

AMENDED IN SENATE APRIL 27, 2021

SENATE BILL

No. 668

Introduced by Senator Bates

February 19, 2021

An act to ~~amend, repeal, and add Section 63.1~~ *add and repeal Section 63.3* of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 668, as amended, Bates. Property taxation: change in ownership: inheritance exclusion.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as, among other things, the appraised value of that real property when a change in ownership has occurred. Existing property tax law provides that specified transfers are not deemed a change in ownership ~~for which~~ *if* a claim is filed, including, in accordance with the California Constitution, the purchase or transfer between parents and children, and in certain circumstances between grandparents and grandchildren, of the transferor's principal residence and the first \$1,000,000 of full cash value of all other real property. *The California Constitution makes this exclusion inoperative as of February 16, 2021, and, beginning on and after that date, instead excludes the purchase or transfer of a family home or a family farm, as those terms are defined, between parents and their children or, under certain circumstances, grandparents and their grandchildren, subject to certain limitations and restrictions.*

~~Under existing provisions of the California Constitution, adopted as Proposition 19 by the voters at the November 3, 2020, general election,~~

~~the above-described exclusion is inoperative as of February 16, 2021. The California Constitution, beginning on and after that date, instead provides that a change in ownership does not include the purchase or transfer of a family home or a family farm, as those terms are defined, between parents and their children or, under certain circumstances, grandparents and their grandchildren. The California Constitution requires that the taxable value of a family home or family farm under these provisions is the sum of (1) the taxable value of the property, determined as provided as of the date immediately prior to the transfer or purchase, and (2) the assessed value, if any, that exceeds \$1,000,000, subject to biannual adjustment by the State Board of Equalization. In the case of a transfer of a family home under these provisions, the California Constitution requires that the transferee claim the homeowner's exemption or disabled veterans' exemption allowed by specified provisions of the California Constitution within 1 year of the transfer.~~

~~This bill would provide that *exclude from "change in ownership" for purposes of property taxation transfers between parents and children and grandparents and grandchildren of the transferor's principal residence and the first \$1,000,000 of full cash value of all other real property, in a manner similar to the above-described existing statutory provisions governing the purchase or transfer of real property between parents or grandparents and their children or grandchildren, as described above, are inoperative as of February 16, 2023, and repeal those provisions as of January 1, 2024. Beginning on and after February 16, 2023, the bill would implement the above-described constitutional provisions enacted by Proposition 19, in a manner similar to existing law. provisions. The bill would require a person seeking to claim the exclusion under these new provisions to file a claim that includes certain information, certified under penalty of perjury. The bill would provide that the claim is not a public document and is not subject to inspection, except to specified parties. The bill would require the State Board of Equalization to design the claim form. The bill would apply its provisions retroactively to February 16, 2021, make these provisions inoperative as of February 16, 2023, and repeal these provisions as of January 1, 2024. The bill would make legislative findings with regard to its provisions.*~~

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the

interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

By adding to the duties of local tax officials in administering the inheritance exclusion for purposes of property taxation, and by expanding the scope of the crime of perjury, this bill would impose a state-mandated local program.

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Existing law requires the state to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 **SECTION 1.** *The Legislature finds and declares the following:*
- 2 *(a) Under the California Constitution, the entire lawmaking*
- 3 *authority of the state, except the people’s reserved rights of*
- 4 *initiative and referendum, is vested in the Legislature, and it may*
- 5 *exercise any and all legislative powers which are not expressly,*
- 6 *or by necessary implication, denied to it by the California*
- 7 *Constitution.*

1 (b) Sections 1 and 2 of Article XIII A of the California
2 Constitution limit ad valorem taxes on real property to 1 percent
3 of the assessor's enrolled value, with an annual inflation
4 adjustment not to exceed 2 percent, until there is a change in
5 ownership. The California Constitution protects certain
6 transactions from the tax increase that would otherwise be
7 triggered by a change in ownership, but does not define "change
8 in ownership." The Legislature has defined "change in ownership"
9 in the Revenue and Taxation Code for these purposes and has
10 provided additional statutory exclusions from "change in
11 ownership" not found in the California Constitution.

