

GENERAL INFORMATION

Preface

Section 25254 of the Government Code provides that the Board of Supervisors may cause to be prepared and printed an annual statement showing valuations of property, taxes levied, tax rates, legal requirements, and other information on the assessment of property and collection of taxes.

Accordingly, this publication is presented to the taxpayers of San Diego County as a matter of general information and to help them understand the legal requirements pertaining to the assessment of property and the collection of ad valorem taxes.

The property tax is one of the principal sources of revenue for local governments. The authority for this tax is found in the Constitution of the State of California and is supplemented in the Revenue and Taxation Code. Other California Codes and Statutes contain provisions pertaining to the levy and collection of taxes and special assessments collected as taxes.

Filing of Property Statement by Taxpayers

"Each person owning taxable personal property, ... having an aggregate cost of one hundred thousand dollars (\$100,000) or more for any assessment year shall file a signed property statement with the assessor. Every person owning personal property that does not require the filing of a property statement or real property shall, upon request of the assessor, file a signed property statement..." (R&T Code 441 (a))*

"The property statement shall be declared to be true under the penalty of perjury and filed annually with the assessor between the lien date and 5 p.m. on April 1. The penalty provided by Section 463 applies for property statements not filed by May 7..." (R&T Code 441 (b))*

"At any time, as required by the assessor for assessment purposes, every person shall make available for examination information or records regarding his or her property or any other personal property located on premises he or she owns or controls..." (441 (d) (1))*

"Every person who willfully states anything which he knows to be false in any oral or written statement, not under oath, required or authorized to be made as the basis of imposing any tax or assessment, is guilty of a misdemeanor..." (R&T Code 461)*

"If, any person who is required by law or is requested by the assessor to make an annual property statement fails to file an annual property statement within the time limit specified by Section 441 ...a penalty of 10 percent of the assessed value of the unreported taxable tangible property of that person placed on the current roll shall be added to the assessment made on the current roll..." (R&T Code 463)*

***R&T = Revenue and Taxation Code**

Date of Assessment

The Assessor annually assesses all the taxable property in the county, except state-assessed property, to the persons owning, claiming, possessing, or controlling it on the lien date. "Except as otherwise specifically provided, all tax liens attach annually as of 12:01 a.m. on the first day of January preceding the fiscal year for which the taxes are levied." (R&T Code 2192)*

Supplemental Assessments

Supplemental taxes result from reappraisal of property whenever a change in ownership occurs or property is newly constructed. (California Constitution Article XIII A and R&T Code 75)*

Exemptions

"All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation..." (R&T Code 201)* The Constitution of the State of California and certain California Codes contain provisions granting exemption from taxation to certain individuals and entities that can meet the legal requirements. The County Assessor administers the disabled veteran, church, religious, public school, college, cemetery, lessors, historical aircraft and 4% documented vessel exemptions. The Assessor and State Board of Equalization jointly administer the welfare exemption. To receive an exemption, a claim for the exemption must be filed with the Assessor. (R&T Code 255)*

Any person claiming an exemption who fails to follow the required procedures is deemed to have waived the exemption. (R&T Code 260)*

A homeowner's property tax exemption was provided for by Proposition 1A and approved by a statewide general election in November 1968. Section 218 of the Revenue and Taxation Code and the State Constitution were amended accordingly. "There is exempt from taxation the amount of \$7000 of the full value of the dwelling and this shall be known as the homeowner's property tax exemption." (Subdivision K of Section 3 of Article XIII of the California Constitution and R&T Code 218)*

Where Exemption Does Not Apply

An exemption does not apply to the taxes of certain special districts, which are levied only on land and improvements, or land only, and the exemption does not apply to charges such as "weed tax, sewer service charges" or similar special assessment charges collected with property taxes. (California Constitution Article XIII)

Assessment Roll and Equalization

On or before the first of July, annually, the Assessor must complete the local roll and deliver it to the County Auditor. (R&T Code 616 and 617)*

Annually, on the third Monday in July, the Assessment Appeals Board meets as the County Board of Equalization to equalize the assessment of property on the local roll. It continues in session for that purpose from time to time, until the business of equalization is completed. Persons who wish to petition for a reduction in an assessment must file between July 2 and November 30 with the Assessment Appeals Board a verified, written application showing the facts claimed to require the reduction and the applicant's opinion of the full cash value of the property. (R&T Code 1603 to 1609)*

Assessment Appeal

The County Assessor is responsible for determining the assessed value of your property. The Assessor must accomplish this in a manner that conforms with state law. When a property owner feels the assessed value of his property is incorrect, he should contact the Assessor's office to discuss the matter. If the dispute cannot be resolved, the property owner may file an appeal with the Assessment Appeals Board. The period for filing an application for assessment appeal for values on the regular annual assessment roll is July 2 through November 30 of each year. (R&T Code 1603)*

Where Assessment Information Can Be Obtained

Information pertaining to the valuation of property, church exemption, veterans' exemption, changes of assessment, etc., should be obtained from the County Assessor, Room 103, County Administration Center, 1600 Pacific Highway, San Diego, California 92101, telephone number (619) 236-3771.

