



CALIFORNIA PROP 90

WHAT IT IS & HOW IT WORKS

RAPID REFERENCE

- Alameda
- El Dorado
- Los Angeles
- Orange
- Riverside
- San Bernardino
- San Diego
- San Mateo
- Santa Clara
- Ventura

What is Proposition 90?

Prop 90 is a constitutional initiative passed by California voters that allows Prop 60 to be modified by local ordinance. Prop 60 provides property tax relief by preventing property reassessment when a senior citizen (at least 55 year of age) sells their existing residence and purchases or constructs a replacement residence worth the same or less than the original. Prop 60 applies when the replacement dwelling is in the same county as the existing dwelling. Prop 90 allows qualified persons to transfer the current assessed base-year value of their dwelling located in one California county to a replacement residence located in another participating California county. Los Angeles County enacted an ordinance to provide that when the replacement dwelling is located in Los Angeles County, the original property may be located in any other California county and the current assessed base-year value may be transferred to the replacement dwelling if certain qualifications are met.

What are these Qualifications?

- The seller of the original residence, or spouse who resides with the seller, must be at least 55 years of age at the time of the sale AND.
- The replacement home must be of equal or less value than the home sold, AND...
- The replacement home must be either in the same county or another participating county.

What does "equal or lesser value" of a replacement property mean?

The market value of the replacement property as of the date of purchase must be equal or less than the market value of the original property on the date of sale. 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 were 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 were 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 were purchased or newly constructed within the second year after the sale of the original property.

In determining whether the "equal or lesser value" test is met, 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. If the market value of your replacement dwelling exceeds the "equal or lesser value" test, no relief is available.

Is the transfer automatic with a participating county?

No, the transfer of current base-year value is not automatic. The owner must file an application for transfer with the local Assessors office of the participating county. Claims must be filed within three years following the purchase of the replacement residence. The application/claim forms are available at the local Assessors office. This is a one-time only filing. Proposition 60/90 relief cannot be granted if the claimant, or spouse, was granted relief in the past. If your original residence is in Los Angeles County, and you want to relocate in another county, contact that county's Assessors office for Prop 90 eligibility.

What other counties participate?

Currently **Alameda, El Dorado, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara and Ventura** counties. However, participation is subject to change and should be verified with the local county assessor's office.

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