

AMENDED IN SENATE MARCH 25, 2014

**SENATE BILL**

**No. 1323**

---

---

**Introduced by Senator Lieu**

February 21, 2014

---

---

An act to amend ~~Section 257.1~~ Sections 75.21, 206.1, 254, 254.5, 255, 257, 257.1, 270, 271, and 276 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1323, as amended, Lieu. Property ~~taxation: religious exemption: renewal: taxation.~~

*Existing property tax law allows taxes, penalties, and interest imposed for late filings of certain property tax exemption applications to be canceled or refunded in an amount equal to 90% or 85%, as applicable, of any tax, penalty, or interest or any amount of tax, penalty, or interest exceeding \$250, whichever is greater.*

*This bill would instead require 90% of any tax, penalty, or interest resulting from the assessed value of the property or any amount of tax, penalty, or interest exceeding \$200, whichever is greater, to be canceled or refunded, provided an appropriate application for exemption is thereafter filed. This bill would require this property tax relief to apply to each claim for exemption filed, and in the case where a claim for exemption is filed for a property location consisting of contiguous parcels, would authorize any tax or penalty or interest thereon resulting from the reduction of the amount of the exemption otherwise available to be applied to a single parcel.*

*The California Constitution authorizes the Legislature to exempt from taxation property not used for commercial purposes that is reasonably and necessarily required for the parking of vehicles of persons*

worshiping on exempt land. Pursuant to this constitutional authorization, existing property tax law exempts from tax any real property that is reasonably and necessarily required for the parking of automobiles by persons engaged in religious activities, as specified. Existing property tax law provides that this exemption shall apply to land and improvements that are not owned by a church, religious denomination, or sect using the land and improvements for the parking of automobiles, provided that certain conditions are met, including, among others, that the congregation of the church, religious denomination, or sect is no greater than 500 members.

This bill would modify this exemption to apply to any real property that is required for the parking of vehicles, and would remove the limitation that the congregation of the church, religious denomination, or sect be no greater than 500 members.

Existing property tax law requires applicants for certain property tax exemptions to notify the assessor if the applicant or the property becomes ineligible for the exemption, as specified. Existing property tax law requires a penalty to be assessed for failure to provide this notification to the assessor in an amount not to exceed \$250.

This bill would reduce the \$250 limitation on the penalty for failure to notify the assessor to \$200.

Existing property tax law requires any person claiming certain property tax exemptions and anyone claiming the classification of a vessel as a documented vessel eligible for assessment, as provided, to submit to the assessor annually an affidavit giving any information required by the board. Existing property tax law requires these affidavits to be filed with the assessor between the lien date and 5 p.m. on February 15.

This bill would require the affidavit to be submitted for each property location for which the property tax exemption is sought, and would authorize any person claiming any exemption specified above to submit a single claim for a property location consisting of contiguous parcels. This bill would require an affidavit for the disabled veterans' exemption to instead be filed with the assessor any time after the claimant becomes eligible but no later than 5 p.m. on February 15, except as otherwise provided.

Existing property tax law requires a claim for certain property tax exemptions to be filed by a specified date with the assessor each year. Existing property tax law does not require applicants granted certain property tax exemptions to reapply for the exemption in any subsequent

*year in which there has been no change in the title to, or the use of, the property. Existing property tax law requires the assessor to annually mail a notice to every applicant relieved of the requirement of filing an annual application, as specified, which is required to include a card in a specified form, to be returned to the assessor by the applicant desiring to maintain eligibility for the exemption.*

*This bill would instead require the State Board of Equalization to prescribe the form of the card included with the notice.*

*By changing the manner in which property tax refunds for late filings of certain property tax exemptions are made by local county officials, 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.*

~~Existing property tax law establishes, pursuant to Constitutional authorization, a property tax exemption for property exclusively used for religious purposes. Existing law requires the assessor to annually mail a notice to every person who received the religious exemption for the previous fiscal year that includes specified information, including, the circumstances under which the property may no longer be eligible for exemption. Existing law requires the notice to include a card that is to be returned to the assessor with specified information, including, the signature and title of any person who desires to maintain eligibility for the exemption.~~

~~This bill would additionally require a person claiming the exemption to include his or her printed name on the card to be returned to the assessor.~~

