

## STATE BOARD OF EQUALIZATION

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August 2, 1995

Honorable Dick Frank  
San Luis Obispo County Assessor  
Room 100, County Government Center  
San Luis Obispo, CA 93408

Attention: Ms. Andrea Whiteford

Dear

This is to respond to your letter of July 24, 1995 in which you ask our interpretation of the California Revenue and Taxation Code as it applies to certain situations cited in your letter.

1. Nature Conservancy has certain parcels of land in the Carriso Plains area which are under the Conservation Reserve Program (CRP). Under the program, the federal government pays the Conservancy \$50 per acre to refrain from growing crops and to maintain the property as open space. You ask, is the Conservancy eligible for exemption on the property under the CRP.

A. Yes. Revenue and Taxation Section 214.02 exempts property that is used exclusively for the preservation of native plants or animals, biotic communities, geological or geographical formations of scientific or educational interest, or open-space lands used solely for recreation and for the enjoyment of scenic beauty and is open to the general public subject to reasonable restrictions concerning the needs of the land . . . Payments of \$50 by the federal government does not interfere with the eligibility requirements.

2. The Church of the Nazarene in Atascadero allows a Traveling Evangelical minister to live in a trailer on the church parking lot in between his ministry tours, approximately one-third of each year. You ask, does the use of the property by the minister qualify for exemption and why could this not qualify as the "temporary housing" as set forth in the handbook.

A. We believe that if the trailer is used for temporary housing for the missionary while he is on furlough and the site is not being used merely as a mailing address, it could qualify.

3. The Temple Ner Shalom purchased property in April 1994 intending to convert it into a temple for worship purposes. Zoning changes were approved but the cost of construction was too expensive to permit development of the property. Accordingly, there has been no construction or worship services on the property but the building is used for committee meetings a few times a month. You ask, if supplemental and/or proration assessments for 1994/95 and the 1995/96 assessment would qualify under the religious, church and welfare exemptions.

A. Sections 214.1 and 214.2 relate to facilities under construction.

214.1. Welfare exemption: Facilities under construction. As used in Section 214, "property used exclusively for religious, hospital or charitable purposes" shall include facilities in the course of construction on or after the first Monday of March, 1954, together with the land on which the facilities are located as may be required for their convenient use and occupation, to be used exclusively for religious, hospital or charitable purposes.

214.2. Welfare exemption: Construction includes demolition. (a) As used in Section 214.1, "facilities in the course of construction" shall include the demolition or razing of a building with the intent to replace it with facilities to be used exclusively for religious, hospital or charitable purposes.

(b) As used in Section 214.1, "facilities in the course of construction" shall include definite onsite physical activity connected with construction or rehabilitation of a new or existing building or improvement, that results in changes visible to any person inspecting the site, where the building or improvement is to be used exclusively for religious, hospital, or charitable purposes. Activity as described in the preceding sentence having been commenced and not yet finished, unless abandoned, shall establish that a building or improvement is "under construction" for the purposes of Section 5 of Article XIII of the California Constitution. Construction shall not be considered "abandoned" if delayed due to reasonable causes and circumstances beyond the assessee's control, that occur notwithstanding the exercise of ordinary care and the absence of willful neglect.

In 214.2 the course of construction shall include definite onsite physical activity connected with construction or rehabilitation for new or existing building or improvement, that results in changes visible to any person inspecting the site. It is the physical activity on-site which is required rather than an intention to do something in the future. For the supplemental assessments, construction must begin no later than 90 days after the change of ownership; for the regular roll, construction should begin in a reasonable time in the opinion of the county assessor.

If you have further questions, please contact this office.

Sincerely,

James E. Barga  
Supervising Property Appraiser  
Assessment Standards Division

JEB:kmc