



# ESCROW QUICK GUIDE

## DEATH OF A PROPERTY OWNER

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The death of a loved one can be a life-changing and traumatic event. Settling affairs after a death should be straightforward. The following are a few important things that need to be done if they owned property in the State of California.

### NOTIFY THE ASSESSOR

Anytime a property owner dies, the County Assessor must be notified so it can maintain accurate records. This is done by filing a **Change in Ownership – Death of Real Property Owner form**, which must be filed within 150 days of the date of death, or if the estate is probated – at the time the inventory and appraisal is filed. Failure to notify the Assessor may result in the assessment of failure-to-file penalties. The penalty for failure to file a Change in Ownership Statement upon a written request by the Assessor is \$100 or 10% of the new base year value resulting from the transfer, whichever is greater, but cannot exceed \$2,500 unless the failure to file was willful.

### INHERITING PROPERTY

**Property tax savings are available for children inheriting property from their parents.**

**The Parent-Child and Grandparent-Grandchild Transfer Exclusion (Prop. 19)** allows for the transfer of property along with its Prop. 13 base year value to a person's children or grandchildren if the following conditions are met:

1. The property must be the principal residence of the parent(s) or grandparent(s)
2. The property must become the principal residence of the child(ren) or grandchild(ren) within 1 year of the transfer, and applicants must file a **Homeowners' Exemption (HOX)** claim within 1 year of the transfer, for this benefit to apply.
3. **A Parent-Child Transfer Exclusion** or **Grandparent-Grandchild Transfer Exclusion** claim form must be filed within 3 years of the transfer or before the property is transferred to a third party, whichever is earlier, for the full benefit to apply.

For more information, please visit your local County Assessor website for help and assistance.

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*“According to state law, a transfer on death is considered a change in ownership and the real property or the manufactured home that is subject to local property taxation can be reassessed as of the date of death for property tax purposes.”*