



Office of Tom J. Bordonaro, Jr., County Assessor

1055 Monterey Street, Suite D-360, San Luis Obispo, CA 93408
(805) 781-5636 Fax: (805) 781-5641 Website: slocounty.ca.gov/assessor

March 31, 2021

Glenna Schultz
California State Board of Equalization
Property Taxes Department
P.O. Box 942879
Sacramento, CA 94279-0064

RE: Proposed Property Tax Rule 462.520

Dear Glenna,

Regarding proposed Property Tax Rule 462.520, we make the following suggestions.

1. First, and most importantly, we support and concur with the four points and proposals put forth in Larry Stone's letter dated March 26, 2021. We believe all of the points, as stated in his letter, will be of great benefit to assessment staff throughout the state who work with attorneys, property owners, realtors, and other interested parties. There will be many questions in the coming years, and having written regulatory guidance and examples will be of immense help in responding to concerns and inquiries.
2. In addition to the above, we note the following:
 - a. In (a)(2), we ask you consider including a phrase to the final sentence to clarify the one year is following the initial transferee moving out of the property, not one year from the initial transfer.
 - b. In Example 7-4, there appears to be a typing error in line 9. The original transfer value was \$800,000, not \$900,000.
 - c. Please consider adding an example where the principal residence is only part of the transfer. Either an example where the property is a duplex, and only one side is eligible as a principal residence, or where there is excess land in addition to the "area of reasonable size" needed for the principal residence.
 - d. Under (f)(1)(A)(iii), if R&T 69.5 is not repealed, should reference to this section be included?
 - e. Under (f)(1)(A)(v), please include that the exemption claim is or will be filed within one year of the transfer.

- f. Under (f), please include an example where an exemption claim is NOT filed timely, even though an exclusion claim IS filed timely, and how that will preclude the assessor from allowing the exclusion.
- g. Under (f)(4), we are wondering if a transfer between an eligible grandparent and grandchild would be considered a third-party transfer? Whether it is or is not, including a statement to clarify the issue would be helpful.
- h. Under (g), it states the \$1,000,000 shall be increased by the same percent increase in the House Price Index for California. What would happen in the (perhaps unlikely) event of a decrease?
ACA 11, under 2.1(c)(4) states: "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 California for the prior calendar year, as determined by the Federal Housing Finance Agency." (emphasis added)
Perhaps consider using the language from ACA 11, so there would be no potential conflict between the regulation and the constitutional language?

Thank you to all staff at the Board involved in helping to interpret and provide guidelines and regulations for Proposition 19. The support and cooperation of all Board staff working through the many issues with the Assessor's Association has been, and continues to be, phenomenal.

Sincerely,



Tom J. Bordonaro, Jr.
County Assessor