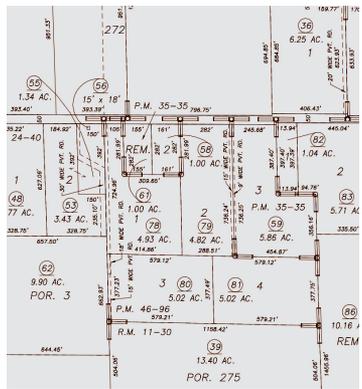


# TULARE COUNTY PROPERTY OWNER'S GUIDE



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# FOREWORD

Thank you for your interest in the Tulare County Assessor's Office. This brochure contains information on the assessment of real and business property and several ways to save on your property taxes.

State law mandates that all property is subject to taxation unless otherwise exempted. Property taxes help pay for services that are vital to the safety, health and welfare of the community. Local property taxes provide funding for cities, counties and special districts, with the largest percentage supporting public education.

Most assessments are initiated when grant deeds are recorded, indicating change of ownership; building permits are approved, indicating new construction is commencing; or the acquisition of business property is reported to the Assessor.

Proposition 13, passed by California voters in 1978, created an acquisition-based tax system which limits the annual assessment growth of real property to 2% or the rate of inflation, whichever is less. Taxable values of real property are established or modified when taxable property is sold, newly constructed or there is a decline in market value.

Properties that are owned and used by educational, charitable, religious or government organizations may be exempt from certain property taxes. Owners may also qualify for certain exclusions described in this brochure.

My staff and I are honored to serve the residents and business owners of Tulare County. Please do not hesitate to contact us if you have any questions or suggestions on how we might serve you better.

**Tara K. Freitas, CPA**

Tulare County Assessor/Clerk-Recorder

# THE 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 the state (schools), cities, development agencies, special districts and the County of Tulare.

The Assessor:

- Values all business and real property in the County.
- Audits entities doing business in the County.
- Processes all property tax related exemptions in the County.
- Establishes and maintains a set of approximately 5,800 maps for assessment purposes, delineating every parcel of land in the County. These parcel maps serve as the basis for the assessment of real property in Tulare County for the approximately 159,000 parcels. These maps are continuously updated to reflect new subdivisions and surveys. The maps are available for review at the Assessor's Office and on the Tulare County Assessor's website. Fullsize (11" X 17") paper copies may also be purchased at the Assessor's Office.
- Provides a public information service to assist taxpayers with questions regarding their property and assessment practices.

Some things the Assessor does not do:

- Set property tax rates.
- Compute property tax bills.
- Mail out tax bills.
- Establish property tax laws.
- Collect property taxes.
- File liens for property tax delinquencies.

To establish the value of any parcel of property, the Assessor may need to know the purchase price (if any), the selling prices of similar properties, the cost of replacement, what rent it may earn, how much it takes to operate and keep it in repair, and all persons who have any beneficial/legal interests in the property.

## PROPOSITION 13

Passed by the voters in June 1978, Proposition 13 added Article XIII A to the California Constitution, substantially changing the taxation of real property in California. As a result, property is assessed at its fair market value as of the date it is acquired. The purchase price usually becomes the taxable “base value” (Prop. 13 value) as of that date. From that point forward, the Prop. 13 value of real property is limited to no more than a 2% increase per year. For example, if you purchase a property that is assessed at \$200,000, the annual taxes are based on \$200,000 the first year, trended to \$204,000 ( $\$200,000 \times 1.02$ ) the second year, and trended to \$208,080 ( $\$204,000 \times 1.02$ ) the third year, etc.

Property is taxed at 1% of its assessed value plus any bonds or fees approved by the voters.

Real property can only be reappraised upon a change in ownership, new construction or a base year value reestablishment under a Proposition 8 review (see next section). Business personal property, boats, airplanes and certain restricted properties are subject to annual appraisal.

Except for these instances, no increase in the assessed value of any real property can exceed 2% annually regardless of the rate of inflation.

