



CALIFORNIA ASSOCIATION OF REALTORS®

April 16, 2021

State Board of Equalization  
Attn: David Yeung, Deputy Director  
PO BOX 942879  
Sacramento, CA 94279-0064

**RE: Response to Proposed Property Tax Rule 462.540**

Dear Mr. Yeung,

Thank you for the opportunity to provide comments regarding the proposed property tax rule which seeks to implement provisions of Proposition 19, also known as Assembly Constitutional Amendment 11 (ACA 11) which was enacted by the voters in November of 2020.

C.A.R. thanks your staff for their diligent work in incorporating key provisions of Proposition 19 specifically found in section 2.1 to article XIII A of the California Constitution.

C.A.R. is committed to working with you to ensure that the provisions accurately reflect the intent and language of the sections enacted. C.A.R. writes to express concern with a specific term used in the rule and recommends the following amendment in section b, titled "Valuation."

Current language in the Proposed Tax Rule 462.540 incorporates the following language (italics added):

**(b) Valuation.**

(1) If the full cash value of the replacement primary residence *is equal to or less than* the full cash value of the original primary residence, the new base year value of the replacement primary residence shall be the factored base year value of the original primary residence.

C.A.R. recommends the following change to section (b)(1) to ensure conformity with the intent and language of the initiative and existing law.

**(b) Valuation.**

(1) If the full cash value of the replacement primary residence is **of equal**~~to~~ **or lesser value** than the full cash value of the original primary residence, the new base year value of the replacement primary residence shall be the factored base year value of the original primary residence.



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The term “equal or lesser value” is expressly stated within Proposition 19 (ACA 11), Section 2.1 (b)(2)(A) and also utilized in Section 2(a) and 2(e)(3) pertaining to a prior property tax initiative. Further, Section 69.5 (a)(1) of the Revenue and Taxation Code implementing Section 2 contains this exact term with a specified definition as well. Lastly, applying this change would not only expressly mirror the California Constitution, California statute, but also expressly mirror the language the Board of the Equalization has used in other rules, bulletins and Letters to Assessors.

For these reasons, C.A.R. asks for your consideration to amend the proposed rule as discussed above.

Please feel free to reach out to us at [vanessac@car.org](mailto:vanessac@car.org) or 916-492-5200 if you have any questions regarding our comments.

Thank you,

A handwritten signature in black ink, appearing to read "Vanessa L. Chavez". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Vanessa L. Chavez  
Legislative Advocate