DEL NORTE COUNTY
SUPPLEMENTAL
ASSESSMENT PRACTICES SURVEY

AUGUST 2020

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August 6, 2020

No. 2020/035

TO COUNTY ASSESSORS:

DEL NORTE COUNTY
SUPPLEMENTAL ASSESSMENT PRACTICES SURVEY

A copy of the Del Norte County Supplemental Assessment Practices Survey Report is enclosed for your information. The State Board of Equalization (BOE) completed this survey in fulfillment of the provisions of sections 15640-15646 of the Government Code. These code sections provide that the BOE shall make surveys in specified counties to determine that the practices and procedures used by the County Assessor in the valuation of properties are in conformity with all provisions of law.

The Honorable Jennifer Perry, Del Norte County Assessor, was provided a draft of this report and given an opportunity to file a written response to the findings and recommendations contained therein. The report, including the Assessor's response, constitutes the final survey report, which is distributed to the Governor, the Attorney General, and the State Legislature, and to the Del Norte County Board of Supervisors, Grand Jury, and Assessment Appeals Board.

Fieldwork for this survey was performed by the BOE's County-Assessed Properties Division from September through October 2019. The report does not reflect changes implemented by the Assessor after the fieldwork was completed.

Ms. Perry and her staff gave their complete cooperation during the survey. We gratefully acknowledge their patience and courtesy during the interruption of their normal work routine.

Sincerely,

/s/ David Yeung

David Yeung
Deputy Director
Property Tax Department

DY:dcl
Enclosure

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INTRODUCTION

Although county government has the primary responsibility for local property tax assessment, the State has both a public policy interest and a financial interest in promoting fair and equitable assessments throughout California. The public policy interest arises from the impact of property taxes on taxpayers and the inherently subjective nature of the assessment process. The financial interest derives from state law that annually guarantees California schools a minimum amount of funding, to the extent that property tax revenues fall short of providing this minimum amount of funding, the State must make up the difference from the general fund.

The assessment practices survey program is one of the State's major efforts to address these interests and to promote uniformity, fairness, equity, and integrity in the property tax assessment process. Under this program, the State Board of Equalization (BOE) periodically reviews the practices and procedures (surveys) of specified County Assessors' offices. This report reflects the BOE's findings in its current survey of the Del Norte County Assessor's Office.

The Assessor is required to file with the board of supervisors a response that states the manner in which the Assessor has implemented, intends to implement, or the reasons for not implementing the recommendations contained in this report. Copies of the response are to be sent to the Governor, the Attorney General, the BOE, and the Senate and Assembly, and to the Del Norte County Board of Supervisors, Grand Jury, and Assessment Appeals Board. That response is to be filed within one year of the date the report is issued and annually thereafter until all issues are resolved. The Honorable Jennifer Perry, Del Norte County Assessor, elected to file her initial response prior to the publication of our survey, it is included in this report following the Appendixes.

OBJECTIVE

The survey shall "…show the extent to which assessment practices are consistent with or differ from state law and regulations."[1] The primary objective of a survey is to ensure the Assessor's compliance with state law governing the administration of local property taxation. This objective serves the three-fold purpose of protecting the state's interest in the property tax dollar, promoting fair treatment of taxpayers, and maintaining the overall integrity and public confidence in the property tax system in California.

The objective of the survey program is to promote statewide uniformity and consistency in property tax assessment by reviewing each specified county's property assessment practices and procedures, and publishing an assessment practices survey report. Every Assessor is required to identify and assess all properties located within the county – unless specifically exempt – and maintain a database or "roll" of the properties and their assessed values. If the Assessor's roll meets state requirements, the county is allowed to recapture some administrative costs.

SCOPE AND METHODOLOGY

Government Code sections 15640 and 15642 define the scope of an assessment practices survey. As directed by those statutes, our survey addresses the adequacy of the procedures and practices employed by the Assessor in the valuation of property, the volume of assessing work as measured by property type, and the performance of other duties enjoined upon the Assessor.

Pursuant to Revenue and Taxation Code[2] section 75.60, the BOE determines through the survey program whether a county assessment roll meets the standards for purposes of certifying the eligibility of the county to continue to recover costs associated with administering supplemental assessments. Such certification is obtained either by satisfactory statistical result from a sampling of the county's assessment roll, or by a determination by the survey team – based on objective standards defined in regulation – that there are no significant assessment problems in the county.

The BOE has elected to conduct a supplemental survey for Del Norte County. The supplemental survey includes a review of the recommendations contained in the prior survey report, the Assessor's written response to the recommendations, the Assessor's current records pertaining to those recommendations, and interviews with the Assessor and his staff. This supplemental survey is made to determine the extent to which the Assessor has implemented the recommendations contained in the prior survey report and to identify areas where problems still exist.

This supplemental survey examined the assessment practices of the Del Norte County Assessor's Office for the 2018-19 assessment roll. Since this survey did not include an assessment sample pursuant to Government Code section 15640(c), our review included an examination to determine whether "significant assessment problems" exist, as defined by Rule 371.

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[1] Government Code section 15642.

[2] Unless otherwise stated, all statutory references are to the California Revenue and Taxation Code and all rule references are to sections of California Code of Regulations, Title 18, Public Revenues.

Our survey methodology of the Del Norte County Assessor's Office included reviews of the Assessor's records, interviews with the Assessor and her staff, and contacts with officials in other public agencies in Del Norte County who provided information relevant to the property tax assessment program.

For a detailed description of the scope of our review of county assessment practices, ~~please refer to the document entitled *Scope of Assessment Practices Surveys,* available on the BOE's website at http://www.boe.ca.gov/Assessors/pdf/Scopemaster.pdf.~~ as of 10/2/2025, please refer to the updated URL on the BOE's website https://boe.ca.gov/proptaxes/assessment-practices-survey-division/scope.htm. Additionally, detailed descriptions of assessment practices survey topics, authoritative citations, and related information can be found at https://www.boe.ca.gov/proptaxes/apscont.htm.

