

2002-2003 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.

Do you *e-file*?

e-filing is a new program that allows taxpayers to confidentially file their Business Property Statement on-line, quickly and easily. Businesses selected to participate in this program will be notified in January, 2003. See the Assessor's website for more information

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Message from the Assessor

Lawrence E. Stone

Throughout 2001, Silicon Valley experienced an economic tailspin. The rapid rise in local unemployment, the dot-com and telecom collapses, the threat of terrorism and the precipitous decline in the securities markets, particularly the NASDAQ, have had a profound impact on Santa Clara County's assessment roll. Every sector of the local economy was impacted: average apartment rents declined by 7.8%; median home price dropped from \$527,000 in October 2000 to \$481,000 in October 2001; commercial lease rates dropped 58% while vacancy soared to 16%; average annual pay dropped by an estimated 2%; 25,000 jobs disappeared, creating the region's first net job loss in nine years. (Source: Joint Ventures Index of Silicon Valley)



The Assessor's Annual Report provides a snapshot of the dramatic changes in the region's economy and details the assessment roll for Santa Clara County as of January 1, 2002, the lien date.

Assessment Growth

The assessed value of property in Santa Clara County increased by \$11 billion, less than half of last year's record increase of \$26.9 billion. The total assessed value of all real and business personal property was \$210.8 billion, an increase of 5.52% over the prior year. This deceleration followed last year's stunning 15.56% increase, which set a record for the single largest dollar gain in assessed property values in Santa Clara County history.

During calendar year 2001, a significant decline in real estate transactions, including changes of ownership and new construction, was recorded for all

types of properties including homes, condominiums and apartment complexes, in addition to office buildings, shopping centers and industrial campuses. Many of the County's 55,000 businesses disposed of machinery, equipment, computers and fixtures instead of making major investments in new equipment and physical facilities. The assessed value of business personal property actually declined by 2.56%.

Although the rate of growth of assessed values slowed for most cities in Santa Clara County, the average net increase ranged from a high of 12.27% in Morgan Hill to 2.27% in Campbell.

The State of California continues as the major beneficiary of local property tax revenue. Sixty-one percent of all property tax revenue

Current Year Roll Growth*				
(Exclusive of Public Utility Valuations. Values in Billions.)				
2002-2003 Valuation Changes				
Assessment Roll Value Change:	2002-2003	2001-2002	Dollar Change	% Change+
Local Roll before exemptions	\$218.11	\$206.67	\$11.44	5.53%
Less: Nonreimbursable exemptions	(7.26)	(6.84)		
NET LOCAL ROLL VALUE	\$210.85	\$199.83	\$11.02	5.52%

*Minor discrepancies may occur due to rounding calculations. +Percentages based on non-rounded values

generated by property assessments in Santa Clara County is transferred to the State 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 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 school 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, Sunnyvale Elementary, Fremont Union, Santa Clara Unified, and 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 annually for determining the assessed value of all real and business personal property within Santa Clara County. Each year the professional staff 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 are the public institutions that serve as the foundation of our region’s quality of life.

This Annual Report presents a summary of the 2002-2003 assessment roll as of January 1, 2002, the lien date. The annual assessment roll, delivered by the Assessor to the County Auditor on July 1, 2002, 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 current assessments of the various cities and unincorporated areas over prior years, and illustrates the trends in assessment appeals. Assessments 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 assessed to reflect the fair market value only when there is a change in ownership or new construction. Assessed values generally reflect the cyclical Silicon Valley economy. The increase in assessed values of individual properties reflects 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, has been a primary reason for record growth in assessed values in recent years. 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.

However, when economic conditions cause a decline in property values, property owners lose equity. If the market value of a property as of the lien date, January 1, 2002, was less than the assessed value, the impacted property owner is entitled to a temporary adjustment. This year, in accordance with Proposition 8, the assessed values for 29,014 properties were reduced for a total reduction of \$4.45 billion—the single

largest one-year reduction in Santa Clara County history. To put this issue in perspective, for approximately every \$3 added to the assessment roll due to new construction, \$4 was eliminated due to the decline in assessed values caused by deteriorating market conditions.

Similarly, business personal property, which includes computers, machinery, equipment and fixtures, also experienced a precipitous decline. Assessed values are calculated from property statements filed each year by approximately 55,000 local businesses in Santa Clara County.

Accomplishments

During the economic downturn, our challenge is to respond proactively to changes in the marketplace. The result is a dramatic increase in workload, while we continue to provide timely and accurate assessments without compromising productivity and performance. We have been successful in both of these important areas over the past year, without an increase in staff. A sample of our major accomplishments includes:

- Completed the annual assessment roll on time and under budget.
- Since my election in 1994, I have returned \$5.38 million of my budget to the County's general fund.
- Reduced the assessed values of 29,014 properties.
- Introduced E-filing, which allows up to 30,000 businesses to file their business property statements on-line.
- Introduced a full activity based costing system, which will allow management to improve the allocation of limited resources to our mission and performance measures. This comprehensive cost accounting system is consistent with my commitment to fully implement a comprehensive performance based management and budgeting system.
- Resolved a record number of business personal property assessment appeals.
- Launched a new Assessor's web site with over 100 pages of information and 18 downloadable forms.
- Audited 1,085 business accounts pursuant to the California Revenue and Taxation Code.

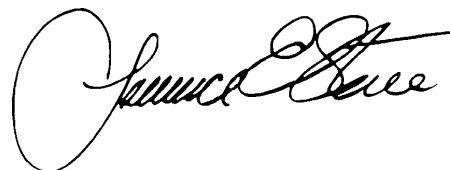
Trends and Future Goals

The continued growth and strength of the Silicon Valley economy is not as clear as in recent years. Additionally, the State of California is faced with a deficit far greater than ever imagined. Consequently it is now even more important that the Assessor's office continue to develop and implement creative ways to improve efficiency and productivity while continuing to reduce costs.

Some of the major projects include:

- Establishing a Integrated Document Imaging, Management and Workflow Project which will make the Assessor's office virtually paperless. When completed, this project will free up much-needed office space; eliminate costly storage; provide a more secure and reliable medium than paper; allow documents to be accessed by multiple employees; empower real-time collaboration among staff members, including employees from other County departments such as the County Recorder and Tax Collector; and ultimately allow transactions to be processed rapidly. Long term, the completion of this comprehensive project will enable employees to retrieve vital documents on-line, in real time and even from remote locations in the field.
- Selecting a vendor to replace the backbone of our electronic information system. This 3-5 year project will result in the replacement of the Assessor's 20-year-old information system with a state-of-the-art, browser-based information system that will significantly enhance staff performance, increase efficiency and improve customer service.

Finally, we will focus attention and resources on continuous improvement initiatives based on quality, service, innovation, accountability, and relevant partnerships. The Assessor's Office contains a group of employees that I believe are among the most talented and dedicated public servants anywhere in government.



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 the property is situated, including personal property or improvements located on leased land).

