



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
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Executive Director

No. 2006/040

September 18, 2006

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

OPEN-SPACE LAND INTEREST COMPONENT – 2007 LIEN DATE

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

Section 423(b)(1) 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 as of September 1, and the corresponding yield rates for those bonds, as most recently published by the Federal Reserve Board as of each September 1 immediately prior to each of the four immediately preceding assessment years.

Information received from the Federal Reserve Board indicated the yield rates were 4.24 percent as of August 23, 2002; 4.47 percent as of August 22, 2003; 4.25 percent as of August 27, 2004; 4.20 percent as of August 29, 2005; and 4.95 percent as of August 28, 2006. The arithmetic mean of 4.24, 4.47, 4.25, 4.20, and 4.95 is 4.422, when rounded to the nearest one-quarter percent, the interest component for the **2007** assessment year is **4.5 percent**.

The interest components announced for prior lien dates are enclosed.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs
Enclosure

**OPEN-SPACE LAND ASSESSED UNDER SECTIONS 423, 423.5, AND 426
OF THE REVENUE AND TAXATION CODE**

INTEREST COMPONENTS FOR PRIOR YEARS

| Lien Date | Interest Component |
|------------------|---------------------------|
| 2006 | 4.50 |
| 2005 | 4.75 |
| 2004 | 5.25 |
| 2003 | 5.25 |
| 2002 | 5.75 |
| 2001 | 6.00 |
| 2000 | 6.25 |
| 1999 | 6.75 |
| 1998 | 6.75 |
| 1997 | 7.00 |
| 1996 | 7.00 |
| 1995 | 7.00 |
| 1994 | 6.75 |
| 1993 | 7.25 |
| 1992 | 8.00 |
| 1991 | 9.00 |
| 1990 | 8.25 |
| 1989 | 9.50 |
| 1988 | 9.00 |
| 1987 | 7.25 |
| 1986 | 10.50 |
| 1985 | 12.50 |
| 1984 | 12.00 |
| 1983 | 12.50 |
| 1982 | 14.50 |
| 1981 | 11.00 |
| 1980 | 9.00 |
| 1979 | 8.50 |
| 1978 | 7.00 |
| 1977 | 6.75 |
| 1976 | 7.25 |
| 1975 | 7.25 |