

Proposition 19
The Home Protection for Seniors, Severely Disabled, Families, and
Victims of Wildfires or Natural Disasters Act

NO.	PROVISIONS	WHAT IT DOES	BOE ISSUES RAISED	CAA ISSUES RAISED	BOE OPTIONS	CAA OPTIONS	CONCURRENCE
1	Base Year Value Transfer for Age 55/Disabled/Major Disaster	Changes the way taxpayers can transfer their tax base to a replacement property as a result of a move due to age or disability or as a result of a disaster.					
	(b) Property Tax Fairness for Seniors, the Severely Disabled, and Victims of Wildfire and Natural Disasters. Notwithstanding any other provision of this Constitution or	Operative April 1, 2021, these provisions allow homeowners who are over age 55, severely disabled, or victims of wildfire or natural disasters to transfer a base year value to a replacement home anywhere in	Conflicting Base Year Value Transfers. Article XIII A, sections 2(a) and (e) provide base year value transfers for homeowners age 55/disabled and disaster relief. Does the author intend to replace these base year value transfers or add an additional	If a residence is destroyed, then rebuilt and an exclusion claimed under R&T 70/170, then the property is sold and a base year value exclusion claimed under Prop. 19, should the property owner be eligible for both exclusions?	Legislation – propose legislation that sunsets sections 2 (a) and (e) in part or in whole. [Legal is currently researching whether	Clarifying legislation to exclude the ability to claim both exclusions.	Propose legislation <ul style="list-style-type: none"> • Make section 69.5 inoperative after March 31, 2021

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>any other law, beginning on and after April 1, 2021, the following shall apply:</p>	<p>California, regardless of the location or value.</p>	<p>base year value transfer that is limited to homeowners? We note that the existing disaster intercounty base year value transfer applies to any type of property, including commercial, industrial, and multifamily residential. While this bill provides a sunset date for the parent-child and grandparent-grandchild exclusion in section 2(h) of article XIII A, this bill does not provide a sunset date for the base year value transfers contained in sections 2(a) and (e). Consequently, this bill creates a</p>		<p>the relevant provisions of section 2(a) are "implicitly repealed".]</p>		

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			<p>new base year value transfer for homeowners, in addition to the existing base year value transfers. The competing base year value transfers may be confusing to homeowners.</p> <p>Choice of relief. Under current law, if a property owner chooses to transfer the base year value to another property under either of the disaster relief base year value transfers (sections 69 and 69.3), the new construction exclusion under section 70(c) or 170 is no longer available. If the substantially</p>				

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			The original home is sold prior to the April 1, 2021 but the replacement was purchased after (or vice versa), will the base year transfer be subject to the Prop 19 or the old Prop 60/90/110?	Clarification about what, if any, purchase or sale of residence for a base year value transfer would be qualifying for Prop. 19 if it occurs before 4/1/2021. If a person purchased a replacement residence in January 2021, and sold their original	Propose legislation Promulgate Regulation Develop guidance	Legislation to clarify whether all parts of the transaction must be after the effective date, or whether only one part needs to be after the effective date. Request the BOE write a follow-up LTA covering the various transactions that will or will not qualify.	Propose legislation Promulgate Regulation Develop guidance <ul style="list-style-type: none"> • If either sale of the original property or the purchase or completion of new construction of the replacement property occurs on or

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	(1) Subject to applicable procedures and definitions as provided by statute, an owner of a primary residence who is over 55 years of age, severely disabled, or a	Victim of Wildfire or Natural Disaster. This bill provides that "victim of a wildfire or natural disaster" means the owner of a primary residence which has been substantially damaged as a	This bill provides definitions of wildfire and natural disasters by reference to existing statutes. The meaning could change if the existing statutes are changed. The existing disaster base year value	Prop. 19 states a person must only be "severely disabled," not "severely and permanently disabled." Is there a difference? Would this now include mental disability as well as physical disability?	None. Intended change in the way relief is allowed. ["as provided by statute" should mean that Legislature is required to provide new legislation.]	Request a legal opinion on the difference in definition, if any, and how it applies to the exclusion. Depending on legal opinion, may need clean language to state a claimant	Develop guidance <ul style="list-style-type: none"> Prop 19 only requires a person be severely disabled. There is requirement for the disability to be