In the April 2017 *Del Norte County Assessment Practices Survey* report, there were a total of ten recommendations. Two of the recommendations were in the area of administration, three were related to real property assessment, and five were related to personal property and fixture assessments. This report reflects the BOE's findings in its supplemental survey of the Del Norte County Assessor's Office.

EXECUTIVE SUMMARY

As stated in the Scope of Supplemental Assessment Practices Surveys, the BOE has elected to perform a supplemental survey of Del Norte County, addressing only the recommendations from the prior survey and whether the Assessor has implemented those recommendations.

In the area of administration, we reviewed the prior recommendations identified in the Assessor's exemptions program.

In the area of real property assessment, we reviewed the prior recommendations identified in the Assessor's new construction, taxable possessory interest, and mineral property assessment programs.

In the area of personal property and fixtures, we reviewed the prior recommendations identified in the Assessor's audit, business equipment valuation, aircraft, and vessel assessment programs.

OVERVIEW OF DEL NORTE COUNTY

Del Norte County is located in northern California, and encompasses a total area of 1,229.74 square miles, consisting of 1,006.37 square miles of land area and 223.37 square miles of water area. Created in 1857, Del Norte County is bordered by Siskiyou County to the east, Humboldt County to the south, the Pacific Ocean to the west, and the Oregon State border to the north.

At the time of this survey, Del Norte County had a population of 27,828. Crescent City is the only incorporated city in Del Norte County and also serves as the county seat.

The Del Norte County local assessment roll ranks 54th of the 58 county assessment rolls in California. The total assessed roll value has increased/decreased by an annual average of 1.7 percent over the last five years.[3]

[3] Statistics provided ~~by Table 7 – Assessed Value of County-Assessed Property Subject to General Property Taxes, 2018-19.~~ as of 10/2/2025 by the BOE Open Data Portal dataset - *County Assessed Property Values, by Property Class and County (Table 7)*, for year 2018-19.

ADMINISTRATION: PRIOR RECOMMENDATIONS, RESPONSES, AND CURRENT STATUS

Following are the recommendations included in our April 2017 *Assessment Practices Survey* report that relate to administrative policies and procedures and the Assessor's response to the recommendations. After each recommendation, we report the current status of the Assessor's effort to implement the recommendation as noted during our supplemental survey fieldwork.

Exemptions

RECOMMENDATION 1: Improve the administration of the welfare exemption program by: (1) requiring a valid Organizational Clearance Certificate (OCC) prior to granting the welfare exemption, (2) conducting field inspections on all first-time filing claims and claims filed for new locations, (3) properly applying the provisions of section 270 for exemption claims that are not timely filed, and (4) exempting only those areas of veterans' organization properties used exclusively for exempt purposes.

(1) Require a valid Organizational Clearance Certificate (OCC) prior to granting the welfare exemption.

Original Findings:

We found the Assessor grants the welfare exemption to organizations that do not have OCCs. If an organization indicates on the welfare exemption claim that an OCC claim was filed with the BOE, the Assessor will grant the welfare exemption the first year. If an OCC is not issued after the first year, the Assessor removes the exemption.

Original Assessor's Response:

We concur, and our office procedures do require welfare exemption applicants to provide proof of a valid OCC prior to granting an exemption. Unfortunately, this particular finding was an anomaly which occurred in error, and is not representative of the work generally conducted by our office. We will continue to require a valid OCC prior to granting welfare exemptions.

Current Status:

The Assessor has implemented this recommendation. There were three new welfare claims filed within our review period and all had a valid OCC prior to being granted the welfare exemption.

(2) Conduct field inspections on all first-time filing claims and claims filed for new locations.

Original Findings:

We found the Assessor does not conduct field inspections for all first-time filing claims and claims filed for new locations. The Assessor should conduct a field inspection on all property for which an exemption is claimed for the first time as directed in Assessors' Handbook Section 267, *Welfare, Church, and Religious Exemptions*. A field inspection is essential to ensure that the property use meets exemption requirements and to determine what portion of the property is eligible for exemption. The Assessor's failure to conduct field inspections on these new claims may result in an improper exemption of property.

Original Assessor's Response:

We concur. Our office has utilized the appraisal staff already conducting field inspections for new construction as a method of confirming the use of the property. However, we will conduct a second field inspection by the staff member responsible for granting the welfare exemptions.

Current Status:

The Assessor has implemented this recommendation. We reviewed the three new welfare claims and found the staff now conducts field inspections and uses the BOE recommended form BOE-267-FIR, *Welfare Exemption Assessor's Field Inspection Report* for all first-time claimants.

(3) Properly apply the provisions of section 270 for exemption claims that are not timely filed.

Original Findings:

We found that in some instances the Assessor granted 90 percent of the eligible exemption amount on property, but did not cap the penalty at $250. Section 255(a) provides that annual claims for the welfare exemption must be filed with the Assessor between January 1 and 5 p.m. on February 15. Section 270(a) provides that late-filed claims for the welfare exemption may be allowed 90 percent of the full exemption if the claim is filed after February 15 but before the following January 1 lien date, and 85 percent if the claim is filed after January 1 of the next calendar year. However, section 270(b) limits the total tax or penalty and interest for late filing to a maximum of $250 for each year in question. The Assessor's method of applying the late-filing penalty is not in accordance with section 270.

Original Assessor's Response:

We concur, and our office procedures do follow the provisions of section 270(b) by limiting the total tax liability to a maximum of $250 per year for late filed claims. Unfortunately, this particular finding was an anomaly which occurred in error, and is

not representative of the work generally conducted by our office. We will continue to limit late filing penalties to $250.

Current Status:

The Assessor has partially implemented this recommendation. We reviewed several late-filed claims and found the Assessor has made an effort to provide a $250 limit on taxes, penalty, and interest for portions of the property that qualify for the welfare exemption. However, the Assessor's current method to calculate and apply the maximum $250 limit varies from the guidance found on page 38 of Assessors' Handbook Section 201, *Assessment Roll Procedures*, on how special levies are calculated and applied to exempt properties.

