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*****PRESS RELEASE*****

**SAN FRANCISCO ASSESSOR-RECORDER PHIL TING ANNOUNCES
PROPERTY TAX REDUCTIONS**

Negative Inflation Spurs First Time Reduction

San Francisco, CA- In 2010 every California property owner, who has not already received a property tax reduction, will see a reduction in their property tax bills. On Monday, the California Board of Equalization released preliminary estimates of a negative inflation factor of negative 0.237 percent. Based on Proposition 13, all property values are increased at an inflation factor not to exceed 2 percent. For the first time in California history, all property values will be decreased across the board by the negative 0.237 percent inflation factor. In all but five years, the annual adjustment has been capped at 2 percent.

“The negative inflation factor is unprecedented in our State’s history and comes at a time when the state is facing a \$20 billion deficit and San Francisco is facing a \$500 million deficit,” said Ting. The estimated negative inflation factor will result in an approximate \$3,000,000 reduction in property tax revenue for San Francisco.

Of the roughly 199,000 properties in San Francisco, approximately 179,000 properties are subject to the inflation factor. Those properties that will be excluded are those that have been granted a reduction under state law (Proposition 8). Earlier this year the Assessor-Recorder’s office issued temporary reductions for over 14,000 residential properties whose current market value was determined to be lower than the assessed value. Those properties that received temporary Proposition 8 reductions will not be impacted by the negative inflation factor.

“A negative inflation factor will serve to reduce the total property tax roll subject to the inflation factor by 1.9 percent for the FY 2010-11, whereas in FY 2009-10 San Francisco’s property tax roll grew by 7 percent.” Ting continued, “In these challenging times, taxpayers are watching every penny in their budget and a reduction in their property tax bill will be welcomed relief.”

The negative inflation factor will affect property taxes in FY10-11 and will be reflected in tax bills sent out in October 2010.

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