

SHOW ME THE MONEY!  
WHERE YOUR PROPERTY TAXES GO



2018-2019 Civil Grand Jury  
of Santa Clara County

*April 9, 2019*

TABLE OF CONTENTS

GLOSSARY AND ABBREVIATIONS ..... 2

SUMMARY ..... 3

BACKGROUND ..... 4

METHODOLOGY ..... 4

DISCUSSION ..... 5

**Steps to locate the 1% Tax Distributions by parcel** ..... 8

CONCLUSIONS ..... 11

FINDINGS AND RECOMMENDATIONS ..... 12

**Finding 1** ..... 12

**Finding 2** ..... 12

REQUIRED RESPONSES ..... 13

REFERENCES ..... 14

## GLOSSARY AND ABBREVIATIONS

<b>ad valorem</b>	In proportion to the assessed value.
<b>APN</b>	Assessor's Parcel Number. The unique number assigned to each legal parcel of real property in a given county.
<b>Debt Payments</b>	Payments of debt service, such as bonds issued by local governments and agencies, typically issued for a specific purpose.
<b>DTAC</b>	Santa Clara County Department of Tax and Collections.
<b>One-Percent Maximum Property Tax Levy (1% Tax)</b>	Property taxes, excluding parcel taxes, assessments and debt payments, may not exceed 1% of the assessed value of the real property. This one-percent maximum levy is shared by taxing entities through a formula set by the California State Legislature.
<b>QRC</b>	Quick Response Code. A readable square box similar to a bar code that can be read by devices equipped with a camera such as cell phones.
<b>Parcel Tax</b>	A tax that is the same for every parcel, regardless of the size or valuation of the parcel.
<b>Property Tax</b>	An ad valorem tax paid by the owner of the real and personal property. The tax is a percentage of the value of the property, including land, improvements and certain personal property. The total property tax bill also adds parcel taxes, assessments and debt payments.

## SUMMARY

Do you know which governmental entities share the one-percent maximum property tax levy (1% Tax) you pay every year? This is the single largest component of your property tax.

Property taxpayers in Santa Clara County (SCC) prior to 2018 could not easily obtain information for their property as to how the 1% Tax was distributed amongst the various governmental entities.

Beginning with the 2018-19 tax year, property tax bills provide web page links that enable a search by address or Assessor's Parcel Number (APN) for the specific distribution of the 1% Tax.

Detailed steps a taxpayer can take to access this information are provided in this report.

The Grand Jury commends the County of Santa Clara for joining a small group of other counties in making this information easily available to its taxpayers.

## BACKGROUND

Property taxes in California are the sum of the ad valorem 1% Tax, parcel taxes, assessments and debt payments. An ad valorem tax for any given parcel is the product of the tax rate and the property's assessed valuation.

The passage of Proposition 13 in 1978 established the maximum ad valorem property tax rate at one-percent (1%) for all real property in California. This is the one-percent maximum levy. In Santa Clara County, most of the money goes to school districts and community colleges.

The legislature determines the formula by which the 1% Tax is distributed amongst the governmental entities who levy property taxes. The distribution formula has been revised several times by the legislature; the specifics are beyond the scope of this report.

The 2017-18 Grand Jury began an investigation into the detail of the 1% Tax distribution. In discussions with the Santa Clara County Department of Tax and Collections (DTAC), the 2017-18 Grand Jury learned the distribution detail was being considered for implementation. Further investigation by the 2018-19 Grand Jury revealed DTAC had completed the 1% Tax detail project in October 2018.

## METHODOLOGY

The Grand Jury interviewed employees of DTAC, inspected SCC web pages related to property tax collections and distributions prior to the current 2018-19 tax year, and inspected property tax web pages from a select number of other California counties.

## DISCUSSION

A property owner's tax bill includes the 1% Tax in addition to levies for voter-approved bonded indebtedness, parcel taxes and special assessments by percentages and/or dollar amounts.

