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No. 2003/052

July 22, 2003

TO COUNTY ASSESSORS,  
COUNTY COUNSELS, AND  
OTHER INTERESTED PARTIES:

CALIFORNIA CODE OF REGULATION  
TITLE 18. PUBLIC REVENUES

PROPERTY TAX RULE 462.240 THE FOLLOWING TRANSFERS DO NOT  
CONSTITUTE A CHANGE IN OWNERSHIP

APPROVED CHANGES FOR 15-DAY FILE

On July 9, 2003, the State Board of Equalization held a public hearing on proposed amendments to Property Tax Rule 462.240, *The Following Transfers do not Constitute a Change in Ownership*. At that hearing, the Board proposed the following changes to the published version of the regulation.

The deletion of the reference to Revenue and Taxation Code section 401.4 and the deletion of the words "trusts, wills or other estate plans". The changes makes the rule consistent with the statutory provisions under which the Board has adopted these amendments. These changes are indicated with double underscore and strikeout and brackets ([ ]). A copy of the revised version of the regulation is attached.

In accordance with Government Code section 11346.8(c), the revised version of Rule 462.240 is being placed in the rulemaking file and mailed today to interested parties that commented orally, in writing, or that asked to be informed of such revisions. If you wish to review the rulemaking file, it is available for your inspection at the State Board of Equalization, 450 N Street, Sacramento, CA.

The Board will consider comments if received by August 6, 2003. This matter will be placed on Chief Counsel Matters, August 6, 2003, for the Board's consideration to adopt the revised version. Please mail comments to Diane Olson, Regulations Coordinator, P.O. Box 942879, Sacramento, CA 95814-0080 or email [Diane.Olson@boe.ca.gov](mailto:Diane.Olson@boe.ca.gov) or Ms. Karen Anderson, Contribution Disclosures Analyst, telephone (916) 327-1798, e-mail [Karen.Anderson@boe.ca.gov](mailto:Karen.Anderson@boe.ca.gov) or by mail at State Board of Equalization, Attn: Diane Olson or Karen Anderson, MIC:80, P.O. Box 942879, 450 N Street, Sacramento, CA 94279-0080. If you have questions regarding the substance of the proposed regulation, please call Louis Ambrose at (916) 445-5580 or email [Lou.Ambrose@boe.ca.gov](mailto:Lou.Ambrose@boe.ca.gov).

Sincerely,

/s/ Deborah Pellegrini

Deborah Pellegrini, Chief  
Board Proceedings Division

DP:dgo  
Attachment

**Rule 462.240 THE FOLLOWING TRANSFERS DO NOT CONSTITUTE A CHANGE IN OWNERSHIP.**

The following transfers do not constitute a change in ownership:

(a) The transfer of bare legal title, e.g.,

(1) Any transfer to an existing assessee for the purpose of perfecting title to the property.

(2) Any transfer resulting in the creation, assignment, or reconveyance of a security interest not coupled with the right to immediate use, occupancy, possession or profits.

(b) Any transfer caused by the substitution of a trustee.

(c) Any purchase, redemption or other transfer of the shares or units of participation of a group trust, pooled fund, common trust fund, or other collective investment fund established by a financial institution.

(d) Any contribution of real property to an employee benefit plan, any acquisition by an employee benefit plan of the stock of the employer corporation pursuant to which the employee benefit plan obtains direct or indirect ownership or control of more than 50 percent of the voting stock in the employer corporation, or the creation, vesting, transfer, distribution, or termination of a participant's or beneficiary's interest in such a plan. The terms used herein shall have the meaning ascribed to them in the Employee Retirement Income Security Act of 1974, which is codified as United States Code annotated, Title 29, Section 1002. (The term "any contribution" as used in Section 66 (b) of the Revenue and Taxation Code and this section means only those original contributions of real property made to an employee benefit plan by an employer, a group of employees, or both, without any consideration.)

(e) Any transfer of property or an interest therein between a corporation sole, a religious corporation, a public benefit corporation, and a holding corporation as defined in Section 23701h of the Revenue and Taxation Code holding title for the benefit of any of the aforementioned corporations, or any combination thereof (including any transfer from one such entity to the same type of entity), provided that both the transferee and the transferor are regulated by laws, rules, regulations, or canons of the same religious denomination.

(f) Any transfer, occurring on or after January 1, 1983, which results from the reformation or correction of a deed which, by mistake, inaccurately describes the property intended to be conveyed, or adds or omits some term not agreed to by the parties, or in some other manner fails to express the true intentions of the parties.

Example 1: A agrees to sell one acre to B. The deed mistakenly describes a two-acre area. Reformation of the deed to describe the original acre intended to be transferred is not a change in ownership.

(g) Any transfer, occurring on or after January 1, 1983, of an eligible dwelling unit from a parent(s) or legal guardian(s) to a minor child or children or among minor siblings resulting from a court order or judicial decree due to the death of one or both of the parents. An “eligible dwelling unit” means the dwelling which was the principal place of residence of the minor child or children prior to the transfer and remains such after the transfer.

(h) Any transfer of property to a disabled child, whether minor or adult, upon the death of a parent pursuant to Section 62(n) of the Revenue and Taxation Code.

(i) Any transfer, on or after January 1, 1985, of a mobilehome park or of rental spaces in a mobilehome park pursuant to Section 62.1 of the Revenue and Taxation Code.

(j) Any transfer of a mobilehome park or of rental spaces in a mobilehome park pursuant to Section 62.2 of the Revenue and Taxation Code.

(k) Any transfer of separate property [as defined in Revenue and Taxation Code section 401.4,] inherited by a surviving domestic partner, as defined in subdivision (b) of section 37 of the Probate Code, [whether] by intestate succession [ , will, or trust, or other estate plan,] upon the death of a registered domestic partner.

Note: Authority: Section 15606, Government Code.

Reference: Sections 60, 61, 62, 62.1, 62.2, 64, 66, and 67, Revenue and Taxation Code; Sections 37, 6401, Probate Code.

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