

**SAN BERNARDINO COUNTY
SUPPLEMENTAL
ASSESSMENT PRACTICES SURVEY**

MARCH 2001

CALIFORNIA STATE BOARD OF EQUALIZATION

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JAMES E. SPEED, EXECUTIVE DIRECTOR





STATE BOARD OF EQUALIZATION
PROPERTY TAXES DEPARTMENT
450 N STREET, MIC:62, SACRAMENTO, CALIFORNIA
(PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0062)
TELEPHONE (916) 324-5827
FAX (916) 323-5689
www.boe.ca.gov

JOHAN KLEHS
First District, Hayward

DEAN ANDAL
Second District, Stockton

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Third District, Torrance

JOHN CHIANG
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Executive Director

March 14, 2001

TO COUNTY ASSESSORS:

NO. 2001/017

SAN BERNARDINO COUNTY
SUPPLEMENTAL ASSESSMENT PRACTICES SURVEY

A copy of the San Bernardino County Supplemental Assessment Practices Survey Report is enclosed for your information. The Board of Equalization (BOE) completed this survey in fulfillment of the provisions of sections 15640-15646 of the Government Code. These code sections provide that the BOE shall make surveys in each county and city and county to determine that the practices and procedures used by the county assessor in the valuation of properties are in conformity with all provisions of law.

The San Bernardino County assessor was provided a draft of this report and given an opportunity to file a written response to the findings and recommendations contained in the report. This report, and the county assessor's response constitute the final survey report. This report, pursuant to Government Code section 15646, is distributed to the Governor, the Attorney General, the State Legislature, and to the San Bernardino Board of Supervisors, Grand Jury, and Assessment Appeals Board.

The BOE's County Property Tax Department performed the fieldwork for this survey of the San Bernardino County Assessor's Office during the week of August 28, 2000. This report does not reflect changes implemented by the assessor after the fieldwork was completed.

The survey process inherently requires the interruption of normal office work routines. We thank the Honorable Donald E. Williamson, San Bernardino County Assessor, and his staff for their cooperation and patience during this supplemental assessment practices survey. These survey reports give the government officials in California charged with property tax administration the opportunity to exchange ideas for the mutual benefit of all participants and stakeholders. We encourage you to share your questions, comments, and/or suggestions for improvement with us.

Sincerely,

Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ:jm
Enclosure

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INTRODUCTION

Although county government has the primary responsibility for local property tax assessment, the State has both a public policy interest and a financial interest in promoting fair and equitable assessments throughout California. The public policy interest arises from the enormous impact of property taxes on taxpayers and the inherently subjective nature of the assessment process. The financial interest comes from the fact that half or more of all property tax revenues are used to fund public schools and the State is required to backfill any shortfalls from that property tax funding.

The assessment practices survey program is one of the State's major efforts to promote uniformity, fairness, equity, and integrity in the property tax assessment process. Under this program, the State Board of Equalization (BOE) periodically reviews (surveys) every county assessor's office at five-year intervals and publishes a report of its findings.

The most recent assessment practices survey report for San Bernardino County was published May 21, 1999. That report included the assessor's initial response to the recommendations and suggestions contained in the report.

The BOE has also elected to conduct supplemental surveys for the 10 largest counties and cities and counties. These surveys, conducted at least one year after publication of the original report, are made to determine the extent to which the assessor has implemented our recommendations contained in the original report. This report reflects the BOE's findings in its supplemental survey of the San Bernardino County Assessor's Office.

SCOPE OF SUPPLEMENTAL SURVEY

A supplemental assessment practices survey is not a complete audit of the assessor's entire operation. We confined our review to those recommendations made in the most recent survey report; we did not review the formal suggestions in the report or explore new issues.

Our supplemental survey of the San Bernardino County Assessor's Office included a review of the assessor's written response to the recommendations contained in the survey report, reviews of the assessor's records, and interviews with the assessor and his staff. This report evaluates progress the assessor has made in addressing the problems identified in our survey report published in May 1999. It also notes areas where problems persist.

