

AMENDED IN SENATE AUGUST 29, 2000

AMENDED IN SENATE JUNE 22, 1999

AMENDED IN ASSEMBLY MAY 28, 1999

AMENDED IN ASSEMBLY APRIL 22, 1999

AMENDED IN ASSEMBLY APRIL 5, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

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**ASSEMBLY BILL**

**No. 659**

**Introduced by Assembly Member Wiggins**  
*(Coauthor: Senator Chesbro)*

February 23, 1999

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~~An act to add Section 12032 to the Business and Professions Code, relating to weights and measures. An act to amend Sections 214 and 237 of, and to add Section 230 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 659, as amended, Wiggins. ~~Point-of-sale stations~~  
*Property tax exemptions.*

*The California Constitution authorizes the Legislature to classify personal property for differential taxation or for exemption by means of a statute approved by a 2/3 vote of the membership of each house.*

*This bill would, pursuant to this constitutional authorization, exempt from those taxes that attach as a lien on or after January 1, 2001, a wooden vessel of historical*

significance, as defined, and all personal property thereon used in its operation.

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 exempts from property taxation low-income housing that is owned and operated by the housing entity of a federally designated Indian tribe.

This bill would modify this exemption to instead apply to that percentage of the value of the property that corresponds to that portion of the property used for lower income households. This modified exemption would require that at least 30% of the housing units of an exempt property be continuously available to, or occupied by, lower income households, as defined.

Pursuant to the same constitutional authority, existing law also partially exempts from property taxation property used exclusively for rental housing and related facilities, that is owned by either any of certain types of nonprofit entities or a veterans organization that meets exemption requirements, if either of certain qualifying criteria are met and if, among other things, the owner of the property certifies and ensures the existence of an enforceable and verifiable agreement with a public agency, or a recorded deed restriction, with respect to the property's usage.

This bill would apply this requirement exclusively to any claim for this partial exemption for the 2000–01 fiscal year or any fiscal year thereafter, and, except in the case of a limited partnership in which the managing general partner is a nonprofit corporation eligible for the exemption, allow the requirement to be met in a legal document other than an agreement with a public agency or a recorded deed restriction. This bill would, except in the case of a limited partnership in which the managing general partner is a nonprofit corporation eligible for the exemption, also establish, as an additional qualifying criterion for the partial exemption for the 2000–01 fiscal year or any fiscal year thereafter, the occupancy of 90% or more of the property by lower income households whose rent does not exceed that



rent prescribed by a specified statute. This bill would, with regard to a single property or multiple properties, limit to \$20,000 of taxes the total exemption amount that may be allowed to a taxpayer for any fiscal year on the sole basis of the application of this additional criterion.

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.

This bill would take effect immediately as a tax levy.

~~(1) Existing law authorizes the Secretary of Food and Agriculture to adopt rules and regulations regarding the accuracy of automated systems for retail commodity price charging referred to as scanners.~~

~~This bill would enact the Retail Price Accuracy Act of 1999. The bill would require a retail establishment to pay a customer a specified amount of money if that establishment operates a point-of-sale station, as defined, and is notified that, as a result of a completed retail sales transaction, a customer was charged a price for an item or commodity that is greater than the advertised, posted, or quoted price, as prescribed and subject to a specified exception.~~

~~This bill (a) would bar a customer from any further relief if a customer receives the remedy prescribed in this bill, (b) would allow a customer who does not receive a remedy to bring or join other actions against the retail establishment, and (c) would prohibit a county sealer from issuing a fine or initiating an infraction charge based on a remedy received under this bill. The bill also would specify that a retailer who has paid to a customer the remedy described above shall not be subject to any further civil or criminal penalties or fines based solely on the retailer paying that remedy and would specify that this provision would not prohibit or limit the use of the transaction that resulted in the payment of that remedy in any civil or criminal action. The bill would require each~~



~~retail establishment that operates a point-of-sale station to post a sign, at every entrance and exit to the establishment and at each customer service counter, that informs the customers of that requirement. The bill would prescribe related matters. Because, under existing law, a violation of these provisions would be a crime, this bill would impose a state-mandated local program by creating a new crime.~~

~~(2) 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 no reimbursement is required by this act for a specified reason.~~

Vote: ~~majority~~ <sup>2/3</sup>. 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 12032 is added to the Business~~  
2 *SECTION 1. Section 214 of the Revenue and Taxation*  
3 *Code is amended to read:*

