



**BOB DUTTON**  
SAN BERNARDINO COUNTY  
Assessor-Recorder-County Clerk

# Proposition 19 And E-Recording

**Disclaimer: The information provided 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. Proposition 19 is a constitutional amendment, so additional legislation, regulations, and statewide guidance are expected to clarify its implementation. If there is a conflict between the information provided here and the proposition or any legal authorities implementing or interpreting the proposition, the text of the proposition and the other implementing or interpretive authorities will prevail. We encourage you to consult an attorney for advice on your specific situation.**

# About the Speakers



## Proposition 19 Presentation

### Theresa Valdes

#### Supervising Title Tech I

Theresa has worked with ARC for 18 years. Theresa has worked her way up in the department, working in Data Entry, Title Transfers and Exclusions. Theresa has participated as a trainer with the California Assessors' Administrative Services Association Education Committee, and trained classes on Basic Change in Ownership, Revocable Transfer on Death (TOD) Deeds and Prop 58/193 Exclusions. Theresa currently supervises the Property Information, Exclusion and Exemption sections of the Assessor's division.

# About the Speakers



## **E- Recording Presentation**

### **Lorelay Faussier**

#### **Deputy Recorder**

**Lorelay has worked with ARC for 9 years. Prior to working with the county, Lorelay was a Real Estate Broker for over a decade. As Deputy Recorder, Lorelay is responsible in organizing and supervising the daily operations of the Recorder-Clerk Division of San Bernardino County.**

# About San Bernardino County Assessor-Recorder-Clerk

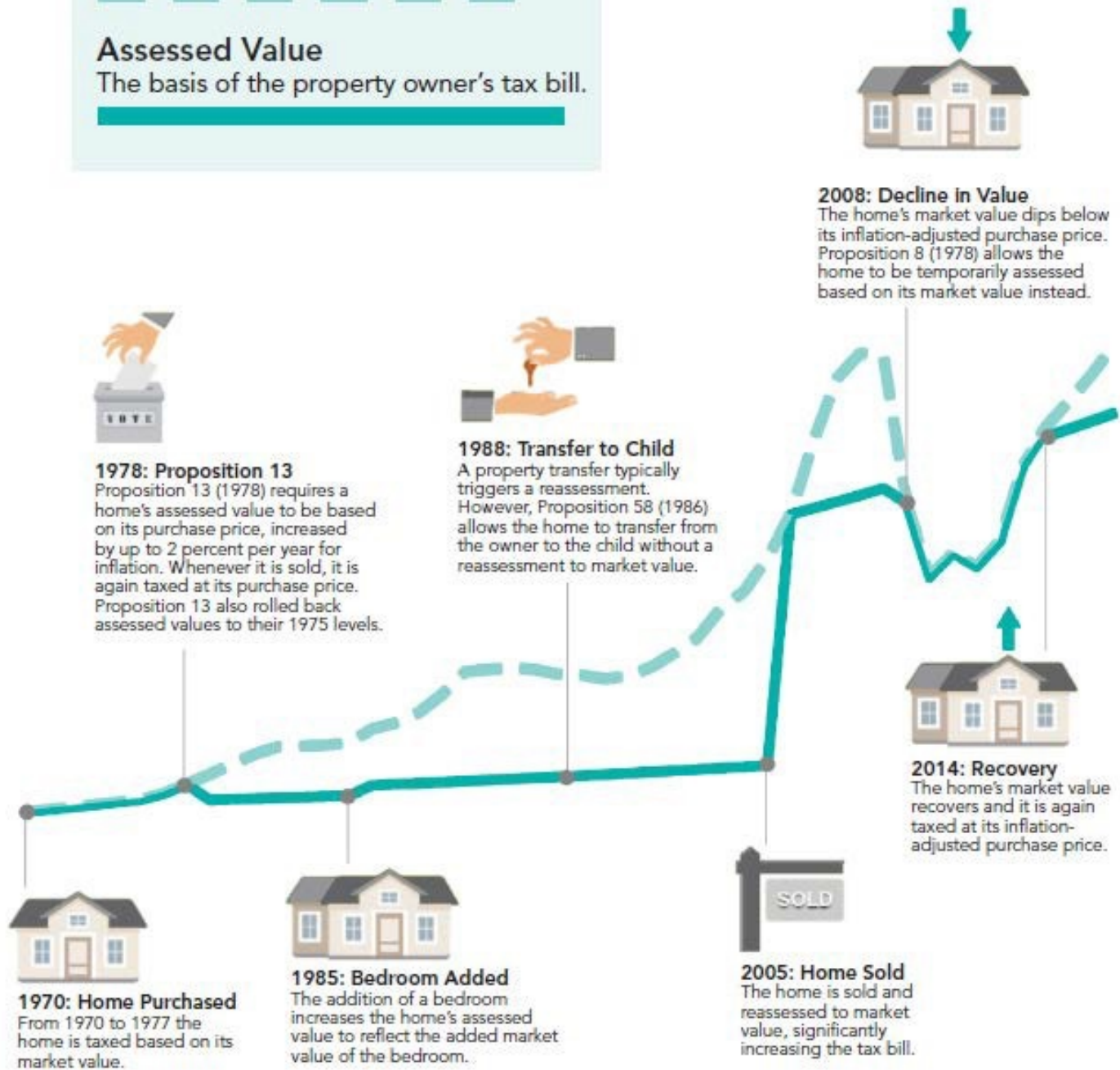
- The Assessor is responsible for locating, describing, and identifying ownership of all property within the County of San Bernardino; establishing a taxable value for all properties subject to taxation; listing all taxable values on the assessment roll; and applying all legal exemptions.
- The Recorder is responsible for the recordation and safeguarding of any document that is authorized or required by statute or court order to be recorded and meets the recording requirements of state statutes and local ordinances.
- The County Clerk is responsible for issuing marriage licenses, birth certificates, and death certificates and also the processing of fictitious business name statements, notaries public, process servers, professional photocopiers, legal document assistants, and unlawful detainer assistants filings and registrations.

