

AMENDED IN ASSEMBLY AUGUST 21, 2014

AMENDED IN ASSEMBLY JULY 2, 2014

AMENDED IN SENATE MAY 22, 2014

AMENDED IN SENATE APRIL 21, 2014

**SENATE BILL**

**No. 1203**

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**Introduced by Senator Jackson**  
*(Principal coauthor: Assembly Member Chau)*  
**(Coauthor: Senator DeSaulnier)**

February 20, 2014

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An act to add Section 66009 to the Government Code, and to amend Section 214 of, and to add Sections 214.06 and 214.08 to, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1203, as amended, Jackson. Property taxation: welfare exemption: rental housing and related facilities: ~~payment in lieu of taxes agreement.~~ *payment in lieu of taxes agreement.*

Existing property tax law establishes a partial welfare exemption for property used exclusively for rental housing and related facilities that are owned and operated by either of any certain types of nonprofit entities or veterans' organizations that meet specified exemption requirements, if either of certain qualifying criteria are met. *Existing law requires the partial exemption to be equal to that percentage of the value of the property that the portion of the property serving lower income households represents of the total property in any year.* Existing law requires the owner of the property, in order to be eligible for the exemption, to certify that the funds that would have been necessary to pay property taxes are used to maintain the affordability of, or reduce

rents otherwise necessary for, the units occupied by lower income households.

~~This bill would delete that certification requirement for exemption eligibility. The bill would prohibit an assessor from levying any escape or supplemental assessment as a result of the certification requirement, because of a property owner's certification concerning the use of funds that would have been necessary to pay property taxes and a payment-in-lieu-of-taxes agreement with a local government for which the assessor did not, prior to January 1, 2015, levy any assessment. The bill would establish a conclusive presumption that funds from payments under a payment-in-lieu-of-taxes agreement dated before January 1, 2015, were used in compliance with the certification requirement. define "related facilities" for purpose of the exemption. This bill would provide that the partial exemption be equal to that percentage of the value of the property that is equal to the percentage that the number of units serving lower income households represents of the total number of residential units in any year. The~~

*This bill would, on or after January 1, 2015, prohibit a local government from entering into a payment in lieu of taxes (PILOT) agreement with a property owner of a low-income housing project that is eligible for the exemption described above, and would make any PILOT agreement entered into in violation of this provision void and unenforceable. The bill would require any outstanding ad valorem tax, interest, or penalty that was levied between January 1, 2012, and January 1, 2015, inclusive, as a result of the certification requirement, because of a property owner's certification concerning the use of funds that would have been necessary to pay property taxes and a payment-in-lieu-of-taxes agreement with a local government, a PILOT agreement to be canceled. The bill would require a refund of tax, interest, or penalty, as so levied, that was paid prior to January 1, 2015. The bill would define "related facilities" for the purpose of the exemption: prohibit an escape or supplemental assessment from being levied on the basis that payments made under a PILOT agreement were, or are being, used in a manner incompatible with the certification requirement.*

~~The bill would prohibit a local agency, on and after January 1, 2015, from entering into an agreement to charge, or newly impose, a charge or fee on a housing development project described under the exemption, unless the charge or fee is imposed pursuant to the Mitigation Fee Act and does not prohibit or discriminate against the housing development~~

~~project, as specified, or the charge or fee is for a specific service or product provided directly to the housing development project, that is not provided to those developments not charged, and does not exceed the actual cost of providing the service or product.~~

*This bill would become operative only if AB 1761 of the 2013–14 Regular Session is enacted and takes effect on or before January 1, 2015.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

