



[Assembly Bill 2089](#) (Ward)

Date: Amended 04/22/26 and 06/16/26

Program: Property Taxes

Revenue and Taxation

Code Sections 214, 254.4 and 259.17

Effective: January 1, 2027

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Summary: Assembly Bill (AB) 2089 adds Revenue and Taxation Code (RTC) sections 254.4 and 259.17¹ to authorize County Assessors to accept electronic signatures and to take certain actions when processing materials to claim and maintain the Welfare Exemption.

Amended June 16: Corrects a drafting inconsistency to reflect the operative date terminating in the 2028/29 fiscal year in subclause (ib) of RTC section 214.

Revenue Impact: No projected revenue impact.

Existing Law: Under the California Constitution, all property is taxable unless otherwise provided for by the State Constitution or the laws of the United States.² The Legislature may exempt from property taxation in whole or in part property used exclusively for religious, hospital, scientific, or charitable purposes and owned or held in trust by nonprofit corporations or other entities if specific criteria are met.³

This exemption is known as the Welfare Exemption and is implemented according to RTC section [214](#). RTC section 214 generally exempts from taxation, subject to certain conditions and qualifications, property (1) owned and operated by nonprofit organizations organized and operated for religious, hospital, scientific, or charitable purposes - and (2) used exclusively for those purposes.

Subdivision (g)(1) of section 214 generally provides that property used exclusively for low-income rental housing and related facilities and owned and operated by nonprofit organizations, including limited partnerships in which the managing general partner is an eligible nonprofit corporation or limited liability company, shall be deemed to be within the exemption authorized by section 214.

Housing Welfare Exemption. Historically, property tax administrators took a narrow view of whether the Welfare Exemption extends to property used for housing and related facilities provided by religious, hospital, scientific, and charitable organizations. Previously, they viewed most housing as non-exempt because the property was used primarily for private residential

¹ Section references are to Revenue and Taxation Code, unless otherwise noted.

² Cal. Const., [art. XIII, § 1](#), subd. (a).

³ Cal. Const., [art. XIII, § 4, subd. \(b\)](#).

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purposes rather than exempt purposes and was not being used exclusively for exempt purposes as required by prior interpretations of section 214.⁴

However, the courts have taken a broader view consistent with the Supreme Court's directive that statutory and constitutional provisions granting exemptions are to be construed strictly but reasonably.⁵ As a result, the courts have exempted properties used for a wide range of housing as property used exclusively for exempt (religious, charitable, or hospital) purposes within the meaning of section 214, subdivision (a).

The State Board of Equalization (BOE) has worked to establish clearer exemption qualification standards. In 1999, the BOE adopted [Property Tax Rule 137](#), *Application of the Welfare Exemption to Property Used For Housing*. Rule 137 clarifies that the Welfare Exemption applies to housing and related facilities owned and operated by qualified nonprofit organizations. It establishes a single uniform statewide standard for determining qualification for the Welfare Exemption as it applies to such properties.⁶

Subdivision (g) of section 214 extends the Welfare Exemption to property owned and operated by qualifying organizations and used exclusively for rental housing, which is occupied by lower - income households. "Lower income households" are defined by reference to the Health and Safety Code section 50079.5, and mean persons and families whose income does not exceed the qualifying limits under Section 8 of the United States Housing Act of 1937. In 2006, the BOE adopted [Property Tax Rule 140](#), which interprets section 214, subdivision (g) and specifies numerous definitions and requirements for a full-or-partial Welfare Exemption for lower-income housing properties.

Electronic Signatures – General Application

In 1995, Government Code section 16.5 instituted authorization to accept electronic signatures in transactions with governmental entities. In 1999, the Uniform Electronic Transactions Act (UETA) was implemented and provided that a record or signature may not be denied legal effect or enforceability solely because it is in electronic form and defines an electronic signature⁷ In 2016, the Legislature clarified how these provisions worked together, clarifying that a digital signature, as defined by Government Code section 16.5, may be used to satisfy the requirements of an electronic signature under the UETA and vice versa.

The UETA defines "electronic signature" as an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record.⁸

Government Code section 16.5, subdivision (d) provides that "digital signature" means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. Further, a "digital signature" is considered a type of "electronic signature," as defined by the UETA.⁹

⁴ Assessors' Handbook Section 267, *Welfare, Church, and Religious Exemptions*, p. 62.

⁵ *Ibid*; *Cedars of Lebanon v. County of Los Angeles* (1950) 35 Cal.2d 729, 735.

⁶ Assessors' Handbook Section 267, *Welfare, Church, and Religious Exemptions*, p. 65.

⁷ Civ. Code, § 1633.1 et seq.

⁸ Civ. Code, § 1633.2, subd. (h).

⁹ Civ. Code, § 1633.2, subd. (h).