EXECUTIVE SUMMARY

In our 1999 assessment practices survey report of San Bernardino County, we stressed several areas in the real property appraisal program where changes would be beneficial:

- Low-valued property exemption
- Escape assessments
- Two-year transfer list
- New construction assessment procedures
- Decline-in-value assessments
- California Land Conservation Act (CLCA) properties
- Manufactured homes
- Timeshares
- Mining Properties.

We found that most of the deficiencies relating to computer systems or administrative procedures have been remedied. The assessor has aggressively pursued upgrades and refinements to the mainframe computer program. He has also worked to bring administrative elements of his program into conformity with statutory requirements. As a result, our recommendations relating to escape assessment notices, low-valued property, new construction, two-year transfer listing, and decline-in-value assessments have been implemented.

However, those recommendations dealing with special types of real property (e. g., CLCA lands, manufactured homes, timeshares, and mining properties) have not been uniformly implemented. In the case of mining properties, the assessor adopted our recommendation in full; whereas, regarding timeshares, the assessor believes his procedures are correct and do not need to be changed. The program for assessing CLCA properties received no attention at all, and our four recommendations for change have not been implemented. Although this failure is primarily the result of changes in personnel, the assessor can only improve the program by devoting additional staff resources to it.

In our prior survey, we noted a need for improvement in the following areas of the business property assessment program:

- Mandatory audits

- Vessel assessment procedures.

Although some progress has been made in audit production, the program is still in arrears. Personnel turnover, training lag, and continuing vacancies have hindered efforts to achieve current status for all mandatory audits

The assessor has revised the vessel statement to conform to BOE requirements and state law. However, the assessor continues to use a single rate of depreciation applied to all types of vessels.

REAL PROPERTY VALUATION AND ASSESSMENT: RECOMMENDATIONS, RESPONSES, AND CURRENT STATUS

Following are the original recommendations from our 1999 survey report and the assessor's responses to them. After each is a summary of the current status as to implementation. All statutory references are to the Revenue and Taxation Code unless otherwise indicated.

LOW-VALUE PROPERTY EXEMPTION

RECOMMENDATION 1: Request that the board of supervisors revise the county's low-value property exemption resolution to conform to section 155.20.

Assessor's Response:

The Assessor, Auditor, and Tax Collector will review the county policy on this issue and consider seeking the suggested revision to the resolution. We have been comfortable applying the low value property exemption provided by section 155.20 to personal property assessments. Computing the break-even point of county costs versus the amount of tax collected is readily definable for personal property parcels because they require annual assessment and no special assessments or fees apply. The determination of the break-even point on real property parcels requires a much more complex and unpredictable analysis. Some of the considerations are: (1) The cost of valuation varies according to whether or not the property has changed ownership or sustained new construction in the specific assessment period. Once the base value of a real property parcel is established, the cost of maintaining the value on subsequent annual rolls is minimal. (2) Sizeable per parcel special assessments and fees are levied on many, but not to all real property parcels in San Bernardino County. Such special charges may exceed the cost of assessing and collecting the taxes, even when the assessed value is zero. These charges are compiled and maintained by the Auditor, and applied after the Assessor completes the assessment roll. The automated systems of the two departments are not integrated to the extent that the Assessor has advanced knowledge of which parcels and at what dollar level the charges will be applied. In order to administer the low value property exemption on real property parcels, the Assessor would still have to value all parcels and the exemption would be applied by the Auditor or Tax Collector once the additional charges are determined.

Current Status:

The county's low-value property exemption resolution is the same one adopted January 5, 1987 by the board of supervisors. It exempts all unsecured property with a taxable value of \$2,000 or less. The exemption level was established based on a 1987-88 estimated assessment and collection cost of \$28.70 per unsecured assessment. In our last

two surveys, we recommended that the assessor ask the supervisors to broaden the exemption to apply to all eligible property assessed on both the secured and unsecured rolls.

