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Q Will the transfer of my LLC interest cause a reassessment of the real property my brother and I purchased and contributed to the LLC? Will the LLC retain the current assessed value for future transfers of ownership?

A Changes in ownership of an entity may trigger reassessment of the underlying real property. Since you and your brother purchased the property originally, you are considered “original co-owners.” The LLC will retain the current assessed value (with the statutory annual increase of 2%) so long as you retain a 50% combined ownership. Rather than transferring an interest outright, you should consider having the LLC distribute the property to you and your brother, pro-rata, as tenants-in-common (TIC) first. Subsequent transfers of TIC interests, if properly executed, should avoid reassessment, as long as that transfer is less than 50% of your original TIC interest. The TIC interests could then be transferred to a new LLC.