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

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) In Section 50001 of the Health and Safety Code, the
- 3 Legislature has long declared that the subject of housing is of vital
- 4 statewide importance to the health, safety, and welfare of the
- 5 residents of this state.
- 6 (b) The lack of housing, and in particular the lack of decent,
- 7 safe, and sanitary housing that is affordable to low-income
- 8 households, is a critical problem that continues to threaten the
- 9 economic, environmental, and social quality of life in California.
- 10 (c) The Legislature, in enacting subdivision (g) of Section 214
- 11 of the Revenue and Taxation Code in 1987, determined that the
- 12 funds that were being paid in property taxes could better be used
- 13 in furtherance of the ~~goals~~ *goal* of providing low-income housing
- 14 and that a property tax exemption was necessary to ensure that
- 15 low-income housing properties with restricted rents would be able
- 16 to provide the residents with a livable community and remain
- 17 financially feasible over the life of the deed restrictions, generally
- 18 55 years.
- 19 (d) *Payment in lieu of taxes agreements are an issue of statewide*
- 20 *concern because of the need to prevent arbitrary and*
- 21 *discriminatory financial barriers that prevent construction of*
- 22 *needed low-income housing in the state. Therefore, restricting*
- 23 *agreements with local governments as set forth in Section 214.06*
- 24 *of the Revenue and Taxation Code is a matter of statewide concern*
- 25 *and not a municipal affair as that term is used in Section 5 of*
- 26 *Article XI of the California Constitution.*
- 27 SEC. 2. *Section 214 of the Revenue and Taxation Code is*
- 28 *amended to read:*

1 214. (a) Property used exclusively for religious, hospital,  
2 scientific, or charitable purposes owned and operated by  
3 community chests, funds, foundations, limited liability companies,  
4 or corporations organized and operated for religious, hospital,  
5 scientific, or charitable purposes is exempt from taxation, including  
6 ad valorem taxes to pay the interest and redemption charges on  
7 any indebtedness approved by the voters prior to July 1, 1978, or  
8 any bonded indebtedness for the acquisition or improvement of  
9 real property approved on or after July 1, 1978, by two-thirds of  
10 the votes cast by the voters voting on the proposition, if:

11 (1) The owner is not organized or operated for profit. However,  
12 in the case of hospitals, the organization shall not be deemed to  
13 be organized or operated for profit if, during the immediately  
14 preceding fiscal year, operating revenues, exclusive of gifts,  
15 endowments and grants-in-aid, did not exceed operating expenses  
16 by an amount equivalent to 10 percent of those operating expenses.  
17 As used herein, operating expenses include depreciation based on  
18 cost of replacement and amortization of, and interest on,  
19 indebtedness.

20 (2) No part of the net earnings of the owner inures to the benefit  
21 of any private shareholder or individual.

22 (3) The property is used for the actual operation of the exempt  
23 activity, and does not exceed an amount of property reasonably  
24 necessary to the accomplishment of the exempt purpose.

25 (A) For the purposes of determining whether the property is  
26 used for the actual operation of the exempt activity, consideration  
27 shall not be given to use of the property for either or both of the  
28 following described activities if that use is occasional:

29 (i) The owner conducts fundraising activities on the property  
30 and the proceeds derived from those activities are not unrelated  
31 business taxable income, as defined in Section 512 of the Internal  
32 Revenue Code, of the owner and are used to further the exempt  
33 activity of the owner.

34 (ii) The owner permits any other organization that meets all of  
35 the requirements of this subdivision, other than ownership of the  
36 property, to conduct fundraising activities on the property and the  
37 proceeds derived from those activities are not unrelated business  
38 taxable income, as defined in Section 512 of the Internal Revenue  
39 Code, of the organization, are not subject to the tax on unrelated  
40 business taxable income that is imposed by Section 511 of the

1 Internal Revenue Code, and are used to further the exempt activity  
2 of the organization.

3 (B) For purposes of subparagraph (A):

4 (i) “Occasional use” means use of the property on an irregular  
5 or intermittent basis by the qualifying owner or any other qualifying  
6 organization described in clause (ii) of subparagraph (A) that is  
7 incidental to the primary activities of the owner or the other  
8 organization.

9 (ii) “Fundraising activities” means both activities involving the  
10 direct solicitation of money or other property and the anticipated  
11 exchange of goods or services for money between the soliciting  
12 organization and the organization or person solicited.

13 (C) Subparagraph (A) shall have no application in determining  
14 whether paragraph (3) has been satisfied unless the owner of the  
15 property and any other organization using the property as provided  
16 in subparagraph (A) have filed with the assessor a valid  
17 organizational clearance certificate issued pursuant to Section  
18 254.6.

