

2016-2017 Assessor's Annual Report



Office of **Mark Church**
Assessor-County Clerk-Recorder & Chief Elections Officer

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Message from the Assessor, Mark Church



It is a pleasure to announce that the San Mateo County 2016-17 Property Assessment Roll has produced a sixth consecutive year of roll value growth, as well as a fifth year of record-setting highs. Total values grew in all cities and unincorporated areas. Since 2010, growth nears 35.5 percent. Behind these numbers is significant growth in new construction, jobs, and real estate prices.

New construction has exploded. Buildings completed in 2016 included major developments (projects over 80,000 square feet) that added over two million square feet of improvements, answering demands for new and improved housing, offices and biotech facilities. Among them are The Crossing

and One Marina (Redwood City), Facebook's west campus (Menlo Park), and new buildings for Genentech (South San Francisco) and Gilead (Foster City). Many more are underway. Other pending projects — currently under construction, in the building permit pipeline or in the planning stage — will add over 33 million square feet. Among these are residential mixed-use projects along the Caltrain corridor (South San Francisco, Millbrae, San Mateo, San Carlos, Redwood City), and substantial expansion in commercial development.

For properties that did not change ownership or physical characteristics, this year's annual inflation factor — the value adjustment allowed under Proposition 13 — was 1.525 percent, less than the two percent maximum permitted by law. Our strong real estate market continued to drive up values in all 70 jurisdictions in the county, while sales volume remained stable. Roll totals within city and district boundaries saw increases ranging from 2.2 to 12.5 percent, with the majority being over five percent. Properties that lost value during the Great Recession obtained tax relief under Proposition 8, the Decline in Value Program. A substantial portion of the lost value has been restored in all jurisdictions. Last year's total of \$2.2 billion loss is down to \$1.2 billion.

This year's net roll value of \$191 billion is a record-setting high, achieving a \$13.5 billion increase (7.62 percent) above last year, and echoing the 7.64 percent increase of the prior year. That \$13.5 billion increase translates — through the one percent tax rate — to 135 million additional tax dollars to fund the services provided by local governments: the county, cities, schools and community colleges, and special districts. Under the state's revenue allocation formulas, 26 percent (\$35.2 million) will flow into the county's treasury.

This annual report aims to explain our collaborative administration of the property tax and its impact on our communities. Please contact us with questions or suggestions.

Sincerely,

A handwritten signature in blue ink that reads "Mark Church". The signature is fluid and cursive, written in a professional style.

Mark Church
San Mateo County Assessor-County Clerk-Recorder & Chief Elections Officer

An Introduction to the Assessment Roll and the Property Tax Process

The legal framework of the property tax is found in the California Constitution, statutes, judicial opinions, and regulations and training materials issued by the State Board of Equalization (BOE). To deepen your understanding, this report includes references to the BOE's appraisal training guides (Assessors' Handbooks, at www.boe.ca.gov/proptaxes/ahcont.htm) and public education guides (Publications, at www.boe.ca.gov/proptaxes/pubcont.htm).

The process that produces your property tax bill is complex and involves the interaction of many county agencies: assessor, assessment appeals board, tax collector and controller.

Today, California's schools, counties, cities and special districts depend on property tax as a primary source of revenue. The property tax raised \$1.77 billion for local governments within the boundaries of San Mateo County during fiscal year 2015-2016 and is expected to generate \$1.91 billion for fiscal year 2016-2017.

California's current property tax system is grounded in the "Proposition 13" statewide ballot initiative approved overwhelmingly by California voters in 1978. Prop 13 abolished the old system which taxed properties at locally-controlled rates based on current market value. Prop 13 established a statewide tax rate limited to one percent of assessed value, plus the rate necessary to fund local voter-approved bonds. Further, a real property's annually adjusted assessed value cannot be increased by more than two percent over the prior year, if the property did not qualify for temporary decline in value and did not undergo a change of ownership or new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. Personal property is assessed each year at fair market value.

Taxable real property values may be reappraised if:

- A change in ownership occurs; or
- A change in the use of property occurs; or
- New construction is completed; or
- New construction is partially completed on January 1; or
- The reappraisal is part of an annual review of properties having declining value; or
- The reappraisal is part of a land conservation contract (Williamson Act).

Since the passage of Proposition 13, the California legislature and the voters have continually altered, interpreted, and implemented changes in the property tax laws. This report highlights key mechanisms of the California's property tax system. For further background and detail, download two helpful guides produced by the State Board of Equalization: Publication 29 (California Property Tax: An Overview) and Publication 216 (1879-1979: First 100 Years).

Parcel Ownership and the Taxpayer

Annually, whoever owns a taxable property as of January 1 (the lien date) becomes the assessee and is liable for property tax based on the value of the property. The assessed value for most real property is the prior year's assessed value adjusted for inflation, up to two percent. However, if there has been a change in ownership, the new assessed value will be the market value of the property that changed ownership. New construction value is added to the property's prior base value.

A favorable indicator of this county's economic strength is the broad distribution of assessed values within the population: only about seven percent of total roll value is concentrated within the top 100 parcels, and less than five percent is concentrated among the top ten owners.

This county's secured roll (real estate assets) includes 220,875 parcels including residential (homes, condominiums, and apartments) and non-residential business properties (hotel, retail, agricultural, etc.). Public utility and railroad properties that span multiple parcels are assessed by the State Board of Equalization, not by county assessors. Our unsecured roll includes some 15,500 personal business property accounts (machinery and equipment), assessed where they have established "permanent status", as well as water vessels (boats), assessed where they are moored, and aircraft, assessed at their home airport.

Reappraisals based on ownership changes and new construction typically account for the major portion of roll value increase each year. The annual inflationary adjustment also contributes to the increase in base value.



The County Assessor Values Property

By July 1 of each year, the primary responsibility of the county assessor is to determine the taxable value of each property so that each owner is assured of paying the proper amount of property tax for the support of local governments, and to publish that information in the local property assessment roll. It is important to note that California law allows for full and partial exclusions and exemptions from the property tax, providing tax relief to eligible taxpayers.

The local assessment roll is composed of “secured” and “unsecured” properties. A “secured” property is one that the county tax collector can claim and sell in order to pay a delinquent property tax debt. Typically, secured property is real property, but that is not always the case. Real property is defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines. Personal property includes moveable items such as boats, airplanes, machinery, equipment, office tools and supplies.

Assessed value is determined and enrolled to the person owning it on January 1, which is the tax lien date. As an example, a change in ownership (sale) and a new construction (identified in building permits) during the prior calendar year (2015) are valued and enrolled as of January 1, 2016. The inflationary adjustment (1.525 percent) is applied along with exemptions and other appraisable events. The net assessed value of \$190.98 billion as of January 1, 2016 is then taxed for the fiscal year July 1, 2016 to June 30, 2017.

Other significant processes include:

- A supplemental roll places into immediate effect, for assessment purposes, the value difference between the current assessed value of land and/or improvements and the new reappraisal value, as of the date of transfer or the completion of new construction. This results in the capture of tax for the remaining portion of the current fiscal year, and for events between January 1 and May 31 of the prior fiscal year.
- A unitary roll contains properties such as railroads and utilities crossing the county and is valued each year by the State Board of Equalization.
- An assessment appeals process allows taxpayers to dispute values through administrative and judicial processes.

The County Controller Prepares the Tax Roll

After the assessed properties are enrolled by the assessor, the assessment rolls are delivered to the controller by July 1. The unsecured roll triggers an immediate tax based on the prior year’s tax rate; the bill is delinquent if not paid by August 31. The secured roll is then processed by the controller, applying applicable tax rates to each assessed value to determine each tax bill. The tax bill includes the county property tax plus local fixed charges or bond measures approved by voters or permitted by legislation.

Typical local charges include sewer service, flood control, and library assessments, and voter-approved bond measures. Most outstanding bonds in this county are for school facilities. Since 1978, new bond measures require a supermajority vote (2/3), but a 2001 law reduces that threshold to 55% for certain school facilities bonds.

The tax roll is passed on to the tax collector for billing and collection by September 30.

The County Tax Collector Issues Tax Bills and Collects Payments

The tax collector sends out annual unsecured tax bills when the enrollment is received from the assessor; payments are due by August 31. Secured tax bills are mailed by November 1. The secured bills can be paid in two installments, due November 1 and delinquent after December 10, and due February 1 and delinquent after April 10. (Note that payment due dates are well into the fiscal year, July to June, when they become due.) An additional supplemental tax charge may be billed when there is a change in ownership or when new construction is complete.

Penalties for late payments are significant: 10 percent for the first installment delinquency; 10 percent plus \$40 for the second installment delinquency; and an additional 1.5 percent per month beginning the following July 1. After six years of taxes being delinquent, property can be sold at a tax sale to pay the tax. As a result of the strong property values in San Mateo County, delinquency rates remain low.

The County Controller Distributes Tax Revenues

After collection, the tax collector forwards the tax revenues to the controller for apportionment and distribution to all eligible jurisdictions in the county. The law requires the controller to allocate the revenue in accordance with specified formulas and procedures.

AB 8 (Assembly Bill 8 of 1979-1980), with many subsequent amendments, governs the complicated tax allocation process. As a result of Proposition 13, each taxing jurisdiction (entity) was assigned a base amount of property tax determined based on 1978-1979 revenue. Each year, the entity is then allocated an amount equal to the total received in the previous year plus a percentage of tax growth within the geographic tax area served by the entity.

Around October of each year, the controller provides each taxing agency an estimate of its property tax revenue. These estimates are based on the assessment roll compiled by the assessor and the utility roll provided by the State. During the year, the assessor and the Assessment Appeals Board approve tax roll corrections that change the original levy, some of which result in refunds to taxpayers. Due to changing economic conditions, as well as misfortunes and calamities, total refunds fluctuate substantially from year to year, making it imperative that taxing agencies budget conservatively and maintain an appropriate amount of reserves.



The Annual Calendar of the Property Tax

| | |
|--------------------------|--|
| January 1 | Tax lien date as of which ownership and value is determined |
| February 1 | Second installment of secured taxes due and payable |
| April 1 | Business Property Statement due |
| April 10* | Delinquency date to pay second installment of secured tax bill. After 5:00 pm, a 10 percent penalty plus \$40.00 charge is added |
| May 7 | Last day to file Business Property Statement without penalty |
| June 30 | Last day of fiscal year |
| July 1 | Fiscal year begins; secured roll completed |
| July 2 | Appeals Board filing period opens |
| August 31 | Last day to pay unsecured property tax payment without delinquency penalty |
| September-October | Tax Collector issues annual secured tax bills |
| November 1 | Due date to pay first installment of secured tax bill |
| November 30 | Close of Assessment Appeals Board filing period (next business day if it falls on the weekend) |
| December 10* | Delinquency date to pay first installment of secured tax bill. After 5:00 pm, a 10 percent penalty is added. |

* Other due dates may apply for supplemental and escape assessments.

