From: Don Gaekle [mailto:gaekled@stancounty.com]
Sent: Thursday, August 25, 2016 3:24 PM
To: Thompson, Lisa
Cc: Sue Horne; "Kathleen Kelleher (kelleherk@saccounty.net)'(kelleherk@saccounty.net)'; manleyc@saccounty.net
Subject: RE: Letter to Assessors No. 2016/028,Change to Welfare Exemption Claim Filing Requirements

Lisa,

On behalf of the CAA, the Exemptions Subcommittee sought input from all counties. The committee itself had extensive discussion and exchange of ideas during the last two weeks to arrive at recommendations. Attached is an Excel spreadsheet containing comments/suggestions for changes to forms BOE-267 and 267-A. Also attached is a mockup of the committee's proposed Form 267-O and instructions.

We look forward to hearing from you,

Don Gaekle, Standards Chair

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Form (Page) Section	Comment
BOE 267 General Comment	Add the word "BUSINESS" to PERSONAL PROPERTY = BUSINESS PERSONAL PROPERTY to all forms and sections Add the word "LEGAL" to NAME OF ORGANIZATION = LEGAL NAME OF ORGANIZATION to BOE-267 AND BOE-267-O forms and sections
BOE 267 Corporate or LLC ID No. (if any)	Add an additional field to collect "FEIN/EIN" information
BOE 267 (P1) PRIOR YEARS FILINGS	Add: Has the organization filed for the welfare exemption on any property in this county in prior years?
BOE 267 (P1) Section 1 Identification of Property	Add: ADDRESS OF PROPERTY (number and street, including suite/unit number if applicable) Remove State and zip code Add: d. Property owned by the claimant for which claimant seeks exemption: (check applicable boxes) Delete: 1b, 1c and 1d from Section 1 and add: 1b, 1c and 1d to Section 2
BOE 267 (P1) Section 2 Real Property	Delete: "type of construction" from c. Building and Improvements Add: d. Describe Primary and incidental use of the property **Bold**: d. **Primary and incidental use of the property** Delete: 2b and 2c from Section 2 and add: 2b and 2c to Section 1
	Add: Real property leased, rented, or used by others (since January 1 of the prior year) Is any portion of the real property identified under Section 1 used or operated by some person or organization other than the claimant? Check Yes or No. If yes, please submit BOE-267-O. Failure to submit BOE-267-O may result in the claim being denied
BOE 267 (P1) Section 3 Business Personal Property	Add: c. Business Personal property owned by the claimant that is leased, rented, or used by others (since January 1 of the prior year) Is any portion of the personal property identified under Section 3 used or operated by another party? ☐Yes ☐No If Yes, attach a description of the property, name of the user, its use, the amount received by you (if any), and a copy of the lease or agreement Add: d. ☐Yes ☐No If Yes, attach a list of the equipment and other business personal property, description of property, and name of who you lease/rent the property from. **Bold**: b. **Primary and incidental use of the property**
BOE-267 (P1) Section 4. Taxable Possessory Interest.	**Bold**: c. **Primary and incidental use of the property** Add: 4.c. Primary and incidental use of the property: Attach copy of the current lease agreement
BOE 267 (P1) Bottom of form	Add: **THIS DOCUMENT IS SUBJECT TO PUBLIC INSPECTION (BOLD)**
BOE 267 (P2) Section 5 Use of Property	Re-order a-d to be consistent with the BOE-267-A (Thrift store first, then living quarters, then low-income, then elderly/handicapped)and re-order corresponding instructions on P(4) Operation of a store, thrift shop, or other facility renumber (1) to i. renumber (2) to ii. Revise text Living Quarters: to match the text under question 5 on the BOE-267A Claim for Welfare Exemption (annual Filing). (other than transitional or emergency shelter, low-income housing or housing for the elderly or handicapped)
BOE 267 (P2) Section 9 Other - Exempt Acitvituy and Use	Add: Please check all boxes that are applicable:
BOE 267 (P3) Filing of Claim	**Bold:** 2ND paragraph, **including financial statements**

