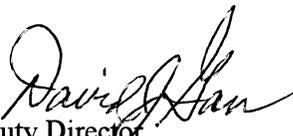


M e m o r a n d u m

To: Mr. Ramon J. Hirsig
Executive Director

Date: October 24, 2005

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

Subject: **2006 Timberland Production Zone Values**
(November 15, 2005 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 2006 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2006 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Conifer Region	
Site I	\$260	Site I	\$184	Site I	\$142
Site II	\$211	Site II	\$136	Site II	\$100
Site III	\$184	Site III	\$114	Site III	\$ 78
Site IV	\$160	Site IV	\$ 85	Site IV	\$ 55
Site V	\$ 51	Site V	\$ 45	Site V	\$ 29

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.

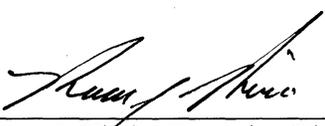
The 2006 values have all decreased by \$1 to \$6 per acre due to the decrease in timber values over the past several years. Attached is a detailed analysis showing the calculations made to determine these values.

Please place this item on the Board's November 15, 2005 Administrative Consent Calendar for approval.

DJG:bt
Attachment

cc: Ms. Deborah Pellegrini

Approved: _____


Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the _____ Board Meeting

Deborah Pellegrini, Chief
Board Proceedings Division

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2006**

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>
1999-2000	2,179,497	\$ 825,642,326	\$378.82
2000-2001	1,848,645	\$ 845,644,868	\$457.44
2001-2002	1,652,280	\$ 502,457,129	\$304.10
2002-2003	1,632,072	\$ 420,989,485	\$257.95
2003-2004	1,816,420	\$ 493,022,147	\$271.43
2004-2005	1,614,752	\$ 485,729,617	\$300.81

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>
1999-2000	\$ 378.82
2000-2001	\$ 457.44
2001-2002	\$ 304.10
2002-2003	\$ 257.95
2003-2004	<u>\$ 271.43</u>
	\$1,669.74 / 5 = \$333.95
2000-2001	\$ 457.44
2001-2002	\$ 304.10
2002-2003	\$ 257.95
2003-2004	\$ 271.43
2004-2005	<u>\$ 300.81</u>
	\$1,591.73 / 5 = \$318.35

$$((\$318.35 - \$333.95) / \$333.95) \times 100 = -4.7\%$$

One-Half Change Applied to Land Value: $-4.7\% / 2 = 2.4\%$ Decrease

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

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2006**

	<u>Lien Date 2005 Timberland Value</u>	<u>(2.4%) Decrease</u>	<u>Lien Date 2006 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$266	\$(-) 6	\$260
Site II	\$216	\$(-) 5	\$211
Site III	\$189	\$(-) 5	\$184
Site IV	\$164	\$(-) 4	\$160
Site V	\$ 52	\$(-) 1	\$ 51
<u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$189	\$(-) 5	\$184
Site II	\$139	\$(-) 3	\$136
Site III	\$117	\$(-) 3	\$114
Site IV	\$ 87	\$(-) 2	\$ 85
Site V	\$ 46	\$(-) 1	\$ 45
<u>PINE-MIXED CONIFER REGION</u>			
Site I	\$145	\$(-) 3	\$142
Site II	\$102	\$(-) 2	\$100
Site III	\$ 80	\$(-) 2	\$ 78
Site IV	\$ 56	\$(-) 1	\$ 55
Site V	\$ 30	\$(-) 1	\$ 29