

Issue Paper Number **08-007**



- Board Meeting
- Business Taxes Committee
- Customer Services and Administrative Efficiency Committee
- Legislative Committee
- Property Tax Committee
- Other

Biopharmaceutical Industry – Business Property Assessment Practices Guidelines

I. Issue

What valuation factors for biopharmaceutical equipment and fixtures should the Board adopt for inclusion in Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*, considering:

1. Potential market data received on May 27, 2008;
2. Appropriate economic equipment lives;
3. Use of minimum percent good factors; and
4. Application of trending index factors?

II. Alternative 1 - Staff Recommendation

Staff recommends that the Board continue to recommend the valuation factors for biopharmaceutical equipment and fixtures as arrayed in the January 2008 version of Assessors' Handbook Section 581 (AH 581) and:

1. Instruct staff to preserve the potential market data received on May 27, 2008 for possible future use;
2. Continue use of the economic equipment lives in Table 9 of AH 581;
3. Continue use of the minimum percent good factors contained in Table 9 of AH 581; and
4. Initiate application of the trending index factors contained in Table 2 to all valuation factors in Table 9 of AH 581.

III. Other Alternative(s) Considered

The Board could continue to recommend the valuation factors for biopharmaceutical equipment and fixtures as arrayed in the January 2008 version of Assessors' Handbook Section 581 (AH 581) and:

1. Instruct staff to continue the current study and pursue the potential market data received on May 27, 2008;
2. Continue use of the economic equipment lives in Columns A-3 and A-4 of Table 9 in AH 581 but adopt new economic lives for Column A-1;
3. Discontinue use of the minimum percent good factors contained in Table 9 of AH 581; and
4. Not recommend use of the trending index factors contained in Table 2 of AH 581.

IV. Background

The State Board of Equalization (Board) co-administers the property tax in California with the county assessors. The 58 county assessors are charged with the assessment of locally assessed real and personal property for taxation purposes and resolution of appeals of property values at the local level in conjunction with county assessment appeals boards. The Board's role is advisory and does not include setting values for any locally assessed property or for resolving disputes over those assessments.

Section 401.5 of the Revenue and Taxation Code requires that the Board issue to county assessors data relating to costs of property and other information to promote uniformity in appraisal practices and in assessed values throughout the state. In an effort to comply with section 401.5, the Board annually publishes Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors* (AH 581). Among other data, AH 581 contains tables of valuation factors for non-production computer equipment, semiconductor manufacturing equipment, and biopharmaceutical industry equipment and fixtures.

The index factors published in AH 581 are generally reliable for converting a property's original cost to an estimate of reproduction cost new (RCN). Percent good factors, which are the complement of depreciation factors, are then applied to the RCN to arrive at an estimate of market value.

The Board was approached by industry in 1998 to adopt valuation factors for biopharmaceutical equipment and fixtures. As a result of the request, the Board directed staff to gather and engage in discussions with the biopharmaceutical industry and county assessors to identify issues and develop guidelines and/or tables. Consequently:

- Staff conducted an extensive investigation of county assessment practices in the eight counties where biopharmaceutical companies were located. The asset accounting records of two major biopharmaceutical companies were reviewed. Additionally, the specialized improvements, machinery, and fixtures of those two biopharmaceutical companies were physically inspected. Information on the biopharmaceutical industry, including two reports prepared by consultants for companies in the industry, was reviewed. The staff attempted to calculate services lives for biopharmaceutical industry property.¹ However, evidence in the area of equipment retirement frequency and used equipment sales prices was ultimately determined to be either unavailable or unreliable.
- On January 26, 1999, a workshop on "Biopharmaceutical Industry Assessment Practices" was conducted by the Property and Special Taxes Department staff in Sacramento. Both industry and county assessor representatives were present at the workshop. The objective of the workshop was to define all issues and to arrive at a consensus for interim valuation factor tables and reporting categories. The only issue resolved, however, was a working definition of *biopharmaceutical industry*.
- On August 5, 1999, a workshop was held at the Board's headquarters to further discuss issues related to biopharmaceutical business property valuation. The discussion was chaired by the State Controller, Honorable Kathleen Connell, and covered (1) the agreed-upon definition of

¹ Using the methodology outlined in Assessors' Handbook Section 504, *Assessment of Personal Property and Fixtures*.

biopharmaceutical industry; (2) the major reporting categories; (3) selection of valuation factor tables; and (4) establishment of minimum percent good guidelines. Although progress toward consensus was made, certain differences still remained among interested parties.

