Common Valuation Terms

TAXABLE VALUE (TV):	Lower of AV or Capped Value unless there is a transfer of Ownership (Taxes are based on TV)
ASSESSED VALUE (AV):	Represents 50% of Market Value
STATE EQUALIZED VALUE (SEV):	AV adjusted by County or State Equalization Factors (typically this factor is 1.0, so SEV=AV)
CAPPED VALUE:	Last Year's TV x CPI which is 1.023 (2.3%) for 2008 (unless there is a physical change to the property)

Capped Value Formula = [(Last Year's TV – Losses) x CPI] + Additions

Example of Capped and Taxable Value determination when no ownership transfer has occurred:

2007 AV: $79,130   2007 TV: $76,590   2008 CPI: 1.023

Losses: $2,000   Additions: $3,000

2008 Proposed AV: $89,000

Calculations:

2008 Capped Value = [($76,590 - $2,000) x 1.023] + $3,000 = $79,306 rounded to $79,300
2008 Assessed Value = $89,000
2008 Taxable Value = $79,300 (since Capped Value is lower)

If a transfer of ownership occurs: Taxable Value uncaps in the year following the transfer

ie: TV = AV

Using the above example, if the 2008 AV was proposed at $89,000 AND a Transfer of Ownership occurred, then TV would be $89,000