



CDTFA
CALIFORNIA DEPARTMENT OF
TAX AND FEE ADMINISTRATION

Proposition 19

California Department of Tax and Fee Administration (CDTFA)



Housekeeping

- Please be patient if we experience any unexpected technical difficulties.
- Use the “raise your hand” feature.
- Mute your microphone unless you are making a comment.
- Turn off your camera unless you’re speaking.
- When making a comment, please state your name and agency name.



Topic 1: Overview

Registration

- Self-register at www.cdtfa.ca.gov
- **Information needed from EACH county:**
Name of county and each jurisdiction (county, city, or special district)
 - EIN
 - Addresses (location, mailing, and warrant)
- **County representative contact information:**
 - Name
 - Email address
 - Contact telephone number



Topic 1: Overview (*continued*)

Online Reporting

- Will be available at www.cdtfa.ca.gov
- Accessed through the CDTFA Online Services Portal
- County will designate the negative or positive gain for each jurisdiction



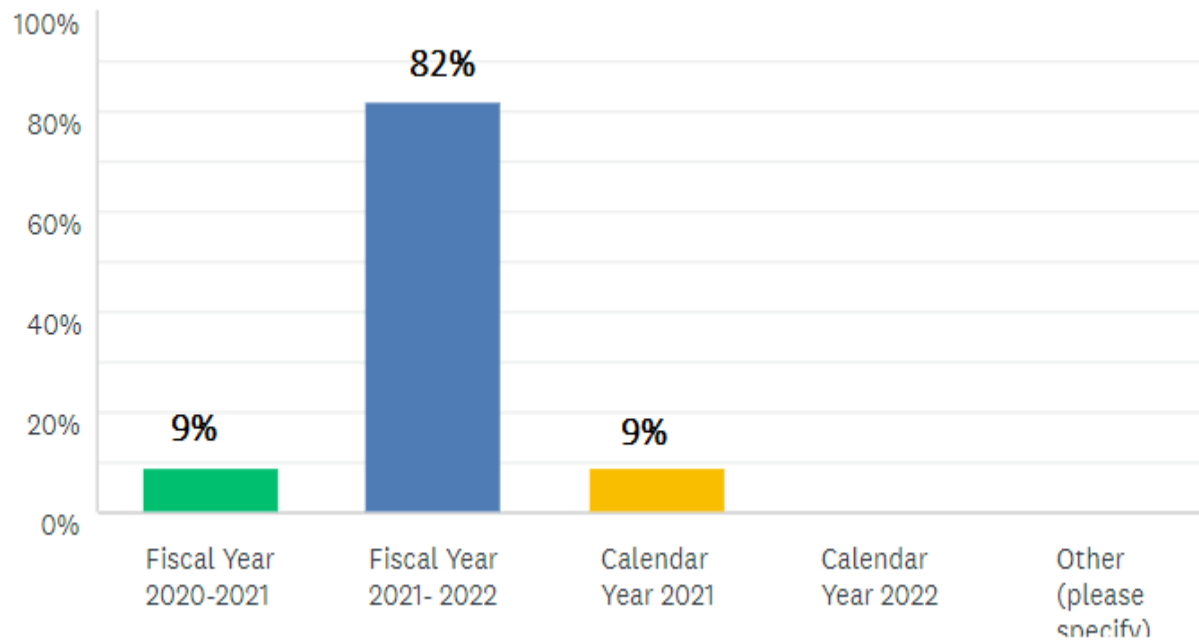
Regulation to Prescribe the Due Date for Making the Determination and Reporting to the CDTFA

- Separate Interested Parties process
- Discussion paper to be distributed late July
- Followed by Interested Parties Meeting early August
- Material will be distributed via our Listserv



Topic 2: First Annual Determinations Period

- Fiscal or calendar year
- First year for determinations



All data effective
May 26, 2021



Topic 3: Determining Revenue Increases and Decreases

In your opinion, should the annual determinations under section 2.3(a):

- Only include revenue from the 1 percent ad valorem tax real property collected by the counties and apportioned to the districts within the counties.