- In October 1999, the Board adopted interim valuation factors for biopharmaceutical equipment and fixtures. The Board-adopted valuation factors were based on input from the various interested parties meetings and on an analysis of information provided by industry. The Board issued Letter To Assessors (LTA) 99/54, *Interim Guidelines for the Valuation of Biopharmaceutical Industry Equipment and Fixtures*, on October 8, 1999, that defined what categories of firms made up the biopharmaceutical industry, and provided that the valuation factors were to be applied directly to the reported historic costs without using trending index factors.
- The California Assessors' Association published position paper 99-004 addressing the information disseminated in LTA 99/54. The position paper provided, in part:

...However, the California Assessors' Association strongly disagrees with the valuation factor tables specified in LTA 99/54 since they are predicated upon using untrended historical costs in calculating market value. It is the California Assessors' Association position that use of the SBE factors found in LTA 99/54 is contrary to correct appraisal procedure and would create an inequity in assessment values for like property not defined as being in the biopharmaceutical industry...the California Assessors' Association adopts the following recommendations, which were presented in SBE FORMAL ISSUE PAPER No. 99-042 but not adopted by the elected SBE board members....

The Board was again approached by industry in 2005 to review current data to validate or update the information contained in AH 581 relative to the valuation of biopharmaceutical equipment and fixtures. Consequently:

- Budget Change Proposal 6 (approved in 2006) provided two positions on a two-year limited-term basis to create and participate on teams to conduct three studies, including one for biopharmaceutical equipment and fixtures, in the development of valuation factors. The Biopharmaceutical Equipment and Fixtures Team (Team) consists of one Principal Property Appraiser and one Senior Specialist Property Auditor-Appraiser from the Board, two industry representatives, and two representatives from the California Assessors' Association.
- All members of the Team were tasked with pursuing market data for the project. Additionally, the Board Team members reviewed the books and records of the two largest biopharmaceutical companies in California to determine if sufficient data were available to conduct a lifing study. Staff concluded that the retirement records of one company were not sufficient to perform such a study. Staff was not able to obtain complete records on the second company.
- The Team spent over 18 months pursuing data. As was the case in 1999, the Team was unable to gather the evidence necessary to empirically calculate valuation factors for biopharmaceutical business property. Additionally, no current market data was discovered.
- On January 31, 2008, staff presented a status report on the progress of the biopharmaceutical study to the Board's Property Tax Committee. Specifically, the Board was informed that the

Team was unsuccessful in obtaining current market data on which to base a study, and that there was insufficient data to conduct a lifing study. The Board directed staff to return to the Board in May 2008 and present the Team's recommended factors for a decision.

V. Discussion

On April 1, 2008, a meeting of the Team was held, and Board staff believed that there was general agreement among the Team members that the Team should recommend to the Board continued use of the valuation factors currently in AH 581 and that a trending index factor should be applied to those valuation factors. An issue paper was developed that put forth that recommendation.

After distribution of the issue paper (08-004), but prior to the May 28, 2008 Property Tax Committee meeting, a letter was received from one of the industry Team members, Mr. Charles Moll III, which expressed objections to the use of applying trending index factors and with the economic lives and the minimum percent good factors currently contained in AH 581 for biopharmaceutical equipment and fixtures. Additionally, the letter indicated that market data had been discovered and that it would be made available to Board staff soon.

On May 27, 2008, a spreadsheet of the data was received. On May 28, 2008, Mr. Moll addressed the Property Tax Committee and requested that the study be extended so that the data could be analyzed. The Committee directed staff to analyze the data and return to the July 8, 2008 Property Tax Committee meeting and again present a recommendation regarding valuation factors for biopharmaceutical equipment and fixtures on behalf of the Team.

Staff has analyzed the spreadsheet data that was received on May 27, 2008 and staff does not believe that the data is sufficient to use in the development of valuation factors for biopharmaceutical equipment and fixtures.

