

**CHANGES WITHOUT REGULATORY EFFECT UNDER CALIFORNIA CODE OF REGULATIONS, TITLE 1, SECTION 100**

**Statement of Explanation**

**California Code of Regulations, Title 18. Public Revenues**

**Division 1, State Board of Equalization – Property Tax**

**Chapter 4, *Equalization by State Board*, Article 4. Change in Ownership and New Construction**

**Section 462.520, *Exclusion from Change in Ownership – Intergenerational Transfers***

California Code of Regulations, title 18, section (Rule) 462.520, *Exclusion from Change in Ownership – Intergenerational Transfers*, implements, interprets, and makes specific section 63.2 of the Revenue and Taxation Code (RTC) which was enacted to set forth procedures and definitions implementing article XIII A, section 2.1 of the California Constitution. This section of the Constitution outlines the limitations on Property Tax Increases for Primary Residences for Seniors, the Severely Disabled, Wildfire and Natural Disaster Victims, and Families.

Currently, subdivision (e)(11)(B)(i) of Rule 462.520 states that, “‘Accessory dwelling unit’ has the same meaning as defined in subdivision (j)(1) of section 65852.2 of the Government Code” and subdivision (e)(11)(B)(ii) states that, “‘Junior accessory dwelling unit’ has the same meaning as defined in subdivision (h)(1) of section 65852.22 of the Government Code.”

On March 25, 2024, Senate Bill No. 477 made nonsubstantive changes and reorganized various provisions related to the creation and regulation of accessory dwelling units and junior accessory dwelling units, including repealing sections 65852.2 and 65852.22 of the Government Code. The statutory definitions of “Accessory Dwelling Unit” and “Junior Accessory Dwelling Unit” were relocated to subdivisions (a) and (d) of Government Code (GC) section 66313 respectively.

The proposed amendments to Rule 462.520 update the references to the statutory definitions of “Accessory Dwelling Unit” and “Junior Accessory Dwelling Unit” to subdivisions (a) and (d) of GC section 66313 respectively.

The State Board of Equalization has determined that the changes to Rule 462.520 are appropriate for processing under California Code of Regulations, title 1, section 100 because the changes make “a regulatory provision consistent with a changed California statute” where “the regulatory provision is inconsistent with and superseded by the changed statute” and the Board has “no discretion to adopt a change that differs in substance from the one chosen.” (Cal. Code Regs., tit. 1, § 100, subd. (a)(6).) Furthermore, the changes are merely reflective of existing law and therefore, they do “not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.” (Cal. Code Regs., tit. 1, § 100, subd. (a).)