

AMENDED IN ASSEMBLY JUNE 23, 2016

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 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 \$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.

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
18 by an amount equivalent to 10 percent of those operating expenses.
19 As used herein, operating expenses include depreciation based on
20 cost of replacement and amortization of, and interest on,
21 indebtedness.

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

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

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

5 (i) The owner conducts fundraising activities on the property
6 and the proceeds derived from those activities are not unrelated
7 business taxable income, as defined in Section 512 of the Internal
8 Revenue Code, of the owner and are used to further the exempt
9 activity of the owner.

10 (ii) The owner permits any other organization that meets all of
11 the requirements of this subdivision, other than ownership of the
12 property, to conduct fundraising activities on the property and the
13 proceeds derived from those activities are not unrelated business
14 taxable income, as defined in Section 512 of the Internal Revenue
15 Code, of the organization, are not subject to the tax on unrelated
16 business taxable income that is imposed by Section 511 of the
17 Internal Revenue Code, and are used to further the exempt activity
18 of the organization.

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

20 (i) “Occasional use” means use of the property on an irregular
21 or intermittent basis by the qualifying owner or any other qualifying
22 organization described in clause (ii) of subparagraph (A) that is
23 incidental to the primary activities of the owner or the other
24 organization.

25 (ii) “Fundraising activities” means both activities involving the
26 direct solicitation of money or other property and the anticipated
27 exchange of goods or services for money between the soliciting
28 organization and the organization or person solicited.

29 (C) Subparagraph (A) shall have no application in determining
30 whether paragraph (3) has been satisfied unless the owner of the
31 property and any other organization using the property as provided
32 in subparagraph (A) have filed with the assessor a valid
33 organizational clearance certificate issued pursuant to Section
34 254.6.

35 (D) For the purposes of determining whether the property is
36 used for the actual operation of the exempt activity, consideration
37 shall not be given to the use of the property for meetings conducted
38 by any other organization if the meetings are incidental to the other
39 organization’s primary activities, are not fundraising meetings or
40 activities as defined in subparagraph (B), are held no more than

1 once per week, and the other organization and its use of the
2 property meet all other requirements of paragraphs (1) to (5),
3 inclusive, of this subdivision. The owner or the other organization
4 also shall file with the assessor a copy of a valid, unrevoked letter
5 or ruling from the Internal Revenue Service or the Franchise Tax
6 Board stating that the other organization, or the national
7 organization of which it is a local chapter or affiliate, qualifies as
8 an exempt organization under Section 501(c)(3) or 501(c)(4) of
9 the Internal Revenue Code or Section 23701d, 23701f, or 23701w.

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

14 (4) The property is not used or operated by the owner or by any
15 other person so as to benefit any officer, trustee, director,
16 shareholder, member, employee, contributor, or bondholder of the
17 owner or operator, or any other person, through the distribution
18 of profits, payment of excessive charges or compensations, or the
19 more advantageous pursuit of their business or profession.

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

24 (6) The property is irrevocably dedicated to religious, charitable,
25 scientific, or hospital purposes and upon the liquidation,
26 dissolution, or abandonment of the owner will not inure to the
27 benefit of any private person except a fund, foundation, or
28 corporation organized and operated for religious, hospital,
29 scientific, or charitable purposes.

30 (7) The property, if used exclusively for scientific purposes, is
31 used by a foundation or institution that, in addition to complying
32 with the foregoing requirements for the exemption of charitable
33 organizations in general, has been chartered by the Congress of
34 the United States (except that this requirement shall not apply
35 when the scientific purposes are medical research), and whose
36 objects are the encouragement or conduct of scientific
37 investigation, research, and discovery for the benefit of the
38 community at large.

39 The exemption provided for herein shall be known as the
40 “welfare exemption.” This exemption shall be in addition to any

1 other exemption now provided by law, and the existence of the
2 exemption provision in paragraph (2) of subdivision (a) of Section
3 202 shall not preclude the exemption under this section for museum
4 or library property. Except as provided in subdivision (e), this
5 section shall not be construed to enlarge the college exemption.

