

M e m o r a n d u m

To: Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee, First District
Senator George Runner, Second District
Honorable John Chiang, State Controller

Date: October 30, 2012

From: David J. Gau, Deputy Director 
Property and Special Taxes Department

Subject: **2013 Timberland Production Zone Values**
(November 2012 Administrative Consent Agenda)

Section 434.5 of the Revenue and Taxation Code requires that, by November 30 of each year, the Board certify to county assessors the current values of lands zoned for timberland production. Section 434.5 also specifies that the values, which vary according to defined sites within three regions, be determined based on a specified formula.

On the 2013 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2013 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Conifer Region	
Site I	\$205	Site I	\$145	Site I	\$113
Site II	167	Site II	107	Site II	81
Site III	145	Site III	91	Site III	61
Site IV	127	Site IV	67	Site IV	44
Site V	41	Site V	35	Site V	23

When the assessor, pursuant to Revenue and Taxation Code section 434, designates a timberland parcel or portion thereof as inoperable, such timberland parcel, or portion thereof, shall be valued as if it is Site V.

The 2013 values have all decreased by \$1 to \$11 per acre due to a decrease in timber values over the past several years. Attached is a detailed analysis showing the calculations made to determine these values.

This item is scheduled for Board consideration on November 14, 2012, Property Taxes Administrative Consent Calendar.

DJG:mlt
Attachment

cc: Ms. Joann Richmond

Approved: 
Cynthia Bridges, Executive Director

BOARD APPROVED

at the 11/15/12 Board Meeting


Joann Richmond, Chief
Board Proceedings Division

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2013**

AVERAGE HARVEST VALUE PER M BOARD FEET BY FISCAL YEAR

<u>Fiscal Year</u>	<u>Volume (M)*</u>	<u>Harvest Value*</u>	<u>Average Per MBF</u>
2006-2007	1,718,997	\$ 554,954,366	\$322.84
2007-2008	1,567,681	\$ 433,088,834	\$276.26
2008-2009	1,107,503	\$ 211,599,743	\$191.06
2009-2010	958,119	\$ 106,651,574	\$111.31
2010-2011	1,173,041	\$ 224,330,280	\$191.24
2011-2012	1,417,764	\$ 302,836,426	\$213.60

CALCULATION OF THE CHANGE TO BE APPLIED TO TPZ SITE VALUES
(Revenue and Taxation Code Section 434.5(b))

<u>Fiscal Year</u>	<u>Average Per MBF</u>
2006-2007	\$ 322.84
2007-2008	\$ 276.26
2008-2009	\$ 191.06
2009-2010	\$ 111.31
2010-2011	\$ 191.24
	\$ 1092.71 / 5 = \$218.54
2007-2008	\$ 276.26
2008-2009	\$ 191.06
2009-2010	\$ 111.31
2010-2011	\$ 191.24
2011-2012	\$ 213.60
	\$983.47 / 5 = \$196.69

$$((\$196.69 - \$218.54) / \$218.54) \times 100 = -10.0\%$$

One-Half Change Applied to Land Value: $-10.0\% / 2 = -5.0\%$ Change

*Summary of data provided by taxpayers on Timber Yield Tax returns.

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2013**

	<u>Lien Date 2012 Timberland Value</u>	<u>(-5.00%) Change</u>	<u>Lien Date 2013 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$216	\$(-) 11	\$205
Site II	\$176	\$(-) 9	\$167
Site III	\$153	\$(-) 8	\$145
Site IV	\$134	\$(-) 7	\$127
Site V	\$ 43	\$(-) 2	\$ 41
 <u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$153	\$(-) 8	\$145
Site II	\$113	\$(-) 6	\$107
Site III	\$ 96	\$(-) 5	\$ 91
Site IV	\$ 71	\$(-) 4	\$ 67
Site V	\$ 37	\$(-) 2	\$ 35
 <u>PINE-MIXED CONIFER REGION</u>			
Site I	\$119	\$(-) 6	\$113
Site II	\$ 85	\$(-) 4	\$ 81
Site III	\$ 64	\$(-) 3	\$ 61
Site IV	\$ 46	\$(-) 2	\$ 44
Site V	\$ 24	\$(-) 1	\$ 23

VALUE OF TIMBERLAND

(Section 434.5, Revenue and Taxation Code)

On the 2013 lien date, timberland shall be valued per acre according to the following schedule:

<u>REDWOOD REGION</u>		<u>WHITEWOOD SUBZONE</u>		<u>PINE-MIXED CONIFER REGION</u>	
SITE I	\$205	SITE I	\$145	SITE I	\$113
SITE II	\$167	SITE II	\$107	SITE II	\$ 81
SITE III	\$145	SITE III	\$ 91	SITE III	\$ 61
SITE IV	\$127	SITE IV	\$ 67	SITE IV	\$ 44
SITE V	\$ 41	SITE V	\$ 35	SITE V	\$ 23

When the assessor, pursuant to Section 434 of the Revenue and Taxation Code, designates a timberland parcel or portion thereof as inoperable, such timberland parcel, or portion thereof, shall be valued as if it is Site V.