

**APPROVED MINUTES  
TIMBER ADVISORY COMMITTEE  
NOVEMBER 9, 2004 MEETING**

The meeting was called to order by David J. Gau, Chairman, at 9:01 a.m. in Room 122, State Board of Equalization (BOE), 450 N Street, Sacramento, California, with the following in attendance. A quorum was present.

TIMBER ADVISORY  
COMMITTEE (TAC) MEMBER

David J. Gau, Chair  
Gerald D. Cochran, Vice-Chair/Secretary  
Tim Holcomb  
Dave Peets  
Marsha Wharff  
Cris Andrews  
Christopher Zimny  
Roy H. Richards, Jr.  
Marty Olhiser

REPRESENTING

BOE  
Assessor, Del Norte County  
Assessor, El Dorado County  
Assessor, Alpine County  
Assessor/Recorder/Clerk, Mendocino County  
Assessor/Recorder, Shasta County  
Department of Forestry, Board of Forestry  
Small-Scale Timber Owners  
Large-Scale Timber Owners

OTHERS IN ATTENDANCE

Mickie Stuckey  
Gary Platz  
Linda Hill  
Ray Flynn  
John Davis  
John Penney  
Jim Lehnus  
Mike Jani  
Bev Lauer  
Mitchell Cari  
Larry Fogerson

REPRESENTING

BOE, County Property Tax Division (CPTD)  
BOE, CPTD, Timber Tax Section  
Assessor, Humboldt County  
Retired Assessor, Humboldt County  
Green Diamond Resources Co.  
Green Diamond Resources Co.  
Green Diamond Resources Co.  
Mendocino Redwood Co.  
Nevada County Assessor's Office  
BOE, CPTD, Timber Tax Section  
BOE, CPTD, Timber Tax Section

Prior to beginning the meeting, Mr. Ramon J. Hirsig, the Board's Executive Director, administered the oath of office to Mr. Christopher Zimny, California Department of Forestry, Board of Forestry TAC representative.

1. Approval of May 4, 2004 Meeting Minutes

Dave Peets moved to approve the minutes from the May 4, 2004 meeting; Tim Holcomb seconded the motion, which then passed without objection. Roy Richards requested that, in the future, the minutes reflect dissenting votes. The TAC agreed to this format for future minutes.

## 2. Harvest Value Discussion for Period January 1, 2005 – June 30, 2005

### a. Tables G & S, Green and Salvage Values

David Gau opened the discussion of Tables G & S. Tim Holcomb asked questions regarding the value setting process, which BOE staff had planned to present in Item 3.b. of the agenda. Therefore, staff suggested, and the TAC agreed, to address that item out of order. Gary Platz began a discussion of the value setting process used by BOE staff; however, due to several questions/issues from audience members as well as TAC members, the process discussion was becoming much too detailed to cover during the two-hour meeting.

Mickie Stuckey informed the TAC that BOE staff was initiating a project to create a *Timber Harvest Values Manual* that will document the laws, rules, policies, legal opinions, and procedures used by staff in the value setting process. This project will be conducted by Sherrie Kinkle in the Assessment Policy and Standards Division and will be handled in the manner outlined in the Board's *Property Tax Committee Procedures Manual* (<http://www.boe.ca.gov/proptaxes/pdf/PTCmanual2-01.pdf>). The TAC will serve as part of the interested parties' process of the project. Mickie Stuckey handed out business cards with Sherrie Kinkle's phone number and email address and encouraged people to contact her with any issues they would like to see addressed in the first draft of the proposed manual. Once an initial draft is prepared, an interested parties' letter will be sent out announcing the project along with the copy of the draft. At that time, interested parties will be allowed 45 – 60 days to provide input to the draft, after which time an interested parties' meeting will be scheduled to discuss the draft report and any outstanding issues. Marty Olhiser suggested that the meeting be set for a full day in March. Staff will attempt to have the initial draft completed and mailed out to interested parties by March 2005.