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

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

1     *SECTION 1. Section 75.21 of the Revenue and Taxation Code*  
2     *is amended to read:*  
3     75.21. (a) Exemptions shall be applied to the amount of the  
4     supplemental assessment, provided that the property is not  
5     receiving any other exemption on either the current roll or the roll  
6     being prepared except as provided for in subdivision (b), that the  
7     assessee is eligible for the exemption, and that, in those instances  
8     in which the provisions of this division require the filing of a claim  
9     for the exemption, the assessee makes a claim for the exemption.  
10    (b) If the property received an exemption on the current roll or  
11    the roll being prepared and the assessee on the supplemental roll  
12    is eligible for an exemption and, in those instances in which the  
13    provisions of this division require the filing of a claim for the  
14    exemption, the assessee makes a claim for an exemption of a  
15    greater amount, then the difference in the amount between the two  
16    exemptions shall be applied to the supplemental assessment.  
17    (c) In those instances in which the provisions of this division  
18    require the filing of a claim for the exemption, except as provided  
19    in subdivision (d), (e), or (f), any person claiming to be eligible  
20    for an exemption to be applied against the amount of the  
21    supplemental assessment shall file a claim or an amendment to a  
22    current claim, in that form as prescribed by the board, on or before  
23    the 30th day following the date of notice of the supplemental  
24    assessment, in order to receive a 100-percent exemption.  
25    (1) With respect to property as to which the college, cemetery,  
26    church, religious, exhibition, veterans' organization, free public  
27    libraries, free museums, or welfare exemption was available, but  
28    for which a timely application for exemption was not filed, ~~the~~  
29    ~~following amounts shall be canceled or refunded: 90 percent of~~  
30    ~~any tax or penalty or interest resulting from the assessed value~~  
31    ~~thereon, or any amount of tax or penalty or interest resulting from~~  
32    ~~the assessed value thereon exceeding two hundred dollars (\$200),~~  
33    ~~whichever is greater, shall be canceled or refunded for each~~  
34    ~~supplemental assessment, provided that an appropriate application~~  
35    ~~for exemption is thereafter filed.~~

1     (A) ~~Ninety percent of any tax or penalty or interest thereon, or~~  
2 ~~any amount of tax or penalty or interest thereon exceeding two~~  
3 ~~hundred fifty dollars (\$250) in total amount, whichever is greater,~~  
4 ~~for each supplemental assessment, provided that an appropriate~~  
5 ~~application for exemption is filed on or before the date on which~~  
6 ~~the first installment of taxes on the supplemental tax bill becomes~~  
7 ~~delinquent, as provided by Section 75.52.~~

8     (B) ~~Eighty-five percent of any tax or penalty or interest thereon,~~  
9 ~~or any amount of tax or penalty or interest thereon exceeding two~~  
10 ~~hundred fifty dollars (\$250) in total amount, whichever is greater,~~  
11 ~~for each supplemental assessment, if an appropriate application~~  
12 ~~for exemption is thereafter filed.~~

13     (2) With respect to property as to which the welfare exemption  
14 or veterans' organization exemption was available, all provisions  
15 of Section 254.5, other than the specified dates for the filing of  
16 affidavits and other acts, are applicable to this section.

17     (3) With respect to property as to which the veterans' or  
18 homeowners' exemption was available, but for which a timely  
19 application for exemption was not filed, that portion of tax  
20 attributable to 80 percent of the amount of exemption available  
21 shall be canceled or refunded, provided that an appropriate  
22 application for exemption is filed on or before the date on which  
23 the first installment of taxes on the supplemental tax bill becomes  
24 delinquent, as provided by Section 75.52.

25     (4) With respect to property as to which the disabled veterans'  
26 exemption was available, but for which a timely application for  
27 exemption was not filed, that portion of tax attributable to 90  
28 percent of the amount of exemption available shall be canceled or  
29 refunded, provided that an appropriate application for exemption  
30 is ~~filed on or before the date on which the first installment of taxes~~  
31 ~~on the supplemental tax bill becomes delinquent, as provided by~~  
32 ~~Section 75.52. If an appropriate application for exemption is~~  
33 ~~thereafter filed, 85 percent of the amount of the exemption available~~  
34 ~~shall be canceled or refunded: thereafter filed.~~

35     (5) With respect to property as to which any other exemption  
36 was available, but for which a timely application for exemption  
37 was not filed, ~~the following amounts shall be canceled or refunded:~~  
38 *90 percent of any tax or penalty or interest resulting from the*  
39 *assessed value thereon, or any amount of tax or penalty or interest*  
40 *resulting from the assessed value thereon exceeding two hundred*

1 *dollars (\$200), whichever is greater, shall be canceled or refunded,*  
2 *for each supplemental assessment, provided that an appropriate*  
3 *application for exemption is thereafter filed.*

4 ~~(A) Ninety percent of any tax or penalty or interest thereon,~~  
5 ~~provided that an appropriate application for exemption is filed on~~  
6 ~~or before the date on which the first installment of taxes on the~~  
7 ~~supplemental tax bill becomes delinquent, as provided by Section~~  
8 ~~75.52.~~

9 ~~(B) Eighty-five percent of any tax or penalty or interest thereon,~~  
10 ~~or any amount of tax or penalty or interest thereon exceeding two~~  
11 ~~hundred fifty dollars (\$250) in total amount, whichever is greater,~~  
12 ~~for each supplemental assessment, if an appropriate application~~  
13 ~~for exemption is thereafter filed.~~

14 Other provisions of this division pertaining to the late filing of  
15 claims for exemption do not apply to assessments made pursuant  
16 to this chapter.

