
NEWS



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DON'T GET RIPPED OFF FOR UNNEEDED SERVICE

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By Rick Auerbach

In these unsettling economic times as the values of homes decline, it is my responsibility to ensure that no property owner pays more than their fair share of taxes. People worry about foreclosures and paying property taxes even with the protection of Proposition 13. Now, they have to worry about being ripped off by companies offering the lure of lower taxes.

Private companies are taking advantage of the situation with a scheme charging property owners an unreasonable fee for a service they do not need -- the filing of decline-in-value reassessment applications.

Companies using clever names like "Tax Adjusters," "Tax Review," or "Tax Reassessment," are mailing misleading solicitations which arrive in official-looking envelopes. They are written in language with deadline warnings which can easily be mistaken for an official government form.

Some are being referred to the district attorney for investigation. Anyone receiving a suspicious solicitation should contact the Los Angeles County Department of Consumer Affairs at (800) 973-3370 or visit their Web site (dca.lacounty.gov/contact.htm).

My office will be reviewing the values of 500,000 homes this year without the filing of forms – and for free!

Proposition 13 set the guidelines for determining property taxes. The assessed value of property is established when it is either purchased or built. Most refer to this as the Proposition 13 value. Lesser known is Proposition 8 which allows a temporary reduction in assessed value when the current market value of a property is less than the value shown on the property tax bill.

Owners who purchased their home or condo at or near the top of the market may have a Proposition 13 value that is higher than its market value. They clearly deserve a temporary reduction in property taxes.

Last year, I initiated a review of single-family residences and condos purchased between July 1, 2004 and June 30, 2007. About 318,000 homes were reviewed, resulting in substantial tax savings for 128,000 homeowners. In 2009, we will expand this to the 500,000 homes that were purchased between July 2003 and June 2008. In some areas, we will look at earlier purchases.

The market downturn, however, doesn't mean everyone will see reduced property taxes. The market value of a property must be less than the value shown on the latest property tax bill to receive a reduction in property taxes. So if you bought your home prior to 2002, it is unlikely your property taxes will be reduced.

Don't be misled into paying someone to file an application for you when we'll be reviewing your property for free.

How will you know if your property is part of the review? All 500,000 owners whose homes are reviewed will receive a letter by the end of June notifying them of the results. After April 1 you can also find out if your home is included in the review by going to the assessor's Web site (assessor.lacounty.gov).

Owners who disagree with the results of the review or were not included in the review may file an application through Dec. 31. In addition, owners who still disagree with the value may file with the independent Assessment Appeals Board between July 2 and November 30.

The decline-in-value reassessment application couldn't be easier to complete. It can be downloaded from the assessor's Web site or requested by calling (888) 807-2111.

All applications will be reviewed, including those that were among the 500,000 homes already reviewed. We never charge a fee to file. Since our review will be completed by the end of June, I urge owners of the 500,000 homes being reviewed to wait until July to decide whether to file an application.
