



# Los Angeles County Assessor **JEFFREY PRANG**



## **SPECIAL BULLETIN**

### **PROP. 19 CERTIFIED BY SECRETARY OF STATE** ***Pros, Cons to Prop. 13 Amendment; Assessor Prang Seeks Clarification***

**LOS ANGELES, CA** – California Secretary of State Alex Padilla has certified on Dec. 11 the adoption of Proposition 19, a Constitutional amendment to Prop. 13 that expands the portability of a property owner's tax base. It also makes significant changes to the property tax benefits for individuals who inherit real property from their parents, and in some cases, grandparents.

"Prop. 19 has a very short implementation deadline," Assessor Prang said in a prepared statement. "For parents who intend to leave their property to their children, it's important that they be aware of this new law and its limitations. Prop. 19 significantly reduces the property tax savings' benefits for inherited property."

Under current law, known as Prop. 58 and Prop. 193, children (and in some cases grandchildren) may inherit their parents or grandparents' property tax assessment. This applies to primary residences of any value and up to \$1 million in additional property (commercial or residential).

Prop. 19 restricts the inheritance of a property's assessed value to the primary residence with a maximum transfer value of \$2 million, depending on the circumstances. Prior to a transfer, the home must be the parent's principal residence and it must become the primary residence of the children/child within one year after the transfer to qualify. This new law takes effect February 15, 2021.

"I am committed to implementing a quick and smooth transition to the new law," Assessor Prang said. "However, there are significant issues in the language of the measure that will require interpretation or amendment by the State Board of Equalization or the Legislature before the 57 other California assessors and I are able to fairly and efficiently implement this measure."

Assessor Prang has been appointed Chair of the California Assessors' Association Legislative Committee and in that capacity, he will play a key role in identifying elements of the measure that need legislative clarification or correction.

Prop. 19 also expands benefits allowed for seniors, the disabled and victims of disasters to transfer their property's assessed value to another home anywhere in California. This aspect of Prop. 19 is effective April 1, 2021.

“As the sale of property frequently triggers unintended consequences on federal and state taxes, such as capital gains, property owners are encouraged to seek professional advice before taking any action,” Assessor Prang said.

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*Los Angeles County Assessor Jeff Prang leads the largest local public property assessment agency in the nation. His office of over 1,350 appraisers and support staff are dedicated to creating an accurate and timely property Assessment Roll. This year, the Los Angeles County Assessor's Office conducted more than 2.5 million real estate and business assessments valued at more than \$1.7 trillion.*