



## **About the California Taxpayers' Association**

**The California Taxpayers' Association was founded in 1926. Our mission is to protect taxpayers from unnecessary taxes and to promote government efficiency. We serve our members through research and advocacy on significant tax and spending issues in the legislative, executive and judicial branches of government.**

1215 K Street, Suite 1250  
Sacramento, CA 95814  
916.441.0490  
[www.caltax.org](http://www.caltax.org)

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***Comparison of Growth in Assessed Value of  
Homeowner-Occupied Property vs.  
Non-Homeowner-Occupied Property Subject to  
Proposition 13 Assessment Provisions***

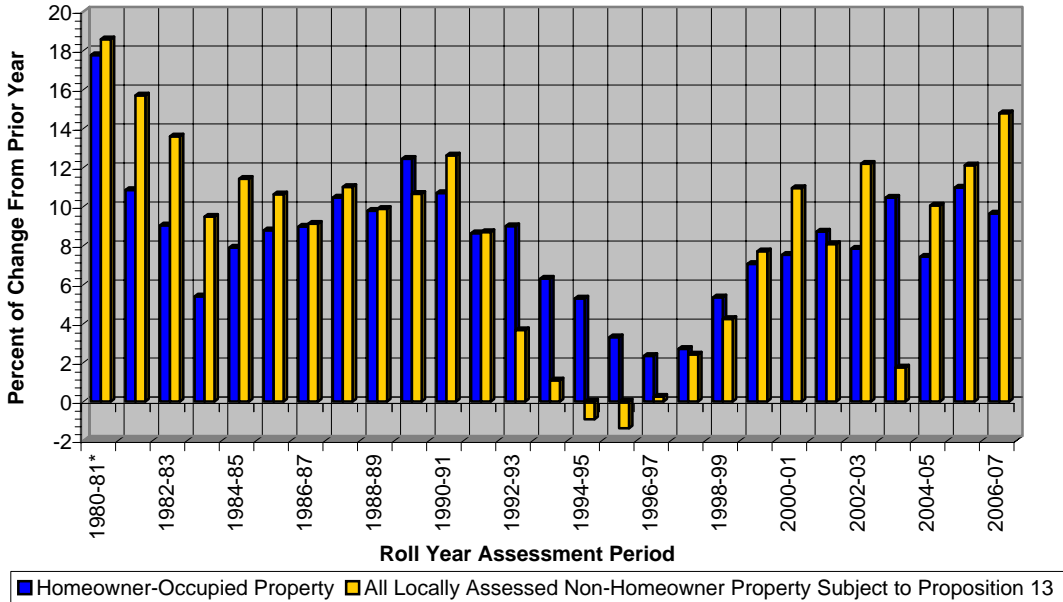
### ***Findings:***

- The assessed value of non-homeowner-occupied property subject to Proposition 13 has grown an average of 8.5 percent per year, while homeowner-occupied property has grown an average of 8.3 percent. Thus, the Proposition 13 property taxes paid by non-homeowners have outpaced homeowners' property tax burden (see Figure 2 and Table 1).
- Contrary to previous beliefs, Proposition 13 has not shifted the property tax burden to homeowners (see Figures 1 and 3, and Table 3).
- Of the properties subject to the acquisition value method of Proposition 13, assessed values have increased at an average annual rate of 8.4 percent (see Table 2).

### ***Methodology:***

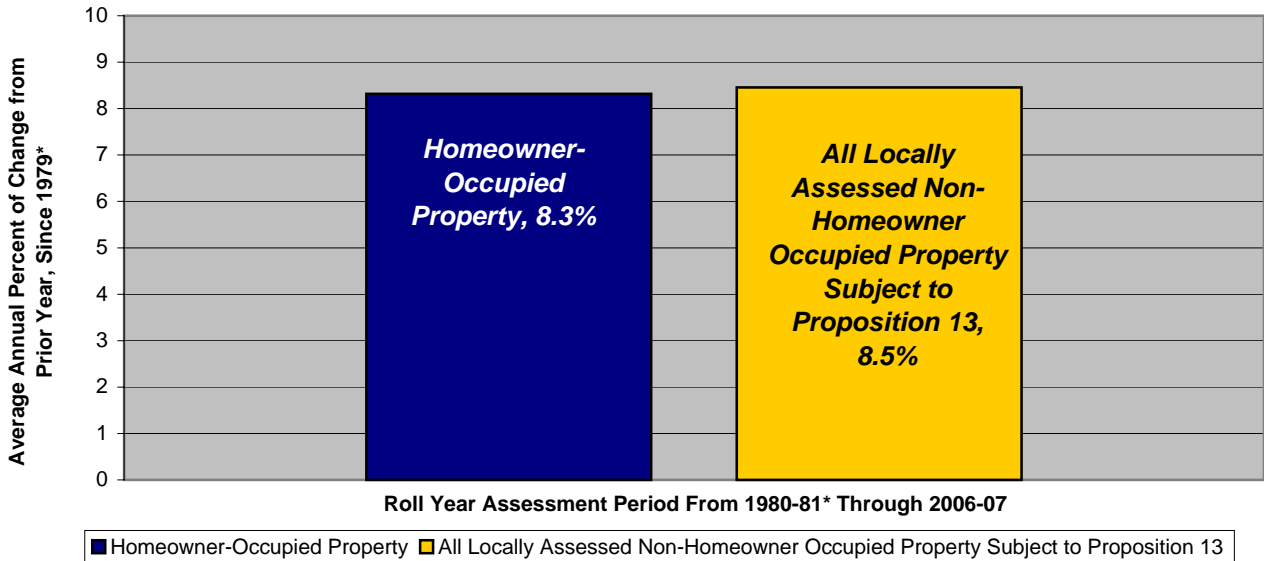
The data evaluated in this report was gathered from the *State Board of Equalization Annual Reports* and the *State Board of Equalization Report on Assessed Value of Homeowner Property*. While this study is a comprehensive look at all available data, full records from the State Board of Equalization on homeowner assessment values were not published prior to 1979-80. To make fair and equal comparisons, this study's conclusions are based upon assessment periods where all information is available. Assessment periods with all available data are 1979-80 through 2006-07.

