



Mello-Roos Taxes

Mello-Roos taxes are assessed to special tax districts, known as Mello-Roos Districts or Community Facilities Districts, for the purpose of financing public services and/or facilities including streets, police protection, fire protection, elementary schools, parks, libraries, museums, and cultural facilities.

California State Senator Henry Mello and Assemblyman Michael Roos spearheaded the successful passage of the Mello-Roos Community Facilities District Act in 1982. The Act passed in response to Proposition 13 (enacted in 1978), which limited the ability of local governments and developers to finance new projects.

Mello Roos District

The Mello-Roos act authorized any county, city, special district, school district or joint powers of authority to create a Mello Roos District with approval of a two-thirds margin of qualified voters in the district.

Property Owners

The Mello Roos District can issue bonds to pay for public improvements. The district's property owners are responsible for payment of a "special tax" to repay these bonds. The act allows for considerable flexibility on how the special tax is calculated. The calculation often takes into account property characteristics such as square footage of the home and parcel size. Typically, the tax is included with your general property tax bill.

Time Limit

The special Mello-Roos tax stays in effect as long as needed to repay the principal and interest on the special bond along with any reasonable administrative costs. The tax may not stay in effect for a period longer than 40 years.

Property Sale

An increased value of the property does not affect the amount of the tax when property is sold.

If you have any interest or would like to speak with us directly, please do not hesitate to contact us at any time. We thank you for your time and we look forward to hearing from you!

Sincerely,



PreviewOC Real Estate
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