

UNDERSTANDING PROPOSITIONS

60/90



PROPOSITION 60 allows homeowners who are 55 years or older to transfer the base-year value of their principal residence to a replacement dwelling located in the same county, under certain circumstances.

What are the requirements to be eligible for Proposition 60?

- ▶ At the date of transfer of the original property, the transferor (seller) must be at least 55 years of age. If married, only one spouse must be at least 55, but must reside in the residence; if co-owners, only one co-owner must be 55, but must reside in the residence.
- ▶ The replacement property must be purchased or newly constructed on or after Nov. 8, 1986. The replacement residence must be purchased or newly constructed within two years of the sale of the original residence.
- ▶ The sale of the original residence must qualify for reassessment as the result of its transfer.
- ▶ The principal claimant must (1) have been receiving, or eligible for, a Homeowner's Exemption or (2) have been receiving a Disabled Veteran's Exemption on the original and replacement residences.
- ▶ The replacement residence must be equal to or less in market value than the original residence.
- ▶ If an original property has a separate living unit (including kitchen, bathroom facilities and entrance) that is used as a rental, its full cash value is allocated between the main residence and the rental unit. Only the value of the unit the claimant occupies is compared to the value of the replacement dwelling and the market value of the separate unit (land and improvements) is deducted from the total property's market value. If the separate living unit is used solely as a guest house, it may be considered part of the principal residence. The full cash value of the entire property may be transferred to the replacement property.

- ▶ If the original property is a multiunit dwelling, the "equal or lesser value" test applies to the original single unit the homeowner calls his or her principal residence – for example, one unit of a duplex.
- ▶ The claimant and/or claimant's spouse can only be granted relief under this section once. The disclosure of Social Security numbers by all applicants is required.

PROPOSITION 90 allows homeowners who are 55 years or older to transfer the base-year value of their principal residence in one county to a replacement dwelling in another county, provided that certain requirements are met. To receive the benefit, the new residence must be in a county that has adopted Proposition 90.

The counties that have adopted Prop 90 ordinances are:

- ▶ Alameda, El Dorado, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara, Tuolumne and Ventura

The counties that have rejected Prop 90 ordinances are:

- ▶ Butte, Calaveras, Contra Costa, Fresno, Inyo, Kern, Lake, Madera, Marin, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Sacramento, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Stanislaus, Trinity, Tulare and Yolo

This list may change at any time. For further questions regarding these propositions, please consult with an attorney or the California State Board of Equalization.

See www.boe.ca.gov/proptaxes/faqs/propositions60_90.htm for additional information on Propositions 60 and 90.