

AMENDED IN SENATE MAY 2, 2016

SENATE BILL

No. 996

Introduced by Senator Hill

February 10, 2016

An act to amend Section 214 of, and to add ~~Section~~ *Sections* 214.17 and 259.14 to, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 996, as amended, Hill. Property taxation: welfare exemption.

The California Constitution authorizes the Legislature to exempt from taxation property that is used exclusively for religious, hospital, or charitable purposes, and is owned or held in trust by a nonprofit entity. Pursuant to this constitutional authority, existing law partially exempts from property taxation property used exclusively for rental housing and related facilities, if specified criteria are met, including, except in the case of a limited partnership in which the managing general partner is a nonprofit corporation eligible for the exemption, that 90% or more of the occupants of the property are lower income households whose rents do not exceed the rent limits prescribed by a specified law. Existing law limits the total exemption amount allowed to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this criterion, to \$20,000 of tax.

This bill would increase that total exemption amount allowed to ~~\$100,000 of tax~~, *\$10,000,000 in assessed value*, with respect to lien dates occurring on and after January 1, 2017.

This bill would require any outstanding qualified ad valorem tax in excess of the \$20,000 limitation, and related interest or penalty, which was levied or imposed on and after January 1, 2013, and before January 1, 2017, with respect to qualified property for which a qualified claim

was filed, to be canceled, and any such qualified ad valorem tax, and related interest or penalty levied or imposed that was paid on or before January 1, 2017, to be refunded, to the extent that the amount canceled or refunded does not result in a total exemption amount in excess of \$100,000 of tax being allowed to a qualified taxpayer with respect to a single property or multiple properties for any fiscal year. The bill would, on and after January 1, 2017, prohibit an escape assessment from being levied on qualified property if that amount would be subject to cancellation or refund pursuant to this bill.

This bill would require a claim for the welfare exemption on qualified property to be accompanied by an affidavit containing specified information regarding the units occupied by lower income households for which the exemption is claimed.

By imposing new duties upon county tax officials, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations regarding the public purpose served by the bill.

~~By imposing new duties upon county tax officials with respect to the refund of these property tax payments, 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:~~

~~Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.~~

~~This bill would make legislative findings to that effect.~~

~~The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.~~

~~This bill would make legislative findings to that effect.~~

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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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.

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 214 of the Revenue and Taxation Code
2 is amended to read:
3 214. (a) Property used exclusively for religious, hospital,
4 scientific, or charitable purposes owned and operated by
5 community chests, funds, foundations, limited liability companies,
6 or corporations organized and operated for religious, hospital,
7 scientific, or charitable purposes is exempt from taxation, including
8 ad valorem taxes to pay the interest and redemption charges on
9 any indebtedness approved by the voters prior to July 1, 1978, or
10 any bonded indebtedness for the acquisition or improvement of
11 real property approved on or after July 1, 1978, by two-thirds of
12 the votes cast by the voters voting on the proposition, if:
13 (1) The owner is not organized or operated for profit. However,
14 in the case of hospitals, the organization shall not be deemed to
15 be organized or operated for profit if, during the immediately
16 preceding fiscal year, operating revenues, exclusive of gifts,
17 endowments and grants-in-aid, did not exceed operating expenses

1 by an amount equivalent to 10 percent of those operating expenses.
2 As used herein, operating expenses include depreciation based on
3 cost of replacement and amortization of, and interest on,
4 indebtedness.

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

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

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

14 (i) The owner conducts fundraising activities on the property
15 and the proceeds derived from those activities are not unrelated
16 business taxable income, as defined in Section 512 of the Internal
17 Revenue Code, of the owner and are used to further the exempt
18 activity of the owner.

19 (ii) The owner permits any other organization that meets all of
20 the requirements of this subdivision, other than ownership of the
21 property, to conduct fundraising activities on the property and the
22 proceeds derived from those activities are not unrelated business
23 taxable income, as defined in Section 512 of the Internal Revenue
24 Code, of the organization, are not subject to the tax on unrelated
25 business taxable income that is imposed by Section 511 of the
26 Internal Revenue Code, and are used to further the exempt activity
27 of the organization.

