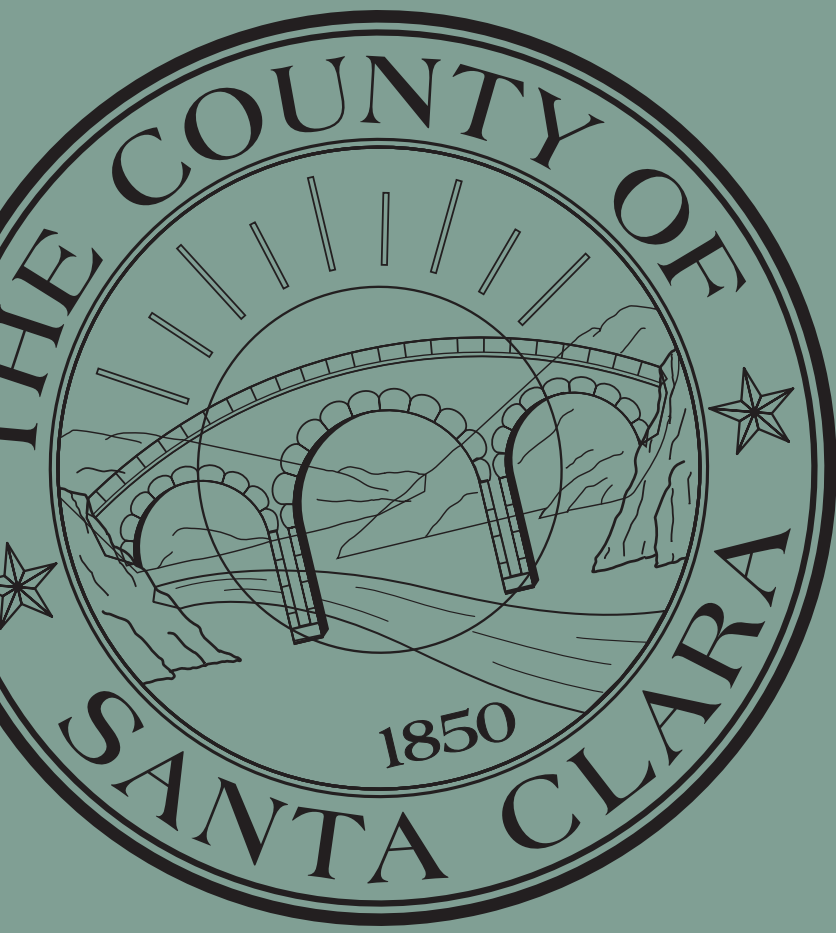




2001-2002 Annual Report

Office of the County Assessor
Lawrence E. Stone, Assessor



Property Assessment Calendar

| | |
|--------------|---|
| January 1 | Lien Date for next assessment roll year. This is the time when taxes for the next fiscal year become a lien on the property. Assessed values on this lien date are the basis for the property tax bills that are due in installments in December and the following April. |
| February 15 | Deadline to file all exemption claims. |
| April 1 | Due date for filing statements for business personal property, aircraft and boats. Business property owners must file a property statement each year detailing the cost of all supplies, machinery, equipment, leasehold improvements, fixtures and land owned at each location within Santa Clara County. |
| April 10 | Last day to pay second installment of secured property taxes without penalty. This tax payment is based on property values determined for the January lien date 15 months earlier. |
| May | Annual mailing of assessment notices to all Santa Clara County real property owners stating the taxable value of the property. Real property owners who disagree with the Assessor's valuation, may present any pertinent factual information to the Assessor's Office to determine the market value of the property before June 15. If the Assessor agrees that a reduction is appropriate, a new notice will be sent to the property owner. |
| May 7 | Last day to file a business personal property statement without incurring a 10% penalty. |
| July 1 | Close of assessment roll and the start of the new assessment roll year. The assessment roll is the official list of all assessable property within the County. |
| July 2 | First day to file assessment appeal application with the Clerk of the Board of Supervisors. |
| August 31 | Regular roll unsecured taxes due. |
| September 15 | Last day to file an assessment appeal application for reduced assessment with the Clerk of the Board of Supervisors. |
| December 10 | Last day to pay first installment of secured property taxes without penalty. |
| January 1 | Lien Date for next assessment roll year. |

Q & A

Each year the Assessor's receives thousands of questions. Throughout the report we've selected some of the most frequently asked questions. All of the answers are on page 23

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Message from the Assessor

Lawrence E. Stone

The end of another Silicon Valley “boom or bust” cycle? When the Assessor’s office closed the assessment roll on July 1, 2001, we also began the process of chronicling what will probably be remembered as the “high water mark” for property values in Silicon Valley during the economic boom of the past decade. A snapshot of the total assessed value for Santa Clara County as of January 1, 2001, the lien date, the Assessor’s Annual Report provides details about the County’s current assessment roll.

Assessment Growth

The assessed value of property in Santa Clara County increased by \$26.9 billion for a total of \$199.8 billion; an increase of 15.56% over the prior year. This phenomenal growth followed a 9.74% increase the prior year, which also set a previous record for the single largest dollar gain in assessed property values in the County’s history. During the past six years, the total assessed value of property in Santa Clara County has increased 73%, reflecting what is likely the crest of Silicon Valley’s remarkable economic growth cycle of the last decade. By comparison in 1980, the County’s total assessed value was \$31.68 billion.

During calendar year 2000, the increase in real estate transactions and new construction led the dramatic increases in the market value of real property of all types, including homes, condominiums and apartment complexes, along with office buildings, shopping centers and industrial campuses. In addition, the County’s businesses made



investments in physical facilities including land and new buildings in addition to large expenditures for machinery, equipment, computers and fixtures.

Although the increase in assessed values occurred in all communities in Santa Clara County, the average net increase ranged from a high of 24% in Gilroy, to a low of just under 13% in Morgan Hill.

The major beneficiary of the growth in assessed values is the State of California, which receives 61% of the property tax revenue generated by property assessments in Santa Clara County to fund public schools and community colleges. The balance of property tax revenues collected in Santa Clara County supports the wide range of public services

Current Year Roll Growth*

(Exclusive of Public Utility Valuations. Values in Billions.)

2001-2002 Valuation Changes

| Assessment Roll Value Change: | 2001-2002 | 2000-2001 | Dollar Change | % Change |
|----------------------------------|-----------------|-----------------|----------------|---------------|
| Local Roll before exemptions | \$206.67 | \$179.37 | \$27.30 | 15.22% |
| Less: Nonreimbursable exemptions | (6.84) | (6.46) | | |
| NET LOCAL ROLL VALUE | \$199.83 | \$172.92 | \$26.91 | 15.56% |

*Minor discrepancies may occur due to rounding calculations.

provided by cities, county government, redevelopment agencies, special districts and other local public agencies.

The growth in the assessment roll also benefits the six “basic aid” school districts in Santa Clara County. A basic aid school district is a district in which the property tax revenue generated locally exceeds the State’s formula for school district funding. Consequently, basic aid school districts have more funds at their disposal because of direct access to greater local property tax revenue. However, the revenue these districts receive can fluctuate according to changes in the assessed value of property within the districts’ tax rate areas. The six basic aid districts in Santa Clara County include Palo Alto Unified, Mountain View/Los Altos Union, Sunnyvale Elementary, Fremont Union, Santa Clara Unified, and the Los Gatos/Saratoga high school districts. Six of the State’s 59 basic aid school districts are located in Santa Clara County.

Role of the County Assessor’s Office

The Assessor’s Office is responsible for the annual assessed valuation of all real and business personal property within Santa Clara County. Each year the professional staff of the County Assessor’s Office provides accurate assessments of all secured and unsecured property. The assessment roll, which includes more than 500,000 roll units of real property and business assessments, is the basis upon which property taxes are levied.

Property taxes, in turn, provide an essential source of revenue to support basic public services provided by schools and local governments which serve as the basic foundation of our region’s quality of life.

This Annual Report presents a summary of the 2001-2002 assessment roll as of January 1, 2001, the lien date. The annual assessment roll, delivered by the Assessor to the County Auditor on July 1, 2001, is a valuable resource for budgeting and financial planning

by local governmental agencies including cities, school districts, redevelopment agencies and special districts.

Information in this report reflects all locally-assessed property, both secured and unsecured. The statistical data distinguishes between business personal property and real property. It summarizes assessments of the various cities and unincorporated areas in terms of growth over prior years, and illustrates the trends in assessment appeals. Assessment of public utilities are determined by the California State Board of Equalization, and therefore are not included in this report.

Factors in Assessment Growth

Assessment roll growth is a result of several major components.

“Real property,” is reassessed to reflect the fair market value only when there is a change in ownership or new construction. Assessed values generally reflects the cyclical Silicon Valley economy. The increase in assessed values of individual properties reflect the net difference between the prior assessed value and the new value resulting from the change in ownership or new construction. Assessments established as a result of new construction reflect the value added by the new construction.

The transfer of properties with assessed values established years ago, when property values were significantly lower, is one of the primary reasons for the record growth in assessed values experienced this year. Because Proposition 13 limits any increase in assessed value to no more than 2% annually, unless the property transfers ownership or is subject to new construction, the value of the assessment roll is significantly less than the fair market value of all property in Santa Clara County.

Fifty-two percent of the net increase in the assessment roll this year was the direct result of the transfer of properties to new ownership,

Q & A

1. How many properties are still protected by Proposition 13, passed by voters in 1978?

The answer is on page 23

causing the reassessment of these properties to reflect their fair market value. The net increase in assessed value on properties that changed ownership contributed \$14 billion to the assessment roll—over \$5 billion more than the previous year. This is a clear indication that property owners, who had waited for the market to peak, determined that the year 2000 was the time to sell.

Business personal property including computers, machinery, equipment and fixtures is assessed annually. Assessed values are calculated from business property statements filed each year by almost 55,000 local businesses in Silicon Valley.

Accomplishments

During the current period of transition in the local economy, the challenge to the Assessor's Office is to continue to provide timely and accurate assessments while increasing productivity and improving efficiency. We have been successful, in both of these important areas, over the past year without increases in staff. A sample of our major accomplishments includes:

- Completed the annual assessment roll on time and under budget.
- Returned \$850,000 to the County General Fund unspent. Since my election in 1994, I have returned over \$5.1 million of my budget to the County's general fund.
- Resolved a record number of business personal property assessment appeals.
- Audited 936 business accounts.
- Fifty percent of all building permits received from the 15 cities in Santa Clara County are

now received electronically.

- Automation of business personal property exemption to further streamline exemption claims processing.

Trends and Future Goals

As we look to the future, the continued growth and strength of the Silicon Valley economy is relatively uncertain. As economic activity slows, the result is likely to be less revenue available to fund public services. Consequently it is even more important that the Assessor's office continues to develop and implement creative ways to improve efficiency and productivity.

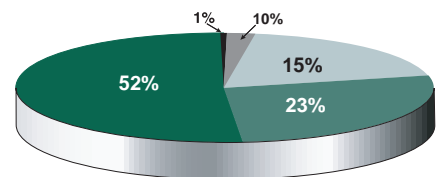
Some of the improvements include:

- Continued expansion of the electronic building permit process from public agencies. Electronic building permit program contributes to the timely enrollment of new construction.
- Development of an activity based cost accounting and management system to support our Comprehensive Performance Management and Performance Based Budget initiatives. This new tool will enable department management to make policy and resource allocation decisions that are fiscally accountable and outcome-based.