A blue-tinted landscape of rolling mountains and valleys. The foreground shows dark, forested hills, while the background features a vast valley with a city and distant mountain ranges under a clear blue sky.

# Proposition 19

## Assessed Value

The basis of the property owner's tax bill.



# Proposition 19 (2020)

- On November 3, 2020, California voters approved Proposition 19
- Changes the provisions of the parent-child and grandparent to grandchild exclusions
- Adds new provisions for a base year value transfer of a primary residence for persons at least age 55 or severely disabled or for victims of wildfires or natural disasters





# Proposition 19 Changes to Parent to Child/Grandchild Exclusion

- Must be the principal residence of the parent and continue as principal residence of child (or grandparent and grandchild but parents must be deceased at time of transfer)
- Value limit of current taxable value plus
- \$1 million (adjusted annually beginning in 2023)
- Family homes and family farms are included
- No longer can other real property be excluded other than principal residence and family farms
- Must claim homeowners' exemption or disabled veterans' exemption and filed within one year of transfer



# Proposition 19 Parent to Child/Grandchild Exclusion Value Test

## Example:

At the time of the transfer, a single-family residence has a factored base year value (FBYV) or *taxable value* of \$300,000 and a fair market value of \$1,500,000.

1. Calculate the sum of FBYV plus \$1,000,000:

$$\begin{array}{ccccc} \$300,000 & + & \$1,000,000 & = & \$1,300,000 \\ \text{FBYV/Taxable} & & \text{Prop. 19 Allowance} & & \text{Excluded Amount} \end{array}$$

2. Since the fair market value is greater than the excluded amount, calculate the difference between the fair market value and the excluded amount:

$$\begin{array}{ccccc} \$1,500,000 & - & \$1,300,000 & = & \$200,000 \\ \text{Fair Market Value} & & \text{Excluded Amount} & & \text{Difference} \end{array}$$

3. Thus, the adjusted base year value is \$500,000:

$$\begin{array}{ccccc} \$300,000 & + & \$200,000 & = & \$500,000 \\ \text{FBYV/Taxable} & & \text{Difference} & & \text{New Taxable Value} \end{array}$$

## PARENT-CHILD & GRANDPARENT-GRANDCHILD EXCLUSION

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

# Proposition 19 Base Year Value Transfer Persons Over Age 55 or Older/Disabled

- Must be your principal residence
- Purchase or newly construct your new home within two years of sale of original home
- Anywhere in California
- You can transfer three (3) times
- If the full cash value of the replacement home is greater than the full cash value of the original home, the difference in the full cash values will be added to the transferred factored base year value.
- You must apply for a taxable value transfer with the County Assessor where your new replacement home is located



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

	Former Law	Proposition 19 (Current Law)
<b>Type of Property</b>	→ Principal residence	→ Principal residence
<b>Timing</b>	→ Purchase or newly construct residence within 2 years of sale	→ Purchase or newly construct residence within 2 years of sale
<b>Location of Replacement Home</b>	<ul style="list-style-type: none"> <li>→ Same county</li> <li>→ <u>County with intercounty ordinance (10 counties)</u></li> </ul>	→ Anywhere in California
<b>Value Limit</b>	<ul style="list-style-type: none"> <li>→ Equal or lesser value</li> <li>→ 100% if replacement purchased/new construction prior to sale</li> <li>→ 105% if replacement purchased/new construction in first year after sale</li> <li>→ 110% if replacement purchased/new construction in second year after sale</li> </ul>	<ul style="list-style-type: none"> <li>→ Any value</li> <li>→ Amount above 100% is added to transferred value</li> </ul>
<b>How many transfers?</b>	<ul style="list-style-type: none"> <li>→ One time</li> <li>→ Exception: After using once for age, second time for subsequent disability</li> </ul>	→ Three times
<b>Implementing Statute</b>	→ Revenue & Taxation Code section 69.5 (implements Propositions 60/90/110)	→ To be determined
<b>Important Dates</b>	→ Through March 31, 2021	→ Effective April 1, 2021

# New Proposition 19 Base Year Value Transfer for Victims of Wildfire or Natural Disaster

- Must be your principal residence
- Must purchase or newly construct a new residence within two years of sale of original home
- Anywhere in California
- Wildfire or natural disaster as declared by Governor
- Home must be substantially damaged (more than 50% of the improvement value of the residence)
- Any amount above the full cash value right before the wildfire or natural disaster will be added to the transferred value



## BASE YEAR VALUE TRANSFER – INTRACOUNTY DISASTER RELIEF

	Former Law	Proposition 19 (Current Law)
<b>Type of Property</b>	→ Any type of property	→ Principal residence
<b>Timing</b>	→ Purchase or newly construct property within 5 years of disaster	→ Purchase or newly construct residence within 2 years of sale
<b>Location of Replacement Property</b>	→ Within same county	→ Anywhere in California
<b>Value Limit</b>	<ul style="list-style-type: none"> <li>→ Any value</li> <li>→ Amount above 120% is added to transferred value</li> </ul>	<ul style="list-style-type: none"> <li>→ Any value</li> <li>→ Amount above 100% is added to transferred value</li> </ul>
<b>Type of Disaster</b>	→ Disaster for which the Governor proclaims a state of emergency	→ Wildfire, as defined, or natural disaster as declared by the Governor
<b>Implementing Statute</b>	→ Revenue & Taxation Code section 69 (implements Proposition 50)	→ To be determined
<b>Important Dates</b>	→ Through March 31, 2021	→ Effective April 1, 2021

