

# PSAR

PACIFIC SOUTHWEST ASSOCIATION OF REALTORS®

**JORDAN MARKS, ESQ.**  
Taxpayer Advocate  
Assessor/ Recorder/ County Clerk



# ERNEST "ERNIE" DRONENBURG, JR.

*ASSESSOR / RECORDER / COUNTY CLERK*

- First Elected in 1978
- Elected California Assessors Association 2021 President
- Former State Board of Equalization & Franchise Tax Board Chairman
- Implemented Proposition 13 Regulations
- Authored "California Taxpayer Bill of Rights" legislation
- Partner, Deloitte LLP Tax Practice
- Veteran – United State Coast Guard
- Flower Farmer



# OFFICE OF TAXPAYER ADVOCATE



Ensure fairness



Provide education



Correct systemic issue

**Jordan Marks, Esq.**  
Taxpayer Advocate  
San Diego County Assessor

# Assessor, Recorder, County Clerk

- 5 Offices  
*Chula Vista, Kearny Mesa,  
Santee, San Diego, San Marcos*
- 415 staff positions
- \$80 million + budget





What do we do?

# Assessor, Recorder, County Clerk



## 1. ASSESSOR

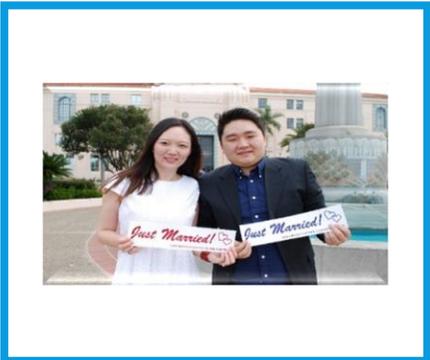
Appraise all real & personal property in San Diego County

- 1,001,029 Parcels valued at an assessed value of \$604.9 billion
- Tax Savings of \$230 million for homeowners, disabled veterans, and charitable organizations
- 71,687 Personal Property Accounts which includes planes, boats, computers and penguins

## 2. RECORDER

Verify, records and indexes vital documents making them available to the public

- 584,859 documents recorded in 2018-19
- 195,516 certified vital records issued annually
- Includes: Birth & Death Certificates, marriage certificates, Deeds and Liens



## 3. COUNTY CLERK / COMMISSIONER OF CIVIL MARRIAGES

Issues and maintains a record of Fictitious Business Names, marriage licenses, and performs civil marriages

- 23,985 licenses issued in 2018
- 11,931 ceremonies performed by County Clerk Staff in 2018

# ARCC TOP “5” ACHIEVEMENTS

## 1. TOP CUSTOMER SERVICE RATING

98.2% Positive Customer Service Rating & 4 ½ Stars on YELP

## 2. TOP FINANCIAL STEWARD

Returned \$3,000,000+ annually to County general budget over 8 years

## 3. OUR OFFICE OPERATES TO SERVE YOUR NEEDS

Reopened regional offices with no additional staff, extended office to 5 pm & include a Saturday

## 4. MORE ONLINE SERVICES, LESS PAPER, LEADING INNOVATION

New programs moving taxpayers from inline to online. Only California Assessor offering electronic signatures. Going green – new digitization process reducing office printing 650,000 pieces of paper annually.

## 5. REDUCED YOUR FEES

Reduced copy fees from \$2 per page - now \$2 first page & 5 cents each additional page.  
Ex. Before it was \$14 for a 7 page document and now the same document cost is \$2.30



# RECORD HIGH RECORDING

## "WE DON'T CLOSE UNTIL YOU DO!"

- Average record 600 k– 700 k instruments annually
- **2020 we recorded 992,803 - ALMOST 1 Million!**
- **10 year record high!**
- Recording over 100,000 instruments a month since September.
- Record by 3 pm daily

San Diego County Recorder

# SLAM DIEG



Your County Recorder team is hitting it out of the park. They are recording record high number of documents in a single day.

