



STATE BOARD OF EQUALIZATION  
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DOUGLAS D. BELL  
Executive Secretary

November 13, 1979

TO COUNTY ASSESSORS:

WELFARE EXEMPTION-MUSEUMS AND LIBRARIES:  
WORKS OF ART EXEMPTION

AB 1489, Chapter 1188 (1979), which was signed by the Governor on September 29, 1979, amends Sections 214 (welfare exemption) and 217 (works of art) of the Revenue and Taxation Code. This bill is urgency legislation and is applicable to the 1979-80 tax year and thereafter.

Section 214 now provides the welfare exemption to property owned by a religious or charitable organization and used for museum or library purposes. Free public libraries and free museums continue to be exempt under Section 202(b) of the Revenue and Taxation Code. If a library is not a public library and/or a library or museum charges admission, the welfare exemption may be applicable if all the requirements of Section 214 of the Code (i.e., articles of incorporation, irrevocable dedication, tax letter, financial documents, etc.) are met.

Previously, Section 217 of the Revenue and Taxation Code only provided exemption for works of art when displayed in a publicly owned art gallery or museum. The new law extends the exemption to works of art displayed in a museum which is regularly open to the public and operated by a nonprofit organization which has qualified for (income tax) exemption pursuant to Section 23701(d) of the Revenue and Taxation Code. The new law also defines "regularly open to the public."

We suggest you review your records and identify those organizations you find who may qualify in 1979 under these new laws. If a 1979 claim for the works of art exemption was timely filed and denied, but now qualifies under this new law, the exemption should be allowed. If a welfare exemption was filed and denied, we will issue amended findings where appropriate. If you are aware of welfare exemption claimants who may now qualify but failed to file in 1979 because they were denied the exemption in prior years, we suggest they be notified of the change and advised they may file and qualify for partial exemption under the late filing provisions of Section 270 of the Revenue and Taxation Code. Neither exemption should be allowed for 1978-79 and prior years.

TO COUNTY ASSESSORS

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If you have any, questions regarding these changes, please contact Bill Minor, Vance Price, or Bill Grommet of this division. Their phone number is (916) 445-4982.

Sincerely,

Verne Walton,  
Chief Assessment Standards Division

VW:cr