*
31 *management plan for the property.*

32 ~~(e)~~

33 (e) This section shall be operative from the lien date in 1983 to
34 and including the lien date in 2022, after which date this section
35 shall become inoperative, and as of January 1, 2023, this section
36 is repealed.

37 ~~(e)~~

38 (f) The amendments made by Section 4 of Chapter 354 of the
39 Statutes of 2004 shall apply with respect to lien dates occurring
40 on and after January 1, 2005.

- 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 Constitution and shall go into immediate effect.*