17 (d) For purposes of this section, any claim for the homeowners'  
18 exemption, veterans' exemption, or disabled veterans' exemption  
19 previously filed by the owner of a dwelling, granted and in effect,  
20 constitutes the claim or claims for that exemption required in this  
21 section. In the event that a claim for the homeowners' exemption,  
22 veterans' exemption, or disabled veterans' exemption is not in  
23 effect, a claim for any of those exemptions for a single  
24 supplemental assessment for a change in ownership or new  
25 construction occurring on or after June 1, up to and including  
26 December 31, shall apply to that assessment; a claim for any of  
27 those exemptions for the two supplemental assessments for a  
28 change in ownership or new construction occurring on or after  
29 January 1, up to and including May 31, one for the current fiscal  
30 year and one for the following fiscal year, shall apply to those  
31 assessments. In either case, if granted, the claim shall remain in  
32 effect until title to the property changes, the owner does not occupy  
33 the home as his or her principal place of residence on the lien date,  
34 or the property is otherwise ineligible pursuant to Section 205,  
35 205.5, or 218.

36 (e) Notwithstanding subdivision (c), an additional exemption  
37 claim may not be required to be filed until the next succeeding  
38 lien date in the case in which a supplemental assessment results  
39 from the completion of new construction on property that has

1 previously been granted exemption on either the current roll or the  
2 roll being prepared.

3 (f) (1) Notwithstanding subdivision (c), an additional exemption  
4 claim is not required to be filed in the instance where a  
5 supplemental assessment results from a change in ownership of  
6 property where the purchaser of the property owns and uses or  
7 uses, as the case may be, other property that has been granted the  
8 college, cemetery, church, religious, exhibition, veterans'  
9 organization, free public libraries, free museums, or welfare  
10 exemption on either the current roll or the roll being prepared and  
11 the property purchased is put to the same use.

12 (2) In all other instances where a supplemental assessment  
13 results from a change in ownership of property, an application for  
14 exemption shall be filed pursuant to the provisions of subdivision  
15 (c).

16 (g) *The relief authorized under this section applies to each*  
17 *supplemental assessment for which an application for exemption*  
18 *is filed. If a claim for the exemption is filed for a property location*  
19 *consisting of contiguous parcels, and the assessor grants the claim*  
20 *for that property location, any tax or penalty or interest resulting*  
21 *from the reduction of the amount of the exemption otherwise*  
22 *available may be applied to a single parcel.*

23 SEC. 2. *Section 206.1 of the Revenue and Taxation Code is*  
24 *amended to read:*

25 206.1. (a) Pursuant to the authority of subdivision (d) of  
26 Section 4 of Article XIII of the California Constitution, and in  
27 accordance with subdivision (b) of this section, all real property  
28 that is necessarily and reasonably required for the parking of  
29 ~~automobiles~~ *vehicles* of persons who are attending religious  
30 services, or are engaged in religious services or worship or any  
31 religious activity, is exempt from taxation.

32 (b) For purposes of the exemption established by subdivision  
33 (a), all of the following shall apply:

34 (1) "Real property" means land and improvements or a  
35 possessory interest in land and improvements.

36 (2) The real property is not required to be contiguous to the land  
37 on which the church or other structure used for religious services  
38 or as the place of worship or religious activity is located.

39 (3) The real property is not at other times used for commercial  
40 purposes. For purposes of this paragraph, "commercial purposes"

1 does not include use of the property for the parking of vehicles or  
 2 bicycles, the revenue from which does not exceed the ordinary  
 3 and necessary costs of maintaining the real property.

4 (4) The exemption shall apply to otherwise qualifying land and  
 5 improvements regardless of whether the land and improvements  
 6 are owned by the church, religious denomination, or sect using the  
 7 land and improvements for the parking of ~~automobiles~~ *vehicles*  
 8 by persons described in subdivision (a). However, the exemption  
 9 shall apply to land and improvements that are not owned by the  
 10 church, religious denomination, or sect using the land and  
 11 improvements for the parking of ~~automobiles~~ *vehicles* by persons  
 12 described in subdivision (a) only as long as all of the following  
 13 conditions are met:

14 ~~(A) The congregation of the church, religious denomination, or~~  
 15 ~~sect is no greater than 500 members.~~

16 ~~(B)~~

17 (A) The church, religious denomination, or sect is engaged in  
 18 a lease of the land and improvements for the exclusive purpose of  
 19 the parking of ~~automobiles~~ *vehicles* by persons described in  
 20 subdivision (a).

