April 7, 2021

Ms. Glenna Schultz  
California State Board of Equalization  
P.O. Box 942879  
Sacramento, California 92479-0064

Dear Ms. Schultz:

LETTER TO ASSESSOR (LTA) 2021/012  
PROPOSED PROPERTY TAX RULE 462.540

As requested, our office has reviewed the draft of proposed new Property Tax Rule 462.540, Change in Ownership – Base Year Value Transfers. Thank you for the opportunity to review.

“We recommend adding an example explaining how to handle the following situation:

(1) An owner owns vacant land. Owner sells principal place of residence (PPR), and builds a replacement PPR on the vacant land.  
(a) Can the original PPR base value be transferred?  
(b) What is the valuation process?

Example: Owner owns vacant land in Whittier purchased in 2010. Owner’s original principal place of residence (PPR) base value is $250,000. Owner sells original PPR for $700,000 on April 1, 2021. Owner constructs a replacement PPR on the vacant land in Whittier for a total cost of $500,000, and completes construction on March 1, 2023.

Question: Can the owner transfer the base value of the original PPR to the replacement PPR? Please provide an example of the valuation process.”

- Lisa Lucero, Principal Appraiser  
Ownership Services
Should you have any questions, please contact Matthew Herrera at MHerrera@assessor.lacounty.gov.

Sincerely,

Chad Gagna
Chief Appraiser
Business Solutions and Standards Division

CG:CA:ca

c: File, Appraisal Standards Section