



2019 ANNUAL REPORT

Roland Hill
Assessor/Clerk-Recorder



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Cover photo courtesy of the Tulare County Film Commission

A Message from Roland Hill

It is with great pleasure that I present the Assessor/Clerk-Recorder's 2019 Annual Report to the people of Tulare County. Among the many topics of information included in this report are statistical highlights of the 2019 Assessment Roll, an easy-to-understand summary of the property tax system, and more data than most readers can absorb while enjoying their morning coffee.

The 2019/2020 assessment roll is a reflection of the sustained economic recovery since the Great Recession of 2008. Highlights include:

- \$36.5 billion total roll value
- 5.12% roll growth
- 176,000 real estate and business assessments
- \$12.44 million in savings for homeowners and community organizations

While the Office of the Assessor is mandated by the California Constitution to identify and value taxable property, the beneficial role it plays in the everyday lives of the public and community stakeholders cannot be overstated. California's property tax system, which county assessors are charged with carrying out, funds vital services upon which the public relies every day. Teachers, health care providers, first responders, librarians, and parks and recreation workers are just a sample of the many public service professionals who rely on the diligent work of our office.

In accordance with the role the Assessor's Office plays funding the needs of the public, we recognize the importance of being efficient with public resources while striving to serve our constituents with excellent customer service and, sometimes, basic common sense. This year my staff petitioned the Board of Supervisors to pass a low-value ordinance which would allow the Assessor to stop creating tax bills which result in amounts that are less than the cost to generate them. The ordinance was approved by a 5-0 vote, authorizing our office to cancel regular tax bills of \$100 or less. I wish to

thank the Board for seeing the wisdom of this request and furthering the County's goal of improved organizational efficiency.

Among the challenges on the horizon is the split-roll measure slated for the state ballot in November 2020. If this initiative passes, it will require the

reassessment of all commercial and industrial properties to market value every three years, which would definitely change our business plan from a staffing perspective. But more importantly, it would remove the protections of Proposition 13 for business owners. As one



who has spent his career ensuring property owners are taxed uniformly and in accordance with the law, I'll be following the public debate on this controversial measure very closely.

The goal of every Assessor/Clerk-Recorder is to be a model of integrity, fidelity and equity. As we carry out this goal in 2019, our focus will be on improving department efficiency, utilizing new technology and better serving our constituents.

I am honored to serve the good people of Tulare County as your Assessor/Clerk-Recorder. I want to thank my managers and staff for their hard work and commitment to providing excellent customer service. As always, please do not hesitate to contact us if you have any questions or suggestions on how we might serve you better.

Departments

The Assessor/Clerk-Recorder's Office consists of three major divisions that perform a wide variety of duties.

ASSESSOR

The Assessor has the responsibility of annually discovering and assessing all property within the County as required by law. The Assessor must produce and deliver an assessment roll by July 1 of each year. The Assessment Roll becomes the base upon which local property taxes are levied, collected and distributed to schools, cities, redevelopment successor agencies, special districts, and the County of Tulare.

COUNTY CLERK

The Clerk's Office issues birth, death and marriage certificates and accepts the filing of Fictitious Business Name Statements, among other documents.

COUNTY RECORDER

The Recorder's Office is responsible for recording, indexing and filing legal documents, such as property transfer records, liens, deeds, financial statements and other notices. The office also computes and collects filing fees. The repository of records is available to the public for research.

Tulare County Assessors

Roland Hill 2010-Present	F.C. Jefferds 1871-1882
Gregory Hardcastle 1986-2010	W.J. Ellis 1869-1871
Lawrence M. Nichols 1977*-1986	T.H. Hawkins 1867-1869
Carroll E. Cannon 1973-1977	A.H. Glassock 1865-1867
Herman F. Matney 1965*-1973	H.C. Townsend 1865*
Phillip U. Lucas 1955-1965	E.H. Dumble 1863*-1865
George R. Prestige 1926-1955	R.B. Sageley 1861-1863
Thomas H. Blair 1910-1926	T.C. Hays 1858-1861
Arthur Crowley 1902-1910	Claude G. Sayle 1855-1858
J.F. Gibson 1894-1902	J.B. Hatch 1853*-1855
Alex S. Gilliam 1893-1894	Thomas McCormick 1853*
D.F. Coffee 1890-1893	James B. Davis 1852
Seth Smith 1882-1890	

* Appointed

Property Tax Workflow

City and County Agencies

Provide copies of building permits issued.



