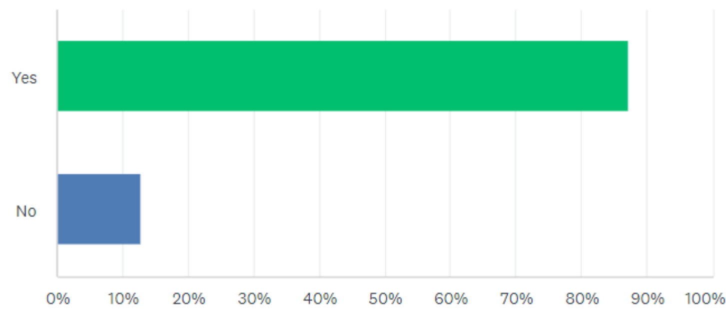
Note: Results as of January 21, 2022

Q1

Should the increase in assessed value from an outbound base year value transfer allowed under section 2.1(b) be calculated by subtracting the original property's base year value before the transfer from the original property's base year value after transfer? For example, if an intercounty base year value transfer occurred on April 15, 2021, the original property in County Z had a base year value of $200,000 before the transfer, the original property is sold for $1,000,000, and the original property's new base year value is $1,000,000. Should the county's increase in assessed value from the base year value transfer be $800,000 ($1,000,000 - $200,000 = $800,000)?

Total Responses: 39

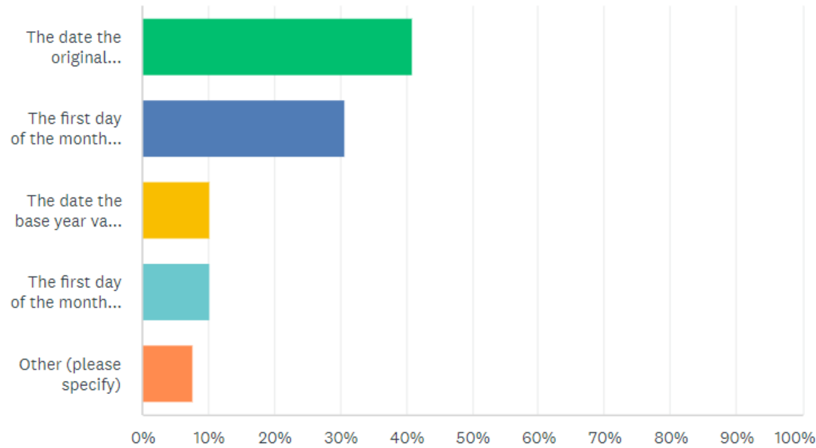


ANSWER CHOICES	RESPONSES	
Yes	87.18%	34
No	12.82%	5
TOTAL		**39**

Q2

When a county has an increase in assessed value due to the sale and reassessment of the original property in the county as part of an outbound base year value transfer allowed under section 2.1(b), should that increase in assessed value begin on:

Total Responses: 39



ANSWER CHOICES		RESPONSES	
The date the original property was sold		41.03%	16
The first day of the month following the date the original property was sold		30.77%	12
The date the base year value transfer was completed		10.26%	4
The first day of the month following the date the base year value transfer was completed		10.26%	4
Other (please specify)	Responses	7.69%	3
TOTAL			39

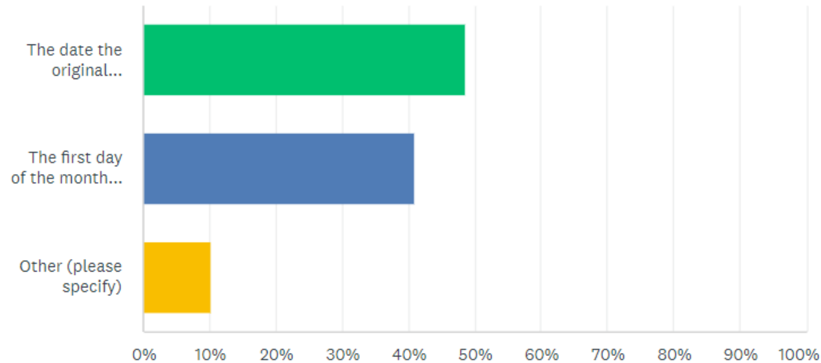
“Other” Responses:

1. Same day as the supplemental event for the ownership change. Note the tax on the supplemental will be billed as of the first of the month following the event date.
2. The first day of the month following the effective date of the base year value transfer.
3. Date property sale; Revenue – first day of month value transfer completion.