4 214. (a) Property used exclusively for religious,  
5 hospital, scientific, or charitable purposes owned and  
6 operated by community chests, funds, foundations or  
7 corporations organized and operated for religious,  
8 hospital, scientific, or charitable purposes is exempt from  
9 taxation, including ad valorem taxes to pay the interest  
10 and redemption charges on any indebtedness approved  
11 by the voters prior to July 1, 1978, or any bonded  
12 indebtedness for the acquisition or improvement of real  
13 property approved on or after July 1, 1978, by two-thirds  
14 of the votes cast by the voters voting on the proposition,  
15 if:

16 (1) The owner is not organized or operated for profit.  
17 However, in the case of hospitals, the organization shall  
18 not be deemed to be organized or operated for profit if,  
19 during the immediately preceding fiscal year, operating  
20 revenues, exclusive of gifts, endowments and  
21 grants-in-aid, did not exceed operating expenses by an  
22 amount equivalent to 10 percent of those operating



1 expenses. As used herein, operating expenses include  
2 depreciation based on cost of replacement and  
3 amortization of, and interest on, indebtedness.

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

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

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

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

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

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

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

36 (ii) "Fundraising activities" means both activities  
37 involving the direct solicitation of money or other  
38 property and the anticipated exchange of goods or  
39 services for money between the soliciting organization  
40 and the organization or person solicited.



1 (C) Subparagraph (A) shall have no application in  
2 determining whether paragraph (3) has been satisfied  
3 unless the owner of the property and any other  
4 organization using the property as provided in  
5 subparagraph (A) have filed with the assessor duplicate  
6 copies of valid unrevoked letters or rulings from the  
7 Internal Revenue Service that state that the owner and  
8 the other organization qualify as exempt organizations  
9 under Section 501(c)(3) of the Internal Revenue Code.  
10 The owner of the property and any other organization  
11 using the property as provided in subparagraph (A) also  
12 shall file duplicate copies of their most recently filed  
13 federal income tax returns.

14 (D) For the purposes of determining whether the  
15 property is used for the actual operation of the exempt  
16 activity, consideration shall not be given to the use of the  
17 property for meetings conducted by any other  
18 organization if the meetings are incidental to the other  
19 organization's primary activities, are not fundraising  
20 meetings or activities as defined in subparagraph (B), are  
21 held no more than once per week, and the other  
22 organization and its use of the property meet all other  
23 requirements of paragraphs (1) to (5), inclusive, of  
24 subdivision (a). The owner or the other organization also  
25 shall file with the assessor duplicate copies of valid,  
26 unrevoked letters or rulings from the Internal Revenue  
27 Service or the Franchise Tax Board stating that the other  
28 organization, or the national organization of which it is a  
29 local chapter or affiliate, qualifies as an exempt  
30 organization under Section 501(c)(3) or Section  
31 501(c)(4) of the Internal Revenue Code or Section  
32 23701d, 23701f, or 23701w, together with duplicate copies  
33 of that organization's most recently filed federal income  
34 tax return, if the organization is required by federal law  
35 to file a return.

36 Nothing in subparagraph (A), (B), (C), or (D) shall be  
37 construed to either enlarge or restrict the exemption  
38 provided for in subdivision (b) of Section 4 and Section  
39 5 of Article XIII of the California Constitution and this  
40 section.



1 (4) The property is not used or operated by the owner  
2 or by any other person so as to benefit any officer, trustee,  
3 director, shareholder, member, employee, contributor,  
4 or bondholder of the owner or operator, or any other  
5 person, through the distribution of profits, payment of  
6 excessive charges or compensations, or the more  
7 advantageous pursuit of their business or profession.

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

13 (6) The property is irrevocably dedicated to religious,  
14 charitable, scientific, or hospital purposes and upon the  
15 liquidation, dissolution or abandonment of the owner will  
16 not inure to the benefit of any private person except a  
17 fund, foundation, or corporation organized and operated  
18 for religious, hospital, scientific, or charitable purposes.

19 (7) The property, if used exclusively for scientific  
20 purposes, is used by a foundation or institution that, in  
21 addition to complying with the foregoing requirements  
22 for the exemption of charitable organizations in general,  
23 has been chartered by the Congress of the United States  
24 (except that this requirement shall not apply when the  
25 scientific purposes are medical research), and whose  
26 objects are the encouragement or conduct of scientific  
27 investigation, research, and discovery for the benefit of  
28 the community at large.