(4) Exempt only those areas of veterans' organization properties used exclusively for exempt purposes.

Original Findings:

For the veterans' organization that owns its land and building, the Assessor has exempted all of the organization's property.

Original Assessor's Response:

We concur. Though one of our veterans' organization locations is owned by local government and is non-taxable, the other is located on a fee parcel and has been receiving a full exemption. We were unaware of any non-exempt use of the property which would affect the exemption, as our office has not seen any advertisement or received notification indicating the availability of the property for use by the general public or others. However, the BOE was able to obtain such information during their audit. We will follow up with this finding and reconsider the available exemption based on use of the property.

Current Status:

The Assessor has not implemented this recommendation. For the veterans' organization that owns its land and building, the Assessor has exempted one hundred percent of the organization's property. According to the organization's social media website, the organization holds events open to the public as well as a weekly artisan's market.

Section 215.1 allows the exemption of veterans' organization property used exclusively for exempt purposes, such as counseling services for veterans and their families. The exemption should only be extended to that portion of property used exclusively for exempt activities. Non-exempt activities include areas used for social and fraternal purposes, bar areas, food service areas available to the public, game areas, and locker rooms.

The Assessor should perform a field inspection of the property and note which areas are used for exempt activities. When only a portion of the property is exclusively used for exempt purposes, an appropriate proration should be applied to the exemption of land and

improvements. The business property statement associated with the property should also be reviewed to ensure exemptions are only applied to the portion of the property that is used exclusively for exempt purposes.

Exemption of non-qualifying areas not exclusively used for exempt purposes is contrary to statute and provides a benefit to an organization that is unwarranted.

RECOMMENDATION 2: Require an annual filing of a BOE-261-G prior to granting the low-income exemption for disabled veterans.

Original Findings:

We found that for first-time filings of the disabled veterans' low-income exemption, the Assessor does not require the claimant to file separate claims for each year of eligibility before granting the exemption on all eligible years. For example, the Assessor granted a low-income exemption for the 2010-11, 2011-2012, 2012-2013 and 2013-2014 roll years, even though the claimant only filed a claim for the 2010-11 roll year.

Original Assessor's Response:

We concur, and our office procedures do require the annual filing of a BOE-261-G prior to granting the low-income disabled veteran exemption. Unfortunately, this particular finding was an anomaly which occurred in error, and is not representative of the work generally conducted by our office. We have reviewed and corrected our disabled veterans' records to better indicate those individuals required to provide the annual filing prior to granting the low-income veterans' exemption

Current Status:

The Assessor has implemented this recommendation. We reviewed multiple files where the taxpayer was granted the Disabled Veterans' Low-Income exemption and found in every instance the annual filing of a BOE-261-G, *Claim for Disabled Veterans' Property Tax Exemption* was present in the property file.

ASSESSMENT OF REAL PROPERTY: PRIOR RECOMMENDATIONS, RESPONSES, AND CURRENT STATUS

Following are the recommendations included in our April 2017 *Assessment Practices Survey* report that relate to the assessment of real property and the Assessor's response to the recommendations. After each recommendation, we report the current status of the Assessor's effort to implement the recommendation as noted during our supplemental survey fieldwork.

New Construction

RECOMMENDATION 3: Obtain copies of well permits from the county health department.

Original Findings:

The Assessor receives building permits from three permit-issuing agencies: the Building Inspections Division of the Del Norte County Community Development Department, the City of Crescent City Building Department, and the State of California's Department of Housing and Community Development. The Assessor, however, does not receive copies of permits issued by the Del Norte County Health and Human Services Department's Public Health Division for the drilling of new water wells. Permits from the health department issued for water wells are used for both agricultural and domestic purposes.

Original Assessor's Response:

We concur. Our office was unaware that we were not receiving all well permits from our county health department pursuant to Section 72. Though we have no jurisdiction over other offices, we have collaborated with the health department to ensure we will now receive all permits required by law to be provided to the Assessor.

Current Status:

The Assessor has implemented this recommendation. The Assessor receives copies of well permits issued by the Del Norte County Environmental Health Department (EHD) for the drilling of new water wells. The Assessor started requesting permits from the EHD in April of 2016 after our last survey discovered the Assessor was no longer receiving well permits from them. The EHD did not submit permits to the Assessor from 2010 to 2018. The Assessor started receiving well permits from the EHD in June of 2018. There are no well permits available from 2010 to June 2018 because the EHD did not archive any of the well permits issued during that period.

Taxable Possessory Interests

RECOMMENDATION 4: Improve the taxable possessory interest program by: (1) properly identifying the name of the specific government agency controlling the use of a property, (2) correctly classifying cable television rights-of-way on privately owned lands, (3) obtaining current copies of all lease agreements or permits for taxable possessory interests, (4) establishing the reasonably anticipated term of possession in accordance with Rule 21(d)(1), and (5) properly issuing supplemental assessments for taxable possessory interests.

(1) Properly identify the name of the specific government agency controlling the use of a property.

Original Findings:

We found several taxable possessory interests associated with cable and video franchises where the Assessor's records did not identify which agency controls the use of the parcels. All taxable possessory interests are given an account number that identifies the name of the possessor. The corresponding fee parcel number is noted on the taxable possessory interest appraisal record. Several of the appraisal records did not indicate the name of the agency. A search of the Assessor's computer system indicated "no file found" and did not identify any ownership.

Original Assessor's Response:

We concur. In some instances, the agency name was listed several pages back in the file, but was not brought forward on subsequent appraisal records. In the case of our data system listing "no file found" for corresponding fee parcels: parcel history indicated a change in the Assessor's parcel number due to mapping completed subsequent to the original preparation of the possessory interest file. Assessor parcel numbers are correct in our data system, but had not been updated and hand-written in the paper file. We will continue to identify the controlling government agency, and will improve our records by reviewing our possessory interest files to reflect all updates so as to match our data system.

