

SUPPLEMENTAL PROPERTY TAX INFORMATION

On July 1, 1983, California State law was changed to require the reassessment of property as of the first day of the month following an ownership change or the completion of new construction. In most cases, this reassessment results in one or more supplemental tax bills being sent to the property owner, in addition to the annual property tax bill. This information, prepared at the direction of the Treasurer-Tax Collector, focuses on the supplemental tax bills generated by the reassessment of property values.

HOW WERE CHANGES IN PROPERTY VALUE, DUE TO SALE OF PROPERTY OR NEW CONSTRUCTION, TAXED IN THE PAST?

The fiscal year is July 1 through June 30. Prior to July, 1983, the Assessor reassessed property each January 1 for taxes due the following fiscal year. Any change in property value resulting from a change in ownership or the completion of new construction that took place after January 1 was not reevaluated and taxed until the following year.

WHAT IS MEANT BY NEW CONSTRUCTION OR CHANGE OF OWNERSHIP?

Typically, new construction is any substantial addition to real property, such as original construction, adding a new room, pool, or garage; or any substantial alteration that restores a building, room, or other improvements to the equivalent of new.

Most changes in ownership caused by the sale of property result in reassessment. However, inter-spousal transfers; the transfer, sale, or inheritance of property between parents and their children and the addition of joint tenants do not result in the reappraisal of property values. Parent/child transfers require exemption fillings within a limited period.

Homeowners over the age of 55 years who sell their principal residence and purchase a replacement dwelling within two years that is of equal or lesser market value and is located in the same County, are eligible to transfer the pre-sale assessed value of their original property to the replacement dwelling. Pre-sale assessed values may be transferred to counties where local ordinance permits. All

counties within the State of California do not accept such transfers. Trinity County does not.

Information or claim forms regarding assessment issues should be referred to the Assessor's Office (530) 623-1257.

WHAT HAPPENS WHEN THE ASSESSOR REASSESSES MY PROPERTY?

The Assessor first determines the new value of the property based on current market values. The Assessor then calculates the difference between the new value, set at the time of purchase or completion of new construction, and the old value (set on January 1 of the previous year). This results in the supplemental assessment value. Once the new assessed value of your property has been determined, the Assessor will send you a notification of the amount.

Example:

New value at date of purchase or completion of new construction	\$320,000
Assessed value for current fiscal year	<u>- 300,000</u>
Supplemental assessment value will be	<u>\$ 20,000</u>

This reassessment usually results in an increase in property value, in which case your supplemental taxes will be calculated based on the change in value and one or more supplemental tax bills will be created and mailed to you by the Treasurer-Tax Collector. In some instances the reassessment results in a reduction in value, in which case a refund will be mailed by the Auditor-Controller's Office. A reduction in value will not reduce the amount due on the annual tax bill. The annual tax bill must be paid in the amount originally billed.

DO I HAVE THE SAME RIGHT TO APPEAL THE ASSESSOR'S SUPPLEMENTAL ASSESSED VALUE AS I DO THE ANNUAL ASSESSED VALUE?

Yes. You may take the matter up with the Assessor to see if that office will change the valuation. The Board of Supervisors has established an Assessment

Appeals Board for the purpose of resolving valuation problems. Application for appeal must be filled within sixty days of the date of notice.

If you choose to appeal your assessment, you should still pay your tax installments in full by the appropriate deadlines; otherwise, you may incur penalties while the case is in appeals. If your appeal is granted, a refund will be made by the Auditor-Controller's Office.

IF I RECEIVE A SUPPLEMENTAL TAX BILL, WILL I ALSO RECEIVE AN ANNUAL TAX BILL IN NOVEMBER EACH YEAR?

YES. The supplemental tax bill is in addition to the annual tax bill and both must be paid as specified on the bill. For information on the annual tax bill, see information on Secured Property Taxes.

IF I PAY MY PROPERTY TAXES THROUGH AN IMPOUND ACCOUNT WILL MY SUPPLEMENTAL TAX BILL BE SENT TO MY LENDER?

