



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
POLICY, PLANNING, AND STANDARDS DIVISION
50 N STREET, MIC: 64, SACRAMENTO, CALIFORNIA
(PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064)
TELEPHONE (916) 445-4982
FAX (916) 323-8765

JOHAN KLEHS
First District, Hayward

DEAN F. ANDAL
Second District, Stockton

ERNEST J DRONENBURG, JR
Third District, San Diego

KATHLEEN CONNELL
Controller, Sacramento

September 1, 1998

JOHN CHIANG
Acting Member
Fourth District, Los Angeles

E L SORENSEN, JR.
Executive Director
No. 98/47

TO COUNTY ASSESSORS:

OPEN-SPACE LAND ASSESSED UNDER SECTIONS 423, 423.5, AND 426
OF THE REVENUE AND TAXATION CODE
INTEREST COMPONENT - 1999 LIEN DATE

In accordance with section 423(b) of the Revenue and Taxation Code, the Board is required to announce, no later than September 1, an interest component of the capitalization rate to be used in the valuation of lands assessed under sections 423, 423.5, and 426.

Section 423(b)(1)(E) provides that the interest component shall be:

“For the 1997-98 assessment year, and each fiscal year thereafter, the arithmetic mean, rounded to the nearest 1/4 percent, of the yield rate for long-term United States government bonds, as most recently published by the Federal Reserve Board, and the corresponding yield rates for those bonds, as most recently published by the Federal Reserve Board as of each September 1 immediately prior to the four immediately preceding assessment years.”

Information received from the Federal Reserve Board indicated the yield rates were 7.52 percent as of August 26, 1994; 6.85 percent as of August 25, 1995; 6.84 percent as of August 23, 1996; 6.57 percent as of August 22, 1997; and 5.53 percent as of August 21, 1998. The arithmetic mean of 7.52, 6.85, 6.84, 6.57, and 5.53 is 6.66; when rounded to the nearest one-quarter percent, the interest component is 6.75 percent. The interest components announced for prior lien dates are enclosed.

Sincerely,

Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ:rfb
Enclosure

OPEN-SPACE LAND ASSESSED UNDER SECTIONS 423, 423.5, AND 426
OF THE REVENUE AND TAXATION CODE
INTEREST COMPONENT FOR PRIOR YEARS

| <u>Lien Date</u> | <u>Interest Component</u> |
|------------------|-------------------------------|
| 1998 | 6.75 |
| 1997 | 7.00 |
| 1996 | 7.00 |
| 1995 | 7.00 |
| 1994 | 6.75 |
| 1993 | 7.25 |
| 1992 | 8.00 |
| 1991 | 9.00 |
| 1990 | 8.25 |
| 1989 | 9.50 |
| 1988 | 9.00 |
| 1987 | 7.25 |
| 1986 | 10.50 |
| 1995 | 12.50 |
| 1984 | 12.00 |
| 1983 | 12.50 |
| 1982 | 14.50 |
| 1981 | 11.00 |
| 1980 | 9.00 |
| 1979 | 8.50 |
| 1978 | 7.00 |
| 1977 | 6.75 |
| 1976 | 7.25 |
| 1975 | 7.25 |