

Most Del Norte property owners seeing 2% tax increase

November 12, 2019



Local property owners should have received their annual property tax statements by now. Del Norte County Treasurer (and tax collector) Barbara Lopez said nearly 14,000 bills were mailed on Oct. 9.

The majority of those property owners are seeing a 2% increase in their factored base-year value (FBYV) for 2019, as determined by the California State Board of Equalization, said Del Norte County Tax Assessor Jennifer Perry.

Perry said California's property tax system is “unique to the world.” At the same time, there are some parallels to Oregon’s system.

“FBYV is the maximum inflation factor most property owners are subject to,” said Perry, “due to constitutional amendments made under Proposition 13 in 1978.

“In the 41 years since the inception of Proposition 13, California has applied the full 2% inflation factor in all but nine years. The auditor/controller then adds local fees and bonds as passed by the voters, resulting in the final tax bill due to the county tax collector.”

Perry said California property taxes operate similar to Oregon, in that taxpayers are afforded the lower of either their FBYV or the current market value (CMV) as of Jan. 1 of each tax year - which is enrolled as their assessed value for billing purposes.

“With property values traditionally rising over time, Proposition 13 was designed to limit property tax increases annually to 2%. However, there are times when real estate values decline or damage occurs to the property, resulting in a CMV less than the FBYV,” Perry said.

In those cases, Perry said, California assessors will reduce the assessed value of the property from the FBYV to the CMV under a temporary decline in value assessment. These reductions are often referred to as “Prop 8” assessments, after the measure that passed in 1978.

The property is reviewed annually for a FBYV and CMV comparison, with the assessor enrolling the lesser of the two values.

The 2% limitation does not apply to the annual fluctuation of the CMV and may change by any amount as indicated by the current market. Taxpayers will continue to receive the benefit of a CMV assessment instead of their FBYV so long as the CMV of their property is the lesser of the two.

Once the CMV of the property is at, or exceeds, the FBYV, the assessor reinstates the protected FBYV under proposition 13. The taxpayer is once again protected by the maximum 2% inflation rate each year, even as the CMV of the property rises due to market conditions, Perry said.

With that background explanation in how property taxes work, Perry said that although her office sees a variance in trends among different types of property (average family homes versus luxury markets, commercial markets, etc.), the overall trend has been a steady increase over the last few years.

However, Perry’s office is unable to calculate median single-family home and county-wide growth rates. “Since the assessor is essentially ‘last in line’ to get information on transactions, we run a couple of months behind deed recordings taking place on the market,” Perry said.

“Our department actually has an appraisal backlog of approximately eight months right now, so we do not yet have complete data for the 2019 calendar year.”

According to the Del Norte Association of Realtors, the average listing price of active residential homes in October was \$404,000, up from \$319,000 last year. That’s an increase of 26.7%.

By comparison, the realtors association’s same report has the average estimated value at \$398,000, which is down from \$404,000 last year.

Perry said property taxes can be paid in two installments, the first due now and delinquent if not paid by Dec. 10. The second installment is due Feb. 1, 2020, and delinquent if not paid by April 10, 2020.

Payments can be made in person at the tax collector’s office, online, or over the phone through an automated payment system.

Types of payments accepted in the office include check, cash, money order or cashier's check.

Debit or credit card payments may be made in the office, online, or through the automated telephone system. However, that payment would be subject to a 2.25% convenience fee, charged by the vendor processing the payment.

E-check payments can be processed online, or through the automated telephone system, for a flat fee of \$1.25.

In-person payments can be made at from 8 a.m.-5 p.m. Monday through Friday, excluding holidays, at 981 H St., Suite 150, in Crescent City. Online or automated telephone payments can be made 24/7.

For more information, go to www.co.del-norte.ca.us/departments/treasurer-tax-collector or call 464-7283.