Clerk-Recorder

Provides copies of deeds and other recorded documents.



Assessor

Appraises all real property and personal property (business equipment, boats and airplanes) throughout the county.



Auditor-Controller

Applies the appropriate tax rate and special assessments to determine the amount of property taxes owed.



Treasurer-Tax Collector
Mails the property tax bills and collects payments.



Auditor-Controller

Allocates the money to local taxing agencies, including the county, schools, cities and special districts.



Proposition 13

On June 6, 1978, California voters overwhelmingly approved Proposition 13, a property tax limitation initiative. This amendment to California's Constitution was the taxpayers' collective response to dramatic increases in property taxes and a growing state revenue surplus of nearly \$5 billion (\$21 billion in 2019). Prop. 13 rolled back most local real property, or real estate, assessments to 1975 market value levels, limited the property tax rate to 1% plus the rate necessary to fund local voter-approved bonded indebtedness, and limited future property tax increases.

Prior to 1978, real property was appraised cyclically, with no more than a five-year interval between reassessments. Since property values were systematically reviewed and updated, assessed values were usually kept at or near current market value levels.

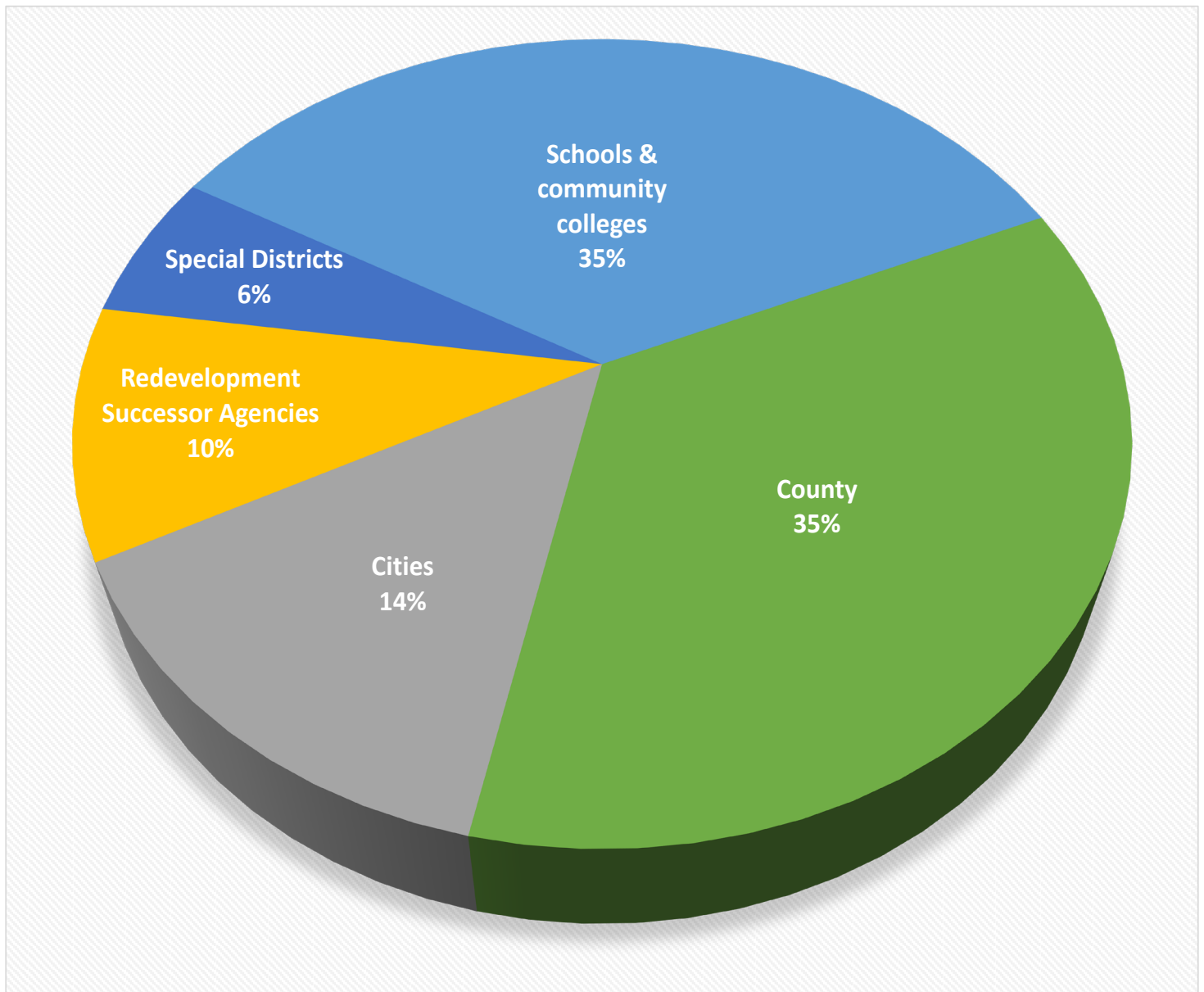
Prop. 13 created an acquisition-based, real-property tax system which limits the annual assessment growth of real property to 2%. Under this system, taxable values of real property are established or modified only when sold or newly constructed. As a result, two identical properties could have different assessed values, depending on when they were purchased. However, these restrictions allow property taxes to be predictable for owners of real estate and for entities that rely on tax dollars for funding.



