

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

**PROPOSITION 19 – BASE YEAR VALUE TRANSFERS  
SELF STUDY SESSION**

**REVIEW QUESTIONS**

1. Senate Bill 539 added section 69.6 to the Revenue and Taxation Code to implement the base year value transfer provisions of article XIII A, section 2.1(b) and (e) of the California Constitution. Section 2.1 was added to the Constitution under Proposition 19, which was approved by the voters in November 2020.  
 True  
 False
  
2. What date did the base year value provisions under Proposition 19 become operative?  
 November 3, 2020  
 April 1, 2021  
 January 1, 2021  
 September 30, 2021
  
3. Under the general provisions of Revenue and Taxation Code section 69.6(a), the factored based year value of the original property cannot be transferred to the replacement dwelling until the replacement dwelling is purchased or newly constructed.  
 True  
 False
  
4. What Revenue and Taxation Code section provides the definition of severely and permanently disabled?  
 Section 69.6(b)  
 Section 69.4  
 Section 74.3(b)  
 Section 60

5. Fill in the blank: A "claimant" is any person claiming the \_\_\_\_\_ under Revenue and Taxation Code section \_\_\_\_\_.
6. Revenue and Taxation Code section 69.6(b) provides specific requirements that must be satisfied to qualify for a base year value transfer. What are those requirements? Mark all that apply.
- Either one or both of the following events must occur on or after April 1, 2021: the sale of the original property or the purchase or completion of new construction of the replacement dwelling.
  - The claimant must sell the original property within three years of the purchase or completion of new construction of the replacement dwelling.
  - The claimant must be at least 55 years of age or older, or severely and permanently disabled, or a victim of wildfire or natural disaster at the time of sale of the original property.
  - The claimant must own and occupy the replacement dwelling as a principal residence and be eligible for either the homeowners' or disabled veterans' exemption at the time of filing the claim.
  - The claimant must own and reside in the original property as a principal residence either at the time of its sale or within two years of the purchase or new construction of the replacement dwelling.
  - The land is not considered part of the replacement dwelling.
  - All the above.
7. A claimant who is over age 55, severely and permanently disabled or the victim of a wildfire or natural disaster is limited to three base year value transfers under section 69.6.
- True
  - False
8. A spouse of a claimant who is a record owner of the replacement dwelling is not considered a claimant for purposes of the section 69.6 base year value transfer. Therefore, each spouse or registered domestic partner may transfer their base year value three times.
- True
  - False

9. Both "original property" and "replacement dwelling" are defined as which of the following? Mark all that apply.

- Any land owned by the claimant on which the building, structure, or other shelter is situated
- Real or personal property
- A building, structure, or other shelter constituting a place of abode
- Owned and occupied by a claimant as the claimant's principal place of residence
- All the above

10. If a single-family principal residence is sold and a duplex is purchased as a replacement dwelling, only one unit of the duplex (the unit that is occupied by the owner as a principal residence) is eligible for the base year value transfer.

- True
- False

11. Fill in the blank: An original property or a replacement dwelling is not considered a multi-unit dwelling if all the following are met:

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12. A claimant may purchase or newly construct a replacement dwelling of any value.

- True
- False

13. Fill in the blank: If the full cash value of the replacement dwelling exceeds the full cash value of the original property, then the \_\_\_\_\_ in full cash values will be \_\_\_\_\_ to the transferred base year value.

14. The full cash value of the replacement dwelling is its full cash value as of the date on which it was purchased or new construction was completed. If the replacement dwelling is, in part, purchased and, in part, newly constructed, the date that the full cash value is determined is the date that occurs later.

True

False

15. If vacant land is purchased and subsequently a new residence is constructed and completed, the full cash value of both the land and improvements is determined as of the date of purchase.

True

False

16. Fill in the blank: When the full cash value of the replacement dwelling is of \_\_\_\_\_ value than the full cash value of the original property, the factored base year value of the \_\_\_\_\_ becomes the new base year value of the \_\_\_\_\_.

17. Revenue and Taxation Code section 69.6(d)(13) states "equal or lesser value" means the full cash value of the replacement dwelling does not exceed which of the following? Mark all that apply.

110 percent of the full cash value of the original property if a replacement dwelling is purchased or newly constructed within the second year after the sale of the original property.

100 percent of the full cash value of the original property if a replacement dwelling is purchased or newly constructed after the sale of the original property.

105 percent of the full cash value of the original property if a replacement dwelling is purchased or newly constructed within the first year after the sale of the original property.

All the above.

18. If the full cash value of the replacement dwelling does not meet the applicable "equal or lesser value" definition, then the amount above the "equal or lesser value" of the original property's full cash value is added to the transferred base year value.