29 The exemption provided for herein shall be known as  
30 the “welfare exemption.” This exemption shall be in  
31 addition to any other exemption now provided by law,  
32 and the existence of the exemption provision in  
33 paragraph (2) of subdivision (a) of Section 202 shall not  
34 preclude the exemption under this section for museum or  
35 library property. Except as provided in subdivision (e),  
36 this section shall not be construed to enlarge the college  
37 exemption.

38 (b) Property used exclusively for school purposes of  
39 less than collegiate grade and owned and operated by  
40 religious, hospital, or charitable funds, foundations, or



1 corporations, which property and funds, foundations, or  
2 corporations meet all of the requirements of subdivision  
3 (a), shall be deemed to be within the exemption provided  
4 for in subdivision (b) of Section 4 and Section 5 of Article  
5 XIII of the California Constitution and this section.

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

14 (d) Property used exclusively for a noncommercial  
15 educational FM broadcast station or an educational  
16 television station, and owned and operated by religious,  
17 hospital, scientific, or charitable funds, foundations, or  
18 corporations meeting all of the requirements of  
19 subdivision (a), shall be deemed to be within the  
20 exemption provided for in subdivision (b) of Section 4  
21 and Section 5 of Article XIII of the California Constitution  
22 and this section.

23 (e) Property used exclusively for religious, charitable,  
24 scientific, or hospital purposes and owned and operated  
25 by religious, hospital, scientific, or charitable funds,  
26 foundations, or corporations or educational institutions of  
27 collegiate grade, as defined in Section 203, which  
28 property and funds, foundations, corporations, or  
29 educational institutions meet all of the requirements of  
30 subdivision (a), shall be deemed to be within the  
31 exemption provided for in subdivision (b) of Section 4  
32 and Section 5 of Article XIII of the California Constitution  
33 and this section. As to educational institutions of  
34 collegiate grade, as defined in Section 203, the  
35 requirements of paragraph (6) of subdivision (a) shall be  
36 deemed to be met if both of the following are met:

37 (1) The property of the educational institution is  
38 irrevocably dedicated in its articles of incorporation to  
39 charitable and educational purposes, to religious and  
40 educational purposes, or to educational purposes.



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

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

22 The amendment of this paragraph made by Chapter  
23 1102 of the Statutes of 1984 does not constitute a change  
24 in, but is declaratory of, the existing law. However, no  
25 refund of property taxes shall be required as a result of  
26 this amendment for any fiscal year prior to the fiscal year  
27 in which the amendment takes effect.

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



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

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

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

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



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

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

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

21 (A) ~~Certify and ensure~~ (i) *For any claim filed for the*  
22 *2000–01 fiscal year or any fiscal year thereafter, certify*  
23 *and ensure, subject to the limitation in clause (ii), that*  
24 *there is an enforceable and verifiable agreement with a*  
25 *public agency or, a recorded deed restriction, or other*  
26 *legal document that restricts the project’s usage and that*  
27 *provides that the units designated for use by lower*  
28 *income households are continuously available to or*  
29 *occupied by lower income households at rents that do not*  
30 *exceed those prescribed by Section 50053 of the Health*  
31 *and Safety Code, or, to the extent that the terms of*  
32 *federal, state, or local financing or financial assistance*  
33 *conflicts with Section 50053, rents that do not exceed*  
34 *those prescribed by the terms of the financing or financial*  
35 *assistance.*

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



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

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

7 (3) As used in this subdivision, “lower income  
8 households” has the same meaning as the term “lower  
9 income households” as defined by Section 50079.5 of the  
10 Health and Safety Code.

11 (h) Property used exclusively for an emergency or  
12 temporary shelter and related facilities for homeless  
13 persons and families and owned and operated by  
14 religious, hospital, scientific, or charitable funds,  
15 foundations, or corporations meeting all of the  
16 requirements of this section shall be deemed to be within  
17 the exemption provided for in subdivision (b) of Section  
18 4 and Section 5 of Article XIII of the California  
19 Constitution and this section. Property that otherwise  
20 would be exempt pursuant to this subdivision, except that  
21 it includes housing and related facilities for other than an  
22 emergency or temporary shelter, shall be entitled to a  
23 partial exemption.

24 As used in this subdivision, “emergency or temporary  
25 shelter” means a facility that would be eligible for funding  
26 pursuant to Chapter 11 (commencing with Section  
27 50800) of Part 2 of Division 31 of the Health and Safety  
28 Code.