**Comparison of Growth in Assessed Value of Homeowner-Occupied Property vs. Non-Homeowner-Occupied Property Subject to Proposition 13 Assessment Provisions, by Year (Figure 1)**



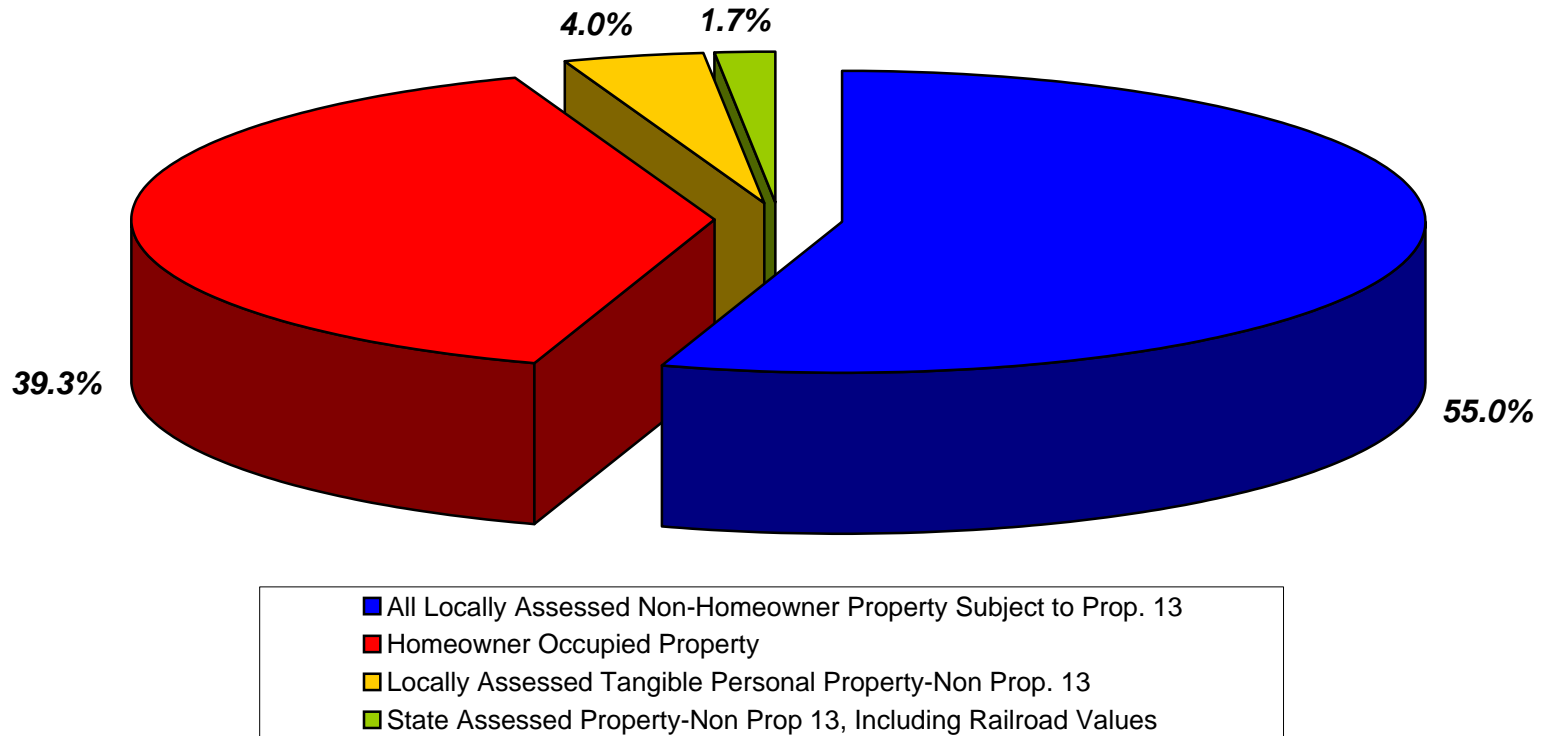
\*Note: Until 1981-82, property was assessed at 25 percent of "full" value. This graph accounts for change in assessment.  
 Source: Data from Table 4, Columns B and F

**Comparison of Growth in Assessed Value of Homeowner-Occupied Property vs. Non-Homeowner-Occupied Property Subject to Proposition 13 Assessment Provisions, From 1979 to 2006 (Figure 2)**



\*Note: Until 1981-82, property was assessed at 25 percent of "full" value. This graph accounts for change in assessment.  
 Source: Data from Table 4, Columns B and F

### Percentage of Overall Property Taxes Borne by Homeowners and Non-Homeowners During the 2006-07 Assessment Period (Figure 3)



**Note:** Percentages are for the 2006-07 assessment period.  
**Source:** See *Table 3* for notes and calculations.

**Comparison of Growth in Assessed Value of Homeowner-Occupied Property and Non-Homeowner-Occupied Property Subject to Proposition 13 Assessment Provisions (Table 1)**