12 (c) Proposition 19, approved by the voters at the November 3,
13 2020, statewide general election, was a constitutional amendment
14 proposed by the Legislature through Assembly Constitutional
15 Amendment 11 (Resolution Chapter 31 of the Statutes of 2020).
16 Proposition 19 added Sections 2.1, 2.2, and 2.3 to Article XIII A
17 of the California Constitution. Among other things, it drew tighter
18 lines around which parent-child and grandparent-grandchild
19 transfers would be constitutionally protected. It did not, however,
20 repeal any statutory exclusions, define "change in ownership,"
21 or prohibit the Legislature from continuing to define "change in
22 ownership" and make statutory exclusions therefrom.

23 (d) Many Californians have complained that the campaign for
24 Proposition 19 focused on the measure's benefits, but provided
25 little warning that the constitutional exclusions from "change in
26 ownership" for parent-child and grandparent-grandchild transfers
27 would change on February 16, 2021. The change caught many
28 property owners off guard.

29 (e) Proposition 19 was passed and took effect amid the
30 COVID-19 pandemic when many law offices and many government
31 offices, including county recorders' offices, were closed to the
32 public or offered services only by appointment, and were operating
33 with limited onsite staff. Therefore, property owners were often
34 handicapped in their ability to seek advice, make changes to their
35 estate plans, and record property transfers.

36 (f) It is the intent of the Legislature to do the following:

37 (1) Exclude from "change in ownership" the parent-child and
38 grandparent-grandchild transfers described in Section 63.1 of the
39 Revenue and Taxation Code.

40 (2) Make those exclusions retroactive to February 16, 2021.

1 (3) Sunset those exclusions as of February 16, 2023, and
2 thereafter conform the code to the provisions of Proposition 19.

3 SEC. 2. Section 63.3 is added to the Revenue and Taxation
4 Code, to read:

5 63.3. (a) Notwithstanding Sections 63.1 and 63.2, or any other
6 provision of this code, a change in ownership shall not include
7 the following purchases or transfers for which a claim is filed
8 pursuant to this section:

9 (1) (A) The purchase or transfer of real property that is the
10 principal residence of an eligible transferor in the case of a
11 purchase or transfer between parents and their children.

12 (B) A purchase or transfer of a principal residence from a foster
13 child to the child's biological parent shall not be excluded under
14 subparagraph (A) if the transferor child received that principal
15 residence, or interest therein, from a foster parent through a
16 purchase or transfer that was excluded under subparagraph (A).

17 (2) The purchase or transfer of the first one million dollars
18 (\$1,000,000) of full cash value of all other real property of an
19 eligible transferor in the case of a purchase or transfer between
20 parents and their children.

21 (3) (A) Subject to subparagraph (B), the purchase or transfer
22 of real property described in paragraphs (1) and (2) occurring on
23 or after March 27, 1996, between grandparents and their
24 grandchild or grandchildren, if all of the parents of that grandchild
25 or those grandchildren, who qualify as the children of the
26 grandparents, are deceased as of the date of purchase or transfer.
27 Notwithstanding any other provision of law, for the lien date for
28 the 2006–07 fiscal year and each fiscal year thereafter, in
29 determining whether “all of the parents of that grandchild or those
30 grandchildren, who qualify as the children of the grandparents,
31 are deceased as of the date of purchase or transfer,” a son-in-law
32 or daughter-in-law of the grandparent that is a stepparent to the
33 grandchild need not be deceased on the date of the transfer.

34 (B) A purchase or transfer of a principal residence shall not be
35 excluded pursuant to subparagraph (A) if the transferee grandchild
36 or grandchildren also received a principal residence, or interest
37 therein, through another purchase or transfer that was excludable
38 pursuant to paragraph (1). The full cash value of any real property,
39 other than a principal residence, that was transferred to the
40 grandchild or grandchildren pursuant to a purchase or transfer

1 *that was excludable pursuant to paragraph (2) and the full cash*
2 *value of a principal residence that fails to qualify for exclusion as*
3 *a result of the preceding sentence shall be included in applying,*
4 *for purposes of paragraph (2), the one-million-dollar (\$1,000,000)*
5 *full cash value limit specified in paragraph (2).*

6 *(b) (1) For purposes of paragraph (1) of subdivision (a),*
7 *“principal residence” means a dwelling that is eligible for a*
8 *homeowners’ exemption or a disabled veterans’ exemption as a*
9 *result of the transferor’s ownership and occupation of the dwelling.*
10 *“Principal residence” includes only that portion of the land*
11 *underlying the residence that consists of an area of reasonable*
12 *size that is used as a site for the residence.*

