



STATE BOARD OF EQUALIZATION

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Executive Secretary
No. 80/28

February 22, 1980

TO COUNTY ASSESSORS:

WELFARE OR VETERANS' ORGANIZATION EXEMPTION 1980 PROCESSING

To expedite the processing of welfare claims please assemble each claim in the following order:

1. The Claim for Welfare Exemption
2. Section A of the Claim for Welfare Exemption
3. Financial statements regarding the organization
4. Assessor's Field Inspection Report
5. Section B of the Claim for Welfare Exemption
6. Financial statements regarding the subject property
7. Additional affidavits, such as the new Rehabilitation-Living Quarters Affidavit
8. Articles of incorporation, amendments, and other miscellaneous material, if not previously forwarded
9. Letter of exemption from state or federal income taxes, if not previously forwarded

Note: If there are several Sections Bs, attach the Assessor's Field Inspection Report to the front of each Section B.

Problem Areas

We have found over the past years that claims that are processed improperly at the county level have taken a great deal of time because we must write a follow-up letter to the assessor or to the claimant. Particular attention should be given to each claim to ensure that the problems listed below are properly handled.

1. Articles of incorporation or amendments to the articles of incorporation—the copy submitted to us must be stamped by the Secretary of State that it was "Endorsed Filed in the office of the Secretary of State..." and it must be dated. The articles of incorporation or the constitution must contain a stated irrevocable dedication clause that meets the requirements of Section 214.01 of the Revenue and Taxation Code.
2. The corporate name on the claim must be stated exactly as it is stated in the articles of incorporation; a dba is not acceptable.

3. Claim for Welfare Exemption, line 4—the date must be entered correctly; the proper date to be entered for this year would be 1980-81. If the dates for a prior year are entered, the laws applicable for that fiscal year will be applied when the claim is processed.
4. The assessor must indicate that he received the claim on or before March 15 (Monday 17, if the assessor's office is not open on Saturday) for the claim to be filed timely. If the claim is filed late, the assessor should indicate the applicable subsection of either Section 270 or 271, Revenue and Taxation Code.
5. Section A of Claim for Welfare Exemption, line 5—Section 214.8, Revenue and Taxation Code, added by statute in 1966, requires that an organization be qualified for exemption under Section 2370ld of the Revenue and Taxation Code or Section 501(c)(3) of the Internal Revenue Code of 1954. Veterans' Organization, Section 2370lf, 501(c)(4), or 501(c)(19). The claim is not complete unless a copy of an exemption letter is attached or has previously been filed with the Board.
6. Section B of Claim for Welfare Exemption, lines 1, 2, 3—only property to be exempt should be listed in answer to these questions. There must be an entry in 1, 2, or 3 or there would be no apparent reason for filing the claim. Where there is an operator only situation, (does not own the land) only the property being used by the operator should be listed in 1, 2, or 3 on the operator's claim. The operator should carefully check the proper boxes in answer to question 4. In addition, the operator should list its own property in line 3 and indicate in the margin that it is owned by the operator.
7. If an owner of the property files and there is a different operator, we will not approve the owner's claim until the operator has filed. Please submit both claims together.
8. If a claim contains a nursery school, the license or permit number to operate issued by the State Department of Social Welfare or from an inspection service approved or accredited by the Department and its date of expiration must be shown in Item 3, Section A, of the Claim for Welfare Exemption.
9. Rehabilitation-Living Quarters Affidavit (AH 267R)—see letter to assessors No. 78/23, February 15, 1978. This form should be completed where persons are living on the property and/or are being rehabilitated; we must determine (1) the number of persons being rehabilitated, (2) the number of staff deemed reasonably necessary, and (3) the number of other persons who choose to live on the premises. All or part of the affidavit may be applicable. Once these questions are answered and become part of our file, we may request that only certain claimants be required to complete the form in subsequent years.

10. The financial statements must be current—they should cover the calendar or fiscal year immediately prior to the lien date of the year for which the exemption is claimed. For example, if the claim is for the 1980-81 fiscal year, the financial statements should cover the 1979 calendar year or the 1978-79 fiscal year.

Assessor's Field Inspection Report

We must know in detail the reasons for your recommendation for complete or partial denial. In the case of partial denial, the report should contain the dimensions or percentage of the property you wish to deny. The report should be completed in as great a detail as possible. Usual reasons for denial because of an unacceptable use of the property are: leased or rented, vacant or unused, excess property, and unnecessary personnel. If any of these reasons are checked in question B3 of the report, explain in detail in question F, Recommendation, exactly what you believe should be denied. Several examples are: The 40 x 60 foot thrift shop in the lower southwest corner of the building; the unused six acres at the rear of the parcel; the homes or rooms occupied by the bookkeeper and gardener who are not institutionally necessary.

Denial Procedures

The following steps will be taken by the staff of the Board in processing a Board's denial.

1. Where there is a finding that part of the property is denied, a finding sheet will be sent to the assessor indicating a "Been Met" with a notation regarding that part of the property that is denied. A copy of the finding sheet will be sent to the claimant informing him of the partial denial. The claimant's copy is now white and is blank where the assessed values are shown on the assessor's copy.
2. Where there is a finding that the entire claim is denied, a finding sheet will be sent to the assessor indicating a "Not Been Met," with a notation stating the reason for denial, and a copy of the finding sheet will be sent to the claimant informing him of the denial.
3. If the claimant writes the Board that he desires a review of the claim, a review will be made. Correspondence indicating the results of the review will be mailed to both the claimant and the assessor. If the claim is ultimately allowed, an amended finding will accompany the copy of the correspondence to the assessor.

Timetable

- Anytime: Forward completed claims to the Board.
- March 15: Last day for filing the Claim for Welfare Exemption with the assessor to obtain 100 percent exemption (Section 255, Revenue and Taxation Code). Claims filed late subject to Section 270 or 271, Revenue and Taxation Code. (Date extended to March 17).

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April 1: Last day for the assessor to forward complete and incomplete claims to the Board (Section 254.5, Revenue and Taxation Code).

Section 155 of the Revenue and Taxation Code provides in part that:

"The time fixed in this division for the performance of any act by the assessor, auditor, tax collector, or county board may be extended by the board or its secretary for not more than 30 days, or, in case of public calamity, 40 days. If an extension of time is granted, the secretary of the board shall give written notice thereof to the county auditor and to the officer or board to whom the extension is granted."

Therefore, if the welfare claims cannot be forwarded by the April 1 deadline, notify the Board and request an extension of time for filing.

June 1: Last date for the Board to forward findings to the assessors. (Date extended to June 2.) (If a State Board hearing case, the last date is June 15. Date extended to June 16.)

We wish to thank those persons who last year forwarded properly completed claims to us early in the processing season. We will endeavor to process the claims in the order in which they are received and return our findings to you promptly. If you have questions concerning the welfare exemption, please contact Vance Price, Bill Minor, or William Grommet; their phone number is (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

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