6 (b) Property used exclusively for school purposes of less than
7 collegiate grade and owned and operated by religious, hospital, or
8 charitable funds, foundations, limited liability companies, or
9 corporations, which property and funds, foundations, limited
10 liability companies, or corporations meet all of the requirements
11 of subdivision (a), shall be deemed to be within the exemption
12 provided for in subdivision (b) of Section 4 and Section 5 of Article
13 XIII of the California Constitution and this section.

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

22 (d) Property used exclusively for a noncommercial educational
23 FM broadcast station or an educational television station, and
24 owned and operated by religious, hospital, scientific, or charitable
25 funds, foundations, limited liability companies, or corporations
26 meeting all of the requirements of subdivision (a), shall be deemed
27 to be within the exemption provided for in subdivision (b) of
28 Section 4 and Section 5 of Article XIII of the California
29 Constitution and this section.

30 (e) Property used exclusively for religious, charitable, scientific,
31 or hospital purposes and owned and operated by religious, hospital,
32 scientific, or charitable funds, foundations, limited liability
33 companies, or corporations or educational institutions of collegiate
34 grade, as defined in Section 203, which property and funds,
35 foundations, limited liability companies, corporations, or
36 educational institutions meet all of the requirements of subdivision
37 (a), shall be deemed to be within the exemption provided for in
38 subdivision (b) of Section 4 and Section 5 of Article XIII of the
39 California Constitution and this section. As to educational
40 institutions of collegiate grade, as defined in Section 203, the

1 requirements of paragraph (6) of subdivision (a) shall be deemed
2 to be met if both of the following are met:

3 (1) The property of the educational institution is irrevocably
4 dedicated in its articles of incorporation to charitable and
5 educational purposes, to religious and educational purposes, or to
6 educational purposes.

7 (2) The articles of incorporation of the educational institution
8 provide for distribution of its property upon its liquidation,
9 dissolution, or abandonment to a fund, foundation, or corporation
10 organized and operated for religious, hospital, scientific, charitable,
11 or educational purposes meeting the requirements for exemption
12 provided by Section 203 or this section.

13 (f) Property used exclusively for housing and related facilities
14 for elderly or handicapped families and financed by, including,
15 but not limited to, the federal government pursuant to Section 202
16 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section
17 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of
18 Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of
19 Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and
20 operated by religious, hospital, scientific, or charitable funds,
21 foundations, limited liability companies, or corporations meeting
22 all of the requirements of this section shall be deemed to be within
23 the exemption provided for in subdivision (b) of Section 4 and
24 Section 5 of Article XIII of the California Constitution and this
25 section.

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

31 Property used exclusively for housing and related facilities for
32 elderly or handicapped families at which supplemental care or
33 services designed to meet the special needs of elderly or
34 handicapped residents are not provided, or that is not financed by
35 the federal government pursuant to Section 202 of Public Law
36 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public
37 Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law
38 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law
39 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption
40 pursuant to this subdivision unless the property is used for housing

1 and related facilities for low- and moderate-income elderly or
 2 handicapped families. Property that would otherwise be exempt
 3 pursuant to this subdivision, except that it includes some housing
 4 and related facilities for other than low- or moderate-income elderly
 5 or handicapped families, shall be entitled to a partial exemption.
 6 The partial exemption shall be equal to that percentage of the value
 7 of the property that is equal to the percentage that the number of
 8 low- and moderate-income elderly and handicapped families
 9 represents of the total number of families occupying the property.

10 As used in this subdivision, “low and moderate income” has the
 11 same meaning as the term “persons and families of low or moderate
 12 income” as defined by Section 50093 of the Health and Safety
 13 Code.