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

29 (i) “Occasional use” means use of the property on an irregular
30 or intermittent basis by the qualifying owner or any other qualifying
31 organization described in clause (ii) of subparagraph (A) that is
32 incidental to the primary activities of the owner or the other
33 organization.

34 (ii) “Fundraising activities” means both activities involving the
35 direct solicitation of money or other property and the anticipated
36 exchange of goods or services for money between the soliciting
37 organization and the organization or person solicited.

38 (C) Subparagraph (A) shall have no application in determining
39 whether paragraph (3) has been satisfied unless the owner of the
40 property and any other organization using the property as provided

1 in subparagraph (A) have filed with the assessor a valid
2 organizational clearance certificate issued pursuant to Section
3 254.6.

4 (D) For the purposes of determining whether the property is
5 used for the actual operation of the exempt activity, consideration
6 shall not be given to the use of the property for meetings conducted
7 by any other organization if the meetings are incidental to the other
8 organization's primary activities, are not fundraising meetings or
9 activities as defined in subparagraph (B), are held no more than
10 once per week, and the other organization and its use of the
11 property meet all other requirements of paragraphs (1) to (5),
12 inclusive, of this subdivision. The owner or the other organization
13 also shall file with the assessor a copy of a valid, unrevoked letter
14 or ruling from the Internal Revenue Service or the Franchise Tax
15 Board stating that the other organization, or the national
16 organization of which it is a local chapter or affiliate, qualifies as
17 an exempt organization under Section 501(c)(3) or 501(c)(4) of
18 the Internal Revenue Code or Section 23701d, 23701f, or 23701w.

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

23 (4) The property is not used or operated by the owner or by any
24 other person so as to benefit any officer, trustee, director,
25 shareholder, member, employee, contributor, or bondholder of the
26 owner or operator, or any other person, through the distribution
27 of profits, payment of excessive charges or compensations, or the
28 more advantageous pursuit of their business or profession.

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

33 (6) The property is irrevocably dedicated to religious, charitable,
34 scientific, or hospital purposes and upon the liquidation,
35 dissolution, or abandonment of the owner will not inure to the
36 benefit of any private person except a fund, foundation, or
37 corporation organized and operated for religious, hospital,
38 scientific, or charitable purposes.

39 (7) The property, if used exclusively for scientific purposes, is
40 used by a foundation or institution that, in addition to complying

1 with the foregoing requirements for the exemption of charitable
2 organizations in general, has been chartered by the Congress of
3 the United States (except that this requirement shall not apply
4 when the scientific purposes are medical research), and whose
5 objects are the encouragement or conduct of scientific
6 investigation, research, and discovery for the benefit of the
7 community at large.

8 The exemption provided for herein shall be known as the
9 “welfare exemption.” This exemption shall be in addition to any
10 other exemption now provided by law, and the existence of the
11 exemption provision in paragraph (2) of subdivision (a) of Section
12 202 shall not preclude the exemption under this section for museum
13 or library property. Except as provided in subdivision (e), this
14 section shall not be construed to enlarge the college exemption.

15 (b) Property used exclusively for school purposes of less than
16 collegiate grade and owned and operated by religious, hospital, or
17 charitable funds, foundations, limited liability companies, or
18 corporations, which property and funds, foundations, limited
19 liability companies, or corporations meet all of the requirements
20 of subdivision (a), shall be deemed to be within the exemption
21 provided for in subdivision (b) of Section 4 and Section 5 of Article
22 XIII of the California Constitution and this section.

23 (c) Property used exclusively for nursery school purposes and
24 owned and operated by religious, hospital, or charitable funds,
25 foundations, limited liability companies, or corporations, which
26 property and funds, foundations, limited liability companies, or
27 corporations meet all the requirements of subdivision (a), shall be
28 deemed to be within the exemption provided for in subdivision
29 (b) of Section 4 and Section 5 of Article XIII of the California
30 Constitution and this section.

