

Family Wealth Forum

August 3, 2024



Joaquín Torres
San Francisco Assessor-Recorder



Agenda

Assessor-Recorder Welcome

Part 1: Understanding your homes value & the appeals process

Part 2: Tax-savings for home improvement projects

Part 3: Prop 19 family transfers & estate planning



Our mission

sfassessor.org

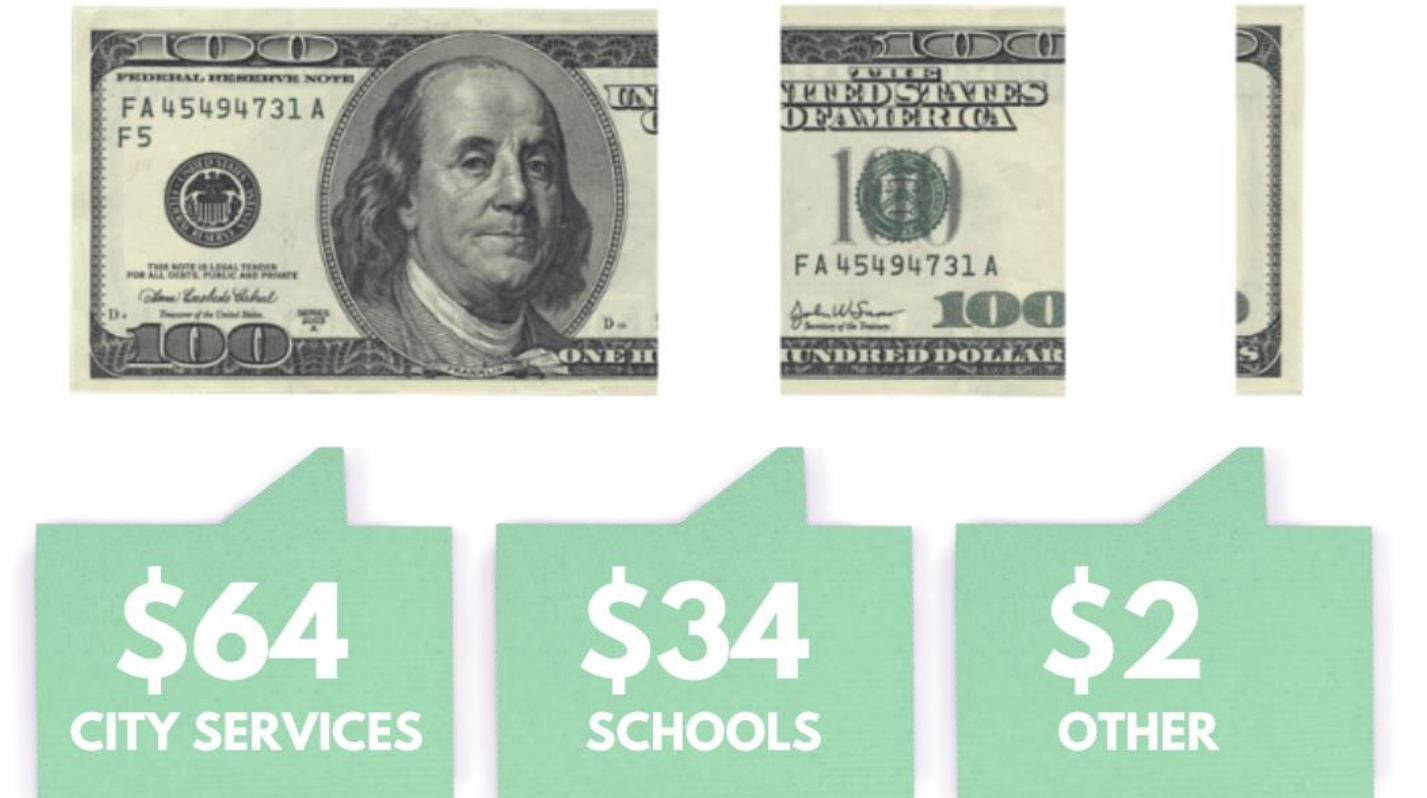
To fairly and accurately identify and assess all taxable property in San Francisco, and record, secure, and provide access to property, marriage and other records.