29 (i) Property used exclusively for housing and related  
30 facilities for employees of religious, charitable, scientific,  
31 or hospital organizations that meet all the requirements  
32 of subdivision (a) and owned and operated by funds,  
33 foundations, or corporations that meet all the  
34 requirements of subdivision (a) shall be deemed to be  
35 within the exemption provided for in subdivision (b) of  
36 Sections 4 and 5 of Article XIII of the California  
37 Constitution and this section to the extent the residential  
38 use of the property is institutionally necessary for the  
39 operation of the organization.



1 (j) For purposes of this section, charitable purposes  
2 include educational purposes. For purposes of this  
3 subdivision, “educational purposes” means those  
4 educational purposes and activities for the benefit of the  
5 community as a whole or an unascertainable and  
6 indefinite portion thereof, and shall not include those  
7 educational purposes and activities that are primarily for  
8 the benefit of an organization’s shareholders. Educational  
9 activities include the study of relevant information, the  
10 dissemination of that information to interested members  
11 of the general public, and the participation of interested  
12 members of the general public.

13 *SEC. 2. Section 230 is added to the Revenue and*  
14 *Taxation Code, to read:*

15 *230. (a) With regard to taxes that attach as a lien on*  
16 *or after January 1, 2001, wooden vessels of historical*  
17 *significance, and all personal property thereon used in*  
18 *their operation, are exempt from taxation. This*  
19 *exemption applies if all of the following conditions are*  
20 *satisfied:*

21 *(1) The owner and operator is a nonprofit*  
22 *organization that has qualified for exemption under*  
23 *either Section 23701d of this code or under Section*  
24 *501(c)(3) of the Internal Revenue Code.*

25 *(2) No part of the net earnings of the owner inures to*  
26 *the benefit of any private shareholder or individual.*

27 *(3) The vessel is used primarily as, or as a part of, a*  
28 *maritime museum that is regularly open to the public.*

29 *(4) Income from fundraising use and use for charter*  
30 *activities does not exceed 40 percent of operating*  
31 *revenues of the vessel, and all net earnings are used to*  
32 *further the exempt activity of the museum.*

33 *(b) When claiming an exemption pursuant to this*  
34 *section, a claiming organization shall give all information*  
35 *required and answer all questions in an affidavit, to be*  
36 *furnished by the assessor, that is signed by the claimant*  
37 *under penalty of perjury. The assessor may require other*  
38 *proof of the facts stated in the affidavit before allowing*  
39 *the exemption. A claimant for an exemption pursuant to*  
40 *this section is subject to Sections 255 and 260.*



1 (c) For purposes of this section, the following  
 2 definitions apply:

3 (1) “Wooden vessel of historical significance” means  
 4 any wooden vessel that is a refurbished original, wooden  
 5 inland waters vessel of 47 feet or larger, built in California  
 6 during or prior to 1910, that continuously thereafter has  
 7 remained in California waters, and that has been  
 8 designated a California State Historical Landmark.

9 (2) “Regularly open to the public” means that the  
 10 museum was open to the public not less than 20 hours per  
 11 week for not less than 35 weeks of the 12-month period  
 12 immediately preceding the lien date for the year for  
 13 which the exemption is claimed.

14 SEC. 3. Section 237 of the Revenue and Taxation  
 15 Code is amended to read:

16 237. (a) ~~Property~~ (1) Subject to the requirements  
 17 set forth in paragraph (2), there is exempt from taxation  
 18 under this part that portion of the assessed value of  
 19 property, owned and operated by a federally designated  
 20 Indian tribe or its tribally designated housing entity ~~is not~~  
 21 ~~subject to taxation under this part if the property and~~  
 22 ~~entity meet the following requirements:~~

23 ~~(1) The property is used exclusively and solely for the~~  
 24 ~~charitable purpose of providing rental housing and~~  
 25 ~~related facilities for tenants who are persons of low~~  
 26 ~~income (as defined in Section 50093 of the Health and~~  
 27 ~~Safety Code).~~

28 ~~(2)~~, that corresponds to that portion of the property  
 29 that is continuously available to, or occupied by, lower  
 30 income households, as defined in Section 50079.5 of the  
 31 Health and Safety Code at rents that do not exceed those  
 32 prescribed by Section 50053 of the Health and Safety  
 33 Code, or, to the extent that the terms of federal, state, or  
 34 local financing or financial assistance conflict with that  
 35 section, rents that do not exceed those prescribed by the  
 36 terms of the financing agreements or financial assistance  
 37 agreements.