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>victim of a wildfire or natural disaster may transfer the taxable value of their primary residence to a replacement primary residence located anywhere in this state, regardless of the location or value of the replacement primary residence, that is purchased or newly constructed as that person's principal residence within two years of the sale of the original primary</p>	<p>result of a wildfire or natural disaster that amounts to more than 50 percent of the improvement value of the primary residence immediately before the wildfire or natural disaster.</p> <p>This bill also provides that "damage" includes a diminution in the value of the primary residence as a result of restricted access caused by the wildfire or natural disaster.</p>	<p>transfers apply to any disaster for which the Governor declares a state of emergency. By adding such definitions, this bill limits the application of this new base year value transfer to these itemized events.</p>	<p>Prop. 19 specifies damage or destruction of improvements must be more than 50%, while previously statutes indicated improvements or land must be more than 50%. Initiative needed to clean up language. In the interim does Prop 110 remain as it relates to damage to land?</p>		<p>must be both "severely" and "permanently" disabled to qualify for the base year value exclusion.</p> <p>Prop. 19 specifies damage or destruction of improvements must be more than 50%, while previously statutes indicated improvements or land must be more than 50%. Initiative needed to clean up language. In the interim does Prop 110 remain as it relates to damage to land?</p>	<p>permanent nor physical.</p>

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residence.							
		<p>Original Property. This bill requires the original property be sold.</p> <p>Replacement Property. The replacement property must be purchased or newly constructed within two years of the sale of the original property.</p>	<p>This bill requires the original property to be sold and the replacement home must be purchased within two years of the sale in order to transfer the base year value. For property that has been damaged or destroyed, this two-year period may be difficult to meet if the homeowner purchases a replacement home first and then must sell the damaged or destroyed home within two years.</p>	<p>Disaster requirements. Prop. 19 has eliminated R&T 69 and 69.3, both of which had much more liberal requirements. (E.g the timeframe for selling and buying have been reduced to only 2 years. There is general agreement this is an almost impossibly short time to meet the qualifications. The permitting process and insurance payout will only rarely occur in two years, to say nothing of having to sell the original property in a disaster area where very few</p>	<p>Require a constitutional amendment to provide additional time to complete transaction.</p>	<p>Clean-up language to Constitution via initiative.</p>	<p>Constitutional Amendment</p>

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	Adds section 2.1 to article XIII A of the California Constitution.			people will be willing to purchase.)			
		Location. This bill allows a replacement property to be located anywhere in California.	No issue – this is an expansion of benefits for taxpayers		None		
	(2) For purposes of this subdivision: (A) For any transfer of taxable value to a replacement primary residence of equal or lesser value than the original primary residence, the taxable value of the replacement primary residence shall be deemed to be	Value. This bill allows the base year value to be transferred to a home of equal or lesser value.	New Value Comparison Test. Currently, the market value of the replacement home on its date of purchase or completion of new construction is compared to the market value of the original property on its date of sale. For property that has been substantially damaged or destroyed, the market value just	Clarification of when full market value and assessed value is determined for purposes of comparison between original and replacement properties. Should the value be determined strictly on the date of the event, even if the sale and purchase are two years apart? Should the value of both properties	Will require a constitutional amendment to change value limits.	Legislation is needed to clarify what dates should be used to determine value for the properties in order to also determine what values should be used to establish whether the replacement property is more than the value of the original property.	Develop guidance <ul style="list-style-type: none"> • How to calculate value to be transferred

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>the taxable value of the original primary residence.</p>		<p>prior to the date of damage or destruction is used. For homeowners who have lost their home in a disaster, they can transfer their base year value to a replacement home within the same county that is 120 percent of the value of the home that was damaged or destroyed. Under this scenario, partial relief is available. Since this bill replaces the 120 percent value test with a 100 percent value test, this will mean that homeowners who stay in the same county will pay more if they buy a home of greater</p>	<p>be based on the market value as of the date of the latest event? What date should be used for new construction of the replacement, and what date should the land for the replacement residence be used if the date for new construction is different than the date for the land purchase?</p> <hr/> <p>Under Prop. 60, the value of the replacement can be up to 105% greater in the first year and up to 110% greater in the second year.</p>		<p>Request the BOE write an LTA that clearly identifies how or if the 5% / 10% difference applies under Prop. 19, and include</p>	