BOE 267 (P3) Time for Filing	Add: For property newly acquired after the lien date or organizations not existing on lien date, the claim must be filed within 90 days from the first day of the month following the month in which the property was acquired, or by February 15 of the following calendar year, whichever occurs earlier. If the application is filed thereafter, only 85 percent of any tax, penalty or interest thereon may be canceled or refunded. The combined tax, penalty or interest imposed on the eligible property may not exceed $250.
BOE 267 (P4) Section 2 Real Property	Delete (b) (1) from Section 2 and move to Section 1 Delete (b) (2) Delete (c) (1) from Section 2 and move to Section 1; delete stucco, concrete and steel, brick, wood, etc. Change (c) (2) to (b) Add: (c) If Yes, submit form BOE-267-O. Failure to submit BOE-267-O may result in the claim being denied
BOE 267 (P4) Section 3 Personal Property	Add: (c) If Yes, provide a description of the property, name of the user, its use, the amount received by you (if any), and a copy of the lease or agreement Add: (d) If Yes, provide a list of the equipment and other business personal property, description of property, and name of who you lease/rent the property from
BOE 267 (P4) Section 5 Use of Property	Revise instructions to match Section 5 (P2) a-d, which have been re-ordered Add: language to request the submission of supplemental claims for each applicable claim type for a-d

Form	Comment
BOE 267 A General Comment	Add the word "BUSINESS" to PERSONAL PROPERTY = BUSINESS PERSONAL PROPERTY on all forms and sections
BOE 267 A (P1) Intro Section	Last year your organization received the Welfare Exemption for all or part of the property your organization owns at the location listed above. To continue receiving the exemption for the property you own at this location, you **must** complete, sign and return this claim form to the Assessor. **A separate claim form is required for each location.** A. If you no longer seek an exemption at this location, check here , sign and return this form to the Assessor. Date Vacated: _____ B. ~~Additionally, if~~ If your organization is dissolved and therefore no longer needs an Organizational Clearance Certificate, check here C. Check, if changed within the last year: Mailing Address Organization Name D. Does your organization have a valid *Organizational Clearance Certificate* (OCC) issued by the State Board of Equalization? ☐ Yes ☐ No If **yes**, enter OCC No._____and date issued _____ E. **Have you amended the organization's formative documents (i.e., articles of incorporation, constitution, trust instrument, articles of organization) since last year? Yes No If yes, please mail a copy of the amendment to the State Board of Equalization~~,~~ County-Assessed Properties Division, P.O. Box 942879, Sacramento, CA 94279-0064. Please include your OCC number.** Note to Assessor Staff: ~~(NOTE TO ASSESSOR STAFF:~~ If the organization is dissolved or the formative documents were amended, please forward a copy of this page to the Board of Equalization.~~)~~ Add the statement: "The Assessor may ask for additional information. If you do not provide such information, it may result in denial of your claim for exemption" **Bold: All questions must be answered** **Bold**: Identify the property that your organization **owns** at this location:
BOE 267 A (P1) Question 8	Check Yes or No. If yes, please submit BOE-267-O. Failure to submit BOE-267-O may result in the claim being denied
BOE-267-A (P2) Use of the Property by Other Organizations	If question 8 is answered yes, submit BOE-267-O. Failure to submit BOE-267-O may result in the claim being denied.