Assessment Period	A*		B**	
	Homeowner Occupied Property	Percent Increase by Year	All Locally Assessed Non-Homeowner Property Subject to Prop. 13	Percent Increase by Year
1977-78*	-	-	-	-
1978-79*	-	-	-	-
1979-80*	\$ 45.6	-	\$ 63.0	-
1980-81*	\$ 53.7	17.8	\$ 74.7	18.6
1981-82	\$ 238.1	10.8	\$ 345.7	15.7
1982-83	\$ 259.6	9.0	\$ 392.7	13.6
1983-84	\$ 273.6	5.4	\$ 429.9	9.5
1984-85	\$ 295.2	7.9	\$ 479.0	11.4
1985-86	\$ 321.1	8.8	\$ 529.9	10.6
1986-87	\$ 349.9	9.0	\$ 578.2	9.1
1987-88	\$ 386.5	10.5	\$ 641.8	11.0
1988-89	\$ 424.3	9.8	\$ 705.2	9.9
1989-90	\$ 477.1	12.4	\$ 780.3	10.6
1990-91	\$ 528.1	10.7	\$ 878.8	12.6
1991-92	\$ 573.7	8.6	\$ 955.1	8.7
1992-93	\$ 625.3	9.0	\$ 990.1	3.7
1993-94	\$ 664.7	6.3	\$ 1,000.8	1.1
1994-95	\$ 699.8	5.3	\$ 991.7	-0.9
1995-96	\$ 722.9	3.3	\$ 978.1	-1.4
1996-97	\$ 739.8	2.3	\$ 980.5	0.2
1997-98	\$ 759.8	2.7	\$ 1,004.2	2.4
1998-99	\$ 800.4	5.3	\$ 1,046.7	4.2
1999-00	\$ 856.9	7.1	\$ 1,127.3	7.7
2000-01	\$ 921.4	7.5	\$ 1,250.7	10.9
2001-02	\$ 1,001.7	8.7	\$ 1,351.7	8.1
2002-03	\$ 1,080.2	7.8	\$ 1,516.5	12.2
2003-04	\$ 1,193.1	10.5	\$ 1,543.0	1.7
2004-05	\$ 1,281.7	7.4	\$ 1,698.1	10.1
2005-06	\$ 1,422.3	11.0	\$ 1,903.7	12.1
2006-07	\$ 1,559.4	9.6	\$ 2,185.2	14.8
<b>Average Annual Percent Increase from 1979 to 2006</b>	-	8.3	-	8.5

\*Source: See Table 4, Column B or State Board of Equalization Assessed Value of Properties Receiving the Homeowners' Exemption as a Percentage of Total Assessed Value.

\*\*Source: See Table 4, Column F as calculated.

**Comparison of Growth in Assessed Value of Homeowner-Occupied Property and Non-Homeowner-Occupied Property Subject to Proposition 13 Assessment Provisions  
(Table 2)\*\***

Assessment Period	A	
	All Prop. 13 Property	Percent Increase by Year
1977-78*	-	-
1978-79*	-	-
1979-80*	\$ 108.6	-
1980-81*	\$ 128.4	18.2
1981-82	\$ 583.8	13.7
1982-83	\$ 652.3	11.7
1983-84	\$ 703.5	7.8
1984-85	\$ 774.2	10.0
1985-86	\$ 851.0	9.9
1986-87	\$ 928.1	9.1
1987-88	\$ 1,028.3	10.8
1988-89	\$ 1,129.5	9.8
1989-90	\$ 1,257.4	11.3
1990-91	\$ 1,406.9	11.9
1991-92	\$ 1,528.8	8.7
1992-93	\$ 1,615.4	5.7
1993-94	\$ 1,665.5	3.1
1994-95	\$ 1,691.5	1.6
1995-96	\$ 1,701.0	0.6
1996-97	\$ 1,720.3	1.1
1997-98	\$ 1,764.0	2.5
1998-99	\$ 1,847.1	4.7
1999-00	\$ 1,984.2	7.4
2000-01	\$ 2,172.1	9.5
2001-02	\$ 2,353.4	8.3
2002-03	\$ 2,596.7	10.3
2003-04	\$ 2,736.1	5.4
2004-05	\$ 2,979.8	8.9
2005-06	\$ 3,326.0	11.6
2006-07	\$ 3,744.6	12.6
<b>Average Annual Percent Increase From 1979-80 Through 2006-07</b>	-	8.4

**Note:** Dollar amounts are in billions and have been rounded to the nearest tenth.

\***Note:** Until 1981-82, property was assessed at 25 percent of "full value." To calculate comparable percentages, pre-"full value" property was adjusted. To adjust pre-1981-82 property to "full value," multiple value by 4.

\*\***Note:** Data calculated from Table 4 by adding columns B and F.

**Source:** See Table 4 for notes and calculations.

**Percentage of Overall Property Taxes Borne by Homeowners and Non-Homeowners During the 2006-07 Assessment Period (Table 3)**

	A	B	C	D	E
Assessment Period	All Property*	All Locally Assessed Non-Homeowner Property Subject to Prop. 13**	Homeowner Occupied Property***	Locally Assessed Tangible Personal Property-Non Prop. 13****	State Assessed Property-Non Prop 13, Including Railroad Values*****
2006-07	\$ 3,971.6	\$ 2,185.2	\$ 1,559.4	\$ 159.4	\$ 67.6
	<b>TOTAL</b> 100%	55.0%	39.3%	4.0%	1.7%

\*Note: From Table 4, Column A

\*\*Note: From Table 4, Column F

\*\*\*Note: From Table 4, Column B

\*\*\*\*Note: From Table 4, Column E

\*\*\*\*\*Note: From Table 4, Columns C and D

Source: See Table 4 for notes and calculations.

**Comparison of Growth in Assessed Value of Homeowner-Occupied Property and Non-Homeowner-Occupied Property  
Subject to Proposition 13 Assessment Provisions (Table 4)\***

