



Refer to the following excerpts from LTA 82/50 for information regarding,

1. Rooming House: G 28
2. Duplex: M 1, M 2, F 3, V 7, V 10
3. Multiple Family Residential Property: M Series
4. Motel: M 8, and M 9
5. Apartment in a Non-Profit Corporate Structure or Cooperative Housing Corporation: M 6

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No. 82/50

March 23, 1982

TO COUNTY ASSESSORS:

1982 HOMEOWNERS' EXEMPTION--QUESTIONS AND ANSWERS

Here is an updated version of the questions and answers that reflect the Board's views on administration of the homeowners' exemption. The prior questions and answers were dated April 9, 1975; we have indicated in the margin "NEW" for a new question and "REVISED" where the concept has changed since 1975. Please inform your staff of these additions and revisions. We suggest you follow the information in this guide when processing current claims. Destroy, or mark as superseded, prior year's compilation.

Major amendments in the processing of homeowners' exemptions have occurred since 1975. The changes include:

1. Late filing. The deadline for filing remains 5:00 p.m., April 15, but late filing (for 80 percent of the exemption) is permitted through 5:00 p.m., December 1. The claimant no longer need establish good cause for late filing. See Letter to Assessors' 79/64, dated April 3, 1979.
2. One-time filing. For 1975 and thereafter, only an occupant who either acquired title to an eligible dwelling during the preceding assessment year or is otherwise seeking the exemption on a property not exempted in the prior year need file a claim. Filing before March 1 is permitted if the applicant is the owner of the property and intends to occupy the property by 12:01 a.m. on March 1.
3. Claims not open to public. The homeowners' exemption claim is not a public document. The assessor must provide names of homeowners' exemption recipients to the State Board of Equalization under the provisions of Section 218.5, Revenue and Taxation Code.

G26. REVISED Is the "intent to occupy" sufficient basis for granting the homeowners' exemption if some of the personal possessions have been moved in?

ANSWER: NO. If a person stores personal property in a dwelling and has not occupied the dwelling as his principal place of residence, the property would not qualify for the exemption. -Where a claimant signs the claim prior to the applicable lien date, the claim should be placed in a suspense file until the assessor determines that the claimant has actually occupied the property; the claim may be "activated," prior to the lien date where the assessor knows the claimant has moved into the dwelling; the assessor may activate the claim on or subsequent to March 1 when he is assured that the claimant occupied the dwelling the last day of February. Of course, a signed statement on or subsequent to March 1 is sufficient evidence of occupancy. (The assessor may wish to enter on the claims signed prior to March 1 "Date of occupancy"

Month/Day/Year

G27. Does a parsonage owned by a religious organization and occupied by an individual commissioned or assigned by the organization qualify for the homeowners' exemption?

ANSWER: NO. Occupancy by a nonowner clergyman or caretaker does not qualify church property for the exemption.

G28. Does a rooming house owner-occupant qualify for the homeowners' benefits?

ANSWER: YES.

G29. REVISED Does the homeowners' property tax exemption apply to homes of servicemen and other persons who are not legal residents of California?

ANSWER: YES. If the person owns and occupies the home and does not receive the veterans' exemption on the home he may receive the homeowners' exemption. If the serviceman is overseas and his family occupies the home, the wife may claim the exemption. The exemption does not apply if the dwelling is leased or rented to other persons.

G30. May a person receive the homeowners' exemption on a property "sold to the state"?

ANSWER: YES. A dwelling may receive the homeowners' exemption until the time the property is "deeded to the state."

G31. Does the homeowners' property tax exemption apply to ad valorem special assessments?

ANSWER: NO.

M. MULTIPLE-FAMILY RESIDENCE

The \$7,000 homeowners' exemption should be allowed on each qualified dwelling unit that is located in a multiple family residence:

- a. to the extent of the assessed value computed by dividing the total assessed value of the land and improvement by the number of dwelling units.
- b. unless one of the owners living either on or off the property is allowed the veterans' or disabled veterans' exemption on the property.

Duplex

A. The \$7,000 homeowners' exemption should be allowed on each side of a duplex:

1. if each side is occupied on the lien date by an owner who pays no rent to anyone else who owns an interest in the property.
2. to the extent there is \$7,000 assessed value on each side.
3. regardless of the size of the parcel containing the duplex.

B. The homeowners' exemption should NOT be allowed on a unit of a duplex:

1. that is leased or rented, or is vacant but is for lease or rent.
2. if a veterans' exemption has been allowed on the land or improvements that are contained in the parcel.

M1. May a person receive the homeowners' exemption on a duplex he owns if he occupies one side of the duplex and rents the other side to others?

ANSWER: YES. The exemption may only be allowed on the value of the land and structure on the side he occupies. None of the homeowners' exemption or the veterans' exemption may apply to the land or structure on the side rented to others.

M2.1/ When each of two persons has an undivided one-half interest, joint tenancy, or tenancy in common in a duplex and each person lives in a separate side, is each person entitled to the homeowners' exemption?

ANSWER: YES. (See the footnote below.)

1/ See footnote 1/ on next page.

M3.1/ Would a duplex owned and occupied by a two-member partnership, where each side is the principal residence of a partner, qualify for the homeowners' exemption?

ANSWER: YES. As two separate single-family dwellings.

Three or More Dwelling Units in a Multiple-Family Residence

Under the provisions of Section 2188.7, Revenue and Taxation Code, upon written request for separate assessment, the assessor shall on the first lien date which occurs more than 60 days following the request, separately assess the individual interests of community apartment projects, cooperative housing, and limited equity housing cooperatives.