Finally, we will focus on continuous improvement initiatives based on quality, service, innovation, accountability, and relevant partnerships.

Factors Causing Change to the 2001-2002 Assessment Roll (in Billions)

| | Dollar Change | % of Change |
|---|----------------|-------------|
| Change in ownership (net of CPI)* | \$14.10 | 52% |
| Business personal property | 6.30 | 23% |
| New construction (net of CPI) | 3.97 | 15% |
| Other Real Property valuations** | 2.72 | 10% |
| Proposition 8 restoration+ | 0.21 | 1% |
| Less Exemptions | (0.39) | (1%) |
| Total Changes to Assessment Roll | \$26.91 | 100% |



+Reflects those properties that did not establish a new base year value.

*A limited portion of new construction is reflected in the change in ownership figures.

**Includes CPI inflation factor under Proposition 13, Williamson Act properties, Misfortune & Calamity assessments, and other changes.

The Assessment Roll

The assessment roll is divided into the secured roll (property subject to a lien) and the unsecured roll (property on which the property taxes are not a lien against the real estate where they are situated, including personal property or improvements located on leased land).

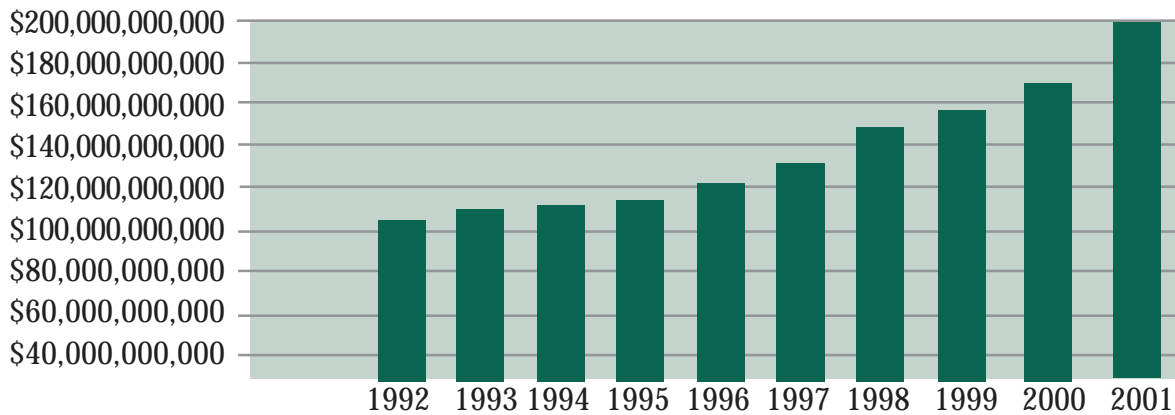
Exemption values are identified as homeowner exemptions (reimbursable by the State), or other exemptions allowed by law, including churches, welfare institutions, colleges, hospitals, charitable properties (not reimbursed by the State).

Improvements (the value of buildings or structures existing on the land), as shown below, reflect improvement values assessed by the Real Property Division, and improvements assessed by the Business Division.

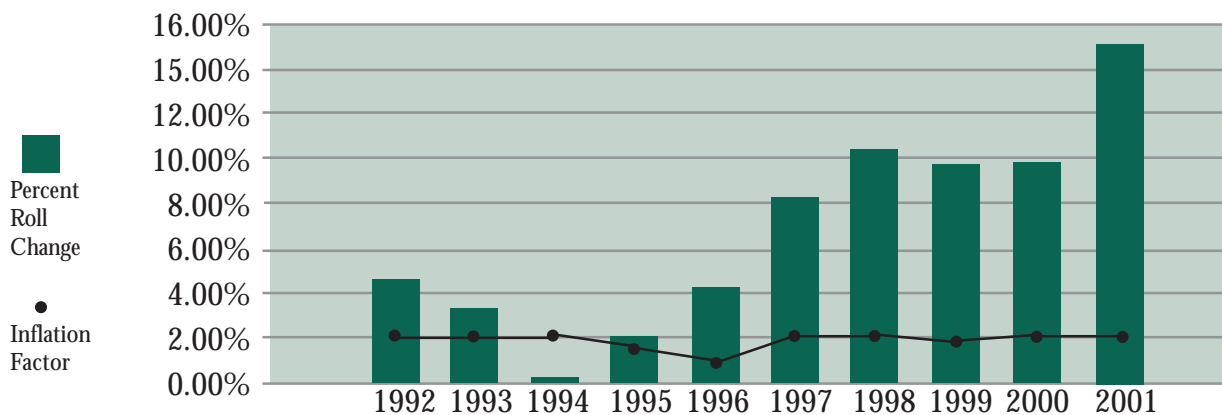
Over the past ten years, Santa Clara County's annual roll growth has ranged from more than 15% to less than 1%. The local economy has a significant impact on property transfer transactions and building permit activity. This year changes in property ownership contributed to 52% of the increase in assessed value over the 2000-2001 assessment roll. Under Proposition 13, once the real property's base value is established as a result of a change in ownership or new construction, the assessed value can increase by no more than 2% annually reflecting an inflation factor, tied to the California Consumer Price Index (CPI). Since the implementation of Proposition 13 in 1978, the CPI has been less than 2% only four times: in 1983, 1995, 1996, and 1999.

| Assessment Roll Summary | | | | |
|---|--------------------------|--------------------------|-------------------------|---------------|
| 2001-2002 Assessment Roll Compared to 2000-2001 (Exclusive of Public Utility Valuations) | | | | |
| | 2001-2002 | 2000-2001 | Difference | Change |
| Land | \$75,362,705,740 | \$64,640,972,834 | \$10,721,732,906 | 16.59% |
| Improvements (Real Property) | 98,389,796,768 | 88,110,118,409 | 10,279,678,359 | 11.67% |
| Improvements (Business Div) | <u>1,563,025,263</u> | <u>1,372,372,832</u> | <u>190,652,431</u> | 13.89% |
| Subtotal | \$175,315,527,771 | \$154,123,464,075 | \$21,192,063,696 | 13.75% |
| Personal Property | \$4,916,446,742 | \$4,299,399,135 | \$617,047,607 | 14.35% |
| Mobilehomes | <u>428,866,732</u> | <u>350,083,004</u> | <u>78,783,728</u> | 22.50% |
| Subtotal | \$5,345,313,474 | \$4,649,482,139 | \$695,831,335 | 14.97% |
| TOTAL Gross Secured | \$180,660,841,245 | \$158,772,946,214 | \$21,887,895,031 | 13.79% |
| Less: Other Exemptions (sec) | <u>(5,611,850,311)</u> | <u>(4,836,926,619)</u> | <u>774,923,692</u> | 16.02% |
| NET SECURED | \$175,048,990,934 | \$153,936,019,595 | \$21,112,971,339 | 13.72% |
| TOTAL Gross Unsecured | \$26,014,106,992 | \$20,599,634,939 | \$5,414,472,053 | 26.28% |
| Less: Other Exemptions (unsec) | <u>(1,237,278,298)</u> | <u>(1,618,293,412)</u> | <u>(381,015,114)</u> | -23.54% |
| NET UNSECURED | \$24,776,828,694 | \$18,981,341,527 | \$5,795,487,167 | 30.53% |
| TOTAL Local Roll | \$199,825,819,628 | \$172,917,361,122 | \$26,908,458,506 | 15.56% |
| Homeowners' Exemption | \$2,014,918,925 | \$2,010,730,472 | \$4,188,453 | 0.21% |

Ten-Year Assessment Roll Summary



Percent Change with Inflation Factor



Ten-Year Assessment Roll Summary

Santa Clara County History Summary

(Exclusive of public utility valuation, and nonreimbursable exemptions)

| Year | Net Local Roll | Change in Value | Percent Change | Inflation Factor* |
|-----------|-------------------|------------------|----------------|-------------------|
| 2001-02 | \$199,825,819,628 | \$26,908,458,506 | 15.56% | 2.00% |
| 2000-01 | \$172,917,361,122 | \$15,305,178,987 | 9.74% | 2.00% |
| 1999-2000 | \$157,569,966,561 | \$13,049,052,236 | 9.03% | 1.85% |
| 1998-99 | \$144,520,914,325 | \$13,703,074,492 | 10.47% | 2.00% |
| 1997-98 | \$130,817,839,833 | \$10,204,162,100 | 8.46% | 2.00% |
| 1996-97 | \$120,613,677,733 | \$5,308,809,929 | 4.60% | 1.11% |
| 1995-96 | \$115,304,867,804 | \$2,798,635,195 | 2.49% | 1.19% |
| 1994-95 | \$112,506,232,609 | \$423,634,649 | 0.38% | 2.00% |
| 1993-94 | \$112,082,597,960 | \$3,936,516,243 | 3.64% | 2.00% |
| 1992-93 | \$108,146,081,717 | \$4,546,177,730 | 4.39% | 2.00% |

*Proposition 13 limits the inflation factor for property values not to exceed 2% per year based on the California Consumer Price Index.

How Tax Bills Are Calculated

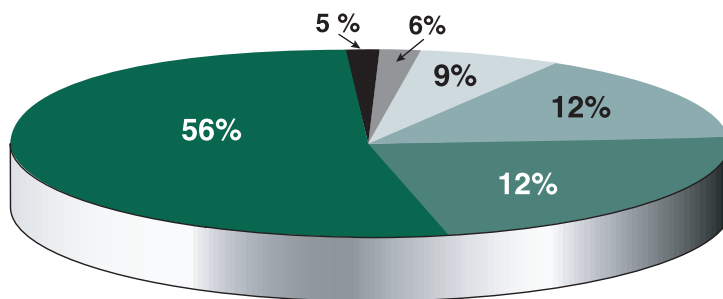
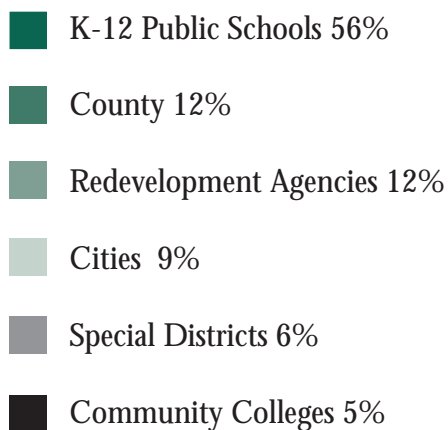
After the County Assessor's Office determines the assessed value of all assessable property in Santa Clara County the County Finance Agency calculates and issues specific tax bills for each property. Under Proposition 13, the maximum ad valorem (on the value) property tax rate is 1% of the property's net taxable value. In addition, the rate will include an amount necessary to make the annual payment on general obligation bonds or other bonded indebtedness imposed by public agencies and approved by the voters for a variety of public purposes.

The property tax revenue collected by the County Tax Collector supports schools (including local elementary, high school and community college districts) and local government

agencies including cities, redevelopment agencies, the County, and special districts. The basic one-percent tax rate is divided among the public taxing agencies in Santa Clara County.

