



# Property Tax Highlights

Fiscal Year 2018-19

## Message from the Auditor-Controller's Office

To the Residents of Monterey County,

Welcome to our second issue of the Auditor-Controller's Property Tax Highlights!

This publication will be published on a fiscal year basis to provide you with transparency and information regarding the property tax process in Monterey County and how property tax revenues are allocated to local governmental agencies. It will include a summary of current assessed property values and property tax revenues collected, as well as historical information.

You will also find news regarding changes to property tax, due date reminders and where to access additional information.

We want this publication to be of value to you, so we welcome your feedback, suggestions and questions to help us improve.

Please feel free to email us at [audptax@co.monterey.ca.us](mailto:audptax@co.monterey.ca.us).

To view or download copies of the Property Tax Highlights and other resources, visit our website at [www.co.monterey.ca.us/auditor/](http://www.co.monterey.ca.us/auditor/).



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## Who do I contact about...

- Assessment valuation and appeals

**Assessor's Office**  
(831) 755-5035  
[assessor@co.monterey.ca.us](mailto:assessor@co.monterey.ca.us)

- Tax bill questions and payments

**Treasurer-Tax Collector**  
(831) 755-5057  
[taxcollector@co.monterey.ca.us](mailto:taxcollector@co.monterey.ca.us)

- Refunds and distributions

**Auditor Controller**  
[audptax@co.monterey.ca.us](mailto:audptax@co.monterey.ca.us)

# Introduction to the Property Tax Process

**Elected County  
Officials Responsible  
for the Property Tax  
Process**

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**Assessor/Clerk/  
Recorder**

**Mary A. Zeeb**  
**Treasurer-Tax Collector**

**Rupa Shah**  
**Auditor-Controller**

Reviewing your property tax bill can be an overwhelming and confusing process. In an effort to help you understand your property tax bill, the information contained in this publication will provide you with a high level overview of how property is assessed, how property tax rates are established, and how property taxes are distributed.

## ***Property Tax***

Property tax is one of the largest taxes Californians pay and is a major source of funding for schools, counties, cities and special districts. The revenue supports government activities such as water and sanitation, fire protection, public spaces and libraries.

Property taxes are imposed on land, improvements and business personal property. Proposition 13, the People's Initiative to Limit Property Taxation, was passed by California voters in June 1978. Under Proposition 13, the state property tax rate is limited to 1% of the assessed value of the property and increases to the assessed value cannot exceed 2% per year as long as the property has not been sold or underwent new construction. Once property is sold, the assessed value will be adjusted to its new market value, typically the purchase price. For new construction, the value of the construction is added to the existing assess value of the property.

Another requirement with the implementation of Proposition 13 is the two-thirds majority vote from legislatures for any future increases in the state property tax rate and two-thirds majority vote from California voters for local special taxes.

## ***Administration Team***

The departments responsible with the administration of property taxes are the Assessor's Office, the Treasurer-Tax Collector and the Auditor-Controller's Office.

The Assessor's Office is responsible for locating all taxable property in Monterey County, identifying and maintaining ownership and address information, as well as establishing the values and applying any applicable exemptions. Once values are established, they are provided to the Auditor-Controller.

The Auditor-Controller's Office is responsible for calculating the property tax rates and applying any direct charges to the property's assessed values provided by the Assessor.