13 *(2) For purposes of paragraph (2) of subdivision (a), the*
14 *one-million-dollar (\$1,000,000) exclusion shall apply separately*
15 *to each eligible transferor with respect to all purchases by and*
16 *transfers to eligible transferees on and after November 6, 1986,*
17 *of real property, other than the principal residence, of that eligible*
18 *transferor. The exclusion shall not apply to any property in which*
19 *the eligible transferor’s interest was received through a transfer,*
20 *or transfers, excluded from change in ownership by the provisions*
21 *of either subdivision (f) of Section 62 or subdivision (b) of Section*
22 *65, unless the transferor qualifies as an original transferor under*
23 *subdivision (b) of Section 65. In the case of any purchase or*
24 *transfer subject to this paragraph involving two or more eligible*
25 *transferors, the transferors may elect to combine their separate*
26 *one-million-dollar (\$1,000,000) exclusions and, upon making that*
27 *election, the combined amount of their separate exclusions shall*
28 *apply to any property jointly sold or transferred by the electing*
29 *transferors, provided that in no case shall the amount of full cash*
30 *value of real property of any one eligible transferor excluded under*
31 *this election exceed the amount of the transferor’s separate unused*
32 *exclusion on the date of the joint sale or transfer.*

33 *(c) As used in this section:*

34 *(1) “Purchase or transfer between parents and their children”*
35 *means either a transfer from a parent or parents to a child or*
36 *children of the parent or parents or a transfer from a child or*
37 *children to a parent or parents of the child or children. For*
38 *purposes of this section, the date of any transfer between parents*
39 *and their children under a will or intestate succession shall be the*

1 *date of the decedent's death, if the decedent died on or after*
2 *November 6, 1986.*

3 (2) *“Purchase or transfer of real property between grandparents*
4 *and their grandchild or grandchildren” means a purchase or*
5 *transfer on or after March 27, 1996, from a grandparent or*
6 *grandparents to a grandchild or grandchildren if all of the parents*
7 *of that grandchild or those grandchildren who qualify as the*
8 *children of the grandparents are deceased as of the date of the*
9 *transfer. For purposes of this section, the date of any transfer*
10 *between grandparents and their grandchildren under a will or by*
11 *intestate succession shall be the date of the decedent's death.*
12 *Notwithstanding any other provision of law, for the lien date for*
13 *the 2006–07 fiscal year and each fiscal year thereafter, in*
14 *determining whether “all of the parents of that grandchild or those*
15 *grandchildren, who qualify as the children of the grandparents,*
16 *are deceased as of the date of purchase or transfer;” a son-in-law*
17 *or daughter-in-law of the grandparent that is a stepparent to the*
18 *grandchild need not be deceased on the date of the transfer.*

19 (3) *“Children” means any of the following:*

20 (A) *Any child born of the parent or parents, except a child, as*
21 *defined in subparagraph (D), who has been adopted by another*
22 *person or persons.*

23 (B) *Any stepchild of the parent or parents and the spouse of*
24 *that stepchild while the relationship of stepparent and stepchild*
25 *exists. For purposes of this paragraph, the relationship of*
26 *stepparent and stepchild shall be deemed to exist until the marriage*
27 *on which the relationship is based is terminated by divorce, or, if*
28 *the relationship is terminated by death, until the remarriage of the*
29 *surviving stepparent.*

30 (C) *Any son-in-law or daughter-in-law of the parent or parents.*
31 *For the purposes of this paragraph, the relationship of parent and*
32 *son-in-law or daughter-in-law shall be deemed to exist until the*
33 *marriage on which the relationship is based is terminated by*
34 *divorce, or, if the relationship is terminated by death, until the*
35 *remarriage of the surviving son-in-law or daughter-in-law.*

36 (D) *Any child adopted by the parent or parents pursuant to*
37 *statute, other than an individual adopted after reaching 18 years*
38 *of age.*

39 (E) *Any foster child of a state-licensed foster parent, if that child*
40 *was not, because of a legal barrier, adopted by the foster parent*

1 or foster parents before the child aged out of the foster care system.
2 For purposes of this paragraph, the relationship between a foster
3 child and foster parent shall be deemed to exist until terminated
4 by death. However, for purposes of a transfer that occurs on the
5 date of death, the relationship shall be deemed to exist on the date
6 of death.

7 (4) “Grandchild” or “grandchildren” means any child or
8 children of the child or children of the grandparent or
9 grandparents.

