

## FREQUENTLY ASKED QUESTIONS (FAQs) NOTIFICATION OF 2015-2016 ASSESSED VALUE

### 1. What is the role of the Assessor-Recorder's Office?

The role of the Assessor-Recorder is to fairly value property in compliance with California's revenue and taxation laws. The Office works to locate all taxable property in the County and identify ownership, as well as determine if real estate parcels are reassessable upon a change of ownership or new construction activity. In serving as the official record keeper of public records, the Office maintains an index and makes copies of all recorded documents available to the public, such as real property documents and marriage licenses,

### 2. I received a Notification of 2015-2016 Assessed Value in the mail. What is this letter and do I need to take any action?

This is an informational letter to notify you of your property's 2015-2016 Net Assessed Value. The assessed value, minus exemptions, is the basis for your 2015-2016 property tax bill. The 2015-16 tax bill covers the fiscal year starting July 1, 2015 and ending June 30, 2016, with payments due December 10, 2015 and April 11, 2016.

You do not need to take any action unless you believe the market value of your property as of January 1, 2015 was less than the assessed value. If this is the case, an assessment appeal application must be filed with the Assessment Appeals Board ([www.sfbos.org](http://www.sfbos.org)). These applications must be submitted between July 2, 2015 and September 15, 2015. Online applications are strongly encouraged

### 3. The Adjusted Value (or Proposition 13 value) shown on my letter does not appear to take into consideration my recent purchase price or the added value of my new construction.

Please pay your property tax bill as issued by the Office of the Treasurer & Tax Collector. When our office processes your sale or new construction, we will issue a supplemental assessment notice, which will notify you of the difference between the adjusted value (Proposition 13 value) and your purchase price or the market value of your new construction. You will then receive a supplemental tax bill from the Office of the Treasurer & Tax Collector to cover that difference in value.

### 4. I've sold the property indicated on the notification. Why did I receive the letter?

If you no longer own the property indicated on the attached Notification of Assessed Value as of June 30, 2015, please disregard this notice. If you sold the property after June 30, 2015, you may still receive a tax bill with the portion you are responsible for during your ownership between July 1, 2015 - June 30, 2016 (Fiscal Year 2015-2016).

### 5. What is the Homeowners' Exemption? Does that reduce my tax bill?

If you own and occupy your property as your primary residence, you may be eligible for a Homeowners' Exemption. You are allowed only one Homeowners' Exemption in the State of California. The Homeowners' Exemption is a \$7,000 deduction from the assessed value of your property. If you are eligible and do not see an exemption amount listed in the exemption box on your Notification of Assessed Value letter, please download and return to our office a Homeowners' Exemption Claim form from our website at [www.sfassessor.org](http://www.sfassessor.org).

**Example:** Using a 1.1743% tax rate, if the assessed value of a property is \$700,000, the property taxes on the property **without** a Homeowners' Exemption will be approximately \$8,218 ( $\$700,000 \times 0.01174$ ). The Homeowners' Exemption reduces the assessed value of the property to \$693,000 ( $\$700,000 - \$7,000$ ) and so the taxes **with** the Homeowner's Exemption will be approximately \$8,136 ( $\$693,000 \times 0.01174$ ). This saves approximately \$82.00 on annual property taxes.

# OFFICE OF THE SAN FRANCISCO ASSESSOR-RECORDER

CARMEN CHU, ASSESSOR-RECORDER

## How Do We Value Your Property?

The valuation of your property is governed by the State Constitution, the State Revenue and Tax Code, and rules spelled out by the State Board of Equalization. Two significant propositions that impact your assessed value are:

**Proposition 13 (1978)** – Sets a base year assessment that cannot be increased by more than 2% or the inflation rate of the California Consumer Price Index, whichever is less. The Proposition 13 adjusted value acts like a cap; it is the highest value at which your property can be assessed. If the property changes ownership, a new base year value is set. Note that if there is new construction activity on your property, state law allows the Assessor to value that new construction, which may result in an increased property assessment.

**Proposition 8 (1978)** – Provides a one-year reduction in assessed value when property suffers a decline in value. A decline in value occurs when the current market value of the property is less than the current Proposition 13 value as of January 1.