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	Adds section 2.1 to article XIII A of the California Constitution.		<p>value.</p> <p>For persons who are at least age 55 or disabled, if the replacement home's market value is equal or less than 100, 105, or 110 percent of the original property's market value (depending on the replacement home's date of purchase or completion of new construction and the original property's date of sale), then the replacement home will qualify value-wise for the base year value transfer). If the replacement home's value exceeds the applicable value test, no partial relief is available. Under this</p>	<p>Prop. 19 does not mention this percentage difference, only that if the value of the replacement is greater than the original, the difference is to be added to the base year being transferred. The difference between have the "free" 5% or 10% can mean quite a bit in tax dollars for the claimant, so there would be differences in opinion about what is qualifying under Prop. 19.</p>		<p>examples for how the calculations should be done. Alternatively, recommend clarifying legislation.</p>	

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	(B) For any transfer of taxable value to a replacement primary residence of greater value than the original primary residence, the taxable value of the replacement primary residence shall be calculated by adding the	Value. If the value of the replacement home is greater than the value of the original property, the difference in market values will be added to the transferred base year value of the original property.	No issue – this is an expansion of benefits for taxpayer with replacement homes are valued at more than the original home.		None		

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	difference between the full cash value of the original primary residence and the full cash value of the replacement primary residence to the taxable value of the original primary residence.						
	(3) An owner of a primary residence who is over 55 years of age or severely disabled shall not be allowed to transfer the taxable value of a primary residence more than three times pursuant to this	<p>Limitation on Number of Base Year Value Transfers.</p> <p>This bill allows persons over age 55 or severely disabled to transfer their base year value only three times.</p>	<p>Number of Base Year Value Transfers for Homeowners Age 55 or Disabled.</p> <p>Currently, persons over age 55 or disabled can transfer a base year value to a replacement home or a unit of a multi-unit dwelling generally one time.</p>	The most logical source for tracking the number of times a claimant transfers is through the data base already established by the BOE. Prop. 19 states a three-time limit, but does not address reporting requirements to track the transfers.	Propose clarifying legislation Promulgate regulation Develop guidance	Recommend legislation to mandate reporting and clarify if disaster transfers count toward maximum transfer of three. However, if a mandate is impossible, the strongest language possible should be used to encourage	<p>Propose legislation</p> <p>Promulgate Regulation</p> <p>Develop guidance</p> <ul style="list-style-type: none"> Each spouse may transfer a base year value up to three times.

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>subdivision.</p>		<p>This bill allows three base year value transfers for homeowners who are over 55 or disabled.</p> <p>Can a taxpayer who have already use the Prop 60/90/110 qualify for relief again under Prop 19?</p>	<p>Also, since there is no cap on the number of times a disaster victim may transfer their base year value, if a person transferred a base year value due to a disaster, would that count toward their three-time limit?</p> <p>Clarification regarding "three time" transfer of base year value for spouses. Does this mean spouses will actually be able to transfer up to six times – three times for each spouse? Currently knowledgeable spouses can structure transfers so that each spouse</p>		<p>reporting.</p> <p>If one spouse has already used their 3 times, further claims be denied, even if the other spouse has not used their 3 times as an individual. Regarding a transfer prior to Prop. 19, we request clarification be included in an LTA from the BOE.</p>	

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	(4) Any person who seeks to transfer the taxable value of	Filing. This bill requires the homeowner to file an application	No issue		None		

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	their primary residence pursuant to this subdivision shall file an application with the assessor of the county in which the replacement primary residence is located. The application shall, at minimum, include information comparable to that identified in paragraph (1) of subdivision (f) of Section 69.5 of the Revenue and Taxation Code, as that section read on	with the county assessor where the replacement property is located.					

