

AMENDED IN ASSEMBLY MAY 18, 2023

AMENDED IN ASSEMBLY MAY 3, 2023

AMENDED IN ASSEMBLY MARCH 7, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 84

Introduced by Assembly Member Ward

December 16, 2022

An act to amend ~~Section 214~~ *Sections 214 and 259.15* of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL’S DIGEST

AB 84, as amended, Ward. Property tax: welfare exemption: affordable housing.

(1) Existing property tax law, in accordance with the California Constitution, provides for a “welfare exemption” for property used exclusively for religious, hospital, scientific, or charitable purposes and that is owned or operated by certain types of nonprofit entities, if certain qualifying criteria are met. Under existing property tax law, property that meets these requirements that is used exclusively for rental housing and related facilities is entitled to a partial exemption, equal to that percentage of the value of the property that is equal to the percentage that the number of units serving lower income households represents of the total number of residential units, in any year that any of certain criteria apply, including that the acquisition, rehabilitation, development, or operation of the property, or any combination of these factors, is financed with tax-exempt mortgage revenue bonds or general obligation bonds, or is financed by local, state, or federal loans or grants and the

rents of the occupants who are lower income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

This bill would expand this partial exemption to property acquired, rehabilitated, developed, or operated, or any combination of these factors, with financing from qualified 501(c)(3) bonds, as defined.

Existing law provides that this partial exemption is also available for property that is subject to a legal restriction that provides that units designated for use by lower income households are continuously available to or occupied by lower income households, at rents not exceeding specified limits. For the 2018–19 fiscal year through the 2027–28 fiscal year, in the case of an eligible owner of property receiving a low-income housing tax credit under specified federal law, existing property tax law requires that a unit continue to be treated as occupied by a lower income household for these purposes if the occupants were lower income households on the lien date in the fiscal year in which their occupancy of the unit commenced and the unit continues to be rent restricted, notwithstanding an increase in the income of the occupants of the unit to 140% of area median income, adjusted for family size.

This bill, from the 2024–25 fiscal year through the 2028–29 fiscal year, would additionally require that a unit continue to be treated as occupied by a lower income household, as described above, if the property is subject to a legal restriction that provides that units designated for use by lower income households are continuously available to or occupied by lower income households, at rents not exceeding specified limits. *The bill would require a claim for a welfare exemption pursuant to this requirement to be accompanied by an affidavit containing specified information regarding the units for which the exemption is claimed and would provide that the affidavit is not subject to public disclosure.*

(2) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of

public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(2)

(3) By adding to the duties of local tax officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(3)

(4) Existing law requires the state to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

(4)

(5) This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 214 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 214. (a) Property used exclusively for religious, hospital,
- 4 scientific, or charitable purposes owned and operated by
- 5 community chests, funds, foundations, limited liability companies,
- 6 or corporations organized and operated for religious, hospital,
- 7 scientific, or charitable purposes is exempt from taxation, including
- 8 ad valorem taxes to pay the interest and redemption charges on
- 9 any indebtedness approved by the voters prior to July 1, 1978, or

1 any bonded indebtedness for the acquisition or improvement of
2 real property approved on or after July 1, 1978, by two-thirds of
3 the votes cast by the voters voting on the proposition, if:

4 (1) The owner is not organized or operated for profit. However,
5 in the case of hospitals, the organization shall not be deemed to
6 be organized or operated for profit if, during the immediately
7 preceding fiscal year, operating revenues, exclusive of gifts,
8 endowments, and grants-in-aid, did not exceed operating expenses
9 by an amount equivalent to 10 percent of those operating expenses.

10 As used herein, operating expenses include depreciation based on
11 cost of replacement and amortization of, and interest on,
12 indebtedness.

13 (2) No part of the net earnings of the owner inures to the benefit
14 of any private shareholder or individual.

15 (3) The property is used for the actual operation of the exempt
16 activity, and does not exceed an amount of property reasonably
17 necessary to the accomplishment of the exempt purpose.

