



## **COUNTY CLERK, RECORDER AND ASSESSOR**

### **ASSESSOR DIVISION**

#### **BASE YEAR VALUE TRANSFER FOR PROPERTIES DAMAGED OR DESTROYED IN A GOVERNOR DECLARED DISASTER**

California Revenue and Taxation Code Sections 69 (intracounty transfers) and 69.3 (intercounty transfers) allow owners of properties damaged or destroyed in a Governor declared disaster to transfer the base year value of the damaged or destroyed property to another property. The different rules for intracounty and intercounty base year transfers are as follow:

#### **Intracounty Transfers:**

Under Section 69, to qualify for the base year value transfer within the same county the following criteria must be met:

- 1) The replacement property must be in Santa Barbara County;
- 2) Property is not limited to principal residences and can be any type of property;
- 3) The replacement property must be acquired or newly constructed within 5 year of the date the original property was damaged or destroyed;
- 4) The physical damage or destruction to either the land or improvements must be more than 50% of either the land or the improvement's full cash value immediately prior to the disaster;
- 5) The replacement property must be comparable to the property substantially damaged or destroyed and be similar in size, utility, and function;
  - a. A replacement property is similar in function if it is subject to similar governmental restrictions, such as zoning, and is intended to be used in the same manner as the property substantially damaged or destroyed. Properties are similar in use if they fall within the same broad property type (e.g., residential, commercial, agricultural, industrial).
  - b. A replacement property is similar in size and utility if its full cash value does not exceed 120 percent of the full cash value of the property that was substantially damaged or destroyed;
- 6) If the replacement property, or any portion thereof, is not similar in function, utility, and size, the property, or portion thereof, shall be considered to have undergone a change in ownership when the replacement property is acquired or newly constructed.
- 7) If all other qualifications are met a comparable replacement property will qualify for a complete base year transfer if the full cash value of the replacement property is not more than 120% of the full cash value of the damaged or destroyed property immediately prior to the disaster. Any amount that exceeds 120% of the full cash value will be subject to reassessment and added to the base year value transferred.
- 8) The original property does not have to be sold to qualify for the base year transfer and may retain its base year value in its damaged or destroyed condition. If reconstructed however, the damaged or destroyed property will not be eligible for the new construction exclusion and the new construction will receive a new base year value;
- 9) Only the owner or owners of the damaged or destroyed property obtaining title to a replacement property are eligible to transfer the base year value.

### **Intercounty Transfers:**

Under Section 69.3, to qualify for the base year transfer to another county, a county must have an adopted ordinance permitting the owners of damaged property to transfer their base year value to their counties. According to the California State Board of Equalization, as of 1/1/2018, **Contra Costa, Los Angeles, Modoc, Orange, San Francisco, Santa Clara, Solano, Sonoma, Sutter and Ventura** have adopted ordinances permitting base year value transfers to their counties. (Before purchasing a replacement property outside of Santa Barbara County, contact the Assessor's Office of that County to make sure they have adopted a Section 69.3 ordinance for base year value transfers)

To qualify for base year value transfer to replacement property outside of Santa Barbara County in which that County has adopted an ordinance pursuant to Section 69.3, the following criteria must be met:

- 1) The property damaged or destroyed and the replacement property must be the principal residence of the owner(s);
- 2) Owner or owners of the properties must be an individual or individuals. Does not include any firm, partnership, association, corporation, company, or other legal entity or organization;
- 3) The replacement property cannot have been owned by the claimant prior to the date of damage or destruction of the original property.
- 4) The replacement property must be acquired or newly constructed within 3 years after the date of damage or destruction;
- 5) The physical damage or destruction to either the land or improvements must be more than 50% of either the land or the improvement's full cash value immediately prior to the disaster;
- 6) The original property does not have to be sold to qualify for the base year transfer and may retain its base year value in its damaged or destroyed condition. If reconstructed however, the damaged or destroyed property will not be eligible for the new construction exclusion and the new construction will receive a new base year value;
- 7) The replacement property must be of equal or lesser value than the full cash value of the damaged or destroyed property. Equal or lesser value means 105% of the full cash value of the damaged or destroyed property if purchased or newly constructed within the first year following the damage or destruction; 110% if within the second year and 115% if within the third year;
- 8) An application to claim the base year value transfer must be filed with the assessor of the county in which the replacement property is located within three years after the acquisition or new construction of the replacement property.
- 9) Relief (retroactive or prospective) is not available if the filing period is missed.

Please contact the Assessor's Office at (805) 568-2550 if you have any questions regarding these requirements.