



BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTES

HONORABLE MICHELLE STEEL, COMMITTEE CHAIR

450 N STREET, SACRAMENTO

APRIL 24, 2007, 9:30 A.M.

ACTION ITEM**Agenda Item No: 1****Title:**

Proposed adoption of definitions of "Semiconductor Manufacturing Equipment," "Biopharmaceutical Equipment and Fixtures," and "Non-Production Computers."

Issue:

What definitions of "Semiconductor Manufacturing Equipment," "Biopharmaceutical Equipment and Fixtures," and "Non-Production Computers" should the Board adopt to define the scope of the Valuation Factors Studies conducted pursuant to Budget Change Proposal No. 6 (2006-2007)?

Committee Discussion:

The Committee discussed the definitions of "Semiconductor Manufacturing Equipment," "Biopharmaceutical Equipment and Fixtures," and "Non-Production Computers" as developed by the Valuation Factors Studies Teams that were created to analyze current market data to develop valuation factors for Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*. The definition presented to the Committee for "Semiconductor Manufacturing Equipment" was:

Semiconductor manufacturing equipment consists of (1) manufacturing equipment used in a clean room for the fabrication of semiconductor chips, (2) test equipment used in the manufacturing and research and development environment and to test semiconductor manufacturing equipment, and (3) fixtures in place to support a semiconductor fabrication facility.¹

¹ This definition is not limited by the size of a semiconductor facility or the technology of the chips produced.

The definition presented for "Biopharmaceutical Equipment and Fixtures" was:

Equipment and fixtures utilized in connection with, or in support of, research and/or manufacturing activities that use organisms, or materials derived from organisms, their cellular, subcellular, or molecular components, to discover and/or provide products for human or animal therapeutics, diagnostics, and/or vaccines.

The definition presented for "Non-Production Computers" was:

Non-production computers consist of: (1) general purpose computers; (2) general purpose computer peripherals; and (3) local area network (LAN) devices. General purpose computers contain a central processing unit and memory (be it volatile, fixed, on chips, on a disk, or a diskette), and run a stored program (software). General purpose computers can be programmed to do different kinds of tasks, rather than special purpose computers that are limited by design to a specific task. General purpose computers consist of mainframes, servers and microcomputers (desktops and laptops). General purpose computer peripherals consist of the auxiliary equipment which is designed to be placed under the control of a general purpose computer. General purpose computer peripherals include equipment such as monitors, keyboards, mice, docking stations, printers, scanners, disk drives, tape drives, modems, wireless cards and web cameras. LAN devices are used to connect two or more general purpose computers, to store data and to facilitate data traffic in a network. LANs are usually contained in a single building (but equipment which is part of a LAN is not excluded merely because it is also part of a wide area network). LAN devices include equipment such as routers, computer network switches, hubs, virus protection equipment, and storage devices. Non-production computers do not include telecommunication equipment or lines (wire, fiber or other) used to connect LANs, computers embedded in machinery, and equipment or computers specifically designed for use in any other application directly related to manufacturing.

