

Memorandum

To: Mr. Ramon J. Hirsig
Executive Director

Date: October 31, 2008

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

Subject: **2009 Timberland Production Zone Values**
(November 2008 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 2009 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2009 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Conifer Region	
Site I	\$252	Site I	\$178	Site I	\$138
Site II	\$204	Site II	\$132	Site II	\$ 98
Site III	\$178	Site III	\$111	Site III	\$ 74
Site IV	\$155	Site IV	\$ 82	Site IV	\$ 53
Site V	\$ 49	Site V	\$ 43	Site V	\$ 28

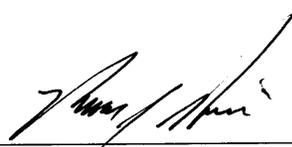
When the assessor, pursuant to Revenue and Taxation Code section 434, designates a timberland parcel or portion thereof as inoperable, such timberland parcel, or portion thereof, shall be valued as if it is Site V.

The 2009 values have all increased by \$0 to \$2 per acre due to a very slight increase 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 2008 Administrative Consent Calendar for approval.

DJG:bt
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 2009**

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>
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
2006-2007	1,718,997	\$ 554,954,366	\$322.84
2007-2008	1,567,681	\$ 433,088,834	\$276.26

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>
2002-2003	\$ 257.95
2003-2004	\$ 271.43
2004-2005	\$ 300.81
2005-2006	\$ 314.46
2006-2007	<u>\$ 322.84</u>
	\$ 1467.49 / 5 = \$293.50
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

$$((\$297.16 - \$293.50) / \$293.50) \times 100 = 1.2\%$$

One-Half Change Applied to Land Value: $1.2\% / 2 = .60\%$ Increase

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

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2009**

	<u>Lien Date 2008 Timberland Value</u>	<u>(.60%) Increase</u>	<u>Lien Date 2009 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$250	\$(+) 2	\$252
Site II	\$203	\$(+) 1	\$204
Site III	\$177	\$(+) 1	\$178
Site IV	\$154	\$(+) 1	\$155
Site V	\$ 49	\$ NC	\$ 49
<u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$177	\$(+) 1	\$178
Site II	\$131	\$(+) 1	\$132
Site III	\$110	\$(+) 1	\$111
Site IV	\$ 82	\$ NC	\$ 82
Site V	\$ 43	\$ NC	\$ 43
<u>PINE-MIXED CONIFER REGION</u>			
Site I	\$137	\$(+) 1	\$138
Site II	\$ 97	\$(+) 1	\$ 98
Site III	\$ 74	\$ NC	\$ 74
Site IV	\$ 53	\$ NC	\$ 53
Site V	\$ 28	\$ NC	\$ 28