

## What the Assessor will do:

When there is evidence that property value is declining the Assessor is obligated to conduct a review of property assessments.

The Assessor must value your real property, as of the January 1st lien date, at the lower of your property's Proposition 13 or market value.

Properties that decline in value can be difficult to identify. If you believe the Assessor has "missed" revaluing your property you can apply for a property review.

### **Applying for a value review:**

Any property owner who has real property in Sutter County can apply for a market value re-review (Prop 8). For property outside Sutter County, please contact that specific county.

If you received a Proposition 8 reduction it is not necessary to re-apply each year. Any property on Proposition 8 is automatically reviewed annually based on market value as of the January 1st lien date.

An application for a "Informal Request for Decline in Value" can be obtained at the Sutter County Website at:

<https://www.suttercounty.org/government/county-departments/assessor>

A "Request for Value Review" can also be requested directly from the Assessor's office by either calling the phone number listed on the following page or by visiting our office at the listed address between the hours provided.

## Disclaimer

This pamphlet is a general summary and is not a comprehensive guide to Proposition 8, Proposition 13, or property valuation. For further assistance please contact the Sutter County Assessor's Office.



Sutter County  
Assessor

## **Value Review Program (Proposition 8)**

**What happens  
when the value of  
your real estate  
declines?**



**And...What  
happens when the  
real estate market  
improves?**



**Sutter County Assessor  
Kathy Scriven**

# Decline in Value

## Proposition 13:

Proposition 13, passed in 1978, established the methodology for property tax assessments. Under this proposition the market assessments for the 1975-76 tax year serve as the original base-year values. Thereafter, a new base-year value is established whenever there is a change of ownership or new construction. The base-year value is increased each year for inflation based on the California "Consumer Price Index," to a maximum of 2 percent.

## Proposition 13 Example:

A home is purchased and is assessed at a market value of \$374,000 by the Assessor's office.

The home value goes up 12% the next year and the home's actual market value is \$ 418,880. The owner is not taxed on the new \$418,880 market value. Per Proposition 13, the taxable value can only go up 2% or less for an inflationary adjustment. The maximum new taxable value would be \$381,480, (\$374,000 x 1.02).

## Proposition 8:

Proposition 8 was passed in 1979 and

directs the Assessor to temporarily lower the assessed value of property. Under Proposition 8 the Assessor must review the market value as of January 1st, and enroll the lesser of: the factored base-year value (Proposition 13 value) or the current market value (Proposition 8 value) of the real property.

If the January 1st factored base year (Prop 13) value of a home is higher than its market value then the owner will qualify for the lower market value assessment (Proposition 8). This provides tax relief to taxpayers in a declining real estate market.

## Proposition 8 Examples:

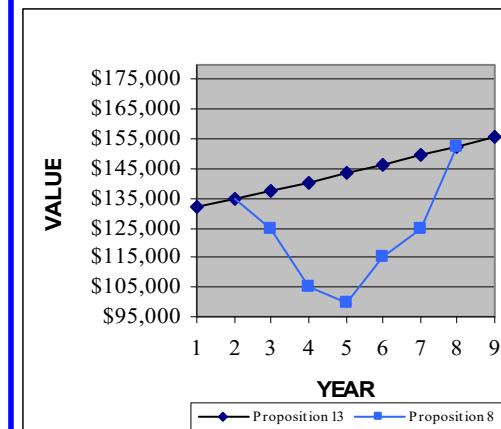
The total (Prop. 13) assessed value on a property (see your last property tax bill) is \$500,000. Sales of similar homes in the area around the January 1st lien date have been around \$450,000.

This property would qualify for Proposition 8 relief based on the sales of comparable homes that indicate the value as of January 1st should be lower. The assessed value would be \$450,000.

Below is an example of a property assessed over several years.

In this example, the property was assessed at the Proposition 13 value for years 1 and 2; however, in year 3 the market value fell below the Prop. 13 value and the taxpayer

paid taxes on the lower market value, which has become the taxable value.



In year 6 the market begins to recover and continues to recover each year until the value is brought back to the original Proposition 13 factored base value in year 8.

A property can be on Proposition 8 for multiple years depending on the severity and length of the market decline. Once a property is put on a Proposition 8 schedule the value is reviewed annually to determine the value as of January 1st.