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March 17, 2003

TO COUNTY ASSESSORS:

No. 2003/26

TRIBAL HOUSING EXEMPTION FORMS
(BOE 237 AND BOE 237-A)

Senate Bill 1231, Chapter 941 of the Statutes of 1999, effective January 1, 2000, added section 237 to the Revenue and Taxation Code to establish an exemption for low-income rental housing owned and operated by an Indian tribe or a housing entity designated by a tribe under certain conditions. This exemption is independent of the welfare exemption. Assembly Bill 659, Chapter 601 of the Statutes of 2000, an urgency statute effective September 24, 2000, amended section 237. Details of this legislation were explained in Letter To Assessors 2001/072, *Revenue and Taxation Code Section 237 Exemption for Low-Income Rental Housing Owned By Indian Tribes or Tribally Designated Housing Entities*. Senate Bill 2092, Chapter 775 of the Statutes of 2002, effective January 1, 2003, added section 259.13 to the Revenue and Taxation Code and made various changes to other sections to clarify administration of the exemption.

This letter discusses the most recent changes to the exemption and the use of two forms adopted by the Board for use beginning in 2003 to facilitate administration of this exemption, BOE-237, *Exemption of Low Income Tribal Housing*, and BOE 237-A, *Supplemental Affidavit for BOE-237 Housing-Lower-Income Households*.

The 2002 legislation made the following changes to clarify administration of the existing exemption:

- Amended section 237 to conform the definition of lower income households to that of the federal Native American Housing and Self-Determination Act and other housing financing program.
- Amended section 237 to designate that the exemption be known as the "tribal housing exemption."
- Amended section 254 to include the tribal housing exemption in the list of exemptions requiring annual filing.
- Added section 259.13 to specify the annual filing deadline as February 15 and to specify the documentation required with the application for exemption.
- Amended section 270 to include the tribal housing exemption in the partial exemption provisions for late-filed claims.
- Amended section 271 to include the tribal housing exemption in the provisions listed in this section that allow the exemption to be applied to property acquired after the lien date.

All claimants for the tribal housing exemption must file annually with the county assessor Form BOE-237, *Exemption of Low-Income Tribal Housing*, and Form BOE-237-A, *Supplemental Affidavit for BOE-237 Housing-Lower Income Households*. First time claimants are required to submit forms BOE-237 and BOE-237-A, as well as the following information:

- Documents establishing that the designating tribe is federally recognized.
- Documents establishing that the housing entity has been designated by the tribe.
- Documents establishing that there is a deed restriction, agreement, or other legally binding document requiring that the property be used in compliance with section 237, subdivision (a), paragraph (2), subparagraph (A).
- A description of the property for which exemption is claimed, including the entire project property and the portion for which the exemption is claimed. If the property includes units that do not qualify for the exemption, the description must list the qualifying and nonqualifying units.

If you have any questions regarding the application of these changes or the use of these forms, please contact Gordon Ferguson of the Exemptions Unit at (916) 322-3815.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

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Enclosures