

Property Tax Assessment Appeals

What is an Assessment Appeal?

If you own property, each year you will receive a property tax bill. Property taxes pay for a variety of public services and facilities that help make your neighborhood a better place.

The amount of property taxes you pay is determined primarily by a formula based on the value of your property. From time to time, a taxpayer may believe the value used was a mistake. If you disagree with the assessed value, you may appeal that value to your local assessment appeals board or county board of supervisors within specified timeframes.

General Concepts

Typically, the assessed value is tied to the price you paid for your property when you bought it. This value is known as the “base year value.” This value is increased each year by up to two percent. The resulting number then becomes the “assessed value.” The base value may also decrease by any amount in the event of a general decline in real estate values for the type of property involved.

If you acquired your property before 1978, your base year value is based on the assessed value in 1975-76.

Remodels, additions or other physical changes to your property may also affect the assessed value. There are also special rules for valuing property acquired from parents, property damaged in a disaster, and valuing past improvements that were not included in previous assessments.

A typical reason to appeal an assessment is that the market value of your property has declined below its assessed value. What kind of evidence of value do you need to use? Your appeal must be based on the market value as of January 1 of the year in which you are filing. To appeal the assessment of your home, the most reliable evidence to support your opinion of market value is the sale of properties similar to yours. See *Residential Property Assessment Appeals* (March 2003) at www.boe.ca.gov/proptaxes/pdf/pub30.pdf to learn more about how to calculate the value of your property.

Decision-Making Process

Before you file an appeal, discuss your concerns with the assessor's staff. If they discover an error or receive relevant new valuation information, they may be able to reduce your property's assessed value to correct the error. However, if you and the assessor cannot agree what your property's assessed value should be, you may file an “Application for Changed Assessment” with your local appeals board.

Local appeals boards decide disagreements between county assessors and property owners at a public hearing. The boards that hear assessment appeals are separate and independent from the assessor's office.

In many counties, the county board of supervisors hears assessment appeals. In others the board of supervisors appoints the assessment appeals board members. Some counties have hearing officers in addition to the local appeals board. Hearing officers hear appeals and recommend a decision. That recommendation is then considered by an appeals board.

Sample Assessed Value Calculation

2003 Purchase Price	\$	120,000
Inflation Adjustment (2%)	\$	2,400
2004 Property Value	\$	122,400
Inflation Adjustment (2%)	\$	2,448
2005 Property Value	\$	124,848
Bedroom Addition (completed between Jan. 1 and June 30, 2005)	\$	15,000
Inflation Adjustment (2%)	\$	2,797
2006 Property Value	\$	142,645

To Learn More

- *Residential Property Assessment Appeals* (March 2003) at www.boe.ca.gov/proptaxes/pdf/pub30.pdf
- *Assessment Appeals Manual* (May 2003) at www.boe.ca.gov/proptaxes/pdf/aam2003final.pdf
- Listing of county assessors at www.boe.ca.gov/proptaxes/assessors.htm

The Public Hearing

When the hearing body accepts your Application for Changed Assessment, it will let you know when the hearing is. The hearing will typically occur 45 days or more from this notice.

Many county appeals boards have guidelines to assist you in preparing for the hearing. Get a copy of them from the clerk of your appeals board. This will help you decide how to best present your position during the hearing.

If you have not previously discussed your appeal with the assessor, it is advisable to do so prior to the hearing so that you may both understand the basis for the difference in opinion of value.

Appeals boards, with proper evidence, can

- Lower or raise a property's assessed value
- Remove a penalty assessment imposed by the assessor
- Reverse a reassessment based on change in ownership or new construction

Appeals boards cannot

- Reduce your property's assessed value simply because you are paying more taxes than your neighbor
- Remove penalties and interest for late payment of property taxes
- Reduce your taxes due to your inability to pay
- Grant or deny exemptions
- Extend filing periods
- Change the decision of another appeals board
- Rehear an issue already ruled upon

State Board of Equalization, *Residential Property Assessment Appeals* (March 2003)

An appeals board resembles a court when it hears disputes between taxpayers and the assessor. Its decisions are legally binding and enforceable. The rules and procedures are less formal than a court though.

All hearings are open to anyone who wants to attend. At the hearing, you and the assessor have the opportunity to present facts to support your opinions of value. Such evidence can include:

- Oral statements by you or an expert witness (like a real estate appraiser)
- Other witnesses
- Written materials and pictures

You and the assessor may question each other regarding the evidence presented.

The assessment appeals board or hearing officer will determine the full cash value of the property based on evidence presented during the hearing. This may result in a reduction, an increase or no change in the assessed value of your property.

There are two ways you will find out what happens as the result of your appeal. The decision-maker may announce the decision at the conclusion of the hearing. If not, the decision will be mailed to you later.

Ideally, you will understand and agree with the decision reached. If you don't, you need to find out whether you can pursue your argument further.

- An assessment appeals board's decision is final and may only be appealed to superior court.
- If you appeared before a hearing officer, the officer's decision is not final until the local appeals board adopts it.

Contact the clerk of your appeals board to find out what your options may be.

It is very important to understand that filing an assessment appeal does not relieve an owner of the responsibility for paying all outstanding tax bills, no matter how unfair the owner may feel a bill might be. If tax bills are not paid in a timely manner, penalties and interest charges that could otherwise be avoided will accrue. If the bill is paid and subsequently the appeals board lowers the assessed value, previously paid excess taxes will be refunded.