



# OFFICE OF ASSESSOR COUNTY OF ALAMEDA

1221 Oak St., Room 145, County Administration Building  
Oakland, California 94612-4288  
(510) 272-3787 / FAX (510) 272-3803

**PHONG LA**  
ASSESSOR

## DECLINE IN MARKET VALUE

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

Decline in Value reductions are *temporary* reductions which recognize the fact that the current market value of a property has fallen below its current factored Proposition 13 base year value as of the January 1 lien date.

As the real estate market begins to recover, the temporary Prop 8 value will be increased until it is restored back to its Prop 13 factored base year value. Increases to a Prop 8 assessment are not subject to the 2% increase limitation as are Prop 13 values. A Prop 8 value may be increased or decreased, depending on the market activity in your neighborhood. However at no point can the value be increased above your factored Prop 13 value.

All properties that have received Decline in Value reduction in the prior year are automatically reviewed in the following year to ascertain whether that year's lien date value should be maintained, lowered, or increased. Unless there is a change in ownership or new construction, your assessment can never increase above the factored Proposition 13 base year value.

If you think your property is being assessed at a value that is higher than market value, you may submit an Informal Request for "Decline in Market Value" Reassessment form with our office. The form is available by either contacting our office or downloading from the internet. Our phone number is (510) 272-3787 and our web address is [www.acgov.org/assessor](http://www.acgov.org/assessor).

**You may not need to request an informal review of your property's assessment.** Alameda County has been and will continue to be proactive in reviewing assessed values to ascertain whether temporary reductions are warranted. The 2021-22 tax year review includes all properties that were granted a reduced assessment for 2020-21. Our review will also encompass properties where no reduction was made for 2020-21 but may warrant a decreased assessment for 2021-2022. Sales of similar properties that sold near the lien date, January 1, 2021 will be analyzed and compared to the properties under review to determine market value. **After the review is completed in June, all taxpayers will be notified of their assessed value during the latter part of July.**

Should you not agree with the results of your request, you have the right to file an appeal with the Clerk, Assessment Appeals Board's office. The filing period is from July 2 through September 15, 2021, inclusive. These forms are available from that office and various local libraries during the filing period. The Clerk's office may be contacted at (510) 272-6352. The appeal forms may also be obtained by downloading from their website at [www.acgov.org/clerk](http://www.acgov.org/clerk).

It is important to note that if you have not received a response to an informal request from our office by the assessment appeals deadline, **September 15, 2021**, or do not agree with the response you must file a timely Assessment Appeal Application in order to protect your appeal rights. If an Informal

Request is made subsequent to the filing deadline without a timely Assessment Appeal Application being filed and you believe the results are unsatisfactory, no further remedy is available.

Please contact the Assessor's Office should you have any questions. Our office hours are from 8:30 a.m. to 5 p.m. and we may be reached at (510) 272-3787.

## QUESTIONS AND ANSWERS

**Q. Is the Assessor required to restore my factored base year value even if its more than a 2% increase?**

A. Yes. Just as there is no limit to the amount of reduction, there is no limit to the amount being restored up to the factored Proposition 13 base year ceiling amount.

**Q. If I have been granted a reduction for the current year will I have to request another review next year?**

A. No. Once you have been granted a reduction pursuant to Proposition 8 your next year's value will automatically be reviewed. A Notification of Assessed Value card will be sent to you in July, which will indicate our findings.

**Q. What should I do if I disagree with the Decline in Value assessment placed on my property?**

A. If after review of the Notification of Assessed Value card you disagree with the value you have until September 15th of that year in which to file an Assessment Appeal Application with the Clerk, Board of Supervisors.

**Q. Why isn't the reduction due to Decline in Value permanent?**

A. Proposition 8 (now California State Revenue and Taxation Code Section 51) requires the Assessor to compare each property's factored base year value with the current market value annually, and enroll the lesser of the two each year.

**Q. What will happen to my assessment if values start to rise?**

A. Here is an example of that situation (assessment 2% inflation factor for all years concerned). Property is purchased in 2016 for \$800,000. For 2019 the factored base year value is \$848,960 ( $\$800,000 \times 1.06120$ , the factor of 1.06120 was arrived at by compounding 2% over three years).