19 (D) For the purposes of determining whether the property is  
20 used for the actual operation of the exempt activity, consideration  
21 shall not be given to the use of the property for meetings conducted  
22 by any other organization if the meetings are incidental to the other  
23 organization’s primary activities, are not fundraising meetings or  
24 activities as defined in subparagraph (B), are held no more than  
25 once per week, and the other organization and its use of the  
26 property meet all other requirements of paragraphs (1) to (5),  
27 inclusive, of this subdivision. The owner or the other organization  
28 also shall file with the assessor a copy of a valid, unrevoked letter  
29 or ruling from the Internal Revenue Service or the Franchise Tax  
30 Board stating that the other organization, or the national  
31 organization of which it is a local chapter or affiliate, qualifies as  
32 an exempt organization under Section 501(c)(3) or 501(c)(4) of  
33 the Internal Revenue Code or Section 23701d, 23701f, or 23701w.

34 (E) Nothing in subparagraph (A), (B), (C), or (D) shall be  
35 construed to either enlarge or restrict the exemption provided for  
36 in subdivision (b) of Section 4 and Section 5 of Article XIII of the  
37 California Constitution and this section.

38 (4) The property is not used or operated by the owner or by any  
39 other person so as to benefit any officer, trustee, director,  
40 shareholder, member, employee, contributor, or bondholder of the

1 owner or operator, or any other person, through the distribution  
2 of profits, payment of excessive charges or compensations, or the  
3 more advantageous pursuit of their business or profession.

4 (5) The property is not used by the owner or members thereof  
5 for fraternal or lodge purposes, or for social club purposes except  
6 where that use is clearly incidental to a primary religious, hospital,  
7 scientific, or charitable purpose.

8 (6) The property is irrevocably dedicated to religious, charitable,  
9 scientific, or hospital purposes and upon the liquidation,  
10 dissolution, or abandonment of the owner will not inure to the  
11 benefit of any private person except a fund, foundation, or  
12 corporation organized and operated for religious, hospital,  
13 scientific, or charitable purposes.

14 (7) The property, if used exclusively for scientific purposes, is  
15 used by a foundation or institution that, in addition to complying  
16 with the foregoing requirements for the exemption of charitable  
17 organizations in general, has been chartered by the Congress of  
18 the United States (except that this requirement shall not apply  
19 when the scientific purposes are medical research), and whose  
20 objects are the encouragement or conduct of scientific  
21 investigation, research, and discovery for the benefit of the  
22 community at large.

23 The exemption provided for herein shall be known as the  
24 “welfare exemption.” This exemption shall be in addition to any  
25 other exemption now provided by law, and the existence of the  
26 exemption provision in paragraph (2) of subdivision (a) of Section  
27 202 shall not preclude the exemption under this section for museum  
28 or library property. Except as provided in subdivision (e), this  
29 section shall not be construed to enlarge the college exemption.

30 (b) Property used exclusively for school purposes of less than  
31 collegiate grade and owned and operated by religious, hospital, or  
32 charitable funds, foundations, limited liability companies, or  
33 corporations, which property and funds, foundations, limited  
34 liability companies, or corporations meet all of the requirements  
35 of subdivision (a), shall be deemed to be within the exemption  
36 provided for in subdivision (b) of Section 4 and Section 5 of Article  
37 XIII of the California Constitution and this section.

38 (c) Property used exclusively for nursery school purposes and  
39 owned and operated by religious, hospital, or charitable funds,  
40 foundations, limited liability companies, or corporations, which

1 property and funds, foundations, limited liability companies, or  
2 corporations meet all the requirements of subdivision (a), shall be  
3 deemed to be within the exemption provided for in subdivision  
4 (b) of Section 4 and Section 5 of Article XIII of the California  
5 Constitution and this section.

6 (d) Property used exclusively for a noncommercial educational  
7 FM broadcast station or an educational television station, and  
8 owned and operated by religious, hospital, scientific, or charitable  
9 funds, foundations, limited liability companies, or corporations  
10 meeting all of the requirements of subdivision (a), shall be deemed  
11 to be within the exemption provided for in subdivision (b) of  
12 Section 4 and Section 5 of Article XIII of the California  
13 Constitution and this section.

