These new changes may affect your next escrow, if eligible. Additional forms may be required if you plan to transfer your tax basis during a sales transaction.

**Proposition 19** is a constitutional initiative passed by California voters that provides expansion and qualifications regarding limitations on property tax increases for persons over 55, the severely disabled, victims of wildfires or other natural disasters and transfers of certain inherited properties.

**Expanded Special Rules for Eligible Homeowners. Starting April 1, 2021,** the measure expands the special rules for eligible homeowners. Specifically, the measure:
- **Allows Moves Anywhere in the State.** Eligible homeowners could keep their lower property tax bill when moving to another home anywhere in the state.
- **Allows the Purchase of a More Expensive Home.** Eligible homeowners could use the special rules to move to a more expensive home. Their property tax bill would still go up but not by as much as it would be for other homebuyers.
- **Increases Number of Times a Homeowner Can Use the Special Rules.** Homeowners who are over 55 or severely disabled could use the special rules three times in their lifetime.

**Narrows the Special Rules for Inherited Properties. Starting February 16, 2021,** the measure narrows the special rules for inherited properties. Specifically, the measure:
- **Ends Special Rules for Properties Not Used as a Home or for Farming.** The special rules would apply only to two kinds of inherited property. First, the rules would apply to properties used as a primary home by the child or grandchild. Second, the rules would apply to farms. Properties used for other purposes could no longer use the special rules.
- **Requires Tax Bill to Go Up for High Value Inherited Homes and Farms.** The property tax bill for an inherited home or farm would go up if the price the property could be sold for exceeds the property's taxable value by more than $1 million (adjusted for inflation every two years). In this case, the tax bill would go up but not as much as it would if the property were sold to someone else.

To find out more visit: https://lao.ca.gov/BallotAnalysis/Proposition?number=19&year=2020