

AMENDED IN ASSEMBLY JULY 2, 1997

AMENDED IN ASSEMBLY JUNE 17, 1997

AMENDED IN SENATE MAY 1, 1997

SENATE BILL

No. 219

Introduced by Senator Rosenthal

January 29, 1997

An act to amend Sections 3695.5, 3772.5, and 3791.4 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 219, as amended, Rosenthal. Property taxation: tax sale: purchase by nonprofit organization.

Existing property tax law authorizes a nonprofit organization to file an objection to the sale of residential or vacant real property that has been deeded to the state and to apply to purchase the property for the purposes of rehabilitation and sale to low-income persons, construction of a residential dwelling on the vacant property and sale to low-income persons, or dedication of the vacant property to public use.

This bill would additionally authorize a nonprofit organization, in those circumstances, to rehabilitate and rent to, or otherwise use the property to serve, low-income persons, to construct a ~~residential dwelling~~ *residential dwellings* on the vacant property for rental to low-income persons, or to dedicate the vacant property to public use for these same purposes.



Existing property tax law provides that when residential or vacant property has been tax defaulted for 5 years or more, that property may be purchased by a nonprofit organization, as defined, for the purpose of acquisition of either single-family dwellings for rehabilitation and sale to low-income persons or the acquisition of vacant land for construction of residential dwellings and subsequent sale to low-income persons, or dedication of that vacant land to public use.

This bill would expand those provisions to permit nonprofit organizations to acquire single-family or multifamily dwellings for rehabilitation and sale or rental to low-income persons, *or other use to serve low-income persons*, or to acquire vacant land for construction of residential dwellings and subsequent sale or rental to low-income persons, *or for other use to serve low-income persons*.

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

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

- 1 SECTION 1. Section 3695.5 of the Revenue and
- 2 Taxation Code is amended to read:
- 3 3695.5. In addition to the provisions of Sections 3695
- 4 and 3695.4 relative to objections to sales, any nonprofit
- 5 organization may file with the county tax collector and
- 6 county board of supervisors written objection to the sale
- 7 for taxes of any residential or vacant real property which
- 8 the nonprofit organization states in writing that it will
- 9 rehabilitate and will:
- 10 (a) In the case of residential real property, rehabilitate
- 11 and sell ~~to~~, or rent to, or otherwise use the property to
- 12 serve, low-income persons; or
- 13 (b) In the case of vacant real property, either
- 14 construct ~~a residential dwelling~~ *residential dwellings* on
- 15 the property and sell or rent the property to low-income
- 16 persons or dedicate the vacant property to public use,
- 17 including those uses referred to in subdivision (a).
- 18 These objections shall be accompanied by an
- 19 application to purchase the property under Chapter 8



1 (commencing with Section 3771) of this part, which shall
2 be filed with the board of supervisors and the tax collector
3 before the intended sale. If a nonprofit organization
4 objects to the sale and, before the date of sale, applies in
5 writing to the board of supervisors to purchase the
6 property under Chapter 8 (commencing with Section
7 3771) of this part at a price not less than the minimum bid
8 approved by the board of supervisors, the tax collector
9 shall not proceed with the sale.

10 The terms “nonprofit organization,” “low-income
11 persons” and “rehabilitation” shall have the same
12 meaning in this section as in Chapter 8 (commencing
13 with Section 3771).

14 SEC. 2. Section 3772.5 of the Revenue and Taxation
15 Code is amended to read:

16 3772.5. For purposes of this chapter:

17 (a) “Low-income persons” means persons and families
18 of low or moderate income, as defined by Section 50093
19 of the Health and Safety Code.

20 (b) “Nonprofit organization” means a nonprofit
21 organization incorporated pursuant to Part 2
22 (commencing with Section 5110) of Division 2 of Title 1
23 of the Corporations Code for the purpose of acquisition
24 of either of the following:

25 (1) Single-family or multifamily dwellings for
26 rehabilitation and sale or rental to low-income persons, *or*
27 *for other use to serve low-income persons.*

28 (2) Vacant land for construction of residential
29 dwellings and subsequent sale or rental to low-income
30 persons, ~~or~~ *for other use to serve low-income persons, or*
31 *for dedication of that vacant land to public use.*

32 (c) “Rehabilitation” means repairs and improvements
33 to a substandard building, as defined in subdivision (f) of
34 Section 17920 of the Health and Safety Code, necessary to
35 make it a building which is not a substandard building.

36 SEC. 3. Section 3791.4 of the Revenue and Taxation
37 Code is amended to read:

38 3791.4. (a) When residential or vacant property has
39 been tax defaulted for five years or more, that property



1 may be purchased pursuant to this chapter by a nonprofit
2 organization provided that:

3 (1) In the case of residential property, the nonprofit
4 organization shall rehabilitate and sell or rent ~~the~~
5 ~~property to~~ *to, or otherwise use the property to serve,*
6 low-income persons.

7 (2) In the case of vacant property, the nonprofit
8 organization shall ~~either construct a residential dwelling~~
9 *construct residential dwellings* on the property and sell or
10 rent the property to low-income persons, *otherwise use*
11 *the property to serve low-income persons,* or dedicate the
12 vacant property to public use.

13 (b) If a nonprofit organization purchases the property
14 pursuant to subdivision (a), the agreement under this
15 chapter shall require the nonprofit organization to meet
16 the conditions prescribed by subdivision (a) within two
17 years after the date of recordation of the deed to the
18 nonprofit organization, which period may be extended
19 by resolution of the board of supervisors for a reasonable
20 length of time. Upon granting of an extension, notice of
21 the extension shall be given by the clerk of the board of
22 supervisors to the tax collector and the Controller.

23 (c) The terms and conditions of any conveyance to a
24 nonprofit corporation pursuant to this section shall be
25 specified in the deed or other instrument of conveyance.