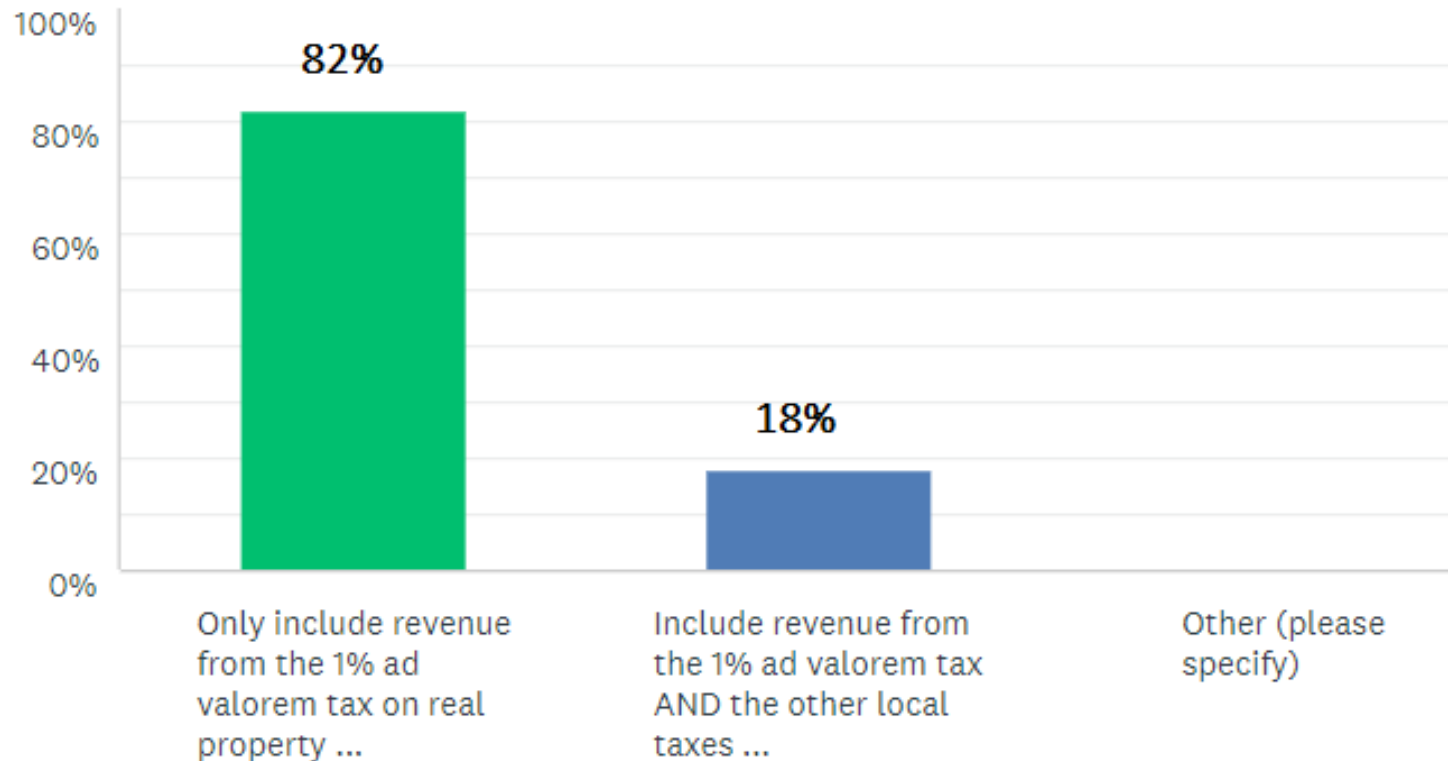
-OR-

- Include revenue from the 1 percent ad valorem tax **and** the local taxes on assessed value that could be impacted by the changes made by section 2.1.



