

# Disaster Strikes: Now What?

The Perspective of an Assessor

BOE Meeting  
June 25, 2019



# Focus

- ▶ People

- ▶ Evacuees/Survivors

- ▶ Staff

- ▶ Paperwork

- ▶ FEMA/OES Reimbursement

- ▶ Roll Corrections

# Property Tax Relief

- ▶ Reduction in Assessed Value [R&T § 170]
- ▶ Deferral of Next Property Tax Installment [R&T § 194 et seq]
- ▶ Transfer of Base Year Value to another property

## Key Pieces:

- ▶ Property must have been assessed
- ▶ Damage cannot have been caused by the owner

# Property Tax Deferral

- ▶ County Eligibility
  - ▶ Governor Declared Disaster
  - ▶ County Ordinance for Tax Relief

# Property Tax Deferral

## ▶ Eligible Property

- ▶ In an eligible county
- ▶ Sustained substantial damage
- ▶ Owner filed a Claim for Reassessment
- ▶ Homeowners' Exemption

# Substantial Damage

- ▶ If eligible for Homeowners' Exemption:

- ▶ More than 10% of market value

Or

- ▶ \$10,000 in damage

Whichever is less

- ▶ Other Property:

- ▶ At least 20% of market value

# Property Tax Deferral

To Qualify Owner must file:

- ▶ Claim for Reassessment
  - And -
- ▶ Request deferral of next payment
- ▶ Both requests are made to the Assessor, not the Tax Collector
- ▶ Requirement to file can be waived by Ordinance



# Reduction in Assessed Value

- ▶ Before and After Appraisal
  - ▶ Before
    - ▶ Immediately before the disaster
    - ▶ As if no damage had occurred
  - ▶ After
    - ▶ Considers damage

# Reduction in Assessed Value

- ▶ For Assessment Purposes:
  - ▶ Value the entire appraisal unit
    - ▶ Determine contributory value of each component
      - ▶ Land
      - ▶ Improvements
      - ▶ Personal Property

# Reduction in Assessed Value

## ► Simple Formula:

$$\begin{array}{rcl} & \text{Value Before Damage} & \\ \text{minus} & \underline{\text{Value After Damage}} & \\ \text{equals} & \text{Damage} & \end{array}$$

Damage must exceed \$10,000 to qualify for reduction

# Reduction in Assessed Value

- ▶ Determine percentage reductions
- ▶ Reduce Assessed Value by the percentage

# Reduction in Assessed Value - Example

## Value Before Damage:

Land	\$	65,000
Improvements	\$	<u>335,000</u>
Total	\$	400,000

## Value After Damage

Land	\$	50,000
Improvements	\$	<u>0</u>
Total	\$	50,000

## % Change

23  
100

# Reduction in Assessed Value - Example

	Assessed Value	% Change	Reassessed Value
Land	\$ 25,000	23	\$ 19,250
Imps	<u>\$ 185,000</u>	100	<u>\$ 0</u>
Total	\$ 210,000		\$ 19,250
Taxes*	\$ 2,310.00		\$ 211.75

\* Assuming 1.1% effective tax rate

# Reduction in Assessed Value

Using Base Year Values:

If only one building is damaged

AND

You know its base year value...

Reduce the Improvement value by that contributory value

You'll still need to know the percentage reduction for the land







# Reduction in Assessed Value

- ▶ Last step is to correct the Assessment Roll

- ▶ Reduced value is enrolled as of

**1st of the month in which the calamity occurred**

- ▶ Prorated for the balance of the fiscal year

# Reduction in Assessed Value

Using the Example, assuming a calamity on October 24, 2019:

$$\begin{array}{rclclcl} \text{Taxes:} & \$ & 2,310.00 & \times & .25 & = & 577.50 \\ & & & & & & \\ & \$ & 211.75 & \times & .75 & = & \underline{158.81} \\ & & & & & & \$ 736.31 \end{array}$$

# What if we disagree?

- ▶ Appeal Rights

- ▶ 6 months from Notice of Reassessment

- ▶ Evidence

- ▶ Same as the Assessor – market values before and after the calamity

# Value Restoration

- ▶ Land values depend on the market
  - ▶ In Calaveras, values went up following the Butte Fire
  - ▶ Vacancy Rates plummeted



# Value Restoration

- ▶ Improvement Values

- ▶ Depend on what is reconstructed and when

- ▶ Same size and utility

- ▶ Restore factored base year value

- ▶ Larger structures

- ▶ Restore factored base year value plus value added



# Assessor Issues

- ▶ Day-to-Day Operations
  - ▶ File Security
  - ▶ Staff Safety
  - ▶ Mailing Addresses
- ▶ Documentation
  - ▶ Base Year Values of Components
  - ▶ Reductions
- ▶ Field Inspections
  - ▶ Outside Reports are not always accurate





# Safety in the Field

- ▶ Fashion [aka Personal Protective Equipment]
- ▶ Training/Awareness
  - ▶ Hazwhopper
  - ▶ Multiple Activities
    - ▶ Debris Removal
    - ▶ Tree Removal
    - ▶ Road Repairs
- ▶ Roads and Maps







# Aftermath

- ▶ It's not over when the fire is out
  - ▶ Clean up
  - ▶ Rebuilding
  - ▶ Other potential disasters
    - ▶ Flooding
    - ▶ Mud Flows

The background features abstract, overlapping geometric shapes in various shades of blue, primarily on the right side of the slide. The shapes include triangles and polygons of different sizes and opacities, creating a modern, layered effect. The word "Questions?" is centered in a dark grey serif font.

Questions?