



"WHERE THE CUSTOMER IS OUR FIRST PRIORITY"

AB139

Gov. Jerry Brown has signed a bill to simplify the way Californians pass homes down to their kids, unmarried partner, friend or loved one before they die. **The law, which takes effect Jan. 1, 2016**, will allow residential real property to be transferred upon death with a simple form.

Under the new law, homeowners will be able to fill out a **"Revocable Transfer on Death Deed"** to transfer interests in up to four homes or condominiums after death without probate administration. Agricultural land of 40 acres or less, which has a single-family home on it, will also be eligible. The deed must be recorded, but can be revoked any time — with no consent needed from the intended beneficiary.

California state Assemblyman Mike Gatto, D-Glendale, who created **AB139**, says the new legislation will help middle-class Californians avoid costly legal fees and unintended burdens for intended heirs. Currently, Californians who want to transfer a bank account, stock account or car of any value upon death to an heir can fill out a "Payable on Death" form. **Houses have been an exception.**

Homeowners have been faced with two options, until now.

- Hire** an estate-planning attorney to draft a living trust, which can cost \$2,000 to \$6,000.
 - Pass** the baton to survivors, subjecting them to the probate process. In California, the average estate takes seven to nine months to get through probate, and can cost \$26,000 in fees, according to Gatto and online sites on the probate process.
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The California Judges Association and the California State Bar trusts and estates section have given indication the bill lacks clarity and could be subjected to misuse, financial abuse or misunderstanding, according to a legislative analysis on AB139. Heeding those concerns, AB139 directs the California Law Revision Committee to study the effects of the new deed process and report its findings by Jan. 1, 2020. Lawmakers will be asked to continue the law, or let it sunset on Jan. 1, 2021.