



Courtesy Of Scott DeMoss

Prop 13, Prop 19, and Property Taxes (California)

Understanding Prop 13 Basics

What does Prop 13 actually cap?

It caps the base property tax rate at about 1% of assessed value. Annual increases to assessed value are capped at 2% until there's a change in ownership or new construction.

When is my home reassessed to market value?

At most changes of ownership and when you complete new construction. Otherwise your taxable value only rises up to 2% per year.

Does Prop 13 protect me from special assessments?

No. You still pay voter-approved bonds and local assessments added to the base 1% rate.

Prop 19 Benefits for Seniors and Others



What did Prop 19 change for people 55+?

You can transfer your tax base to a new primary residence up to three times, anywhere in California, within specific timelines.

How many times can I transfer my base under Prop 19?

Up to three times after turning 55. Also allowed if you are severely disabled or a qualified wildfire/disaster victim.

Can I transfer my tax base to a different county?

Yes. Prop 19 allows inter-county transfers statewide.

Tax Base Transfers: Common Questions

“

Do I have to buy a cheaper home to keep my old tax base?

No. If the replacement home costs more, your new assessed value is your old taxable value plus the price difference.

”

“

What is the timeline to use the transfer?

Generally within two years of selling or buying the replacement primary residence. File the claim paperwork or you miss the benefit.

”

“

Where do I file for a Prop 19 transfer?

With the county assessor where the replacement home is located. Use the official forms and meet the filing deadlines.

”

Property Transfers and Inheritance



Title Changes Can Trigger Reassessment

If I add my kids to title now, will I keep my tax cap? Likely not. Many transfers trigger reassessment. Get legal advice before changing title.

Parent-Child Transfers

What did Prop 19 change about parent-child transfers? The old broad exclusion was narrowed. Transfers of a primary residence may get limited relief only if the child uses it as a primary residence, and the benefit is capped.

Inherited Properties

If I inherit a rental, what happens to taxes? Expect reassessment to market value unless a limited exclusion applies. Plan ahead with an attorney/CPA.

Property Improvements and Assessments



Remodeling Impact

I'm downsizing. Will remodeling the new place boost taxes? Yes, new construction is added to assessed value. Routine repairs typically are not.



ADU Construction

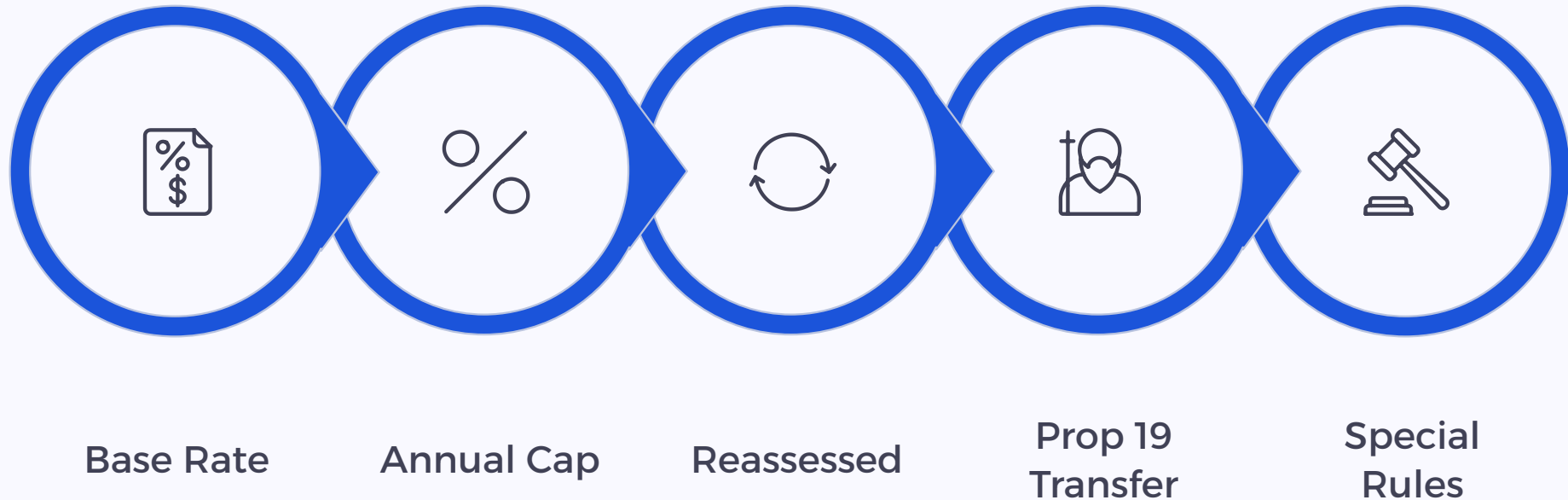
Do accessory dwelling units (ADUs) trigger reassessment? The ADU's new construction value is added, but the existing home's base value usually remains capped.



