

Rebounding California Housing Market Shifts Money From Property Owners To Government



Assessed property values in California have jumped six percent over the last year, according to [new data](#) released Monday by the state Board of Equalization. That means \$3.3 billion in higher revenues for schools and local governments – and higher tax bills for homeowners.

In California, property tax revenues are crucial to funding government. The state, counties, cities and schools all took big budget hits during the recession – in part because property values crumbled with the housing market. For the past few years the market soared, the higher property values drive up tax bills – with the money boosting public budgets from Oregon to Mexico.

“At the end of the day, we will see increases in funding for K-12 schools and community colleges when the governor releases his budget in January,” says H.D. Palmer with Gov. Jerry Brown’s Department of Finance.

Cities and counties will also get higher property tax revenues. Even the state general fund could get a small boost.

Placer and Santa Clara Counties saw the largest increases in assessed property values, at just under 9 percent. The only county with a statistically significant drop was Kern, where a struggling oil industry led to assessed values falling by nearly 9 percent.

