

What information appears on a supplemental tax bill?

The supplemental tax bill provides the following information:

- ◆ The owner (or new owner as of the date of ownership).
- ◆ 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 exemptions (e.g., homeowner's).
- ◆ The total of taxes due based on the net increase in value.
- ◆ The date of the ownership change or completion of new construction. This date is used to prorate the tax for the period remaining in the current fiscal year for which the bill is issued.
- ◆ The amount due, the date due and the amount of the penalty if the payment is late.

What happens if I resell a property shortly after I purchase it?

If you purchase and then resell property within a short period of time and the Assessor has not already issued a supplemental assessment for the date you first acquired the property, any supplemental tax bills will be prorated between you and the new owner. In that particular case, you should receive a supplemental tax bill that reflects only the actual time period which you owned the property. The new owner should receive a separate supplemental tax bill that reflects their period of ownership from the date they acquired the property from you until the end of the fiscal year. However, if a supplemental assessment for the transfer in which you first acquired the property is issued before the Assessor is aware of a subsequent sale of the property; the county cannot prorate the bill between you and the new owner. Proration of any such supplemental bill becomes a private matter to be resolved between buyer and seller.

How are supplemental taxes computed?

Supplemental refunds or bills are calculated based on the number of months remaining in the current fiscal year after the month in which a property transfers or after the date new construction was completed. For example, if a supplemental event raises the annual tax by \$200 and there were six months left in the current fiscal year when the event occurred, the supplemental tax bill would be 50% of the \$200, which is \$100.

Because a change in the tax due to a supplemental event becomes effective on the first day of the month following the month in which the event took place, monthly proration factors are used to calculate the taxed owed. Taxes supplemental to the current roll are computed by first multiplying the Net supplemental Assessment by the tax rate, and then multiplying that amount by a monthly proration factor. The proration factors are:

<u>Tax effective</u>	<u>Factor</u>	<u>Tax effective</u>	<u>Factor</u>
January 1	.50	July 1	1.00*
February 1	.42	August 1	.92
March 1	.33	September 1	.83
April 1	.25	October 1	.75
May 1	.17	November 1	.67
June 1	.08	December 1	.58

*A Supplemental event that occurs in June rolls over to July 1, the first day of the new fiscal year. As a result, there is no supplemental assessment to the current roll: however, there is a supplemental assessment to the new main roll (the annual tax roll created on the January 1 Lien Date), that covers the full 12 months of the coming fiscal year, therefore, single supplemental bill or refund is issued.

Why would an owner receive more than one supplemental tax bill?

In some cases a taxpayer might receive two supplemental tax bills, depending on the date the reassessment occurred. If a supplemental event occurs on or between June 1 and December 31, there will be only one supplemental bill (or refund). That bill is for the current fiscal year during which the supplemental event took place. If a supplemental event occurs on or between January 1 and May 31, it will generate two bills (or refunds). The first bill is for the current fiscal year during which the supplemental event took place. The second bill is for the upcoming fiscal year. The second bill is generated because the main roll for the upcoming fiscal year, with its January 1 Lien Date, does not reflect the change in value generated by the January 1 through May 31 event. You can also receive multiple supplemental bills in situations where a series of supplemental events take place over time. For example, you complete a pool in March; this generates two supplemental bills. Then in April, a garage is added; that generates two more supplemental bills. In any given tax year, no matter how many supplemental bills you receive for that year (in addition to the main roll bill), the property tax portion of all those bills will not add up to more than it would have been if the full assessment had been reflected in the main roll bill to begin with.

When must supplemental tax bills be paid?

