



Homeowner's Exemption VS. Homestead Exemption or Declaration.

Homeowner's Exemption

A homeowner's exemption is just a property tax exemption. The California state constitution provides for the exemption of up to \$7,000 in assessed value from property tax assessment of any property owned and occupied as the owner's principal place of residence. This means that the exemption removes up to \$70 from your annual property tax bill. This may not seem like much, but it's easy to obtain, and it adds up! There's no reason to forgo the benefit.

In order to qualify for the exemption for property, you must be its owner or co-owner, and must use the property as your principle place of residence. You also have to file an exemption claim form with the County Assessor.

There is one catch: if you plan to refinance your home, or plan to move your home out of (or into) a living trust, note that doing so may require you to change the title on the deed to the property. Each time you do so, you will have to re-file your exemption claim, to ensure that you continue to receive the exemption.

Homestead Exemption or Declaration

A homestead exemption is a bankruptcy exemption intended to help protect people from losing their homes to creditors. If someone is sued for money and loses, the creditor can satisfy the amount of the judgment (translation: ensure they get paid) by selling assets belonging to the debtor, including the debtor's home. The California homestead exemption protects the homeowner's equity up to the amount of the exemption even if the home is sold. The point is to ensure that debtors and their families have some money remaining to invest in a new home, should their current home be sold involuntarily. The exemption applies to every person who lives in a dwelling; the dwelling can be a home, trailer, mobile home, boat, etc.

There are two types of homestead exemptions. The first is the automatic exemption, which, as its name implies, automatically exists for every property that qualifies for the exemption. No action is required by the homeowner to create this type of exemption. The *automatic* homestead exemption only applies to the forced sale of the home by a creditor.

The second type is the declared homestead, which is created when a property owner records a declaration of homestead with the county recorder's office. The declared homestead provides equity protection upon the forced sale of a home by a creditor, *as well as* upon *voluntary* sale of the property by the homestead owner. If no declared homestead is recorded, then the protection of the owner's equity in the home may be lost upon voluntary sale of the home; in other words, proceeds from the voluntary sale of the home will go to the creditor rather than the homeowner. If a homestead has been declared, then the proceeds from the voluntary sale of the home will be protected up to the exempted amount for six months after the original sale, and can be used to purchase a new home.

The actual amount of the exemption varies. For an individual homeowner, the homestead amount is \$75,000. If there is at least one other family member residing in the home, who does not have an ownership interest, the amount increases to \$100,000. If the homeowner is 65 years old or older, physically or mentally disabled, the homestead is \$175,000. This amount also applies to an individual who has an annual income of \$15,000 or less, or to a married couple with a combined annual income of \$20,000 or less.

CLAIM FOR HOMEOWNERS' PROPERTY TAX EXEMPTION



Valuing People
and Property


COUNTY OF LOS ANGELES • OFFICE OF THE ASSESSOR
500 WEST TEMPLE STREET ROOM 225
LOS ANGELES, CA 90012-2770 • Telephone 213.974.3211
Email: exempt@assessor.lacounty.gov
Website: assessor.lacounty.gov
Si desea ayuda en Español, llame al número 213.974.3211

If eligible, sign and file this form with the Assessor on or before February 15 or on or before the 30th day following the date of notice of supplemental assessment, whichever comes first.

SEE INSTRUCTIONS BEFORE COMPLETING

NAME AND MAILING ADDRESS

(Make necessary corrections to the printed name and mailing address)

PROPERTY DESCRIPTION				
ASSESSOR'S IDENTIFICATION NUMBER				
MAPBOOK	PAGE	PARCEL NUMBER		
ADDRESS OF DWELLING				
FOR ASSESSOR'S USE ONLY				
712	801	845	855	BP
TYPE =		LF =		KEY = 
REC DATE	SEQ. NO.	#EXM	NEW EXM AMOUNT	
AMOUNT	NCC DATE	YR.	SUB BILL NO.	
EXISTING EXM TYPE		REMARKS		
REMARKS				

Print your social security number and name here _____ ➔

SSN: _____ - _____ - _____

NAME: _____

Print co-owner's or spouse's social security number and name when this property is also his/her principal residence _____ ➔

SSN: _____ - _____ - _____

NAME: _____

STATEMENTS

This claim may be used to file for the Homeowners' Exemption for the Assessment Roll and the Supplemental Assessment Roll. A new owner must file a claim even if the property is already receiving the homeowners' exemption. Please carefully read the information and instructions before answering the questions listed below.

