



STATE BOARD OF EQUALIZATION

20 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)

(916) 445-4982

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No. 93/09

January 27, 1993

TO COUNTY ASSESSORS:

EXEMPTION CODE SECTIONS AFFECTED BY 1992 LEGISLATION

In 1992, seven bills, affecting eight Revenue and Taxation Code Sections relating to property tax exemptions, were passed.

Following, chronologically by Revenue and Taxation Code Section, is a summary of those changes. Where two bills changed the same code section, the language of the latest chaptered bill prevails.

Section 75 et seq.

Sections 6 and 7 of Chapter 20 (Assembly Bill 33), 1992-93 First Extraordinary Session, provide that, due to special circumstances, the time for filing a claim for the welfare exemption from supplemental assessment in Contra Costa County is extended if specific conditions are met. This is a one-time extension that applies to a single claimant in Contra Costa County. This new section takes effect immediately (September 28, 1992) as an urgency statute.

Section 214

Both Chapter 807 (Senate Bill 1590) and Chapter 1180 (Senate Bill 1639) contain amendments to Section 214. Section 4.5 of Chapter 1180 includes the changes contained in Chapter 807 and becomes effective January 1, 1993. The revisions to Section 214 are:

1. References to the State Franchise Tax Board and to Revenue and Taxation Code Sections 23701d and 23701f have been added to Section 214(a)(3)(D). Sections 23701d and 23701f are the State's equivalent to Federal Internal Revenue Code Sections 501(c)(3) and 501(c)(4), respectively.
2. Section 214(g) is amended to provide that low income housing which meets the requirements of Section 214(g) shall be deemed to be within the exemption in instances in which veterans' organizations, as described in Section 214.1, meeting all the requirements of Section 214(a) (1)-(7), are involved. We understand that this amendment was intended to address a specific instance in which low income housing otherwise meeting the requirements of Section 214(g) was owned by a limited partnership in which the managing general partner was a Section 215.1 veterans' organization. We are informed that the Board's Legislative Unit will

offer language to amend Section 214(g) to reflect, more precisely, the intent of this 1992 amendment to Section 214(g).

Chapter 574 (Senate Bill 1652) amends Section 2 of Chapter 1469 of the Statutes of 1987, and amends Section 6 of Chapter 77 of the Statutes of 1988, to provide that, effective January 1, 1993, Revenue and Taxation Code Section 2229 shall not apply to the amendments to Section 214 that were contained in those bills. For additional information regarding Chapter 574, please refer to Assessors' Letter 92/46.

Section 214.02

Chapter 786 (Assembly Bill 2442), effective January 1, 1993, extends the sunset date of Section 214.02 (property in its natural state) to January 1, 2003. Section 3 of Chapter 786 provides that the provisions of Section 2229 shall not apply to this bill.

Section 214.2

Chapter 1180 (Senate Bill 1639), effective January 1, 1993, amends Section 214.2(b) to provide that:

"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." (Underlining denotes added language.)

Section 214.8

Chapter 807 (Senate Bill 1590), effective January 1, 1993, amends the first sentence of Section 214.8(a) to read:

"Except as provided in Sections 213.7 and 231, and as provided in subdivision (g) of Section 214 with respect to veterans' organizations, the 'welfare exemption' shall not be granted to any organization unless it is qualified as

an exempt organization under either Section 23701d of this code or Section 501(c)(3) of the Internal Revenue Code." (Underlining denotes added language.)

Section 218

Chapter 1180 (Senate Bill 1639) adds a paragraph to Section 218 to provide that property receiving the homeowners' property tax exemption prior to October 20, 1991 shall not be denied the exemption solely because the dwelling was temporarily damaged or destroyed or being reconstructed by the owner as a result of the Oakland/Berkeley fire of October, 1991.

Section 218.1

Chapter 17 (Assembly Bill 38) 1991-92 First Extraordinary Session, adds Section 218.1 to the Revenue and Taxation Code and precludes denial of the \$7,000 homeowners' exemption on property which is no longer a dwelling or is temporarily not occupied by the owner due to damage or destruction from the Los Angeles area's civil disturbances of April and May, 1992. This new section takes effect immediately (September 21, 1992,) as an urgency statute.

Section 275

Chapter 523 (Senate Bill 1683), effective January 1, 1993, changes the deadline for late filing for the homeowners' property tax exemption from December 1 to December 10. The revised instructions to Form AH 266, Claim For Homeowners' Property Tax Exemption, sent to you with Assessors' Letter 92/64, reflect this change.

Section 532.2

Chapter 1180 (Senate Bill 1639), effective January 1, 1993, amends Section 532.2 to provide that in the event that, upon completion of construction, portions of property granted exemption under Section 214.2 are not used exclusively for exempt purposes, the assessor shall assess as escaped property those portions of property so used.

If you have any questions regarding the preceding, please contact our Exemption Unit at (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

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AL-36-0622E