

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 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 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.

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

1 subparagraph (A) if the transferor child received that principal  
2 residence, or interest therein, from a foster parent through a  
3 purchase or transfer that was excluded under subparagraph (A).

4 (2) The purchase or transfer of the first one million dollars  
5 (\$1,000,000) of full cash value of all other real property of an  
6 eligible transferor in the case of a purchase or transfer between  
7 parents and their children.

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

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

34 (b) (1) For purposes of paragraph (1) of subdivision (a),  
35 “principal residence” means a dwelling that is eligible for a  
36 homeowners’ exemption or a disabled veterans’ exemption as a  
37 result of the transferor’s ownership and occupation of the dwelling.  
38 “Principal residence” includes only that portion of the land  
39 underlying the residence that consists of an area of reasonable size  
40 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.

(c) As used in this section:

(1) "Purchase or transfer between parents and their children" means either a transfer from a parent or parents to a child or children of the parent or parents or a transfer from a child or children to a parent or parents of the child or children. For purposes of this section, the date of any transfer between parents and their children under a will or intestate succession shall be the date of the decedent's death, if the decedent died on or after November 6, 1986.

(2) "Purchase or transfer of real property between grandparents and their grandchild or grandchildren" means a purchase or transfer on or after March 27, 1996, from a grandparent or grandparents to a grandchild or grandchildren if all of the parents of that grandchild or those grandchildren who qualify as the children of the grandparents are deceased as of the date of the transfer. For purposes of this section, the date of any transfer between grandparents and their grandchildren under a will or by intestate succession shall be the date of the decedent's death. Notwithstanding any other provision of law, for the lien date for the 2006-07 fiscal year and each fiscal year thereafter, in

1 determining whether “all of the parents of that grandchild or those  
2 grandchildren, who qualify as the children of the grandparents,  
3 are deceased as of the date of purchase or transfer,” a son-in-law  
4 or daughter-in-law of the grandparent that is a stepparent to the  
5 grandchild need not be deceased on the date of the transfer.

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

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

10 (B) Any stepchild of the parent or parents and the spouse of that  
11 stepchild while the relationship of stepparent and stepchild exists.  
12 For purposes of this paragraph, the relationship of stepparent and  
13 stepchild shall be deemed to exist until the marriage on which the  
14 relationship is based is terminated by divorce, or, if the relationship  
15 is terminated by death, until the remarriage of the surviving  
16 stepparent.

17 (C) Any son-in-law or daughter-in-law of the parent or parents.  
18 For the purposes of this paragraph, the relationship of parent and  
19 son-in-law or daughter-in-law shall be deemed to exist until the  
20 marriage on which the relationship is based is terminated by  
21 divorce, or, if the relationship is terminated by death, until the  
22 remarriage of the surviving son-in-law or daughter-in-law.

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

26 (E) Any foster child of a state-licensed foster parent, if that child  
27 was not, because of a legal barrier, adopted by the foster parent or  
28 foster parents before the child aged out of the foster care system.  
29 For purposes of this paragraph, the relationship between a foster  
30 child and foster parent shall be deemed to exist until terminated  
31 by death. However, for purposes of a transfer that occurs on the  
32 date of death, the relationship shall be deemed to exist on the date  
33 of death.

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

36 (5) “Full cash value” means full cash value, as defined in Section  
37 2 of Article XIII A of the California Constitution and Section 110.1,  
38 with any adjustments authorized by those sections, and the full  
39 value of any new construction in progress, determined as of the

1 date immediately prior to the date of a purchase by or transfer to  
2 an eligible transferee of real property subject to this section.

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

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

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

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

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

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

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

21 (10) “Social security number” also includes a taxpayer  
22 identification number issued by the Internal Revenue Service in  
23 the case in which the taxpayer is a foreign national who cannot  
24 obtain a social security number.

25 (d) (1) The exclusions provided for in subdivision (a) shall not  
26 be allowed unless the eligible transferee, the transferee’s legal  
27 representative, the trustee of the transferee’s trust, or the executor  
28 or administrator of the transferee’s estate files a claim with the  
29 assessor for the exclusion sought and furnishes to the assessor each  
30 of the following:

31 (A) A written certification by the transferee, the transferee’s  
32 legal representative, the trustee of the transferee’s trust, or the  
33 executor or administrator of the transferee’s estate, signed and  
34 made under penalty of perjury that the transferee is a parent, child,  
35 or grandchild of the transferor and that the transferor is the parent,  
36 child, or grandparent of the transferee. In the case of a  
37 grandparent-grandchild transfer, the written certification shall also  
38 include a certification that all the parents of the grandchild or  
39 grandchildren who qualify as children of the grandparents were  
40 deceased as of the date of the purchase or transfer and that the

1 grandchild or grandchildren did or did not receive a principal  
2 residence excludable under paragraph (1) of subdivision (a) from  
3 the deceased parents, and that the grandchild or grandchildren did  
4 or did not receive real property other than a principal residence  
5 excludable under paragraph (2) of subdivision (a) from the  
6 deceased parents. The claimant shall provide legal substantiation  
7 of any matter certified pursuant to this subparagraph at the request  
8 of the county assessor.