Department Overview

San Mateo County's assessor operates as the Appraisal Services Division within the Department of the Assessor-County Clerk-Recorder. The assessor is responsible for determining the assessed value of all locally assessable taxable property within the county. With approximately 236,400 assessments each year, the Division creates the official record of taxable property (local assessment roll), shares it with the county controller and tax collector, and makes it publicly available. The local assessment roll is determined by identifying, mapping, inspecting, and calculating the assessed value for all real property (land and structures), boats, aircraft and business properties. Typically, property tax is one percent of the assessed value, plus an amount to amortize voter-approved bonds, and any fees for special assessments or charges such as mosquito abatement or sewer fees.

Each year, the Division assesses approximately 220,900 units on the secured roll and 15,500 units on the unsecured roll. In addition, we process approximately 31,600 recorded documents, 23,600 building permits, 125,000 exemptions, and 9,600 business property statements.

San Mateo County claims within its boundaries a wealth of land, buildings, and other taxable properties with a combined assessed value of nearly \$191 billion. The property tax revenues generated from these assets are vital to maintaining local government operations and public services.

The multiple components of our business operations engage the skills of our certified appraisers and auditors, technical specialists in mapping/GIS and information technology, clerical specialists, and administrative managers, to perform such tasks as:

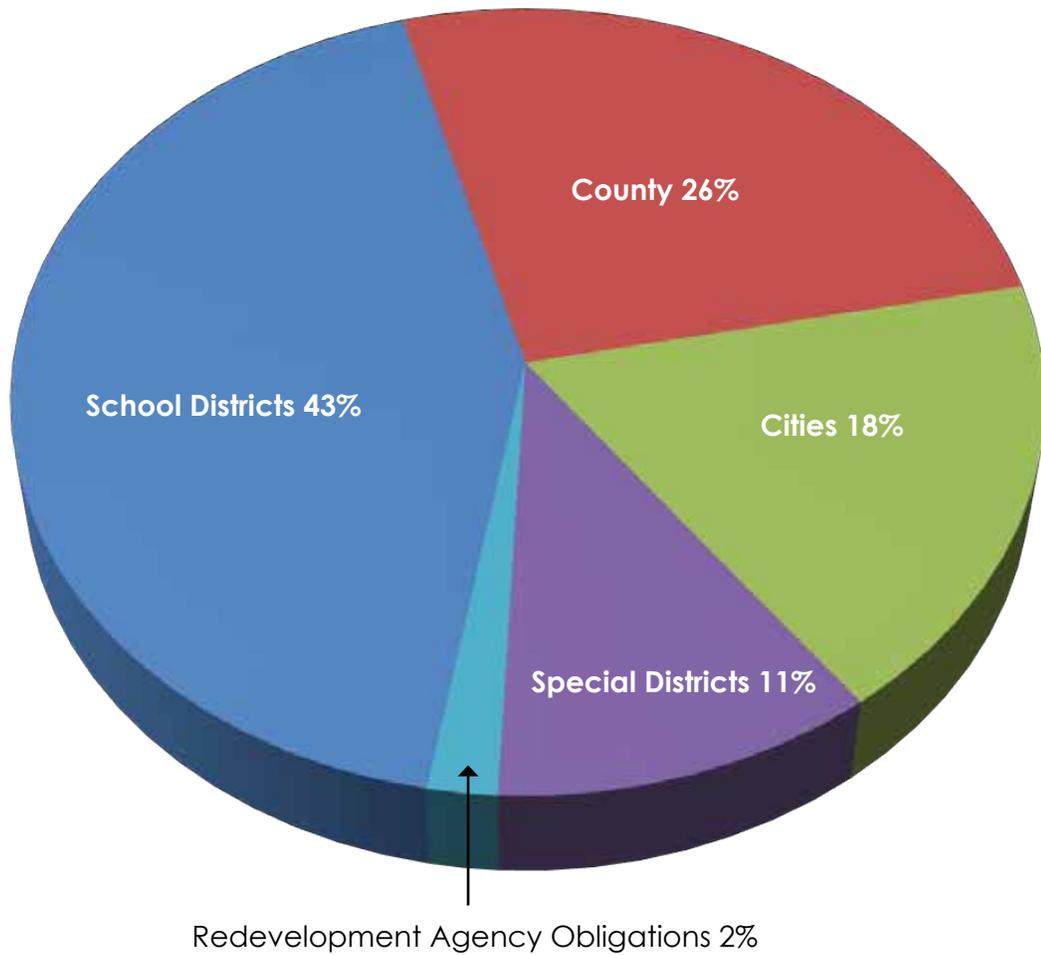
- Administration
- Determining assessed owners
- Reviewing assessment appeal filings
- Valuing boats, planes and mobile homes
- Business property valuation and information
- Change in ownership information
- Approving exemptions
- Valuing leased equipment
- Updating maps, property boundaries
- Collecting property characteristics
- Enrolling supplemental assessments
- Collecting valuation information

Our contact information is provided near the end of this report.



Tax Revenue Allocation

Where Your Taxes Go



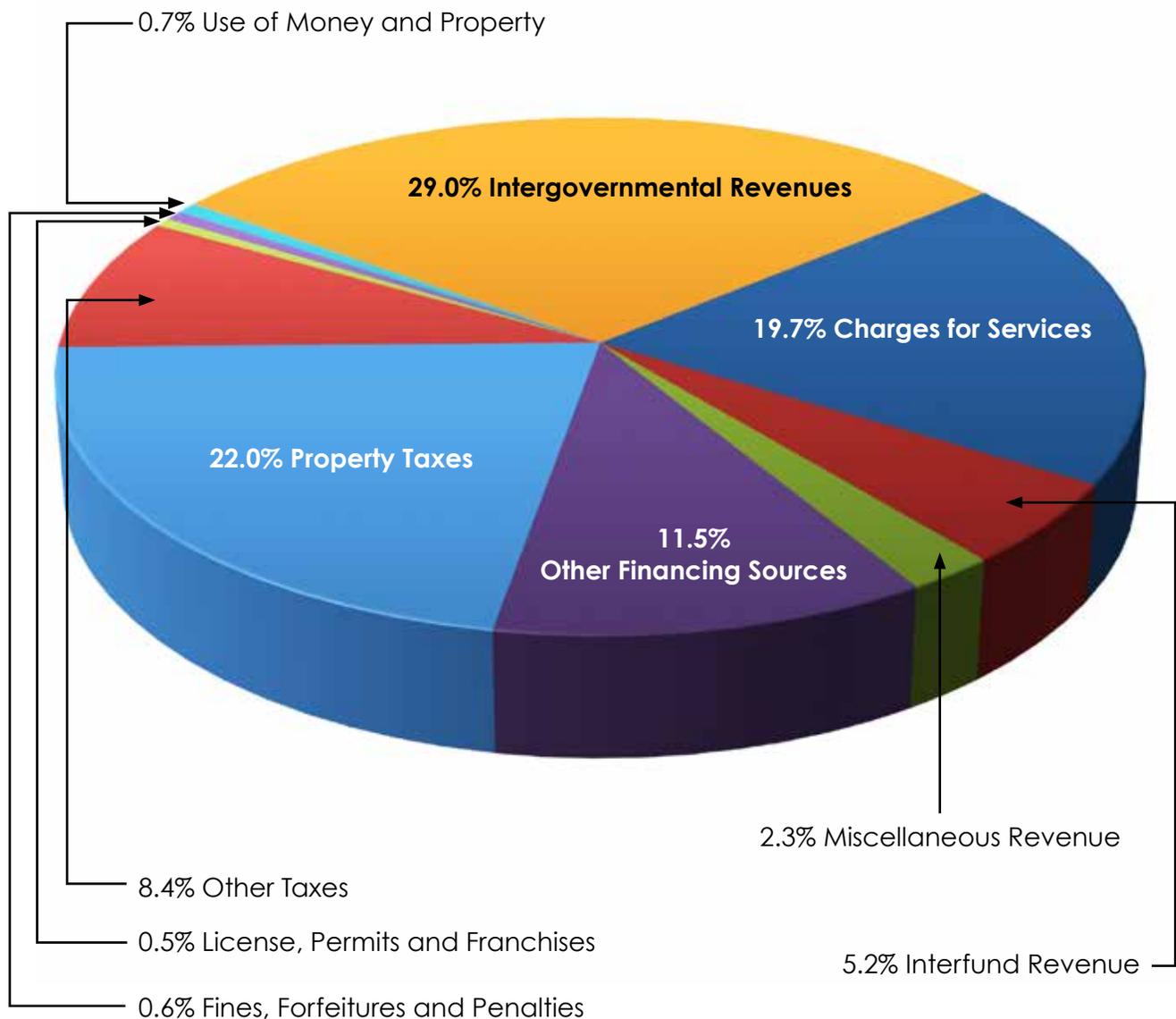
- School Districts 43%
- County 26%
- Cities 18%
- Special Districts 11%
- Redevelopment Agency Obligations 2%

This chart shows the allocation of property tax dollars within the county. Current law still gives schools the largest share, but less than in the past. The county's portion funds programs for health, welfare, human services and criminal justice. The cities' share funds fire, police, and community services. Special districts maintain infrastructure services (e.g., sewers, flood and fire control), and public healthcare. Redevelopment agency funds administer project funding obligations.



County Revenue Sources

County government receives a share of property tax revenues for its own general fund and various dependent special districts. The districts' funds are allocated directly to them, to support specific district services within their geographic areas. The most significant district services are the public libraries and fire protection. The property tax is the most important revenue source for the county's own operations—61 percent of the discretionary budget. Historically, these fund county services for public safety, criminal justice and the courts. Meanwhile, as an agent of the state, the county performs mandated state services such as health and public assistance, but not always with adequate state funding, creating competition for local revenues.



| Sources of Revenue | Recommended Budget FY 2016-17 | % Total |
|----------------------------------|----------------------------------|--------------|
| Property Taxes | \$399,949,727 | 22.0 |
| Other Taxes | \$153,572,030 | 8.4 |
| License, Permits and Franchises | \$9,385,138 | 0.5 |
| Fines, Forfeitures and Penalties | \$11,038,817 | 0.6 |
| Use of Money and Property | \$12,702,822 | 0.7 |
| Intergovernmental Revenues | \$527,862,833 | 29.0 |
| Charges for Services | \$359,196,466 | 19.7 |
| Interfund Revenue | \$95,428,138 | 5.2 |
| Miscellaneous Revenue | \$42,506,588 | 2.3 |
| Other Financing Sources | \$209,355,323 | 11.5 |
| TOTAL REVENUES | \$1,820,997,882 | 100.0 |



The Assessment Roll: Key Factors Affecting the Bottom Line

The annual property assessment roll identifies the assessed values of all properties as of January 1 each year and reflects additions, removals and declines in property value from the previous January 1. A copy of the roll is available for public inspection at the front counter of our office.