31 (d) Property used exclusively for a noncommercial educational
32 FM broadcast station or an educational television station, and
33 owned and operated by religious, hospital, scientific, or charitable
34 funds, foundations, limited liability companies, or corporations
35 meeting all of the requirements of subdivision (a), shall be deemed
36 to be within the exemption provided for in subdivision (b) of
37 Section 4 and Section 5 of Article XIII of the California
38 Constitution and this section.

39 (e) Property used exclusively for religious, charitable, scientific,
40 or hospital purposes and owned and operated by religious, hospital,

1 scientific, or charitable funds, foundations, limited liability
2 companies, or corporations or educational institutions of collegiate
3 grade, as defined in Section 203, which property and funds,
4 foundations, limited liability companies, corporations, or
5 educational institutions meet all of the requirements of subdivision
6 (a), shall be deemed to be within the exemption provided for in
7 subdivision (b) of Section 4 and Section 5 of Article XIII of the
8 California Constitution and this section. As to educational
9 institutions of collegiate grade, as defined in Section 203, the
10 requirements of paragraph (6) of subdivision (a) shall be deemed
11 to be met if both of the following are met:

12 (1) The property of the educational institution is irrevocably
13 dedicated in its articles of incorporation to charitable and
14 educational purposes, to religious and educational purposes, or to
15 educational purposes.

16 (2) The articles of incorporation of the educational institution
17 provide for distribution of its property upon its liquidation,
18 dissolution, or abandonment to a fund, foundation, or corporation
19 organized and operated for religious, hospital, scientific, charitable,
20 or educational purposes meeting the requirements for exemption
21 provided by Section 203 or this section.

22 (f) Property used exclusively for housing and related facilities
23 for elderly or handicapped families and financed by, including,
24 but not limited to, the federal government pursuant to Section 202
25 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section
26 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of
27 Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of
28 Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and
29 operated by religious, hospital, scientific, or charitable funds,
30 foundations, limited liability companies, or corporations meeting
31 all of the requirements of this section shall be deemed to be within
32 the exemption provided for in subdivision (b) of Section 4 and
33 Section 5 of Article XIII of the California Constitution and this
34 section.

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

1 Property used exclusively for housing and related facilities for
2 elderly or handicapped families at which supplemental care or
3 services designed to meet the special needs of elderly or
4 handicapped residents are not provided, or that is not financed by
5 the federal government pursuant to Section 202 of Public Law
6 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public
7 Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law
8 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law
9 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption
10 pursuant to this subdivision unless the property is used for housing
11 and related facilities for low- and moderate-income elderly or
12 handicapped families. Property that would otherwise be exempt
13 pursuant to this subdivision, except that it includes some housing
14 and related facilities for other than low- or moderate-income elderly
15 or handicapped families, shall be entitled to a partial exemption.
16 The partial exemption shall be equal to that percentage of the value
17 of the property that is equal to the percentage that the number of
18 low- and moderate-income elderly and handicapped families
19 represents of the total number of families occupying the property.

20 As used in this subdivision, “low and moderate income” has the
21 same meaning as the term “persons and families of low or moderate
22 income” as defined by Section 50093 of the Health and Safety
23 Code.

24 (g) (1) Property used exclusively for rental housing and related
25 facilities and owned and operated by religious, hospital, scientific,
26 or charitable funds, foundations, limited liability companies, or
27 corporations, including limited partnerships in which the managing
28 general partner is an eligible nonprofit corporation or eligible
29 limited liability company, meeting all of the requirements of this
30 section, or by veterans’ organizations, as described in Section
31 215.1, meeting all the requirements of paragraphs (1) to (7),
32 inclusive, of subdivision (a), shall be deemed to be within the
33 exemption provided for in subdivision (b) of Section 4 and Section
34 5 of Article XIII of the California Constitution and this section
35 and shall be entitled to a partial exemption equal to that percentage
36 of the value of the property that is equal to the percentage that the
37 number of units serving lower income households represents of
38 the total number of residential units in any year in which any of
39 the following criteria applies:

1 (A) The acquisition, rehabilitation, development, or operation
2 of the property, or any combination of these factors, is financed
3 with tax-exempt mortgage revenue bonds or general obligation
4 bonds, or is financed by local, state, or federal loans or grants and
5 the rents of the occupants who are lower income households do
6 not exceed those prescribed by deed restrictions or regulatory
7 agreements pursuant to the terms of the financing or financial
8 assistance.

