



STATE BOARD OF EQUALIZATION
 PROPERTY TAX DEPARTMENT
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No. 2023/052

December 6, 2023

TO COUNTY ASSESSORS:

2023 PROPERTY TAX LEGISLATION

This is a summary of 2023 legislation affecting property taxes. All bills will become effective January 1, 2024, unless otherwise specified.

AB 84 (Ward), Chapter 734, effective October 11, 2023

Amends sections 214 and 259.15 of the Revenue and Taxation Code.

Welfare Exemption: Affordable Housing. Expands the partial exemption to property acquired, rehabilitated, developed, or operated, or any combination of these factors, with financing from qualified 501(c)(3) bonds. From the 2024–25 fiscal year through the 2028–29 fiscal year, requires that a unit continue to be treated as occupied by a lower income household if the property is subject to an enforceable and verifiable agreement with a public agency, if the occupants were lower income households on the lien date in the fiscal year in which their occupancy of the unit commenced, and if the unit continues to be rent restricted. Adds percentage of area median income, or other determinant factor from which maximum chargeable rent is derived, to the list of specified information to be contained within the affidavit required to accompany the welfare exemption claim.

AB 288 (Maienschein), Chapter 62

Amends sections 5610, 5614, 5642, 5652, and 5660 of; and adds section 5614.5 to; the Probate Code.

Revocable Transfer on Death Deeds. Extends the revocable transfer on death deeds (RTODD) provisions to interests in stock cooperatives. Provides that a RTODD may be used to transfer real property even if ownership of the property is not typically evidenced or transferred by use of a deed. Provides that if a RTODD and another instrument purporting to dispose of the same property conflict, if the other instrument makes a revocable disposition of the property, the later executed instrument is operative. However, if the other instrument makes an irrevocable disposition of the property, the other instrument (not the RTODD) is the operative instrument.

AB 556 (Gallagher), Chapter 443, effective October 8, 2023

Amends section 69 of the Revenue and Taxation Code.

Disaster Base Year Value Transfer – Intracounty. For property substantially damaged or destroyed by the Camp Fire on or after November 1, 2018, but on or before November 20, 2018, extends the five-year period to eight years in which a replacement property must be purchased or newly constructed.

AB 1033 (Ting), Chapter 752

Amends sections 65852.2 and 65852.26 of the Government Code.

Accessory Dwelling Units: Local Ordinances: Separate Sale or Conveyance. Allows a local agency to adopt an ordinance to allow the separate conveyance of the primary dwelling unit and accessory dwelling unit or units as condominiums, as specified.

AB 1361 (Hoover), Chapter 473

Amends section 205.5 of the Revenue and Taxation Code.

Veterans' or Disabled Veterans' Exemption – Preliminary Application. Authorizes a County Assessor to provide a written or electronic determination of preliminary eligibility for the disabled veterans' property tax exemption.

AB 1500 (Irwin), Chapter 583, effective October 8, 2023

Amends section 70.5 of the Revenue and Taxation Code.

Disaster Relief. For property that was substantially damaged or destroyed in the 2018 Woolsey Fire or the 2018 Camp Fire, on or after November 1, 2018 through November 30, 2018, extends the five-year time period to eight years in which a replacement property must be reconstructed on the same site.

AB 1528 (Gipson), Chapter 766

Amends section 34400 of the Health and Safety Code.

Housing Authorities: Property Taxation. Specifies that property held by a nonprofit public benefit corporation that is controlled by a housing authority is exempt from taxation. Requires any outstanding ad valorem tax, interest, or penalty that was levied on the property of a housing authority to be canceled, and any tax, interest, or penalty levied that was paid prior to January 1, 2024, to be refunded. States that this is not a change, but is declaratory of existing law.

AB 1754 (Judiciary Committee), Chapter 131

Among others, amends sections 214.15.1 and 327 the Revenue and Taxation Code.

Maintenance of the Codes. Makes nonsubstantive changes in various provisions of the law. Regarding the welfare exemption for property owned and used by nonprofit organizations and in process of being built or rehabilitated, changes "may" to "shall" regarding the prohibition of a denial on the basis that the property does not currently include a residential unit. Regarding parcel map combinations or divisions, corrects a misspelled word.

SB 82 (Seyarto), Chapter 773

Amends section 205.5 of the Revenue and Taxation Code.

Disabled Veterans' Exemption. Requires a County Assessor to accept an electronically generated letter of service-connected disability in lieu of an original letter of service-connected disability, at the discretion of the claimant, when verifying eligibility for the disabled veterans' exemption.

Provides double-jointed language for AB 1361 so the provisions of AB 1361 are not chaptered out.

SB 419 (Roth), Chapter 713, effective October 10, 2023

Amends section 242 of the Revenue and Taxation Code.

Space Flight Property Tax Exemption. Extends sunset date to the January 1, 2029 lien date, the property tax exemption for qualified property used in space flight. Extends sunset date of section 242 to July 1, 2030. Requires Legislative Analyst's Office (LAO) to provide a report on performance indicators. Requires Assessors and the BOE to provide information specified by the LAO, which may be considered confidential information.

SB 520 (Seyarto), Chapter 781, effective October 11, 2023

Amends section 218 of the Revenue and Taxation Code.

Homeowners' Exemption. Provides that if a person receiving the exemption is not occupying the dwelling because they are confined to a hospital or other care facility, the person shall be deemed to occupy that dwelling as their principal place of residence, provided that (1) the person would occupy the dwelling if they were not confined to the hospital or other care facility, (2) the person intends to return to the dwelling when possible to do so, and (3) the dwelling is not rented or leased to a person that is not described in Section 267(c)(4) of Title 26 of the United States Code.

SB 734 (Rubio), Chapter 785, effective October 11, 2023

Adds section 107.10 to the Revenue and Taxation Code.

Possessory Interests. Provides there is no independent possession or use of land or improvements if that possession or use is a tenancy in a residential unit of a publicly owned housing project by a low-income household, rented at affordable rents.

SB 890 (Governance and Finance Committee), Chapter 312, effective October 4, 2023

Amends sections 62.1, 62.5, 69.4, and 69.6 of the Revenue and Taxation Code.

Change in Ownership Exclusions for Transfers of Pro Rata Interests in Mobilehome Parks and Floating Home Marinas. Regarding a reassessable transfer of a pro rata interest in a mobilehome park or a floating marina, adds Revenue and Taxation Code section 63.2 to the list of applicable exclusions.

Contaminated Property Base Year Value Transfer. For purposes of the qualified contaminated property base year value transfer, adds Revenue and Taxation Code section 69.6 to the list of exceptions to the requirement that the original property be reassessed at current market value.

Over 55/Severely Disabled/Victims of Wildfire or Natural Disaster Property Base Year Value Transfer. For purposes of the base year value transfer for persons over 55, severely disabled, or victims of wildfire or natural disaster, corrects a statutory reference.

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

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

Sincerely,

/s/ David Yeung

David Yeung
Deputy Director
Property Tax Department

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