

PLACER COUNTY SUPPLEMENTAL ASSESSMENT PRACTICES SURVEY

NOVEMBER 2023

CALIFORNIA STATE BOARD OF EQUALIZATION

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November 7, 2023

TO COUNTY ASSESSORS:

**PLACER COUNTY
SUPPLEMENTAL ASSESSMENT PRACTICES SURVEY**

No. 2023/033

A copy of the Placer 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 Matthew Maynard, Placer 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 Placer County Board of Supervisors, Grand Jury, and Assessment Appeals Board.

Fieldwork for this supplemental survey was performed by the BOE's County-Assessed Properties Division during March 2023. The report does not reflect changes implemented by the Assessor after the fieldwork was completed.

Mr. Maynard and 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 Placer 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 Placer 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 Matthew Maynard, Placer County Assessor, elected to file his initial response prior to the publication of our survey; it is included in this report following the Appendices.

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 Code² 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 Placer 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 Placer County Assessor's Office for the 2022-23 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.

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 Placer County Assessor's Office included reviews of the Assessor's records, interviews with the Assessor and their staff, and contacts with officials in other public agencies in Placer 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*, which is available on the BOE's website at <http://www.boe.ca.gov/Assessors/pdf/Scopemaster.pdf>. Additionally, detailed descriptions of assessment practices survey topics, authoritative citations, and related information can be found at <http://www.boe.ca.gov/proptaxes/apscont.htm>.

EXECUTIVE SUMMARY

The BOE has elected to perform a supplemental survey of the Placer County Assessor's Office, addressing only the recommendations from the prior survey and whether the Assessor has implemented those recommendations. In the 2019 Placer County Assessment Practices Survey Report, there were a total of six recommendations.

In the area of administration, which affect both the real property and business property assessment programs, we reviewed one prior recommendation identified in the Assessor's exemptions program. The Assessor has implemented the recommendation related to the exemptions program.

In the area of real property assessment, we reviewed two prior recommendations identified in the Assessor's change in ownership and mineral property programs. The Assessor has implemented the recommendation related to the change in ownership program. However, the Assessor has not implemented the recommendation related to the mineral property program.

In the area of personal property and fixtures, we reviewed three prior recommendations identified in the Assessor's audit, business property statements, and business equipment valuation programs. The Assessor has implemented the recommendations related to the audit, business property statements, and business equipment valuation programs.

OVERVIEW OF PLACER COUNTY

Placer County is located in northern California and was created in 1851. The county encompasses 1,407.01 square miles of land area and 95.45 square miles of water area. Placer County is bordered by Yuba and Nevada Counties to the north, Sutter County to the west, Sacramento and El Dorado Counties to the south, and the state of Nevada to the east.

As of 2022, Placer County had an estimated population of 417,722. There are six incorporated cities in Placer County, which include Auburn, Colfax, Lincoln, Loomis, Rocklin, and Roseville. The county seat is Auburn.

The Placer County local assessment roll ranks 18th in value of the 58 county assessment rolls in California.³



³ Statistics provided by the BOE's Table 7 – *Assessed Value of County-Assessed Property Subject to General Property Taxes*, for year 2022-23.

ADMINISTRATION: PRIOR RECOMMENDATIONS, RESPONSES, AND CURRENT STATUS

Following is the recommendation included in our August 2019 Assessment Practices Survey Report that relates to administrative policies and procedures, and the Assessor's response to the recommendation. 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 welfare exemption program by: (1) ensuring field inspection notes are properly maintained in the property record, and (2) accepting only form BOE-267, *Claim for Welfare Exemption (First Filing)* for new claimants.

(1) Ensure field inspection notes are properly maintained in the property record.

Original Findings:

We have found that the Assessor has not been properly maintaining field inspection notes in property records. Additionally, the Assessor does not use a BOE form or county developed form for maintaining field inspection notes. The Assessor inputs the date of the inspection without including any notes regarding the exempt uses or description of the property.

Original Assessor's Response:

We concur. We have created an inspection form that our staff members are required to complete when inspecting exempt properties. This form is now saved to the electronic record of the exempt property. We will also ensure that only form BOE-267 Claim for Welfare Exemption (First Filing) is accepted for new claimants.

