

Leased Equipment

General

Valuation and assessment of leased equipment can be one of the more difficult tasks that an auditor-appraiser encounters. Many impediments are generated by a lack of complete, up-to-date information. Leased equipment is usually easily movable, and it may change ownership (or possession) and situs frequently. This can make it difficult to analyze the factors (assessability, assessee, situs, description, and classification) necessary to make an appropriate opinion of value and a valid assessment.

Leased equipment, or property intended for lease, is assessable when (1) property is actually leased or rented on the lien date, (2) property is being used by the owner for purposes not directly associated with the prospective sale or lease of that property, (3) property has been used by the owner prior to the lien date, even though "held for lease" on the lien date, or (4) property is intended to be used by the lessor after being leased (or during intervals between leases), even though "held for lease" on the lien date.

Scope of Review

The BOE's assessment practices survey includes a review of the assessor's programs for discovery and valuation of leased equipment.

The specific areas of review may include, but are not limited to, the following:

- **General Program Elements**