



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION  
PROPERTY AND SPECIAL TAXES DEPARTMENT  
450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064  
916 445-4982 • FAX 916 323-8765  
www.boe.ca.gov

BETTY T. YEE  
Acting Member  
First District, San Francisco

BILL LEONARD  
Second District, Sacramento/Ontario

CLAUDE PARRISH  
Third District, Long Beach

JOHN CHIANG  
Fourth District, Los Angeles

STEVE WESTLY  
State Controller, Sacramento

RAMON J. HIRSIG  
Executive Director

No. 2006/010  
CORRECTION

February 6, 2006

TO COUNTY ASSESSORS:

REVENUE AND TAXATION CODE SECTION 69.5:  
PROPOSITIONS 60, 90, AND 110

Section 69.5 was added to the Revenue and Taxation Code<sup>1</sup> in 1987 to implement Proposition 60, which amended section 2 of article XIII A of the California Constitution to authorize the Legislature to provide for the transfer of a base year value from a principal residence<sup>2</sup> to a replacement dwelling within the same county by a homeowner age 55 and over. Subsequently, section 69.5 was amended to implement Proposition 90, which authorized county boards of supervisors to adopt ordinances allowing base year value transfers between different counties, and Proposition 110, which extended these provisions to severely and permanently disabled persons of any age.

After summarizing the key elements of section 69.5, this letter provides answers to frequently asked questions about its application. This letter supersedes Letters To Assessors No. 87/71 (dated September 11, 1987) and No. 88/10 (dated February 11, 1988).

**SUMMARY OF SECTION 69.5**

Section 69.5 allows a homeowner to transfer the existing base year value to a replacement dwelling provided that:

- If the replacement property is located in a *different* county than the original property, then the county in which the replacement dwelling is located must have a current ordinance allowing base year value transfers from other counties.
- As of the date of transfer of the original property, the claimant or the claimant's spouse is at least 55 years of age or severely and permanently disabled. There is no age requirement for persons who are severely and permanently disabled.
- The claimant and/or the claimant's spouse has not previously been granted the property tax relief provided by section 69.5. The sole exception to this requirement is if relief was first granted for age, relief can be granted a second time if the claimant or claimant's spouse

<sup>1</sup> All statutory references are to the Revenue and Taxation Code unless otherwise indicated.

<sup>2</sup> A principal residence is a person's true, fixed, and permanent home and principal establishment to which the owner, whenever absent, intends to return.



CO-OWNERS—COMBINATION OF BASE YEAR VALUES

**B6:** Can Mother and Daughter, both otherwise qualified owners, sell their separately owned and occupied properties and transfer the combined base year values to a single replacement dwelling?

Answer. No. There is no provision in the statute for combining base year values when acquiring one replacement dwelling. The base year value of only one original property can be transferred to a replacement dwelling. Either Mother or Daughter can be a claimant for the replacement dwelling, but they cannot combine the full cash values of the original properties for value comparison purposes. They would have to choose which original property they want to be considered for value comparison and subsequent base year value transfer.

An exception would be if the replacement property had two separate living units (e.g., a duplex or lot with two residences). In this case, the value comparison would be made between each original property and the respective living units of Mother and Daughter. If each qualifies, then each could transfer the base year value of her original property to her replacement property living unit.

OWNER OF RECORD

**B7:** Ralph and Joyce, husband and wife, claim and are granted relief under section 69.5. Subsequently Ralph and Joyce divorce. Ralph marries Betty, who has neither applied for nor received the benefit of section 69.5. Thereafter, Betty sells her original property, and Ralph and Betty together buy a replacement dwelling. Betty applies to transfer the base year value from her original property. Can she qualify for a section 69.5 benefit?

Answer. Subdivision (b)(7) provides that any person claiming the exclusion is eligible for relief if the claimant has not previously been granted, as a claimant, the property tax relief provided by section 69.5. If Ralph is an owner of record on the replacement dwelling at the time of acquisition, then they will not qualify because Ralph is considered to be a claimant under subdivision (g)(9) and has already used his "one time only" exclusion. However, if Ralph is *not* an owner of record on either the original property or the replacement dwelling and Betty applies for the benefit, then she may qualify because, as the sole claimant, Betty has not previously received a section 69.5 benefit (assuming all other qualifications of section 69.5 are met). Further, once Betty has been granted the benefit, she can subsequently add Ralph as an owner of record under the interspousal exclusion without affecting her claim.

**B8:** Husband was previously approved for a section 69.5 claim. Wife was not an owner of record on the original property or the replacement property for Husband's prior claim. Husband has now sold that home and purchased another. Wife is not an owner of record on the newly purchased property. However, as a spouse of a record owner, Wife would like to file a claim to receive the benefit of section 69.5 on the newly purchased property. Can Wife qualify as a claimant?

Answer. No. Wife was not an owner of record of the original property as required by subdivision (d) of section 69.5.