

A MESSAGE FROM ASSESSOR TOM J. SLAVICH

My staff and I are committed in providing a timely, accurate and fair assessment roll for the citizens and property taxpayers of San Benito County. We are proud of the public service offered to all those inquiring about the assessment of property whether by telephone, office visit, web site inquiries or direct contact with our appraisal staff out in the field. As part of this service we provide this Annual Report summarizing relevant information regarding assessments as they relate to San Benito County.



The net assessment roll, excluding utilities declined 1.0% from last year. This amounts to a \$70 million reduction in taxable value. However, the total net taxable value exceeded \$6.5 billion for the 2008-2009 tax year. Business Personal Property values increased 10.1% over the prior year due to expansion of food production facilities.

Commercial, Industrial, and Agricultural Assessments increased 5.8% while Residential Assessments declined 4.2% due primarily to foreclosures and a significant reduction in sales volume. As a result of this economic downturn, we reduced the taxable value of 2,685 assessments by nearly \$294 million to conform with the California Constitutional Provisions commonly referred to as Proposition 8. (This Proposition, passed by the California Voters in 1978, requires that we reduce the taxable value of any real property with a fair market value as of January 1, 2008 that is lower than the Proposition 13 value.) Our staff will continue to monitor all relevant market data during calendar year 2008 to determine if further reductions are warranted for the 2009-2010 assessment year.

This year's accomplishments include:

- Implementing a new computerized Property Tax System fully integrated between the Assessor, Auditor and Tax Collector's Offices.
- Increasing involvement in the updating of parcels in the County-wide GIS System
- Reworking the Assessor's website to include more forms and information for the taxpayer.

These accomplishments will assist us in better serving the public.

I thank the entire Assessor's staff for their hard work and dedication to our office and the citizens of San Benito County. I also give a special thanks and recognition to the Board of Supervisors for their continued support of our office.

Sincerely,

Tom J. Slavich
Assessor

2008-2009 COUNTY TAXABLE VALUES BY PROPERTY TYPE
 (INCLUDES SECURED & UNSECURED ROLLS - EXCLUDES UTILITIES)

	<u>2007-2008 TAXABLE VALUE</u>	<u>2008-2009 TAXABLE VALUE</u>	<u>AMOUNT INCREASE (DECREASE)</u>	<u>PERCENT INCREASE (DECREASE)</u>
LAND	\$2,790,295,027	\$ 2,782,508,682	<\$ 7,786,345>	<0.3%>
IMPROVEMENTS	3,729,926,382	3,639,770,813	<90,155,569>	<2.5%>
PERSONAL PROPERTY	<u>269,488,188</u>	<u>296,753,216</u>	<u>27,265,028</u>	<u>10.1%</u>
<u>GROSS COUNTY VALUES</u>	<u>\$6,789,709,597</u>	<u>\$6,719,032,711</u>	<u>< \$70,676,886></u>	<u><1.0%></u>
<u>LESS EXEMPTIONS -</u>				
HOMEOWNERS	\$ 66,676,400	\$ 66,332,662	< \$ 343,738>	<0.5%>
MISC.	<u>70,035,194</u>	<u>73,698,368</u>	<u>3,663,174</u>	<u>5.2%</u>
TOTAL EXEMPTIONS	<u>\$ 136,711,594</u>	<u>\$ 140,031,030</u>	<u>\$ 3,319,436</u>	<u>2.4%</u>
<u>NET COUNTY VALUES</u>	<u>\$ 6,652,998,003</u>	<u>\$ 6,579,001,681</u>	<u><\$ 73,996,322></u>	<u><1.1%></u>

A WORD ABOUT PROPERTY TAXES

After determining the assessed value of all locally taxable property and granting all legal exemptions, the Assessor forwards the assessments to the Auditor-Controller's Office. The Auditor applies the appropriate tax rate and special assessments, determining the total tax due and submits this Tax Roll to the Tax Collector for billing and collection. Proposition 13 limits the basic property tax rate to one percent of the property's net taxable value.