VI. Alternative 1 - Staff Recommendation

A. Description of Alternative 1

Staff recommends that the Board continue to recommend the valuation factors for biopharmaceutical equipment and fixtures as arrayed in the January 2008 version of Assessors' Handbook Section 581 (AH 581) and:

1. Instruct staff to preserve the potential market data received on May 27, 2008 for possible future use;
2. Continue use of the economic equipment lives in Table 9 of AH 581;
3. Continue use of the minimum percent good factors contained in Table 9 of AH 581; and
4. Initiate application of the trending index factors contained in Table 2 to all valuation factors in Table 9 of AH 581.

1. Market Data

The spreadsheet of market data received on May 27, 2008 contained a request that the information be kept confidential by Board staff. Staff was provided the name of the company in possession of

the market data and given a contact person within the company. The company, among other activities, is an asset management and disposition consultant for biopharmaceutical companies.

The market data consisted of a spreadsheet which contained 254 line items. Of those 254 items, 26 are unusable because the items are either (1) sales to another dealer, which cannot be considered for the study because they are not transactions at the retail level; or (2) are not biopharmaceutical equipment. Of the remaining 228 items, 199 items are determined to have vintage years of 2006 and 2007 only.

Staff discussed the data with the Board's Research and Statistics Section and they conveyed that any potential useful data must be reflective of the distribution of the property being analyzed. It was concluded that the spreadsheet did not (1) contain data on a significant variety of the biopharmaceutical equipment involved in the study, or (2) contain data that reflect the period of time that represents investments of biopharmaceutical equipment and fixtures currently held by biopharmaceutical companies.

No attempt was made to determine if the 228 items actually represented open-market sales transactions since this type of analysis would involve travel to the asset management company and a lengthy review of source documents, such as invoices.

Staff believes that if the current data were to be combined with market data that may become available at a future time, and if the current data is ultimately determined to be from open-market sales, that an analysis of the expanded database may provide a means to re-evaluate the valuation factors currently contained in AH 581.

2. Economic Equipment Lives

The economic equipment lives for biopharmaceutical equipment contained in Table 9 of AH 581 were adopted by the Board in 1999, primarily based on a study conducted by the Ventura County Assessor's office. The Ventura County staff compared the conclusions from their study with the *Estimated Useful Lives of Depreciable Hospital Assets*² published by the American Hospital Association (AHA) only as a "sanity check" against the conclusions their study had already arrived at. There were differences in the two studies' conclusions regarding equipment lives.

Staff notes that the AHA recommendations are for specific types of equipment and not based on groups of equipment such as those that are used in the mass appraisal of biopharmaceutical equipment and fixtures. Additionally, the AHA recommendations are guidelines that are used in the calculations of Medicare reimbursement and reflect the useful life as used by a hospital. The AHA lives do not necessarily reflect the useful life of the equipment beyond use by a hospital.

Since the Team was unable to discover data sufficient to conduct a lifing study for biopharmaceutical equipment and fixtures, staff believes that the equipment lives adopted by the Board in 1999 should continue to be used in AH 581.

² Revised 1998 edition.

3. Minimum Percent Good Factors

Minimum percent good factors have been adopted by the Board for equipment and fixtures for three different industries, one of which is the biopharmaceutical industry. The equipment and fixtures for these three industries have recommended minimum percent good factors in AH 581 because their valuation factors are based on specific studies that support the use of minimum percent good. In the case of biopharmaceutical equipment and fixtures, the support evidence is very strong for minimum percent good factors since the equipment and fixtures used in the industry must be maintained at a high standard in order to meet the stringent requirements of the U.S. Food and Drug Administration.

Since the last biopharmaceutical study was conducted in 1999, federal legislation was adopted requiring companies to provide "improved financial transparency and strong internal operation controls." Accordingly, staff pursued the fixed asset records of a company for the purpose of understanding what fixed assets are used in a biopharmaceutical company and, if possible, since market data was not available, to determine if a lifing study could be conducted. After several months of requesting the information, staff was directed by the company to go through their attorney to acquire the information. Staff continued to pursue the information and was finally given records after a considerable period of time.

However, the records were accompanied by a lengthy letter from the attorney's firm enumerating why the records were not reliable. The attorney's firm explained to staff that there are numerous reasons for the lack of disposal information. In reply to staff's request for accounting records, it was explained the reason why some records were not available was due to the fact that "...some assets are thrown away, while other assets may be transferred to storage, recycled, donated, stolen, moved to another location, or simply disappear." It was further stated that the "recording of dispositions and retirements is spotty at best." Since staff had attempted to perform a lifing study on another large biopharmaceutical company without success, staff decided that any further pursuit to determine the reliability of the information for the company would not prove fruitful. Additionally, drawing a conclusion on how the majority of equipment and fixtures are disposed of, based on the lack of records, is speculative at best.