Each county in California is divided into Tax Rate Areas (TRA). A TRA consists of those parcels of real property, generally contiguous, that share the identical set of taxing entities, such as city, school district, special districts, bonded indebtedness, etc. There are numerous TRAs in any given county.

Santa Clara County fully complies with the California Tax Code that defines the minimum content of county property tax bills<sup>1</sup>. The tax bill must show each parcel tax, assessment and debt payment that applies to a given TRA. However, the state tax code does not require that the components of the 1% Tax be included on the tax bill or published elsewhere. Prior to 2018, Santa Clara County only provided each governmental entity's share of the total county-wide taxes collected in the form of a pie chart.

At the time the 2017-18 Grand Jury began its investigation, a few counties offered greater detail in the form of the parcel-specific distributions of the 1% Tax. For instance, see El Dorado<sup>2</sup>, Riverside<sup>3</sup> and Contra Costa<sup>4</sup> counties' web sites for examples of the detailed breakdown of the 1% Tax. Contra Costa goes a step further

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<sup>1</sup> California Revenue and Taxation Code Section 2611.6

<sup>2</sup> [https://www.edcgov.us/Government/Auditor-Controller/PropTax/Pages/distribution\\_of\\_proposition\\_13\\_s\\_1\\_general\\_property\\_tax.aspx](https://www.edcgov.us/Government/Auditor-Controller/PropTax/Pages/distribution_of_proposition_13_s_1_general_property_tax.aspx)

<sup>3</sup> <http://www.auditorcontroller.org/Portals/0/Documents/Proptax/16-17%20P-tax%20apportionments/AUCR300.TXT?ver=2017-10-06-120357-740>

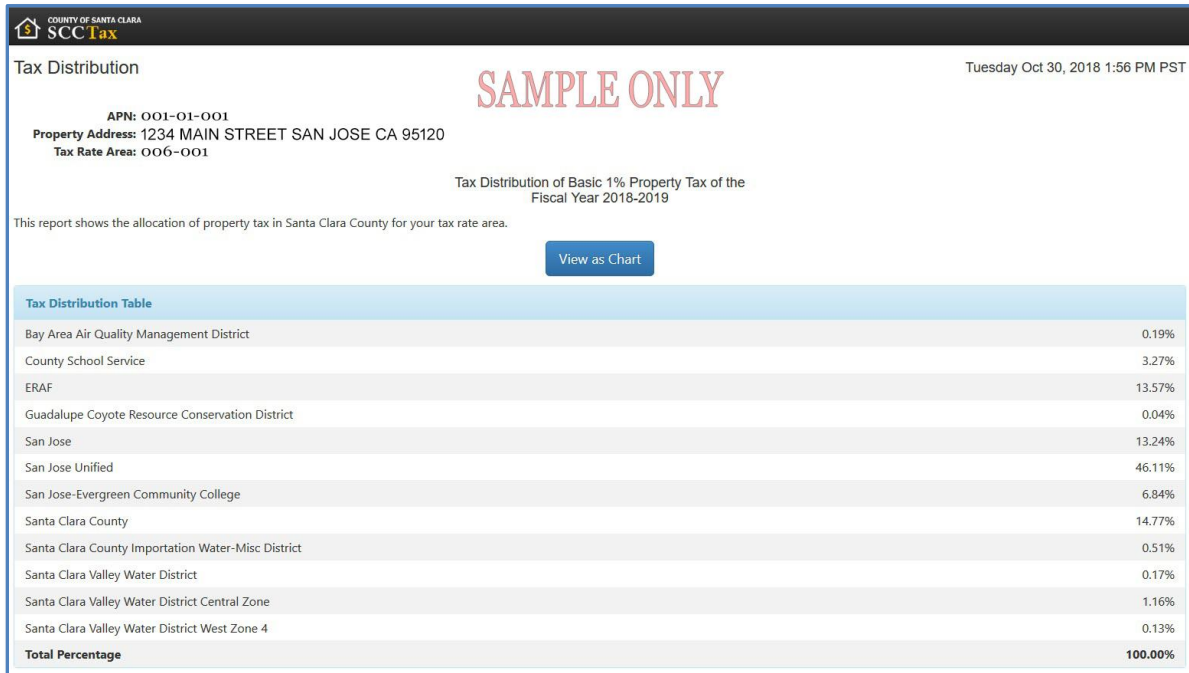
<sup>4</sup> <http://www.co.contra-costa.ca.us/6581/Where-Your-Taxes-Go>