Current Status:

We found that the Assessor has implemented this recommendation. The Assessor is maintaining field inspection notes in the property records regarding the exempt uses or description of the property.

(2) Accept only form BOE-267, *Claim for Welfare Exemption (First Filing)* for new claimants.

Original Findings:

We found instances where the Assessor has been accepting form BOE-267-A, *Claim for Welfare Exemption (Annual Filing)*, for new claimants.

Original Assessor's Response:

We concur. We have created an inspection form that our staff members are required to complete when inspecting exempt properties. This form is now saved to the electronic record of the exempt property. We will also ensure that only form BOE-267 Claim for Welfare Exemption (First Filing) is accepted for new claimants.

Current Status:

We found that the Assessor has implemented this recommendation. We reviewed several filings for the welfare exemption made by organizations claiming exemption for the first time and found that the correct form, BOE-267, *Claim for Welfare Exemption (First Filing)*, was used.

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

Following are the recommendations included in our August 2019 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.

Change in Ownership

RECOMMENDATION 2: Modify the notification letters to reflect proper filing deadlines and when a processing fee is collected in accordance with section 63.1(j).

Original Findings:

The Assessor notifies the transferee in writing of potential eligibility for exclusion from change in ownership under section 63.1. However, the first notice has misleading language concerning the filing deadlines and the second notice has misleading language concerning the collection of the processing fees. On the second page of the first notice, there is a statement for the claimant to "Please complete and return the claim within 10 days" which is in conflict with the 45-day filing period under section 63.1(j)(1).

The second notification letter conflicts with section 63.1(j)(2). The letter does not provide the correct information about the collection of a processing fee if the claim for exclusion is received after 60 days from the date of the second notice. The letter states, "This letter is to advise you that a fee of \$175.00 will be required in order to process the claim" and goes on to say "In order to avoid the processing fee, the claim form must be turned in within 60 days of the date of this letter."

Original Assessor's Response:

We concur. We have updated the language in our notification letters to more accurately reflect proper filing deadlines in accordance with section 63.1(j).

Current Status:

We found that the Assessor has implemented this recommendation. The Assessor has modified the notification letters to reflect the correct filing deadlines and when a processing fee is collected in accordance with section 63.1(j).

Mineral Property

RECOMMENDATION 3: Measure declines in value for mineral properties using the entire appraisal unit, as required by Rule 469.

Original Findings:

We found that the Assessor does not evaluate the entire appraisal unit when measuring declines in value. The Assessor's staff indicate that there have not been any significant changes to mineral property assessment procedures. The county procedures incorrectly treat fixtures as a separate appraisal unit.

Original Assessor's Response:

We concur. We will implement this recommendation as time and resources permit.

Current Status:

We found that the Assessor has not implemented this recommendation. The Assessor does not track the adjusted base year value of fixtures and equipment for inclusion in the appraisal unit for comparison of the current market value and the adjusted base year value. In addition, we found that for some properties, the Assessor had misclassified fixtures as personal property. This includes conveyor systems that while movable tend to remain in one location over periods of time and thus should be classified as fixtures.

In accordance with the California Constitution, article XIII A, all real property receives a base year value and, on each lien date, the taxable value of the real property unit is the lesser of its adjusted base year value or current market value. Section 105 defines fixtures as a type of improvement and, hence, as real property.

For most properties, fixtures are treated as a separate appraisal unit for purposes of determining declines in value. Mineral properties, however, are treated differently. Rule 469(e)(2)(C) specifically provides that the appraisal unit of a mineral property includes land, improvements including fixtures, and reserves. The Assessor should use this unit for measuring possible declines in value.

Failure to properly determine the decline in value using the entire mineral property appraisal unit could result in an underassessment of the fixtures and equipment or an overassessment of the mineral rights.

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

Following are the recommendations included in our August 2019 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 4: Modify the language advising taxpayers of their right to appeal as stated on the *Notice of Correction to the Section 601 Assessment Roll* in cases where no escape assessment was discovered in an audit.

Original Findings:

We found that the Assessor includes language advising taxpayers of their right to appeal in all *Notice of Correction to the Section 601 Assessment Roll* letters. This is true even in cases where the audit did not find any evidence of escape assessment for any of the years under audit.

