

2021 MCOE Property Tax Forum

TIMING & VALUE

May 6, 2021

Photo Credit: Jeff Wong



Assessor – Recorder – County Clerk
3501 Civic Center Drive, Suite 208
San Rafael, CA 94903
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marincounty.org/arcc

Major Impacts on the Assessment Roll

EXAMPLES

- Sales and Transfers
- New Construction
- Appeals
- Exemptions
- Real Estate Market Conditions
- Proposition 13 Annual Inflation Factor
- Government Acquisition of Property
- Williamson Act (Agricultural preserves, Open Space Easements)



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SUPPLEMENTAL ASSESSMENT

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OFFICE BUILDING SOLD

You read in the paper that an Office Building in your district has recently sold for \$10,000,000.

How might this affect your revenue, and when?



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WORKFLOW

- The deed is recorded in the Recorder's Office, imaged, and sent into a work que for the Assessor's Office typically the next day.
- The deed is reviewed and processed in the Assessor's system and put onto an Appraiser's work list, typically in about a week.
- Depending on several factors and priorities, this sale may be worked anytime between **7/1/2021 and 6/1/2022**.



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PROPERTY HISTORY

- Purchase Date: 10/15/1990
- Purchase Price: 5,000,000
- Enrolled Value: 5,000,000

- 2019 Assessed Value: 8,084,150
- 2020 Assessed Value: 8,245,800
- 2021 Assessed Value: 8,331,200



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SALE DATA

- Purchase Date: 5/1/2021
- Purchase Price: 10,000,000
- Enrolled Value: 10,000,000



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APPRAISAL

- On 11/30/2021 we have all the information we need to assess the sale.
- The Appraiser completes their analysis of the sale and processes the valuation.
- Supplemental Notices will be mailed the next day on 12/1/2021, showing the change in assessment for the tax years affected.



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NOTICES

12/1/2021 = supplemental notices are mailed for the changes to the affected tax years.

2020 Supplemental Notice

New Value	10,000,000
Less Prior Value (2020)	8,245,800
Supplemental Value Added	1,754,200

2021 Supplemental Notice

New Value	10,000,000
Less Prior Value (2020)	8,331,200
Supplemental Value Added	1,668,800



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ENROLLMENT

- 30 days after the Assessment notice is mailed (12/31/2021), the Assessor's enrollment of the sale is sent to the Tax Collector for billing.



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REVISIONS

REVISIONS

EXAMPLES

- New Information
- Unreported Change in Ownership
- Appeals
- Undiscovered New Construction

Statute of Limitations apply



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ASSESSMENT APPEALS

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ASSESSMENT APPEAL

EXAMPLE

“I PAID TOO MUCH!”

- House is purchased 8/1/2017 for \$7,000,000.
- 10/31/2017 Assessor enrolls value \$7,000,000.
- 11/1/2017 Supplemental Assessment Notice mailed.
- 12/1/2017 Supplemental Bill is mailed.
- 1/20/2018 Property Owner files Assessment Appeal saying they overpaid, and the property was only worth 5,000,000.



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ASSESSMENT APPEAL

EXAMPLE

- The Assessment Appeals Board schedules the hearing for 11/15/2019.
- The Board rules in the applicant's favor and changes the 8/1/2017 Assessed value to \$5,000,000.
- 1/15/2020 Assessor makes Assessment changes after receiving official Board decision in writing.



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ASSESSMENT APPEAL

EXAMPLE

What is the impact of the Board's decision?

- 8/1/2017 Supplemental assessment reduced 2,000,000 (7,000,000 – 5,000,000)
- 2018 Taxable value reduced 2,000,000 (7,000,000 – 5,000,000)
- 2019 Taxable value reduced 2,040,000 (7,140,000 – 5,100,000)



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NEW CONSTRUCTION

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NEW APARTMENT COMPLEX

EXAMPLE

- 180 Unit apartment building is approved.
- 2014 Construction begins.
- Assessor keeps track of the progress throughout construction.
- Assessor adds value each year during construction.
- 9/1/2017 Construction is complete.



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NEW APARTMENT COMPLEX

EXAMPLE

- Total Construction Value determined to be 100,000,000 when complete.
- A portion of the total value is added as Construction in Progress as of each lien date.

Roll Year	Event Date	% Complete	Construction Value to Roll	Value Change from Prior Year
2015 Secured	1/1/2015	10%	10,000,000	10,000,000 Increase
2016 Secured	1/1/2016	45%	45,000,000	35,000,000 Increase
2017 Secured	1/1/2017	85%	85,000,000	40,000,000 Increase
2017 Supplemental	9/1/2017	100%	100,000,000	15,000,000 Increase



Thank You

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