14 (e) Property used exclusively for religious, charitable, scientific,  
15 or hospital purposes and owned and operated by religious, hospital,  
16 scientific, or charitable funds, foundations, limited liability  
17 companies, or corporations or educational institutions of collegiate  
18 grade, as defined in Section 203, which property and funds,  
19 foundations, limited liability companies, corporations, or  
20 educational institutions meet all of the requirements of subdivision  
21 (a), shall be deemed to be within the exemption provided for in  
22 subdivision (b) of Section 4 and Section 5 of Article XIII of the  
23 California Constitution and this section. As to educational  
24 institutions of collegiate grade, as defined in Section 203, the  
25 requirements of paragraph (6) of subdivision (a) shall be deemed  
26 to be met if both of the following are met:

27 (1) The property of the educational institution is irrevocably  
28 dedicated in its articles of incorporation to charitable and  
29 educational purposes, to religious and educational purposes, or to  
30 educational purposes.

31 (2) The articles of incorporation of the educational institution  
32 provide for distribution of its property upon its liquidation,  
33 dissolution, or abandonment to a fund, foundation, or corporation  
34 organized and operated for religious, hospital, scientific, charitable,  
35 or educational purposes meeting the requirements for exemption  
36 provided by Section 203 or this section.

37 (f) Property used exclusively for housing and related facilities  
38 for elderly or handicapped families and financed by, including,  
39 but not limited to, the federal government pursuant to Section 202  
40 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section

1 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of  
2 Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of  
3 Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and  
4 operated by religious, hospital, scientific, or charitable funds,  
5 foundations, limited liability companies, or corporations meeting  
6 all of the requirements of this section shall be deemed to be within  
7 the exemption provided for in subdivision (b) of Section 4 and  
8 Section 5 of Article XIII of the California Constitution and this  
9 section.

10 The amendment of this paragraph made by Chapter 1102 of the  
11 Statutes of 1984 does not constitute a change in, but is declaratory  
12 of, existing law. However, no refund of property taxes shall be  
13 required as a result of this amendment for any fiscal year prior to  
14 the fiscal year in which the amendment takes effect.

15 Property used exclusively for housing and related facilities for  
16 elderly or handicapped families at which supplemental care or  
17 services designed to meet the special needs of elderly or  
18 handicapped residents are not provided, or that is not financed by  
19 the federal government pursuant to Section 202 of Public Law  
20 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public  
21 Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law  
22 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law  
23 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption  
24 pursuant to this subdivision unless the property is used for housing  
25 and related facilities for low- and moderate-income elderly or  
26 handicapped families. Property that would otherwise be exempt  
27 pursuant to this subdivision, except that it includes some housing  
28 and related facilities for other than low- or moderate-income elderly  
29 or handicapped families, shall be entitled to a partial exemption.  
30 The partial exemption shall be equal to that percentage of the value  
31 of the property that is equal to the percentage that the number of  
32 low- and moderate-income elderly and handicapped families  
33 ~~occupying the property~~ represents of the total number of families  
34 occupying the property.

35 As used in this subdivision, “low and moderate income” has the  
36 same meaning as the term “persons and families of low or moderate  
37 income” as defined by Section 50093 of the Health and Safety  
38 Code.

39 (g) (1) Property used exclusively for rental housing and related  
40 facilities and owned and operated by religious, hospital, scientific,

1 or charitable funds, foundations, limited liability companies, or  
2 corporations, including limited partnerships in which the managing  
3 general partner is an eligible nonprofit corporation or eligible  
4 limited liability company, meeting all of the requirements of this  
5 section, or by veterans' organizations, as described in Section  
6 215.1, meeting all the requirements of paragraphs (1) to (7),  
7 inclusive, of subdivision (a), shall be deemed to be within the  
8 exemption provided for in subdivision (b) of Section 4 and Section  
9 5 of Article XIII of the California Constitution and this section  
10 and shall be entitled to a partial exemption equal to that percentage  
11 of the value of the property that ~~the portion of the property serving~~  
12 ~~lower income households represents of the total property is equal~~  
13 *to the percentage that the number of units serving lower income*  
14 *households represents of the total number of residential units in*  
15 *any year in which any of the following criteria applies:*

16 (A) The acquisition, rehabilitation, development, or operation  
17 of the property, or any combination of these factors, is financed  
18 with tax-exempt mortgage revenue bonds or general obligation  
19 bonds, or is financed by local, state, or federal loans or grants and  
20 the rents of the occupants who are lower income households do  
21 not exceed those prescribed by deed restrictions or regulatory  
22 agreements pursuant to the terms of the financing or financial  
23 assistance.

