

# PROP 60/90

## What These Laws Mean For You?

### What Are Propositions 60 and 90?

These propositions provide a one-time property tax benefit by preventing reassessment when a senior citizen (age 55 years or older) sells his/her existing residence and purchases or constructs a replacement residence worth the same or less than the original property. This proposition either applies to the principal claimant of the original residence or a spouse who resides with the seller who must also be 55 years of age at the time of the sale.

### Why Were They Enacted?

These propositions were set forth to encourage senior citizens to “move down” into a smaller residence and not be penalized by having to pay higher property taxes. When a senior citizen acquires a replacement worth equal or less than the original, he/she will continue to pay approximately the same amount of annual property taxes as before.

### How Do These Propositions Work?

When the homeowner purchases or constructs a new residence, it will not be reassessed if he/she qualifies. The Assessor transfers the factored base value of the original residence to the replacement residence. Prop. 60 requires that both the original and replacement homes be within the same county. Prop. 90 was later enacted to broaden the effects of Prop 60. Prop 90 enables homeowners to transfer the principal

residence to include other counties, as long as that county has implemented the initiatives. (A listing of counties participating is on the back)

### When are these Propositions Effective?

The replacement residence must have been purchased or constructed on or after November 5, 1986 if the original was located in Los Angeles County. If the original was located in any other California county, as long as that county is participating, the replacement residence must have been purchased or constructed on or after November 9, 1988. The replacement property must be purchased or

newly constructed within two years (before or after) of the sale of the original property. Claims must be filed three years following the purchase or construction of the replacement residence. When claiming the exemption, the claimant must own and occupy the replacement property. Also, claimant must file for a Homeowner's Exemption on the replacement property, this is not granted automatically.



### How To Claim Tax Relief

The forms are available at the Assessor's public counters, the Hall of Administration, and regional offices. For additional information, call your local assessor's office.



## Proposition 60/90 Eligibility Requirements

The replacement property must be the owner's principal residence and eligible for the Homeowner's Exemption. The original property, at the time of its sale, must have been eligible for the Homeowner's Exemption, or entitled to the Disabled Veteran's Exemption.

The seller of the original residence, or a spouse residing with the seller, must be at least 55 years of age, as of the date that the original property is transferred.

The replacement property must be of equal or lesser "current market value" than the original.

The replacement property must be purchased or constructed on or after November 5, 1986 if the original was located in Los Angeles. If the original was located in any other California County, the replacement property must have been purchased or constructed on or after November 9, 1988.

The replacement property must be purchased or newly constructed within two years (before or after) of the sale of the original property.

The owner must file an application within three years following the purchase date or new construction completion date of the replacement property.

This is a one-time filing. Proposition 60/90 relief cannot be granted if the claimant, or spouse was granted relief in the past.

Proposition 60/90 relief includes, but is not limited to: single family residences, condominiums, units in planned unit developments, cooperative housing corporation units or lots, community apartment units, mobile homes subject to local real property tax, and owners living in premises which are a portions of a larger structure.

In most instances, if more than one owner of an original property is eligible for Proposition 60/90, they must choose among themselves which one will use the benefits.

### Counties Currently Accepting Proposition 90:\*

- ◆ Alameda
- ◆ Orange
- ◆ Los Angeles
- ◆ Ventura
- ◆ San Diego
- ◆ San Mateo
- ◆ Santa Clara

\*These counties are subject to change. Check with your local Tax Assessor to check current counties