



[Senate Bill 288](#) (Seyarto)

Date: January 22, 2026 (Amended)  
Program: Property Taxes  
Revenue and Taxation Code section 63.2  
Effective: Upon enactment, immediately

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**Summary:** This bill amends section 63.2 of the Revenue and Taxation Code (RTC), which enacts a change in ownership exclusion for transfers between eligible transferees (parent, child, or grandchild) during the one-year period that Proposition 19 (2020) sets for an eligible transferee to reside in the property to be eligible for the exclusion. In certain circumstances involving probate, the measure resets the start date for the one-year period under Proposition 19 to establish residency in the transferred property to coincide with the effective date of a final judicial order.

**Fiscal Impact Summary:** Annual revenue reduction is estimated to be \$24 million

**Amendment Summary:**

As amended 1/22/26 – Removed language that would have created a local mandate by striking a transferee requirement to notify Assessors within one year of their intent to claim an exclusion after a Probate order is received via a form prescribed by the state Board of Equalization.

**Existing Law:**

Current law requires assessors to reassess real property from its Proposition 13 (1978) protected value (called the "base year value") to its current market value whenever a change in ownership or new construction occurs.<sup>1</sup> Exceptions to this reassessment requirement have been enacted, including exclusions from reassessment for transfers between parents and children. Under certain circumstances, the parent-child exclusion is extended to transfers of real property from grandparents to grandchildren.

Proposition 58 (1986) excluded transfers of property from parents to children from a change in ownership (ACA 2, Hannigan). Ten years later, Proposition 193 (1996) extended the exclusion to transfers of property to grandchildren, so long as the parents are deceased (ACA 17, Knowles). These two changes created an exclusion to the requirement that property be reassessed when a change in ownership occurs, and apply when property is passed down (parent to child; grandparent to grandchild) or passed up (child to parent). These exclusions applied to all inherited primary residences, regardless of value or number of transfers, and to up to \$1 million in aggregate value of all other types of property, such as second homes or business properties.

Operative February 16, 2021, Proposition 19 replaced the existing parent-child and grandparent-grandchild exclusion with a new intergenerational exclusion that applies only to a transfer of a family home or family farm, if the property continues as the family home or family farm of the transferee. *Cal. Const. Article XIII A, Section 2.1(c) and (d)*<sup>2</sup>. The transferee has one year from the date of transfer to reside in the home to be eligible for the exclusion.

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<sup>1</sup> Article XIII A, section 2.

<sup>2</sup> Section references are to the California Constitution, unless otherwise noted.

After the enactment of Proposition 19, the Legislature enacted an omnibus implementation bill to resolve several administrative uncertainties, largely based on similar law implementing Propositions 58 and 193 (SB 539, Hertzberg – ch. 427, 2021). Among other requirements, SB 539 codified Proposition 19's requirement that the transferee claim the homeowners' or disabled veteran's exemption at the time of transfer to apply the exclusion.

**Family Home.** Family home has the same meaning as "principal residence," as used in subdivision (k) of section 3 of article XIII. Proposition 19 provides that "family home" includes a "family farm," which means any real property that is under cultivation or being used for pasture or grazing or to produce any agricultural commodity, defined as any and all plant and animal products produced in California for commercial purposes.<sup>3</sup> *Section 2.1(c)(3).*

**Principal Place of Residence.** To qualify for this benefit, Proposition 19 requires that (1) the home must be the principal residence of the transferor and continue as the principal residence of the transferee and, (2) the transferee must file for the homeowners' or disabled veterans' exemption within one year of the date of purchase or transfer. *Section 2.1(c)(1) and (5).*

**Principal Residence Value Test.** Proposition 19 provides that the existing adjusted base year value of the principal residence will remain if the reassessed value is less than the sum of the adjusted base year value of the principal residence of the transferor plus \$1 million. If the reassessed value exceeds the sum of the adjusted base year value of the principal residence of the transferor plus \$1 million, then the difference between (1) the sum of the adjusted base year value plus \$1 million, and (2) the reassessed value, is to be added to the property's existing adjusted base year value. *Section 2.1(c)(1).*

**Adjustment of \$1 Million.** Beginning February 16, 2023, the \$1 million amount is biennially adjusted by an inflation factor that is the percentage change in the House Price Index (HPI) for California for the prior calendar year, as determined by the Federal Housing Finance Agency. The State Board of Equalization (BOE) is required to calculate and publish the adjustments required. *Section 2.1(c)(4).*

**Grandparent-Grandchild Middle Generation Limitation.** Proposition 19 provides that the exclusion applies to a transfer between grandparents and grandchildren if all the parents of those grandchildren, who qualify as children of the grandparents, are deceased as of the date of the purchase or transfer. *Section 2.1(c)(2).*

**Homeowners' and Disabled Veterans' Exemption.** The California Constitution<sup>4</sup> exempts from property tax the first \$7,000 of assessed value for owner-occupied principal places of residence. This exemption is commonly known as the "homeowners' exemption." The California Constitution also authorizes the Legislature to exempt partially or fully from property tax, the principal place of residence owned by a veteran or the veteran's spouse, including a veteran's unmarried surviving spouse, if the veteran has incurred certain injuries, including blindness in both eyes, lost use of 2 or more limbs, or is totally disabled. The exemption is also available to the veteran's unmarried surviving spouse if a veteran's death is from a service-connected injury or disease or occurs while

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<sup>3</sup> Government Code section [51201](#) provides that "agricultural commodity" means any and all plant and animal products produced in California for commercial purposes, including, but not limited to, plant products used for producing biofuels, and industrial hemp cultivated in accordance with Food and Agricultural Code [division 24](#) (commencing with section 81000).

