

# Memorandum

To: Mr. Ramon J. Hirsig  
Executive Director

Date: October 30, 2009

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

Subject: **2010 Timberland Production Zone Values**  
(November 2009 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 2010 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2010 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Conifer Region	
Site I	\$245	Site I	\$173	Site I	\$134
Site II	\$198	Site II	\$128	Site II	\$ 95
Site III	\$173	Site III	\$108	Site III	\$ 72
Site IV	\$151	Site IV	\$ 80	Site IV	\$ 52
Site V	\$ 48	Site V	\$ 42	Site V	\$ 27

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 2010 values have all decreased by \$1 to \$7 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 2009 Administrative Consent Calendar for approval.

DJG:mc  
Attachment

cc: Ms. Diane Olson  
Mr. Dean Kinnee

Approved:   
Ramon J. Hirsig, Executive Director

BOARD APPROVED  
at the \_\_\_\_\_ Board Meeting

\_\_\_\_\_  
Diane Olson Chief  
Board Proceedings Division

**STATE BOARD OF EQUALIZATION  
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES  
FOR LIEN DATE 2010**

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>
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
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

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>
2003-2004	\$ 271.43
2004-2005	\$ 300.81
2005-2006	\$ 314.46
2006-2007	\$ 322.84
2007-2008	<u>\$ 276.26</u>
	\$ 1485.80 / 5 = \$297.16
2004-2005	\$ 300.81
2005-2006	\$ 314.46
2006-2007	\$ 322.84
2007-2008	\$ 276.26
2008-2009	<u>\$ 191.06</u>
	\$1405.43 / 5 = \$281.09

$$((\$281.09 - \$297.16) / \$297.16) \times 100 = -5.4\%$$

One-Half Change Applied to Land Value:  $-5.4\% / 2 = -2.7\%$  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 2010**

	<u>Lien Date 2009 Timberland Value</u>	<u>(-2.7%) Change</u>	<u>Lien Date 2010 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$252	\$(-) 7	\$245
Site II	\$204	\$(-) 6	\$198
Site III	\$178	\$(-) 5	\$173
Site IV	\$155	\$(-) 4	\$151
Site V	\$ 49	\$(-) 1	\$ 48
<u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$178	\$(-) 5	\$173
Site II	\$132	\$(-) 4	\$128
Site III	\$111	\$(-) 3	\$108
Site IV	\$ 82	\$(-) 2	\$ 80
Site V	\$ 43	\$(-) 1	\$ 42
<u>PINE-MIXED CONIFER REGION</u>			
Site I	\$138	\$(-) 4	\$134
Site II	\$ 98	\$(-) 3	\$ 95
Site III	\$ 74	\$(-) 2	\$ 72
Site IV	\$ 53	\$(-) 1	\$ 52
Site V	\$ 28	\$(-) 1	\$ 27