The accurate, consistent and fair valuation of property by the Assessor's Office every year creates the foundation that supports the delivery of essential public services provided by local governments. The County Assessor's Office does not calculate taxes, collect taxes or allocate tax revenues. For information regarding the collection and allocation of property taxes, contact the Santa Clara County Tax Collector at (408) 299-2241 or the Controller at (408) 299-2541.

Santa Clara County 2000-2001 Property Tax Revenue Allocation*



*Source: Santa Clara County Controller's Office

The County Assessor's Office does not calculate taxes, collect taxes or allocate tax revenues.

Proposition 13

Frequently new homeowners will ask why they are paying twice as much (or far more) in property taxes than their neighbor. The answer is Proposition 13. Passed by the voters in June, 1978, Proposition 13 is an amendment to the California Constitution that limits the assessment and taxation of property in California. It restricts both the tax rate and the rate of increase allowed in assessing real property as follows:

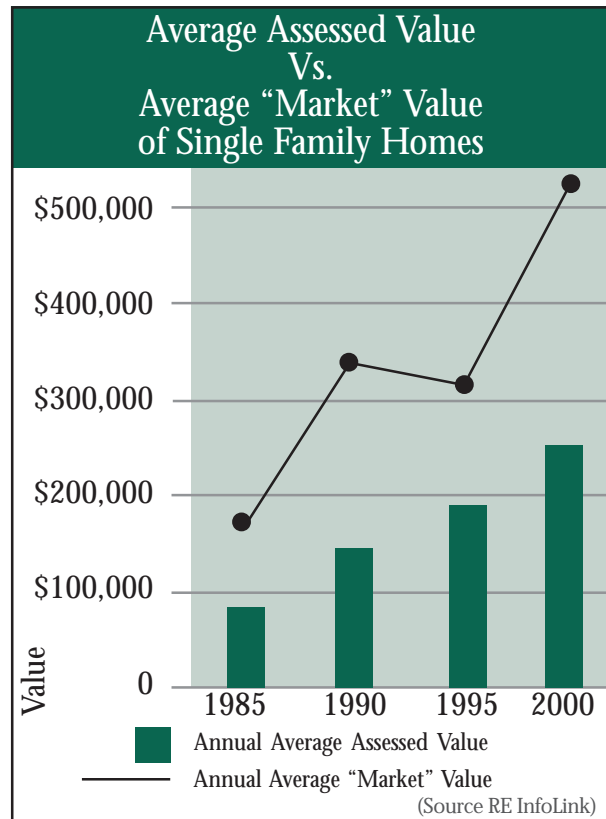
- ✓ The property tax cannot exceed 1 % of a property's taxable value, plus bonds approved by the voters, service fees, improvement bonds, and special assessments.
- ✓ A property's original base value is its 1975-76 market value. A new base year value is established by reappraisal, whenever there is a change in ownership or new construction. Except for change in ownership or new construction, the increase in the assessed value of a property is limited to no more than 2% per year.
- ✓ Business Personal property, boats, airplanes and certain restricted properties are subject to annual reappraisal and assessment.
- ✓ In the case of real property, the adjusted (factored) base year value is the upper limit of value for property tax purposes.

Historically, the market value of real property has increased at a significantly greater rate than the assessed value, which is limited to no more than 2% per year, unless there is a change in ownership or new construction.

The result has been a widening disparity between the market value and assessed value of

property in Santa Clara County. Long time property owners benefit from lower assessments while new, and frequently younger property owners, are adversely impacted by assessments that can be as much as ten times greater than the owner(s) of a similar property held for many years.

During the last 15 years the average assessed value in Santa Clara County of single family homes has ranged from 42% to 56% of the actual average market value.



Appraising and Assessing: What's the difference?

Most taxpayers assume the market place exclusively determines a property's assessment. However, the market value may be only one component in the process of determining the property's assessed value. While the three approaches to value, (1) market, (2) income, and (3) cost, are always considered in the appraisal of a property, the Assessor is required to incor-

porate additional factors when determining when and how to assess property under State law. Frequently, court decisions, laws, and rules promulgated by the State Legislature and State Board of Equalization amend the assessment process, and redefine what, when and/or how the Assessor must determine the assessed value of a property.

Assessment Information by City

| Assessment Roll Growth by City | | | |
|--------------------------------|-----------------|-----------------|------------------|
| (Values in Billions*) | | | |
| | Total Roll 2001 | Total Roll 2000 | Percent Growth** |
| Gilroy | \$3.59 | \$2.90 | 24.10% |
| Los Altos Hills | 2.91 | 2.39 | 21.55 |
| Monte Sereno | 0.90 | 0.76 | 19.46 |
| Santa Clara | 18.33 | 15.40 | 19.06 |
| Milpitas | 9.36 | 7.92 | 18.12 |
| Saratoga | 6.27 | 5.33 | 17.61 |
| Los Altos | 5.18 | 4.49 | 15.49 |
| San Jose | 81.82 | 70.89 | 15.41 |
| Sunnyvale | 16.99 | 14.85 | 14.42 |
| Cupertino | 8.47 | 7.41 | 14.34 |
| Campbell | 4.13 | 3.61 | 14.15 |
| Los Gatos | 4.92 | 4.31 | 14.11 |
| Mountain View | 10.90 | 9.57 | 13.90 |
| Unincorporated | 9.20 | 8.15 | 12.96 |
| Palo Alto | 13.13 | 11.64 | 12.79 |
| Morgan Hill | 3.73 | 3.30 | 12.78 |
| TOTALS | \$199.83 | \$172.92 | 15.56% |

* Net of nonreimbursable exemptions
 ** Percentages based on non-rounded values

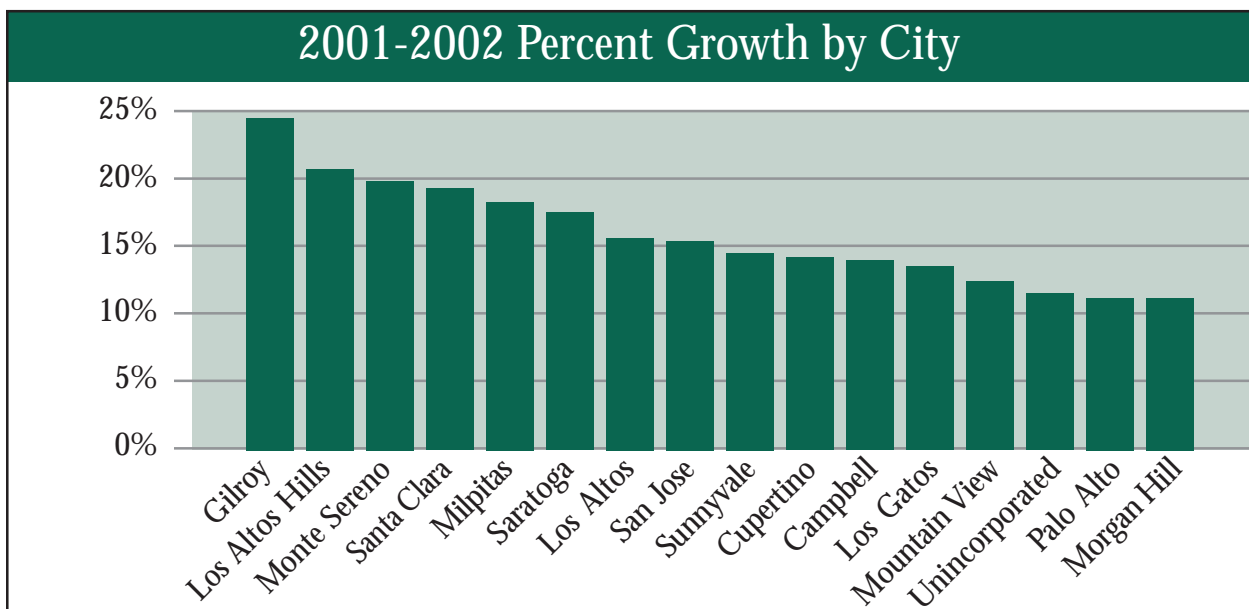
Property values throughout Santa Clara County continued to grow as a result of the expanding local economy, however, the rate of growth varied widely from community to community. Gilroy experienced assessed valuations that averaged a net increase of 24% while neighboring city Morgan Hill was 12.8%, compared to the County average of 15.56%.

Q & A

2. In Santa Clara County the largest owner occupied home is

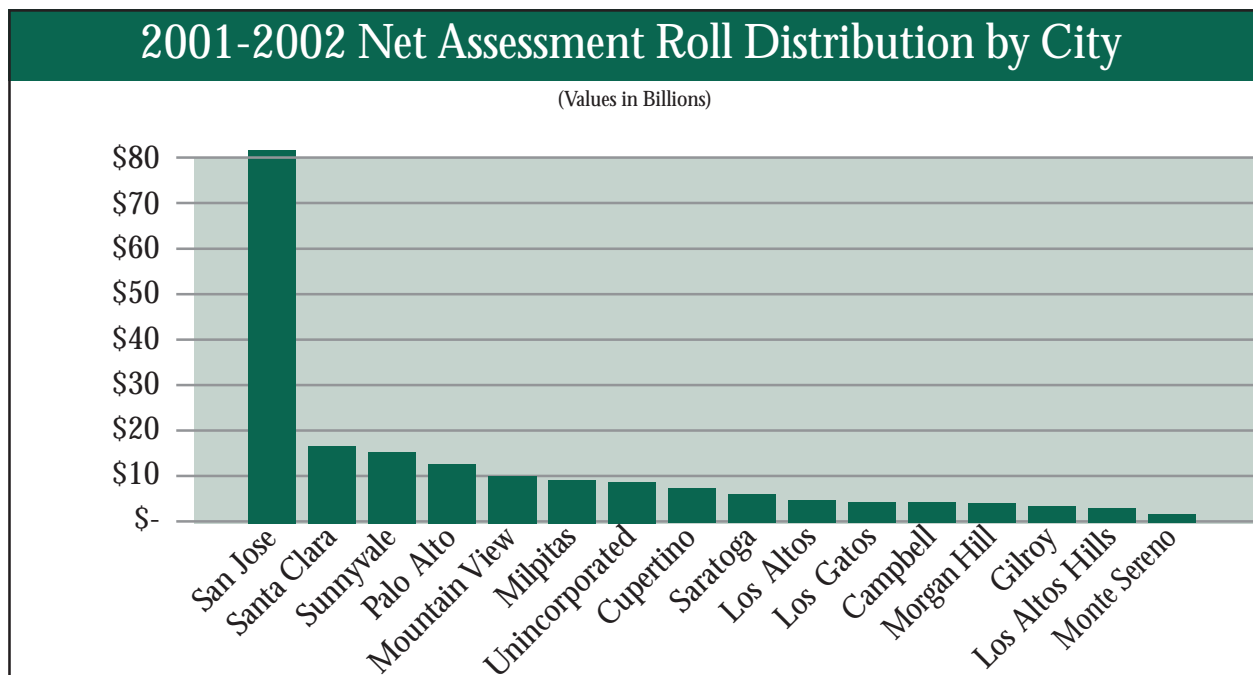
- A. 14,855 Sq. Ft.
- B. 16,700 Sq. Ft.
- C. 27,081 Sq. Ft.
- D. 17,200 Sq. Ft.