SECURED PROPERTY TAXES

Defined

Secured tax is levied on real property.

The secured roll is that part of the roll containing real property, the taxes on which are a lien on real property sufficient, in the opinion of the Assessor, to secure payment of the taxes.

Escaped Assessment

***R&T = Revenue and Taxation Code**

If any property belonging on the local roll has escaped assessment, the Assessor shall assess the property on discovery at its value on the lien date for the year for which it escaped assessment. Generally, it shall be subject to the tax rate in effect in the year of its escape. (R&T Code 531)*

Manufactured Homes

“Except as otherwise provided...manufactured homes shall be subject to property taxation in the same manner and to the same extent...as any other personal property...” (R&T Code 5810)*

Possessory Interest

The San Diego County Board of Supervisors directed that all possessory interest be transferred from the unsecured tax roll to the secured tax roll as of March 1, 1980. (Board of Supervisors 12/04/79 #40)

When Bills Are Mailed

Tax bills are mailed annually by the first of November. It is the taxpayer’s responsibility to obtain and pay the tax bill on their property. Failure to receive or obtain a bill does not justify the waiving of delinquent penalties. If tax bills are not received by November 1, a request for them should be made to the Tax Collector.

Bills should be checked against real estate holdings before payment to be sure that all have been received. If any bills are received which are for property not owned by the taxpayer, they should be returned to the Tax Collector with an explanation.

Address Changes

The Assessor should be notified of any change of address to ensure accuracy for future mailings. Instructions can be obtained by calling (619) 531-5556.

When Payable

“...Any tax, assessment, fee or charge to become a lien on land and to be collected with county taxes or other taxes or assessments collected on the secured roll shall be payable in two (2) installments...” (R&T Code 2700.1)* Half the taxes on real and personal property on the secured roll are due November 1 and delinquent December 10. The second half is due February 1 and delinquent April 10. (R&T Code 2701-2705)*

“The entire tax on the secured roll may be paid when the first half is due. The first half may be paid separately when the first half is due or at any time thereafter until the properties on the current roll become tax defaulted. The second half may be paid separately only if the first half has been paid.” (R&T Code 2703)*

***R&T = Revenue and Taxation Code**

How Payment is Made

Tax bills may be paid by appearing at the office of the Tax Collector, Room 162, County Administration Center, 1600 Pacific Highway, San Diego, California 92101 (or at any one of the branch offices in Chula Vista, El Cajon, San Marcos or Kearny Mesa), tendering payment in cash, credit card or negotiable paper, or by mailing to the Tax Collector at that address or P.O. Box 129009 San Diego, CA 92112. Payment may also be made on-line at www.sdtreastax.com or by calling (877) 829-4732.

When remitting payments to the Tax Collector, all remittances must be by check, by bank draft, or by post office, express or bank money order. Checks, drafts, and money orders must be drawn for the exact amount of taxes payable to San Diego County Treasurer-Tax Collector. Please include your mailing address and the parcel number of the property being paid on your check or money order. No change is given on any negotiable paper. The check should be signed and in good order.

The Tax Collector acts only as the taxpayer's collecting agent and assumes no responsibility for the loss in transit of any such items or the proceeds thereof or from losses resulting from the failure of any bank used as a collection agency.

Credits may be withheld and receipts retained for a reasonable period following the deposit of checks by the Tax Collector for collection. Therefore, payments affecting escrow should be made in cash. If a check or draft was given in payment of a tax bill, the receipt given shall be voided and of no effect should said check or draft not be paid on presentation.

If a remittance to cover a payment required by law to be made to a taxing agency on or before a specified date is sent through the United States mail, properly addressed with postage prepaid, it shall be deemed received on the postmark date shown on the envelope.

There is a tremendous rush of mail and window payments at the Tax Collector's office immediately prior to delinquent dates. Remittance should be sent as soon as possible after receipt of bills to avoid delay in posting of payments.

