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HEALTH AND SAFETY CODE - HSC

DIVISION 24. COMMUNITY DEVELOPMENT AND HOUSING [33000 - 37964] (*Heading of Division 24 amended by Stats. 1975, Ch. 1137.*)

PART 2. HOUSING AUTHORITIES [34200 - 34606] (*Part 2 added by Stats. 1951, Ch. 710.*)

CHAPTER 1.5. Tax Exemption of Housing Authority Property [34400 - 34402] (*Chapter 1.5 added by Stats. 1953, Ch. 93.*)

34400. (a) The Legislature has found and declared all of the following in the Housing Authorities Law (Chapter 1 (commencing with Section 34200)) and the Housing Cooperation Law (Chapter 2 (commencing with Section 34500)):

(1) There exist in the state housing conditions which constitute a menace to the health, safety, morals, and welfare of the residents of the state.

(2) These conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident prevention, and other public services and facilities.

(3) The public interest requires the remedying of these conditions by the creation of housing authorities to undertake projects for slum clearance and for providing safe and sanitary dwelling accommodations for persons who lack sufficient income to enable them to live in decent, safe, and sanitary dwellings without overcrowding.

(4) These housing projects are for public uses and purposes and are governmental functions of state concern.

(b) (1) As a matter of legislative determination, it is hereby found and declared that the property and bonds of a housing authority are of such character as shall be exempt from taxation.

(2) Property held by a nonprofit public benefit corporation that is controlled by a housing authority shall be included in the exemption from taxation described in paragraph (1).

(c) For purposes of this section, a nonprofit public benefit corporation shall be deemed to be controlled by a housing authority if both of the following conditions are met:

(1) The nonprofit public benefit corporation is organized for purposes pursuant to the Housing Authorities Law and is solely directed and managed by directors, officers, or employees of the housing authority.

(2) The organizational documents of the nonprofit public benefit corporation contain provisions that in the event of the liquidation, dissolution, or winding up of the nonprofit public benefit corporation, all assets of the nonprofit public benefit corporation revert to ownership by the housing authority.

(d) (1) It is the intent and purpose of this section to clarify subdivisions (a) and (b) of Section 3 of Article XIII of the California Constitution and, therefore, the changes made by this bill to this section do not constitute a change in, but are declaratory of, the existing law.

(2) Any outstanding ad valorem tax, interest, or penalty that was levied on the property of a housing authority that meets the requirements of this section shall be canceled, and any tax, interest, or penalty, as so levied, that was paid prior to January 1, 2024, shall be refunded.

(Amended by Stats. 2023, Ch. 766, Sec. 1. (AB 1528) Effective January 1, 2024.)

34401. The property of an authority is exempt from all taxes and special assessments of the State or any city, county, or political subdivision of the State. In lieu of such taxes or special assessments the authority may agree to make payments to any city, county,

or political subdivision of the State for services, improvements, or facilities furnished by such city, county, or political subdivision for the benefit of a housing project owned by the authority; but in no event shall such payments exceed the estimated cost to such city, county, or political subdivision of the services, improvements, or facilities.

(Added by Stats. 1953, Ch. 93.)

34402. The bonds of an authority are issued for an essential public and governmental purpose, and, together with interest thereon and income therefrom, are exempt from all taxes.

(Added by Stats. 1953, Ch. 93.)