



## **COUNTY CLERK, RECORDER AND ASSESSOR ASSESSOR DIVISION**

### **CALAMITY REASSESSMENT, PROPERTY TAX DEFERRAL AND REBUILDING OPTIONS**

California's property tax laws provide a mechanism for the Assessor to adjust assessed values to recognize destruction caused by a calamity or misfortune which damages real or personal property. Property that has been damaged or destroyed may be eligible for property tax relief if the county where the property is located has adopted an ordinance that allows property tax relief to owners. The Board of Supervisors of Santa Barbara County enacted Ordinance 4697 providing property tax relief for owners who have suffered property damage due to major disaster or individual misfortune.

To qualify for a calamity adjustment the property must have suffered at least \$10,000 worth of damage and the owner must file an application with the Assessor within 12 months of the date of the calamity. In some instances, the Assessor may initiate the adjustment if it's determined that within the preceding 12 months, taxable property located in the county was damaged or destroyed. However, an application should be filed in the event the Assessor does not initiate a reassessment. Calamities do not include damage which occurs over time such as termite damage, gradual earth movements or vineyard diseases such as phylloxera.

#### **Reassessment**

Generally, once the Assessor discovers that a property may have been impacted by a calamity, an outreach letter and application is sent to the owner of the property. The application form asks for the type of disaster, date of occurrence and an estimate of what the repair cost will be. After the application is returned, a real property field appraiser may visit the property to document the extent of the damage and to discuss the repair schedule with the owner. If the property has suffered at least \$10,000 worth of damage, the Proposition 13 factored base year value of the property will then be reduced, from the month in which the damage or destruction occurred, reflecting the value of the property in its damaged state. The Assessor will mail the property owner a notice of the reassessment and a roll correction will be sent to the County Auditor, resulting in either a lower tax bill if still due or a refund if already paid.

The value is reduced or removed during the time the property is in a state of disrepair and then reinstated when the property is repaired. If the structure is restored to its original condition, the original Proposition 13 base year value is enrolled plus the appropriate time factor. If a better quality or larger structure is built as a replacement, credit is given for the base year value of the original improvement and then additional value is added for the current market value of the upgraded or larger structure.

#### **Tax Deferral**

Owners of properties who file an application for calamity reassessment on or before the next property installment payment date, may request to defer payment. Property taxes paid through an

impound account are not eligible for deferment. Taxes would be deferred until 30 days following the receipt of a corrected bill that reflects the reduction in value caused by the calamity.

### **Base Year Value Transfers**

Owners whose properties were destroyed or sustained damage to either the land or improvements of more than 50% of either the land or the improvement's full cash value immediately prior to the disaster, are eligible to transfer their base year value to a replacement property. There are additional set of requirements for intra and inter county transfers.

Section 69 of the Revenue and Taxation Code provides for base year value transfer to a replacement property within the same county that is acquired or newly constructed within 5 years of the date of damage of their property.

Section 69.3 of the Revenue and Taxation Code provides for base year value transfer to a replacement property in another county that is acquired or newly constructed within 3 years of the date of damage of their property. If an owner wishes to transfer their base year value to a different county, as of 1/1/2018 only the following counties have ordinances permitting base year value transfers from damaged Santa Barbara County properties: Contra Costa, Los Angeles, Modoc, Orange, San Francisco, Santa Clara, Solano, Sonoma, Sutter and Ventura. Before purchasing a replacement property outside of Santa Barbara County, contact the Assessor's Office of that County to make sure they have adopted a Section 69.3 ordinance for base year value transfers.

Should you have any questions please contact the Santa Barbara County Assessor's Office at (805) 568-2550