



STATE BOARD OF EQUALIZATION

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Executive Director

No. 88/83

TO COUNTY ASSESSORS:

PROPOSITION 90  
INTERCOUNTY TRANSFERS OF BASE-YEAR VALUE

Proposition 90 was approved by the state's voters on November 8, 1988 permitting the Legislature to authorize each county board of supervisors to adopt an ordinance which would make the existing provisions for intracounty transfers of base-year value under Proposition 60 (see letter to assessors 87/71) applicable to any property in that county which serves as an eligible replacement dwelling for an eligible original property located in a different county within the state.

The statutory implementation of Proposition 90 is effected by Chapter 1271, Statutes of 1988 (Assembly Bill 2878), enacted as an urgency statute September 26, 1988. Chapter 1271 amends Section 69.5 of the Revenue and Taxation Code to include, in addition to several amendments affecting all transfers of base-year value as described in that section, provisions for intercounty transfers of base-year value. Inasmuch as the operation of the amendments to Section 69.5 is contingent upon the approval by the voters of Proposition 90 (see newly added Section 69.5(j)), the amendments are effective one day after the date of the election, November 9, 1988. However, the amendment to subdivision (a) of Article XIII A approved under Proposition 90 provides that the intercounty base-year value transfer provisions "...shall apply to any replacement dwelling which was purchased or newly constructed on or after the date the county adopted the provisions of this subdivision relating to transfer of base-year value, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988." Thus, the Board's legal staff has concluded that unless a county adopted such an ordinance on or before November 9, 1988, replacement dwellings purchased or newly constructed before the date the county adopts the ordinance will be ineligible for Proposition 90 relief.

It is important to note that the ordinance, if adopted, must require that all eligible claims for transfers of base-year value from original properties located in other counties be granted. In addition, the ordinance must require that all base-year valuations of original properties located in other counties, as determined by the assessor in those other counties, be accepted in connection with the granting of claims for transfers of base-year value.

TO COUNTY ASSESSORS

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It is apparent that the current form for claiming transfers of base-year value will have to be revised to accommodate intercounty transfers. Please direct any suggestions on form revision to the Technical Services Unit of this division with copies to the Forms Subcommittee fo the Assessors' Association.

The more complex issues raised by Proposition 90, as well as the amendments to Section 69.5 affecting all base-year value transfers described in that section, will be addressed in a forthcoming letter to assessors.

Sincerely,



Verne Walton, Chief  
Assessment Standards Division

VW:sk