MY TAXABLE VALUE AND MY STATE EQUALIZED VALUE (SEV) ARE THE SAME AMOUNT

There are two reasons that this might occur:

1. **There was a transfer in the property in 2007.**
   According to Proposal A, when a property (or interest in a property) is transferred, the following year’s SEV becomes that year’s Taxable Value. This has been referred to as “uncapped”. An example would be if you purchased a property in 2007, the Taxable Value for 2008 will be the same as the 2008 SEV.
   Your Notice of Assessment will indicate in box 5 if there was or was not a transfer of ownership on the property in 2007.

2. **I obtained interest in the property two or three years ago.**
   Because the market that determined True Cash Value or your SEV has not increased by the large percentage increases that we realized a few years ago, your SEV may not be increasing faster than the rate of inflation. Under this situation, your SEV has been lower than the Capped Value calculated; therefore your Taxable Value has been your SEV over the last two or three years. Even though they may have been the same, they were still slightly increasing. This year with the declining market we have experienced, once again your SEV and your Taxable Value will be the same, but they most likely will both be less than last year. In this case your property taxes may decrease.

**IS THIS PROPERTY CONSIDERED A PRINCIPAL RESIDENCE?**
A Principal Residence Exemption (formerly referred to as Homestead) can be filed on property that you own and occupy as your principal residence. The deadline filing date for a property to receive this exemption is May 1. Simply speaking, you may only have one principal residence regardless of how many properties you own. However, there are many guidelines established for this exemption. If you are in doubt, you should contact the Assessing Office. *If this property is considered a Principal Residence it will show 100% (or the percent of exemption) in the box near the bottom of the notice titled % Exempt as “Homeowners Principal Residence”.*

**WHAT IS THE MARCH BOARD OF REVIEW**
On the notice, the days and hours the Board of Review are scheduled to meet are inserted. The Board is comprised of residents from the community that have knowledge of property values and have most likely taken time off from their jobs to hear value appeals. They are not employees of the City. *The Board is available, by appointment,* if you disagree with the values provided to you on the notice. Appointments are ten minutes long and provide you the opportunity to present evidence to support your value. Residents must appear or send someone to appear before the Board. Nonresidents may appeal by letter which must be received by the last day the Board is scheduled to meet. The Board of Review does not make a decision at that meeting, but a decision will be mailed to you, within 10 days of the adjournment of the meetings.

**WHAT CAN THE MARCH BOARD OF REVIEW CAN AND CANNOT DO**
1. The Board cannot change the calculation (formula) for the Capped Value which generally becomes your Taxable Value.
2. The Board cannot discuss your tax bill.
3. The Board cannot discuss or change values from prior years.
4. The Board cannot hear appeals of Principal Residence Exemptions.
5. The Board CAN hear appeals and make changes to assessed value. If a change in assessed value lowers the SEV below the Capped Value, the Taxable Value would also change.
6. The Board CAN grant a Poverty Exemption. Poverty Exemption Policies & Guidelines have been adopted by the City Council and are available in the Assessing Office.
The Basics

The constitutional amendment known as Proposal “A” was approved by the voters in 1994. This proposal was designed to limit the growth in property taxes to the rate of inflation until the property transferred. Regardless of the increases in your property value, your taxes could only go up the rate of inflation (unless you made changes to the property) thereby allowing homeowners to continue to afford the home they lived in. This proposal requires the Assessing Office to calculate three values for each property in the city.

**Assessed Value/State Equalized Value (SEV)**

This value is calculated for each parcel in the City each year. The value is set at 50% of True Cash Value for your property as determined by studies of the market (sales) that occur during a time frame outlined by the State Tax Commission. *Find this value in box 2 & 4 on the Assessment Notice.*

**Capped Value**

This value is calculated by a defined formula. The formula starts with last years Taxable Value, considers physical changes to the property and uses the “rate of inflation” or 5% (whichever is less). The “rate of inflation” percentage is provided by the State Tax Commission developed from the US Department of Labor Bureau of Labor Statistics Consumer Price Index. Assessors cannot develop or use another inflation rate multiplier. *This value does not appear on your Assessment Notice.*

**Taxable Value**

This is the value which your property taxes are based on. This value is the lower of your State Equalized Value or your Capped Value. For most property owners, this value only increases by the rate of inflation each year. *Find this value in box 1 on the Assessment Notice.*

**HOW DOES THIS WORK NOW THAT THE MARKET IS DECLINING?**

Assessor’s may use a single year (12 month) sales study rather than the two year (24 month) study when there is significant evidence of a declining market. Our community used the single year study. For 2008 Assessments, sales occurring between October 1, 2006 through September 30, 2007 (period defined by the State Tax Commission for 12 month studies) were used to determine 50% of True Cash Value.

Some points to keep in mind when looking at your Assessment/State Equalized Value:

1. **Actual Sale Price is not True Cash Value**

   The law defines True Cash Value as the usual selling price of a property. An Assessor must assess the property using the same valuation method used to value all other property of that same classification in the city. Your sale price alone does not determine the True Cash Value. All sales of similar type properties are studied. Some sales are excluded in accordance with established guidelines set by the State Tax Commission. The remaining sales are used to determine the levels of assessment from similar type property in the city.

2. **Foreclosure Sales**

   Sales from financial institutions, after a foreclosure, are excluded from the sales study until the Assessing Office verifies the terms of the sale and the condition of the property. Guidelines were provided to Assessors this year by the State Tax Commission to make this determination. Forms were developed that require the financial institutions to provide detailed information. Our Assessing staff has followed these guidelines. Remember that regardless of whether the individual sale is used in the study, the actual sale price, by law, is not the true cash value (see number 1).