Our office by the numbers

- \$347 billion assessment roll
- \$23 billion in exemptions
- \$4.0 billion total property tax revenue of which \$2.5 billion supports city services
- Property taxes are the largest single source of revenue for San Francisco's general fund



Source: Office of the Controller, City and County of San Francisco



Our priorities

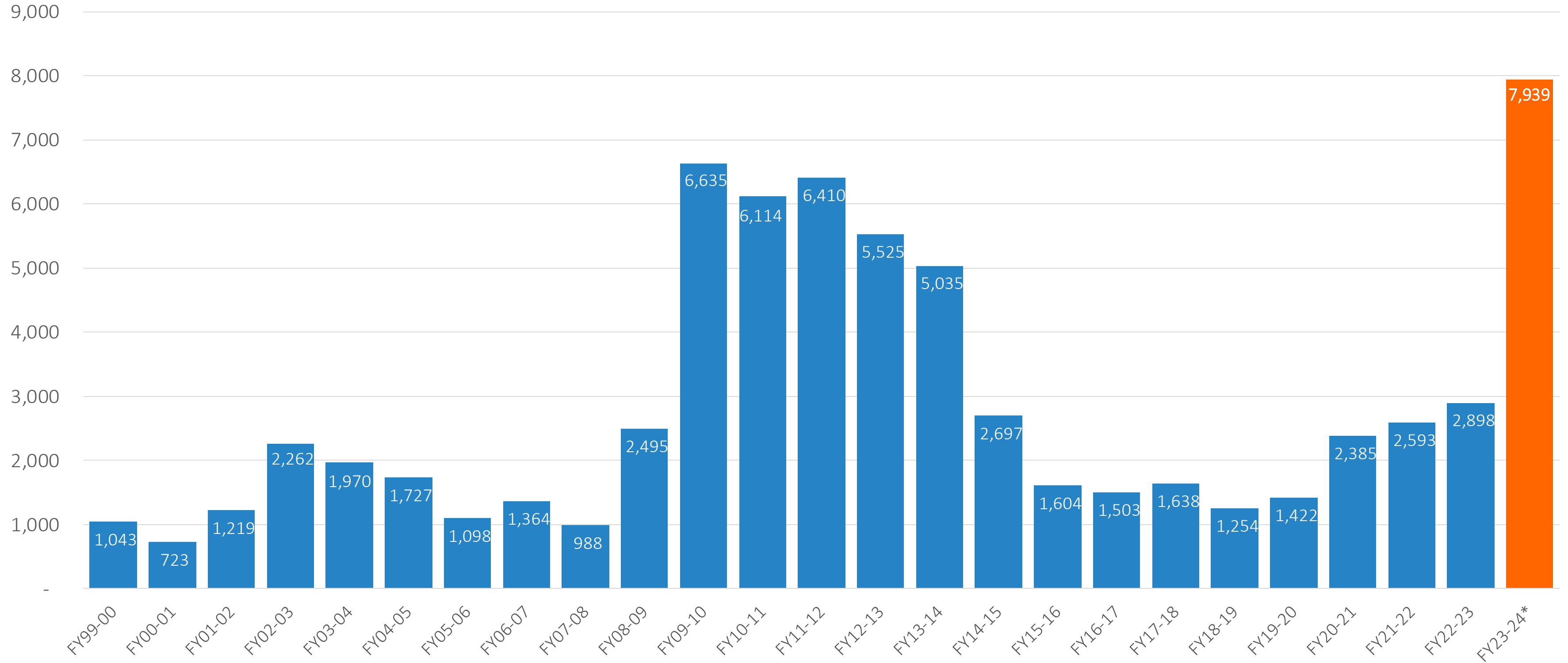
- Technological and Public Service Improvements
- Community Engagement & Pursuing Racial and Economic Justice
- Assessment Appeals and Completing Assessment Roll