HOA Considerations

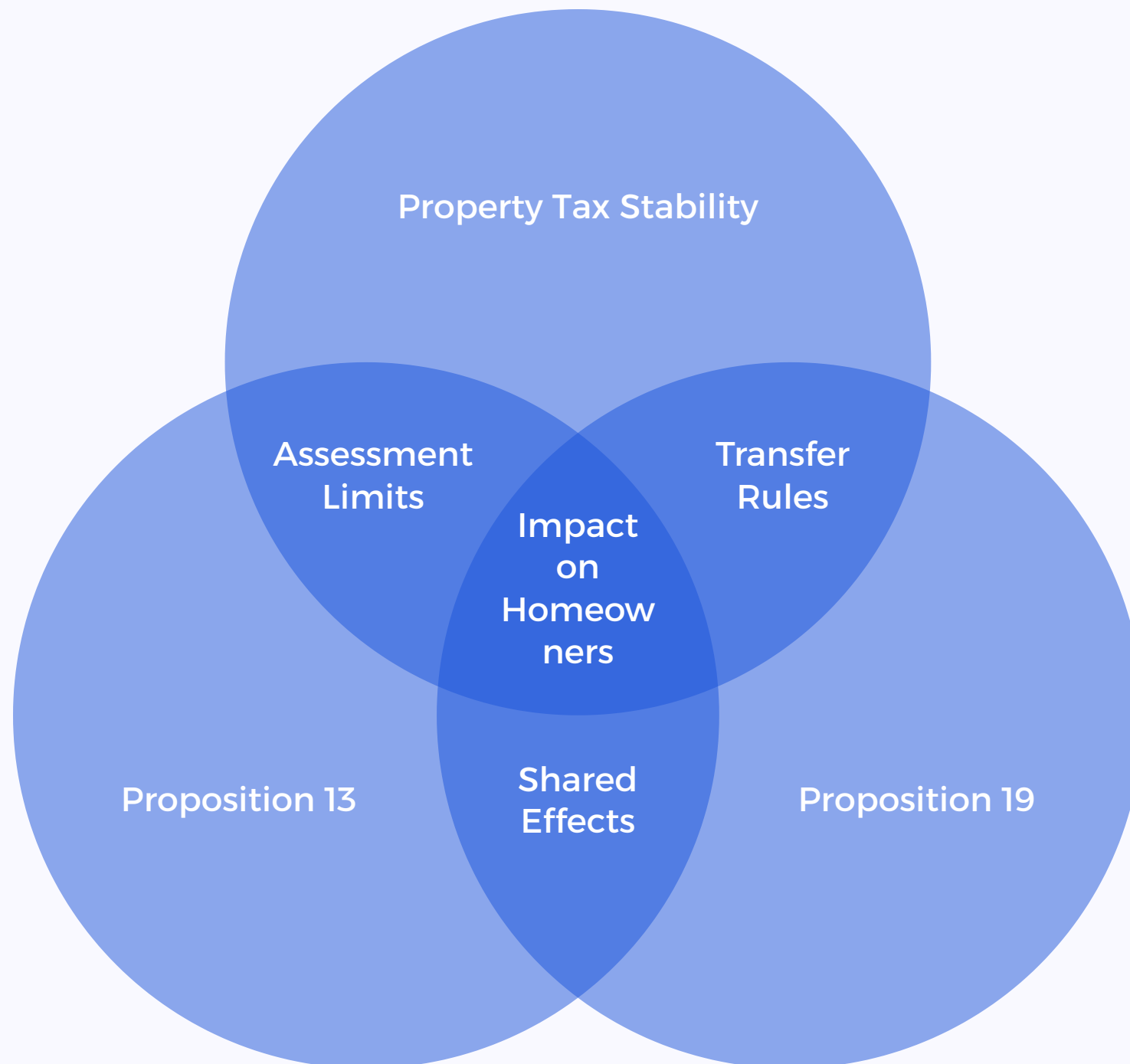
How do HOAs affect property taxes? They don't change your tax rate. But HOA improvements don't affect your assessed value unless they're part of your unit's new construction.

