



PROPOSITION 19

Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire & Natural Disasters Initiative

Proposition 19 amends the California Constitution by expanding qualifications for the transfer of a property's taxable value. These changes may affect your next escrow and title transaction if eligibility requirements are met. Additional documents may be required by escrow if you plan to transfer the current taxable value of the property.

How does Proposition 19 affect property tax base transfers?

Starting April 1, 2021, Proposition 19 allows an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a wildfire or natural disaster to transfer the taxable value of the primary residence to a replacement primary residence:

- anywhere in California;
- purchased or newly constructed within 2 years;
- of any value with an upward adjustment for a more expensive replacement; and
- the property tax base can be transferred up to three times for persons over 55 years old or with severe disabilities and once for wildfire or disaster victims.

How does Proposition 19 affect inherited properties?

Starting February 16, 2021, Proposition 19 narrows the rules for parent-to-child or grandparent-to-grandchild exemption for inherited properties. The child or grandchild can transfer the taxable value of the inherited property if:

- the property is the principal residence of the child or grandchild or is the family farm;
- the homeowner's or disabled veteran's exemption is claimed within one year of the transfer to the child or grandchild;
- the property is used as the principal residence and has a market value above \$1 million, in this case an upward adjustment in assessed value would occur.

Source: <https://www.boe.ca.gov/prop19/>
<https://assessor.lacounty.gov/about-prop-19/>



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Below are comparison charts reflecting the effects of Proposition 19.

PARENT-CHILD & GRANDPARENT-GRANDCHILD EXCLUSION

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

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

	Propositions 60/90/110 (RTC Section 69.5)	Proposition 19 (RTC Section 69.6)
Type of Property	<ul style="list-style-type: none"> » Principal residence 	<ul style="list-style-type: none"> » Principal residence
Timing	<ul style="list-style-type: none"> » Purchase or newly construct residence within 2 years of sale 	<ul style="list-style-type: none"> » Purchase or newly construct residence within 2 years of sale
Location of Replacement Home	<ul style="list-style-type: none"> » Same county » County with intercounty ordinance (10 counties) 	<ul style="list-style-type: none"> » Anywhere in California
Value Limit	<ul style="list-style-type: none"> » Equal or lesser value <ul style="list-style-type: none"> » 100% if replacement purchased/newly constructed prior to sale » 105% if replacement purchased/newly constructed in first year after sale » 110% if replacement purchased/newly constructed in second year after sale 	<ul style="list-style-type: none"> » Any value » 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"> » 100% if replacement purchased/newly constructed prior to sale » 105% if replacement purchased/newly constructed in first year after sale » 110% if replacement purchased/newly constructed in second year after sale » Amount above "equal or lesser value" is added to transferred value
How many transfers?	<ul style="list-style-type: none"> » One time » Exception: After using once for age, second time for subsequent disability 	<ul style="list-style-type: none"> » Three times
Implementing Statute	<ul style="list-style-type: none"> » Revenue & Taxation Code section 69.5 (implements Propositions 60/90/110) 	<ul style="list-style-type: none"> » Revenue and Taxation Code section 69.6 (implements Proposition 19)
Important Dates	<ul style="list-style-type: none"> » Replaced by Proposition 19 (Revenue and Taxation Code section 69.6) 	<ul style="list-style-type: none"> » Effective April 1, 2021

Note: The information presented is intended to provide general and summary information about Proposition 19. It is not intended to be a legal interpretation or official guidance or relied upon for any purpose, but is instead a presentation of summary information. If there is a conflict between the information presented and the text of the proposition or its implementation, the text of the proposition or legal interpretation will prevail. It is highly encouraged that you consult an attorney for advice specific to your situation.

BASE YEAR VALUE TRANSFER - INTRACOUNTY DISASTER RELIEF

	Proposition 50 (RTC Section 69)	Proposition 19 (RTC Section 69.6)
Type of Property	» Any type of property	» Principal residence
Timing	» Purchase or newly construct principal residence within 3 years of disaster	» Purchase or newly construct residence within 2 years of sale
Location of Replacement Home	» Within same county	» Anywhere in California
Value Limit	» Any value » Amount above 120% is added to transferred value	» Any value » 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: » <i>100% if replacement purchased/newly constructed prior to sale</i> » <i>105% if replacement purchased/newly constructed in first year after sale</i> » <i>110% if replacement purchased/newly constructed in second year after sale</i> » Amount above "equal or lesser value" is added to transferred value
Type of Disaster	» Disaster for which the Governor proclaims a state of emergency	» Wildfire, as defined, or natural disaster as declared by the Governor
Implementing Statute	» Revenue & Taxation Code section 69 (implements Proposition 50)	» Revenue and Taxation Code section 69.6 (implements Proposition 19)
Important Dates	» Effective July 1, 1985	» Effective April 1, 2021

BASE YEAR VALUE TRANSFER - INTERCOUNTY DISASTER RELIEF

	Proposition 171 (RTC Section 69.3)	Proposition 19 (RTC Section 69.6)
Type of Property	» Principal residence	» Principal residence
Timing	» Purchase or newly construct principal residence within 3 years of disaster	» Purchase or newly construct residence within 2 years of sale
Location of Replacement Home	» County with intercounty ordinance (14 counties)	» Anywhere in California
Value Limit	» Equal or lesser value » <i>105% if purchased/newly constructed in first year after disaster</i> » <i>110% if purchased/newly constructed in second year after disaster</i> » <i>115% if purchased/newly constructed in third year after disaster</i>	» Any value » 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: » <i>100% if replacement purchased/newly constructed prior to sale</i> » <i>105% if replacement purchased/newly constructed in first year after sale</i> » <i>110% if replacement purchased/newly constructed in second year after sale</i> » Amount above "equal or lesser value" is added to transferred value
Type of Disaster	» Disaster for which the Governor proclaims a state of emergency	» Wildfire, as defined, or natural disaster as declared by the Governor
Implementing Statute	» Revenue & Taxation Code section 69.3 (implements Proposition 171)	» Revenue and Taxation Code section 69.6 (implements Proposition 19)
Important Dates	» Effective October 20, 1991	» Effective April 1, 2021