



STATE BOARD OF EQUALIZATION
PROPERTY TAX DEPARTMENT
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Executive Director

No. 2018/046

September 11, 2018

TO COUNTY ASSESSORS:

OPEN-SPACE LAND INTEREST COMPONENT – 2019 LIEN DATE

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

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

...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 as of September 1, 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 each of the four immediately preceding assessment years.

Information published by the Federal Reserve Board indicated the yield rates for long-term United States government bonds were:

August 29, 2014 – 3.11 percent
August 28, 2015 – 2.87 percent
August 26, 2016 – 2.26 percent
August 25, 2017 – 2.77 percent
August 28, 2018 – 2.98 percent

The arithmetic mean of 3.11, 2.87, 2.26, 2.77, and 2.98 is 2.798. When rounded to the nearest one-quarter percent, the interest component for the 2019 assessment year is **2.75 percent**.

A table listing the interest components announced for current and prior lien dates is enclosed.

Sincerely,

/s/ David Yeung

David Yeung
County-Assessed Properties Division
Property Tax Department

DY:gs
Enclosure

**OPEN-SPACE LAND ASSESSED UNDER SECTIONS 423, 423.5, AND 426
OF THE REVENUE AND TAXATION CODE**

INTEREST COMPONENTS FOR PRIOR YEARS

Lien Date	Interest Component	Lien Date	Interest Component
	7.25	2014	3.50
1976	7.25	2015	3.25
1977	6.75	2016	3.25
1978	7.00	2017	3.00
1979	8.50	2018	3.00
	9.00	2019	2.75
1981	11.00		
1982	14.50		
1983	12.50		
1984	12.00		
	12.50		
1986	10.50		
1987	7.25		
1988	9.00		
1989	9.50		
	8.25		
1991	9.00		
1992	8.00		
1993	7.25		
1994	6.75		
	7.00		
1996	7.00		
1997	7.00		
1998	6.75		
1999	6.75		
	6.25		
2001	6.00		
2002	5.75		
2003	5.25		
2004	5.25		
	4.75		
2006	4.50		
2007	4.50		
2008	4.50		
2009	4.50		
	4.50		
2011	4.50		
2012	4.00		
2013	3.75		