

AMENDED IN ASSEMBLY JUNE 16, 2025

AMENDED IN SENATE APRIL 10, 2025

AMENDED IN SENATE MARCH 24, 2025

## SENATE BILL

**No. 293**

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**Introduced by Senator Pérez**

February 6, 2025

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An act to amend ~~Section~~ *Sections* 63.1 and 63.2 of the Revenue and Taxation Code, relating to taxation.

### LEGISLATIVE COUNSEL'S DIGEST

SB 293, as amended, Pérez. Real property tax: transfer of base year value: generational transfers.

~~The~~

(1) *The* California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property, defined as the county assessor's valuation of real property as shown on the 1975–76 tax bill and, thereafter, the appraised value of the property when purchased, newly constructed, or a change in ownership occurs after the 1975 assessment, subject to an annual inflation adjustment not to exceed 2%. Existing property tax law provides that the purchase or transfer of the principal residence, and the first \$1,000,000 of other real property, of a transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased, is not a “purchase” or “change in ownership” for purposes of determining the “full cash value” of property for taxation.

The California Constitution, pursuant to Proposition 19, adopted by the voters at the November 3, 2020, general election, beginning on and

after February 16, 2021, excludes from the terms “purchase” and “change in ownership,” for purposes of determining the “full cash value” of property, the purchase or transfer of a family home or family farm, as those terms are defined, of the transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased, as specified.

Existing law requires a filing to be made with regard to a transfer that is eligible for the above-referenced exclusions, and sets various deadlines, including a requirement to file six months after the date of mailing of a notice of supplemental or escape assessment, issued as a result of the purchase or transfer of real property for which the claim is filed.

This bill would require a filing for a transfer that is eligible for the above-referenced exclusions to be treated as timely if the filing is made within three years of the date of mailing of a notice of supplemental or escape assessment if specified requirements are met, including a requirement that the assessor reassesses the property due to a misfortune or calamity in an area proclaimed a state of emergency, as specified. By expanding the duties of local tax officials, this bill would impose a state-mandated local program.

*(2) The California Constitution declares that all property is taxable, except as provided, and establishes or authorizes various exemptions from tax for real property, including a homeowners’ exemption in the amount of \$7,000 of the full value of a dwelling that may be applied unless the dwelling receives another real property exemption. The California Constitution and existing property tax law establish a disabled veterans’ exemption in the amount of \$100,000 or \$150,000 for the principal place of residence of a veteran or a veteran’s spouse, as specified. Existing law requires a transferee to file for the homeowners’ or disabled veterans’ exemption within a year of the transfer.*

*This bill would instead require that a filing for the homeowners’ or disabled veterans’ exemption be treated as timely if it is filed within a year of the date of mailing of a notice of supplemental or escape assessment if specified requirements are met.*

~~The~~

*(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 63.1 of the Revenue and Taxation Code  
2 is amended to read:

3 63.1. (a) Notwithstanding any other provision of this chapter,  
4 a change in ownership shall not include the following purchases  
5 or transfers for which a claim is filed pursuant to this section:

6 (1) (A) The purchase or transfer of real property which is the  
7 principal residence of an eligible transferor in the case of a purchase  
8 or transfer between parents and their children.

9 (B) A purchase or transfer of a principal residence from a foster  
10 child to the child's biological parent shall not be excluded under  
11 subparagraph (A) if the transferor child received that principal  
12 residence, or interest therein, from a foster parent through a  
13 purchase or transfer that was excluded under subparagraph (A).

14 (2) The purchase or transfer of the first one million dollars  
15 (\$1,000,000) of full cash value of all other real property of an  
16 eligible transferor in the case of a purchase or transfer between  
17 parents and their children.

18 (3) (A) Subject to subparagraph (B), the purchase or transfer  
19 of real property described in paragraphs (1) and (2) of subdivision  
20 (a) occurring on or after March 27, 1996, between grandparents  
21 and their grandchild or grandchildren, if all of the parents of that  
22 grandchild or those grandchildren, who qualify as the children of  
23 the grandparents, are deceased as of the date of purchase or transfer.  
24 Notwithstanding any other provision of law, for the lien date for  
25 the 2006–07 fiscal year and each fiscal year thereafter, in  
26 determining whether “all of the parents of that grandchild or those  
27 grandchildren, who qualify as the children of the grandparents,  
28 are deceased as of the date of purchase or transfer,” a son-in-law  
29 or daughter-in-law of the grandparent that is a stepparent to the  
30 grandchild need not be deceased on the date of the transfer.