18 (A) For the purposes of determining whether the property is
19 used for the actual operation of the exempt activity, consideration
20 shall not be given to use of the property for either or both of the
21 following described activities if that use is occasional:

22 (i) The owner conducts fundraising activities on the property
23 and the proceeds derived from those activities are not unrelated
24 business taxable income, as defined in Section 512 of the Internal
25 Revenue Code, of the owner and are used to further the exempt
26 activity of the owner.

27 (ii) The owner permits any other organization that meets all of
28 the requirements of this subdivision, other than ownership of the
29 property, to conduct fundraising activities on the property and the
30 proceeds derived from those activities are not unrelated business
31 taxable income, as defined in Section 512 of the Internal Revenue
32 Code, of the organization, are not subject to the tax on unrelated
33 business taxable income that is imposed by Section 511 of the
34 Internal Revenue Code, and are used to further the exempt activity
35 of the organization.

36 (B) For purposes of subparagraph (A):

37 (i) "Occasional use" means use of the property on an irregular
38 or intermittent basis by the qualifying owner or any other qualifying
39 organization described in clause (ii) of subparagraph (A) that is

1 incidental to the primary activities of the owner or the other
2 organization.

3 (ii) “Fundraising activities” means both activities involving the
4 direct solicitation of money or other property and the anticipated
5 exchange of goods or services for money between the soliciting
6 organization and the organization or person solicited.

7 (C) Subparagraph (A) shall have no application in determining
8 whether paragraph (3) has been satisfied unless the owner of the
9 property and any other organization using the property as provided
10 in subparagraph (A) have filed with the assessor a valid
11 organizational clearance certificate issued pursuant to Section
12 254.6.

13 (D) For the purposes of determining whether the property is
14 used for the actual operation of the exempt activity, consideration
15 shall not be given to the use of the property for meetings conducted
16 by any other organization if the meetings are incidental to the other
17 organization’s primary activities, are not fundraising meetings or
18 activities as defined in subparagraph (B), are held no more than
19 once per week, and the other organization and its use of the
20 property meet all other requirements of paragraphs (1) to (5),
21 inclusive, of this subdivision. The owner or the other organization
22 also shall file with the assessor a copy of a valid, unrevoked letter
23 or ruling from the Internal Revenue Service or the Franchise Tax
24 Board stating that the other organization, or the national
25 organization of which it is a local chapter or affiliate, qualifies as
26 an exempt organization under Section 501(c)(3) or 501(c)(4) of
27 the Internal Revenue Code or Section 23701d, 23701f, or 23701w.

28 (E) Subparagraph (A), (B), (C), or (D) shall not be construed
29 to either enlarge or restrict the exemption provided for in
30 subdivision (b) of Section 4 and Section 5 of Article XIII of the
31 California Constitution and this section.

32 (4) The property is not used or operated by the owner or by any
33 other person so as to benefit any officer, trustee, director,
34 shareholder, member, employee, contributor, or bondholder of the
35 owner or operator, or any other person, through the distribution
36 of profits, payment of excessive charges or compensations, or the
37 more advantageous pursuit of their business or profession.

38 (5) The property is not used by the owner or members thereof
39 for fraternal or lodge purposes, or for social club purposes except

1 where that use is clearly incidental to a primary religious, hospital,
2 scientific, or charitable purpose.

3 (6) The property is irrevocably dedicated to religious, charitable,
4 scientific, or hospital purposes and, upon the liquidation,
5 dissolution, or abandonment of the owner, will not inure to the
6 benefit of any private person except a fund, foundation, or
7 corporation organized and operated for religious, hospital,
8 scientific, or charitable purposes.

9 (7) The property, if used exclusively for scientific purposes, is
10 used by a foundation or institution that, in addition to complying
11 with the foregoing requirements for the exemption of charitable
12 organizations in general, has been chartered by the Congress of
13 the United States (except that this requirement shall not apply
14 when the scientific purposes are medical research), and whose
15 objects are the encouragement or conduct of scientific
16 investigation, research, and discovery for the benefit of the
17 community at large.