The combined roll is comprised of two major sections: the secured roll and the unsecured roll. The secured roll makes up the largest share of the total value—approximately 95 percent—and includes commercial and residential real properties. This year's increase over last year reached 7.77 percent (\$13.08 billion), continuing the current economic recovery. The total value of the secured roll is generated by a combination of the following factors, for which we provide details later in this report:

Secured Roll Factors:

Annual Inflation Factor. The rate of inflation is identified in the California Consumer Price Index (CCPI) issued by the California Industrial Relations Board. The annual inflation factor is the percentage we use to calculate the year-to-year adjustment of assessed value under Proposition 13, and we cannot use a factor higher than two percent, even if the CCPI's inflation rate exceeds that. This year the annual inflation factor was 1.525 percent.

Increased Values in the Local Real Estate Market. The relatively strong real estate market in San Mateo County has increased real estate values throughout all the cities and unincorporated areas. The majority of cities experienced total assessment increases of over 5 percent, with only a couple of cities experiencing less.

Sales and other change in ownership events totaled \$7.4 billion. Although the total number of real estate sales decreased slightly from the previous year, the higher values for those sales produced a roll increase greater than last year's \$6.2 billion. According to the California Association of Realtors, our county's median home price stood at \$1,250,000 as of August 2016, an increase of 1.3 percent over the previous year and should sustain a similar increase for the 2017-2018 assessment roll.

Decline in Value Program (Proposition 8). This program provides property tax relief to both residential and commercial property owners when the market value of a property falls below its assessed value. The number of properties participating in the program is reflective of the strength or weakness of the local real estate market.

- **Residential Properties.** From a high of 34,700 claims in FY 2011-2012, this year we granted relief to the owners of 2,870 properties among the 7,600 remaining in the Program, restoring \$887 million of assessed value worth \$8.87 million more tax revenue. Full and partial value restorations are trending upward: in FY 2016-2017, 62 and 33 percent, respectively; and in FY 2015-2016, 43 percent each.

- **Commercial Properties.** The majority of the 230 reviewed properties received full or partial restoration, boosting roll value by \$182 million. 112 properties remain in the Program, accounting for a total value loss of \$127 million (the gap between market values and assessed values in the absence of the Program). The value gap is trending downward: from \$363 million (382 properties) in 2014-2015 to \$180 million (218 properties) in 2015-2016.

Foreclosures. The trend is downward, indicating a strong and healthy local economy. Recordation of Trustee Deeds decreased 32 percent from Calendar Year 2014 to Calendar Year 2015 (174 to 118). Notice of Default filings fell 16 percent in the same period (725 to 609) in 2015, down from the high of 5,058 in 2009.

Unsecured Roll Dynamics:

The unsecured roll accounts for about 5.1 percent of the combined roll, comprised of valuations of business/personal property and possessory interests in government-owned real properties. The unsecured roll posted a 4.87 percent increase in value—\$450 million—reflecting improved local business activity throughout the county, including the San Francisco International Airport.

Value fluctuation in this segment of the combined roll is typically volatile, as economic conditions trigger business expansions or contractions. Additionally, unsecured roll values are derived mainly from personal property, the value of which typically depreciates and year-to-year adjustments are not constrained by the inflationary factor applied to real property on the secured roll.



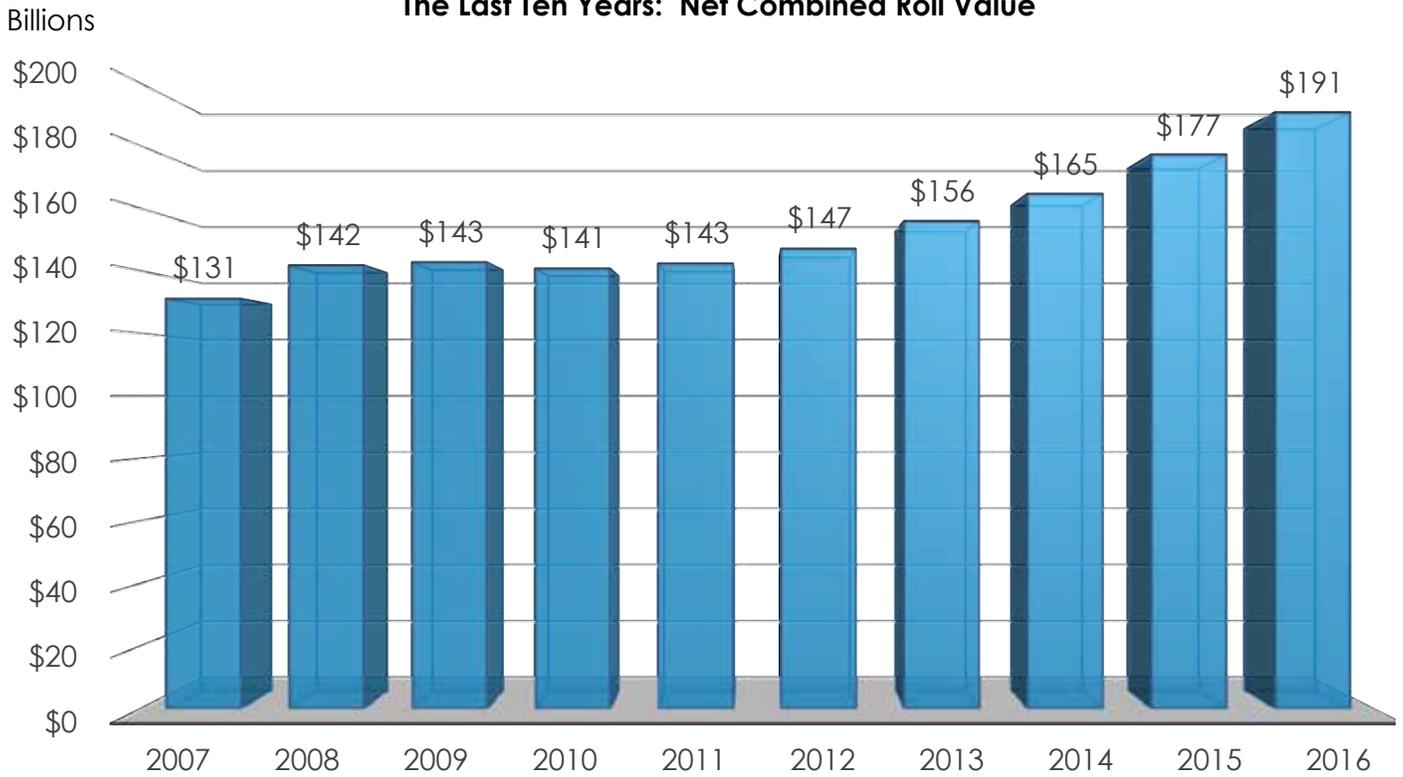
The Assessment Roll: A History of Change

| Roll changes since last year | 2016 - 2017 | 2015 - 2016 | Difference | % Change |
|---------------------------------|--------------------------|--------------------------|-------------------------|-------------|
| Land | \$89,508,925,766 | \$82,205,822,878 | \$7,303,102,888 | 8.88 |
| Improvements | \$94,312,557,249 | \$88,622,198,801 | \$5,690,358,448 | 6.42 |
| Fixtures | \$621,714,155 | \$531,147,744 | \$90,566,411 | 17.05 |
| Personal Property | \$1,346,086,324 | \$1,221,574,978 | \$124,511,346 | 10.19 |
| TOTAL GROSS SECURED | \$185,789,283,494 | \$172,580,744,401 | \$13,208,539,093 | 7.65 |
| Less: Exemptions (Home Owner's) | \$859,307,555 | \$869,321,755 | (\$10,014,200) | -1.15 |
| Less: Exemptions (Other) | \$3,641,614,407 | \$3,500,777,800 | \$140,836,607 | 4.02 |
| NET SECURED | \$181,288,361,532 | \$168,210,644,846 | \$13,077,716,686 | 7.77 |
| Land | \$456,139,264 | \$434,743,617 | \$21,395,647 | 4.92 |
| Improvements | \$2,954,747,598 | \$2,983,981,327 | (\$29,233,729) | -0.98 |
| Fixtures | \$1,471,299,826 | \$1,453,828,702 | \$17,471,124 | 1.20 |
| Personal Property | \$5,685,932,306 | \$5,501,455,315 | \$184,476,991 | 3.35 |
| TOTAL GROSS UNSECURED | \$10,568,118,994 | \$10,374,008,961 | \$194,110,033 | 1.87 |
| Less: Exemptions (Home Owner's) | \$652,809 | \$697,944 | (\$45,135) | -6.47 |
| Less: Exemptions (Other) | \$874,889,952 | \$1,130,813,301 | (\$255,923,349) | -22.63 |
| NET UNSECURED | \$9,692,576,233 | \$9,242,497,716 | \$450,078,517 | 4.87 |
| TOTAL LOCAL ROLL | \$190,980,937,765 | \$177,453,142,562 | \$13,527,795,203 | 7.62 |