9 (B) A written certification by the transferor, the transferor's  
10 legal representative, the trustee of the transferor's trust, or the  
11 executor or administrator of the transferor's estate, signed and  
12 made under penalty of perjury that the transferor is a grandparent,  
13 parent, or child of the transferee and that the transferor is seeking  
14 the exclusion under this section and will not file a claim to transfer  
15 the base year value of the property under Section 69.5.

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

18 (i) If the purchase or transfer of real property includes the  
19 purchase or transfer of residential real property, a certification that  
20 the residential real property is or is not the transferor's principal  
21 residence.

22 (ii) If the purchase or transfer of real property includes the  
23 purchase or transfer of real property other than the transferor's  
24 principal residence, a certification that other real property of the  
25 transferor that is subject to this section has or has not been  
26 previously sold or transferred to an eligible transferee, the total  
27 amount of full cash value, as defined in subdivision (c), of any  
28 real property subject to this section that has been previously sold  
29 or transferred by that transferor to eligible transferees, the location  
30 of that real property, the social security number of each eligible  
31 transferor, and the names of the eligible transferees of that property.

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

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

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

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

(2) If the full cash value of the real property purchased by or transferred to the transferee exceeds the permissible exclusion of the transferor or the combined permissible exclusion of the transferors, in the case of a purchase or transfer from two or more joint transferors, taking into account any previous purchases by or transfers to an eligible transferee from the same transferor or transferors, the transferee shall specify in their claim the amount and the allocation of the exclusion they are seeking. Within any appraisal unit, as determined in accordance with subdivision (d) of Section 51 by the assessor of the county in which the real property is located, the exclusion shall be applied only on a pro rata basis, however, and shall not be applied to a selected portion or portions of the appraisal unit.

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

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

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

(C) Notwithstanding subparagraphs (A) and (B), 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



1 assessment, issued as a result of the purchase or transfer of real  
2 property for which the claim is filed.

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

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

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

18 (C) The transferee acquires ownership of the ~~property through~~  
19 ~~Probate administration;~~ *property*, including, but not limited to,  
20 pursuant to Chapter 4 (commencing with Section 13600) of Part  
21 2 of Division 8 of the Probate Code, on or after the date of the  
22 misfortune or calamity.

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

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

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

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

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

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

6 (B) Paragraph (2) shall apply to purchases or transfers between  
7 parents and their children that occurred on or after November 6,  
8 1986, and to purchases or transfers between grandparents and their  
9 grandchildren that occurred on or after March 27, 1996.

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

13 (f) The assessor may report quarterly to the State Board of  
14 Equalization all purchases or transfers, other than purchases or  
15 transfers involving a principal residence, for which a claim for  
16 exclusion is made pursuant to subdivision (d). Each report shall  
17 contain the assessor's parcel number for each parcel for which the  
18 exclusion is claimed, the amount of each exclusion claimed, the  
19 social security number of each eligible transferor, and any other  
20 information the board may require in order to monitor the  
21 one-million-dollar (\$1,000,000) limitation in paragraph (2) of  
22 subdivision (a). In recognition of the state and local interests served  
23 by the action made optional in this subdivision, the Legislature  
24 encourages the assessor to continue taking the action formerly  
25 mandated by this subdivision.

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

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

36 (2) This section shall apply to purchases or transfers of real  
37 property between grandparents and their grandchildren occurring  
38 on or after March 27, 1996, and, with respect to purchases or  
39 transfers of real property between grandparents and their  
40 grandchildren, shall not be effective for any change in ownership,

1 including a change in ownership arising on the date of a decedent's  
2 death, that occurred prior to that date.

3 (i) A claim filed under this section is not a public document and  
4 is not subject to public inspection, except that a claim shall be  
5 available for inspection by the transferee and the transferor or their  
6 respective spouse, the transferee's legal representative, the  
7 transferor's legal representative, the trustee of the transferee's  
8 trust, the trustee of the transferor's trust, and the executor or  
9 administrator of the transferee's or transferor's estate.