18 The exemption provided for herein shall be known as the
19 “welfare exemption.” This exemption is in addition to any other
20 exemption now provided by law, and the existence of the
21 exemption provision in paragraph (2) of subdivision (a) of Section
22 202 does not preclude the exemption under this section for museum
23 or library property. Except as provided in subdivision (e), this
24 section shall not be construed to enlarge the college exemption.

25 (b) Property used exclusively for school purposes of less than
26 collegiate grade and owned and operated by religious, hospital, or
27 charitable funds, foundations, limited liability companies, or
28 corporations, which property and funds, foundations, limited
29 liability companies, or corporations meet all of the requirements
30 of subdivision (a), shall be deemed to be within the exemption
31 provided for in subdivision (b) of Section 4 and Section 5 of Article
32 XIII of the California Constitution and this section.

33 (c) Property used exclusively for nursery school purposes and
34 owned and operated by religious, hospital, or charitable funds,
35 foundations, limited liability companies, or corporations, which
36 property and funds, foundations, limited liability companies, or
37 corporations meet all the requirements of subdivision (a), shall be
38 deemed to be within the exemption provided for in subdivision
39 (b) of Section 4 and Section 5 of Article XIII of the California
40 Constitution and this section.

(d) Property used exclusively for a noncommercial educational FM broadcast station or an educational television station, and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(e) Property used exclusively for religious, charitable, scientific, or hospital purposes and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations or educational institutions of collegiate grade, as defined in Section 203, which property and funds, foundations, limited liability companies, corporations, or educational institutions meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section. As to educational institutions of collegiate grade, as defined in Section 203, the requirements of paragraph (6) of subdivision (a) shall be deemed to be met if both of the following are met:

(1) The property of the educational institution is irrevocably dedicated in its articles of incorporation to charitable and educational purposes, to religious and educational purposes, or to educational purposes.

(2) The articles of incorporation of the educational institution provide for distribution of its property upon its liquidation, dissolution, or abandonment to a fund, foundation, or corporation organized and operated for religious, hospital, scientific, charitable, or educational purposes meeting the requirements for exemption provided by Section 203 or this section.

(f) Property used exclusively for housing and related facilities for elderly or handicapped families and financed by, including, but not limited to, the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting

1 all of the requirements of this section shall be deemed to be within
2 the exemption provided for in subdivision (b) of Section 4 and
3 Section 5 of Article XIII of the California Constitution and this
4 section.

5 The amendment of this paragraph made by Chapter 1102 of the
6 Statutes of 1984 does not constitute a change in, but is declaratory
7 of, existing law. However, no refund of property taxes shall be
8 required as a result of this amendment for any fiscal year prior to
9 the fiscal year in which the amendment takes effect.

10 Property used exclusively for housing and related facilities for
11 elderly or handicapped families at which supplemental care or
12 services designed to meet the special needs of elderly or
13 handicapped residents are not provided, or that is not financed by
14 the federal government pursuant to Section 202 of Public Law
15 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public
16 Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law
17 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law
18 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption
19 pursuant to this subdivision unless the property is used for housing
20 and related facilities for low- and moderate-income elderly or
21 handicapped families. Property that would otherwise be exempt
22 pursuant to this subdivision, except that it includes some housing
23 and related facilities for other than low- or moderate-income elderly
24 or handicapped families, shall be entitled to a partial exemption.
25 The partial exemption shall be equal to that percentage of the value
26 of the property that is equal to the percentage that the number of
27 low- and moderate-income elderly and handicapped families
28 represents of the total number of families occupying the property.

29 As used in this subdivision, “low and moderate income” has the
30 same meaning as the term “persons and families of low or moderate
31 income” as defined by Section 50093 of the Health and Safety
32 Code.