14 (g) (1) Property used exclusively for rental housing and related
 15 facilities and owned and operated by religious, hospital, scientific,
 16 or charitable funds, foundations, limited liability companies, or
 17 corporations, including limited partnerships in which the managing
 18 general partner is an eligible nonprofit corporation or eligible
 19 limited liability company, meeting all of the requirements of this
 20 section, or by veterans’ organizations, as described in Section
 21 215.1, meeting all the requirements of paragraphs (1) to (7),
 22 inclusive, of subdivision (a), shall be deemed to be within the
 23 exemption provided for in subdivision (b) of Section 4 and Section
 24 5 of Article XIII of the California Constitution and this section
 25 and shall be entitled to a partial exemption equal to that percentage
 26 of the value of the property that is equal to the percentage that the
 27 number of units serving lower income households represents of
 28 the total number of residential units in any year in which any of
 29 the following criteria applies:

30 (A) The acquisition, rehabilitation, development, or operation
 31 of the property, or any combination of these factors, is financed
 32 with tax-exempt mortgage revenue bonds or general obligation
 33 bonds, or is financed by local, state, or federal loans or grants and
 34 the rents of the occupants who are lower income households do
 35 not exceed those prescribed by deed restrictions or regulatory
 36 agreements pursuant to the terms of the financing or financial
 37 assistance.

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

1 (C) In the case of a claim, other than a claim with respect to
2 property owned by a limited partnership in which the managing
3 general partner is an eligible nonprofit corporation, that is filed
4 for the 2000–01 fiscal year or any fiscal year thereafter, 90 percent
5 or more of the occupants of the property are lower income
6 households whose rent does not exceed the rent prescribed by
7 Section 50053 of the Health and Safety Code. The total exemption
8 amount allowed under this subdivision to a taxpayer, with respect
9 to a single property or multiple properties for any fiscal year on
10 the sole basis of the application of this subparagraph, may not
11 exceed ten million dollars (\$10,000,000) in assessed value.

12 (D) (i) The property was previously purchased and owned by
13 the Department of Transportation pursuant to a consent decree
14 requiring housing mitigation measures relating to the construction
15 of a freeway and is now solely owned by an organization that
16 qualifies as an exempt organization under Section 501(c)(3) of the
17 Internal Revenue Code.

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

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

24 (A) (i) For any claim filed for the 2000–01 fiscal year or any
25 fiscal year thereafter, certify and ensure, subject to the limitation
26 in clause (ii), that there is an enforceable and verifiable agreement
27 with a public agency, a recorded deed restriction, or other legal
28 document that restricts the project’s usage and that provides that
29 the units designated for use by lower income households are
30 continuously available to or occupied by lower income households
31 at rents that do not exceed those prescribed by Section 50053 of
32 the Health and Safety Code, or, to the extent that the terms of
33 federal, state, or local financing or financial assistance conflicts
34 with Section 50053, rents that do not exceed those prescribed by
35 the terms of the financing or financial assistance.

36 (ii) In the case of a limited partnership in which the managing
37 general partner is an eligible nonprofit corporation, the restriction
38 and provision specified in clause (i) shall be contained in an
39 enforceable and verifiable agreement with a public agency, or in

1 a recorded deed restriction to which the limited partnership
2 certifies.

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

7 (3) As used in this subdivision:

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

11 (B) “Related facilities” means any manager’s units and any and
12 all common area spaces that are included within the physical
13 boundaries of the rental housing development, including, but not
14 limited to, common area space, walkways, balconies, patios,
15 clubhouse space, meeting rooms, laundry ~~facilities~~ *facilities*, and
16 parking areas, except any portions of the overall development that
17 are nonexempt commercial space.

18 (C) “Units serving lower income households” shall mean units
19 that are occupied by lower income households at an affordable
20 rent, as defined in Section 50053 of the Health and Safety Code
21 or, to the extent that the terms of federal, state, or local financing
22 or financial assistance conflicts with Section 50053, rents that do
23 not exceed those prescribed by the terms of the financing or
24 financial assistance. Units reserved for lower income households
25 at an affordable rent that are temporarily vacant due to tenant
26 turnover or repairs shall be counted as occupied.