The assessor investigated the current costs of assessing low-valued property. Specific types of property have been targeted for exemption. For the 57,238 parcels comprising the eligible assessment codes, the assessor estimated an average cost of \$44.21 per assessment. Based on this amount, the assessor is planning to ask the board of supervisors to revise the current exemption limit to at least \$4,000.

Although the assessor does not intend to exempt all low-valued real property, this decision is based on the costs of collection, and the high incidence of special assessments that attach to real property but not to personal property. As such, the assessor's plan is consistent with section 155.20, and would result in uniform treatment of different classes of property.

ESCAPE ASSESSMENTS

RECOMMENDATION 2: Cite the proper caption as required by section 531.8 when providing taxpayers with notices of proposed escape assessments.

Assessor's Response:

The Assessor's Office is in the final stages of a rewrite project of their mainframe operating system for functional and Y2K improvements. The appropriate wording will be contained on notices of escaped assessment generated from the new system.

Current Status:

When the assessor's office converted to the 'new' PIMS (Property Information Management System) in July of 1999, the official form sent to taxpayers was retitled to conform to section 531.8. The revised form is otherwise unchanged. It is well designed, informative, and easy to comprehend.

TRANSFER LISTING

RECOMMENDATION 3: Revise the fee for public inspection of the two-year transfer list to the amount provided by section 408.1.

Assessor's Response:

The necessary steps have been taken to revise the fee schedule and to collect the appropriate charge for inspection of the transfer listing. In fact, implementation of a cost

survey on the two-year transfer list and other fees will be completed and submitted for Board approval.

Current Status:

In April 1999, the assessor completed a cost survey of the fees he charges for services to the public. The report, forwarded to the county administrator's office, recommended that the fee for sales data inspection be reduced from \$12 to \$10, in order to comply with section 408.1(d).

On July 11, 2000, the board of supervisors adopted Ordinance 3794, which amended section 16.023 of the San Bernardino County Code, to revise the schedule of fees charged by county departments for providing documents and services to the public. Included in this revised schedule is the \$10 fee charged by the assessor for sales data inspection.

NEW CONSTRUCTION

RECOMMENDATION 4: Revise new construction assessment procedures by: (1) insuring that an imputed interest charge for owner-supplied construction funds is included in the appraisal of large commercial and industrial properties valued by the replacement cost method; and (2) reviewing and updating replacement cost factors used to value new construction.

Assessor's Response:

We agree that: (1) a construction loan interest component is appropriate in cost approach value estimates; and (2) the local replacement costs guidelines should be updated.

Current Status:

The assessor instructed his staff to consider imputed construction loan interest when analyzing historical costs reported by property owners or developers for very large, unique, or special purpose commercial or industrial projects. In addition, the assessor's procedures manual contains a sample form letter and attached construction cost questionnaire which reference financing and construction loan costs. These documents are routinely mailed to property owners upon completion of commercial or industrial new construction. Reported costs are always checked against the replacement cost estimate prepared using the Marshall Valuation Service program, which has been installed on the appraisers' PC's. If the Marshall replacement cost estimating program lends itself to a complex new project, staff will rely on that replacement cost estimate to establish full cash value. The Marshall Valuation Service costs already reflect typical construction loan interest amounts.

For residential new construction, the assessor now relies primarily on the market approach to value. That is, his staff examines comparable sales individually for each new house and makes adjustments to the comparables to arrive at a value indicator for the subject property. In addition, the assessor's 'new' PIMS program contains the BOE's 1999 residential cost factors, and the MADs (Master Appraisal Documents) produced by the program include an estimate of replacement cost new for the building.

The assessor indicated there is abundant market data for subdivisions. For unusual homes, for which comparable sales data is scarce, he relies on the BOE's residential cost factors. For residential improvements such as pools, decks, and patios, the regional offices have developed local replacement cost factors and rely on these, and on the BOE's cost factors to value miscellaneous new construction. To check the validity of locally developed costs, the appraisers compare these factors against costs reported on POSNCs (*Property Owner's Statement of New Construction*), which are sent to owners who have taken out building permits for miscellaneous residential work. For commercial and industrial new construction, the assessor relies mainly on the Marshall Valuation Service program to prepare replacement cost estimates.