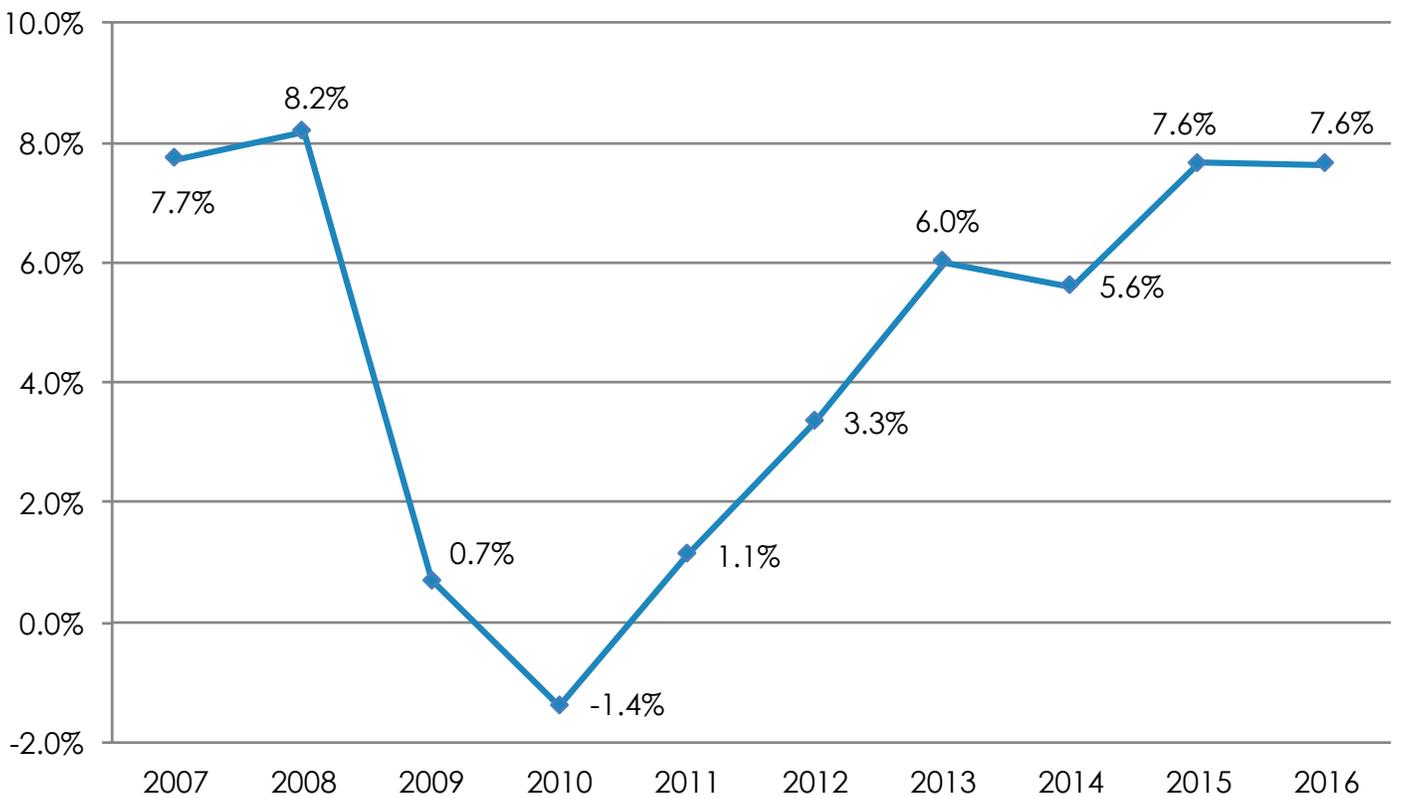
2016-2017 Highlights

| | |
|---------|--|
| 236,374 | Assessment parcels & accounts |
| 220,875 | Secured parcels |
| 15,499 | Unsecured accounts |
| 26,206 | Building permits processed |
| 31,590 | Deeds reviewed for change in ownership |
| 14,131 | Business accounts |
| 2,234 | Boat accounts |
| 437 | Aircraft accounts |

The Last Ten Years: Net Combined Roll Value



Rate of Change in Net Combined Roll Value



City Assessment Rolls: 2015 and 2016 Totals

| City | 2015 | % Total |
|----------------------|--------------------------|--------------|
| Atherton | \$8,780,410,762 | 4.9 |
| Belmont | \$5,711,910,982 | 3.2 |
| Brisbane | \$1,800,232,962 | 1.0 |
| Burlingame | \$8,982,631,695 | 5.1 |
| Colma | \$620,259,147 | 0.3 |
| Daly City | \$10,219,953,118 | 5.8 |
| East Palo Alto | \$2,294,583,572 | 1.3 |
| Foster City | \$8,536,888,307 | 4.8 |
| Half Moon Bay | \$2,645,790,112 | 1.5 |
| Hillsborough | \$8,450,405,823 | 4.8 |
| Menlo Park | \$13,380,461,679 | 7.5 |
| Millbrae | \$4,657,957,729 | 2.6 |
| Pacifica | \$5,213,944,952 | 2.9 |
| Portola Valley | \$3,004,549,973 | 1.7 |
| Redwood City | \$18,714,959,011 | 10.5 |
| San Bruno | \$6,399,080,186 | 3.6 |
| San Carlos | \$8,629,501,343 | 4.9 |
| San Mateo | \$21,014,606,042 | 11.8 |
| South San Francisco | \$15,397,316,446 | 8.7 |
| Woodside | \$5,326,420,587 | 3.0 |
| Unincorporated Areas | \$17,671,278,134 | 10.0 |
| County Total | \$177,453,142,562 | 100.0 |

| City | 2016 | % Total |
|----------------------|--------------------------|--------------|
| Atherton | \$9,502,181,665 | 5.0 |
| Belmont | \$6,135,249,998 | 3.2 |
| Brisbane | \$1,892,595,882 | 1.0 |
| Burlingame | \$9,674,641,943 | 5.1 |
| Colma | \$633,784,184 | 0.3 |
| Daly City | \$10,794,996,246 | 5.7 |
| East Palo Alto | \$2,465,680,381 | 1.3 |
| Foster City | \$9,326,797,156 | 4.9 |
| Half Moon Bay | \$2,739,332,101 | 1.4 |
| Hillsborough | \$9,108,861,353 | 4.8 |
| Menlo Park | \$15,055,919,927 | 7.9 |
| Millbrae | \$4,938,128,272 | 2.6 |
| Pacifica | \$5,514,878,435 | 2.9 |
| Portola Valley | \$3,140,729,394 | 1.6 |
| Redwood City | \$20,560,591,968 | 10.8 |
| San Bruno | \$6,891,391,232 | 3.6 |
| San Carlos | \$9,229,715,568 | 4.8 |
| San Mateo | \$22,631,790,804 | 11.9 |
| South San Francisco | \$16,373,523,079 | 8.6 |
| Woodside | \$5,695,009,923 | 3.0 |
| Unincorporated Areas | \$18,675,138,254 | 9.8 |
| County Total | \$190,980,937,765 | 100.0 |

City Assessment Rolls: The Last 10 Years

| City | 2007 | 2008 | 2009 | 2010 |
|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Atherton | \$5,295,164,915 | \$5,797,933,698 | \$6,173,657,417 | \$6,169,645,487 |
| Belmont | \$4,235,562,434 | \$4,490,077,475 | \$4,597,890,555 | \$4,535,727,180 |
| Brisbane | \$1,586,557,627 | \$1,678,573,938 | \$1,688,358,870 | \$1,642,469,772 |
| Burlingame | \$6,345,011,938 | \$6,722,625,348 | \$6,927,135,195 | \$6,971,973,391 |
| Colma | \$499,614,614 | \$559,693,524 | \$541,425,749 | \$526,929,379 |
| Daly City | \$8,411,689,410 | \$8,801,656,634 | \$8,406,357,814 | \$8,460,447,335 |
| East Palo Alto | \$2,160,484,668 | \$2,359,696,535 | \$2,120,733,924 | \$2,030,719,472 |
| Foster City | \$6,159,300,927 | \$6,458,106,421 | \$6,651,904,015 | \$6,580,136,709 |
| Half Moon Bay | \$2,173,967,296 | \$2,279,464,232 | \$2,285,147,910 | \$2,262,115,919 |
| Hillsborough | \$5,899,820,892 | \$6,284,679,105 | \$6,633,864,330 | \$6,634,146,654 |
| Menlo Park | \$9,087,570,328 | \$9,669,292,492 | \$10,016,523,183 | \$10,138,544,813 |
| Millbrae | \$3,150,061,155 | \$3,469,129,897 | \$3,589,068,730 | \$3,614,738,921 |
| Pacifica | \$4,199,005,979 | \$4,436,778,511 | \$4,353,684,332 | \$4,353,695,185 |
| Portola Valley | \$2,054,375,353 | \$2,213,766,813 | \$2,305,463,869 | \$2,330,565,243 |
| Redwood City | \$13,714,915,658 | \$14,767,640,786 | \$14,979,114,405 | \$14,730,427,062 |
| San Bruno | \$5,073,063,684 | \$5,427,202,807 | \$5,145,477,541 | \$5,066,605,565 |
| San Carlos | \$6,211,767,971 | \$6,596,996,584 | \$6,731,630,814 | \$6,784,367,951 |
| San Mateo | \$15,494,201,348 | \$16,681,947,092 | \$16,578,114,020 | \$16,263,482,508 |
| South San Francisco | \$12,246,176,584 | \$14,837,855,980 | \$13,928,100,310 | \$13,555,928,948 |
| Woodside | \$3,751,291,970 | \$3,881,845,621 | \$4,171,901,779 | \$4,150,652,928 |
| Unincorporated Areas | \$13,454,552,536 | \$14,510,653,637 | \$15,096,237,820 | \$14,126,807,034 |
| County Total | \$131,204,157,287 | \$141,925,617,130 | \$142,921,792,582 | \$140,930,127,456 |
| Change from prior year | 7.7% | 8.2% | 0.7% | -1.4% |

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| \$6,361,378,177 | \$6,937,183,418 | \$7,564,465,332 | \$8,057,517,997 | \$8,780,410,762 | \$9,502,181,665 |
| \$4,609,050,545 | \$4,771,022,137 | \$5,074,811,937 | \$5,355,997,042 | \$5,711,910,982 | \$6,135,249,998 |
| \$1,585,868,563 | \$1,578,533,082 | \$1,577,238,541 | \$1,686,003,052 | \$1,800,232,962 | \$1,892,595,882 |
| \$7,073,819,928 | \$7,395,879,716 | \$7,905,206,616 | \$8,409,524,618 | \$8,982,631,695 | \$9,674,641,943 |
| \$529,804,446 | \$555,334,005 | \$569,264,490 | \$612,671,067 | \$620,259,147 | \$633,784,184 |
| \$8,529,672,895 | \$8,628,390,404 | \$9,179,079,455 | \$9,666,310,302 | \$10,219,953,118 | \$10,794,996,246 |
| \$1,962,785,583 | \$1,913,527,609 | \$1,998,650,708 | \$2,130,647,020 | \$2,294,583,572 | \$2,465,680,381 |
| \$6,615,709,167 | \$6,832,874,915 | \$7,473,204,472 | \$7,772,324,976 | \$8,536,888,307 | \$9,326,797,156 |
| \$2,289,995,648 | \$2,330,718,858 | \$2,361,010,857 | \$2,480,870,780 | \$2,645,790,112 | \$2,739,332,101 |
| \$6,636,806,588 | \$6,905,305,975 | \$7,362,422,592 | \$7,820,616,340 | \$8,450,405,823 | \$9,108,861,353 |
| \$10,169,244,059 | \$10,620,369,817 | \$11,311,951,652 | \$12,015,719,121 | \$13,380,461,679 | \$15,055,919,927 |
| \$3,672,392,992 | \$3,813,129,510 | \$4,043,061,756 | \$4,343,504,423 | \$4,657,957,729 | \$4,938,128,272 |
| \$4,398,866,001 | \$4,449,139,154 | \$4,639,493,161 | \$4,876,416,386 | \$5,213,944,952 | \$5,514,878,435 |
| \$2,374,079,442 | \$2,499,413,447 | \$2,654,834,901 | \$2,801,883,642 | \$3,004,549,973 | \$3,140,729,394 |
| \$14,739,511,341 | \$15,152,749,693 | \$16,243,074,154 | \$17,115,153,932 | \$18,714,959,011 | \$20,560,591,968 |
| \$5,164,490,117 | \$5,268,446,565 | \$5,566,473,666 | \$5,991,728,553 | \$6,399,080,186 | \$6,891,391,232 |
| \$6,880,824,986 | \$7,082,568,072 | \$7,629,813,187 | \$7,916,596,991 | \$8,629,501,343 | \$9,229,715,568 |
| \$16,430,999,464 | \$16,859,447,154 | \$18,039,766,865 | \$19,368,255,730 | \$21,014,606,042 | \$22,631,790,804 |
| \$13,739,436,109 | \$13,906,416,880 | \$14,219,008,148 | \$14,811,520,910 | \$15,397,316,446 | \$16,373,523,079 |
| \$4,253,475,343 | \$4,433,295,729 | \$4,768,578,184 | \$4,979,973,955 | \$5,326,420,587 | \$5,695,009,923 |
| \$14,487,593,904 | \$15,322,345,288 | \$15,919,634,188 | \$16,640,868,520 | \$17,671,278,134 | \$18,675,138,254 |
| \$142,505,805,298 | \$147,256,091,428 | \$156,101,044,862 | \$164,854,105,357 | \$177,453,142,562 | \$190,980,937,765 |
| 1.1% | 3.3% | 6.0% | 5.6% | 7.6% | 7.6% |

