

490.0000 GOVERNMENT-OWNED PROPERTY

See Leased to Government

Local Government-Owned Property

State-Owned Property

490.0001 Charter Schools. A charter school operated by a nonprofit public benefit corporation is not a state or local government entity and, therefore, does not qualify for a property tax exemption as government-owned property under California Constitution article XIII, section 3(a) and (b). However, charter schools may qualify for the public schools property tax exemption pursuant to California Constitution article XIII, section 3(d) and Revenue and Taxation Code section 202(a)(3). C 12/18/2009.

490.0002 Farmers Home Administration Properties. The Federal Housing and Community Development Act of 1977, Section 512, amends the Federal Housing Act of 1949 to provide that the Farmers Home Administration will pay real estate taxes on Government property acquired by foreclosure. All property acquired pursuant to the Housing Act of 1949 is now subject to property taxation. LTA 1/13/78 (No. 78/3).

490.0004 Hospital District. If a hospital district purchases a partial interest in real property located within its boundaries, the property, to the extent of the interest purchased, is exempt from property tax under section 3(b) of article XIII of the California Constitution. There is no legal requirement that the district own a 100 percent interest in the property in order to obtain exemption. C 8/25/92.

490.0010 Joint Powers Agency. The Joint Exercise of Powers Act authorizes two or more public entities to enter into an agreement to exercise jointly any power common to them and specifically provides that a mutual water company can become a member a joint powers agency under certain circumstances. However, there is no provision in the Joint Exercise of Powers Act which provides that a mutual water company is considered an exempt public entity when such a company becomes a member of a joint powers agency.

When a mutual water company owns taxable land located within its boundaries and the company is a member of a joint powers agency, such land is not exempt and remains subject to assessment. Likewise, when taxable privately-owned land located within the boundaries of a joint powers agency is to be developed by the joint powers agency, such land is also not exempt and remains subject to assessment. The mere creation of the joint powers agency does not transmute the character of the land from taxable property to exempt property. C 8/14/01.

490.0015 Located Outside Boundary. De-annexation of property by a city that places city-owned property once again outside the city's boundary returns the property to its former taxable status, and section 11 of article XIII of the California Constitution again applies. C 1/21/92.

490.0016 Located Outside Boundary. A change in the boundary of a governmental entity is effective as of the date of recordation of the Certificate of Completion with the County Recorder, even though a statement of boundary change was never filed with the Secretary of State, State Board of Equalization or County Auditor. Technical errors in annexation/reorganization procedures will be ignored by the courts if there has been substantial compliance with the statutes, and the annexation and/or reorganization will usually be validated by the Legislature through validating acts so as to exempt property purchased by the governmental entity within the new boundary. C 10/4/96.

[490.0030](#) **Public Dedication of Roadway.** Pursuant to Government Code section 27281, property dedicated to public right of way becomes tax exempt upon recording of the Certificate of Acceptance which has been witnessed by the appropriate government official. C 2/28/95.

[490.0045](#) **Public Facility Corporations.** Legal entities created by governmental agencies are not themselves governmental agencies, and property owned by such an entity cannot be deemed to be owned by the agency that formed it unless there is specific legislation so providing. In some instances, it may be possible for such an entity to qualify for the welfare exemption under Revenue and Taxation Code section 231 if all of the requirements of that section are met. C 9/17/87; C 5/16/96.

[490.0060](#) **Redevelopment Agency.** A city redevelopment agency may own property which is exempt from property tax if the property is located within the city creating the agency. While such an agency may designate project areas within the city for redevelopment, these areas do not define the agency's boundaries; the city limits do. C 5/19/89.

[490.0065](#) **Stock Ownership.** Even though a local government owns 100 percent of the stock of a corporation, property owned by the corporation is not eligible for exemption as property owned by a local government. A corporation is an entity legally distinct from its shareholders, who do not own the corporate property. C 12/11/96.

[490.0080](#) **Tribal-Owned Land.** An Indian tribe holds fee title to property located outside the reservation, and the property is not held in trust by the federal government for that tribe. The property is used for tribal operations and health clinic services. The fact that Indian tribal governments may be treated as states for specified federal tax purposes does not establish that a tribe is to be treated as a state or local government with respect to state taxation. Thus, the property is not exempt as government-owned land under article XIII, section 3(a) of the California Constitution. C 7/22/2003.