Allocation of Property Tax Revenue

Fiscal Year 2018-2019

Total Revenue: \$360,186,566



Source: Tulare County Treasurer-Tax Collector

2019/2020 Tax Roll



5.12% increase

\$36.5 BILLION TOTAL ASSESSED VALUE

124,194

Single-Family
Residential Assessments

10,143

Commercial and
Industrial Assessments

808

Multi-Family
Residential Assessments

19,768

Agricultural
Assessments

20,367

Business and
Personal Property Assessments

944

Miscellaneous
Assessments

10,294

Changes of Ownership

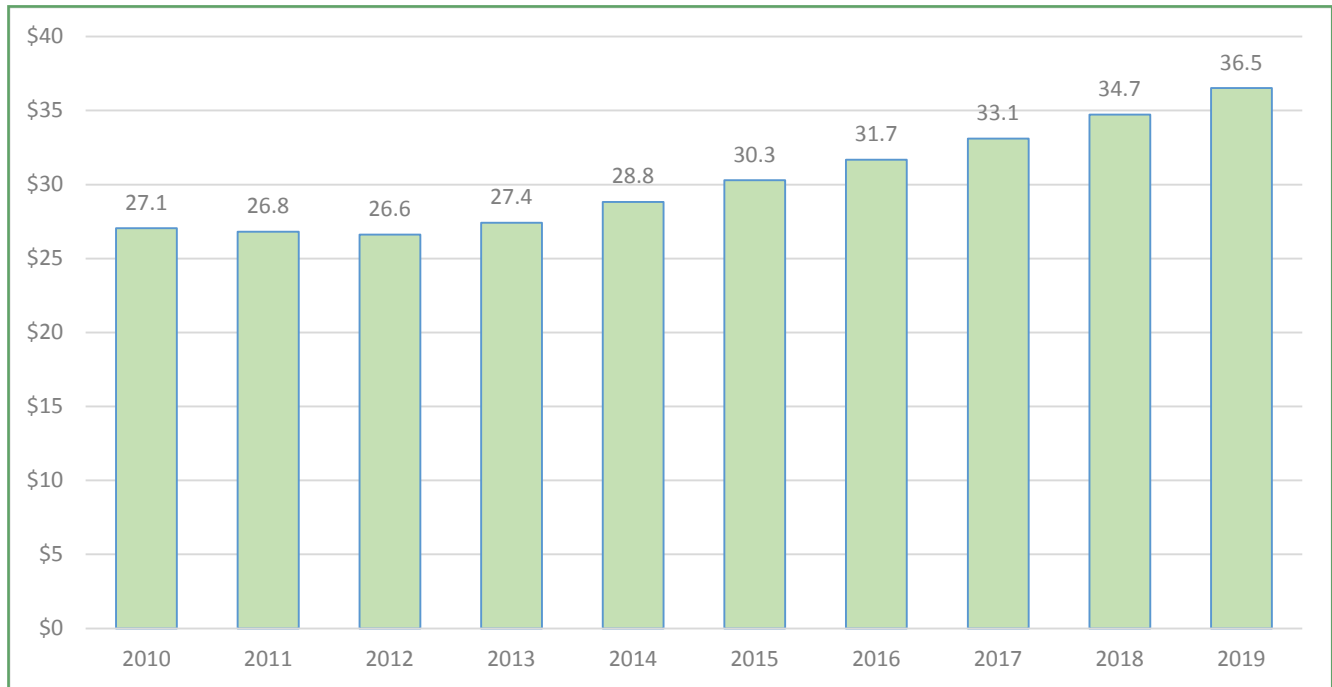
1,708

New construction events

Steady Growth in 2019

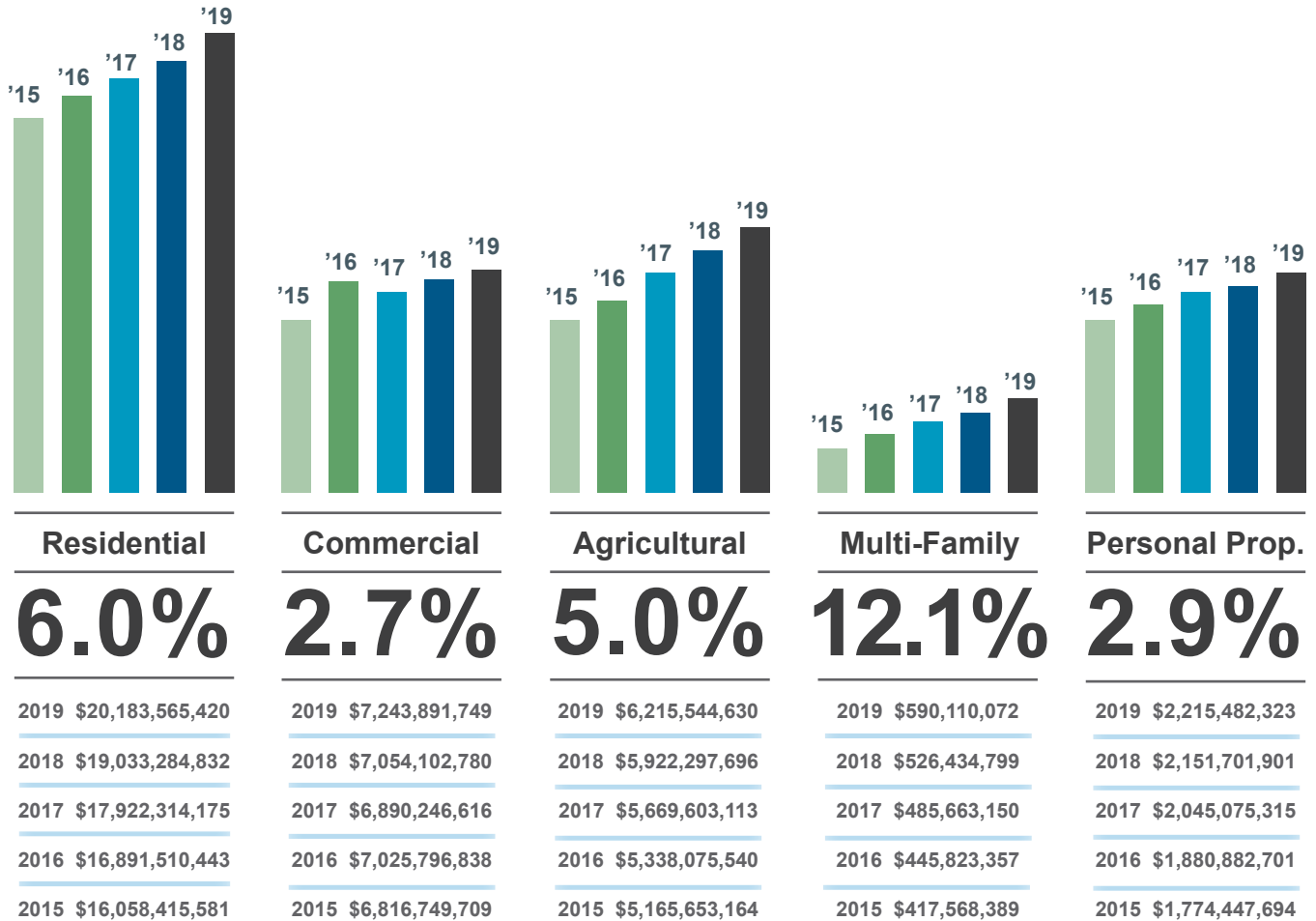
The 2019 Assessment Roll showed consistent growth, with an increase of \$1.78 billion (5.12%) from the previous year. This is the seventh consecutive year of assessed value growth.

