

Proposition 8

Decline in Market Value

The State Constitution allows the Assessor to temporarily lower the assessed value of property under certain conditions. These conditions are mandated by the State.

The change (reduction) must reflect the market value of the property on the lien date, January 1.

A reduction of the assessed value is determined by an analysis of sales of similar properties in your neighborhood. This analysis includes sales up to 90 days past the lien date as well as property listings. If you can provide sales and/or listing data you believe would support a reduced assessed value, please include that information in your request.

Assessed values are reviewable as of January 1 of each year.

Any reduction under Proposition 8 to the assessed value is automatically reviewed annually as of the lien date to determine if market conditions indicate that the assessed value should be maintained, lowered, or increased. Unless there is a change in ownership or new construction, your assessment can never increase above the base year value plus the appropriate annual cost of living increase allowed by Proposition 13.

If you do not agree with our opinion of the market value on the lien date, you have the right to file a formal appeal with the Assessment Appeals Board. The filing period is from July 2 to November 30. The deadline for filing appeals for Proposition 8 reductions is November 30, or 60 days from the date of a notification of changed assessment. Applications are available by writing to the Clerk of the Assessment Appeals Board, 1025 Escobar Street, First Floor, Martinez, CA 94553; or by calling (925) 655-2008.

Q. How do I request a review of the assessed value of my property?

A. Write a letter and mail it to the Assessor's Office. Be sure to include your parcel number and daytime phone number.

Q. Is the Assessor's Office prevented from restoring my value at a rate more than 2% annually as provided under Proposition 13?

A. No. Just as there is no limit to the amount of reduction, there is no limit to the amount being restored up to the protected Proposition 13 ceiling amount.

Q. Do I have to request a review under Proposition 8 annually?

A. No. Once you have been granted a review under Proposition 8, your assessed value will be automatically reviewed by our office each lien date and you will be notified by postcard of that review.

Q. What should I do if I disagree with the Proposition 8 value placed on my property?

A. Contact our office at (925) 313-7400 and request a review of the Proposition 8 value and provide us with documentation to show why you disagree. If we still disagree, you have the right to file a formal appeal where you will present your reasons supporting your opinion of value before the Appeals Board. The Assessor's Office will do the same. The independent Appeals Board will then determine the value after considering all the facts.

Q. Why isn't the reduction under Proposition 8 permanent?

A. Proposition 8 reductions are temporary as mandated by State law. It is not a decision of the Assessor's Office.

Q. What will happen to my assessment if values start to rise?

A. Here is an example of that situation (using the State determined inflation factor for all years concerned):

Property is purchased in 8/1991 for \$200,000. In 1994 a reduction is made and the temporary value is \$170,000.

Real estate values remain depressed but in 1999 the market improves and real estate values make a dramatic turnaround. Under Proposition 8 the law requires us to pick the lower of your factored base year value or market value and enroll that value on the lien date.

For the fiscal year 1999 the market value of the property in this example is now worth \$250,000. The factored base year value of the property would be $\$200,000 \times 1.12802\% = \$225,604$. The factor of 1.12802% was arrived at by the addition of the State determined inflation factor over 7 years. Under Proposition 8 guidelines for the 1999 fiscal year, we would be required to raise your valuation to \$225,604, which is lower than the market value of \$250,000.

In this example, your property would be raised from \$170,000 to \$225,604 and you would no longer be under Proposition 8 guidelines.

Q. Assessment if values start to rise...

A. Using the same example, we would raise your value to \$210,000, which is lower than the factored base year value of \$225,604. Again, the rule for any given year is to enroll either the factored base year value or the market value, whichever is lower. In this example, you would still be under Proposition 8 review as the market value of \$210,000 is less than the factored base year value.