Assessment Period	A		B		C		D		E		F		G	
	All Property **	Percent Increase by Year	Homeowner Occupied Property ***	Percent Increase by Year	State Assessed Property-Non Prop. 13^	Percent Increase by Year	Railroad Assessed Value	Percent Increase by Year	Locally Assessed Tangible Personal Property-Non Prop. 13	Percent Increase by Year	All Locally Assessed Non-Homeowner Property Subject to Prop. 13***+	Percent Increase by Year	All Non-Homeowner Property Subject to Prop. 13 and Railroad Assessed Values****	Percent Increase by Year
1977-78*	\$ 106.7	-	-	-	-	-	-	-	-	-	-	-	-	-
1978-79*	\$ 116.7	9.4	-	-	-	-	-	-	-	-	-	-	-	-
1979-80*	\$ 132.8	13.8	\$ 45.6	-	\$ 7.0	-	\$ 0.4	-	\$ 16.8	-	\$ 63.0	-	63.4	-
1980-81*	\$ 144.7	9.0	\$ 53.7	17.8	\$ 7.5	7.1	\$ 0.4	0.0	\$ 8.4	-50.0	\$ 74.7	18.6	75.1	18.5
1981-82	\$ 657.9	13.7	\$ 238.1	10.8	\$ 33.8	12.7	\$ 1.9	18.8	\$ 38.4	14.3	\$ 345.7	15.7	347.6	15.7
1982-83	\$ 737.1	12.0	\$ 259.6	9.0	\$ 38.9	15.1	\$ 1.9	0.0	\$ 44.0	14.6	\$ 392.7	13.6	394.6	13.5
1983-84	\$ 797.4	8.2	\$ 273.6	5.4	\$ 45.0	15.7	\$ 2.2	15.8	\$ 46.7	6.1	\$ 429.9	9.5	432.1	9.5
1984-85	\$ 878.7	10.2	\$ 295.2	7.9	\$ 49.9	10.9	\$ 2.3	4.5	\$ 52.3	12.0	\$ 479.0	11.4	481.3	11.4
1985-86	\$ 968.6	10.2	\$ 321.1	8.8	\$ 54.6	9.4	\$ 2.2	-6.2	\$ 60.9	16.4	\$ 529.9	10.6	532.1	10.6
1986-87	\$ 1,058.6	9.3	\$ 349.9	9.0	\$ 61.6	12.9	\$ 2.4	11.3	\$ 66.5	9.2	\$ 578.2	9.1	580.6	9.1
1987-88	\$ 1,165.1	10.1	\$ 386.5	10.5	\$ 61.0	-1.0	\$ 3.0	25.0	\$ 72.8	9.5	\$ 641.8	11.0	641.5	10.5
1988-89	\$ 1,275.5	9.5	\$ 424.3	9.8	\$ 65.0	6.6	\$ 2.3	-23.3	\$ 78.7	8.1	\$ 705.2	9.9	703.7	9.7
1989-90	\$ 1,412.5	10.7	\$ 477.1	12.4	\$ 67.4	3.7	\$ 2.3	0.0	\$ 85.4	8.5	\$ 780.3	10.6	782.6	11.2
1990-91	\$ 1,578.0	11.7	\$ 528.1	10.7	\$ 72.8	8.0	\$ 2.3	0.8	\$ 96.0	12.4	\$ 878.8	12.6	881.1	12.6
1991-92	\$ 1,702.9	7.9	\$ 573.7	8.6	\$ 70.6	-3.0	\$ 2.7	16.5	\$ 100.8	5.0	\$ 955.1	8.7	957.8	8.7
1992-93	\$ 1,789.8	5.1	\$ 625.3	9.0	\$ 70.4	-0.3	\$ 2.1	-22.2	\$ 101.9	1.1	\$ 990.1	3.7	992.2	3.6
1993-94	\$ 1,839.9	2.8	\$ 664.7	6.3	\$ 66.5	-5.5	\$ 2.2	4.8	\$ 105.7	3.7	\$ 1,000.8	1.1	1,003.0	1.1
1994-95	\$ 1,863.4	1.3	\$ 699.8	5.3	\$ 66.8	0.5	\$ 2.2	0.0	\$ 102.9	-2.6	\$ 991.7	-0.9	993.9	-0.9
1995-96	\$ 1,876.0	0.7	\$ 722.9	3.3	\$ 66.9	0.1	\$ 1.9	-13.6	\$ 106.2	3.2	\$ 978.1	-1.4	980.0	-1.4
1996-97	\$ 1,897.3	1.1	\$ 739.8	2.3	\$ 65.1	-2.7	\$ 1.7	-10.5	\$ 110.2	3.8	\$ 980.5	0.2	982.2	0.2
1997-98	\$ 1,950.7	2.8	\$ 759.8	2.7	\$ 66.8	2.6	\$ 1.9	11.8	\$ 118.0	7.1	\$ 1,004.2	2.4	1,006.1	2.4
1998-99	\$ 2,044.3	4.8	\$ 800.4	5.3	\$ 67.1	0.4	\$ 2.1	10.5	\$ 128.0	8.5	\$ 1,046.7	4.2	1,048.8	4.2
1999-00	\$ 2,184.4	6.9	\$ 856.9	7.1	\$ 66.6	-0.7	\$ 1.8	-14.3	\$ 131.8	3.0	\$ 1,127.3	7.7	1,129.1	7.7
2000-01	\$ 2,375.3	8.7	\$ 921.4	7.5	\$ 61.3	-8.0	\$ 1.7	-5.6	\$ 140.2	6.4	\$ 1,250.7	10.9	1,252.4	10.9
2001-02	\$ 2,570.1	8.2	\$ 1,001.7	8.7	\$ 61.6	0.5	\$ 1.7	0.0	\$ 153.4	9.4	\$ 1,351.7	8.1	1,353.4	8.1
2002-03	\$ 2,815.7	9.6	\$ 1,080.2	7.8	\$ 63.5	3.1	\$ 1.7	0.0	\$ 153.8	0.3	\$ 1,516.5	12.2	1,518.2	12.2
2003-04	\$ 2,957.8	5.0	\$ 1,193.1	10.5	\$ 67.5	6.3	\$ 1.7	0.0	\$ 152.5	-0.8	\$ 1,543.0	1.7	1,544.7	1.7
2004-05	\$ 3,193.6	8.0	\$ 1,281.7	7.4	\$ 63.7	-5.6	\$ 1.9	11.8	\$ 148.2	-2.8	\$ 1,698.1	10.1	1,700.0	10.1
2005-06	\$ 3,542.2	10.9	\$ 1,422.3	11.0	\$ 65.2	2.4	\$ 1.8	-5.3	\$ 149.2	0.7	\$ 1,903.7	12.1	1,905.5	12.1
2006-07	\$ 3,971.6	12.1	\$ 1,559.4	9.6	\$ 66.0	1.2	\$ 1.6	-11.1	\$ 159.4	6.8	\$ 2,185.2	14.8	2,186.8	14.8
<b>Average Annual Percent Increase From 1979-80 Through 2006-07</b>	-	8.1	-	8.3	-	3.4	-	0.7	-	4.2	-	8.5	-	8.4

\*Note: See Table 4 Notes for calculations, notes and sources.

