Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 288 (Seyarto) – As Amended June 1, 2026

Policy Committee: Revenue and Taxation Vote: 7 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill extends the time period by which a property subject to a probate court order may be transferred to qualify for the intergenerational transfer property tax exclusion.

Specifically, this bill requires that the one-year period during which certain residency qualifications must occur, for purposes of claiming the intergenerational transfer exclusion under property tax law, be deemed to end one year after the effective date of a court order entered pursuant to the Probate Code resolving the disposition of the property, if the eligible transferee files the following documents with the county assessor:

1) The eligibility claim form for the intergenerational transfer exclusion;

2) A copy of a court order indicating that a probate matter prohibited the eligible transferee from establishing the property as their principal place of residence within the otherwise required one-year period; and,

3) The change-in-ownership statement required under existing law for a decedent's real property subject to probate proceedings.

FISCAL EFFECT:

1) Annual property tax revenue loss of approximately $24 million. The State Board of Equalization (BOE) notes that the magnitude of costs depends on the year-to-year assessed value of each qualifying property and the number of applicable probate dispositions each year. Although property tax is a local government revenue source and this bill prohibits the state from reimbursing local agencies for lost property tax revenues, reductions in property tax revenues, in turn, increase General Fund (GF) Proposition 98 spending (the exact amount depends on the operative test of the annual Proposition 98 guarantee).

2) Costs of approximately $14,000 in fiscal year (FY) 2026-27, $2,000 in FY 2027-28, and $6,000 in FY 2028-29 to BOE to handle related transfer inquiries and administrative issues, including updating informational materials and guidance (GF).

3) By requiring a county assessor to accept certain documentation and modify assessment practices, this bill likely creates a state-mandated local program. If the Commission on State Mandates determines the provisions of this bill create a new program or impose a higher level of service for which the state must reimburse local costs, the county may seek reimbursement from the state (GF). The magnitude of such costs is unknown.

COMMENTS:

1) **Purpose.** According to the author:

> SB 288 will provide protections for individuals who are not able to take ownership of a home because of a probate process. By adding clarity to Prop 19 this measure ensures that families preserve a valuable asset and are not unduly burdened by a tax reassessment because of a legal process with timelines outside their direct control.

   This bill is supported by the BOE, California Assessors' Association, and Howard Jarvis Taxpayers Association.

2) **Background.** ***Intergenerational Transfer Exclusion.*** Existing law provides several exclusions to the required reassessment of real property from its base-year value to its current market value when a change in ownership or new construction occurs. Since Proposition 13 (1978) caps the annual growth of a property's assessed value and set the tax rate at 1% of assessed value, such exclusions allow the taxpayer to maintain significantly lower property tax bills. For example, the intergenerational base-year value transfer exclusion allows the base-year value of a decedent's property to transfer to their child or grandchild without triggering full reassessment of the property. Prior to Proposition 19 (2020), the entire base-year value of a property could be transferred to the decedent's transferee; however, Proposition 19 imposed a value limit for a transfer occurring on or after February 16, 2021, and requires the transferee to claim the homeowners' or disabled veterans' exemption (thus certifying the property will serve as the transferee's principal residence) within one year of the transfer to qualify for the intergenerational transfer exclusion, among other changes.

   Probate Proceedings. For a deceased person's assets processed through standard probate proceedings, it may take years to fully adjudicate the ownership of assets. While a beneficiary may occupy a property going through probate under certain circumstances, the beneficiary is not the owner of the property until such an order is issued by the court. Thus, with regard to qualifying for the intergenerational transfer exclusion, an otherwise eligible transferee subject to probate administration may not be able to occupy or own the transferred property (and thus claim the homeowners' exemption) within the one-year period required under existing law, even though the transferee intends the property to serve as their principal residence. This bill tolls, until the end of probate, the one-year period for the property to become the principal residence of the transferee and the transferee to file for the homeowners' exemption, if certain documentation is filed with the county assessor, thus allowing the eligible transferee to qualify for the intergenerational transfer exclusion.

3) **Related Legislation.** SB 293 (Perez), Chapter 539, Statutes of 2025, extended the timeframe within which a claim for an intergenerational transfer exclusion must be deemed timely filed for certain properties impacted by the January 2025 Los Angeles-area wildfire disaster.

   SB 284 (Seyarto) is similar to this bill, but prescribes a different standard and process by which the eligible transferee may qualify for the intergenerational transfer exclusion. SB 284 was held on the Assembly Revenue and Taxation Committee's suspense file.

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