

ASSESSMENT RELIEF DUE TO PROPERTY DAMAGE

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Eligibility requirements

Effective April 1, 2021, California Proposition 19 allows any person who is the victim of a wildfire or other natural disaster to transfer the base year value from their original principal residence to a replacement residence anywhere in California. This exclusion could result in significant property tax savings.

- The sale of the original residence or the purchase or new construction of the replacement property must occur on or after April 1, 2021.
- The claimant must be a victim of a wildfire or natural disaster. This means the original residence was substantially damaged as a result of a wildfire or natural disaster that amounts to more than 50 percent of the improvement value of the primary residence immediately before the wildfire or natural disaster. "Damage" includes a diminution in the value of the primary residence because of restricted access caused by the wildfire or natural disaster.
- "Natural disaster" means the existence, as declared by the Governor, of conditions of disaster or extreme peril to the safety of persons or property within the affected area caused by conditions such as fire, flood, drought, storm, mudslide, earthquake, civil disorder, foreign invasion, or volcanic eruption.
- The original property:
 - Must have been owned and occupied as the claimant's principal residence on the date the property was substantially damaged or destroyed, and must be sold before the exclusion claim is filed.
 - Must be subject to reappraisal at its current fair market value at the time of sale, unless the buyer of the original property qualifies the property as a replacement property for a base year value transfer.
 - Must be sold in its damaged or destroyed state.

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"The Assessor and staff seek excellence in providing information, services, and accurate property assessments through our personal commitment to integrity, mutual respect, and teamwork."

- The replacement property:
 - Must be the claimant's principal residence when the claim is filed, and they must be eligible for the homeowners' exemption or the disabled veterans' exemption.
 - Must be purchased or newly constructed within two years of the sale of the original property. (Note: The date of the misfortune or calamity does not have to occur within two years of the date of sale or the date of purchase.)
 - May be located anywhere in California.
- The market value of the original primary residence is determined just prior to the date of disaster. The base year value of the original residence just prior to the date of disaster, plus any inflationary adjustments, is the value transferred to the replacement residence.
- The market value of the replacement residence may be more than the market value of the original property. However, if the full cash value of the replacement home is greater than the full cash value of the original home, the difference in full cash value is added to the transferred factored base year value.

Example 1: 1.) The original property had a factored base year value of \$100,000, and sells for \$400,000. 2.) The replacement residence is purchased for \$390,000. 3.) As the replacement residence has a value less than the value of the original residence, the base year value of \$100,000 is transferred to the replacement residence.

Example 2: 1.) The original property had a factored base year value of \$100,000, and sells for \$400,000. 2.) The replacement residence is purchased for \$600,000. 3.) As the replacement residence has a value of \$200,000 more than the value of the original residence, the difference is added to the \$100,000 transferred base year value from the original residence. This makes the base year value of the replacement residence \$300,000 (\$100,000 + \$200,000).

- A qualifying claimant must submit a completed application within three years of the date the replacement residence was purchased or newly constructed to receive retroactive relief. However, a claim filed after three years may still be eligible for prospective relief.
- To apply for this exclusion, please complete and return form BOE-19-V.