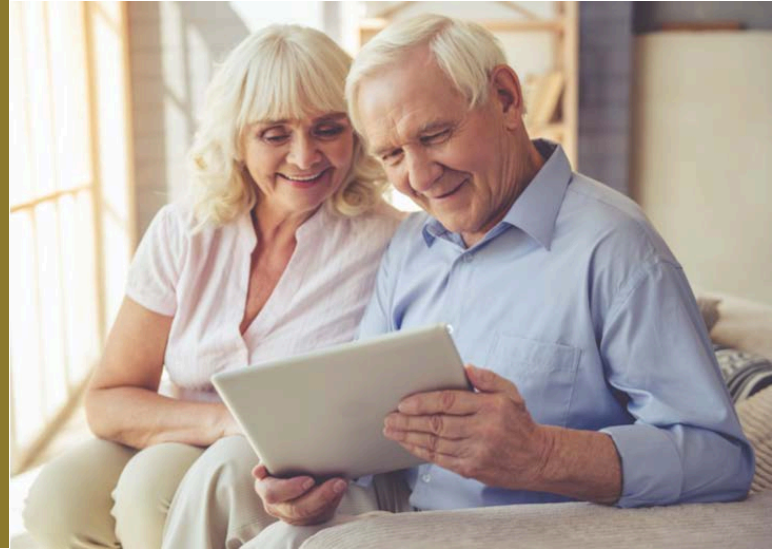


PROPOSITION

19

Voters passed Proposition 19 providing needed housing and tax relief for seniors, wildfire victims, and generating much needed revenue for schools, fire districts, cities and counties as they face budget shortfalls due to the harmful economic impact of COVID-19.



What is Proposition 19?

Proposition 19 Allows homeowners who are over 55, disabled, or wildfire/disaster victims to transfer primary residence's tax base to replacement residence. Changes taxation of family-property transfers. Establishes fire protection services fund. Fiscal Impact: Local governments could gain tens of millions of dollars of property tax revenue per year, probably growing over time to a few hundred million dollars per year. Schools could receive similar property tax gains. There are two main parts.

Part A: A Tax Increase As Well As A Tax Benefit

- Includes people 55 or older, people disabled and people affected by a natural disaster.
- You could move your low tax base to a more expensive home and only pay higher property tax on the difference.
- You could use this tax base benefit up to three moves.
- You could move to a new home anywhere in the state of CA without losing your lower tax base.

Part B: A Tax Hike Related To Property Taxes Tied to Inheritance

- Anyone who inherits a home from their parents or grandparents would only be allowed to keep the low property taxes if they use the home as their primary residence.
- Provide an upward tax assessment, adjusted for inflation after February 16, 2023, to owner-occupied inherited properties with a market value more than \$1 million greater than its taxable value.
- Most new taxes will be dedicated to statewide fire protection, schools and local governments.
- Grandparents can only pass to grandchildren if the parents are already deceased.