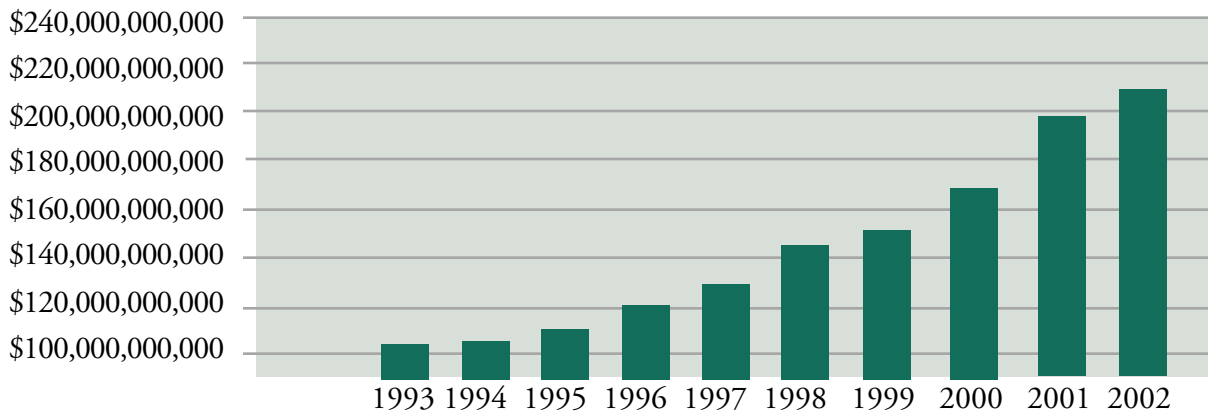
Exemption values include homeowner exemptions (reimbursable by the State), and other exemptions for non-profit organizations, including churches, welfare institutions, colleges, hospitals, and charitable properties (not reimbursed by the State).

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

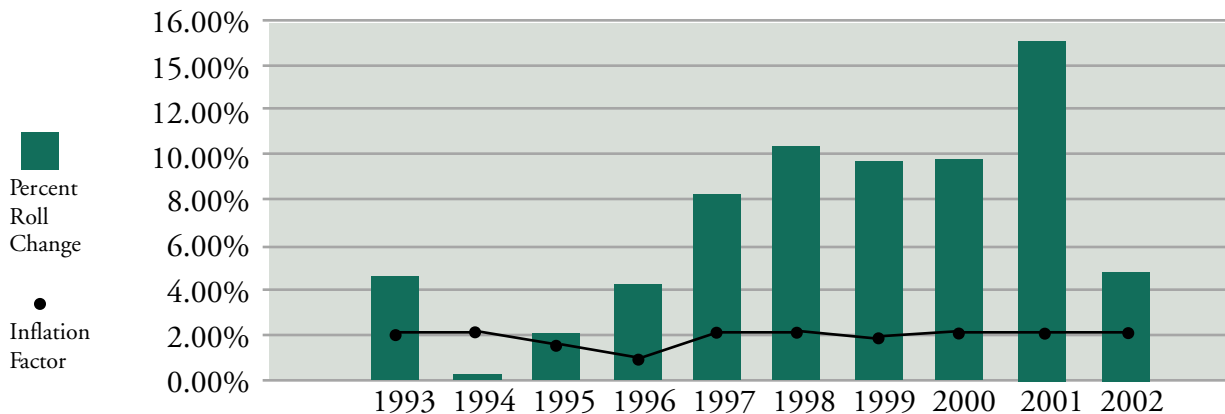
Over the past ten years, Santa Clara County's annual roll growth has ranged from more than 15% to less than 1%. The local economy has a significant impact on property transfer transactions and building permit activity. This year changes in property ownership accounted for 61% of the increase in assessed value over last year's assessment roll. Under Proposition 13, once a base value is established as a result of a change in ownership or new construction, the assessed value of a property can increase by no more than 2% annually based on 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				
2002-2003 Assessment Roll Compared to 2001-2002 (Exclusive of Public Utility Valuations)				
	2002-2003	2001-2002	Difference	Change
Land	\$81,861,799,493	\$75,362,705,740	\$6,499,093,753	8.62%
Improvements (Real Property)	104,115,873,671	98,389,796,768	5,726,076,903	5.82%
Improvements (Business Div)	<u>1,319,248,747</u>	<u>1,563,025,263</u>	<u>-243,776,516</u>	-15.60%
Subtotal	\$187,296,921,911	\$175,315,527,771	\$11,981,394,140	6.83%
Personal Property	\$4,755,488,764	\$4,916,446,742	\$-160,957,978	-3.27%
Mobilehomes	<u>477,550,418</u>	<u>428,866,732</u>	<u>48,683,686</u>	11.35%
Subtotal	\$5,233,039,182	\$5,345,313,474	\$-112,274,292	-2.10%
TOTAL Gross Secured	\$192,529,961,093	\$180,660,841,245	\$11,869,119,848	6.57%
Less: Other Exemptions (sec)	-5,940,798,629	-5,611,850,311	-328,948,318	5.86%
NET SECURED	\$186,589,162,464	\$175,048,990,934	\$11,540,171,530	6.59%
TOTAL Gross Unsecured	\$25,582,122,927	\$26,014,106,992	\$-431,984,065	-1.66%
Less: Other Exemptions (unsec)-	1,322,886,248	-1,237,278,298	-85,607,950	6.92%
NET UNSECURED	\$24,259,236,679	\$24,776,828,694	\$-517,592,015	-2.09%
TOTAL Local Roll	\$210,848,399,143	\$199,825,819,628	\$11,022,579,515	5.52%
Homeowners' Exemption	\$1,998,235,725	\$2,014,918,925	\$-16,683,200	-0.83%

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*
2002-03	\$210,848,399,143	\$11,022,579,515	5.52%	2.00%
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%

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

Factors Causing Change to the 2002-2003 Assessment Roll (in Billions)

	Dollar Change	% of Change		Dollar Change	% of Change
Proposition 8 net change+	-\$4.16	77%	Change in ownership (net of CPI)*	\$9.97	61%
Business Personal Property	-0.84	15%	New Construction (net of CPI)	3.66	22%
Exemptions	-0.41	8%	CPI factor (2%)**	2.80	17%
Subtotal of decline in values	-\$5.41	100%	Subtotal of increases in value	\$16.43	100%

Grand Total of Changes to Assessment Roll \$11.02

+ 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.

How Tax Bills Are Calculated

After the County Assessor 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.

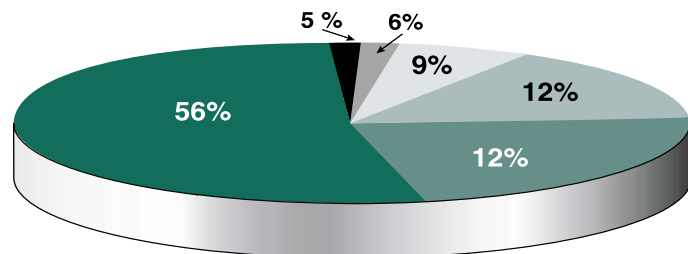
The property tax revenue collected by the County Tax Collector supports schools (including local elementary, high school and community college districts) and local government agencies including cities, redevelopment agen-

cies, 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, please contact the Santa Clara County Tax Collector at (408) 808-7900 or the Controller at (408) 299-5200.