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2	Parent-Child and Grandparent-Grandchild Exclusion	Changes the way base year value transfers are allowed between parents and grandparents and children/grandchildren.					
	(c) Property Tax Fairness for Family Homes. Notwithstanding any other provision of this Constitution or any other law, beginning on and after February 16, 2021, the following shall apply:	Operative February 16, 2021, this bill replaces the existing parent-child and grandparent-grandchild exclusion with a new parent-child and grandparent-grandchild exclusion that applies to a transfer of a family home, if the property continues as the	For a transfer made prior to February 16, 2021 but the application for the parent-child or grandparent-child exclusion is filed after, which statute applies?	The effective date for Prop. 19 is February 16, 2021. The last date to effect a Prop. 58 transfer is February 15, 2021. In 2021, February 15 is a legal holiday. Normally filing dates ending on a holiday are extended to the following work day. Does this mean the actual final date for Prop. 58 is February 16, 2021, and the	Propose legislation Promulgate Regulation Develop guidance	Request the BOE issue an LTA regarding the legal effective date for the beginning date of Prop. 19 for parent-child transfers. There should also be a discussion about signature vs. recording dates, and how counties should process such anomalies.	Develop guidance

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		family home of the transferee.		beginning date for Prop. 19 is February 17, 2021? Also, what are the recommendations for counties where the Recorder's Office is behind in their recordings? Is there a time frame where the signature /notarization date should be used as the effective date? If this is done for the parent/child exclusion, then should it be done for the base year value transfers as well? For example, if a deed is signed in escrow before April 1, 2021, but is not recorded until after April 1, 2021?			

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>(1) For purposes of subdivision (a) of Section 2, the terms "purchased" and "change in ownership" do not include the purchase or transfer of a family home of the transferor in the case of a transfer between parents and their children, as defined by the Legislature, if the property continues as the family home of the transferee. This subdivision shall apply to both voluntary transfers and transfers resulting from a</p>	<p>Change in Ownership Exclusion. Under article XIII A, property is reassessed to current market value upon a change in ownership. This bill provides that the purchase or transfer of a family home between parents and children and, under certain circumstances, between grandparents and grandchildren, is not a change in ownership. This means that the property retains its existing factored base year value and is not</p>	<p>Creates the requirement that the property must be:</p> <ol style="list-style-type: none"> 1) a family home – other types of property are not eligible 2) must be the family home of the transferor and transfer – prior law does not require the property to be the family home of the transferee <p>If multiple children are transferees, must the property be the family home for all of them, or is it</p>	<p>Clarification regarding the residency requirement if there are multiple beneficiaries. Many families have more than one child. Suppose property is in a trust, the trustor/parent dies, and the property is left equally to three children. Do all three children have to live in the property in order to claim a 100% exclusion? If only one child lives in the property, would this mean reassessment of a 2/3 interest?</p>	<p>Develop guidance</p>	<p>Recommend as long as one of the beneficiaries is using the property as their principal residence, the transfer would qualify for the full exclusion. (Is it reasonable to assume that all children and their families must reside in the same house in order for the exclusion to apply fully? This would mean that families with only one child had an unfair advantage over families that had, for example, four children, eight children, or even two children.)</p>	<p>Propose legislation</p> <ul style="list-style-type: none"> • For multiple transferees, only one transferee needs to maintain the family home as this or her principal residence.

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	court order or judicial decree. The new taxable value of the family home of the transferee shall be the sum of both of the following:	reassessed to current market value if certain conditions are met.	enough that least one of the transferee's maintains the property as his family home?				
	(A) The taxable value of the family home, subject to adjustment as authorized by subdivision (b) of Section 2, determined as of the date immediately prior to the date of the purchase by, or transfer to, the transferee.	This bill provides how a new taxable value (defined as a base year value) will be calculated.	Intend change in relief		None		
	(B) The applicable of the	Principal Residence Value	Limits the amount that may be		Intended change in amount to be		

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>following amounts:</p> <p>(i) If the assessed value of the family home upon purchase by, or transfer to, the transferee is less than the sum of the taxable value described in subparagraph (A) plus one million dollars (\$1,000,000), then zero dollars (\$0).</p> <p>(ii) If the assessed value of the family home upon purchase by, or transfer to, the transferee is equal to or more than the sum of</p>	<p>Test. This bill provides that the existing adjusted base year value of the principal residence will remain if the reassessed value is less than the sum of the adjusted base year value of the principal residence of the transferor plus \$1 million.</p> <p>If the reassessed value is equal to or exceeds the sum of the adjusted base year value of the principal residence of the transferor plus \$1 million, then the difference between (1) the sum of the</p>	<p>excluded from reassessment. Currently, each transferor may transfer any number of principal residences to an eligible parent or child, or grandchild (under limited circumstances). There is no limit as to the value of a principal residence and no limit as to the number of principal residences a transferor can transfer to an eligible parent or child over a lifetime. This bill appears to require that all principal residences that transfer between parent and child be reappraised to verify qualification. This</p>		<p>excluded.</p>		