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with its tax bills by providing both the percentage and the actual dollar value distributed to each entity.<sup>5</sup>

The Grand Jury found that the format of property tax bills for 2018-19 has been revised to contain web links that allow a search by property address or APN. The search will display the percentage each county governmental entity shares in the 1% Tax for that parcel. Each tax bill also provides a Quick Response Code (QRC) that will take the taxpayer directly to their specific parcel information and, with one further step, give the detailed percentages as shown in Figure 1.

**Figure 1: Sample 1% Tax Distribution for a Fictitious Parcel or APN**




Note: To obtain the dollar amount for any given component of the 1% Tax, the taxpayer must multiply the relevant percentage above by the total 1% Tax amount for the parcel in question.

Each Santa Clara County property owner receives a property tax bill as shown below in Figures 2 and 3.

<sup>5</sup> [http://www.co.contra-costa.ca.us/DocumentCenter/View/45682/CCC\\_SecBill\\_How-To-Read\\_Apr-2017](http://www.co.contra-costa.ca.us/DocumentCenter/View/45682/CCC_SecBill_How-To-Read_Apr-2017)

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Figure 2: Front of a Fictitious Tax Bill



County of Santa Clara  
Department of Tax and Collections  
70 West Hedding Street  
East Wing, 6th Floor  
San Jose, California 95110-1767

**SECURED PROPERTY TAX BILL**  
TAX YEAR: 2018-19  
For July 01, 2018 through June 30, 2019

**ASSESSOR'S PARCEL NUMBER (APN): 001-01-001**

## SAMPLE ONLY

SMITH JOHN AND SALLY

1234 MAIN STREET  
SAN JOSE CA 95120-4351

**TAX BILL INFORMATION**

**PROPERTY ADDRESS:**  
1234 MAIN STREET  
SAN JOSE CA 95120

**BILL ID:** 9164133  
**BILL SUFFIX:** 00  
**TAX RATE AREA:** 006-001

**BILL CREATED:** 09/18/2018

**ASSESSEE AS OF 12:01AM, JANUARY 1, 2018 LIEN DATE:**  
SMITH JOHN AND SALLY

SEC-REG-20180702 100143

**SUMMARY OF TAXES**

Assessed Value of the Property	\$1,714,132
Less Exemption	7,000
Net Assessed Value	\$1,707,132
Taxes Due	\$20,097.68
Special Assessments	935.60
<b>Total Amount Due</b>	<b>\$21,033.28</b>
Penalties, Cost, Return Check Charges	\$0.00
Less Amount Paid	0.00
<b>Current Amount Due</b>	<b>\$21,033.28</b>


(DETAILS OF TAX CALCULATIONS ARE ON THE REVERSE SIDE)

**CONTACT INFORMATION**

Department of Tax and Collections: [www.sccotac.org](http://www.sccotac.org)  
Tax Bill: (408) 808-7900

Office of the Assessor: [www.sco-assessor.org](http://www.sco-assessor.org)  
Assessed Value: (408) 299-5300  
Change of Address: (408) 299-5526  
Exemptions: (408) 299-6480  
Special Assessments: [www.sccgov.org/SA](http://www.sccgov.org/SA)


**PAY YOUR TAXES ONLINE**



<http://taxpayment.sccotac.org>

<http://WhereDoTaxesGo.org> 1

\*Check amounts are free. Check online for credit card fees.



2 [www.sccotac.org](http://www.sccotac.org)

**IMPORTANT MESSAGES**

Your 2018/19 Secured Property Tax Bill has a new format! For a detailed summary of the key changes please visit [www.sccotac.org](http://www.sccotac.org). Note: Consult your tax preparer for details regarding deductions.

