

# **Proposition 60 & 90 Overview**



**COUNTY OF SANTA BARBARA  
CLERK-RECORDER-ASSESSOR  
SEPTEMBER 10, 2013**

# Proposition 13 Refresher



## **Proposition XIII passed *June 1978* / Calif. Constitutional Amendment**

- Rolled back assessments to 1975 values
- Set tax rate at 1% of value
- Limited increase to no more than 2% per year
- Required a 2/3 vote for any tax increase

## **Under Prop XIII, there are two instances that trigger a new assessment:**

### New Construction

- Construct a house
- Build an addition

### Change in Ownership

- Sale of a house, or
- Transfer the ownership to a different person or entity

# Proposition 60



- Provides for transfer of base value assessments, from an original property to a replacement property, by homeowners who are at least age 55, under certain circumstances.
- Passed as a Constitutional Amendment November 1986

# Proposition 60 Requirements



- The original property must have been eligible for the homeowner's exemption (either at time of sale or within 2 years of purchase).
- On the date of the transfer, the transferor must be at least 55 years of age. Prop 110-June 5, 1990-extended benefit to the severely disabled regardless of age, but only once.
- The replacement dwelling must be purchased **or** newly constructed within two years of the sale of the original property. This can be before or after the sale.
- The replacement dwelling value must be equal to or less than the value of the original property.
- However, there is a 5% adjustment allowance for each of the two years. So, if replacement property is purchased within one year, it must be within 105%, - and 110% within the second year.

# Prop 60 Requirements



- This property tax relief is only allowed once (unless severely disabled *after* initial over 55 claim).
- Must be filed within 3 years of the date the replacement dwelling was purchased or construction completed. If filed after 3 years – exclusion benefits are allowed prospectively.
- Both properties must be located within SB County unless the seller is moving to another County that accepts base values.
- SB County does not accept base values.

# Proposition 90



- Allows counties to accept Prop 60 base year value transfers from other counties if approved by the Board of Supervisors
- Passed as a Constitutional Amendment November 1988
- Currently nine of the 58 counties in California accept base year value transfers from other counties under Proposition 90
- Prop 90 passed in SB County:  
Yes: 91,850 - No: 37,401

# Counties that accept Proposition 90 Base Year Value Transfers

- Los Angeles
- Orange
- San Diego
- Ventura
- Riverside\*

- Alameda
- Santa Clara
- San Mateo
- El Dorado

\* Riverside approved Prop 90  
Ordinance August 2013