



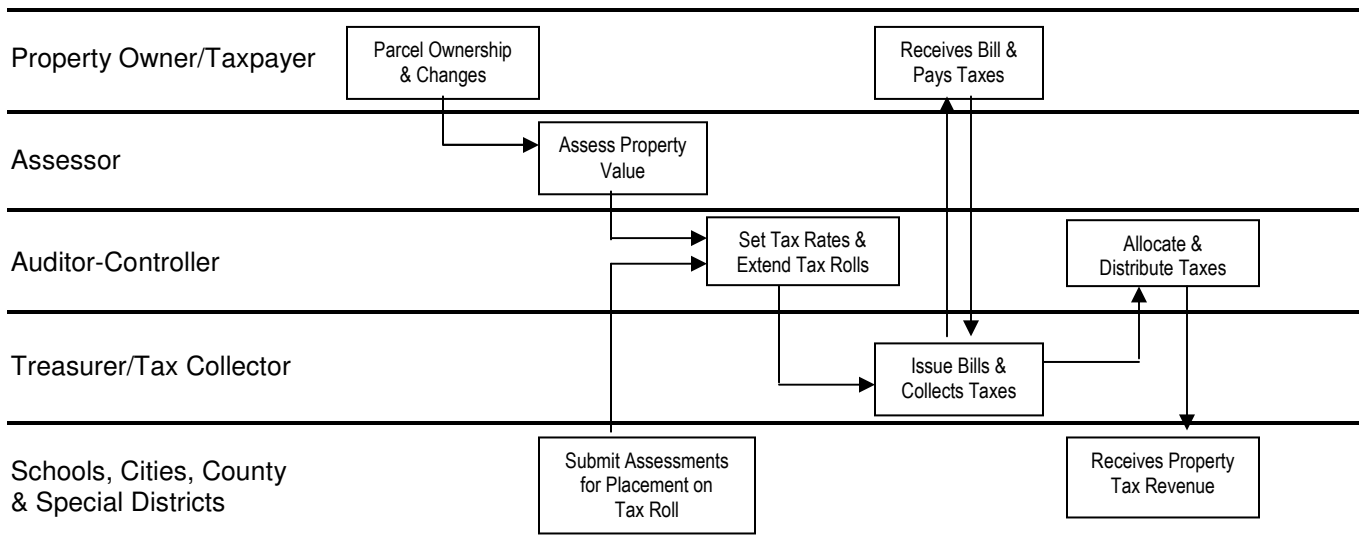
# Property Tax Information

County of Mendocino  
 Offices of Assessor, Tax Collector & Auditor

## Property Tax Process

This information is intended to provide an overview of the property tax process in Mendocino County. Included here is a broad description of the functions of various county departments from the generation of property taxes through the distribution to local government agencies.

### THE FOLLOWING DIAGRAM DEPICTS THE FLOW OF THE PROPERTY TAX PROCESS



Proposition 13 - approved by California voters in 1978 - is the law that governs most property taxes. Proposition 13 limits the property tax rate to 1% of assessed value, plus any local tax rate to fund voter-approved bonds such as school bonds or other municipal type bonds. It limits property tax increases to 2% per year by limiting assessed value increases to a maximum of 2% each year, except for properties that had a change in ownership or new construction. Changes in ownership are assessed at the new market value (usually the purchase price) and the value of any new construction is added to the existing base value of the property.

Since the passage of Proposition 13, special districts in California have found revenue from taxes to be more and more limited bringing about the advent of benefit assessments and special taxes on parcels within their district boundaries for the benefit of property owners in the districts. Most of those services in Mendocino County include fire, water, sewer, hospital, ambulance, and several types of abatement charges for weeds or abandoned vehicles. These charges are set by each individual district and are not based on value or subject to the tax rate but do become a lien on the property along with the property tax.

## Parcel Ownership & Changes by Taxpayer

The recorded property owner as of the lien date (January 1) each year is liable for property tax based on the value of the property. Changes in ownership recorded with the County Recorder are automatically transmitted to the Assessor for the purpose of maintaining ownership records as well as values. New construction information is received by the Assessor from building permits.

## Assessor Values Property

The responsibility of the County Assessor is to determine the taxable value of all properties. The assessed value for most property is the prior year's assessed value adjusted for inflation to a maximum of 2%. For those properties that had a change in ownership, the purchase price information is usually - but not always - the basis for the new assessed value. New construction is valued via information from the building permit and/or a field visit to the property.

The types of taxable property are real property and personal property. Real property includes land, and improvements such as buildings, structures, trees and vines. Real property is billed on the "Secured" tax roll. Personal property includes machinery, equipment, and office tools and is usually billed on the "Unsecured" tax roll.

In 1983 California law was changed to require a reappraisal of property at the time of the change in ownership or new construction and a subsequent billing for that portion of the tax year affected rather than enrolling the new value as of the next lien date. These assessments are referred to as supplemental assessments.

However, not all events that trigger a reappraisal result in an increase in value. Any supplemental assessment or refund is in addition to the regular secured assessment made as of the lien date. For example, a purchase of property at a lower value will result in a refund for the portion of the fiscal year affected while the secured bill for the same time period remains at the higher value. The new value on the secured roll is reflected the following tax year. The same is true for an increase in value.

In addition, there are "restricted" types of real property that are assessed under special formulas quite different from most properties. These include those under Agricultural Preserve contracts, Timber Preserve zoning, and some government owned properties. The Assessor also administers numerous exemptions and exclusions allowed by State law that affect the net assessed value of property relieving some taxpayers from paying higher taxes.