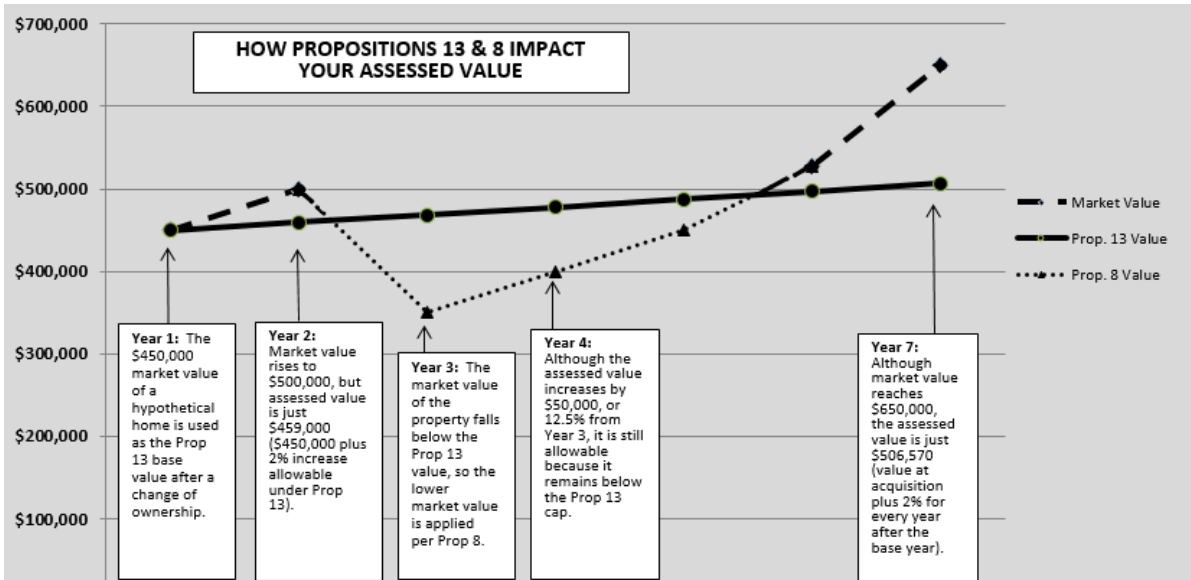
**EXAMPLE:** The graph below illustrates how Propositions 13 and 8 impact your assessed value.

**Year One:** Property purchased at \$450,000, which became the “base year value” under Prop 13.

**Year Two:** Market value rises to \$500,000 but assessed value only raises to \$459,000 due to the Prop 13 cap.

**Year Three:** Market value drops below Prop 13 value, therefore qualify for Prop 8 and reduces assessed value temporarily to \$350,000 for that particular year.

**Year Four:** Assessed value increased to \$400,000 (an increase of 12.5% or \$50,000) because it may increase by more than 2% so long as it remains below the Prop 13 value of \$477,543.



### IMPORTANT DATES

#### January 1

Lien date for next fiscal year & First day to file an Informal Review (Residential Only)

#### February 15

Deadline to file all exemption claims

#### March 31

Deadline to file an Informal Review (Residential Only)

#### April 11

Deadline to pay second installment of prior year tax bill

#### July 1

Local assessment roll is delivered to Controller

#### July 1 - 31 Notice of Assessed Value Mailed

#### July 2

First day to file an assessment appeal application with the Assessment Appeals Board (AAB)

#### August 31

Regular roll unsecured taxes due

#### September 15

Deadline to file assessment appeal with AAB

#### December 10

Deadline to pay first installment of prior year tax bill.

## How to Calculate Your Property Tax?

**Formula:** The amount due on the property tax bill is calculated as follows.

$(\text{Net Assessed Value}) \times (\text{Tax Rate}) + (\text{Special Assessments/Fees/Liens}) = \text{Total Property Tax Amount}$

**Example:** Below is a sample calculation where the net assessed value is \$650,000, the tax rate is 1.174%, and there are no special assessments.  $(\$650,000 \times 0.01174) + \$0.00 = \$7,631.00$

**Net Assessed Value:** The assessed value of a property, minus any exemptions applied.

**Tax Rate:** The annual tax rate is recommended by the Controller, and adopted & approved by the Board of Supervisors and the Mayor. The tax rate varies from year to year. For 2014-2015, the tax rate was 1.1743%.

**Special Assessments/Fees/Liens:** Additional fees or outstanding city debts may be added to your property tax bill by other government entities. These fees vary by taxpayer and will be itemized on the bill. For reference, please review last year's tax bill.

**Disclaimer:** The above calculations are only examples. All tax bills are finalized by the Treasurer & Tax Collector.