

**Introduced by Senator Beall**

August 18, 2015

---

Senate Constitutional Amendment No. 9—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending subdivision (a) of Section 2 of Article XIII A thereof, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 9, as introduced, Beall. Property taxation: base year value transfers.

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 the assessor’s valuation of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution authorizes the Legislature to provide that a severely disabled person and a person over 55 years of age may transfer the base year value, as defined, of property that is eligible for the homeowners’ property tax exemption to a replacement dwelling that is of equal or lesser value located within the same county as the property from which the base year value is transferred and the replacement dwelling is purchased or newly constructed within 2 years of the sale of the original property, subject to certain conditions.

This measure would additionally authorize the Legislature to provide, commencing with the 2016–17 fiscal year, for the transfer of base year value to a replacement dwelling that is of greater value, and would require the base year value of the replacement dwelling to be calculated by adding the difference between the full cash value of the original

property and the full cash value of the replacement dwelling to the base year value of the original property.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

1     *Resolved by the Senate, the Assembly concurring,* That the  
2 Legislature of the State of California at its 2015–16 Regular  
3 Session commencing on the first day of December 2014, two-thirds  
4 of the membership of each house concurring, hereby proposes to  
5 the people of the State of California, that the Constitution of the  
6 State be amended as follows:

7     That subdivision (a) of Section 2 of Article XIII A thereof is  
8 amended to read:

9     Sec. 2. (a) (1) The “full cash value” means the county  
10 assessor’s valuation of real property as shown on the 1975–76 tax  
11 bill under “full cash value” or, thereafter, the appraised value of  
12 real property when purchased, newly constructed, or a change in  
13 ownership has occurred after the 1975 assessment. All real property  
14 not already assessed up to the 1975–76 full cash value may be  
15 reassessed to reflect that valuation. For purposes of this section,  
16 “newly constructed” does not include real property that is  
17 reconstructed after a disaster, as declared by the Governor, where  
18 the fair market value of the real property, as reconstructed, is  
19 comparable to its fair market value prior to the disaster. Also, the  
20 term “newly constructed” does not include the portion of  
21 reconstruction or improvement to a structure, constructed of  
22 unreinforced masonry bearing wall construction, necessary to  
23 comply with any local ordinance relating to seismic safety during  
24 the first 15 years following that reconstruction or improvement.

25     ~~However~~

26     (2) *However*, the Legislature may provide that, under appropriate  
27 circumstances and pursuant to definitions and procedures  
28 established by the Legislature, any person over the age of 55 years  
29 who resides in property that is eligible for the homeowner’s  
30 exemption under subdivision (k) of Section 3 of Article XIII and  
31 any implementing legislation may transfer the base year value of  
32 the property entitled to exemption, with the adjustments authorized  
33 by subdivision (b), ~~to~~ *in both of the following circumstances:*

34     (A) *To* any replacement dwelling of equal or lesser value located  
35 within the same county and purchased or newly constructed by

1 that person as his or her principal residence within two years of  
2 the sale of the original property. ~~For~~

3 *(B) Commencing with the lien date for the 2016–17 fiscal year,*  
4 *to any replacement dwelling of greater value located within the*  
5 *same county and purchased or newly constructed by that person*  
6 *as his or her principal residence within two years of the sale of*  
7 *the original property. The base year value of the replacement*  
8 *dwelling shall be calculated by adding the difference between the*  
9 *full cash value of the original property and the full cash value of*  
10 *the replacement dwelling to the base year value of the original*  
11 *property.*

12 *(3) For purposes of this section, “any person over the age of 55*  
13 *years” includes a married couple one member of which is over the*  
14 *age of 55 years. For purposes of this section, “replacement*  
15 *dwelling” means a building, structure, or other shelter constituting*  
16 *a place of abode, whether real property or personal property, and*  
17 *any land on which it may be situated. For purposes of this section,*  
18 *a two-dwelling unit shall be considered as two separate*  
19 *single-family dwellings. This paragraph shall apply to any*  
20 *replacement dwelling that was purchased or newly constructed on*  
21 *or after November 5, 1986.*

22 ~~In~~

23 *(4) In addition, the Legislature may authorize each county board*  
24 *of supervisors, after consultation with the local affected agencies*  
25 *within the county’s boundaries, to adopt an ordinance making the*  
26 *provisions of this subdivision relating to transfer of base year value*  
27 *also applicable to situations in which the replacement dwellings*  
28 *are located in that county and the original properties are located*  
29 *in another county within this State. For purposes of this paragraph,*  
30 *“local affected agency” means any city, special district, school*  
31 *district, or community college district that receives an annual*  
32 *property tax revenue allocation. This paragraph shall apply to any*  
33 *replacement dwelling that was purchased or newly constructed on*  
34 *or after the date the county adopted the provisions of this*  
35 *subdivision relating to transfer of base year value, but shall not*  
36 *apply to any replacement dwelling that was purchased or newly*  
37 *constructed before November 9, 1988.*

38 ~~The~~

39 *(5) The Legislature may extend the provisions of this subdivision*  
40 *relating to the transfer of base year values from original properties*

- 1 to replacement dwellings of homeowners over the age of 55 years
- 2 to severely disabled homeowners, but only with respect to those
- 3 replacement dwellings purchased or newly constructed on or after
- 4 the effective date of this paragraph.