The property tax revenue collected on the basic one percent tax rate is divided among the local governmental agencies in San Benito County. This revenue supports local schools, cities, redevelopment agencies, special districts, and San Benito County Government. The following chart illustrates how the tax dollars were distributed.

The fair and equitable valuation and assessment of all locally taxable property by our staff supports the delivery of essential public services provided to the residents and property owners of San Benito County. The Assessor does not apportion, calculate, bill or collect taxes. Please call the Auditor-Controller at (831)636-4090 for information regarding the allocation of property taxes. Please call the Tax Collector at (831)636-4034 for information regarding the payment and collection of property taxes.

San Benito County Property Tax Distribution (of each dollar of property tax collected)



2008-2009 TAXABLE VALUES BY SCHOOL DISTRICT BEFORE EXEMPTIONS

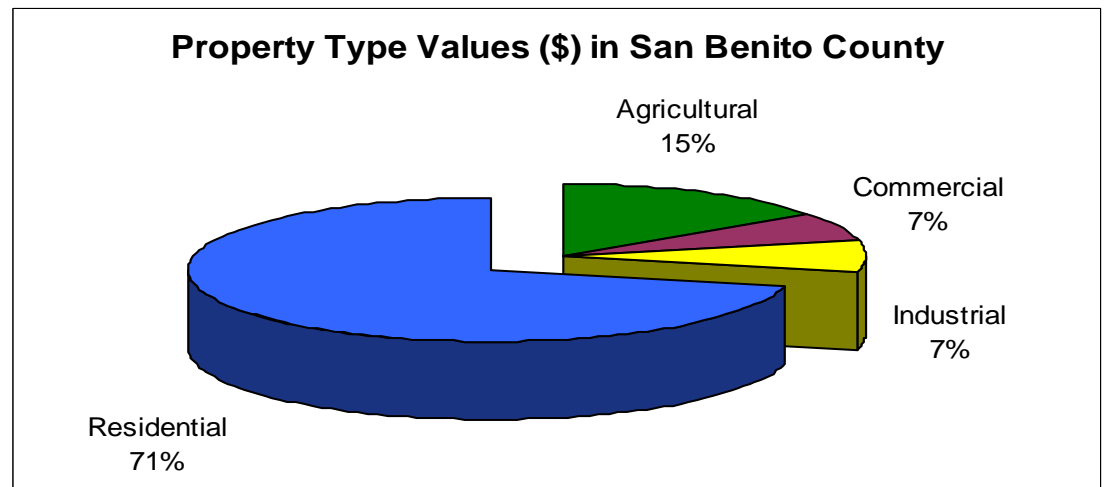
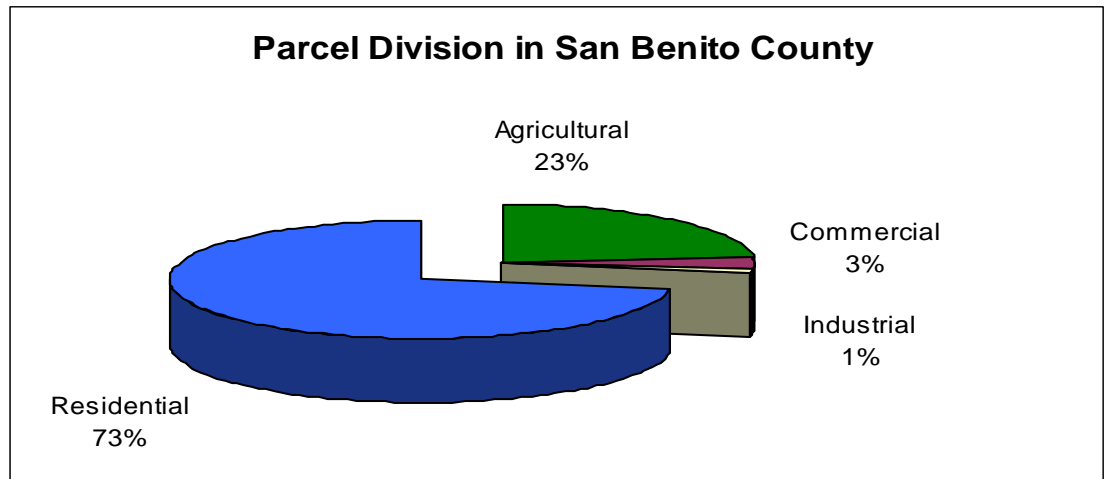
(INCLUDES SECURED & UNSECURED ROLLS - EXCLUDES UTILITIES)