## PROPOSITION 8

Proposition 8, passed in November 1978 as an amendment to Article XIII A, allows the Assessor to temporarily lower assessments when the market value on January 1 is lower than the trended base year value (Prop. 13 value). Each case is reviewed individually upon request of the property owner or is automatically reviewed if the Assessor determines one is warranted. Once a Prop. 8 reduction is made, the property's value is reviewed annually to determine whether its market value is less

than its Prop. 13 value, and the lower of the two is enrolled. Prop. 8 values can increase or decrease by any amount as the market fluctuates, making it distinct from the Prop. 13 limit of 2%. In no case may a value higher than a property's Prop. 13 value be enrolled.

## SUPPLEMENTAL ASSESSMENT

Upon the reappraisal of real property due to change in ownership or new construction, a supplemental assessment is often created which reflects the difference between the prior assessed value and the new assessment. This difference in value is prorated based on the number of months remaining in the fiscal year, which ends on June 30. This bill is in addition to the regular, annual tax bill. Because supplemental assessments are often not paid by mortgage lenders out of property owners' impound accounts, new property owners should be aware of their liability for supplemental assessments.

Notices of supplemental assessment are mailed out to property owners prior to the issuance of supplemental tax bills. The date printed on a notice serves as the beginning of a 60-day period during which property owners may file assessment appeals if they disagree with their supplemental assessments. Because of legal and workload requirements, it normally takes several months to generate a supplemental tax bill. If you acquire real estate or add real property improvements after January 1 and prior to May 31, you may receive two supplemental tax bills.

## PRELIMINARY CHANGE OF OWNERSHIP REPORT

State law requires property owners file a Preliminary Change of Ownership Report (PCOR) with the Tulare County Recorder when recording certain documents, such as grant deeds. A PCOR is not available for public inspection as a recorded document. If the form is not timely filed, the Recorder will charge an additional recording fee of \$20. A PCOR is still required by law to be provided even after the added fee has been charged. Information reported on this form assists the Assessor's Office in the performance of its duties.

## BUSINESS PERSONAL PROPERTY

Unlike real property, business personal property is reappraised annually. Owners of businesses with \$100,000 or more in personal property or those who are asked to do so by the Assessor are required by law to file a Business Property Statement. Business owners must report in detail the costs of all supplies, equipment and fixtures at each location. If you own, claim, possess or control the equipment on January 1, it may be assessable to you. If equipment is being leased or rented on January 1, it is reportable and assessable. Business inventory is exempt from taxation. Although you may no longer own the business, you are required to complete the property statement and advise the Assessor of the new owner's name, address and date of sale.

## BOATS AND AIRCRAFT

Boats and aircraft are taxable and appraised annually. Their taxable values are determined by reviewing the purchase prices, sales of comparable boats and airplanes, blue books and guides provided by the State Board of Equalization. Information on their location and ownership is obtained from the Department of Motor Vehicles, the United States Coast Guard, the Federal Aviation Administration, airport managers and onsite inspections.

## MANUFACTURED HOMES / MOBILE HOMES

All new manufactured homes purchased after June 30, 1980, and those affixed to permanent foundations are subject to local property taxation. As with real property, the assessed value of manufactured homes cannot be increased by more than 2% annually unless there is a change in ownership or new construction. Manufactured homes purchased before June 30, 1980, are not always subject to local property taxation. In many cases, these homes are assessed a Vehicle License Fee in lieu of local property taxation by the State Department of Housing and Community Development (HCD). For more information, you can call the HCD at 1-800-952-8356.

If a manufactured home is destroyed by a calamity such as a fire, there are legal provisions available to relieve an unfair tax burden.

## ASSESSMENT APPEALS

Assessments can be formally contested by filing an Assessment Appeal Application. The Assessment Appeals Board (AAB) is an independent entity whose function is to resolve disputes between the County Assessor and taxpayers over values of locally assessed property. In Tulare County, the AAB is a five-member panel of real estate professionals appointed by the Tulare County Board of Supervisors. The board uses the testimony and evidence presented by property owners (or their agents) and the Assessor's Office to render valuation judgments at quasi-judicial hearings. The decisions of an appeals board are legally binding and enforceable.