The date on which supplemental tax bills become delinquent depends on when they are mailed by the Tax Collector. As outlined below, if the bill is mailed between July 1 and October 30, the taxes become delinquent at 5:00 P.M. on December 10 for the first installment, and 5:00 P.M. on April 10 for the second installment (the same schedule as for annual tax bill). Bill mailed between July 1 and October 30 1st installment delinquent after - December 10 2nd installment delinquent after - April 10 If the bill is mailed between November 1 and June 30, the delinquency dates – which are printed on the bill – are determined as follows: The first installment is delinquent at 5:00 P.M. on the last day of the month following the month the bill was mailed; the second installment is delinquent at 5:00 P.M. on the last day of the fourth month after the first installment delinquency date (see below). Bill mailed between November 1 and June 30 1st installment delinquent Last day of the month following the month bill was mailed 2nd installment delinquent Last day of the 4th month after the 1st installment became delinquent.

Can I make a partial payment?

No. The full amount of each installment must be paid in full. If not, the partial payment will be returned to you. Or, the payment may be placed in the Tax Collector's Trust account; in which case you will be notified of the additional amount required to pay the installment in full. If you fail to respond by the deadline contained in that notice, penalties and fees may be added to the bill.

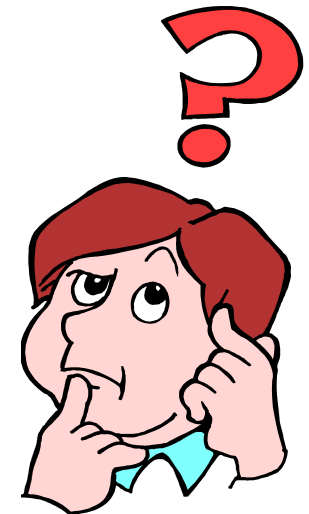


**Contact the Tax Collector's Office
at 831-636-4034
For more information on paying tax bills.**

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Facts About Supplemental Assessments



Supplemental Assessments

Proposition 13 requires reassessment of real property upon change in ownership or new construction. Until 1983, reassessments were enrolled once each year on the Lien date (presently January 1). Any tax increase resulting from the reassessment used to be effective on the July 1 following the Lien Date. The increased amount would be part of the regular annual tax bill. On July 1, 1983, Senate Bill 813 amended the California Revenue & Taxation Code to create "Supplemental Assessments." This only applies to land, structures and improvements which have changed ownership or resulted from new construction. This is a one-time assessment which prorates the change in value of the property from the date of change-of-ownership or completion to the end of the fiscal year. Under this law, reassessments are effective the first day of the month following the date of change in ownership or completion of new construction. Supplemental assessments create tax bills which are 'in addition to' the normal annual property tax bill sent to each property owner. Depending on the date of a supplemental event, one, two or more supplemental tax bills will be created. Following is some more information to help explain supplemental assessments.

What is a supplemental tax bill?

In simple terms, a supplemental tax bill reflects any increase or decrease in property tax generated by a supplemental event, effective immediately after the event takes place. A supplemental assessment becomes effective on the first day of the month following the month in which a supplemental event takes place. For example, if a supplemental event occurs on September 5, any increase or decrease in taxes resulting from that event becomes effective October 1.

What is the "Supplemental Roll"?

The "Supplemental Roll" is the accumulation of supplemental assessments made by the Assessor. The property is first reassessed by staff of the Assessor's office. The reassessments are then sent to the County Auditor for enrollment. After that, they go to the Tax Collector for the creation and mailing of supplemental bills. Due to the large volume of reassessments, staffing considerations and other factors, the whole process may take several weeks to several months between the supplemental event, and the mailing of tax bills.

What happens when the Assessor reassesses my property?

Where new construction is completed, or property changes ownership, the Assessor determines the current fair market value of the portion of the property which was newly constructed or changed ownership. The Assessor then subtracts the property's prior assessed value from its new assessed value. The difference between the two (increase or decrease) is the new supplemental value which will be assessed and enrolled as a supplemental assessment. Once the new assessed value of your property has been determined, and the paperwork is completed, a "Notice of Supplemental Assessment" is mailed which shows the former roll value, the new assessed value, and the new supplemental assessed value. If the net supplemental assessment is a positive number, there will be an increase in tax and a supplemental tax bill will be generated. If the result is a negative number (that is the value has declined) a supplemental refund will be generated and you will receive a tax refund check. A supplemental reduction in value will not reduce, nor can it be used as a credit toward the amount still due on the existing regular annual tax bill. The amount of tax originally billed must be paid even though the assessed value of the property was reduced by the supplemental assessment.