NO. Unlike the annual tax bill, lending agencies do not receive a copy of the supplemental tax bill. When you receive a supplemental tax bill, you must contact your lender to determine who will pay the bill, you or your lender.

WHAT IF I PURCHASE A PIECE OF PROPERTY AND THEN SELL IT AGAIN AFTER A FEW MONTHS?

If you purchase and then sell property within a short period of time, the supplemental tax bill you receive should cover only those months during which you owned the property and the new owner should receive a separate supplemental tax bill. Because of the number of properties changing hands each year, there may be delays in placing new assessments on the tax roll. Be sure to check the dates used to prorate the bill to ensure the period covered is the period during which you actually owned the property.

WHEN I PURCHASE PROPERTY OR COMPLETE CONSTRUCTION AT SOME POINT DURING THE FISCAL YEAR, WILL I BE TAXED ON THE SUPPLEMENTAL VALUE FOR THE ENTIRE FISCAL YEAR?

No. You are only taxed on the supplemental value for the portion of the current fiscal year remaining after you purchased the property or completed new construction, however, if the event was prior to January 1, you will receive an additional supplemental tax bill for the next fiscal year.

WHEN ARE SUPPLEMENTAL TAX PAYMENTS DUE?

The date on which supplemental tax bills become delinquent varies depending upon when they are mailed. If the bill is mailed between July 1 and October 30, the taxes become delinquent at 5 p.m. on December 10 for the first installment and 5 P.M. on April 10 for the second installment. This is the same delinquency schedule as the annual/secured tax bills.

If the bill is mailed between November 1 and June 30, the delinquency dates, which are shown on the tax bill, are determined as follows: the first installment is delinquent at 5 p.m. on the last day of the month following the month the bill was mailed; the second installment is delinquent at 5 p.m. on the last day of the fourth month after the first installment delinquency date.

Penalties of 10% are added to any installment not paid timely and an additional \$10.00 charge is added to a late second installment payment.

IF PAYMENT OF THE SUPPLEMENTAL TAX BILL IS NOT MADE BEFORE THE DELINQUENCY DATE BECAUSE OF MISUNDERSTANDING BETWEEN MY LENDER AND MYSELF, MAY I HAVE THE PENALTIES EXCUSED?

No. Pursuant to Revenue and Taxation Code 2610.5, failure to receive a tax bill does not excuse penalties.

WHAT HAPPENS IF I FAIL TO PAY MY SUPPLEMENTAL TAX BILL?

The same laws apply as for unpaid annual tax bills. If your supplemental tax bill is not paid by the June 30 after which the second installment became delinquent, the property becomes tax defaulted. This is the case even if you have paid your annual tax bill. At the end of the fifth year of delinquency the property becomes subject to the Treasurer-Tax Collector's power of sale as outlined in information regarding delinquent taxes.

AM I ENTITLED TO A HOMEOWNER'S EXEMPTION ON MY SUPPLEMENTAL TAX BILL?

You may very well be eligible for a homeowner's exemption on your supplemental tax bill. Exemptions, however, are not granted automatically; you must apply to the Assessor before the 30th day following the Assessor's date of the notice of your supplemental assessment. As long as the home you purchased did not reflect the homeowner's exemption on the current year's assessment, and as long as you occupy the home as your principal residence within 90 days of the purchase date, you will be allowed the full \$7,000.00 amount on your supplemental assessment. If your newly acquired home did reflect the full homeowner's exemption on the secured tax roll, you are not eligible to receive the exemption on your supplemental assessment.

ARE OTHER EXEMPTIONS AND ASSISTANCE PROGRAMS AVAILABLE THAT WILL HELP DEFRAY THE AMOUNT OF SUPPLEMENTAL TAXES DUE?

Yes. Supplemental taxes are eligible for the same property tax exemptions and assistance programs as your annual taxes. In addition to the homeowner's exemption, you may apply for other assessment exemptions such as veteran's, church and welfare. You must file for all exemptions before the 30th day following the date of the Assessor's supplemental assessment notice. For further information contact the Assessor's Office at (530) 623-1257.