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OFFICE OF THE ASSESSOR

SUPPLEMENTAL ASSESSMENT NOTICES

State law requires the Assessor to revalue property when it changes ownership, and to add the value of new construction when it is completed. A one-time supplemental assessment adjusts for the difference between the old assessed value (Roll Value) and the new assessed value (New Base Year Value).

If the Supplemental Assessment is a positive amount, the County Auditor-Controller will calculate and prorate the supplemental property tax from the date the event occurred, through the end of the fiscal year (June 30). The Tax Collector will mail supplemental tax bill(s) in a few weeks.

If the Supplemental Assessment is a negative amount, a refund may be generated for a portion of the taxes that have been paid. The County Auditor-Controller will review your payment status, and if you are entitled to a refund, a check will be mailed a few weeks after the tax bills are mailed.

A change in ownership or completion of new construction that occurs between January 1 and May 31 results in two supplemental assessments and two supplemental tax bills. The first supplemental bill is prorated for the remainder of the fiscal year in which the event occurred. The second supplemental bill is for the entire subsequent fiscal year. Supplemental tax bills are in addition to the regular annual tax bills, and supplemental taxes are not usually paid through escrow or an impound account.

If you have questions about supplemental assessments, please call the Assessor Department at (714) 834-2727 Monday through Friday, from 8:00 a.m. to 4:45 p.m.

CHANGE IN OWNERSHIP

When a sale or change in ownership occurs, the Assessor Department reviews the deed to determine if a reassessment is required by State law. If a property changed ownership and it is reassessable, the value information on a supplemental notice will include the following:

- **New Base Year Value** is the market value of the property when the ownership changed.
- **Roll Value** is the prior owner's assessed value.
- **Supplemental Assessment** is the difference between the New Base Year Value and the Roll Value (this can be an increase or decrease based on the prior owner's assessed value).

Reassessable changes in ownership usually include sales, transfers and inheritances. A reassessable change in ownership creates a new base year value equivalent to the market value at the time of transfer, and generates a one-time supplemental assessment.

Non-reassessable changes in ownership include transfers between spouses or registered domestic partners (including those resulting from death or dissolution); security interest transfers (refinance); and changes in the way title is held (transfers from individual(s) to the same individual(s) trust account).

NEW CONSTRUCTION VS. MAINTENANCE OR REPAIR

New Construction is Taxable - Maintenance or Repair is Not Taxable

New construction is taxable under California law, but does not trigger a reassessment of the entire property. Only the market value of new construction is added. If new construction is completed on a property, the value information on the supplemental notice will include the following:

- **New Base Year Value** includes the market value of the new construction.
- **Roll Value** is the value on which property taxes were based for the year(s) indicated.
- **Supplemental Assessment** is the difference between the New Base Year Value and the Roll Value (this is the market value of the new construction).

Examples of Taxable New Construction

- New buildings or significant remodeling that changes the utility, size or effective age of a property.
- New additions to real property including room additions, swimming pools, spas, patio covers, central heating/air conditioning, fireplaces, decks, fences or flatwork.

Examples of Non-Taxable Maintenance, Repair or Replacement

- Maintenance, repair or replacement of existing improvements including roofs, garage doors, kitchen cabinets or counters, bathroom fixtures, heating/air conditioning units, flatwork or fences.
- Loans and refinancing will not increase the taxable value, regardless of the loan amount.

PROGRAMS THAT MAY SAVE YOU MONEY

A HOMEOWNERS' EXEMPTION MAY SAVE YOU MORE THAN $70 EVERY YEAR:

If you own and occupy a property as your principal residence, you may be eligible for a Homeowners' Exemption that could reduce your property taxes by at least $70 every year. If you think you are eligible and the $7,000 value exemption is not listed on value notice(s) from the Assessor, please call the Assessor Department at (714) 834-3821, Monday through Friday, from 8:00 a.m. to 4:45 p.m.

This exemption is not automatic, and a claim form is required. You can get a claim form, and file the form for free with the Assessor Department (no cost to you). Please call (714) 834-3821 for more information.

You may receive a mailing from a private company that will charge up to $100 to file a claim form for you. You can file a claim form for free with the Assessor Department.

OTHER PROGRAMS THAT MAY SIGNIFICANTLY REDUCE YOUR PROPERTY TAXES:

- Seniors age 55+ and severely and permanently disabled homeowners may qualify to take their Prop. 13 tax base with them to a replacement home (Prop. 60/90 and Prop. 110).
- A Prop. 13 tax base may be preserved when property is transferred from parent to child, from child to parent, or from grandparent to grandchild (Prop. 58 and Prop. 193).
- A temporary reduction may be granted if market value falls below Prop. 13 tax base (Prop. 8).
- A temporary reduction may be granted if a calamity results in property damage totaling $10,000 or more (Prop. 170).

Certain qualifying conditions apply. No filing fee is required for any of these programs.

For forms or more information, please visit the Orange County Assessor's website at www.ocgov.com/assessor or call (714) 834-2727.