

# MAHR Marketing Group – FREE REPORT PROP 19

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

On November 3, 2020, California voters approved [Proposition 19](#) ([https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200ACA11](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200ACA11)), The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act. Also, this law has significant implications for California property owners who are looking to pass on a home as an inheritance.

To assist taxpayers, the following tabs provide general information on Proposition 19. Please continue to visit the California State Board of Equalization (BOE) website for updates, as additional legislation will provide further clarification. For assistance or questions, please contact the Property Tax Department by phone at 1-916-274-3350 or by [PTWebRequests@boe.ca.gov](mailto:PTWebRequests@boe.ca.gov)

**This information was gathered from multiple sources. You will also find several hyperlinks in BLUE throughout this document that will provide additional information should you want to research further. All the opinions expressed both here and in the video are taken from these sources.**

The reason we decided to make this video was because of the number of inquiries we received in 2022 that were directly related to Prop 19 and how it impacted old laws that many people thought still applied. Proposition 19 covers several areas regarding a homeowner's tax base.... So we're going to address them in 4 sections with descriptive charts that make it easy for you refer back to in the future.

- The PARENT-CHILD & GRANDPARENT-GRANDCHILD EXCLUSION
  - **Prop 19 REPLACES: Props 58/193**
    - Prop 58 permitted children to inherit their parents' primary residence without tax reassessment.
    - Prop 193 permitted grandchildren to inherit a grandparent's primary residence, if their parents are deceased, without property tax reassessment.
- BASE YEAR VALUE TRANSFER FOR PERSONS AT LEAST AGE 55 OR DISABLED
  - **Prop 19 REPLACES: Props 60/90/110**
  - **Prop 60** allowed for persons 55+ the transfer of a base year value within the same county (intra-county)
  - **Prop 90** allowed for persons 55+ the transfer of a base year value from one county to another in California (inter-county) if the county has authorized such a transfer by an ordinance.
  - **Prop 110** provides property tax relief for severely and permanently disabled claimants when they sell an existing home and buy or build another.
- BASE YEAR VALUE TRANSFER – INTRACOUNTY DISASTER RELIEF
  - **Prop 19 REPLACES: Prop 50**
    - **Prop 50** allowed property owners to transfer the base year value of the original property that has been substantially damaged or destroyed by a disaster to a comparable property located in the same county.
- BASE YEAR VALUE TRANSFER – INTERCOUNTY DISASTER RELIEF
  - **Prop 19 REPLACES: Prop 171**
    - **Prop 171** provided that the base year value of property substantially damaged or destroyed in a Governor-declared disaster may be transferred to a replacement property located in another county provided that the replacement property is located in a county that has adopted an ordinance that allows such base-year value transfers.

FAR TOO MANY PEOPLE are still making LIFE, FINANCIAL, and ESTATE PLANNING DECISIONS, on their own, based on outdated information and it can cost them dearly. We hope this summary report will help you gain a better understanding going forward.

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## PARENT-CHILD & GRANDPARENT-GRANDCHILD EXCLUSION

	Proposition 58/193 (Former Law)	Proposition 19 (Current Law)
<b>Principal Residence</b>	<ul style="list-style-type: none"> <li>→ Principal residence of transferor</li> <li>→ No value limit</li> <li>→ Residence and homesite (excess land may be excluded as "other property")</li> </ul>	<ul style="list-style-type: none"> <li>→ Principal residence of transferor and transferee</li> <li>→ Value limit of current taxable value plus \$1,000,000 (as biennially adjusted)</li> <li>→ Family homes and farms</li> </ul>
<b>Other Real Property</b>	<ul style="list-style-type: none"> <li>→ Transferor lifetime limit of \$1,000,000 of factored base year value</li> </ul>	<ul style="list-style-type: none"> <li>→ Eliminates exclusion for other real property other than the principal residence</li> </ul>
<b>Grandparent-Grandchild Middle Generation Limit</b>	<ul style="list-style-type: none"> <li>→ Parent(s) of grandchild, who qualifies as child(ren) of grandparent, must be deceased on date of transfer</li> </ul>	<ul style="list-style-type: none"> <li>→ No change: parent(s) of grandchild, who qualifies as child(ren) of grandparent, must be deceased on date of transfer</li> </ul>
<b>Filing Period</b>	<ul style="list-style-type: none"> <li>→ File claim within 3 years or before transfer to third party</li> </ul>	<ul style="list-style-type: none"> <li>→ File for homeowners' exemption within 1 year of transfer</li> <li>→ File claim for exclusion within 3 years or before transfer to third party</li> </ul>
<b>Implementing Statute</b>	<ul style="list-style-type: none"> <li>→ Revenue &amp; Taxation Code section 63.1 (implements Propositions 58/193)</li> </ul>	<ul style="list-style-type: none"> <li>→ Revenue and Taxation Code section 63.2 (implements Proposition 19)</li> </ul>
<b>Important Dates</b>	<ul style="list-style-type: none"> <li>→ Through February 15, 2021</li> </ul>	<ul style="list-style-type: none"> <li>→ Effective February 16, 2021</li> </ul>