Topic 3: Determining Revenue Increases and Decreases *(continued)*

Should the annual determinations under section 2.3(a):





Topic 4:

Inbound Base Year Value Transfers

In your opinion, how should the difference in assessed value be calculated when a transfer occurs?

For Example:

An intercounty base year value transfer occurred on April 15, 2021. The original property in Napa County has a base year value of \$200,000. The replacement property in Kern County has a base year value of \$450,000. The original property is sold for \$1,000,000. Replacement property is purchased for \$1,100,000. The new base year value for replacement property is \$300,000 ($\$200,000 + [\$1,100,000 - \$1,000,000] = \$300,000$).

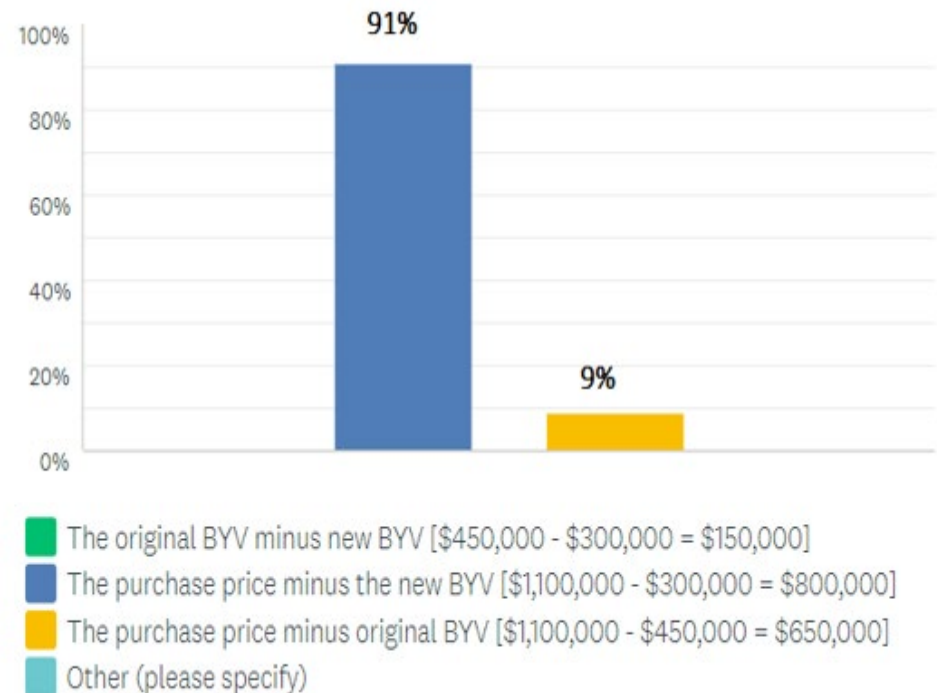


Topic 4: Inbound Base Year Value Transfers *(continued)*

For Example:

The new base year value (BYV) for replacement property is:

- An intercounty BYV transfer on April 15, 2021
- Original property in Napa County BYV of \$200,000
- The replacement property in Kern County BYV \$450,000
- The original property is sold for \$1,000,000
- Replacement property is purchased for \$1,100,000





Topic 4: Inbound Base Year Value Transfers (*continued*)

