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No. 2023/046

November 17, 2023

TO COUNTY ASSESSORS:

**CHANGE IN OWNERSHIP EXCLUSIONS:  
PROPOSITION 19 TECHNICAL CLEANUP**

Effective October 4, 2023, [Senate Bill 890](#) (Stats. 2023, ch. 312) amends Revenue and Taxation Code<sup>1</sup> sections 62.1, 62.5, 69.4, and 69.6 involving the change in ownership exclusions for mobilehome parks and floating home marinas and two base year value transfers. These amendments are a technical cleanup relating to the Proposition 19 intergenerational transfer exclusion and the base year value transfer.

As you are aware, on November 3, 2020, California voters approved Proposition 19, which, in part, added section 2.1 to article XIII A of the California Constitution, to provide two types of property tax relief:

- A change in ownership exclusion for transfers of a family home or family farm between parents and their children or, under limited circumstances, between grandparents and their grandchildren (called the intergenerational transfer exclusion).
- A base year value transfer for homeowners who are over age 55, severely disabled, or victims of wildfire or natural disaster.

The intergenerational transfer exclusion, which became operative on February 16, 2021, is implemented by section 63.2. The base year value transfer, which became operative on April 1, 2021 is implemented by section 69.6.

*Change in Ownership Exclusion – Transfer of Interest in Mobilehome Park (Section 62.1)*

Section [62.1](#) provides that "change in ownership" does not include certain transfers of a mobilehome park to an entity formed by the tenants of the mobilehome park for the purpose of purchasing the mobilehome park, if certain requirements relating to tenant rental and participation are met. Once the conversion of a manufactured home park has been excluded from change in ownership pursuant to one of the provisions of section 62.1, subsequent transfers of individual ownership interests are not excluded from change in ownership and are subject to reappraisal.

Prior to October 4, 2023, section 62.1(b)(1) specified that a subsequent transfer of a pro rata interest may be excluded from change in ownership under section 62, 63, or 63.1 (exclusions for

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<sup>1</sup> All statutory references are to the Revenue and Taxation Code unless otherwise noted.

transfers between registered domestic partners, spouses, parents and their children, or, under limited circumstances, grandparents and their grandchildren). Senate Bill 890 amends this list of change in ownership exclusions contained in section 62.1(b)(1) to also include the intergenerational transfer exclusion under section 63.2.

*Change in Ownership Exclusion – Transfer of Interest in Floating Home Marina (Section 62.5)*

Similar to the change in ownership exclusion for mobilehome parks, section [62.5](#) provides an exclusion from change in ownership for a transfer of a floating home marina to an entity formed by the tenants of the marina to purchase their marina from the former owner. Once the initial conversion of a floating home marina has been excluded from change in ownership, a subsequent transfer of a pro rata interest in the entity that owns the marina is a change in ownership.

Section 62.5(b)(1) specifies that the subsequent transfer of a pro rata interest may be excluded from change in ownership by section 62, 63, or 63.1 (exclusions for transfers between registered domestic partners, spouses, parents and their children, or, under limited circumstances, grandparents and their grandchildren). Senate Bill 890 amends the list of change in ownership exclusions under section 62.5(b)(1) to also include the intergenerational transfer exclusion under section 63.2.

*Base Year Value Transfer – Qualified Contaminated Property (Section 69.4)*

Section [69.4](#) allows an owner of qualified contaminated property to sell or transfer that qualified contaminated property, purchase or newly construct a replacement property, and transfer the factored base year value to the replacement property if certain requirements are met.

One of the requirements is that upon the sale or transfer of the qualified contaminated property, the qualified contaminated property must be reassessed to current market value. Section 69.4(c) specifies that upon the sale or transfer, the qualified contaminated property must be subject to a change in ownership that results in either of the following:

- A reappraisal at its current fair market value; or
- Receipt of a base year value transferred from another property under the provisions of section 69 (intracounty disaster relief base year value transfer), section 69.3 (intercounty disaster relief base year value transfer), or section 69.5 (principal residence base year value transfer).

Senate Bill 890 amends the list of base year value transfers to include a base year value transfer under section 69.6 for persons over age 55, severely and permanently disabled, or victims of wildfire or natural disaster.

In addition, section 69.4(d) specifies that this property tax relief is not available if the owner of the qualified contaminated property either (1) rebuilds and receives the new construction exclusion for qualified contaminated property under section 74.7, or (2) signs a parent-child exclusion claim under section 63.1, allowing the base year value to stay with the qualified contaminated property. Senate Bill 890 amends section 69.4(d)(2) to add section 63.2 (the intergenerational transfer exclusion) to the section 63.1 reference.