21 ~~(C)~~

22 (B) The church, religious denomination, or sect is responsible,  
 23 under the terms of its lease with the fee owner of the land and  
 24 improvements, for paying the property taxes levied on the land  
 25 and improvements. For purposes of this subparagraph, paying  
 26 property taxes levied on land and improvements includes  
 27 reimbursement paid to the fee owner of the land and improvements  
 28 for those taxes.

29 ~~(D)~~

30 (C) The real property is used exclusively for the parking of  
 31 ~~automobiles~~ *vehicles* by persons described in subdivision (a).

32 ~~(E)~~

33 (D) The fee owner of the real property and the county agree that  
 34 the fee owner shall pay the total amount of taxes that would be  
 35 levied on the real property for the current fiscal year and the first  
 36 two subsequent fiscal years in the absence of a grant of exemption  
 37 pursuant to this paragraph for the current fiscal year, if the real  
 38 property is used for any purpose other than that specified in  
 39 subparagraph ~~(D)~~ (C) during either of those two subsequent fiscal  
 40 years.

1     *SEC. 3. Section 254 of the Revenue and Taxation Code is*  
2     *amended to read:*

3     254. (a) (1) Any person claiming the church, cemetery,  
4 college, exhibition, welfare, veterans' organization, free public  
5 libraries, free museums, aircraft of historical significance, tribal  
6 housing, or public schools property tax exemption and anyone  
7 claiming the classification of a vessel as a documented vessel  
8 eligible for assessment under Section 227, shall submit to the  
9 assessor annually an affidavit, giving any information required by  
10 the board.

11     (2) *The affidavit required pursuant to subdivision (a) shall be*  
12 *submitted for each property location for which the property tax*  
13 *exemption is sought.*

14     (b) *Any person claiming any exemption specified in subdivision*  
15 *(a) may submit a single claim for a property location consisting*  
16 *of contiguous parcels.*

17     *SEC. 4. Section 254.5 of the Revenue and Taxation Code is*  
18 *amended to read:*

19     254.5. (a) Claims for the welfare exemption and the veterans'  
20 organization exemption shall be filed on or before February 15 of  
21 each year with the assessor.

22     The assessor may not approve a property tax exemption claim  
23 until the claimant has been issued a valid organizational clearance  
24 certificate pursuant to Section 254.6. Financial statements shall  
25 be submitted only if requested in writing by the assessor.

26     (b) (1) The assessor shall review all claims for the welfare  
27 exemption to ascertain whether the property on which the  
28 exemption is claimed meets the requirements of Section 214. The  
29 assessor shall also review all claims for the veterans' organization  
30 exemption to ascertain whether the property on which the  
31 exemption is claimed meets the requirements of Section 215.1. In  
32 this connection, the assessor shall consider, among other matters,  
33 whether:

34     (A) Any capital investment of the owner or operator for  
35 expansion of a physical plant is justified by the contemplated return  
36 thereon, and required to serve the interests of the community.

37     (B) The property on which the exemption is claimed is used for  
38 the actual operation of an exempt activity and does not exceed an  
39 amount of property reasonably necessary to the accomplishment  
40 of the exempt purpose.

1 (2) The assessor may institute an audit or verification of the  
2 operations of the owner or operator of the applicant's property to  
3 ascertain whether both the owner and operator meet the  
4 requirements of Section 214.

5 (c) (1) The assessor may deny a claim for the welfare exemption  
6 on a property, notwithstanding that the claimant has been granted  
7 an organizational clearance certificate by the board.

8 (2) If the assessor finds that the claimant's property is ineligible  
9 for the welfare exemption or the veterans' organization exemption,  
10 the assessor shall notify the claimant in writing of all of the  
11 following:

12 (A) That the property is ineligible for the exemption.

13 (B) That the claimant may seek a refund of property taxes paid  
14 by filing a refund claim with the county.

15 (C) That if the claimant's refund claim with the county is denied,  
16 the claimant may file a refund action in superior court.

17 (d) Notwithstanding subdivision (a), an applicant, granted a  
18 welfare exemption and owning any property exempted pursuant  
19 to Section 214.15 or Section 231, shall not be required to reapply  
20 for the welfare exemption in any subsequent year in which there  
21 has been no transfer of, or other change in title to, the exempted  
22 property and the property is used exclusively by a governmental  
23 entity or by a nonprofit corporation described in Section 214.15  
24 for its interest and benefit. The applicant shall notify the assessor  
25 on or before February 15 if, on or before the preceding lien date,  
26 the applicant became ineligible for the welfare exemption or if,  
27 on or before that lien date, the property was no longer owned by  
28 the applicant or otherwise failed to meet all requirements for the  
29 welfare exemption.