# **Comparison of Growth in Assessed Value of Homeowner-Occupied Property and Non-Homeowner-Occupied Property Subject to Proposition 13 Assessment Provisions (Table 4 Notes)**

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**NOTES:**

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**Columns A through G**

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Dollar amounts are in billions and numbers have been rounded to the nearest tenth.

\*Note: Until 1981-82, property was assessed at 25 percent of "full value." To calculate comparable percentages, pre-"full value" property was adjusted. To adjust pre-1981-82 property to "full value," multiple value by 4.

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**Column A - All Property**

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\*\*Note: Includes homeowner exemption, but excludes all other exemptions, including those for veterans, churches, religious properties, colleges, schools below college grade, hospitals and charitable properties.

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**Column B - Homeowner Occupied Property**

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Data from the *State Board of Equalization Assessed Value of Property Receiving the Homeowners' Exemption as a Percentage of Total Assessed Value*. To date, this report is not available online, but can be obtained from the State Board of Equalization Research and Statistics Section.

\*\*\*Note: Data was not computed for the 1978-79 and 1979-80 Assessment Periods.

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**Column C - State Assessed Property-Non Prop. 13**

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Data from the *State Board of Equalization Annual Reports, Table 4* categorized as "State Board of Equalization, gross tangible property totals."

^Note: Railroad assessments have been subtracted from this column. Data for "railroad assessments" was obtained from the *State Board of Equalization Annual Reports, Table 12* categorized as "Under provisions of Section 751 of the Revenue and Taxation Code, Railroad."

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**Column D - Railroad Assessed Value**

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Data from the *State Board of Equalization Annual Reports, Table 12* categorized as "Under Provisions of Section 751 of the Revenue and Taxation Code, Railroad."

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**Column E - Locally Assessed Tangible Personal Property-Non Prop. 13**

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Data from the State Board of Equalization Annual Reports, Table 4 categorized as "county assessors, tangible personal property."

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**Column F - All Locally Assessed Non-Homeowner Property Subject to Prop. 13**

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\*\*\*Note: Data was not computed for the 1978-79 and 1979-80 Assessment Periods.

+Note: Column F is calculated by subtracting Columns B through E from "All Properties" (Column A).

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**Column G - All Non-Homeowner Property Subject to Prop. 13 and Railroad Assessed Value**

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\*\*\*\*Note: Column G is calculated by adding Columns F and D.

***Homeowner and Business Assessments as a  
Percentage of Market Value***

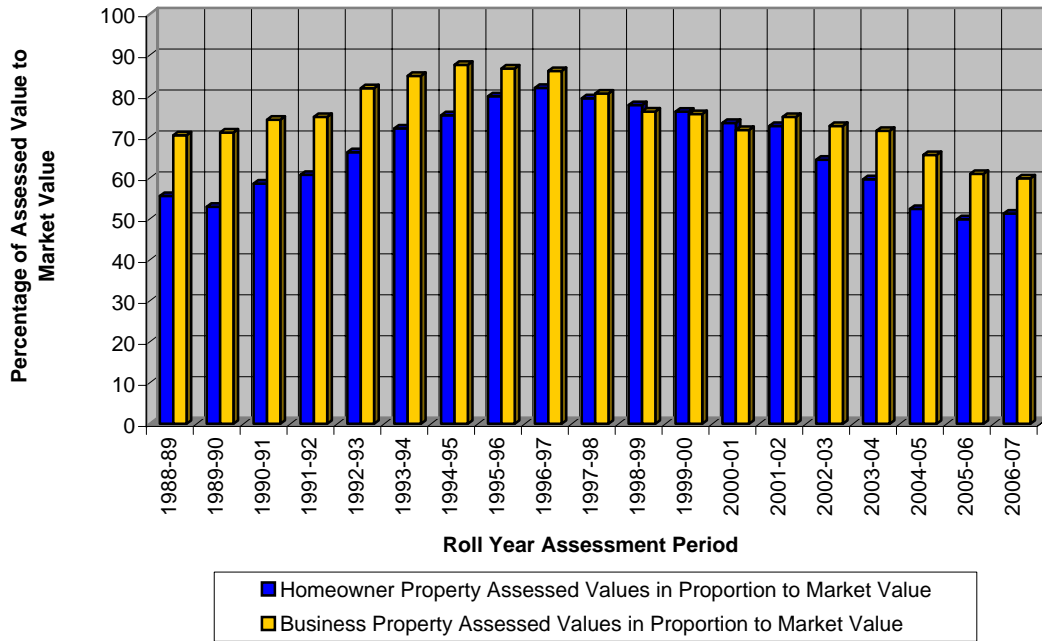
### ***Findings:***

- Available data shows that on average, business property from 1988-89 through 2006-07 has been assessed at 75.1 percent of full market value, while homeowners have been assessed at 66.4 percent of full market value (see Figure 5 and Table 5).
- If all properties were raised to full market value, homeowners would be paying a larger percentage share of the property tax (See Figure 4 and Table 5).
- Proposition 13 has prevented a property tax shift to homeowner-occupied property (see Figure 4 and Table 5).

