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## REDUCING YOUR REAL PROPERTY TAXES NOW!

*(Tax Advisory No. 11)*

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Is your current commercial property or home value lower than the original purchase price, or lower than its assessed value? Would you like to reduce your current property tax bill almost automatically? If so, the easy way to reduce your property taxes by a Proposition 8 Assessment Review, as outlined in this Advisory.

This Advisory is neither exhaustive nor tailored to your specific situation. You should discuss your 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 real property shall not exceed its full market value each January 1. If you have evidence that the full market value of your real property on January 1 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 (that means put the lesser value on the tax rolls). 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 Base Line Value.** 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 at risk in having a Proposition 8 review; the worst result is that your real property’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 (in Santa Barbara, it’s 805.568.2120)

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*How to Reduce Your Real Property Taxes Now!*

PAGE 2 OF 2

and request a Proposition 8 review form. 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 a County Assessor or its Assessment Appeals Board when challenging the Assessor's opinion on your property value.

As always, you should be sure that additional legislation has not been enacted or court decisions rendered, that would change the above advisements. This Advisory is neither exhaustive nor is it tailored to your specific situation. You should discuss your individual situation with us or your own attorney. We look forward to being of service to you as we have with many owners of real property, who have for years enjoyed the yearly benefit of their reduced property assessment value and reduced real property taxes.

S. Timothy Buynak  
Business and Tax Attorney

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*This Advisory is one of a series of business and tax advisories prepared by the attorneys at Buynak, Fauver, Archbald & Spray, LLP. Should you have further questions regarding the information provided in this Advisory, please contact the author at the number listed below.*

*Buynak, Fauver, Archbald & Spray, LLP provides business legal services to individuals, business entities and nonprofit organizations from entity formation and start-up, through day-to-day operations, litigations, and exit strategies.*

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