ASSESSMENT ROLL HISTORY (BILLIONS)



Year	Roll Value	Property Tax Revenue (millions)
2010	\$27,053,205,660	\$270.53
2011	\$26,804,098,868	\$268.04
2012	\$26,620,080,486	\$266.20
2013	\$27,415,183,391	\$274.15
2014	\$28,816,338,163	\$288.16
2015	\$30,286,558,317	\$302.87
2016	\$31,674,668,552	\$316.75
2017	\$33,093,933,814	\$330.94
2018	\$34,735,655,684	\$347.36
2019	\$36,512,936,469	\$365.13

Annual Increase by Assessment Type



2019

Increase by Category

Proposition 13 limits real property tax increases to 2% unless a change of ownership or new construction occurs.

Change of Ownership

\$983,441,930

2% Consumer Price Index

\$738,805,253

New Construction

\$274,849,953

Automated Value Review

\$129,547,787

Assessment Growth by City

Visalia



5.32%

\$12,065,018,313
50,909 assessments

Tulare



5.51%

\$4,696,494,841
21,663 assessments

Porterville



5.91%

\$3,012,881,342
18,408 assessments

Lindsay



4.82%

\$467,576,141
3,194 assessments

Dinuba



4.30%

\$1,203,253,307
6,727 assessments

Exeter



5.61%

\$623,126,667
3,796 assessments

Farmersville



4.39%

\$335,635,212
2,911 assessments

Woodlake



8.70%

\$240,674,489
1,971 assessments

Unincorporated area



4.65%

\$13,868,276,157
66,650 assessments

Exemptions and Exclusions

Property tax exemptions and exclusions allow for tax savings under qualifying circumstances. Exemptions prevent all or a portion of an assessment from being taxed. Exclusions protect property owners from assessment or reassessment resulting from select ownership changes

or qualifying new construction. The Assessor performs outreach annually to inform taxpayers of these programs, and filings have stayed consistent year over year. The Homeowners' Exemption is the most frequently claimed exemption.

Homeowners' Exemption

Established in 1972, the Homeowners' Exemption allows for a \$7,000 reduction in the assessed value of a single-family residence for all owner-occupants who claim the property as their primary residence.

Total Allowed: 41,294
Total Tax Reduction: \$288,921,361

Veterans' Exemption

The Disabled Veterans' Exemption reduces the property tax liability for qualified veterans who, due to a service-connected injury or disease, have been rated 100% disabled or are being compensated at the 100% rate due to unemployability.

Current Active Exemptions: 598
Tax Relief Granted: \$73,999,269

Parent-to-Child Exclusion

Transfers between parents and their children (or between grandparents and their grandchildren, under limited circumstances) will not be reassessed if certain conditions are met and the proper application is timely filed.

Total Applications: 1,644
Total Granted: 1,020
Tax Relief Granted: \$80,654,511

Welfare Exemption

Property can be exempted from taxation if used exclusively for:

- (1) religious, hospital, or charitable purposes; and
- (2) owned or held in trust by non-profit organizations operating for those purposes.

Total Allowed: 521
Tax Relief Granted: \$556,444,446

Agricultural Assessments

Agriculture has been the mainstay of Tulare County’s economy since non-native settlers first arrived in the mid-1800s. They planted wheat and barley and developed rudimentary canal systems that later made it possible to irrigate field crops, grapes, nuts, peaches and citrus. Elijah Packwood brought the first milk cows to Tulare County in 1850. Today, Tulare County produces more than 240 different crops, and nearly one in four jobs is tied to agriculture.

Permanently planted acreage continues to increase, along with crop value. Pistachios took a commanding lead in value in 2018, overtaking navel oranges for the first time as the most valuable assessed crop in Tulare County. Pistachios also contributed the most to the overall value increase, with 4,000 planted acres coming into production.

The upcoming implementation in 2020 of the Sustainable Groundwater Management Act brings uncertainty to the agricultural community. Ground water metering could be required in some areas of the county, potentially negatively impacting property values. The Assessor’s staff will continue to track land rent values and sales throughout the county to ensure any market changes in agricultural assessments are reflected.



Williamson Act Values

Most agricultural properties in the county receive tax relief from the California Land Conservation Act of 1965, commonly known as the Williamson Act. The CLCA is a voluntary, nine-year, automatically renewing contract for land owners who agree to restrict their rights to develop their property in exchange for reduced real property assessments. CLCA can be applied to agriculture, agribusiness and other uses considered to be compatible, such as wireless communication towers and solar farms.