Key Takeaways: California Property Tax Rules

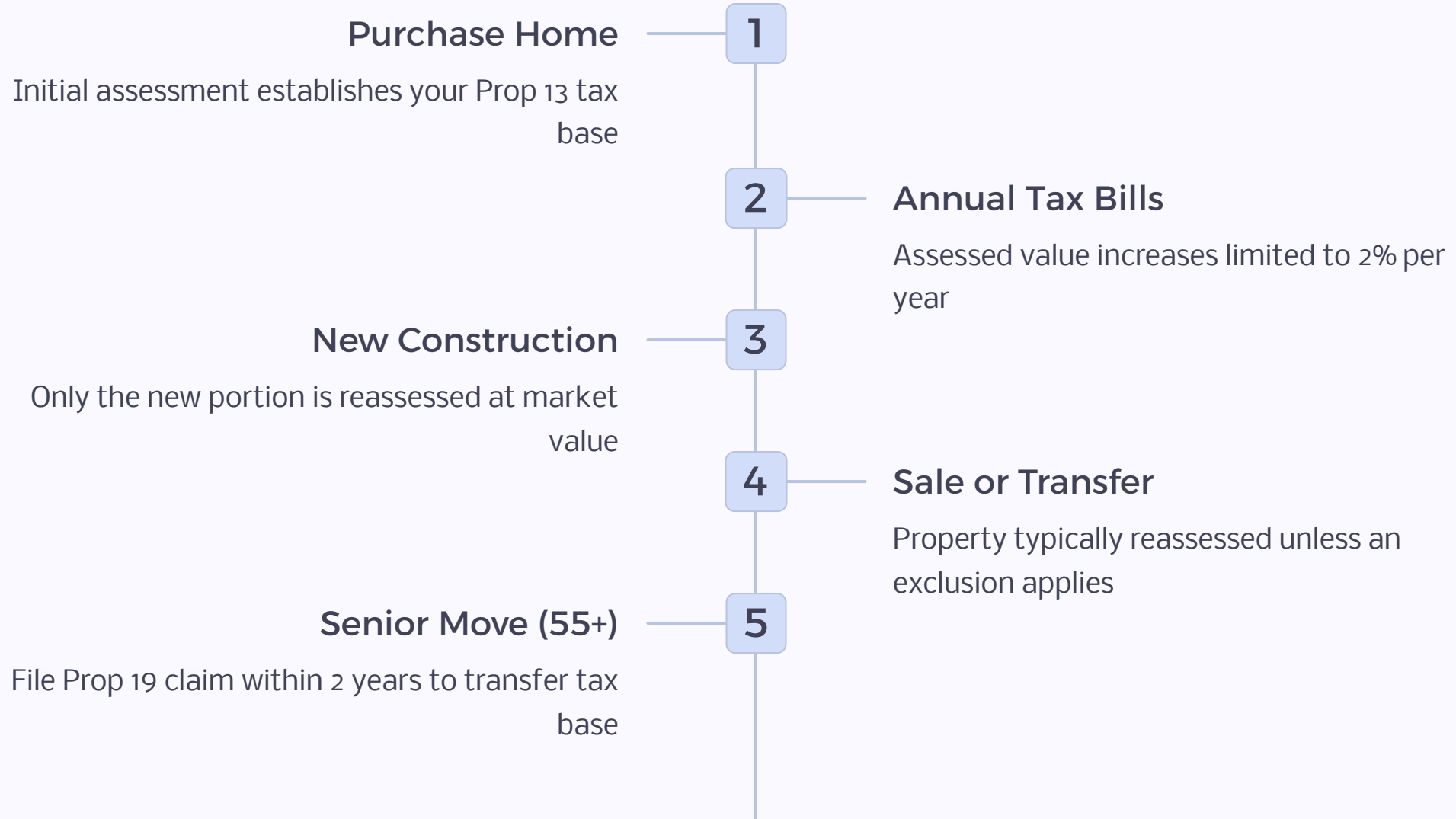


Understanding these property tax rules can help California homeowners make informed decisions about buying, selling, and transferring real estate.

Prop 13 vs. Prop 19: What Changed



Timeline for Property Tax Events



Resources for California Property Owners

Official Information

- County Assessor's Office
- California State Board of Equalization
- Property tax relief claim forms

Professional Guidance

- Real estate attorneys
- Tax professionals with property tax expertise
- Estate planning specialists

❏ Always consult with qualified professionals before making property decisions that could affect your tax status.