



BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTESHONORABLE MICHELLE STEEL, COMMITTEE CHAIR
450 N STREET, SACRAMENTO

NOVEMBER 12, 2008, 9:30 A.M.

ACTION ITEM**Agenda Item No: 1****Title:***Assessors' Handbook Section 581, Equipment Index and Percent Good Factors***Issue:**

Should the Board adopt and authorize publication of a revised Assessors' Handbook Section 581 (AH 581) for the 2009 lien date?

Committee Discussion:

Committee Chair Steel opened the Committee meeting by introducing the agenda item and asked staff to give a report on the issue.

Dean Kinnee, Chief, County-Assessed Properties Division, gave the Committee an overview of the changes that were included in the revised handbook, which include:

- (1) The results of the valuation factor study for semiconductor manufacturing equipment.
- (2) The results of the valuation factor study for the biopharmaceutical equipment industry.
- (3) The petition form and guidelines for future valuation factor studies.
- (4) The update to the equipment index and percent good factor tables.

Concern was expressed by Mr. Leonard that changes recommended by him and one industry representative subsequent to the adoption of the petition form and guidelines had not been incorporated. Mr. Kinnee indicated that the changes received were considered too substantive to incorporate since the documents had already been adopted by the Board. Mr. Kinnee further indicated that amendments to the petition form and guidelines are likely to be required as staff works with the first petitions received in this program. Mr. Kinnee recommended that the petition form be removed from AH 581 so that subsequent changes to the form could be accomplished easier.

Ms. Steel expressed appreciation to the staff for the development of the petition form and guidelines incorporating successful procedures from the recently completed valuation factor studies.

Committee Action:

Dr. Chu made a motion to adopt the 2009 revision of AH 581, with the petition form removed and only a citation as to its location on the Board's website noted in the handbook. The motion was seconded by Ms. Yee. Without objection, the motion passed.

Agenda Item No: 2

Title:

Guidelines for Substantiating Additional Obsolescence for State-Assessed Telecommunication Properties

Issue:

Should the Board adopt guidelines for substantiating additional obsolescence for state-assessed telecommunication properties?

Committee Discussion:

Committee Chair Steel introduced the agenda item and asked staff to give a report on the issue.

Don Jackson, Principal Property Appraiser, State-Assessed Properties Division, gave the Committee an overview of the interested parties process and how the guidelines had been developed.

Mr. Peter Michaels, Attorney, and Mr. Robert Strong, Tax Director for AT&T, spoke in opposition to the guidelines. Both speakers indicated that the guidelines were not meaningful and lacked enough specificity to be useful to state assessees. Mr. Strong indicated that the guidelines contained misstatements, were very prejudicial, and were not based on sound appraisal theory.

Mr. Leonard and Ms. Yee indicated that they wanted the item put over to another meeting to allow staff to address the concerns of the industry representatives and to possibly enhance the guidelines. Mr. Leonard requested that staff consider how these guidelines would affect other state or local assessments, and to learn whether other states had developed regulations or other guidance on this issue.

