

AMENDED IN ASSEMBLY JULY 8, 2025

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 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~~: *transfers: wildfire*.

(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:~~ *as a result of that property being damaged or destroyed by the 2025 Palisades Fire, Eaton Fire, Hurst Fire, Lidia Fire, Sunset Fire, or Woodley Fire, for which the Governor proclaimed a state of emergency.* 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.

*This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.*

(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

1 or daughter-in-law of the grandparent that is a stepparent to the  
2 grandchild need not be deceased on the date of the transfer.

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

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

23 (2) For purposes of paragraph (2) of subdivision (a), the  
24 one-million-dollar (\$1,000,000) exclusion shall apply separately  
25 to each eligible transferor with respect to all purchases by and  
26 transfers to eligible transferees on and after November 6, 1986, of  
27 real property, other than the principal residence, of that eligible  
28 transferor. The exclusion shall not apply to any property in which  
29 the eligible transferor’s interest was received through a transfer,  
30 or transfers, excluded from change in ownership by the provisions  
31 of either subdivision (f) of Section 62 or subdivision (b) of Section  
32 65, unless the transferor qualifies as an original transferor under  
33 subdivision (b) of Section 65. In the case of any purchase or  
34 transfer subject to this paragraph involving two or more eligible  
35 transferors, the transferors may elect to combine their separate  
36 one-million-dollar (\$1,000,000) exclusions and, upon making that  
37 election, the combined amount of their separate exclusions shall  
38 apply to any property jointly sold or transferred by the electing  
39 transferors, provided that in no case shall the amount of full cash  
40 value of real property of any one eligible transferor excluded under

1 this election exceed the amount of the transferor's separate unused  
2 exclusion on the date of the joint sale or transfer.

3 (c) As used in this section:

4 (1) "Purchase or transfer between parents and their children"  
5 means either a transfer from a parent or parents to a child or  
6 children of the parent or parents or a transfer from a child or  
7 children to a parent or parents of the child or children. For purposes  
8 of this section, the date of any transfer between parents and their  
9 children under a will or intestate succession shall be the date of  
10 the decedent's death, if the decedent died on or after November  
11 6, 1986.

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

28 (3) "Children" means any of the following:

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

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

39 (C) Any son-in-law or daughter-in-law of the parent or parents.  
40 For the purposes of this paragraph, the relationship of parent and

1 son-in-law or daughter-in-law shall be deemed to exist until the  
2 marriage on which the relationship is based is terminated by  
3 divorce, or, if the relationship is terminated by death, until the  
4 remarriage of the surviving son-in-law or daughter-in-law.

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

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

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

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

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

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

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

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

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

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

38 (9) “Transfer” includes, and is not limited to, any transfer of  
39 the present beneficial ownership of property from an eligible

1 transferor to an eligible transferee through the medium of an inter  
2 vivos or testamentary trust.

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

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

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

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

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

1 (i) If the purchase or transfer of real property includes the  
2 purchase or transfer of residential real property, a certification that  
3 the residential real property is or is not the transferor's principal  
4 residence.

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

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

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

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

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

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



1 of Section 51 by the assessor of the county in which the real  
2 property is located, the exclusion shall be applied only on a pro  
3 rata basis, however, and shall not be applied to a selected portion  
4 or portions of the appraisal unit.

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

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

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

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

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

29 (A) ~~The assessor reassesses the property due to a misfortune or~~  
30 ~~calamity, in an area or region subsequently proclaimed by the~~  
31 ~~Governor to be in a state of emergency, if that property was~~  
32 ~~damaged or destroyed by the major misfortune or calamity that~~  
33 ~~caused the Governor to proclaim the area or region to be in a state~~  
34 ~~of emergency pursuant to Section 170 of the Revenue and Taxation~~  
35 ~~Code; property, pursuant to Section 170, as a result of that property~~  
36 ~~being damaged or destroyed by the 2025 Palisades Fire, Eaton~~  
37 ~~Fire, Hurst Fire, Lidia Fire, Sunset Fire, or Woodley Fire, for~~  
38 ~~which the Governor proclaimed a state of emergency.~~

39 (B) The assessor issued a supplemental or escape assessment  
40 on or after the date of the ~~misfortune or calamity due to a~~

~~previously unrecorded change in ownership.~~ *state of emergency described in paragraph (A) as a result of a purchase or transfer of the real property for which the claim is filed that occurred before the date of the fire, and for which no instrument evidencing a change in ownership of the real property was recorded.*

(C) 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.~~ *state of emergency described in paragraph (A).*

(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.

