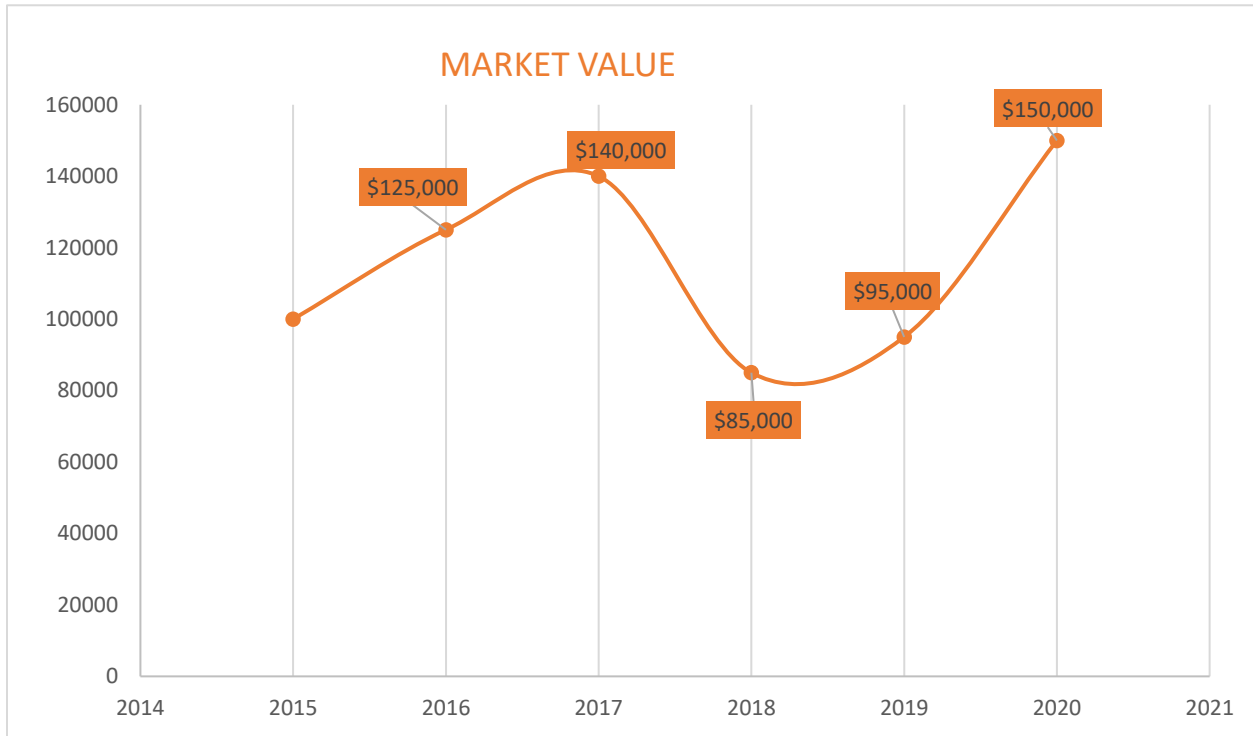


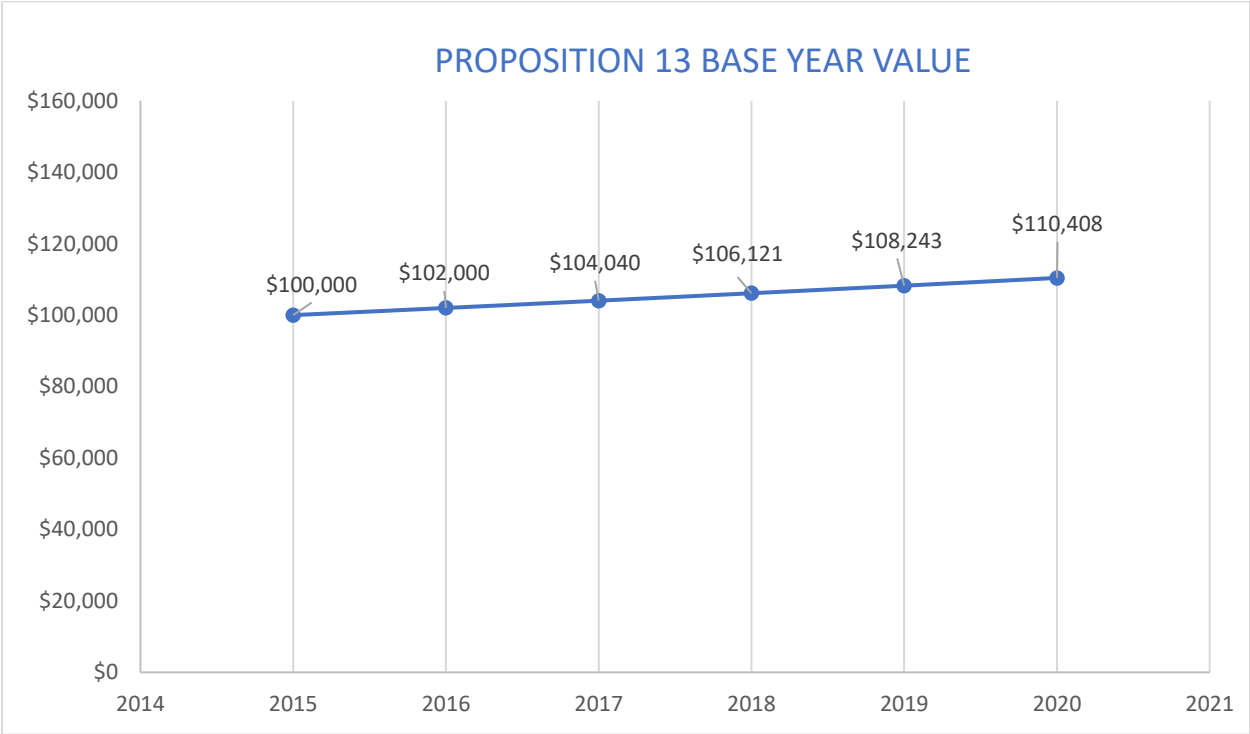
# MARKET VALUE and BASE YEAR VALUE

## (Prop 8) and (Prop. 13)

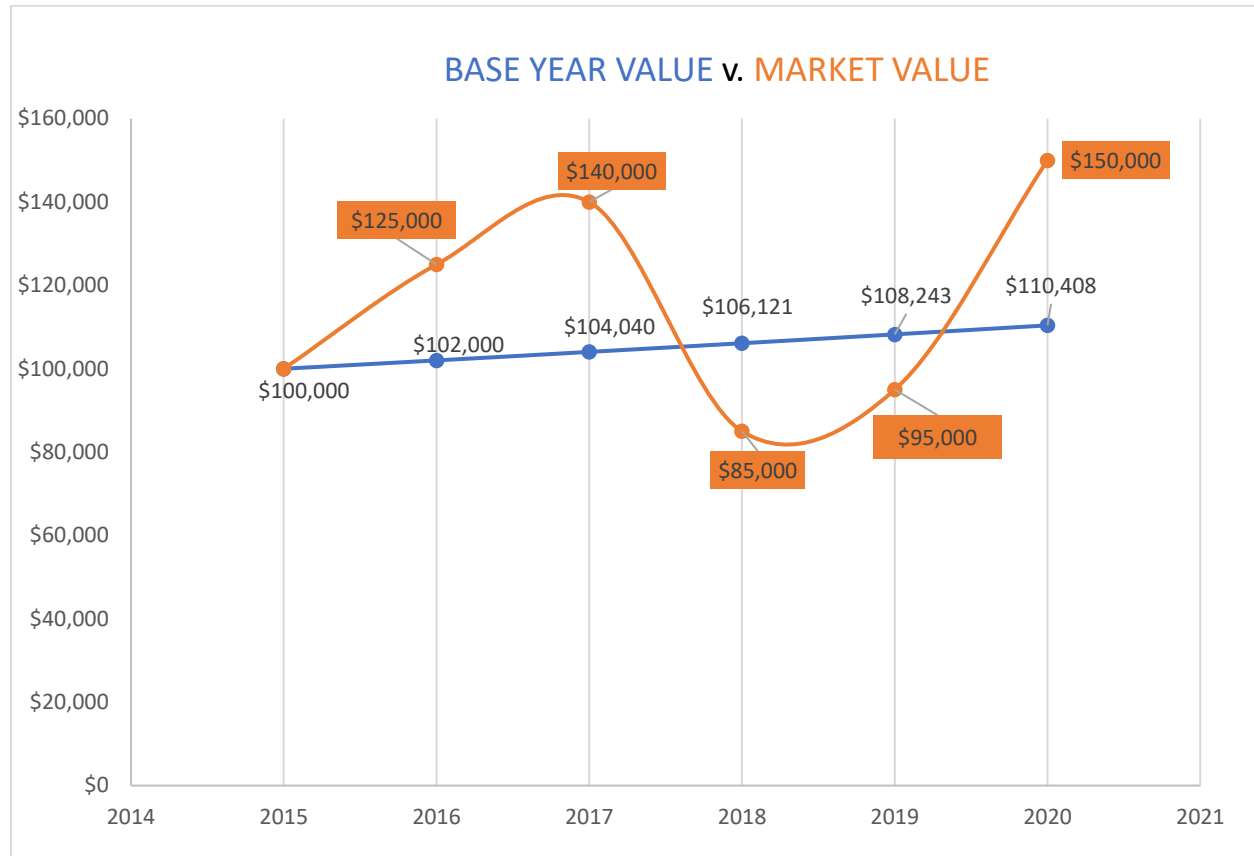
Properties sold and purchased in the open market indicate market value. In general, market value is driven by economic conditions. Market value does not follow any set percentage increase or decrease.



With Proposition 13, your property value is set at the time of purchase or newly completed construction. From this point forward, the value of your property is increased at no more than 2% for each following year, which is the value your tax bill is based on. This is also known as base year or Prop 13 value.



Proposition 8 allows for a temporary relief when the market value of your property falls below your base year value. Your property will be assessed at the lowered value.



As well, under Prop 8, the maximum annual increase of 2% required under Prop 13 is not applicable.

While under Prop 8, your property will be reassessed each year until your property value rises back to the base year value. In other words, the value could increase or decrease at any percentage for as long as it's below the base year value.

As you can see from the comparison chart between base year and market value. The market value for a property purchased for the 2015 tax year was \$100,000. For property tax purposes, the value increased by 2% to \$102,000 while the market value increased to \$125,000. Because the market value is higher than your base year value, your tax was based on \$102,000. Forward to 2018 and 2019 tax years, your base year values were higher than market value. Therefore, your property would receive the Prop 8 market value of \$85,000 and 95,000 instead of \$106,121 and \$108,243, respectively.

Disclaimer: The charts are for demonstration purposes only. They do not reflect actual valuation or market condition for this time period.

In summary: Each year, your tax bill will always be based on your Prop 13 base year value unless the market value is lower. Then, Prop 8 allows for temporary reduction.

If you believe your property market value is below the value shown on your tax bill, please contact the Assessor's office at 559-675-7710 or [appraisers@maderacounty.com](mailto:appraisers@maderacounty.com) before the **November 30<sup>th</sup> deadline** for each affected tax year.

Click on this link for Prop 8 form

<https://www.maderacounty.com/home/showdocument?id=21069>