### ***Methodology:***

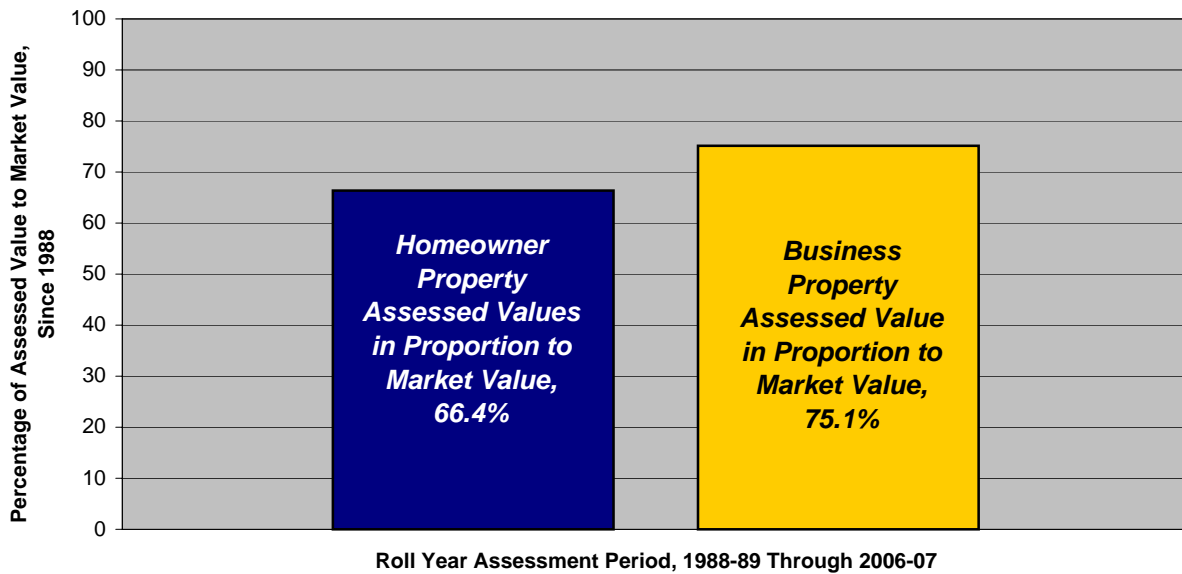
The data evaluated in this report was gathered from the State Board of Equalization. Specifically, this study looks at data from the *State Board of Equalization Annual Reports*, the *State Board of Equalization Ratio of Assessed Value of Business Property*, and the *State Board of Equalization Report on Assessed Value of Homeowner Property*. Data for the median sales price of homes are from the California Association of Realtors. While this study is a comprehensive look at all available data, full records from the State Board of Equalization on homeowner assessment values were never published prior to 1979-80 and no data was ever published on business assessment values prior to 1986-87, when legislation required the BOE to record such data. Data for the assessment periods of 1986-87 and 1987-88 were not accessible. To make fair and equal comparisons, this study's conclusions are based upon assessment periods where all information is available. Assessment periods with all available data are 1988-89 through 2006-07.

**Homeowner and Business Assessments  
as a Percentage of Market Value (Figure 4)**



Source: See Table 5 for notes and calculations.

**Homeowner and Business Assessments as a Percentage of  
Market Value, Since 1988 (Figure 5)**



Source: See Table 5 for notes and calculations.

**Homeowner and Business Assessments as a Percentage of Market Value (Table 5)\***

Assessment Period	A		B	C	D	E	F	G
	Assessed Value of Homeowner Occupied Property (in Non-Adjusted* Billions of Dollars)	Assessed Value of Homeowner Occupied Property (in Adjusted* Billions of Dollars)	California Median Home Price (in Thousands of Dollars)	Homeowners' Exemption (in Billions of Dollars)	Number of Homeowner Occupied Property	Market Value of Homeowner Occupied Property (in Billions of Dollars)	Assessed Value as a Percent of Market Value of Homeowner Occupied Property	Business Property Assessed Values in Proportion to Market Value
1979-80	\$ 45.6	\$ 182.4	\$ 84,150	\$ 7.0	4,003,429	\$ 336.9	54.1	No data computed**
1980-81	\$ 53.7	\$ 214.8	\$ 99,550	\$ 7.2	4,096,571	\$ 407.8	52.7	No data computed**
1981-82	-	\$ 238.1	\$ 107,710	\$ 29.1	4,162,571	\$ 448.4	53.1	No data computed**
1982-83	-	\$ 259.6	\$ 111,800	\$ 29.4	4,203,000	\$ 469.9	55.2	No data computed**
1983-84	-	\$ 273.6	\$ 114,370	\$ 29.6	4,223,286	\$ 483.0	56.6	No data computed**
1984-85	-	\$ 295.2	\$ 114,260	\$ 29.8	4,257,286	\$ 486.4	60.7	No data computed**
1985-86	-	\$ 321.1	\$ 119,860	\$ 30.2	4,315,571	\$ 517.3	62.1	No data computed**
1986-87	-	\$ 349.9	\$ 133,640	\$ 30.7	4,384,429	\$ 585.9	59.7	Data not available***
1987-88	-	\$ 386.5	\$ 142,060	\$ 31.2	4,460,286	\$ 633.6	61.0	Data not available***
1988-89	-	\$ 424.3	\$ 168,200	\$ 31.8	4,536,286	\$ 763.0	55.6	70.4
1989-90	-	\$ 477.1	\$ 196,120	\$ 32.1	4,592,286	\$ 900.6	53.0	71.1
1990-91	-	\$ 528.1	\$ 193,770	\$ 32.5	4,648,571	\$ 900.7	58.6	74.2
1991-92	-	\$ 573.7	\$ 200,660	\$ 32.9	4,705,714	\$ 944.2	60.8	74.9
1992-93	-	\$ 625.3	\$ 197,030	\$ 33.5	4,787,286	\$ 943.2	66.3	81.9
1993-94	-	\$ 664.7	\$ 188,240	\$ 34.3	4,899,286	\$ 922.2	72.1	84.9
1994-95	-	\$ 699.8	\$ 185,010	\$ 35.2	5,022,714	\$ 929.3	75.3	87.6
1995-96	-	\$ 722.9	\$ 178,160	\$ 35.5	5,076,143	\$ 904.4	79.9	86.7
1996-97	-	\$ 739.8	\$ 177,270	\$ 35.6	5,090,143	\$ 902.3	82.0	86.1
1997-98	-	\$ 759.8	\$ 186,490	\$ 35.9	5,129,000	\$ 956.5	79.4	80.6
1998-99	-	\$ 800.4	\$ 200,100	\$ 36.0	5,142,286	\$ 1,029.0	77.8	76.2
1999-00	-	\$ 856.9	\$ 217,510	\$ 36.2	5,171,286	\$ 1,124.8	76.2	75.6
2000-01	-	\$ 921.4	\$ 241,350	\$ 36.4	5,199,429	\$ 1,254.9	73.4	71.7
2001-02	-	\$ 1,001.7	\$ 262,350	\$ 36.8	5,252,000	\$ 1,377.9	72.7	74.9
2002-03	-	\$ 1,080.2	\$ 316,130	\$ 37.1	5,302,286	\$ 1,676.2	64.4	72.7
2003-04	-	\$ 1,193.1	\$ 371,520	\$ 37.7	5,380,000	\$ 1,998.8	59.7	71.5
2004-05	-	\$ 1,281.7	\$ 450,770	\$ 38.0	5,422,571	\$ 2,444.3	52.4	65.6
2005-06	-	\$ 1,422.3	\$ 522,670	\$ 38.2	5,452,000	\$ 2,849.6	49.9	61.0
2006-07	-	\$ 1,559.4	\$ 556,430	\$ 38.2	5,462,143	\$ 3,039.3	51.3	59.9