*Santa Clara County Property Tax Revenue Allocation**

- K-12 Public Schools 56%
- County 12%
- Redevelopment Agencies 12%
- Cities 9%
- Special Districts 6%
- Community Colleges 5%



*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 inquire why they are paying substantially more in property taxes than a neighbor residing in a comparable property. 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:

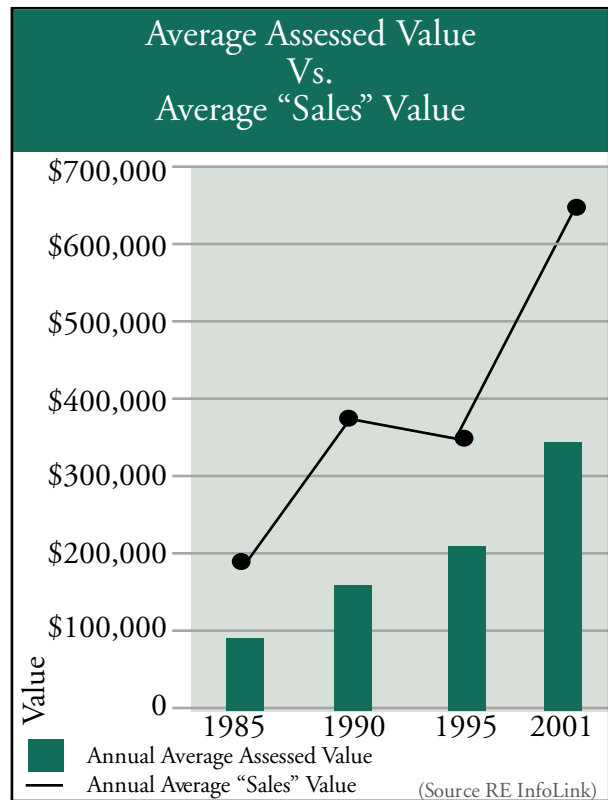
- The property tax cannot exceed 1 % of a property's taxable value, plus bonds approved by the voters, service fees, improvement bonds, and special assessments.
- A property's original base value is its 1975-76 market value. A new base year value is established by reappraisal, whenever there is a change 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

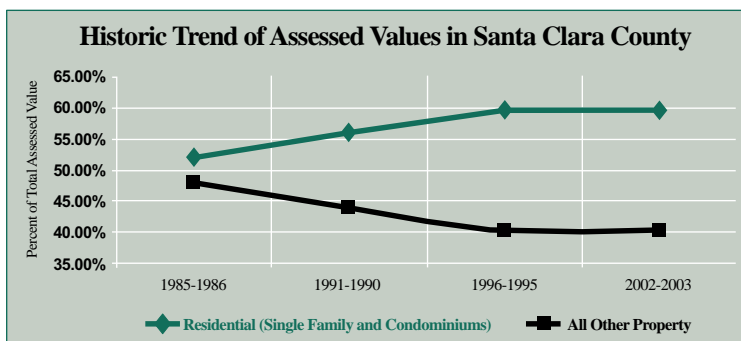
between the market value and assessed value of property in Santa Clara County. Long time property owners benefit from lower assessments while new, and frequently younger property owners, are adversely impacted by assessments that can be as much as ten times greater than that of a similar property held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

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



Historical trend of assessed values 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 17 years 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 California counties.



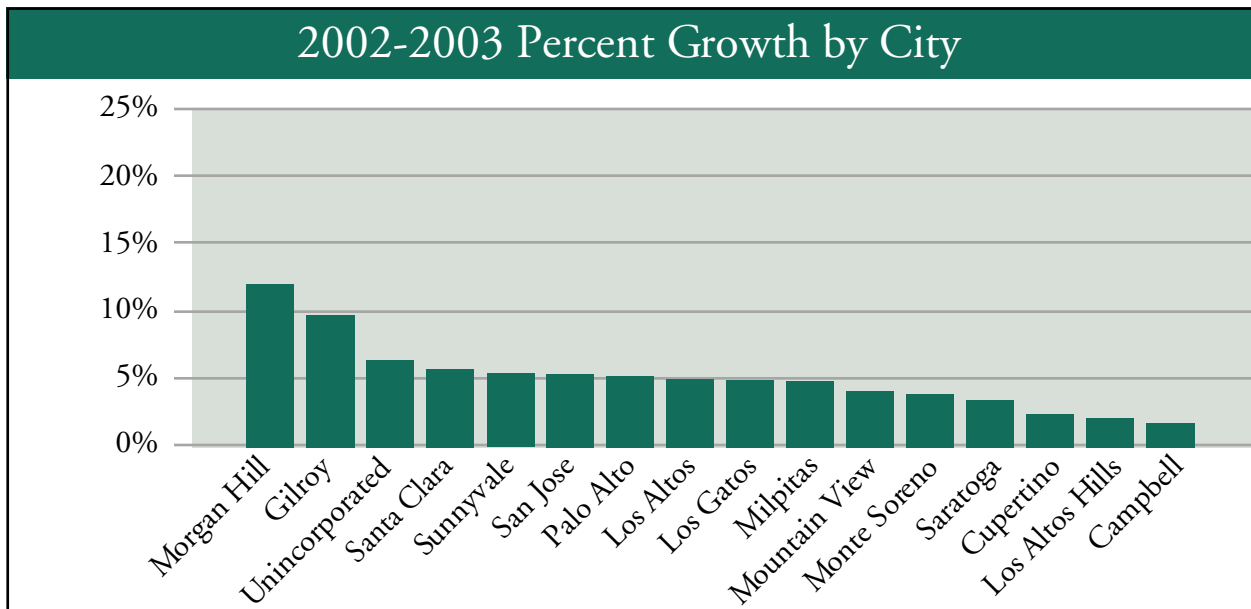
- All other real property
- Residential (Single Family and Condominiums)

Assessment Information by City

Assessment Roll Growth by City			
(Values in Billions*)			
	Total Roll 2002	Total Roll 2001	Percent Growth**
Campbell	\$4.22	\$4.13	2.27%
Cupertino	8.69	8.47	2.56
Gilroy	3.94	3.59	9.72
Los Altos	5.45	5.18	5.05
Los Altos Hills	2.98	2.91	2.33
Los Gatos	5.16	4.92	4.96
Milpitas	9.81	9.36	4.81
Monte Sereno	0.94	0.90	3.83
Morgan Hill	4.18	3.73	12.27
Mountain View	11.33	10.90	3.94
Palo Alto	13.84	13.13	5.37
San Jose	86.58	81.82	5.83
Santa Clara	19.43	18.33	5.97
Saratoga	6.49	6.27	3.47
Sunnyvale	17.99	16.99	5.94
Unincorporated	9.82	9.20	6.76
TOTALS	\$210.85	\$199.83	5.52%