Current Status:

The Assessor has not implemented this recommendation. We found several taxable possessory interests associated with cable and video franchises where the Assessor's records did not identify which agency controls the use of the parcels. All taxable possessory interests are given an account number that identifies the name of the possessor. The corresponding fee parcel number is noted on the taxable possessory interest appraisal record. Several of the appraisal records did not indicate the name of the agency. A search of the Assessor's computer system indicated "no file found" and did not

identify any ownership. In one case, the file indicated USA and in another case the State of California as the owner.

The Assessor must contact the specific public agency controlling the property in order to identify private uses of property that warrant assessment as taxable possessory interests and to obtain leases and terms for valuation purposes. Without determining the specific public agency controlling each parcel some taxable possessory interests may be improperly valued or overlooked.

(2) Correctly classify cable television rights-of-way on privately owned lands.

Original Findings:

The Assessor improperly classifies some cable television rights-of-way and improvements on privately owned land as taxable possessory interests. Proper classification of the improvements should be either as a foreign improvement or an improvement on leased land. The rights-of-way on privately owned lands are not assessable to the cable television company unless a lease in excess of 35 years created such an interest, thereby causing a change in ownership of the interest. Improper classification of property which should not be a taxable possessory interest may result in incorrect valuation and assessments of such property.

Original Assessor's Response:

We concur. Due to the age and complexity of these files, historical research is necessary to complete our review and make adjustments as needed to the accounts. We are currently researching the file history of the cable television possessory interest accounts in Del Norte County, and will update files as needed in order to comply with the Revenue and Taxation code.

Current Status:

The Assessor has not implemented this recommendation. The Assessor improperly classifies some cable television rights-of-way and improvements on privately owned land as taxable possessory interests. Proper classification and valuation of the improvements should be either as a foreign improvement or an improvement on leased land. The rights-of-way on privately owned lands are not assessable to the cable television company unless a lease term of 35 years or more created such an interest, thereby causing a change in ownership of the interest. Those improvements encumbered by a lease of 35 or more years should be valued as a change in ownership pursuant to section 60(c)(1)(A), not as a taxable possessory interest.

The Assessor's practice of valuing and enrolling improvements on privately owned leased land as taxable possessory interests is an improper classification of property, which may result in incorrect valuations and assessments.

(3) Obtain current copies of all lease agreements or permits for taxable possessory interests.

Original Findings:

Many of the taxable possessory interest files we reviewed did not contain copies of leases for the interests being assessed. The Assessor relies on tenant lists, historical information, information obtained from the public agencies, or a county-created questionnaire to value taxable possessory interests.

Original Assessor's Response:

We concur. After the completion of the audit, we found several long term contracts that were located in a separate filing area from the possessory interest appraisal files. This separation would lend itself to concluding that we did not have lease contracts on file. We are currently reorganizing our possessory interest files to insure all data is accessible in a consistent location. In other instances, no lease agreement was provided to our office after our requests for information. This has been a historical hurdle for our office, and we are now considering the possibility of a Revenue and Taxation code 480.5 ordinance request in order to assist in our efforts. We will continue to request copies of lease/rent agreements as necessary for taxable possessory interests.

Current Status:

The Assessor has implemented this recommendation. We discovered leases in many of the files we reviewed. We obtained a copy of the letter sent out yearly by the Assessor to the various agencies in Del Norte County reporting taxable possessory interests. The letter includes the request for a lease and for the agency to fill out the prescribed BOE-502-P, *Possessory Interests Annual Usage Report.* Additionally, we were provided emails sent to various agencies by the Assessor requesting leases and other data.

(4) Establish the reasonably anticipated term of possession in accordance with Rule 21(d)(1).

Original Findings:

In our review of the Assessor's appraisal records for taxable possessory interests, we discovered that a number of taxable possessory interests created by a contract with a term of one year were being assessed using a reasonably anticipated term of possession longer than the one-year stated term.

Original Assessor's Response:

We concur. Our office is reviewing all possessory interest files to ensure contract terms are being used, unless it is demonstrated by clear and convincing evidence that the reasonably anticipated term of possession is shorter or longer than the stated term of possession. We are also taking steps to ensure such evidence is documented in detail within the valuation file.

Current Status:

The Assessor has not implemented this recommendation. In our review of the Assessor's appraisal records for taxable possessory interests, we discovered instances where taxable possessory interests created by a contract with a term of one year were being assessed using a reasonably anticipated term of possession longer than the one-year stated term without clear and convincing evidence of an agreement between the public owner and possessor to a modified term.

For taxable possessory interests with a stated term, Rule 21 provides that the reasonably anticipated term of possession on any valuation date is the stated term of possession (i.e., the remaining term under the contract) as of that date unless it is demonstrated by clear and convincing evidence that the public owner and possessor have reached a mutual understanding or agreement such that the reasonably anticipated term of possession is different from the stated term of possession. The need of clarification of Rule 21(d) and Assessors' Handbook Section 510, *Assessment of Taxable Possessory Interests* (AH 510) regarding stated terms and the lack of uniformity in appraisal and assessment of taxable possessory interests led to the issuance of Board guidance contained in Letter to Assessor (LTA) No. 2014/023, *Guidance Regarding Taxable Possessory Interests Property Tax Rule 21(d), Term of Possession for Valuation Purposes*. The guidance in this LTA strictly limits the cases where a stated term TPI may be considered other than the stated term based on recent case law decisions.

The Assessor's use of a reasonably anticipated term of possession different than the stated term of possession provided in a lease may result in an improper assessment and is contrary to Rule 21 and Board guidance.

(5) Properly issue supplemental assessments for taxable possessory interests.

Original Findings:

We reviewed several supplemental assessments issued by the Assessor for changes in ownership. We found in some instances, the Assessor was properly issuing supplemental assessments. However, the Assessor does not issue supplemental assessments for taxable possessory interests with a stated term of one year where the Assessor has used a reasonably anticipated term of possession other than one year. Instead, for purposes of a supplemental assessment, the Assessor treats the taxable possessory interests as if they were month-to-month agreements and no supplemental assessment is issued.

