



STATE BOARD OF EQUALIZATION  
PROPERTY TAX DEPARTMENT  
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No. 2020/056

November 6, 2020

TO COUNTY ASSESSORS:

### 2020 PROPERTY TAX LEGISLATION

This is a summary of 2020 legislation affecting property taxes. All bills will become effective January 1, 2021, unless otherwise specified.

#### **AB 107 (Budget Committee), Chapter 264, effective September 29, 2020**

*Among others, amends section 1604 of, and adds sections 1616 and 1752.4 to, the Revenue and Taxation Code.*

**Assessment Appeals Boards.** For timely filed appeals whose two-year decision deadline occurs during the period beginning March 4, 2020 through March 30, 2021, extends the two-year decision period to March 31, 2021. Provides that existing law does not prohibit remote hearings. If a County Board of Supervisors enacts any rules of notice and procedures for assessment appeals pursuant to section 16 of article XIII of the California Constitution, requires that remote hearings be compliant with those rules of notice and procedures.

#### **AB 2013 (Irwin), Chapter 124**

*Adds section 70.5 to the Revenue and Taxation Code.*

**Disaster New Construction Exclusion.** For property that is substantially damaged or destroyed by a Governor-proclaimed disaster, adds a new construction exclusion for a replacement property that is comparable to and located on the same site as the substantially damaged or destroyed property. Provides that reconstruction is comparable if it is similar in size (120 percent of market value, not physical size), utility, and function. Applies to real property damaged or destroyed on or after January 1, 2017.

#### **AB 3373 (Revenue and Taxation Committee), Chapter 57**

*Amends section 1621 of the Revenue and Taxation Code.*

**Assessment Appeals Boards.** Deletes the maximum number of assessment appeals boards. Allows the County Board of Supervisors to create as many assessment appeals boards for the county as deemed necessary.

**ACA 11 (Mullin), Resolution Chapter 31, effective upon approval of Proposition 19**  
*Adds sections 2.1, 2.2, and 2.3 to article XIII A of the California Constitution.*

**Parent-Child and Grandparent-Grandchild Exclusion.** If Proposition 19 on the November 3, 2020 ballot is enacted, replaces the existing exclusion with a new exclusion for a transfer of a family home between parents and children and, under limited circumstances, between grandparents and grandchildren. For a grandparent-grandchild transfer, requires that all the parents of the grandchild, who qualify as children of the grandparent, be deceased as of the date of purchase or transfer. Requires partial reassessment if the assessed value of the family home exceeds the sum of the taxable value plus \$1 million. Provides that "family home" includes a family farm, as defined. To receive this benefit, requires the transferee to file a homeowners' exemption claim within one year of the date of transfer. Eliminates the exclusion for any other type of property. Operative February 16, 2021, if enacted.

**Base Year Value Transfer – Over 55/Disabled/Disaster Victims.** If Proposition 19 on the November 3, 2020 ballot is enacted, allows a homeowner who is over 55, disabled, or a victim of a wildfire or natural disaster to transfer the base year value to a new home that is acquired or newly constructed within two years of the sale of the original primary residence, located anywhere in California, and of any value. For a replacement home of greater value, requires the difference in the full cash values be added to the transferred base year value. Allows homeowners who are over 55 or disabled to transfer the base year value three times. Operative April 1, 2021, if enacted.

**SB 364 (Mitchell), Chapter 58, effective September 9, 2020, Operative only if Proposition 15 is enacted**

*Amends section 73; amends, repeals, and adds sections 105 and 106 of; and adds chapter 4.5 (commencing with section 83) to part 0.5 of division 1 of, the Revenue and Taxation Code.*

**Nonresidential Active Solar Energy System Exemption.** If Proposition 15 on the November 3, 2020 ballot is enacted, limits the existing new construction exclusion to residential active solar energy systems. Provides that a nonresidential active solar energy system is personal property and exempt from taxation if constructed or installed prior to January 1, 2025, until the system undergoes a change in ownership.

**SB 1305 (Roth), Chapter 238**

*Amends section 5600 of the Probate Code.*

**Revocable Transfer on Death Deed.** Extends the sunset date of the provisions that allow a property owner to record a revocable transfer on death deed to January 1, 2022.

**SB 1371 (Judiciary Committee), Chapter 370**

*Among others, amends section 15600 of the Government Code and section 214 of the Revenue and Taxation Code.*

**Board of Equalization (BOE) Authority.** Makes technical, nonsubstantial changes to Government Code section 15600, subdivisions (e)(1)(B), (e)(3), (h)(1), and (h)(2).

**Welfare Exemption.** Makes technical, nonsubstantial changes to Revenue and Taxation Code section 214, subdivisions (a)(3)(E), (a)(7), (g)(1)(D)(ii), (g)(2)(A)(i), (g)(3)(C)(i), (I), (m), and (n).

**SB 1473 (Governance and Finance Committee), Chapter 371**

*Among others, amends sections 15643, 15645, and 15646 of the Government Code, and sections 214.18 and 439.2 of the Revenue and Taxation Code.*

**County Surveys.** Extends the existing survey cycle until January 1, 2026. Removes obsolete deadlines for issuing a final survey report. Clarifies that the BOE must issue the final survey report within 12 months. Requires copies of final survey report that are filed with specified entities include any addendums to the report.

**Welfare Exemption – Community Land Trusts.** Corrects an erroneous cross reference. With respect to a contract serving as an enforceable restriction on the affordability of rental units, requires that the contract be an enforceable and verifiable agreement with a public agency, a recorded deed restriction, or other legal document that restricts the project's usage and imposes specified affordable rent requirements.

**Historical Property Interest Component.** Requires the interest component be determined based on the yield rate equal to the effective average interest rate on conventional mortgages as most recently published by the Federal Home Loan Mortgage Corporation as of September 1.

These bills and their analyses may be viewed from the California State Legislature's website at <http://leginfo.legislature.ca.gov/#>. The BOE's legislative bill analyses may be viewed from our website at <http://www.boe.ca.gov/legislative-research-and-stats/legislation.htm#Analyses>.

If you have any questions regarding the application of these measures, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David Yeung

David Yeung  
Deputy Director  
Property Tax Department

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