



## After The Close Of Escrow. The Supplemental Tax Bill.

In California under Proposition 13 real property is reassessed when a change in ownership has occurred or when new construction takes place. Except for a change in ownership or new construction property assessments cannot increase more than 2% annually.

After the close of escrow the County tax Assessor may send you a Supplemental Tax Bill. If you do not agree with the new Assessed Value you have 60 Days from the date of the Supplemental Assessment Notice to file an appeal with your County Tax Assessor. (For a complete list of offices go to ORTC.com and click on Resources).

### THE SUPPLEMENTAL TAX BILL

They have been with us since July of 1983, but you and your neighbors still may not know what they are, what they do, and how they affect you and your property. To help you better understand this confusing subject, the California Land Title Association has answered some of the questions most commonly asked about supplemental real property taxes.

#### When did this tax come into effect?

The Supplemental Real Property Tax Law was signed by the Governor in July of 1983 and is part of an ambitious drive to aid California's schools. This property tax revision is expected to produce over \$300 million per year in revenue for schools.



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#### How will Supplemental Property Taxes affect me?

If you don't plan on buying new property or undertaking new construction, this new tax will not affect you at all. But, if you do wish to do either of the two, you will be required to pay a supplemental property tax which will become a lien against your property as of the date of ownership change or the date of completion of new construction.

#### When and how will I be billed?

"When" is not easy to predict. You could be billed in as few as three weeks, or it could take over six months. "When" will depend on the individual county and the workload of the County Assessor, the County Controller/Auditor and the County Tax Collector. The assessor will appraise your property and advise you of the new supplemental assessment amount. At that time you will have the opportunity to discuss your valuation, apply for a Homeowner's Exemption and be informed of your right to file an Assessment Appeal. The County will then calculate the amount of the supplemental tax and the tax collector will mail you a supplemental tax bill. The supplemental tax bill will identify, among other things, the following information: the amount of the supplemental tax and the date on which the taxes will become delinquent.

#### Will my supplemental taxes be prorated in escrow?

No, unlike your ordinary annual taxes, the supplemental tax is a one time tax which dates from the date you take ownership of your property or complete the construction until the end of the tax year on June 30. The obligation for this tax is entirely that of the property owner.

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