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**OPINION PAGE ARTICLE**  
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### **Assessment Decline Under Proposition 13**

There is an old saying, "what goes up, must come down". But, does that apply to property taxes? The answer is "yes, no, maybe so", because property tax depends upon the date of assessed value as directed by the California Tax Code.

Proposition 13 was passed by California voters in June 1978, and continues to guide assessments to this day. For property tax purposes, it created a system for assessing property by establishing a base year (starting point) value as of a date of change in ownership or new construction. Once the base year value is established, inflationary increases are limited to no more than 2% per year creating, what the Assessor calls, a "factored" base year value. At first, there was no provision in Proposition 13 for assessed values to decline, which would allow for lowering taxes. However, in November 1978, voters approved Proposition 8 (not the recent Proposition 8 regarding marriage) permitting County Assessors to review properties to determine if the market value as of January 1, each year, had declined below the value established by Proposition 13.

As an independently elected official, the Assessor's job is to assure fair treatment to all taxpayers. So, if the market value of a property has declined below its Proposition 13 value, it will be reduced to market value as of January 1. For property owners, a temporary decline in value can be good news and bad news. The good news is their tax bills go down because property taxes are based on the value of the property. The bad news is the property may not be worth as much as when it was purchased.

To track declining market conditions in the current economic climate, the Assessor's certified appraisers review sales of comparable properties to look for transactions indicating market value. If a property's market value as of January 1 is lower than the Proposition 13 value, the January 1st market value is placed on the tax roll. That lower value will be reviewed each year and reduced further if necessary. When future sales

indicate that market value has begun to recover, the temporary reduced value will be increased, without limits, to match the recovery in the real estate market until the factored base year value is restored. The assessed value will never exceed the factored (2% per year limit allowed by Proposition 13) base year value.

Your Ventura County Assessor's staff has reduced assessments on more than 34,000 properties as of January 1, 2008, in response to prior year market conditions. All of those properties, as well as many more (about 125,000 total), will be reviewed this spring for declines in value as of January 1, 2009. Property owners will see the results of that review by a mailed notice in July 2009. New reductions in value, thus lower taxes, will appear on the 2009 - 2010 tax bill, which are mailed in October 2009.

Property owners who believe their home may have suffered a further decline in value below the last assessment (as shown on your current 2008-09 tax bill) are encouraged to wait and see what their new assessment results show this July. Many property owners have been receiving deceptive solicitations by mail requiring a fee for reassessment. Do not be misled by these official looking offers for tax relief. This work is already under way by the Assessor's staff, and it's free. Please wait for the Assessor's new value notice in your July mail before taking independent action and save your money. The Assessor's Office is here to serve you.

As for the future, no one knows for sure. The cyclical nature of the real estate market and the influence of many economic factors can impact the value of all types of property. Because Ventura County is still a sought-after place to live with its diversified economy, strong environmental protections and unique quality of life, declines in value are usually not as persistent or severe as in California's inland counties.

If you need to contact the Assessor's office, please do so at (805) 654-2181 and additional information can be found on our web site <http://assessor.countyofventura.org>