

Assessment / Information

for the Santa Clara County
Property Owner

Includes current information on
Proposition 13 and Supplemental
Property Tax Provisions



Office of the Assessor, Santa Clara County
Lawrence E. Stone, Assessor

130 West Tasman Drive
San Jose, CA 95134
(408) 299-5500
www.sccassessor.org

What does the Assessor do?

The Santa Clara County Assessor is responsible for locating all taxable property in the County, identifying ownership, establishing a value for all property subject to local property taxation, listing the value of all property on the assessment roll, and applying all legal exemptions.

Contrary to popular belief, the Assessor does not compute property tax bills, collect property taxes, establish property tax laws, set rules by which property is appraised, or set property tax rates.

Santa Clara County contains close to 486,000 real property assessments. Based on deeds filed with the Clerk-Recorder's Office, there are over 75,000 changes in ownership of property in a typical year.

To keep track of the parcels of real property and their location, a staff of professional drafting technicians prepares and maintains a set of Assessor's parcel maps, consisting of over 200 map books.

To establish the value of a property, the Assessor reviews the purchase price, the sales of similar properties in the subject neighborhood, operating and repair costs, rents, and other factors that may affect property value.

Property Assessments and Proposition 13

Passed by the voters in June 1978, Proposition 13 (Prop. 13) is a Constitutional amendment that limits the taxation of property in California. It restricts both the tax rate and the rate of increase in the valuation of real property as follows:

- The maximum amount of property tax cannot exceed 1% of a property's taxable value, plus bonds approved by the voters, service fees, improvement bonds, and special assessments.
- A property's original base year value is its market value at time of acquisition. A new base year value is set by reassessment whenever there is a change in ownership or new construction. Except for changes in ownership or new construction, the base year value increase is limited to 2% per year (or less if the California Consumer Price Index (CCPI) is below 2%).
- Personal property, boats, aircraft and certain restricted properties are subject to annual reassessment of value.

Change in Ownership Reassessments

When a transfer occurs, the Assessor determines if a reassessment is required under State law. If required, an appraisal is made to determine the new base year value of the property. The sales price, if known, is a strong indicator, but not the sole factor, in setting the value. The property owner is then notified of the new assessment and has the right to appeal both the value and the reassessment decision. The reassessment of property acquired by inheritance from an estate or living trust occurs as of the date of the death of the former owner, not on the date of distribution to the beneficiary. An assessment will be made in the name of the estate even if the property is sold rather than distributed to the heirs.

Preliminary Change in Ownership Report

State law requires the transferee to file a Preliminary Change in Ownership Report (PCOR) with the County Recorder when recording certain documents. Failure to file this form will result in an additional recording fee. Information furnished on this form is needed to assist the Assessor in fulfilling certain legal responsibilities. It is not a public document.

Exclusions from Reassessment

Some changes in ownership can be excluded entirely or in part from reassessment, if a timely claim is filed with the Assessor's Office and the transfer meets the requirements of state law. Residency restrictions, time limits, and value limits may apply. Claim forms are available online at www.sccassessor.org. Some common exclusions include:

1. The transfer of property between parents and children.
2. Replacement of a principal residence by a disabled person.
3. Senior citizens over age 55 who replace their principal residence in any County in California.

New Construction Reassessment

The assessed value of property includes the land and any improvements made to the land, such as buildings or other developments. Copies of all building permits are forwarded to

the Assessor by each city and the County to identify property that may require reassessment. In estimating new construction, only the value of the added improvement is considered. For example, if an addition changes the size of the structure (improvement), such as increasing from 1,200 square feet to 1,400 square feet, only the market value of the additional 200 square feet is added to the assessed value. The factored base year value of the land and existing structure(s) remain unchanged. Maintenance work typically does not create a reassessable event. Certain types of new construction, and modifications for the residence of a disabled person, may be excluded from reassessment. Examples include adding fire sprinklers, retrofitting unreinforced masonry buildings, and making disaster repairs.

When notified of the value of new construction, the property owner may request an informal review, or file an appeal, for either the value or the reassessment decision.

Business Personal Property

All business and personal property is assessed annually at market value as of the January 1 Lien Date. Examples include computers, machinery, equipment, fixtures, and furniture. All business owners must file a property statement each year detailing costs of all property at each location. Business inventory is exempt from taxation.

Supplemental Assessment

Whenever there is a reassessment due to a change in ownership or the completion of new construction, a Supplemental Assessment is issued. The supplemental tax bill will be based on the difference between the prior value and the new reassessment. This value is prorated for the number of months remaining in the fiscal year ending June 30. The supplemental tax bill is separate, and in addition to, the regular tax bill. Usually, it is not prorated in escrow during purchase, nor is it paid by the lender through an impound account.

Prior to the issuance of the supplemental tax bill, a notice of supplemental assessment will be mailed to the owner at the address of record. The owner has the right to file an application appealing the value or the reassessment decision within 60 days of the date of the notice.

