

**Memorandum**

To: Ms. Kristine Cazadd  
Interim Executive Director

Date: November 5, 2010

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

Subject: **2011 Timberland Production Zone Values**  
(November 2010 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 2011 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2011 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Conifer Region	
Site I	\$228	Site I	\$161	Site I	\$125
Site II	\$185	Site II	\$119	Site II	\$ 89
Site III	\$161	Site III	\$101	Site III	\$ 67
Site IV	\$141	Site IV	\$ 75	Site IV	\$ 48
Site V	\$ 45	Site V	\$ 39	Site V	\$ 25

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 2011 values have all decreased by \$2 to \$17 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.

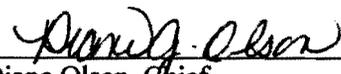
Please place this item on the Board's November 2010 Administrative Consent Calendar for approval.

DJG:mc  
Attachment

cc: Ms. Diane Olson  
Mr. Dean Kinnee

Approved:   
Kristine Cazadd, Interim Executive Director

BOARD APPROVED  
at the 11-18-10 Board Meeting

  
Diane Olson, Chief  
Board Proceedings Division

**STATE BOARD OF EQUALIZATION  
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES  
FOR LIEN DATE 2011**

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>
2004-2005	1,614,752	\$ 485,729,617	\$300.81
2005-2006	1,716,149	\$ 539,656,327	\$314.46
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

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>
2004-2005	\$ 300.81
2005-2006	\$ 314.46
2006-2007	\$ 322.84
2007-2008	\$ 276.26
2008-2009	\$ 191.06
	\$ 1,405.43/ 5 = \$281.09
2005-2006	\$ 314.46
2006-2007	\$ 322.84
2007-2008	\$ 276.26
2008-2009	\$ 191.06
2009-2010	\$ 111.31
	\$1,215.93/ 5 = \$243.19

$$((\$243.19 - \$281.09) / \$281.09) \times 100 = -13.5\%$$

One-Half Change Applied to Land Value:  $-13.5\% / 2 = -6.75\%$  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 2011**

	<u>Lien Date 2010 Timberland Value</u>	(-6.75%) <u>Change</u>	<u>Lien Date 2011 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$245	\$(-) 17	\$228
Site II	\$198	\$(-) 13	\$185
Site III	\$173	\$(-) 12	\$161
Site IV	\$151	\$(-) 10	\$141
Site V	\$ 48	\$(-) 3	\$ 45
<u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$173	\$(-) 12	\$161
Site II	\$128	\$(-) 9	\$119
Site III	\$108	\$(-) 7	\$101
Site IV	\$ 80	\$(-) 5	\$ 75
Site V	\$ 42	\$(-) 3	\$ 39
<u>PINE-MIXED CONIFER REGION</u>			
Site I	\$134	\$(-) 9	\$125
Site II	\$ 95	\$(-) 6	\$ 89
Site III	\$ 72	\$(-) 5	\$ 67
Site IV	\$ 52	\$(-) 4	\$ 48
Site V	\$ 27	\$(-) 2	\$ 25