Appeals of regular assessments must be filed between July 2 and November 30. Appeals of supplemental assessments must be filed within 60 days of the date printed on supplemental notices.

The Assessor's Office is open to resolving value disputes outside of the formal appeals process whenever possible. Prior to filing an appeal, please contact the Assessor's Office to review your assessment.

**ALL APPLICATIONS FOR ASSESSMENT APPEAL MUST BE FILED WITH:**

**The Clerk of the Board of Supervisors  
Administration Building, County Civic Center  
2800 W. Burrel Ave. • Visalia, CA 93291  
559-636-5000**

## WILLIAMSON ACT / AG PRESERVE

The California Land Conservation Act of 1965, commonly referred to as the Williamson Act, is a tax relief measure for owners of agricultural land. The act permits a landowner whose land is used for agriculture or other open space uses to sign a contract with the County guaranteeing that the land will continue to remain undeveloped for a period of at least nine years. In return for this guarantee, the Assessor annually values the land and growing improvements using a restricted income approach rather than its Prop. 13 value or market value. This usually results in a substantial reduction.

Contact the Tulare County Resource Management Agency to apply for a Williamson Act contract. The Assessor's Office may require you to report data pertaining to your agriculture parcels via an Ag Preserve questionnaire.

In 1998, California Senate Bill 1182 created the Farmland Security Zone. Owners of certain "prime" agricultural properties located within these zones may elect to establish contracts under this law. Under the Farmland Security Zone provisions, contracts are extended from nine to 18 years and include increased cancellation penalties. Property tax benefits amounting to an additional 35% decrease in assessments are available to owners of properties with Farmland Security Zone contracts.

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## **EXEMPTIONS, EXCLUSIONS AND TAX RELIEF**

### **HOMEOWNERS' EXEMPTION**

The California Constitution provides a \$7,000 reduction in the taxable value of a qualifying owner-occupied home. The home must have been the principal place of residence of the owner on January 1. To claim the exemption, the homeowner must make a one-time filing with the County Assessor where the property is located. The claim form, BOE-266 Claim for Homeowners' Property Tax Exemption, is available from the Assessor. A person filing for the first time may file any time after the property or claimant becomes eligible, but no later than February 15 to receive the full exemption for that year. Homeowners' Exemptions may also apply to supplemental assessments when properties have not received the exemption on the prior assessment roll.

Homeowners' Exemption claimants are responsible for notifying the Assessor when they are no longer eligible for the exemption.

December 10 is the last day to terminate the Homeowners' Exemption without penalty.

## INSTITUTIONAL EXEMPTIONS

Properties used exclusively as a church, college, cemetery, museum, school or library qualify for an exemption. Properties owned and used exclusively by a non-profit religious, charitable, scientific or hospital corporation are also eligible.

Exemption claim forms are available from the Assessor's Office or can be downloaded from the Assessor's website.

## BASE YEAR VALUE TRANSFER

Proposition 19, approved by voters in November 2020, made significant changes to property tax benefits for families, seniors, severely disabled persons and victims of natural disasters.

Prop. 19 imposes new limits on those wishing to pass real property on to their children or grandchildren without reassessment. Prior laws, set forth in propositions 58 and 193, allowed for the transfer of a principal residence in addition to ANY other real property up to a limit of \$1 million in taxable value. The new legislation limits the types of properties transferred without reassessment to principal residences (family homes) and family farms. All other property types – including commercial, industrial or homes not used as principal residences, such as vacation or rental homes – will be subject to reassessment.

Previously, there was no value limit on principal residences transferred from parent to child or grandparent to grandchild, whereas now the exemption limit is the current taxable value plus \$1 million.

For those 55 and older or disabled, a qualifying base year value transfer on a principal residence can be made up to three times and may occur anywhere in California. Previously, base year value transfers were limited to one occurrence and only within the same county. The disaster relief exclusions for victims of wildfires or other natural disasters as declared by the governor also now apply to transfers throughout the state. For all these exclusion types, the effective date is April 1, 2021.

