STATE OF CALIFORNIA

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July 6, 1978

No. 78/116

TO COUNTY ASSESSORS:

"CHANGE OF OWNERSHIP"
SENATE BILL 2212, CHAPTER 332, STATUTES OF 1978

The Governor has signed Senate Bill 2212 making technical and supplemental changes to Senate Bill 154, Chapter 292. This bill amends Section 110.6 of the Revenue and Taxation Code relating to changes in ownership.

The following are specifically excluded from the definition of "change of ownership":

"(1) Any transfer to an existing assessee for the purpose of perfecting title to the property;

(2) The creation, assignment, or reconveyance of a security interest not coupled with the right to immediate use, occupancy, possession, or profits;

(3) Any interspousal transfer to create or terminate a community property interest or joint tenancy interest;

(4) Substitution of a trustee under the terms of a security on trust instrument;

(5) Any termination of a joint tenancy interest; or

(6) Any transfer of a share of stock in a cooperative housing corporation, as defined in Section 17265 coupled with a possessory interest in a cooperative apartment unit thereof; provided, however, that proportions of the value of the cooperative housing corporation attributable to the possessory interest shall be included."

Items (1), (2), and (4) essentially describe transfers of "bare legal title," already excluded from consideration as changes in ownership by Senate Bill 154 and Property Tax Rule 462. We interpret item (3) to mean interspousal transfers caused by divorce or death do not constitute a change of ownership. According to item (5), joint tenancies, other than interspousal, are a change of ownership when created but not when terminated. In our opinion, item (6) prohibits the revaluation of an entire cooperative apartment project upon the transfer of an individual interest, but provides for the revaluation of the transferred interest (individual living unit).

Changes in Property Tax Rule 462 will be required to reflect these provisions of Senate Bill 2212 (copy enclosed).

Section 110.6 of the Revenue and Taxation Code is designed to serve as interim legislation and will be repealed as of July 1, 1979.

Sincerely,

Walter R. Senini
Chief of Operations
Property Tax Department

WRS:dm
Enclosure