



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
c-4

For the meeting of: June 16, 2015

Date: May 29, 2015
To: Board of Supervisors
From: Phillip Smith-Hanes, County Administrative Officer *PSH*
Subject: Letter of Support for Assembly Bill 1157 Property Taxation: State Assessment: Commercial Air Carrier Personal Property.

RECOMMENDATION(S):

That the Board of Supervisors approves the letter of support (Attachment A) for Assembly Bill (AB) 1157 related to property tax assessment on commercial air carrier-owned property.

SOURCE OF FUNDING: General Fund

DISCUSSION:

AB 1157 preserves local control over local tax revenue. Existing property tax law requires the personal property of an air carrier to be taxed at its fair market value, and the California Constitution requires property subject to ad valorem property taxation (a taxed based on the value of real estate or personal property) to be assessed in the county in which it is situated. Existing law, for the 2005-06 fiscal year to the 2015-16 fiscal year specifies a formula to determine the fair market value of certificated aircraft of a commercial air carrier. Existing law further requires a lead county assessor's office for each commercial air carrier operating certificated aircraft in this state in an assessment year, and requires the lead county assessor to calculate the value of the air carrier's personal property and to transmit these calculations to other county assessors, but specifies that each county assessor is responsible for assessing and enrolling the

Prepared by Amy S. Nilsen

CAO Approval

Cheyl Dillingham

REVIEW:

Auditor _____ County Counsel _____ Human Resources _____ Other _____

TYPE OF ITEM:

Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Sundberg* Seconded by Supervisor *Bass*

Ayes *Sundberg, Lovelace, Fennell, Bass*

Nays _____

Abstain _____
Absent *Bohn*

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: *June 16, 2015*

By: *Kathy Hayes*
Kathy Hayes, Clerk of the Board

taxable value of the property in his or her county. AB 1157 would extend the 2015-16 fiscal year termination date of this system to the 2016-17 fiscal year and would therefore preserve the county-led property tax assessment system for commercial air-carrier owned property. The current system is the result of collaboration between the state Board of Equalization (BOE), the airline industry, and county assessors nearly a decade ago. County assessors have faithfully carried out their duties related to commercial air carrier-owned property assessments using the now well-established and successful methodology. If AB 1157 does not pass, the county will lose its control over taxing of aircraft and this function will be returned to the state BOE.

FINANCIAL IMPACT:

There is no direct financial impact to the county by submitting a letter of support. There is minimal staff time involved in the preparation of the agenda item and letter. These staff costs were already included in the fiscal year 2014-15 budget.

This letter of support supports the Board's Strategic Framework Priorities for New Initiatives by managing resources to ensure sustainability of services.

OTHER AGENCY INVOLVEMENT:

Not applicable.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to submit the letter of support.

ATTACHMENTS:

Attachment A – Letter of Support



**BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT**

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June 16, 2015

The Honorable Jim Wood
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0002

The Honorable Mike McGuire
State Capitol
1303 10th Street, Room 5064
Sacramento, CA 95814

Re: Assembly Bill 1157 Property Taxation: State Assessment: Commercial Air Carrier Personal Property.

Dear Assembly Member Wood and Senator McGuire:

On behalf of the Humboldt County Board of Supervisors, I am pleased to offer our support on Assembly Bill (AB) 1157, authored by Assembly Member Adrin Nazarian, related to property tax assessment on commercial air carrier-owned property.

The county appreciates the attention to the soon-to-expire lead county system and preserving the existing process, which was the result of collaboration between the Board of Equalization, the airline industry, and county assessors nearly a decade ago. County assessors have faithfully carried out their duties related to commercial air carrier-owned property assessments using the now well-established and successful methodology.

The county believes that county assessors collectively are the most efficient taxing entities in the state and will continue to serve all parties well in their on-going duties under this measure. For these aforementioned reasons, we are pleased to support AB 1157.

Sincerely,

Estelle Fennell
Humboldt County Board of Supervisors, Chair

cc:

Shaw, Yoder, Antwih
Rural County Representatives of California
California State Association of Counties