

## **690.0000 PUBLIC SCHOOLS EXEMPTION**

*See Possessory Interest*

*State University Exemption*

*Welfare Exemption*

**690.0001 Buildings Under Construction.** During the period public school buildings are under construction, the exemption is not available and may not be claimed. C 1/26/78.

**690.0003 Charter Schools.** Property used exclusively for public school/charter school purposes by a charter school incorporated as a nonprofit public benefit corporation will be eligible for the exemption as of January 1, 1999, assuming that the agreement with the school district is valid and in effect. C 7/15/98; C 11/18/99.

**690.0004 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.

**690.0005 Eligibility and Termination.** Eligibility for the exemption is to be determined as of the lien date each year. Property which is leased or rented for such purposes can only be exempted after compliance with the claim provisions of the Revenue and Taxation Code.

The exemption is not terminated at once but must be determined as of the lien date next following the expiration of the lease or rental agreement. OAG 7/8/75 (No. CV 75-60, Vol. 58, p. 538).

**690.0010 Off-Campus Facilities.** Off-campus facilities owned or leased by an apprenticeship program sponsor and used exclusively for public school purposes are within the exemption. Such facilities are not eligible for the exemption, however, if they are not "exclusively used" for such purposes. C 1/10/78.

**690.0041 Possessory Interest.** In *Connolly v. Orange County* (1992) 1 Cal.4th 1105, the court held that leasehold interests, held by faculty members and other employees of the University of California, Irvine, in University land upon which they had built privately owned homes, were not eligible for the exemption afforded public schools, community colleges, state colleges, and state universities. LTA 5/19/92 (No. 92/38).

**690.0042 Possessory Interest.** The lease of tax-exempt land by a school district to a public facilities corporation solely owned by the district creates a taxable possessory interest assessable to the corporation. If the land is subleased to the school district and used exclusively for public school purposes, as required by Revenue and Taxation Code section 202(a)(3), the exemption is applicable. C 4/20/93.

**690.0052 Property in Another County.** Property used by a school district for public school purposes is tax exempt even if located in a county other than the county in which the school district is located. C 10/29/85.

**690.0070 Public School Uses.** Property used but not owned or leased by a school district exclusively for administration offices is eligible for the exemption. Determinative is whether property is used exclusively for public schools, not whether the property is owned by or leased to the district. C 8/7/85.

**690.0071 Public School Uses.** Property owned by the California School Boards Association, a California nonprofit corporation, and used for the benefit of school board members as

school board members could be considered exempt as "property used exclusively for public schools". The Association's activities, while directed in the first instance toward various school boards, are for the ultimate benefit of the public schools represented by member boards. C 2/28/90.

**690.0072 Public School Uses.** Property leased to a county board of education and used exclusively for public school purposes is qualified for the exemption in that such boards are defined by article IX of the California Constitution as part of the public school system. C 10/8/75.

**690.0073 Public School Uses.** A joint powers agency, which is comprised of 7 county offices of education and 45 school districts, leases office space and owns personal property. Revenue and Taxation Code section 6507 provides that an agency created by a joint powers agreement is a public entity separate from the parties to the agreement. Thus, the personal property is owned by the joint powers agency rather than its school district and county offices of education members. As a separate governmental agency, the joint powers agency is not a public school within the meaning of article XIII, section 3(d) of the Constitution and Revenue and Taxation Code section 202(a)(3). Thus, the personal property owned by a joint powers agency is not eligible for exemption as property used exclusively for public schools; however, it does qualify for exemption as property owned by a local government (articles XIII, section 2(b), and section 202(a)(4). C 2/29/2000.

**690.0085 Regional Occupational Centers.** Property owned or leased by a regional occupational center and used exclusively for public school purposes is eligible for the exemption. C 5/8/80.

**690.0100 Vending Machines.** Revenue and Taxation Code section 202.6 exempts personal property used exclusively in the performance of certain authorized activities by a student body organization acting pursuant to specific Education Code provisions. Education Code section 10702 authorizes student body organizations to sell food. The terms of Education Code section 10701 are met when the student body organization receives the receipts from vending machines. Assuming that the vending machines dispense material which can be classified as "food," the machines are personal property used exclusively in the performance of authorized activities and should, therefore, be exempt under section 202.6. The fact that the vending machine company may be profit-making does not disqualify the activity under the Education Code. LTA 4/4/77 (No. 77/56).

**690.0101 Vending Machines.** Personal property used exclusively in a school district's performance of certain authorized activities is qualified for the public schools exemption. Education Code section 39871 authorizes school districts to furnish food service; therefore, vending machines dispensing food items are a service that is directly related to and in furtherance of a public school purpose. Assuming that the beverages dispensed in the vending machines can be classified as a food product, the vending machines are personal property used exclusively in the performance of certain authorized activities, which are exempt under section 202(a)(3) of the Revenue and Taxation Code. As use of the property is the criteria for the public school exemption, the ownership of the vending equipment is immaterial. C 10/4/2002.