For more information, please contact our office. The California State Board of Equalization also has helpful resources available at [boe.ca.gov/prop19](http://boe.ca.gov/prop19).

## DISABLED VETERANS' EXEMPTION

Under certain conditions, disabled veterans and spouses of deceased veterans may be eligible for the Disabled Veterans' Exemption. Once the exemption is granted, it will remain in effect until you are no longer on title to the property, you move from the property, or your disability rating changes. Application forms are available from the Assessor's Office.

## VETERANS' EXEMPTION

In order to be eligible for a Veterans' Exemption, a single veteran must not have assets over \$5,000. A married veteran (or a veteran's unremarried widow) must not have assets valued over \$10,000.

## BUILDERS' EXCLUSION

A Builders' Exclusion excludes new construction from supplemental assessment. The property must be held for sale and the builder must file the necessary claim form with the Assessor prior to 30 days from the start of construction. If the form is not filed, a supplemental assessment is made to the builder upon completion of the construction. If the form is filed, a supplemental assessment is not made until the property is sold to the new owner. Otherwise, the value of the property will go on the regular January 1 Assessment Roll. Substantial penalties and denial of the exclusion can result if the contractor abuses the requirements of the exclusion.

## DISASTER RELIEF

If your property sustains damage from fire, flood or other calamity, you may be eligible for a reduction in property taxes. Notify the Assessor's Office and request an Application for Reassessment of Property Damaged by Misfortune or Calamity. If you rebuild an equivalent structure, the property will retain its previous value for assessment purposes. The property must have suffered at least \$10,000 in damage to qualify. Any reduction will be prorated for the balance of the fiscal year ending June 30 or whenever the damage is corrected, whichever occurs first.

## IMPORTANT DATES FOR PROPERTY OWNERS

- JAN 1: Known as lien date, the date upon which property taxes become a lien against all real property assessed on the secured role.
- FEB 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 of \$7,000.
- APR 1: Deadline to file statements for business personal property, aircraft and boats.
- APR 10: Last day to pay the second installment of secured property taxes without penalty.
- JUL 1: First day of the property tax year (fiscal year).
- JUL 2: First day to file an Assessment Appeal Application for the current tax year with the Clerk of the Board of Supervisors.
- AUG 1: Deadline for late filing on Historical Aircraft Exemption.
- AUG 31: Unsecured taxes on the regular roll are due.
- SEPT/OCT: Annual secured tax bills are mailed by the Tax Collector's Office.
- NOV 30: Last day to file an Assessment Appeal Application for the current tax year.
- DEC 10: Deadline for late filing of Homeowners' and Veterans' Exemptions to qualify for a partial exemption.
- DEC 10: Last day to pay the first installment of secured property taxes without penalty.

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This booklet has been prepared by your County Assessor, an elected official. The information contained in this booklet is intended to be general in nature. If you have specific questions about your assessment, please contact the Assessor's Office. Copies of the booklet are available in both English and Spanish at the Assessor's main office. The booklet, commonly used forms and Assessor maps can also be accessed at [www.tularecounty.ca.gov/assessor/](http://www.tularecounty.ca.gov/assessor/)

# GLOSSARY

**Base Year:** The assessment year 1975-76 serves as the original base year. Thereafter, an assessment year in which real property or a portion thereof is purchased, newly constructed or changes ownership, shall become the base year in determining the full value of such real property or a portion thereof.

**Change In Ownership:** A transfer of the right to the present, beneficial use of real property which is substantially equal to the value of the fee interest whether the transfer is voluntary, involuntary or by the operation of law. Transfers include gifts, grants, inheritances, corporate stock and partnership share changes, boundary agreements, leases, and any other means. [§462(a)(2), Title 18, California Code of Regulations.]

**Confidential Records:** Appraisal records, business property statements, change-in-ownership statements, preliminary change-in-ownership statements, documents containing Social Security numbers, market data questionnaires and audit data are all confidential records.

**Escape Assessment:** A retroactive assessment intended to rectify an omission or error that caused taxable property to be underassessed (or not assessed at all). In most cases, once such an omission or error occurs, the property escapes assessment each year thereafter until the underassessment is discovered and corrected.

