



STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)
(916) 445-6479

CONWAY H. COLLIS
First District, Los Angeles
ERNEST J. DRONENBURG, JR.
Second District, San Diego
WILLIAM A. BENNETT
Third District, Kentfield
RICHARD NEVINS
Fourth District, Pasadena
KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

No. 83/56

April 29, 1983

TO COUNTY ASSESSORS, COUNTY COUNSELS,
AND OTHER INTERESTED PARTIES:

PROPERTY TAXES RULES 1021 AND 1024

Enclosed are notices of public hearing to be held Tuesday, June 21, 1983, at 2:00 p.m., in room 102, 1020 N Street, Sacramento, California, on the proposed amendment of rule 1021, Timberland Grading Rule, and the proposed repeal of rule 1024, Tax Rate Area Designation.

Rule 1021 is being amended to conform the rule to statutes, as amended by AB 2770, Statutes of 1982, Chapter 1489, which defined "timberland production zone" and substituted "timberland production zone" for "timberland preserve zone" therein, and updated the rule by deleting references to statutory directives which have been discharged.

Rule 1024 is being repealed to eliminate duplication of Section 4582.8 of the Public Resources Code, which similarly provides that assessors shall assign tax rate area designations, and eliminates the need for compilation of tax collections by tax rate areas, since AB 3296, Statutes of 1982, Chapter 1058, revised the distribution statutes such that tax rate area designations are no longer a factor in making distributions of timber revenues.

Written comments for the Board's consideration or requests to present testimony at the public hearing should be directed to me at the above address. Questions regarding the proposed amendments should be directed to James K. McManigal, Staff Counsel, at (916) 323-7715.

Sincerely,

A handwritten signature in cursive script, reading "Janice Masterton", is written over a horizontal line.

Janice Masterton
Assistant to Executive Secretary

JM:ms
Enclosures

NOTICE OF PROPOSED REGULATORY ACTION

BY THE

STATE BOARD OF EQUALIZATION

NOTICE IS HEREBY GIVEN that the State Board of Equalization, pursuant to the authority vested by Section 15606 of the Government Code and Section 38701 of the Revenue and Taxation Code, and to implement, interpret, or make specific Sections 434.1 and 38204 of the Revenue and Taxation Code, proposes to amend Regulation 1021 in Title 18 of the California Administrative Code, relating to property tax.

PUBLIC NOTICE: Notice is further given that a public hearing relevant to this action will be held in Room 102, Consumer Affairs Building, 1020 N Street, Sacramento, California, at 2:00 p.m., on June 21, 1983. Any person interested may present statements or arguments orally at that time and place.

INFORMATIVE DIGEST: The proposed amendments will conform the rule to statutes, as amended by AB 2770/Stats. 1982, Ch. 1489 which defined "timberland production zone" and substituted "timberland production

zone" for "timberland preserve zone" therein, and update the rule by deleting references to statutory directives which have been discharged.

ESTIMATE OF COST OR SAVINGS: The State Board of Equalization has determined that the proposed changes do not impose a mandate on local agencies or school districts and will result in no direct or indirect cost or savings to any State, local, or Federal agency, school district, nor in Federal funding to the State.

The cost impact on private persons or businesses is expected to be insignificant. This proposal will not have a significant adverse economic impact on small businesses.

INQUIRIES: Inquiries concerning this matter may be directed to Janice Masterton, at (916) 445-6479.

WRITTEN COMMENTS: Written statements or arguments will be considered by the Board if received by June 21, 1983; written statements or arguments are requested by June 1, 1983.

STATEMENT OF REASONS; EXPRESS TERMS: The Board has prepared a statement of the purpose of the proposed action and the information relied upon in making the changes, and a strikeout and underscore version (express terms) of the proposed changes, both of which are available to the public upon request.

STAFF MEMORANDA AFTER PUBLIC HEARING OR REVISIONS TO PUBLISHED VERSION OF THE REGULATION: In the event there are any staff memoranda included in the rulemaking file after the close of the public hearing these memoranda will be available to the public upon request from Mrs. Masterton for a period of 15 days after the public hearing.