New! The County now accepts partial payments on tax bills. See website or call (408) 808-7900

Sign up to receive email reminders for important announcements related to your property tax bills at: [www.sccotac.org/subscribe](http://www.sccotac.org/subscribe)

Figure 3: Back of a Fictitious Tax Bill

**CALCULATION OF TAXES**  
TAX YEAR: 2018-19  
For July 01, 2018 through June 30, 2019  
APN: 001-01-001

ASSESSED VALUES		DETAIL OF TAXES			
		TAXING AGENCY	VALUE	RATES (%)	AMOUNT
LAND	1,268,349	LAND, IMPROVEMENTS, PERSONAL PROPERTY			
IMPROVEMENTS	415,783	1% MAXIMUM LEVY	1,707,132	1.000000	
<b>TOTAL LAND AND IMPROVEMENTS</b>	<b>1,714,132</b>	CO BOND 2009 HOSP FAC	1,707,132	0.007200	
PERSONAL PROPERTY	0	CO RETIREMENT LEVY	1,707,132	0.038600	
<b>TOTAL ASSESSED VALUE</b>	<b>1,714,132</b>	CO, HOUSING BOND 2016	1,707,132	0.010500	
LESS HOMEOWNER'S EXEMPTION	7,000	COMM COLLEGE BONDS	1,707,132	0.021700	
LESS OTHER EXEMPTION	0.00	ELEM OR UNIF SCH BONDS	1,707,132	0.082000	
<b>NET ASSESSED VALUE</b>	<b>\$1,707,132</b>	MID PENINSULA OPEN SPACE 2014	1,707,132	0.001500	
		PALO ALTO CITY BOND 2009	1,707,132	0.011000	
		<b>TOTAL ASSESSED VALUE TAXES</b>		<b>1.173060</b>	<b>20,025.69</b>
		LAND AND IMPROVEMENTS			
		SCVWD-STATE WATER PROJ	1,714,132	0.004200	
		<b>TOTAL LAND &amp; IMPROVEMENT TAXES</b>		<b>0.004200</b>	<b>71.99</b>
		ROUNDING ADJUSTMENT			0.00
					<b>TAXES DUE \$20,097.68</b>
					<small>Visit <a href="http://www.sccgov.org/tra">http://www.sccgov.org/tra</a> for Tax Rate Information</small>
					<b>AMOUNT PAID \$0.00</b>

PARCEL TAX / SPECIAL ASSESSMENTS					INSTALLMENT 1	
SA#	TAXING AGENCY	NAME	CONTACT	AMOUNT	DUE DATE	
0728	SANTA CLARA VALLEY WATER DIST	SAFE CLEAN WATER	408-830-2810	65.38	11/01/2018	
0918	PALO ALTO UNIFIED SCHOOL DIST	MEASURE A 2014	650-326-3690	804.00	12/10/2018	
0947	SANTA CLARA COUNTY-VECTOR CTRL	SCCO VECTOR CONTROL	800-273-5187 x105	9.06		\$10,516.64
0948	SANTA CLARA COUNTY-VECTOR CTRL	MOSQUITO ASMT #2	800-273-5187 x105	8.38		0.00
0880	SANTA CLARA VALLEY WATER DIST	FLOOD CTL DEBT-NORTHWEST	408-830-2810	40.80		0.00
1090	SF BAY RESTORATION AUTHORITY	MEASURE AA	650-509-6157	12.00		0.00
<b>TOTAL</b>						<b>\$10,516.64</b>

INSTALLMENT 2	
DUE DATE	02/01/2019
DELINQUENT AFTER	04/10/2019
TAXES AND SPECIAL ASSESSMENTS	\$10,516.64
15% DELINQUENT PENALTY	0.00
DELINQUENT COST	0.00
DELINQUENT CHARGE	0.00
LESS AMOUNT PAID	0.00
<b>TOTAL INSTALLMENT AMOUNT</b>	<b>\$10,516.64</b>

\* Exemptions may be available for seniors and/or homeowners who meet eligibility requirements. Contact the specific agencies above for more information.