The Farmland Security Zone (FSZ) is an agricultural preserve surrounding municipal boundaries to limit urban sprawl. FSZ contracts function in a similar way as CLCA contracts, except the term is 18 years.

Variety	2019	2018
Pistachios	\$262,160,749	\$229,518,319
Navels	\$232,480,745	\$233,543,328
Almonds	\$219,751,094	\$190,825,485
Walnuts	\$158,074,326	\$153,295,392
Table Grapes	\$117,662,836	\$109,774,708
Tangerines/Minneolas	\$66,713,041	\$61,793,270
Valencias	\$38,650,043	\$38,952,756
Peaches (freestone)	\$38,348,928	\$36,897,658
Plums	\$24,639,613	\$25,520,095
Wine Grapes	\$24,478,567	\$26,330,600
Nectarines	\$23,370,729	\$23,952,742
Lemons	\$22,200,167	\$20,697,938
Olives	\$21,688,820	\$20,824,368
Cherries	\$8,252,997	\$6,897,788
Prunes	\$6,697,039	\$6,594,100
Kiwis	\$6,098,597	\$6,239,626
Grapes, Raisin	\$4,517,889	\$4,350,815
Berries	\$4,349,925	\$4,075,425
Pomegranates	\$4,033,818	\$4,554,589
Grapefruit	\$3,696,937	\$3,612,064
Pecans	\$2,654,832	\$2,266,290
Blood Oranges	\$2,282,763	\$1,621,442
Peaches (cling)	\$1,662,328	\$1,598,266
Pummelos	\$1,323,206	\$1,545,284
Apricots	\$920,790	\$884,115
Persimmons	\$694,658	\$1,505,847
Pears	\$460,920	\$463,803
Oroblanco Grapefruit	\$229,590	\$252,415
Melogold Grapefruit	\$228,825	\$257,400
Quinces	\$220,050	\$215,550
Avocados	\$132,448	\$154,204
Other	\$109,713	\$114,018

Assessed value of
CLCA & FSZ parcels

2.45B

CLCA & FSZ Tax Relief: \$3.71B

Acres under CLCA contract

1.08M

13,950 parcels received reductions

Acres under FSZ contract

10,620

202 parcels received reductions

Not all agricultural products are assessed

Many agricultural commodities and crops in Tulare County are not assessable. Livestock and poultry, together with the commodities they produce, are the second highest value commodities in the county. Neither the animals nor the commodities they produce, such as milk, are assessable. In addition, no annual plantings are subject to taxation. This includes corn, alfalfa, silage and cotton, among others. Additionally, all permanent plantings are exempt from taxation until the fourth year (grape varieties) or fifth year (all other permanent plantings) after being planted, which is when they become productive.

Tulare County
leads the nation
in dairy production
and is third in overall
ag production.



AB 1265 Charges

Subvention funds from the state, intended to partially replace local tax revenue lost from the Williamson Act, ended in the 2008/09 tax year. The Legislature passed AB 1265 in 2011, allowing counties to collect a calculated charge on each parcel with a Williamson Act contract. The legislation also shortened the contract term from 10 years to nine, and Farmland Security Zone contracts from 20 years to 18. AB 1265 charges are direct charges that go straight to the county's general fund.

Subvention funds:

2008/09	\$3,016,090
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AB 1265 charges:

2018/19	\$4,157,345
2017/18	\$3,339,659
2016/17	\$3,118,689
2015/16	\$2,758,429
2014/15	\$2,503,889
2013/14	\$2,543,601

Temporary Decline in Value

In 1978, California voters passed Proposition 8, a constitutional amendment that allows a temporary reduction in assessed value when real property suffers a decline in value. A decline in value occurs when the current market value of real property is less than the current adjusted base year value (i.e. Prop. 13 value) as of January 1.