Assessor Torres at the Assessor-Recorder's 2023 Family Wealth Forum



Record number of assessment appeals



*FY23-24 Data as of 3/31/2024, AAB FY23-24 activity Report



Assessment Appeals 101

- Fairness & Accuracy
- Savings for Homeowners
- Transparency in Local Government

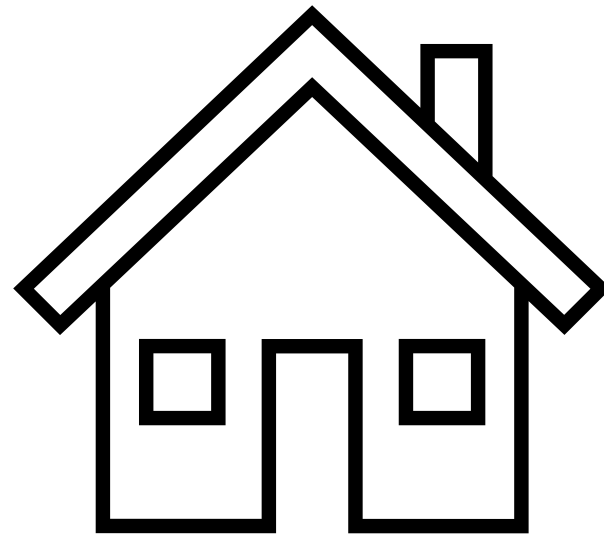


Disclaimer

The information provided is intended to provide general information about assessment appeals and property assessment. It is not intended to be a legal interpretation or official guidance, or relied upon for any purpose, but is instead a presentation of summary information. If there is a conflict between the information provided here and the proposition or any legal authorities implementing or interpreting the laws that guide property assessment, the text of the proposition and the other implementing or interpretive authorities will prevail. We encourage you to consult an attorney for advice on your specific situation.



Property tax in California – Proposition 13

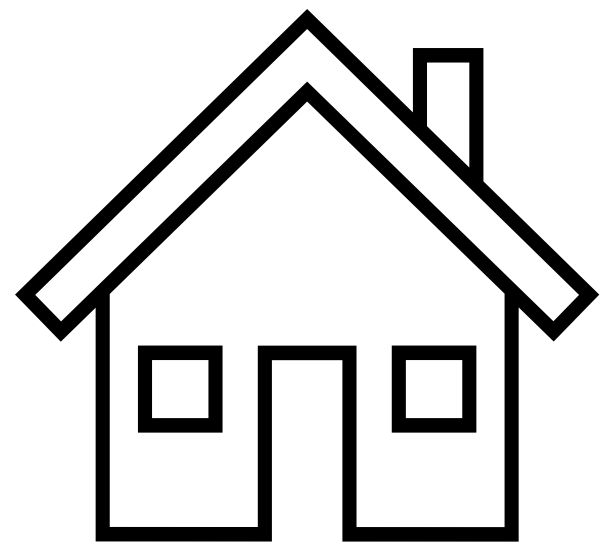


- Per Prop 13, a property's taxable value is typically based on its market value at the time of an assessable events such as sale, inheritance, or major renovations.
- The taxable value can only increase by a maximum of 2% per year, regardless of how much the market value goes up.
- The property tax rate is 1%, plus voter approved debt.