SEC-REG-20180702 100143 20180718/20180702

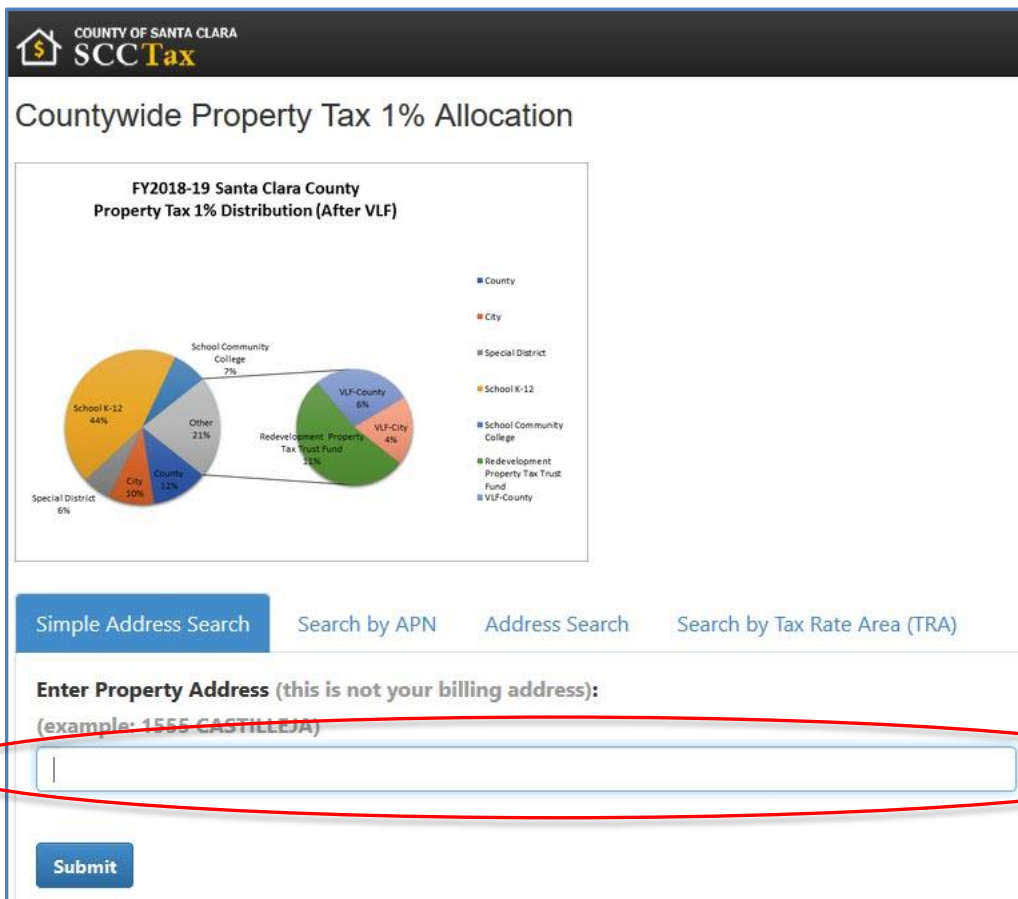


## Steps to locate the 1% Tax Distributions by parcel

The tax bills reviewed by the Grand Jury did not include instructions to find the specific parcel 1% Tax distribution. However, the Grand Jury found several methods to locate the 1% Tax distribution. The Grand Jury details three of these methods below. To assist in describing these methods, three black numbered circles have been included on the property tax bill images above in Figures 2 and 3.

**Method 1 (black circle 1):** On the front of the tax bill in the “Pay Your Taxes Online” box is a website address listed as <http://www.WhereDoTaxesGo.org>. When the address is inserted into a web browser, it takes the user to Santa Clara County’s Countywide Property Tax 1% Allocation website in Figure 4.