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	<p>the taxable value described in subparagraph (A) plus one million dollars (\$1,000,000), an amount equal to the assessed value of the family home upon purchase by, or transfer to, the transferee, minus the sum of the taxable value described in subparagraph (A) and one million dollars (\$1,000,000).</p>	<p>adjusted base year value plus \$ 1 million, and (2) the reassessed value, is to be added to the property's existing adjusted base year value.</p>	<p>additional workload on the county assessor's appraisal staff could delay the approval of claims for the parent-child or grandparent-grandchild exclusion, as well as cause more appeals to be filed.</p>				
	<p>(2) Paragraph (1) shall also apply to a purchase or transfer of the family home</p>	<p>Grandparent-Grandchild Middle Generation Limitation. This bill provides that</p>	<p>Are the provisions that allow for a exception to the middle generation under the prior law still applicable?</p>		<p>Promulgate Regulation Develop guidance</p>		

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	between grandparents and their grandchildren if all of the parents of those grandchildren, who qualify as children of the grandparents, are deceased as of the date of the purchase or transfer.	the exclusion applies to a transfer between grandparents and grandchildren if all the parents of those grandchildren, who qualify as children of the grandparents, are deceased as of the date of the purchase or transfer.					
	(3) Paragraphs (1) and (2) shall also apply to the purchase or transfer of a family farm. For purposes of this paragraph, any reference to a "family home" in paragraph (1) or (2) shall be deemed to	Family Home. This bill provides that "family home" includes a family farm, which means any real property that is under cultivation or being used for pasture or grazing or to produce any agricultural	See family farm below		See family farm below		

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	instead refer to a "family farm."	commodity , defined as any and all plant and animal products produced in California for commercial purposes.					
	(4) Beginning on February 16, 2023, and every other February 16 thereafter, the State Board of Equalization shall adjust the one million dollar (\$1,000,000) amount described in paragraph (1) for inflation to reflect the percentage change in the House Price Index for	Adjustment of \$1 Million. This bill requires that, beginning February 16, 2023, the \$1 million amount be annually adjusted by an inflation factor that is the percentage change in the House Price Index (HPI) for California for the prior calendar year, as determined by the Federal Housing Finance Agency. This bill requires	Exclusion Amount Adjustment. This bill provides that the \$1,000,000 amount be annually adjusted by the percentage change in the California HPI, rounded to the nearest one-thousandth of 1 percent, for the first three quarters of the prior calendar year, as determined by the Federal Housing Finance Agency. Base year values are annually adjusted by the percentage		Would require a constitutional amendment to change the from using the HPI		

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>California for the prior calendar year, as determined by the Federal Housing Finance Agency. The State Board of Equalization shall calculate and publish the adjustments required by this paragraph.</p>	<p>the BOE to calculate and publish the adjustments required.</p>	<p>change in the California Consumer Price Index from October to October, not to exceed two percent. Does this mean that an increasingly larger amount is to be excluded for future transfers?</p> <p>Exclusion Amount Adjustment: Negative housing price index changes? On occasion, the change in the housing price index (HPI) is negative. This bill provides that the assessor is to adjust the \$1,000,000 amount by the difference in the HPI. Thus, it appears that assessors would be</p>				