Staff's inability to acquire market data is not due to a lack of a secondary market. On the contrary, there appears to be an active secondary market dealing in biopharmaceutical equipment. The frustration is the secondary market's reluctance to provide data to Board staff. A large amount of biopharmaceutical equipment appears to have value beyond the original user.

The biopharmaceutical industry is regulated by the FDA. FDA regulations require stringent upkeep of equipment. The nature of producing a product for human consumption requires that equipment be well maintained for both cleanliness and accuracy. The results of this level of upkeep is unusually well conditioned and aged equipment. Based on this observation and conclusions reached during the 1999 study, staff believes that the minimum percent good factors for biopharmaceutical equipment and fixtures adopted by the Board in 1999 should continue to be used in AH 581.

4. Trending Index Factors

The valuation of personal property and business fixtures for assessment purposes most often involves the use of a mass appraisal method. Property (normally equipment) is valued based on information reported by the taxpayer to the county assessor on a property statement. Each piece of

equipment is not identified and valued separately, but rather the equipment is valued as a group based on the type of business and the classification of the property. The first step in the calculation process is to *trend* the historical cost of the property to an estimated reproduction or replacement cost new (cost times index factor). This trending is accomplished using a trending factor. The next step is to apply the trended historical/original cost to a percent good factor to estimate the market value of the property.

There are three classes of equipment outlined in AH 581, Table 9: (1) General Laboratory Equipment and High Technology Analytical Instruments; (2) Commercial Manufacturing Equipment; and (3) Pilot Scale Manufacturing Equipment. Commercial and pilot scale manufacturing equipment classification is mostly comprised of standard manufacturing equipment such as mixers, pumps, vessels, capping machines, and floor scales that have not experienced significant, if any, technological advances in the past dozen years and no such advances are anticipated in the future. The general laboratory equipment and high technology analytical instruments classification is comprised of a mix of equipment that is used in the biopharmaceutical laboratory. In this classification are general laboratory equipment, such as fume hoods, pH analyzers, and shakers. Like the manufacturing equipment, most of this equipment has not experienced significant, if any, technological advances. Hi-tech analytical instruments are comprised of instruments such as particle counters, mass spectrophotometers, and DNA sequencers and analyzers.

Hi-tech analytical instruments have made advancements in the past few years; however, these advancements are not of the magnitude experienced in rapidly evolving equipment classes such as computers, semiconductor manufacturing equipment, and telecommunication equipment. The perception that hi-tech analytical instruments are experiencing technology changes in the order of computers and other high technology equipment is misguided. One industry insider with three years of recent consulting experience in the area of biopharmaceutical asset management along with 15 years experience as a pharmaceutical scientist for a major pharmaceutical company explained this misconception to staff by stating that: "It is the advancement in the science of the cell technology over the past few years that has driven biopharmaceutical advances. The equipment used to ferment and harvest cells has changed little with the exception of the size of the equipment. Equipment has gotten larger to accommodate improved yields." This same consultant estimated the life of laboratory equipment to be between 7 and 10 years. This estimate is similar to other estimates that staff has heard in interviews with biopharmaceutical operation managers and scientists. A 7 to 10 year life is not consistent with equipment experiencing high technology changes. Furthermore, given that the hi-tech analytical equipment is the only equipment in the general laboratory equipment and high technology analytical instrument classification that has experienced some technological changes, and given that staff estimates it represents less than 15 percent of the category, it is staff's opinion that the impact on the index trending for the entire class of equipment is likely nominal.

Fixtures in a biopharmaceutical operation consist of the types of fixtures commonly found in other manufacturing settings, such as process-related plumbing and electrical, process water piping and process HVAC systems. These types of fixtures are generally made of standard material and experience nominal technological advances. These types of fixtures have been trended by the county

assessors and staff believes that trending for these fixtures is appropriate and consistent with the treatment of similar fixtures held by other local property owners.

While the indexes published in the AH 581 reflects reproduction cost new, AH 581 also states that "in situations where equipment has undergone minimal changes in technology, reproduction cost and replacement cost are likely to be similar." It is staff's belief that this is the case for biopharmaceutical equipment and fixtures.