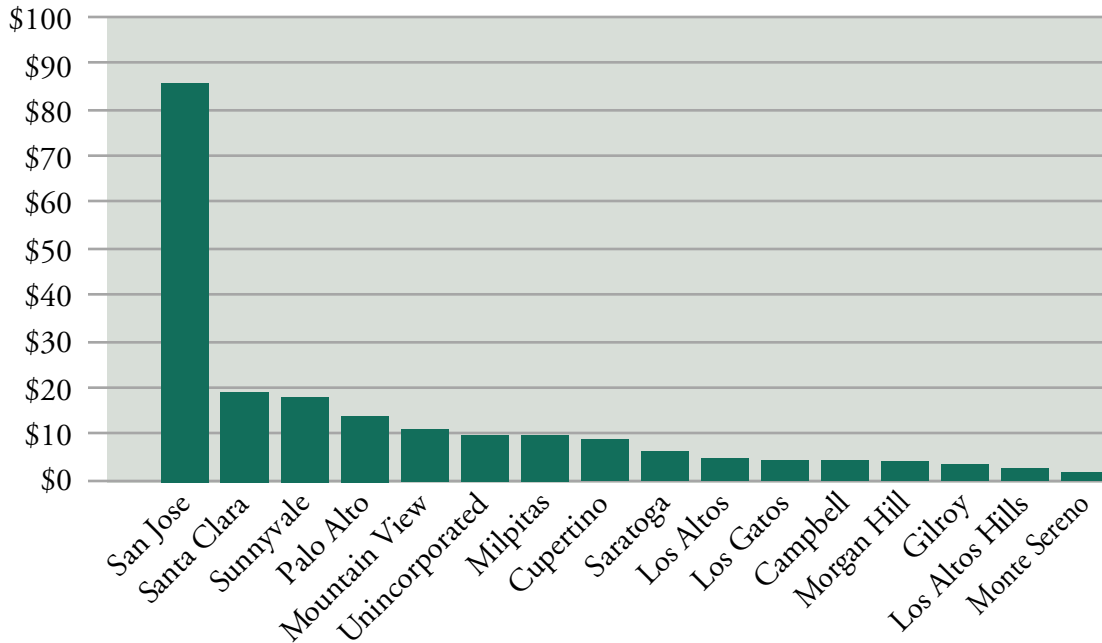
* Net of nonreimbursable exemptions
 ** Percentages based on non-rounded values

The rate of assessment growth slowed throughout Santa Clara County. However, there were wide differences from community to community. For example Morgan Hill experienced assessed valuations that averaged a net increase of 12% while Campbell was 2.27%, compared to the County average of 5.52%.



2002-2003 Net Assessment Roll Distribution by City

(Values in Billions)



2002-2003 Net Assessment Roll by City

(Values in Billions)

	Secured CITY	Secured RDA*	Unsecured CITY	Unsecured RDA*	Total Roll**	Percent of Roll+
Campbell	\$3.41	\$0.49	\$0.21	\$0.11	\$4.22	2.00%
Cupertino	8.02	0.10	0.56	0.01	8.69	4.12
Gilroy	3.54	-	0.40	-	3.94	1.87
Los Altos	5.35	-	0.09	-	5.45	2.58
Los Altos Hills	2.98	-	-	-	2.98	1.41
Los Gatos	4.32	0.64	0.15	0.05	5.16	2.45
Milpitas	5.37	2.61	1.19	0.64	9.81	4.65
Monte Sereno	0.94	-	-	-	0.94	0.44
Morgan Hill	2.18	1.72	0.02	0.26	4.18	1.98
Mountain View	8.09	1.41	0.94	0.89	11.33	5.37
Palo Alto	12.19	-	1.65	-	13.84	6.56
San Jose	63.65	13.31	4.15	5.47	86.58	41.06
Santa Clara	13.64	1.58	3.05	1.16	19.43	9.21
Saratoga	6.44	-	0.05	-	6.49	3.08
Sunnyvale	14.74	0.28	2.94	0.03	17.99	8.53
Unincorporated	9.59	-	0.24	-	9.82	4.66
TOTALS	\$164.45	\$22.14	\$15.64	\$8.62	\$210.85	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 +Percentages based on non-rounded values

2002-2003 Real Property Distribution by City

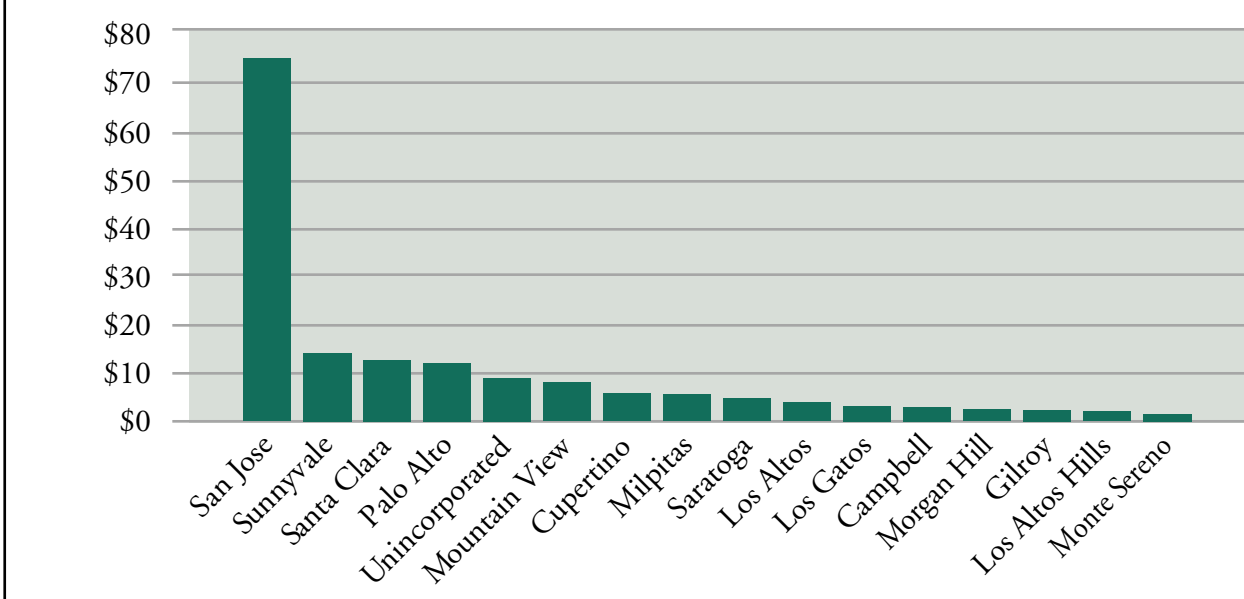
(Values in Billions)

	Land Value	Improvement Value	Total Value	Exemptions*	Net Total	Parcel Count
Campbell	\$1.79	\$2.16	\$3.95	\$0.06	\$3.89	10,766
Cupertino	3.80	4.16	7.96	0.08	7.88	15,003
Gilroy	1.38	2.19	3.57	0.09	3.48	11,050
Los Altos	3.15	2.25	5.40	0.05	5.35	10,596
Los Altos Hills	1.68	1.33	3.01	0.04	2.97	2,986
Los Gatos	2.45	2.61	5.06	0.11	4.95	10,346
Milpitas	3.09	4.76	7.85	0.11	7.74	15,309
Monte Sereno	0.51	0.43	0.94	0.00	0.94	1,251
Morgan Hill	1.48	2.45	3.93	0.07	3.86	9,781
Mountain View	4.19	5.26	9.45	0.13	9.32	17,685
Palo Alto	6.14	6.59	12.73	0.91	11.82	19,528
San Jose	31.62	44.97	76.59	1.75	74.84	217,222
Santa Clara	5.57	8.05	13.62	0.41	13.21	25,899
Saratoga	3.56	2.94	6.50	0.06	6.44	10,944
Sunnyvale	6.48	7.79	14.27	0.10	14.17	29,148
Unincorporated	4.97	6.18	11.15	1.75	9.40	32,167
Total	\$81.86	\$104.12	\$185.98	\$5.72	\$180.26	439,681

