



SALLY J. LIEBER

CHAIR
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: May 13, 2026

To: Ted Gaines, Vice-Chair, Board Member, First District
Antonio Vazquez, Board Member, Third District
Mike Schaefer, Board Member, Fourth District
Malia M. Cohen, California State Controller

From: Sally J. Lieber, Chair, Board Member, Second District

Re: ITEM 13. Request for Board Support of Senate Bill 974 (Seyarto) Property taxation: change in ownership: generational transfers: Special Needs Trusts (SNTs).

I am writing to respectfully request that the Board of Equalization take a position in support of Senate Bill 974 (Seyarto) to modify the definition of “transfer” in statute implementing Proposition 19 to explicitly state that other forms of trusts can qualify for the exclusion, specifically Special Needs Trusts.

Germaneness. This request is germane to the Board of Equalization’s responsibilities because the provisions of SB 974 provide that the State Board of Equalization shall prescribe, after consultation with the California Assessors’ Association, a form for claiming eligibility consistent with Proposition 19 (2020).

Policy Issue Addressed. As stated by the bill’s author, “SB 974 makes a clarification regarding the protections of Proposition 19 and individuals who are severely disabled covered by a Special Needs Trust (SNT). This measure will protect those individuals from suffering reassessment on

their homes that are held in an SNT. The Legislature has ensured several times that administrative uncertainties and legal vagueness should not prevent individuals from meeting Proposition 19 requirements. Individuals who otherwise would inherit a property but cannot due to the needs of an SNT should not lose their Proposition 19 exclusion due to circumstances outside their control.”

Fiscal Impact. The Board of Equalization’s Bill Analysis of SB 974 states that there will be no revenue impact.

State and Local Administrative Impacts. There would be minimal state and local impacts resulting from the passage of SB 974, limited possibly to a clarifying Letter to Assessors (LTA) issued by the BOE and review of such LTA by local county assessors. The Senate Floor Analysis of SB 974 states, “BOE guidance states that assessors can look through a trust to its beneficial owners to determine whether an exclusion applies, such as a Prop. 19 intergenerational transfer, so long as the trustee or trustor submits a timely exclusion claim. While ... (existing law) ... includes trusts in its definition of “transfer” it did not explicitly include Special Needs Trusts.

Link to Bill Text. The following is a link to the text of SB 974:

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB974

Bill Analyses Links (including BOE Bill Analysis):

https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202520260SB974

<https://boe.ca.gov/legdiv/pdf/0974sb032526rd.pdf>

SB 974 provides an important clarification that Special Needs Trusts (SNTs) qualify for Proposition 19 exclusions. This is particularly important to ensure that individuals who are severely disabled covered by a Special Needs Trust receive the Proposition 19 exclusion benefits that they are entitled to.

I respectfully request the Board support SB 974.

Sincerely,

A handwritten signature in black ink that reads "Sally J. Lieber". The signature is written in a cursive, flowing style.

Sally J. Lieber, Chair

cc:

Matt Cox, Chief Deputy, Office of Vice-Chair Ted Gaines
Douglas Winslow, Chief Deputy, Office of Chair Sally J. Lieber
Juan Carlos Flores, Chief Deputy, Office of Member Antonio Vazquez
Cody Petterson, Chief Deputy, Office of Member Mike Schaefer
Hasib Emran, Deputy State Controller
Yvette M. Stowers, Executive Director