

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

ELIMINATES PROPERTY TAX REASSESSMENT FOR CERTAIN FAMILY REAL PROPERTY TRANSFERS. INITIATIVE CONSTITUTIONAL AMENDMENT. Exempts

from property tax reassessment transfers of primary residences between parents and children (and grandparents to grandchildren if parents are deceased), regardless of value (removing cap set in 2020 by Proposition 19). Also exempts transfers between same family members of other real property valued up to \$2.4 million (e.g., second homes, rental/business properties). Reduces local property tax revenues and eliminates California Fire Response Fund created by Proposition 19. Requires state to reimburse local agencies for property tax losses due to Proposition 19's other tax changes. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Increased state costs of hundreds of millions of dollars per year to cover recent local government property tax losses. These costs would grow over time, possibly to \$1 billion or more per year. Local government funding would decline by tens of millions of dollars per year. Over time, these losses would grow to hundreds of millions of dollars per year. Schools would have losses of similar amounts.**

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