Q3

When a county has an increase in assessed value due to the sale and reassessment of the original property in the county as part of an outbound base year value transfer allowed under section 2.1(b), should that increase in assessed value end on:

Total Responses: 39



ANSWER CHOICES		RESPONSES	
The date the original property is sold or otherwise changes ownership		48.72%	19
The first day of the month following the date the original property is sold or otherwise changes ownership		41.03%	16
Other (please specify)	Responses	10.26%	4
TOTAL			39

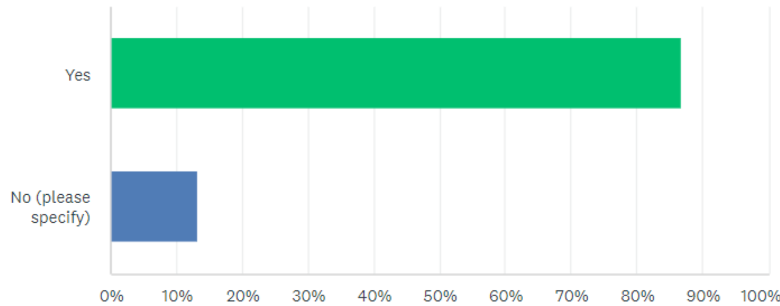
“Other” Responses:

1. The date the original property sells again, unrelated to the initial base year transfer.
2. Assessment — Date property sale; Revenue — first day of month value transfer completion.
3. Don't understand the question.
4. The date of the supplemental event for the change in ownership.

Q4

When a county has a decrease in assessed value due to an inbound base year value transfer to a replacement property in the county allowed under section 2.1(b) and there is a subsequent reassessment of a fractional interest in that replacement property, should the reassessment reduce the county's loss in assessed value from the inbound base year value transfer to that replacement property?

Total Responses: 38



ANSWER CHOICES		RESPONSES	
Yes		86.84%	33
No (please specify)	Responses	13.16%	5
TOTAL			38

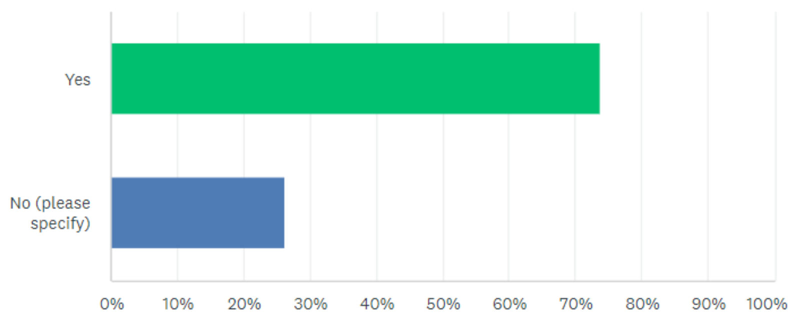
"No" Responses:

1. Track original base year value transfer allowed under 2.1 only.
2. Fractional interest was not involved in original transaction.
3. The loss should only be calculated based on the portion affected, as described in question 5.
4. Any subsequent reassessment would have nothing to do with the initial loss. The initial loss in revenue still exists.
5. The two are not related. What does "subsequent" mean? Two months later, one year later, five years later. How long are we supposed to track these items?

Q5

If the reassessment of a fractional interest in a replacement property in a county reduces the county's loss in assessed value from the inbound base year value transfer to that replacement property allowed under section 2.1(b), should the county's loss in assessed value from the inbound base year value transfer to that replacement property be reduced by the same percentage as the percentage of the replacement property that was reassessed? For example, should County Z's $500,000 loss in assessed value from an inbound base year value transfer to a replacement property in County Z, calculated as the $1,000,000 purchase price of that replacement property minus its $500,000 base year value under section 2.1(b), be reduced by 50 percent to $250,000 if 50 percent of that replacement property is reassessed?

