



Proposition 13: Looming Changes to Property Taxes and What You Need to Know

Most of us are familiar with Proposition 13, which was initiated in 1976 to limit the amount our property taxes could increase year to year. Many of us are also familiar with Proposition 58, which allows us to transfer property from parent to child or child to parent without any reassessment of property taxes, subject to a few limitations. More specifically, Proposition 58 allows us to transfer:

1. Our Primary Residence to our children with no reassessment of property taxes regardless of the assessed value; and
2. Any additional properties that collectively have an assessed value of \$1,000,000 or less with no reassessment of property taxes.

However, Proposition 19, which will be on the November, 2020 ballot in California, is set to greatly reduce the benefits of Proposition 58. If passed, a child inheriting a primary residence from their parents will face reassessment at fair market value unless the child establishes that property as their primary residence upon inheriting it. In addition, the primary residence will now have a transfer cap of \$1,000,000 in assessed value, meaning any value above that would be subject to reassessment.

Equally concerning is that if Proposition 19 is passed, any additional properties outside of the primary residence will be automatically reassessed upon transfer from parent to child. This is especially disadvantageous for individuals who own multiple properties.

We can't predict whether Proposition 19 will pass, but we recommend scheduling an appointment with one of our attorneys to discuss how this could affect you and how to plan for it. One possible strategy involves gifting property now in an effort to grandfather in the Proposition 13 and Proposition 58 tax benefits for the children.

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Apple Glitter Jar DIY

For complete instructions:

<https://www.firefliesandmudpies.com/apple-glitter-jars/>

Here is what you need:

- Jam jars (8 oz.)
- Green mason jar lids and bands
- Distilled water
- Clear glue
- Red, yellow, and green glitter
- Hot glue gun
- Green felt
- Sticks
- Pruning shears (to cut the sticks)
- Scissors



DIRECTIONS:

1. Pour 1/4 cup of distilled water into the clean jam jar. Distilled water is free of contaminants and will make your glitter jars last longer. If you prefer to use plastic jars instead of glass jam jars, check these ones out. If you opt for the plastic jars, be certain to use the lids it came with instead of the green mason jar lids suggested in our supply list.
2. Pour 1/4 cup of clear glue into the jelly jar. We always use Elmer's glue.
3. Sprinkle 3 teaspoons of glitter into the jar. We used red, green, and yellow glitter.
4. Fill up the remainder of the jar with distilled water. Wipe away any drips with a dry paper towel.
5. Seal the jar. If desired, use a hot glue gun to squeeze a ring of glue around the lid of the jar. Press the lid onto the jar and secure it with the metal band. Use scissors to cut out a small green felt leaf. Hot glue it to a 2-inch piece of stick, then hot glue the entire "apple stem" to the center of the mason jar lid.
6. Shake the jar well to distribute the glitter and clear glue. Enjoy watching the glitter fall to the bottom of the jar.

Scottish Cranachan

For full instructions:

https://www.scottishscran.com/traditional-scottish-cranachan-recipe/?fbclid=IwAR1tw39Tjz3ASGrFzbezC6O4eNnflldggP5wDD0Rtj43SXFAhPqW_DAO21s

DIRECTIONS

- Firstly, toast the oats. You can do this in a pan on the stovetop or in the oven. Put the oats in a dry pan or spread them out on a tray to go under the grill. There will be a nutty sort of smell when they're ready. Keep checking them continuously so they don't burn! Put in a bowl and set aside to cool.
- Crush the raspberries in a bowl and set aside, saving a few whole ones for a garnish.
- Whip the cream to stiff peaks. Add the whisky and the honey. Start with a smaller amount and you can always add more to taste.
- Mix the cooled oats through the cream, saving a little for garnish.
- Take the glasses (or bowl) and start to layer the raspberry and cream mixture, ending with cream on top.
- Sprinkle the rest of the oats over the top of the last layer of cream and add a few fresh raspberries for garnish.
- Eat it right away or put it in the fridge for later. The oats will soften a little if left in the fridge.

Ingredients

- 75g oats (3/4 cup)
- 2 tbsp honey
- 2 tbsp whisky
- 250g raspberries (about 2 cups)
- 350ml double cream (thick cream, 1.5 cups)



FREE TRAINING COURSE FOR YOUR SUCCESSOR TRUSTEES

Do you want your love ones to be able to implement your living trust without the court involvement and family fighting? Of course, you do—that is the number one reason that most clients set up their living trust with our office. Unfortunately, that does not always happen.

