

State of California  
BOARD OF EQUALIZATION  
PROPERTY TAX RULES

Division 1. State Board of Equalization-Property Tax  
Chapter 1. Valuation Principles and Procedures

**Rule 41. Market Value of Timberland.**

*Authority:* Section 15606, Government Code.

*Reference:* Sections 110, 401, 423.5, 1816.1 and 1816.2, Revenue and Taxation Code.

**(a) THE TIMBER APPRAISAL UNIT.** In determining the timber to be valued as a unit, there shall be combined those parcels having:

- (1) The same legal ownership. Timber sale contracts shall not be included in the unit.
- (2) Commercial timber production as a dominant use.

(3) Geographical and physical conditions which permit similar treatment and economic removal of the timber to a common processing center. The typical practices of timberland owners and timber purchasers shall be used as a guide to indicate the geographical areas which are suitable for inclusion in the unit. Parcels shall not be excluded from the unit because they are outside the county, or because they are eligible for assessment under section 423.5 of the Revenue and Taxation Code.

**(b) IMMEDIATE HARVEST VALUE OF TIMBER.** The immediate harvest value of the timber on each of the separate parcels in the unit shall be determined. Immediate harvest value is the amount of cash or its equivalent for which timber would be transferred from a willing and informed seller to a willing and informed buyer, both seeking to maximize their incomes, if the timber could be harvested in the forthcoming year. The appraiser must consider all elements of value, such as volume by species, quality, defect, market conditions, volume per acre, size of timber, accessibility, topography, logging conditions, and distance from a processing center capable of utilizing the timber.

**(c) MARKET VALUE OF TIMBER.** This section shall only apply to timber in the unit not eligible for assessment under section 423.5 of the Revenue and Taxation Code. The immediate harvest value of the timber on the timber appraisal unit is synonymous with market value if all the merchantable timber may reasonably be harvested in the forthcoming year. If the immediate harvest value of the timber on the appraisal unit is not synonymous with market value, it shall be converted to market value by application of a valuation factor to the immediate harvest value of the timber on each parcel in the unit. In determining the valuation factor, the appraiser shall consider the effect on market value of the total timber volume on the unit and the length of time over which the owner and knowledgeable prospective purchasers might reasonably be expected to harvest the timber, as indicated by sales of comparable timbered properties.

**(d) MARKET VALUE OF TIMBERLAND.** This section shall only apply to areas in the unit not eligible for assessment under section 423.5 of the Revenue and Taxation Code. The market value of the timber on each parcel in the appraisal unit shall be added to the market value of the land as determined by the comparative sales approach. When land included within the timber appraisal unit has uses in addition to timber production, the appraiser shall determine its value with consideration for such uses, as evidenced by recent sales of comparable land. Allowances must be made for the value of any trees or improvements included in the sales of properties used as indicators of the value of land in the appraisal unit.

*History:* Adopted March 27, 1968, effective April 28, 1968.  
Amended November 16, 1972, effective January 21, 1973.