It appears that the assessor has significantly improved the quality of the replacement cost estimates prepared for new construction, and that his staff considers imputed construction loan interest for projects built using owner-supplied funds. We consider our recommendation to be fully implemented.

RECOMMENDATION 5: Properly classify tenant improvements.

Assessor's Response:

We agree that better coordination between the personal and real property appraisal staffs would result in more accurate tenant improvement assessments. Our current procedure is an issue of expediency, given the limited levels of time and human resources. We will endeavor to minimize the short cuts taken and to improve classification of tenant improvements.

Current Status:

The assessor has formal written procedures in place to delineate appraisal responsibility for tenant improvements and ensure their uniform assessment. It appears that these procedures are adhered to closely by the staff of both the real and business property divisions. The business property division staff is required to prepare a written list of costs reported on Schedule B of the *Business Property Statement* (form BOE-571-L), and transmit this list to the real property division for investigation and resolution. The real property division appraisers are required to complete and return this list to the business property division.

In addition to these established procedures, the audit staff, both appraisers and technicians, receives written instructions each year for processing business property statements. These include detailed directions for investigating and assessing structural costs reported on Schedule B. While these instructions are generally very accurate and

proper, we noted one guideline with which we disagree. That is, if structural costs reported on Schedule B do not exceed \$100,000, and the business owner is a tenant rather than an owner of the real estate where the business is conducted, the audit staff is not required to positively identify the nature of the improvements, but may enroll the questionable items as fixtures. This practice is an administrative expediency resulting from insufficient staff to thoroughly investigate all business property statements, and it could produce inaccurate valuation or escape of taxable structure items. In addition, this procedure means that such items, if structures, will not be subject to supplemental assessments and annual inflation indexing, as required by article XIII A of the California Constitution.

RECOMMENDATION 6: Revalue construction in progress on the lien date or completed new construction on the date of completion at market value.

Assessor's Response:

Our intentions and policy on the valuation of construction in progress and completed new construction are consistent with the requirements contained in section 71. We will remind the staff of the proper assessment procedures.

Current Status:

The appraisal staff now correctly revalues construction in progress each lien date, using current replacement cost factors.

DECLINES IN VALUE

RECOMMENDATION 7: Do not apply the inflation factor to decline-in-value enrollments.

Assessor's Response:

Agree. The annual inflation factor will not be applied to parcels assessed under the Proposition 8 decline in value provisions once the new computer operating system is activated.

Current Status:

The 'new' PIMS (Property Information Management System), which became operational in July of 1999, has eliminated this problem. The assessor now assigns review codes of 'DCL' (declining value) and 'ANN' (annual review required) to all properties having declining value assessments. This ensures that the computer program will not apply the inflation index to enrolled values.

Although the new system was active in July of 1999, it was first applied to the 2000–01 section 601 roll. Over 109,000 decline-in-value assessments on the 1999–2000 roll, and over 100,000 on the 2000–01 roll, benefited from the revised computer program. The total amount of all reductions in value on the 1999–2000 roll was in excess of \$14.73 billion.

CALIFORNIA LAND CONSERVATION ACT PROPERTIES

The next four recommendations will be treated as a single issue, since the assessor has not implemented any element of these recommendations.

RECOMMENDATION 8: Revise the CLCA program by: (1) valuing individual properties based on their production capability; and (2) using an appropriate income premise when appraising producing orchards and vineyards in transition from agricultural to urban use.

Assessor's Response:

With the gradual development and conversion of the county farmland to other uses, as the market value of the property increases, the holding of such lands for crop production is a less viable motive. We have simplified the valuation process and utilized our personnel on projects that constitute a greater portion of the overall workload. We will review our procedures and consider incorporating the recommendations covering properties in the CLCA program.

RECOMMENDATION 9: Deduct charges for: (1) return on and of investment in nonliving improvements; and (2) recapture of irrigation wells from the gross income being capitalized.