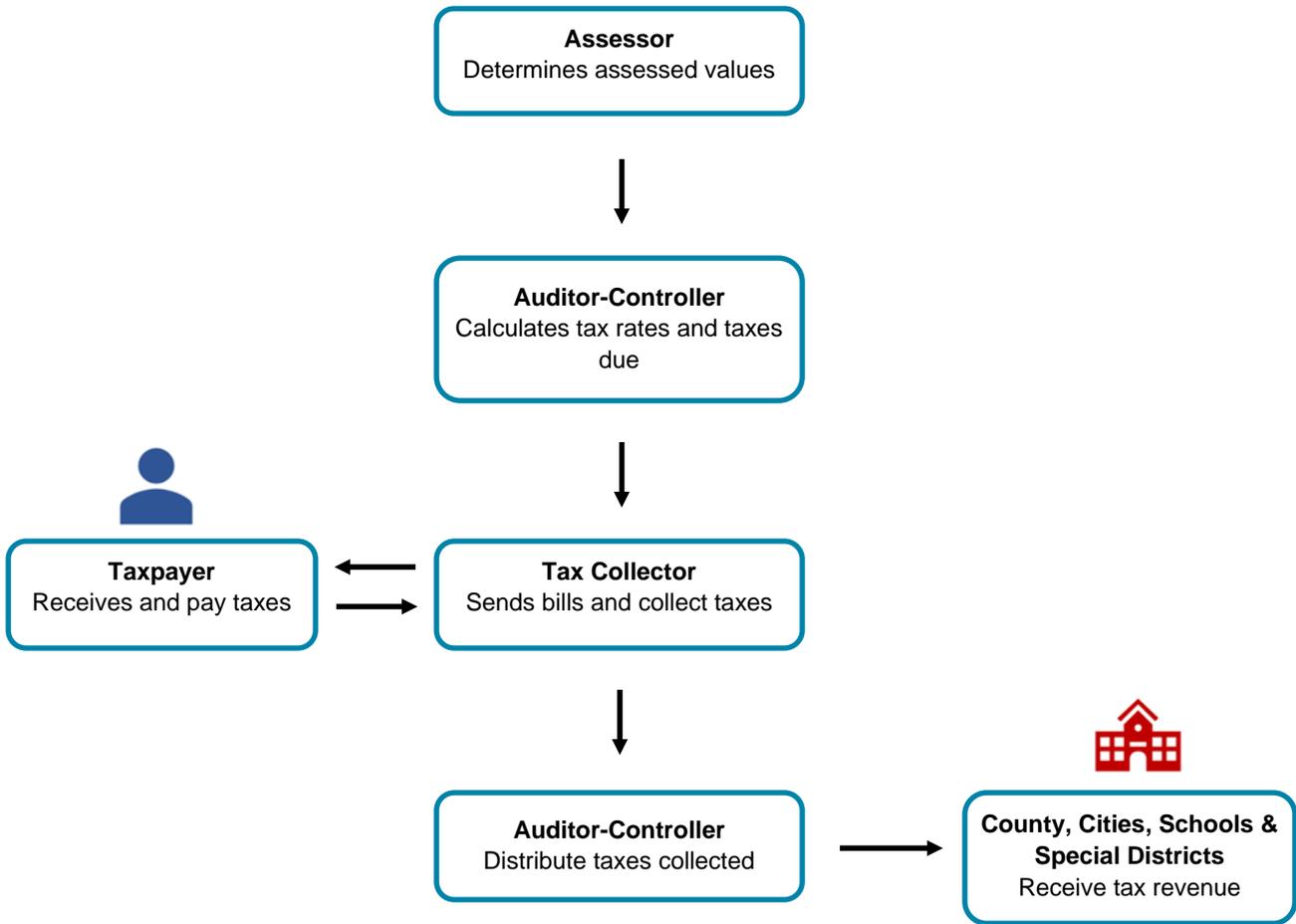
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The Treasurer-Tax Collector is responsible for billing and collecting the property taxes and reporting the amounts collected to the Auditor-Controller.

The Auditor-Controller's Office is then responsible for distributing the property taxes collected to local taxing entities (the County, cities, schools, and special districts.)

The flowchart below illustrates the property tax process:



# Property Valuation

The Assessor is responsible for establishing the assessed value of all taxable property and applying exemptions as of January 1st of every year, which is also known as the lien date. After all taxable property is accounted for, the assessed values are listed on the assessment roll.