38 (2) The exemption set forth in subdivision (a) applies  
 39 only if the property and entity meet the following  
 40 requirements:



1 (A) At least 30 percent of the property's housing units  
2 are either continuously available to, or occupied by, lower  
3 income households, as defined in Section 50079.5 of the  
4 Health and Safety Code, at rents that do not exceed those  
5 prescribed by Section 50053 of the Health and Safety  
6 Code, or, to the extent that the terms of federal, state, or  
7 local financing or financial assistance conflict with that  
8 section, rents that do not exceed those prescribed by the  
9 terms of the financing agreements or financial assistance  
10 agreements.

11 (B) The housing entity is nonprofit.

12 ~~(3)~~

13 (C) No part of the net earnings of the housing entity  
14 inure to the benefit of any private shareholder or  
15 individual.

16 (b) In lieu of the tax imposed by this part, a tribe or  
17 tribally designated housing entity may agree to make  
18 payments to a county, city, city and county, or political  
19 subdivision of the state for ~~providing~~ services,  
20 improvements, or facilities *provided* by that entity for the  
21 benefit of a low-income housing project owned and  
22 operated by the tribe or tribally designated housing  
23 entity. Any payments in lieu of tax may not exceed the  
24 estimated cost to the city, county, city and county, or  
25 political subdivision of the state of the services,  
26 improvements, or facilities to be provided.

27 (c) A tribe or tribally designated housing entity  
28 applying for an exemption under this section shall  
29 provide the following documents to the assessor:

30 (1) Documents establishing that the designating tribe  
31 is federally recognized.

32 (2) Documents establishing that the housing entity has  
33 been ~~designed~~ *designated* by the tribe.

34 (3) Documents establishing that there is a deed  
35 restriction, agreement, or other legally binding  
36 document ~~restricting the property's use to low-income~~  
37 ~~housing and that provides that the property's housing~~  
38 ~~units are continuously available to or occupied by persons~~  
39 ~~who are low income, as defined by Section 50093 of the~~  
40 ~~Health and Safety Code, at rents that do not exceed those~~



1 ~~prescribed by Section 50053 of the Health and Safety~~  
 2 ~~Code, or, to the extent that the terms of federal, state, or~~  
 3 ~~local financing or financial assistance conflict with that~~  
 4 ~~section, rents that do not exceed those prescribed by the~~  
 5 ~~terms of the financing agreements or financial assistance~~  
 6 ~~agreements. requiring that the property be used in~~  
 7 ~~compliance with subparagraph (A) of paragraph (2) of~~  
 8 ~~subdivision (a).~~

9 *SEC. 4. Notwithstanding Section 2229 of the Revenue*  
 10 *and Taxation Code, no appropriation is made by this act*  
 11 *and the state shall not reimburse any local agency for any*  
 12 *property tax revenues lost by it pursuant to this act.*

13 *SEC. 5. This act provides for a tax levy within the*  
 14 *meaning of Article IV of the Constitution and shall go into*  
 15 *immediate effect.*

16 ~~and Professions Code, to read:~~

17 ~~12032. (a) This section shall be known as and may be~~  
 18 ~~cited as the Retail Price Accuracy Act of 1999.~~

19 ~~(b) If a retail establishment that operates a~~  
 20 ~~point-of-sale station is notified that, as a result of a~~  
 21 ~~completed retail sales transaction, a customer was~~  
 22 ~~charged a price for an item or commodity that is greater~~  
 23 ~~than the advertised, posted, or quoted price of that item~~  
 24 ~~or commodity, except advertising errors when the retail~~  
 25 ~~establishment posts a notice in the store, the retail~~  
 26 ~~establishment shall pay to the customer, in the same~~  
 27 ~~tender as the original transaction, upon notification by~~  
 28 ~~the customer of the overcharge, one of the following~~  
 29 ~~amounts, as applicable:~~

30 ~~(1) An amount equal to the difference between the~~  
 31 ~~price advertised, posted, or quoted by the establishment~~  
 32 ~~and the price charged to the customer, plus an amount~~  
 33 ~~equal to 10 times that difference, but which is not less than~~  
 34 ~~one dollar (\$1) nor more than seven dollars and fifty cents~~  
 35 ~~(\$7.50).~~

