

**M e m o r a n d u m**

To: Mr. Ramon J. Hirsig  
Executive Director

Date: November 3, 2006

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

Subject: **2007 Timberland Production Zone Values**  
**(November 20, 2006 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 2007 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2007 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Conifer Region	
Site I	\$248	Site I	\$176	Site I	\$136
Site II	\$202	Site II	\$130	Site II	\$96
Site III	\$176	Site III	\$109	Site III	\$74
Site IV	\$153	Site IV	\$81	Site IV	\$53
Site V	\$49	Site V	\$43	Site V	\$28

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 2007 values have all decreased by \$1 to \$12 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 20, 2006 Administrative Consent Calendar for approval.

DJG:bt  
Attachment

cc: Mr. Gary Evans

Approved: \_\_\_\_\_

  
Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the \_\_\_\_\_ Board Meeting

\_\_\_\_\_  
Gary Evans, Acting Chief  
Board Proceedings Division

**Item N**  
**Sub-Item 7**  
**11/20/06**

**STATE BOARD OF EQUALIZATION  
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES  
FOR LIEN DATE 2007**

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>
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
2005-2006	1,716,149	\$ 539,656,327	\$314.46

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>
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
2001-2002	\$ 304.10
2002-2003	\$ 257.95
2003-2004	\$ 271.43
2004-2005	\$ 300.81
2005-2006	<u>\$ 314.46</u>
	\$1448.75 / 5 = \$289.75

$$((\$289.75 - \$318.35) / \$318.35) \times 100 = -9.0\%$$

One-Half Change Applied to Land Value:  $-9.0\% / 2 = 4.5\%$  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 2007**

	<u>Lien Date 2006 Timberland Value</u>	<u>(4.5%) Decrease</u>	<u>Lien Date 2007 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$260	\$(-) 12	\$248
Site II	\$211	\$(-) 9	\$202
Site III	\$184	\$(-) 8	\$176
Site IV	\$160	\$(-) 7	\$153
Site V	\$ 51	\$(-) 2	\$ 49
<u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$184	\$(-) 8	\$176
Site II	\$136	\$(-) 6	\$130
Site III	\$114	\$(-) 5	\$109
Site IV	\$ 85	\$(-) 4	\$ 81
Site V	\$ 45	\$(-) 2	\$ 43
<u>PINE-MIXED CONIFER REGION</u>			
Site I	\$142	\$(-) 6	\$136
Site II	\$100	\$(-) 4	\$ 96
Site III	\$ 78	\$(-) 4	\$ 74
Site IV	\$ 55	\$(-) 2	\$ 53
Site V	\$ 29	\$(-) 1	\$ 28