Original Assessor's Response:

We concur. Our office has corrected the procedures for supplemental processing on possessory interests with month to month tenancies where a term of possession of one year or more has been used, as well as expired contracts. In instances where our office was not provided information on new or renewed contracts from the governing agency: we do not have control over these agencies or their decision to comply with our requests. We cannot issue supplemental assessments on activity that we are unaware of. In

addition to written requests and phone calls, we will implement a field visit (as necessary) to local controlling agencies to request documentation in-person. As previously indicated, we are considering the request of a Revenue and Taxation code 480.5 ordinance to assist in our efforts.

Current Status:

The Assessor has not implemented this recommendation. Because the Assessor is using a term other than the stated term of possession as illustrated in the prior recommendation, the Assessor is not correctly applying supplemental assessments at the commencement and termination of the stated term. The Assessor is issuing supplemental assessments based on a three-year term instead of the one-year term provided in the lease.

In general, taxable possessory interests must be supplementally assessed upon a change in ownership or completion of new construction. For all taxable possessory interests, the term of possession for valuation purposes is called the "reasonably anticipated term of possession." For taxable possessory interests with a stated term, Rule 21 generally provides that the reasonably anticipated term of possession on any valuation date is the stated term of possession (i.e., the remaining term under the contract) as of that date.

By issuing supplemental assessments every three years instead of using the one-year term provided in the lease, the Assessor is improperly issuing supplemental assessments and is not in compliance with statute.

Mineral Property

RECOMMENDATION 5: Review possessory interest valuation parameters to reflect 2012 federal changes regarding how annual maintenance fees are paid.

Original Findings:

Unpatented mining claims represent a mineral right interest on federal land. Claim holders can locate a claim and by either paying a maintenance fee or, for those holding fewer than ten claims, performing annual assessment work on the claim to retain the exclusive right to develop the minerals on a claim. There is no stated term of possession in the federal law governing mining claims. The Assessor may choose an anticipated term of possession to use in the valuation procedure. The Del Norte County Assessor uses a one-year term of possession to value the unpatented mining claims. While most claims in the county are only 20 acres in size, a few are larger and the annual fees are now calculated on a fee of $155 for every 20 acres or portion thereof. This change in the fee structure will cause the value of the possessory interest to increase. Failure to account for the change in fee structure will result in an underassessment of these properties.

Original Assessor's Response:

We concur. Our office has now implemented the new 2012 federal changes on annual maintenance fees for mining claims.

Current Status:

The Assessor has implemented this recommendation. The Assessor enrolls the value of unpatented mining claims based the value of the new 2012 federal fees paid to the Bureau of Land Management each year. This is consistent with the Assessor's anticipated term of possession of one year.

ASSESSMENT OF PERSONAL PROPERTY AND FIXTURES: PRIOR RECOMMENDATIONS, RESPONSES, AND CURRENT STATUS

Following are the recommendations included in our April 2017 *Assessment Practices Survey* Report that relate to the assessment of personal property and fixtures and the Assessor's response to the recommendations. After each recommendation, we report the current status of the Assessor's effort to implement the recommendation as noted during our supplemental survey fieldwork.

Audit Program

RECOMMENDATION 6: Establish an audit program and audit the books and records of professions, trades, or businesses, pursuant to section 469.

Original Findings:

No formal audits have been performed by the Assessor's office since the 2012-2013 roll year.

Original Assessor's Response:

We concur. Our office has been without an Auditor-Appraiser since 2012. We will reinstate our audit program as budget and staffing allow.

Current Status:

The Assessor has not implemented this recommendation. The Assessor does not have an auditor on staff; and due to resources and time constraints, still has not established an audit program. Consequently, no audits have been performed by the Assessor's office since the 2012-2013 assessment year.

An effective audit program helps to prevent potential errors and escape assessments by verifying information reported by taxpayers and correcting noncompliant reporting practices. This, in turn, increases the likelihood that future assessments will be accurate due to improved reporting by taxpayers and improved understanding of the assessed business property by the Assessor's office.

By failing to establish an audit program and conduct the required number of audits as specified by section 469, the Assessor is not complying with statutory requirements and risks the possibility of allowing taxable property to escape assessment permanently.

Business Equipment Valuation

RECOMMENDATION 7: Correctly classify taxable trade fixtures.

Original Findings:

We found a number of instances where fixtures were enrolled as personal property on the assessment roll. First, we found the Assessor does not allocate a percentage of machinery and equipment to fixtures when acquisition costs are reported in bulk. It is common in many industries to report machinery and equipment composed of both personal property and fixtures on Schedule A of the BPS. When making enrollment determinations, Assessors must estimate the percentage of fixtures likely to be included in reported machinery and equipment. Secondly, we observed some service station and agricultural fixtures classified as personal property upon enrollment.

Original Assessor's Response:

We concur. Though property assets have been enrolled and have not escaped taxation, our office has not allocated an estimated percentage as fixture value. We are working with fellow counties to verify research in order to determine an appropriate percentage for fixtures to use for industry bulk reporting.

Current Status:

The Assessor has not implemented this recommendation. We found numerous instances where fixtures were enrolled as personal property on the assessment roll. It is common in many industries to report machinery and equipment composed of both personal property and fixtures on Schedule A of the 571-L. When making enrollment determinations, Assessors must estimate the percentage of fixtures likely to be included in reported machinery and equipment. We found the Assessor does not allocate a percentage of machinery and equipment to fixtures when acquisition costs are reported in bulk. We also observed some retail, service station, and agricultural fixtures which were misclassified as personal property upon enrollment.

Classification is a required component of the local assessment function. Revenue & Taxation Code sections 602 and 607 as well as Property Tax Rule 252 require the assessment roll to show separate values for land, improvements (including fixtures), and personal property.

Furthermore, misclassification is problematic because of the following assessment differences between real property and personal property: (1) only real property receives special assessments, (2) the tax rate on the unsecured roll is the rate of the prior year's secured roll, (3) personal property is appraised annually at market value, and (4) fixtures are a separate appraisal unit when measuring declines in value.