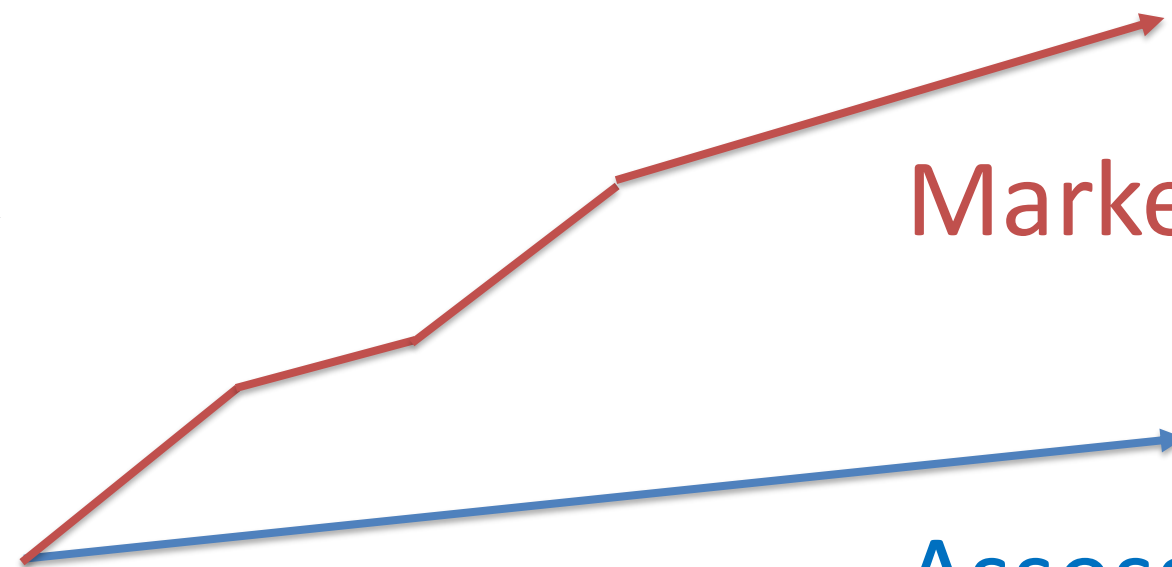


Setting assessed value

Your property taxes are based on the property's assessed value. Per Prop 13, your property's assessed value rises no more than 2% each year (see blue line below).



Purchased
for \$200,000 in 1990



Market value = \$1.5 million in 2024

Assessed value = \$392,000 in 2024



Find your assessed value

sfassessor.org

JOAQUÍN TORRES
ASSESSOR-RECORDER

SAN FRANCISCO
OFFICE OF THE ASSESSOR-RECORDER

NOTIFICATION OF 2024-2025 ASSESSED VALUE

July 13, 2024

**THIS IS NOT A TAX BILL
ANNUAL NOTICE ONLY**

NAME
ADDRESS
CITY, STATE, ZIP

Dear San Francisco Property Owner:

I am writing to inform you of the **assessed value for your property as of January 1, 2024**. The net assessed value is the basis for your 2024-2025 property tax bill that will be mailed to you before November 1.

PROPERTY LOCATION	
SITUS	
BLOCK and LOT	
APN	

	2024-2025 Factored Base Year Value (Proposition 13)	
A		
B	2024-2025 Personal Property/Fixtures (+)	
C	2024-2025 Exemption (-)	
D	2024-2025 Net Assessed Value	

Homeowner's Exemption Notice
If you own and occupy this property as your primary residence, you may be eligible for a homeowner's exemption. You are allowed only one homeowner's exemption in the State of California. If you are eligible and do not see an exemption amount listed in this box, please submit a completed Homeowner's Exemption Claim Form (See the back for more information)

City & County of San Francisco
José Cisneros, Treasurer
David Augustine, Tax Collector
Property Tax Bill (Secured)

1 Dr. Carlton B. Goodlett Place
City Hall, Room 140
San Francisco, CA 94102
www.sftreasurer.org

For Fiscal Year July 1, 2023 through June 30, 2024

Vol	Block	Lot	Bill No	Mail Date	Property Location
01	1234	123	20230123456	October 21, 2023	123 GREEN ST

Assessed on January 1, 2023 at 12:01am
To: SF TAXPAYER

TOTAL DUE		\$2,892.16
1st Installment	2nd Installment	
\$1,446.08	\$1,446.08	
Due 12/11/2023	Due 04/10/2024	

SF TAXPAYER
P.O. BOX 123
SAN FRANCISCO, CA 94123

Assessed Value	
Description	Full Value
Land	\$92,114
Structure	\$92,114
Fixtures	
Personal Property	
Gross Taxable Value	\$184,228
Less HO Exemption	\$0
Less Other Exemption	\$0
Net Taxable Value	\$184,228
Tax Amount	\$2,178.42

