

MEMORANDUM
ASSESSOR DEPARTMENT
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: Bruce Dear, Assessor *BD*
DATE: October 2, 2007
SUBJECT: Exemption of Low Value Property from Assessment

REQUEST

Revise existing Low Value Property Resolution to add Mining Claims, Possessory Interests (PI), and Improvements in Real Estate Owned by Others (IREO) to the property assessments exempt from assessment when the full value of the property being assessed is \$5,000 or less.

BACKGROUND

All property not specifically exempted by federal or state statute is assessed as of the January 1st lien date and placed on the annual assessment roll. The California Revenue and Taxation Code Section 155.20 allows county boards of supervisors to exempt properties with a value of \$5,000 or less if the cost of assessing and collecting property tax revenue exceeds the total taxes and subventions derived from the assessment of the property. Previous resolution 2002 -- 300 exempted certain low value Unsecured Properties. The Assessor Department requests approval to exempt three additional property types. (See attached cost analyses).

FISCAL IMPACT

This action will allow for a more cost effective utilization of resources in the impacted departments. In the Assessor's Department staff savings will be used to focus on more complex Commercial and Business appraisals.

RECOMMENDATION

As authorized by California Revenue and Taxation Code Section 155.20, adopt the attached resolution exempting specific property with a full cash value of \$5,000 or less from local property assessment.

BMD/DEP

Attachments (3)



Attachment A

REVENUE / COST COMPARISON WITH \$5,000 OR LESS LOW VALUE THRESHOLD

Type of Property	# of Assessments	Assessed Value	Total Revenue	County Costs	Savings
807 Mining Claims	476	518,178	5,700	29,081	23,381
850 IREO	7	17,618	194	499	305
860 Possessory Interests	20	42,620	469	1,427	958
Total	503	578,416	6,363	31,007	24,644

**COST ANALYSIS
807 - MINING CLAIMS**

	Costs	% of Cost per Assessment	Assessment Share of Cost
Direct Labor	12,799	100%	12,799
Indirect Labor Costs	244,312	.003%	733
Administrative Costs	1,279,736	.003%	3,839
Services and Supplies	801,683	.003%	2,405
Total Assessor Costs			19,776
Assessor Cost per mining claim assessment			49.81
Auditor cost per assessment			3.05
Treasurer cost per assessment			8.23
Total Assessment costs			61.09
Average tax rate		1.1%	
Low Value Threshold			5,554
Labor costs to assess all mining claims			29,325
Labor costs to assess low value mining claim assessments			29,081

**COST ANALYSIS
850 - IREO and 860 - PI**

	Costs	% of Cost per Assessment	Assessment Share of Cost
Direct Labor	31,943	100%	31,943
Indirect Labor Costs	264,668	.004	1,059
Administrative Costs	1,321,233	.004	5,285
Services and Supplies	801,683	.004	3,207
Total Assessor Costs			41,493
Assessor Cost per IREO / PI assessment			60.05
Auditor cost per assessment			3.05
Treasurer cost per assessment			8.23
Total Assessment costs			71.33
Average tax rate		1.1%	
Low Value Threshold			6,485
Labor costs to assess all IREO / PI's			49,288
Labor costs to assess low value IREO / PI assessments			1,26

**Placer County Cost Analysis
Mining Claims**

Attachment C

Direct Labor Costs

	FY 05/06		
	Direct Costs		
02427	Mining claims	43	1,407
03013	Mining claims	82	3,518
04014	Mines & Quarries	160	7,874
		285	12,799

	Indirect Costs		
02401	Training	153	4,949
02402	Meetings	60	1,809
03001	Training	898	40,100
03002	Meetings	402	19,237
03005	Supervision	984	59,319
04001	Training	486	24,519
04002	Meetings	198	11,161
04005	Supervision	1435	83,218

times .003 733

	Administrative Costs	
	Dept. Management hours	230,450
	Standards hours	171,228
	IT Manager hours	126,302
	IT staff hours	194,343
	Admin Services hours	256,087
	Appraisal Group management	301,326

times .003 3,839.21

Supplies & Services 801,683

times .003 2,405.05

Total 19,776.193

Assessor cost per assessment	49.81
Auditor cost per assessment	3.05
Treasurer cost per assessment	8.23
Total	61.09