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

12 (C) In the case of a claim, other than a claim with respect to
13 property owned by a limited partnership in which the managing
14 general partner is an eligible nonprofit corporation, that is filed
15 for the 2000–01 fiscal year or any fiscal year thereafter, 90 percent
16 or more of the occupants of the property are lower income
17 households whose rent does not exceed the rent prescribed by
18 Section 50053 of the Health and Safety Code. The total exemption
19 amount allowed under this subdivision to a taxpayer, with respect
20 to a single property or multiple properties for any fiscal year on
21 the sole basis of the application of this subparagraph, may not
22 exceed ~~one hundred thousand dollars (\$100,000) of tax:~~ *ten million*
23 *dollars (\$10,000,000) in assessed value.*

24 (D) (i) The property was previously purchased and owned by
25 the Department of Transportation pursuant to a consent decree
26 requiring housing mitigation measures relating to the construction
27 of a freeway and is now solely owned by an organization that
28 qualifies as an exempt organization under Section 501(c)(3) of the
29 Internal Revenue Code.

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

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

36 (A) (i) For any claim filed for the 2000–01 fiscal year or any
37 fiscal year thereafter, certify and ensure, subject to the limitation
38 in clause (ii), that there is an enforceable and verifiable agreement
39 with a public agency, a recorded deed restriction, or other legal
40 document that restricts the project’s usage and that provides that

1 the units designated for use by lower income households are
2 continuously available to or occupied by lower income households
3 at rents that do not exceed those prescribed by Section 50053 of
4 the Health and Safety Code, or, to the extent that the terms of
5 federal, state, or local financing or financial assistance conflicts
6 with Section 50053, rents that do not exceed those prescribed by
7 the terms of the financing or financial assistance.

8 (ii) In the case of a limited partnership in which the managing
9 general partner is an eligible nonprofit corporation, the restriction
10 and provision specified in clause (i) shall be contained in an
11 enforceable and verifiable agreement with a public agency, or in
12 a recorded deed restriction to which the limited partnership
13 certifies.

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

18 (3) As used in this subdivision:

19 (A) “Lower income households” has the same meaning as the
20 term “lower income households” as defined by Section 50079.5
21 of the Health and Safety Code.

22 (B) “Related facilities” means any manager’s units and any and
23 all common area spaces that are included within the physical
24 boundaries of the rental housing development, including, but not
25 limited to, common area space, walkways, balconies, patios,
26 clubhouse space, meeting rooms, laundry facilities and parking
27 areas, except any portions of the overall development that are
28 nonexempt commercial space.

29 (C) “Units serving lower income households” shall mean units
30 that are occupied by lower income households at an affordable
31 rent, as defined in Section 50053 of the Health and Safety Code
32 or, to the extent that the terms of federal, state, or local financing
33 or financial assistance conflicts with Section 50053, rents that do
34 not exceed those prescribed by the terms of the financing or
35 financial assistance. Units reserved for lower income households
36 at an affordable rent that are temporarily vacant due to tenant
37 turnover or repairs shall be counted as occupied.

38 (h) Property used exclusively for an emergency or temporary
39 shelter and related facilities for homeless persons and families and
40 owned and operated by religious, hospital, scientific, or charitable

1 funds, foundations, limited liability companies, or corporations
2 meeting all of the requirements of this section shall be deemed to
3 be within the exemption provided for in subdivision (b) of Section
4 4 and Section 5 of Article XIII of the California Constitution and
5 this section. Property that otherwise would be exempt pursuant to
6 this subdivision, except that it includes housing and related
7 facilities for other than an emergency or temporary shelter, shall
8 be entitled to a partial exemption.

9 As used in this subdivision, “emergency or temporary shelter”
10 means a facility that would be eligible for funding pursuant to
11 Chapter 11 (commencing with Section 50800) of Part 2 of Division
12 31 of the Health and Safety Code.