A few years ago, a young woman in her mid-40's came into our office to meet with me (Jim Roberts) to assist her in handling her mother's trust as she was the successor Trustee. We'll refer to her as Tami, but that of course is not her real name. I recall first greeting Tami in the lobby, and she was terribly distraught. In my office, she started crying. She said, "My sisters hate me, and I have done nothing wrong." Finally, after a few minutes, Tami was composed enough to talk more than cry. She explained that her parents had set up a trust with an estate planning attorney in Orange County. We will call the parents' attorney Bob, but again that is not his real name. Bob's trust provided that at the death of Dad everything went to Mom and at the death of Mom some of the trust assets went directly to Tami and the rest of the assets were divided equally between Tami and her two older sisters. Tami shared with me that her Dad did not trust her two older sisters and he was adamant that Tami be the successor Trustee. My opinion of Bob's drafting skills was that he did an adequate job. However, my opinion of Bob's counselling skills—a grade of F. As you will see, Bob truly failed Tami.

Tami's dad died and a few years later her mother developed dementia. Tami stepped in as successor Trustee. Bob never explained Tami's duties and responsibilities to her. For approximately 6 years, Tami paid her mother's bills but because they were living together Tami also paid for her own living expenses from the trust account. Tami was simply carrying on what her mother had been doing before she developed dementia. Tami also paid cash for many of Mom's needs. Bob had never explained that Tami could no longer commingle her money with her mother's money and that anything that was paid in cash, without a receipt, Tami was liable to reimburse. During the 6 years that Mom suffered with dementia before she died, Tami did not know that she was obligated to keep records. Her focus was on providing for her Mom, she did not foresee that she would be of defending herself in court being sued by her sisters. Even after Mom died there were many mistakes that Tami continued to make just because she didn't know what she was obligated to do.

Tami believed she did nothing intentionally wrong. Unfortunately, the legal system didn't see it the way. Her sisters sued her and requested over \$400,000 in damages. We assisted Tami in ultimately settling with her two sisters for \$160,000. Tami was ecstatic to have this legal nightmare over and to be able to focus on her own health problems that had arisen during the last few years. It is my opinion that Bob failed Tami because he never took the time to explain her duties and responsibilities.

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FREE Training Course for Your Successor Trustees CONTINUED

No one wants what happened to Tami to happen to their Trustee. And we don't want that for any of our clients. **On October 17, 2020, we are offering a free educational course to provide your successor Trustees with the knowledge and tools that he or she will need to successfully meet their legal obligations when they are acting as the successor Trustee of your trust. The course is designed on the basic premise—an ounce of prevention is worth a pound of cure.**

Because of the pandemic, the course is going to be conducted live on Zoom. Part of the course will be attended by everyone at the same time because the information covered in that segment will be applicable to all successor Trustees. Other segments of the course will be smaller groups of attendees, who are interested in the particular topic. For example, we are planning to bring in an expert on gun transfer laws in California. If you don't own any guns, then your successor Trustee may choose another course such as qualifying a family member for government-paid long term nursing care without losing your assets. There will be a wide variety of courses offered including a course on why someone should have a trust in case your successor Trustee doesn't already have one.

The classes will start at 9:00 am and run to 2:00 pm. There will be breaks throughout the day and even time to eat your lunch. All courses will be recorded, including the ones you don't attend, and we will provide you with a video recording of all courses for free. Those that don't attend the live courses, we will be selling a DVD video of the recorded courses.

We are truly excited about this format. We know that it can work. Jim and his wife, Gayle, attended a Global Transformation Conference using Zoom during the pandemic. The conference was 3 days long and lasted all day. There were 982 participants from all over the world. Ironically, the Zoom meeting allowed Jim, at times, to feel more connected with the other participants than when they have attended the same conference in the past. Don't be intimidated by Zoom -- we even plan to offer pre-course training seminars on how to use Zoom. If you are not using it already, once you realize how easy it is, you may choose to never use just a phone to talk to your family and friends.

I would suggest that you, your first and successor Trustees attend. Other family members are welcome. If someone can't attend all day, they can jump on and off.

YOU WILL BE RECEIVING ADDITIONAL INFORMATION ABOUT THIS EXCITING EVENT. WE SIMPLY ASK THAT YOU CALL (714) 282-7488 AND INFORM US THAT YOU WILL BE JOINING US ON OCTOBER 17TH, 2020 AND THE NUMBER OF OTHER PEOPLE THAT WILL BE JOINING YOU.

WE ARE LOOKING FORWARD TO ASSURING YOUR SUCCESSOR TRUSTEE DOES NOT BECOME "TAMI".



We hope that you have had the very best experience with our firm! And we hope that you would consider referring a friend that we may be able to help the same way we helped you! Getting a referral from a customer gives us a lot of pride! It shows us that we did a good job and our clients appreciate us!

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