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No. 2013/061

December 10, 2013

TO COUNTY ASSESSORS:

### VESSEL VALUATION FACTORS FOR LIEN DATE 2014

In 2008, Board staff initiated a project to develop factors for use by county assessors in the mass appraisal of vessels when determining a value for property taxation purposes. Upon completion of the initial study, and with additional information provided by assessors' offices, we have issued factors annually, including Letter To Assessors 2013/009 which provided the factors for the 2013 lien date.

Current data indicate that the market is still not in full recovery for all vessel categories. Though some categories have rebounded, such as for personal watercraft and sailboats, those that have strengthened previously, such as the powerboat category after the decline in 2009-10, have weakened again going through another decline—the most notable being for the category of Powerboats Inboard/Outboard/Stern Drive 30 feet and over. Demand for the larger powerboats is weak this year with an overabundance of these powerboats being offered for sale, similar to the decline for sailboats for lien date 2013.

The enclosed valuation factors may be applied to historic costs of vessels purchased anytime during the 2013 calendar year; and to the 2013 lien date values for vessels that were previously determined by application of the BOE valuation factors. The 2014 lien date valuation factor table includes categories for:

Powerboats  
     Inboard/Outboard/Stern Drive under 30'  
     Inboard/Outboard/Stern Drive 30' and over  
 Sailboats  
 Personal Watercraft (Jet Ski)

Length for the Inboard/Outboard/Stern Drive category have been adjusted from 38 feet to 30 feet based on current data and previous years data.

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

Bass	Sports Fisher
Center Console	Ski
Cruiser	Sports Runabout
Day Cruiser	Trawler
Fish and Ski	Utility Cruiser

Racer  
Runabout  
Sports Cruiser

Utility Runabout  
Utility  
Yacht

The valuation factors are 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. We hope the information presented proves useful and that it promotes uniformity of assessments.

As this is an annual study, your input and assistance is welcomed so that we may 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 1-916-274-3365.

Sincerely,

/s/ David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:mds  
Enclosure

## VESSEL VALUATION FACTORS January 1, 2014 Lien Date

The valuation factors below may be applied to prior year's assessed values and to reported costs of vessels purchased anytime during the 2013 calendar year  
(See examples on following page.)

<b>POWERBOATS* - Inboard/Outboard/Stern Drive Under 30 Feet</b>	
First year valuation factor for new models purchased in 2013	.86
Valuation factor for used models purchased in 2013	.93
Annual valuation factor for all vessels currently on the roll	.93
<b>POWERBOATS – Inboard/Outboard/Stern Drive 30 Feet and Over</b>	
First year valuation factor for new models purchased in 2013	.86
Valuation factor for used models purchased in 2013	.86
Annual valuation factor for all vessels currently on the roll	.86

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

<b>SAILBOATS</b>	
First year valuation factor for new models purchased in 2013	.93
Valuation factor for used models purchased in 2013	.93
Annual valuation factor for all vessels currently on the roll	.93
<b>PERSONAL WATERCRAFT (Jet Ski)</b>	
First year valuation factor for new models purchased in 2013	.97
Valuation factor for used models purchased in 2013	.97
Annual valuation factor for all vessels currently on the roll	.97

**Example 1**

A 36-foot powerboat was purchased used in 2009 for \$200,000. Trending the original historical purchase price and subsequent enrolled values by the factors provided by the Board for each year results in the following 2014 lien date value:

$$\$200,000 \times .80^1 = \$160,000 \text{ (2010 lien date value)}$$

$$\$160,000 \times 1.05^2 = \$168,000 \text{ (2011 lien date value)}$$

$$\$168,000 \times 1.00^3 = \$168,000 \text{ (2012 lien date value)}$$

$$\$168,000 \times .97^4 = \$162,960 \text{ (2013 lien date value)}$$

$$\$162,960 \times .86^5 = \$140,146 \text{ (2014 lien date value)}$$

**Example 2**

A 28-foot powerboat was purchased new for \$300,000 during the 2013 calendar year. Depreciating the purchase price of this vessel by the appropriate factor results in the following calculation to arrive at the lien date 2014 value:

$$\$300,000 \times .86^5 = \$258,000$$

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<sup>1</sup> See Letter To Assessors 2010/004, *Vessel Depreciation Factors*.

<sup>2</sup> See Letter To Assessors 2010/076, *Vessel Valuation Factors*.

<sup>3</sup> See Letter To Assessors 2012/004, *Vessel Valuation Factors*

<sup>4</sup> See Letter To Assessors 2013/009, *Vessel Valuation Factors*.

<sup>5</sup> See factor contained in this Letter To Assessors.