

# PROPOSITION 8 ASSESSMENT RELIEF

## Office of Tom J. Bordonaro, Jr., County Assessor

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## Proposition 8

A Proposition 8 reduction is a form of assessment relief. It may be applied when a property's taxable value exceeds the current market value.

The Assessor's Office is required to enroll *the lower* of two values on all real property:

- The base year value plus the annual inflationary factor: Your base year value is established as of the date of acquisition and/or completion of new construction. This value is adjusted each year by an inflationary factor determined by the percentage change in the California Consumer Price Index (CCPI). In no event shall the inflation factor exceed 2% in any given year.

**OR**

- The current market value: The price your property would sell for on the open market on the January 1<sup>st</sup> lien date.

If you think your property is being taxed on a value that is higher than its current market value, you may contact the Assessor's Office at any time to request an assessment review. Each tax year begins on July 1<sup>st</sup> and ends the following June 30<sup>th</sup>. The value for the current tax year will be examined when an Assessment Review Request is received by the Assessor's Office between July 1<sup>st</sup> and December 31<sup>st</sup>. Assessment Review Requests received between January 1<sup>st</sup> and June 30<sup>th</sup> will be examined for the next tax year.

## Important Points

The Assessor can only consider the market value of your property as of the preceding lien date (January 1<sup>st</sup>). The Market value of your property will be determined by analyzing sales of comparable properties in the area. By law, comparable sales can be any date prior to January 1<sup>st</sup>, but cannot be more than 90 days after January 1<sup>st</sup>.

**Supplemental Assessments** cannot be revised due to Proposition 8 reviews.

(08-17-21)

*"The Assessor and staff seek excellence in providing information, services, and accurate property assessments through our personal commitment to integrity, mutual respect, and teamwork."*

## Example of how Proposition 8 can affect your taxable value

Market value of property, when purchased, was \$500,000	Market Value as of January 1 <sup>st</sup>	Base Year Value	Taxable Value
1 <sup>st</sup> year, January 1 <sup>st</sup>	\$500,000	\$500,000	\$500,000
2 <sup>nd</sup> year, January 1 <sup>st</sup>	\$525,000	\$510,000	\$510,000
3 <sup>rd</sup> year, January 1 <sup>st</sup> Property value declines due to market conditions. Prop 8 applied. (Taxable value must be reviewed yearly.)	\$495,000	\$520,200	\$495,000
4 <sup>th</sup> year, January 1 <sup>st</sup> Slight improvement in market conditions. (Taxable value must be reviewed yearly.)	\$510,000	\$530,604	\$510,000
5 <sup>th</sup> year, January 1 <sup>st</sup> Major improvement in market conditions. (Taxable value returned to base year value, plus annual inflationary factor.)	\$545,000	\$541,216	\$541,216

**If any reduction is made under Proposition 8 guidelines, your property must be reviewed each year until the current market value exceeds the base year value plus the annual inflationary factor. A property that has been reduced under Proposition 8 may be increased greater than 2% per year.**

It is important to remember that the filing of an Assessment Review Request does not extend any filing dates for assessment appeals, nor alter or delay the date taxes are due. Interest and penalties will be added to the amount you owe if your payment is late.

This information is a synopsis of Proposition 8. Please call the Assessor's office for more specific information.