In the event there are any revisions to the published version of the regulation, these revisions will be available to the public from Mrs. Masterton for a period of 15 days after the public hearing.

Following the hearing, the State Board of Equalization, upon its own motion or at the instance of any interested person, may in accordance with law adopt the changes proposed without further notice.

Dated: April 25, 1983

STATE BOARD OF EQUALIZATION

Douglas D. Bell

Douglas D. Bell
Executive Secretary

Rule 1021. TIMBERLAND GRADING RULE.

Reference: Sections 434.1, 39204. Revenue and Taxation Code.

Authority: Section 15606, Government Code,
Section 38701, Revenue and Taxation Code.

(a) **GENERAL.** Beginning with the 1977-78 fiscal year, privately owned land and land acquired for state forest purposes which is primarily devoted to and used for growing and harvesting timber and is zoned for a minimum 10-year period as timberland preserve production zone (TPZ) will be valued for property taxation on the basis of its use for growing and harvesting timber, plus the value, if any, attributable to existing, compatible, nonexclusive uses of the land.

(b) **SITE QUALITY.** Timberland is rated for productivity based upon its ability to produce wood growth on trees. Five general site classes are established wherein Site I denotes areas of highest productivity, Site II and Site III denote areas of intermediate productivity, and Site IV and Site V denote areas of lowest productivity. The five site quality classes are set forth within each of three general forest types: redwood, Douglas fir, and mixed conifers.

Land zoned as timberland preserve production zone (TPZ) shall be graded by the assessor using the following site classification table as a measure of land productivity.

TIMBERLAND PRESERVE PRODUCTION ZONE SITE CLASSIFICATION TABLE

<i>Productivity Potential</i>	<i>Young-Growth Redwood¹</i>		<i>Douglas Fir²</i>		<i>Ponderosa Pine Jeffrey Pine, Mixed Conifer & True Fir³</i>		
	Site Class	Site Index Feet @ 100 yrs.	Site Class	Site Index Feet @ 100 yrs.	Site Class	Site Index Feet @ 100 yrs.	Site Index Feet @ 300 yrs.
Highest	I	180 or more	I	194 or more	I	114 or more	163 or more
Intermediate	II	155-179	II	164-193	II	93-113	138-162
	III	130-154	III	134-163	III	75-92	113-137
Lowest	IV	105-129	IV	103-133	IV	60-74	88-112
	V	Less Than 105	V	Less Than 103	V	Less Than 60	Less Than 88

¹ Lindquist, James L., and Marshall N. Palley. Empirical yield tables for young-growth redwood, Calif. Agr. Exp. Stn. Bull. 796, 47 pp., 1963.

² McArdle, Richard E., and Walter H. Meyer. The yield of Douglas fir in the Pacific Northwest. USDA Tech. Bull. 201, 74 pp., Rev. 1961. Adjusted to average height of dominant trees after Forest Research Note No. 44, Pacific Northwest Forest and Range Experiment Station, by Forest Survey, Calif. Forest and Range Exp. Stn., 1948.

³ Dunning, Duncan. A site classification for the mixed conifer selection forests of the Sierra Nevada. USDA Forest Serv. Calif. Forest and Range Exp. Stn. For. Res. Note 28, 21 pp., 1942.

Rule 1021. (Contd.)

Young-Growth Redwood. Site index based on average height of dominant trees at breast height age of 100 years. Use in young-growth redwood stands in which more than 20 percent of the stand by basal area is redwood and when sufficient dominant redwood trees are available to determine site index.

Douglas Fir. Site index based on average height of dominant trees at age 100 years. Use in young-growth redwood stands in which 20 percent or less of the stand by basal area is redwood or when sufficient dominant redwood trees are not available to determine site index. Use also in old-growth redwood stands. In such cases, measure Douglas fir trees for determining site index. Also use for Sitka spruce, grand fir, hemlock, bishop's pine, and Monterey pine stands.

Ponderosa Pine, Jeffrey Pine, Mixed Conifer, and True Fir. Site index based on average height of dominant trees at age 100 and 300 years. Use also for lodgepole pine stands. For old-growth stands, use height of dominants at age 300 years.