If you own a home and occupy it as your principal place of residence as of 12:01 am on January 1, you may apply for a "Homeowner's Exemption" of up to \$7,000 off your assessment value. New property owners will automatically receive an exemption application in the mail. Homeowners' Exemptions may also be claimed on a supplemental assessment if the property was not receiving a Homeowners' Exemption on the prior regular assessment roll.

Properties used exclusively for a church, college, cemetery, museum, school, library or owned and used exclusively by a non-profit religious, charitable, scientific, or hospital corporation may also be eligible for exemption.

Veterans may also qualify for one of two Veteran's Exemptions. In order to be eligible for a Veterans' Exemption, a single veteran must not have assets valued over \$5,000. A married veteran (or a veteran's widow who has not remarried) must not have assets valued over \$10,000. If you are a veteran with a service-connected disability (or if you are unmarried widow of such a veteran), you may be eligible for an exemption of \$114,634 or higher off assessed value of your home, depending upon your annual house income.

Applications for any of these exemptions must be filed with the Assessor's Office. For more information contact the Exemption Department of the Assessor's Office at (707) 234-6800.

## Extension of Tax Roll by Auditor-Controller

The auditor sets the annual tax rates applicable to properties in Mendocino County. An explanation of Mendocino County tax rates and a list of the current local bonds is listed in "[Tax Rates & Descriptions](#)."

When the annual secured and unsecured assessment rolls are completed by the Assessor, they are delivered to the Auditor-Controller. The Auditor-Controller "extends" the tax roll by applying the tax rate applicable to each parcel or account. Taxes are computed by multiplying the tax rate by each \$100 of assessed value. (See "[How to Calculate Your Taxes](#)" for a demonstration of this computation.) Once the extended taxes are determined for all assessments, the tax roll is forwarded to the Tax Collector for billing.

In addition to determining the tax due, the Auditor-Controller adds any “direct” charges submitted by special districts such as fire, water, sewer, etc. In Mendocino County there are nearly 66,000 direct charges from 45 different districts that are posted each year to the secured tax roll. These charges become part of the total tax due.

Supplemental assessment rolls are extended on a monthly basis with the exception of the months of December and April. Because the tax roll affected by the change triggering reappraisal may encompass more than one fiscal year, each separate assessment must have the appropriate year’s tax rate applied. In addition, supplemental taxes are calculated for a portion of the fiscal year for which the change in value applies. A factor based on the date of event is set by state law and this factor is applied to the tax rate calculation. The Auditor issues refunds when supplemental assessments result in a decreased value.

### **Tax Collector Issues Tax Bills and Collects Taxes**

The Tax Collector mails secured tax bills on or before October 31 each year. The bill may be paid in two installments. The first installment of taxes is due November 1 and delinquent after **December 10**. A 10% penalty attaches thereafter. The second installment is due February 1 of the following year and is delinquent after **April 10**. An additional 10% penalty and \$20.00 cost charge attaches thereafter. Additional penalties also accrue after June 30 of every year.

Supplemental tax bills are mailed whenever there is a change in ownership or when new construction is completed. Supplemental tax bills are billed regularly during the year and due at different times during the year depending on the month the bill is mailed. They are also payable in two installments.

Supplemental tax bills are due on the date mailed and shall become delinquent as follows:

- (a) If the bill is mailed within the months of July through October, the first installment shall become delinquent after December 10 the same year. The second installment shall become delinquent after April 10 of the following year.
- (b) If the bill is mailed within the months of November through June, the first installment shall become delinquent after the last day of the month following the month in which the bill is mailed. The second installment shall become delinquent after the last day of the fourth month following the date the first installment is delinquent.

**NOTE: THE SUPPLEMENTAL TAX BILL (OR REFUND) IS IN ADDITION TO THE REGULAR PROPERTY TAX BILL AND ANY OTHER PROPERTY TAXES DUE ON THE PROPERTY.**

Unsecured tax bills are mailed in July of each year. They are payable in one installment and shall become delinquent if not paid by August 31. A 10% penalty attaches thereafter. If remaining unpaid, interest will start to accrue on November 1 at a rate of 1 ½% per month on the original tax amount until paid in full.

If secured or supplemental taxes remain unpaid as of July 1 of the following year, interest will accrue at a rate of 1 ½% per month on the original tax amount until paid in full. In addition, a \$15.00 state fee is also assessed. If taxes remain unpaid after a period of five years from the first year of delinquency, the Tax Collector must record a Notice of Power to Sell Tax-Defaulted Property. Unless the property is redeemed, it will be offered on the next public auction.

### **Auditor-Controller Distributes Property Taxes**

Taxes are apportioned and distributed to all eligible County, cities, schools and special district jurisdictions according to specific formulas and procedures provided by law. Each eligible tax jurisdiction receives a base amount of property tax that is increased or decreased depending on the growth of that district.

Mendocino County apportions secured and supplemental taxes under the “Teeter Plan” of apportioning property taxes. Basically, this means that the County, schools and districts receive 100% of the amount charged on the original tax roll, less any corrections made during the year.

Under the Teeter Plan, all special assessments & taxes placed on the secured tax roll are also apportioned in the same manner. At the end of the fiscal year, any unpaid taxes & assessments are owned by the County and are subject to the County's collection efforts and remedies.

Schools receive the highest percentage of taxes collected in Mendocino County as can be seen by the following chart.

