

**ASSEMBLY BILL**

**No. 748**

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**Introduced by Assembly Member Lackey**

February 25, 2015

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An act to amend Sections 271 and 271.5 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 748, as introduced, Lackey. Taxation: exemptions: public schools.

Existing property tax law provides, with respect to property as to which the college, cemetery, church, religious, exhibition, veterans' organization, free public libraries, free museums, public schools, community colleges, state colleges, state universities, tribal housing, or welfare exemption was available but for which a timely application for exemption was not filed, that 90% of any tax or penalty or interest on that property shall be canceled or refunded if an appropriate application for exemption is filed on or before the lien date in the calendar year next succeeding the calendar year in which the exemption was not claimed by a timely application.

Existing property tax law requires, if an appropriate application for exemption is filed within 90 days from the first day of the month following the month in which the property was acquired or by February 15 of the following calendar year, whichever occurs first, any tax or penalty or interest imposed upon property owned by any organization qualified for the college, cemetery, church, religious, exhibition, veterans' organization, tribal housing, or welfare exemption that is acquired by that organization during a given calendar year, after the lien date but before the first day of the fiscal year commencing within that calendar year, if the property is of a kind that would have been

qualified for the college, cemetery, church, religious, exhibition, veterans' organization, tribal housing, or welfare exemption if it had been owned by the organization on the lien date, to be canceled or refunded.

This bill would add public schools to the list of entities eligible for the cancellation or refund of any tax or penalty or interest imposed on property acquired in a given calendar year after the lien date but before the first day of the fiscal year commencing within that calendar year. The bill also would make conforming changes.

By increasing the duties of local officials relative to the administration of taxes, 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.

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 271 of the Revenue and Taxation Code  
2     is amended to read:  
3     271. (a) Provided that an appropriate application for exemption  
4     is filed within 90 days from the first day of the month following  
5     the month in which the property was acquired or by February 15  
6     of the following calendar year, whichever occurs ~~earlier~~, *first*, any  
7     tax or penalty or interest imposed upon:  
8     (1) Property owned by any organization qualified for the college,  
9     cemetery, church, religious, exhibition, veterans' organization,  
10    tribal housing, *public school*, or welfare exemption that is acquired  
11    by that organization during a given calendar year, after the lien  
12    date but ~~prior to~~ *before* the first day of the fiscal year commencing  
13    within that calendar year, when the property is of a kind that would  
14    have been qualified for the college, cemetery, church, religious,  
15    exhibition, veterans' organization, tribal housing, *public school*,  
16    or welfare exemption if it had been owned by the organization on  
17    the lien date, shall be canceled or refunded.

1 (2) Property owned by any organization that would have  
2 qualified for the college, cemetery, church, religious, exhibition,  
3 veterans' organization, tribal housing, *public school*, or welfare  
4 exemption had the organization been in existence on the lien date,  
5 that was acquired by it during that calendar year after the lien date  
6 in that year but ~~prior to~~ *before* the commencement of that fiscal  
7 year, and of a kind that presently qualifies for the exemption and  
8 that would have so qualified for that fiscal year had it been owned  
9 by the organization on the lien date and had the organization been  
10 in existence on the lien date, shall be canceled or refunded.

11 (3) Property acquired after the beginning of any fiscal year by  
12 an organization qualified for the college, cemetery, church,  
13 religious, exhibition, veterans' organization, tribal housing, *public*  
14 *school*, or welfare exemption and the property is of a kind that  
15 would have qualified for an exemption if it had been owned by  
16 the organization on the lien date, whether or not that organization  
17 was in existence on the lien date, shall be canceled or refunded in  
18 the proportion that the number of days for which the property was  
19 so qualified during the fiscal year bears to 365.

20 (b) Eighty-five percent of any tax or penalty or interest thereon  
21 imposed upon property that would be entitled to relief under  
22 subdivision (a) or Section 214.01, except that an appropriate  
23 application for exemption was not filed within the time required  
24 by the applicable provision, shall be canceled or refunded provided  
25 that an appropriate application for exemption is filed after the last  
26 day on which relief could be granted under subdivision (a) or  
27 Section 214.01.

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

33 (d) With respect to property acquired after the beginning of the  
34 fiscal year for which relief is sought, subdivisions (b) and (c) shall  
35 apply only to that pro rata portion of any tax or penalty or interest  
36 thereon that would have been canceled or refunded had the property  
37 qualified for relief under paragraph (3) of subdivision (a).

38 SEC. 2. Section 271.5 of the Revenue and Taxation Code is  
39 amended to read:

1     271.5. (a) In the event that property receiving the college,  
2 cemetery, church, religious, exhibition, veterans' organization,  
3 tribal housing, *public school*, or welfare exemption is sold or  
4 otherwise transferred, the exemption shall cease to apply on the  
5 date of that sale or transfer. A new exemption shall be available  
6 subject to the provisions of Section 271.

7     (b) Termination of the exemption under this section shall result  
8 in an escape assessment of the property pursuant to Section 531.1.

9     SEC. 3. If the Commission on State Mandates determines that  
10 this act contains costs mandated by the state, reimbursement to  
11 local agencies and school districts for those costs shall be made  
12 pursuant to Part 7 (commencing with Section 17500) of Division  
13 4 of Title 2 of the Government Code.