February 4, 2019

TO COUNTY ASSESSORS:

VEssel VALUATION FACTORS FOR LIEN DATE 2019

The attached vessel valuation factors are for lien date 2019. These valuation factors may be applied to historic costs of vessels purchased anytime during the 2018 calendar year, and to the 2018 lien date values for vessels that were previously determined by application of the Board of Equalization (BOE) valuation factors.

For 2019, all vessel categories except personal watercraft have rebounded in value indicating a positive value adjustment to vessel categories for 2019 lien date. This indicates additional market corrections, due in part to the market still recovering from declines in 2009-2010, which had not fully returned to trend. Additional influences on the market are due to decreased volume of production by manufacturers, with some manufacturers discontinuing production entirely.

The 2019 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

Sincerely,

/s/ David Yeung

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

DY:bwf
Attachment
VESSEL VALUATION FACTORS
January 1, 2019 Lien Date

The valuation factors below may be applied to prior year’s assessed values and to reported costs of vessels purchased anytime during the 2018 calendar year. (See examples on following page.)

<table>
<thead>
<tr>
<th>POWERBOATS* – Inboard/Outboard/Stern Drive Under 30 Feet</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First year valuation factor for new models purchased in 2018</td>
<td>1.03</td>
</tr>
<tr>
<td>Valuation factor for used models purchased in 2018</td>
<td>1.03</td>
</tr>
<tr>
<td>Annual valuation factor for all vessels currently on the roll</td>
<td>1.03</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>POWERBOATS – Inboard/Outboard/Stern Drive 30 Feet and Over</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First year valuation factor for new models purchased in 2018</td>
<td>1.00</td>
</tr>
<tr>
<td>Valuation factor for used models purchased in 2018</td>
<td>1.01</td>
</tr>
<tr>
<td>Annual valuation factor for all vessels currently on the roll</td>
<td>1.01</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>SAILBOATS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First year valuation factor for new models purchased in 2018</td>
<td>1.00</td>
</tr>
<tr>
<td>Valuation factor for used models purchased in 2018</td>
<td>1.02</td>
</tr>
<tr>
<td>Annual valuation factor for all vessels currently on the roll</td>
<td>1.02</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERSONAL WATERCRAFT (Jet Ski)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First year valuation factor for new models purchased in 2018</td>
<td>.94</td>
</tr>
<tr>
<td>Valuation factor for used models purchased in 2018</td>
<td>.96</td>
</tr>
<tr>
<td>Annual valuation factor for all vessels currently on the roll</td>
<td>.96</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 2019 lien date value:

\[
\begin{align*}
$200,000 \times .80^1 &= $160,000 \text{ (2010 lien date value)} \\
$160,000 \times 1.05^2 &= $168,000 \text{ (2011 lien date value)} \\
$168,000 \times 1.00^3 &= $168,000 \text{ (2012 lien date value)} \\
$168,000 \times .97^4 &= $162,960 \text{ (2013 lien date value)} \\
$162,960 \times .86^5 &= $140,146 \text{ (2014 lien date value)} \\
$140,146 \times .91^6 &= $127,533 \text{ (2015 lien date value)} \\
$127,533 \times .93^7 &= $118,606 \text{ (2016 lien date value)} \\
$118,606 \times .92^8 &= $109,118 \text{ (2017 lien date value)} \\
$109,118 \times .98^9 &= $106,936 \text{ (2018 lien date value)} \\
$106,936 \times 1.01^{10} &= $108,005 \text{ (2019 lien date value)}
\end{align*}
\]

**Example 2**

A 28-foot powerboat was purchased new for $300,000 during the 2018 calendar year. Depreciating the purchase price of this vessel by the appropriate factor results in the following calculation to arrive at the lien date 2019 value:

\[
$300,000 \times 1.03^{10} = $309,000
\]

\[\text{---}^1\text{ See Letter To Assessors 2010/004, Vessel Depreciation Factors.}\]
\[\text{---}^2\text{ See Letter To Assessors 2010/076, Vessel Valuation Factors.}\]
\[\text{---}^3\text{ See Letter To Assessors 2012/004, Vessel Valuation Factors.}\]
\[\text{---}^4\text{ See Letter To Assessors 2013/009, Vessel Valuation Factors.}\]
\[\text{---}^5\text{ See Letter To Assessors 2013/061, Vessel Valuation Factors.}\]
\[\text{---}^6\text{ See Letter To Assessors 2014/064, Vessel Valuation Factors.}\]
\[\text{---}^7\text{ See Letter To Assessors 2016/003, Vessel Valuation Factors.}\]
\[\text{---}^8\text{ See Letter To Assessors 2016/048, Vessel Valuation Factors.}\]
\[\text{---}^9\text{ See Letter To Assessors 2018/011, Vessel Valuation Factors.}\]
\[\text{---}^{10}\text{ See factor contained in this Letter to Assessors.}\]