Assessor's Response:

A small number of parcels have the noted attributes. Our valuation of these properties allows all irrigation-related costs as part of the estimated operating expenses. No separate allowance for return on and recapture of investments in irrigation systems is warranted.

RECOMMENDATION 10: Revise desert grazing land valuation procedures by: (1) using current market rents in determining animal unit month (AUM) rents; and (2) calculating rent per acre as outlined in Assessors' Handbook section 521 (AH 521), Appraisal of Agricultural and Open Space Properties.

Assessor's Response:

The method noted consisted of good appraisal practices at the time of the appraisal. These specialty appraisals constitute an extremely small portion of the overall workload. We will review our approach as resource limitations permit.

RECOMMENDATION 11: Identify, classify, and assess permanent irrigation systems and new wells according to the provisions of Rule 124.

Assessor's Response:

We will review our assessment procedures for permanent irrigation systems and new wells. As this and the other special rural appraisal assignments noted above involve such a small number of parcels within the county, we will consider the possibility of centralizing the assignment of such assessments under one appraiser to insure that proper procedures are uniformly followed.

Current Status:

The assessor has not changed any procedures relative to CLCA land. In fact, CLCA properties were not actually reviewed for the 1999 or 2000 rolls. The 1998 value was simply carried forward to both rolls. For the 2000–2001 roll, we believe this resulted in an underassessment of the approximately 800–900 CLCA parcels in San Bernardino County.

The assessor recognizes the need to upgrade the CLCA program. A special properties unit will centralize the assessments of such property types as mines and quarries, co-generation facilities, large industrial plants, water companies, taxable government-owned land, and CLCA lands.

MANUFACTURED HOMES

RECOMMENDATION 12: Classify and enroll manufactured homes, except those on approved permanent foundations, as personal property.

Assessor's Response:

We agree, and believe we are in compliance with the law. The programming of our automated system does not allow the application of the Homeowners' Exemption on personal property values. We have developed a 'work-around' process to reflect such assessments as improvements on separate 'attached parcels' on the secured roll. Attached parcels are not subject to special assessments, and automatically convert to the unsecured roll (that contains other personal property assessments), in the event that the taxes are not paid. In order to fully comply with section 5801(b), if the necessary monetary resources remain after our operating system rewrite is completed, we will

conduct a cost analysis of reprogramming the Assessor's and Auditor's systems to allow exemptions and permit manufactured homes to be assessed as personal property.

Current Status:

The assessor's system is currently unable to apply the homeowners' exemption to personal property assessments. In order to circumvent this programming deficiency, manufactured homes are still enrolled as improvements on the secured roll. According to the assessor, there are safeguards in place in the operating system to ensure that special assessments are not applied to manufactured homes. Manufactured homes are given both a unique secured assessment code and a unique roll type code to distinguish them from real property. The auditor's system will not apply special assessments to enrolled values with these codes. The codes also cause the manufactured home assessment to be moved to the unsecured roll in the event of tax delinquency.

The assessor indicated he would consider future reprogramming of his computer system, but, since his 'work-around' method achieved the intent, if not the form of statutory requirements, this would not be a high priority.

TIMESHARES

RECOMMENDATION 13: Review all timeshare assessments.

Assessor's Response:

All timeshares that have been sold have been reviewed, and all remaining timeshares will be reviewed as resources allow.

Current Status:

Individual timeshare intervals are still not thoroughly documented in the assessor's files, although there are appraisal records and drawings of the buildings comprising each project. The assessment of timeshares has not been centralized; three district offices continue to share responsibility for assessing timeshare intervals in the five main timeshare developments located at Lake Arrowhead, Big Bear Lake, and Victorville. The MADs (Master Appraisal Documents) of some timeshare intervals showed an adjustment to nominal selling price for nonassessable personal property. For lower-valued intervals in other projects, no adjustments are made.

There is no master sales listing for timeshares, but the appraisers in the district offices maintain a file of PCORs (*Preliminary Change in Ownership Report*, form BOE-502-A) for sold intervals as a source of sales data.

