

ASSESSOR / RECORDER

MARC C. TONNESEN
Assessor/Recorder



675 Texas Street, Suite 2700
Fairfield, CA 94533-6338
707.784.6210
Fax 707.784.6209
www.solanocounty.com

FOR IMMEDIATE RELEASE

July 1, 2013

Local Secured Assessment Roll Increases by 6.77% Countywide

Solano County Assessor/Recorder Marc Tonnesen announced today that the assessment roll for secured properties in the county for fiscal year 2013/14 increased by \$2.57 billion or 6.77 percent over last year.

“This is the first time in the past five years that the roll went up countywide. In fact, all seven cities posted gains in assessed value. The recovering real estate market played the most significant role in the increase,” Tonnesen said.

As of the close of the roll, the assessed value of the nearly 143,000 residential and commercial parcels in Solano County was \$40.47 billion. Local agencies use this value, after adjusting for exempt properties, to calculate the distribution of property taxes.

The recovering real estate market resulted in a decrease in the number of properties on Proposition 8 status, a temporary reduction in property values below their base property value established by Proposition 13. As of this year’s roll close, 55,495 parcels were on Proposition 8 status, a decrease of 22,655 or 29 percent from the 78,150 parcels on Proposition 8 status last year.

ASSESSED VALUES OF LOCAL SECURED PROPERTIES IN SOLANO COUNTY				
	2012	2013	Value Difference	Percentage Difference
Benicia	\$4,436,433,152	\$4,683,233,083	\$246,799,931	5.56%
Dixon	\$1,596,964,981	\$1,681,060,902	\$84,095,921	5.27%
Fairfield	\$9,298,353,972	\$10,081,165,890	\$782,811,918	8.42%
Rio Vista	\$842,803,840	\$879,332,588	\$36,528,748	4.33%
Suisun City	\$1,606,567,008	\$1,745,407,084	\$138,840,076	8.64%
Unincorporated	\$2,981,796,654	\$3,120,071,756	\$138,275,102	4.64%
Vacaville	\$9,430,496,484	\$9,942,612,023	\$512,115,539	5.43%
Vallejo	\$7,709,240,124	\$8,335,920,790	\$626,680,666	8.13%
Totals	\$37,902,656,215	\$40,468,804,116	\$2,566,147,901	6.77%

Per fiscal year comparison of secured assessment roll values by municipality – Source: Solano County Assessor/Recorder’s Office

All cities and unincorporated area of the county saw increases in assessed values; however, not all experienced the same rate of recovery. The highest gain was Suisun City at 8.64 percent, followed by Fairfield at 8.42 percent and Vallejo at 8.13 percent. The next highest gains were

posted by Benicia at 5.56 percent followed by Vacaville at 5.43 percent and Dixon at 5.27 percent. Rio Vista posted the lowest gain in assessed value at 4.33 percent with the unincorporated area of the county slightly higher at 4.64 percent.

Under Proposition 13, when a change in ownership occurs or new construction is completed, property is reassessed and a base year value is established. Annual increases thereafter are limited to 2 percent per year. However, when market value falls below the Proposition 13 value, the market value becomes the basis for property taxes. This is known as the temporary enrollment of the Proposition 8 value. This value is reassessed every year until the market meets or exceeds the Proposition 13 value. At that point the Proposition 13 value is restored.

Homeowners whose property values were temporarily reduced or restored to Proposition 13 status will receive a notice in the mail.

Tonnesen is pleased to announce that as of July 1, 2013 Proposition 8 notices are available online at <http://www.solanocounty.com/depts/ar/viewpropertyinfo.asp> for property owners to view or print.

Tonnesen credits his hard working staff for the timely completion of the Proposition 8 review process and roll close.

“Although the number of reviews has leveled off, the workload is still significant and staff continues to complete this massive assessment task timely and accurately. The Assessor division continues to do more with less,” Tonnesen said.

If any property owner has questions about their assessment, they can contact the Assessor division of the Assessor/Recorder department at (707) 784-6210 or e-mail assessor@solanocounty.com. In addition, taxpayers may obtain information from the Solano County website www.solanocounty.com under Assessor/Recorder department.

Understanding the Proposition 8 Adjustment

A key component of the increase in the assessment roll for fiscal year 2013/14 was recovering real estate market that positively affected property values in Solano County. This in turn reduced the number of parcels on Proposition 8 status.

The amount of increase or decrease in property values depends on the market activity in an individual’s area and how close the property’s Proposition 8 value is to its Proposition 13 value. Assessed value is the basis for property taxes.

Passed by the voters in 1978, Proposition 13 amended the California Constitution to establish a process each California county assessor uses to determine assessed value for real property. Under Proposition 13, when a change in ownership occurs or when new construction is completed, property is reassessed and a base year value is established. Annual increases

thereafter are capped at 2 percent per year. Each parcel of real property in the county has a Proposition 13 value which is calculated and held by the assessor.

Subsequent legislation known as Proposition 8 further amended the Constitution to allow the assessor to make temporary reductions in assessed value when the market value - what a property would sell for in the open market - falls below the Proposition 13 value.

The factored Proposition 13 base year value, or the base value plus the annual increase by no more than 2 percent, sets the upper limit of value for property tax purposes. With Proposition 8, whenever the market value falls below the factored Proposition 13 value, that market value is temporarily used for property tax purposes. Once a property is placed on Proposition 8 status, the assessor reviews its value annually and adjusts according to the market at that time.

For instance, in 2006 an owner purchases property for \$500,000 at the peak of the market. However, in 2013 the new factored Proposition 13 value, which adds no more than 2 percent to the prior year's base year value, would be over \$560,000. If the market value of that same property in 2013 was \$250,000, the Assessor would temporarily enroll the lower value for property tax purposes. In the following year and as of lien date - January 1 of each year - the market value of the property would again be determined and compared to the Proposition 13 value and the lesser value would be enrolled.

The Proposition 8 value is temporary and not subject to the Proposition 13 cap of 2 percent per year. So, as the market value of property fluctuates, the Proposition 8 value may increase over 2 percent per year up until it reaches the Proposition 13 value factored. At that point the 2 percent cap is reestablished and becomes the basis for property taxes, not the market value which is higher.

The assessed value of your property is available on the Assessor/Recorder website at <http://solanocounty.com/depts/ar/home.asp>. The Assessor/Recorder is located at 675 Texas Street Suite 2700, Fairfield, CA 94533. Our telephone number is (707) 784-6210.

###