	<u>2007-2008 TAXABLE VALUE</u>	<u>2008-2009 TAXABLE VALUE</u>	<u>AMOUNT INCREASE (DECREASE)</u>	<u>PERCENT INCREASE (DECREASE)</u>
AROMAS/SAN JUAN	\$1,052,476,015	\$1,053,142,279	\$ 666,264	0.1%
BITTERWATER	39,610,085	40,673,230	1,063,145	2.7%
CIENEGA	59,020,780	64,258,570	5,237,790	8.9%
COALINGA	887,009	900,691	13,682	1.5%
HOLLISTER	4,346,858,906	4,220,290,504	<126,568,402>	<3.0%>
JEFFERSON	30,902,208	32,450,444	1,548,236	5.0%
NORTH COUNTY	658,313,707	692,764,610	34,450,903	5.2%
PANOCHÉ	45,202,549	47,513,330	2,310,781	5.1%
SOUTHSIDE	290,797,430	292,205,756	1,408,326	0.5%
TRES PINOS	151,525,794	154,334,058	2,808,264	1.9%
WILLOW GROVE	<u>114,115,114</u>	<u>120,499,239</u>	<u>6,384,125</u>	<u>5.6%</u>
TOTALS	<u>\$6,789,709,597</u>	<u>\$6,719,032,711</u>	<u><\$70,676,886></u>	<u><1.0%></u>
(1) CITY OF HOLLISTER	\$3,361,184,476	\$3,234,719,551	<\$126,464,925>	<3.9%>
(1) CITY OF SAN JUAN BAUTISTA	\$172,684,709	\$ 168,857,666	<\$ 3,827,043>	<2.3%>

NOTE (1) - THESE TOTALS ARE INCLUDED IN THE ABOVE SCHOOL DISTRICT VALUES.