**Figure 4: County Property 1% Tax Allocation Search Site**

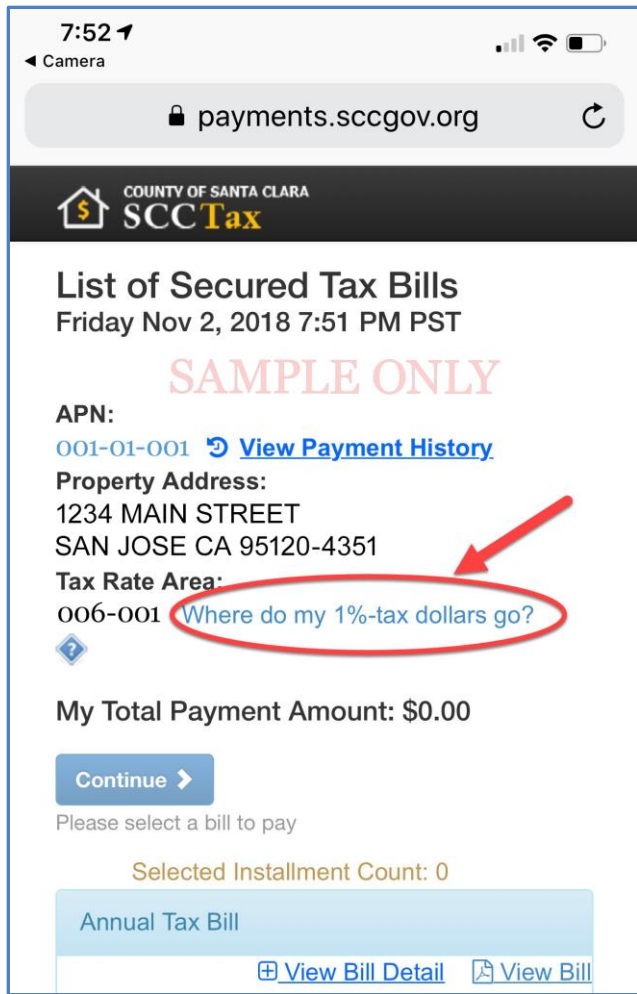


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There, the user can enter the parcel address in the text box displayed above (circled in red). After selecting the Submit button, the data will be displayed as shown in Figure 1 above.

**Method 2 (black circle 2):** On the front of the tax bill in the “Pay Your Taxes Online” box is a QRC. When a user scans that QRC with a QR reader such as a smart phone, it returns an alert to the reader’s device inviting the user to launch a web browser to the website <http://payments.sccgov.org/propertytax/secured/parcel>. That website provides the tax currently owed and a link to the “Where do my 1%-tax dollars go” website, as shown in Figure 5.

**Figure 5: Sample Parcel Tax Summary from the QRC**



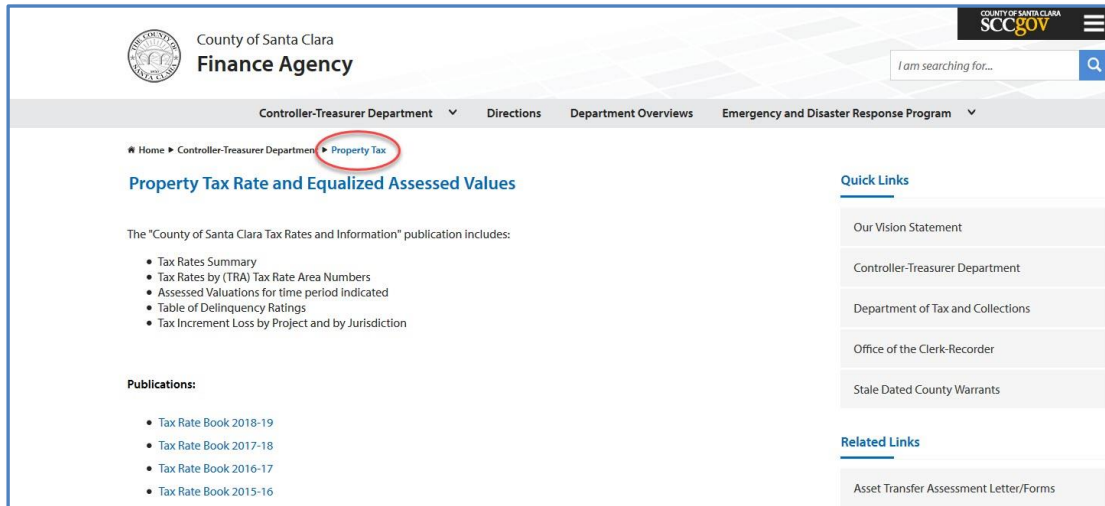
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Select the “*Where do my 1%-tax dollars go?*” link (circled in red) in a web browser to view the parcel’s 1% Tax distribution as shown in Figure 1.

