880.0175

880.0175 **Multiple Users.** If a qualified organization owns a single story building and uses one-half of it for exempt purposes and activities, that half is eligible for exemption. If the other half is vacant, used by a non-qualified organization, or used by a qualified organization for non-qualified purposes and activities, the building would be, to that extent, ineligible for exemption.

A multi-storied building is likewise eligible for exemption to the extent it is used for exempt purposes and activities by a qualified organization. Associated parking facilities used on a random basis by both qualified and non-qualified organizations are not eligible for exemption. C 4/10/92.

UNOL – MIXED USE

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
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April 10, 1992

RECEIVED
APR 14 1992
Division of Assessment Standards
SACRAMENTO

[illegible] aw
P.O
CA 94011

Dear [illegible] sen:

In furtherance of our telephone conversation concerning the welfare exemption from property taxation and its application to mixed-use properties, properties used both by qualifying nonprofit organizations and by nonqualifying organizations, enclosed please find a copy of pages 7 and 8 of Assessors' Handbook AH267, Welfare Exemption (1985). Example 1 on page 8 pertains specifically to a building and land used by a nonqualifying organization:

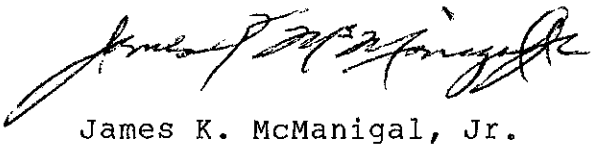
> "... Since 'B' (the operator) is not qualified, 'A' (the owner) does not receive an exemption on the portion of the property, building and land, used by 'B'. ...."

Thus, if qualifying organization A owned a single story, duplex-type building and used one half of it for a qualifying activity, its one-half of the building and land used in conjunction therewith would be eligible for the exemption. If the other one-half of the building were vacant and unused, or were rented to a non-qualifying organization, or were rented to another qualifying organization which used it for a nonqualifying activity, that one-half of the building and land used in conjunction therewith would not be eligible for the exemption.

With respect to multiple story buildings owned by qualifying organizations and used both by qualifying organizations and by nonqualifying organizations, consistent with the above, inquiry of several county assessors disclosed that portions of the buildings used by qualifying organizations for qualifying activities were receiving the exemption, while portions of the buildings used by qualifying organizations for nonqualifying activities or by nonqualifying organizations were not. As to lands used in conjunction therewith, they were generally exempt or nonexempt to the same extent that portions of the buildings

were exempt and not exempt. An exception however, was that where land, for example, a parking lot, was used both by qualifying and nonqualifying organizations, such land was not receiving the exemption.

Very truly yours,



James K. McManigal, Jr.
Senior Tax Counsel

JKM:jd
0128H

Enclosure

cc: Mr. John W. Hagerty
Mr. Verne Walton
Mr. James Barga