27 (h) Property used exclusively for an emergency or temporary
28 shelter and related facilities for homeless persons and families and
29 owned and operated by religious, hospital, scientific, or charitable
30 funds, foundations, limited liability companies, or corporations
31 meeting all of the requirements of this section shall be deemed to
32 be within the exemption provided for in subdivision (b) of Section
33 4 and Section 5 of Article XIII of the California Constitution and
34 this section. Property that otherwise would be exempt pursuant to
35 this subdivision, except that it includes housing and related
36 facilities for other than an emergency or temporary shelter, shall
37 be entitled to a partial exemption.

38 As used in this subdivision, “emergency or temporary shelter”
39 means a facility that would be eligible for funding pursuant to

1 Chapter 11 (commencing with Section 50800) of Part 2 of Division
2 31 of the Health and Safety Code.

3 (i) Property used exclusively for housing and related facilities
4 for employees of religious, charitable, scientific, or hospital
5 organizations that meet all the requirements of subdivision (a) and
6 owned and operated by funds, foundations, limited liability
7 companies, or corporations that meet all the requirements of
8 subdivision (a) shall be deemed to be within the exemption
9 provided for in subdivision (b) of Section 4 and Section 5 of Article
10 XIII of the California Constitution and this section to the extent
11 the residential use of the property is institutionally necessary for
12 the operation of the organization.

13 (j) For purposes of this section, charitable purposes include
14 educational purposes. For purposes of this subdivision,
15 “educational purposes” means those educational purposes and
16 activities for the benefit of the community as a whole or an
17 unascertainable and indefinite portion thereof, and do not include
18 those educational purposes and activities that are primarily for the
19 benefit of an organization’s shareholders. Educational activities
20 include the study of relevant information, the dissemination of that
21 information to interested members of the general public, and the
22 participation of interested members of the general public.

23 (k) In the case of property used exclusively for the exempt
24 purposes specified in this section, owned and operated by limited
25 liability companies that are organized and operated for those
26 purposes, the State Board of Equalization shall adopt regulations
27 to specify the ownership, organizational, and operational
28 requirements for those companies to qualify for the exemption
29 provided by this section.

30 (l) The amendments made by Chapter 354 of the Statutes of
31 2004 shall apply with respect to lien dates occurring on and after
32 January 1, 2005.

33 (m) The amendments made by the act adding this subdivision
34 shall apply with respect to lien dates occurring on and after January
35 1, 2017.

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

38 214.17. (a) For purposes of this section:

39 (1) “Total exemption amount limitation” means the exemption
40 amount limitation with respect to a single property or multiple

1 properties that is specified in subparagraph (C) of paragraph (1)
2 of subdivision (g) of Section 214, as that section read before
3 January 1, 2017.

4 (2) (A) “Qualified property” means property used exclusively
5 for rental housing and related facilities where 90 percent or more
6 of the occupants of the property are lower income households
7 whose rent does not exceed the rent prescribed by Section 50053
8 of the Health and Safety Code and that qualifies for exemption
9 under Section 214 on the sole basis of this criteria as specified in
10 subparagraph (C) of paragraph (1) of subdivision (g) of Section
11 214.

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

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

18 (4) “Qualified claim” means a claim for exemption that was
19 filed for a qualified property with the assessor on and after January
20 1, 2013, and before January 1, 2017, for which the assessor granted
21 a partial exemption.

22 (5) “Qualified ~~ad valorem tax, and related interest, or penalty~~”
23 *tax in excess of the total exemption amount limitation, and related*
24 *interest or penalty*” means that portion of ad valorem tax levied
25 to a qualified taxpayer on qualified property with respect to a single
26 property or multiple properties that does not exceed one hundred
27 thousand dollars (\$100,000) of tax, and any interest or penalty
28 imposed with regard to that portion of tax.