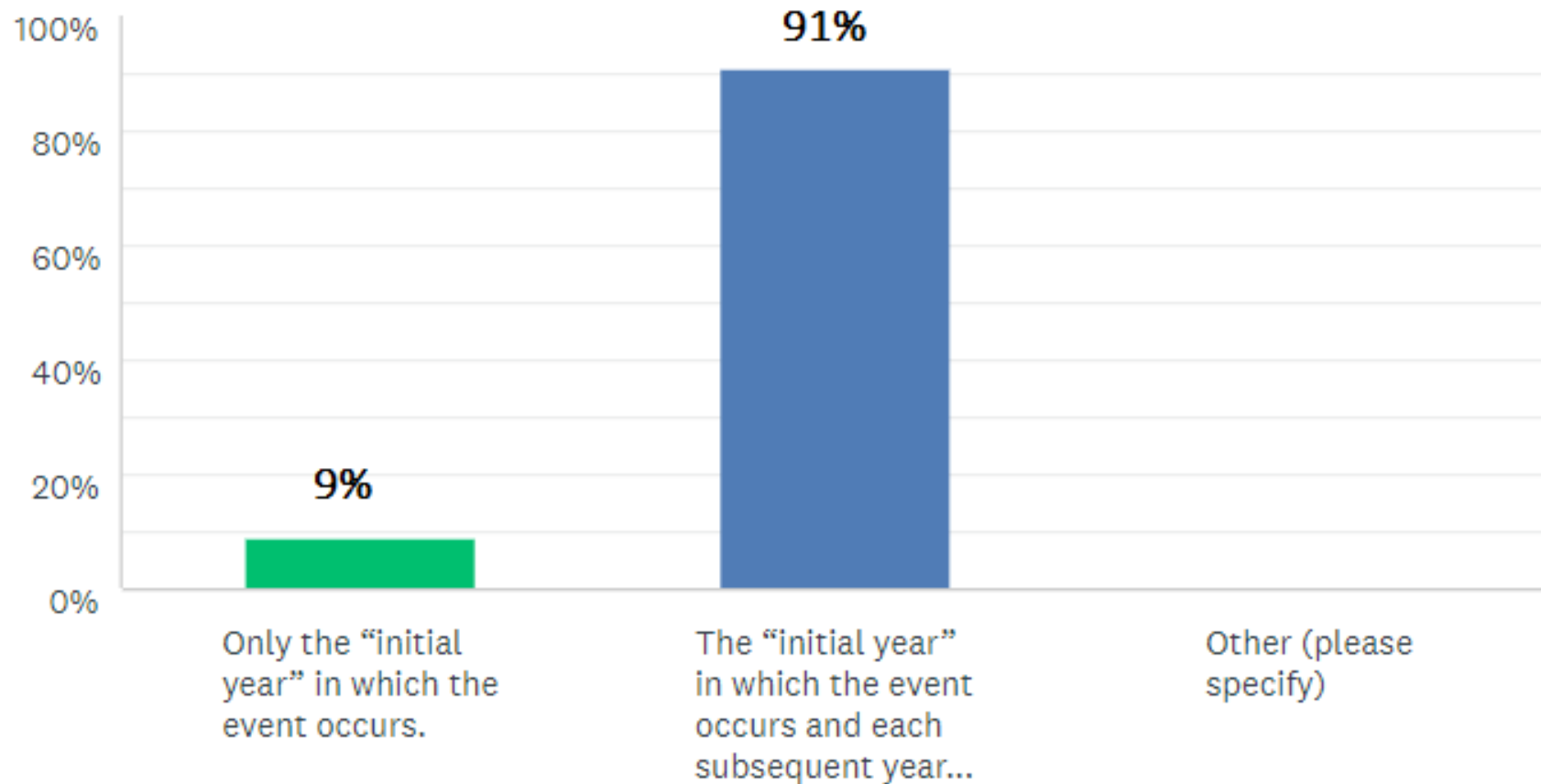
In your opinion, should a transfer only decrease revenue in the year it occurs or also decrease revenue in subsequent year?

For Example:

- A transfer to Kern County occurred on April 1, 2021. The county's revenue for fiscal years 20-21 and 21-22 should decrease due to supplemental assessments, and the county's revenue for FY 22-23 should decrease due to the replacement property's assessment on the regular roll.