Original Assessor's Response:

We concur. We have developed a new notice for audits where all years result in a reduction or when the escape assessment is offset by a reduction or results in no change. This letter will be implemented for the upcoming audit season (fiscal year 2019-2020).

Current Status:

We found that the Assessor has implemented the recommendation. The Assessor has created a notice of audit results with correct language advising taxpayers of their right to appeal in cases where no escape assessment was discovered in an audit.

Business Property Statement Program

RECOMMENDATION 5: Reject *Vessel Property Statements* and *Aircraft Property Statements* filed prior to the lien date.

Original Findings:

We found instances where the Assessor has been accepting vessel and aircraft statements prior to the lien date; claim forms for the lien date were accepted in December of the prior year.

Original Assessor's Response:

We will take the recommendation under advisement. To add context to the recommendation, Placer County's vessel and aircraft property statements are mailed out mid-December each year, to assist the property owner's in filing an accurate statement on lien date, January 1st, each year. The statements which the BOE recommended the County reject were filed within two weeks of the January 1st lien date. The County would suggest that the owner's statement regarding the condition of the vessel filed within two weeks of the lien date should be an important consideration regarding the vessel or aircraft valuation, and rejection of such an early-filed statement would be administratively burdensome to the taxpayer and the Assessor.

Current Status:

We found that the Assessor has implemented the recommendation. The Assessor accepts vessel and aircraft statements after the lien date pursuant to section 441(b).

Business Equipment Valuation

RECOMMENDATION 6: Improve the business equipment valuation program by:
(1) properly classifying cell towers as structures, (2) properly developing the historical cost less depreciation (HCLD) value indicator for fixtures and personal property of rate base regulated water companies, and (3) using the correct prescribed factors when valuing harvesters.

(1) Properly classify cell towers as structures.

Original Findings:

We found the Assessor incorrectly classifies cell towers as fixtures.

Original Assessor's Response:

Placer County will continue to value cell towers using a Commercial 25-year life, consistent with the California Assessors' Association Annual Business Assessment Factor publication.

Current Status:

The guidance issued in Letters To Assessors (LTA) No. 2001/024, *Delegation of Assessment Jurisdiction of Wireless Communications Tower Sites*, related to the classification of cell towers has been updated in LTA No. 2023/036, *Classification of Wireless Communication Towers*, making this recommendation no longer applicable. The Assessor is no longer out of compliance.

(2) Properly develop the HCLD value indicator for fixtures and personal property of rate based regulated water companies.

Original Findings:

We found that the Assessor deducts the factored base year value (FBYV) of real property from the reported historical cost of rate based regulated water companies when developing the HCLD indicator of value for fixtures and personal property.

Original Assessor's Response:

We concur.

Current Status:

We found that the Assessor has implemented this recommendation. The Assessor deducts the historical cost of land and structures from the reported historical cost of rate based regulated water companies when developing the HCLD indicator of value for fixtures and personal property.

(3) Use the correct prescribed factors when valuing harvesters.

Original Findings:

We found that the Assessor does not input the correct percent good factors into the property tax system for the valuation of harvesters. Instead, the Assessor values harvesters using the except-harvesters percent good factors.

Original Assessor's Response:

We concur.

Current Status:

We found that the Assessor has implemented this recommendation. The Assessor inputs the correct percent good factors that are found in Table 6 of the Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*, into the property tax system for the valuation of harvesters.

APPENDIX A: STATISTICAL DATA

Table 1: Assessment Roll

The following table displays pertinent information from the 2022-23 assessment roll.⁴

	PROPERTY TYPE	ENROLLED VALUE
Secured Roll	Land	\$29,852,593,565
	Improvements	\$68,326,717,436
	Fixtures	\$318,347,623
	Personal Property	\$452,741,173
	Total Secured	\$98,950,399,797
Unsecured Roll	Land	\$70,685,137
	Improvements	\$211,609,977
	Fixtures	\$388,553,365
	Personal Property	\$1,609,861,467
	Total Unsecured	\$2,280,709,946
Exemptions⁵		(\$3,137,687,379)
	Total Assessment Roll	\$98,093,422,364

Table 2: Change in Assessed Values

The following table summarizes the change in assessed values over recent years.⁶

ROLL YEAR	TOTAL ROLL VALUE	CHANGE	STATEWIDE CHANGE
2022-23	\$98,093,422,000	9.1%	7.5%
2021-22	\$89,885,398,000	5.8%	4.1%
2020-21	\$84,919,277,000	5.4%	5.0%
2019-20	\$80,584,281,000	6.3%	6.1%
2018-19	\$75,822,297,000	6.6%	6.5%

⁴ Statistics provided by BOE-822, *Report of Assessed Values By City*, County 31 Placer, for year 2022.

