

**250.0000 COLLEGE EXEMPTION**

**250.0001 Housing.** Property used exclusively for the purposes of education as contemplated by section 3(e) of article XIII of the California Constitution and Revenue and Taxation Code section 203 includes housing for students, faculty, administrators, and guests. Where a college acquires an existing apartment complex and students move in as existing tenants leave, only that portion of the complex occupied by students on the lien date will be eligible for the exemption. LTA 1/8/82 (No. 82/6).

**250.0010 Incorporated Out of State.** Property used exclusively for educational purposes by a non-profit institution of higher education is eligible for exemption even if the institution is incorporated in a state other than California, provided that the other state's incorporation requirements for non-profit educational institutions of higher education are substantially similar to those of California's. C 8/26/83.

**250.0012 Medical School Facilities.** A university medical school leases medical clinic facilities to nonprofit corporations comprised of doctors/faculty groups on the university medical school faculty, under the control of department chairpersons. The property is used to provide medical services to patients as well as required clinical training for medical students, interns and residents. All the patients are patients of the faculty practice groups, rather than patients of individual doctors, and the income generated from the clinical practice is used to support the medical school. Thus, the property used by the faculty practice groups to conduct clinical practices is exempt as property used exclusively for educational purposes by a nonprofit institution of higher education. C 12/10/99.

**250.0015 Non-College Uses.** A college otherwise qualified for exemption will not receive exemption on that portion of its campus rented to other, non-college organizations or persons for meetings, lectures, conferences, workshops or retreats during the summer. Likewise, portions of the campus used in conjunction with a catering business will not be exempt, even though the employed students receive instruction in the operating of a business. The commercial and fund-raising uses of the property are grounds for denial of exemption. C 6/16/87; C 7/27/90.

**250.0018 Ownership.** Property used exclusively for educational purposes by a nonprofit institution of higher education includes property owned and used by an agent of that college if the agent is: (1) nonprofit, (2) controlled by college(s) qualifying under section 203 of the Revenue and Taxation Code, and (3) operating the property for the exclusive benefit of the qualifying college(s), pursuant to the mandate of the organizational documents of the qualifying college(s) and the nonprofit institution. C 7/27/2000.

**250.0019 Parking Lot.** A parking lot leased by a college for student parking that is also used on a regular basis by a for-profit business entity for nonqualifying commercial parking purposes is not eligible for exemption as property used exclusively for educational purposes by a nonprofit institution of higher learning. C 12/11/2002.

**250.0020 Student Bookstore.** Where the college and bookstore are separate corporations and both will receive the exemption, each corporation's property (excluding inventory) should appear separately on the roll with its own assessed value and exemption, as only the bookstore's *personal property* is subject to subvention. This appears most easily accomplished by having the bookstore file its own personal property statement, by entering the values on the roll, and then allowing the exemption. LTA 3/11/80 (No. 80/43).

## PROPERTY TAX ANNOTATIONS

[250.0021](#) **Student Bookstore.** The college exemption is available to college-owned realty, improvements, fixtures and equipment used in a college bookstore, even though the store is operated by a for-profit entity. Similar property used in such a bookstore but not owned by the college is subject to tax, as is college-owned book store property used to generate unrelated business taxable income as defined in the Internal Revenue Code. C 5/16/90.

[250.0022](#) **Student Bookstore.** The leasehold interests held by for-profit organizations operating bookstores on community college, private college, and state university campuses are considered property used exclusively for public schools, community colleges, private colleges, and state universities. Property "used exclusively" for private college or public school purposes is exempt from property tax under Revenue and Taxation Code section 202, regardless of the for-profit status of the user. C 1/25/2005.