(B) A purchase or transfer of a principal residence shall not be excluded pursuant to subparagraph (A) if the transferee grandchild or grandchildren also received a principal residence, or interest therein, through another purchase or transfer that was excludable pursuant to paragraph (1) of subdivision (a). The full cash value of any real property, other than a principal residence, that was transferred to the grandchild or grandchildren pursuant to a purchase or transfer that was excludable pursuant to paragraph (2) of subdivision (a) and the full cash value of a principal residence that fails to qualify for exclusion as a result of the preceding sentence shall be included in applying, for purposes of paragraph (2) of subdivision (a), the one million dollar (\$1,000,000) full cash value limit specified in paragraph (2) of subdivision (a).

(b) (1) For purposes of paragraph (1) of subdivision (a), “principal residence” means a dwelling that is eligible for a homeowners’ exemption or a disabled veterans’ exemption as a result of the transferor’s ownership and occupation of the dwelling. “Principal residence” includes only that portion of the land underlying the residence that consists of an area of reasonable size that is used as a site for the residence.

(2) For purposes of paragraph (2) of subdivision (a), the one-million-dollar (\$1,000,000) exclusion shall apply separately to each eligible transferor with respect to all purchases by and transfers to eligible transferees on and after November 6, 1986, of real property, other than the principal residence, of that eligible transferor. The exclusion shall not apply to any property in which the eligible transferor’s interest was received through a transfer, or transfers, excluded from change in ownership by the provisions of either subdivision (f) of Section 62 or subdivision (b) of Section 65, unless the transferor qualifies as an original transferor under subdivision (b) of Section 65. In the case of any purchase or transfer subject to this paragraph involving two or more eligible transferors, the transferors may elect to combine their separate one-million-dollar (\$1,000,000) exclusions and, upon making that election, the combined amount of their separate exclusions shall apply to any property jointly sold or transferred by the electing transferors, provided that in no case shall the amount of full cash value of real property of any one eligible transferor excluded under this election exceed the amount of the transferor’s separate unused exclusion on the date of the joint sale or transfer.

1 (c) As used in this section:

2 (1) “Purchase or transfer between parents and their children”  
3 means either a transfer from a parent or parents to a child or  
4 children of the parent or parents or a transfer from a child or  
5 children to a parent or parents of the child or children. For purposes  
6 of this section, the date of any transfer between parents and their  
7 children under a will or intestate succession shall be the date of  
8 the decedent’s death, if the decedent died on or after November  
9 6, 1986.

10 (2) “Purchase or transfer of real property between grandparents  
11 and their grandchild or grandchildren” means a purchase or transfer  
12 on or after March 27, 1996, from a grandparent or grandparents  
13 to a grandchild or grandchildren if all of the parents of that  
14 grandchild or those grandchildren who qualify as the children of  
15 the grandparents are deceased as of the date of the transfer. For  
16 purposes of this section, the date of any transfer between  
17 grandparents and their grandchildren under a will or by intestate  
18 succession shall be the date of the decedent’s death.  
19 Notwithstanding any other provision of law, for the lien date for  
20 the 2006–07 fiscal year and each fiscal year thereafter, in  
21 determining whether “all of the parents of that grandchild or those  
22 grandchildren, who qualify as the children of the grandparents,  
23 are deceased as of the date of purchase or transfer,” a son-in-law  
24 or daughter-in-law of the grandparent that is a stepparent to the  
25 grandchild need not be deceased on the date of the transfer.

26 (3) “Children” means any of the following:

27 (A) Any child born of the parent or parents, except a child, as  
28 defined in subparagraph (D), who has been adopted by another  
29 person or persons.

30 (B) Any stepchild of the parent or parents and the spouse of that  
31 stepchild while the relationship of stepparent and stepchild exists.  
32 For purposes of this paragraph, the relationship of stepparent and  
33 stepchild shall be deemed to exist until the marriage on which the  
34 relationship is based is terminated by divorce, or, if the relationship  
35 is terminated by death, until the remarriage of the surviving  
36 stepparent.

37 (C) Any son-in-law or daughter-in-law of the parent or parents.  
38 For the purposes of this paragraph, the relationship of parent and  
39 son-in-law or daughter-in-law shall be deemed to exist until the  
40 marriage on which the relationship is based is terminated by

1 divorce, or, if the relationship is terminated by death, until the  
2 remarriage of the surviving son-in-law or daughter-in-law.

