



OFFICE OF THE ASSESSOR

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Property Value Decline - Will It Lower My Property Taxes?

Orange County's real estate markets have slowed, and some property values are down in some areas. Does a decline in a property's market value require a reduction in property taxes? The answer is that it depends on the Market Value and the Taxable Value.

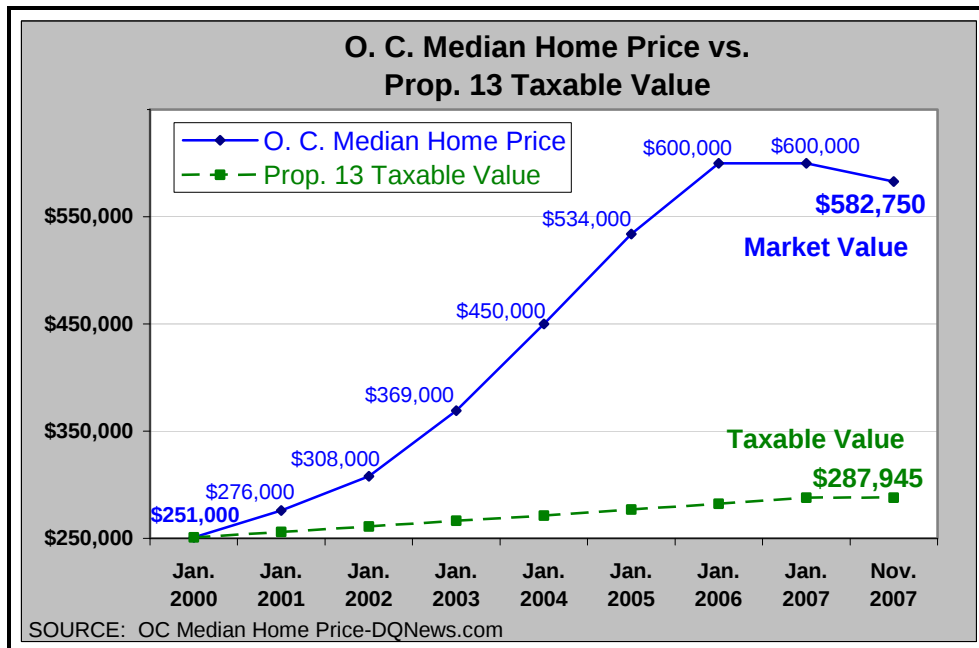
Market Value - Is how much the property would sell for (the unconditional sales price)

Taxable Value - Is established by the Assessor, (the Prop. 13 value), and this value may be increased by a CPI factor of up to 2% per year as specified by California laws

A temporary reduction in property taxes can only be granted if the Market Value falls below the Prop. 13 value (Taxable Value). Some property purchased in 2005, 2006 and 2007 would be the most likely to qualify. Property is valued for property tax purposes each year as of January 1.

The Assessor reviews property each year looking for areas and individual property subject to economic adjustment (Prop. 8) considerations. Taxpayers send market information also, to assist the Assessor in this review. Each property is unique, and the Assessor is required to consider all aspects of the property and market conditions when making a value determination.

The chart below compares the Prop. 13 Taxable Value of a home purchased in January 2000 to the Orange County's Median Home Price (Market Value) from January 2000 to January 2007. As you can see, the Taxable Value is normally below the Market Value.



Taxable Value is printed on the value notices sent by the Assessor in July, and on property tax bills sent by the Tax Collector in September. You can search for Taxable Value by parcel number or property address on the Tax Collector's website, at http://tax.ocgov.com/tcweb/search_page.asp.

Remember, property taxes may be temporarily reduced if the Market Value drops below the Taxable Value. For more information, you can call the Assessor Department at (714) 834-2727.