

PROPERTY TAXES

The Property Tax System

There are two types of property taxes: Secured (real property) and Unsecured (personal property), either of which may affect you. There are four steps in the property tax process. Here is how each County department affects you as a homeowner.

- 1. The Citizens Of Nevada County**
A change of ownership or completion of new construction on real property will trigger the property reassessment process.
- 2. County Assessor**
The County Assessor reassesses the property and gives the new assessed value of your home to the County Auditor/Controller.
- 3. Auditor/Controller**
The County Auditor/Controller applies the applicable tax rate to the new assessed value to determine the amount of property tax owed.
- 4. Treasurer-Tax Collector**
The Treasurer - Tax Collector mails the tax bill(s) and collects the payments.

Q: WHO COLLECTS PROPERTY TAXES?

A: The Nevada County Treasurer-Tax Collector is responsible for billing and collecting all County property taxes.

Q: WHAT IS A “SECURED” PROPERTY TAX AND HOW IS IT DETERMINED?

A: “Secured” refers to a property tax that is assessed against real property (e.g. land or improvements).

Nevada County’s real property tax is an “ad valorem tax,” a tax according to value. Proposition 13 established the tax rate as 1% of current assessed value, plus voter approved bonded indebtedness.

Real property is assessed when there is a change in ownership or completion of new construction. Proposition 13 also provides that the assessed value of property can increase no more than 2% annually, based upon the California Consumer Price Index.

Q: WHO MUST PAY PROPERTY TAXES?

A: All owners of real property must pay property taxes unless exempted by state law. Lessees must pay property taxes if they are leasing real estate from an owner whose property is exempt. Owners of business, industrial, agricultural and residential property must all pay property tax.

Q: WHEN ARE THE ANNUAL PROPERTY TAXES DUE?

A: The first installment of secured property tax is due on November 1st and becomes delinquent after December 10th. The second installment is due February 1st and becomes delinquent after April 10th. If the delinquent date falls on a weekend or holiday, you have until the close of the next business day to pay your tax bill.

The annual secured property tax bill are mailed beginning in October of each year.

Please note that it is your responsibility to obtain your tax bill. Failure to receive a bill will not prevent penalties from being imposed on a late payment. If you have not received your tax bill by November 1st, please contact the Treasurer - Tax Collector's office.

Q: WHAT IS A SUPPLEMENTAL TAX BILL?

A: A supplemental tax bill is an additional bill that reflects the increase or decrease in the assessed value of real property. Supplemental tax bills are generated and mailed throughout the year, and must be paid in addition to the secured tax bill by the stated due dates.

Q: WHAT IF I FAIL TO PAY MY PROPERTY TAXES BY THE DEADLINE?

A: Failure to meet each installment deadline results in a 10% penalty immediately following the delinquent date. A \$10 charge is also added to the second installment. If payment is not received for either the first and/or second installments by June 30th, the property becomes "tax defaulted." Penalties begin to accrue on July 1st, an 18% annual interest rate (1.5% per month), and a \$15 redemption fee is added to the bill.

Property Tax Calendar

Oct. 1 – Annual Secured Tax bill mailing begins.

Nov. 1st – First installment due Secured Property Tax due

Dec. 10th – First installment delinquent date Last day to pay first installment without penalty (A 10% penalty attaches thereafter)

Jan 10th – Treasurer-Tax Collector mails a reminder notice of any unpaid, secured taxes

Feb. 1st – Second installment due Secured Property Tax due

Apr. 10th – Second installment delinquent date Last day to pay second installment without penalty (A 10% penalty and a \$10.00 cost attaches thereafter)

May 10th – Treasurer-Tax Collector mails a reminder notice of any unpaid, secured taxes

Jun. 30th – Last day to pay current taxes and penalties prior to default

Jul. 1st – Delinquent secured accounts are transferred to the defaulted tax roll and an additional 18% annual interest charge (1.5% per month) is applied to the base amount, plus a \$15.00 redemption fee

SUPPLEMENTAL TAX BILLS

General Information

California Law requires the reassessment of real property following a change of ownership or the completion of new construction. A reassessment may result in one or more supplemental tax bills being mailed to the property owner. Supplemental tax bills are separate and in addition to the annual secured property tax bill the property owner receives.

Q: WHAT IS A SUPPLEMENTAL ASSESSMENT?

A: A supplemental assessment is an increase or decrease in assessed value that is generated by a “supplemental event” such as a change in ownership or completion of new construction.

The Assessor’s office is responsible for reassessing real property. Questions regarding property valuation may be directed to that office at 530-265-1232.

Q: WHAT IS A SUPPLEMENTAL TAX BILL?

A: A supplemental tax bill is a separate bill that reflects the increase or decrease in the assessed value of real property. Supplemental tax bills are generated and mailed throughout the year, and payment due dates vary.

Q: WHAT IS A NEGATIVE SUPPLEMENTAL TAX BILL?