1. When did you acquire this property? _____
(month/day/year)
2. Date you occupied this property as your principal residence (see instructions): _____
(month/day/year)
3. Do you own another property that is, or was, your principal place of residence in California? YES NO

If YES, please provide the address below, and the date you moved out, if no longer your principal place of residence:

Address: _____
Street address City Zip Code month/day/year

Only the owners or their spouses who occupy the above-described property (including a purchaser under contract of sale) or his or her legal representative may sign this claim. (If the property comprises more than one dwelling unit, other co-owner occupants may wish to file separate claims; however, only one exemption will be allowed per dwelling unit.)

If you are buying this property under an unrecorded contract of sale and the Assessor does not have a copy of the contract, you must attach a copy to this claim.

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF OWNER OCCUPANT ➔	DATE
SIGNATURE OF OCCUPANT SPOUSE OR CO-OWNER-OCCUPANT ➔	DATE
EMAIL ADDRESS	DAYTIME TELEPHONE NO. ()

IF YOU DO NOT OCCUPY THIS PARCEL AS YOUR PRINCIPAL RESIDENCE, PLEASE DISCARD THIS FORM.
If you occupy this parcel at a later date, contact the Assessor at that time.

THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION



GENERAL INFORMATION

California property tax laws provide two alternatives by which the Homeowners' Exemption, up to a maximum of \$7,000 of assessed value, may be granted.

Alternative 1: The exemption is available to an eligible owner of a dwelling which is occupied as the owner's principal place of residence as of 12:01 a.m., January 1 each year; or

Alternative 2: The exemption is available to an eligible owner of a dwelling subject to supplemental assessment(s) resulting from a change in ownership or completion of new construction on or after January 1, provided:

- (a) The owner occupies the property as his or her principal place of residence within 90 days after the change in ownership or completion of construction; and
- (b) The property is **not** already receiving the Homeowners' Exemption or another property tax exemption of greater value. If the property received an exemption of **lesser** value on the current roll, the difference in the amount between the two exemptions shall be applied to the Supplemental Assessment.

To help you determine your principal residence, consider (1) where you are registered to vote, (2) the home address on your automobile registration, and (3) where you normally return after work. If after considering these criteria you are still uncertain, choose the place at which you have spent the major portion of your time this year.

Filing for exemption under Alternative 2 will apply to the supplemental assessment(s), if any, and serve as filing for the exemption for the following fiscal year(s).

To obtain the exemption, the claimant must be an owner or co-owner or a purchaser named in a contract of sale. The dwelling may be any place of residence subject to property tax; a single-family residence, a structure containing more than one dwelling unit, a condominium or unit in a cooperative housing project, a houseboat, a manufactured home (mobilehome), land you own on which you live in a state-licensed trailer or manufactured home (mobilehome), and the cabana for such a trailer or manufactured home (mobilehome) are examples. A dwelling does not qualify for the exemption if it is, or is intended to be, rented, vacant and unoccupied, or the vacation or secondary home of the claimant. If you do not occupy this parcel as your principal residence, please discard this form.

If the Homeowners' Exemption is granted and the property later becomes ineligible for the exemption, you are responsible for notifying the Assessor of that fact immediately. Section 531.6 of the Revenue and Taxation Code provides for a **penalty of 25 percent of the escape assessment added for failure to notify the Assessor of the county where the property is located in a timely manner when property is no longer eligible for the exemption**. As a reminder, your tax bill, or copy, mailed by November 1 each year should be accompanied by a notice concerning ineligibility for the exemption.