3 (D) Any child adopted by the parent or parents pursuant to  
4 statute, other than an individual adopted after reaching 18 years  
5 of age.

6 (E) Any foster child of a state-licensed foster parent, if that child  
7 was not, because of a legal barrier, adopted by the foster parent or  
8 foster parents before the child aged out of the foster care system.  
9 For purposes of this paragraph, the relationship between a foster  
10 child and foster parent shall be deemed to exist until terminated  
11 by death. However, for purposes of a transfer that occurs on the  
12 date of death, the relationship shall be deemed to exist on the date  
13 of death.

14 (4) “Grandchild” or “grandchildren” means any child or children  
15 of the child or children of the grandparent or grandparents.

16 (5) “Full cash value” means full cash value, as defined in Section  
17 2 of Article XIII A of the California Constitution and Section 110.1,  
18 with any adjustments authorized by those sections, and the full  
19 value of any new construction in progress, determined as of the  
20 date immediately prior to the date of a purchase by or transfer to  
21 an eligible transferee of real property subject to this section.

22 (6) “Eligible transferor” means a grandparent, parent, or child  
23 of an eligible transferee.

24 (7) “Eligible transferee” means a parent, child, or grandchild  
25 of an eligible transferor.

26 (8) “Real property” means real property as defined in Section  
27 104. Real property does not include any interest in a legal entity.  
28 For purposes of this section, real property includes any of the  
29 following:

30 (A) An interest in a unit or lot within a cooperative housing  
31 corporation, as defined in subdivision (i) of Section 61.

32 (B) A pro rata ownership interest in a mobilehome park, as  
33 defined in subdivision (b) of Section 62.1.

34 (C) A pro rata ownership in a floating home marina, as defined  
35 in subdivision (c) of Section 62.5.

36 (9) “Transfer” includes, and is not limited to, any transfer of  
37 the present beneficial ownership of property from an eligible  
38 transferor to an eligible transferee through the medium of an inter  
39 vivos or testamentary trust.

1 (10) “Social security number” also includes a taxpayer  
2 identification number issued by the Internal Revenue Service in  
3 the case in which the taxpayer is a foreign national who cannot  
4 obtain a social security number.

5 (d) (1) The exclusions provided for in subdivision (a) shall not  
6 be allowed unless the eligible transferee, the transferee’s legal  
7 representative, the trustee of the transferee’s trust, or the executor  
8 or administrator of the transferee’s estate files a claim with the  
9 assessor for the exclusion sought and furnishes to the assessor each  
10 of the following:

11 (A) A written certification by the transferee, the transferee’s  
12 legal representative, the trustee of the transferee’s trust, or the  
13 executor or administrator of the transferee’s estate, signed and  
14 made under penalty of perjury that the transferee is a parent, child,  
15 or grandchild of the transferor and that the transferor is the parent,  
16 child, or grandparent of the transferee. In the case of a  
17 grandparent-grandchild transfer, the written certification shall also  
18 include a certification that all the parents of the grandchild or  
19 grandchildren who qualify as children of the grandparents were  
20 deceased as of the date of the purchase or transfer and that the  
21 grandchild or grandchildren did or did not receive a principal  
22 residence excludable under paragraph (1) of subdivision (a) from  
23 the deceased parents, and that the grandchild or grandchildren did  
24 or did not receive real property other than a principal residence  
25 excludable under paragraph (2) of subdivision (a) from the  
26 deceased parents. The claimant shall provide legal substantiation  
27 of any matter certified pursuant to this subparagraph at the request  
28 of the county assessor.

29 (B) A written certification by the transferor, the transferor’s  
30 legal representative, the trustee of the transferor’s trust, or the  
31 executor or administrator of the transferor’s estate, signed and  
32 made under penalty of perjury that the transferor is a grandparent,  
33 parent, or child of the transferee and that the transferor is seeking  
34 the exclusion under this section and will not file a claim to transfer  
35 the base year value of the property under Section 69.5.

36 (C) A written certification shall also include either or both of  
37 the following:

38 (i) If the purchase or transfer of real property includes the  
39 purchase or transfer of residential real property, a certification that

1 the residential real property is or is not the transferor's principal  
2 residence.

3 (ii) If the purchase or transfer of real property includes the  
4 purchase or transfer of real property other than the transferor's  
5 principal residence, a certification that other real property of the  
6 transferor that is subject to this section has or has not been  
7 previously sold or transferred to an eligible transferee, the total  
8 amount of full cash value, as defined in subdivision (c), of any  
9 real property subject to this section that has been previously sold  
10 or transferred by that transferor to eligible transferees, the location  
11 of that real property, the social security number of each eligible  
12 transferor, and the names of the eligible transferees of that property.