School District Assessment Roll Totals

| Tax Account Name | 2016 Secured NET (Final) | 2016 Unsecured NET (Final) | 2016 Total NET |
|----------------------------------|--------------------------|----------------------------|-------------------|
| Bayshore Elementary | \$832,799,052 | \$56,110,092 | \$888,909,144 |
| Belmont Elementary | \$12,560,607,651 | \$398,409,001 | \$12,959,016,652 |
| Brisbane Elementary | \$2,434,691,313 | \$156,449,830 | \$2,591,141,143 |
| Burlingame Elementary | \$9,879,534,584 | \$329,514,174 | \$10,209,048,758 |
| Hillsborough Elementary | \$9,115,577,148 | \$6,149,076 | \$9,121,726,224 |
| Jefferson Elementary | \$9,104,903,323 | \$235,533,063 | \$9,340,436,386 |
| Pacifica School District | \$5,358,797,188 | \$44,029,700 | \$5,402,826,888 |
| Las Lomas Elementary | \$7,726,163,311 | \$207,898,488 | \$7,934,061,799 |
| Menlo Park Elementary | \$14,463,549,949 | \$168,102,395 | \$14,631,652,344 |
| Millbrae Elementary | \$5,167,494,777 | \$2,869,976,558 | \$8,037,471,335 |
| Portola Valley Elementary | \$4,870,515,525 | \$11,735,360 | \$4,882,250,885 |
| Ravenswood Elementary | \$4,423,953,340 | \$660,116,466 | \$5,084,069,806 |
| Redwood City Elementary | \$22,797,428,208 | \$1,016,820,068 | \$23,814,248,276 |
| San Bruno Park Elementary | \$6,247,927,674 | \$895,618,681 | \$7,143,546,355 |
| San Carlos Elementary | \$8,107,767,704 | \$237,162,192 | \$8,344,929,896 |
| San Mateo/Foster City Elementary | \$31,580,094,850 | \$892,730,255 | \$32,472,825,105 |
| Woodside Elementary | \$3,457,507,049 | \$8,428,603 | \$3,465,935,652 |
| Belmont/Redwood Shores S.F.I.D. | \$5,826,699,725 | \$202,785,820 | \$6,029,485,545 |
| Jefferson High School | \$17,731,190,876 | \$492,122,685 | \$18,223,313,561 |
| San Mateo High School | \$61,990,629,033 | \$4,993,988,744 | \$66,984,617,777 |
| Sequoia High School | \$78,407,492,737 | \$2,708,672,573 | \$81,116,165,310 |
| Cabrillo Unified | \$5,888,829,381 | \$96,289,688 | \$5,985,119,069 |
| La Honda Pescadero Unified | \$777,760,806 | \$5,235,166 | \$782,995,972 |
| South San Francisco Unified | \$16,492,458,699 | \$1,396,267,377 | \$17,888,726,076 |
| San Mateo Jr College | \$181,288,361,532 | \$9,692,576,233 | \$190,980,937,765 |

| 2015 Secured NET (Final) | 2015 Unsecured NET (Final) | 2015 Total NET | Change \$ | Change % |
|--------------------------|----------------------------|-------------------|------------------|----------|
| \$802,588,856 | \$53,201,720 | \$855,790,576 | \$33,118,568 | 3.87 |
| \$11,610,163,817 | \$401,474,739 | \$12,011,638,556 | \$947,378,096 | 7.89 |
| \$2,231,173,251 | \$162,585,117 | \$2,393,758,368 | \$197,382,775 | 8.25 |
| \$9,155,334,175 | \$325,315,085 | \$9,480,649,260 | \$728,399,498 | 7.68 |
| \$8,450,287,565 | \$8,612,367 | \$8,458,899,932 | \$662,826,292 | 7.84 |
| \$8,610,179,945 | \$257,878,039 | \$8,868,057,984 | \$472,378,402 | 5.33 |
| \$5,049,717,506 | \$56,961,817 | \$5,106,679,323 | \$296,147,565 | 5.80 |
| \$7,138,244,940 | \$211,577,359 | \$7,349,822,299 | \$584,239,500 | 7.95 |
| \$13,561,160,055 | \$167,852,475 | \$13,729,012,530 | \$902,639,814 | 6.57 |
| \$4,856,281,237 | \$2,779,878,258 | \$7,636,159,495 | \$401,311,840 | 5.26 |
| \$4,656,455,941 | \$15,052,008 | \$4,671,507,949 | \$210,742,936 | 4.51 |
| \$3,635,228,845 | \$453,579,989 | \$4,088,808,834 | \$995,260,972 | 24.34 |
| \$20,732,144,488 | \$967,689,355 | \$21,699,833,843 | \$2,114,414,433 | 9.74 |
| \$5,722,529,833 | \$934,391,207 | \$6,656,921,040 | \$486,625,315 | 7.31 |
| \$7,574,997,893 | \$208,588,192 | \$7,783,586,085 | \$561,343,811 | 7.21 |
| \$29,093,843,009 | \$908,847,201 | \$30,002,690,210 | \$2,470,134,895 | 8.23 |
| \$3,200,538,189 | \$10,932,611 | \$3,211,470,800 | \$254,464,852 | 7.92 |
| \$5,324,093,037 | \$197,376,528 | \$5,521,469,565 | \$508,015,980 | 9.20 |
| \$16,693,659,558 | \$530,626,693 | \$17,224,286,251 | \$999,027,310 | 5.80 |
| \$57,278,275,819 | \$4,957,044,118 | \$62,235,319,937 | \$4,749,297,840 | 7.63 |
| \$72,108,934,168 | \$2,436,746,728 | \$74,545,680,896 | \$6,570,484,414 | 8.81 |
| \$5,640,029,614 | \$100,418,759 | \$5,740,448,373 | \$244,670,696 | 4.26 |
| \$752,190,248 | \$5,872,962 | \$758,063,210 | \$24,932,762 | 3.29 |
| \$15,737,555,439 | \$1,211,788,456 | \$16,949,343,895 | \$939,382,181 | 5.54 |
| \$168,210,644,846 | \$9,242,497,716 | \$177,453,142,562 | \$13,527,795,203 | 7.62 |

Interesting Facts

Secured Roll Distribution by Use Type

Residential

| | # of Parcels | Assessed Value |
|---------------------------------|--------------|-------------------|
| Single-Family | 184,897 | \$127,154,488,542 |
| Multi-Family | 12,152 | \$15,028,430,742 |
| Vacant Land (zoned residential) | 6,440 | \$1,115,690,306 |

Commercial/Industrial

| | # of Parcels | Assessed Value |
|--------------------------------|--------------|------------------|
| Improved | 10,597 | \$35,873,414,353 |
| Vacant Land (zoned commercial) | 3,261 | \$1,130,050,601 |

Rural/Agricultural

| | # of Parcels | Assessed Value |
|---------------|--------------|----------------|
| Improved | 178 | \$125,755,283 |
| Irrigated | 122 | \$46,322,848 |
| Non-irrigated | 155 | \$42,394,983 |
| Restricted | 774 | \$334,653,378 |
| Vacant | 426 | \$54,254,532 |



The Top Ten: Highest Value Taxpayers

| Rank | Name | Assessment | % of Total Roll |
|------|-----------------------------------|-----------------|-----------------|
| 1 | GENENTECH INC | \$1,846,045,617 | 0.97 |
| 2 | UNITED AIRLINES INC | \$1,481,233,897 | 0.78 |
| 3 | GILEAD SCIENCES INC | \$1,469,759,892 | 0.77 |
| 4 | GOOGLE INC | \$952,354,472 | 0.50 |
| 5 | ORACLE CORPORATION | \$656,459,911 | 0.34 |
| 6 | SLOUGH BTC LLC | \$594,225,301 | 0.31 |
| 7 | SLOUGH SSF LLC DE | \$506,219,038 | 0.27 |
| 8 | PENINSULA INNOVATION PARTNERS LLC | \$401,023,741 | 0.21 |
| 9 | ARE SAN FRANCISCO | \$386,589,065 | 0.20 |
| 10 | GIANT PROPERTIES LLC | \$380,640,644 | 0.20 |

We Assess America's Longest Building

The Stanford Linear Accelerator Center (SLAC) in Menlo Park is 1.9 miles long.



A Closer Look at Some of the Mechanics of Assessment

Factored Base Year Value

When Proposition 13 was implemented, all real properties were reassessed at their 1975 assessed value. This was the “base year value.” As long as there was no change of ownership or new construction on the property, Prop 13 provided for the annual adjustment of the assessed value, based on the year’s rate of inflation (“the annual inflation factor”). This is called the “factored base year value.” In the event of a reappraisable change in ownership or completion of new construction, the factored base year value is replaced by a new base year value which reflects the current market value (acquisition value).

Supplemental Assessments: Ownership Change or New Construction

The assessor must make an additional assessment of a real property—called a “supplemental assessment”—whenever mandatory reappraisal is triggered by a qualifying change in ownership or new construction or a change in use. The supplemental assessment captures the change in assessed value between the existing factored base year value and the new market value based on the changed circumstances. The supplemental assessment generates a supplemental tax bill that is prorated based on the number of months remaining in the fiscal year ending on June 30. The supplemental tax bill is payable in addition to the annual tax bill or it triggers a tax refund. Usually, only one supplemental assessment is generated by one of these triggering events, but events occurring between January and May can affect the assessment rolls of two fiscal years, causing two supplemental assessments to be issued.