The answer is on page 23



Another perspective on the growth in property values is that the \$26.9 billion increase in the assessment roll is significantly larger than the total assessed value of all property in either

Santa Clara or Sunnyvale, or the combined total of the seven smaller cities of Los Altos, Los Gatos, Campbell, Morgan Hill, Gilroy, Los Altos Hills and Monte Sereno.



2001-2002 Net Assessment Roll by City

(Values in Billions)

| | Secured CITY | Secured RDA* | Unsecured CITY | Unsecured RDA* | Total Roll** | Percent of Roll |
|-----------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|
| San Jose | \$59.37 | \$12.34 | \$4.52 | \$5.59 | \$81.82 | 40.94% |
| Santa Clara | 12.49 | 1.36 | 3.30 | 1.18 | 18.33 | 9.17 |
| Sunnyvale | 14.23 | 0.24 | 2.49 | 0.03 | 16.99 | 8.50 |
| Palo Alto | 11.47 | - | 1.66 | - | 13.13 | 6.57 |
| Mountain View | 7.58 | 1.27 | 0.89 | 1.16 | 10.90 | 5.45 |
| Milpitas | 4.99 | 2.55 | 1.12 | 0.70 | 9.36 | 4.68 |
| Unincorporated | 9.02 | - | 0.18 | - | 9.20 | 4.60 |
| Cupertino | 7.74 | 0.10 | 0.63 | - | 8.47 | 4.24 |
| Saratoga | 6.23 | - | 0.04 | - | 6.27 | 3.14 |
| Los Altos | 5.09 | - | 0.09 | - | 5.18 | 2.59 |
| Los Gatos | 4.11 | 0.62 | 0.14 | 0.05 | 4.92 | 2.46 |
| Campbell | 3.27 | 0.49 | 0.26 | 0.11 | 4.13 | 2.07 |
| Morgan Hill | 2.05 | 1.48 | 0.02 | 0.18 | 3.73 | 1.87 |
| Gilroy | 3.15 | - | 0.44 | - | 3.59 | 1.80 |
| Los Altos Hills | 2.91 | - | - | - | 2.91 | 1.46 |
| Monte Sereno | 0.90 | - | - | - | 0.90 | 0.45 |
| TOTALS | \$154.60 | \$20.45 | \$15.78 | \$9.00 | \$199.83 | 100.00% |

Secured: Taxes which are a lien on Real Property to secure payment of the taxes.
 Unsecured: Taxes which are not a lien on Real Property.
 *RDA: Redevelopment Agency **Net of Nonreimbursable Exemptions

2001-2002 Real Property Distribution by City

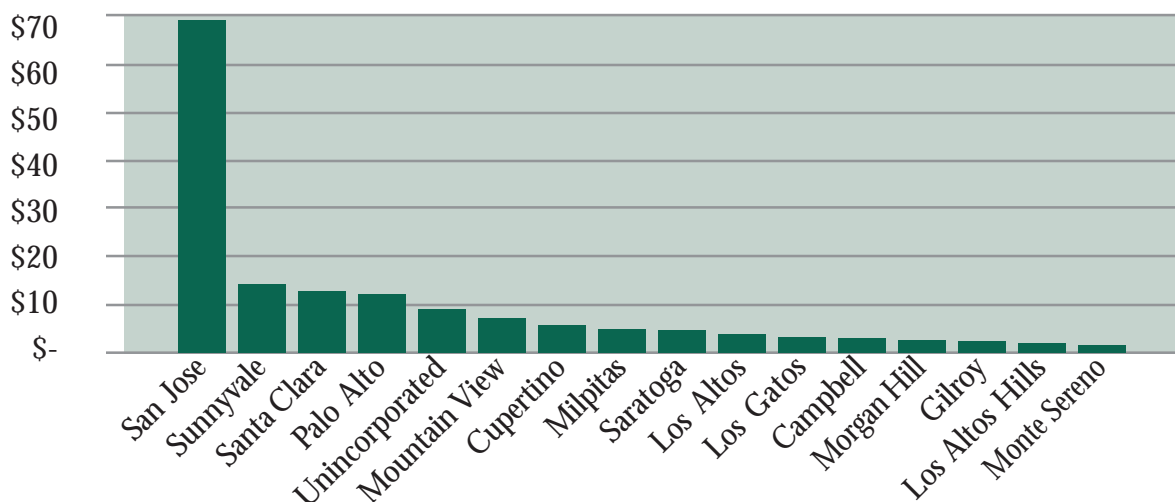
(Values in Billions)

| | Land Value | Improvement Value | Total Value | Exemptions* | Net Total |
|-----------------|----------------|-------------------|-----------------|---------------|-----------------|
| San Jose | \$28.83 | \$42.22 | \$71.05 | \$1.59 | \$69.46 |
| Sunnyvale | 5.99 | 7.47 | 13.46 | 0.09 | 13.37 |
| Santa Clara | 4.85 | 7.47 | 12.32 | 0.38 | 11.94 |
| Palo Alto | 5.74 | 6.27 | 12.01 | 0.88 | 11.13 |
| Unincorporated | 4.69 | 5.78 | 10.47 | 1.65 | 8.82 |
| Mountain View | 3.69 | 5.11 | 8.80 | 0.13 | 8.67 |
| Cupertino | 3.57 | 4.08 | 7.65 | 0.07 | 7.58 |
| Milpitas | 2.91 | 4.47 | 7.38 | 0.08 | 7.30 |
| Saratoga | 3.44 | 2.84 | 6.28 | 0.05 | 6.23 |
| Los Altos | 2.97 | 2.17 | 5.14 | 0.04 | 5.10 |
| Los Gatos | 2.30 | 2.52 | 4.82 | 0.11 | 4.71 |
| Campbell | 1.68 | 2.12 | 3.80 | 0.06 | 3.74 |
| Morgan Hill | 1.38 | 2.17 | 3.55 | 0.06 | 3.49 |
| Gilroy | 1.21 | 1.96 | 3.17 | 0.08 | 3.09 |
| Los Altos Hills | 1.63 | 1.32 | 2.95 | 0.05 | 2.90 |
| Monte Sereno | 0.48 | 0.42 | 0.90 | - | 0.90 |
| Total | \$75.36 | \$98.39 | \$173.75 | \$5.32 | \$168.43 |

*Nonreimbursable Exemptions; does not include Mobilehomes; does not include Possessory Interest assessments which are billed as unsecured assessments.

2001-2002 Real Property Distribution by City

(Values in Billions)



2001-2002 Business Personal Property Distribution by City

(Values in Billions)

| | Secured * | Unsecured ** | Total | Percent Of Value |
|-----------------|---------------|----------------|----------------|------------------|
| San Jose | \$2.25 | \$10.12 | \$12.37 | 39.38% |
| Santa Clara | 1.92 | 4.48 | 6.40 | 20.39 |
| Sunnyvale | 1.10 | 2.52 | 3.62 | 11.53 |
| Mountain View | 0.18 | 2.05 | 2.23 | 7.10 |
| Milpitas | 0.24 | 1.82 | 2.06 | 6.56 |
| Palo Alto | 0.34 | 1.66 | 2.00 | 6.37 |
| Cupertino | 0.25 | 0.63 | 0.88 | 2.80 |
| Gilroy | 0.07 | 0.44 | 0.51 | 1.63 |
| Campbell | 0.01 | 0.37 | 0.38 | 1.21 |
| Unincorporated | 0.20 | 0.18 | 0.38 | 1.21 |
| Morgan Hill | 0.04 | 0.20 | 0.24 | 0.76 |
| Los Gatos | 0.01 | 0.19 | 0.20 | 0.64 |
| Los Altos | - | 0.09 | 0.09 | 0.29 |
| Saratoga | - | 0.04 | 0.04 | 0.13 |
| Los Altos Hills | - | - | - | - |
| Monte Sereno | - | - | - | - |
| Totals | \$6.61 | \$24.78 | \$31.40 | 100.00% |

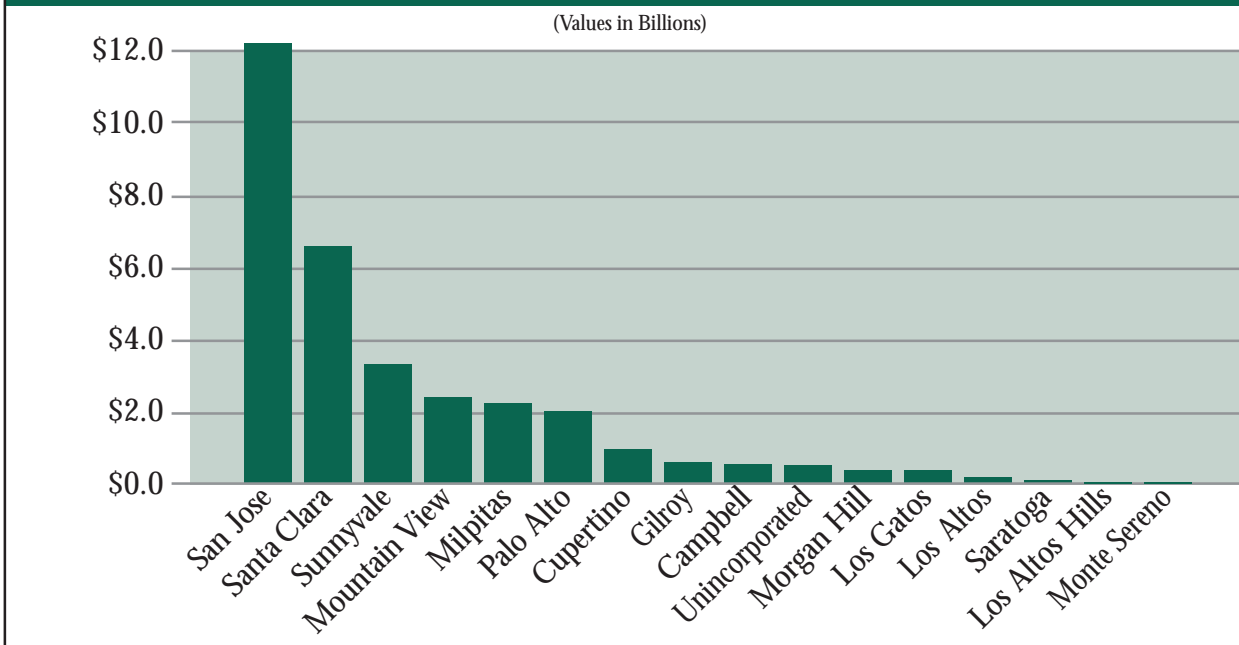
*Secured: Taxes which are a lien on real property to secure payment of the taxes

**Unsecured: Taxes which are not a lien on 'real' property

Net of Nonreimbursable Exemptions; Includes Mobilehomes and Possessory Interest Assessments

2001-2002 Business Personal Property Distribution by City

(Values in Billions)