33 (g) (1) Property used exclusively for rental housing and related
34 facilities and owned and operated by religious, hospital, scientific,
35 or charitable funds, foundations, limited liability companies, or
36 corporations, including limited partnerships in which the managing
37 general partner is an eligible nonprofit corporation or eligible
38 limited liability company, meeting all of the requirements of this
39 section, or by veterans’ organizations, as described in Section
40 215.1, meeting all the requirements of paragraphs (1) to (7),

1 inclusive, of subdivision (a), shall be deemed to be within the
2 exemption provided for in subdivision (b) of Section 4 and Section
3 5 of Article XIII of the California Constitution and this section
4 and shall be entitled to a partial exemption equal to that percentage
5 of the value of the property that is equal to the percentage that the
6 number of units serving lower income households represents of
7 the total number of residential units in any year in which any of
8 the following criteria applies:

9 (A) The acquisition, rehabilitation, development, or operation
10 of the property, or any combination of these factors, is financed
11 with tax-exempt mortgage revenue bonds, qualified 501(c)(3)
12 bonds, as that term is defined in Section 145 of Title 26 of the
13 United States Code, or general obligation bonds, or is financed by
14 local, state, or federal loans or grants and the rents of the occupants
15 who are lower income households do not exceed those prescribed
16 by deed restrictions or regulatory agreements pursuant to the terms
17 of the financing or financial assistance.

18 (B) The owner of the property is eligible for and receives
19 low-income housing tax credits pursuant to Section 42 of the
20 Internal Revenue Code of 1986, as added by Public Law 99-514.

21 (C) In the case of a claim, other than a claim with respect to
22 property owned by a limited partnership in which the managing
23 general partner is an eligible nonprofit corporation, that is filed
24 for the 2000–01 fiscal year or any fiscal year thereafter, 90 percent
25 or more of the occupants of the property are lower income
26 households whose rent does not exceed the rent prescribed by
27 Section 50053 of the Health and Safety Code. The total exemption
28 amount allowed under this subdivision to a taxpayer, with respect
29 to a single property or multiple properties for any fiscal year on
30 the sole basis of the application of this subparagraph, may not
31 exceed twenty million dollars (\$20,000,000) in assessed value.

32 (D) (i) The property was previously purchased and owned by
33 the Department of Transportation pursuant to a consent decree
34 requiring housing mitigation measures relating to the construction
35 of a freeway and is now solely owned by an organization that
36 qualifies as an exempt organization under Section 501(c)(3) of the
37 Internal Revenue Code.

38 (ii) This subparagraph does not apply to property owned by a
39 limited partnership in which the managing partner is an eligible
40 nonprofit corporation.

1 (2) In order to be eligible for the exemption provided by this
2 subdivision, the owner of the property shall do both of the
3 following:

4 (A) (i) For any claim filed for the 2000–01 fiscal year or any
5 fiscal year thereafter, certify and ensure, subject to the limitation
6 in clause (ii), that there is an enforceable and verifiable agreement
7 with a public agency, a recorded deed restriction, or other legal
8 document that restricts the project’s usage and that provides that
9 the units designated for use by lower income households are
10 continuously available to or occupied by lower income households,
11 subject to the exception in clause (iii), at rents that do not exceed
12 those prescribed by Section 50053 of the Health and Safety Code,
13 or, to the extent that the terms of federal, state, or local financing
14 or financial assistance conflicts with Section 50053 of the Health
15 and Safety Code, rents that do not exceed those prescribed by the
16 terms of the financing or financial assistance.

17 (ii) In the case of a limited partnership in which the managing
18 general partner is an eligible nonprofit corporation, the restriction
19 and provision specified in clause (i) shall be contained in an
20 enforceable and verifiable agreement with a public agency, or in
21 a recorded deed restriction to which the limited partnership
22 certifies.