30 Prior to the lien date, the assessor shall annually mail a notice  
31 to every applicant relieved of the requirement of filing an annual  
32 application by this subdivision.

33 The notice shall be in a form and contain that information that  
34 the board may prescribe, and shall set forth the circumstances  
35 under which the property may no longer be eligible for exemption,  
36 and advise the applicant of the duty to inform the assessor if the  
37 property is no longer eligible for exemption.

38 The notice shall include a card, *as prescribed by the board*, that  
39 is to be returned to the assessor by any applicant desiring to

1 maintain eligibility for the welfare exemption under Section 214.15  
2 or Section 231. ~~The card shall be in the following form:~~

3 ~~To all persons who have received a welfare exemption under~~  
4 ~~Section 214.15 or Section 231 of the Revenue and Taxation Code~~  
5 ~~for the \_\_\_\_\_ fiscal year.~~

6 ~~Question: Will the property to which the exemption applies in~~  
7 ~~the \_\_\_\_\_ fiscal year continue to be used exclusively by government~~  
8 ~~or by an organization as described in Section 214.15 for its interest~~  
9 ~~and benefit in the \_\_\_\_\_ fiscal year?~~

10

11

12

YES \_\_\_\_\_ NO \_\_\_\_\_

13

14

Signature: \_\_\_\_\_

15

Title: \_\_\_\_\_

16

Failure to return this card does not of itself constitute a waiver  
17 of exemption as called for by the California Constitution, but may  
18 result in onsite inspection to verify exempt activity.

19

(e) Upon any indication that a welfare exemption or veterans'  
20 organization exemption on the property has been incorrectly  
21 granted, the assessor shall redetermine eligibility for the exemption.  
22 If the assessor determines that the property, or any portion thereof,  
23 is no longer eligible for the exemption, he or she shall immediately  
24 cancel the exemption on so much of the property as is no longer  
25 eligible for the exemption.

26

(f) If a welfare exemption or veterans' organization exemption  
27 on the property has been incorrectly allowed, an escape assessment  
28 as provided by Article 4 (commencing with Section 531) of Chapter  
29 3 in the amount of the exemption, with interest as provided in  
30 Section 506, shall be made, and a penalty shall be assessed for any  
31 failure to notify the assessor as required by this section in an  
32 amount equaling 10 percent of the escape assessment, but may not  
33 exceed two hundred ~~and fifty~~ dollars ~~(\$250)~~ (\$200).

34

(g) Pursuant to Section 15640 of the Government Code, the  
35 board shall review the assessor's administration of the welfare  
36 exemption and the veterans' organization exemption as part of the  
37 board's survey of the county assessment roll to ensure the proper  
38 administration of the exemption.

39

*SEC. 5. Section 255 of the Revenue and Taxation Code is*  
40 *amended to read:*

1 255. (a) Affidavits required for exemptions named in this  
2 article, except the homeowners' exemption *and the disabled*  
3 *veterans' exemption*, shall be filed with the assessor between the  
4 lien date and 5 p.m. on February 15.

5 (b) Affidavits for the homeowners' exemption except as  
6 otherwise provided in Sections 255.1, 255.2, and 275, shall be  
7 filed with the assessor any time after the claimant becomes eligible  
8 but no later than 5 p.m. on February 15.

9 (c) *Except as otherwise provided in Sections 276, 276.1, and*  
10 *276.2, affidavits for the disabled veterans' exemption shall be filed*  
11 *with the assessor any time after the claimant becomes eligible for*  
12 *the exemption but no later than 5 p.m. on February 15.*

13 (e)

14 (d) Notwithstanding the provisions of subdivision (a), any  
15 claimant who has been found ineligible for the church exemption  
16 or the religious exemption may file an affidavit for a welfare  
17 exemption. Affidavits for the welfare exemption filed pursuant to  
18 this subdivision shall be filed within 15 days from the date of  
19 notification by the assessor of the claimants' ineligibility for the  
20 church exemption or the religious exemption.

21 *SEC. 6. Section 257 of the Revenue and Taxation Code is*  
22 *amended to read:*

23 257. (a) Any person claiming the religious exemption shall  
24 submit to the assessor an affidavit giving specific information  
25 relating to property tax exemption.

26 (b) The affidavit shall show that:

27 (1) The building, equipment, and land are used exclusively for  
28 religious purposes.