13 (i) Property used exclusively for housing and related facilities
14 for employees of religious, charitable, scientific, or hospital
15 organizations that meet all the requirements of subdivision (a) and
16 owned and operated by funds, foundations, limited liability
17 companies, or corporations that meet all the requirements of
18 subdivision (a) shall be deemed to be within the exemption
19 provided for in subdivision (b) of Section 4 and Section 5 of Article
20 XIII of the California Constitution and this section to the extent
21 the residential use of the property is institutionally necessary for
22 the operation of the organization.

23 (j) For purposes of this section, charitable purposes include
24 educational purposes. For purposes of this subdivision,
25 “educational purposes” means those educational purposes and
26 activities for the benefit of the community as a whole or an
27 unascertainable and indefinite portion thereof, and do not include
28 those educational purposes and activities that are primarily for the
29 benefit of an organization’s shareholders. Educational activities
30 include the study of relevant information, the dissemination of that
31 information to interested members of the general public, and the
32 participation of interested members of the general public.

33 (k) In the case of property used exclusively for the exempt
34 purposes specified in this section, owned and operated by limited
35 liability companies that are organized and operated for those
36 purposes, the State Board of Equalization shall adopt regulations
37 to specify the ownership, organizational, and operational
38 requirements for those companies to qualify for the exemption
39 provided by this section.

1 (l) The amendments made by Chapter 354 of the Statutes of
2 2004 shall apply with respect to lien dates occurring on and after
3 January 1, 2005.

4 (m) The amendments made by the act adding this subdivision
5 shall apply with respect to lien dates occurring on and after January
6 1, 2017.

7 SEC. 2. Section 214.17 is added to the Revenue and Taxation
8 Code, to read:

9 214.17. (a) For purposes of this section:

10 (1) “Total exemption amount limitation” means the exemption
11 amount limitation with respect to a single property or multiple
12 properties that is specified in subparagraph (C) of paragraph (1)
13 of subdivision (g) of Section 214, as that section read before
14 January 1, 2017.

15 (2) (A) “Qualified property” means property used exclusively
16 for rental housing and related facilities where 90 percent or more
17 of the occupants of the property are lower income households
18 whose rent does not exceed the rent prescribed by Section 50053
19 of the Health and Safety Code and that qualifies for exemption
20 under Section 214 on the sole basis of this criteria as specified in
21 subparagraph (C) of paragraph (1) of subdivision (g) of Section
22 214.

23 (B) “Qualified property” does not include property owned by
24 a limited partnership in which the managing general partner is an
25 eligible nonprofit organization, as described in subparagraph (C)
26 of paragraph (1) of subdivision (g) of Section 214.

27 (3) “Qualified taxpayer” means a taxpayer subject to the total
28 exemption amount limitation.

29 (4) “Qualified claim” means a claim for exemption that was
30 filed for a qualified property with the assessor on and after January
31 1, 2013, and before January 1, 2017, for which the assessor granted
32 a partial exemption.

33 (5) “Qualified ad valorem tax, and related interest, or penalty”
34 means that portion of ad valorem tax levied to a qualified taxpayer
35 on qualified property with respect to a single property or multiple
36 properties that does not exceed one hundred thousand dollars
37 (\$100,000) of tax, and any interest or penalty imposed with regard
38 to that portion of tax.

39 (b) (1) To the extent that the amount canceled or refunded does
40 not result in a total exemption amount in excess of one hundred

1 thousand dollars (\$100,000) of tax being allowed to a qualified
2 taxpayer with respect to a single property or multiple properties
3 that are qualified property for any fiscal year, each of the following
4 shall be canceled or refunded as provided:

5 (A) Any outstanding qualified ad valorem tax in excess of the
6 total exemption amount limitation, and related interest or penalty,
7 which was levied or imposed on and after January 1, 2013, and
8 before January 1, 2017, with respect to a qualified property for
9 which a qualified claim was filed, shall be canceled.

10 (B) Any qualified ad valorem tax in excess of the total
11 exemption amount limitation, and related interest or penalty, which
12 was levied or imposed on and after January 1, 2013, and before
13 January 1, 2017, with respect to a qualified property for which a
14 qualified claim was filed, and paid on or before January 1, 2017,
15 shall be refunded.

