

re•source (*ri-sôrs*), *n.* **1.** a source of supply or support; an available means. **2.** a source of information or expertise.
– *SYN.* see **Placer Title Company.**

Proposition 8: Decline in Market Value

Proposition 8, passed in November 1978, amended Proposition 13 to reflect declines in property value. As a result, Revenue & Taxation Code Section 51 requires the Assessor to annually enroll either a property's Proposition 13 base year value factored for inflation, or its market value as of January 1st (taking into account any factors causing a decline in value), whichever is less.

Prop 8 reductions in value are **temporary** reductions which recognize the fact that the current market value of a property has fallen below its current (Prop 13) assessed value. Once a Prop 8 value has been enrolled, a property's value must be reviewed each following January 1st to determine whether its then current market value is less than its Prop 13 factored value. When and if the market value of the Prop 8 property increases above its Prop 13 factored value, the Assessor will once again enroll its Prop 13 factored value. Prop 8 values can change from year to year as the market fluctuates up and down, but in no case may a value higher than a property's Prop 13 factored value be assigned.

The review process is as follows:

- 1) Property owner provides Assessor with facts they feel justify a reduction in value and requests a review of the property's value (or the Assessor discovers the problem independently).
- 2) Appraisal staff reviews market data as of January 1st, estimates the property's market value as of that date and then compares this market value to the property's current Prop 13 factored base year value.

**If current market value is below factored
Prop 13 value, then:**

The assessed value is lowered to market value for the next fiscal year, and the owner is notified of reduced value by July 1st. A new tax bill is based on the lower value for the next fiscal year. The following January 1st, the Assessor repeats the process and enrolls current market value at that time, or Prop 13 factored value, whichever is lower value.

**If market value is higher than factored
Prop 13 value, then:**

No change in assessed value is made, and the owner is notified that value will not be reduced (not later than July 1st). If the owner still feels the value should be reduced, then the owner may file an appeal with the Assessment Appeals Board, July 2nd-Sept 15th. The Appeals Board then hears evidence from the owner and Assessor to determine the proper assessed value.

