



PROPOSITION 19

The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act

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Basic Proposition 19 Provisions

- Passed by voters in the November 2020 General Election
- Prop 19 replaced previous Propositions 50, 58, 60, 90*, 110, 171*, & 193
(*Note – The El Dorado County Prop 90 ordinance was implemented in 2011 and repealed 11/7/18)
- Contains three major section/provisions:
 - §2.1 provides for Intergenerational base year value (IGBYV) transfers effective 2/16/2021 and Base year value (BYV) transfers for age 55+, severely disabled, or disasters – effective 4/1/2021
 - §2.2 creates the California Fire response fund and the County Revenue Protection fund. Monies transferred to this fund will support fire suppression efforts effective beginning 9/1/2022.
 - §2.3 requires counties to report net gains and losses from §2.1 and provides reimbursement to a county, city, special or school district from the County Revenue Protection fund for losses under §2.1 effective when the California Department of Tax and Fee Administration,(CDTFA) establishes a date.

Basic Proposition 19 § 2.1 Facts

BYV transfers for age 55+, disabled, or victims of wildfire/natural disaster

- Effective April 1, 2021
- Principal residence
- Purchase or newly construct residence within 2 years of sale
- Base year value may be transferred anywhere in California
- Any value (but amount above 100% of original residence market value is added to transferred base year value)
- Can be used three times per person per category

Intergenerational transfers

- Effective February 16, 2021
- Principal residence of transferor and transferee (transferee must file for homeowners' exemption within 1 year of transfer)
- Value limit of current taxable value plus \$1,000,000 (as annually adjusted)
- Family farms are eligible for transfer.

El Dorado Prop 19 Statistics as of 8/10/2021

Base year value transfers within EDC	Base year value transfers from another county	Intergenerational Transfers	Total Prop 19 Applications
22	69	34	125

Potential impacts to the tax roll

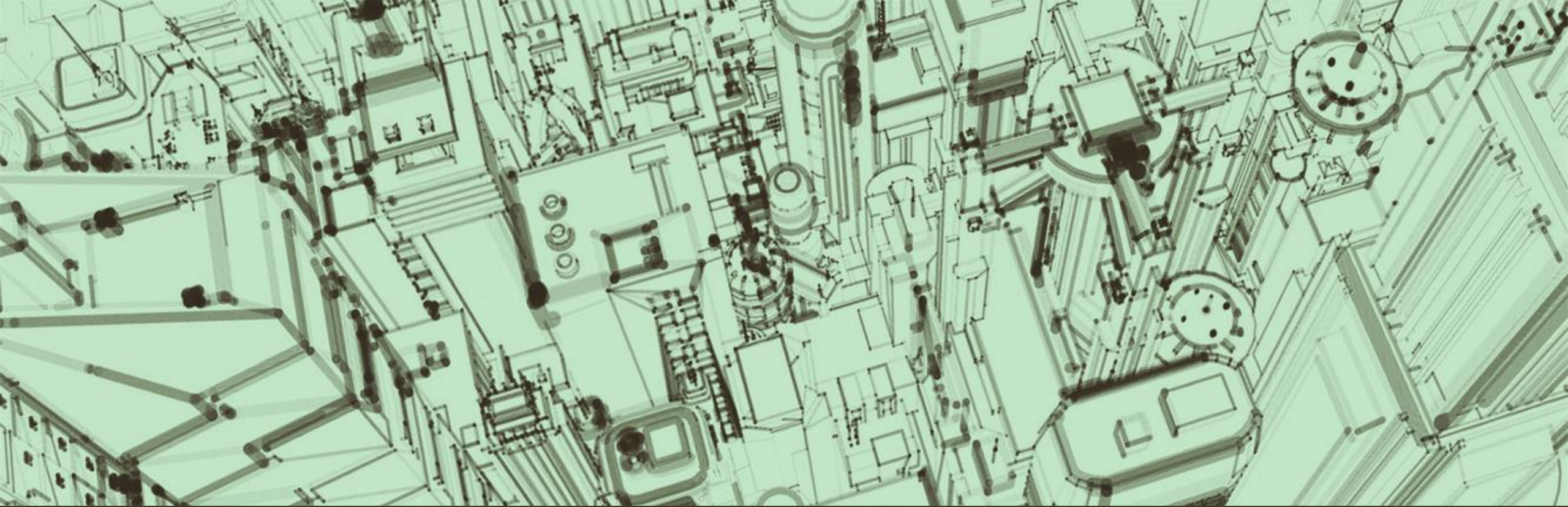
- We have received a combined total of 125 applications in the six months since the 2/16/2021 effective date of the first portion of the Proposition.
- If we continue at that rate of about 125 applications every 6 months, our average annual applications will be about 250.
- We analyzed several of the applications that we have received. The results indicated an average loss of between \$3,000-\$4,000 in property tax revenue per eligible transfer.
- In comparison, during the last year of our Prop 90 experience in 2018, the average tax loss was between \$2,000-\$3,000 per transfer
- Based on the first six months of transfer applications, the property tax revenue loss will be between \$750,000- \$1,000,000 annually.

Prop 19 - §2.2 & §2.3 provisions

- These two sections include the following stated goals:
 - dedicated funding for fire protection and emergency response, address inequities in underfunded districts, ensures communities are protected from wildfires
 - Protect county revenues and other vital local services
 - Reimburse local agencies and districts that incur revenue losses due to Prop 19 transfers
- The Director of Finance is responsible for §2.2 and CDTFA is responsible for §2.3
- Some portions of §2.2 are effective in September 2022 and some in September 2028
- CDTFA is currently circulating proposed regulations to implement those elements of §2.3 for which it is responsible.

Prop 19 - Recommendations

- As the state adopts implementing regulations and rules, the following should occur:
 - Continue monitoring implementing regulations as they develop.
 - The County should remain aware of registration procedures and deadlines and share that information with districts and agencies.
 - The property tax administration departments will work together to develop accurate and timely reporting methods as required by the state.
 - The County should support local agencies and districts that incur revenue losses due to Prop 19 transfers by helping them obtain reimbursement from funds established by the state.



Questions?

