



Frequently Asked Questions – Exclusions from Reappraisal

Proposition 110 (Transfer of Base Year Value)

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1. What is Proposition 110?

Proposition 110 is a constitutional initiative passed by California voters that provides property tax relief for severely and permanently disabled claimants when they sell an existing home and buy or build another.

Implemented by section 69.5 of the Revenue and Taxation Code*, it allows the transfer of the base-year value of an existing home to a newly purchased or constructed home. Transfers are allowed within the same county (intracounty) and in select counties, transfers are allowed from one county to another county (intercounty). [See question #16](#) for a list of counties.

In addition, the initiative provides relief for modifications that make a home more accessible for a severely disabled person (section 74.3).

* Section 69.5 also sets forth the provisions of [Propositions 60/90](#) which allows the transfer of a base year value for persons aged 55 and older. Except for the age factor, the qualifications for Proposition 110 are the same as Propositions 60/90.

2. How does the proposition work?

If you or your spouse that lives with you is severely and permanently disabled, you can buy a home of equal or lesser value than your existing home and transfer the factored base year value of your existing home to your new property. Also, you can modify your current home as long as the modifications directly satisfy disability requirements without the modifications being assessed as new construction.

Once you have filed and received this tax relief, neither you nor your spouse who resides with you will qualify to receive this benefit again.

If a person has been granted a [Proposition 60/90](#) benefit and subsequently becomes severely and permanently disabled, he/she may also qualify for a Proposition 110 benefit; however, a disabled claimant granted a Proposition 110 benefit is not eligible for a Proposition 60/90 benefit even after he or she reaches age 55.

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3. What are the eligibility requirements for Proposition 110?

1. You or a spouse residing with you must be severely and permanently disabled when the original property was either sold or modifications were completed.
2. Both your original and replacement property must be eligible for the homeowners' or disabled veterans' exemption and the replacement property must be your principal residence.
3. The replacement property must be of equal or lesser value than the original property. The "equal or lesser" test is applied to the entire replacement property, even though the owner of the original

property may acquire only a partial interest in the replacement property. Owners of two qualifying original residences may not combine the values of those properties in order to qualify for a Proposition 110 base-year transfer to a replacement property of greater value than the more valuable of the two original residences.

4. The replacement property must be purchased or built within two years (before or after) of the sale of the original property.
5. To receive retroactive relief from the date of transfer, you must file your claim within three years following the purchase or completion of new construction of the replacement property.
6. The disabled person, spouse or legal guardian must submit a Physician's Certificate of Disability (Form BOE-62A) with the claim.

The original property must be subject to reappraisal at its current fair market value unless the buyer(s) also qualify the property as a replacement property for a base year value transfer due to intracounty/ intercounty disaster relief or a base year value transfer for persons aged 55 or over. Therefore, most transfers between parents and children will not qualify.

4. Can I still be granted the exclusion if I file after the three-year filing period?

Yes, as of January 1, 2007, a claim that is filed after the three-year filing period may receive the benefits commencing with the lien date of the assessment year in which the claim is filed. The full cash value of the replacement property in that assessment year shall be the base year value from the year in which the property was transferred, factored to the assessment year in which the claim is filed. The factored base year value of any new construction which occurred between the date of sale and the date the prospective relief is being applied should also be added.

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5. What is the definition of a severely and permanently disabled person?

For property tax purposes, a severely and permanently disabled person is defined as "any person who has a physical disability or impairment, whether from birth or by reason of accident or disease, that results in a functional limitation as to employment or substantially limits one or more major life activities of that person, and that has been diagnosed as permanently affecting the person's ability to function, including, but not limited to, any disability or impairment that affects sight, speech, hearing, or the use of any limbs."

6. What documentation is required?

You must provide proof of severe and permanent disability and file a claim with the assessor who will then determine if you qualify. Appropriate proof of disability is a certificate signed by a licensed physician or surgeon attesting to the claimant's severe and permanent disability.

If you are filing a request for property tax exclusion for modifications made to improve accessibility, in addition to the claim and proof of disability, a statement must be provided that identifies the construction, installation, or modification that was necessary to make the structure more accessible.

7. What does "equal or lesser value" of a replacement property mean?

The meaning of "equal or lesser value" depends on when you purchase the replacement property. In general, equal or lesser value means:

- 100% or less of the market value of the original property if a replacement property were purchased or newly constructed before the sale of the original property, or
- 105% or less of the market value of the original property if a replacement property were purchased or newly constructed within the first year after the sale of the original property, or
- 110% or less of the market value of the original property if a replacement property were purchased or newly constructed within the second year after the sale of the original property

In determining whether the "equal or lesser value" test is met, it is important to understand that the market value of a property is not necessarily the same as the sale or purchase price.

The assessor will determine the market value of each property. If the market value of your replacement dwelling exceeds the "equal or lesser value" test, no relief is available. It is "all or nothing", with no partial benefits granted.

8. When making the "equal or lesser value" comparison, is a simple comparison of the sales price of the original property and the purchase price of the replacement dwelling all that is needed?

No, the full cash value of the original property as of the date of its sale must be compared with the full cash value of the replacement property as of its date of purchase or completion of new construction. However, property tax laws presume that the purchase price paid in a transaction is the full cash value unless evidence shows that the real property would not have transferred for that price in an open market transaction.

