

## Assessor/Recorder Department

**MARC C. TONNESEN**  
Assessor/Recorder

**KATHY DOSSA**  
Assistant Assessor/Recorder



675 Texas Street, Suite 2700  
Fairfield, CA 94533-6338  
(707) 784-6210  
Fax (707) 784-2475  
[www.solanocounty.com](http://www.solanocounty.com)

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#### **News Contact**

Kathy Dossa, Assistant Assessor-Recorder  
(707) 784-6210 | [KLDossa@SolanoCounty.com](mailto:KLDossa@SolanoCounty.com)

## **Property values continue to rise countywide**

SOLANO COUNTY – According to the Solano County Assessor-Recorder's Office, the overall value of all properties in Solano County is \$49.2 billion, a 6 percent or \$2.8-billion-dollar-increase over the previous fiscal year.

"Although the recovering real estate market continues to play the most significant role in replenishing equity into people's homes, new construction also is contributing to the increase," says Marc Tonnesen, Solano County Assessor Recorder. "As a result, this is the fourth consecutive year in a row the roll value has increased countywide."

As of the close of the roll, the assessed value of all assessable properties in Solano County was \$49.2 billion. This "net roll" is used by local agencies as a starting point to calculate the distribution of property taxes for the benefit of their cities and local programs.

The County's net roll consists of all assessable property discovered and valued by the County Assessor, less property that is exempt from property taxes. It is separated into the "secured assessment roll" – generally land and improvements (such as structures) - and the "unsecured assessment roll" – primarily business/personal property (such as machinery and office equipment).

The recovering real estate market continues to fuel the decrease in the number of properties on Proposition 8 status - a temporary reduction in property values below their established Proposition 13 base year value. As of this year's roll close, 4,752, properties have established a new base year value through a change in ownership or have recovered assessed value to their Proposition 13 value. At this time, 18,323 parcels remain on Proposition 8 status, whereas in 2012, that number peaked at 78,000 parcels countywide.

Under Proposition 13, either a change in ownership or the completion of new construction triggers a property to be reassessed and a new base year value is established. Annual increases thereafter are limited to a 2 percent maximum 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. Homeowners whose property values were temporarily reduced under Proposition 8 or restored to Proposition 13 status will receive a notice in the mail.

A significant amount of work goes into establishing the annual property value roll for Solano County. Tonnesen credits his hard working staff for the timely completion of the Proposition 8 review process and roll close.

"Although the number of reviews continues to decrease, the workload is still significant and staff continues to complete this massive assessment task timely and accurately," Tonnesen said. "We look forward to working with the public as the real estate market recovers and home values continue to rise."

Proposition 8 notices are available online for preview and print at <http://www.solanocounty.com/depts/ar/viewpropertyinfo.asp>

If any property owner has questions about their assessment, they can contact the Assessor division of the Assessor/Recorder department at (707) 784-6210 and [Assessor@SolanoCounty.com](mailto:Assessor@SolanoCounty.com). In addition, taxpayers may obtain information from the Solano County website [www.SolanoCounty.com](http://www.SolanoCounty.com) under the Assessor-Recorder department.

## **Understanding the Proposition 8 Adjustment**

The recovering real estate market is a key component of the increase in the assessment roll for fiscal year 2016/17, 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 every 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.

The Proposition 8 value is temporary and not subject to the Proposition 13 cap of 2 percent per year. 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.

County residents can view their property values on the Assessor-Recorder's website at [www.SolanoCounty.com/depts/AR/home.asp](http://www.SolanoCounty.com/depts/AR/home.asp).

The Assessor-Recorder's Office is located in the County Administration Center, 675 Texas Street, Suite 2700 in Fairfield. Marc Tonnesen and the Assessor-Recorder staff can be reached at (707) 784-6210.

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