**Full Cash Value Or Fair Market Value:** The amount of cash or its equivalent that property would bring if exposed for sale in the open market under conditions in which all the following can occur:

- Neither buyer nor seller can take advantage of the urgent needs of the other.
- Both buyer and seller have knowledge of all the uses and purposes to which the property is adapted and for which it is capable of being used.
- Both buyer and seller are aware of any enforceable restrictions on the property's uses and purposes.

**Improvement Value:** The value of any buildings, growing improvements or irrigation appurtenances existing on land whether new or old. Improvements may also include certain commercial and industrial fixtures.

**New Construction - Unreported:** If you construct real property improvements to your property and the Assessor is not notified (via building permits, letter or business property statements), upon discovery the Assessor is required to go back as far as the statutes allow and enroll escape assessments. Discoveries made upon the sale of a property may be assessed to the seller by escape assessment.

**Personal Property:** Any property other than real estate. For property tax assessment purposes, it applies to airplanes, boats, business property such as supplies, office furnishings, machinery or equipment.

**Property Values:** The value standard for property tax purposes is market value. A sales price can be used to establish a property's tax base if it is determined by the Assessor that it reflects market value. The Assessor uses up to three appraisal methods to determine whether sales prices are indicative of market value: sales comparison, income capitalization and replacement cost.

**Secured Assessment:** An assessment on which property taxes are a lien against real estate.

**Significance of the January 1 Lien Date:** Property taxes are determined as of the lien date, which serves as the date of valuation for all real and business property. The value of the property and the owner of record are important considerations. Assessments are enrolled in the name of the owner of record, if known, as of January 1. Some tax bills, however, are not sent to the owner of record as of January 1. Rather, they are mailed to the known owner of record at the time the bill is physically generated by the Tax Collector's Office.

If you acquire property, an escrow company normally handles the title search and the proration of expenses, including property taxes, between the buyer and the seller. If property is sold without going

through escrow, the buyer should be aware of the property tax implications and make every effort to ensure that taxes are paid timely even though the property was not owned by the buyer on January 1.

The tax bill may be sent to the prior owner, who might discard it. Buyers should make certain that the property is free of a business personal property assessment during escrow if they are not acquiring the business property with the parcel.

**Special Assessments:** Special assessments are direct charges against property which are included in the total amount of tax bills but are not property taxes that are based on the Assessor's valuation. One example is a sewer service charge. Your taxes may increase by 2% each year as permitted under Prop. 13, but an increase over 2% may be due to a special assessment increase.

**Tax Rate:** The County levies an ad valorem property tax at a rate equal to one percent (1%) of the taxable value. In addition, the rate will include an amount to pay the interest and redemption charges on: (1) debts approved by voters prior to June 6, 1978; (2) debts approved by two thirds of voters after that date; or (3) effective January 1, 2001, certain bonded indebtedness for school facilities approved by 55% of voters.

**Unrecorded Contracts Of Sale:** If you acquire real estate via a contract of sale that is not recorded, you must report it to the Assessor's Office. In the event an unrecorded contract is discovered by the Assessor, escape assessments may be enrolled for the full period allowed by statute.

**Unsecured Assessment:** An assessment on which property taxes are not a lien against real estate (office furniture, machinery, equipment, boats, airplanes, etc.). Business inventory is exempt from taxation. If equipment is held for sale or lease in the ordinary course of business and is out on January 1, it is assessable.

**Valuation Notification:** Value notices are sent by the Assessor's Office for all changes in value other than the annual California Consumer Price Index increase (i.e., the 2% increase pursuant to Prop. 13) and when parcels receive temporary reductions in value.



We work for the property and business owners of Tulare County. We strive to ensure fair, objective and professional treatment of your property values. In the event you do not feel that your property is being fairly assessed, please contact our office.

More information can be found on our website at  
<https://tularecounty.ca.gov/assessor/>

For more more specific information, contact our office.

## **Tara K. Freitas, CPA**

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