STATE OF CALIFORNIA

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June 12, 1979

No. 79/101

TO COUNTY ASSESSORS:

HOMEOWNERS' EXEMPTION, PROPERTY IN ESCROW

In questions G3 and G4 of our guidelines dated April 9, 1975, letter number 75/61, we made reference to property in escrow. Basically, we advised that property in escrow on the lien date, 12:01 a.m. March 1, should not be allowed the homeowners' property tax exemption unless:

1. The loan commitment has been made by a lender prior to 12:01 a.m. March 1.
2. All conditions of the escrow have been fulfilled by 12:01 a.m. March 1.

Our surveys have shown that there are many problems in dealing with property in escrow on the lien date. One recent survey showed that there were over 30 exemptions that were allowed where the property was in escrow on March 1. In three cases the property never was recorded in the name of the March 1 occupant; sixteen properties were recorded in late March, six properties were recorded in April, and three properties were recorded in May. Only a few of the properties recorded in the first few days of March met the guidelines and were found to be acceptable.

Enclosed is a copy of a letter that we wrote to David and Alpharetta, the purchasers of property sold by Elwood and Helen. Elwood and Helen moved to another county and were purchasers there. As you will read (1) the date of the completion of escrow is as critical as (2) the date of occupancy.

We suggest that you demand the exact date and time when taxpayers move around the lien date. Remember, a move often involves:

1. One or more counties.
2. The homeowners' exemption and the renters' credit.
3. Up to four families; the seller and where he moved to, the buyer and where he moved from.

We hope this clarifies the guidelines. If you have questions, please contact William L. Grommet at the address shown.

Sincerely,

Verne Walton

Verne Walton, Chief
Assessment Standards Division

VW:jg
Enclosure