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	Adds section 2.1 to article XIII A of the California Constitution.		required to reduce the \$1,000,000 amount when the HPI is negative. Why use the HPI? Other property tax annual inflationary adjustments (i.e., base year values and the disabled veterans' exemption limits) are based on the California Consumer Price Index, which is generally considered a more stable index than the California HPI.				
	(5) (A) Subject to subparagraph (B), in order to receive the property tax benefit provided by this section for the purchase or transfer of a	Principal Place of Residence. To qualify for this benefit, the home must be the principal residence of the transferee and requires the transferee to file	Filing period. This bill requires the transferee to file for the homeowners' or disabled veterans' exemption at the time of the transfer or purchase. If the transferee does not	Rules for timely filing of claims, prospective filings, protective filings, etc. Prop. 19 is silent on filing dates, whether there are deadlines, whether there can	New legislation should include filing requirements. Provide guidance	Legislation to clarify filing dates. Recommend claim filing dates for the parent/child exclusion align with the existing filing requirements for Prop. 58, allowing	Propose legislation <ul style="list-style-type: none"> The transferee must establish the family home as their family home within one

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>family home, the transferee shall claim the homeowner's exemption or disabled veteran's exemption at the time of the purchase or transfer of the family home.</p>	<p>for the homeowners' or disabled veterans' exemption.</p>	<p>file for the homeowners' or disabled veterans' exemption at the time of the transfer, the transferee may get prospective relief if they file for the homeowners' or disabled veterans' exemption within one year of the date of transfer.</p> <p>This bill does not provide any filing requirements for the parent-child or grandparent-grandchild exclusion. How will the assessor know to exclude the property from reassessment?</p> <p>Principal Residence of Transferee. Under this proposal, the principal residence</p>	<p>be prospective filings, what is considered an untimely filing, etc. For example, suppose on a death a parent leaves a property to Child A and B. A lives on the property, and files a HOX claim and a parent/child claim. However, two years later, it is determined that the property will go to Child B, who is not eligible. What is the date of the change in ownership? The date of death or the date of the deed to Child B? (A was living in the property until B was deeded the property when the final decision was made.)</p>		<p>for prospective filings as well as protective filings.</p>	<p>year of the purchase or transfer.</p> <ul style="list-style-type: none"> The exclusion applies only as long as the transferee or another transferee keeps as family home. The family farm does not need to be the principal residence of the transferee to qualify. <p>Develop guidance</p> <ul style="list-style-type: none"> A transferee who has

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			<p>qualifies for the exclusion only if the property is the principal residence of the transferee and the transferee timely files for the homeowners' or disabled veterans' exemption.</p> <p>What would happen if the transferee files, but fails to qualify for the homeowners' or disabled veterans' exemption?</p> <p>How long must the property remain the principal residence? Is this a "one-time" or "ongoing" requirement, i.e., what happens, if anything, if it is no longer the principal residence of the</p>	<p>_____</p> <p>Clarification regarding transferor for parent/child transfers. Do they need a HOX/DVX, and/or other documentation?</p> <ul style="list-style-type: none"> Do all the transferors have to use the property as their principal residence? For example, if the husband lives on the property but the wife does not, is only the husband's interest eligible for exclusion, or since it is from both parents, does residency of only one qualify both interests? Prop. 19 		<p>Request the BOE issue an LTA to clarify.</p>	<p>been denied the homeowner's or disabled veteran's exemption can only file an appeal in superior court.</p>

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			transferee?	<p>language only requires the transferee to file for the HOX/DVX. Does the transferor also need to have filed for a HOX/DVX?</p> <ul style="list-style-type: none"> • If not, is there specific documentation needed? Is this reported to BOE? <hr/> <p>Clarification regarding the ability to appeal a denial of a parent/child exclusion if a HOX/DVX is denied by an assessor. An owner does not have the right to appeal the denial of an exemption before a</p>		<p>Legislation to clarify if an owner should be able to bring before a local appeals board before being required to go to court.</p>	

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	Adds section 2.1 to article XIII A of the California Constitution.			local appeals board. If an owner wants to appeal the denial of a parent/child exclusion based on the denial of a HOX/DVX, would that mean an owner has to go to court to prove a property is their principal place of residence?			
	(B) A transferee who fails to claim the homeowner's exemption or disabled veteran's exemption at the time of the purchase or transfer of the family home may receive the property tax benefit provided	Principal Place of Residence. This bill provides that if the transferee fails to file for either exemption at the time of transfer, the transferee is eligible for a refund and prospective relief if the claim for the homeowners' or disabled veterans'	There is no relief available if the transferee fails to file for either exemption within one year.	Clarification regarding timing for transferee to establish a property as a principal residence. Must it be a principal residence on the date of transfer, or can it be up to 1 year after the transfer? Prop. 19 requires a claim to be filed within	Intended change in exclusion. Will need to propose implementing legislation to allow for prospective relief after one year if there is a desire to change exclusion.	Legislation to clarify, but recommend allowing the transferee to move in within one year after the date of transfer. (If a veteran is living on the property, but is still working with the DVA to establish their percentage of disability, they	Propose legislation <ul style="list-style-type: none"> • Provide for prospective relief • Provide for annual certification Develop guidance

