

The following provides information received about the FP-5 Fire Tax respects "Combining Parcels":

Summary:

- Requests to combine parcels now won't take effect until January 1st next year, according to Brett in the Mapping Office, yet the FP-5 tax will be effective on July 1st of this year
- Original parcel numbers are replaced by a single new parcel
- The same form to combine parcels is used to split into multiple parcels

Melinda in the County Assessor's Office provided the following information:

- The form to combine parcels is at <http://www.sbcounty.gov/uploads/arc/Forms/aos047.pdf>
- Combining parcels does not trigger a re-assessment; only change of ownership or new construction will do that. When asked if the County had something in writing that stated that. She referred us to the Real Property page, on the FAQ tab, in the section "What is a supplemental tax bill?", which states:

State law requires the Assessor to reappraise property upon a change of ownership or new construction. The supplemental assessment reflects the difference between the new assessed value and the old or prior assessed value. If the property is reassessed at a higher value than the old assessed value, a supplemental bill will be issued by the Tax Collector. If the property is reassessed at a lower value than the old assessed value, a refund will be issued. Changes in ownership or new construction occurring from July 1 to Dec 31 will generate one bill covering a single fiscal year. The taxes are based on the number of months left in the fiscal year from the date of ownership change or the new construction completion date. If the change of ownership or new construction occurs between January 1 and June 30, two supplemental tax bills would be issued to cover changes for two fiscal years. The first bill would be from the date of the transaction for the remainder of the fiscal year; the second bill would be for the next fiscal year. Supplemental tax bills are mailed directly to the property owner and are the owner's responsibility. In general, they are not paid out of your impound account. Please check with your lender.

Melinda referred us to the Map Office (909-387-6763) for questions about parcel number assignment. We called the Map Office and spoke with Brett. He told us the following:

- When combining parcels for purposes of paying the FP-5 tax once, a new "active parcel number" is assigned and the old parcel numbers no longer are used.
- An owner would then receive a single tax bill, not one for each of the old parcels.
- If subsequently filing to divide the parcels, the Map Office can split them back into their original boundaries by looking up that historic information.

Sample situation of a property owner: Two of parcels have residences on them and one is a vacant acre of land. There is a mortgage on one of the residences; the other is paid off. They want to put a home on the vacant acre of land but would seek a mortgage to do that. Because only one of the parcels has a mortgage, they would not have to coordinate between banks if combining the parcels. However, many other people may not be so fortunate. Also, to build a house on the vacant acre lot, a lender may not be willing to provide a second mortgage taking a subordinate position to the mortgage already on one of the residences.

So this is not a matter of simply filing a form and paying a \$108 fee. Lender guidelines, and guidelines of their underwriters, would come into play for anyone who has or hopes to obtain a mortgage. Those with different lenders on different adjacent parcels will probably be prevented from combining those parcels. Even in a case where only one parcel has a mortgage, many lenders limit the size of a parcel for which they are willing to issue a loan.

NOTE: Ron Austin lawsuit is still in process; will go to appeals court if necessary. The above information will be included in their argument.