<b>Average Annual Percentage of Market Value Assessments From 1988</b>	<b>66.4</b>	<b>75.1</b>
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Average Annual Percentage of Market Value Assessments From 1979	63.4	-
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\*Note: See Table 5 Notes for calculations and sources.

## ***Homeowner and Business Assessments as a Percentage of Market Value (Notes for Table 5)***

### **NOTES:**

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#### **Column A - Assessed Value of Homeowner-Occupied Property**

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Data from the *State Board of Equalization Report on Assessed Value of Homeowner Property*.

\*Note: Until the roll year assessment period of 1981-82, property was assessed at 25 percent of "full" value. Data for years prior to 1981 shows values for both non-adjusted and adjusted assessment ratios. To adjust homeowner assessment value from 25 percent to 100 percent, the values were multiplied by 4. All other calculations based off of this column used the adjusted value for calculations.

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#### **Column B - California Median Home Price**

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Data from the California Association of Realtors.

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#### **Column C - Homeowners' Exemption**

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Data from the *State Board of Equalization Annual Reports - Table 4, Homeowners' Exemptions*.

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#### **Column D - Number of Homeowner Occupied Property**

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Data determined by dividing Column C (Homeowners' Exemption) by \$7,000, which is the value of each homeowners' exemption.

Data from 1975-76 through 1980-81 was determined by dividing Column C (Homeowners' Exemption) by \$1,750, which was the value of each homeowner's exemption prior to reassessment because property was assessed at 25 percent of "full" value at the time.

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#### **Column E - Market Value of Homeowner Occupied Property**

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Data determined by the number from Column D (Homeowner-Occupied Properties) multiplied by Column B (the California Median Home Price).

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#### **Column F - Assessed Value as a Percentage of Market Value of Homeowner-Occupied Property**

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Determined by dividing Column A (Assessed Value of Homeowner-Occupied Property) by Column E (Market Value of Homeowner-Occupied Property) to get a percentage.

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#### **Column G - Business Property Assessed Values in Proportion to Market Value**

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All Business Property Assessed values are based off BOE Roll Year assessments.

Data from the *State Board of Equalization Ratio of Assessed Value of Business Property to Market Value* as adopted by the BOE in May each year, which is known as the "4-R Act Ratio." (Federal law requires railroad property to be assessed at the same ratio of market value as all other business property.)

\*\*Note: Legislation requiring the BOE to determine the ratio of assessed value to market value for business property was not adopted by the Legislature until 1986 in AB 2890 (Hannigan).

\*\*\*Note: Due to a mold problem at the State Board of Equalization building in Sacramento, records for the roll years of 1986-87 and 1987-88 were temporarily moved to storage in 2007 and are not currently accessible.

