

PROPOSITION 58 and 193

R&T Code Section 63.1

Propositions 58 and 193 exclude from reassessment property that transfers between parent and child or from grandparent to grandchild provided specific criteria are met.

Effective dates:

Effective November 6, 1986, Proposition 58 made transfers between parents and children excludable from reassessment.

Effective March 27, 1996, Proposition 193 made transfers from grandparents to grandchildren excludable from reassessment.

Filing time limit:

To receive the exclusion effective the date of the transfer, a claim form must be filed with the County Assessor the earliest of:

1. Within three years after the date of purchase or transfer,
2. Prior to a transfer to a third party,

Or, if not filed by the dates specified above, within six months after the date of mailing of a notice of supplemental or escape assessment for the property.

Claims received after the time limit cannot be granted as of the date of transfer, but may be granted for future tax years.

Transfers occurring prior to September 30, 1990 have a different filing time period. Please contact the Assessor's Office for information.

Claim forms for Proposition 58 and Proposition 193 exclusions, as well as Death of Real Property Owner Change in Ownership Statements, are available at the Assessor's Office
2530 Arnold Dr., Suite 100
Martinez, California, 94553
(925) 313-7400

IMPORTANT:

If you are selling real property out of probate, or are selling as successor trustee, it is important that the Assessor is notified of the owner's death prior to a transfer to a third party (Revenue and Taxation Code section 480).

WHEN DO OWNERSHIP TRANSFERS OCCUR?

Property is reassessable when a change in ownership occurs.

Section 60 of the California Revenue and Taxation Code defines a change in ownership as "...a transfer of a present interest in real property, including the beneficial use thereof..."

Some examples of changes in ownership include the following:

Sales

When a deed or other document is recorded, the date of recordation is presumed to be the date of ownership change.

Inheritance:

Where the property is transferred by will, joint tenancy, or intestate succession, the change of ownership date is the date of the owner's death.

Trusts:

Revocable Trust. The change in ownership date is the date the trust becomes irrevocable, generally the date of the trustor's death.

Irrevocable Trust. The change in ownership date is the date property is placed in the trust.

ELIGIBLE PROPERTY

Principal Residence

A claim may be filed on the purchase or transfer of real property that is the *principal residence* of an eligible transferor. To be considered a principal residence, there must be a homeowner's exemption or a disabled veteran's residence exemption granted in the name of the eligible transferor. There is no limit to the number of transfers of

principal residences, but each principal residence must qualify as such. The residence need not become the principal residence of the transferee(s).

Other Property

A claim may also be filed on the purchase or transfer of the first one million dollars (\$1,000,000) of assessed value of *all other real property* of an eligible transferor. The value is the Proposition 13 value, including the full value of any new construction in progress. The value is determined as of the date immediately prior to the date of a purchase by or transfer to an eligible transferee. Typically, this is the taxable value on the assessment roll.

NOT ELIGIBLE:

The transfer of ownership to or from a legal entity (e.g., partnerships, corporations), or transfers of ownership interest in legal entities (e.g., shares of stock or capital) are not eligible for exclusion under Propositions 58 and 193.

WHO ARE CONSIDERED CHILDREN?

(1) Any child born of the parent(s).

(2) Any stepchild of the parent(s) and the spouse of that stepchild while the relationship of stepparent and stepchild exists. The relationship exists until the marriage on which the relationship is based is terminated by divorce or, if the relationship is terminated by death, until the remarriage of the surviving stepparent.

(3) Any son-in-law or daughter-in-law of the parent(s). The relationship of parent and son-in-law or daughter-in-law exists until the marriage on which the relationship is based is terminated by divorce or, if the relationship is terminated by death, until the remarriage of the surviving son-in-law or daughter-in-law. As of January 1, 2005, son-in-law or daughter-in-law includes a domestic partner registered with the Secretary of State.

(4) Any statutorily adopted child who was adopted before the age of 18.

WHO ARE CONSIDERED GRANDCHILDREN?

For Proposition 193, the same relationship requirements for children apply to grandchildren, step-grandchildren, and grandchildren-in-law. The parents of the grandchild(ren) who would qualify for a Proposition 58 exclusion from the grandparents must be deceased. As of January 1, 2006, a son-in-law or daughter-in-law of the grandparent who is a stepparent to the grandchild need not be deceased on the date of the transfer.

You should contact the Assessor's Office regarding specific scenarios to check the eligibility of transfers.

HOW TO FILE

To qualify for the Proposition 58 or 193 exclusion, a claim form must be completed and signed by the transferors and a transferee, and filed with the Assessor. When the transfer is from an estate, the decedent is considered to be the transferor. The transferor's social security number must be supplied.

Claims for Proposition 58 and Proposition 193 exclusions must be filed using the appropriate State Board of Equalization prescribed form:

Proposition 58: BOE-58-AH *Claim for Reassessment Exclusion for Transfer between Parent and Child.*

Proposition 193: BOE-58-G *Claim for Reassessment Exclusion for Transfer from Grandparent to Grandchild.*

The information in this pamphlet is a general overview of the law and is not meant to be relied upon as complete information.

If you have any questions regarding section 63.1 of the Revenue and Taxation Code, please call the Assessor's Office at (925) 313-7400.

ASSESSOR'S OFFICE

General Information:

Public Service925 / 313-7400

Value Questions:

Agricultural Property925 / 313-7400
Boats & Aircraft925 / 313-7605
Business Property925 / 313-7600
Commercial/Industrial925 / 313-7520
Mobile Homes925 / 313-7400
Multiple Properties925 / 313-7400
Personal Property925 / 313-7600
Residential925 / 313-7400

Exemptions:

Homeowners925 / 313-7481
Local925 / 313-7470
Change of Ownership925 / 313-7400

OTHER COUNTY DEPARTMENTS

Tax Collector.....925 / 957-5280

625 Court St. Rm 100, Martinez

- Copies of Tax Bills
- Payment of Taxes

Auditor.....925 / 646-2236

625 Court St., Martinez

- Tax Rates
- Special Assessments
- Supplemental Assessment Refunds

Recorder.....925 / 335-7900

555 Escobar St., Martinez

- Recording and Copies of Deeds

Dept. of Conservation & Dev. 925 / 674-7200

30 Muir Rd., Martinez

Building Inspector 925 / 674-7200

30 Muir Rd., Martinez

- Planning and Building Permits

GUS S. KRAMER
ASSESSOR



Proposition 58
Proposition 193

Reassessment Exclusion
For
Parent-Child and
Grandparent-Grandchild
Ownership Transfers



Gus S. Kramer, Assessor
County of Contra Costa
2530 Arnold Drive, Suite 100
Martinez CA 94553

Telephone: (925) 313-7400

For more information, visit our Web site at:
<http://www.co.contra-costa.ca.us/depart/assr/assr.htm>