A: A negative supplemental tax bill is a separate bill that reflects assessment that is lower than the prior assessed value, a senior citizen’s transfer of Proposition 13 values, or other downward assessment and includes a refund check. A negative supplemental bill does not change your responsibility to pay all other property tax bills. However, the refund generated by a negative supplemental bill may be applied to any open bills for the same parcel.

Q: IF I RECEIVE A SUPPLEMENTAL TAX BILL, WILL I ALSO RECEIVE AN ANNUAL TAX BILL?

A: Yes. Supplemental tax bills are separate from and in addition to the annual secured property tax bill. They must be paid on time in order to avoid penalties.

Q: IF I PAY TAXES THROUGH AN IMPOUND ACCOUNT, WILL MY SUPPLEMENTAL TAX BILL BE SENT TO MY LENDER?

A: No. Supplemental tax bills are only mailed to the property owner of record. You should contact your lender to determine whether it will pay the supplemental tax bill.

Q: DO I HAVE THE RIGHT TO APPEAL THE SUPPLEMENTAL ASSESSMENT?

A: Yes. The appeal filing period for a Supplemental Assessment, based on completion of new construction or a re-appraisable ownership change, is governed by separate statutes from the annual roll filing period. The supplemental assessment appeal filing period is open upon enrollment of the supplemental value and closes 60 days from the date of enrollment. A Notice of Supplemental Assessment is sent to the property owner to indicate the start of the filing period. Should you miss the supplemental assessment filing period, you may still appeal the base year value of the property prospectively during the annual roll filing period for the subsequent three lien dates.

To contact the Assessment Appeals Board, please call 530-265-1480

Important: Filing an appeal does not suspend the obligation to pay property taxes due on the property.

If you choose to appeal your assessment, you must still pay your tax installments on any existing bills in full by the appropriate deadlines. Otherwise, you may incur penalties while the case is in the appeals process.

UNSECURED TAX BILL

An unsecured property tax is an ad-valorem (value based) property tax that is the liability of the person or entity assessed for the tax. Because the tax is not secured by real property, such as land, the tax is called “unsecured.”

Q: What types of property result in the issuance of an unsecured tax bill?

A: Types of personal property which may trigger the issuance of an unsecured tax bill include:

- boats
- aircraft
- business fixtures
- business personal property

Other types of property may include:

- pro-rated escape and supplemental tax on real property that has changed ownership
- manufactured housing (mobile homes) possessory interest (leased government property)
- delinquent State Assessed Property (Unitary Tax)

Q: Why do I have to pay taxes on my boat?

A: All personal business property and luxury property in the State of California is subject to an annual tax. Boats, except for those used in commerce or fishing, are considered luxury items.

Q: How does a sale, removal or disposal of my business equipment, boat or aircraft affect my tax bill?

A: The owner of personal property as of January 1st is responsible for the unsecured tax bill. Disposal, removal, or sale of the property after the January 1st lien date will not affect the tax bill. Taxes will not be prorated due to the sale or disposal of taxable personal property after the lien date. Any proration of the tax is strictly a private matter between the seller and buyer.

Q: What happens if I don't pay my unsecured taxes on time?

A: If your bill is not paid by the delinquent date, penalties and additional fees may apply.

Q: Do I need to pay the tax bill while appealing or talking with the assessor about a reduction in the VALUE assessed?

A: Yes. To avoid penalties, liens, and other enforcement of collection actions, the tax should be paid prior to it becoming delinquent. Should the tax be reduced later a refund will be issued.

Q: Why did I receive an unsecured tax bill, when I don't own any personal property?

A: Property tax assessments on real estate where the real estate was sold prior to the enrollment of the tax bill are not a lien on that real estate. These tax bills are prorated to cover the ownership period of the prior owner(s) and enrolled on the unsecured tax roll as the personal liability of the former property owner(s). In addition, unpaid taxes on mobile homes, possessory interests, and State Assessed Property (unitary tax) tax bills are transferred after June 30 to the Unsecured Tax Roll as the personal liability of the assessee(s).

Important Information About Your Unsecured Tax Bill

Sale or Removal of Property

The disposal of property after the lien date (January 1st) does not relieve the Assessee of responsibility for any of the tax assessed for that year. The Nevada County Treasurer Tax Collector's Office can only pursue collection of the tax from the Assessee.

Penalties

If not paid in full, a 10% delinquent penalty will be added on September 1st, or on the first business day of the second month following the Enrollment Date. An additional 1.5% penalty will be added on November 1st, or on the first business day of the third month following the Enrollment Date, and each month thereafter (18% annual percentage rate).

Extension of Time

When the delinquent date falls on a Saturday, Sunday, or legal holiday, the delinquent date is extended to the next business day.

Failure to Receive an Unsecured Tax Bill

If you have not received your tax bill by August 1st of any tax year, it is your responsibility to call toll free 530-265-1285, and request a duplicate bill. Penalties will not be cancelled due to non-receipt of a tax bill.