Mike Jani asked about the origin of the TVA 2S deduction for counties south of the Marin County. Gary Platz explained the origin to the group.

The discussion returned to Tables G & S values. Gary Platz provided a quick overview of the values and suggested a change to the TVA 6 FS value from \$200/MBF to \$160/MBF based on recently received sales information. Staff originally used the 75% rule to determine the salvage value, but the additional sales data provided enough information to use sales as the basis for the suggested salvage value in this instance.

Marty Olhiser stated that he believed the redwood values in TVA 1 and 2N were \$60/MBF - \$80/MBF too high based on information he had collected. Staff explained that the information Marty provided did not include specific sales data and, therefore, could not be used in the analysis for comparison purposes. A discussion then ensued about the timing of presenting additional sales data to BOE staff for analysis. The committee asked that the suggested values be sent out 30 days prior the TAC meeting, rather than the current two-week period. Staff said it could be done but that it would affect the timing of sales collected and included in the suggested values. Staff also pointed out that the biggest impact would be on the number of sales included in the values adopted by June 30 each year. The committee agreed that, if staff transmitted suggested values 30 days prior to the meeting, responses would need to be back to BOE staff one to two weeks

prior to the TAC meeting to give staff time to analyze the additional data. The committee decided the time frames should be addressed in the draft *Timber Harvest Values Manual*.

Roy Richards suggested that the value for TVA 6 PPG3 should be \$300/MBF rather than the \$320/MBF suggested by BOE staff. Roy also suggested that TVA 6 FG and ICG were too high; however, he did not offer any suggested values or additional information. Roy thanked BOE staff for amending the suggested value of TVA 6 FS.

Mickie Stuckey presented the ranges of values for select species and TVA's.

Gerald Cochran moved to approve Tables G & S, with BOE staff's suggested change to the value of TVA 6 FS (from \$200 to \$160); Marsha Wharff seconded the motion, which then passed with a vote of six to three. Roy Richards, Marty Olhiser, and Cris Andrews were the dissenting votes.

b. Table 1 — Miscellaneous Harvest Values

Gerald Cochran moved to approve Table 1 as presented; Dave Peets seconded the motion, which then passed unanimously.

3. Other Business

a. Small Sawlogs, Miscellaneous (SSM) Value Study

Mickie Stuckey opened the discussion of staff's SSM analysis and values. Gary Platz explained staff's analysis and indicated that he felt staff needed to continue collecting data prior to making any recommendations regarding the reporting of small sawlogs. Chris Zimny mentioned that the Board of Forestry (BOF) is also struggling with issues related to small log harvesting and fuel break construction. Chris mentioned that the BOF would like to see the BOE continue with the SSM benefit to these loggers. Marsha Wharff asked that BOE staff work with BOF staff in developing CDF regulations on the harvest of small logs.

b. Harvest Value Schedule Process

BOE staff presented this item under item 2.a., above, and the minutes reflect the discussion beginning on page 2.

c. Date for Next Meeting

Tentatively set for sometime between mid-May 2005 and June 7, 2005, depending on the Board meeting schedule.

4. New business

a. Roy Richards asked BOE staff about the lack of sales information in TVA 5 and whether that presented a problem. Gary Platz responded that staff had sufficient sales information; however, we couldn't share the information with the TAC due to confidentiality issues concerning the source of the data.

- b. Marty Olhiser discussed the potential for seeking legislation that would provide landowners with a Timber Yield Tax credit on timber, in particular old growth timber, left standing due to environmental considerations and/or regulatory restrictions. The TAC discussed various sponsors for such legislation and then asked Marty to firm up the idea and present something at a future TAC meeting.
  - c. Ray Flynn, retired Humboldt County Assessor and former TAC member, requested that the Humboldt County Assessor be appointed to the next vacant assessor's seat on the TAC.
5. David Gau adjourned the meeting at 11:23 a.m.