

Memorandum

To: Mr. Ramon J. Hirsig
Executive Director

Date: October 23, 2007

From: 
Mickie Stuckey, Acting Deputy Director
Property and Special Taxes Department

Subject: **2008 Timberland Production Zone Values**
(November 15, 2007 Administrative Consent Agenda)

Section 434.5 of the Revenue and Taxation Code requires that, by November 30 of each year, the Board certify to county assessors the current values of lands zoned for timberland production. Section 434.5 also specifies that the values, which vary according to defined sites within three regions, be determined based on a specified formula.

On the 2008 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2008 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Conifer Region	
Site I	\$250	Site I	\$177	Site I	\$137
Site II	\$203	Site II	\$131	Site II	\$97
Site III	\$177	Site III	\$110	Site III	\$74
Site IV	\$154	Site IV	\$82	Site IV	\$53
Site V	\$49	Site V	\$43	Site V	\$28

When the assessor, pursuant to Revenue and Taxation Code section 434, designates a timberland parcel or portion thereof as inoperable, such timberland parcel, or portion thereof, shall be valued as if it is Site V.

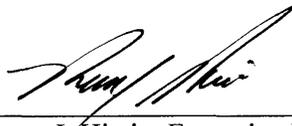
The 2008 values have all increased by \$0 to \$2 per acre due to a very slight increase in timber values over the past several years. Attached is a detailed analysis showing the calculations made to determine these values.

Please place this item on the Board's November 15, 2007 Administrative Consent Calendar for approval.

MS:bt
Attachment

cc: Mr. Gary Evans

Approved: _____


Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the _____ Board Meeting

Gary Evans, Acting Chief
Board Proceedings Division

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2008**

AVERAGE HARVEST VALUE PER M BOARD FEET BY FISCAL YEAR

<u>Fiscal Year</u>	<u>Volume (M)*</u>	<u>Harvest Value*</u>	<u>Average Per MBF</u>
2001-2002	1,652,280	\$ 502,457,129	\$304.10
2002-2003	1,632,072	\$ 420,989,485	\$257.95
2003-2004	1,816,420	\$ 493,022,147	\$271.43
2004-2005	1,614,752	\$ 485,729,617	\$300.81
2005-2006	1,716,149	\$ 539,656,327	\$314.46
2006-2007	1,718,997	\$ 554,954,366	\$322.84

CALCULATION OF THE CHANGE TO BE APPLIED TO TPZ SITE VALUES
(Revenue and Taxation Code Section 434.5(b))

<u>Fiscal Year</u>	<u>Average Per MBF</u>
2001-2002	\$ 304.10
2002-2003	\$ 257.95
2003-2004	\$ 271.43
2004-2005	\$ 300.81
2005-2006	\$ 314.46
	\$ 1448.75 / 5 = \$289.75
2002-2003	\$ 257.95
2003-2004	\$ 271.43
2004-2005	\$ 300.81
2005-2006	\$ 314.46
2006-2007	\$ 322.84
	\$1467.49 / 5 = \$293.50

$$((\$293.50 - \$289.75) / \$289.75) \times 100 = 1.3\%$$

One-Half Change Applied to Land Value: $1.3\% / 2 = .65\%$ Increase

*Summary of data provided by taxpayers on Timber Yield Tax returns.

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2008**

	<u>Lien Date 2007 Timberland Value</u>	<u>(.65%) Increase</u>	<u>Lien Date 2008 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$248	\$(+) 2	\$250
Site II	\$202	\$(+) 1	\$203
Site III	\$176	\$(+) 1	\$177
Site IV	\$153	\$(+) 1	\$154
Site V	\$ 49	\$ NC	\$ 49
 <u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$176	\$(+) 1	\$177
Site II	\$130	\$(+) 1	\$131
Site III	\$109	\$(+) 1	\$110
Site IV	\$ 81	\$(+) 1	\$ 82
Site V	\$ 43	\$ NC	\$ 43
 <u>PINE-MIXED CONIFER REGION</u>			
Site I	\$136	\$(+) 1	\$137
Site II	\$ 96	\$(+) 1	\$ 97
Site III	\$ 74	\$ NC	\$ 74
Site IV	\$ 53	\$ NC	\$ 53
Site V	\$ 28	\$ NC	\$ 28