



# STATE BOARD OF EQUALIZATION STAFF LEGISLATIVE BILL ANALYSIS

Date Introduced:	<b>2/24/06</b>	Bill No:	<b>SB 1658</b>
Tax:	<b>Property</b>	Author:	<b>Ashburn</b>
Related Bills:	<b>AB 2375 (McCarthy)</b>		

## BILL SUMMARY

This bill would expressly codify in statute a property tax exemption for property owned by the Civil Air Patrol. This property is currently considered immune from property taxation as property owned by an instrumentality of the federal government.

## ANALYSIS

### Current Law

Existing statutory law does not expressly provide a property tax exemption for property owned by the Civil Air Patrol. However, relevant to this bill, for a ten year period, from 1986 to 1996, Section 213.6 of the Revenue and Taxation Code expressly provided such an exemption. Section 213.6 was repealed by its own provisions on January 1, 1996. Nevertheless, any property owned by the Civil Air Patrol is immune from local property tax because the organization has been opined to be an instrumentality of the federal government.

### Proposed Law

This bill would add Section 213.6 to the Revenue and Taxation Code to exempt personal property owned and operated by an organization that was incorporated by an act of the United States Congress for aviation and aerospace education purposes, assists in local and national emergencies, and qualifies for an exemption under Section 501(c)(3) of the Internal Revenue Code. This definition embodies the Civil Air Patrol which was created by an Act of Congress in 1946. [www.cap.gov](http://www.cap.gov)

## COMMENTS

- 1. Sponsor and Purpose.** The author is sponsoring this bill to ensure that the Civil Air Patrol is exempt from property tax by expressly providing for an exemption in statute.
- 2. Property Assessments Occasionally Made In Error.** On occasion, a few individual counties have inadvertently taxed property owned by the Civil Air Patrol. When the erroneous assessment has been brought to their attention, the assessment has been cancelled.
- 3. The Legislature extended the exemption indefinitely in 1996 or did it?** The Legislature purportedly amended Section 213.6 in Stats. 1996, Ch. 88 (AB 1668, Takasugi) to delete a provision which included a repeal date of January 1, 1996, and thereby make the provisions permanent. However, Government Code Section 9609 provides that a statute amending a section of a repealed statute is void. In this case,

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because AB 1668 amended Section 213.6 after it had already been repealed, AB 1668 had no impact.

4. **Board staff opined in 1987 that property owned by the Civil Air Patrol is immune from property tax.** Property owned by the Civil Air Patrol, both real and personal, is immune from property tax as property owned by an instrumentality of the federal government. Therefore, it is not necessary to add a specific exemption to the Revenue and Taxation Code. The full analysis of this opinion can be accessed at the Board's website at [www.boe.ca.gov/proptaxes/pdf/420\\_0002.pdf](http://www.boe.ca.gov/proptaxes/pdf/420_0002.pdf)
5. **Related Bills.** AB 2375 (McCarthy) would also add Section 213.6 to the Revenue and Taxation Code to provide for an exemption expressly in statute.

## **COST ESTIMATE**

With respect to administration, the Board would incur insignificant costs in informing and advising local county assessors, the public, and staff of the law changes. These costs are estimated to be under \$10,000.

## **REVENUE ESTIMATE**

This bill would have no revenue impact as it is consistent with existing assessment practices.

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