**#1** **7,438**  
Documents Recorded  
11/17/2020

**#2** **7,300**  
Documents Recorded  
11/30/2020

**#3** **6,506**  
Documents Recorded  
09/28/2020

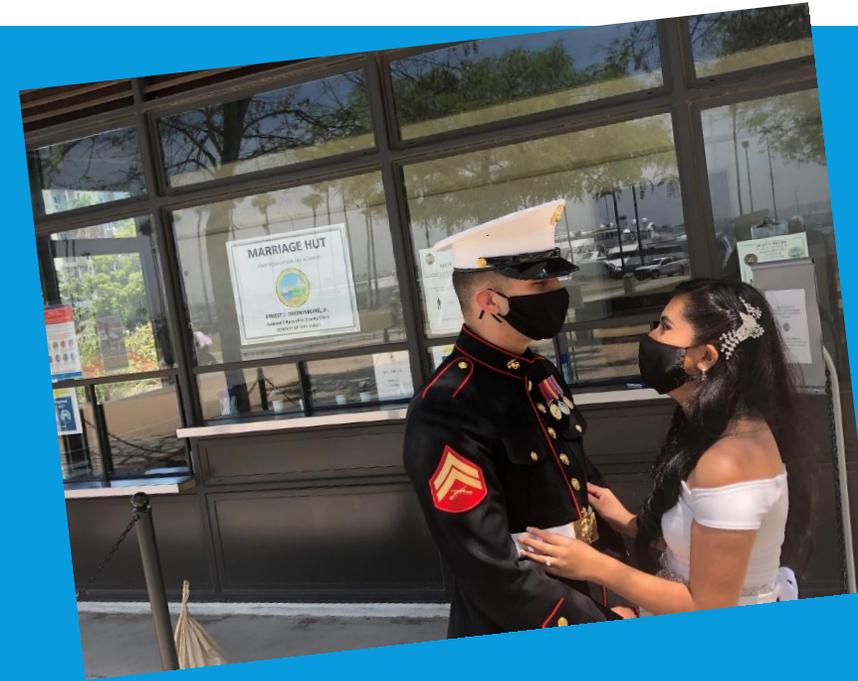
The County Assessor/Recorder/County Clerk office is committed to affordable homeownership. We are working overtime to ensure your recording needs are met. We won't close until you do on your historically low refinanced mortgage rates!

**#TEAMARCC**

**www.SDARCC.com**

Office of Assessor / Recorder / County Clerk, Ernest J. Dronenburg, Jr.

# #1 MARRIAGE HUT



- Marriage services were never interrupted during COVID-19
- 1,700 couples re-booked
- New venue launched
- Continue to provide marriage service across San Diego County
- Booked 7 weeks out

# How Does Proposition 13 work?

- ❖ Agreement between you and the government
- ❖ 1 % of assessed value = property tax
- ❖ Assessed value is based on market value – assumption is purchase price is market value
- ❖ Assessed value can increase up to 2% annually based on consumer price index inflation
- ❖ Reassessed at change of ownership or with new construction
- ❖ Can't change Prop 13 without voter approval
- ❖ Voters can approve bonded indebtedness above the 1% tax rate