Direct Charges and Special Assessments

1. Notification of assessed value
We mail you the notice every July.

2. Property tax payment portal
You can view and print your property tax bill.
<https://sftreasurer.org/payments/property-tax-payment>



State Law and Reductions in Value

- 2 independent bodies in the assessment appeals process

Office of the Assessor-Recorder
City Hall room 190



Assessment Appeals Board
City Hall room 405





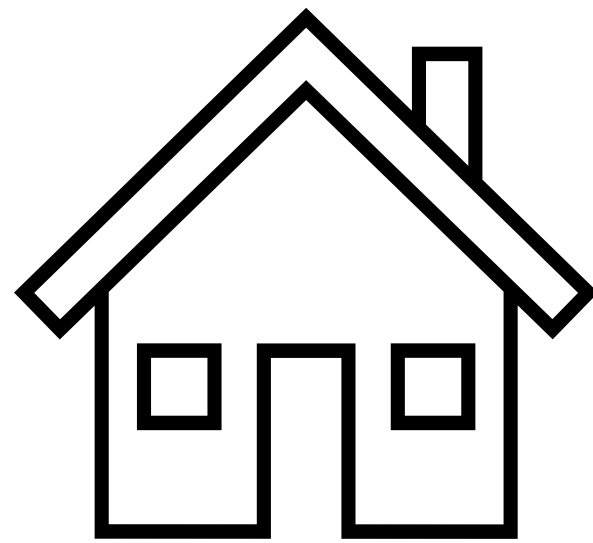
State Law and Reductions in Value

sfassessor.org

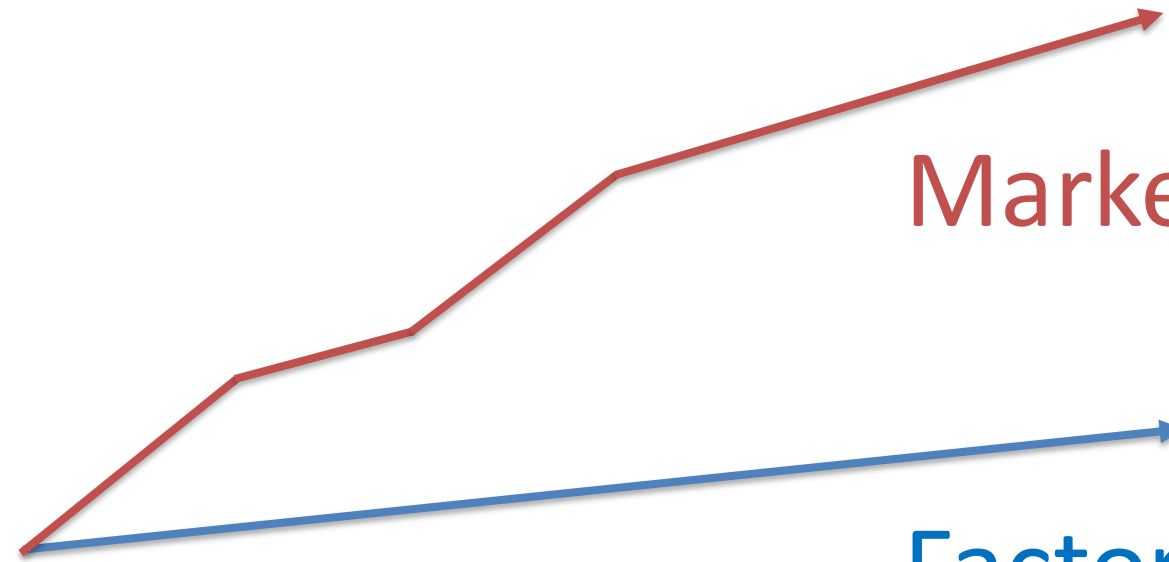
- There are a few different types of assessment appeals you can file with the AAB.
- Today, we'll be discussing two common appeals:
 - **decline in value (Proposition 8)**
 - **base year value**
- Assessor-Recorder Proactive Service: **Informal Review**