10 (5) “Full cash value” means full cash value, as defined in
11 Section 2 of Article XIII A of the California Constitution and
12 Section 110.1, with any adjustments authorized by those sections,
13 and the full value of any new construction in progress, determined
14 as of the date immediately prior to the date of a purchase by or
15 transfer to an eligible transferee of real property subject to this
16 section.

17 (6) “Eligible transferor” means a grandparent, parent, or child
18 of an eligible transferee.

19 (7) “Eligible transferee” means a parent, child, or grandchild
20 of an eligible transferor.

21 (8) “Real property” means real property as defined in Section
22 104. Real property does not include any interest in a legal entity.
23 For purposes of this section, real property includes any of the
24 following:

25 (A) An interest in a unit or lot within a cooperative housing
26 corporation, as defined in subdivision (i) of Section 61.

27 (B) A pro rata ownership interest in a mobilehome park, as
28 defined in subdivision (b) of Section 62.1.

29 (C) A pro rata ownership in a floating home marina, as defined
30 in subdivision (c) of Section 62.5.

31 (9) “Transfer” includes, and is not limited to, any transfer of
32 the present beneficial ownership of property from an eligible
33 transferor to an eligible transferee through the medium of an inter
34 vivos or testamentary trust.

35 (10) “Social security number” also includes a taxpayer
36 identification number issued by the Internal Revenue Service in
37 the case in which the taxpayer is a foreign national who cannot
38 obtain a social security number.

39 (d) (1) The exclusions provided for in subdivision (a) shall not
40 be allowed unless the eligible transferee, the transferee’s legal

1 *representative, the trustee of the transferee's trust, or the executor*
2 *or administrator of the transferee's estate files a claim with the*
3 *assessor for the exclusion sought and furnishes to the assessor*
4 *each of the following:*

5 *(A) A written certification by the transferee, the transferee's*
6 *legal representative, the trustee of the transferee's trust, or the*
7 *executor or administrator of the transferee's estate, signed and*
8 *made under penalty of perjury that the transferee is a parent, child,*
9 *or grandchild of the transferor and that the transferor is their*
10 *parent, child, or grandparent. In the case of a*
11 *grandparent-grandchild transfer, the written certification shall*
12 *also include a certification that all the parents of the grandchild*
13 *or grandchildren who qualify as children of the grandparents were*
14 *deceased as of the date of the purchase or transfer and that the*
15 *grandchild or grandchildren did or did not receive a principal*
16 *residence excludable under paragraph (1) of subdivision (a) from*
17 *the deceased parents, and that the grandchild or grandchildren*
18 *did or did not receive real property other than a principal*
19 *residence excludable under paragraph (2) of subdivision (a) from*
20 *the deceased parents. The claimant shall provide legal*
21 *substantiation of any matter certified pursuant to this subparagraph*
22 *at the request of the county assessor.*

23 *(B) A written certification by the transferor, the transferor's*
24 *legal representative, the trustee of the transferor's trust, or the*
25 *executor or administrator of the transferor's estate, signed and*
26 *made under penalty of perjury that the transferor is a grandparent,*
27 *parent, or child of the transferee and that the transferor is seeking*
28 *the exclusion under this section and will not file a claim to transfer*
29 *the base year value of the property under Section 69.5.*

30 *(C) A written certification shall also include either or both of*
31 *the following:*

32 *(i) If the purchase or transfer of real property includes the*
33 *purchase or transfer of residential real property, a certification*
34 *that the residential real property is or is not the transferor's*
35 *principal residence.*

36 *(ii) If the purchase or transfer of real property includes the*
37 *purchase or transfer of real property other than the transferor's*
38 *principal residence, a certification that other real property of the*
39 *transferor that is subject to this section has or has not been*
40 *previously sold or transferred to an eligible transferee, the total*

1 amount of full cash value, as defined in subdivision (c), of any real
2 property subject to this section that has been previously sold or
3 transferred by that transferor to eligible transferees, the location
4 of that real property, the social security number of each eligible
5 transferor, and the names of the eligible transferees of that
6 property.

7 (D) If there are multiple transferees, the certification and
8 signature may be made by any one of the transferees, if both of
9 the following conditions are met:

10 (i) The transferee has actual knowledge that, and the
11 certification signed by the transferee states that, all of the
12 transferees are eligible transferees within the meaning of this
13 section.

14 (ii) The certification is signed by the transferee as a true
15 statement made under penalty of perjury.