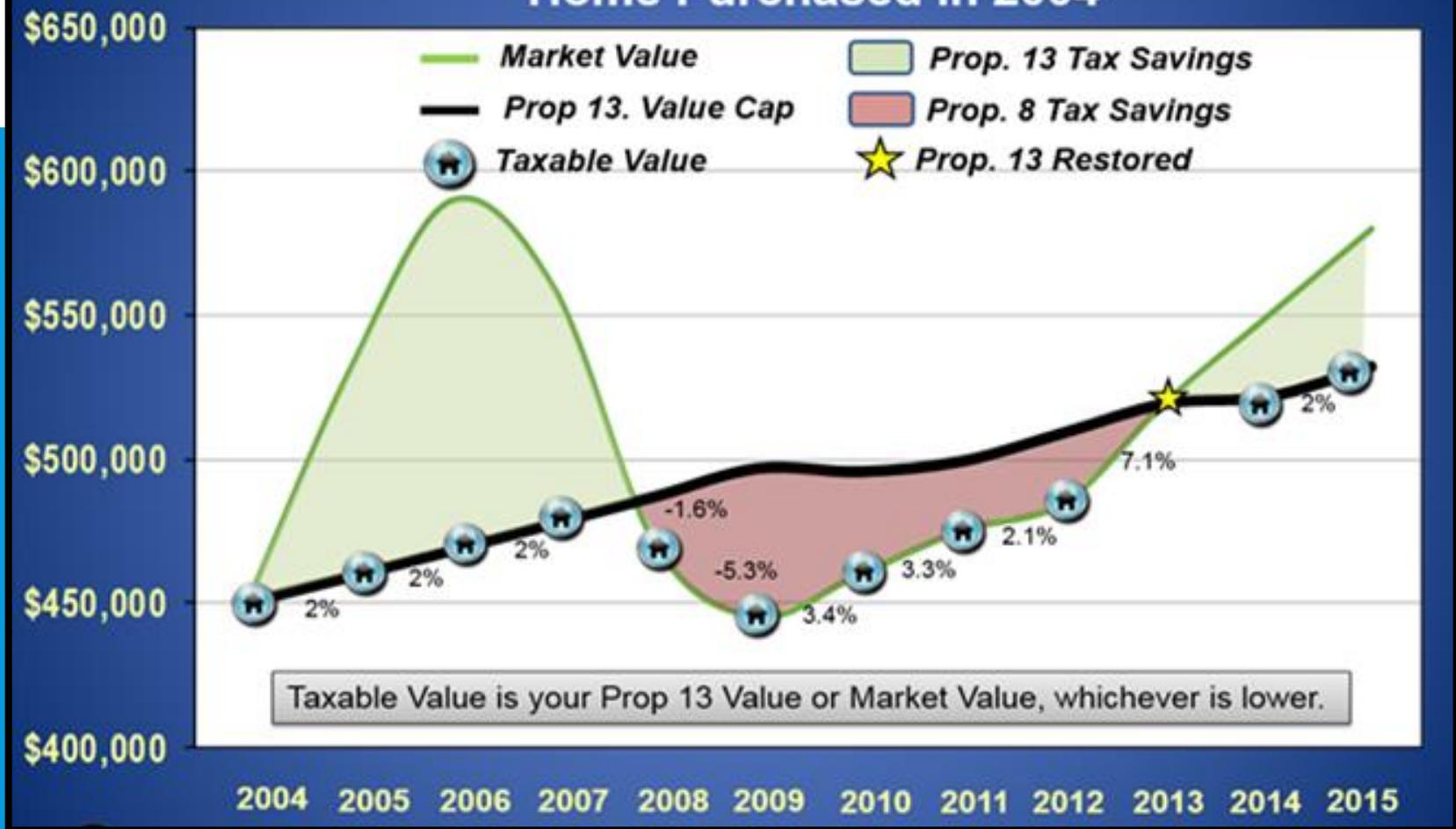


## **UNDERSTANDING PROP. 13**

Proposition 8 was passed right after Prop 13 and allowed for temporary tax relief if your property value fell below the Prop 13 Factored Base Year

# Property Tax Savings

## Home Purchased in 2004



WHAT DOES PROP. 13 & 8 LOOK LIKE FOR YOU?

# WHERE IS THE ASSESSED VALUE??

**San Diego County Treasurer-Tax Collector**  
**Dan McAllister**  
TAX BILL YEAR **2017-2018**

**SECURED TAX BILL**

For Fiscal Year Beginning July 1, 2017 and Ending June 30, 2018

1 PROPERTY ADDRESS - DESCRIPTION - SUBDIVISION  
12345 ANYWHERE STREET  
LOT 2509  
MIRA MESA VERDE #100

2 MAP NO.  
000661

3 DOCUMENT NO.  
528689

4 DOCUMENT DATE  
08-20-98

5 OWNER OF RECORD ON JANUARY 1, 2017  
TAXPAYER PROPERTY INC

3 DESCRIPTION	VALUES & EXEMPTIONS
LAND	\$ 119457
IMPROVEMENTS	140536
TOTAL L & I	259993
PERSONAL PROPERTY EXEMPTIONS:	\$ 7000
HOMEOWNERS	
OTHER	252993
NET TAXABLE VALUE	

