



STATE BOARD OF EQUALIZATION
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July 15, 2004

TO INTERESTED PARTIES:

RAMON J. HIRSIG
Executive Director

UPDATE OF ASSESSORS' HANDBOOK SECTION 267
WELFARE, CHURCH, AND RELIGIOUS EXEMPTIONS

On May 7, 2004, Letter To Assessors No. 2004/031 announced the initiation of a handbook revision process to update Assessors' Handbook Section 267, *Welfare, Church, and Religious Exemptions*. Board staff's proposed update was primarily intended to reflect 2003 statutory changes relating to the administration of the welfare and veterans' organization exemptions, but there were also additional revisions intended to clarify existing text, and other minor nonsubstantive changes. The staff's proposed revisions were identified in a matrix, with staff's revised text presented in the *Housing for Lower Income Households* section of Chapter 5, and in Chapter 6, *Welfare Exemption Claim Process*. Interested parties were requested to submit proposed changes to the revisions by June 21, 2004.

The proposed revisions to Chapter 5 on exemption requirements for low-income housing properties of limited partnerships were intended to clarify existing text, however, Board staff believes that further research is necessary before revising this chapter. Therefore, staff's proposed revisions will be limited to Chapter 6 and will cover areas affected by the change in administration, other statutory changes and filing requirements. The Chapter 5 discussion concerning the exemption requirements for low-income housing properties, specifically with regard to limited partnership properties, will be addressed in a separate project. The update to AH 267 will proceed as scheduled but will include only the following:

- Revised discussion of the welfare exemption claim process and filing requirements to reflect the amendments to the statutory provisions relating to the administration of the welfare and veterans' organization exemptions (Stats. 2003, Ch. 471, in effect January 1, 2004).
- Revised discussion of filing deadlines of the welfare exemption claim to reflect the amendments to the statutory provisions relating to the filing deadlines of the welfare and veterans' organization exemptions (Stats. 2003, Ch. 316, in effect January 1, 2004).
- Added discussion of revised filing requirements for nonprofit corporations that are managing general partners of limited partnerships.

These changes may be found on the matrix (Attachment A, pages 1-3), and Chapter 6 (Attachment B) that were distributed with LTA No. 2004/031, dated May 7, 2004.

Comments received on the proposed text in Chapter 6 are listed on the enclosed matrix. Since these suggested changes are minor and have been incorporated into the staff's proposed text, the interested parties meeting tentatively scheduled for August 4, 2004 to discuss proposed changes to the text presented in the update of AH 267 will not be necessary. It is anticipated that the project will proceed as follows:

- Staff will prepare and submit an issue paper as well as other required documents for the Property Tax Committee (PTC) meeting prior to the PTC meeting date.
- The Property Tax Committee will hear discussion on the handbook update at its meeting in October 2004.

If you have any questions regarding this project, please contact Ladeena Ford at (916) 324-5839, Ladeena.Ford@boe.ca.gov. LTA No. 2004/031 and this letter are posted on the Board's Web site and can be accessed by selecting the following links: (1) Property Taxes, (2) Property Tax Committee Work Plans, and (3) Property Tax Committee Work Plans 2004.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee, Chief
Assessment Policy and Standards Division

DJG:lf
Enclosure

UPDATE TO ASSESSORS' HANDBOOK SECTION 267
WELFARE, CHURCH, AND RELIGIOUS EXEMPTIONS
MATRIX LISTING INTERESTED PARTIES COMMENTS

	Page and Line No.	Interested Parties Comments	BOE Staff's Position
1	Page 8, Chapter 6, Lines 31 & 32 and 33 & 34	Lines 31 & 32 appear to be duplicated in lines 33 & 34 and 33 & 34 are more complete.	Agree
2	Page 22, Chapter 6 Line 35	Line 35 has an extra comma after the period.	Agree
3	Page 27, Chapter 6 Lines 20-22	Suggest revising sentence: Assembly Bill 1744 (Stats. 2003, Ch. 316) also made a conforming amendment to section 75.21, to provide that a separate exemption claim for the supplemental roll is not required for newly acquired property <u>or completion of new construction</u> under either of the following conditions:	Agree