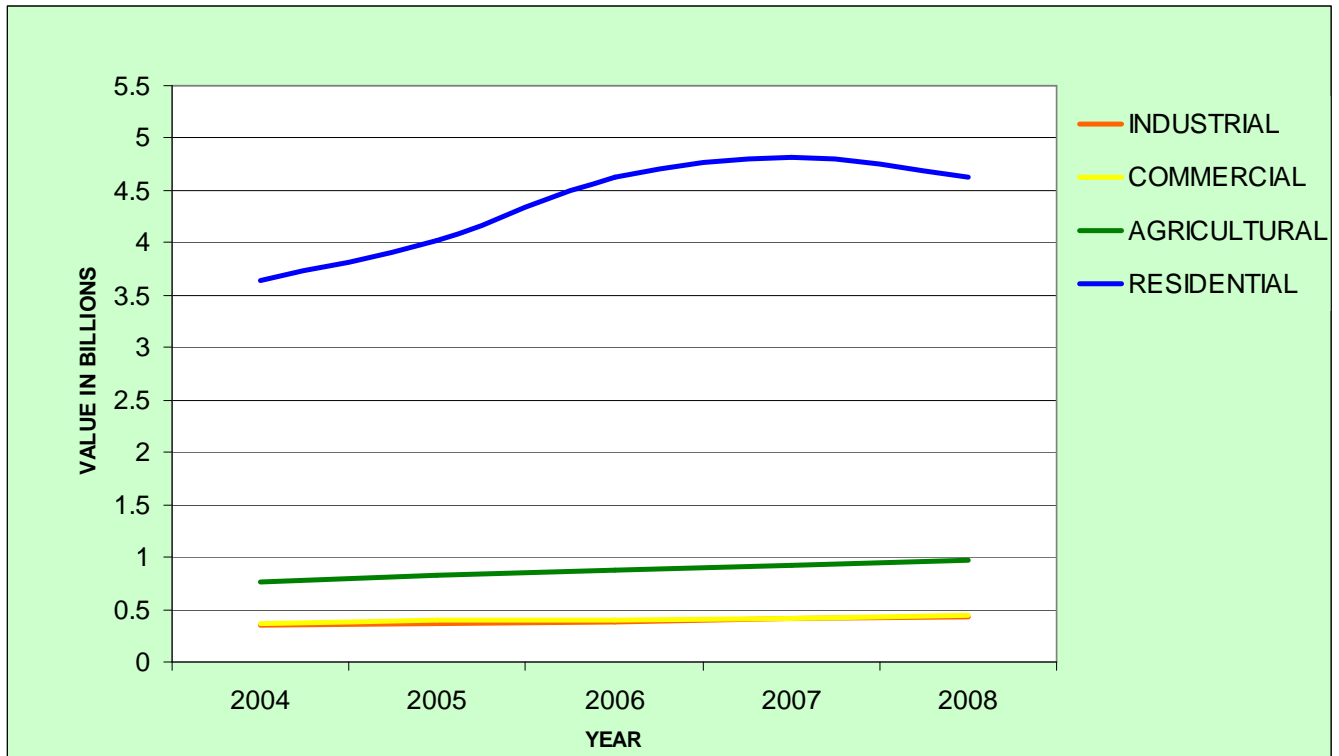
2008-2009 TAXABLE VALUES BY TYPE OF PROPERTY
INCLUDES SECURED ROLL ONLY

<u>TYPE OF PROPERTY</u>	<u>PARCELS</u>	<u>TAXABLE VALUE BEFORE EXEMPTIONS</u>
INDUSTRIAL	256	\$ 435,295,038
COMMERCIAL	606	\$ 443,625,063
AGRICULTURAL	4551	\$ 965,673,330
RESIDENTIAL	<u>14,166</u>	<u>\$4,621,756,217</u>
TOTAL	<u>19,579</u>	<u>\$6,466,349,648</u>



TAXABLE VALUES BY TYPE OF PROPERTY
2004-2008 COMPARISON SCHEDULE

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
INDUSTRIAL	\$352,249,499	\$361,640,292	\$381,543,851	\$413,999,912	\$435,295,038
PARCEL COUNT	242	242	241	255	256
COMMERCIAL	\$372,848,482	\$393,380,714	\$404,358,393	\$415,278,666	\$443,625,063
PARCEL COUNT	567	566	575	591	606
AGRICULTURAL	\$760,349,213	\$821,218,692	\$874,418,386	\$928,448,437	\$965,673,330
PARCEL COUNT	4,553	4,551	4,550	4,540	4,551
RESIDENTIAL	\$3,635,276,625	\$4,028,151,106	\$4,622,950,329	\$4,815,953,407	\$4,621,756,217
PARCEL COUNT	13,655	14,061	14,090	14,123	14,166



SAN BENITO COUNTY STATISTICS -

SAN BENITO COUNTY WAS FORMED IN 1874 FROM A PORTION OF MONTEREY COUNTY. THE COUNTY ALSO EXPANDED IN 1887 WHEN PORTIONS OF MERCED AND FRESNO COUNTIES WERE ANNEXED IN.

SAN JUAN MISSION WAS FOUNDED IN 1797 AND DESIGNATED AS A NATIONAL HISTORICAL LANDMARK BY THE U.S. DEPARTMENT OF INTERIOR ON APRIL 15, 1970.