However, a Decline in Value reduction is made at \$820,000 as this is the January 1, 2019 market value and the lower of the two figures.

Later in calendar year 2019 the market improves and the January 1, 2020 market value of the property in this example is \$880,000. The factored base year value for 2020 would be \$865,939 (2% higher than the previous year's factored base year value). Under Decline in Value guidelines for the 2020 fiscal year we would be required to assess the property at \$865,939 which is lower than the \$880,000 market value.

In this example your property would be raised from \$820,000 to \$865,939 (greater than 2%) and you would no longer be under Decline in Value guidelines.

**Q. Using the previous example, what if my January 1, 2020 market value is \$855,000 rather than \$880,000?**

A. Using the same example, we would raise your value to \$855,000, which is lower than the factored base year value of \$865,939. Again, the rule for any given year is to enroll either the factored base year value or the market value, whichever is lower.

In this example, your property would still be under Decline in Value review as the market value of \$855,000 (greater than 2%) is less than the factored base year value.

## **TERMS YOU SHOULD KNOW**

**Base Year** - Under Proposition 13 the assessment year 1975-76 serves as the original base year value. Thereafter, any assessment year in which real property, or a portion thereof, is purchased, is newly constructed or changes ownership shall become the base year used in determining the assessment for such real property, or portion thereof.

**Factored Base Year Value** - If you owned your property before March 1, 1975, the "full cash value" will be the value as it appeared on the 1975-76 assessment roll increased a maximum of 2 percent per year in accordance with Proposition 13. If you acquired or constructed the property since March 1, 1975, "assessed" value is the value at the time you took title or completed construction, plus a maximum of 2 percent each year thereafter.

**Fair Market Value** - as defined in Revenue and Taxation Code Section 110, "The amount of cash or its equivalent that property would bring if exposed for sale in the open market under conditions in which neither buyer nor seller could take advantage of the exigencies of the other, and both the buyer and seller have knowledge of all of the uses and purposes to which the property is adapted and for which it is capable of being used, and of the enforceable restrictions upon those uses and purposes."

**Lien Date** - January 1, beginning in 1997, March 1 prior to 1997.

## **DECLINE IN VALUE - IMPORTANT POINTS**

- The Assessor can only consider the market value as of the lien date (January 1st).
- Our Office will determine the market value of your property by analyzing sales of comparable properties in the area and other pertinent data.
- When supplying information, the comparable sales must be no later than 90 days after the lien date. Thus a sale cannot be beyond March 31st of the lien date in question, but there is no limit as to how far backwards in time a comparable sale may be.
- Decline in Value relief (Revenue and Taxation Code Section 51) is specific to the January 1 fair market value and does not allow for relief pertaining to other dates. As a result, supplemental assessments are not addressed when Decline in Value relief is sought.

## TELEPHONE NUMBERS

### ASSESSOR'S DEPARTMENT

#### General Information

Assessee Services .....	510 / 272-3787
Base Value Transfers .....	510 / 272-3787 (Age 55 / Disabled / Disaster Relief / Eminent Domain)
Exclusions .....	510 / 272-3800 (Parent-Child / Grandparent-Grandchild)
Change in Ownership Information .....	510 / 272-3800
Homeowner's Exemption .....	510 / 272-3770

#### Business Personal Property

General Information .....	510 / 272-3836
Boats and Aircraft .....	510 / 272-3838

**Toll Free** ..... 800 / 660-7725

**Web Page:** [www.acgov.org/assessor](http://www.acgov.org/assessor)

### RELATED COUNTY OFFICES

#### Clerk, Assessment Appeals Board

Assessment Appeals Information ..... 510 / 272-6352

#### Tax Collector

Tax Payment/Bill Inquiries ..... 510 / 272-6800 (including 24 hr payment System)

#### Auditor

Property Tax Rates ..... 510 / 272-6564

#### Recorder

Deed Recording Information ..... 510 / 272-6363