Proposition 19

California Department of Tax and Fee Administration (CDTFA)
Housekeeping

• Please be patient if we experience any unexpected technical difficulties.
• Use the “raise your hand” feature.
• Mute your microphone unless you are making a comment.
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• When making a comment, please state your name and agency name.
Topic 1: Overview

Registration

• Self-register at www.cdtfa.ca.gov

• Information needed from EACH county:
  Name of county and each jurisdiction (county, city, or special district)
  ▪ EIN
  ▪ Addresses (location, mailing, and warrant)

• County representative contact information:
  ▪ Name
  ▪ Email address
  ▪ Contact telephone number
Topic 1: Overview (continued)

Online Reporting

• Will be available at www.cdtfa.ca.gov
• Accessed through the CDTFA Online Services Portal
• County will designate the negative or positive gain for each jurisdiction
Regulation to Prescribe the Due Date for Making
the Determination and Reporting to the CDTFA

• Separate Interested Parties process
• Discussion paper to be distributed late July
• Followed by Interested Parties Meeting early August
• Material will be distributed via our Listserv
Topic 2: First Annual Determinations Period

- Fiscal or calendar year
- First year for determinations

All data effective May 26, 2021
In your opinion, should the annual determinations under section 2.3(a):

- Only include revenue from the 1 percent ad valorem tax real property collected by the counties and apportioned to the districts within the counties.

-OR-

- Include revenue from the 1 percent ad valorem tax and the local taxes on assessed value that could be impacted by the changes made by section 2.1.
Topic 3: Determining Revenue Increases and Decreases (continued)

Should the annual determinations under section 2.3(a):

- Only include revenue from the 1% ad valorem tax on real property...
- Include revenue from the 1% ad valorem tax AND the other local taxes...
- Other (please specify)

82% choose to only include revenue from the 1% ad valorem tax on real property, while 18% choose to include revenue from the 1% ad valorem tax AND the other local taxes.
Topic 4: Inbound Base Year Value Transfers

In your opinion, how should the difference in assessed value be calculated when a transfer occurs?

For Example:

An intercounty base year value transfer occurred on April 15, 2021. The original property in Napa County has a base year value of $200,000. The replacement property in Kern County has a base year value of $450,000. The original property is sold for $1,000,000. Replacement property is purchased for $1,100,000. The new base year value for replacement property is $300,000 ($200,000 + [$1,100,000 - $1,000,000] = $300,000).
For Example:
The new base year value (BYV) for replacement property is:

- An intercounty BYV transfer on April 15, 2021
- Original property in Napa County BYV of $200,000
- The replacement property in Kern County BYV $450,000
- The original property is sold for $1,000,000
- Replacement property is purchased for $1,100,000
In your opinion, should a transfer only decrease revenue in the year it occurs or also decrease revenue in subsequent year?

For Example:

- A transfer to Kern County occurred on April 1, 2021. The county’s revenue for fiscal years 20-21 and 21-22 should decrease due to supplemental assessments, and the county’s revenue for FY 22-23 should decrease due to the replacement property’s assessment on the regular roll.
Topic 4: Inbound Base Year Value Transfers (continued)

- Only the “initial year” in which the event occurs: 9%
- The “initial year” in which the event occurs and each subsequent year: 91%
- Other (please specify):
In your opinion, should an inflation factor be used if transfers decrease revenue in subsequent years?

- Yes: 73%
- No: 27%
Topic 5: Parent-Child and Grandparent-Grandchild Transfer Exclusion

To determine revenue increases from the changes section 2.1 made to the parent-child and grandparent-grandchild transfer exclusions, in your opinion, should counties be expected to identify every purchase or transfer of real property for which a claim is filed and is either partially granted or denied under section 2.1?
Topic 5: Parent-Child and Grandparent-Grandchild Transfer Exclusion (continued)

To determine revenue increases from the changes section 2.1 made to the parent-child and grandparent-grandchild transfer exclusions, in your opinion, should counties be expected to identify any other purchases or transfers for which no claim is filed?

- No: 92%
- Yes (please list the purchases and/or transfers): 8%
Topic 6: Deadline for the Annual Determination to CDTFA

Annual Determination Reporting and Due Dates

- Oct 1, 2022 due Oct 31, 2022: 18%
- Nov 1, 2022 due Nov 30, 2022: 9%
- Dec 1, 2022 due Dec 31, 2022: 55%
- Other (please specify): 18%
Questions for Internal County Discussion

Who from the county is responsible for:

• Tracking the changes in assessed value
• Calculating the revenue increases and decreases for the county and local agencies in the county
• Registering and reporting the results of the annual determinations
Resources

- Questions/Comments: PROP19@cdtfa.ca.gov
- Proposition 19 Updates Listserv: www.cdtfa.ca.gov/subscribe/prop-19.aspx
- Survey Link: www.surveymonkey.com/r/RFJZVBL
Thank You!