6 SPECIAL MESSAGES  
PROPERTY SECURED BY THIS ACCOUNT, REFER TO ID NO. 123-456-78-90 59088

7 PARCEL / BILL NO.  
123-456-78-90

8 TAX RATE AREA  
59088

9 CORTAC NO.  
ZRC5

10 1st Installment 11/01/17  
1439.97

11 2nd Installment 02/01/18  
1439.97

12 TOTAL DUE  
2879.94

YOUR TAX DISTRIBUTION		
13 AGENCY	RATE / CONTACT #	TAX AMOUNT
NET	1.00000	2529.93
FIXED CHARGE ASSMTS:		
CO MOSQUITO/RAT CTRL	(858) 694-2888	3.00
MIRA MESA MAINT	(619) 533-6779	3.76
MWD WTR STANDBY CHRG	(800) 755-6864	11.50
CWA WTR AVAILABILITY	(858) 522-6518	10.00
TOTAL TAX AMOUNT		2879.94



PROP 19



The Home Protection for Seniors,  
Severely Disabled, Families, and Victims of  
Wildfire or Natural Disasters Act

*Passed November 2020*

# PRIMARILY IMPACTS TWO CURRENT PROPERTY TAXES LAWS

- 1. Parent to Child (Prop 58) Grand Parent to Grandchild (Prop 193)
- 2. Senior Exclusion from Reassessment (Prop 60 & Prop 90)
- Others impacted:
  - Prop 110 - severely and permanently disabled claimants
  - Section 69 / 170 Disaster Relief

# 1. PARENT TO CHILD (PROP 58) GRANDPARENT TO GRANDCHILD (PROP 193) ***CURRENT RULES***

1. Unlimited transfer of assessed value on primary residence
2. No requirement to live in the property
3. Up to \$1,000,000 of assessed value on all non primary residential properties



# 1. PARENT TO CHILD (PROP 58) GRANDPARENT TO GRANDCHILD (PROP 193) **CURRENT RULES EXAMPLES**



## Primary residence:

Paid \$100,000 in 1980

Location: La Jolla

Current Assessed value: \$160,000

= \$1,600 in annual property taxes *(Increased 2% per year)*

Market Value: \$2,000,000

(property taxes at 1% would be \$20,000 annually).

\$2,000,000 (market value) – tax would be \$20,000

-

160,000 (Prop 13 Value)

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1,840,000 = SAVINGS: \$18,400 annually

**Tax remains \$1,600 annually**

# 1. PARENT TO CHILD (PROP 58)

## GRANDPARENT TO GRANDCHILD (PROP 193)

### **CURRENT RULES EXAMPLES: POTENTIAL \$10,000 SAVINGS**



#### Other Properties: Not Primary Residence:

**#1 Business Lot:** Current Assessed Value: \$500,000  
(\$5,000 in property taxes)

Market Value: \$1,000,000 (\$10,000 in property taxes)

$\$500,000 - \$1,000,000 = \$500,000$  DIFFERENCE

**Tax Savings: \$5,000 annually**

**Tax remains \$5,000**

#### Other Properties: Not Primary Residence:

**#2 Condo:** Current Assessed Value: \$500,000  
(\$5,000 in property taxes)

Market Value: \$1,000,000 (\$10,000 in property taxes)

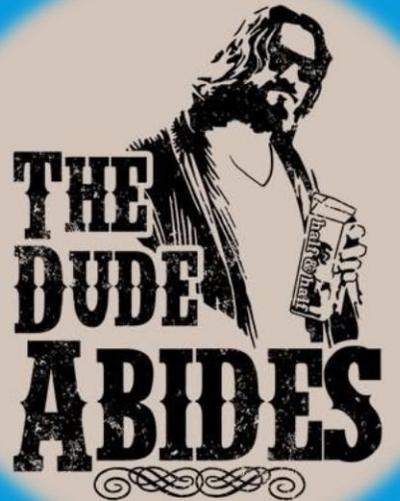
$\$500,000 - \$1,000,000 = \$500,000$  DIFFERENCE

**Tax Savings: \$5,000 annually**

**Tax remains \$5,000**

**1. PARENT TO CHILD (PROP 58)  
GRANDPARENT TO GRANDCHILD (PROP 193)  
*PROP 19 RULES: AFTER FEBRUARY 15, 2021***

1. Limited to \$1,000,000 transfer of assessed value on primary residence
2. Must live in the property
3. No transfer of assessed value on any property not a primary residence
4. Must be within 1 year, versus 3 years under the current rules



# 1. PARENT TO CHILD (PROP 58) GRANDPARENT TO GRANDCHILD (PROP 193) **PROP 19 RULES EXAMPLE**



## Primary residence:

Paid \$100,000 in 1980 in La Jolla

Current Assessed value: \$160,000 or at 1%

**\$1,600 in annual property taxes**

Market Value: \$2,000,000 (\$20,000 property taxes annually).