Estimating the proper allowance for nonassessable items included in a timeshare's selling price is a matter of appraisal judgment. In our opinion, the assessor adheres reasonably well to generally accepted appraisal principles and statutory requirements in administering timeshare assessments. Although timeshare appraisal records lack documentation, the assessed values are not necessarily incorrect. We found no evidence in our review that the assessor is assessing timeshares at other than fair market value, as determined by the appraisal staff.

MINING PROPERTIES

RECOMMENDATION 14: Appraise mineral properties as a unit.

Assessor's Response:

We agree. In the case of the sample parcel on which the procedural problem was identified, the appraiser consciously deviated from the accepted appraisal methodology for the following reasons. The current mineral source is nearly depleted; another site has been located, but is not yet in production; and the milling equipment has a longer productive life than the deposits in the current quarry. Due to these factors, the appraiser felt that the unit approach resulted in an inaccurate value on this specific property.

Current Status:

For the 1999-2000 roll, the assessor correctly applied the unit approach to the sample property. The total current market value of land, structures, and mineral rights was compared to the factored base year value for the same elements, and the lower total was enrolled (in this case, current market value was lower than the factored base year value).

The property in question is a large mining operation which includes a possessory interest in a limestone quarry. Since the property is leased to the mining company, the appraiser uses the royalty method to value the mineral rights.

We did note, however, that for one parcel owned by the mining company, the land value has apparently been factored by the inflation index every year, while the improvements have been enrolled at current market value. The correct unit of appraisal here is the combination of land and improvements. Property Tax Rule 469(e)(2)(C) requires the assessor to compare the total current market value of this unit to the total factored base year value, enrolling the lower value.

BUSINESS PROPERTY VALUATION AND ASSESSMENT: RECOMMENDATIONS, RESPONSES, AND CURRENT STATUS

AUDIT PROGRAM

RECOMMENDATION 15: Bring the mandatory audit program to current status.

Assessor's Response:

We agree. Additional resources have been hired, and significant progress is being made. The Assessor is working with the Board of Supervisors and the CAO to obtain additional audit staff.

Current Status:

The mandatory audit program continues to be substantially in arrears. For 1999, 375 mandatory audits were due; 106 were performed and 269 were completed as desk reviews. The assessor's current policy is to focus all audit resources on California Counties Cooperative Audit Services Exchange (CCCASE) audits and out-of-state accounts that are located in the vicinity of the CCCASE audit sites. Local audits continue to be done as desk reviews. A desk review involves a review of the property statements and any building permits issued for the subject account. If it appears a reporting deficiency has occurred, a roll correction is processed. Refinements can be made to the amount enrolled as part of the appeal process if the assessee appeals and is successful. While not meeting the criteria for an audit, these desk reviews are productive.

Staffing continues to be a difficult issue for the business property audit program. Salary scales for the auditor-appraiser class have remained stagnant, while salary scales at the county auditor-controller and internal audit departments have increased. This has caused a migration of experienced audit staff from the assessor's office to these departments. Additionally, neighboring counties offer higher salary levels for the auditor-appraiser class, exacerbating the rate of employee turnover in San Bernardino County. Of the 15 auditor-appraiser positions currently authorized, the following is the current tenure situation:

Employed before 1998:	5
New hires since 1998:	7
Vacancies currently being recruited for:	<u>3</u>
Total auditor-appraiser positions:	15

Another challenge confronting the audit program is the return of economic growth to the San Bernardino County area. During the mid-1990's, account growth was virtually non-existent, but 200 new mandatory accounts have been created since the 1999 roll. If audit production reaches an average of 50 annually per auditor-appraiser (a reasonable goal after two years of training and work experience), a total annual production of 700 audits, or 2,800 audits every four years, can be achieved.¹ The current number of mandatory accounts is approximately 2,700. The achievement of this goal is dependent on full staffing, careful monitoring of individual productivity, and the reduction of employee turnover in the audit section. The issue of turnover is, to a great degree, beyond the control of the assessor.