10 (j) (1) If the assessor notifies the transferee in writing of  
11 potential eligibility for exclusion from change in ownership under  
12 this section, a certified claim for exclusion shall be filed with the  
13 assessor within 45 days of the date of the notice of potential  
14 eligibility. If a certified claim for exclusion is not filed within 45  
15 days, the assessor may send a second notice of potential eligibility  
16 for exclusion, notifying the transferee that a certified claim for  
17 exclusion has not been received and that reassessment of the  
18 property will commence unless a certified claim for exclusion is  
19 filed within 60 days of the date of the second notice of potential  
20 eligibility. The second notice of potential eligibility shall indicate  
21 whether a certified claim for exclusion that is not filed within 60  
22 days will be subject to a processing fee as provided in paragraph  
23 (2).

24 (2) If a certified claim for exclusion is not filed within 60 days  
25 of the date of the second notice of potential eligibility and an  
26 eligible transferee subsequently files a claim and qualifies for the  
27 exclusion, the assessor may, upon authorization by a county board  
28 of supervisors, require an eligible transferee to pay a one-time  
29 processing fee, collected at the time the claim is submitted, and  
30 reimbursed by the assessor if the claim is ineligible. The fee shall  
31 be subject to the provisions of Chapter 12.5 (commencing with  
32 Section 54985) of Part 1 of Division 2 of Title 5 of the Government  
33 Code and shall not exceed the amount of the actual and reasonable  
34 costs incurred by the assessor for reassessment work done due to  
35 failure to file the claim for exclusion or one hundred seventy-five  
36 dollars (\$175), whichever is less.

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

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

3 63.2. (a) Notwithstanding any provision of this chapter,  
4 beginning on and after February 16, 2021, a change in ownership  
5 shall not include, in whole or in part, any of the following  
6 purchases or transfers for which a claim is filed:

7 (1) The purchase or transfer of real property that is the principal  
8 residence of an eligible transferor in the case of a purchase or  
9 transfer between parents and their children or between grandparents  
10 and their grandchildren, if all of the parents, other than stepparents,  
11 of that grandchild or those grandchildren, who qualify as the  
12 children of the grandparents, are deceased as of the date of purchase  
13 or transfer.

14 (A) The transfer is required to be of a principal residence of the  
15 transferor, and become the principal residence of the transferee  
16 within one year of the transfer.

17 (B) The transferee shall file for the homeowners' or disabled  
18 veterans' exemption within a year of the transfer, and the exclusion  
19 shall be removed on the date an eligible transferee, or a subsequent  
20 eligible transferee who files for the homeowners' or disabled  
21 veterans' exemption within one year, is no longer eligible for either  
22 the homeowners' or disabled veterans' exemption.

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

29 (2) The purchase or transfer is of a family farm of an eligible  
30 transferor in the case of a purchase or transfer between parents  
31 and their children or between grandparents and their grandchildren,  
32 if all of the parents, other than stepparents, of that grandchild or  
33 those grandchildren, who qualify as the children of the  
34 grandparents, are deceased as of the date of purchase or transfer.

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

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

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

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

7 (c) A claim filed under this section is not a public document  
8 and is not subject to public inspection, except that a claim shall be  
9 available for inspection by the transferee and the transferor or their  
10 respective spouse, the transferee's legal representative, the  
11 transferor's legal representative, the trustee of the transferee's  
12 trust, the trustee of the transferor's trust, and the executor or  
13 administrator of the transferee's or transferor's estate.

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

16 (1) The taxable value of the family home or family farm as  
17 determined in accordance with Section 110.1, with the adjustments  
18 permitted by subdivision (b) of Section 2 of Article XIII A of the  
19 California Constitution and subdivision (f) of Section 110.1,  
20 determined as of the date immediately prior to the date the principal  
21 residence or family farm is purchased or transferred to the  
22 transferee.

23 (2) The applicable of the following amounts:

24 (A) If the fair market value, as defined in subdivision (a) of  
25 Section 110, of the family home or family farm upon purchase by,  
26 or transfer to, the transferee is less than the sum of the taxable  
27 value described in paragraph (1) plus one million dollars  
28 (\$1,000,000), then zero dollars (\$0).

29 (B) If the fair market value, as defined in subdivision (a) of  
30 Section 110, of the family home or family farm upon purchase by,  
31 or transfer to, the transferee is equal to or more than the sum of  
32 the taxable value described in paragraph (1) plus one million dollars  
33 (\$1,000,000), an amount equal to the fair market value of the family  
34 home upon purchase by, or transfer to, the transferee, minus the  
35 sum of the taxable value described in paragraph (1) and one million  
36 dollars (\$1,000,000).