\$160,000 +

1,000,000 –

2,000,000 =

\$840,000 or at 1% = \$8,400 in Property Taxes annually

**Tax Increase \$6,800**

**Old Tax Bill: \$1,600**

**New Tax Bill is \$8,400**

# 1. PARENT TO CHILD (PROP 58) GRANDPARENT TO GRANDCHILD (PROP 193) **PROP 19 RULES EXAMPLE NON-PRIMARY RESIDENCE**



Total tax bill under current Rules:  
**\$10,000**

Tax Bill under new Rules:  
**\$20,000**



**#1 Business Lot:** Current Assessed Value: \$500,000  
(\$5,000 in property taxes)  
Market Value: \$1,000,000 (\$10,000 in property taxes)  
**Tax Increase: \$5,000 annually**

Old tax bill: \$5,000  
New Tax Bill: \$10,000

**#2 Condo:** Current Assessed Value: \$500,000  
(\$5,000 in property taxes)  
Market Value: \$1,000,000 (\$10,000 in property taxes)  
**Tax Increase: \$5,000 annually**

Old tax bill: \$5,000  
New Tax Bill: \$10,000

# 1. PARENT TO CHILD (PROP 58) GRANDPARENT TO GRANDCHILD (PROP 193) **PROP 19 RULES EXAMPLE**



## Primary residence:

Paid \$300,000 in 1990 in University City

Current Assessed value: \$420,000 –

At 1% = **\$4,200 in property taxes annually**

Market Value: \$1,300,000 (property taxes are \$13,000 annually).

$\$420,000 + 1,000,000 - 1,300,000 = - \$120,000$

Property Taxes remain the same annually: \$4,200

**Must live in the home as a primary residence  
If you move out or rent it you lose the benefit**

## 2. SENIOR EXCLUSION FROM REASSESSMENT (PROP 60 & PROP 90) ***CURRENT RULES (BEFORE 4/1)***

- ✓ Over 55
- ✓ One-time
- ✓ Primary Residence
- ✓ Under the formula cap  
*Sale price plus 5% in year 1; 10% in year 2*
- ✓ Within 2 years from the date of sale / Purchase
- ✓ In the same County or with a County that adopted Prop 90



## 2. SENIOR EXCLUSION FROM REASSESSMENT (PROP 60 & PROP 90)

**PROP 19 RULES: EFFECTIVE APRIL 1, 2020**

- ✓ Over 55
- ✓ **3 times**
- ✓ Primary Residence
- ✓ **No More Cap- *Now a blended assessment***
- ✓ Within 2 years from the date of sale /  
Purchase
- ✓ **Now statewide**



## 2. SENIOR EXCLUSION FROM REASSESSMENT (PROP 60 & PROP 90)

### ***PROP 19 EXAMPLE WITHIN THE CAP (AFTER 4/1)***



Original property Purchased  
Year: 2000  
Paid: \$300,000  
Assessed value in 2020: \$420,000 –  
Taxes Paid: \$4,200  
Sale Price: \$1,000,000



Replacement Property Bought  
Year: 2020  
Sale Price: \$1,000,000  
Purchase Price: \$900,000  
Potential tax: \$9,000  
Tax transferred: \$4,200  
 $1,000,000 - 900,000 = \text{Negative } 100,000$   
No Change in tax: \$4,200  
**Total Savings: \$4,800**

