



# THE PRELIMINARY CHANGE OF OWNERSHIP REPORT

## *An Explanation for Buyers*

In every purchase/sale of Real Estate, a Preliminary Change of Ownership Report (PCOR) must be filed. The PCOR must be filed for other types of transfers as well, but in this flyer we will consider only purchase/sale transactions. After opening escrow, a buyer can expect to find the PCOR in the opening document package.

### WHAT IS THE PCOR?

Ordinarily, at the time of transfer when sales of property are recorded via the grant deed with the county recorder, the grantee (buyer) fills out and files a PCOR. 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.

The PCOR normally satisfies the change of ownership reporting requirements unless the form is returned incomplete. The PCOR is to be completed, signed and certified by the buyer. The buyer is signing the document under penalty of perjury. It is supplied to in the county recorder's office in the county where the property is located. The county recorder supplies a copy of the PCOR to the county tax assessor. The county assessor may also request other information about a deed or other matters related to the transfer after reviewing the PCOR. The PCOR is confidential and is not available for public inspection.

### WHAT IS THE PURPOSE OF THE PCOR?

Each county assessor's office reviews all recorded deeds within that county to determine which properties are subject to reappraisal under the law. Once the county assessor has determined that a change of ownership has occurred, Proposition 13 requires the county assessor to reassess the property to its fair market value as of the date of ownership change. The PCOR is important to this process and it should be filed at the time of recording, otherwise an additional \$20 recording fee will be assessed.

If the PCOR is not filed at the time of recording, the county assessor will send a Change of Ownership Statement (COS) to the transferee (buyer). If the COS is not filed by the transferee within 45 days of the county assessor's request, then penalties can ultimately range from \$100 to \$2,500.

### UNDERSTANDING HOW TO COMPLETE THE PCOR?

The section at the top of the first page of the document is used to identify the buyer (transferee) and seller (transferor), and the property being transferred. The information may be typed in the areas provided. Enter this information as it appears correctly on the grant deed. Be sure to enter the 10-digit Assessor's Parcel Number (APN), which can be found in the title report provided by the escrow officer, and is also usually also found on the buyer's purchase contract for the property. Also enter the mailing address to which property tax notices are to be sent.

Part I of the PCOR is used to provide transfer information, and it can be confusing. The assessor uses the information in this section to determine if the transfer may be excluded from reassessment. If a buyer has questions about Part I, the county assessor's office can be contacted for assistance, or the buyer's real estate agent or escrow officer may be consulted. Parts II, III, and IV of the document will help the county assessor better understand the nature of the transfer and the purchase price.

Finally, the buyer's name must be printed at the end of the form, and the buyer must sign it to certify that the information provided is true and correct.