Payment Required When Bill is Lost

Payment should be made even though the taxpayer does not have a bill. The Tax Collector will, upon request, prepare a duplicate bill if the taxpayer does not receive a tax bill by a reasonable time, or is unable to locate same. When requesting a duplicate tax bill, reference should be made, if possible, to the parcel number shown on the bill for the previous year. If this information is not available, reference should be made to the property as described in the deed or certificate of title.

Penalties

All taxes due November 1, if unpaid, are delinquent December 10 at 5 p.m. or the close of business (whichever is later), and thereafter a delinquent penalty of 10 percent attaches to them. The second half of taxes on the secured roll, if unpaid, is delinquent April 10 at 5 p.m. or the close of business (whichever is later), and thereafter a delinquent penalty of 10 percent attaches to it plus \$10 cost for preparing the delinquent roll and notice. (R&T Code 2704, 2705 and 2706)*

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UNSECURED PROPERTY TAXES

Defined

Unsecured taxes are not a lien on real property.

The tax rate used is the rate for property of the same kind on the secured roll last fixed before the lien date. Unsecured tax rates, therefore, are the secured rates levied for the preceding tax year. (Article XIII, Section 12 of the California Constitution and R&T Code 2905)* Examples of unsecured property include boats, leasehold interest, and mining claims.

Escaped Assessment

In collecting taxes on unsecured property that escaped taxation in any prior year or years, the rate to be used shall be the rate to which the property would have been subject if it appeared upon the roll in the year when it should have been lawfully assessed. The taxes on unsecured property shall be computed in dollars and cents, rejecting the fractions of a cent. (R&T Code 2905)*

When Due and to Whom Payable

Taxes on the unsecured property are due on the lien date of each year (R&T Code 2901)* and are payable on demand to the County Tax Collector, Room 162, County Administration Center, 1600 Pacific Highway, San Diego, California 92101.

Delinquency and Penalties

“Taxes on the unsecured roll as of July 31, if unpaid, are delinquent at 5 p.m. or the close of business, whichever is later, on August 31 and thereafter subject to a delinquent penalty of 10 percent...” (R&T Code 2922)*

Taxes due on unsecured property may be collected by seizure and sale of certain property belonging or assessed to the assessee. (R&T Code 2951)*

DEFAULTED SECURED PROPERTY TAXES

Defaulted List

Annually, on or before September 8, the Tax Collector publishes a list of current year taxes that have not been paid and are in default, in a newspaper authorized by the Board of Supervisors. (R&T Code 3371, 3372, 3373)*

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Tax Defaulted Property

“At 12:01 a.m. on July 1, the taxes, assessments, penalties and costs on real property except tax-defaulted property and possessory interest, which have not been paid, shall by operation of law be declared in default.” (R&T Code 3436)*

Tax default status is indicated on the roll and on the face of the tax bill. If the phrase “tax defaulted” and a June date appear, it is an indication that all or the second half of the taxes were unpaid on June 30, the close of that fiscal year.

Tax default status does not deprive the owner thereof of title or possession.

Taxpayers have five years from tax default date to pay all prior year delinquent taxes and if the delinquent taxes are not paid, the property will become subject to the Treasurer/Tax Collector’s power to sell. A notice of power to sell, with a list of properties to become subject to tax sale will be published on or before June 8 each year in a newspaper or newspapers authorized by the Board of Supervisors. After the notice of power to sell is recorded, each subject property, not redeemed, is automatically brought to auction at a scheduled tax sale. (R&T Code, part 6, Tax Sales)*

Redemption of Defaulted Property

If taxes are unpaid after tax default, the owner will be obliged to pay a redemption penalty of 1 1/2 percent per month beginning July 1 of the year of tax default to the time of redemption plus a redemption fee of \$15 on each separately valued parcel.

The amount necessary to redeem a parcel is the sum of the defaulted taxes, costs, redemption penalties and the redemption fee on each separately valued parcel. (R&T Code 4102, 4103, and 4156)*

Installment Payments

A person may elect to pay delinquent taxes in installments at any time prior to the date the property becomes “subject to sale”. Election to pay delinquent taxes in installments is made by payment of 20 percent or more of the redemption amount.