Form	Comment
BOE-267-O General Comment	Add the word "LEGAL" to NAME OF ORGANIZATION = LEGAL NAME OF ORGANIZATION to BOE-267 AND BOE-267-O forms and sections
BOE 267 O Incorporate all operators on one form BOE 267 O	1. Space on one side of form for a check box for once week or less operators 1. Space on one side of form for a listing of once week or less operators 2. Space on the other side of for for more than one week operators Add a question on users of the portion of the property that the operator is using Would like to see this form be used also for reporting "once a week or less" users of the property. Once a week or less users format could be designed similar to the Property Use Report used by some counties for organizations to report other persons or organizations using the property. (Copy of Property Use Report is also attached). It should also include whether outside user has a tax exempt status letter from either the IRS or Franchise Tax
BOE 267 O (P1)	Add Place to collect OCC number for each organization using the property
BOE 267 O (P1) Section 1 Identification of Claimant and Property	**Section 1. OWNER and ~~Identification of~~ Claimant of ~~and~~ Property** NAME OF ORGANIZATION | CORPORATE OR LLC ID NO. (if any) ADDRESS OF PROPERTY (number and street) CITY, STATE, ZIP CODE | ASSESSOR'S PARCEL NUMBER
BOE 267 O (P1) Section 2 Organizations Operating on the Property	The first box, NAME OF ORGANIZATION, is lettered a, the rest of the boxes are not lettered. It might be good to actually letter each box, that way the instruction page can identify more clearly a specific box and how to fill it out Under Section 2. a. Name of Organization: Nevada County agrees with San Luis Obispo; change to "Tax-Exempt Status Letter Attached? o Yes o No, submitted with a previous filing" TAX-EXEMPT STATUS: **If new operator, attach copy of letter from IRS** Section 501(c)(3) of the Internal Revenue Code Section 23701d of the Revenue and Taxation Code **Section 2. Organizations Operating on the Property** (Attach additional pages, if necessary) a. NAME OF ORGANIZATION OPERATING ON CLAIMANTS REAL PROPERTY New Operator this year Yes No Effective Date: CURRENT TAX-EXEMPT STATUS: ☐ Section 501(c)(3) of the Internal Revenue Code ☐ Section 23701d of the Revenue and Taxation Code ☐ Non-Exempt | PURPOSE(S) ORGANIZED FOR: ☐ Charitable ☐ Religious ☐ Hospital ☐ Scientific DESCRIPTION OF PROPERTY USED BY THE ORGANIZATION LISTED IN 2(a) ABOVE (type of property and square footage used): CURRENT LEASE OR AGREEMENT ATTACHED? ☐ Yes ☐ No, submitted with a previous filing ☐ No written agreement | RENT OR FEES RECEIVED FROM OPERATOR (amount and frequency): DESCRIPTION OF THE OPERATOR'S USE OF THE PROPERTY (~~description and~~ frequency of use and portions of property used):
Should be asking if they are seeking an exemption on the space used by this use. need contact info for operator name, phone number, email.	Please add "LEGAL" in front of 'Name of Organization' to read: LEGAL NAME OF ORGANIZATION Please add "DBA if applicable" as a new field under each 'a. Name of Organization' Purposes Organized for: Not sure owner will know how to fill this out
BOE 267 O (P1) Section 2 "Description of the Operators Use of the Property	**Delete** *(description and frequency of use)* and **add**, *frequency of use* with 2 checkboxes, one for once a week or less and one for more than once a week
We are already asking for all of the users and these are less frequent sit	In Nevada County, we have some operators that are full time operators of the property and who rent and/or allow other organizations to use the property they operate on. The owner is not always aware of all the activities and users that the operator allows on the owner's property. Therefore; under Section 2, after heading; DESCRIPTION OF THE OPERTOR'S USE OF THE