23 (iii) (I) (ia) In the case of an owner of property that is eligible
24 for and receives a low-income housing tax credit pursuant to
25 Section 42 of the Internal Revenue Code, relating to low-income
26 housing credit, a unit shall continue to be treated as occupied by
27 a lower income household if the occupants were lower income
28 households on the lien date in the fiscal year in which their
29 occupancy of the unit commenced and the unit continues to be
30 rent restricted, notwithstanding an increase in the income of the
31 occupants of the unit to 140 percent of area median income,
32 adjusted for family size. However, the unit shall cease to be treated
33 as a lower income unit if the income of the occupants of the unit
34 increases above 140 percent of area median income, adjusted for
35 family size.

36 (ib) This subclause shall only be operative from the 2018–19
37 fiscal year through the 2027–28 fiscal year.

38 (II) (ia) In the case of an owner of property that is subject to
39 an enforceable and verifiable agreement with a public agency, a
40 recorded deed restriction, or other legal document consistent with

1 the requirements of clause (i) of subparagraph (A), a unit shall
2 continue to be treated as occupied by a lower income household
3 if the occupants were lower income households on the lien date
4 in the fiscal year in which their occupancy of the unit commenced
5 and the unit continues to be rent restricted, notwithstanding an
6 increase in the income of the occupants of the unit to 100 percent
7 of area median income, adjusted for family size. However, the unit
8 shall cease to be treated as a lower income unit if the income of
9 the occupants of the unit increases above 100 percent of area
10 median income, adjusted for family size.

11 (ib) This subclause shall only be operative from the 2024–25
12 fiscal year through the 2028–29 fiscal year.

13 (iv) (I) In the case of an owner of property that is a community
14 land trust and whose property is leased to a lower income
15 household, subject to a contract that complies with the requirements
16 of paragraph (11) of subdivision (a) of Section 402.1, a unit shall
17 continue to be treated as occupied by a lower income household
18 if the occupants were lower income households on the lien date
19 in the fiscal year in which their occupancy of the unit commenced
20 and the unit continues to be rent restricted, notwithstanding an
21 increase in the income of the occupants of the unit to 140 percent
22 of area median income, adjusted for family size. However, the unit
23 shall cease to be treated as a lower income unit if the income of
24 the occupants of the unit increases above 140 percent of area
25 median income, adjusted for family size.

26 (II) This clause shall only be operative from the 2022–23 fiscal
27 year through the 2027–28 fiscal year.

28 (B) Certify that the funds that would have been necessary to
29 pay property taxes are used to maintain the affordability of, or
30 reduce rents otherwise necessary for, the units occupied by lower
31 income households.

32 (3) As used in this subdivision:

33 (A) “Community land trust” has the same meaning as defined
34 in Section 402.1.

35 (B) “Lower income households” has the same meaning as the
36 term “lower income households” as defined by Section 50079.5
37 of the Health and Safety Code.

38 (C) “Related facilities” means any manager’s units and any and
39 all common area spaces that are included within the physical
40 boundaries of the rental housing development, including, but not

1 limited to, common area space, walkways, balconies, patios,
2 clubhouse space, meeting rooms, laundry facilities, and parking
3 areas, except any portions of the overall development that are
4 nonexempt commercial space.

5 (D) (i) “Units serving lower income households” shall mean
6 units that are occupied by lower income households at an affordable
7 rent, as defined in Section 50053 of the Health and Safety Code
8 or, to the extent that the terms of federal, state, or local financing
9 or financial assistance conflicts with Section 50053 of the Health
10 and Safety Code, rents that do not exceed those prescribed by the
11 terms of the financing or financial assistance. Units reserved for
12 lower income households at an affordable rent that are temporarily
13 vacant due to tenant turnover or repairs shall be counted as
14 occupied.

15 (ii) (I) “Units serving lower income households” shall also
16 mean units specified in clause (iii) of subparagraph (A) of
17 paragraph (2).

18 (II) This clause shall only be operative from the 2018–19 fiscal
19 year through the 2027–28 fiscal year.

20 (iii) (I) “Units serving lower income households” shall also
21 mean units specified in clause (iv) of subparagraph (A) of
22 paragraph (2).