24 (B) The owner of the property is eligible for and receives  
25 low-income housing tax credits pursuant to Section 42 of the  
26 Internal Revenue Code of 1986, as added by Public Law 99-514.

27 (C) In the case of a claim, other than a claim with respect to  
28 property owned by a limited partnership in which the managing  
29 general partner is an eligible nonprofit corporation, that is filed  
30 for the 2000–01 fiscal year or any fiscal year thereafter, 90 percent  
31 or more of the occupants of the property are lower income  
32 households whose rent does not exceed the rent prescribed by  
33 Section 50053 of the Health and Safety Code. The total exemption  
34 amount allowed under this subdivision to a taxpayer, with respect  
35 to a single property or multiple properties for any fiscal year on  
36 the sole basis of the application of this subparagraph, may not  
37 exceed twenty thousand dollars (\$20,000) of tax.

38 (D) (i) The property was previously purchased and owned by  
39 the Department of Transportation pursuant to a consent decree  
40 requiring housing mitigation measures relating to the construction

1 of a freeway and is now solely owned by an organization that  
2 qualifies as an exempt organization under Section 501(c)(3) of the  
3 Internal Revenue Code.

4 (ii) This subparagraph shall not apply to property owned by a  
5 limited partnership in which the managing partner is an eligible  
6 nonprofit corporation.

7 (2) In order to be eligible for the exemption provided by this  
8 subdivision, the owner of the property shall do both of the  
9 following:

10 (A) (i) For any claim filed for the 2000–01 fiscal year or any  
11 fiscal year thereafter, certify and ensure, subject to the limitation  
12 in clause (ii), that there is an enforceable and verifiable agreement  
13 with a public agency, a recorded deed restriction, or other legal  
14 document that restricts the project’s usage and that provides that  
15 the units designated for use by lower income households are  
16 continuously available to or occupied by lower income households  
17 at rents that do not exceed those prescribed by Section 50053 of  
18 the Health and Safety Code, or, to the extent that the terms of  
19 federal, state, or local financing or financial assistance conflicts  
20 with Section 50053, rents that do not exceed those prescribed by  
21 the terms of the financing or financial assistance.

22 (ii) In the case of a limited partnership in which the managing  
23 general partner is an eligible nonprofit corporation, the restriction  
24 and provision specified in clause (i) shall be contained in an  
25 enforceable and verifiable agreement with a public agency, or in  
26 a recorded deed restriction to which the limited partnership  
27 certifies.

28 (B) Certify that the funds that would have been necessary to  
29 pay property taxes are used to maintain the affordability of, or  
30 reduce rents otherwise necessary for, the units occupied by lower  
31 income households.

32 (3) As used in this ~~subdivision~~, “*lower subdivision*”:

33 (A) “*Lower income households*” has the same meaning as the  
34 term “lower income households” as defined by Section 50079.5  
35 of the Health and Safety Code.

36 (B) “*Related facilities*” means any manager’s units and any  
37 and all common area spaces that are included within the physical  
38 boundaries of the rental housing development, including, but not  
39 limited to, common area space, walkways, balconies, patios,  
40 clubhouse space, meeting rooms, laundry facilities and parking

1 areas, except any portions of the overall development that are  
2 nonexempt commercial space.

3 (C) “Units serving lower income households” shall mean units  
4 that are occupied by lower income households at an affordable  
5 rent, as defined in Section 50053 of the Health and Safety Code  
6 or, to the extent that the terms of federal, state, or local financing  
7 or financial assistance conflicts with Section 50053, rents that do  
8 not exceed those prescribed by the terms of the financing or  
9 financial assistance. Units reserved for lower income households  
10 at an affordable rent that are temporarily vacant due to tenant  
11 turnover or repairs shall be counted as occupied.

