

SENATE THIRD READING

SB 293 (Pérez)

As Amended September 02, 2025

Majority vote

SUMMARY

Provides that a claim for specified property tax relief is timely filed if certain conditions are met.

Major Provisions

- 1) Provides that a claim for an intergenerational transfer exclusion is timely if filed before January 1, 2031 and within three years after the date of mailing of a notice of supplemental or escape assessment, issued as a result of transfer of real property for which the claim is filed, if all of the following apply:
 - a) The assessor reassesses the property pursuant to misfortune or calamity relief as a result of that property being damaged or destroyed by the 2025 Palisades Fire, Eaton Fire, Hurst Fire, Lidia Fire, Sunset Fire, or Woodley Fire, for which the Governor proclaimed a state of emergency;
 - b) The assessor issued a supplemental or escape assessment as a result of a purchase or transfer of the real property for which the claim is filed that occurred before the misfortune or calamity, and for which no instrument evidencing a change in ownership of the real property was recorded; and,
 - c) The transferee acquires ownership of the property pursuant to probate procedures in existing law on or after the date of the specified fires.
- 2) Provides that, for transfers occurring after February 16, 2021, a claim for the homeowners' or disabled veterans' exemptions is timely if filed within one year of the date of mailing of a notice of supplemental or escape assessment issued as a result of the transfer of the real property for which the exemption was claimed, if the property meets the requirements listed to qualify for this bill's extension.

COMMENTS

- 1) *2025 LA Fires:* Beginning in early January 2025, a series of fires began raging in LA County. Exacerbated by hurricane force gusts and drought conditions, these fires rapidly grew, expanding into outlying residential areas of the LA metropolitan area. As the month progressed, the conditions exacerbating these fires led to serious complications for first responders, and the conflagrations grew without containment. After containment of these fires, however, the true depth of destruction began to clarify. According to the UCLA Anderson Forecast, total property and capital losses could range from \$76 billion to \$131 billion, with a potential decline in county-level gross domestic product of \$4.6 billion. This loss from fire is unprecedented in the state. By comparison, the Camp Fire that destroyed the town of Paradise and was the most destructive fire in the state is estimated to have an associated loss of around \$17 billion, an order of magnitude less than the 2025 LA Fires.
- 2) *UCLA data brief:* On January 28, 2025, UCLA released data regarding the impact of the Eaton Fire on the Altadena community. Specifically, the brief found that the Eaton Fire

disproportionately impacted Black households, noting that while Black households represented only 18% of residents in the Altadena community, 48% of those households suffered significant damage or destruction of their property. By comparison, 39% of overall households suffered significant damage or destruction¹.

- 3) *ACA 11/Proposition 19*: In 2020, the Legislature passed ACA 11, which voters subsequently approved in November of that year as Proposition (Prop.) 19. Prop. 19 dramatically restructured a number of provisions related to the retention of base year values for properties with certain eligible owners. Prior to Prop. 19, intergenerational base year value transfers were far more generous, allowing the base year value of a decedent's property to transfer to their qualifying child or grandchild regardless of the property's fair market value. Additionally, \$1 million of the aggregate full cash value of all other real property could be excluded from assessment resulting from a change in ownership. Prop. 19 restricted this exclusion, such that only \$1 million above the principal residence's factored base year value upon transfer is excluded. Prop. 19 also required that a qualifying transferee must claim the homeowners' or disabled veterans' exemptions within one year of the transfer to qualify for the intergenerational exclusion. A transferee may, however, file a claim for the intergenerational transfer exclusion within three years of the date of a transfer or before transfer to a third party. Additionally, if a notice of supplemental or escape assessment is mailed after either of the noted deadlines, a claimant has an additional six months from the notice to file.
- 4) *Intergenerational transfers prior to Prop. 19*: Before the passage of Prop. 19, property tax law allowed for the transfer of the entire base year value of the principal residence of the transferor and transferee. In other words, a parent or grandparent could pass their property onto their child or grandchild, and the child or grandchild would pay property tax on the original base year value of the property upon transfer. Additionally, up to \$1 million in aggregate value of all other transferred real property was excluded from taxation. Similar to existing law, transfers that occurred before the approval of Prop. 19 required that a homeowners' or disabled veterans' exemption be granted for the property.
- 5) *Misfortune or calamity*: The owner of a property damaged or destroyed by misfortune or calamity, as defined, may apply to the assessor for a reassessment of their property to reflect its damaged or destroyed state. An assessor may initiate a reassessment if the assessor determines that a property has suffered eligible damage in the past 12 months.
- 6) *Disposition of decedent's estate*: Generally, a deceased person's assets are distributed through a will or by intestate succession. Usually, assets are subject to probate administration, though there are various mechanisms that allow for the transfer of property without undergoing the formal process. These include trusts and small estates, among others. If, however, assets are required to be processed through standard probate administration, it may take years to fully adjudicate the ownership of the assets.

¹ Ong, *LA Wildfires: Impacts on Altadena's Black Community*, UCLA Ralph J. Bunche Center for African American Studies (January 28, 2025). <https://newsroom.ucla.edu/releases/altadenas-black-community-disproportionately-affected-eaton-fire-report-shows>, accessed June 2025.

According to the Author

Altadena experienced the worst of the devastation from the Eaton Fire, which destroyed nearly 10,000 structures. While the physical damage was extensive, we didn't realize the impact on multigenerational households, particularly in Altadena's historic Black community. Many of these homes were passed down within families, often, without proper title transfers. Without proper title documentation families risk losing generational wealth, while homeowners may be ineligible for assistance programs further delaying their recovery and rebuilding efforts. Legislation is urgently needed to protect these families and preserve the cultural and historical identity of the community. SB 293, the Generational Homeownership Protection Act, would establish [a] pathway for impacted homeowners to bring their property transfer records up to date without penalty, reducing the immediate tax burden associated with property value reassessments to help homeowners avoid unexpected financial hardships, while ensuring continuity for families who have inherited their homes.

Arguments in Support

None on file

Arguments in Opposition

None on file

FISCAL COMMENTS

- 1) Annual property tax revenue loss of an unknown, but likely significant amount, in excess of \$300,000. According to the State Board of Equalization (BOE), there is no reasonable way to estimate:

- (a) How many properties with unrecorded changes in ownership may be eligible for the tax relief under this bill;

- (b) The assessed values of such properties; and,

- (c) Whether the property owner will meet the claims deadline extension.

Although property tax is a local government revenue source, reductions in property tax revenues increase Proposition 98 General Fund (GF) spending by up to roughly 50% (the exact amount depends on the specific amount of the annual Proposition 98 guarantee).

- 2) Costs of approximately \$27,000 in fiscal year (FY) 2025-26, \$154,000 in FY 2026-27, and \$113,000 in FY 2027-28, with decreasing costs thereafter, to BOE to issue guidance to impacted county assessors, update informational materials, answer public inquiries, and accommodate other administrative workload (GF).
- 3) Costs of an unknown amount to the Los Angeles county assessors to update claims forms and modify administrative practices. 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 could claim reimbursement from the state (GF).

VOTES**SENATE FLOOR: 38-0-2**

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Limón, Reyes

ASM REVENUE AND TAXATION: 7-0-0

YES: Gipson, Ta, Bains, Carrillo, DeMaio, McKinnor, Quirk-Silva

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

ABS, ABST OR NV: Sanchez, Dixon, Ta, Tangipa

UPDATED

VERSION: September 02, 2025

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FN: 0001480