



STATE BOARD OF EQUALIZATION
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October 1, 2024

Honorable Marina Camacho, Chair
California Assessors' Association Standards Committee
168 W Alisal Street, First Floor
Salinas, CA 93901

Dear Ms. Camacho:

In preparation for the California Assessors' Association (CAA) Standards Committee meeting to be held on October 9, 2024, the following information is provided regarding various projects of the State Board of Equalization (BOE).

Project Updates:

Assessors' Handbook Section 265, *Cemetery Exemption* (AH 265) and Assessors' Handbook Section 516, *Assessment of Cemeteries* (AH 516) – In 2022, BOE staff initiated a project to combine these two handbooks into one – AH 516. This project is undergoing internal review, and we will be initiating the interested parties process in 2025.

Assessors' Handbook Section 531, *Residential Building Costs* (AH 531), and Section 534, *Rural Building Costs* (AH 534) – In 2023, BOE staff began a project to split AH 531 and AH 534 into two handbooks each. The cost tables will be in one handbook (AH 531 and AH 534) and the description (text) and pictures will be in another handbook (AH 531A and AH 534A). We anticipate that the proposed changes to AH 531 will be completed for the 2025 lien date. The changes to AH 534 are more substantial, and we will be initiating the interested parties process in 2025. We anticipate that the proposed changes to AH 534 will be ready for the 2026 lien date.

Assessors' Handbook Section 560, *Assessment of Mining Properties*, and Section 566, *Assessment of Petroleum Properties* – In 2024, BOE staff began a project to update these two handbooks. BOE staff will initiate the interested parties process once the first drafts of the revised handbooks are completed.

Forms – BOE staff participated in CAA Forms Subcommittee meetings in January and March. Changes to 16 BOE-prescribed forms and two new forms were discussed and approved. These forms were adopted by the Board at its meeting on May 29, 2024. They are available on the Assessor Portal.

Proposition 19 – On November 3, 2020, California voters passed Proposition 19, which added section 2.1 to article XIII A of the California Constitution, to provide two new types of property tax relief: (1) a base year value transfer for persons over age 55, severely disabled, or victims of wildfire or natural disaster; and (2) an intergenerational transfer exclusion. Subsequently, effective September 30, 2021, Senate Bill 539 (Stats. 2021, ch. 427) added sections 63.2 and 69.6 to the Revenue and Taxation Code (RTC) to implement the intergenerational transfer exclusion and base year value transfer provisions of Proposition 19. On January 1, 2022, two new property tax rules (Property Tax Rules 462.520 and 462.540) went into effect that further implement these provisions.

We will be issuing a Letter To Assessors for each type of tax relief that will contain frequently-asked questions and answers from Assessors' staffs. The Letter To Assessors on base year value transfers is in the internal review process, and staff is working on the draft Letter To Assessors for intergenerational transfers.

Property Tax Rule 192, *Audit Selection* – Effective January 1, 2019, Senate Bill 1498 (Stats. 2018, ch. 467) amended RTC section 469 to provide County Assessors flexibility in meeting annual audit requirements. Beginning with the 2019-20 fiscal year, Assessors may meet the requirements of RTC section 469 by completing the four-year total of required annual audits within that four-year period.¹

On November 15, 2022, BOE released Letter To Assessors No. [2022/053](#) to initiate a project to amend Property Tax Rule 192 to include language representative of County Assessors' options in meeting the annual audit requirements. Interested parties were asked to review the proposed amendments and provide suggested revisions in the form of alternative text by December 31, 2022. The BOE did not receive any comments. On June 27, 2023, the Board approved publication of the amendments to Rule 192 with the Office of Administrative Law. The proposed amendments to Rule 192 were published by the Office of Administrative Law on September 8, 2023. Public notice of the proposed changes was issued on November 9, 2023 via Letter To Assessors No. [2023/043](#). The Board approved the proposed changes on January 23, 2024. On June 20, 2024, the Office of Administrative Law approved the changes. The amendments will go into effect on October 1, 2024. Letter To Assessors No. 2024/033 was released on September 19, 2024 announcing the amended rule.

Property Tax Rule 135, *Homeowners' Property Tax Exemption* – Effective January 1, 2011, Senate Bill 1493 (Stats. 2010, ch. 185) amended RTC section 465² regarding document destruction. Staff has initiated a project to amend Rule 135(e)(5) to conform to RTC section 465 as amended in 2011. Letter To Assessors No. [2024/026](#) was issued on July 16, 2024. Comments on the proposed changes were due to the BOE by August 16, 2024. The BOE did not receive any comments. The BOE will be commencing the formal rulemaking process shortly.

Property Tax Rule 283, *Permanent Certification* – As brought up at the last CAA conference held in Monterey in April 2024, there were suggestions to amend Property Tax Rule 283 to recognize appraisal experience from the California Bureau of Real Estate Appraisers or similar agencies of another state. We have revised subdivision (a)(3)(B) to include the suggested language.

¹ See Letter To Assessors No. [2018/067](#).

² See Letter To Assessors No. [2010/057](#).

A Letter To Assessors has been drafted announcing the project to amend Rule 283 and is undergoing internal review.

BOE Electronic Forms – Staff in the Legal Entity Ownership Program (LEOP) and Welfare Exemptions Section (WES) began projects in 2023 to implement electronic filings. The BOE-100-B, *Statement of Change in Control and Ownership of Legal Entities*, and all six forms for the Welfare Exemption filed with the BOE (BOE-277, BO-277-LLC, BOE-279, BOE-277-L1, BOE-278, BOE-278-SCC) are available for taxpayers to complete, sign, and submit electronically on our website. These projects were completed in 2023 and 2024 and have been running smoothly for the units.

Retirement Announcement:

Glenna Schultz – It is announced with sincere gratitude that Ms. Glenna Shultz will be retiring as of October 30, 2024 after 42 years of state service at the Board of Equalization. She has been a valuable leader and resource to the property tax department, to County Assessors and their staff, and to the public. The Members of the Board will be presenting a resolution in honor of her retirement and contributions to the BOE at the meeting held in Sacramento on October 29th. Her hard work and dedication to the agency will be missed but we are happy for her to begin her next chapter in retirement.

Sincerely,



Lauren Keach, Chief
County-Assessed Properties Division
Property Tax Department

cc: Honorable Christina Wynn, President
California Assessors' Association

Ms. Yvette M. Stowers, Executive Director, Board of Equalization
Mr. David Yeung, Deputy Director, Property Tax Department