

Decline-in-Value Review – What is It?

In 1978, California voters passed Proposition 8, a constitutional amendment that allows a temporary reduction in assessed value when a property suffers a “decline-in-value.” A decline-in-value occurs when the current market value of your property is less than the current assessed value as of January 1.¹

Eligibility Requirements

1. You must demonstrate that on January 1, the market value of your property was less than its current assessed value.
2. You must file a *Decline-in-Value Review Application*, form RP-87, with the Assessor between July 2 and November 30 for the fiscal year beginning on July 1. Applications are valid if postmarked by November 30. If November 30 falls on a Saturday, Sunday, or a legal holiday, an application is valid if either filed or postmarked by the next business day.

The Process

1. On your claim form, provide the Assessor with information that supports your opinion that the market value for your property is less than the assessed value. The best supporting documentation is information on sales of comparable properties. You should select two comparable sales that sold as close to January 1 as possible, but no later than March 31.
2. An appraiser will review your claim form and the information you provide. Other sales information available to the Assessor may also be considered. If the market value as of January 1 is less than the trended base value², your assessed value will be lowered to the market value for the fiscal year beginning on July 1. The adjusted value will be reflected on your annual tax bill.
3. If the current market value is higher than the trended base value, no change in assessed value will be made.

1. To read the law associated with Proposition 8, see Revenue and Taxation Code, Section 51. It is available online at www.boetaxes.ca.gov/property.

2. Property is assessed at the time of sale or transfer (base value) or new construction. That base value increases a maximum of 2% (trend) each year (i.e. trended base value).

Example

A property was purchased for \$500,000. During a three-year period, the real estate market declined and recovered. The property owner filed for a Decline-in-Value Review. The following table shows the trended base value of the property, the market value of the property, and the assessed value of the property. Assuming a 2% Annual C.P.I.:

	<i>Base Value Trended</i>	<i>Market Value</i>	<i>Assessed Value</i>
Year 1	\$500,000	\$500,000	\$500,000
Year 2	\$510,000	\$480,000	\$480,000
Year 3	\$520,200	\$510,000	\$510,000
Year 4	\$530,604	\$550,000	\$530,604

If you disagree with the Assessor’s findings, you may file an appeal with the Assessment Appeals Board. You must file your appeal between July 2 and November 30 for your annual tax bill.

Frequently Asked Questions

- Q. Do properties other than single family residences qualify?
- A. Yes. All real property qualifies.
- Q. What is a comparable sale?
- A. A property sold with features that are similar to your property is a comparable sale. Comparable sales information helps you analyze the value of your home. For example, a property similar in location, zoning, size, number of bedrooms and bathrooms, age, quality and condition to yours that sold in the open market is a *comparable sale*.
- Q. Where can I find comparable sales information?
- A. A good place to start is online. The Assessor’s website offers sales information for properties that have sold within the last two years. The same information is available from any Assessor District Office. Also, many websites offer sales information free of charge. A local real estate agent or title agent can also be a valuable source of information.
- Q. I filed my *Decline-in-Value Review Application* by November 30. When and how will I know if my value will be reduced?

- A. You will receive notification by mail before July 1.
- Q. If my assessed value is reduced, how long will it last?
- A. Decline-in-Value Review reassessments are not permanent, but last at least one year. The assessed value may decrease or increase depending on the market value of your property on January 1 of each subsequent year. Your assessed value will never increase more than the trended base value. It is important to remember, however, that base year values suspended by Decline-in-Value Review values continue to increase by an annual inflation factor of no more than 2% per year.

How Do I File for a Decline-in-Value Review?

Claim forms are available between July 2 and November 30 from several sources. Choose what is most convenient for you.

Online: Forms are available at the Assessor’s website: assessor.lacounty.gov

Email: Send us an email at helpdesk@assessor.lacounty.gov

Phone: Call 213.974.3211

Claim forms may also be requested by mail or in person at any of our offices listed in this brochure.

What Form Do I Need?

Decline-in-Value Review Application (RP-87)

For More Information

For general information, visit one of our offices to pick up brochures or speak with a trained professional. You may also contact us in any of these convenient ways, 24 hours a day:

- *Assessor's Website*: Research comparable sales, verify valuations, download forms, learn how appraisals are made, and more. Visit assessor.lacounty.gov
- *Assessor's Email*: Send your questions, comments, and suggestions to helpdesk@assessor.lacounty.gov.
- *Los Angeles County Property Tax Website*: General information about property taxes, including how to read your tax bill and where to find answers to your questions. Visit lacountypropertytax.com.
- *Property Information Hotline*: Minimal wait times averaging less than a minute. Fast transfers to expert staff during normal business hours. Just call toll free 1.888.807.2111.
- *Automated Interactive Voice System*: Information on valuations and taxes can be obtained by entering the Assessor Identification Number from a property tax bill. Call 213.974.3838 or call the toll free number above.

Si desea ayuda en Español,
llame al número 1.888.807.2111

Convenient Locations

Main Office

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 225
Los Angeles, CA 90012-2770
213.974.3211
1.888.807.2111

North District Office

13800 Balboa Boulevard
Sylmar, CA 91342
818.833.6000

South District Office

1401 E. Willow Street
Signal Hill, CA 90755
562.256.1701

East District Office

1190 Durfee Avenue
South El Monte, CA 91733
626.258.6001

West District Office

6120 Bristol Parkway
Culver City, CA 90230
310.665.5300

Lancaster Regional Office

251 E. Avenue K-6
Lancaster, CA 93535
661.940.6700

Van Nuys Satellite

14340 Sylvan Street
Van Nuys, CA 91401
818.901.3455

OFFICE OF THE ASSESSOR



GUIDE TO DECLINE-IN-VALUE REVIEW

500 West Temple Street
Los Angeles, California 90012-2770
213.974.3211
1.888.807.2111

assessor.lacounty.gov

or

lacountypropertytax.com

"Valuing People and Property"