



FOR IMMEDIATE RELEASE

May 16, 2008

ASSESSED VALUE DROPS ON 85,000 SACRAMENTO COUNTY RESIDENTIAL PROPERTIES

Reflecting the fact that much of the residential real estate market has been in a decline since mid-2006, Sacramento County Assessor Ken Stieger announces that the Assessor's Office has reviewed the market values of residential properties in Sacramento County and will be reducing the assessed values for over 85,000 properties on the 2008-09 property tax roll. These decreases are often referred to as Proposition 8 reductions, reflecting the 1978 ballot proposition that authorized them.

Generally speaking, properties purchased in 2004 and later are affected. Most decreases will range between 10% and 30%.

The majority of the remaining residential properties in the county, some 300,000-plus parcels, will continue to be assessed under Proposition 13 provisions and will ***not*** be receiving notices. If a property was purchased prior to 2004, it is unlikely to receive the Prop 8 decrease in assessed value.

In the next few weeks, the Assessor's Office will send letters to the owners of these properties, notifying them that the assessed value of their property will be reduced for the 2008-09 property tax roll. The letter will advise affected owners of their new Proposition 8 assessed value and will also include their Proposition 13 factored value for comparison. The Prop 8 assessed value will be reflected on the tax bills issued in October of 2008.

Proposition 8 value reductions are temporary. Once a property receives a Prop 8 reduction, its value must be reviewed as of January 1 each year to determine whether the current fair market value remains less than its Proposition 13 base year value plus inflationary adjustments. The Prop 13 value is typically the property's acquisition value plus inflation factors for intervening years. The lower of these two values is the value used for property tax purposes.

Since the reduced Proposition 8 value represents the property's current Fair Market Value, it can fluctuate from year to year without limitation, to reflect changes in the real estate market. When the real estate market recovers and the market value exceeds the Proposition 13 factored base year value, the property's Proposition 13 value will be restored.

The anticipated decrease in assessed value for the 85,000 properties should approximate \$6 billion, and will result in a revenue decrease equal to 1% of that amount, or \$60 million. The lower amount of property taxes in the County will impact local schools, cities, and special districts.

Assessor Stieger also wishes to alert the public that property owners may receive solicitations from private businesses and individuals offering assistance in this process for a fee. While property owners are certainly at liberty to use these private companies, they can apply for this reduction themselves at absolutely no cost simply by writing a letter or otherwise contacting the Assessor's Office.

Taxpayers may visit the Assessor's web site: www.assessor.saccounty.net for more information or call the Assessor's Proposition 8 Customer Service Line at (916) 875-0455.