



**COUNTY CLERK, RECORDER AND ASSESSOR  
ASSESSOR DIVISION**

**PROPOSITION 60/90 (TRANSFER OF BASE YEAR VALUE)  
EXCLUSION FROM REAPPRAISAL**

On June 6, 1978 California voters passed Proposition 13, a property tax limitation initiative. Under Proposition 13, properties are reassessed to current market value only upon a change in ownership or completion of new construction (called the base year value). If property has not undergone a change in ownership or new construction, Proposition 13 generally limits annual increases in the base year value of real property to no more than 2 percent (trended base year value), and limits the property tax rate to 1% of the assessed value, plus the rate necessary to fund local voter-approved bonds.

An unintended consequence of Proposition 13 discouraged some people from changing their residence as their family circumstances changed. In response, on November 1986, California voters passed Proposition 60 which enacted the provisions of Revenue and Taxation Code Section 69.5. Proposition 60 provide that any person over the age of 55, or any severely and permanently disabled person, may transfer the trended base value from a primary residence that was sold to a replacement primary residence of equal or lesser value, subject to certain conditions and limitations. This benefit may result in substantial tax savings.

**PROPOSITION 60**

This is a **one-time only** benefit (except if severely and permanently disabled) . To qualify, a claim for base year value transfer must be filed with the Assessor's Office.

The eligibility requirements of Section 69.5 are

- The original and replacement properties must both be in Santa Barbara County. (see Proposition 90 section for transfers to other counties)
- You, or a spouse residing with you, must have been at least 55 years of age when the original property was sold.
- Your original property must have been your principal residence eligible for the homeowners' or disabled veterans' exemption either at the time it was sold or within two years of the purchase or construction of the replacement property.
- The replacement property must be your principal residence and must be eligible for the homeowners' exemption or disabled veterans' exemption.
- The replacement property must be of equal or lesser "current market value" than the original property (subject to certain conditions).
- The replacement property must be purchased or built within two years (before or after) of the sale of the original property.
- To receive retroactive relief from the date of transfer, you must file your claim within three years following the purchase date or new construction completion date of the replacement property.
- Other conditions and limitations may apply. Proposition 60 legal reference may be found in the Revenue & Taxation Code Section 69.5 on the Board of Equalization Website at <http://www.boe.ca.gov/lawguides/property/current/ptlg/rt/69-5.htm>

#### EXAMPLE:

Mark, 56, and Maria, 53, own a four bedroom home (original property) they wish to sell now that their children have moved out. They have lived in their current home for many years and the Proposition 13 base year value of \$40,000 that was established when they purchased the property in 1980 has only grown to \$80,000 by 2014 (trended base year value). Their current property tax bill is approximately \$800 per year. Their home today is worth \$800,000. Mark and Maria have found a two bedroom replacement home for \$450,000 which they intend to make their primary residence, but they are unwilling to make the move because under Proposition 13 this change of ownership will establish a new base year value for the new home based primarily on their purchase price of \$450,000 and their tax bill will jump from \$800 to approximately \$4,500 per year. They are on a fixed income and cannot afford the additional \$3,700 per year in taxes. The tax benefit of Proposition 60 may solve this dilemma for Mark and Maria.

Assuming Mark and Maria sold their primary residence and within two years purchased the replacement property for which they timely filed a claim for base year value transfer, they would qualify because they meet the eligibility requirements. Mark and Maria's trended base year value of \$80,000 from their original property would transfer to the replacement property and they would continue to pay taxes on the lower base.

For a list of frequently asked question on base year value transfers, visit the Board of Equalization website at [http://www.boe.ca.gov/proptaxes/faqs/propositions60\\_90.htm](http://www.boe.ca.gov/proptaxes/faqs/propositions60_90.htm)

#### **PROPOSITION 90**

Proposition 90 allows transfers from one county to another county in California (intercounty) and it is the discretion of each county to authorize such transfers by local ordinance. Santa Barbara County does not currently accept base year value transfers from other counties. It is recommended that you contact the county to which you wish to move to verify eligibility. For a current list of counties with approved local ordinances, visit the Board of Equalization website at [http://www.boe.ca.gov/proptaxes/faqs/propositions60\\_90.htm](http://www.boe.ca.gov/proptaxes/faqs/propositions60_90.htm).

For additional information on Proposition 60 or 90 base year value transfers, contact the Assessor's Office at (805) 568-2550. The claim forms are available in our Santa Barbara or Santa Maria Office, or on our website at [www.sbcassessor.com](http://www.sbcassessor.com)