⁵ The value of the Homeowners' Exemption is excluded from the exemptions total.

⁶ Statistics provided by the BOE's Table 7 – *Assessed Value of County-Assessed Property Subject to General Property Taxes*, for years 2018-19 through 2022-23.

Table 3: Gross Budget and Staffing

The Assessor's budget has grown from \$12,991,882 in 2017-18 to \$16,171,187 in 2021-22.

For the fiscal year 2021-22, the Assessor has 81 budgeted permanent positions. This included the Assessor, Assistant Assessor, 6 managers, 36 real property appraisers, 5 business property auditor-appraisers, 3 drafting/mapping technicians, 20 computer programmer/analysts/technical, and 9 support staff.⁷

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

FISCAL YEAR	GROSS BUDGET	PERCENT CHANGE	PERMANENT STAFF
2021-22	\$16,171,187	6.9%	81
2020-21	\$15,132,371	3.2%	79
2019-20	\$14,659,441	8.1%	79
2018-19	\$13,555,016	4.3%	77
2017-18	\$12,991,882	0.5%	77

Table 4: Assessment Appeals

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

FISCAL YEAR	ASSESSMENT APPEALS FILED
2021-22	467
2020-21	679
2019-20	493
2018-19	563
2017-18	544

⁷ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for year 2021-22 & *Roll Data* for year 2022-23.

⁸ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

⁹ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

Table 5: Exemptions – Welfare

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

ROLL YEAR	WELFARE EXEMPTIONS	EXEMPTED VALUE
2022-23	548	\$2,394,320,342
2021-22	540	\$2,277,606,987
2020-21	543	\$2,063,664,439
2019-20	502	\$1,916,186,714
2018-19	497	\$1,311,442,463

Table 6: Change in Ownership

The following table shows the total number of transfer documents received and the total number of reappraisable transfers due to changes in ownership processed in recent roll years:¹¹

ROLL YEAR	TOTAL TRANSFER DOCUMENTS RECEIVED	REAPPRAISABLE TRANSFERS
2022-23	38,233	17,763
2021-22	46,793	14,703
2020-21	29,612	11,599
2019-20	28,926	13,264
2018-19	32,956	12,905

¹⁰ Statistics provided by BOE-802, *Report on Exemptions* for years 2018-19 through 2022-23.

¹¹ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

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 roll years:¹²

ROLL YEAR	TOTAL BUILDING PERMITS RECEIVED	NEW CONSTRUCTION ASSESSMENTS
2022-23	23,414	3,066
2021-22	19,724	2,907
2020-21	18,958	3,016
2019-20	19,112	3,108
2018-19	20,446	2,564

Table 8: Declines In Value

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

ROLL YEAR	DECLINE-IN-VALUE ASSESSMENTS
2022-23	8,546
2021-22	14,868
2020-21	23,893
2019-20	19,225
2018-19	22,507

¹² Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

¹³ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

Table 9: Audits

The following table shows the minimum number of audits required to be conducted and the total number of audits completed in recent fiscal years.¹⁴

MINIMUM NUMBER OF AUDITS REQUIRED¹⁵	2021-22	2020-21	2019-20	2018-19	2017-18
Largest Assessments				31	30
All Other Taxpayers				30	31
Total Required				61	61
NUMBER OF AUDITS COMPLETED					
Total Audits Completed	62	64	64	65	65
Largest Assessments	32	32	32	31	31
Over/(Under) Required				0	1
All Other Taxpayers	30	32	32	34	34
Over/(Under) Required				4	3
CCCASE AUDITS					
Prepared for other county Assessors	0	0	0	0	0

¹⁴ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

¹⁵ See Letter To Assessors (LTA) No. 2009/049, *Significant Number of Business Property Audits*, for the minimum number of annual audits required pursuant to the provisions of section 469 for fiscal years 2017-18 through 2018-19. Effective January 1, 2019, section 469 was amended to give Assessors more flexibility in completing the required number of annual audits by allowing for the four-year total of required annual audits to be completed within a four-year period of time, rather than annually, beginning with the 2019-20 fiscal year. For more information on the amendments to section 469, see LTA No. 2018/067.