13 (D) If there are multiple transferees, the certification and  
14 signature may be made by any one of the transferees, if both of  
15 the following conditions are met:

16 (i) The transferee has actual knowledge that, and the certification  
17 signed by the transferee states that, all of the transferees are eligible  
18 transferees within the meaning of this section.

19 (ii) The certification is signed by the transferee as a true  
20 statement made under penalty of perjury.

21 (E) In the case of a transfer between a foster parent and foster  
22 child, the claim filed with the assessor shall include a certified  
23 copy of the court decision regarding the foster child status of the  
24 individual and a certified statement from the appropriate county  
25 agency stating that the foster child was not, because of a legal  
26 barrier, adopted by the foster parent or foster parents. Upon a  
27 request by the county assessor, the claimant also shall provide to  
28 the assessor legal substantiation of any matter certified under this  
29 subparagraph.

30 (2) If the full cash value of the real property purchased by or  
31 transferred to the transferee exceeds the permissible exclusion of  
32 the transferor or the combined permissible exclusion of the  
33 transferors, in the case of a purchase or transfer from two or more  
34 joint transferors, taking into account any previous purchases by  
35 or transfers to an eligible transferee from the same transferor or  
36 transferors, the transferee shall specify in their claim the amount  
37 and the allocation of the exclusion they are seeking. Within any  
38 appraisal unit, as determined in accordance with subdivision (d)  
39 of Section 51 by the assessor of the county in which the real  
40 property is located, the exclusion shall be applied only on a pro



1 rata basis, however, and shall not be applied to a selected portion  
2 or portions of the appraisal unit.

3 (e) (1) The State Board of Equalization shall design the form  
4 for claiming eligibility. Except as provided in paragraph (3), any  
5 claim under this section shall be filed:

6 (A) For transfers of real property between parents and their  
7 children occurring prior to September 30, 1990, within three years  
8 after the date of the purchase or transfer of real property for which  
9 the claim is filed.

10 (B) For transfers of real property between parents and their  
11 children occurring on or after September 30, 1990, and for the  
12 purchase or transfer of real property between grandparents and  
13 their grandchildren occurring on or after March 27, 1996, within  
14 three years after the date of the purchase or transfer of real property  
15 for which the claim is filed, or prior to transfer of the real property  
16 to a third party, whichever is earlier.

17 (C) Notwithstanding subparagraphs (A) and (B), a claim shall  
18 be deemed to be timely filed if it is filed within six months after  
19 the date of mailing of a notice of supplemental or escape  
20 assessment, issued as a result of the purchase or transfer of real  
21 property for which the claim is filed.

22 (2) Notwithstanding subparagraph (C) of paragraph (1), a claim  
23 shall be deemed to be timely filed within three years after the date  
24 of mailing of a notice of supplemental or escape assessment, issued  
25 as a result of transfer of real property for which the claim is filed,  
26 when all of the following apply:

27 (A) The assessor reassesses the property due to a misfortune or  
28 calamity, in an area or region subsequently proclaimed by the  
29 Governor to be in a state of emergency, if that property was  
30 damaged or destroyed by the major misfortune or calamity that  
31 caused the Governor to proclaim the area or region to be in a state  
32 of emergency pursuant to Section 170 of the Revenue and Taxation  
33 Code.

34 (B) The assessor issued a supplemental or escape assessment  
35 on or after the date of the misfortune or calamity due to a  
36 previously unrecorded change in ownership.

37 (C) The transferee acquires ownership of the property, including,  
38 but not limited to, pursuant to Chapter 4 (commencing with Section  
39 13600) of Part 2 of Division 8 of the Probate Code, on or after the  
40 date of the misfortune or calamity.

(3) In the case in which the real property subject to purchase or transfer has not been transferred to a third party, a claim for exclusion under this section that is filed subsequent to the expiration of the filing periods set forth in paragraph (1) shall be considered by the assessor, subject to all of the following conditions:

(A) Any exclusion granted pursuant to that claim shall apply commencing with the lien date of the assessment year in which the claim is filed.

(B) Under any exclusion granted pursuant to that claim, the adjusted full cash value of the subject real property in the assessment year described in subparagraph (A) shall be the adjusted base year value of the subject real property in the assessment year in which the excluded purchase or transfer took place, factored to the assessment year described in subparagraph (A) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property.