Staff recommended in 1999 and again recommends that the trending index factors contained in Table 2 of AH 581 be applied to the valuation factors when county assessors are estimating market value for the biopharmaceutical equipment and fixtures included in Table 9 of AH 581. This process is consistent with standard appraisal procedures and will ensure that the appraisal methods for biopharmaceutical equipment are consistent with the appraisal methods for other industry equipment.

B. Pros of Alternative 1

Board staff and five of the six Team members believe that adoption of Alternative 1 is reflective of the best information available at this time and will result in the majority, if not all, of the California County Assessors using the AH 581 when estimating market values for biopharmaceutical equipment and fixtures. This will lead to more uniform assessments for taxpayers.

C. Cons of Alternative 1

See the pros for Alternative 2.

D. Statutory or Regulatory Change for Alternative 1

None

E. Operational Impact of Alternative 1

None

F. Administrative Impact of Alternative 1

1. Cost Impact

None

2. Revenue Impact

It is anticipated that there would be little if any revenue impact since Alternative 1 is consistent with the current recommendation of the California Assessors' Association and current appraisal practices employed by the majority of the county assessors.

G. Taxpayer/Customer Impact of Alternative 1

None

H. Critical Time Frames of Alternative 1

The valuation factors, minimum percent good factors, economic equipment lives, and index trend factors discussed in this Alternative ultimately will be published in AH 581. AH 581 is generally adopted by the Board each year at its November Board meeting.

VII. Other Alternatives

A. Description of Alternative 2

The Board could continue to recommend the valuation factors for biopharmaceutical equipment and fixtures as arrayed in the January 2008 version of Assessors' Handbook Section 581 (AH 581) and:

1. Instruct staff to continue the current study and pursue the potential market data received on May 27, 2008;
2. Continue use of the economic equipment lives in Columns A-3 and A-4 of Table 9 in AH 581 but adopt new economic lives for Column A-1;
3. Discontinue use of the minimum percent good factors contained in Table 9 of AH 581; and
4. Not recommend use of the trending index factors contained in Table 2 of AH 581.

The following information was provided in a May 16, 2008 letter from Mr. Charles Moll III and during a conference call meeting of the Team members held on June 12, 2008. Mr. Moll served as a member of the Team and is the one member that does not support Alternative 1.

1. Market Data

Since the outset of this two-year project, the parties involved have spent a significant amount of time trying to develop accounting records that might allow for a "lifing study" to be performed. Although, in 1999, the SBE and its auditors concluded that such studies could not properly be performed at that time due to the manner in which accounting records were typically kept in the industry, it was hoped that by now those records might be kept differently to permit a proper "lifing" study. Unfortunately, despite over a year of diligent efforts by the parties and Board staff, it became clear, and the Issue Paper [08-004] so states, that, the records of the industry are still insufficient to conduct a lifing study.

After that became apparent, Board staff and industry redoubled efforts to locate market data, in the hopes that the well-regarded computer study of the 1990's could be replicated for the biopharmaceutical industry. After false lead after false lead, by January 2008 very little new market data had been produced, leading to the current disappointing conclusion that the original goals of this project could not be fulfilled.

However, a new source of data recently has been identified, and it is expected that this data will become available within the next few weeks. Obviously, this process is nearing the end of the original two-year project timeframe. However, given that, despite almost two years of hard work, no real progress has been made, it would seem quite appropriate to extend this project for a short period of time, in order to convert the project from a failure to a success.

While the data provided on May 27, 2008 may not be plentiful, it is relevant market data. The data should not be discarded or lost. Efforts should be expended to verify and validate the data, and then

entered into a database repository. Continuing efforts should be made to find additional market data to supplement the May 27 data.

2. Economic Equipment Lives

The Issue Paper [08-004] recommends the same lifetimes set forth in the interim tables. As the Issue Paper recognizes, the interim tables were based upon a 1999 study produced by the Ventura Assessor's office. In that study, the assessor relied entirely on the recommendations of the American Hospital Association (AHA) for depreciable lifetimes for various similar types of equipment. However, the assessor made an error with those hospital equipment lifetimes.

