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Board of Equalization Sets Utility Property Values for Fiscal Year 2013-14

Sacramento – The California State Board of Equalization has established unitary values of privately owned public utilities and railroads in California at \$91.4 billion. Local governments will collect an estimated \$1.035 billion in revenue (including penalties) during Fiscal Year 2013-14 based on these values. The values were set at the Board’s meeting on May 22, 2013.

Total values were up \$3.9 billion more than the \$87.5 billion adopted by the Board last year, and will generate approximately \$56 million more in taxes for local governments than in the current fiscal year. Values were set for 420 companies with property in California. They include telephone (long distance, local, and wireless), gas and electric companies, railroads, and inter-county pipelines.

While most properties are assessed by county officials, privately held public utilities are assessed by the BOE statewide. These properties are not subject to Proposition 13, and are reappraised annually at their market value.

A “unitary value” includes improvements, personal property, and land. A unitary valuation applies to properties owned or used by public utilities and railroads and considered necessary to their operation.

The BOE determines the fair market value as of January 1st of each year by considering market conditions, use of the property, income generated by the property, replacement costs, investments in the property, regulatory climate, depreciation, and other factors.

The values set by the BOE are used by county governments to levy local property taxes, which help support county governments, cities, special districts, and schools. Penalties are assessed for late or incomplete filings, or failure to file with the BOE.

More information on the BOE’s State-Assessed Properties Program is available at www.boe.ca.gov/proptaxes/sappcont.htm.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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