(4) (A) Unless otherwise expressly provided, the provisions of this subdivision shall apply to any purchase or transfer of real property that occurred on or after November 6, 1986.

(B) Paragraph (2) shall apply to purchases or transfers between parents and their children that occurred on or after November 6, 1986, and to purchases or transfers between grandparents and their grandchildren that occurred on or after March 27, 1996.

(5) For purposes of this subdivision, a transfer of real property to a parent or child of the transferor shall not be considered a transfer to a third party.

(f) The assessor may report quarterly to the State Board of Equalization all purchases or transfers, other than purchases or transfers involving a principal residence, for which a claim for exclusion is made pursuant to subdivision (d). Each report shall contain the assessor's parcel number for each parcel for which the exclusion is claimed, the amount of each exclusion claimed, the social security number of each eligible transferor, and any other information the board may require in order to monitor the one-million-dollar (\$1,000,000) limitation in paragraph (2) of subdivision (a). In recognition of the state and local interests served

1 by the action made optional in this subdivision, the Legislature  
2 encourages the assessor to continue taking the action formerly  
3 mandated by this subdivision.

4 (g) This section shall apply to both voluntary transfers and  
5 transfers resulting from a court order or judicial decree. Nothing  
6 in this subdivision shall be construed as conflicting with paragraph  
7 (1) of subdivision (c) or the general principle that transfers by  
8 reason of death occur at the time of death.

9 (h) (1) Except as provided in paragraph (2), this section shall  
10 apply to purchases and transfers of real property completed on or  
11 after November 6, 1986, and shall not be effective for any change  
12 in ownership, including a change in ownership arising on the date  
13 of a decedent's death, that occurred prior to that date.

14 (2) This section shall apply to purchases or transfers of real  
15 property between grandparents and their grandchildren occurring  
16 on or after March 27, 1996, and, with respect to purchases or  
17 transfers of real property between grandparents and their  
18 grandchildren, shall not be effective for any change in ownership,  
19 including a change in ownership arising on the date of a decedent's  
20 death, that occurred prior to that date.

21 (i) A claim filed under this section is not a public document and  
22 is not subject to public inspection, except that a claim shall be  
23 available for inspection by the transferee and the transferor or their  
24 respective spouse, the transferee's legal representative, the  
25 transferor's legal representative, the trustee of the transferee's  
26 trust, the trustee of the transferor's trust, and the executor or  
27 administrator of the transferee's or transferor's estate.

28 (j) (1) If the assessor notifies the transferee in writing of  
29 potential eligibility for exclusion from change in ownership under  
30 this section, a certified claim for exclusion shall be filed with the  
31 assessor within 45 days of the date of the notice of potential  
32 eligibility. If a certified claim for exclusion is not filed within 45  
33 days, the assessor may send a second notice of potential eligibility  
34 for exclusion, notifying the transferee that a certified claim for  
35 exclusion has not been received and that reassessment of the  
36 property will commence unless a certified claim for exclusion is  
37 filed within 60 days of the date of the second notice of potential  
38 eligibility. The second notice of potential eligibility shall indicate  
39 whether a certified claim for exclusion that is not filed within 60

1 days will be subject to a processing fee as provided in paragraph  
2 (2).

3 (2) If a certified claim for exclusion is not filed within 60 days  
4 of the date of the second notice of potential eligibility and an  
5 eligible transferee subsequently files a claim and qualifies for the  
6 exclusion, the assessor may, upon authorization by a county board  
7 of supervisors, require an eligible transferee to pay a one-time  
8 processing fee, collected at the time the claim is submitted, and  
9 reimbursed by the assessor if the claim is ineligible. The fee shall  
10 be subject to the provisions of Chapter 12.5 (commencing with  
11 Section 54985) of Part 1 of Division 2 of Title 5 of the Government  
12 Code and shall not exceed the amount of the actual and reasonable  
13 costs incurred by the assessor for reassessment work done due to  
14 failure to file the claim for exclusion or one hundred seventy-five  
15 dollars (\$175), whichever is less.

16 (3) The failure to file a certified claim for exclusion within the  
17 filing periods specified by this subdivision shall not be construed  
18 to limit any exclusion from being granted pursuant to a claim filed  
19 within the filing periods specified by subdivision (e).

