

California Residents:

The values of single-family residences and condominiums throughout the State have been declining. While the declines in Los Angeles County have not been as dramatic as those in other parts of the State, property values have dropped in nearly every area of Los Angeles County.

How does this impact your property taxes? In 1978, California voters passed a constitutional amendment that allows a temporary reduction in assessed value when a property suffers a "decline-in-value." A decline-in-value occurs when the current market value of your property is less than the assessed value as of January 1. The assessed value is the value shown on your most recent property tax bill.

Typically, an application is required to initiate a review of your property's value by the Assessor. However, in 2008 the Los Angeles County Assessor's Office began doing a proactive review of single-family residences and condominiums based on an analysis of market trends in Los Angeles County. For 2008, single-family residences and condominiums purchased between July 1, 2004 and June 30, 2007 were reviewed. For 2009, the review was expanded to include single-family residences and condominiums purchased between July 1, 2003 and June 30, 2008. In some particularly hard hit areas of the county, the review included properties purchased as far back as 2000.

The 2009 proactive review is complete. 473,000 properties were reviewed, resulting in lower assessments on 333,000 single-family residences and condos. The average reduction in assessed value was about \$120,000, amounting to an average property tax savings of approximately \$1,300. All 473,000 owners whose property was included in the proactive review will be notified of the results in writing by the end of June. If your property was not included in the proactive review or you own property other than a single-family residence or condo, a Decline-In-Value application will be required for a review by the Assessor's Office. An application is recommended if you believe the assessed value of the property shown on the 2008-09 tax bill is more than the fair market value as of January 1, 2009.

ACTION STEPS

1. Call up the Realtor who sold you the house and ask them to complete the attached form for you or to at least provide the information you need about comparable sales. They want to keep you as a long-term friend, client and referral resource, so 9 times out of 10 they'll do it for you.
2. Alternatively, find a trustworthy online comparables site, like CyberHomes.com, Zillow.com, Redfin.com, Realtor.com, HotPads.com, or PropertyShark.com where you can get both an estimated value and a list of the comparable sales on which it was based. They vary on quality depending on your area.
3. Keep in mind that you are trying to make the case that your property value is significantly lower now than when you bought it, so list legitimate comparable sales which support that argument or you are wasting your time! And keep in mind that if you bought your home 10 or 20 years ago, your property's assessed value might not be out of whack with current market values, even though your home's market value may have declined from the peak of the market.
4. Sign the attached form and mail it! Allow several weeks, then call and check on the progress of your request. If it's accepted, you're golden -- for this year. Most areas require you to revisit the reassessment issue every year. If it's denied, there will be a more formal application and appeals process available to you, and you can decide at that time whether it makes sense to undertake that.
5. DON'T MISS THE DEADLINE TO RETURN THE APPLICATION 12/31