Will I still receive annual tax bill in October or November?

Yes. The supplemental tax bill is sent in addition to the annual tax bill and both must be paid as specified on the bill.

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

No. Unlike the annual tax bill, lending agencies do not receive the original or a copy of the supplemental tax bill. Instead, supplemental bills are sent directly to the property owner. When you receive a supplemental tax bill, you should either pay the bill, or contact your lender to discuss who should pay the bill.



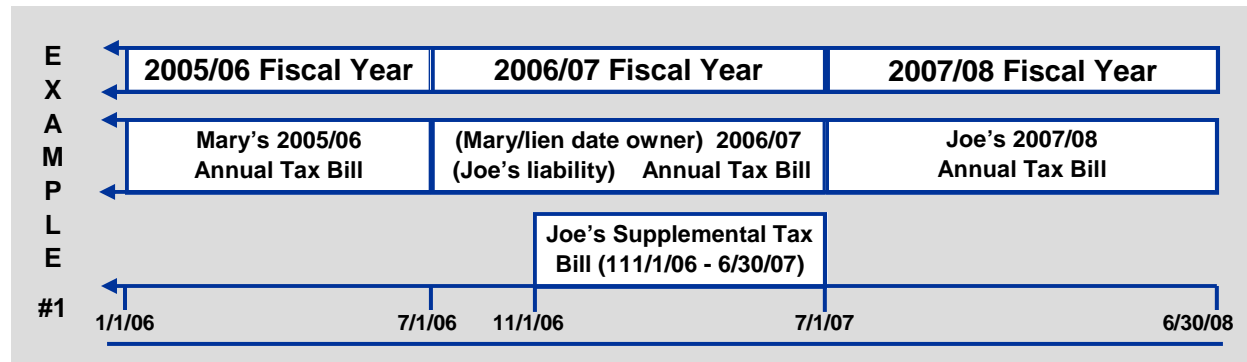
Examples of Supplemental Assessments

Example #1: Event occurring between June 1 and December 31.

Mary owns the property on January 1, 2006, (lien date for the 2006/07 fiscal year), and the property has an assessed value of \$350,000. Joe buys the property on October 5, 2006, and the new assessed value is \$490,000.

The annual tax bill for the 2006/07 year will be issued in Mary's name (as the lien date owner). It will be based on a value of \$350,000, however Joe will be responsible for the bill. (Note: Mary's portion of the annual tax bill normally will be prorated in escrow.)

Joe will be issued one *supplemental tax* bill. It will be based on a value of \$140,000 (\$490,000 less \$350,000). The bill will cover a portion of the 2006/07 fiscal year (from 10/5/06 through 6/30/07).



Example #2: Event occurring between January 1 and May 31.

Mary owns the property on January 1, 2006, (lien date for the 2006/07 fiscal year), and the property has an assessed value of \$350,000. Joe buys the property on March 29, 2006, and the new assessed value is \$490,000.

The annual tax bill for the 2006/07 year will be issued in Mary's name (as the lien date owner). It will be based on a value of \$350,000, however Joe will be responsible for the bill.

Joe will be issued two supplemental tax bills. The first will cover from 4/1/06 through 6/30/06 (a portion of the 2005/06 fiscal year). The second will be for the entire 2006/07 fiscal year. They will be based on a value of \$140,000 (\$490,000 less \$350,000). The values for the second bill may be slightly different due to the inflationary factor applied to the assessed value on lien date, on the regular (annual) roll..