## BASE YEAR VALUE TRANSFER – INTERCOUNTY DISASTER RELIEF

	Former Law	Proposition 19 (Current Law)
<b>Type of Property</b>	→ Principal residence	→ Principal residence
<b>Timing</b>	→ Purchase or newly construct principal residence within 3 years of disaster	→ Purchase or newly construct principal residence within 2 years of sale
<b>Location of Replacement Home</b>	→ <a href="#">County with intercounty ordinance (13 counties)</a>	→ Anywhere in California
<b>Value Limit</b>	<ul style="list-style-type: none"> <li>→ Equal or lesser value</li> <li>→ 105% if purchased/new construction in first year after disaster</li> <li>→ 110% if purchased/new construction in second year after disaster</li> <li>→ 115% if purchased/new construction in third year after disaster</li> </ul>	<ul style="list-style-type: none"> <li>→ Any value</li> <li>→ Amount above 100% is added to transferred value</li> </ul>
<b>Type of Disaster</b>	→ Disaster for which the Governor proclaims a state of emergency	→ Wildfire, as defined, or natural disaster as declared by the Governor
<b>Implementing Statute</b>	→ Revenue & Taxation Code section 69.3 (implements Proposition 171)	→ To be determined
<b>Important Dates</b>	→ Through March 31, 2021	→ Effective April 1, 2021



# **Change in Ownership Statement Death of Real Property Owner Form Changes**

- **New form updated to allow Executor, Administrator and/or Trustee to indicate if property was the primary residence of the decedent.**
  - Help taxpayers and Assessor staff identify when an Exclusion Claim should/should not be filed.
  - It should be completed for all real property regardless if the beneficiary will qualify under the new laws of Prop 19.
- **Due to the occupancy requirement and filing of a Homeowner's Exemption within one year, time is of the essence and it is recommended this form be filed with the Assessor within 150 days from date of death as stated in Rev. & Tax. Code Section 482.**

# Change in Preliminary Change of Ownership Report

- **This form was updated to allow the transferee to be able to indicate if the property was the primary residence of the transferor.**
  - **It should be completed for all real property regardless if the transferee will qualify under the new laws of Prop 19.**
  - **Additional changes include in Part 1 for the Base Year Transfer Exclusion incorporated in Prop 19.**

# **Claim for Reassessment Exclusion for Transfer Between Parent and Child**

- **A new form (BOE 19-P) was created for transfers occurring after February 16, 2021.**
- **For transfers occurring prior to February 16, 2021 the old form (BOE 58AH) should still be used.**

# Claim for Reassessment Exclusion for Transfer Between Grandparent and Grandchild

- A new form (BOE 19-G) was created for transfers occurring after February 16, 2021.
- For transfers occurring prior to February 16, 2021 the old form (BOE 58 G) should still be used.
- A key change to this form is the transfer is now between grandparent to grandchild, if the transfer occurred after February 16, 2021. Prop 193 is still only from grandparent to grandchild.
- The requirement for the predeceased parent(s) still applies under Prop 193 and Prop 19.

# Additional Questions

**Are there any other forms that have changed?**

**Not at this time.**

**Besides the new forms, what information or documents are important to include with an application?**

**The new forms still require a copy of the will and/or trust to be filed with the exclusion when applicable. Again, time is of the essence, the Assessor will still accept a protective claim be filed in cases where final distribution is unknown. Once final distribution is complete, an amended exclusion claim can be filed. See LTA 2013/030.**

# Additional Questions

**If a homeowner dies in 2020 under the prior law, do we still file the current revised forms? What information or documents do we need to include with an application under prior law? How would an application under the old law differ from an application under the new law?**

**Proposed legislation (SB 539 Hertzberg) is to create a new Rev. & Tax Code (63.2) for transfers occurring after February 16, 2021. Rev. & Tax Code Section 63.1 will still govern all transfers that occur prior to February 16, 2021.**