29 (2) The land claimed as exempt is required for the convenient  
30 use of the building.

31 (3) The property is owned by an entity organized and operating  
32 exclusively for religious purposes.

33 (4) The entity is nonprofit.

34 (5) No part of the net earnings inures to the benefit of any private  
35 individual.

36 (c) Any exemption granted pursuant to a claim filed in  
37 accordance with this section, once granted, shall remain in effect  
38 until that time that title to the property changes or the property is  
39 no longer used for exempt purposes. Any person who is granted  
40 an exemption pursuant to a claim filed in accordance with this

1 section shall notify the assessor by February 15 if the property  
2 becomes ineligible for the exemption.

3 (d) Upon any indication that a religious exemption has been  
4 incorrectly allowed, the assessor shall make a redetermination of  
5 eligibility for the religious exemption. If the assessor determines  
6 that the property or any portion thereof is no longer eligible for  
7 the exemption, he or she shall immediately cancel the exemption  
8 on so much of the property as is no longer eligible for exemption.

9 If a religious exemption has been incorrectly allowed, an escape  
10 assessment as allowed by Article 4 (commencing with Section  
11 531) of Chapter 3 in the amount of the exemption with interest as  
12 provided in Section 506 shall be made, together with a penalty for  
13 failure to notify the assessor, where applicable, in the amount of  
14 10 percent of the assessment, but may not exceed two hundred  
15 fifty dollars ~~(\$250)~~ (\$200) in tax liability.

16 *SEC. 7. Section 257.1 of the Revenue and Taxation Code is*  
17 *amended to read:*

18 257.1. For the 1983–84 fiscal year and fiscal years thereafter,  
19 the assessor shall annually, prior to the lien date, mail a notice to  
20 every person who received the religious exemption for the previous  
21 fiscal year.

22 The notice shall be in a form and contain that information which  
23 the board may prescribe, and shall set forth the circumstances  
24 under which the property may no longer be eligible for exemption  
25 and advise the person of the duty to inform the assessor if the  
26 property is no longer eligible for exemption.

27 The notice shall include a card ~~which, as prescribed by the board,~~  
28 *that* is to be returned to the assessor by any person who desires to  
29 maintain eligibility for the religious exemption. ~~That card shall be~~  
30 ~~in the following form:~~

31  
32 To all persons who have received a religious exemption for  
33 the \_\_\_\_\_ fiscal year:  
34 —

35 QUESTION: ~~Will the property to which the exemption~~  
36 ~~applies in the \_\_\_\_\_ fiscal year continue to be used~~  
37 ~~exclusively for religious purposes in the \_\_\_\_\_ fiscal year?~~  
38 —

39 Yes \_\_\_\_\_ No \_\_\_\_\_  
40 —

1 Signature: \_\_\_\_\_ Title: \_\_\_\_\_

2 -

3 Failure to return this card does not of itself constitute a waiver  
4 of exemption as called for by the California Constitution, but  
5 may result in onsite inspection to verify exempt activity.  
6

7 *SEC. 8. Section 270 of the Revenue and Taxation Code is*  
8 *amended to read:*

9 270. (a) With respect to property as to which the college,  
10 cemetery, church, religious, exhibition, veterans’ organization,  
11 free public libraries, free museums, public schools, community  
12 colleges, state colleges, state universities, tribal housing, or welfare  
13 exemption was available but for which a timely application for  
14 exemption was not filed:

15 ~~(1) Ninety filed, 90 percent of any tax or penalty or interest~~  
16 ~~resulting from the assessed value thereon or any tax or penalty or~~  
17 ~~interest resulting from the assessed value thereon exceeding two~~  
18 ~~hundred dollars (\$200) in total amount, whichever is greater, shall~~  
19 ~~be canceled or refunded provided an appropriate application for~~  
20 ~~exemption is filed on or before the lien date in the calendar year~~  
21 ~~next succeeding the calendar year in which the exemption was not~~  
22 ~~claimed by a timely application: thereafter filed.~~

23 ~~(2) If the application is filed after the date specified in paragraph~~  
24 ~~(1), 85 percent of any tax or penalty or interest thereon shall be~~  
25 ~~canceled or refunded provided an appropriate application for~~  
26 ~~exemption is filed and relief is not authorized under Section 214.01~~  
27 ~~or 271.~~

28 ~~(b) Notwithstanding the provisions of subdivision (a), any tax~~  
29 ~~or penalty or interest thereon exceeding two hundred fifty dollars~~  
30 ~~(\$250) in total amount shall be canceled or refunded provided it~~  
31 ~~is imposed upon property entitled to relief under subdivision (a)~~  
32 ~~for which an appropriate claim for exemption has been filed.~~

33 ~~(b) The relief authorized under this section applies to each claim~~  
34 ~~for exemption filed. In the case where a claim for exemption is~~  
35 ~~filed for a property location consisting of contiguous parcels, and~~  
36 ~~the assessor grants the claim for that property location, any tax~~  
37 ~~or penalty or interest thereon resulting from the reduction of the~~  
38 ~~amount of the exemption otherwise available may be applied to a~~  
39 ~~single parcel.~~

1 (c) With respect to property as to which the welfare exemption  
2 or veterans' organization exemption was available, ~~all provisions~~  
3 ~~of~~ Section 254.5, other than the specified dates for the filing of  
4 affidavits and other acts, ~~are~~ *is* applicable to this section.