ANZA TRAIL COLONIZING EXPEDITION OF 1775-76 WAS LEAD BY SPANISH CAPTAIN JUAN de ANZA TO CONNECT NEW SPAIN (MEXICO) TO ALTA CALIFORNIA, THE 1200 MILE ROUTE STARTED IN NOGALES AZ AND ENDED IN SAN FRANCISCO. THE TRAIL THROUGH SAN BENITO COUNTY IS ALONG THE SAN JUAN GRADE ROAD ENTERING FROM MONTEREY COUNTY AND FOLLOWS SAN JUAN ROAD.

PINNACLES NATIONAL MONUMENT WAS CREATED FROM AN ANCIENT VOLCANO. IN 1908, THE MONUMENT ALONG WITH 2,500 ACRES WAS ESTABLISHED AS A NATIONAL PARK. THE PARK NOW HAS OVER 26,000 ACRES AND IS THE RELEASE POINT FOR THE CALIFORNIA CONDOR.

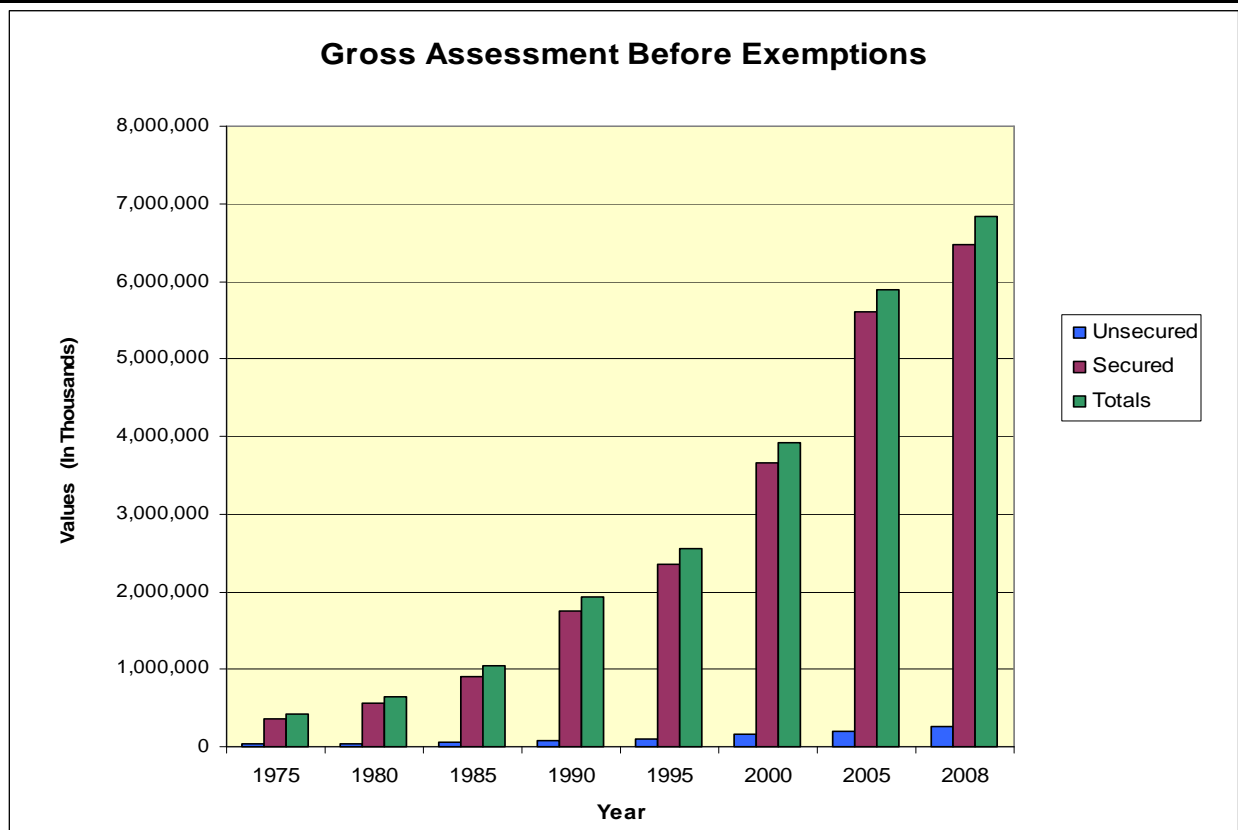
<u>POPULATION (2005 stats.)</u>	57,064
<u>HOUSEHOLDS (2005 stats.)</u>	18,014
<u>SQUARE MILES</u>	1,396
<u>ACRES</u>	893,440
<u>CITY, COUNTY, STATE AND FEDERAL ACRES</u>	126,400
<u>LAND CONSERVATION ACT (THE WILLIAMSON ACT) -</u>	
TOTAL ACRES UNDER THE ACT	584,000
(INCLUDING NON-RENEWALS)	
ACRES UNDER NON-RENEWAL	7,900
PERCENTAGE OF PRIVATELY OWNED LAND UNDER THE LAND CONSERVATION ACT	76%
<u>2008 SECURED PARCEL COUNT</u>	19,579
<u>2008 UNSECURED PARCEL COUNT</u>	2,160