RECOMMENDATION 8: Apply the agricultural percent good factors, prescribed in Table 6 of the AH 581, as intended.

Original Findings:

We observed a number of instances where the Assessor applied mobile agricultural equipment valuation tables to other agricultural related personal property. We also identified an instance where valuation factors from a table intended for non-mobile agricultural personal property were applied to mobile agricultural equipment cost data. The BOE-prescribed percent good factors published in Table 6 of the AH 581 are intended solely for the valuation of self-propelled machinery and related implements. Therefore, when the Assessor applies these tables to other non-mobile agricultural equipment, including bins, air compressors, portable calf pens, portable pumps, welders, irrigation pipe, and generators, the resulting value conclusion will likely be inaccurate. The mobile agricultural equipment percent good factors indicated in the AH 581 are based upon an exclusive set of market parameters. Accurate assessments depend on the judicious application of these tables.

Original Assessor's Response:

We concur. We are reviewing our agriculture files to ensure all assets have a correctly prescribed depreciation table.

Current Status:

The Assessor has not implemented this recommendation. We found several instances where the Assessor applied mobile agricultural equipment valuation tables to other, non-mobile agricultural related personal property. We also identified an instance where valuation factors intended for non-mobile agricultural personal property were applied to mobile agricultural equipment.

The BOE prescribed percent good factors published in Table 6 of the AH 581 are intended solely for the valuation of self-propelled agricultural machinery and related implements. The mobile agricultural equipment percent good factors indicated in the AH 581 are based upon an exclusive set of market parameters. Accurate assessments depend on the judicial application of these tables.

By applying these tables to other non-mobile agricultural equipment including, but not limited to, bins, air compressors, portable calf pens, portable pumps, welders, irrigation pipe, and generators, the Assessor's resulting value conclusion will likely be inaccurate.

Aircraft

RECOMMENDATION 9: Properly apply adjustments to the average retail value in accordance with the guidelines set forth in Assessors' Handbook section 577, *Assessment of General Aircraft* (AH 577).

Original Findings:

The Assessor uses published value guides, including the *Aircraft Bluebook-Price Digest*, to value general aircraft. These values are adjusted to reflect local market conditions, sales tax, unusual condition, equipment installed, and engine and airframe hours. However, we found that the Assessor was adjusting the published average wholesale value rather than the average retail value as directed in AH 577.

Original Assessor's Response:

*We concur. Our office has historically valued general aircraft with an adjustment to the listed wholesale prices found in the Aircraft Bluebook price digest. Adjusting the wholesale price yields a lower value than the adjustment of the average retail price. Our office considers this practice a method which values general aircraft more appropriately for our region. Assessors' Handbook 577 states, "*Appraisers should make any adjustments to the base value in the guides as necessary to achieve fair market value assessments of aircraft*". Though our opinion is that our method is appropriate and accurate for our county, we will proceed with updating our procedures to reflect the adjustment of retail value versus wholesale value, as recommended by the BOE. We will then apply additional adjustments to the resulting value as deemed appropriate to reflect market or aircraft condition.*

Current Status:

The Assessor has implemented this recommendation. The Assessor now makes all appropriate value adjustment to published average retail values appearing on recognized aircraft value guides when determining the current market value of taxable aircraft in accordance with instruction published in the AH 577.

Vessels

RECOMMENDATION 10: Annually assess documented vessels at market value.

Original Findings:

Although pleasure vessels are being correctly assessed annually to reflect market values, we found instances where documented vessel assessments were not updated annually to reflect current market value. This practice appears particularly prevalent with commercial vessels. The Assessor has applied valuation factors that have increased assessed values of documented vessels in recent years. The increasing valuation factors do not appear to take into account the condition of the vessel, or whether the equipment of the subject vessel is above or below average.

Original Assessor's Response:

We concur. There is a substantial lack of comparable market sales for valuing documented vessels, as well as a lack of resources for a documented vessel cost guide. Therefore, we use income evidence as represented from the annual fishing season as an indicator of value fluctuation. We will continue to exhaust all efforts to obtain market evidence for documented vessel valuations, and will adhere to the recommended practices to the extent that our information will allow.

Current Status:

The Assessor has implemented this recommendation. The Assessor now utilizes BOE prescribed vessel valuation factors to calculate estimates of current market valuations of documented vessels on an annual basis.

APPENDIX A: STATISTICAL DATA

Table 1: Assessment Roll

The following table displays pertinent information from the 2018-2019 assessment roll.[4]

	PROPERTY TYPE	ENROLLED VALUE
Secured Roll	Land	$ 772,824,495
	Improvements	$1,119,202,209
	Personal Property	$ 62,009,735
	Total Secured	$1,954,036,439
Unsecured Roll	Land	$ 3,734,889
	Improvements	$ 15,141,905
	Personal Property	$ 29,954,865
	Total Unsecured	$ 43,831,659
Exemptions[5]		($ 148,711,579)
	Total Assessment Roll	$1,849,156,519

Table 2: Change in Assessed Values

The following table summarizes the change in assessed values over recent years:[6]

YEAR	TOTAL ROLL VALUE	CHANGE	STATEWIDE CHANGE
2018-19	$1,849,157,000	2.5%	6.5%
2017-18	$1,804,229,000	2.4%	6.3%
2016-17	$1,761,748,000	2.7%	5.5%
2015-16	$1,716,094,000	1.0%	6.0%
2014-15	$1,698,663,000	-0.1%	6.2%

[4] Statistics provided by BOE-822, *Report of Assessed Values By City*, Del Norte County for year 2018.
[5] The value of the Homeowners' Exemption is excluded from the exemptions total.
[6] ~~State Board of Equalization Annual Report, Table 7.~~ As of 10/2/2025, statistics provided by the BOE Open Data Portal dataset - County Assessed Property Values, by Property Class and County (Table 7).