# Additional Questions

**Would the right to occupancy prevent a “transfer of ownership” under Rev. & Tax. Code § 60 such that a change in ownership would not occur until the right of occupancy is terminated, either voluntarily or upon the parent’s death?**

**No, in cases of transfers to an Irrevocable IDGT, a change in ownership would occur under Rev. & Tax. Code Section 60 since the beneficial interest (trust income) is transferred to the child (lifetime and death beneficiary) via the IDGT. In order to qualify for the Prop 19 exclusion the child would have to occupy the property within 1 year, claim the Homeowner’s Exemption and file an exclusion. See Annotation 220.0364, Annotation 220.0364.005 and 220.0811**

# Additional Questions

**What are some of the biggest mistakes to avoid?**

**Delaying the administration of an estate regardless if it is a Probate or Trust administration. Understand that in cases of Inheritance, the date of death is the date of change in ownership, regardless of the date the Deed/Court Order records or if the property is to be sold.**

**Is it a good practice to include a copy of the documents to request a stamped “received” copy?**

**It is good practice to include conforming copies of any documentation you submit to the Assessor, we are happy to confirm receipt and return copies as requested.**



# Additional Information and Resources

- This information is current as of February 1, 2021
- Implementation Language considered by the State Legislature may change or clarify certain provisions (SB 539 Hertzberg)
- Visit [www.boe.ca.gov](http://www.boe.ca.gov) frequently for the latest updates

# E-Recording

The image features a vast, blue-tinted landscape of rolling mountains and valleys. The foreground shows detailed mountain ridges and valleys, while the background consists of increasingly hazy and distant mountain ranges. The sky is a clear, uniform blue. The text 'E-Recording' is centered in the middle of the image in a large, white, bold, sans-serif font with a subtle drop shadow.

# Recording Documents with the San Bernardino County Recorder

- *Types of Recordings available:*
  - Mail-In
  - Counter, By Appointment only. Call our office at (855) 732-2575.
  - and Electronically (through an authorized agent)
- *Processing Times for Physical Documents*
  - Substitution's, Reconveyances, and Transfer on Death Deeds are recorded within 48 hours of receiving the document.
  - All others are recorded within 2-4 weeks.

# E-Recording Facts

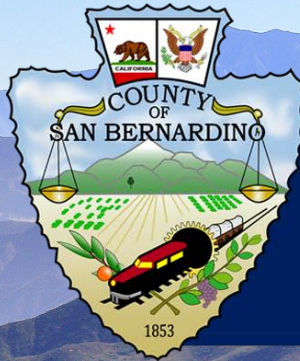
- E-recorded submissions (if received by 3:00PM, Monday-Friday) are recorded same day.
  - If received after 3:00PM they will be recorded the next business day.
  - Handling rejections: A document does not meet recording requirements and is sent back to submitter for corrections.
    - As with mail-in rejects, this can be delayed due to shipping delays, response times, etc.
    - Electronic rejects can be re-submitted same day (meeting the 3:00PM deadline)

The San Bernardino County Recorder's office works with "authorized agents" that electronically submit their documents.

Authorized agents must pass an extensive vetting process and must be authorized by our County to submit electronic documents.

# E-Recording Additional Facts

- **Are there any documents that cannot be e-recorded?**
  - *Maps cannot be electronically recorded*
  - *“Special handling” documents such as those documents that contain foreign documents that have brad seals or ribbons.*
- **With e-recording, would we send the assessor’s forms with it too or do we send them separately?**
  - *No, the electronic submission portal is designed to allow the agents to upload the document to be recorded and the Assessor form PCOR form only.*
- **What are some common errors to avoid?**
  - *Ensure that the uploaded document is a clean, reproducible document. Often times we see documents uploaded that are not clear or reproducible. The scan must be at 300 dpi, black & white and in a tiff format.*



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*Thank you!*

For more info visit:  
[www.sbcounty.gov/arc](http://www.sbcounty.gov/arc)



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