	PROPERTY: it would be good to add a follow up question to the above heading asking: Does the operator rent and /or allow other organizations to use the property? No. If Yes, Provide a list including name of user, frequency of use, square footage used and Tax-Exempt Status letter.
BOE 267 O (P1) Section 2 Reorder and Revise	A. Name of Organization Description of Property Used By the Organization Current Lease or agreement attached? Rent or fees received from operator Does the claimant seek exemption for the portion of the property used by this organization? Yes/No If yes, description of the operator's use of the property Is the property used 1 day per week or less? Yes/No If yes, attach a copy of Tax-Exempt Status Letter. If no, Does the organization have an OCC. Yes/No If yes, write in the number. If no please provide the following unless it was providing with a previous filing. Formative Documents Tax-Exempt Status Letter Financial Statements Activities
BOE 267 O (P1) Certification	Update to use the 'standard' certification block that other exemption forms have migrated towards based on Forms Committee annual input. Note: two different but improved versions of the 'standard' certification block may be seen on the BOE-262-AH (Church) or BOE268-A (Public School). Add: **THIS DOCUMENT IS SUBJECT TO PUBLIC INSPECTION (BOLD)**
BOE 267 O (P2) Section 2 Organization(s) Operating on the Property	2nd paragraph, 1st sentence; it asks to indicate if the operator is exempt from federal income tax under the provisions of section 501 (c) (3) of the Internal Revenue Code and/or exempt from state franchise or income tax under the provisions of section 23701d of the Revenue and Taxation Code. This should read the same as the BOE-267 (P4) *Section 2. (e) and BOE-267-A (P2) Use of the Property by Other Organizations where it includes 501 (c) (4), 23701f and 23701w, which is what R&T 214 (a) (3) (D) states.
BOE 267 O (P2) Filing of Affidavit	2nd Paragraph Add and **Bold**: The owner of a property must hold a valid Organizational Clearance Certificate (OCC) issued by the State Board of Equalization (Board) before the assessor can approve a property tax exemption. In order for the owner to receive an exemption on the property, all persons or organizations who use the property must be organized for welfare exempt purposes and the property **must** be used for welfare exempt purposes. The owner must demonstrate qualification for exemption by furnishing information to the assessor regarding each person or organization that uses the property. 3rd Paragraph Add: All other persons or organizations who use the property must be listed on this form. The default status of all assessable property is that it is subject to taxation. Granting the Welfare Exemption requires that property be used exclusively for religious, hospital, scientific, or charitable purposes by qualifying organizations. Therefore, it is assumed that all portions of the property used by persons and organizations other than the qualifying owner are taxable. The burden of proving that the Welfare Exemption is applicable to portions of the property used by other persons or organizations is the responsibility of the applicant. In accordance with Revenue and Taxation Code section 254.5(b)(2), the assessor may institute an audit or verification of the operations of the owner and all persons or organizations who use the claimant's property to determine whether they meet the requirements of Revenue and Taxation Code section 214.
BOE 267 O (P2) Section 2. Organizations Operating on the Property	Add: Check the appropriate box(es) to indicate if the operator is currently exempt from federal income tax under the provisions of section 501(c)(3) of the Internal Revenue Code and/or exempt from state franchise or income tax under the provisions of section 23701d of the Revenue and Taxation Code. If you are filing this affidavit with the Claim for Welfare Exemption (First Filing) BOE-267), submit a copy of the tax exempt status letter of each operator. If you are filing this affidavit with your annual filing (BOE-267-A), and the property is used by persons or organizations not previously identified on prior affidavits, submit a copy of the tax exempt status letter for each new operator.

Other Comments	a. Are RELIGIOUS claims (BOE-267-S) included within the proposed use of the affidavit “O”? b. RE: cross over with the RELIGIOUS exemption: In the cases for which the owner organization worships onsite and so do one or more other operators, will providing the information on affidavit “O” about other worshipping congregations affect, change, or negate the requirements for claiming RELIGIOUS EXEMPTION? Currently, each operator that conducts religious worship activities (church services and/or school purposes) is expected to file the BOE-267-S. c. RE: cross-over with the PUBLIC SCHOOL exemption: In the cases for which the owner-claimant leases or shares space with a public school operator, will providing operator information on affidavit “O” about the school use affect, change, or negate the current requirements for claiming exemption for public school use? Public school, Church Lessor, or Lessor’s claims are current choices. Somewhere in the instructions for the BOE-267, should there be an explanation/definition, and maybe an example, of what “incidental use” means? When does this become effective? We currently have exemptions pending for 2016 and prior years awaiting for operator to be issued OCC. There will be claimants who will want us to reverse prior year exemptions that were based on operators filing late. Will we be required to do this?