Boats and Aircraft

Boats and aircraft are taxable and subject to annual appraisal. Their value is determined by reviewing the purchase price and the sales of comparable boats and aircraft. Information on their location and ownership is obtained from the Department of Motor Vehicles, the U.S. Coast Guard, Federal Aeronautics Administration, and onsite inspections.

Manufactured Homes

All new manufactured homes purchased after June 30, 1980, and those on permanent foundations, are subject to property taxes. As with real property, the assessed value of manufactured homes is subject to the limitations of Proposition 13 (Prop. 13). Unless voluntarily converted to local tax assessment, manufactured homes bought before June 30, 1980, are generally not subject to property taxes. Instead, license fees paid through the State Department of Housing and Community Development (1-800-952-8356) are required.

Notification of Assessed Value

Notification of Assessed Value cards are mailed to property owners annually in late June stating the taxable value of the property. Notices are mailed to the property owner's address as shown in the Assessor's records. If you disagree with the Assessor's valuation of your property, you may present to the Assessor's Office before August 1, any pertinent information which you consider important to determine the market value of your property. If the Assessor agrees that a reduction is appropriate, the value can be corrected. After August 1, or if the Assessor does not agree to a reduction, you must file a "formal" appeal with the Clerk of the Board to request relief.

Decline in Value (Proposition 8)

If the market value of a property on the lien date (January 1 each year) declines below the factored base year value, the Assessor is required to reduce the assessed value temporarily to reflect the lower fair market value of property. As the market recovers, the assessed value of a property will increase based on market conditions. The value enrolled will follow the market growth rate,

which is not restricted by Prop. 13, until the market value exceeds the factored base year value, at which time the factored base year is restored. The property's factored base year value continues to be increased at the Prop. 13 maximum of two percent per year.



For more information on Proposition 8 (decline in value), scan the QR code to the right, or go to www.sccassessor.org/prop8.

Assessment Appeal Application

If a property owner disagrees with the value on the annual Notification of Assessed Value, they can call the Assessor for an informal review or file an Assessment Appeal. An informal review can be requested between July 1 and August 1, while the annual filing period for assessment appeals is between July 2 and September 15 with the Clerk of the Board. For a supplemental assessment, escape assessment, or roll correction, the application must be filed within 60 days of the date of the notice. Note that filing an assessment appeal does not relieve an owner of the responsibility for paying any outstanding tax bill. If the bill is not paid on time, penalties and interest charges may apply. If after paying the bill the Appeals Board lowers the value, the taxpayer will be refunded any excess taxes paid.

Effect of an Appeal on Your Tax Bill

If the Assessment Appeals Board orders a decline in current value below the property's factored base year value (its upper limit), the reduction in value, and corresponding reduction in taxes, applies only to the tax bill for the year in which the application was filed. The Board's value does not affect the property's value or taxes in subsequent years.

- If the Board orders a change in the factored base year value as set by the Assessor for new construction or change in ownership, the reduction in value applies to the tax bill(s) for the year the application was filed, and it establishes the base year value for future years. It applies to supplemental or corrected tax bills only if the application was filed within 60 days of the notice of supplemental assessment or notice of roll correction.
- A review of the decision to reassess a property can be heard by the Assessment Appeals Board Hearing Officer.

Important Dates for Property Owners

- January 1** The lien date for the assessment of property on the assessment roll is 12:01 AM, on January 1 of each year.
- February 15** Legal deadline to file claims timely for all exemptions including but not limited to, Homeowners', Disabled Veteran, Cemetery, Church, College, and Welfare Exemptions.
- April 1** Deadline to file Business & Personal Property Statements.
- April 10** Last day to pay second installment of secured property taxes without penalty.
- July 1** Assessment Roll delivered to the County Controller-Treasurer.
- July 2–September 15** Assessment Appeal application filing period with the Clerk of the Board.
- August 31** Last day to pay unsecured taxes without penalty.
- December 10** Last day to pay first installment of secured property taxes without penalty and deadline to file a late application for Homeowners' and Veterans Exemption.

Allocation of Property Tax Revenue

Property tax is raised and spent locally and is often the largest single revenue source for municipalities and school districts. Counties, cities, towns, school districts, and special districts use property taxes to fund schools, police and fire protection, road maintenance, and many other services.

The general levy of 1% is distributed by the Controller-Treasurer pursuant to the Revenue and Taxation Code. For detailed information about property tax collection and distribution, visit the County of Santa Clara Property Tax Story page by scanning the QR Code to the right.



How to Calculate your Taxes

The maximum property tax cannot exceed 1% of a property's assessed value, plus bonded indebtedness approved by the voters, fees, improvement bonds, and special assessments.

Items Collected on the Tax Bill

A tax bill may include other special assessments that are not property taxes but are assessments collected by the County Tax Collector acting for the public agency that imposed them. These include improvement bonds, Mello-Roos bonds, service fees, liens, and direct assessments. Each special assessment is listed by agency and dollar amount. Questions about these charges should be directed to the appropriate agency.

