



# PROPOSITION 19

## The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act

### EXPANDED SPECIAL RULES FOR ELIGIBLE HOMEOWNERS

**Effective April 1, 2021:** Homeowners 55 years of age and older, severely disabled, or whose property was extensively destroyed by wildfire or other natural disasters may be eligible to transfer the taxable value of their primary residence to a replacement primary residence:

- ▶ Anywhere in California
- ▶ Of any value, but with upward adjustments if replacement is of greater value
- ▶ Purchased or newly constructed within two years of sale
- ▶ Up to three times (previously one time), but without limitation for properties destroyed by fire

### TAXATION OF INHERITED PROPERTY TRANSFERS

**Effective February 16, 2021:** Prop 19 narrows the rules allowing properties to pass from parent to child and grandparent to grandchild without an increase in the property tax bill. The taxable value can be transferred:

- ▶ To only those properties used as a primary home or farm by the child or grandchild
- ▶ If homeowners' exemption if filed within one year of transfer
- ▶ If the value of the property is less than \$1M over the original tax basis. If the property value, at the time of transfer, is more than \$1M over the original tax basis, some upward adjustment in assessed value would occur.

If eligible, these changes may affect your title and escrow transaction. Additional forms may be required through escrow if you plan to transfer the current taxable value of your property. Consult your tax advisor, and/or contact your local tax assessor's office to learn more about Proposition 19's provisions and eligibility rules.

**Want to learn more?** Visit [www.boe.ca.gov/prop19](http://www.boe.ca.gov/prop19)



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