### [Prop 19 and inherited property: a hypothetical scenario](#)

Say you and your spouse have owned your home for 35 years and your current taxes are low relative to the value of your home. Suppose you have three children and in your estate plan you plan to divide your assets fairly between these children.

As is the case in many families, you may have left it up to your successors as to how exactly the assets get divided. Perhaps some of them have said they would like to inherit the house and live there if you leave it to them. It's hard to predict the specifics of how it would work out given that they probably won't be inheriting for many years. Transferring a major asset like a home can have serious tax consequences, and they are subject to change now that Prop 19 will apply.

Up until the February 15, 2021, deadline, a personal residence transferred by inheritance or gift to children is excluded from reassessment, so the children also receive the "low" property tax bill as well. Prop 19, in short, limits this exclusion significantly.

Prop 19 requires that if the home is not used as a child's personal residence within one year, it is to be reassessed at market value when inherited. [Click here to see how it may impact families and the choices they face by looking at a hypothetical example with more details.](#)

### [IMPLEMENTATION OF PROPOSITION 19 INTERGENERATIONAL TRANSFER EXCLUSION](#)

[www.JustSoldAnother.com](http://www.JustSoldAnother.com)

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## BASE YEAR VALUE TRANSFER – PERSONS AT LEAST AGE 55/DISABLED

	Propositions 60/90/110 (RTC Section 69.5)	Proposition 19 (RTC Section 69.6)
<b>Type of Property</b>	→ Principal residence	→ Principal residence
<b>Timing</b>	→ Purchase or newly construct residence within 2 years of sale	→ Purchase or newly construct residence within 2 years of sale
<b>Location of Replacement Home</b>	→ Same county → <u>County with intercounty ordinance (10 counties)</u>	→ Anywhere in California
<b>Value Limit</b>	<ul style="list-style-type: none"> <li>→ Equal or lesser value</li> <li>→ 100% if replacement purchased/newly constructed prior to sale</li> <li>→ 105% if replacement purchased/newly constructed in first year after sale</li> <li>→ 110% if replacement purchased/newly constructed in second year after sale</li> </ul>	<ul style="list-style-type: none"> <li>→ Any value</li> <li>→ No adjustment to transferred base year value if the replacement property is of equal or lesser value than the original property's market value. "Equal or lesser value" means:                             <ul style="list-style-type: none"> <li>→ 100% if replacement purchased/newly constructed prior to sale</li> <li>→ 105% if replacement purchased/newly constructed in first year after sale</li> <li>→ 110% if replacement purchased/newly constructed in second year after sale</li> </ul> </li> <li>→ Amount above "equal or lesser value" is added to transferred value</li> </ul>
<b>How many transfers?</b>	<ul style="list-style-type: none"> <li>→ One time</li> <li>→ Exception: After using once for age, second time for subsequent disability</li> </ul>	→ Three times
<b>Implementing Statute</b>	→ Revenue & Taxation Code section 69.5 (implements Propositions 60/90/110)	→ Revenue and Taxation Code section 69.6 (implements Proposition 19)
<b>Important Dates</b>	→ Replaced by Proposition 19 (Revenue and Taxation Code section 69.6)	→ Effective April 1, 2021

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