

Death of a Property Owner – LA County Assessor, Office of Jeffrey Prang

Three Things You'll Need To Know

It's a somber topic and unfortunately the current public health crisis makes it more necessary than ever.

The death of a loved one is a traumatic event, to say nothing of putting their affairs in order - dealing with inheritance, insurance, finances, and property. This is not a manual that instructs family and friends how to settle all of their loved one's affairs, but the following are a few important things that need to be done if they owned property in Los Angeles County. There are three main topics to cover: 1) notifying the Assessor, 2) inheriting property, and 3) some of other forms/public record documents requirements you may encounter.

1. Notifying the Assessor

Any time a property owner dies, the County Assessor must be notified. This is done by filing the "Change in Ownership – Death of Real Property Owner" form. This must be filed in addition to any notification made to law enforcement, the Coroner, or even the Registrar-Recorder/County Clerk.

The "Change in Ownership – Death of Real Property Owner" form must be filed with the Assessor within 150 days of the date of death. If the estate is in probate, the Assessor must be notified at the same time that the "inventory and appraisal" is filed. Failure to notify the Assessor may result in penalties (R&T Code § 480(b)) and can complicate other parts of the transfer process.

The executor (whether a family member or legal representative) should file the Change in Ownership Statement-- Death of Real Property Owner form and mail to the Los Angeles County Assessor, Ownership Services Section, 500 W. Temple St., Room 225, Los Angeles CA 90012, along with a copy of the death certificate.

2. Inheriting Property

If the property is passing from a parent to their child(ren), there may be property tax savings available, called the Parent-Child Exclusion (Prop 58). The Parent-Child Exclusion allows a child to inherit property from their parent(s) without the property being reassessed: meaning they keep the parents tax base.

The Parent-Child Exclusion is NOT automatic and must be applied for. A common point of confusion is when property is in a trust. While trusts can have many benefits, they DO NOT protect from reassessment. Whether or not the property is in a trust, the Parent-Child Exclusion must be applied for in order to receive the savings. Similarly, property can be transferred from a grandparent to a grandchild, if the parent is deceased. The Grandparent to Grandchild Exclusion (Prop 193) must also be filed.

Applications for both Parent-Child Exclusions and Grandparent to Grandchild Exclusions must be made within three years following the date of death, (or other transfer) but prior to the date of sale or transfer to a third party, for retrospective relief. If the property has not been sold to a third party, then prospective relief remains available after three years.

3. Affidavit of Death

This is a legal document that may be required by title companies or attorneys in order to make the death a matter of public record. The notarized documents should be recorded with the Los Angeles County Registrar-Recorder/County Clerk at 12400 Imperial Highway Norwalk, CA 90650, with a certified copy of the death certificate. For more visit www.rrcc.lacounty.gov. Filing an Affidavit of Death may also require the filing of a Preliminary Change in Ownership Statement. This does not negate the need to file the Change in Ownership –Death of Real Property Owner with the Assessor.

This information is not intended to provide legal advice.