

## **PROPERTY OWNER TIPS**

### **WHAT IS MY PROPERTY WORTH?**

The Assessor's office receives calls from property owners asking about the value of their property. The questions fall into several categories. What was this property worth at a point in the past when my spouse or parent bought or inherited the property or when they died? This value is usually needed to calculate the basis of property for estate planning or for capital gains calculation. What is this property worth today if I were going to sell it or for estate planning purposes? What are the improvements on the property worth in terms of fire or earthquake insurance coverage?

Each of these questions can be answered but, with one exception, not by this office. Under Proposition 13 the Assessor values property only when there is a change of ownership, new construction or if there has been a decline in value because of a calamity or a downward trend in the real estate market. The one question that we will try to answer is what the property tax consequences might be of adding on to the property. We first explain that only the value of the addition will be added to the factored base year value of the property. The entire property is not reappraised. One method we use to arrive at a value contributed by the new improvement is from market-derived data, i.e. a house with a pool will sell for more than a house without a pool and a developed land will sell for more than bare land. We also use the estimated cost of the additional improvements as another indicator of value. If the owner can tell us about the size and quality of the addition, we can give an estimated range of values of what the cost figures would indicate as the new value. We often inspect the finished project and review market data before arriving at a final value for the new improvement. We notify the property owner of the final value and offer an opportunity to discuss any questions about that value.

For the other questions, we try to guide the owner to the correct answer. For historic values of property, our records from that time show a possible value, but that value, if it was pre-1975 and Proposition 13, might not be current for the exact date. Another source we suggest is newspaper real estate advertisements around that date which can be found at the library. The owner should look for a comparable property to see the asking price. For income tax and estate planning purposes the owner should contact a certified, private appraiser, also known as a fee appraiser, to prepare a thorough appraisal of the property. A list of fee appraisers can be obtained from an attorney, accountant, real estate professional or found under the heading Real Estate Appraisers in the telephone directory or on the Internet. For an estimated current market value of property to arrive at an asking price for a possible sale, we suggest that the owner request a listing analysis by one or more real estate professionals. For insurance coverage, we direct property owners to their insurance agent because insurance companies use special tables to arrive at replacement values of improvements.

### **PROPERTY TAXES**

After the deed is recorded, the Assessor processes the transfer by assessing the property at fair market value (usually the purchase price). You will receive a Notice of Supplemental Assessment and approximately thirty-five (35) days later you will receive a supplemental bill. Frequently all of your taxes will be paid in escrow. The title company

will prorate the taxes owed from the time of your closing, please examine your title papers carefully as to the responsible party paying all taxes due.

The tax amount (according to Prop. 13) is 1% of assessed value. Many properties will also be subject to special levies fees and bonds. You will need to make reference to your specific parcel to find out what levies fees and bonds must be paid.

**If I pay my property taxes through an impound account i.e., with my mortgage payment), will my lender get my supplemental bill?**

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.

**What if I purchase my home and then sell it again after a few months?**

If you purchase and then sell your property within a short period of time, the supplemental tax bill you receive should cover only those months during which you own the property. The new owner will receive a separate supplemental tax bill. Because of the large number of parcels and the frequency of property changing hands, there are often delays in placing new assessments on the roll. Be sure to check the dates used to prorate the bill to ensure that the period covered is the period during which you actually owned the property. Don't try to calculate the tax on your own. If you send an estimated amount, the Tax Collector will be forced to return your payment.

**As a new homeowner, what should I look for on my tax bill?**

The supplemental tax bill provides the following information”

- The owner(s) name(s).
- The fiscal year for which the taxes are assessed.
- The location of the property.
- The old and the new assessed value and the difference (net supplemental assessment) upon which the tax is computed.
- The type and amount of any exemption (e.g. homeowner's).
- The total amount of taxes due based upon the net increase in value.
- The first day of the month following ownership change. This date is used to prorate the tax for the period remaining in the current fiscal year for which the bill was issued.

The bill may be paid in two installments and provides payment stubs for each installment. These show the amount due and the date that the amount must be paid to avoid penalties for late payment. You should check all of this information to see that it is correct. Any mistakes should be brought to the attention of the Assessor, Tax Collector, or Auditor offices immediately.

Should you have any further questions please contact the County Assessor at 636-4030