The main categories of taxable property for assessment and collection purposes are secured and unsecured property. Secured property includes land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines. Secured property is also known as real property. Unsecured property includes business personal property, such as machinery and equipment, office furniture, computers and supplies, vessels and aircrafts.

Other categories that affect the assessment roll include:

- **Supplemental assessments** - Reassessment of taxable property caused by a change in ownership (sale) or completion of new construction.
- **Exemptions and Exclusions** - Taxpayers may be eligible for a full or partial exclusion and exemptions. An exemption allows a taxpayer's property to be fully or partially exempt from the ad valorem tax; the exemption does not apply to direct charges or special taxes. The most common exemptions are:
  - ◆ Homeowner's Exemption
  - ◆ Veteran's Exemption
  - ◆ Welfare and Religious Organizations Exemption
  - ◆ Public Schools and Colleges

An exclusion, on the other hand, limits reassessment of property due to a change in ownership or new construction. Below are some examples of when a change in ownership or new construction is excluded from reassessment:

- ◆ Transfer of property between spouses or former spouses
- ◆ Transfer between parents and children
- ◆ Transfer between grandparent and grandchildren
- ◆ Builder's Exclusion
- ◆ Rain Water Capture System Exclusion
- ◆ Active Solar Energy System Exclusion
- **Assessment Appeals** - If a taxpayer disagrees with the assessed value and cannot resolve the difference with the Assessor, the taxpayer may file an appeal with the Assessment Appeals Board. The Appeals Board will consider the evidence provided by the taxpayer and the Assessor during a formal hearing. The Appeal Board will then establish a value for the property.
- **Unitary Roll** - Railroads and utilities located within Monterey County is assessed by the State Board of Equalization and placed on the Unitary Roll.

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Below is a list of the assessed values by cities within Monterey County for fiscal year 2017-18 and 2018-19, as well as the growth in assessed values for the past five years.

#### Assessed Values by City

City Name	FY 2018-19	FY 2017-18	% Growth
Carmel	\$ 4,247,352,806	\$ 4,024,890,925	5.5%
Del Rey Oaks	309,242,063	293,518,154	5.4%
Gonzales	709,516,393	653,887,527	8.5%
Greenfield	717,458,787	665,331,389	7.8%
King City	819,005,557	799,966,599	2.4%
Marina	2,181,411,755	1,937,251,820	12.6%
Monterey	5,736,496,452	5,378,184,493	6.7%
Pacific Grove	3,470,565,356	3,258,083,877	6.5%
Salinas	11,460,172,316	10,912,115,449	5.0%
Sand City	341,293,289	271,633,859	25.6%
Seaside	2,430,238,504	2,287,820,166	6.2%
Soledad	968,033,897	891,551,022	8.6%

#### Five Year Assessed Values

Year	Total Assessed Value	Change in Value	% Growth
2018-19	\$ 67,676,230,678	\$ 4,030,938,621	6.3%
2017-18	63,645,292,057	3,356,915,083	5.6%
2016-17	60,288,376,974	2,579,733,092	4.5%
2015-16	57,708,643,882	3,242,197,377	6.0%
2014-15	54,466,446,505	2,919,381,920	5.7%

## Calculation of Taxes

Once the Assessor has finalized the assessment roll, it is provided to the Auditor-Controller on or before July 1st. The Auditor-Controller then calculates the property taxes due by parcel and its assessed value. The property tax rate used by the Auditor-Controller include:

- 1% statewide rate.
- Voter approved debt rates, which typically are school bonds.

In addition to the above rate, there are numerous direct charges or special taxes permitted by legislation that are included in the property taxes to be collected. Some examples of direct charges or special taxes include mosquito abatement, emergency services, and charges from the Monterey County Water Resources Agency. After the property taxes have been calculated and applicable direct charges or special assessments have been applied, property tax bills are created and forwarded to the Treasurer-Tax Collector in September to be printed and mailed out to the taxpayers.

The next page provides a summary of the taxes levied for fiscal year 2018-19.

