



Stay in the Know

Understanding Proposition 90



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In November of 1988, California voters approved **Proposition 90** designed to induce greater turnover of homes owned by senior citizens. The measure offers anyone over the age of 55 relief from Proposition 13 by allowing them to move from one county to another without undergoing a change in their basic property taxes. Under Proposition 13, the value of a home is re-assessed to the current market value upon a change in ownership.

Proposition 90 is a **“local-option”** law meaning that each county is given the option to participate. Once a county has adopted the 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.

The following is a list of those counties which have approved Proposition 90 and will currently accept base year value transfers from other counties as of May 2016.

- | | | |
|---------------|------------------|---------------|
| ✓ Alameda | ✓ Riverside | ✓ Santa Clara |
| ✓ El Dorado* | ✓ San Bernardino | ✓ Tuolumne |
| ✓ Los Angeles | ✓ San Diego | ✓ Ventura |
| ✓ Orange | ✓ San Mateo | |

Please note: Proposition 60 is a similar law passed by the California state voters two years prior to Proposition 90. Proposition 60 allows seniors to keep their property tax base assessment when they move **within the same county**. Please be sure to contact the county of interest to verify eligibility as county participation and eligibility terms are subject to change.

Examples of additional eligibility requirements include (but are not limited to):

- ✓ Value of replacement property must be of equal or lesser “current market value” than original property.
- ✓ The replacement property must be purchased or build complete within two years of the sale of the original property.
- ✓ The replacement property must be the principal residence of the property owner.
- ✓ An owner of record must be at least 55 years of age at the time the original property is sold.

*Please note that El Dorado County Board of Supervisors approved an extension of their ordinance on August 30th, 2016 which will now sunset on October 1, 2021.

**Contact your County Assessor’s Office as well as your Tax Accountant before making any decisions or taking legal action and visit www.boe.ca.gov for further details.

Contact me today for instant access to further information and details on how we can be of help. **Stay in the Know.**

Trusted everywhere,
every day.