

## **Could You Save Money if Your Property was Reassessed?**

### *Assessor's Office Currently Reviewing 37,000 Property Transactions*

Many property owners are frustrated when their taxes rise as the market value of their property falls. Due to the decrease in local property values, many property owners believe their property's assessed value is greater than its fair market value and have been contacting local REALTORS® to assist in locating sales of comparable properties. Once the property owners have this information, they can submit a form to the Madera County Assessor's Office requesting a reduction in property taxes. This is permitted via Proposition 8, which amended Proposition 13, to reflect declines in property value.

Proposition 8 allows for the reassessment of qualified properties; thus, a reduction of property taxes. However, Proposition 8 reductions in value are temporary reductions due to the fact that the current market value of a property has fallen below its current (Proposition 13) assessed value.

“The market downturn has impacted those who bought when property values were high,” said Tom Kidwell, Madera County Assessor. Therefore, the Assessor's Office is currently reviewing approximately 37,000 transactions dating back to 2004. Kidwell estimates that about 15,000 properties have declined in value—about 25 percent of the total number of properties in the county—below their Proposition 13 values and will automatically be reassessed by his office this year. Last year, they reduced about 1,500 property values.

Kidwell said, “Over the next two months, staff will be working on this. They will take a look to determine if the value is accurate and to determine what the right value should be.” When they are done with this automatic review, the Assessor's Office will send out notices to the property owners they've identified as having property that has declined in value. They will then begin processing the written requests for review.

Keep in mind that because of the protection already offered by Proposition 13, the majority of properties in Madera County will not qualify for this reduction in value for property tax purposes. However, if you think your property might qualify, you'll need to complete a form. You can find this form by going to <http://www.madera-county.com/assessor> and selecting “Decline in Value Prop 8” in the left side menu. The form may then be accessed at the bottom of the page. You can also call 559-675-7710 and ask to have the form mailed or faxed to you. You can make this request up to December 1, 2009, and it is a free service to you.

The form requests comparable sales information. It is important to note that the information should be from sales prior to January to no later than March because the review will be reflective of market conditions as of the lien date, the first of January, of the tax year in question. If you ask a REALTOR® to assist you in identifying property, make sure to share this detail with him or her. Generally when REALTORS® look up comparables, we look at a different window of time based on the date of the request and recent sales.

If you submit a request to the Assessor's Office, they cannot guarantee to process it right away—especially over the next two months. However, Kidwell said they will review all requests; if a property owner disagrees with the Assessor's Office findings, they can file an appeal with the Assessment Appeals Board.

However, if the assessed value is reduced, it must be reviewed annually thereafter and can be raised or lowered by any percentage in value the first of January (Proposition 8 assessments are not restricted to the 2 percent maximum of Proposition 13). Though, according to Kidwell, "In no case may a value higher than a property's Proposition 13 factored base year value be enrolled."

He added that Proposition 13 continues to protect all property taxpayers throughout Madera County and the State of California by putting a ceiling on increases in assessed value for property tax purposes. In most cases, the assessed Proposition 13 factored base year value is still below the current market value.

Although statewide sales in January 2009 increased 100 percent when compared with the same period a year ago, the median price of an existing home fell 40.5 percent according to the California Association of REALTORS® (C.A.R.). The median price of a home for January 2009 was \$254,350 compared to the January 2008 revised median of \$427,200. Thus, although we are seeing an increase in real estate purchases, prices are down. Therefore, while buyers are taking advantage of the favorable home prices and historically low mortgage rates, now might be a great time for existing property owners to take advantage of Proposition 8's ability to seek tax relief.

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