Property Tax on the Value of Property

Santa Clara County is divided into more than 800 tax rate areas, each having a unique combination of taxing agencies and special assessments. A typical Tax Rate Area has tax rates per \$100 of assessed value that include a base rate of 1% of value = \$1.00, county bonds = \$0.0388, school bonds = \$0.100, water bonds = \$0.010, total = \$1.1488.

The tax bill calculation for a home with an assessed value of \$1,000,000 located in the typical tax rate area would be as follows:

Assessed Value Tax	Rate per \$100 Tax	Tax
\$1,000,000	1.1488	\$11,488.00
Less Homeowners Exemption		
\$7,000	1.1488	(\$80.42)
Total Property tax		\$11,407.58

Don't pay for services provided FREE by the Assessor

- Requests for assessment reductions (Proposition 8)
- Applications for a Homeowners' Exemption

Contact the Assessor's Office before signing a contract or sending money to a provider for these services.

Property Tax Exemptions

Property owners who own and occupy a dwelling as their principal place of residence on the January 1 Lien Date are eligible to apply for the Homeowners' Exemption of up to \$7,000 of the assessed value, saving approximately \$70-\$80 annually.

Once the exemption is granted, it will remain in effect until the homeowner is no longer eligible; i.e., the residence is no longer owned or occupied as the principal place of residence.

Recording a deed, such as transferring the property into or out of trust, or changing names, will automatically terminate the exemption for the upcoming fiscal year. Exemption claim forms are mailed to homeowners who have recorded a change in ownership during the last 12 months. If you have not received a claim form by January 15, and believe you are eligible for the Homeowners' Exemption, call the Assessor's Office (299-6460) to request the claim form.

State law also provides for Disabled Veterans Exemption. Totally disabled veterans rated 100% service connected may receive a reduction on the assessed value of their home. Unmarried surviving spouses of 100% service-connected disabled veterans and unmarried surviving spouses of persons who died while on active duty, rated as service connected, may also qualify for this exemption.

Terms You Should Know

Factored Base Year Value: A property's base year value will be adjusted each year by the change in the California Consumer Price Index (CCPI), but not by more than 2%. The factored base year value is the upper limit of taxable value each year.

Base Year Value: The assessment year 1975-76 serves as the original base year. Thereafter, any assessment year in which real property, or a portion thereof, is purchased, is newly constructed, or changes ownership, will become the base year used in determining the full cash value for such real property, or the portion thereof.

New Base Year Value: Full cash value of property on the date it changes ownership, or new construction on the date it is completed.

Improvements: The value of buildings or structures existing on the land whether new or old. Improvements may also include certain commercial and industrial fixtures and some commercial farm plants and vines.

Newly Constructed: The construction of new buildings, additions to existing buildings, or alterations that convert the property to another use or extend the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property.

Personal Property: Any property owned other than real estate including aircraft, boats, and business property, such as computers, supplies, furniture, machinery, or equipment. Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.

Secured Property: Property on which the property taxes are a lien against real estate.

Special Assessments: Direct charges against property which are included in the total tax bill but which are not based upon the Assessor's valuation of the property. Examples include a sewer service charge, a school parcel tax, or a library benefit assessment.

Tax Rate: The maximum ad valorem (on the value) property tax rate is 1% of the net assessed value of property. In addition, the rate will include an amount necessary to make the annual payment of principle and interest on general obligation bonds or other indebtedness approved by the voters. This tax rate is divided among the County, cities, schools, and special districts.

Unsecured Property: Property on which the property taxes are not a lien against the real estate where they are situated, including personal property or improvements located on leased land.

Santa Clara County Office of the Assessor Contact Info.

General Questions/Public Service • (408) 299-5500

Real Property (land and improvements)

(408) 299-5300 • rp@asr.sccgov.org

Request a Reduction (Prop. 8)

(408) 299-5300 • rp@asr.sccgov.org

www.sccassessor.org/prop8

Personal Property, including Businesses, Manufactured Homes, Boats and Aircraft

(408) 299-5400 • busdiv@asr.sccgov.org

Property Tax Exemptions

(408) 299-6460 • exemptions@asr.sccgov.org

Change in Ownership

(408) 299-5540 • propertytransfer@asr.sccgov.org

Mapping • (408) 299-5550 • mapping@asr.sccgov.org

Administration • (408) 299-5588

Questions? Go to www.sccassessor.org to get answers.

Need translation? The Assessor's Office has employees who speak Vietnamese, Spanish and Chinese. Call us at (408) 299-5500.

Cần giúp thông dịch? Văn phòng Giám Định Nhà Đất có nhân viên nói được tiếng Việt. Vui lòng gọi cho chúng tôi ở số (408) 299-5500.

¿No habla inglés? En la oficina del Tasador hay empleados que hablan español. Llámenos al (408) 299-5500.

需要翻譯? 估值官辦公室裡有說中文的工作人員。請致電 (408) 299-5500.



Office of the Assessor, Santa Clara County
Lawrence E. Stone, Assessor

130 West Tasman Drive
San Jose, CA 95134
(408) 299-5500
www.sccassessor.org