16 (E) In the case of a transfer between a foster parent and foster
17 child, the claim filed with the assessor shall include a certified
18 copy of the court decision regarding the foster child status of the
19 individual and a certified statement from the appropriate county
20 agency stating that the foster child was not, because of a legal
21 barrier, adopted by the foster parent or foster parents. Upon a
22 request by the county assessor, the claimant also shall provide to
23 the assessor legal substantiation of any matter certified under this
24 subparagraph.

25 (2) If the full cash value of the real property purchased by or
26 transferred to the transferee exceeds the permissible exclusion of
27 the transferor or the combined permissible exclusion of the
28 transferors, in the case of a purchase or transfer from two or more
29 joint transferors, taking into account any previous purchases by
30 or transfers to an eligible transferee from the same transferor or
31 transferors, the transferee shall specify in their claim the amount
32 and the allocation of the exclusion they are seeking. Within any
33 appraisal unit, as determined in accordance with subdivision (d)
34 of Section 51 by the assessor of the county in which the real
35 property is located, the exclusion shall be applied only on a pro
36 rata basis, however, and shall not be applied to a selected portion
37 or portions of the appraisal unit.

38 (e) (1) The State Board of Equalization shall design the form
39 for claiming eligibility. Except as provided in paragraph (2), any
40 claim under this section shall be filed:

1 (A) For transfers of real property between parents and their
2 children occurring prior to September 30, 1990, within three years
3 after the date of the purchase or transfer of real property for which
4 the claim is filed.

5 (B) For transfers of real property between parents and their
6 children occurring on or after September 30, 1990, and for the
7 purchase or transfer of real property between grandparents and
8 their grandchildren occurring on or after March 27, 1996, within
9 three years after the date of the purchase or transfer of real
10 property for which the claim is filed, or prior to transfer of the
11 real property to a third party, whichever is earlier.

12 (C) Notwithstanding subparagraphs (A) and (B), a claim shall
13 be deemed to be timely filed if it is filed within six months after
14 the date of mailing of a notice of supplemental or escape
15 assessment, issued as a result of the purchase or transfer of real
16 property for which the claim is filed.

17 (2) In the case in which the real property subject to purchase
18 or transfer has not been transferred to a third party, a claim for
19 exclusion under this section that is filed subsequent to the
20 expiration of the filing periods set forth in paragraph (1) shall be
21 considered by the assessor, subject to all of the following
22 conditions:

23 (A) Any exclusion granted pursuant to that claim shall apply
24 commencing with the lien date of the assessment year in which the
25 claim is filed.

26 (B) Under any exclusion granted pursuant to that claim, the
27 adjusted full cash value of the subject real property in the
28 assessment year described in subparagraph (A) shall be the
29 adjusted base year value of the subject real property in the
30 assessment year in which the excluded purchase or transfer took
31 place, factored to the assessment year described in subparagraph
32 (A) for both of the following:

33 (i) Inflation as annually determined in accordance with
34 paragraph (1) of subdivision (a) of Section 51.

35 (ii) Any subsequent new construction occurring with respect to
36 the subject real property.

37 (3) (A) Unless otherwise expressly provided, the provisions of
38 this subdivision shall apply to any purchase or transfer of real
39 property that occurred on or after November 6, 1986.

1 (B) Paragraph (2) shall apply to purchases or transfers between
2 parents and their children that occurred on or after November 6,
3 1986, and to purchases or transfers between grandparents and
4 their grandchildren that occurred on or after March 27, 1996.

5 (4) For purposes of this subdivision, a transfer of real property
6 to a parent or child of the transferor shall not be considered a
7 transfer to a third party.

8 (f) The assessor may report quarterly to the State Board of
9 Equalization all purchases or transfers, other than purchases or
10 transfers involving a principal residence, for which a claim for
11 exclusion is made pursuant to subdivision (d). Each report shall
12 contain the assessor's parcel number for each parcel for which
13 the exclusion is claimed, the amount of each exclusion claimed,
14 the social security number of each eligible transferor, and any
15 other information the board may require in order to monitor the
16 one-million-dollar (\$1,000,000) limitation in paragraph (2) of
17 subdivision (a). In recognition of the state and local interests
18 served by the action made optional in this subdivision, the
19 Legislature encourages the assessor to continue taking the action
20 formerly mandated by this subdivision.

21 (g) This section shall apply to both voluntary transfers and
22 transfers resulting from a court order or judicial decree. Nothing
23 in this subdivision shall be construed as conflicting with paragraph
24 (1) of subdivision (c) or the general principle that transfers by
25 reason of death occur at the time of death.