True

False

19. A homeowner, who is over age 55, purchased a replacement dwelling on November 1, 2021, for a full cash value of \$800,000. The homeowner sold a primary residence (original property) on December 20, 2021, for a full cash value of \$920,000. At the time of the sale, the original property had a factored base year value of \$474,899. What amount would be transferred to the replacement dwelling as of December 20, 2021?
- \$594,899
  - \$920,000
  - \$474,899
  - \$800,000
20. A homeowner, who is over age 55, purchased a replacement dwelling on July 17, 2021, for a full cash value of \$560,000. The homeowner sold a primary residence (original property) on October 14, 2021, for a full cash value of \$450,000. At the time of sale, the original property had a factored base year value of \$147,563. What amount would be transferred to the replacement dwelling as of October 14, 2021?
- \$147,563
  - \$257,563
  - \$560,000
  - \$450,000
21. A homeowner, who is over age 55, sold a primary residence (original property) on August 25, 2021, for a full cash value of \$645,000. At the time of the sale, the original property had a factored base year value of \$233,794. On November 28, 2021, a replacement dwelling was purchased for a full cash value of \$940,000. What amount would be transferred to the replacement dwelling as of November 28, 2021?
- \$645,000
  - \$940,000
  - \$528,794
  - \$496,544
22. If a replacement dwelling is purchased within the second year after the sale of the original property, inflationary adjustments must be added to the original property's full cash value and 110 percent of that value would be compared to the full cash value of the replacement dwelling.
- True
  - False

23. To receive the base year value transfer under section 69.6, the claimant must file a claim with the County Assessor where the replacement dwelling is located within five years of the date the replacement dwelling is purchased or the new construction of the replacement dwelling is completed.

True

False

24. Completed claim forms are confidential documents and may only be viewed by which of the following persons? Mark all that apply.

The trustee of a trust in which the claimant or the claimant's spouse is a present beneficiary.

The claimant or the claimant's spouse.

The general public.

The executor or administrator of the claimant's or the claimant's spouse's estate

The legal representative of the claimant or claimant's spouse

25. Fill in the blank: Once a claim is approved, the base year value is transferred as of the latest of the following event dates:

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26. A homeowner whose principal place of residence is substantially damaged or destroyed and sold in its damaged state is eligible for the base year value transfer under Revenue and Taxation Code section 69.6.

True

False

27. Fill in the blank: The original property is "substantially damaged or destroyed" if either the land or the improvements sustain physical damage amounting to \_\_\_\_\_ than \_\_\_\_\_ percent of either the land's or the improvement's full cash value immediately \_\_\_\_\_ the wildfire or natural disaster.

28. For purposes of the value comparison test, the full cash value of the substantially damaged or destroyed original property is determined immediately after the date of the disaster by the County Assessor where the property is located.

- True  
 False

29. Fill in the blank: Once a claim for a base year value transfer for a damaged or destroyed original property is approved, the base year value that is transferred is the original property's factored base year value immediately before the date of disaster, plus any \_\_\_\_\_ for the period between the \_\_\_\_\_ and the replacement dwelling's \_\_\_\_\_.

30. If a property is sold after it is repaired or reconstructed, then the property owner must qualify under either age or disability requirements of section 69.6 to transfer their base year value, as they would no longer meet the requirements of a victim of a wildfire or natural disaster.

- True  
 False

31. A principal place of residence (original property) was destroyed in 2020 by the Zogg Fire. The following conditions apply.

- The factored base year value immediately before the disaster was \$682,456.
- A replacement dwelling was purchased on March 21, 2021.
- The full cash value of the replacement dwelling was \$1,250,000.
- The original property was reconstructed, and its base year value restored on September 1, 2021.
- The original property sold on October 13, 2021, and a claim was filed the same day.
- The County Assessor determined that the full cash value of the original property immediately before the date of the disaster was \$900,000.
- The inflation factor for 2021-22 was 1.01036
- The claimant and claimant's spouse are both 35 years old and neither is severely and permanently disabled

What is the new base year value of the dwelling purchased on March 21, 2021?

- \$900,000  
 \$1,250,000  
 \$682,456  
 \$1,039,526

32. When a claim has been timely filed and granted and new construction is performed upon the replacement dwelling after the transfer of the base year value, the value of the new construction may be included in the transferred base year value, if which of the following conditions are met? Mark all that apply.

- The owner notifies the County Assessor in writing of completion of the new construction within six months after completion.
- The fair market value of the new construction on the date of completion, plus the full cash value of the replacement dwelling on the date of acquisition, is of equal or greater value than the full cash value of the original property, as determined for purposes of granting the original claim.
- The new construction is completed within two years of the date of the sale of the original property.
- All the above.

33. If the fair market value of the new construction on the date of completion, plus the full cash value of the replacement dwelling on the date of acquisition, is greater than the full cash value of the original property, the taxable value of the replacement dwelling should be calculated in the same manner as calculating the taxable value of a replacement dwelling when its full cash value is greater than the full cash value of the original property.

- True
- False

34. Which Revenue and Taxation Code sections were not affected by SB 539, Section 1? Mark all that apply.

- Section 69.3
- Section 70.5
- Section 69.5
- Section 69
- All the above.

35. The State Board of Equalization adopted Property Tax Rule 462.540, which went into effect on January 1, 2022.

- True
- False