

What is meant by new construction or change of ownership?

Typically, new construction is any substantial addition to real property (i.e., adding a new room, pool, or garage) or any substantial alteration which restores a building or other improvement to the equivalent of new.

Most changes in ownership, caused by the sale of property, result in reassessment. However, inter-spousal transfer: the transfer, sale or inheritance of property between parents and their children: and the addition of joint tenants, typically DO NOT result in the reappraisal of the property.

Furthermore, homeowners over the age of 55 years who sell their principal residence and purchase a replacement dwelling within two years, that is of equal or lesser market value and is located in the same county, may be eligible to transfer the pre-sale assessed value of their original property to the replacement dwelling.

For further information or claim forms, please contact the Assessor's office at (530) 265-1232 or by emailing: assessor@co.nevada.ca.us.

What is reassessment?

Supplemental taxes are determined in accordance with Article XIII A of the California Constitution which generally requires reappraisal of property whenever a change in ownership occurs or property is newly constructed.

The Assessor first determines the new value of the property based on the current market value. The Assessor then calculates the difference between the new value (set at the time of purchase or completion of new construction) and the old value (set on January 1st of the previous fiscal year). The result is the supplemental assessed value. Once the new assessed value of

your property has been determined, the Assessor will send you a notification of the amount.

This reassessment usually results in an increase in property value, in which case your supplemental taxes will be calculated by the Auditor-Controller based on the change in value, and one or possibly two supplemental tax bills will be created and mailed to you by the Tax Collector. However, in some instances the reassessment results in a reduction in value, in which case a refund will be prepared by the Auditor-Controller and mailed to you. A reduction in value WILL NOT reduce the amount due on the annual tax bill. The annual tax bill must be paid in the amount originally billed.

How would I appeal the new value?

If you disagree with the value that was determined by the Assessor, you should first take the matter up with the Assessor's office. Additionally, the Board of Supervisors has established an Assessment Appeals Board for the purpose of resolving valuation problems.

If you choose to appeal your assessment, you have the right to file an application for reduction in assessment with the Assessment Appeals Board. You generally have 60 days from the date you received the supplemental notice in which to file an appeal application with the County Clerk's office. You should still pay your tax installments in full by the appropriate deadlines; otherwise, you may incur penalties while the case is under appeal. If your appeal results in a value reduction, a refund will be issued to you.

Further information about the appeals process may be obtained by calling (530) 265-1480 or writing to: Clerk of the Board, 950 Maidu Avenue, Nevada City, CA 95959.

Will my mortgage company pay the supplemental bill?

No. Unlike the annual tax bill, lending agencies do not receive a copy of the supplemental tax bill. When you receive a supplemental tax bill, **YOU MUST CONTACT YOUR LENDER** to determine who is to pay the bill.

If neither my lender nor I pay the supplemental bill, may I have the penalties waived?

No. State law stipulates that this is not an acceptable reason for waiving penalties.

What does the supplemental tax bill disclose?

The supplemental tax bill provide the following information:

- The current owner
- The appropriate fiscal year
- The "situs" address of the property
- The Assessor's parcel number
- The net difference of taxable value
- The amount of tax based on net value
- The type of exemptions, if any
- The due date(s) for tax payments
- The first day of the month, following ownership change or completion of new construction. This date is used to prorate the tax for the period remaining in the fiscal year for which the bill was issued.

The bill may be paid in two installments and provides payment stubs for each installment, which show the amount due and the date that the amount must be paid to avoid penalties for late payment.

What if I purchase a piece of property and then sell it again after a few months?

If you purchase and then sell property within a short period of time, the supplemental bill you receive should cover only those days during which you owned the property, and the new owner should receive a separate supplemental tax bill. Because of the large number of parcels and frequency of property changing ownership in Nevada County there may be delays in placing new assessments on the roll.

Is my supplemental tax bill prorated?

Yes. You are taxed only on that portion of the year for which you have ownership or completed construction. However, if the reassessment was not recorded by the Assessor before January 1st, you will receive an additional supplemental bill for the next fiscal year, which will be for the entire year.

Is it possible to receive two supplemental bills?

Yes. This depends on when the ownership change or completion of new construction occurred and when the Assessor recorded the new value on the tax roll.

You will receive ONE supplemental bill if the change in property value due to ownership change or new construction is recorded on the tax roll between June 1 and December 31.

You will receive TWO supplemental bills if the change in property value is recorded on the tax roll between January 1 and May 31.

What happens if I fail to pay the supplemental tax bill?

The same rules apply as for unpaid annual tax bills. If your supplemental tax bill is not paid by June 30th after the second installment is delinquent, the property becomes tax defaulted (even if you have paid your annual tax bill). At the end of the fifth year of delinquency the property becomes subject to the power of sale in accordance with Revenue & Taxation code.

Will I receive an annual tax bill each November?

Yes. The supplemental tax bill is sent IN ADDITION to the annual tax bill and both amounts must be paid as specified on each bill.

Can delinquent supplemental taxes be paid on an installment plan?

Yes. Delinquent supplemental taxes may be paid on an installment plan in the same manner as your annual property taxes if they become delinquent.



**County of Nevada
Treasurer and Tax Collector**

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Supplemental Tax Summary

Tina M. Vernon
Treasurer & Tax Collector
County of Nevada

What are supplemental taxes?

On July 1, 1983, California State law was changed to require the reassessment of property as of the first day of the month following an ownership change or the completion of new construction. In most cases, this reassessment results in one or possibly two supplemental tax bills being sent to the property owner in addition to the regular secured property tax bill that is mailed annually. This insert focuses on the supplemental tax bills generated by such reassessments of property values.