APPENDIX B: COUNTY-ASSESSED PROPERTIES DIVISION SURVEY GROUP

Placer County

Deputy Director

David Yeung

Survey Program Director:

Holly Cooper

Principal Property Appraiser

Survey Team Supervisor:

Christine Bradley

Supervising Property Appraiser

Survey Team:

James McCarthy

Senior Petroleum and Mining Appraisal Engineer

Vida McIsaac

Senior Specialist Property Appraiser

Jeffrey Arthur

Senior Specialist Property Auditor Appraiser

Hanju Lee

Assistant Property Appraiser

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 regarding the Assessor's response, if any, constitute the final survey report.

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

PLACER COUNTY ASSESSOR'S OFFICE

Matthew R. Maynard, Assessor

2980 Richardson Drive • Auburn, CA 95603-2640

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October 13, 2023

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

Subject: Placer County Supplemental Assessment Practices Survey Response

Dear Mr. Yeung:

Enclosed is my response to the recommendations included in the State Board of Equalization Assessment Practices Survey of Placer County. This response was prepared in accordance with Section 15645 of the California Government Code.

I want to express my appreciation to Ms. Christine Bradley and the survey team for the professional manner in which the survey was conducted. The periodic and independent survey by the Board of Equalization is invaluable to Assessors. These surveys help to ensure fair and equitable assessments throughout California.

As you are aware, Placer County has experienced incredible growth over the past few years, the result of which has been an exponential increase to our assessment workloads. I am pleased that our office has been able to adopt the majority of the previous recommendations of the Board while adapting to our challenging environment.

I would also like to express my sincere appreciation and gratitude to the dedicated employees of the Placer County Assessor's Office for their professionalism and commitment to serve. It is their hard work and conscientious efforts that enable this office to maintain very high standards of quality, efficiency, and responsive service.

Sincerely,

A handwritten signature in black ink that reads "Matthew R. Maynard". The signature is written in a cursive style with a large, sweeping initial "M".

Matthew R. Maynard
Placer County Assessor

Enclosure

Mineral Property

RECOMMENDATION 3: Measure declines in value for mineral properties using the entire appraisal unit, as required by Rule 469.

Original Findings:

We found that the Assessor does not evaluate the entire appraisal unit when measuring declines in value. The Assessor's staff indicate that there have not been any significant changes to mineral property assessment procedures. The county procedures incorrectly treat fixtures as a separate appraisal unit.

Original Assessor's Response:

We concur. We will implement this recommendation as time and resources permit.

Current Status:

We found that the Assessor has not implemented this recommendation. The Assessor does not track the adjusted base year value of fixtures and equipment for inclusion in the appraisal unit for comparison of the current market value and the adjusted base year value. In addition, we found that for some properties, the Assessor had misclassified fixtures as personal property. This includes conveyor systems that while movable tend to remain in one location over periods of time and thus should be classified as fixtures.

In accordance with the California Constitution, article XIII A, all real property receives a base year value and, on each lien date, the taxable value of the real property unit is the lesser of its adjusted base year value or current market value. Section 105 defines fixtures as a type of improvement and, hence, as real property.

For most properties, fixtures are treated as a separate appraisal unit for purposes of determining declines in value. Mineral properties, however, are treated differently. Rule 469(e)(2)(C) specifically provides that the appraisal unit of a mineral property includes land, improvements including fixtures, and reserves. The Assessor should use this unit for measuring possible declines in value.

Failure to properly determine the decline in value using the entire mineral property appraisal unit could result in an underassessment of the fixtures and equipment or an overassessment of the mineral rights.

Assessor's Response:

We concur. We will implement this recommendation as time and resources permit.