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Thomas P. Kidwell, Madera County Assessor

PUBLIC SERVICE ANNOUNCEMENT

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From: Tom Kidwell, Madera County Assessor

Topic: Real Property Declines in Value Recognized for Property Tax Purposes

Tom Kidwell, Madera County Assessor, has announced that his office has reduced assessed values by over one billion dollars for property tax purposes under Proposition 8 (Revenue and Taxation Code section 51) for the 2009 assessment year. Values in Madera County have been reduced from \$11,959,531,675 for the 2008 assessment year to \$10,948,919,190 for the 2009 assessment year, principally for those property owners who either acquired their property or added improvements to their property between 2004 and 2009.

In 1978, Proposition 8 amended Proposition 13 to allow a temporary reduction in assessed value when a property suffers a decline in value. A decline in value has occurred for property tax purposes when a property's market value on lien date (January 1st) is less than its assessed value on that same lien date. For the 2008 tax year, approximately 1,700 parcel values were reduced under Proposition 8 in Madera County. For 2009 the Assessor's Office has completed a review of over 21,000 parcels of the approximately 60,000 parcels in the County for potential decline in value. Of these, more than 14,000 parcels were approved. Still, the majority of properties in Madera County do not qualify for a reduction in value because their assessed Proposition 13 Factored Base Year Value is less than their current market value. A property owner whose parcel was reviewed and approved for a decline in value for the 2009 will be notified by letter starting in early August.

If you do not receive one of these letters notifying you of a decline in your assessed value, and you believe that as of January 1, 2009, the market value of your parcel was less than its assessed value, you may request to have your value reviewed by the Assessor's Office. You will be asked to complete a one-page form that can be returned by mail, fax, or email. The Proposition 8 (Decline in Value) Application is available for download from the Assessor's Office website at <http://www.madera-county.com/assessor/pdf/PROP8WEBREQ.pdf> or by calling (559) 675-7710. Please have your Assessor Parcel Number available. It can be found near the top of your property tax bill.

It is important to understand that this value reduction is not permanent. Proposition 8 provides for a temporary reduction in value when the market value of a property is less than its Proposition 13 Factored Base Year Value. Proposition 13 continues to protect all property taxpayers throughout Madera County and the State of California by putting a ceiling on increases in assessed value for property tax purposes. Proposition 13 requires that property be taxed at its 1975 Base Year Value plus a maximum 2% annual increase for inflation, unless there is a change in ownership or new construction. If a change of ownership or new construction occurs, then a new Base Year Value is established for that change of ownership or new construction, and that value is then subject to the 2% annual increase for inflation.

Under Proposition 8 (Revenue and Taxation Code 51), once the Assessor lowers a value an annual review of that value is required. Each lien date thereafter, the property value will be reviewed and the lesser of the Proposition 13 Factored Base Year Value or the market value will be enrolled.

Once a property's value has been reduced under Proposition 8, its taxable value may further decrease, be partially increased, or be fully restored in subsequent years, depending on market conditions on lien date. In those circumstances where a property's value increases, the increase is not limited to the 2% annual inflation factor until the full Proposition 13 Factored Base Year Value has been restored.