

Calif. Bill to Save Middle-Class Homeowners Thousands of Dollars Signed by Governor Brown - By Christopher Simmons - Sep 21, 2015

SACRAMENTO, Calif. /California Newswire/ — In California, to pass the contents almost any asset — a bank account, a multi-million-dollar stock account, a car of any value — upon death, all an individual needs to do is fill out a simple “Payable On Death” form, says Assemblyman Mike Gatto’s (D-Glendale). However, for most middle-class Californians, there is no easy way to transfer the title for a house. Homeowners currently face two costly options: hire an attorney to draft a trust (which typically costs homeowners between \$2,000 and \$6,000) or force surviving loved ones to weather the probate process (with an average cost of \$26,000).

Today, Governor Brown signed Gatto’s legislation to create a “Revocable Transfer on Death Deed,” which will save millions of households from probate and attorney’s fees. AB 139 simplifies the way Californians transfer real-property assets upon death through use of a simple form. The legislation will be the most affordable alternative available to hiring an estate-planning attorney or facing the daunting and bureaucratic probate process.

For these reasons, the Howard Jarvis Taxpayers Association said in committee, “Other than Prop. 13, there is no greater bill that we support than AB 139 for this year.”

“One of the primary roles of the legislature should be to simplify life for Californians,” said Assemblyman Gatto. “By helping homeowners avoid costly probate fees and unintended burdens on family members, AB 139 will do just that.”

More than twenty-five other states allow use of this tool. The measure had been introduced into the California State Legislature four times in the last ten years, but AB 139 marks the first time the bill has been passed by the legislature. The bill will take effect January 1, 2016.

Mike Gatto is the Chairman of the Consumer Protection and Privacy Committee, and the longest-serving current member of the State Assembly. He represents California’s 43rd Assembly District, which includes Burbank, Glendale, La Cañada Flintridge, La Crescenta, Montrose, and the Los Angeles neighborhoods of Atwater Village, East Hollywood, Franklin Hills, Hollywood Hills, Los Feliz, and Silver Lake. www.asm.ca.gov/gatto