

How Property Value is Assessed in Los Angeles

The discovery and valuation of every property in Los Angeles County is the legal responsibility of the Assessor. Assessing property in order to determine its fair market value is the basis for determining the amount of property tax that is to be paid annually by the property's owner.

Assessing the value of property relies upon local housing market conditions and the expertise of professional property appraisers in the Office of the Assessor. This value is used to determine the annual tax bill which is sent by the County's Treasurer-Tax Collector to the property owner.

California's Proposition 13

In 1978, the California Constitution was amended by the voters to restrict increases of property taxes. This major property tax reform has not been copied anywhere else in the United States.

Proposition 13 requires assessment of each taxable property based on the fair market value and limits a property owner's tax bill to 1 percent of the assessed value. For example, an owner of a \$420,000 home will pay an annual property tax of \$4200.

Prior to 1978, the law required reassessment on an annual basis.

Not only was this process expensive, but it meant that from one year to the next, a homeowner's property tax could double or even triple depending on fluctuations in the local housing market.

In order to ensure property owners were not subject to huge increases in their taxes, Proposition 13 mandated that a property owner's tax could not increase by more than 2 percent from one year to the next. That means that even if the property doubles in value, using the example above, the home owner's tax would increase by only \$84, or 2 percent of \$4200.