STATE OF CALIFORNIA

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January 31, 1997

No. 97/03

TO COUNTY ASSESSORS:

GENERAL AIRCRAFT VALUE GUIDE

Since 1963, the Board has annually published Assessors' Handbook Section 587, *Aircraft Valuation Data*, which is a valuation guide for assessors to use in valuing general aircraft. Over the past several years, it has become increasingly difficult and costly for the Board's staff to obtain relevant data for developing the AH 587. Several months ago, the Board directed the staff to discontinue the development and publication of this handbook section.

Section 5364 of the Revenue and Taxation Code (as amended by Chapter 1087 of the Statutes of 1996) provides:

> "The board shall establish standards and fix guides or, after a public hearing, shall review and approve commercially available guides, to be used by the county assessor in the assessment of aircraft at market value."

To comply with Section 5364, on January 8, 1997, the Board's Property Tax Committee held a hearing to review and approve a guide. As result of the information provided at the committee hearing, on January 10 the Board approved the *Aircraft Bluebook Price Digest* as the primary guide for valuing general aircraft, with the *Vref Aircraft Value Reference* as an alternate for planes not listed in the *Price Digest.* The Board further directed that the listed retail values shall be reduced by 10 percent to provide reasonable estimates of fair market values for aircraft in truly average condition on the lien date.

The value as calculated above should be adjusted for overall condition of the aircraft, equipment installed, hours since major overhaul, and airframe hours. Assessors are encouraged to make any other adjustments that are necessary to achieve fair market value assessments of aircraft. However, variances from the values indicated by use of the recommended guide must be based on reasonable evidence and should be well documented.

The edition of the *Aircraft Bluebook Price Digest* that will most closely correspond to the January 1 lien date will be the Winter edition; for the *Vref Aircraft Value Reference,* it would be Volume 4. To place an order for these publications, call the following toll free numbers:

Aircraft Bluebook Price Digest	*Vref Aircraft Value Reference*
800-654-6776	800-773-8733

If you have any questions regarding the use of the price guides or other issues pertaining to the assessment of aircraft, please contact our Technical Services Section at (916) 445-4982.

Sincerely,

J. E. Speed
Deputy Director
Property Taxes Department

JES:sk