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

2002-2003 Real Property Distribution by City

(Values in Billions)



2002-2003 Business Personal Property Distribution by City

(Values in Billions)

	Secured *	Unsecured **	Net Total	Percent of Value	Value % Growth
Campbell	\$0.01	\$0.32	\$0.33	1.07%	-13.32%
Cupertino	0.24	0.57	0.81	2.62	-9.95
Gilroy	0.06	0.40	0.46	1.52	-8.26
Los Altos	-	0.09	0.09	0.32	5.17
Los Altos Hills	-	-	-	0.02	-
Los Gatos	0.01	0.20	0.21	0.70	8.02
Milpitas	0.24	1.83	2.07	6.76	0.24
Monte Sereno	-	-	-	0.01	-
Morgan Hill	0.04	0.28	0.32	1.04	35.79
Mountain View	0.19	1.82	2.01	6.58	-9.64
Palo Alto	0.37	1.65	2.02	6.61	0.70
San Jose	2.11	9.63	11.74	38.39	-4.94
Santa Clara	2.01	4.21	6.22	20.31	-2.81
Saratoga	-	0.05	0.05	0.16	8.58
Sunnyvale	0.85	2.97	3.82	12.49	5.55
Unincorporated	0.20	0.24	0.44	1.40	13.16
Totals	\$6.33	\$24.26	\$30.59	100.0%	-2.56%

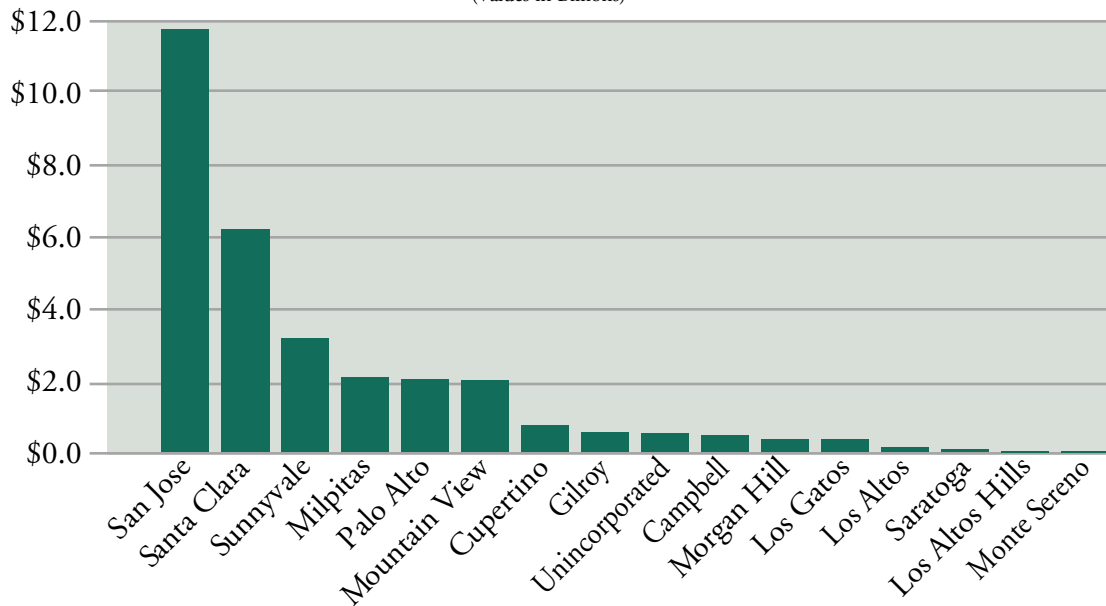
*Secured: Taxes which are a lien on Real Property to secure payment of the taxes

**Unsecured: Taxes which are not a lien on Real Property

Net of Nonreimbursable Exemptions; Includes Mobilehomes and Possessory Interest Assessments

2002-2003 Business Personal Property Distribution by City

(Values in Billions)



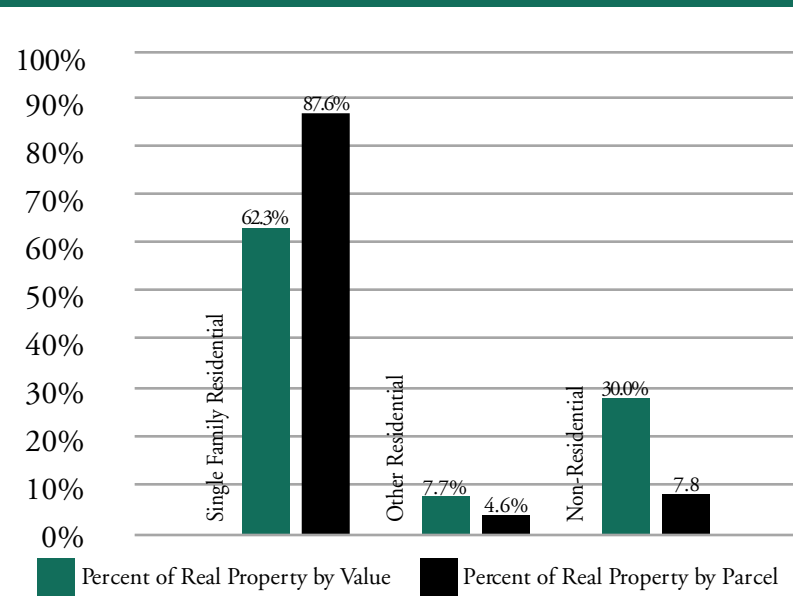
2002-2003 Real Property Distribution of Value by Property Type

Property Type	Value* (In Billions)	Value Growth	Value % Percentage	Parcel Count	Parcel Percentage+
Single Family Detached	\$97.86	\$6.32	54.29%	321,063	73.02%
Condominiums	14.37	6.17	7.97	63,963	14.55
Office	11.55	7.07	6.41	4,329	0.98
Apartments 5+ units	9.91	7.84	5.50	4,738	1.08
R&D Industrial	8.87	18.51	4.92	646	0.15
Other Industrial					
Non-Manufacturing	8.55	4.43	4.74	3,853	0.88
Specialty Retail & Hotels	6.16	4.15	3.42	5,880	1.34
Other Urban	5.78	13.72	3.21	8,940	2.03
Electronic & Machinery Mfg.	4.72	4.05	2.62	475	0.11
Single Family 2-4 units	3.99	5.82	2.21	15,286	3.48
Major Shopping Centers	3.16	7.40	1.76	817	0.19
Other Industrial					
Manufacturing	3.11	9.08	1.72	1,654	0.38
Agricultural	1.44	2.14	0.80	6,553	1.49
Public & Quasi-Public	0.73	13.78	0.40	1257	0.29
Residential Misc.	0.06	1.46	0.03	227	0.05
Totals	\$180.26	\$7.02	100.00%	439,681	100.00%

+ Percentages based on non-rounded values

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

2002-2003 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 properties, 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 disposed of machinery, equipment, computers and fixtures instead of making major investments in new equipment and physical facilities, the assessed value of business property actually declined 2.56%. In Santa Clara County,

the assessed value of business property is 14.5% of the entire assessment roll. Statewide the average of unsecured business property accounts is 6%. While Santa Clara County ranks fifth in population, and has historically ranked fourth in assessment value, it is second only behind Los Angeles in the assessed value of business personal property.