Table 3: Gross Budget and Staffing

The Assessor's budget has grown from $783,311 in 2014-15 to $1,005,716 in 2018-19.

As of the date of our survey, the Assessor had 9 budgeted permanent positions. These positions consist of the Assessor, assistant assessor, 3 real property appraisers, 1 business property auditor-appraisers, 0.5 Cadastral Draftspersons, and 2.50 computer programmers, analysts, technicians.[7]

The following table identifies the Assessor's budget and staffing over recent years:[8]

BUDGET YEAR	GROSS BUDGET	PERCENT CHANGE	PERMANENT STAFF
2018-19	$1,005,716	19.5%	9
2017-18	$841,920	4.4%	9
2016-17	$806,497	-5.5%	9
2015-16	$853,450	9.0%	9
2014-15	$783,311	5.2%	9

Table 4: Assessment Appeals

The following table shows the number of assessment appeals filed in recent years:[9]

YEAR	ASSESSMENT APPEALS FILED
2018-19	8
2017-18	8
2016-17	4
2015-16	24
2014-15	29

[7] Statistics provided ~~by *A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices* for year 2018-19.~~ as of 10/2/2025, by the BOE Open Data Portal dataset - *Budgeted Permanent Positions*.

[8] Statistics provided ~~by *A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices*~~ as of 10/2/2025, by the BOE Open Data Portal datasets - *Gross and Net Budget* and *Budgeted Permanent Positions*, except for year 2016-17, which was provided by the Assessor.

[9] Statistics provided ~~by *A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices*~~ as of 10/2/2025, by the BOE Open Data Portal dataset - *Distribution of Assessment Appeals by Property Types*, except for year 2016-17, which was provided by the Assessor.

Table 5: Exemptions – Welfare

The following table shows welfare exemption data for recent years:[10]

YEAR	WELFARE EXEMPTIONS	EXEMPTED VALUE
2018-19	53	$103,103,079
2017-18	53	$100,319,046
2016-17	50	$86,237,820
2015-16	53	$82,144,563
2014-15	41	$75,247,985

Table 6: Change in Ownership

The following table shows the total number of transfer documents received and the total number of reappraisals due to changes in ownership processed in recent years:[11]

YEAR	TOTAL TRANSFER DOCUMENTS RECEIVED	REAPPRAISABLE TRANSFERS
2018-19	1,672	721
2017-18	886	771
2016-17	1,561	0
2015-16	5,465	0
2014-15	4,896	2,769

[10] Statistics provided by BOE-802, *Report on Exemptions*.

[11] Statistics provided ~~by *A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices*~~ as of 10/2/2025, by the BOE Open Data Portal dataset - *Real Property Workload Data, Transfers*, except for year 2017-18, which was provided by the Assessor along with breakout of transfer documents for 2018-19.

Table 7: New Construction

The following table shows the total number of building permits received and the total number of new construction assessments processed in recent years:[12]

YEAR	TOTAL BUILDING PERMITS RECEIVED	NEW CONSTRUCTION ASSESSMENTS
2018-19	741	40
2017-18	779	34
2016-17	747	0
2015-16	594	0
2014-15	668	21

Table 8: Declines In Value

The following table shows the total number of decline-in-value assessments in recent years:[13]

YEAR	DECLINE-IN-VALUE ASSESSMENTS
2018-19	1,315
2017-18	1,486
2016-17	1,581
2015-16	1,670
2014-15	1,645

[12] Statistics provided ~~by *A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices*~~ as of 10/2/2025, by the BOE Open Data Portal dataset - *Real Property Workload Data, New Construction*, except for year 2017-18 which was provided by Assessor.

[13] Statistics provided ~~by *A Report on Budgets, Workloads, and Assessment Appeals Activities in California Assessors' Offices*~~ as of 10/2/2025, by the BOE Open Data Portal Dataset - *Real Property Workload Data, Proposition 8*, except for year 2017-18, which was provided by the Assessor.

APPENDIX B: COUNTY-ASSESSED PROPERTIES DIVISION SURVEY GROUP

Del Norte County

Deputy Director

David Yeung

Survey Program Manager:

Diane Yasui	Manager, Property Tax

Survey Team Supervisor:

Andrew Austin	Supervisor, Property Tax

Survey Quality Control:

Michael Dean Saunders	Senior Specialist Property Appraiser

Survey Team Leader:

Gary Coates	Senior Specialist Property Appraiser

Survey Team:

James McCarthy	Senior Petroleum and Mining Appraisal Engineer
Jeff Arthur	Associate Property Auditor-Appraiser
Amanda Lopez	Associate Property Appraiser
Alex Fries	Assistant Property Auditor-Appraiser
Dany Lunetta	Associate Governmental Program Analyst

ASSESSOR'S RESPONSE TO BOE'S FINDINGS

Section 15645 of the Government Code provides that the Assessor may file with the Board a response to the findings and recommendations in the survey report. The survey report, the Assessor's response, and the BOE's comments on the Assessor's response, if any, constitute the final survey report.

The Del Norte County Assessor's response begins on the next page. The BOE has no comments on the response.

COUNTY OF DEL NORTE
OFFICE OF THE ASSESSOR

981 "H" Street, Suite 120
Crescent City, California 95531

Phone (707) 464-7200
Fax (707) 464-6215

April 10, 2020

Mr. David Yeung, Deputy Director
Property Tax Department
State Board of Equalization
PO Box 942879
Sacramento, CA 94279-0064

Re: Del Norte County Supplemental Assessment Practices Survey Report

Dear Deputy Director Yeung,

Enclosed is Del Norte County's response to the State Board of Equalization's recent Supplemental Assessment Practices Survey and resulting recommendations. This response is made pursuant to section 15645 of the Government Code for inclusion with the final published survey report.

We would like to thank the survey team for their professionalism and courtesy during our audit. We value the opportunity to collaborate closely with the State Board and receive constructive feedback on our practices and procedures. The positive interaction with the Board serves as a useful tool for ensuring the continual compliance of state laws by our office, and allows us to provide the utmost quality of service to our community.