The lifetimes recommended by the AHA were based upon complete, or "total," lifetimes. That is, the AHA's depreciated values would drop from 100% to zero over the lifetime of the asset, just as one might expect under standard accounting rules. However, as you know, the SBE tables of depreciation factors for given lifetimes are based on "average service lifetimes" not on the complete "total" lifetime. Thus, for the hospital equipment, if the AHA study concluded to a lifetime of six years, that meant the AHA had concluded that the equipment had zero value after six years. Yet for property tax purposes, a six year lifetime does not reach zero value until year ten. Thus, the "lifetimes" found by the AHA study do not mean the same as "lifetime" in the SBE AH 581. Consequently, while it may be appropriate to adopt the AHA study here, in order to compare apples to apples, the AHA conclude "total" lifetimes should be adjusted to match the equivalent "average" SBE AH 581 lifetime (i.e., in this example the SBE lifetime that reaches zero value after six years).

Consequently, Industry requests that, either the AHA study factors be used, or that the Board adopt the equivalent SBE AH 581 "average" lifetimes that match AHA "total" lifetimes factors found by the AHA study.

3. Minimum Percent Good Factors

Industry is concerned about the recommended continued use of a minimum percent good. As you know, generally the SBE recommendation is not to apply a minimum percent good unless the evidence shows that the equipment consistently retains a recoverable salvageable value at the end of its service life. Here, the general theory is even more compelling. As you are aware, one of the main problems preventing Industry from developing market data from its own disposal of equipment is that such equipment is for the most part given away and not resold, because it has little or no resale value. If it had a recoverable salvageable value, it would be resold rather than simply discarded. Moreover, for many biotech fixtures and equipment, such as large tanks, piping, etc., the cost of removal and clean up exceeds any salvageable value, and so often those assets are simply left in place unused. Thus, the fact that this equipment is not regularly resold militates against applying a minimum percent good.

4. Trending Index Factors

Industry objects to the new recommendation contained in the Issue Paper [08-004] that indexing be applied. The 1999 interim tables rejected applying indexing for the biopharmaceutical factors. The reasoning behind the interim tables was that technology was advancing roughly as fast as inflation for these items, so no indexing up or down was appropriate. (In computers, semiconductor manufacturing, telecommunications central office equipment, and other technology industries

similar to biotechnology, negative indexing is now the invariable practice, with no argument about it.)

However, the Issue Paper now recommends that the California Assessors' Association's ("CAA") contention for indexing be employed, without stating any new evidence to support that any indexing is appropriate. To the contrary, in 1999 the CAA advocated the position that original cost increased by the standard index would yield Replacement Cost New. In 2001, however, the SBE staff determined that indexed original cost was not Replacement Cost New, but Reproduction Cost New. The difference between the two concepts is that Replacement Cost New is the new cost of an asset or group of assets with the same functionality as the original assets, but constructed using the latest materials and technology, whereas Reproduction Cost New is simply the cost of reproducing an exact replica of the original asset. Since technology has rapidly advanced in this field, Replacement Cost New typically is going to be significantly below Reproduction Cost New. All appraisal literature, the assessors handbooks, and common sense dictates that the market for equipment like this (or any equipment, really) is not for an exact replica of an older asset, but for the best and most modern way of producing the same function. Thus, Replacement Cost New should be used, and not Reproduction Cost New, as is the result of simply applying an index factor. Consequently, Industry objects to the use of indexing here.

B. Pros of Alternative 2

Mr. Moll believes that adoption of Alternative 2 will result in valuation factors for biopharmaceutical equipment and fixtures that will be representative of the industry equipment and will result in more equitable assessments for taxpayers.

C. Cons of Alternative 2

See the pros for Alternative 1.

D. Statutory or Regulatory Change for Alternative 2

None

E. Operational Impact of Alternative 2

None

F. Administrative Impact of Alternative 2

1. Cost Impact

None

2. Revenue Impact

It is anticipated that there would be little if any revenue impact if Alternative 2 is adopted since it is believed that the provisions of Alternative 1 will continue to be recommended by the California Assessors' Association and will result in no changes to current appraisal practices for the majority of the county assessors.

G. Taxpayer/Customer Impact of Alternative 2

None

H. Critical Time Frames of Alternative 2

The valuation factors, minimum percent good factors, economic equipment lives, and index trend factors discussed in this Alternative ultimately will be published in AH 581. AH 581 is generally adopted by the Board each year at its November Board meeting

Preparer/Reviewer Information

Prepared by: Property and Special Taxes Department; County-Assessed Properties Division

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