



# Will A Decline In Market Value Reduce My 2009 Property Taxes

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The Assessor reviewed the value of 280,000 properties in Orange County, including homes, condos, townhouses, multi-family, commercial and industrial buildings. The Assessor implemented Taxable Value reductions for the 202,800 eligible properties.

**Q: Will a decline in Market Value reduce my 2009 property taxes?**

**A:** If the Market Value on January 1, 2009 is lower than the Proposition 13 Taxable Value, your Taxable Value was reduced for 2009 and your property taxes should go down. However, your tax bill may also include Special Assessments, Bonds, or Mello-Roos charges that may have increased this year. So even though the basic property tax levy on your bill went down, your overall tax bill may go up.

For information on Special Assessments, Bonds or Mello-Roos charges, please call the phone number listed on your tax bill next to each assessment. The County does not have information about these charges or when they will expire. You must contact the Special Assessment District directly at the number provided on your tax bill.

**Q: What is Market Value?**

**A:** Market Value is what the property would sell for in an open market transaction. Property is valued as of January 1 (lien date) each year.

**Q: What is the Proposition 13 (Prop. 13) Taxable Value?**

**A:** Taxable Value is the Market Value of the property when you acquired it, plus a Consumer Price Index (CPI) adjustment of up to 2% per year, plus the value of any new construction.

**Q: When and how is property valued for annual property taxes?**

**A:** By law, the Assessor values property each year as of January 1. The Assessor compares the Taxable Value to the Market Value. The lower value is used for property tax calculations each tax year. Sales transactions and market activity through March 31 are considered to help determine Market Value.

**Q: Did I have to submit request to have my property value reviewed?**

**A:** No, the Assessor reviews property each year, and a request is not required. **There is no charge for this service.**

**Q: When will I be notified of my property's Taxable Value?**

**A:** Property owners will receive a Property Value Notice from the Assessor in July. This notice provides the taxable value that will be used to calculate the September property tax bill.

**Q: What if I disagree with the Taxable Value on the notice?**

**A:** If you have information that indicates your Taxable Value is too high, you can call the Assessor at (714) 834-2727 and ask to speak to an appraiser. If you still think the value is too high, you can file an Assessment Appeal with the Clerk of the Board. The Assessment Appeal filing period is July 2 through September 15. Don't wait to get your tax bill to file an appeal, the tax bill may be sent after the September 15 filing deadline.



