



BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTES

HONORABLE MICHELLE STEEL, COMMITTEE CHAIR
450 N STREET, SACRAMENTO

JANUARY 31, 2008, 9:30 A.M.

ACTION ITEM

Agenda Item No: 1

Title:

Forms to Implement Senate Bill 87, *Fractionally Owned Aircraft*

Issue:

Which forms should the Board adopt to implement the provisions of Senate Bill 87 (Ch. 180, Stats. 2007) which established streamlined property tax administration procedures for county assessors to use in the assessment of fractionally owned aircraft?

Committee Discussion:

The Committee heard presentations from Board staff and a representative of the California Assessors' Association and the Los Angeles County Assessor's Office in support of staff's proposed forms BOE-570-FO-1 and BOE-570-FO-2 as presented in Issue Paper 08-001. There were no speakers in opposition to the proposed forms.

Committee Action:

Member Yee made a motion, seconded by Dr. Chu, that the committee recommend adoption of staff's proposed forms BOE-570-FO-1 and BOE-570-FO-2 as presented in Issue Paper 08-001. The vote was 4-1 in support with Member Leonard dissenting.

Agenda Item No: 2

Title:

Update on the Status of the *Valuation Factors Studies*

Issue:

How should staff proceed with the studies to develop valuation factors for biopharmaceutical equipment and fixtures, non-production computers, and semiconductor manufacturing equipment? These studies were funded by BCP 6, *Valuation Factors – Biopharmaceutical and Hi-Tech Equipment, Fiscal Year 2006-2007*, and was partnered with legislation (Ch.417, Stats. 2006) that added Revenue and Taxation Code section 401.20 to provide that the values

determined by using the valuation factors developed in the studies are rebuttably presumed to be the full cash value.

Committee Discussion:

The Committee heard presentations from Board staff on the status of efforts to collect data to develop valuation factors for biopharmaceutical equipment and fixtures, non-production computers, and semiconductor manufacturing equipment. The Committee was informed that staff has successfully obtained market data for non-production computers which will result in valuation factors at the conclusion of that study. Additionally, staff presented information that data previously collected, as well as data that had just been received, relative to semiconductor manufacturing equipment may result in valuation factors for equipment in that industry. Further, the Committee was informed that no success has been attained in efforts to obtain data to develop factors for biopharmaceutical equipment and fixtures.

Committee Action:

The Committee advised staff to continue with the current efforts for the non-production computer and semiconductor manufacturing equipment studies. Member Yee suggested that for the biopharmaceutical equipment and fixtures study that efforts be concentrated on (1) ensuring that the expanded definition adopted by the Board in March 2007 is appropriate; (2) determining whether applying inflationary trending to the valuation factors would be proper; and (3) developing factors based on values that are currently recognized. Member Leonard concurred with Member Yee's comments and requested that staff compile all interested parties' recommended factors and present them to the Committee for a decision. The Committee voted 5-0 to bring the biopharmaceutical equipment and fixtures study back to the May 2008 Property Tax Committee meeting.

Agenda Item No: 3

Title:

Discussion of *Change in Ownership Training* for County Assessors' Staffs

Issue:

Informational presentation.

Committee Discussion:

The Committee was advised of efforts by Board staff to train county assessors' staff on change in ownership topics. Staff advised the Committee that Assessors' Handbook Section 401, *Change in Ownership*, should be released into the interested parties process in April 2008. Further, the Committee was informed that Board staff has been re-directed to work on development of a *Change in Ownership Workshop* specifically designed to train appraisal staff within the county assessors' offices. It is anticipated that the first sessions of the *Workshop* will begin by next fiscal year.