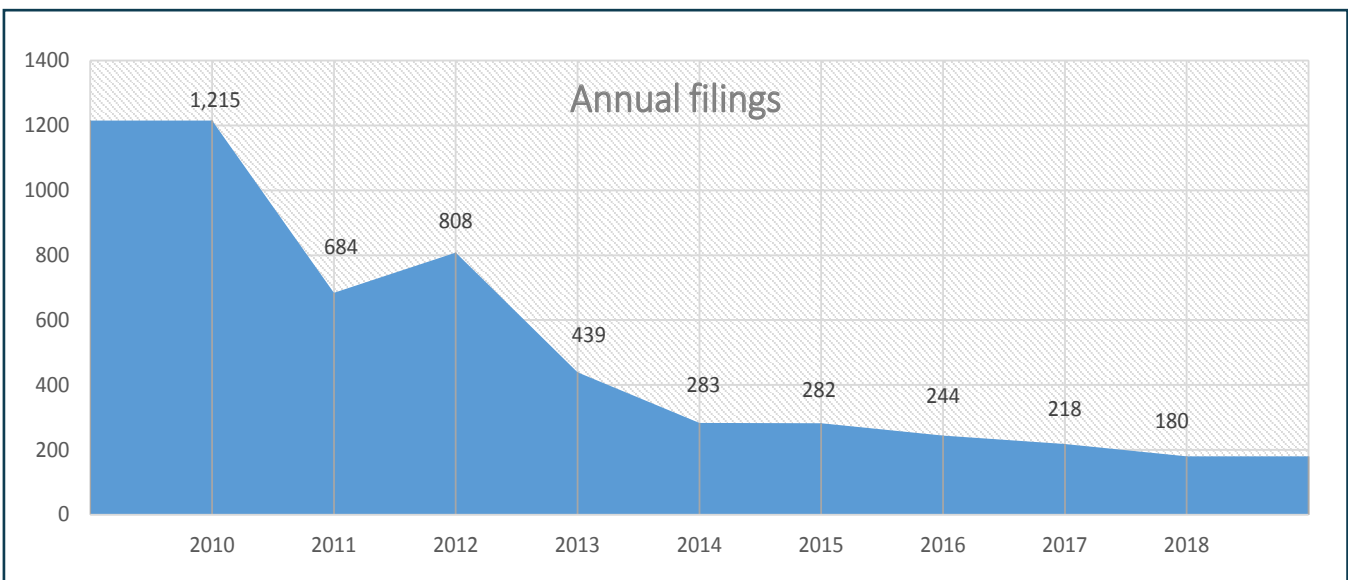
The decline in value is typically temporary and may be the result of changes in the real estate market, the neighborhood or the property itself. When a property's market value exceeds its adjusted base year value, the Assessor must return the taxable value to its adjusted base year value. Temporary reductions can be achieved through formal assessment appeals, informal petitions to the Assessor, or Assessor initiated reviews.

The recovery of the residential real estate market has allowed the Assessor to restore many properties to their adjusted base year values. The market recovery has also played a significant role in reducing assessment appeal filings to their lowest level in nine years.

Assessment Appeals

Property owners who disagree with their assessed values can file assessment appeals with the Clerk of the Board of Supervisors between July 2 and November 30 each year. An appeal hearing is then set before the local, independent Assessment Appeals Board. State law requires assessment appeals be resolved within two years of filing unless

the right is waived by an applicant. If the Assessment Appeals Board renders a decision granting a temporary reduction in value, the decrease in value only applies to the property tax due for the year the application was filed. However, many appeals are resolved between the Assessor and the property owner without conducting a hearing.



Request for Value Review

Taxpayers can request the Assessor review their assessments when they believe the taxable value of their property exceeds current market value. The Assessor performs these reviews annually free of charge. *Request for Value Review* applications are available at the Assessor's Office and on the Assessor's website, or they can be sent by mail upon request. Requests for value review cannot be made for prior tax years.

When a completed application is received by the Assessor, a staff appraiser reviews the assessment. If the market value is determined to be less than the taxable value, the assessment will be reduced, resulting in a credit of taxes owed or a refund. Once an assessment is adjusted to reflect current market value, the Assessor is required to perform annual reviews, making adjustments to the taxable value either positively or negatively based on market trends.

Following the stark decline in the real estate market in 2007/2008, the Assessor developed a computer-assisted value review program that continues to provide tax relief to thousands of homeowners. The program uses local sales to calculate individual market values of single-family residential properties. It then compares each property's market value to its adjusted base year value (Prop. 13) and enrolls the lower of the two values on the annual tax roll. Property owners dissatisfied with the outcome of the automated review should contact the Assessor to request an appraiser review the assessment for accuracy before deciding if an assessment appeal is warranted.

Assessor Initiated Review

\$19.1 Billion

Real property assessment reductions under Assessor-initiated review since the program's inception in 2008.

