February 6, 2018

TO COUNTY ASSESSORS:

VESSEL VALUATION FACTORS FOR LIEN DATE 2018

The enclosed vessel valuation factors are for lien date 2018. These valuation factors may be applied to historic costs of vessels purchased anytime during the 2017 calendar year, and to the 2017 lien date values for vessels that were previously determined by application of the BOE valuation factors.

The sail boat category has had some rebounding of value from the market decline that was indicated in the 2010 lien date value; and together with other current data, indicates the market is still returning to historical trends.

The 2018 lien date valuation factor table includes categories for:

- Powerboats
  - Inboard/Outboard/Stern Drive under 30'
  - Inboard/Outboard/Stern Drive 30' and over
- Sailboats
- Personal Watercraft (Jet Ski)

Based on data provided by county assessors, the powerboat valuation factors were derived using the following types/makes of vessels:

- Bass
- Center Console
- Cruiser
- Day Cruiser
- Fish and Ski
- Racer
- Runabout
- Sports Cruiser
- Sports Fisher
- Ski
- Sports Runabout
- Trawler
- Utility Cruiser
- Utility Runabout
- Utility
- Yacht

The valuation factors are intended as a guide in the mass appraisal of vessels when determining value for property taxation purposes. However, relevant data pertinent to the assessment of specific property should always be reviewed and considered. We hope the information presented proves useful and that it promotes uniformity of assessments.
As this is an annual study, your input and assistance is welcomed so that we may provide you with the most representative and useful information possible.

For questions or suggestions regarding the vessel study or factors, you may contact:

Mr. Barry Frazier at barry.frazier@boe.ca.gov or 1-916-274-3416, or
Ms. Nichole Spence at nichole.spence@boe.ca.gov or 1-916-274-3370

Sincerely,

/s/ David Yeung

David Yeung, Chief
County-Assessed Properties Division
Property Tax Department

DY:bwf
Enclosure
The valuation factors below may be applied to prior year's assessed values and to reported costs of vessels purchased anytime during the 2017 calendar year (See examples on following page.)

<table>
<thead>
<tr>
<th>VESSEL TYPE</th>
<th>Valuation Factor for New Models 2017</th>
<th>Valuation Factor for Used Models 2017</th>
<th>Annual Valuation Factor Current Roll</th>
</tr>
</thead>
<tbody>
<tr>
<td>POWERBOATS* - Inboard/Outboard/Stern Drive Under 30 Feet</td>
<td>First year valuation factor for new models purchased in 2017 0.97</td>
<td>Valuation factor for used models purchased in 2017 0.97</td>
<td>Annual valuation factor for all vessels currently on the roll 0.97</td>
</tr>
<tr>
<td>POWERBOATS – Inboard/Outboard/Stern Drive 30 Feet and Over</td>
<td>First year valuation factor for new models purchased in 2017 0.94</td>
<td>Valuation factor for used models purchased in 2017 0.98</td>
<td>Annual valuation factor for all vessels currently on the roll 0.98</td>
</tr>
<tr>
<td>SAILBOATS</td>
<td>First year valuation factor for new models purchased in 2017 1.00</td>
<td>Valuation factor for used models purchased in 2017 1.00</td>
<td>Annual valuation factor for all vessels currently on the roll 1.00</td>
</tr>
<tr>
<td>PERSONAL WATERCRAFT (Jet Ski)</td>
<td>First year valuation factor for new models purchased in 2017 0.95</td>
<td>Valuation factor for used models purchased in 2017 0.97</td>
<td>Annual valuation factor for all vessels currently on the roll 0.97</td>
</tr>
</tbody>
</table>

Example 1

A 36-foot powerboat was purchased used in 2009 for $200,000. Trending the original historical purchase price and subsequent enrolled values by the factors provided by the BOE for each year results in the following 2018 lien date value:

\[
\begin{align*}
\text{\$200,000} & \times .80^1 = \text{\$160,000} \text{ (2010 lien date value)} \\
\text{\$160,000} & \times 1.05^2 = \text{\$168,000} \text{ (2011 lien date value)} \\
\text{\$168,000} & \times 1.00^3 = \text{\$168,000} \text{ (2012 lien date value)} \\
\text{\$168,000} & \times .97^4 = \text{\$162,960} \text{ (2013 lien date value)} \\
\text{\$162,960} & \times .86^5 = \text{\$140,146} \text{ (2014 lien date value)} \\
\text{\$140,146} & \times .91^6 = \text{\$127,533} \text{ (2015 lien date value)} \\
\text{\$127,533} & \times .93^7 = \text{\$118,606} \text{ (2016 lien date value)} \\
\text{\$118,606} & \times .92^8 = \text{\$109,118} \text{ (2017 lien date value)} \\
\text{\$109,118} & \times .98^9 = \text{\$106,936} \text{ (2018 lien date value)}
\end{align*}
\]

Example 2

A 28-foot powerboat was purchased new for $300,000 during the 2017 calendar year. Depreciating the purchase price of this vessel by the appropriate factor results in the following calculation to arrive at the lien date 2018 value:

\[
\text{\$300,000 \times 0.97^9 = \$291,000}
\]