



Preliminary Change of Ownership Form vs Change of Ownership Statement

Effective January 1, 2014, the California State Board of Equalization requires all escrow transactions to complete a new Preliminary Change of Ownership Form, you can download the new form from the BOE (Board of Equalization) website at:

<http://www.boe.ca.gov/Assessors/pdf/502a-rev12-05-13a.pdf>

What is a Preliminary Change of Ownership Report form and a Change in Ownership Statement?

Ordinarily, when sales or transfers of property are recorded with the county recorder, whoever records the deed also files a Preliminary Change In Ownership Report (PCOR) for the owner. It is a two-page questionnaire requesting information on the property, principals involved in the transfer, type of transfer, purchase price and terms of sale, if applicable, and other such pertinent data.

The PCOR normally satisfies the change in ownership reporting requirements unless the form is returned incomplete. If at the time of recording the owner chooses not to file a PCOR or if the transfer deed is not recorded, the owner is still obligated to file a Change in Ownership Statement with the county assessor within the prescribed time limits. The recorder may charge an additional \$20 recording fee if a PCOR is not filed at the time the transfer document is presented to be recorded.

The PCOR is to be signed and certified by the filer. The county assessor may also request other information about a deed or other matters related to the transfer after reviewing the PCOR.

The county assessor will send out a Change of Ownership Statement (COS) to the owner when a Preliminary Change of Ownership Report (PCOR) is either not filed when the transfer is recorded or is filed incomplete. The COS contains the same questions as those in the PCOR. The county assessor also sends this form to owners of unique or specialized-type properties when they change ownership.

What are the penalties for not filing a Preliminary Change of Ownership Report or Change of Ownership Statement?

Per section 482 of the Revenue and Taxation Code, if you fail to notify the county assessor of a change in ownership, such failure to report will result in the assessment of penalties and interest and may also result in penalties associated with any escape assessments. The penalty for failure to file a Change in Ownership Statement upon a written request by the assessor is \$100 or 10 percent of the new base year value resulting from the transfer, whichever is greater, but such penalty may not exceed \$5,000 if the property is eligible for the homeowners' exemption or \$20,000 if the property is not eligible for the homeowners' exemption, unless the failure to file was willful.

What is the statute of limitations on an escape assessment if I haven't filed a Change in Ownership Statement?

Per section 532(b)(2) of the Revenue and Taxation Code, the county assessor must retroactively assess as many as eight prior assessment rolls if the escape assessment was the result of the failure to file a required Change in Ownership Statement.

For legal entities, there is no limitation as to the number of years the county assessor may make an escape assessment.

If the owner responds within 90 days of a request to complete a Change of Ownership Statement from the county assessor but not within 90 days from the date of transfer, can a penalty be imposed?

No. A penalty is triggered only by the county assessor's request to file the Change of Ownership Statement.

Above information is for reference only. If you have questions about changes in ownership, please contact the California Board's Assessment Services Unit at (916) 274-3350.