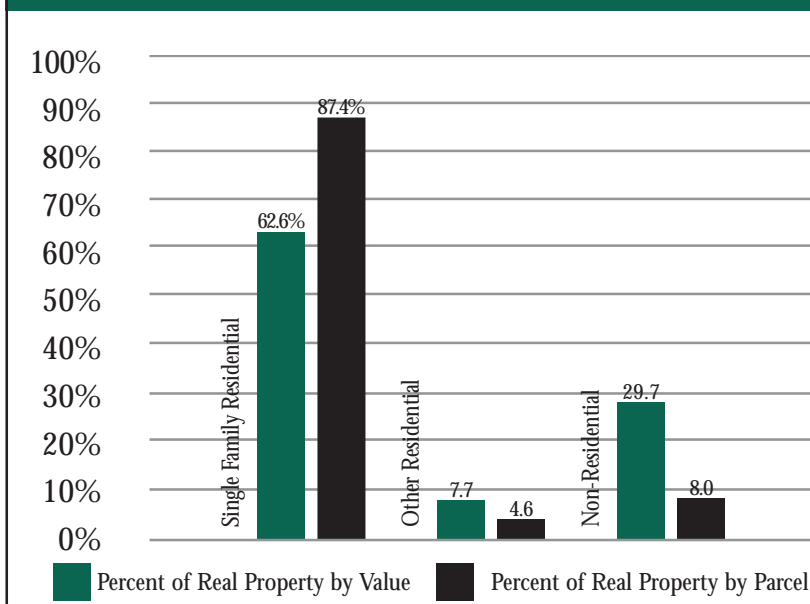


2001-2002 Real Property Distribution of Value by Property Type

| Property Type | Value* (In Billions) | Value Percentage | Value % Growth | Parcel Count | Parcel Percentage |
|--------------------------------|-------------------------|---------------------|-------------------|-----------------|----------------------|
| Single Family Detached | \$92.04 | 54.6% | 13.09% | 319,613 | 73.0% |
| Condominiums | 13.54 | 8.0 | 12.31 | 63,158 | 14.4 |
| Office | 10.79 | 6.4 | 19.05 | 4,310 | 1.0 |
| Apartments 5+ Units | 9.19 | 5.5 | 9.35 | 4,661 | 1.1 |
| Industrial; Non-Manufacturing | 8.18 | 4.9 | 14.14 | 3,836 | 0.9 |
| R&D Industrial | 7.49 | 4.5 | 22.51 | 595 | 0.1 |
| Specialty Retail & Hotels | 5.91 | 3.5 | 7.30 | 5,908 | 1.3 |
| Other Urban | 5.09 | 3.0 | 33.25 | 9,438 | 2.1 |
| Electronic & Machinery Mfg. | 4.54 | 2.7 | 20.80 | 476 | 0.1 |
| Single Family 2-4 Units | 3.77 | 2.2 | 8.71 | 15,342 | 3.5 |
| Major Shopping Centers | 2.94 | 1.8 | 6.58 | 808 | 0.2 |
| Other Industrial Manufacturing | 2.85 | 1.7 | 3.36 | 1,679 | 0.4 |
| Agricultural | 1.41 | 0.8 | 14.93 | 6,536 | 1.5 |
| Public & Quasi-Public | 0.64 | 0.4 | 8.30 | 1,276 | 0.3 |
| Residential Misc. | 0.05 | - | 0.39 | 238 | 0.1 |
| Totals | \$168.43 | 100.0% | 13.71% | 437,874 | 100.0% |

*Net of Nonreimbursable Exemptions; Does not include Mobilehomes; Does not include Possessory Interest assessments which are billed as unsecured assessments.

2001-2002 Real Property Types by Value and Parcel Count



Although nearly nine out of ten real property parcels in Santa Clara County are single family residences, those parcels represent less than two-thirds of the total assessed value of real property. Non-residential real property, including commercial, industrial and agricultural uses, account for nearly 30% of assessed values while constituting less than 10% of the parcels.

Assessed values are determined from the business property statements filed with the Assessor annually by almost 55,000 businesses in Silicon Valley. As high technology and related businesses continue to expand, the assessed value of business personal property continues to increase. In Santa Clara County, the assessed value of business property is 15.7% of the entire assessment roll.

Statewide the average of unsecured accounts is 6%. While Santa Clara County ranks fourth in population, and fourth in the value of the assessment rolls, it is second only behind Los Angeles in the assessed value of business personal property.

2001-2002 Business Personal Property Distribution of Value by Type

(Values in Billions)

| Property Type | Secured* | Unsecured** | Total*** | % of Value+ | Value % Growth |
|--------------------------|---------------|----------------|----------------|---------------|----------------|
| Professional Services | \$0.23 | \$6.79 | \$7.02 | 22.4% | 42.9% |
| Electronic Manufacturing | 1.82 | 5.10 | 6.92 | 22.1 | 25.6 |
| Computer Manufacturing | 1.09 | 2.62 | 3.71 | 11.8 | 15.9 |
| Other Manufacturing | 1.13 | 2.42 | 3.55 | 11.3 | 15.5 |
| Semiconductor Mfg. | 1.74 | 1.02 | 2.76 | 8.8 | 19.7 |
| Leased Equipment | - | 2.08 | 2.08 | 6.6 | 69.4 |
| Retail | 0.06 | 1.38 | 1.44 | 4.6 | 6.6 |
| Other | 0.07 | 1.36 | 1.43 | 4.5 | 7.2 |
| Audit Escapes | - | 1.37 | 1.37 | 4.4 | 39.0 |
| Aircraft | - | 0.50 | 0.50 | 1.6 | 37.6 |
| Mobile Homes | 0.43 | - | 0.43 | 1.4 | 22.5 |
| Financial Institutions | - | 0.08 | 0.08 | 0.2 | 2.0 |
| Boats | - | 0.06 | 0.06 | 0.2 | 8.4 |
| Apartments | 0.04 | 0.01 | 0.05 | 0.1% | 19.2% |
| TOTALS*** | \$6.61 | \$24.78 | \$31.40 | 100.0% | 26.7% |

* SEC (Secured): Taxes that are a lien on real property to secure payment of taxes.
 ** UNS (Unsecured): Taxes that are not a lien on real property.
 *** Net of Nonreimbursable Exemptions, includes Possessory Interest Assessments valued by Real Property Division.
 + Percentages based on non-rounded values

Below are the top 25 companies in Santa Clara County as of the Lien Date, January 1, 2001, ranked by the gross assessed taxable value of their “business personal property” which includes computers, machinery, equipment and fixtures. Ranging in size from over \$100 million to just under two billion dollars, the “business personal property” of the top 25 companies is assessed annually. [Note: The ranking does not include the assessed value of real property.]

Top 25 Companies*

| | | |
|-------------------------|---------------------------------|------------------------------|
| 1 Cisco Systems | 10 American Airlines | 18 LSI Logic Quantum |
| 2 Intel | 11 AboveNet Communications | 19 Sanmina Corporation |
| 3 IBM | 12 Calpine | 20 Seagate Technology |
| 4 Lockheed | 13 Silicon Graphics Inc. (SGI) | 21 KLA Tencor Corporation |
| 5 Applied Materials | 14 Comdisco | 22 Maxim Integrated Products |
| 6 Sun Microsystems | 15 Advanced Micro Devices | 23 3COM |
| 7 Hewlett-Packard | 16 Silicon Graphics Real Estate | 24 National Semiconductor |
| 8 Exodus Communications | 17 Novellus Systems | 25 Alza Corporation |
| 9 Agilent Technologies | | |

* Ranked by the gross assessed taxable value of their “business personal property”

Organizational Overview of The County Assessor's Office

Asse

Assistant

Assessment Standards & Services

Division Description

Responsible for locating and identifying ownership and reappraisability on all taxable real property. In addition they monitor assessment appeal information for other divisions; process legal appeals; maintain and update assessment maps; manage the public service counter and oversee quality control.

Staff Composition

A majority of the 51 staff members of the Assessment and Standards Division possess expert knowledge in cartography and the legal complexities of property transfers. In addition, one staff member holds *advanced* appraiser certification with the State Board of Equalization.

| Major Accomplishments | 2001/2002 | 2000/2001 |
|--|-----------|-----------|
| Ownership Title Documents Received | 78,623 | 85,891 |
| Change in Ownership (reassessable events) | 34,466 | 37,790 |
| Parcel Number Changes (split & combinations) | 3,979 | 3,213 |

Real Property

Division Description

Responsible for locating, valuing and enrolling all taxable real property (land and improvements). The Division provides assessment-related information to the public, and cooperates with other agencies regarding assessment and property tax-related matters.

Staff Composition

In the Real Property Division, 74 of the 96 staff members are professionals certified by the State Board of Equalization as appraisers, including 37 who are certified as *advanced* appraisers.

| Major Accomplishments | 2001/2002 | 2000/2001 |
|--|-----------|-----------|
| Real Property Parcels (secured; taxable) | 437,874 | 435,205 |
| Permits Processed | 31,155 | 30,878 |
| New Construction Appraised | 16,111 | 16,493 |
| Proposition 8 Parcels (temporary reductions) | 300 | 1,019 |

Office Mission

The mission of the Santa Clara County Assessor's Office is to produce an annual assessment roll including all assessable property in accordance with legal mandates in a timely, accurate, and efficient manner; and provide current assessment-related information to the public and to governmental agencies in a timely and responsive way

Administration Division

Division Description

Responsible for providing fiscal support services to the Assessor's Office; including budget, personnel, payroll, purchasing, facilities management and internal/external communications.

Staff Composition

A staff of 11, includes the Assessor and Assistant Assessor. Two are certified as appraisers, and one as *advanced* appraiser by the State Board of Equalization .

| | | |
|------------------------------------|------------|--------------|
| | 2001/2002 | 2000/2001 |
| Assessor's Budget | 17,613,981 | \$16,795,116 |
| Employees In the Assessor's Office | 247 | 246 |

Information Systems Division

Division Description

Responsible for supplying systems support to all other divisions in the pursuit of preparing and delivering the secured, unsecured, and supplemental assessment rolls.

Staff Composition

The 11 member staff are knowledgeable in advanced programming, systems, operations and local area networks.

Exemption Division

Division Description

Responsible for approving and enrolling all legal property exemptions. Homeowner exemptions and other constitutional exemptions are compiled and applied to the supplemental and the secured and unsecured assessment rolls.

Staff Composition

The 11 staff members are skilled in the laws that provide property tax exemptions.

Business Division (Business Personal Property)

Division Description

Responsible for locating, valuing and enrolling all taxable business personal property including property (owned and leased) such as computers, supplies, furniture, machinery and equipment as well as mobilhomes, airplanes and boats. Last year the Division completed 936 Audits. The Division also manages any assessment appeal involving personal property. Effective January 1, 2001, businesses with personal property valued in excess of \$400,000 annually are audited once every 4 years.

Staff Composition

Thirty-one of the sixty-seven staff members are certified as auditor appraisers as well as fourteen staff members are certified as *advanced* auditor appraisers by the State Board of Equalization. The staff is comprised of accountants and experts skilled in assessing and auditing high-tech businesses.

| | | |
|--|-----------|-----------|
| Major Accomplishments | 2001/2002 | 2000/2001 |
| Mobile Home Parcels managed | 8,557 | 7,790 |
| Business Personal Property (BPP) | | |
| Assessments Processed | 113,336 | 123,512 |
| Total Business Personal Property Appraisals Enrolled | 80,799 | 79,239 |
| BPP Enrolled on the Secured Roll | 11,748 | 10,906 |

Assessment Appeals Process

In Santa Clara County, a Notification of Assessed Value indicating the taxable value of each property is mailed each May to all property owners. A taxpayer who disagrees with the Assessor's assessed value may request a review by presenting to the Assessor's Office before June 15, any pertinent factual information important to the determination of the property's market value. If the Assessor agrees that a reduction is appropriate, an adjustment is made and a new notice is sent before July 1.