1 (f) The assessor may report quarterly to the State Board of  
2 Equalization all purchases or transfers, other than purchases or  
3 transfers involving a principal residence, for which a claim for  
4 exclusion is made pursuant to subdivision (d). Each report shall  
5 contain the assessor's parcel number for each parcel for which the  
6 exclusion is claimed, the amount of each exclusion claimed, the  
7 social security number of each eligible transferor, and any other  
8 information the board may require in order to monitor the  
9 one-million-dollar (\$1,000,000) limitation in paragraph (2) of  
10 subdivision (a). In recognition of the state and local interests served  
11 by the action made optional in this subdivision, the Legislature  
12 encourages the assessor to continue taking the action formerly  
13 mandated by this subdivision.

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

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

24 (2) This section shall apply to purchases or transfers of real  
25 property between grandparents and their grandchildren occurring  
26 on or after March 27, 1996, and, with respect to purchases or  
27 transfers of real property between grandparents and their  
28 grandchildren, shall not be effective for any change in ownership,  
29 including a change in ownership arising on the date of a decedent's  
30 death, that occurred prior to that date.

31 (i) A claim filed under this section is not a public document and  
32 is not subject to public inspection, except that a claim shall be  
33 available for inspection by the transferee and the transferor or their  
34 respective spouse, the transferee's legal representative, the  
35 transferor's legal representative, the trustee of the transferee's  
36 trust, the trustee of the transferor's trust, and the executor or  
37 administrator of the transferee's or transferor's estate.

38 (j) (1) If the assessor notifies the transferee in writing of  
39 potential eligibility for exclusion from change in ownership under  
40 this section, a certified claim for exclusion shall be filed with the

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

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

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

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

31 63.2. (a) Notwithstanding any provision of this chapter,  
32 beginning on and after February 16, 2021, a change in ownership  
33 shall not include, in whole or in part, any of the following  
34 purchases or transfers for which a claim is filed:

35 (1) The purchase or transfer of real property that is the principal  
36 residence of an eligible transferor in the case of a purchase or  
37 transfer between parents and their children or between grandparents  
38 and their grandchildren, if all of the parents, other than stepparents,  
39 of that grandchild or those grandchildren, who qualify as the

1 children of the grandparents, are deceased as of the date of purchase  
2 or transfer.

3 (A) The transfer is required to be of a principal residence of the  
4 transferor, and become the principal residence of the transferee  
5 within one year of the transfer.

6 (B) The transferee shall file for the homeowners' or disabled  
7 veterans' exemption within a year of the transfer, and the exclusion  
8 shall be removed on the date an eligible transferee, or a subsequent  
9 eligible transferee who files for the homeowners' or disabled  
10 veterans' exemption within one year, is no longer eligible for either  
11 the homeowners' or disabled veterans' exemption.

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

18 (2) The purchase or transfer is of a family farm of an eligible  
19 transferor in the case of a purchase or transfer between parents  
20 and their children or between grandparents and their grandchildren,  
21 if all of the parents, other than stepparents, of that grandchild or  
22 those grandchildren, who qualify as the children of the  
23 grandparents, are deceased as of the date of purchase or transfer.

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

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

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

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

35 (c) A claim filed under this section is not a public document  
36 and is not subject to public inspection, except that a claim shall be  
37 available for inspection by the transferee and the transferor or their  
38 respective spouse, the transferee's legal representative, the  
39 transferor's legal representative, the trustee of the transferee's

1 trust, the trustee of the transferor's trust, and the executor or  
2 administrator of the transferee's or transferor's estate.

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

5 (1) The taxable value of the family home or family farm as  
6 determined in accordance with Section 110.1, with the adjustments  
7 permitted by subdivision (b) of Section 2 of Article XIII A of the  
8 California Constitution and subdivision (f) of Section 110.1,  
9 determined as of the date immediately prior to the date the principal  
10 residence or family farm is purchased or transferred to the  
11 transferee.

12 (2) The applicable of the following amounts:

13 (A) If the fair market value, as defined in subdivision (a) of  
14 Section 110, of the family home or family farm upon purchase by,  
15 or transfer to, the transferee is less than the sum of the taxable  
16 value described in paragraph (1) plus one million dollars  
17 (\$1,000,000), then zero dollars (\$0).