New Construction. Assessable new construction is defined as any physical alteration of an improvement which converts the improvement, or any portion, to “substantially equivalent to new” or changes the way in which the portion of the improvement that was altered is used. The value of the alteration, not necessarily its cost, will be added to the factored base year value of the pre-existing improvement (including fixtures). If an addition or a substantial alteration is made to a structure, only the value of the new improvement is added to the current assessed value. The value of the pre-existing property is unchanged. The base year value of any newly completed construction is its current fair market value as of its date of completion. New construction in progress is appraised at its fair market value on the January 1 lien date. For further detail, see Assessors’ Handbook 410.

Change in Ownership. When a reappraisable change in ownership occurs, a new base year value is established at the current fair market value on the date of the change in ownership. If a partial change in ownership occurs, only the portion that changes ownership is given a new base year value based upon its current fair market value on the date of the change in ownership, and the portion that did not change ownership retains its existing adjusted base year value.

Temporary Decline in Value (Proposition 8)

When an economic downturn occurs, it may affect the local real estate market by causing housing and commercial values to drop. The Decline in Value Program provides temporary property tax relief to properties for which current market values have fallen below their assessed values.

Generally, property is assessed at the lesser of two values: (1) the factored base year value (typically the purchase price adjusted annually for inflation, not to exceed 2 percent per year) or (2) the current market value on January 1. When the market value is the lesser value, the Decline in Value Assessment Program (Proposition 8) allows for a temporary reduction in assessed value until market value rises to meet its pre-fall value.

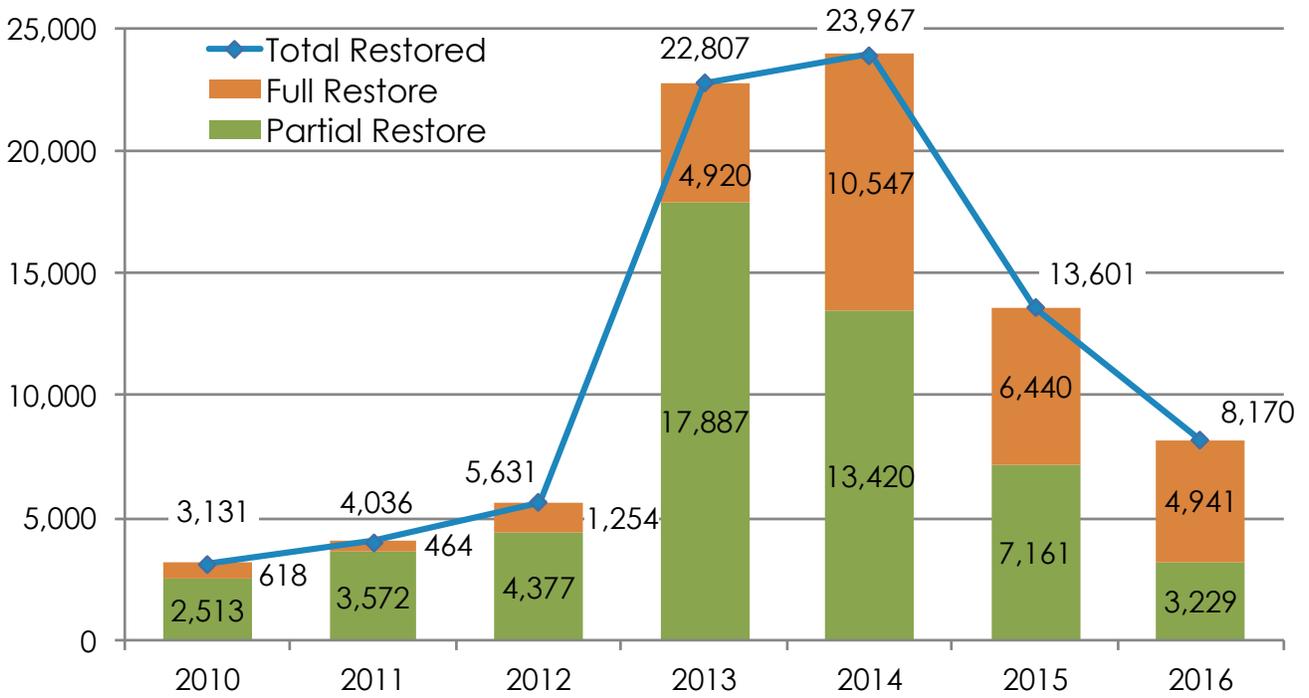
If a property is enrolled in the Decline in Value Assessment Program, its assessed value is subject to annual review in subsequent years in light of economic and market factors at that time. For example, the assessed value may be:

- Increased to no more than the “factored base year value”, or
- Held at the prior year’s assessed value, or
- Reduced further.

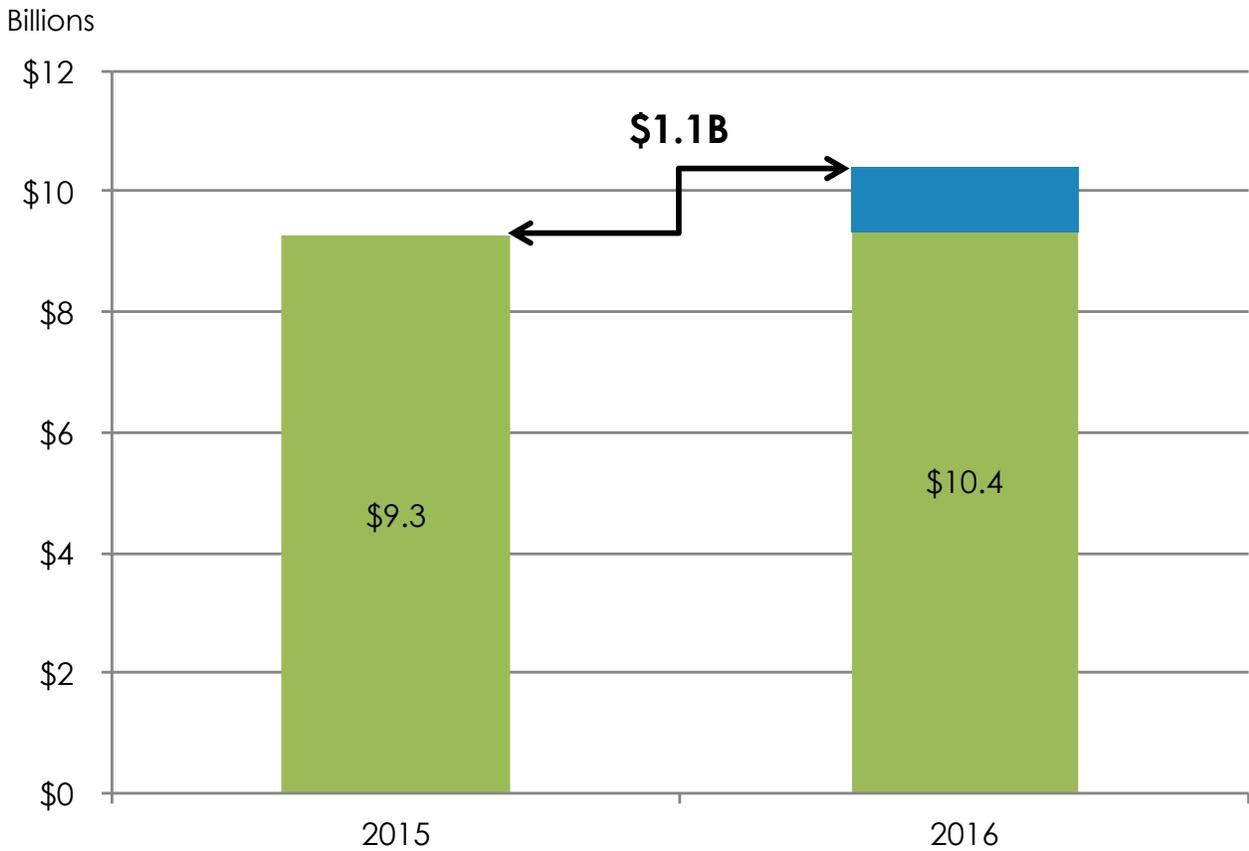
Proposition 13’s Two Percent Limit Does Not Apply to Value Restoration. As market prices rise toward former levels, some properties enrolled in the Decline in Value Program (Proposition 8) will merit an increase in assessed value—this is called “restoration” of part or all of the factored base year value existing before the decline in market value. Value restorations under Prop 8 operate separately from the annual value adjustments provided by Proposition 13 and are not limited to two percent. Prop 13 adjustments, on the other hand, are tied to the inflation rate and limited to two percent. However, Prop 8 restorations may never exceed the factored base year value existing before the decline.



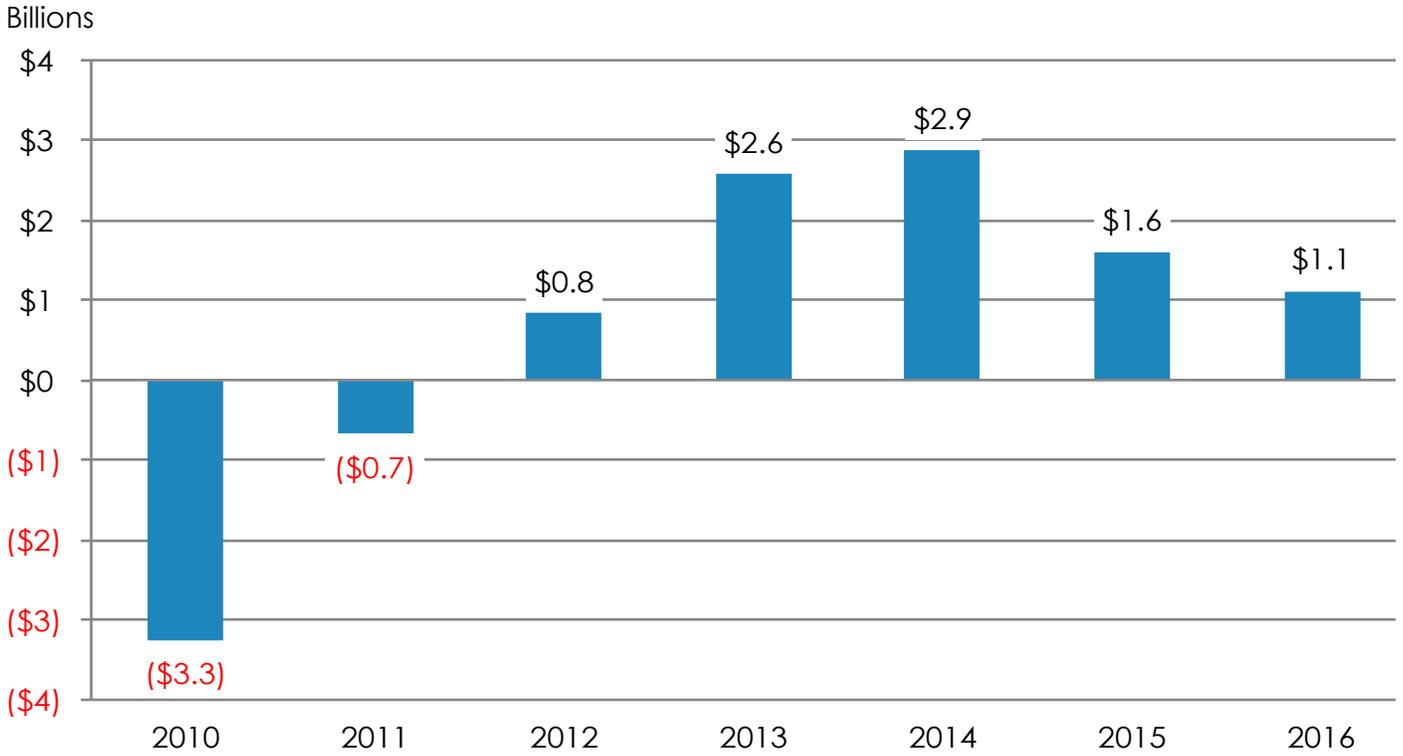
Number of Parcels Restored: 2010 to 2016



