

**From:** Alan Lieberman  
**Sent:** Thursday, April 15, 2021 6:27 PM  
**To:** Schultz, Glenna  
**Subject:** Proposed Property Tax Rule 462.540

Dear Ms. Schultz,

I am writing pursuant to the Board of Equalization's request for suggestions to Proposed Property Tax Rule 462.540, issued March 19, 2021.

My wife and I lived in the home on our property in Paradise, CA, for nearly forty years until November 8, 2018, when our home was destroyed in the Camp Fire. We still own our property and have not made a decision whether to rebuild or to purchase another home. Our ability to make this decision is hampered because we have yet to reach a final determination with our insurance company as to how much money we will have to rebuild or to purchase replacement housing and because of uncertainty concerning the calculation of our property tax assessment should we purchase replacement housing.

Like many Paradise residents, we voted for Proposition 19 because it appeared to be directed in large part to aid wildfire survivors by providing the ability to relocate to additional locations in California while retaining a portion of the benefit of their Prop 13 tax assessment and by not limiting fire victims to having to purchase another home of "equal or lesser value" in a time of spiraling home costs.

I spoke recently with persons at the Board responsible for inquiries concerning Prop 19, and was told that there are a number of very significant 'gray areas' in its application. Staff did state that it appears to be BOE's position that Prop 19 impliedly repealed existing law (under Props 60/90) concerning transfer of the Prop 13 factored base year value of one's primary residence to a replacement primary residence; thus, clarity concerning the application of Prop 19 is particularly critical.

I also spoke with the Principal Property Appraiser in the Butte County Assessor's Office, who said that the situation for fire survivors is indeed unclear but that she thinks we and other fire victims have two years from the date we sell our property to take advantage of Prop 19.

Proposition 19 states that a purchase must be "within two years of the sale of the original primary residence." However, the Proposition does not state how or from what date or dates this new two-year rule is to be applied in the case of wildfires, and "date of sale" is not defined. The Proposed Rule defines "sale" as "any change in ownership of the primary residence for consideration." It would appear, but is not made clear, that the "date of sale" is the date the homeowner sells the real property upon which their home (primary residence) was situated.

Unfortunately, the Proposed Rule fails to specifically address this concern. The 10-page Proposed Rule sets forth eight examples and the Board's Proposed Rule dated March 5, 2021 includes thirteen examples, but none of the examples discusses application of the two-year rule when the home on "the real property [that] is the person's original primary residence" has been destroyed by a wildfire, a situation that currently confronts many Californians.

This can be clarified in the Rule by adding the following sentence to the definition of "Sale" at (c)(11): "If the Claimant's primary residence was destroyed in a natural disaster as defined in this Rule, the date of sale is the date on which the Claimant sells the real property upon which the primary residence was situated."

I welcome the opportunity to speak with you or members of your staff to discuss this matter further.

Respectfully submitted,

Alan Lieberman