In addition to the amount of 20 percent or more of the redemption amount, all current taxes and penalties coming due in each fiscal year must be paid in full not later than April 10 to keep the plan in effect. (R&T Code 4219)*

Upon failure to make any of the payments as required, the right to continue under the plan is forfeited. Credit is given for payment made within five years of the original tax default if redemption is made or another partial payment plan is instituted. A new payment plan can be instituted on or after July 1 of the fiscal year commencing after the fiscal year in which default occurred. (R&T Code 4217)*

The property will not be sold for defaulted taxes as long as the installment plan payments and current tax payments are made by April 10 each year. (R&T Code 4218)*

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PROPERTY SUBJECT TO TAX COLLECTOR’S POWER TO SELL

Notice of Power to Sell

Notice of power to sell will be recorded five years after the property was tax defaulted unless it is redeemed or an installment plan of redemption is initiated prior to that time. (R&T Code 3691)*

Sales of Tax Defaulted Property

Tax defaulted property may be sold by the County Tax Collector upon authorization of the Board of Supervisors at any time after the notice of power to sell has been recorded. (R&T Code 3694)*

For future information regarding tax sales, contact the County Tax Collector, Room 162, County Administration Center, 1600 Pacific Highway, San Diego, California 92101, telephone number (619)531-5844 or (619)531-4862.

TAX RATE AREAS (TRAs)

The basis for compiling the tax roll is the division of property into school districts. Taxes levied vary in each of such districts in accordance with the valuations and debt service requirements of the districts. In addition to school districts, there are also numerous special districts and eighteen incorporated cities for which tax rates are levied on the properties benefited.

In the interest of efficiency in extending the tax levies, properties are classified into groups wherein the various rates are uniform. The area in which property is located determines the taxing agencies (districts) for which taxes are levied. For identification purposes these areas are known as “Tax Rate Areas.” There are approximately 4924 such tax rate areas in the county.

Tax rate areas include both taxes and special assessments and therefore do not have a common base. Legally, taxes apply to all property (land, improvements and personal property) whereas; special assessments apply to land only or land and improvements only. Accordingly, some taxing agency rates are applied to “land” valuations only, some are applied to both “land and improvements” valuations, and others are applied to all property valuations, “land, improvements, and personal property.”

Tax Rate Comparison

| | 2004/05 | | 2005/06 | | 2006/07 | | 2007/08 | | 2008/09 | |
|----------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Rate | TRA | Rate | TRA | Rate | TRA | Rate | TRA | Rate | TRA |
| High | 1.37632 | 75050 | 1.34726 | 75050 | 1.34216 | 75050 | 1.25978 | 74114 | 1.26813 | 74114 |
| Low | 0.98877 | 18999 | 1.00000 | 18999 | 1.00000 | 18003 | 1.00000 | 18003 | 1.00000 | 18003 |
| County Average | 1.07149 | | 1.07142 | | 1.06912 | | 1.07217 | | 1.06073 | |

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Bases for Tax Levies

In San Diego County, the following taxing agencies' tax rates are levied on "land" values only, and are therefore extended on assessed values without allowance for exemptions:

California Water Districts
Irrigation Districts
Municipal Lighting Maintenance Districts
Resource Conservation Districts
Sewer Districts

The following San Diego County taxing agencies' tax rates are levied on "land and improvement" values only, and are therefore extended on assessed values without allowance for exemptions:

Drainage Maintenance Districts
Maintenance Districts
Park Maintenance Districts
Parking Districts
Sanitation Districts
Sewer Maintenance Districts
Water Conservation Districts

All other tax rates are levied on "ALL" values (land, improvements, and personal property) and taxes are extended after allowance for exemptions.

In addition to levies on valuations, fixed charge special assessments for a particular service may be included in the billing. Examples of such assessments are sewer service, weed abatement and water standby or availability charges.

Ad Valorem Tax Apportionment

Proposition 13 of 1978 limits the maximum ad valorem tax on real property to 1% of the full cash value of such property. The 1% taxes collected are apportioned to the taxing agencies within the county in accordance with Chapter 6, Division 1 of the Revenue and Taxation Code. Each school district, city, special district, and county is allocated an amount it received in the prior year plus its share of property tax on assessed value growth within its boundaries. Taxes collected for voter approved bonded indebtedness are distributed to the appropriate agencies for payment of principal and interest on maturing bonds.

County Library

The County Library serves all the unincorporated areas and the cities of Del Mar, El Cajon, Encinitas, Imperial Beach, La Mesa, Lemon Grove, Poway, San Marcos, Santee, Solana Beach, and Vista.

Other Information

The County Assessor assesses property and the County Tax Collector collects taxes for all cities, schools and special districts within the County of San Diego.