**Method 3 (black circle 3):** This is a 4-step process. In the center of the back page of the property tax bill, as shown in Figure 3 (Tax Details), there is a notation that reads: “*Visit <http://www.sccgov.org/tra> for Tax Rate information*”. This link provides a variety of tax detail including access to the 1% Tax distribution.

Step 1: When a user types that web address into a web browser, the County of Santa Clara Finance Agency website is displayed as shown in Figure 6.

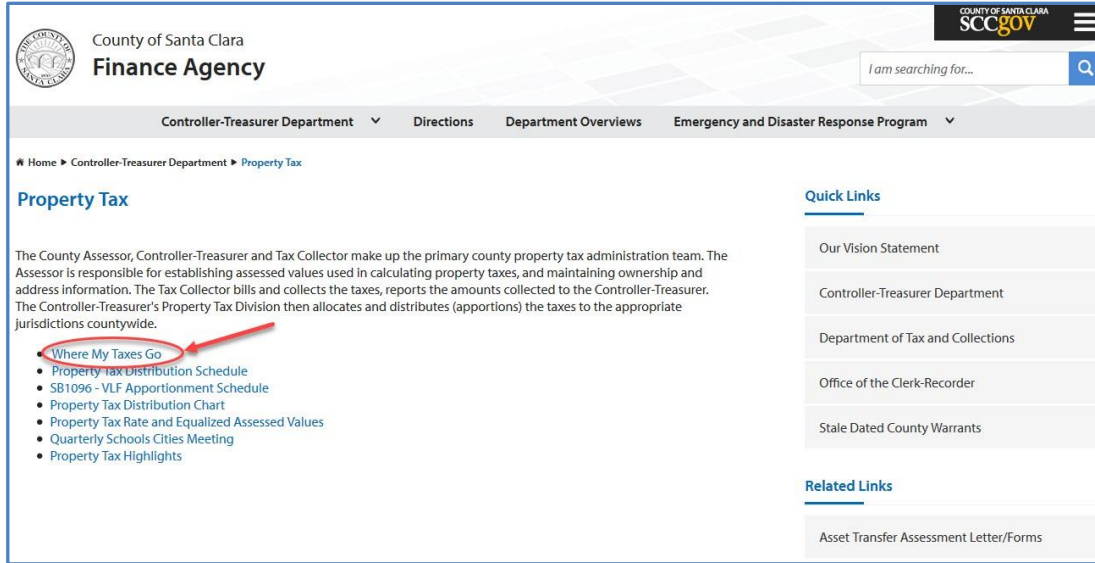
**Figure 6: Tax Rate Info Web Site**



Step 2: From the Tax Rate Info site (Figure 6), there is a reference link near the top entitled “*Property Tax*” (circled in red) which directs the user to Santa Clara County’s tax related information on the web (Figure 7). Click on this link.

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**Figure 7: Santa Clara County Finance Agency Tax Information**



Step 3: From the Santa Clara County Tax site (Image 7), select the reference link entitled “*Where My Taxes Go*” (circled in red) which directs the user to Santa Clara County’s property tax-related information on the web. This is the same web site as shown earlier for Method 1 in Figure 4.

Step 4: The user would enter either a property address or APN number to display the 1% Tax breakdown.