HISTORY OF COUNTY TAXABLE VALUE INCREASES - DECREASES

<u>1999/00</u>	<u>2000/01</u>	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>
13.1%	12.9%	11.5%	8.5%	7.3%	7.0%	9.1%	10.1%	6.3%	<1.0%>

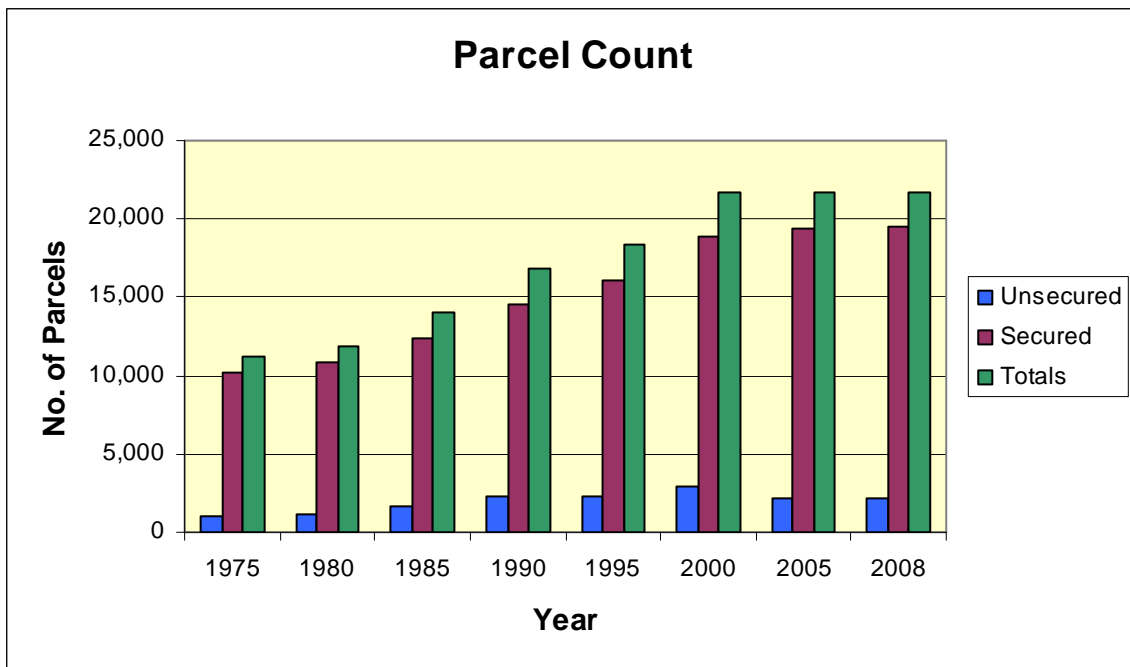
**ASSESSMENT HISTORY - (GROSS ASSESSMENTS BEFORE EXEMPTIONS -
CONVERTED TO TAXABLE VALUES)**