If a difference of opinion still exists after July 1, the taxpayer may file an appeal application for reduction in the assessed value. The matter will then be set for hearing before the local Assessment Appeals Board. Appeal applications must be filed between July 2, and September 15, with the Clerk of the

Appeals Board (Clerk of the County Board of Supervisors). To appeal a roll correction or supplemental assessment, typically triggered by a change in ownership or completed new construction, the application must be filed within 60 days of the date of the notice.

If the Assessment Appeals Board renders a decision that results in a decline in value below the property's factored base year value (its upper limit), the reduction in value, and corresponding reduction in taxes, applies only to the property tax due for the year in which the application was filed.

If the Assessment Appeals Board orders a change in the base year value set by the Assessor for new construction or changes in ownership, the reduction in value applies to the tax bill(s) for the year the application was filed, and establishes a new base year value for the future. The appeal application for supplemental or corrected tax bills must be filed within 60 days of the notice of supplemental assessment or notice of roll correction.

When a taxpayer files an appeal challenging the Assessor's determination of the re-assessability of a change in ownership, the matter is heard and adjudicated by an independently appointed legal hearing officer.

| Assessment Appeals | | | | |
|----------------------|---------------|---------------------|-----------------|-------------------------|
| (Values in Billions) | | | | |
| Year | Valid Appeals | Total Local Roll ** | Value at Risk * | Percent of Roll at Risk |
| 2000 | 1,690 | \$172.92 | \$8.54 | 4.3% |
| 1999 | 1,790 | 157.57 | 7.26 | 4.6 |
| 1998 | 1,949 | 144.52 | 9.20 | 6.4 |
| 1997 | 3,901 | 130.81 | 10.21 | 7.9 |
| 1996 | 6,627 | 120.61 | 11.29 | 9.6 |

* Value at Risk: The difference of value between the assessed roll value and applicants' opinion of value compiled at the end of the filing year.

** Local Roll Value: Net of nonreimbursable exemptions

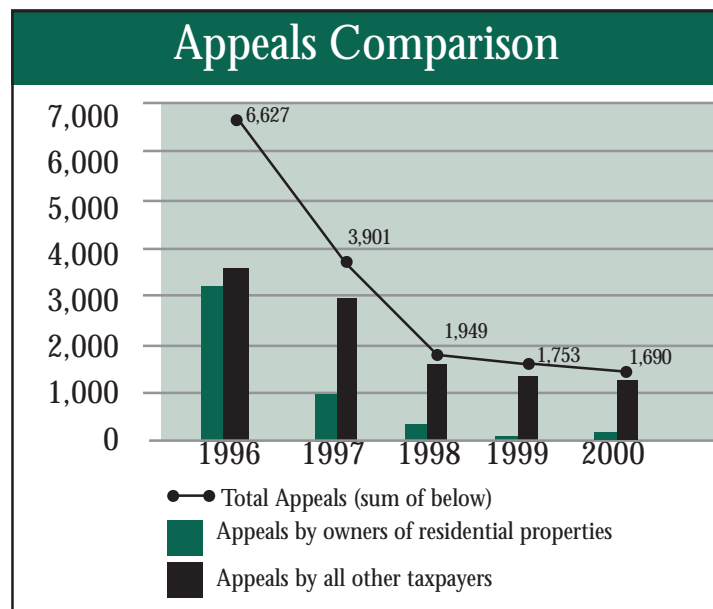
Note: For roll year 2000, 64 appeals applications have not yet been validated

*...virtually half of all appeals are
withdrawn by applicants...*

As economy remains strong homeowners file fewer appeals

An outcome of the decline in property values in the early 1990s was an increase in the number of assessment appeal filings. While the Assessor proactively reduced the assessed values on tens of thousands of residential properties consistent with the declining market, the total number of assessment appeals increased dramatically between 1990 to 1996 from 1,747 to 6,627. However, as the real estate market improved, the number of appeals filed by owners of residential properties declined from 3,228 to just 221, as shown in the chart.

By comparison, the more complex assessment appeals, filed by business and commercial/industrial property owners and major corporations, saw only modest decreases. The complexity of valuation issues and the amount of taxes in dispute (or at risk) is much greater in assessment appeals filed by commercial/industrial property owners or by companies with expensive business machinery, equipment and computers. In fact, 21 corporations account for two-thirds of the assessed value of the open cases in dispute. In total, these 21 companies have 265 active appeals over 5 years challenging property assessments totaling \$5.9 billion in Santa Clara County.



Frequently Asked Questions

Q. Can I transfer my current factored base year value to my new home to avoid paying higher property taxes?

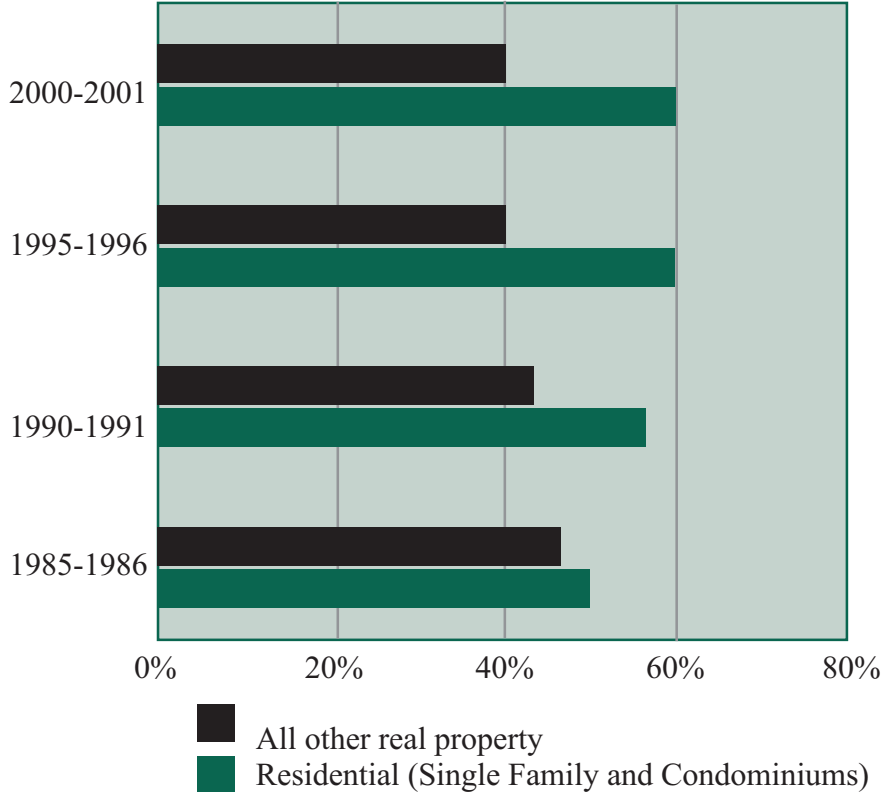
A. Yes, under Proposition 60, if you are age 55 or older and qualify. When a senior citizen sells an existing residence and purchases or constructs a replacement residence valued **the same or less** than the residence sold, the Assessor can transfer the low assessment (factored base year value) of the original residence, to the replacement residence anywhere in Santa Clara County. Additionally, Santa Clara and 8 other counties currently participate in Prop 90, and will accept base year transfers from any other county throughout California. Propositions 60/90 require timely filing, are subject to approval by the Assessor, and can be granted only once. To receive more information or an application, contact the Assessor's Office at (408) 299-2401 Ext. 1035.



Q. I plan to transfer my home to my child; can they retain my same assessment?

A. Yes, upon qualification. The voters of California modified the California Constitution (Propositions 58 and 193) to allow parents and in some cases grandparents who want to keep their home "in the family" to transfer their assessed value to their children or even grandchildren in certain circumstances. Tax relief is provided when real property transfers occur between parents and their children (Proposition 58) or from grandparents to grandchildren (Proposition 193) if the parents are no longer living. Interested taxpayers should contact the Assessor to receive more information and an application. All claims must be filed timely and are subject to final approval by the Assessor.

Historical trend of property taxes in Santa Clara County

The chart below compares the contribution by homeowners versus all other real property, such as commercial and industrial properties, to the County’s total net assessed value. Over the last 15 years these commercial and industrial properties have contributed a smaller share, almost 10% less, of the County’s total property taxes, a trend consistent with data from other major Counties.



| | 1985-1986 | 1990-1991 | 1995-1996 | 2000-2001 |
|--|-----------|-----------|-----------|-----------|
|  All other real property (Commercial and Industrial Properties) | 48% | 44% | 40% | 40% |
|  Residential (Single Family and Condominiums) | 52% | 56% | 60% | 60% |

Q & A

3. In Santa Clara County, what is the highest assessed value of an owner occupied home?

The answer is on page 23

Exemptions

Homeowners' Exemption is the exemption with which most taxpayers are familiar. However, there are many other exemptions from property taxes available to other taxpayers, including charitable non-profits and religious institutions.

Q & A

4. Even though Santa Clara County is the 4th most populous County in California, what portion of the assessment roll is our County second only to Los Angeles County?

- A. Secured Roll
- B. Total Assessment Roll
- C. Unsecured Roll

The answer is on page 23

Qualifying Exemptions

(Values in Billions)

| Exemption | Roll Units+ | Total Value | % of Value Exempted++ |
|--|----------------|---------------|-----------------------|
| Private Colleges | 120 | \$3.36 | 37.94% |
| Non Profits* | 969 | 2.02 | 22.83 |
| Homeowner** | 287,359 | 2.01 | 22.73 |
| Churches | 872 | 0.70 | 8.00 |
| Hospitals | 11 | 0.43 | 4.87 |
| Cemeteries | 16 | 0.11 | 1.23 |
| Private Schools | 63 | 0.09 | 0.98 |
| Misc | 49 | 0.08 | 0.87 |
| Disabled Veterans | 499 | 0.04 | 0.45 |
| Museums | 13 | 0.01 | 0.07 |
| Historical Aircrafts | 65 | - | 0.03 |
| Total | 290,036 | \$8.86 | 100.00% |
| Exemptions not reimbursed by California | 2,677 | \$6.84 | |

* These categories includes only those charitable non profit organizations that have applied and qualified in accordance with the Revenue and Taxation Code.
 ** The State reimburses the County for the Homeowners' Exemption.
 + Roll units are calculated by location, not by parcel count.
 ++ Percentages based on non-rounded values

Stanford received an exemption of \$3.1 Billion in assessed value....the largest exemption in the State of California

Q & A

5. My house was destroyed by fire, is property tax relief available until it's rebuilt?

The answer is on page 23

Most populous 25 California Counties: 1999-2000 by Population and Roll Units and Roll Value Per Capita*

