

Take your Property Taxes with you when you Move!



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Proposition 60: For properties in the same county allows a qualified person over the age of 55 to transfer the base year values from a former residence (“original property”) to a replacement residence.

Qualified person: Must be age 55 or older, and own and occupy the original residential property as the owner’s principal residence as of the date of transfer to a new owner. If the claimant is married and resides there with his spouse, then both spouses qualify if either one of them is at least at 55 as of the date of transfer.

What is a transfer of the base of your value?

- *The base year* is the year in which the property or portion thereof is purchased, newly constructed, or a reappraisable ownership change occurs.

What other “conditions” must be met to qualify?

- Both original and replacement properties must be located in the same county
- The original property must have been eligible for the homeowner’s exemption (claimant owned and occupied it as principal residence at the time of sale or within two years of the acquisition of the replacement property).
- The replacement dwelling must be of equal or lesser value than the original property
- The replacement dwelling must have been acquired or newly constructed within two years before or after the sale of the original property as long as the replacement property was acquired or newly constructed on or after November 6, 1986.
- The original property must be subject to reappraisal at its current “fair market value” as a result of its transfer.
- A claim must be filled within three years of the replacement dwelling purchase or completion of new construction of the replacement dwelling.

What if I jointly own the property with someone else who is not my spouse? The same rule applies. If there are two or more co-owners of a dwelling, all owners qualify if only one owner on record is over 55 and if that owner/claimant occupies the property as of the date of the transfer.

How often can I claim the Proposition 60 Benefit? The benefits of the Proposition 60 exclusion are granted only once in a claimants lifetime.

As a co-tenant of the original property with another owner, may I receive a partial benefit if we apply for the exclusion and buy separate replacement home? **No.** Only one co-owner of a qualified original property may receive the benefit in this situation. The co-owners must choose between themselves which one will make the claim. The only exception is a multiple-residence original property (such as a duplex) where multiple owners qualify for separate homeowner’s exemptions. In that case, each owner may transfer a portion of the original property’s value to his separate replacement dwelling.

Does Proposition 60 apply if I make a gift of my original property to my children and I buy a replacement? **No.** A gift of the original home to the owner’s child, while the owner is alive or through a will upon the owner’s death, does not qualify. The original property must be sold in exchange for something of monetary value (“consideration”) and be subject to reappraisal at full market value at the time of the transfer.

What is “equal or lesser value” of the replacement dwelling? In general, “equal or lesser” than market value of a replacement dwelling has been defined as: 100% of market value of original property as of its date of sale if a replacement dwelling is purchased before an original property is sold; 105% of market value of original property as of its date of sale if a replacement dwelling is purchased the same day or within one year after the sale of an original property; 110% of market value of original property as of its date of sale if a replacement dwelling is purchased after one year, but before two years have passed from the sale of the original property.

Is it true that a replacement dwelling may be acquired any time within two years (before or after) of the date of sale of the original property? **yes**, provided all the requirements are met.

As sole owner of the original property, may I qualify when I jointly buy a share of a replacement? **yes.**

May one sole owner of a qualified original home and other sole owner of a separate qualified original home apply their separate Proposition 60 benefits to the same replacement residence they buy jointly? **No.** Each owner may only receive the benefit of a single claim. The owners may only receive their benefits to buy a replacement dwelling of equal or less value than the combined original value.

Proposition 90: For Properties in Different Counties

Proposition 60 requires that both the old and new homes be within the same county. Proposition 90, adopted in 1988, extends,

Proposition 60's benefits to homes in two counties, but only if the county of the replacement property has adopted a county ordinance permitting the local County Assessor to apply the value determined by the County Assessor of the original home.

[Which counties grant Proposition 90 exclusions?](#) Alameda, Los Angeles, Orange, San Diego, El Dorado, San Mateo, Santa Clara and Ventura. For more information, contact the County Assessor in the county where you plan to buy.

[Proposition 110: For severely disabled persons:](#)

Proposition 110 was adopted on June 5, 1990 to extend Proposition 60 to severely disabled persons residing permanently in the property. Also, in existing homes qualified for a homeowner's exemption, certain construction, modifications, or installations intended to increase accessibility for an owner or an owner's severely and permanently disabled spouse, are excluded from reappraisal.

[Do I need to be 55 or older to qualify:](#) **NO**. Proposition 110 applies regardless of age.

Transferring *your* Property Taxes to *your* Children or Grandchildren

Proposition 193: Transferring Property Taxes from Grandparent to Grandchild

Approved by voters on March 26, 1996, approved & amended to Article XIII A of the California Constitution. Prop 193 extended the Proposition 58 exclusion to certain transfers of real property between grandparent and grandchild.

Deadline to file a Prop 193 Claim: The exclusion claim must be filed either (1) within three years of the purchase or transfer of the property, or (2) prior to the subsequent transfer if the property to a third party, whichever is earlier.

Proposition 58: Transferring YOUR Property Taxes to YOUR Children

Prop 58 amended the California Constitution to exclude from reassessment certain transfers of real property (such as sales, gifts, inheritance) between parent and child, and between husband and wife.

Who are the "Transferor" and "Transferee"? The *Transferor* is the current owner of the property being transferred. The *new owner* is the Transferee.

[What transfers of real property may qualify?](#)

Of real property between spouses, or between parent and child of the principal residence or transfer between parent and child of the first \$1,000,000 in value of other real property.

[Does the "first \\$1,000,000 in value" represent the current market value, or the assessed value?](#) The value used is the *Proposition 13* value immediately prior to the transfer date. Basically, this would be the taxable value on the assessment roll.

[What is meant by "child" under Proposition 58?](#)

- Any child born of the parent
- Any stepchild or stepchild's spouse while the relationship or stepparent and stepchild exists
- Any son/daughter-in-law of the parent
- Any child statutorily adopted before the age of 18.

[What is meant by a "Principal Residence"?](#)

Is a dwelling for which the owner-claimant has been granted, in the name of the parent or the child, either a homeowner's exemption (claimant owned and occupied as principal residence at the time of sale or within two years of the acquisition of the replacement property) or a disabled veteran's exemption (claimant a veteran with service-related disability and a California resident on January 1 of claim year). Only a reasonable portion of the land will be considered a part of the principal residence if the land exceeds the area reasonably necessary as site for the residence.

[How many parent-child transfers of a principal residence may qualify under Proposition 58?](#) There is no limit. *However, each transferred residence must qualify as a principal residence.*

[Must the property qualify as the principal residence of both the transferor and the transferee?](#) **NO**. The residence need only qualify as the principal residence of the transferor.

[May eligible family members combine their individual benefits?](#) **yes**. For example, a mother and a father could combine their individual \$1 million benefits to exclude from reassessment a transfer to their children of \$2 million of value in real property that is not the parents' principal residence.

[When must I file my claim for exclusion?](#) Claim must be filed with the County Assessor within three years of the date of the transfer, or prior to the subsequent transfer of the property to a third party, whichever is earlier.

I would be honored to speak with you about the current real estate market and answer any of your real estate questions.



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