

Implementation of Proposition 90 & 110

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Direction Given by BOS

- August 11, 2009 the El Dorado County Board of Supervisors directed staff to prepare an implementing ordinance pursuant to Rev. & Tax Code section 69.5
- Ordinance may only be adopted after consultation between the County and local affected agencies

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Consultation Period

- Consultation meeting held today September 14, 2009 3:00 PM
- Written comments will be accepted until October 15, 2009
- Comments will be provided to BOS prior to open session discussion
- Notice of the Board of Supervisor's hearing on proposed ordinance will be sent to all affected agencies

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Proposition 90, and 110

- Proposition 90 passed in 1988 allows qualified property owners based on age (55yrs or older) to transfer existing assessments from one county into another
- Proposition 110 passed in 1992 allows inter-county factored base year assessments for qualified disabled persons
- Replacement homes must be equal or lesser in market value

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Proposition 90 and 110

- Provides tax benefits to qualified new residents of El Dorado County
- This may provide an incentive for the purchase of new homes and improve the market for existing homes
- Although a certain number of assessments may be lower, this may be counter balanced by a greater number of assessments overall

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Example

- A home in another county has an assessment of \$371,428. Annual county portion of property tax is \$937, and it is worth \$600,000.
- The home sells, the assessment is transferred to a home here required to be of equal or lesser value, say \$500,000.
- The local property tax portion is \$937 versus \$1262, a difference of \$325
- But this is offset by the greater number of new assessments created by the tax incentive and the projected increase in sales taxes

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Other Benefits

- Attracts new residents with stable income and few demands on services. El Dorado County will be only rural Prop. 90 county
- Demand and purchase of new housing will increase tax base
- Increase in local purchases and sales tax
- Increased purchasing power will improve market value levels

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Other Benefits Continued

- Existing foreclosed homes will be purchased sooner and occupied by "good citizens"
- More homes will display pride in ownership
- Typically seniors are more involved in the community and give back

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Property Tax Base

- Currently for FY 2009/2010 the Assessor completed the assessment roll with a 2% decline due to falling market
- Proposition 90 & 110 will inject new purchasers into El Dorado County's market economy
- The County, Schools and Special Districts will realize some benefit from the increased activity

