



BUYNAK LAW FIRM

HOW TO REDUCE YOUR REAL PROPERTY TAXES

(Tax Advisory 2008 - 09)

Have you purchased a home in Santa Barbara within the last 5 years? Is your current home value lower than the original purchase price? Would you like to reduce your current property tax bill almost automatically?

With the recent decline in the real estate market, you may be paying too much in property taxes. Here is an easy way to reduce your property taxes by 10%. This Advisory is neither exhaustive nor tailored to your specific situation. You should discuss your personal situation with us or with your own attorney. Our representation is only undertaken through a written engagement letter and not by the distribution of this Advisory.

Proposition 8 Assessment Review. Section 51 of the California Revenue and Taxation Code provides that the assessed value of any property shall not exceed its full market value on January 1. If you have evidence that the full market value of your property on January 1, 2008, is less than your assessed value, you can ask the County to reassess your property. This informal review by the County is known as a Proposition 8 Assessment Review.

Proposition 8 allows the County Assessor to review both the factored base-year value and the current market value of a property as of January 1 of each year and enroll the lesser value. When the current market value replaces the higher Proposition 13 value, that lower value is commonly referred to as a "Prop 8 Value". In no circumstance can the Assessor value a property higher than its Proposition 13 factored base-year value.

Proposition 13 Restrictions. Although the annual increase for Proposition 13 values is limited to no more than 2%, the same restriction does not apply to values adjusted under Proposition 8. Actual market value must be enrolled as a Proposition 8 value and any subsequent increase or decrease in market value is enrolled regardless of its percentage. However, when the current market value of a Proposition 8 property exceeds its factored

Proposition 13 base-year value, the Assessor simply reinstates the factored Proposition 13 value. Thus, you are not a risk in having a Proposition 8 review; the worst result is that your home's assessed value will remain the same.

Deadline, May 15. Property owners who feel that their assessed value exceeds current market value should contact the County's Assessor Office (805.568.2120) and request a Proposition 8 review form or file the attached form (currently, _____ is handling these). The last day to request a Proposition 8 review of the assessment on the current tax bill is May 15. Once you have requested a Proposition 8 review, an assessor will conduct an informal assessment review and provide you with a new assessment for your property.

You have a right to file an Application for Changed Assessment between July 2 and November 30, if you do not agree with the Assessor's opinion on your property value.

Through our relationships with real estate and appraisal professionals, we can assist in providing comparable market data used in establishing your new assessment value. Additionally, we can represent your interests before the Santa Barbara County Assessment Appeals Board when challenging the Assessor's opinion on your property value.

David W. Smith,
Business and Tax Attorney

This Advisory is one of a series of business, real estate and tax advisories prepared by the attorneys at the Buynak Law Firm. Should you have further questions regarding the information provided in this Advisory, please contact the author at the number listed above.

Buynak Law Firm provides business legal services to individuals, business entities and nonprofit organizations from entity formation and start up, through day-to-day operations and exit strategies.

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County Clerk, Recorder and Assessor

2008/2009

REQUEST FOR INFORMAL ASSESSMENT REVIEW PROPOSITION 8

Section 51 of the California Revenue and Taxation Code provides that the assessed value of any property shall not exceed its full market value on January 1. If you have evidence that the full market value of your property on **January 1, 2008**, is less than your assessed value, you may wish to complete this Request for Informal Review form.

Please return this Request for Informal Assessment Review form to the Assessor's office by May 15, 2008 in order for us to complete the informal review.

IMPORTANT: Please keep a copy of this completed form for your records.

Please contact the Assessor's office if you have received no response from us, or to confirm that we received your request and have reviewed your property value. If your property is in the Santa Barbara-Santa Ynez area call 805-568-2550, Lompoc call 805-737-7899 and Santa Maria call 805-346-8310.

If you do not agree with the Assessor's opinion of value, resulting from the Informal Assessment Review, you have a right to appeal your property value. Contact the Clerk of the Board of Supervisors at (805)568-2240 for an Application for Changed Assessment form. **You must file the Application for Changed Assessment between July 2 and November 30.** You will then have the opportunity to present your case at a future date to the Assessment Appeals Board.

Please see reverse side for the Informal Assessment Review form.

REQUEST FOR INFORMAL ASSESSMENT REVIEW

Please return this completed form to the Assessor's Division
Santa Barbara County Clerk, Recorder and Assessor

Name: _____

Mailing Address: _____

Daytime Telephone Number (between 8:00 a.m. and 5:00 p.m.) _____

Type of Property: Single Family Residence Income Vacant Other

Assessors Parcel Number: _____

Property address: _____

Please provide the following information:

- My opinion of the market value as of **January 1, 2008** is \$ _____
- If the subject property has been recently listed for sale, list price \$ _____
- If a recent appraisal has been made on the subject property, submit a copy of the appraisal within 15 days.

Comparable Market Data Information**

Sale	Address	Sale Date	Price	Description*
1			\$	
2			\$	
3			\$	

*Single-family and multi-residential: number of bedrooms and baths, (number of units and income, if multi-residential), proximity to subject.

*Commercial/industrial: building size, use, income, proximity to subject.

**Comparable Sales used must have sold within 90 days of lien, i.e. March 31st, 2008.

- If there are unique problems with the subject property, please describe and provide contractor's estimate of the cost to cure: _____

- If the subject property produces income, data is requested within fifteen working days or no review action will take place. Please submit the following:
 - a) Income and expense statements (three year history)
 - b) Current rent roll with lease date, terms, and leased area
 - c) Asking rents and area of vacant spaces

You have a right to file an *Application for Changed Assessment* between July 2 and November 30, if you do not agree with the Assessor's opinion on your property value. Contact the Clerk of the Board, (805) 568-2240, for an appeal application form.

Owner's Signature: _____ Date: _____

Assessor's Remarks: _____ Notification: _____