16 (2) On or after January 1, 2017, an escape assessment shall not
17 be levied on qualified property if that amount would be subject to
18 cancellation or refund under paragraph (1).

19 *SEC. 3. Section 259.14 is added to the Revenue and Taxation*
20 *Code, to read:*

21 *259.14. (a) The claim for welfare exemption on qualified*
22 *property, in addition to giving any other information as prescribed*
23 *by the board, shall be accompanied by an affidavit that provides*
24 *both of the following:*

25 *(1) A list of units occupied by lower income households for*
26 *which the exemption is claimed.*

27 *(2) All of the following nonpersonally identifiable information*
28 *about the occupants of the units listed pursuant to paragraph (1):*

29 *(A) The actual household income of the occupant.*

30 *(B) The maximum rent that may be charged to the occupant.*

31 *(C) The actual rent charged to the occupant.*

32 *(b) The affidavit required to accompany the claim for welfare*
33 *exemption pursuant to subdivision (a) shall be confidential and*
34 *shall not be subject to public disclosure.*

35 *(c) For purposes of this section, “qualified property” has the*
36 *same meaning as that term is defined in Section 214.17.*

37 ~~SEC. 3.~~

38 *SEC. 4. The Legislature finds and declares that Section 2 of*
39 *this act fulfills a statewide public purpose because it addresses*
40 *California’s serious shortage of affordable, decent, safe, and*

1 sanitary housing for persons and families of low or moderate
2 income, including the elderly and handicapped, by providing
3 necessary property tax relief for certain tax-exempt organizations
4 so that these tax-exempt organizations can provide this affordable
5 housing for persons and families of low or moderate income.

6 *SEC. 5. The Legislature finds and declares that Section 3 of*
7 *this act, which adds Section 259.14 to the Revenue and Taxation*
8 *Code, imposes a limitation on the public's right of access to the*
9 *meetings of public bodies or the writings of public officials and*
10 *agencies within the meaning of Section 3 of Article I of the*
11 *California Constitution. Pursuant to that constitutional provision,*
12 *the Legislature makes the following findings to demonstrate the*
13 *interest protected by this limitation and the need for protecting*
14 *that interest:*

15 *In order to protect the privacy of an individual's personal and*
16 *financial information contained in an affidavit accompanying a*
17 *claim for welfare exemption, as required by this act, it is in the*
18 *state's interest to limit public access to information.*

19 *SEC. 6. The Legislature finds and declares that Section 3 of*
20 *this act, which adds Section 259.14 to the Revenue and Taxation*
21 *Code, furthers, within the meaning of paragraph (7) of subdivision*
22 *(b) of Section 3 of Article I of the California Constitution, the*
23 *purposes of that constitutional section as it relates to the right of*
24 *public access to the meetings of local public bodies or the writings*
25 *of local public officials and local agencies. Pursuant to paragraph*
26 *(7) of subdivision (b) of Section 3 of Article I of the California*
27 *Constitution, the Legislature makes the following findings:*

28 *The protection of sensitive personal and personal financial*
29 *information contained in an affidavit accompanying a claim for*
30 *welfare exemption, as required by this act, is consistent with and*
31 *further proper access to documents and information in the*
32 *possession of local government agencies.*

33 *SEC. 7. No reimbursement is required by this act pursuant to*
34 *Section 6 of Article XIII B of the California Constitution for certain*
35 *costs that may be incurred by a local agency or school district*
36 *because, in that regard, the only costs that may be incurred by a*
37 *local agency or school district under this act would result from a*
38 *legislative mandate that is within the scope of paragraph (7) of*
39 *subdivision (b) of Section 3 of Article I of the California*
40 *Constitution.*

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

11 ~~SEC. 5.~~

12 SEC. 8. Notwithstanding Section 2229 of the Revenue and
13 Taxation Code, no appropriation is made by this act and the state
14 shall not reimburse any local agency for any property tax revenues
15 lost by it pursuant to this act.

O