I would like to express my deepest appreciation and thanks to the staff of the Del Norte County Assessor's office. The results of this audit indicate their dedication and hard work to produce an accurate assessment roll and provide excellent service for our taxpayers. I am extremely proud to achieve our department goals with this highly committed and professional team.

Sincerely,

Jennifer Perry
Del Norte County Assessor

Enclosure

Del Norte County Assessor's Response to SBE Recommendations for

Supplemental Assessment Practices Survey

Recommendation 1: Improve the administration of the welfare exemption program by:

(1) Requiring a valid Organizational Clearance Certificate (OCC) prior to granting the welfare exemption.

Response: None – Del Norte County has implemented the recommendation.

(2) Conducting field inspections on all first-time filing claims and claims filed for new locations.

Response: None – Del Norte County has implemented the recommendation.

(3) Properly apply the provisions of section 270 for exemption claims that are not timely filed.

Response: We concur. While it was thought that our office procedure followed the provisions of section 270(b) by limiting the total tax liability to a maximum of $250 per year for late filed claims, the process by which this was implemented resulted in a slightly altered figure due to the applicable tax rate. We have adjusted our calculation method to include the final local tax rate each year as adopted by our county.

(4) Exempt only those areas of veterans' organization properties used exclusively for exempt purposes.

Response: We concur. Our office had not received any documentation or notification that a local veterans' organization was holding non-exempt events on their property, nor had the organization included this information on their annual reporting form. However, through the use of social media, the SBE was able to obtain such information during their audit. We have since conducted a site visit and confirmed the non-exempt use of a portion of the property. We will adjust our records accordingly, and will consider the use of social media as a tool for future method of discovery.

Recommendation 2: Require an annual filing of a BOE-261-G prior to granting the low-income exemption for disabled veterans.

Response: None – Del Norte County has implemented the recommendation.

Recommendation 3: Obtain copies of well permits from the county health department.

Response: None – Del Norte County has implemented the recommendation.

Recommendation 4: Improve the taxable possessory interest program by

(1) Properly identifying the name of the specific government agency controlling the use of the property.

Response: We concur. In some instances, the agency name was listed several pages back in the file, but was not brought forward on subsequent appraisal records. Other times, the listed government agency is correct (state, federal, etc.) but may be omitting the specific department associated. In the case of our data system listing "no file found" for corresponding fee parcels: parcel history indicated a change in the assessor's parcel number due to mapping completed subsequent to the original preparation of the possessory interest file. Assessor parcel numbers are correct in our data system, but had not been updated and hand-written in the paper file. We will continue to identify the controlling government agency, and will improve our records by reviewing our hard copy possessory interest files as time and staff allow.

(2) Correctly classifying cable television rights-of-way on privately owned lands.

Response: We concur. Since cable television utilities run throughout the county, it would be impossible to identify every fee parcel affected in order to allocate a portion of the P.I. value on every non-taxable and taxable property the cables ran across. For this reason, and in order to calculate the most accurate assessment possible, our department had portioned out the cable company value throughout the county so as to capture the variety of tax rate areas in each neighborhood. All but one of the fee parcels selected for the use of account preparation is a non-taxable parcel, therefore allowing a proper possessory interest to be issued. The one anomaly is a privately owned parcel which happens to have transposed digits with a neighboring government owned parcel. It is our assumption that the government owned parcel was originally intended for the use of P.I. assessment, but the number was transposed sometime in the past. The P.I. is being properly billed to only the cable company, however, the fee parcel listed in incorrect. We will correct our records to reflect the correct assessor's parcel number. Furthermore, we will continue to work with the SBE to find possible solutions for consolidating our cable company accounts for easier account management in the future.

(3) Obtain current copies of all lease agreements or permits for taxable possessory interests.

Response: None – Del Norte County has implemented the recommendation.

(4) Establish the reasonably anticipated term of possession in accordance with Rule21(d)(1).

Response: We concur. The supplemental audit findings were specifically in regard to the possessory interest boat slips in our county harbor. Though the harbor district only offers contracts for one year or less, most of the users rent their boat slips for many consecutive years. For this reason, our department used the authority under Rule 21(d) to select an anticipated term of possession versus a stated term of possession. After discussion with the SBE, we concur that we will use the stated term of possession regardless of habitual use.

(5) Properly issue supplemental assessments for taxable possessory interests.

Response: We concur. Our department does issue supplemental assessments properly for possessory interests; however, if an incorrect term of possession is selected, the calculation may result in an incorrect supplemental bill. Since we will now use the stated term of possession for the boat slip possessory interests, there should be no further issues with P.I. supplemental assessments.

Recommendation 5: Review possessory interest valuation parameters to reflect 2012 federal changes regarding how annual maintenance fees are paid.

Response: None – Del Norte County has implemented the recommendation.

Recommendation 6: Establish an audit program and audit the books and records of professions, trades, or businesses, pursuant to section 469.

Response: We concur. Our department has been without an auditor-appraiser since 2012. We will reinstate our audit program as budget and staffing allow.

Recommendation 7: Correctly classify taxable trade fixtures.

Response: We concur. Though property assets have been enrolled and have not escaped taxation, our office has not allocated an estimated percentage as fixture value. We will work with fellow counties to verify research in order to determine an appropriate percentage for fixtures to use for industry bulk reporting.

Recommendation 8: Apply the agricultural percent good factors, prescribed in Table 6 of the AH 581, as intended.

Response: We concur. Though property assets have been enrolled and have not escaped taxation, we will review our files to ensure all assets have a correctly prescribed depreciation table as time and staff allow.

Recommendation 9: Properly apply adjustments to the average retail value in accordance with the guidelines set forth in Assessor's Handbook section 577, *Assessment of General Aircraft* (AH 577).

Response: None – Del Norte County has implemented the recommendation.

Recommendation 10: Annually assess documented vessels at market value.

Response: None – Del Norte County has implemented the recommendation.