

INTERESTED PARTIES PROCESS –  
REPRESENTATIVE PERIOD FOR CERTIFICATED AIR CARRIERS  
AND SCHEDULED AIR TAXI OPERATORS

INTERESTED PARTIES MEETING

August 28, 2018

**Summary**

This interested parties meeting was the fourth in this interested parties process. The discussion focused on the meeting agenda, which included a report from the Assessors and Industry on recent meetings that occurred outside of the interested parties process.

**Report from Assessors and Industry**

- July 16, 2018 meeting: The discussion points included the challenges of choosing a representative week, the accuracy that a 365-day representative period brings, the burden that both sides will face if a 365-day representative period is used under the current laws and regulations, and other possible statistical data that could be used to measure activity, such as, Revenue Passenger Miles. The outcome and conclusion was an agreement that a 365-day representative period yields a more accurate allocation than the current allocation. Regarding the allocation factor, the group discussed the use of a time factor. Most group members agreed that the time spent at each airport is a very good indicator of a fleet's presence in that airport.
- July 25, 2018 meeting: Discussion points included the original intent of the 25% arrivals and departure factor, measuring a fleet's presence at an airport, mechanics of 365-day representative period reporting, and solutions for the California air time and taxi time problem. The outcome and conclusion was a consensus that actual time would be utilized and maintenance time would be included in the times reported. Also, a change to the allocation formula would require changes to the relevant Revenue and Taxation Code Sections, Property Tax Rules, BOE forms, and the BOE handbook. Expectations for this change would be for the 2020 lien date.
- August 16, 2018 meeting: Discussion points included a solution for the 2019 representative period, the 365-day representative period for the 2020 lien date, and the fiscal impact and verifiability of the data through audit. The outcome and solution is the proposal of different representative periods for different airlines.

**Conclusion**

Assessors and Industry both indicated that progress has been made and requested 60 days to determine the representative period for 2019, as well as the framework for the 365-day representative period proposal for 2020. The proposal will be provided to BOE staff by November 1, 2018. Tentatively, the next interested parties meeting is scheduled for November 7, 2018.