



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

April 17, 1987

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First District, Kentfield

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Second District, Los Angeles

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Third District, San Diego

RICHARD NEVINS
Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

No. 87/38

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

NOTICE OF PROPOSED REGULATORY ACTION
BY THE
STATE BOARD OF EQUALIZATION

RULE 1046 - HORSES SUBJECT TO AD VALOREM TAXATION

PUBLIC HEARING: JUNE 16, 1987

NOTICE IS HEREBY GIVEN that the State Board of Equalization, pursuant to the authority vested by section 5781 of the Revenue and Taxation Code, and to implement, interpret, or make specific sections 5701 and 5703 of the Revenue and Taxation Code, proposes to amend Rule 1046 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 16, 1987. Any person interested may present statements or arguments orally or in writing at that time and place.

INFORMATIVE DIGEST: This rule is amended to incorporate amendments to Revenue and Taxation Code sections 5701 and 5703, which were amended by Stats. 1985, ch. 1250, in effect September 30, 1985. The amendments extend the definition of "racehorse" to certain Arabian horses.

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. Further, the Board has determined that the change will result in no direct or indirect cost or savings to any state agency, any local

agency or school district that is required to be reimbursed under section 2231 of the Revenue and Taxation Code, or other nondiscretionary cost or savings imposed on local agencies, or cost or savings in federal funding to the State of California.

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

WRITTEN COMMENTS: Written statements or arguments will be considered by the Board if received by June 16, 1987; they are requested by May 29, 1987. Please send comments to Janice Masterton, Regulation Coordinator, at 1020 N Street, Sacramento, California 95814.

STATEMENT OF REASONS; EXPRESS TERMS; RULEMAKING FILE: The Board has prepared a statement of reasons and a strike-out and underscore version (express terms) of the proposed changes. Both of these documents and all information on which the proposal is based are available to the public upon request. The rulemaking file is available for public inspection at Room 450, 1020 N Street, Sacramento, California.

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 sufficiently related to the published version of the rule, these revisions will be available to the public from Mrs. Masterton for a period of 15 days before adoption.

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

INQUIRIES

CONTENT

Questions regarding the content of the regulation should be directed to Gordon P. Adelman, Assistant Executive Secretary, Property Taxes, (916) 445-1516, at 1719 - 24th Street, Sacramento, CA 95816.

HEARING

Written comments for the Board's consideration or requests to present testimony and bring witnesses to the public hearing should be directed to Janice Masterton, Assistant to Executive Secretary, (916) 445-6479, at 1020 N Street, Sacramento, CA 95814

Dated: March 30, 1987

STATE BOARD OF EQUALIZATION

Douglas D Bell

Douglas D. Bell
Executive Secretary

0537H

Rule 1046. HORSES SUBJECT TO AD VALOREM TAXATION

A horse over three years of age, or over four years of age in the case of an Arabian horse, that, in the two previous calendar years, has neither participated in a horserace contest

of on which parimutuel wagering is permitted nor

been used for breeding purposes in order to produce a racehorse eligible to participate in a horserace contest on which parimutuel wagering is permitted is not a racehorse within the meaning of Part 12 of Division 1 of the Revenue and Taxation Code. Any such horse is subject to ad valorem taxation unless otherwise exempt.

(a) A horse used for breeding purposes means a registered male animal that has serviced three or more registered females for the purpose of producing a racehorse during the two previous calendar years or a registered female animal that has been bred to a registered male for the purpose of producing a racehorse during the two previous calendar years.

(b) In order to qualify as a racehorse a horse must be registered or eligible to be registered with an agency recognized by the California Horse Racing Board. Agencies currently recognized are as follows:

<i>Agency</i>	<i>Breed</i>
The Jockey Club	Thoroughbred
The American Quarter Horse Association	Quarter Horse
The United States Trotting Association	Standardbred
The Appaloosa Horse Club	Appaloosa Horse
The Arabian Horse Registry of America	Arabian Horse

Reference: Part 12, Division 1, Revenue and Taxation Code.

Authority: Government Code section 15606.

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