M4.1/ REVISÉD Since 1973, any type of residential property can qualify for the homeowners' exemption if it is owner-occupied and assessed by the assessor. What are the limits that pertain to dwelling units in a multiple-family residence?

- ANSWER: 1. Only one homeowners' exemption for each dwelling unit.
2. The maximum exemption is the value of the owner-occupied unit. For example, if the land and improvements of a six-unit apartment had an assessed value of \$38,400, the maximum allowable exemption for one of the units would usually be \$6,400 ($\$38,400 \div 6 = \$6,400$). If the assessor has determined separate values for each unit because of a difference in size or location of the units in the total property, no owner-occupied unit should receive an exemption that exceeds its full-cash value.

1/ Where the property owner contends that the value of his property is larger, or volunteers that it is smaller than the value of the average unit, or calls the assessor's attention to the fact that he has a fractional interest in the property that is different from the interests of other owners, the assessor should consider such matters when allowing the homeowners' exemption. When demanding by an owner, exemptions according to percentage of interest owned should be handled as follows: if the assessed value of the total property is \$24,000 and owner-occupant A has an 80-percent interest and owner-occupant B has a 20-percent interest, the computation is:

The appraiser determines the market values of the land and improvements for each unit (which in this case is not equal.)	A (80%)	B (20%)	Total
Assessed value available for exemption:			
1. based on the value of each unit.	\$18,000	\$6,000	\$24,000
2. based on each owner-occupant's interest in the total property.	\$19,200	\$4,800	\$24,000
Homeowners' exemption allowed (the lesser of 1 or 2 above, not to exceed \$7,000).	\$7,000	\$4,800	\$11,800

None of the residents may receive the homeowners' exemption if the assessor has allowed the veterans' exemption or disabled veterans' exemption on any of the land or improvements contained in the parcel.

M5. REVISED In the case of multiple owner-occupants in a multiple-family residence, must the assessor require the names and social security numbers of all owner-occupants?

ANSWER: NO. Each dwelling unit should be considered separately and a separate claim containing information applicable to each separate unit should be on file. However, the assessor may accept a signed claim from all owner-occupants who wish to file.

M6. Does the homeowners' exemption apply to apartments located in structures owned by nonprofit corporations or cooperative housing corporations? (Each individual may have an exclusive right to occupy an apartment, each may assign his rights; occupants are allowed to claim a deduction for property taxes paid by the corporation on their individual income tax returns.)

ANSWER: The exemption should be allowed on premises occupied by the owner of shares or a membership interest in a cooperative housing corporation as defined in Section 17265 of the Revenue and Taxation Code (The Personal Income Tax Law). An officer of the corporation should annually file form AH 266D, Cooperative Housing Information Request, with the assessor. Each owner of shares or membership interest must file a claim form for the apartment he occupies.

M7. Does the homeowners' exemption apply where there is a "mutual ownership contract" executed by the organization and the residents? (The residents receive a right to the perpetual use of a dwelling unit but are not granted an ownership interest in the unit.)

ANSWER: NO. The residents are not actually owners of corporate property. "Mutual ownership contracts" so far reviewed have turned out to be mislabeled leases.

M8. May the homeowners' exemption be allowed on a motel where an owner(s) occupies the manager's quarters or one of the units?

ANSWER: YES. The exemption may be allowed on the portion of the land and structure occupied by an owner. More than one owner-occupant may qualify, but each owner must have separate cooking facilities and each must file a separate claim. The exemption applies to all of the structure and land except that portion leased or rented to others or that portion available for lease or rent to others.

M9. REVISED May a homeowners' exemption be allowed on a dwelling located in a motel that is situated on leased land?

ANSWER: YES. The exemption may be allowed on the portion of the structure occupied by the owners. No part of the exemption may be allowed on the land whether owned by another individual, or by a corporation, or by a governmental agency (possessory interest).

V7. REVISED A veteran and his mother each own an undivided one-half interest in a duplex and the mother lives in one side. The veteran has filed and received the \$4,000 veterans' exemption on one-half of the duplex and one-half of the land. May the mother receive the homeowners' exemption on her one-half of the duplex and one-half of the land?

ANSWER: NO. The maximum benefit (\$7,000 + \$7,000) will be received if each owner-occupant receives the homeowners' exemption. If the veteran lives elsewhere, the homeowners' exemption should be allowed on the property on the basis of the mother's filed homeowners' exemption claim in the amount of the \$7,000 homeowners' exemption.

V8. May a person who owns and occupies a building receive the homeowners' exemption on the improvements and the land if he is allowed the veterans' exemption on the personal property in his office or store which is located in the structure?

ANSWER: YES.

V9. May an owner-occupant receive the homeowners' exemption on a single-family dwelling that is owned in common with another person if the other person has filed a claim for the veterans' exemption on the property?

ANSWER: In this case, the assessor should allow the maximum exemption which is the homeowners' exemption (\$7,000) instead of the veterans' exemption (\$4,000). Both the homeowners' exemption and the veterans' exemption may not be applied on the same property.

V10. May a veteran who owns and occupies a duplex and receives the homeowners' exemption on his dwelling and the land it occupies also receive the veterans' exemption on the other dwelling unit and the land it occupies?

ANSWER: NO.

V11. May the veterans' exemption be applied on a dwelling that is unoccupied because it is under construction on the lien date (ineligible for the homeowners' exemption) if the homeowners' exemption is allowed on the land beneath a licensed trailer coach which is also located on the parcel?

ANSWER: NO