

# Property Tax Reassessment

*How does adding or removing someone from Title affect your property taxes?*



When you change property ownership, the State of California may reassess the property's value, possibly leading to higher property taxes. Knowing when reassessment applies can help you avoid unexpected tax increases.

## No reassessment:

- Adding a Spouse
- Removing a Spouse (due to death or divorce)
- Adding a Child (primary residence: parent-child exclusion applies) no reassessment if exclusion forms are filed.
- Adding a Grandchild (if the parent is deceased, grandparent-grandchild exclusion applies) - no forms filed
- Transferring property to a Revocable Trust
- Transferring to an LLC or Corporation (if the original owner retains 100% ownership interest)

## Reassessment occurs:

- Adding a child (NOT a primary residence)
- Adding a grandchild (if the parent is still alive - no exclusion applies)
- Removing a child or grandchild (if transferring to a non-family member)
- Adding a non-family member
- Removing a co-owner (unrelated party)
- Removing property from a Trust (if not an exempt transfer)

Corinthian Title encourages you to contact your real estate legal advisor or your local tax assessor's office prior to transferring a property interest to determine any potential reassessment consequences.

## The importance of the PCOR (Preliminary Change of Ownership Report) and the Parent-Child/Grandparent-Grandchild Exclusion

### What is a PCOR?

The Preliminary Change of Ownership Report (PCOR) is required when transferring property. It helps determine if reassessment exclusion applies to keep your property taxes low.

### Why it's important:

- Ensures the county properly classifies the transfer
- Helps claim exclusions to prevent unnecessary tax increases
- Required for most property transfers to avoid penalties

Under Proposition 19, certain parent-child and grandparent-grandchild transfers qualify for reassessment exclusion.

### You may qualify for exclusion if:

- The transfer is for a primary residence.
- The child or grandchild files a Claim for Reassessment Exclusion for Transfer between Parent and Child or Grandparent and Grandchild.
- For Grandparent-Grandchild transfers, the child's parent must be deceased at the time of transfer for the exclusion to apply.

*Contact us today for all your title insurance questions!*

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