

PROPOSITION 19: GRANDPARENT-GRANDCHILD TRANSFERS

Proposition 19 can apply to certain transfers of real property from grandparent to grandchild. Parents of grandchild, who qualifies as children of grandparent, must be deceased on date of transfer.

FILING DEADLINES FOR A PROPOSITION 19 CLAIM

To receive the tax benefit of Proposition 19, a qualifying claim must be made at the time of transfer of the principal residence; the transferee shall claim the homeowner's exemption at the time of transfer.

A transferee who fails to claim the homeowner's exemption at the time of transfer of the principal residence may receive the property tax benefit provided by Proposition 19 by claiming the homeowner's exemption within one year of the transfer of the principal residence, and shall be entitled to a refund of taxes previously owed or paid between the date of the transfer and the date the transferee claims the homeowner's exemption.

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CONTACT INFORMATION

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REAL PROPERTY

www.smcacre.org

Owner & Parcel Info 650.363.4500

Exemptions 650.363.4500

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Recorded Document Info 650.363.4500

ASSESSMENT APPEALS BOARD

www.co.sanmateo.ca.us/assessmentappeals

Appeals Board 650.363.4573

CONTROLLER

www.co.sanmateo.ca.us/controller

Tax Rates 650.363.4777

TAX COLLECTOR

www.sanmateocountytaxcollector.org

Tax Bills & Payments 650.363.4143

STATE OF CALIFORNIA

Controller 800.952.5661

www.sco.ca.gov

Franchise Tax Board 800.852.5711

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Board of Equalization 800.400.7115

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SAN MATEO COUNTY
ASSESSOR-COUNTY CLERK-RECORDER-ELECTIONS

555 County Center

Redwood City, CA 94063

650.363.4500

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Monday-Friday 8:00 a.m. - 5:00 p.m.

PARENT-CHILD AND GRANDPARENT-GRANDCHILD REASSESSMENT EXCLUSIONS

PROPOSITIONS 19



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SAN MATEO COUNTY

Some transfers between parent and children, or grandparents and grandchildren may qualify for an exclusion from reassessment, or a modified assessed value.

PROPOSITION 19: PARENT-CHILD EXCLUSION

Proposition 19 amended the California Constitution to exclude or modify the assessment of certain transfer of real property (such as sales, gifts, inheritance) from parent to child or from child to parent.

WHAT IS THE EFFECTIVE DATE OF PROPOSITION 19?

Proposition 19 applies to any transfer of real property between parent and child on or after February 16, 2021.

WHO ARE THE “TRANSFEROR” AND “TRANSFeree?”

The transferor is the current owner of the property being transferred. The new owner is the transferee.

WHICH TRANSFERS OF REAL PROPERTY MAY QUALIFY?

The property must be the transferor’s principal residence, and the transferee must make the property their principal residence. If the difference between the fair market value and the factored base year value of the property is less than \$1,000,000, the property is excluded from reassessment. If the difference between the fair market value and the factored base year value of the property is more than \$1,000,000, the taxable value becomes fair market value less \$1,000,000.

Let’s explain these terms.

Proposition 13: A 1978 Constitutional Amendment controlling rising property taxes. It limited the assessed value of existing real property to the 1975-1976 assessed values, limited tax rates to one percent of assessed value (plus voter-approved surcharges), and limited inflation-based value increases to no more than two percent annually.

Base year: Either 1975 or the year when the property or portion thereof was purchased, newly constructed, or underwent a re-appraisable change in ownership by the current transferor.

Base year value: The 1975-1976 assessed value or the full market value of the home in the base year, typically the purchase price.

Factored base year value: The base year value, increased by no more than two percent (2%) per year. Also called the “Prop. 13 value.”

WHAT IS MEANT BY “CHILD” UNDER PROPOSITION 19?

- Any child born of the parent, or
- Any stepchild or stepchild’s spouse while the relationship of stepparent and stepchild exists, or
- Any son/daughter-in-law of the parent, or
- Any child statutorily adopted before the age of 18, or
- Any foster child of a state-licensed foster parent.

WHAT IS MEANT BY PRINCIPAL RESIDENCE?

A principal residence is:

- A dwelling for which the owner has been granted a homeowner’s exemption, in the name of the parent or the child, or
- A dwelling occupied by a person who has qualified for a disabled veteran’s exemption in California.

Note:

Only a reasonable portion of the land will be considered a part of the principal residence in the value calculation. If the land area exceeds the area reasonably necessary as a site for the residence.

HOW MANY PARENT-CHILD TRANSFERS OF A PRINCIPAL RESIDENCE MAY QUALIFY UNDER PROPOSITION 19?

There is no limit. However, each transferred residence must qualify as a principal residence.