Total Responses: 38



ANSWER CHOICES		RESPONSES	
Yes		73.68%	28
No (please specify)	Responses	26.32%	10
TOTAL			38

"No" Responses:

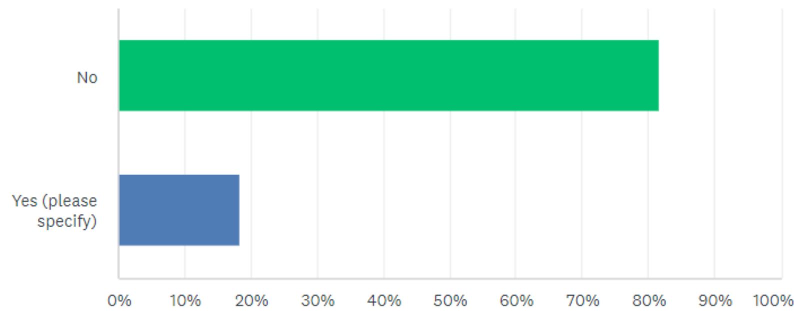
1. Only if the fractional occurred at the same time, otherwise the percent should be based on the market value as a nonqualifying Prop. 19 change in ownership. In the example above, if the fractional interest occurred two years later, the "current market value" should be used to determine the fractional interest increase in value.
2. Seems complicated.
3. The value difference between the base value and the market value of the 50 percent that was reappraised should be used.
4. It depends on the character and timing of the subsequent sale of the fractional interest.

5. Track original base year value transfer allowed under 2.1 only.
6. Unrelated to original transaction.
7. It could potentially be years before the subsequent partial sale occurs. Any subsequent reassessment would have nothing to do with the initial loss. The initial loss of revenue still exists.
8. Loss in value should be recalculated – not based on current percent values.
9. It depends on whether the subsequent transfer raised or lowered the value. In a down market, the 50 percent transfer could reduce the value, in which case the Prop. 19 loss would not be reduced.
10. This is where we need clarification as to what loss should be reported. Is the loss in value the difference between what the property was assessed prior to the base transfer and the value enrolled for the base transfer? Or is the loss in value the difference between the market value that would have typically been enrolled for a change in ownership and the assessed value enrolled for the base transfer.

Q6

A county has a loss in assessed value due to an inbound base year value transfer to a replacement property in the county allowed under section 2.1(b) and there is a subsequent reassessment of new construction on the replacement property completed more than two years after the sale of the owner's original property. Should the reassessment of the new construction reduce the county's loss in assessed value from the inbound base year value transfer to that replacement property?

Total Responses: 38



ANSWER CHOICES		RESPONSES	
No		81.58%	31
Yes (please specify)	Responses	18.42%	7
TOTAL			38

"Yes" Responses:

1. Simplicity. Consider the implication of a demolition and rebuild.

"No" Responses:

1. The new constructions should "add" to the assessed value of the property, but the loss would continue to be based on the original transaction. If they would have been $1,000,000 but assessed at $200,000, the loss of $800,000 would be tracked and adjusted based on the CPI independently of the new constructions' additional assessed value.
2. New construction would be reappraised at market value regardless of the base year transfer after two years; no reduction in the loss due to base year transfer.
3. The reporting should only address the impacts of the BYT event.
4. The new construction has its own base year value and would have been added regardless of base year value transfer qualification. However, if the new

construction qualifies as additional treatment during the two-year period, it should be added to the total loss of value associated with the transfer.

5. The original base year loss is still applicable.
6. No; separate unrelated events.

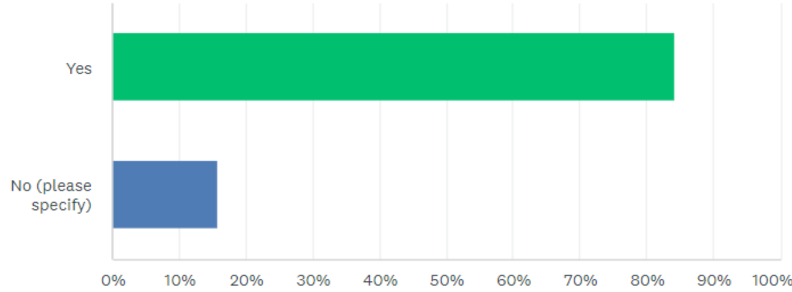
Q7

When determining the gain for the county and each local agency in the county for a determination period, under section 2.3(a), should the county only count revenue from:

- The supplemental assessments and corrections the county auditor enrolled on the supplemental roll during the determination period pursuant to chapter 3.5 (commencing with section 75) of part 0.5 of division 1 of the Revenue and Taxation Code;
- The lien date assessments on the secured roll the county auditor delivered to the tax collector during the determination period pursuant to chapter 2 (commencing with section 2601) of part 5 of division 1 of the Revenue and Taxation Code; and
- The lien date corrections the county auditor made on the secured and unsecured rolls during the determination period pursuant to part 9 (commencing with section 4801) of division 1 of the Revenue and Taxation Code.