<sup>4</sup> Article XIII, section [3\(k\)](#).

on active duty in military service. This exemption is commonly referred to as the "disabled veterans' exemption."

**Probate.** Probate is the court-supervised process developed under California law that transfers legal title of property from the estate of a person who has died to beneficiaries. At the beginning of probate, a petition is filed with the court. After notice is given, and a hearing is held, the will is admitted to probate, and an executor is appointed. If a person dies without a will, their estate is still subject to probate and the court may appoint a person to handle the estate known as the "administrator."

To start a probate case (called opening probate), parties appear in court and ask a judge to appoint a personal representative. The personal representative is then responsible for representing the estate in the probate process. The personal representative collects all the property of the person who died, pays their bills, and then distributes any remaining property to the people with a legal right to receive the property (called heirs or beneficiaries).

The entire probate process generally takes 9 to 18 months from beginning to end, and can sometimes take even longer. While beneficiaries can occupy a property under certain circumstances, they cannot take ownership until the Probate Court issues its order. As a result, many beneficiaries cannot claim the homeowners' exemption within one year, so therefore cannot claim a Proposition 19 intergenerational change in ownership exclusion.

### **Proposed Law:**

For property transfers subject to probate, this bill would reset the start date for the one-year period under Proposition 19 to establish residency in any transferred property under RTC section 63.2 (a) (1) (A) or (B) to commence as of the effective date of the order entered pursuant to the Probate Code. SB 288 states that this proposed change would apply notwithstanding any other law.

### **History:**

The proposed changes to RTC 63.2 in SB 288 are substantially similar to one provision in SB 284 (Seyarto) from 2025. SB 284 was held on the suspense file in the Assembly Revenue and Tax Committee last year while awaiting proposed amendments.

### **Effective Date:**

This bill would become effective immediately.

### **Commentary:**

According to the author's commentary, this bill would provide protection for individuals who are unable to take legal ownership of a home within one year because of the probate process. By adding clarity to Proposition 19, this measure ensures that families preserve a valuable asset and are not unduly burdened by a tax reassessment."

**Administrative Concerns.** There are a few administrative questions that will arise with the proposed probate provision in proposed RTC section 63.2. Notable concerns:

1. Prior to a probate court order, will the Assessor hold a reassessment in abeyance until an intergenerational transfer is filed and notified of the completion of probate, or will the Assessor

*This staff analysis is provided to address various administrative, cost, revenue, and policy issues; it is not to be construed to reflect or suggest the BOE's formal position.*

re-assess the property and then undo the reassessment if the intergenerational transfer is granted?

2. If the Assessor does not reassess upon death and the intergenerational transfer is not granted, the Assessor will have to perform a retroactive appraisal, and will likely face statute of limitation issues for escape assessments. This will likely create additional work for Assessors and a financial burden for the transferee.
3. Who will inform the taxpayer of the form and process required to avail themselves of this process?

**Other Concerns.** If a transfer is done by will or trust, the transfer process may still be lengthy. Those transferees would not receive the same benefit as probate transferees.

### **Costs:**

Costs to BOE are estimated as follows: \$14,000 in 2026-27, \$2,000 in 2027-28, and \$6,000 in 2028-29, for handling related transfer inquiries and administrative issues.

### **Revenue Impact:**

At the time of preparing this analysis, BOE staff did not know the number of intestate transfers that would qualify for the intergenerational transfer per year. However, for every transfer that will qualify under this bill, the impact will be about \$3,117 in revenue loss. This is based on the difference of the California November 2025 median price of \$852,680 and the 2025 average assessed value of \$540,972 ( $(\$852,680 - \$540,972) \times 1$  percent).

The Judicial Council of California published the *Statewide Caseload Trends [report](#)*, which indicated there were 42,873 probate (estates, trusts, and other probate) filings in 2023-24. Total dispositions were 30,893.

As an order of magnitude, if an assumption is made that about twenty-five percent of the dispositions may be cases that would fall under SB 288, then the estimated annual revenue loss is \$24 million ( $(25\% \times 30,893 \text{ cases}) \times \$3,117$ ).

### **Revenue Summary:**

Annual revenue loss is estimated to be \$24 million

### **Qualifying Remarks:**

If an assumption is made that undisposed probates may fall under SB 288, then estimated annual revenue loss is \$33 million ( $(25\% \times 42,873 \text{ cases}) \times \$3,117$ ). Hence, the above revenue estimate may be understated.