18 (B) If the fair market value, as defined in subdivision (a) of  
19 Section 110, of the family home or family farm upon purchase by,  
20 or transfer to, the transferee is equal to or more than the sum of  
21 the taxable value described in paragraph (1) plus one million dollars  
22 (\$1,000,000), an amount equal to the fair market value of the family  
23 home upon purchase by, or transfer to, the transferee, minus the  
24 sum of the taxable value described in paragraph (1) and one million  
25 dollars (\$1,000,000).

26 (e) As used in this section, the following terms have the  
27 following meanings:

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

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

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

39 (C) Any son-in-law or daughter-in-law of the parent or parents.  
40 For the purposes of this paragraph, the relationship of parent and

1 son-in-law or daughter-in-law shall be deemed to exist until the  
2 marriage on which the relationship is based is terminated by  
3 divorce, or, if the relationship is terminated by death, until the  
4 remarriage of the surviving son-in-law or daughter-in-law.

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

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

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

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

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

25 (5) “Family home” or “principal place of residence” means a  
26 dwelling that is eligible for a homeowners’ exemption or a disabled  
27 veterans’ exemption as a result of the transferor’s ownership and  
28 occupation of the dwelling. “Family home” or “principal residence”  
29 includes only that portion of the land underlying the residence that  
30 consists of an area of reasonable size that is used as a site for the  
31 residence.

32 (6) “Full cash value” means full cash value, as defined in Section  
33 2 of Article XIII A of the California Constitution and Section 110.1,  
34 with any adjustments authorized by those sections, and the full  
35 value of any new construction in progress, determined as of the  
36 date immediately prior to the date of a purchase by or transfer to  
37 an eligible transferee of real property subject to this section.

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

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

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

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

(C) A pro rata ownership in a floating home marina, as defined 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:

(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; property, pursuant to Section 170, as a result of that property being damaged or destroyed by the 2025 Palisades Fire, Eaton~~



1 *Fire, Hurst Fire, Lidia Fire, Sunset Fire, or Woodley Fire, for*  
2 *which the Governor proclaimed a state of emergency.*

3 (ii) The assessor issued a supplemental or escape assessment  
4 due to a previously unrecorded change in ownership on or after  
5 the date of the ~~misfortune or calamity~~. *state of emergency described*  
6 *in paragraph (A).*

7 (iii) The transferee acquires ownership of the property, including  
8 but not limited to, pursuant to Chapter 4 (commencing with Section  
9 13600) of Part 2 of Division 8 of the Probate Code, on or after the  
10 date of the ~~misfortune or calamity~~. *state of emergency described*  
11 *in paragraph (A).*

12 ~~(B) If all conditions of subparagraph (A) are satisfied, there~~  
13 ~~shall be a rebuttable presumption that the real property is the~~  
14 ~~principal place of residence of the transferor and transferee for~~  
15 ~~purposes of paragraph (1) of subdivision (a).~~

16 ~~(C)~~

17 (B) If all conditions of subparagraph (A) are satisfied, and  
18 notwithstanding subparagraph (B) of paragraph (1) of subdivision  
19 (a), a filing to claim the homeowners' or disabled veterans'  
20 exemption shall be treated as timely if it is filed within a year of  
21 the date of mailing of a notice of supplemental or escape  
22 assessment issued as a result of the transfer of the real property  
23 for which the claim is filed.

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

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

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

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

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

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

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

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

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

1 including Section 11349.6 of the Government Code, the adoption  
2 of the regulation is an emergency and shall be considered by the  
3 Office of Administrative Law as necessary for the immediate  
4 preservation of the public peace, health and safety, and general  
5 welfare.

6 *SEC. 3. The Legislature finds and declares that a special statute*  
7 *is necessary and that a general statute cannot be made applicable*  
8 *within the meaning of Section 16 of Article IV of the California*  
9 *Constitution because of the unique circumstances facing the County*  
10 *of Los Angeles.*

11 ~~SEC. 3.~~

12 *SEC. 4.* If the Commission on State Mandates determines that  
13 this act contains costs mandated by the state, reimbursement to  
14 local agencies and school districts for those costs shall be made  
15 pursuant to Part 7 (commencing with Section 17500) of Division  
16 4 of Title 2 of the Government Code.