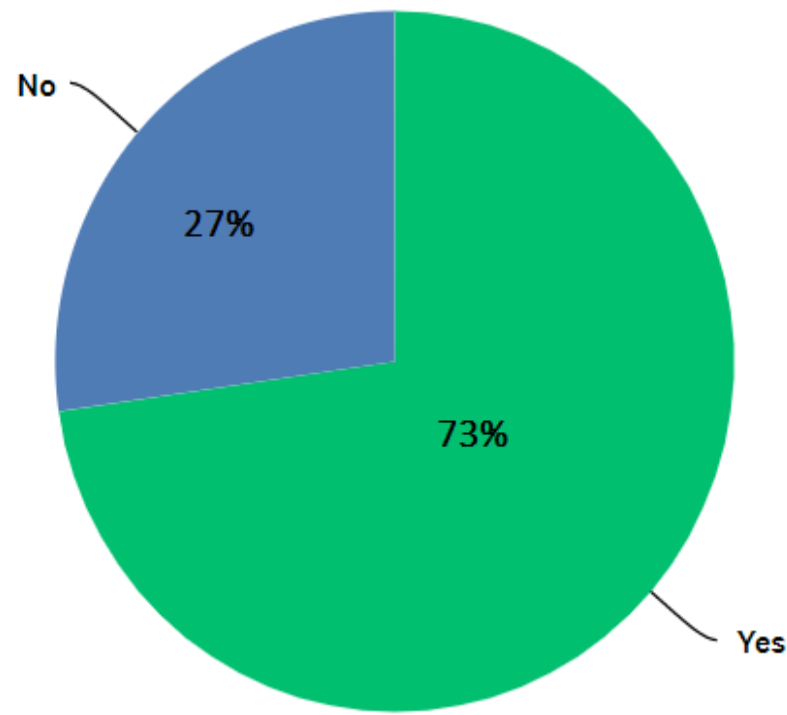
Topic 4: Inbound Base Year Value Transfers *(continued)*





Topic 4: Inbound Base Year Value Transfers *(continued)*

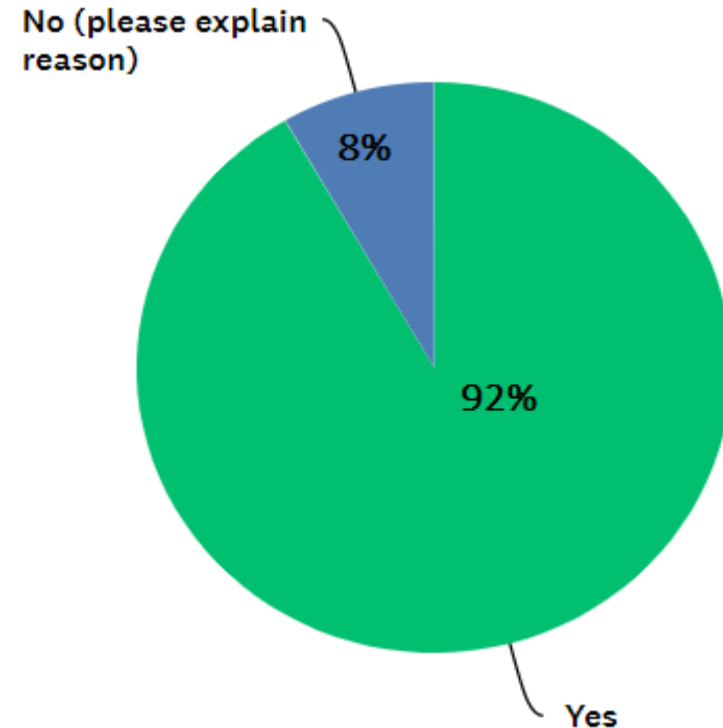
In your opinion, should an inflation factor be used if transfers decrease revenue in subsequent years?





