State of California

Board of Equalization
Property and Special Taxes Department

Memorandum

To: Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee, First District
Senator George Runner (Ret.), Second District
Honorable John Chiang, State Controller

Date: November 4, 2011

From: David J. Gau, Deputy Director
Property and Special Taxes Department

Subject: ***Board Meeting, November 2011—Item N—Administrative Session***
Change in Ownership Statement, Form BOE-502-AH

I am requesting that *Change in Ownership Statement* (COS), form BOE-502-AH, be adopted by the Board for use by county assessors beginning January 1, 2012, pursuant to Revenue and Taxation Code section 480, subdivision (c), which mandates that the Board prescribe the form. Revisions to the COS are required due to legislative amendments to section 480 (Senate Bill 507, Stats. 2011, ch. 708). Specifically, effective January 1, 2012, the Senate Bill 507 provisions:

- Increase the penalty for failure to file the COS on property with a value of $2.5 million or more as follows:
  - Increase from $2,500 to $20,000 the maximum penalty on property not eligible for the homeowners' exemption.
  - Increase from $2,500 to $5,000 the maximum penalty on property eligible for the homeowners' exemption.
- Increase from 45 to 90 the number of days to file the COS.

The revisions were made to the "Important Notice" section of the COS. This notice language is specifically required by statute.

Please place this item on the Board's November 2011 Administrative Session Agenda for approval.

DJG:sk
Attachment
cc: Ms. Diane Olson

Approved:

Kristine Cazadd
Executive Director

Board Approved:

Diane G. Olson, Chief
Board Proceedings Division

CHANGE IN OWNERSHIP STATEMENT

This statement represents a written request from the Assessor.
Failure to file will result in the assessment of a penalty.

FILE THIS STATEMENT BY: _____

IMPORTANT NOTICE

The law requires any transferee acquiring an interest in real property or manufactured home subject to local property taxation, and that is assessed by the county assessor, to file a Change in Ownership Statement with the County Recorder or Assessor. The Change in Ownership Statement must be filed at the time of recording or, if the transfer is not recorded, within 90 days of the date of the change in ownership, except that where the change in ownership has occurred by reason of death the statement shall be filed within 150 days after the date of death or, if the estate is probated, shall be filed at the time the inventory and appraisal is filed. The failure to file a Change in Ownership Statement within 90 days from the date of a written request by the Assessor results in a penalty of either: (1) one hundred dollars ($100); or (2) 10 percent of the taxes applicable to the new base year value reflecting the change in ownership of the real property or manufactured home, whichever is greater, but not to exceed five thousand dollars ($5,000) if the property is eligible for the homeowners' exemption or twenty thousand dollars ($20,000) if the property is not eligible for the homeowners' exemption if that failure to file was not willful. This penalty will be added to the assessment roll and shall be collected like any other delinquent property taxes, and be subject to the same penalties for nonpayment.

SELLER/TRANSFEROR	ASSESSOR'S PARCEL NUMBER
BUYER/TRANSFEREE	BUYER'S DAYTIME TELEPHONE NUMBER ( )

STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY

MAIL PROPERTY TAX INFORMATION TO (NAME)

ADDRESS	CITY	STATE	ZIP CODE

☐ YES ☐ NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy. MO DAY YEAR

PART 1. TRANSFER INFORMATION *Please complete all statements.*

YES NO

☐ ☐ A. This transfer is solely between spouses *(addition or removal of a spouse, death of a spouse, divorce settlement, etc.)*.

☐ ☐ B. This transfer is solely between domestic partners currently registered with the California Secretary of State *(addition or removal of a partner, death of a partner, termination settlement, etc.)*.

☐ ☐ * C. This is a transfer between: ☐ parent(s) and child(ren) ☐ grandparent(s) and grandchild(ren).

☐ ☐ * D. This transaction is to replace a principal residence by a person 55 years of age or older. Within the same county? ☐ YES ☐ NO

☐ ☐ * E. This transaction is to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5. Within the same county? ☐ YES ☐ NO

☐ ☐ F. This transaction is only a correction of the name(s) of the person(s) holding title to the property *(e.g., a name change upon marriage)*. If YES, please explain: _____

☐ ☐ G. The recorded document creates, terminates, or reconveys a lender's interest in the property.

☐ ☐ H. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest *(e.g., cosigner)*. If YES, please explain: _____

☐ ☐ I. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.