Comparison of Assessment Value Restorations: 2015 and 2016



Net Increase or Decrease under Proposition 8 (2010 to 2016)



Unsecured Properties

Our office determines the taxable value of the tangible assets possessed by more than 14,100 businesses operating in San Mateo County. The assessor also sets the value of 2,234 boats and 307 general aircraft owned here.

Business Personal Property. If a business owns, as of January 1, taxable personal property with an aggregate cost of \$100,000 or more, the law requires the owner to file an annual Business Property Statement (Form 571-L) for each business location. The assessor may also request that a statement be filed. The statement must detail the costs of all supplies, equipment, fixtures, leasehold improvements, land improvements and land, as well as other requested information. The statement is due by April 1 of each year, and must be received by our office no later than close of business on May 7. Owners have the option to file electronically, thereby reducing our costs for printing and postage. This year, we mailed out over 6,200 forms and about 10,000 notices to file statements electronically. Last year, about 4,700 businesses filed electronically.

Water Vessels. Watercraft of every description that is used or capable of being used as a means of transportation on water is taxable. These range from personal canoes to commercial fishing boats. Most vessels are registered with the California Department of Motor Vehicles or certificated by the US Coast Guard. (See Assessor's Handbook 576.)

General Aircraft. "General aircraft" are privately owned aircraft used for pleasure or business but not authorized to carry passengers, mail, or freight on a commercial basis. These range from single-engine, propeller craft to large corporate jets. These assets are "habitually situated" at one of our three airports (San Francisco International, Half Moon Bay, or San Carlos). (See Assessor's Handbook 577.) General aircraft are registered with the Federal Aviation Administration. Commercial aircraft are assessed under special rules (see Assessor's Handbook 570).



Tax Relief Opportunities: Exemptions, Exclusions, Appeals

Exemptions and Exclusions

California's framework of property tax law includes multiple provisions to ease the tax burden on eligible taxpayers. In simple terms, relief comes in the form of making a property not taxable, or reducing the taxable value of the property, or helping the owner to pay the tax. Exclusions make some changes in ownership (such as parent-to-child) and some types of property not taxable. Exemptions reduce the taxable assessed value of some properties, based on the owner's characteristics (such as disabled or a charity) or the property's characteristics (such as disaster loss or eminent domain). Special programs for eligible taxpayers assist with or postpone tax payments. In this fiscal year, for example, we granted exemptions totaling \$5.38 billion, of which 84 percent went to institutions and organizations (nonprofit, religious, church, hospital, or school).

The menu of exemptions and exclusions is explained more fully on our website, under the "Homeowner Resources" tab. The following chart highlights their terms, and we will provide more information in this report about the most common ones.



| Name | Eligibility | Terms |
|---|---|--|
| Builder's Exclusion | Builders of one or multiple single-family homes built for sale. | Exclusion from supplemental assessment but new construction is reappraised. |
| Exclusion of some intra-family transfers (Proposition 58) | Ownership transfer within the immediate family: parent-child and/or grandparent-grandchild. | Transfer does not trigger reappraisal to current market value. |
| Low Value Exemption | All personal property that does not exceed \$7,500 in full cash value. | The aggregate value of all personal property of a single taxpayer, or a group of taxpayers, on any one lien date not exceeding \$7,500 in full cash value. |
| Homeowners' Exemption | Taxpayer occupies home as principal residence on January 1. | Up to \$7,000 reduction in assessed value. |
| Replacement Dwelling Exclusions (Propositions 60, 90 and 110) | Taxpayer is severely permanently disabled or over age 55, and occupies home as principal residence. | Allows transfer of assessed value of original home to replacement home of equal or lesser value. |
| Institutional Exemptions | Qualified organizations including churches, museums, public schools and welfare organization. | Exempt from ad valorem taxation. |
| Welfare Exemption | Owned and used exclusively by a non-profit religious, charitable, scientific, or hospital corporation, or used exclusively for religious or educational purposes. | Assessed value is reduced. |
| Disabled Veterans' Exemption | Military veteran disabled by service-related injury or disease while in active service, or the surviving unmarried spouse, and California resident on January 1, and household income below \$49,980. | Assessed value reduced as much as \$166,944, depending on disability. |
| Decline in Market Value (Proposition 8) | Market value falls below current assessed value. | Assessed value reduced to market value until factored base year value is achieved. |
| Calamity Relief | Property destroyed by fire, earthquake or flood, with loss over \$10,000. | Factored base year value is reduced by the percentage of damage. If rebuilt in like or similar manner, preexisting assessed value is retained. |
| Eminent Domain (Proposition 3) | A government agency has acquired the property. | Assessed value is transferred to a comparable replacement property. |

Homeowners' Exemption. If a homeowner occupies his/her home as a principal place of residence on January 1, the owner qualifies for an exemption of \$7,000 from the home's annually assessed value, which reduces the annual property tax bill. The exemption may also apply to a supplemental assessment if the home was not previously receiving the exemption on the annual assessment roll. California law allows only one homeowners' exemption per owner, applicable to the principal place of residence; therefore, a second home does not qualify for the exemption. There is no filing fee. We automatically mail an application form to new property owners.

Institutional Exemptions. Property used exclusively for a church, college, cemetery, museum, school, or library may qualify for this exemption that will reduce the owner's property tax liability. Properties owned and used exclusively by a nonprofit religious, charitable, scientific, or hospital corporation may also be eligible.



Assessment Appeals

When a property owner disagrees with our determination of the value on which an assessment is based, the owner should, within 15 days of receiving the assessment notice, contact our office. After discussion and review of the available data, if reduction in value is proper, we will adjust the value. Alternatively, we may conclude that a reduction is not warranted.

If unsatisfied with this decision, the property owner is entitled to appeal that decision to the county's Assessment Appeals Board (AAB), by filing an *Assessment Appeal Application*. Our staff will assist the owner with the AAB's application process.

The AAB is an independent board composed of three private citizens appointed by the county's board of supervisors. AAB candidates must possess the relevant education and/or experience specified in state law and appointees must complete the State Board of Equalization's training program. The board of supervisors provides administrative support to the AAB, but has no authority over its practices or decisions when performing its assessment equalization duties. Upon due notice, and in some cases with the assistance of legal counsel on both sides, the owner and the assessor's staff will present evidence at the hearing conducted by the AAB. The AAB then determines the value of the property in question and issues its decision. If the property owner remains unsatisfied, and the hearing has written findings of fact, then the owner has a right to appeal it to the county's superior court.

Appeal Deadlines. An appeal must be filed with the Clerk of the AAB, not with the assessor. A \$30 application fee applies. The filing deadline depends on what you are appealing. If your appeal relates to a notice of annual assessment, you must file between July 2 and September 15 (or the following business day if that falls on a weekend), unless we have not mailed your notice of annual assessment by August 1. In that event, the deadline is extended to November 30. If your appeal relates to a supplemental assessment, the filing deadline is within 60 days of the mailing date on the supplemental assessment notice. For more information, call (650) 363-4573. Additional information and application forms are available on the AAB's website at cmo.smcgov.org/assessment-appeals-board. The office of the Clerk of the AAB is in Building 400 at County Center in Redwood City, on the first floor.



Frequently Asked Questions

The Assessment Process and Related Data

- 1. Why is my assessment so much higher than my neighbor's, for the same model of house?**
Assessed value is based on the fair market value of the house as of its purchase date. Different dates may produce different assessed values.
- 2. How can I obtain the assessment data on my property?**
You may review our data at our office, located at 555 County Center, First Floor, in Redwood City.
- 3. How many county agencies work to produce my tax bill, and how?**
The assessor determines the taxable value and prepares the assessment roll, the controller determines the applicable tax rates and amounts and maintains the tax roll, the tax collector issues the bills and collects the tax payments, and the controller distributes the revenues among the local taxing jurisdictions.
- 4. What are my property's boundaries?**
Your property's boundaries are delineated within your grant deed or your deed makes reference to a legally recorded map of a subdivision or a parcel which specifies the boundaries. These recorded documents are on file in our office.
- 5. I think the fence that is between me and my neighbor is in the wrong location. How can I know?**
The only way to know is to have a licensed surveyor survey the property's boundaries. We do not provide this service.
- 6. What do I need to do if I want to subdivide my property?**
This answer depends on your circumstances, but usually these land use questions must be directed to the planning and building department for the jurisdiction where the property lies.

Change in Ownership

- 1. My parents died and their children inherited the property. Why are we receiving a notice of possible reassessment?**
Death is a transfer of the decedent's interest upon the date of death to the heirs. If the heirs or beneficiaries are the decedent's children, they must timely submit a claim form to our office (Claim For Reassessment Exclusion For Transfer Between Parents & Children). If not timely filed, the property will be reassessed. See the next question.
- 2. OK, but we have sold the property. Do we still need to submit the claim form?**
Yes. The possible reassessment covers the time period between the date of death and the date of sale. Without the claim form, we will reassess for that time period and we will issue a supplemental tax bill. Upon selling the property to a third party, the children must file the claim form within six months from the date of notice of a supplemental or escape assessment. Please make certain that we have the correct address for the estate's executor/successor trustee or other representative.