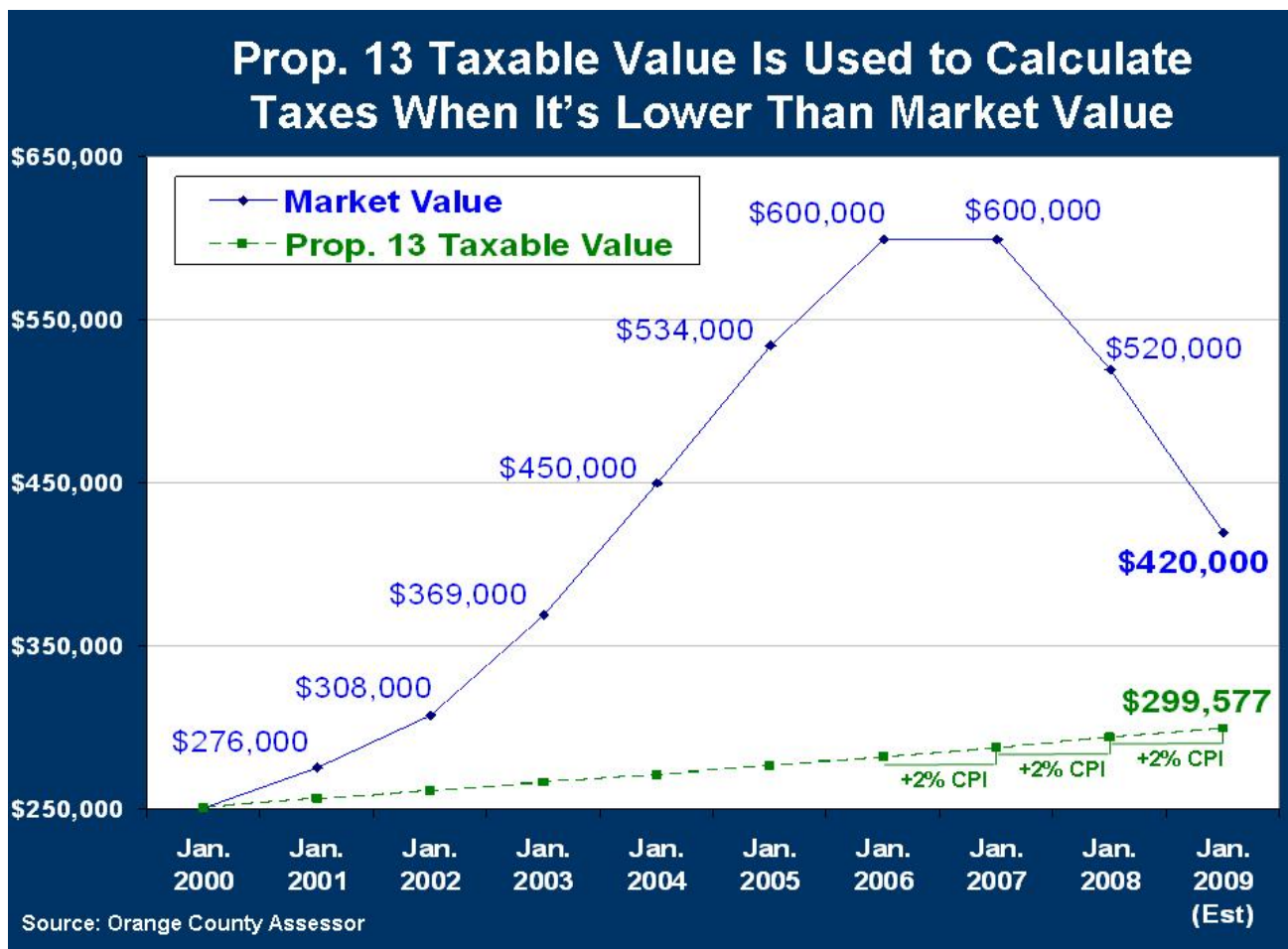


**Q: When will I see a reduction in my property taxes?**

**A:** Any value reduction will be included in the property tax bill mailed in September 2009.

**Example: Property Taxes Are Based On The Lower Value Each Year**

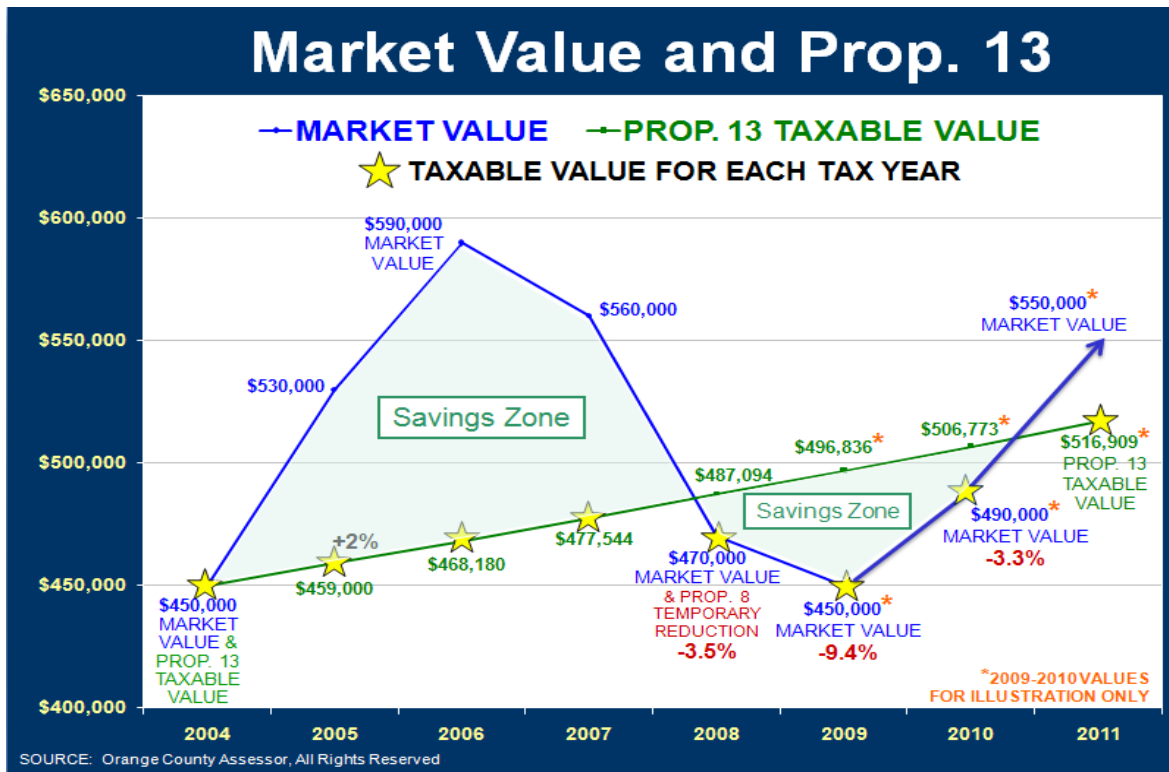
- This property was purchased in January 2000 for \$250,000.
- A Prop. 13 Consumer Price Index (CPI) adjustment of up to 2% was added each year.
- The Market Value dropped \$180,000 in the last two years, from \$600,000 in January 2007 to \$420,000 in January 2009.
- The Prop. 13 Taxable Value of \$299,577 is lower than the Market Value of \$420,000.
- Taxes will be calculated using the lower Prop. 13 Taxable Value of \$299,577.





**Example: Property Tax – Savings Zone**

- This property was purchased in 2004 for \$450,000.
- A Prop. 13 Consumer Price Index (CPI) adjustment of 2% was added in 2005, 2006 and 2007.
- Market Value dropped below the Prop. 13 Taxable Value in 2008, 2009 and 2010.
- In 2011 the Market Value went back above the Prop. 13 Taxable Value.
- Taxpayers have a “Property Tax Savings Zone”, whether the market is up or down.



Tax Year	Prop. 13 Taxable Value	Market Value	Which Value Is Used To Calculate Property Taxes Each Year?	Difference Between Prop.13 Taxable Value and Market Value Is The “Savings Zone”	Tax Savings Based on 1% Basic Tax Rate
2004	★ 450,000	450,000	Market Value Purchase Price	0	\$0
2005	★ 459,000	530,000	Prop. 13 Taxable Value	71,000	\$710
2006	★ 468,180	590,000	Prop. 13 Taxable Value	121,820	\$1,218
2007	★ 477,544	560,000	Prop. 13 Taxable Value	82,456	\$825
2008	487,094	★ 470,000	Market Value	17,094	\$171
2009	496,836	★ 450,000	Market Value	46,836	\$468
2010	506,773	★ 490,000	Market Value	16,773	\$168
2011	★ 516,909	550,000	Prop. 13 Taxable Value	33,091	\$331
<b>Tax Savings</b>					<b>\$3,891</b>

