

Proposition 19

Proposition 19 – The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act.

Proposition 19 affects California property tax rules and will affect transfers after February 15, 2021. It dramatically changes the property tax rules exempting the following:

Primary residence transactions for certain individuals such as those over age 55, severely disabled, or victims of wildfires or other natural disasters. The new rules for this category are generally favorable and may result in tax savings for a qualifying homeowner by allowing the assessed value of their principal residence to be transferred to a replacement residence in any California county. Unlike current law, the new rules may provide a significant benefit even if the replacement residence is more expensive than the principal residence that is transferred.

Certain intra-family transfers. The new rules for parent-child and certain other intra-family transfers significantly increase the cost to future generations of keeping legacy properties within the family.

Before Prop 19, homeowners 55 and older had a one-time benefit to retain their existing assessed property tax base if they sold their home and purchased a home of equal or lesser value within the same county. They could do the same when moving between nine other counties that participated in Prop 60/90. Effective April 1, 2021 homeowners 55 and over, severely disabled, or victims of wildfires or other natural disasters may receive a property tax benefit even when purchasing a more expensive home anywhere in California — up to three times.

Please contact your local assessor's office for more information on Proposition 19 and its benefits.

For more information on these and other Propositions, please contact the your local Assessor's Office

For informational purposes only. Information deemed reliable, accuracy is not guaranteed.

Understanding Propositions & Property Tax Savings



Proposition 13

Under Proposition 13 tax reform, property tax value was rolled back and frozen at the 1976 assessed value level. Property tax increases on any given property were limited to no more than 2% per year as long as the property was not sold. Once sold, the property was reassessed at 1% of the sale price, and the 2% yearly cap became applicable to future years. This allowed property owners to finally be able to estimate the amount of future property taxes, and determine the maximum amount taxes could increase as long as he or she owned the Property.

Proposition 13 states that a home's tax amount **cannot exceed 1%** of its assessed value with some exceptions.

Proposition 60

If you or your spouse is over the age of 55 (when the home is sold), Proposition 60 allows the replacement of a principal residence with a new home of equal or lesser value within the same county and transfer of Proposition 13 assessed valuation from the old home to the new home.

Proposition 8

Proposition 8 is a constitutional amendment that allows a temporary reduction in assessed value when a property suffers a "decline-in-value." A decline-in-value occurs when the current market value of your property is less than the current assessed value as of January 1.

Proposition 90

Proposition 90 allows counties the option to accept transfers of Proposition 13 values for **moves from other counties** when a primary residence is replaced with a less expensive home. If you are over 55 and you move into a county that accepts Proposition 90, you may take your old, lower, Proposition 13 value, regardless of the county which you move from.

Using Proposition 90, you can sell your \$800,000 Santa Barbara home that was assessed at \$160,000, into a \$600,000 home in Ventura and the assessed value of your Ventura home will remain \$160,000, with taxes remaining accordingly.

This means that if you're over the age of 55 and you buy a new home equal or lesser value in a county that accepts Proposition 90, your taxes will remain the same as they were on your previous home.

The following counties have elected to participate in this program:

Alameda - (415) 272-3755

Los Angeles - (213) 974-3101

Orange - (714) 834-2746

Riverside - (951) 955-6200

Santa Clara - (408) 299-4347

San Bernardino - (909) 387-8307

San Diego - (619) 531-5507

San Mateo - (415) 363-4500

Ventura - (805) 654-2176

Tuolumne - (209) 533-6600

Proposition 58 & 193

Parent to Child Transfers (R&T Section 63.1) These constitutional initiatives provide property tax relief for real property transfers between parents and children and from grandparents to grandchildren. Collectively, they make it easier to keep property "in the family." In general, Proposition 58 states that real property transfers, from parent to child or child to parent, may be excluded from reassessment.

Proposition 193 expands this tax relief to include transfers from grandparent(s) to grandchild(ren). In both cases, a claim must be filed within three years of the date of transfer to receive the full benefit of the exclusion.

(Proposition 58) Transfer between Parent and Child Eligibility Requirements

1. The real property must be owned by the eligible transferor who is either the parent or child.
2. You must be a parent or child. A child may be a son, daughter, son-in-law, daughter-in-law, stepchild, or child adopted before the age of 18.
3. Spouses of eligible children are also eligible until divorce or, if terminated by death, until the remarriage of the surviving spouse, step-parent, or parent-in-law.
4. You must complete a Claim for Reassessment Exclusion for Transfer between Parent and Child form for a gift or purchase of real property between parent and child.

(Proposition 193) Transfer from Grandparent to Grandchild Eligibility Requirements

1. The real property must be owned by the eligible transferor who is the grandparent.
2. You must be a grandchild whose parent(s) qualify as the deceased child(ren) of the grandparents as of the date of transfer, and you must be the decedent's child.
3. You must complete a Claim for Reassessment Exclusion for Transfer from Grandparent to Grandchild form for a gift or purchase of real property from grandparent to grandchild.