



What are the Common Property Taxes?

Property Tax

In 1978, the passage of Prop 13 locked in property assessments at 1% of the purchase price and limited yearly increases to 2%. Once sold, the property is reassessed at 1% of the sale price, and the 2% yearly cap becomes applicable to future years. Property taxes in San Diego County are collected by the San Diego County Tax Collector.

■ **How Has Prop 13 Affected San Diego?** California has among the lowest property tax rate in the country and more than half the homes in San Diego County are assessed below market value. This is great for the taxpayer, but not for schools and fire departments that rely on property tax funding. However, most taxpayers can now afford their homes because of Prop 13.

Property Transfer Tax

■ **County Transfer Tax:** Tax paid to the state or local government as a percentage of the property's value. The amount of tax is usually based on a percentage of the property's selling price, but the exact amount is determined by the **county** where the property is located.

■ **City Transfer Tax:** Tax paid to the state or local government as a percentage of the property's value. The amount of tax is usually based on a percentage of the property's selling price, but the exact amount is determined by the **city** where the property is located. (Currently, there are no cities administering this tax in San Diego county.)

Mello-Roos District

Mello-Roos District is an area where special tax is imposed on real property owners within a community facilities district and are established by local governments at the request of a developer to finance specific public facilities and services such as schools, roads, and libraries. Mello-Roos is used to make payments of principal interest on the bonds and is generally collected with the property taxes. The tax stays in effect for 40 years or until the bonds are paid off and are subject to the same penalties as regular property taxes. If the tax payment is late, the Facilities District may begin the foreclosure process. Furthermore, since a Mello-Roos is a lien against the property, it must be paid before the property can be sold.

Supplemental Tax

State law requires the Assessor to reappraise a property upon change of ownership or completion of new construction. The supplemental assessment reflects the difference between the new value and the old value. This difference is in addition to the regular annual tax bills and prorated based upon the number of months remaining in the fiscal year in which the event occurred. The fiscal year runs from July 1 through June 30.

The table of proration factors shown in the chart below is used to compute the supplemental assessment on the current tax roll.

Effective Date	Proration Factors	Effective Date	Proration Factors
August 1	0.92	February 1	0.42
September 1	0.83	March 1	0.33
October 1	0.75	April 1	0.25
November 1	0.67	May 1	0.17
December 1	0.58	June 1	0.08
January 1	0.50	July 1	0

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