

Property Tax Appeal



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What is a Comparable Sale?

- Criteria to determine “comparability” of a property:
 - Sale of the property must be an arms-length open market transaction;
 - Comparable property must be similar to yours based on size, quality, age, condition, utility, amenities, site location, legally permitted use and other physical attributes; and
 - Comparable property sale date may be any time prior to the valuation date, but cannot occur more than 90 days after the valuation date of your property (January 1st).



Dates of Admissible Comparable Sales

Sales Comps must have sales date prior to March 31st of the tax year

All Sales Prior to January 1st (tax year)

Lien Date: January 1st (tax year)

Last Admissible Comp: March 31st (tax year)



What is the lien date?

- The lien date is the date on which taxes for any fiscal year (July 1 thru June 30) become a lien on property.
- The lien date is the 1st of January that immediately precedes the fiscal year.
 - For example, for the 2007-2008 fiscal year, the lien date is January 1, 2007.



Valuation Date or Lien Date

- All “Decline in Value” (Proposition 8) appeals of your property use the lien date for the year on which you are filing.
- A “base year” assessment appeal uses the date of purchase/transfer or the date of completion of new construction.
- An appeal of the assessed value for partial completion of new construction is the lien date.



Important Dates

- Decline in Value (Prop. 8): January 1st immediately preceding fiscal year appealed.
- Change of ownership: Actual date of transfer (or sale date)
- New construction: Date of completion
- Partial new construction: Lien date (January 1st)



Arm's length, open market transaction

- Defined as the price at which property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would transfer under prevailing market conditions.
 - Purchase price becomes the “assessed value.”
- If sale is not an arms-length open market transaction, the sales price may not be admissible evidence.



Caution with Sales Comps

- **CAUTION:** One of the most common errors made when gathering evidence is to use the sale of a comparable property which occurred more than 90 days after the valuation date of your property.
- Sales that occur more than 90 days after the valuation date of your property are specifically prohibited by California state law from being used as evidence.
- Use comparable properties sold closest to the lien date (January 1st of the appeal year).
 - The closer the sales date the more relevant.
 - Do NOT use sales comps more than 3-6 months before the lien date.