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FY 2018-19

Taxes Levied for FY 2018-19	
Secured Value	\$ 64,228,846,839
Unsecured Value	2,500,439,372
Unitary, Railroad, and State Utility Values	946,944,467
<b>Total Taxable Value</b>	<b>\$ 67,676,230,678</b>
1% Ad Valorem Property Tax ( Value x 1%)	676,762,307
Voter Approved Debt	65,622,745
Direct Charges and Special Assessments	51,586,055
<b>Total Taxes Levied</b>	<b>\$ 793,971,108</b>

### Tax Bill and Collection

The Treasurer-Tax Collector sends out annual secured tax bills to taxpayers by November 1st of each year. Secured taxes are due in two equal installments. The first installment is due and payable on November 1, and becomes delinquent if not paid by December 10. The second installment is due and payable on February 1 and becomes delinquent if not paid by April 10.

Secured taxes not paid by the delinquent date becomes subject to a 10% penalty if not paid before 5:00 PM. If the second installment is not paid by the delinquent date an additional fee of \$20 is added in addition to the 10% penalty.

Unsecured tax bills are sent out to taxpayers by July 1st of each year. Unsecured taxes are due on the lien date of January 1 of each year and is delinquent after August 31. If unsecured taxes are not paid by the delinquent date before 5:00 PM, it is subject to a 10% penalty and an additional 10% fee.

If the delinquency date falls on a weekend or holiday, the delinquency date is moved to the next business day.

Below is a list of the top ten taxpayers in Monterey County for Fiscal Year 2018-19.

#### Top Ten Taxpayers for Fiscal Year 2018-19

Name	Type of Business	Total Taxes
Pebble Beach Company	Hotel, Restaurant and Leisure	\$ 9,107,226.32
Pacific Gas & Electric Company	Utility	7,742,665.06
Chevron USA Inc.	Energy	3,738,196.30
Dynegy Moss Landing LLC	Energy	3,378,308.90
Aera Energy LLC	Energy	3,141,102.20
D Aarigo Bros Co.	Agriculture	1,931,769.02
Northridge Owner LP	Retail	1,455,007.64
Scheid Vineyards California Inc.	Agriculture	1,335,118.74
AAT Del Monte LLC	Retail	1,318,913.16
California-American Water Co.	Utility	1,284,432.62

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Below is an example and description of the information you can find on your property tax bill.

1

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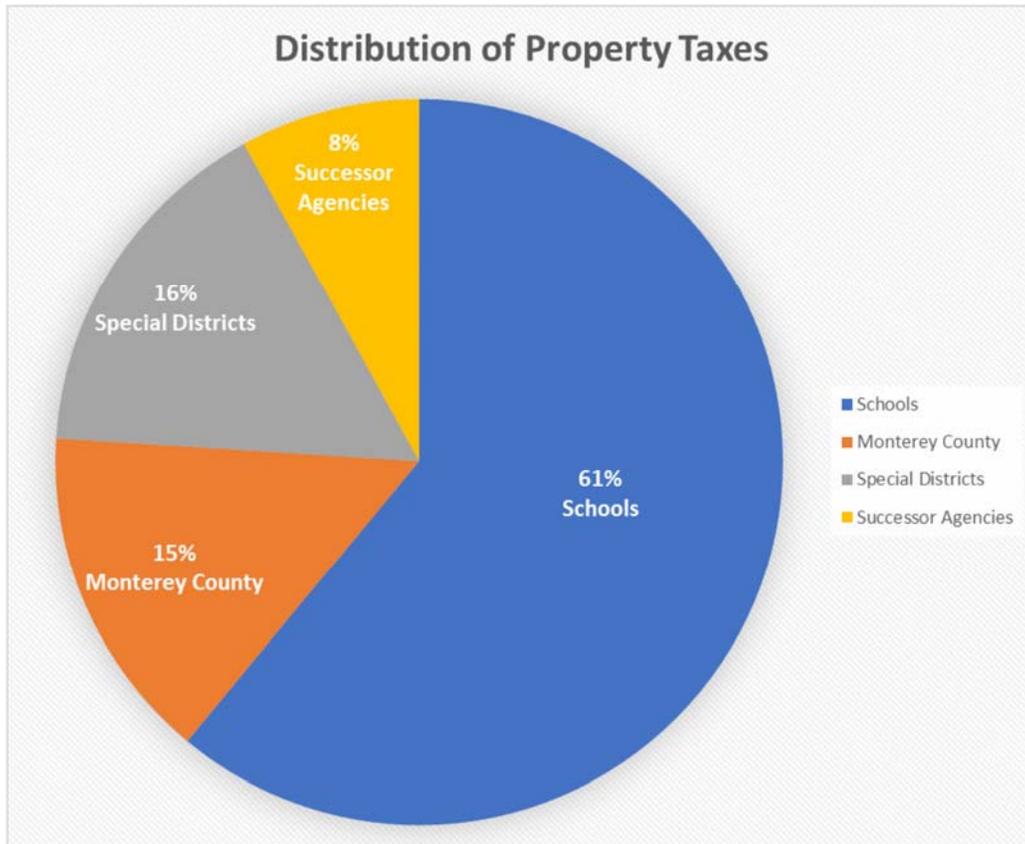
3

