

Appealing Property Assessment

By State law, the assessment year 1975-76 serves as the original base year and the market value base for individual assessments is the value indicated on the 1975-76 tax bill under "Full Cash Value." Thereafter, any assessment year in which real property, or a portion thereof, is purchased, is newly constructed, or changes ownership will become the base year used in determining the full cash value on the date the change occurs for such real property or portion thereof. The Assessor then assesses the transferred or newly constructed property at 100 percent of the full cash value.

Increases in the assessed value of real property, other than the 2% maximum inflationary factor, result primarily from reappraisals due to change in ownership or new construction.

Whenever a reappraisal is made, the Assessor mails a notice to the owner showing the new full value and the reason for the value change.

Personal property is reassessed annually and notification is by the tax bill.

Talk to the Assessor First

If your opinion of the value of your property differs from the Assessor's appraisal, by all means call or come in and discuss it with us. The personnel in our office will be glad to answer any questions you may have about the appraisal and review any pertinent information you can provide. Many times, the problem can be resolved at this point.

Filing the Appeal

After talking with us, if you still find a significant difference between our appraisal and what you feel the value is, you may file an application for a hearing. The necessary forms are available from the Clerk of the Assessment Appeals Board, 1025 Escobar Street, First Floor, Martinez, California 94553; (925) 655-2008. Applications must be filed with the Clerk of the Board of Supervisors beginning July 2 but no later than November 30. Applications which are postmarked by November 30 are considered timely filed. Supplemental assessment appeals must be received within 60 days of the date of the notice. The Assessment Appeals Board has no jurisdiction to hear an application unless it is filed within the specified time.

Basis for the Appeal

The application must show your opinion of the full value and the reason you believe the Assessor's value is incorrect. The Assessment Appeals Board has no legal authority to reduce an assessment because of the increase in value or taxes from prior years, your ability to pay taxes, or the manner in which tax funds are spent. The function of the Board is to determine the full value of property on the basis of the evidence presented.

Scheduling the Hearing

After you file an application, the Clerk of the Board will schedule a hearing and notify you in writing of the time and place. Generally, the notice is sent at least 45 days prior to the hearing date. Should you find it necessary to request a postponement, you should submit a written request to the Clerk of the Assessment Appeals Board for consideration. The request for postponement must be for a justifiable reason and must be approved by the Board.

Appearance at the Hearing

The applicant, or an agent authorized by the applicant, must be present at the hearing. If the applicant was properly notified of the time and place of the hearing and is not present, the application must be denied for nonappearance.

Preparing Your Hearing

BURDEN OF PROOF

The law presumes the Assessor has properly valued the property. At the hearing, you must be prepared to present evidence to support a different value. If you do not submit evidence to overcome the presumption, the application must be denied.

An exception to this presumption is an appeal involving an owner-occupied single-family dwelling. In this case, the Assessor must present evidence to support his valuation. However, you should still be prepared to present evidence in support of your opinion of value.

If you disagree with your assessment based on the fair market value, there are three basic types of information you may present. You should be prepared to support your opinion of value by the use of comparable sales, construction costs, or an income approach.

COMPARABLE SALES

When reliable market data is available, this is the preferred method of valuation. If your appeal is on residential property, you should be prepared to use this approach if at all possible. There is normally a large amount of market data available for single-family residences.

The sales date of the comparables can be any time prior to the required appraisal date, but not more than 90 days after. You should be prepared to present the date of the sales price, and make a comparison of that property to your property.

Since no two properties are exactly alike, adjustments should be made for such differences as size, age, condition, quality, location, etc. You should be prepared to make this type of comparison.

You may use the purchase price of the property under appeal as evidence, but don't stop there. One sales price, even on the subject property, does not establish market value. Be prepared to present additional sales data to support your valuation. A two-year sales list is available at the Assessor's Office.

CONSTRUCTION COSTS

The cost approach to value is preferred when no reliable sales or income data is available. Due to the difficulty in measuring depreciation, the reliability of the cost approach tends to decrease as the age of the structure increases.

A replacement cost estimate should include all normal costs of construction, such as architect's fees, building permit fees, contractor's overhead and profit, and other necessary costs.

You may present actual construction costs for the property under appeal, but, again, don't stop there. If you did any of the work yourself, or acted as your own contractor, be prepared to place a value on that work. If there were construction cost increases between the time you entered into your contract and the date of completion, they must be recognized. Look for available sales or income data to support your opinion.

INCOME APPROACH

The income approach to value is used for property which is typically purchased in anticipation of a monetary income. In this approach, you must estimate the amount of income the property is capable of producing and capitalize that income stream into a value.

In using this method, you should be prepared to justify the income projection, the vacancy and expense allowances, and the capitalization rate. Any available sales or cost information should also be prepared.

Change of Ownership

A "change in ownership" means a transfer of a present interest in real property, including the beneficial use thereof, the value of which is substantially equal to the value of the fee interest. There are, however, many types of transfers excluded from the definition of change in ownership.

Under current law, the Assessor is required to reappraise real property whenever a change in ownership occurs. If you have no argument with the valuation but believe the property should not have been reappraised, you should talk to the Assessor's Office concerning the type of evidence you need to prepare. The documentation that no change in ownership took place will be different for different situations.

Outcome of Appeal

Acting on the evidence presented at the hearing, the Board will determine the full value of the property. The decision may be given at the conclusion of the hearing or taken under submission, in which case the applicant will be notified of the decision in writing. The decision of the Board is final. A hearing and final determination will be made within two (2) years of the timely filing of an application (Rule 309(b), Property Tax Rules).

Payment of Taxes

Despite the fact that you have filed an application for reduction, you are still obliged to pay your property taxes when due. If you have paid your taxes and are subsequently granted a reduction, you will receive a refund. If you do not pay your taxes when they become due, whether or not the Board makes change in the assessment, you will be charged late payment penalties and interest.

Appeals Checklist

- Talk to the Assessor first
- File the appeal by the specified time
- Make sure you appear at the hearing
- Be prepared to present evidence to support your opinion
- Pay your taxes when due, to avoid delinquent penalties