## 2. SENIOR EXCLUSION FROM REASSESSMENT (PROP 60 & PROP 90)

### **PROP 19 EXAMPLE ABOVE THE CAP (AFTER 4/1)**



Original property Purchased

Year: 2000

Paid: \$300,000

Assessed value in 2020: \$420,000 –

Taxes Paid: \$4,200

Sale Price: \$1,000,000



Replacement Property Bought

Year: 2020

Sale Price: \$1,000,000

Purchase Price: \$1,200,000

Potential tax: \$12,000

Tax transferred: \$4,200

Add: Sale Price – purchase price

$1,000,000 - 1,200,000 = 200,000$

Add \$200,000 or \$2,000

$\$4,200 + 2,000 = \$4,400$

New tax: \$6,400

**Total Savings: \$5,600**

# COVID IMPACT 2020 COMMERCIAL PROPERTY TAXES

- California Property Taxes are based on the lien date – January 1<sup>st</sup> of each year.
- Annually, whoever owns taxable property on **January 1** (the lien date) becomes liable for a tax calculated at 1 percent of the “taxable” value of the property.
- COVID-19 impacted businesses after January 1, 2020
- For property tax purposes we cannot legally account for COVID-19 in your regular property taxes.

# HOMEOWNERS EXEMPTION

- San Diego is the only County in CA with online filing / E-Signature
- Takes 5 minutes to file one-time – no annual requirement.
- California Constitution provides for the exemption
- \$7,000 (maximum) in assessed value reduction = \$70 tax savings
- Any property owned and occupied as the owner's principle residence. (so only one property)

HOMEOWNERS:

## What could you do with \$70 dollars?



How the Assessor's  
**Homeowners' Exemption**  
can save you money



# HOW DO I KNOW IF I HAVE THE HOMEOWNERS EXEMPTION?

**San Diego County Treasurer - Tax Collector**  
**Dan McAllister**  
TAX BILL YEAR **2017-2018**  
For Fiscal Year Beginning July 1, 2017 and Ending June 30, 2018

**SECURED TAX BILL**

PROPERTY ADDRESS - DESCRIPTION - SUBDIVISION  
12345 ANYWHERE STREET  
LOT 2509  
MIRA MESA VERDE #100

MAP NO. 000661  
DOCUMENT NO. 528689  
DOCUMENT DATE 08-20-98

OWNER OF RECORD ON JANUARY 1, 2017  
TAXPAYER PROPERTY INC

DESCRIPTION	VALUES & EXEMPTIONS
LAND IMPROVEMENTS	\$ 119457
TOTAL L & I	140536
PERSONAL PROPERTY EXEMPTIONS:	\$ 70000
HOMEOWNERS	252993
OTHER	
NET TAXABLE VALUE	

TOTAL DUE 2879.94

AGENCY	RATE / CONTACT #	TAX AMOUNT
1% TAX ON NET VALUE		3.00
VOTER APPROVED BOND:		3.76
SAN DIEGO COUNTY		11.50
UNIFIED SCHOOL		10.00
COMMUNITY COLLEGE		
METRO WATER DISTRICT		
COUNTY WTR AUTHORITY		
TOTAL ON NET VALUE		2879.94

**SECURED TAX BILL**



Questions? Call my office we have great customer service and experts to help you :  
619-531-5507

# DISABLED VETERANS EXEMPTION



- California Constitution provides for the exemption to a 100% disabled veteran or their unmarried spouse (if spouse died related to that injury)
- \$139,000 (maximum) in assessed value reduction = \$1,390 tax savings
- Low – Income ( less than \$60,000) add another \$68,000 reduction = \$680

## Possible property tax savings of \$2,070 annually



- Exemption available to a disabled veteran who, because of an injury incurred in military service:
  - is blind in both eyes
  - Or has lost use of two or more limbs
  - Or is totally disabled as determined by the VA or by the military service from which the veteran was discharged.
- Complicated – call our office to qualify you!

Award Winning Program

Over 11,000 Disabled Veterans and Surviving Spouses in 2020

Over \$16,500,000 of Property Tax Savings for San Diego Veterans **ANNUALLY!**



San Diego County  
**Taxpayers  
Association**

*Taxpayers watchdog since 1945*



**THANK YOU!**  
***QUESTIONS & ANSWERS*** FOR YOUR FAVORITE TAX ASSESSOR OFFICE YOU  
WANTED TO ASK WITHOUT GIVING OUT YOUR BUSINESS ADDRESS!



Hon. Ernie Dronenburg

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