## CONCLUSIONS

Understanding where our tax monies are distributed, and thus ultimately spent, is important to a well-informed taxpayer. The California 1% Tax is divided amongst many governmental entities depending on the location of a given parcel. When the Grand Jury began this investigation, Santa Clara County did not provide a detailed distribution of the 1% Tax. During the course of the investigation, the Grand Jury was pleased to learn that DTAC, starting with the 2018-19 tax bill, includes links to a searchable webpage where this level of detail may be found for each property. The Grand Jury suggests that Method 1 or 2 is the easiest way to locate this detail but recommends that additional instructions be provided to tax payers.

## FINDINGS AND RECOMMENDATIONS

### **Finding 1**

The County of Santa Clara and its Department of Tax and Collections are commended for revising the format of the 2018-19 tax bill to direct county property taxpayers to the distribution of the one-percent maximum tax levy by address or APN via tax bill web page links or QRC.

### **Recommendation 1**

None

### **Finding 2**

Although the tax bill now provides links to find the distribution of the 1% Tax, the links are not entirely obvious.

### **Recommendation 2**

The County of Santa Clara could further improve the presentation of the tax bill by clarifying how to locate the 1% Tax distribution data to facilitate a better user experience by inserting an explanation with the tax bill beginning with the 2019-20 tax year.

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## REQUIRED RESPONSES

Pursuant to Penal Code Sections 933 and 933.05, the Grand Jury requests responses as follows:

From the following governing body:

<b>Responding Agency</b>	<b>Finding</b>	<b>Recommendation</b>
The County of Santa Clara	2	2

## REFERENCES

*Understanding the Basics of Municipal Revenues in California: Cities, Counties and Special Districts* by the Institute for Local Government: [https://www.ca-ilg.org/sites/main/files/file-attachments/basics\\_of\\_municipal\\_revenue\\_2016.pdf](https://www.ca-ilg.org/sites/main/files/file-attachments/basics_of_municipal_revenue_2016.pdf)

### **Santa Clara County Resources**

1. Demystifying the California Property Tax Apportionment System - AB8 (2006):  
[www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Pages/Demystifying-the-California-Property-Tax-Apportionment-System.aspx](http://www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Pages/Demystifying-the-California-Property-Tax-Apportionment-System.aspx)
2. SCC Property Tax Distribution Dates 2017-18:  
<https://www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Documents/property-tax-distribution-17-18.pdf>
3. SCC Office of the County Assessor 2017 Annual Report:  
[www.sccassessor.org/edocman/AnnualReport2017-2018.pdf](http://www.sccassessor.org/edocman/AnnualReport2017-2018.pdf)
4. SCC SB1096 Apportionment Schedule (Cities' VLF) FY2017-18:  
<https://www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Documents/FY1718-SB1096-schedule.pdf>
5. SCC Property Tax 1% Distribution (After VLF) Chart FY2016-17:  
<https://www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Documents/property-tax-dist-chart-fY16-17.pdf>
6. SCC Controller- Treasurer Fiscal Year 2016- 17 Property Tax Highlights:  
[www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Documents/fiscal-year-2017-property-tax-highlights.pdf](http://www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Documents/fiscal-year-2017-property-tax-highlights.pdf)
7. SCC Property Tax Apportionment Quarterly Schools Meeting Information:  
<https://www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Pages/Schools-Meeting.aspx>

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8. SCC Property Tax Refresher Workshop (2013):

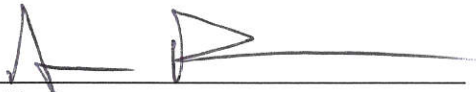
[www.sccgov.org/sites/fin/Controller-](http://www.sccgov.org/sites/fin/Controller-)

[Treasurer%20Department/Property%20Tax%20Apportionment/Documents/Property%20Tax%20Refresher%20Workshop.pptx](http://www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Documents/Property%20Tax%20Refresher%20Workshop.pptx)



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This report was **ADOPTED** by the 2018-2019 Santa Clara County Civil Grand Jury on this 9<sup>TH</sup> day of APRIL, 2019.

  
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John Pedersen  
Foreperson