



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: BC 21-008, Version: 1

Receive the Bi-Annual Report from the Assessor-County Clerk/Recorder

RECOMMENDATION:

It is recommended that the Budget Committee receive the Bi-Annual Report from the Assessor County Clerk Recorder.

SUMMARY/DISCUSSION:

The following is a summary report of Supplemental Assessments for the County of Monterey as of December 31, 2020; a projection for next year's assessed valuation; and a summary of income generated by the County of Monterey's Clerk/ Recorder's Office at the mid-point of Fiscal Year 2020-2021.

As of 1/9/2021 the Monterey County Assessor's Office had generated 3,338 Supplemental bills with a gross supplemental value of \$1,058,396,647. As of 1/8/2020 the Monterey County Assessor's Office had generated 3,682 Supplemental Assessments with a gross supplemental value of \$844,520,794.

Average Supplemental

2007-2008	4,122	\$1,153,782,898	\$279,908
2008-2009	4,023	381,365,198	\$ 94,796
2009-2010	3,882	243,241,016	\$ 62,658
2010-2011	4,588	274,904,424	\$ 59,918
2011-2012	4,717	308,600,807	\$ 65,423
2012-2013	4,937	336,328,705	\$ 68,124
2013-2014	5,163	594,432,725	\$115,133
2014-2015	3,955	777,646,576	\$196,623
2014-2015	4,072	\$1,013,440,117	\$248,880
2015-2016	4,107	911,803,144	\$222,012
2016-2017	4,791	\$1,117,597,559	\$233,270
2017-2018	4,555	\$1,250,246,605	\$274,478
2018-2019	3,682	\$ 844,520,974	\$229,365
2019-2020	3,338	\$1,058,396,647	\$317,075

As of January 1, 2021, the Local Secured Assessment Roll total for the County of Monterey was \$74,734,821,444 compared to last year's July 1, 2019 value of \$73,675,367,757 **an increase of 1.5%**. The Assessor's Office projects an additional 4,000 anticipated supplemental assessments with a value of approximately \$1,200,000,000 **an increase of 1.75%**.

For the roll being prepared 5,000 properties with Prop 8 reductions already in place will be reviewed. In 1978, California voters passed Proposition 8, a constitutional amendment to Article XIII A that allows a temporary reduction in assessed value when real property suffers a decline in value. It is estimated that this review will increase the Local Assessment Roll by another \$100,000,000 **an increase of 0.25%**.

As a result of the Covid-19 Pandemic and subsequent State mandated closures the Assessor's Office will be reviewing the value of certain identified commercial properties that may warrant property tax reductions under the Provisions of Prop 8. Properties do not necessarily receive a reduction in value when their value declines but rather when their current assessed value exceeds the market value as of the lien date which in this case is as of January 1, 2021. This could result in a significant reduction in value and based upon a preliminary analysis could result in a loss of \$650,000,000, a potential **.75% reduction** in assessed value.

Revenue and Taxation Code section 51 provides that base year values determined under section 110.1 shall be compounded annually by an inflation factor, not to exceed 2 percent. Section 51(a)(1)(C) provides that, for any assessment year commencing on or after January 1, 1998, the inflation factor shall be the percentage change, rounded to the nearest one-thousandth of 1 percent, from October of the prior fiscal year to October of the current fiscal year in the California Consumer Price Index (CCPI) for all items, as determined by the California Department of Industrial Relations.

For the coming year the inflation factor that will be used is **1.036%**.

Based upon the information above the Assessor now predicts an overall increase of **3.75%** in the assessment roll from 2019-2020 to 2020-2021.

Monterey County Recorder County Clerk

For Fiscal year 2020-2021 the Monterey County Recorder County Clerk projected \$2,663,488 in revenue. At midyear, actual income generated is \$1,751,914. (See Attachment A)

Documentary Transfer Tax revenue is collected by the Monterey County Recorder but is not reflected in their budget. Through the first 6 months of fiscal year 2020-2021 the County of Monterey Recorder has collected \$3,723,220 in documentary tax. The County of Monterey's share totals \$2,864,258. At midpoint last year the County had received \$1,724,430.

FINANCING

There is no financial impact related to the receipt of this report.

Prepared by:

Stephen L. Vagnini, Monterey County Assessor Clerk-Recorder
755-5803

Exhibit A - 2020/2021 Monterey County Clerk/Recorder Fee Report