26 (h) (1) Except as provided in paragraph (2), this section shall
27 apply to purchases and transfers of real property completed on or
28 after November 6, 1986, and shall not be effective for any change
29 in ownership, including a change in ownership arising on the date
30 of a decedent's death, that occurred prior to that date.

31 (2) This section shall apply to purchases or transfers of real
32 property between grandparents and their grandchildren occurring
33 on or after March 27, 1996, and, with respect to purchases or
34 transfers of real property between grandparents and their
35 grandchildren, shall not be effective for any change in ownership,
36 including a change in ownership arising on the date of a decedent's
37 death, that occurred prior to that date.

38 (i) A claim filed under this section is not a public document and
39 is not subject to public inspection, except that a claim shall be
40 available for inspection by the transferee and the transferor or

1 *their respective spouse, the transferee’s legal representative, the*
2 *transferor’s legal representative, the trustee of the transferee’s*
3 *trust, the trustee of the transferor’s trust, and the executor or*
4 *administrator of the transferee’s or transferor’s estate.*

5 *(j) (1) If the assessor notifies the transferee in writing of*
6 *potential eligibility for exclusion from change in ownership under*
7 *this section, a certified claim for exclusion shall be filed with the*
8 *assessor within 45 days of the date of the notice of potential*
9 *eligibility. If a certified claim for exclusion is not filed within 45*
10 *days, the assessor may send a second notice of potential eligibility*
11 *for exclusion, notifying the transferee that a certified claim for*
12 *exclusion has not been received and that reassessment of the*
13 *property will commence unless a certified claim for exclusion is*
14 *filed within 60 days of the date of the second notice of potential*
15 *eligibility. The second notice of potential eligibility shall indicate*
16 *whether a certified claim for exclusion that is not filed within 60*
17 *days will be subject to a processing fee as provided in paragraph*
18 *(2).*

19 *(2) If a certified claim for exclusion is not filed within 60 days*
20 *of the date of the second notice of potential eligibility and an*
21 *eligible transferee subsequently files a claim and qualifies for the*
22 *exclusion, the assessor may, upon authorization by a county board*
23 *of supervisors, require an eligible transferee to pay a one-time*
24 *processing fee, collected at the time the claim is submitted, and*
25 *reimbursed by the assessor if the claim is ineligible. The fee shall*
26 *be subject to the provisions of Chapter 12.5 (commencing with*
27 *Section 54985) of Part 1 of Division 2 of Title 5 of the Government*
28 *Code and shall not exceed the amount of the actual and reasonable*
29 *costs incurred by the assessor for reassessment work done due to*
30 *failure to file the claim for exclusion or one hundred seventy-five*
31 *dollars (\$175), whichever is less.*

32 *(3) The failure to file a certified claim for exclusion within the*
33 *filing periods specified by this subdivision shall not be construed*
34 *to limit any exclusion from being granted pursuant to a claim filed*
35 *within the filing periods specified by subdivision (e).*

36 *(k) This section shall apply retroactively to February 16, 2021.*

37 *(l) This section shall become inoperative as of February 16,*
38 *2023, and, as of January 1, 2024, is repealed.*

39 *SEC. 3. The Legislature finds and declares that Section 2 of*
40 *this act, which adds Section 63.3 of the Revenue and Taxation*

1 Code, imposes a limitation on the public’s right of access to the
2 meetings of public bodies or the writings of public officials and
3 agencies within the meaning of Section 3 of Article I of the
4 California Constitution. Pursuant to that constitutional provision,
5 the Legislature makes the following findings to demonstrate the
6 interest protected by this limitation and the need for protecting
7 that interest:

8 Claims filed under Section 63.3 of the Revenue and Taxation
9 Code contain sensitive personal information. This act balances
10 the need to protect the privacy of claimants under these provisions
11 with the public’s right to access public records.

12 SEC. 4. If the Commission on State Mandates determines that
13 this act contains costs mandated by the state, reimbursement to
14 local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code.

17 SEC. 5. Notwithstanding Section 2229 of the Revenue and
18 Taxation Code, no appropriation is made by this act and the state
19 shall not reimburse any local agency for any property tax revenues
20 lost by it pursuant to this act.

21 SEC. 6. This act provides for a tax levy within the meaning of
22 Article IV of the California Constitution and shall go into
23 immediate effect.

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**All matter omitted in this version of the bill
appears in the bill as introduced in the
Senate, February 19, 2021. (JR11)**