Average tax rate 1.1%

Low Value Theshold 5,554

Labor costs 29,325.16

Labor saving for 476 low value 29,080.79

Number of assessments	
Mining Claims	480

500

IREO /PI Cost Analysis

Attachment C

Direct Labor Costs

PCA	Description	Hours	Cost		
04013	Possessory Interests	220	10,785		10785
05013	Possessory Interests	81	6,046		6046
07009	Possessory Interest Support	100	4,039		4039
07010	IREO Support	4	160	160	
07014	PI Change in Ownership	195	8,928		8928
07015	PI New Construction	22	1,413		1413
07019	IREO CIO	5	248	248	
07020	IREO New Construction	6	324	324	
		633	31,943	732	31,211

Indirect Costs

04001	Training		19,452	19,452	19,452
04002	Meetings		14,099	14,099	14,099
04005	Supervision		65,278	65,278	65,278
05001	Training		32,125	32,125	32,125
05002	Meetings		18,505	18,505	18,505
05005	Supervision		106,967	106,967	106,967
07001	Training		770	770	770
07002	Meetings		1,540	1,540	1,540
07003	Supervision		5,932	5,932	5,932
	times .004		1,059	371	688

Administrative Costs

Dept Management regular hours	281,496	281,496	281,496
Standards Group regular hours	178,999	178,999	178,999
IT Manager regular hours	124,105	124,105	124,105
IT Section regular hours	229,043	229,043	229,043
Appraisal Group manager hours	244,248	244,248	244,248
Admin Services regular hours	263,342	263,342	263,342
times .004	5,285	1,850	3,435

Services & Supplies costs	801,683	801,683	801,683
times .004	3,207	1,122	2,084

Total	41,493	4,075	37,419
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Assessor cost per assessment	60.05	16.56	84.09
Auditor cost per assessment	3.05	3.05	3.05
Treasurer cost per assessment	8.23	8.23	8.23
	71.33	27.84	95.37

Average tax rate 1.1%

Low Value Theshold 6,485

Labor costs 49,288

Labor Savings for 27 low value 1,926

Number of assessments	Taxable
IREO's	246
PI - Land	445
	691

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

Resol. No: _____

In the matter of: The County of Placer exempting
from Property Taxation specified property with a
value of \$5,000 or less

Related to Ord. No: _____

The following Resolution was duly passed by the Board of Supervisors of the County
of Placer at a regular meeting held on October 2, 2007.

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA,
DOES HEREBY RESOLVE THAT:

WHEREAS, the California Revenue and Taxation Code Section 155.20 provides that a county board of supervisors may exempt from property taxation real property with a full value so low that, if not exempt, the total taxes, special assessments and applicable subventions on the property would amount to less than the cost of assessing and collecting them; and

WHEREAS, the Assessor has advised, and the Board hereby determines, that the cost of assessing the class of property comprising vessels, aircraft, unsecured property, business trade fixtures, possessory interests (PI), improvements on the real estate of other owners (IREO), and mining claims, with a full value of Five Thousand Dollars (\$5,000.00) or less exceeds the taxes and assessments that would be collected if such property were not exempt from taxation; and

NOW, THEREFORE, BE IT RESOLVED, except as provided below, that all vessels, aircraft, unsecured property, business trade fixtures, possessory interests (PI), improvements on the real estate of other owners (IREO), and mining claims having an assessed value of \$5,000 or less are hereafter exempt from property taxation.

The \$5,000 exemption above does not apply to an assessee whose total assessment from single or multiple locations within the same tax rate area for personal property, business trade fixtures, possessory interests (PI) and/or improvements on the real estate of other owners (IREO) exceeds \$5,000.

