

Declines in Value

Include all required information on the value change notice pursuant to section 619.

[Section 619\(a\)](#) requires the assessor to inform each assessee of real property on the local secured roll whose property's full value has increased over its full value from the prior year as it shall appear on the completed local roll. [Section 619\(b\)](#) provides that the information given by the assessor to the assessee shall include a notification of hearings by the county board of equalization, which shall include the period during which assessment appeals will be accepted and the place where they may be filed. The information shall also include an explanation of the stipulation procedure set forth in [section 1607](#). [Section 619\(c\)](#) provides that in the case of an increase in a property's full value over the property's full value determined for the prior year in accordance with [section 51](#), the information shall also include the property's factored base year value (FBYV).

By not including all required information in the letters sent to taxpayers indicating a value change to their assessed values, the assessor is not in compliance with current statute and taxpayers are not being properly notified of the information concerning the property's assessed value or their rights to file for property tax relief.

Annually review all decline-in-value properties pursuant to section 51(e).

[Section 51\(e\)](#) provides that the assessor is not required to annually reappraise all assessable property to determine if the property qualifies for a decline-in-value reduction. However, for each lien date after the first lien date for which the taxable value of the property is reduced, the value of that property must be annually reappraised at its full cash value until its full cash value exceeds its FBYV.

By not annually reviewing all properties in decline-in-value status, the assessor is not in compliance with statute and may be enrolling incorrect assessments for the lien date.

Develop a comprehensive appraisal program for discovering properties that experience a decline in value.

[Section 2\(b\) of article XIII A](#) of the California Constitution requires the assessor to recognize declines in value if the current market value of the property on the lien date falls below its FBYV. [Section 51\(a\)](#) requires the assessor, as of the lien date, to enroll the lesser of the property's FBYV or its full cash value, as defined in [section 110](#). [Rule 461\(d\)](#) states that the assessor shall prepare an assessment roll containing the base year value appropriately indexed or the current lien date full value, whichever is less. According to [Letter To Assessors No. 92/63](#), it is the assessor's responsibility to prepare an assessment roll that appropriately reflects both constitutional and statutory provisions. Not only does the assessor have a responsibility to reassess property when a change in ownership or new construction occurs, the assessor also has the responsibility to discover properties where assessments are on the roll in excess of their current market value.

By not actively identifying properties on the roll exceeding current market value, the assessor is not complying with proper statutes and may be enrolling overstated values. In addition, the assessor's practice of enrolling the market value of some properties while enrolling FBVVs for comparable properties represents inequitable taxation. When the assessor discovers that the market value of a property has declined below its FBV, the assessor should also review the values of comparable properties to ensure that none are being overassessed.

Document and support full cash value estimates for properties experiencing a decline in value.

Documentation supporting the value conclusion is a necessary element of any appraisal. It is standard appraisal practice to document in the property record the data used to determine market value conclusions. Proper documentation not only facilitates appraisal review, but also provides the means with which to defend values. By not adequately documenting appraisal records, the assessor's value conclusions, even if correct, may not be fully understood by taxpayers or other appraisers.