23 (II) This clause shall only be operative from the 2022–23 fiscal
24 year through the 2027–28 fiscal year.

25 (h) Property used exclusively for an emergency or temporary
26 shelter and related facilities for homeless persons and families and
27 owned and operated by religious, hospital, scientific, or charitable
28 funds, foundations, limited liability companies, or corporations
29 meeting all of the requirements of this section shall be deemed to
30 be within the exemption provided for in subdivision (b) of Section
31 4 and Section 5 of Article XIII of the California Constitution and
32 this section. Property that otherwise would be exempt pursuant to
33 this subdivision, except that it includes housing and related
34 facilities for other than an emergency or temporary shelter, shall
35 be entitled to a partial exemption.

36 As used in this subdivision, “emergency or temporary shelter”
37 means a facility that would be eligible for funding pursuant to
38 Chapter 11 (commencing with Section 50800) of Part 2 of Division
39 31 of the Health and Safety Code.

1 (i) Property used exclusively for housing and related facilities
2 for employees of religious, charitable, scientific, or hospital
3 organizations that meet all the requirements of subdivision (a) and
4 owned and operated by funds, foundations, limited liability
5 companies, or corporations that meet all the requirements of
6 subdivision (a) shall be deemed to be within the exemption
7 provided for in subdivision (b) of Section 4 and Section 5 of Article
8 XIII of the California Constitution and this section to the extent
9 the residential use of the property is institutionally necessary for
10 the operation of the organization.

11 (j) For purposes of this section, charitable purposes include
12 educational purposes. For purposes of this subdivision,
13 “educational purposes” means those educational purposes and
14 activities for the benefit of the community as a whole or an
15 unascertainable and indefinite portion thereof, and do not include
16 those educational purposes and activities that are primarily for the
17 benefit of an organization’s shareholders. Educational activities
18 include the study of relevant information, the dissemination of that
19 information to interested members of the general public, and the
20 participation of interested members of the general public.

21 (k) In the case of property used exclusively for the exempt
22 purposes specified in this section, owned and operated by limited
23 liability companies that are organized and operated for those
24 purposes, the State Board of Equalization shall adopt regulations
25 to specify the ownership, organizational, and operational
26 requirements for those companies to qualify for the exemption
27 provided by this section.

28 (l) The amendments made by Chapter 354 of the Statutes of
29 2004 apply with respect to lien dates occurring on and after January
30 1, 2005.

31 (m) The amendments made by Chapter 836 of the Statutes of
32 2016 apply with respect to lien dates occurring on and after January
33 1, 2017.

34 (n) The amendments made by Chapter 694 of the Statutes of
35 2018 apply with respect to lien dates occurring on and after January
36 1, 2019.

37 (o) Notwithstanding Section 20 or any other law, the State Board
38 of Equalization is responsible for administering the welfare
39 exemption provided by this section, except where the law places

responsibility for administering that exemption with the county assessor.

SEC. 2. Section 259.15 of the Revenue and Taxation Code is amended to read:

259.15. (a) (1) For the 2018–19 fiscal year to the 2027–28 fiscal year, the claim for welfare exemption on a property that is eligible for and has received low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code, relating to low-income housing credit, including Section 42(g)(2)(D) of the Internal Revenue Code, relating to treatment of units occupied by individuals whose incomes rise above limit, in addition to giving any other information as prescribed by the board, when claiming an exemption for units pursuant to *subclause (I) of clause (iii) of subparagraph (A) of paragraph (2) of subdivision (g) of Section 214*, shall be accompanied by an affidavit that provides the information set forth in subdivision (b).

(2) For the 2022–23 fiscal year through the 2027–28 fiscal year, when claiming a welfare exemption for units pursuant to clause (iv) of subparagraph (A) of paragraph (2) of subdivision (g) of Section 214, in addition to giving any other information as prescribed by the board, the claim for welfare exemption shall be accompanied by an affidavit that provides the information set forth in subdivision (b).

