



# BOARD OF SUPERVISORS AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: CEO  
Department No.: 012  
For Agenda Of: 9/10/2013  
Placement: Administrative  
Estimated Tme: NA  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

---

**TO:** Board of Supervisors

**FROM:** Department Chandra L. Wallar, County Executive Officer, 568.3400  
Director(s)  
Contact Info: Dennis Bozanich, Assistant to the CEO, 568-3400

**SUBJECT:** Proposition 90 – “Local-Option” Implementation Impact Report

---

**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- Requests the County Executive Officer to work with the County Clerk, Recorder, Assessor to identify and evaluate the impacts of implementing a Proposition 90 ordinance in Santa Barbara County, and
- Return to the Board of Supervisors with an impact report and options for next steps

**Summary Text:**

Proposition 90 is a "local-option" law; each county has the option of participating. When a county adopts a Proposition 90 ordinance, it accepts the transfer of property tax base assessments from other California counties for buyers of new or existing homes that are over 55 years of age. If the county that the homeowner is moving from does not have a Proposition 90 ordinance, this does not affect the eligibility of the homeowner to transfer the property tax base assessment to a county that has implemented Proposition 90 by ordinance adoption.

The preparation by the County Assessor of a Proposition 90 implementation impact report would identify the opportunities and challenges that are foreseeable if a Proposition 90 property tax base assessment transfer was implemented in Santa Barbara County.

**Background:**

In November 1988, California voters approved Proposition 90, which was intended to induce greater turnover of homes owned by senior citizens. Proposition 90 authorized the California State Legislature to extend an existing special valuation program to homes located in different counties. Specifically, it allowed qualified homeowners

age 55 or older to transfer the current assessed value of their original home to a replacement residence in another county, but only if the county in which the replacement home is located agrees to participate in the program. Implemented by section 69.5 of the Revenue and Taxation Code, it allows these persons, under certain conditions, to transfer a property's factored base year value from an existing residence to a replacement residence.

Typically the property tax of a newly purchased or constructed residence is based on its current market value upon change of ownership. However, the provisions of Proposition 90 may result in substantial tax savings since it allows the adjusted base year value of the original (sold) property to be transferred to the newly purchased or constructed home if eligibility requirements are met.

Proposition 90 is a "local-option" law; each county has the option of participating. If a county has adopted a Proposition 90 ordinance, it accepts transfers of property tax base assessments from other California counties. If the county that the homeowner is moving from does not have a Proposition 90 ordinance, this does not affect the eligibility of the homeowner to transfer the property tax base assessment to a county with an enabling ordinance for Proposition 90.

Currently, eight California counties: Alameda, El Dorado, Los Angeles, Orange, San Diego, San Mateo, Santa Clara and Ventura have passed ordinances allowing the inter-county transfer of property tax base assessments. Riverside County just approved a Proposition 90 ordinance in August 2013. Among the group of Santa Barbara's eight comparable counties, none currently has a Proposition 90 ordinance in effect.

The County of Santa Barbara has previously considered implementing Proposition 90. Beginning in January 1989, there were a series of Board of Supervisors hearings to discuss Proposition 90 implementation. Attached (Attachment A) are the minute orders, staff reports and associated letters for January 9, 1989, January 17, 1989 and March 28, 1989. On that final date, the Board “deferred” the matter and no further action taken.

A Proposition 90 implementation impact report would identify the opportunities and challenges of implementing Proposition 90 property tax base assessment transfer into Santa Barbara County from any of the other fifty-seven California counties.

Among the impacts to be evaluated might be:

- Demand and price impacts for new and existing homes in Santa Barbara County,
- “Lost” property tax revenue as a result of lower base assessments transferred from outside Santa Barbara County and
- Assessor workload impacts to administer the program.

### **Fiscal and Facilities Impacts:**

Some fiscal impact will be attributable to Clerk, Recorder, Assessor staff time required to analyze the impacts of implementing Proposition 90 in Santa Barbara County. Possible additional staff impacts may occur if the Board chooses to direct staff to draft a Proposition 90 enabling ordinance and approve its implementation.

### **Attachments:**

Attachment A – Previous Board Actions on Proposition 90

### **Authored by:**

Dennis Bozanich, Assistant to the County Executive Officer

**CC:** Joe Holland, Clerk, Recorder, Assessor