

AMENDED IN SENATE MAY 15, 2014
AMENDED IN SENATE MAY 7, 2014
AMENDED IN SENATE APRIL 30, 2014
AMENDED IN SENATE MARCH 26, 2014

SENATE BILL

No. 1152

Introduced by Senator Anderson

February 20, 2014

An act to amend Section 215.1 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1152, as amended, Anderson. Property taxation: exemptions: veterans' organizations.

Existing property tax law establishes a veterans' organization exemption under which property is exempt from taxation if, among other things, that property is used exclusively for charitable purposes and is owned by a veterans' organization.

This bill would provide that ~~property owned by an organization that satisfies the requirements for the veterans' organization exemption may not be denied the veterans' organization exemption because the property is occasionally made available for private rentals as a service to the community, under specified conditions.~~ *the veteran's organization exemption shall not be denied to a property on the basis that the property is used for fraternal, lodge, or social club purposes, and would make specific findings and declarations in that regard. The bill would also provide that the exemption shall not apply to any portion of a property that consists of a bar where alcoholic beverages are served.*

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: no.

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

1 SECTION 1. Section 215.1 of the Revenue and Taxation Code
2 is amended to read:

3 215.1. (a) All buildings, and so much of the real property on
4 which the buildings are situated as may be required for the
5 convenient use and occupation of the buildings, used exclusively
6 for charitable purposes, owned by a veterans’ organization that
7 has been chartered by the Congress of the United States, organized
8 and operated for charitable purposes, when the same are used solely
9 and exclusively for the purpose of the organization, if not
10 conducted for profit and no part of the net earnings of which inures
11 to the benefit of any private individual or member thereof, shall
12 be exempt from taxation.

13 (b) The exemption provided for in this section shall apply to
14 the property of all organizations meeting the requirements of this
15 section and subdivision (b) of Section 4 of Article XIII of the
16 California Constitution and paragraphs (1) to (4), inclusive, (6),
17 and (7) of subdivision (a) of Section 214.

18 (c) (1) The exemption specified by subdivision (a) shall not be
19 denied to a property on the basis that the property is used for
20 fraternal, lodge, or social club purposes.

21 (2) With regard to this subdivision, the Legislature finds and
22 declares all of the following:

23 (A) The exempt activities of a veterans’ organization as
24 described in subdivision (a) qualitatively differ from the exempt
25 activities of other nonprofit entities that use property for fraternal,
26 lodge, or social club purposes in that the exempt purpose of the

1 veterans' organization is to conduct programs to perpetuate the
2 memory of deceased veterans and members of the Armed Forces
3 and to comfort their survivors, to conduct programs for religious,
4 charitable, scientific, literary, or educational purposes, to sponsor
5 or participate in activities of a patriotic nature, and to provide social
6 and recreational activities for their members.

7 (B) In light of this distinction, the use of real property by a
8 veterans' organization as described in subdivision (a), for fraternal,
9 lodge, or social club purposes is central to that organization's
10 exempt purposes and activities.

11 (C) In light of the factors set forth in subparagraphs (A) and
12 (B), the use of real property by a veterans' organization as
13 described in subdivision (a) for fraternal, lodge, or social club
14 purposes, constitutes the exclusive use of that property for a
15 charitable purpose within the meaning of subdivision (b) of Section
16 4 of Article XIII of the California Constitution.

17 ~~(d) Property owned by an organization that satisfies the~~
18 ~~requirements of Section 215 or this section shall not be denied the~~
19 ~~veterans' organization exemption because the property is~~
20 ~~occasionally made available for private rentals as a service to the~~
21 ~~community, provided that the amount of rental fee charged is~~
22 ~~limited to that amount necessary to reimburse the veterans'~~
23 ~~organization for its costs in making the rental available, and any~~
24 ~~proceeds from the rentals are used exclusively for the charitable~~
25 ~~purposes of the organization.~~

26 *(d) The exemption provided for in this section shall not apply*
27 *to any portion of a property that consists of a bar where alcoholic*
28 *beverages are served. The portion of the property ineligible for*
29 *the veterans' organization exemption shall be that area used*
30 *primarily to prepare and serve alcoholic beverages.*

31 (e) An organization that files a claim for the exemption provided
32 for in this section shall file with the assessor a valid organizational
33 clearance certificate issued pursuant to Section 254.6.

34 (f) This exemption shall be known as the "veterans' organization
35 exemption."

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

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

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