



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001
MR. LAMBERT - (916) 324-6593
MS. STUMPF - (916) 322-9569

January 9, 1998

TO COUNTY ASSESSORS,
COUNTY COUNSELS,
ASSESSMENT APPEALS BOARDS,
AND OTHER INTERESTED PARTIES:

JOHAN KLEHS
First District, Hayward

DEAN F. ANDAL
Second District, Stockton

ERNEST J. DRONENBURG, JR.
Third District, San Diego

KATHLEEN CONNELL
Controller, Sacramento

JOHN CHIANG
Acting Member
Fourth District, Los Angeles

E. L. SORENSEN, JR.
Executive Director

No. 98/03

**NOTICE OF PROPOSED REGULATORY ACTION
BY THE**

STATE BOARD OF EQUALIZATION

**AMEND PROPERTY TAX RULE 124
EXAMPLES**

PUBLIC HEARING: WEDNESDAY, FEBRUARY 25, 1998, AT 1:30 P.M.

NOTICE IS HEREBY GIVEN:

The State Board of Equalization, pursuant to the authority vested in the Board by Section 15606 (c) of the Government Code proposes to amend Regulation 124 - Examples in Title 18, Division 1 of the California Code of Regulations, relating to property taxes. A public hearing on the proposed regulation will be held in Room 121, 450 N Street, Sacramento, at 1:30 p.m., or as soon thereafter as the matter may be heard, on February 25, 1998. Any person interested may present statements or arguments orally or in writing at that time and place. Written statements or arguments will be considered by the Board if received by February 25, 1998.

INFORMATIVE DIGEST/PLAIN ENGLISH OVERVIEW

The rule contains lists of examples for use in classifying property as "Land" or "Improvements." The proposed amendment is intended to correct and update these lists of examples to reflect changes in technology and business practices over the last thirty years.

The express terms of the proposed action, written in plain English, are available from the agency contact person named in this notice.

COST TO LOCAL AGENCIES AND SCHOOL DISTRICTS

The State Board of Equalization has determined that the proposed amendment of Rule 124 does not impose a mandate on local agencies or school districts. Further, the Board has determined that the amendment will result in no additional direct or indirect costs to any State agency or any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, and that there are no other non-discretionary costs or savings imposed on local agencies, or cost or savings in Federal funding to the State of California.

EFFECT ON BUSINESS

Pursuant to Government Code Section 11346.53(c), the Board of Equalization finds that the amendment of Rule 124 will not have a significant adverse economic impact on business.

The amendment of this regulation will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

The amendment of the regulation as proposed will not be detrimental to California businesses in competing with businesses in other states.

The proposed amendment of the regulation will not affect small business.

ADVERSE ECONOMIC IMPACT ON PRIVATE PERSONS/BUSINESSES

There will be no adverse economic impact on private businesses or persons.

FEDERAL REGULATIONS

Rule 124 has no comparable Federal regulation

AUTHORITY

Government Code Section 15606, subdivision (c).

REFERENCE

Revenue and Taxation Code Sections 110, 401, 401.5, and 601

CONTACT

Questions regarding the content of the proposed regulation should be directed to: Mr Robert W. Lambert, Senior Tax Counsel, at P O Box 942879, 450 N Street, MIC: 82, Sacramento, CA 94279-0082 Telephone: (916) 324-6593 FAX (916) 323-3387.

Written comments for the Board's consideration or requests to present testimony and bring witnesses to the public hearing should be directed to Ms. Mary Ann Stumpf, Regulations Coordinator, (916) 322-9569, and P O. Box 942879, 450 N Street, MIC: 80, Sacramento, CA 94279-0080.

ALTERNATIVES CONSIDERED

The Board must determine that no alternative considered would be more effective in carrying out the purpose for which this action is proposed or be as effective and less burdensome to affected private persons than the proposed action.

AVAILABILITY OF STATEMENT OF REASONS AND OF TEXT OF PROPOSED REGULATIONS

The Board has prepared a statement of reasons and underscored version (express terms) of the proposed amendments. Those documents and all information on which the proposal is based are available to the public upon request. The Rulemaking file is available for public inspection at 450 N Street, Sacramento, California. Requests for copies should be addressed to Ms. Mary Ann Stumpf, Regulations Coordinator, (916) 322-9569, at P. O. Box 942879, 450 N Street, MIC: 80, Sacramento, CA 94279-0080.