20 SEC. 2. Section 63.2 of the Revenue and Taxation Code is  
21 amended to read:

22 63.2. (a) Notwithstanding any provision of this chapter,  
23 beginning on and after February 16, 2021, a change in ownership  
24 shall not include, in whole or in part, any of the following  
25 purchases or transfers for which a claim is filed:

26 (1) The purchase or transfer of real property that is the principal  
27 residence of an eligible transferor in the case of a purchase or  
28 transfer between parents and their children or between grandparents  
29 and their grandchildren, if all of the parents, other than stepparents,  
30 of that grandchild or those grandchildren, who qualify as the  
31 children of the grandparents, are deceased as of the date of purchase  
32 or transfer.

33 (A) The transfer is required to be of a principal residence of the  
34 transferor, and become the principal residence of the transferee  
35 within one year of the transfer.

36 (B) The transferee shall file for the homeowners' or disabled  
37 veterans' exemption within a year of the transfer, and the exclusion  
38 shall be removed on the date an eligible transferee, or a subsequent  
39 eligible transferee who files for the homeowners' or disabled

1 veterans' exemption within one year, is no longer eligible for either  
2 the homeowners' or disabled veterans' exemption.

3 (C) If applicable, as of the lien date immediately following the  
4 date the eligible transferee or subsequent eligible transferee no  
5 longer qualifies for the exclusion provided by this section, the base  
6 year value established as of the change in ownership date to which  
7 the exclusion applied, adjusted annually in accordance with  
8 paragraph (1) of subdivision (a) of Section 51, shall be enrolled.

9 (2) The purchase or transfer is of a family farm of an eligible  
10 transferor in the case of a purchase or transfer between parents  
11 and their children or between grandparents and their grandchildren,  
12 if all of the parents, other than stepparents, of that grandchild or  
13 those grandchildren, who qualify as the children of the  
14 grandparents, are deceased as of the date of purchase or transfer.

15 (A) This exclusion shall apply separately to the transfer of each  
16 legal parcel that makes up a family farm.

17 (B) For purposes of this section, each legal parcel that makes  
18 up a family farm shall be deemed to itself be a family farm, except  
19 for a legal parcel containing a family home.

20 (C) A legal parcel containing a family home as described in  
21 subparagraph (B) may qualify separately for exclusion under  
22 paragraph (1).

23 (b) The exclusions provided for in this section shall not be  
24 allowed unless a claim for the exclusion sought, pursuant to  
25 subdivision (f), is filed with the assessor.

26 (c) A claim filed under this section is not a public document  
27 and is not subject to public inspection, except that a claim shall be  
28 available for inspection by the transferee and the transferor or their  
29 respective spouse, the transferee's legal representative, the  
30 transferor's legal representative, the trustee of the transferee's  
31 trust, the trustee of the transferor's trust, and the executor or  
32 administrator of the transferee's or transferor's estate.

33 (d) The new taxable value of the family home or family farm  
34 shall be the sum of both of the following:

35 (1) The taxable value of the family home or family farm as  
36 determined in accordance with Section 110.1, with the adjustments  
37 permitted by subdivision (b) of Section 2 of Article XIII A of the  
38 California Constitution and subdivision (f) of Section 110.1,  
39 determined as of the date immediately prior to the date the principal

1 residence or family farm is purchased or transferred to the  
2 transferee.

3 (2) The applicable of the following amounts:

4 (A) If the fair market value, as defined in subdivision (a) of  
5 Section 110, of the family home or family farm upon purchase by,  
6 or transfer to, the transferee is less than the sum of the taxable  
7 value described in paragraph (1) plus one million dollars  
8 (\$1,000,000), then zero dollars (\$0).

9 (B) If the fair market value, as defined in subdivision (a) of  
10 Section 110, of the family home or family farm upon purchase by,  
11 or transfer to, the transferee is equal to or more than the sum of  
12 the taxable value described in paragraph (1) plus one million dollars  
13 (\$1,000,000), an amount equal to the fair market value of the family  
14 home upon purchase by, or transfer to, the transferee, minus the  
15 sum of the taxable value described in paragraph (1) and one million  
16 dollars (\$1,000,000).

17 (e) As used in this section, the following terms have the  
18 following meanings:

19 (1) “Children” means any of the following:

20 (A) Any child born of the parent or parents, except a child, as  
21 defined in subparagraph (D), who has been adopted by another  
22 person or persons.

23 (B) Any stepchild of the parent or parents and the spouse of that  
24 stepchild while the relationship of stepparent and stepchild exists.  
25 For purposes of this paragraph, the relationship of stepparent and  
26 stepchild shall be deemed to exist until the marriage on which the  
27 relationship is based is terminated by divorce, or, if the relationship  
28 is terminated by death, until the remarriage of the surviving  
29 stepparent.