*Base Year Value Transfer – Over 55/Severely Disabled/Victim of Wildfire or Natural Disaster (Section 69.6)*

Subdivision (a) of section [69.6](#) sets the basic requirements for the base year value transfer for persons who are over 55, severely and permanently disabled, or victims of wildfire or natural disaster that went into effect on April 1, 2021. One of the basic requirements described in this subdivision is that the original property must be eligible for either the homeowners' exemption or the disabled veterans' exemption and cites the constitutional and statutory authorities for these two exemptions.

Senate Bill 890 corrects the statutory authority for the disabled veterans' exemption in section 69.6(a) to properly cite Revenue and Taxation Code section 205.5.

Enclosed is a copy of the amended subdivisions of sections 62.1, 62.5, 69.4, and 69.6 with the changes indicated in strikeout and italics. If you have any questions about these changes, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David Yeung

David Yeung  
Deputy Director  
Property Tax Department

DY:gs  
Enclosure

*Effective October 4, 2023, Revenue and Taxation Code Section 62.1 is amended to read:*

(b) (1) If the transfer of a mobilehome park has been excluded from a change in ownership pursuant to paragraph (1) of subdivision (a) and the park has not been converted to condominium, stock cooperative ownership, or limited equity cooperative ownership, any transfer on or after January 1, 1989, of shares of the voting stock of, or other ownership or membership interests in, the entity that acquired the park in accordance with paragraph (1) of subdivision (a) shall be a change in ownership of a pro rata portion of the real property of the park unless the transfer is for the purpose of converting the park to condominium, stock cooperative ownership, or limited equity cooperative ownership or is excluded from change in ownership by Section 62, 63, ~~or 63.1~~, or 63.2.

*Effective October 4, 2023, Revenue and Taxation Code Section 62.5 is amended to read:*

(b) (1) If the transfer of a floating home marina has been excluded from a change in ownership pursuant to subdivision (a) and the floating home marina has not been converted to condominium, stock cooperative ownership, or limited equity cooperative ownership, any transfer of shares of the voting stock of, or other ownership or membership interests in, the entity that acquired the floating home marina in accordance with subdivision (a) shall be a change in ownership of a pro rata portion of the real property of the floating home marina, unless the transfer is for the purpose of converting the floating home marina to condominium, stock cooperative ownership, or limited equity cooperative ownership, or is excluded from change in ownership by Section 62, 63, ~~or 63.1~~, or 63.2.

*Effective October 4, 2023, Revenue and Taxation Code Section 69.4 is amended to read:*

(c) (1) Upon the sale or transfer of the original property, the assessor shall determine a new base year value for that property in accordance with subdivision (a) of Section 2 of Article XIII A of the California Constitution and Section 110.1.

(2) This section does not apply unless the sale or transfer of the original property is a change in ownership that does either of the following:

(A) Subjects the original property to reappraisal at its current fair market value in accordance with Section 110.1 or 5803.

(B) Results in a base year value determined in accordance with this section, Section 69, Section 69.3, ~~or Section 69.5~~, or Section 69.6 because the property qualifies under this section, Section 69, Section 69.3, ~~or Section 69.5~~, or Section 69.6 as a replacement dwelling or property.

(d) Property tax relief under this section is not available for a replacement property if the owner or owners of the original property do either of the following:

(1) Receive property tax relief under Section 74.7.

(2) Sign a claim under Section 63.1 or 63.2 allowing the base year value to stay with the original property.

*Effective October 4, 2023, Revenue and Taxation Code Section 69.4 is amended to read:*

(a) Pursuant to subdivision (b) of Section 2.1 of Article XIII A of the California Constitution, any person over 55 years of age, any severely and permanently disabled person, or a victim of wildfire or natural disaster who resides in property that is eligible for either the homeowners' exemption, under subdivision (k) of Section 3 of Article XIII of the California Constitution and Section 218, or the disabled veteran's exemption, under subdivision (a) of Section 4 of Article XIII of the California Constitution and Section ~~205~~,~~–205.5~~, may transfer, subject to the conditions and limitations provided in this section, the taxable value of that property to any replacement dwelling that is purchased or newly constructed by that person as their principal residence within two years of the sale by that person of the original property, provided that the taxable value of the original property shall not be transferred to the replacement dwelling until the original property is sold. A person shall not be allowed to transfer the taxable value of a primary residence pursuant to this section more than three times as a claimant who is over 55 years of age or severely or permanently disabled.