



BOARD OF EQUALIZATION

**PROPERTY TAX COMMITTEE MEETING MINUTES**HONORABLE CLAUDE PARRISH, COMMITTEE CHAIR  
450 N STREET, SACRAMENTO

APRIL 23, 2003, 9:30 A.M.

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**ACTION ITEMS & STATUS REPORT ITEMS****Agenda Item No: 1****Title:** Report Addressing Questions on State Assessment of Public Utilities Previously Subject to Local Assessment**Issue/Topic:**

Staff to present its response to questions raised by Board Members at the March 26, 2003, Property Tax Committee meeting regarding the appraisal methods and the value standards used in the state assessment of utility properties.

**Committee Discussion:**

The Committee asked staff to provide the answers to the questions raised at the meeting on March 26. Staff presented an example illustrating that, in some cases involving declines in value, the county-assessed value and the state-assessed value could be identical; however, staff noted that the provisions of Article XIII A (i.e., Proposition 13) do not apply to property assessed by the Board. Staff referred to its April 9, 2003, memorandum to the Board Members for more-detailed information.

An industry representative agreed that the provisions of Article XIII A do not apply to state-assessed property. He commented further that, despite the inapplicability of Article XIII A, the methodology for arriving at *fair market value* should be the same regardless of whether the property is assessed locally or by the state. He thus urged the Board to ask staff to develop value indicators based not only on replacement cost and capitalized earning ability, but also on actual arms length sales of the subject properties.