VESSELS

RECOMMENDATION 16: Revise vessel assessment procedures by: (1) improving the mass appraisal techniques used to determine the market value of pleasure boats; and (2) applying late filing penalties only when using Board-prescribed forms.

Assessor's Response:

We agree (1) to the benefit of a more refined and improved mass appraisal technique, and will endeavor to comply if sufficient staff can be assigned; and (2) to rename the local form and remove the section 463 non-filing penalty reference.

Current Status:

The problem area noted in the assessor's vessel appraisal program involved the application of a single depreciation rate to the taxable value of all vessels on an annual basis. This is still the assessor's practice. We view this practice as unacceptable, since depreciation rates vary among classes of vessels (e.g., personal watercraft, inboard cruisers, outboard cruisers, sailboats, etc.). The assessor resolves problems in this area on an exception basis (i.e., only when a boat owner calls and asks about his or her assessed value). A depreciation rate should be calculated, based on published values in recognized value guides, for **each** vessel class. The assessor concurs that this would be more accurate but the current appraisal software system does not permit multiple depreciation rates. The assessor is investigating a remedy for this situation.

A second issue involving vessel property statement forms has been resolved. The local form has been renamed *Vessel Statement*, and no reference is made on the form to the penalty provisions of section 463.

¹One experienced auditor-appraiser is dedicated to appeals.

APPENDIX

COUNTY PROPERTY TAX DIVISION SURVEY GROUP

San Bernardino County Supplemental Survey

Chief, County Property Tax Division:

Charles Knudsen

Survey Program Director:

Gene Palmer

Principal Property Appraiser

Supplemental Survey Team:

John Corum

Peter Gaffney

Senior Specialist Property Auditor Appraiser

Senior Specialist Property Appraiser

ASSESSOR'S RESPONSE TO BOE'S FINDINGS

As noted in the Introduction to this report, the most recent assessment practices survey report for San Bernardino County was published May 21, 1999 and included the assessor's initial response to the findings and recommendations contained in that report. The assessor also elected to file a response to this supplemental survey. His response begins on the next page.

OFFICE OF ASSESSOR

172 West Third Street • San Bernardino, CA 92415-0310



County of San Bernardino

DONALD E. WILLIAMSON
Assessor

M.F. "MIKE" BROPHY
Assistant Assessor

LINDA G. FOSTER
Assistant Assessor/Chief of Staff

RECEIVED

JAN 23 2001

**DEPUTY DIRECTOR
PROPERTY TAXES**

January 18, 2001

Richard C. Johnson
Deputy Director, Property Tax Department
State Board of Equalization
P. O. Box 942879
Sacramento, CA. 94279-0062

Dear Mr. Johnson:

I have received and reviewed a draft copy of the San Bernardino County Supplemental Assessment Practices Survey Report. The draft describes the August 21, 2000 status of recommendations contained in the San Bernardino County Assessment Practices Survey Report, published May 21, 1999. I have no suggested revisions to the draft. However, I believe a response is needed to help clarify the current status of Recommendations 1 and 3. My response is attached.

I wish to thank you and the resurvey team of Peter Gaffney and John Corum for the professional and courteous manner in which the resurvey was conducted. It is always a pleasure to work with experienced professionals in the assessment field.

Very truly yours,

Donald E. Williamson
San Bernardino County Assessor

**San Bernardino County Response to
Supplemental Assessment Practices Survey**

Assessor's response to current status of Recommendation 1:

The fieldwork for the resurvey was performed in August 2000. The status reported is correct as of that date. However, since that time the San Bernardino County Board of Supervisors approved the Assessor's request to exempt unsecured property having a full value of \$4,000 or less. The exemption was adopted by resolution on November 7, 2000 and is effective for the 2001-02 and subsequent assessment years.

Assessor's response to current status of Recommendation 3:

I agree with the status reported. However, I would take this opportunity to thank the Board for bringing this matter to my attention in the original survey. The recommendation prompted a review of all fees charged by my office and allowed me to reduce many fees charged for copies of public information. This is a good example of the benefits taxpayers receive from the Assessment Practices Survey Program.