Enforcement of Collection

Unsecured taxes may be collected by placing a lien on the title to property, registrations, or licenses; Recording of Tax Liens; legal actions; Summary Judgment; or Seizure and Sale of the assessee's property. In addition to collection of taxes and penalties, the Treasurer-Tax Collector may collect actual costs of collection incurred by the County up to the time the delinquency is paid.

Release of Lien

A Release of Lien is prepared and sent to the party who paid the taxes along with instructions for recording the release of lien with the county recorder. Payment with guaranteed funds is required for the immediate release of liens. Failure to record the release of lien will cause the public record to continue to show that the debt remains unpaid. The Nevada County Treasurer-Tax Collector does not report to any of the credit bureaus. Documents recorded in the Office of the County Recorder are public record.

Glossary of Terms That Pertain to Your Unsecured Tax Bill

Assessed Value: The taxable value of a property against which the tax rate is applied.

Certificate of Tax Lien: A lien that is recorded with the County Recorder that automatically becomes a lien against the assessee and any property they own or acquire, for the amount of unpaid property taxes.

Delinquency Date: The date that penalty is added to an unsecured tax bill.

Demand Date: The date that payment is requested for an unsecured tax bill; and, after which collection notice(s) and/or action(s) may be made to obtain payment of the tax.

Due Date: The due date is the lien date (January 1) of the year the taxes are being assessed.

Fiscal Year: A fiscal year is the County's accounting cycle. It runs from July 1st of each year through June 30th of the following year.

Legal Owner: The owner of the title, as distinguished from the holders of other interests, e.g. beneficial or possessory interests.

Lien Date: The time when taxes become a lien on property, and the time when property is valued for tax purposes. The Lien Date is January 1st of each year.

Personal Property: All tangible property except real estate.

Transfer Date: The date upon which the ownership of property is transferred.

Unsecured Assessment: State law requires that all business, boat and aircraft and personal property be assessed annually and requires the owner to file a property statement so that a taxable value can be established. Failure to file the statement may result in the increase of the assessment due to penalty for late or non-filing.

Unsecured Tax Rate: Previous year's secured property tax rate.

ANNUAL PROPERTY TAX SALE AUCTION

Each year on July 1st, the Treasurer-Tax Collector has the "power to sell" properties that have been in default (delinquent) on the property taxes for five or more years and have not been redeemed (paid in full) or enrolled in a Five-Year Payment Plan.

Tax-defaulted property is scheduled for sale at a public internet auction to the highest bidder at the time fixed for the sale. Typically, the Annual Property Tax Sale Auction is held in November online at www.bid4assets.com.

You may obtain the list of properties to be offered at the next tax sale by visiting our website at: www.mynevadacounty.com/ttc

Q: CAN I OBTAIN A PROPERTY AT THE PUBLIC AUCTION TAX SALE BY PAYING THE DELINQUENT TAXES PRIOR TO THE TAX SALE DATE?

A: No. Legal title to a tax-defaulted property subject to the Tax Collector's power to sell can be acquired only through the Treasurer-Tax Collector by being the successful bidder at the tax sale, and by paying the full purchase amount, including the Documentary Transfer Tax.

Q: HOW DO I FIND OR "SEE" A PROPERTY I WOULD LIKE TO BID ON AT THE TAX SALE?

A: Vacant (unimproved) land has no address and therefore its approximate geographic location may be determined through the use of County Assessor plat maps. Exact boundary lines of a property may be determined by a survey of the property. The County does not have possession or control of the property and cannot grant access. "Improved" properties may bear a street address.

Q: HOW CAN I DETERMINE WHAT USE I CAN MAKE OF A TAX SALE PROPERTY BEFORE I PURCHASE IT?

A: You may consult the Zoning Department of any city within which a property lines regarding use of the parcel. For property in unincorporated areas of the County, you may refer to the Zoning Section of the Nevada County Department of Planning. The County Recorder's Office should be consulted for any recorded easements on a property. In addition, there may be other agencies to consult with based on the current, future, potential, or intended use of the property.

Q: HOW SOON CAN I TAKE POSSESSION OF THE PROPERTY AFTER MY PURCHASE AT THE TAX SALE?

A: The successful bidder may take possession of a property after making payment in full and after the Tax Deed to Purchaser has been recorded. Tax Deeds are generally recorded within four weeks of the sale or upon completion (payment in full).

Q: HOW IS THE MINIMUM BID ON A TAX SALE PROPERTY DETERMINED?

A: State law requires that the minimum bid on a tax-defaulted parcel offered at a public auction for the first time be no less than the total amount necessary to pay the back taxes on the parcel (redeem the parcel), plus costs of sale. The minimum bid on a parcel previously offered at sale can be set at the Tax Collector's discretion.

Q: WHAT IS THE DEADLINE TO PAY BACK TAXES TO PREVENT A TAXDEFAULTED PROPERTY FROM BEING OFFERED AT AUCTION?

A: The deadline is 5:00 PM on the last business day prior to the scheduled Property Tax Sale Auction.