	<u>SECURED</u>	<u>UNSECURED</u>	<u>UTILITY</u>	<u>TOTAL</u>
1975-1976	356,000,000	32,000,000	32,800,000	420,800,000
1980-1981	560,400,000	33,200,000	50,800,000	644,400,000
1985-1986	908,700,000	58,200,000	86,700,000	1,053,600,000
1990-1991	1,743,100,000	74,000,000	102,600,000	1,919,700,000
1995-1996	2,358,500,000	104,400,000	97,100,000	2,560,000,000
2000-2001	3,666,000,000	169,000,000	92,800,000	3,927,800,000
2005-2006	5,605,300,000	198,400,000	91,400,000	5,895,100,000
2006-2007	6,180,300,000	208,500,000	93,600,000	6,482,400,000
2007-2008	6,573,600,000	216,000,000	98,000,000	6,887,600,000
2008-2009	6,466,350,000	252,700,000	105,350,000	6,824,400,000



NUMBER OF ASSESSMENT PARCELS IN COUNTY -

<u>LIEN DATE</u>	<u>SECURED</u>	<u>UNSECURED</u>	<u>TOTAL</u>
3/1/75	10,176	1,046	11,222
3/1/80	10,792	1,101	11,893
3/1/85	12,413	1,661	14,074
3/1/90	14,511	2,285	16,796
3/1/95	16,045	2,286	18,331
1/1/00	18,864	2,871	21,735
1/1/05	19,431	2,224	21,655
1/1/06	19,465	2,201	21,666
1/1/07	19,509	2,113	21,622
1/1/08	19,579	2,160	21,739



INCREASE IN ASSESSMENT PARCELS - Following is an analysis showing the distribution of growth in secured parcels over the last seven assessment years.

<u>Year</u>	<u>City Of Hollister</u>	<u>County Of San Benito</u>	<u>City of San Juan Bautista</u>	<u>Oil/Gas & Mobile Homes</u>	<u>Total</u>
1/1/01-12/31/01	2	16	<1>	1	18
1/1/02-12/31/02	42	17	39	6	104
1/1/03-12/31/03	<1>	4	0	<6>	<3>
1/1/04-12/31/04	12	9	<2>	0	19
1/1/05-12/31/05	5	29	0	0	34
1/1/06-12/31/06	17	9	9	9	44
1/1/07-12/31/07	7	58	2	3	70
	<u>84</u>	<u>142</u>	<u>47</u>	<u>13</u>	<u>286</u>

LAND CONSERVATION ACT (WILLIAMSON ACT) - The Williamson Act is a statewide program enacted in San Benito County in 1968, allowing property owners to enter into a contract with the county to maintain the land in agricultural production. All contracts are for a term of ten (10) years and automatically renew each year unless the owner files a Notice of Non-Renewal.

Our office is responsible for the assessment and administration of the Williamson Act. We annually update the taxable values and respond to the ever increasing information inquiries by property owners, prospective property owners, real estate agents, etc. Over the last several years, our Williamson Act statistics have remained fairly constant.

<u>TAX YEAR</u>	<u>NO. OF PARCELS</u>	<u>ACRES UNDER CONTRACT</u>	<u>ACRES IN NON-RENEWAL STATUS</u>	<u>ANNUAL STATE SUBVENTION</u>
2003-04	2,285	584,800	5,600	\$767,981
2004-05	2,284	584,900	6,000	\$768,630
2005-06	2,284	584,600	6,100	\$767,221
2006-07	2,291	584,600	7,200	\$765,998
2007-08	2,283	584,000	7,350	\$762,764
2008-09	2,296	584,000	7,900	-----

