Monterey County Association of REALTORS®

Government Affairs Division

PROPOSITION 60

Proposition 60, approved by the voters of California in 1986, allows seniors (defined as 55 years of age and older) to move to another home of equal or lesser value within the same county, and to transfer the property taxes from the original home to the newly purchased home. Other restrictions and requirements apply. See Monterey County Proposition 60 Checklist that follows.

Monterey County Proposition 60 Checklist

1. The Proposition 60 property tax transfer is a once-in-a-lifetime benefit. Also, if claimant previously transferred a property's assessed values into Monterey County under Proposition 90, claimant is not eligible for Proposition 60.

2. At the time of sale of the original property the claimant or spouse residing with the claimant must be 55 years of age or older.

3. The original property and replacement property must both be in Monterey County.

4. The claimant must be an owner-occupant of the original property qualifying it for the homeowner's exemption at the time of its sale, or within 2 years of the purchase or completion of new construction of the replacement property.

5. The claimant must be an owner-occupant of the replacement property on the date the claim is filed.

6. The original property must be sold within 2 years before or after the purchase or completion of new construction of the replacement property. A mobile home may quality if it is on the assessment roll as real property.

7. The sale of the original property must be reassessed at full market value. It may not receive the benefit of an exclusion from reassessment, such as a parent-child transfer exclusion under Proposition 58. (Though it may be sold to another Proposition 60 claimant.)

8. The replacement property must be purchased for consideration. For example, inherited property would not qualify.

9. The full market value of the replacement property (generally the purchase price), must be the SAME AS OR LESS THAN the full market value of the original property (generally the sales price), after taking into consideration the following:
   - Subtraction of the full market value of land and improvements excess to an area of reasonable size used as the claimant's residence site. "Area of reasonable size" is defined as all land if any non-residential uses of the property are only incidental to use of the property as the claimant's residence site.
   - Addition of an inflation factor of 5% to the full market value of the original property, if the replacement property is purchased or newly constructed during the first year FOLLOWING sale of the original property.
   - Addition of an inflation factor of 10% to the full market value of the original property, if the replacement property is purchased or newly constructed during the second year FOLLOWING sale of the original property.

   No inflation factor is added if the replacement property is purchased or newly constructed PRIOR TO sale of the original property.

10. The claim must be filed within 3 years of purchase or completion of new construction of the replacement property.