



CALIFORNIA
ASSOCIATION
OF REALTORS®

Proposition 8 - Property Tax Relief

FROM YOUR REALTOR® . . .

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What Is Proposition 8? Owners of properties that have suffered a severe decline in market value may be eligible for property tax relief. In 1978, California voters passed Proposition 8, a constitutional amendment that allows a *temporary* reduction in taxable (assessed) value when real property suffers a decline in current market value. When the market value of a property on the January 1 lien date falls below the assessed value, the assessor is obligated to review the property and enroll the lesser of the two values. If it is determined that the market value of your home is less than its assessed value, your property's assessed value will be adjusted to the level of its current market value, and consequently, your property taxes will be reduced.

How Can I Apply? Each county assessor office has implemented its own procedures for Proposition 8 applications. Some county assessors require the filing of a formal application with the inclusion of two comparable sales. Others require the filing of a simple informal form or a written notification. Some only require homeowners to call their office.

Due to the nature and severity of the market, many county assessors are proactively reviewing assessed values. For example, some are reviewing certain property types purchased between specific time periods (i.e. all single family homes and condominiums purchased during 2004 to 2008), which may have been especially hard hit by precipitous market declines. For more information about your county assessor's procedures and guidelines for Proposition 8, please consult the website:

<http://www.boe.ca.gov/proptaxes/assessors.htm> .

SCAM ALERT - NO FEE NECESSARY FOR VALUE REDUCTION

There is no reason to pay for a review that is required by law and will be performed for FREE.

Various private companies send mailings to property owners offering their services to pursue a reduction in the owner's property taxes. These companies may charge hundreds of dollars to file for a reduction in value on behalf of the property owner. Some companies even impose late fees if the application is received after an arbitrary deadline.

Homeowners **do not need the services of a private firm to seek a property tax reduction**. State law requires county assessors to review all requests for property value reduction, for **FREE**.

Is this a Permanent Reduction? A property that has been reassessed under Proposition 8 is subsequently reviewed every year to determine its lien date value. The assessed value of a property with a Proposition 8 value in place may increase each lien date (January 1) by more than the standard two percent maximum allowed for properties assessed under Proposition 13; however, unless there is a change in ownership or new construction, a property's assessed value can never increase above its factored Proposition 13 base year value after adjusting for the annual increase. In other words, if the market turns around, your property taxes may increase more rapidly than they would have otherwise, but they will never exceed the level--with a two percent annual inflation adjustment factored in--they were at before you received the Proposition 8 decrease.

What Information Do I Need? You should be prepared to provide the assessor with information that supports your opinion that the market value for your property is less than the assessed value. The best supporting documentation are *comps*, or information on sales of comparable properties in your neighborhood. You should select two comparable sales that sold as close to the January 1 lien date as possible, but no later than March 31.

A property sold with features that are similar to your property is a comparable sale. Comparable sales information helps you analyze the value of your home. The assessor's website may offer sales information for properties that have sold within the last two years. The same information is available from any assessor district office. Many websites offer sales information free of charge. Additionally, your local real estate agent or title agent can provide you with this information. Contact your agent for additional information.

What If I Don't Agree? If you disagree with the county assessor's findings, you may file a formal appeal with the County Assessment Appeals Board or the County Board of Equalization. These Boards are independent bodies established to resolve differences in property value opinions between the county assessor and property owners. You must file your appeal on an *Application for Changed Assessment* between July 2 and either September 15 or November 30 of the fiscal year that you are disputing. To determine the filing deadline date for your county, go to <http://www.boe.ca.gov/proptaxes/pdf/filingperiods.pdf> .

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