



STATE BOARD OF EQUALIZATION
 PROPERTY AND SPECIAL TAXES DEPARTMENT
 450 N STREET, SACRAMENTO, CALIFORNIA
 PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
 916 445-4982 • FAX 916 323-8765
 www.boe.ca.gov

BETTY T. YEE
 First District, San Francisco

BILL LEONARD
 Second District, Ontario/Sacramento

MICHELLE STEEL
 Third District, Rolling Hills Estates

JEROME E. HORTON
 Fourth District, Los Angeles

JOHN CHIANG
 State Controller

January 13, 2010

TO COUNTY ASSESSORS:

RAMON J. HIRSIG
 Executive Director
 No. 2010/004

VESSEL DEPRECIATION FACTORS

In 2008, Board staff initiated a project to develop depreciation factors to be used by county assessors in the mass appraisal of vessels when determining a value for property taxation purposes. Upon completion of this initial study, and with additional information provided by assessors' offices, we issued vessel depreciation factors for 2009 in Letter To Assessors 2008/081.

Enclosed is a table of depreciation factors that may be used beginning with the January 1, 2010 lien date. The vessel depreciation factors for lien date 2010 are significantly greater than those for last year. This reflects the negative influence of the overall economy on the market value of vessels for 2009-2010.

The original database was developed using stated values from the (1) *BUC Used Boat Price Guide*, (2) *N.A.D.A. Marine Appraisal Guide*, and (3) *ABOS Marine Blue Book*. The database includes the values from 2005 through 2009.

Houseboats are not included in the vessel depreciation table since most new houseboats are custom built and the value guides do not include values for these custom built vessels. The enclosed depreciation table includes categories for:

Powerboats

Inboard/Outboard/Stern Drive to 42'

Inboard/Outboard/Stern Drive over 42'

Sailboats

Personal Watercraft (Jet Ski)

Based on data provided by county assessors, the powerboat depreciation factors were developed using the following types/makes of vessels:

Bass	Sportsfisherman
Center Console	Ski
Cruiser	Sports Runabout
Day Cruiser	Trawler
Fish and Ski	Utility Cruiser
Racer	Utility Runabout
Runabout	Utility
Sports Cruiser	Yacht

Though information in the value guides used for our initial study indicated all classes of vessels that were included in the study experienced a higher depreciation rate for the first year when purchased new from a dealer (except the category of sailboats), the data indicated otherwise this year. This is likely tied to the economy and the overall greater decline in value in 2009. Therefore, the table does not include a different factor for the first year decline for lien date 2010.

We greatly appreciate the assistance from those assessors that responded to our survey on powerboats and to those who provided us with copies of the various value guides. We would also like to thank any future assistance that might be provided by completing future surveys. We hope the information presented proves useful, and that it promotes uniformity of assessments. The table is intended as a guide in the mass appraisal of vessels when determining value for property taxation purposes. However, relevant data pertinent to the assessment of specific property should always be reviewed and considered.

As this is an ongoing study, your input and assistance is welcomed so that we can provide you with the most representative and useful information possible. For questions or suggestions regarding the vessel study or factors, you may contact Mr. Michael Saunders at michael.saunders@boe.ca.gov or at 916-322-1840.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DG:mds
Enclosure

VESSEL DEPRECIATION FACTORS
January 1, 2010

POWERBOATS*

Inboard/Outboard/Stern Drive to 42' <i>Yearly decline including first year</i>	20%
Inboard/Outboard/Stern Drive over 42' <i>Yearly decline including first year</i>	17%

SAILBOATS

<i>Yearly decline including first year</i>	15%
--	-----

PERSONAL WATERCRAFT (Jet Ski)

<i>Yearly decline including first year</i>	26%
--	-----

* Bass	Sportsfisherman
Center Console	Ski
Cruiser	Sports Runabout
Day Cruiser	Trawler
Fish and Ski	Utility Cruiser
Racer	Utility Runabout
Runabout	Utility
Sports Cruiser	Yacht