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>by this section by claiming the homeowner's exemption or disabled veteran's exemption within one year of the purchase or transfer of the family home and shall be entitled to a refund of taxes previously owed or paid between the date of the transfer and the date the transferee claims the homeowner's exemption or disabled veteran's exemption.</p>	<p>exemption is filed within one year of the transfer.</p>		<p>one year after the transfer, but is silent on when the transferee must be living in the property. If, for example, a parent passes away, is it reasonable to expect the child to be living on the property on that date, or can they move in within one year after that date? What is the assessor's responsibility for verifying the property is the principal residence of the transferee?</p> <p>Clarification about whether a transferee moving out of a property after an</p>		<p>should be filing a HOX until such time as a DVX is approved. Would the primary residence responsibility would be the same as for any homeowner claiming the HOX/DVX, or a claimant for the base year value transfer which includes a residency requirement?)</p> <p>Legislation needed to clarify. There are many mixed opinions regarding</p>	

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				<p>exclusion is applied has any effect on the exclusion. If a transferee claims the exclusion, but then moves out of the property six months later and the property becomes a rental, does that mean the exclusion should be removed and reassessed? What about if the transferee moves out five years later? What if the transferee moves out "temporarily" for work? What if the transferee had to move into a nursing home? What if the transferee were in the military and had multiple tours overseas? What if</p>		<p>the intent versus the actual language in Prop. 19.</p>	

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				<p>the transferee added joint tenants to title (so no change in ownership), and the original child moved out but the joint tenant continued as a resident so there was no break in the HOX eligibility? What if the transferee transferred to their child – would that be considered another parent/child, or would that be a grandparent/grandchild since the original exclusion went back to the original primary transferor? Would the date the principal residency ceased be the new</p>			

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				transfer date, or would it be a factored enrollment of value established on the original date of transfer? Under what authority could the property be reassessed if there is no change in ownership or completion of new construction? Would the change in value be supplementally effective, and if so, under what authority, or would the new value be enrolled on the upcoming lien date (like a rescission)?			
	(d) Subdivision (h) of Section 2 shall apply to	Sunsets the Prop 58 Parent /Child Exclusion and the	Intended change		None		

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	<p>Adds section 2.1 to article XIII A of the California Constitution.</p> <p>any purchase or transfer that occurs on or before February 15, 2021, but shall not apply to any purchase or transfer occurring after that date. Subdivision (h) of Section 2 shall be inoperative as of February 16, 2021.</p>	<p>Prop 193 Grandparent to Grandchild Exclusion</p>					
	<p>(e) For purposes of this section:</p> <p>(1) "Disabled veteran's exemption" means the exemption authorized by subdivision (a) of Section 4 of</p>	<p>Provides definition</p>	<p>None</p>		<p>None</p>		

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Article XIII.							
	(2) "Family farm" means any real property which is under cultivation or which is being used for pasture or grazing, or that is used to produce any agricultural commodity, as that term is defined in Section 51201 of the Government Code as that section read on January 1, 2020.	Provides definition	Family Home includes Family Farm. This bill specifies that the term "family home" also includes a family farm, which is defined as any real property under cultivation or being used for pasture, grazing, or production of any agricultural commodity. "Agricultural commodity" is defined as any and all plant and animal products produced in California for commercial purposes. There will many questions as to what will qualify as a family farm.	Definition and clarification of terms, such as "family farm," "owner," "claimant," etc. What is the meaning of "family?" (Is it any blood relation? Adopted? Step-parents or children? Only lineal descendants such as children and grandchildren? How long does it need to be in the family before it is a "family farm?") Does "family farm" refer to the appraisal unit, which might include multiple APN's, or only where the principal residence is located? Is a	Promulgate Regulation Develop guidance	Request the BOE issue an LTA clarifying the meaning of various terms, with examples to illustrate how exclusion calculations should be applied under various scenarios. Legislation may be needed to further clarify the definitions.	Propose legislation <ul style="list-style-type: none"> Family need not be primary residence Promulgate Regulation Develop guidance <ul style="list-style-type: none"> Provide for the treatment of mixed use property that include a primary residence