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A public entity is not required to use or permit the use of a digital signature. The use or acceptance of a digital signature is at the option of the parties.¹⁰

Digital and Electronic Signatures - Property Tax Law

Existing law requires each person owning certain taxable personal property, having an aggregate cost of \$100,000 or more, or upon the request of a County Assessor, to annually file a signed property statement with the Assessor under the penalty of perjury.¹¹

Existing law permits a County Assessor to accept property statements filed using electronic media. In lieu of the required signature and the declaration under penalty of perjury, as described below, existing law requires property statements filed using electronic media to be authenticated pursuant to methods specified by the Assessor and approved by the BOE.¹²

Existing law permits a tax collector to execute a property tax document with a facsimile signature in lieu of a manual signature if the manual signature is filed with the Secretary of State and is certified under oath by the tax collector.¹³

In 2024, [AB 1879 \(Chapter 217\)](#) was signed into law to further authorize the use of an electronic signature in lieu of a manual, facsimile, or other signature to execute a document required to be executed by a taxpayer for purposes of any tax imposed pursuant to specified property tax laws if certain requirements are met. AB 1879 establishes that any property tax document that requires the signature of the taxpayer may be electronically signed by the taxpayer — not just via a digital signature authorized by Government Code section 16.5 and subject to regulations adopted by the Secretary of State.¹⁴

The bill amended section 441 and added section 168.1 to clarify that an electronic signature (the broader category that also encompasses digital signatures) can be used to execute property tax documents if it is authenticated in a manner specified by the Assessor and approved by the BOE. By electronically signing in an approved manner, the taxpayer would certify under penalty of perjury that all the information, including accompanying statements or materials in the document, is true, correct, and complete to the best of the taxpayer's knowledge.¹⁵

The new law also clarified that a County Assessor's office is only required to accept an authenticated electronic signature if the Assessor authorizes the submission of any BOE-prescribed form using electronic media. If the Assessor does not accept electronic submission of any BOE-prescribed forms, the Assessor is not mandated to accept electronic signature submissions under this bill.¹⁶

¹⁰ Gov. Code, § 16.5, subd. (b).

¹¹ Rev. & Tax. Code, § 441, subd. (a).

¹² Rev. & Tax. Code, § 441, subd. (k).

¹³ Rev. & Tax. Code, § 168.

¹⁴ Rev. & Tax. Code, § 168.1.

¹⁵ Rev. & Tax. Code, § 168.1, subd. (a).

¹⁶ Rev. & Tax. Code, § 168.1, subd. (b).

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Proposed Law:

AB 2089 proposes to add the following RTC sections:

RTC section 254.4

Authorizes County Assessors to accept electronic signatures for materials necessary to claim, maintain, or otherwise receive the Welfare Exemption, including, but not limited to, annual income verification. County Board of Supervisors are required, if necessary and in collaboration with the County Assessor, to adopt any ordinances or resolutions to implement the electronic portal and submission authorization.

RTC section 259.17

Requires every county to release all forms related to the annual recertification of tenant income necessary to receive the Welfare Exemption by November 15 of each calendar year prior to the due date for the forms. A county is held harmless from any liability resulting from a failure to release any relevant form if a delay is caused by the BOE or another state entity publishing relevant forms.

AB 2089 proposes to amend the following RTC section:

RTC section 214

As amended June 16, corrects a drafting inconsistency to reflect the operative date terminating in the 2028/29 fiscal year in subclause (ib) of RTC section 214.

Commentary:

Author's Statement. AB 2089 would extend the filing period for recertification of the property tax Welfare Exemption and authorize County Assessors to accept electronic signatures for documents relating to this exemption. These changes would streamline the time-intensive recertification process for eligible affordable housing providers — supporting housing affordability and financial stability for low-income Californians.

County Review of Recertifications. As required in proposed RTC section 259.17, the ability of County Assessors to release information and forms related to the annual recertification of tenant income necessary to receive the welfare exemption by November 15 of each calendar year, prior to the due date for the forms, could impact the workload of the Assessors' in small, medium and large counties differently.

Related Legislation.

- AB 2353 (Ward), Chapter 566, Statutes of 2025 prohibits a county tax collector from taking or continuing any collection action for any delinquent installments of property taxes levied on a taxpayer that intends to develop the property for rent at affordable rates to low-income households, among other conditions.

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- AB 84 (Ward), Chapter 734, Statutes of 2023 expanded the Welfare Exemption by authorizing 501(c)(3) bonds as an eligible form of financing, and permits, for five years, a unit in a development that is not financed with low-income housing tax credits to remain eligible if the tenant's income rises to no more than 100% of the area median income.
- AB 1879 (Gibson), Chapter 217, Statutes of 2024 expanded electronic signature authorizations for County Assessors and the BOE, as summarized above.

Costs: The BOE would incur a one-time cost of approximately \$6,000 for fiscal year 2026-27.

Revenue Impact:

No projected revenue impact.

AB 2089 is a streamlining proposal that creates new processing requirements for County Assessors and a County Board of Supervisors. These technical changes are not projected to have a direct impact on revenues.

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