2002-2003 Business Personal Property Distribution of Value by Type

(Values in Billions)

Property Type	Secured*	Unsecured**	Total***	% of Value+	Value % Growth
Electronic Manufacturing	\$1.69	\$6.01	\$7.70	25.17%	11.21%
Professional Services	0.29	6.56	6.85	22.41	-2.32
Other Manufacturing	0.80	2.52	3.32	10.84	-6.60
Computer Manufacturing	1.08	2.13	3.21	10.51	-13.42
Semiconductor Manufacturing	1.82	0.94	2.76	9.03	0.24
Leased Equipment Subtotal	0.00	1.77	1.77	5.79	-14.85
Other	0.05	1.50	1.55	5.06	8.63
Retail	0.07	1.36	1.43	4.68	-1.06
Audit Escapes	0.00	1.02	1.02	3.33	-25.65
Mobile Homes	0.48	0.00	0.48	1.56	11.35
Aircraft	0.00	0.29	0.29	0.93	-43.37
Financial Institutions	0.01	0.09	0.10	0.31	23.10
Boats	0.00	0.06	0.06	0.21	7.22
Apartments	0.04	0.01	0.05	0.17	16.80
TOTAL	\$6.33	\$24.26	\$30.59	100.00%	-2.56%

* Secured: Taxes that are a lien on real property to secure payment of taxes.

** 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, 2002, 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.]

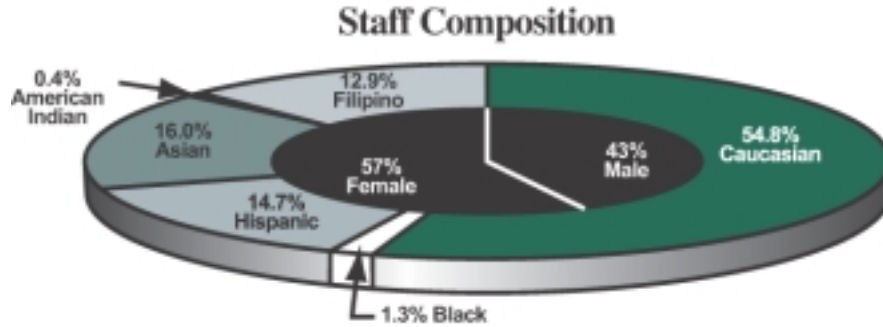
Top 25 Companies* (last year's ranking)

1 Cisco Systems (1)	10 American Airlines (10)	19 Comdisco (14)
2 Intel (2)	11 AboveNet Com. (11)	20 Calpine (12)
3 Applied Materials (5)	12 Legacy Partners Com.	21 National Semiconductor (24)
4 IBM (3)	13 AMD (15)	22 Alza Corporation (25)
5 Sun Microsystems (6)	14 KLA Tencor Corp. (21)	23 Nortel Networks
6 Lockheed (4)	15 Space Systems Loral	24 Cadence Design Sys.
7 Hewlett-Packard (7)	16 Novellus Systems (17)	25 Solectron Corporation
8 Exodus Communications (8)	17 Maxim Integrated Prod. (22)	
9 Agilent Technologies (9)	18 Sanmina Corporation (19)	

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

Organizational Overview of

Asse
Assistant



Assessment Standards & Services

Division Description

Responsible for locating and identifying ownership and reappraisability on all taxable real property. In addition, professional staff members monitor assessment appeal information; process legal appeals; maintain and update assessment maps; manage the public service center 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 is certified by the State Board of Equalization as an appraiser and another holds an *advanced* appraiser certification.

Major Accomplishments	2002/2003	2001/2002
Ownership Title Documents Received	80,722	78,623
Change in Ownership Reviewed (reassessable events)	25,147	34,466
Parcel Number Changes (split & combinations)	2,909	3,979

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, 72 of the 96 staff members are professionals certified by the State Board of Equalization as appraisers, including 36 who are certified as *advanced* appraisers.

Major Accomplishments	2002/2003	2001/2002
Real Property Parcels (secured; taxable)	439,681	437,874
Permits Processed	28,201	31,155
New Construction Appraised	14,343	16,111
Proposition 8 Parcels (temporary reductions)	29,014	300
Change in Ownership Assessed (reassessable events)	25,147	34,466

The County Assessor's Office

ASSOR
Assessor

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

<p align="center">Administration Division</p> <p>Division Description Responsible for providing administrative and fiscal support services to the Assessor's Office; including budget, personnel, payroll, purchasing, facilities management and internal/external communications.</p> <p>Staff Composition A staff of 11, includes the Assessor, Assistant Assessor and Director of Special Programs & External Affairs. Three are certified as appraisers by the State Board of Equalization.</p> <table border="0"> <tr> <td></td> <td align="center">2002/2003</td> <td align="center">2001/2002</td> </tr> <tr> <td>Assessor's Budget</td> <td align="right">\$19, 242,541</td> <td align="right">\$17,978,146</td> </tr> <tr> <td>Employees In the Assessor's Office</td> <td align="right">247</td> <td align="right">247</td> </tr> </table>		2002/2003	2001/2002	Assessor's Budget	\$19, 242,541	\$17,978,146	Employees In the Assessor's Office	247	247	<p align="center">Information Systems Division</p> <p>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.</p> <p>Staff Composition The 11 member staff has a broad knowledge of advanced computer systems and includes an SBE certified <i>advanced</i> appraiser.</p>	<p align="center">Exemption Division</p> <p>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.</p> <p>Staff Composition The 11 staff members are skilled in property tax exemptions law.</p>
	2002/2003	2001/2002									
Assessor's Budget	\$19, 242,541	\$17,978,146									
Employees In the Assessor's Office	247	247									

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 1,085 audits. The Division also manages assessment appeals involving personal property. Businesses with personal property valued in excess of \$400,000 are audited once every four years.

Staff Composition
Forty-six of the sixty-seven staff members are certified as auditor appraisers as well as eleven staff members who have *advanced* certification awarded by the State Board of Equalization. The staff is comprised of accountants and experts skilled in assessing and auditing high-tech businesses.

Major Accomplishments	2002/2003	2001/2002
Mobile Home Parcels Assessed	8,910	8,557
Business Personal Property (BPP) Assessments Processed	113,519	113,336
Total Business Personal Property Appraisals Enrolled	83,714	80,799
BPP Enrolled on the Secured Roll	11,901	11,748

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 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 resulting 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.

