

2021 & 2022 - A Look Back and a Look Ahead

LAWS AND PROPOSITIONS

Senate Bill 9

Senate Bill 9 allows property owners to split a single-family lot into two lots, add a second home to their lot or split their lot into two and place duplexes on each. The last option would create four housing units on a property currently limited to a single-family house.

The new law will mark a shift from current policies that allow only two large units — a stand-alone house and an accessory dwelling unit — on single-family lots, as well as an attached junior unit no larger than 500 square feet.

Under the new law, cities and counties across California will be required to approve development proposals that meet specified size and design standards. SB 9 took effect January 1, 2022.

For more detailed information about Senate Bill 9, go to: https://leginfo.legislature.ca.gov/faces/bill-NavClient.xhtml?bill id=202120220SB9

Senate Bill 10

Senate Bill 10 eases the process for local governments to rezone neighborhoods near mass transit or in urban areas to increase density with apartment complexes of up to 10 units per property. The new legislation also allows cities to bypass lengthy review requirements under the California Environmental Quality Act in an attempt to help reduce costs and the time it takes for projects to be approved. SB 10 took effect January 1, 2022.

For more detailed information about Senate Bill 10, go to: https://leginfo.legislature.ca.gov/faces/bill-NavClient.xhtml?bill_id=202120220SB10

Transfer on Death Deed Extended By Senate Bill 315

California Senate Bill 315 extends the execution date to January 1, 2023 of Assembly Bill 139 (scheduled to be repealed January 1, 2021) which accomplishes the transfer of real property by means of a revocable transfer upon death deed (TOD).

For more detailed information about Senate Bill 315 extension go to: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB315



Continued on back...



2021 & 2022 Laws and Propositions Summary Continued...

California Proposition 19

Proposition 19, also referred to as Assembly Constitutional Amendment No. 11, is an amendment of the Constitution of California that was narrowly approved by voters in the general election on November 3, 2020, with just over 51% of the vote. As passed, the proposition increases the property tax burden on owners of inherited property to provide expanded property tax benefits to homeowners ages 55 years and older, disabled homeowners, and victims of wildfires and natural disasters. According to the California Legislative Analyst, Proposition 19 is a large net tax increase "of hundreds of millions of dollars per year."

According to the ballot summary, Proposition 19:

- Allows homeowners who are over 55 years of age (without regard to wealth), disabled, or victims of
 natural disasters to transfer their existing property tax assessed value under 1978 California Proposition
 13 to a replacement home, including a more expensive home.
- Significantly limits the existing property tax benefits under Proposition 13 for certain real estate transfers
 between family members, such as the transfer of property from a parent to a child following the death
 of the parent.
- Expands property tax benefits for family farm transfers.
- Allocates net state (but not local) revenues and savings (if any) to wildfire response and for reimbursing local governments. However, because the COVID-19 pandemic has created significant uncertainty for the state budget, the Legislative Analyst believes that the vast majority of the wildfire funding will not be available until 2025 at the earliest.

The proposition became effective on February 16, 2021

To find out more visit: https://lao.ca.gov/BallotAnalysis/Proposition?number=19&year=2020