5 *SEC. 9. Section 271 of the Revenue and Taxation Code is*  
6 *amended to read:*

7 271. (a) Provided that an appropriate application for exemption  
8 is filed within 90 days from the first day of the month following  
9 the month in which the property was acquired or by February 15  
10 of the following calendar year, whichever occurs earlier, any tax  
11 or penalty or interest *resulting from the assessed value* imposed  
12 upon:

13 (1) Property owned by any organization qualified for the college,  
14 cemetery, church, religious, exhibition, veterans' organization,  
15 tribal housing, or welfare exemption that is acquired by that  
16 organization during a given calendar year, after the lien date but  
17 prior to the first day of the fiscal year commencing within that  
18 calendar year, when the property is of a kind that would have been  
19 qualified for the college, cemetery, church, religious, exhibition,  
20 veterans' organization, tribal housing, or welfare exemption if it  
21 had been owned by the organization on the lien date, shall be  
22 canceled or refunded.

23 (2) Property owned by any organization that would have  
24 qualified for the college, cemetery, church, religious, exhibition,  
25 veterans' organization, tribal housing, or welfare exemption had  
26 the organization been in existence on the lien date, that was  
27 acquired by it during that calendar year after the lien date in that  
28 year but prior to the commencement of that fiscal year, and of a  
29 kind that presently qualifies for the exemption and that would have  
30 so qualified for that fiscal year had it been owned by the  
31 organization on the lien date and had the organization been in  
32 existence on the lien date, shall be canceled or refunded.

33 (3) Property acquired after the beginning of any fiscal year by  
34 an organization qualified for the college, cemetery, church,  
35 religious, exhibition, veterans' organization, tribal housing, or  
36 welfare exemption and the property is of a kind that would have  
37 qualified for an exemption if it had been owned by the organization  
38 on the lien date, whether or not that organization was in existence  
39 on the lien date, shall be canceled or refunded in the proportion

1 that the number of days for which the property was so qualified  
2 during the fiscal year bears to 365.

3 (b) ~~Eighty-five-Ninety~~ percent of any tax or penalty or interest  
4 *resulting from the assessed value* thereon imposed upon property  
5 that would be entitled to relief under subdivision (a) or Section  
6 214.01, except that an appropriate application for exemption was  
7 not filed within the time required by the applicable provision, shall  
8 be canceled or refunded provided that an appropriate application  
9 for exemption is filed after the last day on which relief could be  
10 granted under subdivision (a) or Section 214.01.

11 (c) Notwithstanding subdivision (b), any tax or penalty or  
12 interest *resulting from the assessed value* thereon exceeding two  
13 hundred ~~fifty~~ dollars ~~(\$250)~~ (\$200) in total amount shall be  
14 canceled or refunded provided it is imposed upon property *that*  
15 *would be* entitled to relief under subdivision ~~(b)~~ *for which* (a)  
16 *except that* an appropriate ~~claim~~ application for exemption ~~has~~  
17 ~~been~~ was not filed *within the time period required by the applicable*  
18 *provision, so long as an appropriate claim for exemption has been*  
19 *filed.*

20 (d) *The relief authorized under this section applies to each claim*  
21 *for exemption filed. In the case where a claim for exemption is*  
22 *filed for a property location consisting of contiguous parcels, and*  
23 *the assessor grants the claim for that property location, any tax*  
24 *or penalty or interest thereon resulting from the reduction of the*  
25 *amount of the exemption otherwise available may be applied to a*  
26 *single parcel.*

27 ~~(d)~~

28 (e) With respect to property acquired after the beginning of the  
29 fiscal year for which relief is sought, subdivisions (b) and (c) shall  
30 apply only to that pro rata portion of any tax or penalty or interest  
31 *resulting from the assessed value* thereon that would have been  
32 canceled or refunded had the property qualified for relief under  
33 paragraph (3) of subdivision (a).