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

Assessment Appeals				
(Values in Billions)				
Year	Appeals	Total Local Roll **	Value at Risk *	Percent of Roll at Risk+
2001	2,028	\$199.83	\$13.95	7.0%
2000	1,751	172.92	\$8.84	5.1
1999	1,790	157.57	7.32	4.6
1998	1,949	144.52	9.20	6.4
1997	3,901	130.81	10.21	7.9

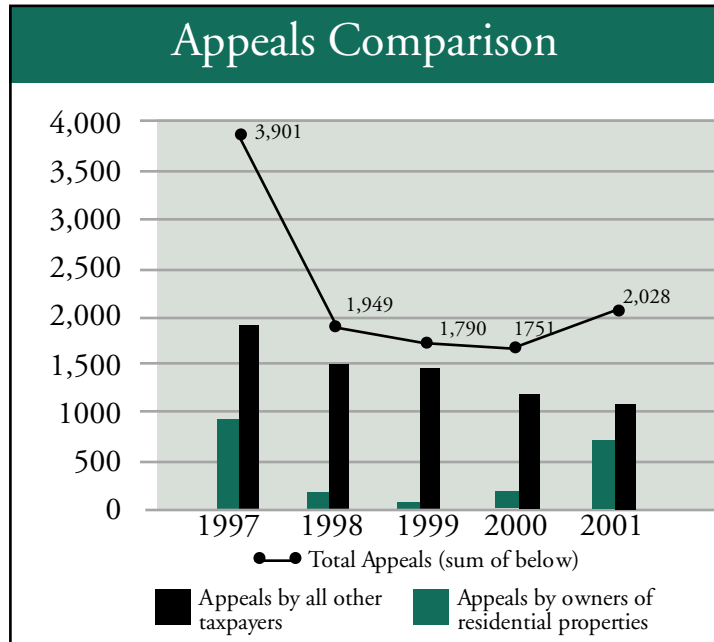
* Value at Risk: The difference of value between the assessed roll value and applicants' opinion of value compiled at the end of the filing year.
 ** Local Roll Value: Net of nonreimbursable exemptions
 + Percentages based on non-rounded values
 Note: For roll year 2001, 55 appeals applications have not yet been validated. Value at risk may change as Applications are validated.

As economy slows, appeals by homeowners increase

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 167 in 1999.

When the economy slowed in 2001, the Assessor's Office once again saw a significant increase in the number of appeals filed by homeowners. Between 2000 and 2001 the number of homeowner appeals jumped from 236 to 871.

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.



Frequently Asked Questions

Q. Can I transfer my current assessed 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) 299-5500.

Q. I plan to transfer my home to my child; can he/she 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.

Proposition 8

The assessed values of 29,014 properties were reduced by the Assessor's Office, as of the lien date January 1, 2002, to reflect changes in market conditions for a total reduction of \$4,450,972,328. This represents a 16.53% decline from what would have been the assessed value of these properties had the market value not declined below the Proposition 13 protected assessed value.

The "temporary" reductions in assessed value are mandated by Proposition 8, passed by California voters in November 1978. Proposition 8 provides that property owners are entitled to the "lower" of the fair market value of their property as of January 1, 2002, or the assessed value as determined at the time of purchase or construction, and increased by no more than 2% annually.

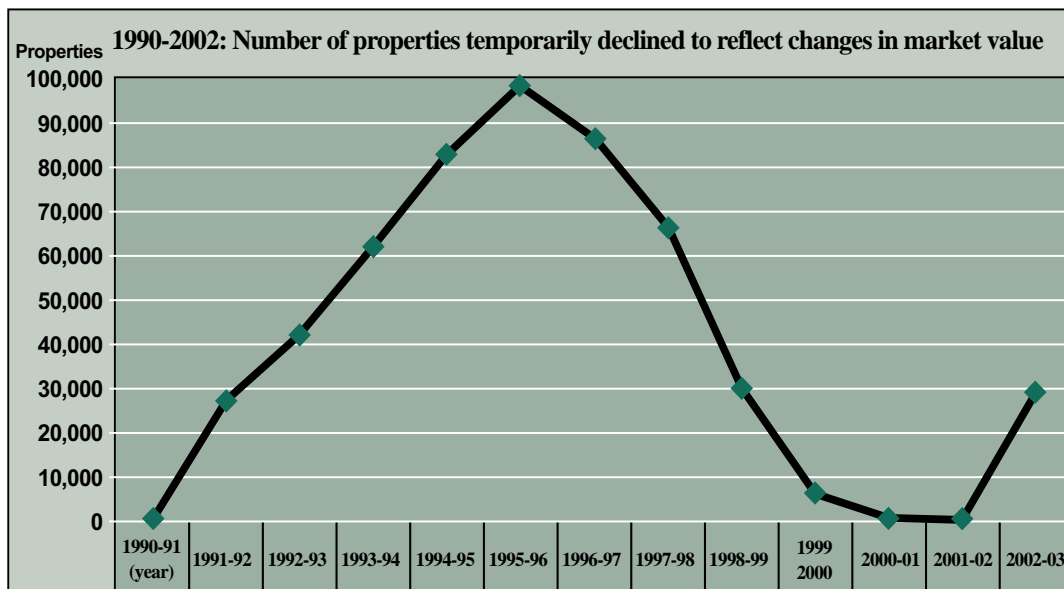
The overwhelming majority of the reductions are properties that were purchased or constructed at the 'top of the market,' between 1999 and 2001. Properties where the market value exceeds the assessed value, as of January 1, 2002, are not eligible for an adjustment.

Properties with Temporary Declines

(Values in Billions)

City	Number of Properties	Values Declined*	Percent of Decline**
Campbell	789	\$0.05	10.87%
Cupertino	1,018	0.20	15.92
Gilroy	634	0.02	5.94
Los Altos	612	0.19	21.88
Los Altos Hills	132	0.16	28.71
Los Gatos	735	0.15	18.85
Milpitas	1,046	0.21	16.92
Monte Sereno	76	0.03	17.59
Morgan Hill	845	0.05	9.32
Mt View	1,412	0.27	16.26
Palo Alto	1,187	0.46	23.63
San Jose	14,980	1.51	14.01
Santa Clara	1,611	0.21	14.00
Saratoga	696	0.28	22.54
Sunnyvale	2,011	0.47	18.88
Unincorporated	1,230	0.19	17.29
Total	29,014	\$4.45	16.53%
Property Type			
Residential	28,151	2.45	13.42
Apartments	322	0.13	18.78
Commercial & Industrial	364	1.65	24.04
Retail and Hotels	168	0.22	19.75
Agricultural	9	-	30.43
Total	29,014	\$4.45	16.53%

* Represents decline in assessed value had the market value exceeded the proposition 13 protected factored base year value
 ** Percentages based on non-rounded values



Exemptions

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

...Stanford received an exemption of \$3.2 Billion in assessed value...the second largest exemption in California...