(3) *Beginning with the 2024–25 fiscal year, when claiming a welfare exemption for units pursuant to subclause (II) of clause (iii) of subparagraph (A) of paragraph (2) of subdivision (g) of Section 214, in addition to giving any other information as prescribed by the board, the claim for welfare exemption shall be accompanied by an affidavit that provides the information set forth in subdivision (b).*

(b) The affidavits required in subdivision (a) shall include the following information:

(1) A list of all units, for which exemption is claimed, in which the unit will continue to be treated as a low-income unit if the occupant initially met the income limitation and the unit continues to be rent restricted.

(2) All of the following nonpersonally identifiable information about the occupants of the units listed pursuant to paragraph (1):

(A) The unit name or number.

(B) The actual household income of the occupant.

1 (C) The maximum rent that may be charged to the occupant.

2 (D) The actual rent charged to the occupant.

3 (c) The affidavits required to accompany the claim for welfare
4 exemption pursuant to subdivision (a) shall be confidential and
5 shall not be subject to public disclosure.

6 *SEC. 3. The Legislature finds and declares that Section 2 of*
7 *this act, which amends Section 259.15 of the Revenue and Taxation*
8 *Code, furthers, within the meaning of paragraph (7) of subdivision*
9 *(b) of Section 3 of Article I of the California Constitution, the*
10 *purposes of that constitutional section as it relates to the right of*
11 *public access to the meetings of local public bodies or the writings*
12 *of local public officials and local agencies. Pursuant to paragraph*
13 *(7) of subdivision (b) of Section 3 of Article I of the California*
14 *Constitution, the Legislature makes the following findings:*

15 *The protection of sensitive personal and personal financial*
16 *information contained in an affidavit accompanying a claim for*
17 *welfare exemption, as required by this act, is consistent with and*
18 *further proper access to documents and information in the*
19 *possession of local governmental agencies.*

20 *SEC. 4. The Legislature finds and declares that Section 2 of*
21 *this act, which amends Section 259.15 of the Revenue and Taxation*
22 *Code, imposes a limitation on the public's right of access to the*
23 *meetings of public bodies or the writings of public officials and*
24 *agencies within the meaning of Section 3 of Article I of the*
25 *California Constitution. Pursuant to that constitutional provision,*
26 *the Legislature makes the following findings to demonstrate the*
27 *interest protected by this limitation and the need for protecting*
28 *that interest:*

29 *In order to protect the privacy of an individual's personal and*
30 *financial information contained in an affidavit accompanying a*
31 *claim for welfare exemption, as required by this act, it is in the*
32 *state's interest to limit public access to information.*

33 ~~SEC. 2.~~

34 *SEC. 5. No reimbursement is required by this act pursuant to*
35 *Section 6 of Article XIII B of the California Constitution for certain*
36 *costs that may be incurred by a local agency or school district*
37 *because, in that regard, this act creates a new crime or infraction,*
38 *eliminates a crime or infraction, or changes the penalty for a crime*
39 *or infraction, within the meaning of Section 17556 of the*
40 *Government Code, or changes the definition of a crime within the*

1 meaning of Section 6 of Article XIII B of the California
2 Constitution.

3 However, if the Commission on State Mandates determines that
4 this act contains other costs mandated by the state, reimbursement
5 to local agencies and school districts for those costs shall be made
6 pursuant to Part 7 (commencing with Section 17500) of Division
7 4 of Title 2 of the Government Code.

8 ~~SEC. 3.~~

9 *SEC. 6.* Notwithstanding Section 2229 of the Revenue and
10 Taxation Code, no appropriation is made by this act and the state
11 shall not reimburse any local agency for any property tax revenues
12 lost by it pursuant to this act.

13 ~~SEC. 4.~~

14 *SEC. 7.* This act provides for a tax levy within the meaning of
15 Article IV of the California Constitution and shall go into
16 immediate effect.