PROPERTY USE REPORT

LIST ALL OUTSIDE PERSONS/ORGANIZATIONS THAT USED **ANY** PORTION OF THE PROPERTY LESS THAN ONCE A WEEK SINCE JAN 1 - Dec 31 OF THE PRIOR YEAR

Name of Claimant: Food Bank of Greater Sacramento **Assessor's Parcel No.:** 000-0000-000-0000

	Tax Exempt Status (check applicable):			Purpose Organized for (check applicable):							
Name of Person/Organization*	501(c)(3) IRS**	23701d R&T**	Non-exempt	Charitable	Religious	Hospital	Scientific	Description of area and size (sqft) of property used	Types of Activities (e.g. taining, parties, meetings, fundrasier, etc.)	Days Used/Yr	Fee paid for use of the property
Christina Manley	X			X				community room, 1,000 sqft	Fundraising	12	$100/use

** List the Legal name of the person/organization and DBA if applicable*
*** If filing BOE 267, attach a copy of each operator's tax tax exempt status letter or if filing BOE 267-A, attach a copy of each operator's tax exempt status letter that has not for exemption qualification purposes for this property*

501(c)(4) 23701d, 23701f, or 23701w

PROPOSED

BOE-267-O (P1) (xx-16)

WELFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT, ORGANIZATIONS OPERATING ON CLAIMANT'S REAL PROPERTY

This claim is filed for fiscal year 20___ - 20 ___.

This is a Supplemental Affidavit filed with:

☐ BOE-267, Claim For Welfare Exemption (First Filing)

☐ BOE-267-A, 20___ Claim For Welfare Exemption (Annual Filing)

Section 1. Identification of Claimant and Property

NAME OF ORGANIZATION		CORPORATE OR LLC ID NO./FEIN
ADDRESS OF PROPERTY (number and street)	CITY	ASSESSOR'S PARCEL NUMBER

Section 2. List of Persons and Organizations Operating on the Property (Attach additional pages of this form, if necessary)

1. NAME OF OPERATOR (LEGAL/DBA)	Operator's Federal Employer Identification Number (FEIN)

Part A.

Square Footage Used	Date The Property Was First Used By The Operator	DESCRIPTION OF PROPERTY USED (Include Room Number(s), Suite Number(s), etc.):

IS THE CURRENT LEASE OR WRITTEN AGREEMENT ATTACHED? ☐Yes ☐No, submitted with a previous filing ☐No written agreement	Is Exemption Being Requested On The Portion Of The Property Used By This Operator? ☐Yes (If yes, **complete part B.**) ☐No (No further information required)

Part B.

DESCRIPTION OF OPERATORS USE OF THE PROPERTY (Exempt Purpose, Activities, Etc.	Frequency Of Use (Daily, 1 Time Per Week, Etc.)

Does the operator have an OCC? ☐Yes, #_____ ☐No, Additional documents may be required (See back for instructions)	RENT OR FEES RECEIVED FROM OPERATOR (amount and frequency):

NAME OF PERSON TO CONTACT FOR ADDITIONAL INFORMATION	EMAIL ADDRESS	PHONE NUMBER

2. NAME OF OPERATOR (LEGAL/DBA)	Operator's Federal Employer Identification Number (FEIN)

Part A.

Square Footage Used	Date The Property Was First Used By The Operator	DESCRIPTION OF PROPERTY USED (Include Room Number(s), Suite Number(s), etc.):

IS THE CURRENT LEASE OR WRITTEN AGREEMENT ATTACHED? ☐Yes ☐No, submitted with a previous filing ☐No written agreement	Is Exemption Being Requested On The Portion Of The Property Used By This Operator? ☐Yes (If yes, **complete part B.**) ☐No (No further information required)

Part B.