No decline in market value



Purchased
for \$200,000 in 1990

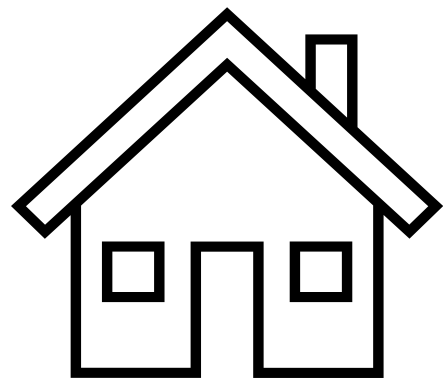


Market value = \$1.5 million in 2024

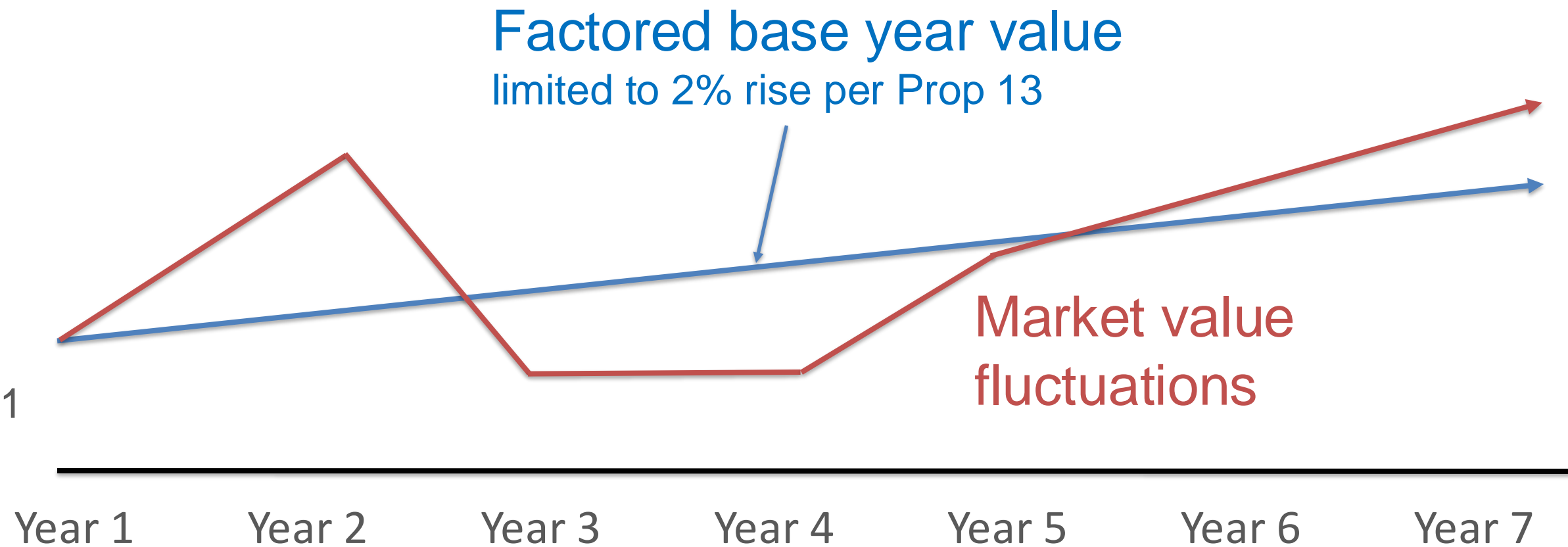
Factored base year value = assessed value
\$392,000 in 2024



