



***FACTS ABOUT
INSTITUTIONAL
PROPERTY TAX
EXEMPTIONS***

LESLIE MORGAN
SHASTA COUNTY ASSESSOR-RECORDER

Shasta County does not discriminate on the basis of disability. Our ADA Coordinator may be reached at 530-225-5515; relay service 800-735-2922; fax 530-225-5345.

Institutional property tax exemptions are available for real and personal property used for religious, hospital, scientific, or charitable purposes. The property must be owned and operated by funds, foundations, or corporations organized and operated for religious or other charitable purposes. These exemptions require annual filings.

Church Exemption

This exemption may be used by religious organizations for either owned or leased real or personal property. The exemption applies only to areas used exclusively for worship or parking. The exemption does not apply to areas used for fellowship or other non-worship activities. The Church Exemption is most often used for leased real property. Religious organizations that own real property most commonly file the **Religious** or **Welfare Exemption** claims because of their broader scope of exemption.

Religious Exemption

This exemption is available to religious organizations for real property they own, as well as owned or leased personal property. The exemption extends to property used for worship,



fellowship, religious counseling, offices, parking, and schools grades 12 and under. Once claimed, the exemption remains on the property until the status of the organization or use of the property changes. The Assessor's Office annually sends an exemption renewal statement which the organization returns verifying that the use and ownership of the property has not changed.

Welfare Exemption

This exemption is available to religious, hospital, scientific, or charitable organizations, including low-income housing limited partnerships. It may only be used for owned real or personal property. The following information must be submitted when filing a claim:

- An Organizational Clearance Certificate (BOE 277), obtained from the State Board of Equalization.
- Copies of financial statements for the years claimed
- If property is low income housing, a Supplemental Clearance Certificate (BOE 277-L1)

The State Board of Equalization determines whether an organization is eligible for the Welfare Exemption. The assessor determines whether the use of the property qualifies for the exemption. State Board of Equalization information is available at their website at www.boe.ca.gov or by calling their office at (916) 445-3524.

Low Income Housing

Housing for low-income tenants may be exempt if owned by a non-profit organization or a limited partnership with a non-profit as managing general partner.

Properties may qualify if they meet **one** of the following conditions:

- The property is financed with tax-exempt revenue bonds, general obligation bonds, or is financed by local, state, or federal loans or grants. Rents may not exceed the deed restriction or regulatory agreement limits.
- The owner of the property received low-income housing tax credits.
- Properties owned by non-profit organizations are occupied by tenants, 90% or more of whom qualify as low-income households.

Low-income housing exemption requires filing the Welfare Exemption.

Housing for Religious Personnel

Housing for religious personnel may be exempt if the housing is owned by the religious organization. Only housing incidental to the primary exempt activity of the organization is eligible. Housing for religious personnel requires filing the Welfare Exemption.

Veterans' Organization Exemption

California State Law provides for the exemption of all buildings, and the real property required for the convenient use and occupation of the exempt buildings, owned by a veterans' organization which has been chartered by the Congress of the United States and is organized and operated for charitable purposes, when such premises are used and operated exclusively for charitable purposes by such organization and are not being conducted for profit and no part of the net earnings of the operation inures to the benefit of any private individual or member of the organization. This exemption is popularly known as the veterans' organization exemption.

Personal property of veterans' organizations is exempt under Revenue and Taxation Code §215; it is not necessary to file a claim form requesting exemption on personal property. Like the Welfare Exemption, an Organizational Clearance Certificate must be obtained from the State Board of Equalization.

Public School Exemption

This exemption is used by public schools, including charter schools. Public schools most often use the exemption for leased real and personal property. The property may



be used for a variety of purposes, including education, administration, and administrative support functions. Charter schools must submit a copy of the charter when applying for this exemption.

College Exemption

The College Exemption is available to private four-year colleges and may be used for owned or leased real and personal property.

Cemetery Exemption

The Cemetery Exemption is available to both non-profit and for-profit cemeteries. Restrictions exist regarding the exemption of for-profit cemetery property.

Lessor's Exemption

The Lessor's Exemption is available to property owners who lease real property to free public libraries, free museums, public schools, community colleges, State colleges, State universities, University of California, churches, and non-profit colleges. Both the owner of the property and the exempt organization are required to sign the claim. The benefit of the exemption must go to the exempt organization in the form of a rent reduction or direct refund, unless otherwise stated in the lease. A copy of the lease is required to be submitted with the first claim.

Free Public Library or Free Museum Exemption

Property, whether owned or leased, which as of the lien date (January 1), is used for libraries and museums that are *free and open to the public* are eligible for exemption from property taxes. Property claimed to be exempt as a library or museum must be used primarily for such purpose. It must be regularly open to the public with regularly scheduled hours and easily identifiable as a library or museum. Libraries and museums may request a donation and still qualify for exemption *so long as no one is denied admission for failing to make a donation.*

How do I apply for one of these programs?

Claim forms are available on the Assessor's website, at the Assessor's Office, or by calling 530-225-3636. Claims must be filed annually with the county assessor, generally by February 15. If a claim is filed after February 15, a partial exemption may still be granted.

SHASTA COUNTY ASSESSOR-RECORDER

Office Hours: Monday – Friday, 8 a.m. to 5 p.m.

Location:

1450 Court Street, Suite 208-A

Shasta County Administrative Center

Redding, CA 96001-1667

TEL: 530-225-3600 FAX: 530-225-5673

Intra-County toll free: 1-800-479-8009

Shasta County website: <https://www.shastacounty.gov>