DESCRIPTION OF OPERATORS USE OF THE PROPERTY (Exempt Purpose, Activities, Etc.	Frequency Of Use (Daily, 1 Time Per Week, Etc.)

Does the operator have an OCC? ☐Yes, #_____ ☐No, Additional documents may be required (See back for instructions)	RENT OR FEES RECEIVED FROM OPERATOR (amount and frequency):

NAME OF PERSON TO CONTACT FOR ADDITIONAL INFORMATION	EMAIL ADDRESS	PHONE NUMBER

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM ▶	TITLE
NAME OF PERSON MAKING CLAIM	DATE

THIS DOCUMENT IS SUBJECT TO PUBLIC INSPECTION

INSTRUCTIONS FOR FILING
WLEFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT
ORGANIZATIONS OPERATING ON CLAIMANT'S REAL PROPERTY

FILING OF AFFIDAVIT

This affidavit must be filed by the property owner seeking an exemption on real property which is used by another person or organization (operator). A separate affidavit must be filed for each location. This affidavit supplements the claim for welfare exemption, which must be filed with the county assessor by February 15 to avoid a late filing penalty under Revenue and Taxation Code section 270**. If you do not complete and file this form, you may be denied the exemption**.

The property owner must hold a valid Organization Clearance Certificate (OCC) issued by the State Board of Equalization (Board) before the Assessor can approve a property tax exemption. In order for the owner to receive an exemption on the property, both the owner and the operator of the property **must** be organized for welfare exempt purposes and the property must be used for welfare exempt purposes. The owner **must** demonstrate qualification for exemption by furnishing information to the Assessor regarding each operator.

All other persons or organizations using the property must be listed on this form. The default status of all assessable property is that it is subject to taxation. Welfare Exemption qualification requires that property be used exclusively for religious, hospital, scientific, or charitable purposes by qualifying organizations. Therefore, it is assumed that all portions of the property used by persons and organizations other than the qualifying owner are taxable. The burden of proving that the Welfare Exemption is applicable to portions of the property used by other persons or organizations is the responsibility of the applicant. In accordance with Revenue and Taxation Code section 254.5(b)(2), the assessor may institute an audit or verification of the operations of the owner and all persons or organizations who use the claimant's property to determine whether they meet the requirements of Revenue and Taxation Code section 214.

SECTION 1. Identification of Claimant and Property

Identify the name of the organization that owns the real property (the claimant) including the address and Assessor's Parcel Number of the property on which the exemption is being sought. Provide the organization's corporate identification number, if it is a nonprofit corporation, or number assigned by the Secretary of State, if it is a limited liability company and/or Federal Employer Identification Number (FEIN).

SECTION 2. Person(s) and Organization(s) Operating on the Property

Part A. Provide the legal/dba name of each person and organization using the property and their exempt purpose(s). Provide the corporate identification number, if it is a nonprofit corporation, or number assigned by the Secretary of State, if it is a limited liability company and/or Federal Employer Identification Number (FEIN).

Provide the square footage, date the property was first used by the operator, and description of the property used including room numbers, suite numbers, etc. Attach a copy of the lease or agreement for use of the property, if not already provided. Check the box to indicate if an exemption is being requested on the portion of the property used by the operator. If yes, **complete Part B**.

Part B. Describe how the operator is using the property for their exempt purpose and the frequency of use. Provide the operator's Organizational Clearance Certificate number (OCC). If no OCC and the operator uses the property <u>once per week or less</u>, provide a copy of the tax-exempt status letter [R&T 214(a)(3)(D)]. If no OCC and the operator uses the property <u>more than once per week</u>, provide a copy of the operator's: formative documents, prior year financial statements, and tax exempt status letter. *Omit documentation already provided with previous claims.* State the amount and frequency of any rent or fees paid by the operator.

Provide email and phone contact information for the operator.

DRAFT