Decline in value



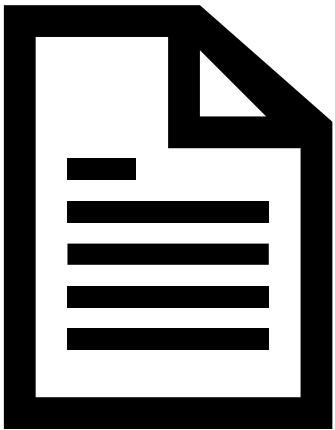
Purchased in Year 1
for \$1.5 million



- If your property's **market value** falls below its **factored base year value (FBYV)**, your property taxes will be based on the *lower* of the two values.
- In the example above, the **assessed value** is...
 - The decline in market values (red line) in years 3, 4, and 5.
 - The FBYV (blue line) in years 1, 2, 6, and 7.



Decline in Value Appeal Filing Period with the AAB



1. File an appeal application with the Assessment Appeals Board (AAB) **between July 2 and September 16.**
2. For more information, visit <https://www.sfgov.org/aab/>



Residential Property Owners: Informal Review

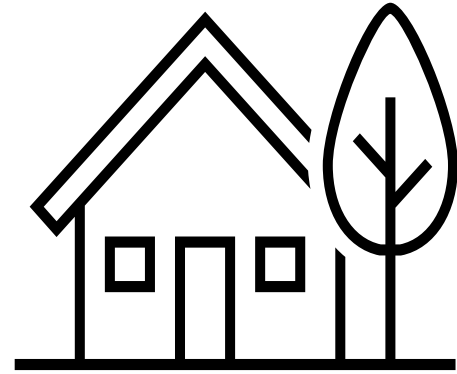
Office of the Assessor-Recorder Informal Review Process

1. File a request with the Office of the Assessor-Recorder to review the market value of residential properties from **January 2 to March 31** of each year.
2. **Eligible properties:** single family dwellings, residential condominiums, townhouses, live-work lofts and cooperative units only.
 - Tenancies in common (TICs) are not eligible.





Appealing your Base Year Value



- Another type of appeal is the Base Year Value appeal.
- A **base year value** is a new value established on your property when there is a change in ownership or completion of new construction.
- You'll find this new value on the Notice of Supplemental Assessment.
- If you believe we incorrectly valued the property or if you believe there was no new construction or change in ownership that required reassessment, you can file a base year value appeal.



Base Year Value Appeal Filings

Filing period

1. File an appeal with the Assessment Appeals Board (AAB) **within 60 days of receiving your supplemental notice.**
2. You can also file with the AAB between July 2 and Sept. 16 in the year your property's value was first placed on the regular assessment roll, or within the following 3 years.
 - It is important to file as early as possible. There is no retroactive reductions if the AAB reduces the value.





Reminders



- File an appeal with the Assessment Appeals Board (AAB).
- Pay your taxes on time and in full.
- The AAB **can** lower your assessed value or reverse a change in ownership or new construction reassessment.
- The AAB **cannot**
 - reduce an assessment because you're paying more taxes than your neighbor
 - remove penalties and interests from late payment of property taxes
 - reduce your taxes due to your inability to pay
 - grant or deny tax exemptions, change tax rates, or extend filing periods



Support your opinion of value

Prepare evidence to support your opinion of value of the property.
For residential appeals, recent sales of comparable property is generally used.

Standards for sales of comparable properties for residential properties.

1. Sales transactions must be "**arm's length**" transactions
2. Properties must be **physically like** your property
3. Properties may not close beyond the 90th day of the valuation date.
Those closest in time are the best indicators of value.
 - Changes in ownership: the valuation date is the date of the transfer
 - New construction: the valuation date is the date new construction is completed
 - Decline-In-Value appeals: your valuation date is Jan. 1.

Source: California Board of Equalization [Publication 30, Residential Property Assessment Appeals](#)



Find comparable sales data



Contact local experts

- Real estate agent, real estate broker
- Ask for a Comparative market analysis (CMA)
- Real estate appraiser
- Request a Fee appraisal

Narrow your search

- Restrict the time frame and consider homes that most closely resemble your home
- Key features to consider - living square footage, neighborhood, number of bedrooms and bathrooms, parking, property type amenities, overall condition, year built, lot size



Some considerations when using resources



Dollar per square foot

- Helpful to summarize aggregate data, a quick check to bracket comparable sales.
- However, this source may be an incomplete measurement when used to value a specific property's fair market value.