***Comparison of Proposition 13 Homeowner-Occupied  
Property and California Median Home Sales Price***

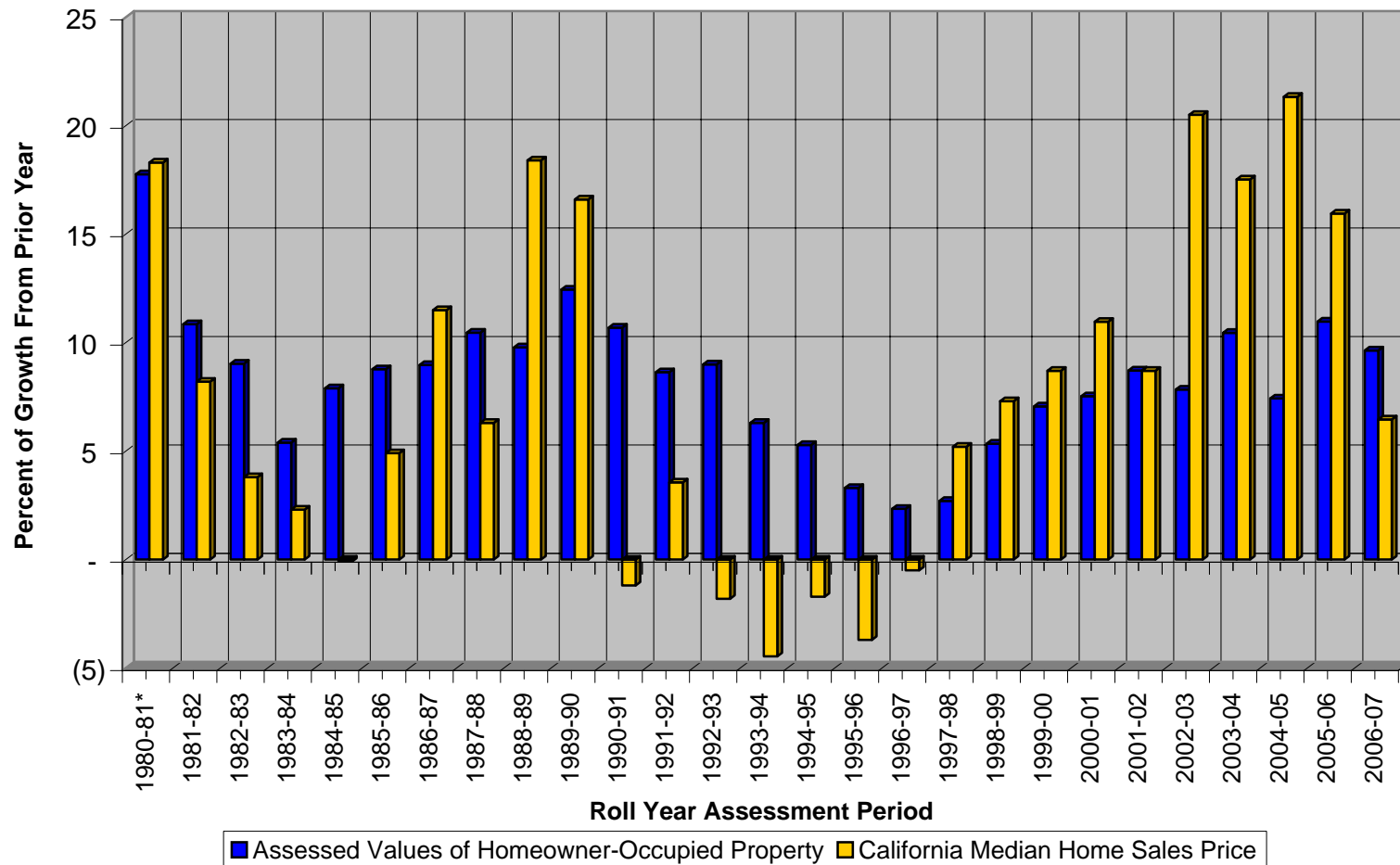
### ***Findings:***

- Under Proposition 13, property tax assessments have provided a stable flow of revenue to local governments, when compared with the volatile characteristics of real estate market values (see Figure 6 and Table 6).
- Under Proposition 13 assessments, the value of homeowner-occupied property always grew from the previous assessment period (see Figure 6 and Table 6).
- During economic downturns, when real estate market values declined – at times as much as 4.5 percent (1993-94) – because of Proposition 13, all homeowner property assessments grew for that same time period (6.5 percent in 1993-94, see Figure 6 and Table 6).

### ***Methodology:***

The data evaluated in this report was gathered from the *State Board of Equalization Annual Reports* and the *State Board of Equalization Report on Assessed Value of Homeowner Property*. Data on the median sales price of homes are from the California Association of Realtors. While this study is a comprehensive look at all available data, full records from the State Board of Equalization on homeowner assessment values were never published prior to 1979-80. To make fair and equal comparisons, this study's conclusions are based upon assessment periods where all information is available. Assessment periods with all available data are 1979-80 through 2006-07.

## Annual Growth of Property Tax on Homes, Compared to Annual Growth in California Median Home Sales Prices, Post-Proposition 13 (Figure 6)



**\*Note:** Until 1981-82, property was assessed at 25 percent of "full" value. This graph accounts for change in assessment.

**Source:** See Table 6 for notes and calculations.

## Comparison of Proposition 13 Homeowner-Occupied Property and California Median Home Sales Price (Table 6)

Year	A		B	
	Homeowner Occupied Property**+	Percent Increase by Year	California Median Sales Price	Percent Increase by Year
1976-1977	-	-	\$ 48,630	-
1977-78	-	-	\$ 62,290	28.1
1978-79	-	-	\$ 70,890	13.8
1979-80*	\$ 45.6	-	\$ 84,150	18.7
1980-81*	\$ 53.7	17.8	\$ 99,550	18.3
1981-82	\$ 238.1	10.8	\$ 107,710	8.2
1982-83	\$ 259.6	9.0	\$ 111,800	3.8
1983-84	\$ 273.6	5.4	\$ 114,370	2.3
1984-85	\$ 295.2	7.9	\$ 114,260	(0.1)
1985-86	\$ 321.1	8.8	\$ 119,860	4.9
1986-87	\$ 349.9	9.0	\$ 133,640	11.5
1987-88	\$ 386.5	10.5	\$ 142,060	6.3
1988-89	\$ 424.3	9.8	\$ 168,200	18.4
1989-90	\$ 477.1	12.4	\$ 196,120	16.6
1990-91	\$ 528.1	10.7	\$ 193,770	(1.2)
1991-92	\$ 573.7	8.6	\$ 200,660	3.6
1992-93	\$ 625.3	9.0	\$ 197,030	(1.8)
1993-94	\$ 664.7	6.3	\$ 188,240	(4.5)
1994-95	\$ 699.8	5.3	\$ 185,010	(1.7)
1995-96	\$ 722.9	3.3	\$ 178,160	(3.7)
1996-97	\$ 739.8	2.3	\$ 177,270	(0.5)
1997-98	\$ 759.8	2.7	\$ 186,490	5.2
1998-99	\$ 800.4	5.3	\$ 200,100	7.3
1999-00	\$ 856.9	7.1	\$ 217,510	8.7
2000-01	\$ 921.4	7.5	\$ 241,350	11.0
2001-02	\$ 1,001.7	8.7	\$ 262,350	8.7
2002-03	\$ 1,080.2	7.8	\$ 316,130	20.5
2003-04	\$ 1,193.1	10.5	\$ 371,520	17.5
2004-05	\$ 1,281.7	7.4	\$ 450,770	21.3
2005-06	\$ 1,422.3	11.0	\$ 522,670	16.0
2006-07	\$ 1,559.4	9.6	\$ 556,430	6.5
<b>Average Annual Percent Increase From 1979-80 Through 2006-07</b>	-	8.3	-	7.9

+Note: Dollar amounts are in billions and have been rounded to the nearest tenth.

\*Note: Until 1981-82, property was assessed at 25 percent of "full" value. Above "Percent Increase by Year" accounts for assessment changes.

\*\*Note: Data was not computed for the 1976-77, 1977-78, and 1978-79 Assessment Periods.

Source: "Columns A" is from the State Board of Equalization Assessed Value of Properties Receiving the Homeowners' Exemptions. "Column B" is from the California Association of Realtors.