29 (b) (1) To the extent that the amount canceled or refunded does
30 not result in a total exemption amount in excess of one hundred
31 thousand dollars (\$100,000) of tax being allowed to a qualified
32 taxpayer with respect to a single property or multiple properties
33 that are qualified property for any fiscal year, each of the following
34 shall be canceled or refunded as provided:

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

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

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

10 SEC. 3. Section 259.14 is added to the Revenue and Taxation
11 Code, to read:

12 259.14. (a) The claim for welfare exemption on qualified
13 property, in addition to giving any other information as prescribed
14 by the board, shall be accompanied by an affidavit that provides
15 both of the following:

16 (1) A list of units occupied by lower income households for
17 which the exemption is claimed.

18 (2) All of the following nonpersonally identifiable information
19 about the occupants of the units listed pursuant to paragraph (1):

20 (A) The actual household income of the occupant.

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

22 (C) The actual rent charged to the occupant.

23 (b) The affidavit required to accompany the claim for welfare
24 exemption pursuant to subdivision (a) shall be confidential and
25 shall not be subject to public disclosure.

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

28 SEC. 4. The Legislature finds and declares that Section 2 of
29 this act fulfills a statewide public purpose because it addresses
30 California’s serious shortage of affordable, decent, safe, and
31 sanitary housing for persons and families of low or moderate
32 income, including the elderly and handicapped, by providing
33 necessary property tax relief for certain tax-exempt organizations
34 so that these tax-exempt organizations can provide this affordable
35 housing for persons and families of low or moderate income.

36 SEC. 5. The Legislature finds and declares that Section 3 of
37 this act, which adds Section 259.14 to the Revenue and Taxation
38 Code, imposes a limitation on the public’s right of access to the
39 meetings of public bodies or the writings of public officials and
40 agencies within the meaning of Section 3 of Article I of the

1 California Constitution. Pursuant to that constitutional provision,
2 the Legislature makes the following findings to demonstrate the
3 interest protected by this limitation and the need for protecting
4 that interest:

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

9 SEC. 6. The Legislature finds and declares that Section 3 of
10 this act, which adds Section 259.14 to the Revenue and Taxation
11 Code, furthers, within the meaning of paragraph (7) of subdivision
12 (b) of Section 3 of Article I of the California Constitution, the
13 purposes of that constitutional section as it relates to the right of
14 public access to the meetings of local public bodies or the writings
15 of local public officials and local agencies. Pursuant to paragraph
16 (7) of subdivision (b) of Section 3 of Article I of the California
17 Constitution, the Legislature makes the following findings:

18 The protection of sensitive personal and personal financial
19 information contained in an affidavit accompanying a claim for
20 welfare exemption, as required by this act, is consistent with and
21 furthers proper access to documents and information in the
22 possession of local government agencies.

23 SEC. 7. No reimbursement is required by this act pursuant to
24 Section 6 of Article XIII B of the California Constitution for certain
25 costs that may be incurred by a local agency or school district
26 because, in that regard, the only costs that may be incurred by a
27 local agency or school district under this act would result from a
28 legislative mandate that is within the scope of paragraph (7) of
29 subdivision (b) of Section 3 of Article I of the California
30 Constitution.

31 However, if the Commission on State Mandates determines that
32 this act contains other costs mandated by the state, reimbursement
33 to local agencies and school districts for those costs shall be made
34 pursuant to Part 7 (commencing with Section 17500) of Division
35 4 of Title 2 of the Government Code.

36 SEC. 8. Notwithstanding Section 2229 of the Revenue and
37 Taxation Code, no appropriation is made by this act and the state

- 1 shall not reimburse any local agency for any property tax revenues
- 2 lost by it pursuant to this act.

O