



SEN. GEORGE RUNNER (RET.)

VICE CHAIR
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CALIFORNIA'S TAX BOARD

April 13, 2015

Assemblymember Philip Y. Ting, Chair
Assembly Committee on Revenue and Taxation
1020 N Street, Room 167A
Sacramento, CA 95814

RE: ASSEMBLY BILL 748 (LACKEY) – TAXATION: EXEMPTIONS: PUBLIC SCHOOLS • SPONSOR •

Dear Assemblymember Ting,

I am pleased to sponsor Assembly Bill 748, which extends existing property tax exemptions to schools claiming the public school exemption in the year the property is acquired.

Although existing law does exempt property used exclusively for public schools from property taxes, Revenue and Tax Code Section 271 inadvertently failed to include public schools in the list of organizations eligible for a property tax exemption in the year the property was acquired, even if it is immediately put to qualified use.

While this does not cause a problem for most public schools, it does for charter schools. Government-owned public schools, nonprofit-run schools, church-run schools, and charter schools may all qualify for various property tax exemptions. Unfortunately, charter schools that are public schools are not always treated the same as other schools or exempt entities in some areas of the tax code. Section 271 is one such area. Because the public schools exemption is not expressly listed, when charter schools acquire property and put it to qualified use, they must wait until the following lien date (January 1) to obtain a property tax exemption.

Additionally, this measure will ensure that public schools that put property to qualified use by the dates specified in Section 75.21 and 75.24 for supplemental assessments will receive an exemption to the same extent as those qualifying for the other exemptions listed in those sections of law.

AB 748 promotes consistency and corrects an inadvertent omission in the code. Therefore, I urge your "aye" vote when the bill is heard in your committee on April 27.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Runner".

GEORGE RUNNER
1st District

cc: Assemblyman Lackey
Julia King, Policy Consultant, Assembly Republican Caucus