4

1. Parcel number, address of property or description, current owner, Tax Rate Area and size of property .
2. Assessed value details based on individual components of the property and any exemptions or exclusions are listed. The individual components are totaled and the statewide tax rate of 1% is applied.
3. Detailed description and contact information of voter approved debt rates and any direct charges applied to the parcel.
4. Grand total of amount due, amount due for each installment , due dates and delinquent due dates for when penalty will apply.
5. Messages about your parcel, such as original date the bill, if the tax bill was requested by an outside agency, and Cortac Number if the tax bill is paid through an escrow account.

## Where Do My Taxes Go?

After the Treasurer-Tax Collector collects the property taxes, the Auditor-Controller apportions and distributes these dollars to all eligible jurisdictions in the County. The chart below shows how your property taxes are distributed.



## Redevelopment Agencies

The Community Redevelopment Act passed in 1945, allowed counties and cities to create Redevelopment Agencies (RDA) to combat deteriorating and abandoned areas, such as Fort Ord, and rebuild the areas to reflect a modern, safer environment. Redeveloping and revitalizing the unused areas can be done in many ways, such as creating new recreational spaces, residential use, commercial use and educational use.

RDA funding was provided through "tax increment." Tax increment is the difference between property tax growth in the project areas from its original tax base.

In fiscal year 2011-12, RDAs were to cease operations and close down. Successor Agencies were established to oversee the wind down process of each RDA and pay off the RDAs existing debt obligations. The tax increment funding previously provided to the RDA is now transferred to a new trust fund,

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Redevelopment Property Tax Trust Fund (RPTTF), for payment of the RDAs existing debt obligations.

In fiscal year 2018-19, \$57.6 million of property tax revenues were deposited into the RPTTFs with \$15.8 million going to the successor agencies for the payment of approved enforceable obligations, \$0.8 million to the Auditor-Controller's Office for administration fees, and \$41.0 million to affected taxing entities for pass through and residual payments. Of the \$41.0 million distributed to local taxing entities, \$21.8 went to the school districts, \$8.5 to the County, \$5.5 to the cities, and \$5.3 to special districts.

## County of Monterey

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We're on the web! Visit us at:  
[www.co.monterey.ca.us/auditor/](http://www.co.monterey.ca.us/auditor/)

## Important Dates for Property Owners:

**July 1 - Beginning of fiscal year.**

**August 31 - Unsecured Tax Bills Due.**

**December 10 - First Installment of Secured Tax Bill Due.**

**April 10 - Second Installment of Secured Tax Bill Due.**

**June 30 - End of fiscal year.**

