

Memorandum

To : Honorable Antonio Vazquez, Chair
Honorable Mike Schaefer, Vice Chair
Honorable Ted Gaines, First District
Honorable Malia M. Cohen, Second District
Honorable Betty T. Yee, State Controller

Date : May 7, 2020

From : Mark Durham, Chief
Legislative, Research & Statistics Division

Subject : **4-R ACT EQUALIZATION RATIO
MAY 2020 BOARD MEETING**

Rail transportation property is to be assessed at the same percentage of market value as all other commercial/industrial (C/I) property. We have completed an analysis of the effective assessment level of the 2018-19 roll. That analysis, which was based primarily on sales ratio studies using sales data submitted by counties, is summarized on the attached two pages. It yielded an estimated statewide ratio of assessed value to market value of commercial/industrial property other than rail transportation property of 59.79 percent. The ratio decreased 1.07 percentage points from last year's 60.86 percent.

Therefore, it is recommended that the Board assess rail transportation property at 59.79 percent of market value for the 2020-21 roll.

MD:cb

Attachments 2

cc: Ms. Kari Hammond
Mr. Gary Gartner
Mr. Dave Titus
Ms. Regina Evans
Ms. Yvette Stowers
Mr. Henry Nanjo
Mr. David Yeung
Mr. Jack McCool

Recommended by:

/s/ Mark Durham

Mark Durham, Chief
Legislative, Research & Statistics Division

Approved:

/s/ Brenda Fleming

Brenda Fleming
Executive Director

Board Approved on:

Henry D. Nanjo, Chief Counsel and
Acting Chief, Board Proceedings Div.

Item K3c
5/27/20

**ESTIMATED STATEWIDE RATIO OF ASSESSED VALUE TO MARKET VALUE OF
COMMERCIAL/INDUSTRIAL PROPERTY OTHER THAN RAIL TRANSPORTATION PROPERTY
2018-19**

	<u>Assessed Value (000's)</u>	<u>Ratio</u>	<u>Market Value (000's)</u>
Locally Assessed Real Property			
Urban Coastal Counties	1,419,441,866	53.58%	2,649,142,461
All Other Counties	<u>449,684,543</u>	<u>66.58%</u>	<u>675,447,913</u>
TOTAL ALL COUNTIES	1,869,126,409	56.22%	3,324,590,374
Locally Assessed Personal Property	192,782,332	98.38%	195,956,833
State Assessed Property Other Than Rail Transportation	107,132,736	100.00%	107,132,736
GRAND TOTAL	2,169,041,477	59.79%	3,627,679,943

Legislative, Research & Statistics Division
State Board of Equalization
April 2020

**RATIO OF ASSESSED VALUE TO MARKET VALUE OF LOCALLY ASSESSED
COMMERCIAL/INDUSTRIAL REAL PROPERTY DETERMINED FROM SALES RATIO
STUDIES FOR THOSE COUNTIES THAT REPORTED SALES DATA TO THE BOARD
2018-19**

<u>County</u>	<u>Ratio</u>	<u>County</u>	<u>Ratio</u>
ALAMEDA	54.61%	SACRAMENTO	78.62%
BUTTE	74.52%	SAN BENITO	58.39%
CONTRA COSTA	69.08%	SAN BERNARDINO	62.02%
DEL NORTE	93.72%	SAN DIEGO	69.07%
EL DORADO	66.72%	SAN FRANCISCO	44.24%
FRESNO	62.47%	SAN JOAQUIN	52.87%
GLENN	61.41%	SAN LUIS OBISPO	54.08%
HUMBOLDT	53.60%	SAN MATEO	53.41%
IMPERIAL	90.06%	SANTA BARBARA	64.64%
INYO	22.11%	SANTA CLARA	57.52%
KERN	70.88%	SANTA CRUZ	41.16%
KINGS	111.03%	SHASTA	67.13%
LOS ANGELES	50.44%	SISKIYOU	85.01%
MADERA	72.14%	SOLANO	65.37%
MARIN	57.64%	STANISLAUS	64.23%
MERCED	70.32%	SUTTER	71.26%
MODOC	83.37%	TEHAMA	78.16%
MONTEREY	70.12%	TRINITY	61.55%
NAPA	70.28%	TULARE	82.14%
ORANGE	50.27%	TUOLUMNE	69.59%
PLACER	70.55%	VENTURA	67.47%
RIVERSIDE	71.43%	YUBA	66.54%

These ratios were determined primarily by sales ratio studies comparing 2018-19 assessed values to sales prices of properties changing ownership from January 2018 through December 2018. Although these studies when used in aggregate produce a reliable estimate of the statewide ratio of locally assessed Commercial / Industrial real property, the estimate for a single county may vary from year-to-year due to the nature of the particular changes in ownership occurring in a given year.

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April 2020