(Values in Thousands)

| County | Population | County | Total Roll Units** | County | Total Roll Per Capita*** |
|--------------------|------------------|--------------------|--------------------|--------------------|--------------------------|
| Los Angeles | 9,884,300 | Los Angeles | 2,544,997 | Marin | 112,891 |
| San Diego | 2,911,500 | Orange | 944,119 | San Mateo | 99,380 |
| Orange | 2,828,400 | San Diego | 932,879 | Santa Clara | 90,560 |
| Santa Clara | 1,736,700 | San Bernardino | 759,994 | Placer | 89,819 |
| San Bernardino | 1,689,300 | Riverside | 690,694 | San Francisco | 85,639 |
| Riverside | 1,522,900 | Santa Clara | 499,065 | Contra Costa | 80,989 |
| Alameda | 1,454,300 | Sacramento | 470,928 | Orange | 72,362 |
| Sacramento | 1,209,500 | Alameda | 454,400 | Sonoma | 71,984 |
| Contra Costa | 930,000 | Kern | 377,033 | Santa Barbara | 71,948 |
| Fresno | 805,000 | Contra Costa | 364,548 | San Luis Obispo | 70,903 |
| San Francisco | 801,400 | Fresno | 284,457 | Santa Cruz | 70,682 |
| Ventura | 756,500 | Ventura | 281,807 | Alameda | 68,232 |
| San Mateo | 730,000 | San Mateo | 238,030 | Ventura | 67,304 |
| Kern | 658,900 | San Francisco | 227,581 | Monterey | 62,808 |
| San Joaquin | 566,600 | Sonoma | 202,915 | Kern | 60,067 |
| Sonoma | 450,100 | San Joaquin | 196,300 | San Diego | 59,833 |
| Stanislaus | 441,400 | San Luis Obispo | 162,007 | Los Angeles | 54,770 |
| Santa Barbara | 414,200 | Stanislaus | 155,210 | Riverside | 51,864 |
| Monterey | 399,300 | Tulare | 148,070 | Solano | 51,105 |
| Solano | 399,000 | Santa Barbara | 146,017 | Sacramento | 48,471 |
| Tulare | 368,000 | Placer | 135,521 | San Joaquin | 46,221 |
| Santa Cruz | 255,000 | Monterey | 133,963 | San Bernardino | 45,304 |
| Marin | 249,700 | Solano | 133,332 | Stanislaus | 43,902 |
| San Luis Obispo | 245,200 | Marin | 108,649 | Tulare | 39,361 |
| Placer | 234,400 | Santa Cruz | 104,423 | Fresno | 38,900 |

* Minor discrepancy may occur due to rounding calculations

** A Roll Unit is a separate parcel of real property or a business personal property statement.

***Total Roll Per Capita calculated from SBE Table.

Source: California State Board of Equalization: Preliminary version of "A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices 1999-2000," July 2001.

Top 25 California Counties 1999-2000 Secured, Unsecured and Total Assessment Roll*

(Values in Thousands)

| County | Secured Roll | County | Unsecured Roll | County | Total Net Roll Value |
|--------------------|--------------------|--------------------|-------------------|--------------------|----------------------|
| Los Angeles | 504,771,533 | Los Angeles | 36,594,873 | Los Angeles | 541,366,406 |
| Orange | 190,654,910 | Santa Clara | 17,770,942 | Orange | 204,668,028 |
| San Diego | 164,640,605 | Orange | 14,013,118 | San Diego | 174,204,360 |
| Santa Clara | 139,504,360 | San Diego | 9,563,755 | Santa Clara | 157,275,302 |
| Alameda | 90,599,425 | Alameda | 8,630,767 | Alameda | 99,230,193 |
| Riverside | 75,444,841 | San Mateo | 7,672,102 | Riverside | 78,984,032 |
| Contra Costa | 72,319,606 | San Francisco | 6,680,583 | San Bernardino | 76,531,682 |
| San Bernardino | 70,625,247 | San Bernardino | 5,906,435 | Contra Costa | 75,319,435 |
| San Mateo | 64,875,362 | Riverside | 3,539,191 | San Mateo | 72,547,464 |
| San Francisco | 61,950,848 | Sacramento | 3,495,042 | San Francisco | 68,631,431 |
| Sacramento | 55,130,279 | Contra Costa | 2,999,829 | Sacramento | 58,625,321 |
| Ventura | 48,248,638 | Ventura | 2,666,872 | Ventura | 50,915,510 |
| Kern | 37,450,925 | Kern | 2,126,898 | Kern | 39,577,823 |
| Sonoma | 30,895,466 | Fresno | 1,989,867 | Sonoma | 32,399,777 |
| Fresno | 29,324,687 | Santa Barbara | 1,981,577 | Fresno | 31,314,554 |
| Santa Barbara | 27,819,247 | San Joaquin | 1,837,001 | Santa Barbara | 29,800,823 |
| Marin | 27,143,381 | Sonoma | 1,504,310 | Marin | 28,188,792 |
| San Joaquin | 24,351,820 | Monterey | 1,307,684 | San Joaquin | 26,188,820 |
| Monterey | 23,771,733 | Stanislaus | 1,126,293 | Monterey | 25,079,417 |
| Placer | 20,297,062 | Marin | 1,045,411 | Placer | 21,053,591 |
| Solano | 19,543,370 | Solano | 847,575 | Solano | 20,390,945 |
| Stanislaus | 18,252,262 | Tulare | 762,951 | Stanislaus | 19,378,555 |
| Santa Cruz | 17,358,945 | Placer | 756,529 | Santa Cruz | 18,024,033 |
| San Luis Obispo | 16,769,253 | Santa Cruz | 665,087 | San Luis Obispo | 17,385,422 |
| Tulare | 13,721,798 | San Luis Obispo | 616,169 | Tulare | 14,484,749 |

Source: California State Board of Equalization: Preliminary version of "A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices 1999-00," July 2001.

*Minor discrepancies may occur due to rounding calculations.

The California State Board of Equalization compared the secured and unsecured assessment rolls among all the counties. A portion of business personal property is enrolled on the

secured roll (typically when the owner of the real and personal property are the same). Santa Clara ranks second in the State in the assessed value of business personal property.

Performance Counts

Led by County Assessor Larry Stone, the Assessor's Office has embarked on an ambitious initiative, known as Comprehensive Performance Management (CPM). Based on the simple idea that what gets measured gets done, the new system establishes a clear mission statement and measurable performance indicators designed to quantify improvement over time.

Simultaneously, the Assessor's office is developing a performance-based budget to link service levels directly to the budget and actual expenditures. The Board of Supervisors, recognizing the Assessor's commitment to performance management and budgeting, singled out the Assessor's office as one of five departments to champion these important initiatives.

The following are the Assessor's comprehensive performance measures. By reporting high level quantitative and qualitative data that tracks levels of customer satisfaction, timeliness of product delivery, accuracy of assessments and overall financial efficiency, these measures will allow the Assessor to identify and record service levels from year to year which are designed to achieve specific continuous improvement objectives. The data will be compiled from the results of similar, more detailed measures in each Division of the Assessor's office. The performance measures in each division were developed collaboratively with both staff and managers.

Performance Measures

1. The percent of assessments completed by July 1.

Why is this important? The assessment roll is the basis by which property taxes are levied. The completeness of the assessment roll assures those public agencies dependent upon property tax revenue that the roll accurately reflects current market activity.

2. The number of days to deliver supplemental assessments to the Tax Collector.

Why is this important? Supplemental assessments occur upon a 'change in ownership' or 'new construction' of real property. This performance measure insures timely notification to those property owners who acquire or complete new construction of their property.

3. Fiscal year's assigned mandatory audits completed by June 30.

Why is this important? State statute requires the Assessor to audit, every four years, all businesses with assets valued at \$400,000 or more located in Santa Clara County. This performance measure determines the timeliness of conducting these mandatory audits.

4. The overall average number of days to close an assessment appeal.

Why is this important? By statute, assessment appeals must be resolved within two years of filing, unless a waiver is executed by the taxpayer. This performance measure insures a timely equalization of assessments for property owners.

Performance Measures Continued

5. Department's customer satisfaction rating

Why is this important? This outcome measure rates the satisfaction level of both our internal and external customers who rely on the Assessor for timely service and accurate information.

6. The Cost Efficiency Index.

Why is this important? The Cost Efficiency Index determines the cost efficiency of producing a product and/or work item compared to the base year cost. This information is extremely valuable to policy and decision makers charged with meeting performance objectives and implementing streamlining programs.

7. Total expenditures of the Department as a percent of the budget.

Why is this important? The Budget/Cost Ratio compares the department's actual bottom line expenditures at the end of the fiscal year to the budget to insure that costs do not exceed anticipated resources.

8. The Department's aggregate performance indicator of all Divisions

Why is this important? This measure takes each of the divisional performance indicators, assigns a weight, and produces an aggregate divisional performance index.

Q & A

1. How many properties are still protected by Proposition 13, passed by the voters in 1978?

All properties in Santa Clara County, and throughout California, receive the full benefit of Proposition 13. Whether a property was purchased last year or in 1975, every property owner receives the same protections and benefits. The base year value is established at the time of purchase or new construction, and increases in the assessed value are limited to an inflation factor of no more than 2% annually.

2. In Santa Clara County the largest owner occupied home is:

B. 16,700 square feet (Note: the largest home in square footage, however, is not the home with the highest assessment)

3. In Santa Clara County the highest assessed value of an owner occupied home is:

\$25,748,000. (While not the largest home in Santa Clara County, this home totals 14,855 square feet)

4. Even though Santa Clara County is the 4th most populous County in California, what portion of the assessment roll is Santa Clara County second only to Los Angeles County?

C. Unsecured. The unsecured roll is principally comprised of Business Personal Property such as machinery, equipment and computers.

5. My house was destroyed by fire, is property tax relief available until it's rebuilt?

Yes, assuming you qualify. Owners of real property who incur significant damages (at least five-thousand dollars or more) as the result of a natural disaster, such as a fire, flood or earthquake, can file for temporary property tax relief (reassessment) with the Assessor's office. Applicants must file a written application within 60 days of the disaster. As always, items such as home furnishings, personal effects and business inventories are not assessable real property.