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				<p>family farm without a homesite eligible for exclusion? Should the claimant be able to specify to what part of the family farm they want the exclusion applied? (For example, if the farm is in the Williamson Act, only the APN where there is site value.) Or, should it be applied to the appraisal unit as a whole?</p> <hr/> <p>Clarification of whether mixed use property, other than a family farm, is eligible for a parent/child exclusion. If, for</p>		<p>Legislation to clarify. Request the BOE follow up with an LTA including different examples to illustrate how the exclusion should</p>	

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	Adds section 2.1 to article XIII A of the California Constitution.			example, an owner lives above a commercial enterprise, would a transfer of the property be eligible for a partial parent/child exclusion? Since there is specific language allowing family farms to qualify, on might interpret the language as only allowing mixed usage of family farms as qualifying.		work, and what calculations should be used.	
	(3) "Family home" has the same meaning as "principal residence," as that term is used in subdivision (k) of Section 3	Provides definition	None		None		

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	of Article XIII.						
	(4) "Full cash value" has the same meaning as defined in subdivision (a) of Section 2.	Provides definition	None		None		
	(5) "Homeowner's exemption" means the exemption provided by subdivision (k) of Section 3 of Article XIII.	Provides definition	None		None		
	(6) "Natural disaster" means the existence, as declared by the Governor, of conditions of disaster or extreme peril to the safety of persons or property within	Provides definition	None		None		

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	<p>the affected area caused by conditions such as fire, flood, drought, storm, mudslide, earthquake, civil disorder, foreign invasion, or volcanic eruption.</p>						
	<p>(7) "Primary residence" means a residence eligible for either of the following:</p> <p>(A) The homeowner's exemption.</p> <p>(B) The disabled veteran's exemption.</p>	Provides definition	None		None		

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	(8) "Principal residence" as used in subdivision (b) has the same meaning as that term is used in subdivision (a) of Section 2.	Provides definition	None		None		
	(9) "Replacement primary residence" has the same meaning as "replacement dwelling," as that term is defined in subdivision (a) of Section 2.	Provides definition	None		None		
	(10) "Taxable value" means the base year value determined in accordance with subdivision (a)	Provides definition	None		None		

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	(11) "Victim of a wildfire or natural disaster" means the owner of a primary residence that has been substantially damaged as a result of a wildfire or natural disaster that amounts to more than 50 percent of the improvement value of the primary residence immediately before the wildfire or	Provides definition	None		None		

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	natural disaster. For purposes of this paragraph, "damage" includes a diminution in the value of the primary residence as a result of restricted access caused by the wildfire or natural disaster.						
	(12) "Wildfire" has the same meaning as defined in subdivision (j) of Section 51177 of the Government Code, as that section read on January 1, 2020.	Provides definition	None		None		
				Clarification about correct application		Request the BOE write one or more	Develop guidance

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				<p>of calculations for various situations for both base year value transfers and parent/child grandparent/grandchild transfers. (I.e. Value increases, value decreases, fractionals, multiple APN's, etc.)</p> <p>If a parent/child grandparent/grandchild exclusion is allowed for a fractional interest, how should it be calculated? What if the fractional interest is for a family farm and there are multiple APN's? What if the property is under the Williamson Act, so there is site value? Etc. If the parent has a high</p>		LTA's covering the various transactions, and the proper method of calculation for each.	

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				value property, and so transfers small percentages to the transferee resident over time, is this allowed, and how will the calculations for such transfers be calculated? [e.g. To avoid having a transfer exceed the amount allowable under the Prop. 19 calculations, perhaps 10% transfers would remain under the amount that would trigger value being added to the base year. Could this be done multiple times so eventually the entire residence would remain under the old base year value? Would the step transaction			

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				doctrine apply? Is there any limit to the number of transfers a transferor can make in their lifetime?]			