Some considerations when using resources

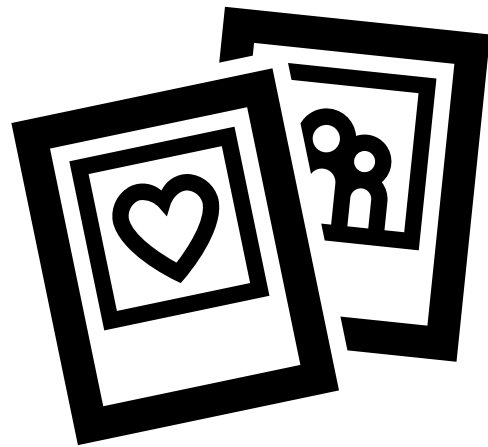


Online estimates

- Be aware of limitations of using online property estimates.
- Often incomplete or outdated data, inability to consider property conditions, market fluctuations, geographic variability, lacking personalized analysis.



Resources



San Francisco Office of the Assessor-Recorder

- www.sfassessor.org/tax-savings/tax-relief

San Francisco Assessment Appeals Board

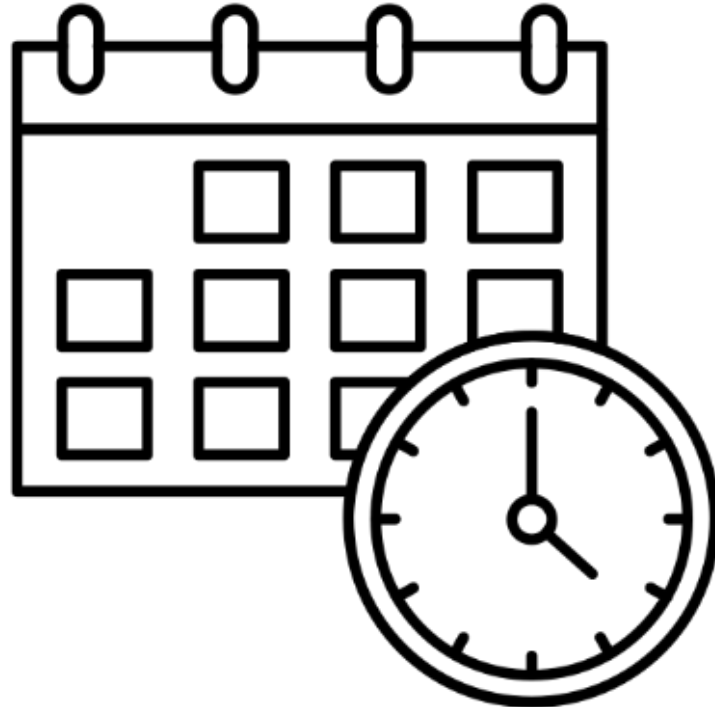
- www.sfgov.org/aab (415) 554-6778

California Board of Equalization (BOE) FAQs and Guidance

- <https://www.boe.ca.gov/proptaxes/faqs/assessappeals.htm>
- <https://www.boe.ca.gov/proptaxes/pdf/pub30.pdf>
- BOE Taxpayer Advocate: (916) 274-3400



Assessor's Annual Timeline



Key dates

- January 1 – Lien Date
- February 15 – Exemptions Deadline
- March 31 – Informal Review Deadline
- June 30 – Roll Close
- September 16, Regular Appeals Deadline

Real Property

- July – Notice of Assessed Value
- October – Tax Bill Arrives
- December/April – Tax Bill Due

Business Personal Property and Possessory Interest

- July – Notice and Tax Bill Arrives
- August – Tax Bill Due



Thank you!

Question & Answers

**Today: Assessor-Recorder
Staff Consultations
Upstairs Room 250
10 AM - 1 PM**