TERMS AND DEFINITIONS*

Ad Valorem Property Tax	Taxes imposed on the basis of the property's value.
Assessed Value	The taxable value of a property against which the tax rate is applied.
Assessee	The person to whom the property 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 November 30 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	The Board of Supervisors, sitting as the Assessment Appeals Board operating under state law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal")
Assessment Number	A number used to identify assessed property. Synonymous with "APN" (Assessor's Parcel Number) when referring to the fee parcel. It is also the number given to identify improvements on leased lands, possessory interest, manufactured housing, etc. NOTE: An Assessor's parcel may have more than one assessment number tied to it
Assessment Roll	The official list of all property within the county valued by the Assessor's Office.
Assessment Roll Year	The year following the annual lien date and the regular assessment of property beginning on July 1.
Assessment Review	Requests by property owners for Assessor's staff to review the assessment of their property to determine if the assessed value should be changed.
Assessor's Map	Also known as an Assessor's Parcel Map; these show details of Assessor's parcels in a graphic format. They include such information as Assessor's Parcel Numbers, property bearings and dimensions, acreage, roads, and other information to assist the appraisal process. Not to be confused with a (recorded) parcel map which subdivides property.
Assessor's Parcel	This is the fee parcel for assessment purposes. These parcels are shown in detail on Assessor's maps and each parcel is denoted by a specific APN. Assessor's parcels are created based on recorded documents and maps.

Assessor's Parcel Number (APN)	Represents a specific configuration of property in a specific geographic location of the county. This identifies the "Fee Parcel" for assessment purposes. These are the numbers reflected on Assessor's maps and usually designated as a twelve digit number. The grouping indicates Book-Page-Parcel.
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.
Escaped Assessments	When property that should have been assessed in a prior year is belatedly discovered and assessed, it is referred to as an "escape assessment" because it is an assessment that levied outside the normal assessment period for the lien date(s) in question.
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 replaces 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 reimbursed to the County by the State of California.
Exemptions: Other	Charitable, hospital, religious or scientific organizations, colleges, cemeteries, museums, and disabled Veterans (for 100%, service-connected disabled Veterans) are eligible for exemption.
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 factored 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.
Legal Description	The geographical identity of a specific parcel of land which is acceptable in a court of law.
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 1 (effective January 1, 1997) preceding the fiscal year for which the taxes are collected. The lien date for prior years was March 1. Revenue & Taxation Code Vol. 2 Section 2195.
Mobile homes	On July, 1980, the Department of Motor Vehicles transferred all mobile home licensing and registration to the California Department of Housing and Community Development (HCD). The law required that mobile homes 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 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 hanger or a concession stand at the county fair. In both cases, the lessee is 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 beneficial use of tax exemption 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	<p>Proposition 8 passed by the voters in 1978 allows the Assessor to temporarily lower assessments when the market value on January 1 is lower than the factored base year value for that year.</p> <p>Upon written application by the property owner to the Assessor's Office or independent action by the Assessor, the property value will be reviewed as of the preceding January 1st lien date.</p> <p>If the market value of the property is less than its factored base year value, market value will be enrolled for the specific assessment year.</p> <p>Whenever such relief is provided, the Assessor is obligated to annually review and enroll the lesser of either market value or</p>

the factored base year value, but never higher than the factored base year value.

If it is determined that the market value of the property exceeds the factored base year value of the property, the factored base year value will be restored for the assessment year. At this point the property will no longer be annually reviewed and will be subject to annual increases not to exceed 2%.

**Proposition 58 Exclusion
Parent/Child or
Grandparent/Grandchild**

This may exclude from reassessment transfers of real property between parents and children or grandparents and grandchildren.

Proposition 60

This may allow a person who is at least 55 years of age, or any severely and permanently disabled person who resides on the property, and who is eligible for the Homeowners' Exemption, to transfer the base year value of their original property to a replacement dwelling of equal or lesser value within the same county.

Title

A person's right to ownership of real property, usually manifested by a recorded document such as a deed, decree of distribution, contract of sale, etc.

Welfare Exemption

A property tax exemption for non-profit organizations that are charitable, religious, hospital, or scientific in nature.

**Williamson Act
(Land Conservation Act)**

Legislation providing agricultural landowners the opportunity to enter into a contract with the county which restricts the use of their land to farming in exchange for alternative taxation procedures.

*Definition of terms are provided to simplify assessment terminology, but does not replace legal definitions.