*Explanation of Terms**

| | |
|------------------------------------|--|
| Ad Valorem Property Tax | Taxes imposed on the basis of the property's assessed value. |
| Assessed Value | The taxable value of a property against which the tax rate is applied. Since 1981-82, the assessed value is 100% of the property's value pursuant to the provisions of the Revenue and Taxation Code. In prior years, the assessed value was 25% of the full cash value. |
| Assessee | The person to whom the property or a tax is being assessed. |
| Assessment Appeal | The assessee may file an appeal for reduction of the assessed value on the current local roll during the regular filing period for that year, between July 2 and September 15 with the Clerk of the Board. For supplemental or escape assessments, appeals must be filed within 60 days of the mailing of the tax bill or receipt of the notice, whichever is earlier. |
| Assessment Appeals Board | A three member panel appointed by the Board of Supervisors, operating under State law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal") |
| Assessment Roll | The official list of all property within the County assessed by the Assessor. |
| Assessment Roll Year | The year following the annual lien date and the regular assessment of property, beginning on July 1. |
| Audit Escape | The discovery of escape property resulting from an audit of the books and records of a profession, trade or business, for which an assessment is levied outside of the normal assessment period for the lien date in question. |
| Base Year (Value) | The 1975-76 regular roll value serves as the original base value. Thereafter, changes to the assessment on real property value, or a portion thereof, caused by new construction or changes in ownership create the base year value used in establishing the full cash value of such real property. |
| Basic Aid | "Basic aid" school districts rely principally on locally derived property tax revenues to fund school operations, rather than on Statewide reallocation formulas based on average daily attendance and other factors. School districts become "basic aid" when the projected level of revenues provided by local property taxes exceeds the state formula. |
| Business Personal Property | Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (see personal property) |
| Change in Ownership | When a transfer of ownership in Real Property occurs, the Assessor determines if a reappraisal is required under State law. If required, the reappraised value becomes the new base value of the property transferred, and a supplemental assessment is enrolled. |
| CPI | Consumer Price Index as determined annually by the California Bureau of Labor Statistics. |
| Exclusions from Reappraisal | Some changes in ownership may be excluded from reappraisal if a timely claim is filed with the Assessor's Office that meets the qualifications. Examples include the transfer of real property between parents and children, or senior citizens over age 55 who replace their principal residence. |
| Exemption | Allowance of a deduction from the taxable assessed value of the property as prescribed by law. |

| | |
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| Exemptions: Homeowners | People who own and occupy a dwelling on the lien date as their principal place of residence are eligible to receive an exemption of up to \$7,000 of the dwelling's taxable value. The tax dollars reduced by the (HOX) homeowner's exemption are subvented by the State of California. |
| Exemptions: Other | All property in California, not exempt under the laws of the United States or of this State, is subject to taxation. Constitutional, or 'other', exemptions include religious and church exemptions, college, cemetery, hospital, museum, public schools, and welfare. |
| Factored Base Year Value | A property's base value is adjusted each year by the change in the California Consumer Price Index (CPI), not to exceed 2%. The adjusted base value is the upper limit of taxable value each year. |
| Fiscal Year | The period beginning July 1 and ending June 30. |
| Fixture | An improvement to real property whose purpose directly applies to or augments the process or function of a trade, industry or profession. |
| Full Cash Value (FCV) | The amount of cash or its equivalent value which property would bring if exposed for sale in the open market and as further defined in Revenue and Taxation Code 110.1. |
| Improvements | Buildings or structures generally attached to the land. Improvements may also include certain business fixtures. |
| Lien | The amount owed and created by the assessment of the property, or the amount levied against property by a taxing agency or revenue district. |
| Lien Date | The time when taxes for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is 12:01 a.m. on January 1st (effective January 1, 1997) preceding the fiscal year for which the taxes are collected. The lien date for prior years was March 1. |
| Mobilehomes | On July 1, 1980, the Department of Motor Vehicles transferred all mobilehome licensing and registration to the California Department of Housing and Community Development (HCD). The law requires that mobilehomes be classified as personal property and enrolled on the secured roll. |
| New Base Year (Value) | The full cash value of property on the date it changes ownership or when new construction is completed. |
| New Construction | The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the improvement, is reassessed, establishing a new base year value for only that portion of the property. |
| Parcel | Real property assessment unit. Land that is segregated into units by boundary lines for assessment purposes. |
| Personal Property | Any property except real estate, including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.) |
| Possessory Interest (PI) | The possession or the right to possession of real estate whose fee title is held by a tax exempt public agency. Examples of a PI include the exclusive right to use public property at an airport such as a car rental company's service counter or a concession stand at the County Fair. In both cases, the vendors are subject to property taxes. Regardless of the type of document evidencing the right to possession, a taxable PI exists whenever a private party has the exclusive right to a beneficial use of tax exempt publicly owned real property. |

- Proposition 13** Passed by California voters in June, 1978, Proposition 13 is a Constitutional amendment that limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.
- Proposition 8** Passed by California voters in November 1978, Proposition 8 allows for the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.
- Real Property** Land and improvements to the land, which permits the possession of, claim to, ownership of, or right to possess.
- Roll** A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.
- Roll Unit** A parcel of property or a business personal property account that is assessed for annual valuation.
- Roll Year** See "Assessment Roll Year."
- SBE** See "State Board of Equalization."
- Secured Roll** Property on which the property taxes are a lien against the real estate.
- Special Assessments** Direct charges, or flat fees against property which are included in the total tax bill but are not based upon the Assessor's valuation of the property. Examples are a sewer charge or a school parcel tax.
- State Board of Equalization** The State Board consists of four members elected by California voters by district, and the State Controller whose duties in the field of taxation are imposed by the State Constitution and the Legislature. The State Board regulates county assessment practices and administers a variety of State and local business tax programs.
- Supplemental Assessment** When property is assessed due to a change in ownership or completed new construction, a supplemental assessment is issued. This is separate and in addition to the annual regular assessment roll. It is based on the net difference between the previous assessed values and the new value for the remainder of the assessment year(s).
- Supplemental Roll** The roll, prepared or amended, contains properties which a change in ownership or completed new construction occurred.
- Tax Rates** The maximum ad valorem (on the value) basic property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher for various properties because of voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.
- Tax Roll** The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.
- TRA** The tax rate area (TRA) is a specific geographic area all of which is within the jurisdiction of the same combination of local agencies for the current fiscal year. There are over 3,200 TRAs in Santa Clara County, each one identified by a unique number.
- Transfer** Change in the ownership of, or change in the manner which, property is held. Depending on the specific situation, a transfer may trigger a reassessment of the property.
- Unsecured Roll** Property on which the property taxes are not a lien against the real estate (real property) where they are situated, including personal property or improvements located on leased land.

So, was this report helpful?

In order to improve future annual reports, we would like your opinion about the 2001-2002 Assessor's Annual Report.

1. Please evaluate the annual report by circling one number representing your opinion of each category. 1 indicating POOR and 5 indicating EXCELLENT.

| | Excellent | Good | Average | Fair | Poor |
|---|-----------|------|---------|------|------|
| a) Was the report language simple and easy to understand? | 5 | 4 | 3 | 2 | 1 |
| b) Was the report design pleasing and easy to follow? | 5 | 4 | 3 | 2 | 1 |
| c) Was the report user friendly? | 5 | 4 | 3 | 2 | 1 |
| d) Was the report timely? | 5 | 4 | 3 | 2 | 1 |
| e) Was the report informative? | 5 | 4 | 3 | 2 | 1 |
| f) Was the report useful? | 5 | 4 | 3 | 2 | 1 |
| g) Has this report met your needs? | 5 | 4 | 3 | 2 | 1 |
| h) What is your overall opinion of the 2001-2002 Assessor's Annual Report? | 5 | 4 | 3 | 2 | 1 |

2. In the past year, how many times did you contact the Assessor's Office? (Circle one).

1-2 3-5 More than 5 N/A

3. Are there any items you would like to see in future annual reports? (Please be specific).

4. Are there any sections or items in the annual report that you feel are unnecessary, not useful or unclear? (Please be specific).

5. Will you keep this report for future reference? YES NO

6. Any other comments or suggestions are appreciated. (Use the back side of this page if needed).

Please fax this survey to David Ginsborg at 408-297-9526 or mail to the Assessor's Office.

Detach here, fold, tape (NO STAPLES) add postage and mail to address on other side.

Attention David K. Ginsborg
Director of Special Programs and External Affairs

County of Santa Clara
Office of the Assessor
70 West Hedding Street, East Wing
San Jose, California 95110-1771

Return Address

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Responsibility of the Assessor's Office

The Assessor has the responsibility to locate all taxable property in the County, identify ownership, establish a value for all property subject to local property taxation, list the value of all property on the assessment roll, and apply all legal exemptions. The Santa Clara County Assessor does not compute property tax bills, collect property taxes, establish property tax laws, establish rules by which property is appraised, or set property tax rates.

Santa Clara County contains more than 437,000 separate real property parcels. Every year there are over 3,000 changes in parcel numbers, and there are almost 80,000 changes in property ownership as reflected by deeds and maps filed in the County Recorder's Office. The Assessor's professional staff maintains a comprehensive set of 213 Assessor's parcel map books. The office appraised more than 16,000 new construction activities, and processed more than 110,000 business personal property assessment each year.

The assessments allow the County of Santa Clara and 204 local government taxing authorities to set tax rates (as limited by Proposition 13 and other laws), collect and allocate property tax revenue which support essential public services provided by the County, local schools, cities, and special districts.

Acknowledgments

Editor: David K. Ginsborg
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Santa Clara County Assessor's Office
Layout Production: Kurigraphics
Printed by GSA Printing Services

您需要任何語言方面的協助嗎?

我們財稅估價(估稅)部門的工作人員能流利地說你的語言來協助您的需要
請撥 299-3227 與我們聯絡. 謝謝

Cần giúp? The Assessor's Office có nhân viên thông thạo ngôn ngữ của quý vị. Xin gọi cho chúng tôi tại 299-3227.
Necesita ayuda? La oficina del Assessor tiene empleados fluentes en su lenguaje. Llamenos al (408) 299-3227.

Disclaimer: This document presents a distribution of the 2001-2002 Santa Clara County property tax local assessment roll by City/Redevelopment Agency and major property types. It does not include State-assessed property (unitary roll). It is not the source document for deriving the property tax revenues to be received by any public entity. For example, the Controller's AB8 calculations do not include aircraft assessed valuation, which is incorporated into this report. Additionally, supplemental assessments are not depicted in the report. Numbers reported in tables and charts reflect up to 0.01 units. Items less than 0.01 units have been reported as a dash. Minor discrepancies may occur due to rounding calculations and/or clarification in definition of terms.

Published July, 2001.

For information regarding general County financial information including taxes by tax rate areas and methods of property tax revenue allocation contact:
Santa Clara County Finance Agency (408) 299-2541

For information about Santa Clara County Assessments:

Public Information and Ownership (408) 299-3227
Real Property (land and improvements) (408) 299-2401
Personal Property, including Business,
Mobilehomes, Boats and Airplanes (408) 299-3821
Property Tax Exemptions (408) 299-4125
Change in Ownership Issues (408) 299-4781
Mapping (408) 299-4231
Administration (408) 299-4347
Administration Fax (408) 297-9526
Web Site www.scc-assessor.org

For information about a tax bill, payments, delinquency, or the phone number of the appropriate agency to contact about a special assessment, contact:
Santa Clara County Tax Collector (408) 299-2241

For information about filing assessment appeals, call:
Santa Clara County Assessment Appeals Board Clerk
(Clerk of the Board of Supervisors) (408) 299-4321

California State Board of Equalization

The State Board of Equalization is responsible for assuring that county property tax assessment practices are equal and uniform throughout the State. For more information, contact the State Board at:

450 N Street
PO Box 942879
Sacramento, CA 94279-0001

For general tax information call (800) 400-7115 or
www.boe.ca.gov

Office of the County Assessor

Lawrence E. Stone, Assessor
County of Santa Clara Government Center
70 West Hedding Street, 5th Floor, East Wing
San Jose, California 95110-1771

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Santa Clara County

Board of Supervisors

Don Gage, District I
Blanca Alvarado, District II
Pete McHugh, District III
Jim Beall, District IV
Liz Kniss, District V

County Executive

Richard Wittenberg



Mission Statement

The mission of the Santa Clara County Assessor's Office is to produce an annual assessment roll including all assessable property in accordance with legal mandates in a timely, accurate, and efficient manner; and provide current assessment-related information to the public and to governmental agencies in a timely and responsive way.