36 ~~(2) If a customer is overcharged on more than one~~  
 37 ~~item within a single transaction or on two or more~~  
 38 ~~identical items within a single transaction, an amount~~  
 39 ~~equal to the difference on each item, plus an amount~~  
 40 ~~equal to 10 times the difference on the highest priced~~



1 ~~overcharged item in the transaction, but which is not less~~  
2 ~~than one dollar (\$1) nor more than seven dollars and fifty~~  
3 ~~cents (\$7.50).~~

4 ~~(e) For the purposes of this section, notification by a~~  
5 ~~customer of an overcharge means the submission of a~~  
6 ~~verbal or written statement to an employee of a retail~~  
7 ~~establishment not later than 15 days from the date of the~~  
8 ~~transaction at issue and includes the submission of the~~  
9 ~~original or a copy of the transaction receipt containing~~  
10 ~~the overcharge. The customer shall also provide proof of~~  
11 ~~the price of the item with any document, sign, or label~~  
12 ~~that contains the selling price of the item on the date it~~  
13 ~~was purchased, including, but not limited to, an~~  
14 ~~advertisement, a price tag, a shelf tag, or other sign in the~~  
15 ~~store that documents the price of the item. If the selling~~  
16 ~~price of the item is still posted or displayed in the store at~~  
17 ~~the time of the complaint, the customer need not provide~~  
18 ~~the proof of the price of the item described in this~~  
19 ~~subdivision.~~

20 ~~(d) (1) If a customer receives the remedy prescribed~~  
21 ~~in this section, the customer is barred from any further~~  
22 ~~recovery for that loss. If a remedy is not received, nothing~~  
23 ~~in this section prohibits a customer from bringing or~~  
24 ~~joining any action against the retail establishment. A~~  
25 ~~county sealer is prohibited from issuing a fine or initiating~~  
26 ~~an infraction charge against a retail establishment, based~~  
27 ~~solely on a retailer issuing the above remedy to a~~  
28 ~~customer.~~

29 ~~(2) A retailer who has paid to a customer the remedy~~  
30 ~~described in this section shall not be subject to any further~~  
31 ~~civil or criminal penalties or fines based solely on the~~  
32 ~~retailer paying that remedy. However, this paragraph~~  
33 ~~does not prohibit or limit the use of the transaction that~~  
34 ~~resulted in the payment of that remedy in any civil or~~  
35 ~~criminal action.~~

36 ~~(3) Nothing in this subdivision implies a limitation of,~~  
37 ~~and shall not be construed to limit, the ability of a county~~  
38 ~~sealer to conduct independent inspections.~~

39 ~~(e) Each retail establishment that operates a~~  
40 ~~point-of-sale station shall post a sign, at every entrance~~



1 and exit to the establishment and at each customer  
2 service counter, that informs the customers in plain  
3 language of the requirement set forth in subdivision (b).  
4 The sign shall be at least six inches in height and at least  
5 six inches in width and shall be printed on a clear and  
6 contrasting background in type that is 21-point size or  
7 larger.

8 (f) Nothing in this section prevents a retail  
9 establishment from establishing a policy that provides for  
10 payment to a customer who was charged more for an item  
11 or commodity than the price advertised, posted, or  
12 quoted in an amount that is greater than that provided for  
13 in subdivision (b), if notice of that policy is posted in  
14 accordance with subdivision (c).

15 (g) For the purposes of this section, “point-of-sale  
16 station” means each individual separate location or  
17 checkstand within an establishment at which consumers  
18 are charged for commodities using equipment that  
19 recovers stored information regarding the selling price of  
20 those commodities printed on the product or a label  
21 affixed to the product, including, but not limited to, those  
22 that use Universal Product Code scanners, price look-up  
23 codes, or any other system that relies on the retrieval of  
24 electronically stored information to complete a  
25 transaction of commerce between a retailer and the  
26 ultimate consumer.

27 (h) This section is in addition to any other penalty or  
28 sanction provided by law, and does not supplant any other  
29 provision of law.

30 SEC. 2. No reimbursement is required by this act  
31 pursuant to Section 6 of Article XIII B of the California  
32 Constitution because the only costs that may be incurred  
33 by a local agency or school district will be incurred  
34 because this act creates a new crime or infraction,  
35 eliminates a crime or infraction, or changes the penalty  
36 for a crime or infraction, within the meaning of Section  
37 17556 of the Government Code, or changes the definition



~~1 of a crime within the meaning of Section 6 of Article  
2 XIII B of the California Constitution.~~

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