37 (e) As used in this section, the following terms have the  
38 following meanings:

39 (1) "Children" means any of the following:

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

4 (B) Any stepchild of the parent or parents and the spouse of that  
5 stepchild while the relationship of stepparent and stepchild exists.  
6 For purposes of this paragraph, the relationship of stepparent and  
7 stepchild shall be deemed to exist until the marriage on which the  
8 relationship is based is terminated by divorce, or, if the relationship  
9 is terminated by death, until the remarriage of the surviving  
10 stepparent.

11 (C) Any son-in-law or daughter-in-law of the parent or parents.  
12 For the purposes of this paragraph, the relationship of parent and  
13 son-in-law or daughter-in-law shall be deemed to exist until the  
14 marriage on which the relationship is based is terminated by  
15 divorce, or, if the relationship is terminated by death, until the  
16 remarriage of the surviving son-in-law or daughter-in-law.

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

20 (E) Any foster child of a state-licensed foster parent, if that child  
21 was not, because of a legal barrier, adopted by the foster parent or  
22 foster parents before the child aged out of the foster care system.  
23 For purposes of this paragraph, the relationship between a foster  
24 child and foster parent shall be deemed to exist until terminated  
25 by death. However, for purposes of a transfer that occurs on the  
26 date of death, the relationship shall be deemed to exist on the date  
27 of death.

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

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

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

37 (5) “Family home” or “principal place of residence” means a  
38 dwelling that is eligible for a homeowners’ exemption or a disabled  
39 veterans’ exemption as a result of the transferor’s ownership and  
40 occupation of the dwelling. “Family home” or “principal residence”

1 includes only that portion of the land underlying the residence that  
2 consists of an area of reasonable size that is used as a site for the  
3 residence.

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

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

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

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

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

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

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

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

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

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

39 (2) Notwithstanding subparagraph (B) of paragraph (1), a claim  
40 shall be deemed to be timely filed within three years after the date

1 of mailing of a notice of supplemental or escape assessment, issued  
2 as a result of transfer of real property for which the claim is filed,  
3 when all of the following apply:

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

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

14 (C) The transferee acquires ownership of the property, including  
15 but not limited to, pursuant to Chapter 4 (commencing with Section  
16 13600) of Part 2 of Division 8 of the Probate Code, on or after the  
17 date of the misfortune or calamity.

18 (D) When subparagraphs (A), (B), and (C) apply, there shall be  
19 a rebuttable presumption that the real property is the principal  
20 place of residence of the transferor and transferee for purposes of  
21 paragraph (1) of subdivision (a).

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

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

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

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



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

3 (g) (1) If the assessor notifies the transferee in writing of  
4 potential eligibility for exclusion from change in ownership under  
5 this section, a certified claim for exclusion shall be filed with the  
6 assessor within 45 days of the date of the notice of potential  
7 eligibility. If a certified claim for exclusion is not filed within 45  
8 days, the assessor may send a second notice of potential eligibility  
9 for exclusion, notifying the transferee that a certified claim for  
10 exclusion has not been received and that reassessment of the  
11 property will commence unless a certified claim for exclusion is  
12 filed within 60 days of the date of the second notice of potential  
13 eligibility. The second notice of potential eligibility shall indicate  
14 whether a certified claim for exclusion that is not filed within 60  
15 days will be subject to a processing fee as provided in paragraph  
16 (2).

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

30 (h) (1) After consultation with the California Assessors'  
31 Association, the board shall, by emergency regulation, adopt  
32 regulations and produce claim forms and instructions necessary  
33 to implement this section and Section 2.1 of Article XIII A of the  
34 California Constitution.

35 (2) Any emergency regulation prescribed, adopted, or enforced  
36 pursuant to this section shall be adopted in accordance with Chapter  
37 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
38 Title 2 of the Government Code, and, for purposes of that chapter,  
39 including Section 11349.6 of the Government Code, the adoption  
40 of the regulation is an emergency and shall be considered by the

1 Office of Administrative Law as necessary for the immediate  
2 preservation of the public peace, health and safety, and general  
3 welfare.

4 SEC. 3. If the Commission on State Mandates determines that  
5 this act contains costs mandated by the state, reimbursement to  
6 local agencies and school districts for those costs shall be made  
7 pursuant to Part 7 (commencing with Section 17500) of Division  
8 4 of Title 2 of the Government Code.

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