9. If the full cash value of the replacement dwelling does not satisfy the "equal or lesser value" test, can a claimant receive partial benefit?

No. Unless the entire replacement dwelling satisfies the "equal or lesser value" test, no benefit is available. It is "all or nothing." Partial benefits are not granted.

10. What tax relief is available for homes modified to improve accessibility?

If qualified, the value of the improvement, addition, modification, or feature that specially adapts a home's accessibility for a severely and permanently disabled person is excluded from property tax assessment. The home, whether a single family or multi-family residence, must be eligible for the homeowners' exemption. If the home is not eligible for the homeowners' exemption, the modification may qualify for exclusion under section 74.6 (disabled person accessibility exclusion for all other types of structures). However, section 74.6

does not apply to the construction of an entirely new addition to an existing building or structure.

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11. I modified my home to make it more accessible for my disabled sister who recently moved in with me. Am I allowed the benefits of Proposition 110?

Yes. The severely and permanently disabled person does not need to be an owner of the home to receive the exclusion, as long as the home is eligible for the homeowners' exemption. The disabled person need only be a permanent resident of the dwelling.

12. What does it mean to make a home more accessible? Does remodeling a kitchen count?

"Accessible" means any improvement, addition, modification, or feature that specially adapts a home's accessibility and/or circulation for the full use of the dwelling to a disabled person. A kitchen remodel that lowers the kitchen counters and sink or widens the area for wheelchair accessibility is an example of a kitchen remodel that would qualify for exclusion.

The construction of an entirely new addition, such as a bedroom or bath, that duplicates existing facilities in the dwelling that are not otherwise available to the disabled resident solely because of his or her disability, is considered to make the dwelling more accessible and will be excluded from assessment if the home is eligible for the homeowners' exemption.

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13. I am physically disabled and my doctor recommended a therapy pool. If I install such a pool, will this be excluded under the Proposition 110 new construction exclusion?

No. The new construction relief excludes from assessment the modification of an existing home for accessibility reasons. The addition of a pool does not make a house more accessible for a disabled person.

14. Can a person with a mental disability qualify for relief under Proposition 110?

Mental disabilities do not meet the definition of "severely and permanently disabled" for property tax purposes, which specifies physical disability or impairment. A person with a mental disability may qualify on the basis of age (under [Proposition 60/90](#)), but not disability.

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15. My child recently became disabled. We must sell our 2-story home and purchase a single-story residence to accommodate him. Can we transfer the base year value of the home we're selling to the one we are buying under section 69.5?

If your child is on title as owner of both the original property and the replacement property, your child, as the claimant, may benefit from section 69.5. You should be aware that this is a one-time only claim and he will not be able to benefit from this in his lifetime again, even when he or she reaches age 55.

A minor child may own real property by being the present beneficial owner through a trust, estate, or guardianship. You could add the minor child on title to the original property, which can be excluded from change in ownership reappraisal under the parent-child exclusion (assuming a timely claim is filed and the requirements of that exclusion are met). When purchasing the replacement property, ownership of the property may be held by the minor child who is the beneficiary of an irrevocable trust. You as parents would be the trustee.

16. I am a qualified disabled person and my doctor says I should move to a different climate for better comfort. I want to relocate from Los Angeles County to Monterey County, but Monterey County says they don't allow base year value transfers from another county. I thought there was a law that allows that.

The law that allows for transfers of base year value between counties merely allows each county board of supervisors to adopt an ordinance accepting transfers from other counties. It is the discretion of each county to allow such transfers. The county in which your replacement property is located must have an ordinance that accepts intercounty transfers.

As of February 15, 2010, the following eight counties in California have an ordinance enabling the intercounty base year value transfer:

Alameda	Los Angeles	San Diego	Santa Clara
El Dorado	Orange	San Mateo	Ventura

Since the counties indicated above are subject to change, we recommend contacting the county to which you wish to move to verify Proposition 110 eligibility.

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17. Do properties other than single family residences qualify for Proposition 110 benefits?

If you meet all other eligibility requirements, relief is granted for a single family residence, condominium, unit in planned development, cooperative housing, a unit of a duplex or triplex, manufactured home subject to local real property tax, or living unit within a larger structure consisting of both residential and non-residential accommodations. Although a vessel or a mobile home subject to annual vehicle license fee is eligible for the homeowners' exemption, neither qualifies as an original or a replacement property as they do not have base year values.

18. How do I file for Proposition 110 tax relief?

An application must be filed with the county assessor where the replacement property is located. If you are filing for the base year value transfer, the claim form is BOE-62, *The Disabled Persons Claim for Transfer of Base-Year Value to Replacement Dwelling*.

If you are filing for the new construction exclusion on a home that is eligible for the homeowners' exemption,

the claim form is BOE-63, *Disabled Persons Claim for Exclusion of New Construction*. If you are filing for the new construction exclusion on a structure that is **not** eligible for the homeowners' exemption, the form is BOE-63-A, *Claim for Disabled Accessibility Construction Exclusion from Assessment*.

These forms may be obtained from your assessor's office or some counties offer a downloadable form from their internet website which can be accessed via the board website: </proptaxes/assessors.htm>

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19. I still have questions about Proposition 110. Where can I find more information?

If you still have questions about Proposition 110, you may find the answers in [Letter To Assessors No. 2006/010](#), [Propositions 60/90 FAQs](#), or you may call the Assessment Services Unit at 916-274-3350.

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