ADDITIONAL COMMENTS

Following the hearing, the State Board of Equalization may in accordance with law amend the proposed regulation if the text remains substantially the same as described in the text originally made available to the public. If the State Board of Equalization makes modifications which are substantially related to the originally proposed text, the Board will make the modified text, with the changes clearly indicated, available to the public for fifteen days before adoption of the regulation. The text of any modified regulation will be mailed to those interested parties who commented orally or in writing or who asked to be informed of such changes. The modified regulation will be available to the public from Ms. Stumpf. The State Board of Equalization will consider written comments on the modified regulation for fifteen days after the date on which the modified regulation is made available to the public.

Date: December 19, 1997

STATE BOARD OF EQUALIZATION



E. L. Sorensen, Jr.
Executive Director

Rule 124.**EXAMPLES.**

(a) The listing that follows is illustrative of the application of the foregoing rules to various items of property and is not intended to be inclusive of all items of property required to be classified. For the specific items listed, the classification shown shall be followed unless there are persuasive distinguishing facts which warrant other classification. However, nothing herein requires classification of an item of property to be dependent upon anything more than what is reasonably manifested by outward appearances, and nothing herein shall preclude the application, to a value estimate of a combination of properties of more than one class, of a percentage representing the appraiser's determination of the amount attributable to each class.

(b) The foregoing rules of classification, together with the following listing, relate solely to classification of property and not to evaluation thereof.

(1a) LAND.

Air rights
Alfalfa
Artichokes
Asparagus
Bushes
Contoured ground
Date palms, 4 to 8 years old
Ditches
Embankments
Fill (except on property owned by
 county, municipal corporation or
 public district)
Graded ground
Grasses, perennial, natural or planted
Levees
Leveled ground
Minerals
Roads, unpaved
Shrubs
Strawberry plants
Timber, standing
Water rights
Wells, oil and water

(2b) IMPROVEMENTS.

Air conditioner, built-in
Alarm system
Awnings
Back bars
Beds, wall
Blast furnaces
Blinds
Boilers, built-in

Booths, restaurant
Booths, spray paint
Bowling lanes
Breakwaters, artificial (above fill)
Buildings
Cabinets, built-in
Carpets, wall-to-wall
Cash boxes, service station, attached to
stands
Check-out stands, built-in
Compressors
~~Computers, EDP large, extensive wiring,~~
~~—building designed to accommodate~~
Computer components operating an improvement, for example an elevator
Concrete flatwork
Coolers, built-in
Cooler, water evaporator, attached to
main line
Counters, bank
Counters, restaurant
Cranes, on fixed ways
Dams (except small earthen)
Drinking fountains
Ducts
Elevators
Escalators
Exhaust systems, built-in
Fences
Fill (on property owned by county, mu-
nicipal corporation or public district)
Flagpole
Floor covering, hard surface
Flumes
Foundations
Fruit trees, taxable planted (except
date palms under 8 years of age)
Furnishings, built-in
Grape stakes, in place
Grape trellises
Kilns
Kitchen appliances, built-in
Laundry machines, launderette
Lighting fixtures
Machinery, heavy or attached, inside or
outside of building

Music systems, coin and electric boxes
attached to booth or counters
Nut trees, taxable planted
Organs, pipe
Ovens, bake, attached
Partitions, affixed
Piling, for support of structure
Printing press, built-in
Pumps, fixed
Radiators, steam
Railroad spurs
Refrigerator, built-in
Roads, paved
Safe deposit box nests, if attached to
building
Safes, imbedded
Scales, truck
Screen, theatre
Shelves, attached
Signs, attached to buildings
Signs on separate supports
Sink, built-in
Sprinkler system, lawn
Sprinkler system, fire
Sprinkler system, agricultural
(except portable)
Stoves, built-in
Tanks, buried
Tanks, butane, propane and water soft-
ener, unburied but which remain in
place, ~~except household~~
Tellers' cages
Towers, radio and television
Utilities, on-site
Vault doors
Vaults
Vines, taxable, planted
Walls

Note: Authority Cited: Sec. 15606 Gov. Code.

Reference: Sections 110, 401, 401.5, 601, Revenue and Taxation Code.