



# Roadmap to CALIFORNIA PROPERTY TAXES

**California's real estate lien date is January 1, and the assessment ratio is 100%.** Proposition 13 mandates that when there is a change in ownership or new construction, the assessor must reappraise the property at the current market value (base year value). Once this base year value has been established, the maximum increase to the value can only be 2% a year.

However, California's Proposition 8 also mandates that if the current market value declines below the base year value, the assessor must enroll the lower value. An appeal is often required to ensure this happens.

## *Personal Property*

**The personal property filing deadline is May 7,** and there are no extensions granted. Personal property audits typically run on four-year cycles. Key issues to look for are trade-level adjustments, double assessments, asset itemization, and construction in process (CIP). If there are changes in an assessment year, both personal and real property can be appealed.

## *Property Tax Appeals*

The local county assessors publish assessments from June through September. If a notice is issued prior to August 1, the appeal application period is July 2 through September 15. If a notice is issued on August 1 or later, the appeal deadline is November 30.

Currently, there are 11 counties where all notices are issued by August 1 and thus have the September 15 deadline: Alameda, Alpine, Inyo, Kings, Mono, Placer, San Francisco, San Luis Obispo, Santa Clara, Sierra, and Ventura. The remaining counties maintain the latter deadline of November 30. There

are filing fees per parcel for most counties, and San Francisco also charges hearing fees.

Your appeal rights are not jeopardized if your taxes are not paid timely. If taxes are delinquent, a successful appeal reduces the amount necessary to redeem. The penalty for late payment of taxes is 10%, plus an additional \$10.00 fee once the second installment becomes delinquent. After July 1, interest begins accruing at the rate of .75% per month or 9% per annum, plus there is a redemption fee of \$15.00 per parcel. After five years delinquent, the property is subject to the power of sale by the state.

## *Supplemental Assessments*

Supplemental assessments occur when either new construction or a change in ownership takes place. They are issued for the fiscal year of the event at the assessor's discretion and, therefore, can be sent at any time throughout the year, varying dramatically from county to county or even within a county. Once a supplemental value notice has been issued, there are only 60 days in which to file an assessment appeal.

Supplemental tax bills that are a result of supplemental assessments may be issued as early as 30 days after the assessment notice but have been known to take longer than 12 months to issue after the assessment notice. The bill is typically issued within 60 days of the issuance of the original notice. Due dates of each installment are indicated on the supplemental tax bill. Supplemental tax bills may be appealed only in Los Angeles County, Stanislaus County, and, if it acts as a notice, San Diego County.

## Escape Assessments

Escape assessments serve the same purpose as supplemental assessments except they are for years subsequent to the event date. Escape assessments are typically subject to a four-year period and, generally, cannot be issued outside of that period. The same rules that apply to supplemental assessments also apply to escape assessments.

## Annual Tax Bills

Secured annual tax bills are issued in October and are payable in two installments. **The first installment must be postmarked by December 10, and the second installment must be postmarked by April 10 of the following year.**

Unsecured annual tax bills are typically issued in June–July and due in whole by August 31. If issued August or later, the unsecured bill is due in whole within 30 days.

## Proposed Legislation

There are currently no major property tax legislative measures before the state legislative body. For court decisions to be binding in California, a decision must be made at the appellate level or higher.

## California Tax Calendar

### Real Estate

Assessment Date	Jan 1
Value Notices Issued	Jun - Aug
Appeal Deadline	Sep 15 or Nov 30
Secured Tax Bills Due	Dec 10 (First Installment) Apr 10 (Second Installment)
Unsecured Tax Bills Due	Aug 31 (or 60 days)

### Personal Property

Assessment Date	Jan 1
Tax Returns Due	May 7
Appeal Deadline	Sep 15 or Nov 30
Secured Tax Bills Due	Dec 10 (First Installment) Apr 10 (Second Installment)
Unsecured Tax Bills Due	Aug 31 (or 60 days)