Qualifying Exemptions

(Values in Billions)

Exemption	Roll Units	Total Value	% of Exempted Value+
Private Colleges	330	\$3.49	37.71%
Non Profits*	1,121	2.37	25.60
Homeowner**	285,136	2.00	21.57
Churches	1,146	0.74	7.99
Hospitals	20	0.35	3.80
Cemeteries	35	0.12	1.24
Private Schools	64	0.09	0.99
Misc	47	0.05	0.57
Disabled Veterans	493	0.04	0.44
Museums	9	0.01	0.06
Historical Aircrafts	60	-	0.03
Total	288,461	\$9.26	100.00%
Exemptions not reimbursed by California	3,325	\$7.26	

* These categories include 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.

+ Percentages based on non-rounded values

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 incorpo-

rate 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.

Most populous 25 California Counties: 2000-2001 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	9,802,780	Los Angeles	2,607,812	Marin	125,302
Orange	2,925,741	Orange	962,631	San Mateo	112,938
San Diego	2,883,595	San Diego	951,683	Santa Clara	102,043
San Bernardino	1,764,334	San Bernardino+	759,994	San Francisco	98,666
Santa Clara	1,723,680	Riverside	718,765	Placer	95,658
Riverside	1,609,356	Santa Clara	504,861	San Luis Obispo	87,669
Alameda	1,479,054	Sacramento	472,592	Contra Costa	87,030
Sacramento	1,258,629	Alameda	462,789	Santa Barbara	80,926
Contra Costa	972,103	Kern	382,423	Orange	78,179
Fresno	823,909	Contra Costa	368,726	Sonoma	77,763
San Francisco	793,729	Ventura	289,515	Santa Cruz	75,933
Ventura	773,539	Fresno	288,179	Alameda	75,748
San Mateo	720,147	San Mateo+	238,030	Ventura	73,872
Kern	658,811	San Francisco	218,329	San Diego	68,175
San Joaquin	583,667	Sonoma	205,239	Monterey	68,073
Sonoma	468,754	San Joaquin	198,555	Kern	66,123
Stanislaus	459,864	San Luis Obispo	165,814	Los Angeles	60,239
Monterey	410,772	Stanislaus	155,979	Solano	57,187
Santa Barbara	408,855	Tulare	148,156	Riverside	55,712
Solano	403,405	Santa Barbara+	146,017	Sacramento	51,644
Tulare	377,464	Placer	141,152	San Joaquin	50,650
Santa Cruz	259,827	Solano	137,118	San Bernardino	47,181
Placer	257,511	Monterey	136,047	Stanislaus	45,670
San Luis Obispo	252,067	El Dorado	118,574	Fresno	42,359
Marin	250,442	Marin	108,783	Tulare	41,846

* 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.

+ Data from SBE report on budgets, workloads, and assessment appeals, 1999-2000

Source: California State Board of Equalization (SBE): Preliminary, unaudited version of "A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices 2000-2001," July 2002.

Top 25 California Counties 2000-2001 Secured, Unsecured and Total Assessment Roll*

(Values in Thousands)

County	Secured Roll	County	Unsecured Roll	County	Total Net Roll Value
Los Angeles	\$551,648,292	Los Angeles	\$38,862,504	Los Angeles	\$590,510,796
Orange	213,564,809	Santa Clara	18,984,506	Orange	228,730,926
San Diego	186,548,635	Orange	15,166,117	San Diego	196,588,984
Santa Clara	156,904,747	San Diego	10,040,349	Santa Clara	175,889,254
Alameda	102,914,045	Alameda	9,121,874	Alameda	112,035,919
Riverside	85,549,275	San Mateo	9,092,214	Riverside	89,659,644
Contra Costa	81,177,648	San Francisco	7,009,929	Contra Costa	84,601,742
San Bernardino	77,086,200	San Bernardino	6,156,493	San Bernardino	83,242,694
San Mateo	72,239,428	Riverside	4,110,369	San Mateo	81,331,641
San Francisco	71,304,120	Sacramento	3,684,099	San Francisco	78,314,049
Sacramento	61,316,560	Contra Costa	3,424,094	Sacramento	65,000,658
Ventura	54,214,890	Ventura	2,927,691	Ventura	57,142,581
Kern	41,438,280	Kern	2,124,251	Kern	43,562,531
Sonoma	34,709,053	Fresno	2,080,804	Sonoma	36,451,862
Fresno	32,819,067	Santa Barbara	1,955,491	Fresno	34,899,871
Santa Barbara	31,131,342	San Joaquin	1,912,117	Santa Barbara	33,086,833
Marin	30,231,333	Sonoma	1,742,809	Marin	31,380,759
San Joaquin	27,650,555	Monterey	1,372,712	San Joaquin	29,562,672
Monterey	26,589,600	Stanislaus	1,206,627	Monterey	27,962,312
Placer	23,795,160	Marin	1,149,425	Placer	24,633,110
Solano	22,127,823	Solano	941,872	Solano	23,069,695
San Luis Obispo	21,401,332	Placer	837,950	San Luis Obispo	22,098,345
Stanislaus	19,795,444	Tulare	804,144	Stanislaus	21,002,071
Santa Cruz	19,013,309	Santa Cruz	716,120	Santa Cruz	19,729,429
Tulare	14,991,300	San Luis Obispo	697,013	Tulare	15,795,444

Source: California State Board of Equalization (SBE): Preliminary, unaudited version of "A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices 2000-2001," July 2002.

* Minor discrepancies may occur due to rounding calculations.

The California State Board of Equalization publishes a comparative analysis of the secured and unsecured assessment rolls for all 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 performance based budgeting and management initiative. Based on the simple idea that what gets measured gets done, the new system establishes a clear mission statement, measurable performance indicators designed to quantify improvement over time, all tied to the budget. 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 line staff and managers.

Performance Measures

- 1. 98.9% of assessments were completed by June 30, 2001.**

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. 97% of assigned mandatory audits were completed by June 30, 2001.**

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.

* Data to be collected in subsequent year

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 were 93% of the budget in FY 2001.

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.

Frequently Asked Questions

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

A. 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. Items such as home furnishings, personal effects and business inventories are not assessable real property.

Q. What can I do if I think my assessment is too high? (i.e., higher than market value)

A. The Assessor has a one page appeals

form which is available on-line at www.scc-assessor.org. Any supporting data (appraisals, comparables, multiple listings, etc.) will be helpful in expediting a reduction if an adjustment is warranted.

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

A. 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.

*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.

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 2002-2003 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 2002-2003 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.

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 439,000 separate real property parcels. There were almost 3,000 changes in parcel numbers, and there were over 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 14,000 new construction activities, and processed more than 110,000 business personal property assessments.

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 supports 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
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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 299-5500 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. Llamos al (408) 299-5500.

Disclaimer: This document presents a distribution of the 2002-2003 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, 2002.

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) 299-5500

Real Property (land and improvements) (408) 299-5300

Personal Property, including Business,

Mobilehomes, Boats and Airplanes (408) 299-5400

Property Tax Exemptions (408) 299-6460

Change in Ownership Issues (408) 299-5520

Mapping (408) 299-5550

Administration (408) 299-5570

Administration Fax (408) 297-9526

Assessor Web Site www.scc-assessor.org

County Web Site www.santaclaracounty.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) 808-7900

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.