For example, if a transfer of a family home in July 2021 qualifies for the parent-child transfer exclusion, the transfer increases the home's adjusted base year value due to the value limit in section 2.1(c), and revenue increases from the increase in the home's adjusted base year value are reflected in a supplemental assessment for the 2021-2022 fiscal year that the county auditor enrolled on the supplemental roll during the 2024-2025 fiscal year and escapes assessments for the 2022-2023, 2023-2024, and 2024-2025 fiscal years on the secured roll the county auditor delivered to the tax collector during the 2024-2025 fiscal year, then should the revenue increases reflected in those assessments only be included in the county's annual determinations for the 2024-2025 determination period?

Total Responses: 38



ANSWER CHOICES		RESPONSES	
Yes		84.21%	32
No (please specify)	Responses	15.79%	6
TOTAL			38

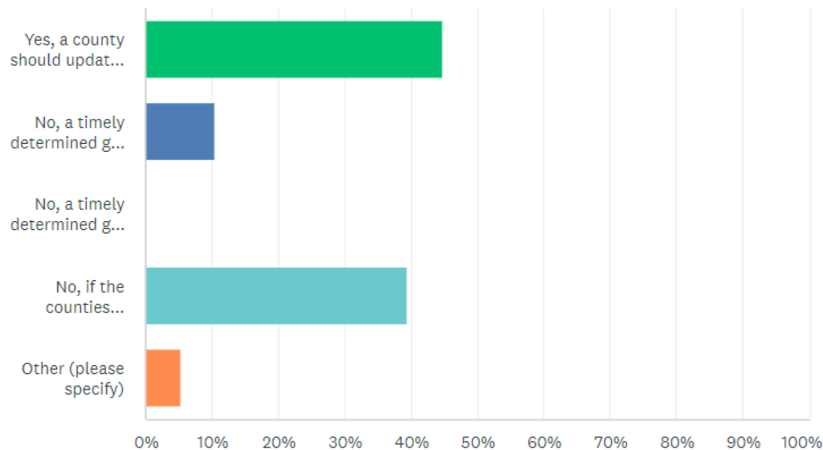
"No" Responses:

1. Assessments should occur every fiscal year for accuracy.
2. Should be for each year.
3. The increase for each affected year should be reported.
4. It depends on when the Assessor provides the information to the Assessor. If there is not enough time to make adjustments to the annual determinations for FY 21-22, 22-23, and 24-25 before the reporting deadline of January 31, 2025, then the revenue increases will only be included for the 24-25 determination period.
5. Counties should be able to correct reported gains/losses by the end of the third-year reporting deadline to the CDTFA.
6. It can be argued that an intergenerational transfer that results in a value less than the fair market value of the property on the date of transfer is actually a loss in revenue, not a gain. The fact that the home might have been excluded entirely is irrelevant.

Q8

If a county has determined the gains for the county and each local agency in the county for an annual determination period under section 2.3(a) by the deadline set by Regulation 35401 and then learns that a base year value transfer was completed during that period that will increase or decrease revenue for the county or any local agency in the county under section 2.3(a), should the county update the gains it determined for that period if there is sufficient time to do so before the gains are required to be reported to the CDTFA? For example, if a county determined the gains for the county and each local agency in the county for the first annual determination period by January 31, 2023, and then learned in January 2024, approximately one year before the first reporting deadline, that an inbound base year value transfer was completed in March 2022 that will decrease revenue for the county and some local agencies in the county under section 2.3(a), should the county update the gains it determined for the first annual determination period to reflect the revenue increases from the outbound base year value transfer?

Total Responses: 38



ANSWER CHOICES		RESPONSES	
Yes, a county should update a timely determined gain if there is sufficient time to do so before it is required to be reported		44.74%	17
No, a timely determined gain should be final after the deadline to determine the gain has passed and should not be updated		10.53%	4
No, a timely determined gain should be final immediately after it is determined and should not be updated.		0.00%	0
No, if the counties determine their gains as provided in question 7, then there should never be a need to update a timely determined gain to reflect a newly discovered event		39.47%	15
Other (please specify)	Responses	5.26%	2
TOTAL			38

“Other” Responses:

1. No, a timely and accurate reporting for the activity in the reporting period should not be adjusted. That information should be reported in the appropriate time frame that that activity occurred on the tax roll. If the county made an error in reporting such that the report was timely but didn't correctly report the activity, then the county should do an amendment.
2. Counties should be able to correct reported gains/losses by the end of the third-year reporting deadline to the CDTFA.