



JEFFREY PRANG  
Assessor

**OFFICE OF THE ASSESSOR  
COUNTY OF LOS ANGELES**

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April 7, 2021

Ms. Glenna Schultz  
California State Board of Equalization  
P.O. Box 942879  
Sacramento, California 92479-0064

Dear Ms. Schultz:

**LETTER TO ASSESSOR (LTA) 2021/012  
PROPOSED PROPERTY TAX RULE 462.540**

As requested, our office has reviewed the draft of proposed new Property Tax Rule 462.540, *Change in Ownership – Base Year Value Transfers*. Thank you for the opportunity to review.

*“We recommend adding an example explaining how to handle the following situation:*

- (1) *An owner owns vacant land. Owner sells principal place of residence (PPR), and builds a replacement PPR on the vacant land.*
  - (a) *Can the original PPR base value be transferred?*
  - (b) *What is the valuation process?*

*Example: Owner owns vacant land in Whittier purchased in 2010. Owner’s original principal place of residence (PPR) base value is \$250,000. Owner sells original PPR for \$700,000 on April 1, 2021. Owner constructs a replacement PPR on the vacant land in Whittier for a total cost of \$500,000, and completes construction on March 1, 2023.*

*Question: Can the owner transfer the base value of the original PPR to the replacement PPR? Please provide an example of the valuation process.”*

- *Lisa Lucero, Principal Appraiser  
Ownership Services*

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April 7, 2021  
Page 2

Should you have any questions, please contact Matthew Herrera at [MHerrera@assessor.lacounty.gov](mailto:MHerrera@assessor.lacounty.gov).

Sincerely,

Chad Gagna  Digitally signed by Chad Gagna  
Date: 2021.04.13 14:34:41 -07'00'

Chad Gagna  
Chief Appraiser  
Business Solutions and Standards Division

CG:CA:ca

c: File, Appraisal Standards Section