Topic 5: Parent-Child and Grandparent-Grandchild Transfer Exclusion

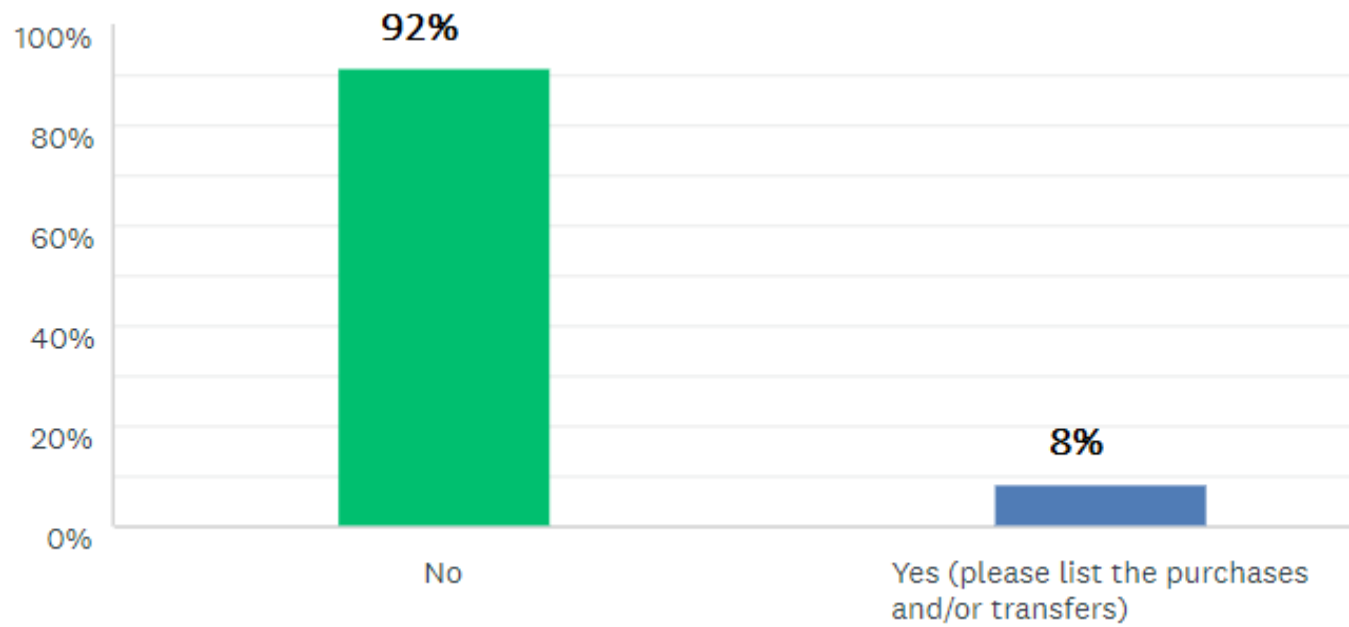
To determine revenue increases from the changes section 2.1 made to the parent-child and grandparent-grandchild transfer exclusions, in your opinion, should counties be expected to identify **every** purchase or transfer of real property for which a claim is filed and is either partially granted or denied under section 2.1?





Topic 5: Parent-Child and Grandparent-Grandchild Transfer Exclusion (*continued*)

