



What Are Propositions 60 & 90 - Senior Citizens Replacement Dwelling Benefit

Propositions 60 & 90 are constitutional initiatives passed by California voters. They provide property tax relief by preventing reassessment when a senior citizen sells his/her existing residence and purchases or constructs a replacement residence worth the same or less than the original.

Why Were They Enacted? They encourage a person, age 55 or older to "move down" to a smaller residence. When a senior citizen acquires a replacement property worth less than the original property, he/she will continue to pay approximately the same amount of annual property taxes as before.

How Do These Propositions Work? When the senior citizen purchases or constructs a new residence, it is not reassessed, if he/she qualifies. The Assessor transfers the factored base value of the original residence to the replacement residence. Proposition 60 originally required that the replacement and the original be located in the same county. Later, Proposition 90 enabled this to be modified by local ordinance. Los Angeles County enacted an ordinance to provide that when the replacement is located in Los Angeles County, the original property may be located in any other California county.

Who Qualifies? If you or your spouse who resides with you is age 55 or older, you may buy or construct a new home of equal or lesser value than your existing home and transfer the trended base value to your new property.

This is a one-time only benefit. You must buy or complete construction of your replacement home within two years of the sale of the original property. Both the original home and the new home must be your principal place of residence. A claim must be filed within three years of purchasing or completing new construction of the replacement property. If a claim is filed after the three-year period, relief will be granted beginning with the calendar year in which the claim was filed.

Once you have filed and received this tax relief, neither you nor your spouse who resides with you can ever file again.

Eligibility Requirements:

- The replacement property must be your principal residence and must be eligible for the Homeowners' Exemption or Disabled Veterans' Exemption.
- The replacement property must be of equal or lesser "current market value" than the original property. The "equal or lesser" test is applied to the entire replacement residence, even if the owner of the original property acquires only a partial interest in the replacement residence. Owners of two qualifying original residences may not combine the values of those properties in order to qualify for a Proposition 60 base-year transfer to a replacement residence of greater value than the more valuable of the two original residences.
- The replacement property must be purchased or built within two years (before or after) of the sale of the original property.
- Your original property must have been eligible for the Homeowners' or Disabled Veterans' Exemption.
- You, or a spouse residing with you, must have been at least 55 years of age when the original property was sold.

Frequently Asked Questions

I plan to relocate from Los Angeles County to another county. Do I qualify for relief? You may qualify for relief. **Effective September 19, 2013 the following counties in California have an ordinance enabling Proposition 90:**

Alameda, El Dorado, Los Angeles, Orange, Riverside (just added), San Diego, San Mateo, Santa Clara, Ventura

Since the counties indicated above are subject to change, we recommend contacting the county to which you wish to move to verify Proposition 90 eligibility.



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Frequently Asked Questions (continued)

What is the difference between Proposition 60 and Proposition 90? Proposition 60 relates to transfers within the same county (intra-county). Proposition 90 relates to transfers of base value from one county to another county in California (inter-county).

What does “equal or lesser value” of a replacement property mean? The meaning of “equal or lesser value” depends on when you purchase the replacement property. In general, “equal or lesser” value means:

- 100% or less of the market value of the original property if a replacement property was purchased or newly constructed before the sale of the original property, or
- 105% or less of the market value of the original property if a replacement property was purchased or newly constructed within the first year after the sale of the original property, or
- 110% or less of the market value of the original property if a replacement property was purchased or newly constructed within the second year after the sale of the original property.

When making the “equal or lesser value” test, it is important to understand that the market value of a property is not necessarily the same as the sale or purchase price. The Assessor will determine the market value of each property. In some new developments, the indicated sale price does not include upgrades paid for outside of escrow. The Assessor must consider the value of these upgrades when determining the market value of the property.

If the market value of your replacement dwelling exceeds the “equal or lesser value” test, no relief is available. It is “all or nothing” with no partial benefits granted.

Can I give my original home to my son or daughter and still get Proposition 60/90 benefits when I purchase a replacement property? No. An original property must be sold and subject to reappraisal at full market value.

If an original property has multiple owners, can Proposition 60/90 tax relief be split? No. The owners must determine between themselves which one will get the benefit. Only one original owner can claim Proposition 60/90 tax relief.

My original home is located outside Los Angeles County, but my replacement home is in Los Angeles County. Do I qualify for relief? Yes.

If I qualify for Proposition 60/90 benefits, do I still need to file for a Homeowners’ Exemption on the replacement property? Yes. Homeowners’ Exemptions are not granted automatically.

What is the Proposition 60/90 filing deadline? A claim must be filed within three years of purchasing or completing new construction of the replacement property. If a claim is filed after the three-year period, relief will be granted beginning with the calendar year in which the claim was filed.

Do all replacement homes qualify? If you meet all other eligibility requirements, relief is granted for a single family residence, condominium, unit in planned development, cooperative housing, community apartment, mobile home subject to local real property tax, and living unit within a larger structure consisting of both residential and non-residential accommodations.

If I make an improvement to my replacement home within two years of purchase, can I get additional tax relief for the new construction? Yes, as long as the total amount of your purchase and the new construction does not exceed the market value of the original property at the time of the sale.

For further information, call 213.893.1239



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Under Proposition 90, California property owners who are 55 years and older may be able to qualify to transfer the assessed value of their principal residence sold in county "A" to their new residence in county "B."

Qualifications for Proposition 90 are as follows:

- The purchaser or spouse must be 55 years of age, **AND**
- The replacement residence must be equal to or less than the value of the residence sold, **AND**
- The replacement residence must be located in the same county as the property being sold OR must be located in one of the counties which have voted to PASS Proposition 90 in order for the real property tax base to be transferred from the former residence to the replacement residence.

Before making plans to move, call the County Assessor's Office in the county you are moving to and request the most recent information concerning Proposition 90.

The following information is current as of September 2013, but may be subject to change at any time.

Counties—Passed	Effective Date	Counties—No Action Taken		
1. Alameda	11/09/88	1. Alpine	11. Lassen	21. Siskiyou
2. El Dorado	12/10/09	2. Amador	12. Mariposa	22. Stanislaus
3. Los Angeles	11/09/88	3. Calaveras	13. Merced	23. Sutter
4. Orange	11/09/88	4. Colusa	14. Mono	24. Tehama
5. Riverside	09/19/13	5. Del Norte	15. Placer	25. Trinity
6. San Diego	11/09/88	6. Glenn	16. Plumas	26. Tuolumne
7. San Mateo	11/09/88	7. Humboldt	17. San Benito	27. Yolo
8. Santa Clara	07/07/89	8. Imperial	18. San Francisco	28. Yuba
9. Ventura	05/04/92	9. Kings	19. San Joaquin	
		10. Lake	20. Sierra	
Counties—Rejected				
1. Butte	12. Nevada			
2. Contra Costa	13. Sacramento			
3. Fresno	14. San Bernardino			
4. Inyo	15. San Luis Obispo			
5. Kern	16. Santa Barbara			
6. Madera	17. Santa Cruz			
7. Marin	18. Shasta			
8. Mendocino	19. Solano			
9. Modoc	20. Sonoma			
10. Monterey	21. Tulare			
11. Napa				



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