12 (h) Property used exclusively for an emergency or temporary  
13 shelter and related facilities for homeless persons and families and  
14 owned and operated by religious, hospital, scientific, or charitable  
15 funds, foundations, limited liability companies, or corporations  
16 meeting all of the requirements of this section shall be deemed to  
17 be within the exemption provided for in subdivision (b) of Section  
18 4 and Section 5 of Article XIII of the California Constitution and  
19 this section. Property that otherwise would be exempt pursuant to  
20 this subdivision, except that it includes housing and related  
21 facilities for other than an emergency or temporary shelter, shall  
22 be entitled to a partial exemption.

23 As used in this subdivision, “emergency or temporary shelter”  
24 means a facility that would be eligible for funding pursuant to  
25 Chapter 11 (commencing with Section 50800) of Part 2 of Division  
26 31 of the Health and Safety Code.

27 (i) Property used exclusively for housing and related facilities  
28 for employees of religious, charitable, scientific, or hospital  
29 organizations that meet all the requirements of subdivision (a) and  
30 owned and operated by funds, foundations, limited liability  
31 companies, or corporations that meet all the requirements of  
32 subdivision (a) shall be deemed to be within the exemption  
33 provided for in subdivision (b) of Section 4 and Section 5 of Article  
34 XIII of the California Constitution and this section to the extent  
35 the residential use of the property is institutionally necessary for  
36 the operation of the organization.

37 (j) For purposes of this section, charitable purposes include  
38 educational purposes. For purposes of this subdivision,  
39 “educational purposes” means those educational purposes and  
40 activities for the benefit of the community as a whole or an

1 unascertainable and indefinite portion thereof, and do not include  
2 those educational purposes and activities that are primarily for the  
3 benefit of an organization's shareholders. Educational activities  
4 include the study of relevant information, the dissemination of that  
5 information to interested members of the general public, and the  
6 participation of interested members of the general public.

7 (k) In the case of property used exclusively for the exempt  
8 purposes specified in this section, owned and operated by limited  
9 liability companies that are organized and operated for those  
10 purposes, the State Board of Equalization shall adopt regulations  
11 to specify the ownership, organizational, and operational  
12 requirements for those companies to qualify for the exemption  
13 provided by this section.

14 (l) The amendments made by Chapter 354 of the Statutes of  
15 2004 shall apply with respect to lien dates occurring on and after  
16 January 1, 2005.

17 *SEC. 3. Section 214.06 is added to the Revenue and Taxation*  
18 *Code, to read:*

19 *214.06. (a) Notwithstanding any other law, on or after January*  
20 *1, 2015, a local government shall not enter into a payment in lieu*  
21 *of taxes (PILOT) agreement with a property owner of a low-income*  
22 *housing project. Any PILOT agreement entered into in violation*  
23 *of this subdivision shall be void and unenforceable.*

24 *(b) An inference shall not be drawn from the enactment of this*  
25 *section with regard to whether the law, as it read prior to January*  
26 *1, 2015, authorized a local government to enter into a PILOT*  
27 *agreement.*

28 *SEC. 4. Section 214.08 is added to the Revenue and Taxation*  
29 *Code, to read:*

30 *214.08. (a) Notwithstanding any other law, both of the*  
31 *following shall apply:*

32 *(1) Any outstanding ad valorem tax, interest, or penalty that*  
33 *was levied between January 1, 2012, and January 1, 2015, as a*  
34 *result of a PILOT agreement shall be canceled, and any tax,*  
35 *interest, or penalty, as so levied, that was paid prior to January*  
36 *1, 2015, shall be refunded.*

37 *(2) On or after January 1, 2015, an escape or supplemental*  
38 *assessment shall not be levied on the basis that payments made*  
39 *under a PILOT agreement were, or are being, used in a manner*  
40 *incompatible with the certification requirement contained in*

1 *subparagraph (B) of paragraph (2) of subdivision (g) of Section*  
2 *214.*

3 *(b) An inference shall not be drawn from the enactment of this*  
4 *section with regard to whether the law, as it read prior to January*  
5 *1, 2015, authorized a local government to enter into a PILOT*  
6 *agreement or impose a PILOT fee.*

7 *SEC. 5. This act shall become operative only if Assembly Bill*  
8 *1760 of the 2013–14 Regular Session is enacted and takes effect*  
9 *on or before January 1, 2015.*

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**All matter omitted in this version of the bill  
appears in the bill as amended in the  
Assembly, July 2, 2014. (JR11)**