New Construction

1. **What if I build an addition to my home? How are additions assessed?**
An addition will be reassessed, but not the rest of the pre-existing building. We add the fair market value of the addition to the existing value of the “improvements” portion of the assessed value.
2. **What if I remodel my kitchen or bathroom?**
We will not reassess. Replacing old cabinets, fixtures, or other components with newer items that provide the same or similar function do not constitute new construction.
3. **What if I add a bathroom, room or loft within existing space?**
This is reassessable because it is considered a change in use.
4. **What if I tear down most of the house, leaving a corner or wall standing?**
Rebuilding in this way is considered equivalent to new construction and therefore reassessable.



Business Property

1. **What is business personal property?**

Basically, any equipment used in the business should be reported, such as: computers, printers, servers, office furniture, telephones, copiers, fax machines, restaurant equipment, forklifts, video equipment, and cameras.

2. **What is a Business Property Statement (Form 571-L)?**

The Business Property Statement (BPS) is a reporting form, or a series of forms, for declaring the acquisition costs of all of the business's taxable real and personal properties, as they exist on the January 1 lien date.

3. **Why did I receive a BPS?**

We might have learned about the existence of your business, either from the city that issued your business license, or from a fictitious business name report filed with the county recorder, or from a field canvass by our staff. Every person who owns taxable personal property other than a mobilehome, with an aggregate initial cost or current market value of \$100,000 or more, must report the type of business, its location and the itemized acquisition cost of such property.

4. **What is the purpose of the BPS?**

The BPS collects information the owner provides about the business's supplies, business equipment and leasehold improvements. We use that information to assess taxable value. The owner reports the acquisition costs of taxable items owned on January 1 at the identified address. All 58 of California's county assessors mail out similar BPS forms.

5. **Who must file a BPS?**

- (1) Any business that receives a BPS form from the assessor must complete, sign and return it to the assessor within the time specified.
- (2) Even absent such formal request, any business that owns taxable personal property and/or leasehold improvements having a total combined cost or current market value of \$100,000 or more must file a BPS.
- (3) Any other business, when requested by assessor to file, must file, regardless of the value of their assets.

6. **Can I file my BPS online?**

Yes, most small businesses in San Mateo County have received our notification letter containing a unique business account number and a BIN (Business Identification Number), to enable online filing.



Mobilehomes

1. **Are mobilehomes subject to the property tax?**

Yes, if they are newly purchased or on permanent foundations. As with real property, the assessed value cannot increase by more than two percent annually unless there is a change in ownership or new construction. Older mobilehomes (bought before June 30, 1980) generally are not taxable; rather, they are licensed by the California Department of Housing and Community Development.

2. **My mobilehome is sitting on a permanent foundation on my property. How will it be taxed?**

For tax purposes, a mobilehome that is affixed to the land on a permanent foundation is not considered a mobilehome; instead, it is deemed to be modular housing, and has always been taxed like a conventional home.

3. **If I buy a used mobilehome that is subject to local property taxes, how do I get the title transferred to my name?**

Mobilehome titles are issued by the California Department of Housing and Community Development. That agency cannot transfer the title of a taxable used mobilehome without first receiving a tax clearance certificate from the county tax collector of the county where the mobilehome is situated. Any taxes owed must be paid before a certificate can be issued. Note: This type of title transfer applies only to mobilehomes not on permanent foundations. If the mobilehome is attached to a permanent foundation, the title transfer is handled by the county recorder in the same manner as for conventional homes.

4. **How do you transfer the title of a mobilehome into the name of a trust?**

Contact the California Department of Housing and Community Development. Visit their website at www.hcd.ca.gov.



Tax Bills and Refunds

- 1. How much are my taxes for the current year?**
Current year information is available on the Treasurer-Tax Collector's website, or call (650) 363-4142. Visit the web at www.sanmateocountytaxcollector.org.
- 2. I didn't pay my taxes last year. Where can I find out what I owe?**
Delinquent tax bills are also available on the tax collector's website, or call (650) 363-4142.
- 3. Why do I have two supplemental tax bills?**
State law requires the assessor to reappraise property and issue a notice of supplemental assessment upon a change in ownership or the completion of new construction. The supplemental assessment reflects the difference between the new value and old values. If the triggering event occurs between January 1 and May 31, there will be two supplemental tax bills.
- 4. Can I pay my taxes with a credit card?**
Yes. The tax collector accepts credit card payments by telephone and online. Visit their website at: www.sanmateocountytaxcollector.org.
- 5. To what address do I mail my tax payment?**
Tax bills are payable to "Sandie Arnott", the county tax collector. Mail your payment to: San Mateo County Tax Collector, PO Box 45878, San Francisco, CA 94145-0878. Web site at www.sanmateocountytaxcollector.org.
- 6. Where can I make my tax payment in person?**
The tax collector's office address is 555 County Center, First Floor, Redwood City, CA 94063.
- 7. I do not have a secured property tax bill. What should I do?**
The county tax collector can provide you with a replacement tax bill.
- 8. I received a refund, but don't know why. Can you help?**
To inquire about your refund, please contact the Controller's Office. Please be prepared to tell them specific information such as your name, property address and if possible the Assessor's Parcel Number.

Tax Relief and Assistance Programs

- 1. Can I negotiate or file an appeal to obtain a lower assessed value?**
Yes. If you disagree with the assessor's value determination, you should first discuss your concern with the assessor's appraisal staff. If you remain unsatisfied, for a specified period of time, you have the right to file an appeal with the county's Assessment Appeals Board. For more information and forms, see the Board's website at: cmo.smcgov.org/assessment-appeals-board.
- 2. How do I get more details on Institutional and Veteran's Organization Exemptions and how do I apply for an exemption?**
Certain properties may be eligible for an exemption if they have a qualifying use. Please visit our forms page for information or contact our Exemptions Unit at (650) 363-4500.

3. **What kinds of ownership transfers avoid reappraisal to market value?**
State law protects some transfers from suffering a sudden assessment increase when they would otherwise be reappraised to current market value, replacing the existing factored base year value accrued during long-term ownership under Prop 13. These include intra-family transfers between decedent-surviving spouse, parent-child, grandparent-grandchild, or the purchase of another home of equal or lesser value by an aging owner as the principal residence. Please visit our Homeowner Resources webpage.
4. **Replacement Dwelling Exclusions:**
 - a. **Can two otherwise qualified taxpayers who recently sold their separately owned dwelling properties combine their claims for the Proposition 60/90 benefit when they jointly buy one replacement dwelling?**
No. They can only receive benefit if one or the other, not both, qualifies by comparing his/her original property to the jointly purchased replacement dwelling. The implementing legislation specifically disallows combining a claim in this manner regardless of whether the replacement dwelling co-owners are married or not.
 - b. **When making the “equal or lesser value” comparison, is it sufficient to simply compare the sale price of the original property and the purchase price/construction cost of the replacement dwelling?**
No. You must compare the full market value of the original property with the full market value of the replacement dwelling, as of its date of purchase or completion of new construction. This is important because the sales or purchase price is not always the same as the market value. The assessor must determine the market value of each property.
 - c. **If the full cash value of my replacement dwelling slightly exceeds the full market value of my original property, can I still benefit?**
Yes. If an original property was sold the same day or before the purchase of the replacement dwelling, the maximum allowable value difference is: (a) within one year of the sale date, 105 percent of the market value of original property; or (b) within two years, 110 percent.

What is the Homeowner and Renter Assistance Program?

This tax relief program for elderly, blind or disabled taxpayers was, until recently, administered by the California Franchise Tax Board. However, program funds have been exhausted and applications are no longer being accepted. See www.ftb.ca.gov/individuals/hra/index.shtml or call (800) 852-5711.

5. What is the Property Tax Postponement Program?

The Property Tax Postponement Program is administered by the California Controller's Office. It allows eligible homeowners to postpone tax payments on their principal place of residence. Obtain information and application forms online at www.sco.ca.gov or call (800) 952-5661. Claim forms may also be picked up at the county Treasurer-Tax Collector's Office (555 County Center, First Floor, Redwood City) or call (650) 363-4142.

Glossary of Terms

| | |
|---------------------------------|---|
| Appraised Value | The value determined from the selling prices of comparable properties. Current appraised value is usually the current market value. |
| Assessed Value | Taxable value, determined by the assessor, based on the appraised value. Assessed value generally increases annually by 1-2 percent. It is not necessarily the current market value. |
| Assessor's Parcel Number | Nine-digit number which identifies a specific unit of real property. |
| Base Year Value | Assessed value as of 1975, or at the time of change in ownership or completion of new construction. |
| Cost Per Square Foot | Normally determined by dividing the sale price by the structure's square footage. However, it does not take account of lot size. Therefore, when comparing market prices, it should be used only when the properties have similar lot size, characteristics and sale dates. |
| Document Number | The county recorder's identification number for each document submitted for recordation. |
| Easement | The right to use a piece of land owned by another. For instance, if Barney owns a parcel of land that is completely surrounded by Fred's property, Barney can pay Fred for an easement to build a driveway across Fred's land. |
| Factored Base Year Value | The base year value, adjusted annually for inflation, with any annual increase limited to not more than two percent. |
| Homeowners' Exemption | Provides a homeowner with a reduction of up to \$7,000 in the annual assessed value of an owner-occupied residence. One percent of the exemption amount is the tax savings. |
| Improvements | Any structures built on a piece of land, such as a house built on a vacant lot. |
| Land Value | Actual value of the land on which an improvement sits. This does not include the value of the structure. |
| Legal Description | The official description of the property as documented by the county recorder. It usually identifies the physical location in terms of tract and lot. |
| Reappraise/Reassess | Equivalent terminology for making a new determination of assessed value, based on changed circumstances. |
| Tax Amount | Annual property tax (the assessed value times the tax rate). |

Tax Rate Area

A geographic area within a county with which the controller links a combination of the local tax rates that apply to properties situated there, as levied by the area's government entities, such as fire and police protection districts. The tax rate area is used to calculate the tax bill.

Title

All of the elements that constitute the legal right to own, possess, use, control, enjoy and dispose of real estate.

Title Company

The business entity that insures an owner's title, after verifying its validity by searching the county recorder's official records.

Title Insurance

An insurance policy that protects the owner or other insured, such as a lender, against loss or impairment of title.

Transfer Date

The date the deed of sale of the property is recorded.



Contact Us

Office of the Assessor-County Clerk-Recorder

Assessor Division

555 County Center, 3rd Floor

Redwood City, CA 94063

Phone: 650.363.4500

Fax: 650.363.1903

E-mail: assessor@smcare.org

Web: www.smcare.org

Hours of operation:

Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding holidays.

Parking:

Metered parking is available on the ground floor of county parking structure behind our building or on adjacent streets.

Department Head (Elected):

Mark Church, Assessor-County Clerk-Recorder & Chief Elections Officer



