

# Glossary of Property Tax Terms

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**APN (Assessor Parcel Number):** A unique number assigned by the County Assessor identifying a property.

**Ad Valorem Property Taxes:** Taxes calculated upon the assessed value of the property; in California comprised of the 1% tax stipulated by Proposition 13, and taxes authorized by voters to pay the debt service for bonds-usually related to capital improvement such as new or improved school facilities.

**Affected Taxing Entity (ATE):** A taxing entity that shares territory with and contributes property tax increment to a Successor Agency of a dissolved RDA.

**Apportionment:** The distribution of property tax collections to individual taxing jurisdictions.

**Assessed Value:** The dollar value of property determined by the County Assessor or the State Board of Equalization (BOE) for the purposes of taxation.

**Assessee:** The owner of record on lien date.

**Basic Aid School:** A school whose property tax revenues exceeds the minimum annual State required revenue and is not eligible for distributions from ERAF or Supplemental tax revenues.

**Education Revenue Augmentation Fund (ERAF):** The fund established for the deposit of moneys deducted and transferred from the county, cities and special districts for subsequent distribution to non-basic aid schools.

**Escaped Assessment:** Assessed value not included on prior year tax bills; the additional taxes added to the current year bill that should have been billed in prior years had the omitted value been included on the original tax bill.

**Exemption:** A reduction in assessed value applied to a property granted for:

- Homeowner's Exemption: when the property is the owner's principal place of residence.
- Other Exemptions: a number of reasons provided by law such as nonprofit status.

**Event Date:** The date a re-assessable event occurs.

**Fiscal Year:** The period of July 1 through June 30.

**Fixed Charge Assessments (Special Benefit Assessments):** A charge in addition to any ad valorem taxes included on a tax bill. Fixed charges are not based on the assessed value of the property and are levied on a parcel basis.

**Lien date:** 12:01 a.m. January 1; the date when taxes are levied and become a lien on both real and personal property.

**Net Assessed Value:** Taxable amount of assessed property; derived from the total assessed value minus any exemptions.

**Proposition 1A (2004):** The constitutional amendment authorized by California voters that restricts the State's ability to reallocate local property taxes for the benefit of the State. Contains a provision where the reallocation probation can be suspended and limits such reallocations to no more than 8% of the prior year property tax revenues.

**Redevelopment Agency (RDA):** A legislative mechanism that formally allowed the county or a city to revitalize blighted areas using a portion of the general property taxes allocated to the taxing jurisdictions providing services in the redevelopment project area. Successor Agencies have been established to wind down the affairs of the former RDAs.

**Re-Assessable Event:** Changes of ownership or completion of new construction; these events usually require the property to be re-assessed and the difference between the old assessed value and the new assessed value to be reflected on the Supplemental Tax roll.

**Secured Property Taxes:** Taxes that are assessed against real property (e.g., land or structures). The tax bill creates a lien that is "secured" by the land/structure even though no document is officially recorded.

**Situs Address:** The physical location of a property; the address.

**Successor Agency:** The legal entity formed to wind down the affairs of a dissolved Redevelopment Agency.

**Supplemental Taxes:** Additional taxes stemming from a re-assessable event. Supplemental tax is generated when the new net assessed value exceeds the old net assessed value and the difference between the two values is multiplied by the tax rate and then prorated from the event date to the end of the fiscal year. A Supplemental Refund is created when the new assessed value from a re-assessable event is less than the old assessed value.

**Tax Rate:** The factor levied per \$100 of net assessed valuation. Tax rates are TRA specific.

**Tax Rate Area (TRA):** A geographical area comprised of a unique combination of taxing jurisdictions; an area over which a governmental body has authority to levy property taxes.

**Tax Shift:** The reallocation of taxes from one entity to another; such as the ERAF Shift where property taxes are transferred from the county, cities and special districts to school districts via the Education Revenue Augmentation Fund.

**Taxing Jurisdictions:** An entity, such as the county, cities, schools and special districts, that has statutory authority to levy ad valorem taxes or fixed charge assessments.

**Unsecured Property Tax:** Taxes that are assessed to property that can be relocated and is not real estate, such as business equipment, fixtures, boats, or airplanes.