

AMENDED IN ASSEMBLY AUGUST 15, 2016

AMENDED IN ASSEMBLY JUNE 23, 2016

AMENDED IN SENATE MAY 2, 2016

**SENATE BILL**

**No. 996**

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**Introduced by Senator Hill**

February 10, 2016

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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, *canceled* 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.

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

4 (A) 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 use of the property for either or both of the  
7 following described activities if that use is occasional:

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

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

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

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

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

32 (C) Subparagraph (A) shall have no application in determining  
33 whether paragraph (3) has been satisfied unless the owner of the  
34 property and any other organization using the property as provided  
35 in subparagraph (A) have filed with the assessor a valid  
36 organizational clearance certificate issued pursuant to Section  
37 254.6.

38 (D) For the purposes of determining whether the property is  
39 used for the actual operation of the exempt activity, consideration  
40 shall not be given to the use of the property for meetings conducted

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

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

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

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

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

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

1 investigation, research, and discovery for the benefit of the  
2 community at large.

3 The exemption provided for herein shall be known as the  
4 “welfare exemption.” This exemption shall be in addition to any  
5 other exemption now provided by law, and the existence of the  
6 exemption provision in paragraph (2) of subdivision (a) of Section  
7 202 shall not preclude the exemption under this section for museum  
8 or library property. Except as provided in subdivision (e), this  
9 section shall not be construed to enlarge the college exemption.

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

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

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

34 (e) Property used exclusively for religious, charitable, scientific,  
35 or hospital purposes and owned and operated by religious, hospital,  
36 scientific, or charitable funds, foundations, limited liability  
37 companies, or corporations or educational institutions of collegiate  
38 grade, as defined in Section 203, which property and funds,  
39 foundations, limited liability companies, corporations, or  
40 educational institutions meet all of the requirements of subdivision

1 (a), shall be deemed to be within the exemption provided for in  
2 subdivision (b) of Section 4 and Section 5 of Article XIII of the  
3 California Constitution and this section. As to educational  
4 institutions of collegiate grade, as defined in Section 203, the  
5 requirements of paragraph (6) of subdivision (a) shall be deemed  
6 to be met if both of the following are met:

7 (1) The property of the educational institution is irrevocably  
8 dedicated in its articles of incorporation to charitable and  
9 educational purposes, to religious and educational purposes, or to  
10 educational purposes.

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

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

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

35 Property used exclusively for housing and related facilities for  
36 elderly or handicapped families at which supplemental care or  
37 services designed to meet the special needs of elderly or  
38 handicapped residents are not provided, or that is not financed by  
39 the federal government pursuant to Section 202 of Public Law  
40 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public

1 Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law  
 2 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law  
 3 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption  
 4 pursuant to this subdivision unless the property is used for housing  
 5 and related facilities for low- and moderate-income elderly or  
 6 handicapped families. Property that would otherwise be exempt  
 7 pursuant to this subdivision, except that it includes some housing  
 8 and related facilities for other than low- or moderate-income elderly  
 9 or handicapped families, shall be entitled to a partial exemption.

10 The partial exemption shall be equal to that percentage of the value  
 11 of the property that is equal to the percentage that the number of  
 12 low- and moderate-income elderly and handicapped families  
 13 represents of the total number of families occupying the property.

14 As used in this subdivision, “low and moderate income” has the  
 15 same meaning as the term “persons and families of low or moderate  
 16 income” as defined by Section 50093 of the Health and Safety  
 17 Code.

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

34 (A) The acquisition, rehabilitation, development, or operation  
 35 of the property, or any combination of these factors, is financed  
 36 with tax-exempt mortgage revenue bonds or general obligation  
 37 bonds, or is financed by local, state, or federal loans or grants and  
 38 the rents of the occupants who are lower income households do  
 39 not exceed those prescribed by deed restrictions or regulatory



1 agreements pursuant to the terms of the financing or financial  
2 assistance.

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

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

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

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

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

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

1 (ii) In the case of a limited partnership in which the managing  
2 general partner is an eligible nonprofit corporation, the restriction  
3 and provision specified in clause (i) shall be contained in an  
4 enforceable and verifiable agreement with a public agency, or in  
5 a recorded deed restriction to which the limited partnership  
6 certifies.

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

11 (3) As used in this subdivision:

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

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

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

31 (h) Property used exclusively for an emergency or temporary  
32 shelter and related facilities for homeless persons and families 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 this section shall be deemed to  
36 be within the exemption provided for in subdivision (b) of Section  
37 4 and Section 5 of Article XIII of the California Constitution and  
38 this section. Property that otherwise would be exempt pursuant to  
39 this subdivision, except that it includes housing and related

1 facilities for other than an emergency or temporary shelter, shall  
2 be entitled to a partial exemption.

3 As used in this subdivision, “emergency or temporary shelter”  
4 means a facility that would be eligible for funding pursuant to  
5 Chapter 11 (commencing with Section 50800) of Part 2 of Division  
6 31 of the Health and Safety Code.

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

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

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

34 (l) The amendments made by Chapter 354 of the Statutes of  
35 2004 shall apply with respect to lien dates occurring on and after  
36 January 1, 2005.

37 (m) The amendments made by the act adding this subdivision  
38 shall apply with respect to lien dates occurring on and after January  
39 1, 2017.

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

3 214.17. (a) For purposes of this section:

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

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

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

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

23 (4) “Qualified claim” means a claim for exemption that was  
24 filed for a qualified property with the assessor on and after January  
25 1, 2013, and before January 1, 2017, for which the assessor granted  
26 a partial exemption.

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

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

40 (A)

1 (b) (1) Any outstanding qualified ad valorem tax in excess of  
2 the total exemption amount limitation, and related interest or  
3 penalty, which was levied or imposed on and after January 1, 2013,  
4 and before January 1, 2017, with respect to a qualified property  
5 for which a qualified claim was filed, shall be ~~canceled~~. *canceled*  
6 *to the extent that the amount canceled does not result in a total*  
7 *exemption amount in excess of one hundred thousand dollars*  
8 *(\$100,000) of tax being allowed to a qualified taxpayer with respect*  
9 *to a single property or multiple properties that are qualified*  
10 *property for any fiscal year.*

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

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

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

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

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

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

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

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

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

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

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

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

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