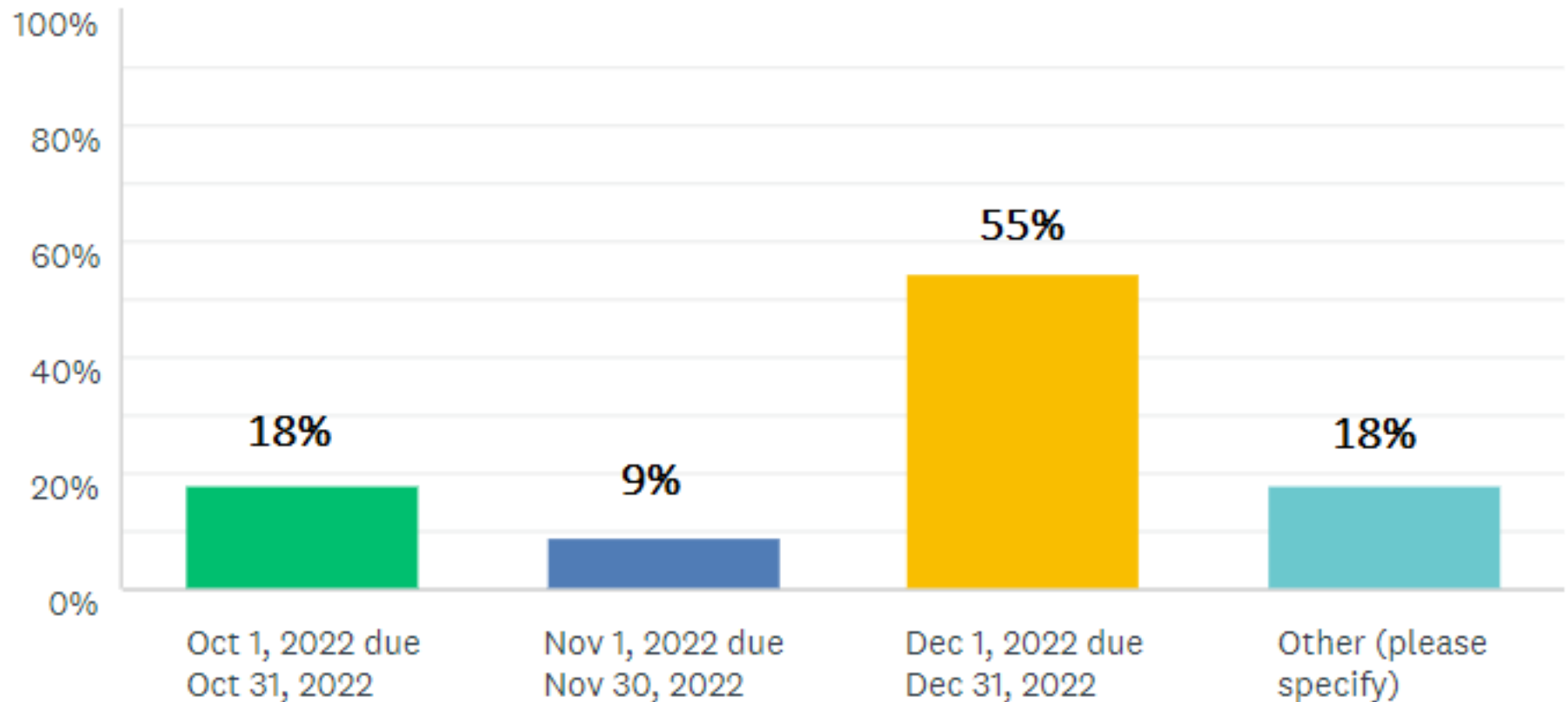
To determine revenue increases from the changes section 2.1 made to the parent-child and grandparent-grandchild transfer exclusions, in your opinion, should counties be expected to identify **any other** purchases or transfers for which no claim is filed?





Topic 6: Deadline for the Annual Determination to CDTFA

Annual Determination Reporting and Due Dates





Questions for Internal County Discussion

Who from the county is responsible for:

- Tracking the changes in assessed value
- Calculating the revenue increases and decreases for the county and local agencies in the county
- Registering and reporting the results of the annual determinations



Resources

- Questions/Comments: *PROP19@cdtfa.ca.gov*
- Proposition 19 Updates Listserv:
www.cdtfa.ca.gov/subscribe/prop-19.aspx
- Industry Guide:
www.cdtfa.ca.gov/taxes-and-fees/Prop-19-Home-Protection-Act.htm
- Survey Link: www.surveymonkey.com/r/RFJZVBL



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Thank You!