

Notification of Assessed 2018-2019 Values will be mailed the week of July 13, 2018. In some situations the assessed value has increased more than 2%. For those properties an insert explaining the process accompanied the notice. The information on the insert is stated below.

Dear Taxpayer,

Due to the recent recovery of real estate values our office has determined that the value of your property has increased by more than 2% as of January 1, vs. the same time last year. A 2% increase limit was a mandate of Proposition 13 except in circumstances provided for in Proposition 8 where properties received a temporarily reduced assessment in the prior year due to market value declines.

The below example illustrates a seven year span of January 1 market values vs. assessed values. Over this span of time the assessed value was decreased in order to match declining market conditions however upon an increase of market value, such as the current conditions, the assessed value may increase more than 2% up to the original value plus annual increases allowed under Proposition 13.

Please review the example and the notification. Should you have any questions regarding your assessed value please call our office at (510) 272-3787, option 2, between 8:30 a.m. to 5:00 p.m. Monday through Friday. Our website address is www.acgov.org/assessor.

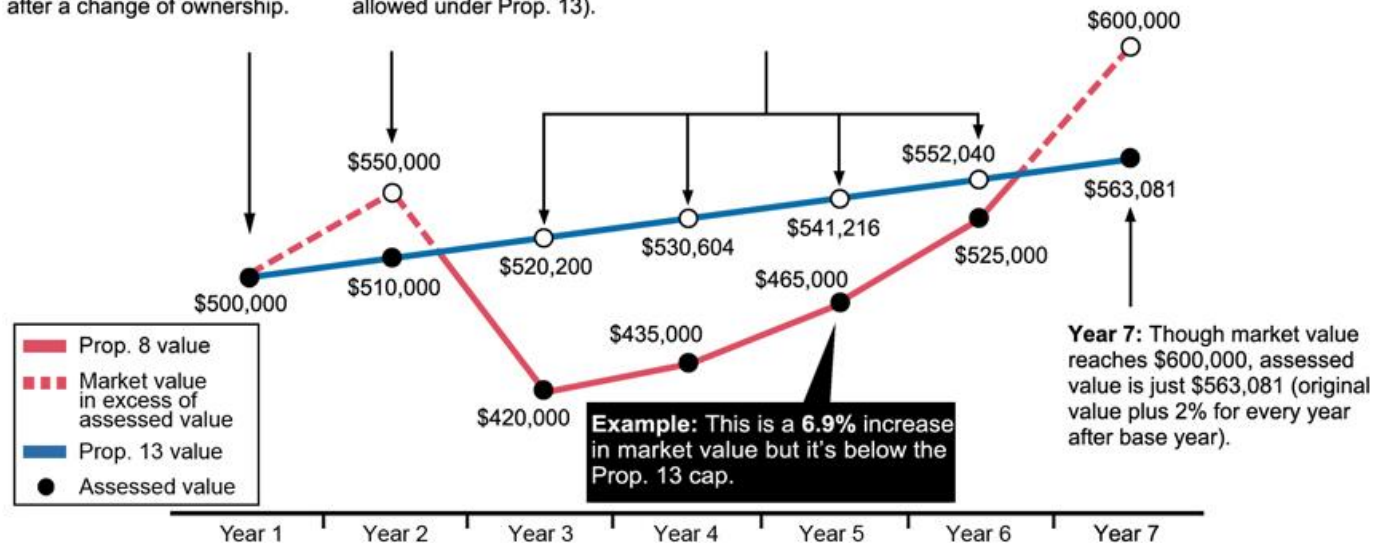
How property values are assessed

California's Proposition 13 caps the growth of a property's assessed value at no more than 2 percent a year unless the market value of a property falls lower. When that happens, Proposition 8, which also passed in 1978, allows the property to be temporarily reassessed at the lower value. However, as the market value of the property rises, the assessed value and resulting property taxes may increase more than 2 percent a year up to the annually adjusted Prop. 13 cap.

Year 1: The \$500,000 market value of a hypothetical home is used as the Prop 13 base value after a change of ownership.

Year 2: Market value rises to \$550,000 but assessed value is just \$510,000 (\$500,000 plus 2% increase allowed under Prop. 13).

Years 3-6: Market value falls below Prop. 13 value, so property is assessed at the lower Prop. 8 rate.



This chart is for illustrative purposes only. The 2% indexing was not compounded in the examples.