J. This is a transfer of property:

☐ ☐ 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of ☐ the transferor, and/or ☐ the transferor's spouse ☐ registered domestic partner.

☐ ☐ 2. to/from a trust that may be revoked by the creator/grantor/trustor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the creator/grantor/trustor dies.

☐ ☐ 3. to/from an irrevocable trust for the benefit of the ☐ creator/grantor/trustor and/or ☐ grantor's/trustor's spouse ☐ grantor's/trustor's registered domestic partner.

☐ ☐ 4. to/from an irrevocable trust from which the property reverts to the creator/grantor/trustor within 12 years.

☐ ☐ K. This property is subject to a lease with a remaining lease term of 35 years or more including written options.

☐ ☐ L. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.

☐ ☐ M. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions.

☐ ☐ * N. This transfer is to the first purchaser of a new building containing an active solar energy system.

* If you checked YES to statements C, D, or E, you may qualify for a property tax reassessment exclusion, which may allow you to maintain your previous tax base. If you checked YES to statement N, you may qualify for a property tax new construction exclusion. A claim form must be filed and all requirements met in order to obtain any of these exclusions. Contact the Assessor for claim forms.

Please provide any other information that will help the Assessor understand the nature of the transfer.

THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION

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PART 2. OTHER TRANSFER INFORMATION

Check and complete as applicable.

A. Date of transfer, if other than recording date: _____

B. Type of transfer:

☐ Purchase ☐ Foreclosure ☐ Gift ☐ Trade or exchange ☐ Merger, stock, or partnership acquisition (Form BOE-100-B)

☐ Contract of sale. Date of contract: _____ ☐ Inheritance. Date of death: _____

☐ Sale/leaseback ☐ Creation of a lease ☐ Assignment of a lease ☐ Termination of a lease. Date lease began: _____

Original term in years *(including written options)*: _____ Remaining term in years *(including written options)*: _____

☐ Other. Please explain: _____

C. Only a partial interest in the property was transferred. ☐ YES ☐ NO If YES, indicate the percentage transferred: _____ %

PART 3. PURCHASE PRICE AND TERMS OF SALE

Check and complete as applicable.

A. Total purchase or acquisition price. Do not include closing costs or mortgage insurance. $ _____

Down payment: $ _____ Interest rate: _____ % Seller-paid points or closing costs: $ _____

Balloon payment: $ _____

☐ Loan carried by seller ☐ Assumption of Contractual Assessment* with a remaining balance of: $ _____

* An assessment used to finance property-specific improvements that constitutes a lien against the real property.

B. The property was purchased: ☐ Through real estate broker. Broker name: _____ Phone number: ( )

☐ Direct from seller ☐ From a family member

☐ Other. Please explain: _____

C. Please explain any special terms, seller concessions, financing, and any other information (e.g., buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property.

_____

_____

PART 4. PROPERTY INFORMATION

Check and complete as applicable.

A. Type of property transferred

☐ Single-family residence ☐ Co-op/Own-your-own ☐ Manufactured home

☐ Multiple-family residence. Number of units: ____ ☐ Condominium ☐ Unimproved lot

☐ Other. Description: (i.e., timber, mineral, water rights, etc.) ☐ Timeshare ☐ Commercial/Industrial

_____

B. ☐ YES ☐ NO Personal/business property, or incentives, are included in the purchase price. Examples are furniture, farm equipment, machinery, club memberships, etc. Attach list if available.

If YES, enter the value of the personal/business property: $ _____

C. ☐ YES ☐ NO A manufactured home is included in the purchase price.

If YES, enter the value attributed to the manufactured home: $ _____

☐ YES ☐ NO The manufactured home is subject to local property tax. If NO, enter decal number: _____

D. ☐ YES ☐ NO The property produces rental or other income.

If YES, the income is from: ☐ Lease/rent ☐ Contract ☐ Mineral rights ☐ Other: _____

E. The condition of the property at the time of sale was: ☐ Good ☐ Average ☐ Fair ☐ Poor

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief. ***This declaration is binding on each and every buyer/transferee.***

SIGNATURE OF BUYER/TRANSFEREE OR CORPORATE OFFICER ▶	DATE
NAME OF BUYER/TRANSFEREE/LEGAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT)	TITLE

E-MAIL ADDRESS

The Assessor's office may contact you for additional information regarding this transaction.

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