30 (C) Any son-in-law or daughter-in-law of the parent or parents.  
31 For the purposes of this paragraph, the relationship of parent and  
32 son-in-law or daughter-in-law shall be deemed to exist until the  
33 marriage on which the relationship is based is terminated by  
34 divorce, or, if the relationship is terminated by death, until the  
35 remarriage of the surviving son-in-law or daughter-in-law.

36 (D) Any child adopted by the parent or parents pursuant to  
37 statute, other than an individual adopted after reaching 18 years  
38 of age.

39 (E) Any foster child of a state-licensed foster parent, if that child  
40 was not, because of a legal barrier, adopted by the foster parent or

1 foster parents before the child aged out of the foster care system.  
2 For purposes of this paragraph, the relationship between a foster  
3 child and foster parent shall be deemed to exist until terminated  
4 by death. However, for purposes of a transfer that occurs on the  
5 date of death, the relationship shall be deemed to exist on the date  
6 of death.

7 (2) “Eligible transferee” means a parent, child, grandparent, or  
8 grandchild of an eligible transferor.

9 (3) “Eligible transferor” means a grandparent, parent, grandchild,  
10 or child of an eligible transferee.

11 (4) “Family farm” means any real property under cultivation or  
12 which is being used for pasture or grazing, or that is used to  
13 produce any agricultural commodity, as that term is defined in  
14 Section 51201 of the Government Code as that section read on  
15 January 1, 2020.

16 (5) “Family home” or “principal place of residence” means a  
17 dwelling that is eligible for a homeowners’ exemption or a disabled  
18 veterans’ exemption as a result of the transferor’s ownership and  
19 occupation of the dwelling. “Family home” or “principal residence”  
20 includes only that portion of the land underlying the residence that  
21 consists of an area of reasonable size that is used as a site for the  
22 residence.

23 (6) “Full cash value” means full cash value, as defined in Section  
24 2 of Article XIII A of the California Constitution and Section 110.1,  
25 with any adjustments authorized by those sections, and the full  
26 value of any new construction in progress, determined as of the  
27 date immediately prior to the date of a purchase by or transfer to  
28 an eligible transferee of real property subject to this section.

29 (7) “Grandchild” or “grandchildren” means any child or children  
30 of the child or children of the grandparent or grandparents.

31 (8) “Real property” means real property as defined in Section  
32 104. Real property does not include any interest in a legal entity.  
33 For purposes of this section, real property includes any of the  
34 following:

35 (A) An interest in a unit or lot within a cooperative housing  
36 corporation, as defined in subdivision (i) of Section 61.

37 (B) A pro rata ownership interest in a mobilehome park, as  
38 defined in subdivision (b) of Section 62.1.

39 (C) A pro rata ownership in a floating home marina, as defined  
40 in subdivision (c) of Section 62.5.

(9) “Transfer” includes, and is not limited to, any transfer of the present beneficial ownership of property from an eligible transferor to an eligible transferee through the medium of an inter vivos or testamentary trust.

(f) (1) The State Board of Equalization shall prescribe, after consultation with the California Assessors’ Association, a form for claiming eligibility. Except as provided in paragraph (3), any claim under this section shall be filed as follows:

(A) Within three years after the date of the purchase or transfer of real property for which the claim is filed, or prior to the transfer of the real property to a third party, or an eligible transferee no longer occupies the residence, whichever is earlier.

(B) Notwithstanding subparagraph (A), a claim shall be deemed to be timely filed if it is filed within six months after the date of mailing of a notice of supplemental or escape assessment, issued as a result of the purchase or transfer of real property for which the claim is filed.

(2) (A) Notwithstanding subparagraph (B) of paragraph (1), a claim shall be deemed to be timely filed within three years after the date of mailing of a notice of supplemental or escape assessment, issued as a result of transfer of real property for which the claim is filed, when all of the following apply:

~~(A)~~  
(i) The assessor reassesses the property due to a misfortune or calamity, in an area or region subsequently proclaimed by the Governor to be in a state of emergency, if that property was damaged or destroyed by the major misfortune or calamity that caused the Governor to proclaim the area or region to be in a state of emergency pursuant to Section 170 of the Revenue and Taxation Code.

~~(B)~~  
(ii) The assessor issued a supplemental or escape assessment due to a previously unrecorded change in ownership on or after the date of the misfortune or calamity.