Number of Parcels Reviewed

2019/2020	11,238
2018/2019	11,910
2017/2018	14,793
2016/2017	19,436
2015/2016	26,491
2014/2015	32,652
2013/2014	46,769
2012/2013	49,594
2011/2012	43,119

Reduction in value

2019/2020	\$664,497,621
2018/2019	\$772,948,761
2017/2018	\$937,583,938
2016/2017	\$1,171,994,677
2015/2016	\$1,500,606,479
2014/2015	\$1,733,983,223
2013/2014	\$2,655,305,126
2012/2013	\$3,151,257,696
2011/2012	\$2,687,128,331

County Clerk

The County Clerk makes official many of the milestones of life by handling all vital records, such as birth, death and marriage certificates. The Clerk issues public and confidential marriage licenses as well as deputy commissioner of marriage certificates for those who want to officiate a wedding.

The Clerk files and posts for public inspection Notices of Determination, Notices of Exemption and all other environmental related postings. The Clerk accepts for filing Fictitious Business Name Statements, Statements of Fact, Oaths of Office and Surety Bonds.

The Clerk is responsible for the registration of notaries, legal document assistants, process servers, unlawful detainer assistants and pro-



fessional photocopyers.

The number of birth certificates issued in 2018 rose by 4.9%, likely spurred by the upcoming deadline to meet the requirements to acquire a “real” ID. As of October 1, 2020, anyone traveling by air or entering a federal facility will be required to present a

“compliant” REAL ID Card. Proof of identity, such as a certified copy of a birth or marriage certificate, is required by the Department of Motor Vehicles to obtain a REAL ID Card. Without the required documents, only a lesser “Federal Limits Apply” ID will be issued.

Vital Certificates Issued	2018	2017	2016
Birth	17,190	16,382	16,609
Death	1,734	1,729	1,730
Marriage	4,212	3,898	4,035
Confidential Marriage	198	144	157
Fictitious Business Name Statements	2,271	2,229	2,457
Environmental Documents	317	341	359

County Recorder

The County Recorder records and preserves public documents. This information is kept permanently for research purposes and the issuance of certified copies. Recorded documents are often used to determine the history and ownership of real property and for other real estate transactions. The Recorder's Office began accepting electronically recorded documents in 2018, reducing public wait times and improving staff efficiency.

Documents

Recorded in 2018:

73,541

16,068 Property Transfers **22%**

10,117 Property Liens **14%**

8,842 Mortgages/Deeds of Trust **12%**

13,247 Releases of Property Encumbrances **18%**

25,267 Other Document Types **34%**

Real Estate Deeds by Area

Visalia: 2,919

Exeter: 199

Tulare: 1,140

Lindsay: 120

No transfer tax 6,146*

Porterville: 772

Farmersville: 103

Unincorporated: 1,688

Dinuba: 282

Woodlake: 101

*Includes gifts, family transfers, transfers in and out of trusts, etc.

Business and Personal Property

Business and Personal Property is appraised annually at current market value. All businesses with \$100,000 or more in personal property or that are asked by the Assessor must file an annual statement listing supplies, equipment and fixtures. Our Business Division began accepting electronic filing of property statements for the first time in 2019. The department also cleared a backlog of more than 4,000 non-filing accounts, correcting bills for active accounts or eliminating bills for businesses no longer in operation. More than 3,000 owners of boats and personal watercraft will not receive a bill in 2019 due to the new minimum value ordinance.

Unsecured Values	2019-2020	2018-2019
Aircraft	\$61,286,915	\$61,657,653
Boats/Vessels	\$26,358,952	\$30,070,972
Fixtures	\$1,011,865,862	\$956,083,156
Personal Property	\$1,191,156,417	\$1,177,803,609
Secured Values		
Fixtures	\$1,417,921,173	\$1,411,559,265
Personal Property	\$562,179,583	\$561,079,673

Important Dates

January 1

Taxes for the next fiscal year become a lien on all taxable property.

February 15

Deadline to file exemption claims, including those for Veterans and Disabled Veterans.
Last day to file a Homeowners' Exemption claim to receive the maximum exemption.

April 1

Deadline to file statements for business personal property, aircraft and boats.

April 10

Last day to pay the second installment of secured property taxes without penalty.

July 1

First day of the property tax year (fiscal year).

July 2

First day to file an Assessment Appeal Application for the current tax year with the Clerk of the Board of Supervisors.

August 31

Regular roll unsecured taxes are due.

September/October

Annual secured tax bills are mailed.

December 2

Last day to file an Assessment Appeal Application for the current tax year.

December 10

Last day to pay the first installment of secured property taxes without penalty.

Tulare County Assessor/Clerk-Recorder

Tulare County Civic Center

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