34 *SEC. 10. Section 276 of the Revenue and Taxation Code is*  
35 *amended to read:*

36 276. (a) Except as otherwise provided by subdivision (b), for  
37 property for which the disabled veterans' exemption described in  
38 Section 205.5 was available, but for which a timely claim was not  
39 filed, ~~a partial exemption shall be applied in accordance with~~  
40 ~~whichever of the following is applicable:~~

1 ~~(1) Ninety 90 percent of any tax, including any interest or~~  
 2 ~~penalty thereon, levied upon that portion of the assessed value of~~  
 3 ~~the property that would have been exempt under a timely and~~  
 4 ~~appropriate claim shall be canceled or refunded, provided that an~~  
 5 ~~appropriate claim for exemption is filed after 5 p.m. on February~~  
 6 ~~15 of the calendar year in which the fiscal year begins but on or~~  
 7 ~~before the following December 10. thereafter filed.~~

8 ~~(2) If an appropriate claim for exemption is filed after the time~~  
 9 ~~period specified in paragraph (1), 85 percent of that portion of any~~  
 10 ~~tax, including any interest or penalty thereon, that was levied upon~~  
 11 ~~that portion of the assessed value of the property that would have~~  
 12 ~~been exempt under a timely and appropriate claim, shall be~~  
 13 ~~canceled or refunded. Cancellations~~

14 *Cancellations* made under this ~~paragraph subdivision~~ are subject  
 15 to the provisions of Article 1 (commencing with Section 4985) of  
 16 Chapter 4. Refunds issued under this ~~paragraph subdivision~~ are  
 17 subject to the limitations periods on refunds as described in Article  
 18 1 (commencing with Section 5096) of Chapter 5.

19 (b) If a late-filed claim for the one-hundred-fifty-thousand-dollar  
 20 (\$150,000) exemption is filed in conjunction with a timely filed  
 21 claim for the one-hundred-thousand-dollar (\$100,000) exemption,  
 22 the amount of any exemption allowed under the late-filed claim  
 23 under subdivision (a) shall be determined on the basis of that  
 24 portion of the exemption amount, otherwise available under  
 25 subdivision (a), that exceeds one hundred thousand dollars  
 26 (\$100,000).

27 (c) For those claims filed pursuant to subdivision (a) after  
 28 November 15, the exemption under that subdivision may be applied  
 29 to the second installment. If that exemption is so applied, the first  
 30 installment is still delinquent on December 10, and is subject to  
 31 delinquent penalties provided for in this division if that installment  
 32 is not timely paid. A refund shall be made to the taxpayer upon a  
 33 claim submitted to the auditor if the exemption is applied to the  
 34 second installment and either of the following is true:

- 35 (1) Both installments are paid on or before December 10.
- 36 (2) The reduction in taxes resulting from the exemption exceeds
- 37 the amount of taxes due on the second installment.

38 *SEC. 11. If the Commission on State Mandates determines that*  
 39 *this act contains costs mandated by the state, reimbursement to*  
 40 *local agencies and school districts for those costs shall be made*

1 pursuant to Part 7 (commencing with Section 17500) of Division  
2 4 of Title 2 of the Government Code.

3 SEC. 12. Notwithstanding Section 2229 of the Revenue and  
4 Taxation Code, no appropriation is made by this act and the state  
5 shall not reimburse any local agency for any property tax revenues  
6 lost by it pursuant to this act.

7 SECTION 1. Section 257.1 of the Revenue and Taxation Code  
8 is amended to read:

9 257.1. For the 1983-84 fiscal year and fiscal years thereafter,  
10 the assessor shall annually, prior to the lien date, mail a notice to  
11 every person who received the religious exemption for the previous  
12 fiscal year.

13 The notice shall be in a form and contain that information which  
14 the board may prescribe, and shall set forth the circumstances  
15 under which the property may no longer be eligible for exemption  
16 and advise the person of the duty to inform the assessor if the  
17 property is no longer eligible for exemption.

18 The notice shall include a card which is to be returned to the  
19 assessor by any person who desires to maintain eligibility for the  
20 religious exemption. That card shall be in the following form:

21

22 To all persons who have received a religious exemption for  
23 the \_\_\_\_\_ fiscal year:

24 -

25 QUESTION: Will the property to which the exemption  
26 applies in the \_\_\_\_\_ fiscal year continue to be used  
27 exclusively for religious purposes in the \_\_\_\_\_ fiscal year?

28 -

29 Yes \_\_\_\_\_ No \_\_\_\_\_

30 -

31 Signature: \_\_\_\_\_ Title: \_\_\_\_\_

32 -

33 Print Name: \_\_\_\_\_

34 -

35 Failure to return this card does not of itself constitute a waiver  
36 of exemption as called for by the California Constitution, but  
37 may result in onsite inspection to verify exempt activity.

38

O