

AMENDED IN SENATE MARCH 25, 2010

SENATE BILL

No. 996

Introduced by Senator Lowenthal

February 9, 2010

An act to amend Section 214.16 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 996, as amended, Lowenthal. Property tax: welfare exemptions: rental housing and related facilities: ~~cancellation~~ *refund* of tax.

Existing property tax law establishes a partial welfare exemption for property used exclusively for rental housing and related facilities that was previously purchased and owned by the Department of Transportation, as specified, and that is now solely owned by an organization that qualifies as an exempt organization. Existing law requires any outstanding tax, interest, or penalty that was levied or imposed upon property that qualifies for this partial welfare exemption and that satisfies specified criteria between January 1, 2002, and January 1, 2009, to be canceled if the owner of the property certifies that certain conditions were met at the time the tax was levied.

This bill would require any tax, interest, or penalty, that was levied or imposed upon property as described above and that was paid, to be refunded.

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

By imposing new duties upon county tax officials with respect to the refund of these property tax payments, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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 214.16 of the Revenue and Taxation
2 Code is amended to read:

3 214.16. (a) Any tax, interest, or penalty that was levied or
4 imposed upon property that qualifies for an exemption pursuant
5 to Section 214 and satisfies the criteria specified in subparagraph
6 (D) of paragraph (1) of subdivision (g) of Section 214 between
7 January 1, 2002, and January 1, 2009, shall be canceled or
8 refunded, provided that the owner of the property certifies that all
9 of the following conditions were met at the time the tax was levied:

10 (1) The owner was not organized and did not operate for profit.

11 (2) There was a recorded deed restriction or other legal
12 document that restricted the project's usage and that provided that
13 the units designated for use by lower income households were
14 continuously available to or occupied by lower income households
15 at rents not exceeding those prescribed by Section 50053 of the
16 Health and Safety Code.

17 (3) The funds that would have been necessary to pay property
18 taxes were used to maintain the affordability of, or reduce rents
19 otherwise necessary for, the units occupied by lower income
20 households.

21 (b) For purposes of this section, "lower income households"
22 has the same meaning as defined by Section 50079.5 of the Health
23 and Safety Code.

24 SEC. 2. *The Legislature finds and declares that Section 1 of*
25 *this act fulfills a statewide public purpose because of both of the*
26 *following:*

27 (a) *It maintains the affordability of lower income housing that*
28 *fulfills the legal commitment entered into by the Department of*

1 *Transportation in a consent decree to replace affordable housing*
2 *stock lost as a result of the construction of the Century Freeway.*

3 *(b) It addresses California's serious shortage of affordable*
4 *decent, safe, and sanitary housing for persons and families of low*
5 *or moderate income, including the elderly and handicapped, by*
6 *providing necessary property tax relief for certain tax exempt*
7 *organizations so that these tax exempt organizations can provide*
8 *this affordable housing for persons and families of low or moderate*
9 *income.*

10 ~~SEC. 2.~~

11 SEC. 3. If the Commission on State Mandates determines that
12 this act contains costs mandated by the state, reimbursement to
13 local agencies and school districts for those costs shall be made
14 pursuant to Part 7 (commencing with Section 17500) of Division
15 4 of Title 2 of the Government Code.