Once granted, the exemption remains in effect until terminated. Once terminated, a new claim form must be obtained from and filed with the Assessor to regain eligibility.

TIME FOR FILING

Alternative 1: The full exemption is available if the filing is made by 5 p.m. on February 15. If a claim is filed between February 16 and 5 p.m. on December 10, 80 percent of the exemption is available.

Alternative 2: The full exemption (up to the amount of the supplemental assessment), if any, is available providing the full exemption has not already been applied to the property on the regular roll or on a prior supplemental assessment for the same year. To be applied, the filing must be made by 5 p.m. on the 30th day following the Notice of Supplemental Assessment issued as a result of a change in ownership or completed new construction. If a claim is filed after the 30th day following the date of the Notice of Supplemental Assessment, but on or before the date on which the first installment of taxes on the supplemental tax bill becomes delinquent, 80 percent of the exemption available may be allowed. Thereafter, no exemption is available on the supplemental assessment.

INSTRUCTIONS

If your name is printed on the form and you have sold the property, please send the form **at once** to the new owner. If someone else's name is printed on the form and you are now an owner of the property, or a purchaser under contract of sale, strike out the printed name and insert your own name, or add your name if you and the one whose name is printed are co-owners. Change the printed address if it is incorrect. If there are no entries printed on the form when you receive it, enter your full name and mailing address, including your zip code.

ADDRESS OF THE DWELLING. If the parcel number or the legal description of the property and the address of the dwelling are printed on the form, check to see that they are printed correctly and correct them if they are not. These entries identify the dwelling on which you claim the exemption.

If the dwelling has no street address, so state. **Do not enter a post office box number for the address of the dwelling.**

TELEPHONE NUMBER. Enter the telephone number where you can be reached during the day.

SOCIAL SECURITY NUMBERS. Enter social security numbers as directed. If you or your spouse do not have a social security number write "none" in the space provided. If you or your spouse do not have a social security number but you have a Medicare or Medi-Cal number, enter that number.

The disclosure of social security numbers is mandatory as required by Revenue and Taxation Code section 218.5 and Title 18, California Code of Regulations, section 135. (See Title 42 United State Code, section 405(c)(2)(C)(i), which authorizes the use of social security numbers for identification purposes in the administration of any tax.) The numbers are used by the Assessor to verify the eligibility of persons claiming the exemption and by the state to prevent multiple claims in different counties and to verify the eligibility of persons claiming income tax renter's credits. The numbers are also used by the State Department of Child Support Services for locating absent parents and locating property which is owned by persons who are delinquent in their support payments; and by the State Department of Social Services to identify persons who own homes that have not been reported, if required, to the County Welfare Department. If you do not enter your social security number as directed, it may result in a delay in processing your claim or disallowance of the exemption. As noted on the claim form, social security numbers are not subject to public inspection.

STATEMENTS. Please answer the applicable questions. The Assessor will allow the proper exemption(s).

CERTIFICATION. A guardian, executor, or other legal representative may sign on behalf of an incompetent or deceased owner by inserting his or her name and capacity on the signature line and the date of death if the owner is deceased.

Recording Requested By:

When recorded mail document to:

NAME

ADDRESS

CITY
STATE & ZIP

Above Space for Recorder's Use Only

HOMESTEAD DECLARATION

I, _____ do hereby certify and declare as follows:

1. I hereby claim as a declared homestead the premises located in the City of _____, County of Los Angeles, State of California, commonly known as _____ and more particularly described as follows

2. I am the declared homestead owner of the above-declared homestead.

3. I own the following interest in the above declared homestead:

The above declared homestead is my principal dwelling and I am currently residing on that declared homestead.

The facts as stated in this declaration of homestead are known to be true as of my own personal knowledge.

Dated _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA}
COUNTY OF _____ } **SS**

On _____ before me, _____ a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. (SEAL)

WITNESS my hand and official seal.

SIGNATURE _____ (SEAL)