



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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No. 93/51

August 31, 1993

TO COUNTY ASSESSORS:

OPEN-SPACE LAND ASSESSED UNDER SECTIONS 423, 423.5, AND 426  
OF THE REVENUE AND TAXATION CODE  
INTEREST COMPONENT - 1994 LIEN DATE

In accordance with Section 423(b) of the Revenue and Taxation Code, the Board is required to announce, no later than September 1, an interest component of the capitalization rate to be used in the valuation of lands assessed under Sections 423, 423.5, and 426.

For the 1994-95 assessment year, Section 423(b)(1)(B) provides that the interest component shall be:

"the arithmetic mean, rounded to the nearest 1/4 percent, of the yield rate for long-term United States government bonds, as most recently published by the Federal Reserve Board, and the corresponding yield rate for those bonds, as most recently published by the Federal Reserve Board as of the September 1 immediately prior to the 1993-94 assessment year."

Information received from the Federal Reserve Board indicated the yield rates were 7.36 percent as of August 24, 1992, and 6.13 percent as of August 30, 1993. The arithmetic mean of 7.36 and 6.13 is 6.745 percent. When the arithmetic mean is rounded to the nearest one-quarter percent, the interest component is 6.75 percent.

Sincerely,

John W. Hagerty  
Deputy Director  
Property Taxes Department

JWH/grs