~~(C)~~  
(iii) The transferee acquires ownership of the property, including but not limited to, pursuant to Chapter 4 (commencing with Section 13600) of Part 2 of Division 8 of the Probate Code, on or after the date of the misfortune or calamity.

~~(D) When subparagraphs (A), (B), and (C) apply,~~



1     (B) *If all conditions of subparagraph (A) are satisfied, there*  
2     shall be a rebuttable presumption that the real property is the  
3     principal place of residence of the transferor and transferee for  
4     purposes of paragraph (1) of subdivision (a).

5     (C) *If all conditions of subparagraph (A) are satisfied, and*  
6     *notwithstanding subparagraph (B) of paragraph (1) of subdivision*  
7     *(a), a filing to claim the homeowners' or disabled veterans'*  
8     *exemption shall be treated as timely if it is filed within a year of*  
9     *the date of mailing of a notice of supplemental or escape*  
10    *assessment issued as a result of the transfer of the real property*  
11    *for which the claim is filed.*

12    (3) In the case in which the real property subject to purchase or  
13    transfer has not been transferred to a third party, a claim for  
14    exclusion under this section that is filed subsequent to the  
15    expiration of the filing periods set forth in paragraph (1) shall be  
16    considered by the assessor, subject to both of the following  
17    conditions:

18    (A) Any exclusion granted pursuant to that claim shall apply,  
19    commencing with the lien date of the assessment year in which  
20    the claim is filed.

21    (B) Under any exclusion granted pursuant to that claim, the  
22    adjusted full cash value of the subject real property in the  
23    assessment year described in subparagraph (A) shall be the adjusted  
24    base year value of the subject real property in the assessment year  
25    in which the excluded purchase or transfer took place, factored to  
26    the assessment year described in subparagraph (A) for both of the  
27    following:

28    (i) Inflation as annually determined in accordance with  
29    paragraph (1) of subdivision (a) of Section 51.

30    (ii) Any subsequent new construction occurring with respect to  
31    the subject real property.

32    (g) (1) If the assessor notifies the transferee in writing of  
33    potential eligibility for exclusion from change in ownership under  
34    this section, a certified claim for exclusion shall be filed with the  
35    assessor within 45 days of the date of the notice of potential  
36    eligibility. If a certified claim for exclusion is not filed within 45  
37    days, the assessor may send a second notice of potential eligibility  
38    for exclusion, notifying the transferee that a certified claim for  
39    exclusion has not been received and that reassessment of the  
40    property will commence unless a certified claim for exclusion is

1 filed within 60 days of the date of the second notice of potential  
2 eligibility. The second notice of potential eligibility shall indicate  
3 whether a certified claim for exclusion that is not filed within 60  
4 days will be subject to a processing fee as provided in paragraph  
5 (2).

6 (2) If a certified claim for exclusion is not filed within 60 days  
7 of the date of the second notice of potential eligibility and an  
8 eligible transferee subsequently files a claim and qualifies for the  
9 exclusion, the assessor may, upon authorization by a county board  
10 of supervisors, require an eligible transferee to pay a one-time  
11 processing fee, collected at the time the claim is submitted, and  
12 reimbursed by the assessor if the claim is ineligible. The fee shall  
13 be subject to the provisions of Chapter 12.5 (commencing with  
14 Section 54985) of Part 1 of Division 2 of Title 5 of the Government  
15 Code and shall not exceed the amount of the actual and reasonable  
16 costs incurred by the assessor for reassessment work done due to  
17 failure to file the claim for exclusion or one hundred seventy-five  
18 dollars (\$175), whichever is less.

19 (h) (1) After consultation with the California Assessors'  
20 Association, the board shall, by emergency regulation, adopt  
21 regulations and produce claim forms and instructions necessary  
22 to implement this section and Section 2.1 of Article XIII A of the  
23 California Constitution.

24 (2) Any emergency regulation prescribed, adopted, or enforced  
25 pursuant to this section shall be adopted in accordance with Chapter  
26 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
27 Title 2 of the Government Code, and, for purposes of that chapter,  
28 including Section 11349.6 of the Government Code, the adoption  
29 of the regulation is an emergency and shall be considered by the  
30 Office of Administrative Law as necessary for the immediate  
31 preservation of the public peace, health and safety, and general  
32 welfare.

33 SEC. 3. If the Commission on State Mandates determines that  
34 this act contains costs mandated by the state, reimbursement to  
35 local agencies and school districts for those costs shall be made  
36 pursuant to Part 7 (commencing with Section 17500) of Division  
37 4 of Title 2 of the Government Code.