(c) **OPERABILITY.** Timberland shall be rated for operability based upon such factors as accessibility, topography, and legislative or administrative restraints. On or before December 31, 1979, two classes of operability shall be used by the assessor and designated as operable or inoperable. Areas of inoperable land must be identified by the assessor. For the purpose of land site classification, inoperable means that any of the following circumstances are applicable:

- (1) Extreme physical barriers prevent access.
- (2) Legal or administrative restraints prevent access or harvest.
- (3) Rocky ground, steep slopes, or sterile soil prevent growing or harvesting merchantable timber.

~~On or before January 1, 1980, the Board shall determine appropriate designations of operability and shall adopt schedules reestablishing the value of each grade of timberland.~~

History: Adopted January 6, 1977, effective March 3, 1977.

NOTICE OF PROPOSED REGULATORY ACTION

BY THE

STATE BOARD OF EQUALIZATION

NOTICE IS HEREBY GIVEN that the State Board of Equalization, pursuant to the authority vested by Section 15606 of the Government Code and Section 38701 of the Revenue and Taxation Code, and to implement, interpret, or make specific Section 4582.8 of the Public Resources Code and Sections 38109 and 38204 of the Revenue and Taxation Code, proposes to repeal Regulation 1024 in Title 18 of the California Administrative Code, relating to property tax.

PUBLIC NOTICE: Notice is further given that a public hearing relevant to this action will be held in Room 102, Consumer Affairs Building, 1020 N Street, Sacramento, California, at 2:00 p.m., on June 21, 1983. Any person interested may present statements or arguments orally at that time and place.

INFORMATIVE DIGEST: The proposed repeal eliminates duplication of Section 4582.8 of the Public Resources Code, which similarly provides that assessors shall assign tax rate area designations, and eliminates

the need for compilation of tax collections by tax rate areas, since AB 3296/Stats. 1982, Ch. 1058 revised the distribution statutes such that tax rate area designations are no longer a factor in making distributions of timber revenues.

ESTIMATE OF COST OR SAVINGS: The State Board of Equalization has determined that the proposed change does not impose a mandate on local agencies or school districts and will result in no direct or indirect cost or savings to any State, local, or Federal agency, school district, nor in Federal funding to the State.

The cost impact on private persons or businesses is expected to be insignificant. This proposal will not have a significant adverse economic impact on small businesses.

INQUIRIES: Inquiries concerning this matter may be directed to Janice Masterton, at (916) 445-6479.

WRITTEN COMMENTS: Written statements or arguments will be considered by the Board if received by June 21, 1983; written statements or arguments are requested by June 1, 1983.

STATEMENT OF REASONS; EXPRESS TERMS: The Board has prepared a statement of the purpose of the proposed action and the information relied upon in making the change,

and a strikeout and underscore version (express terms) of the proposed change, both of which are available to the public upon request.

STAFF MEMORANDA AFTER PUBLIC HEARING OR REVISIONS TO PUBLISHED VERSION OF THE REGULATION: In the event there are any staff memoranda included in the rulemaking file after the close of the public hearing these memoranda will be available to the public upon request from Mrs. Masterton for a period of 15 days after the public hearing.

In the event there are any revisions to the published version of the regulation, these revisions will be available to the public from Mrs. Masterton for a period of 15 days after the public hearing.

Following the hearing, the State Board of Equalization, upon its own motion or at the instance of any interested person, may in accordance with law adopt the change proposed without further notice.

Dated: April 25, 1983

STATE BOARD OF EQUALIZATION

Douglas D. Bell

Douglas D. Bell
Executive Secretary

Rule-1024--TAX-RATE-AREA-DESIGNATION.

Reference: --Sections 38169, 38204, Revenue and Taxation Code--

To ensure an accurate reporting of species and volumes harvested within each area and to enable the Board to compile tax collections by tax rate areas for the eventual distribution of tax moneys to counties, the assessor shall assign and note the full six digit tax rate area designation on each timber harvesting plan or notice for each area of harvest.

History: --Adopted November 4, 1976, effective January 1, 1977--