



ASSESSOR'S OFFICE  
COUNTY OF SANTA CRUZ

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May 10, 2000

Agenda: June 6, 2000

Board of Supervisors  
County of Santa Cruz  
701 Ocean St.  
Santa Cruz, CA 95060

**Resolution Requesting the State Board of Equalization ("SBE") to permit the County Assessor and/or Auditor-Controller to examine the SBE's records**

Dear Members of the Board:

The assessment of public utilities in California is the responsibility of the State Board of Equalization (SBE) and for fiscal years 1992-93 through 1999-2000 was controlled by a Master Settlement Agreement entered into by the counties, the state and public utilities to settle lawsuits.

Recent amendments to the Valuation Manual by SBE suggest SBE may reduce utility values. The fiscal impact of these changes could result in a 2% decline in assessed value. A Post-2000 Committee made up of Assessors and County Counsels has been active in presenting our concerns to SBE, commenting on the revised Valuation Manual and discussing these issues with the SBE staff.

The purpose of this resolution is to (1) let SBE know the extent of the counties' commitment to fair valuation (2) review valuation data for the basis of objections during SBE valuation proceedings and in preparation for possible legal challenge to SBE values.

Revenue and Taxation Code 833 permits examination by the Assessor and/or Auditor-Controller, but makes no mention of County Counsel. Examination of SBE records and preparation of objection/responses will require technical valuation/appraisal expertise.

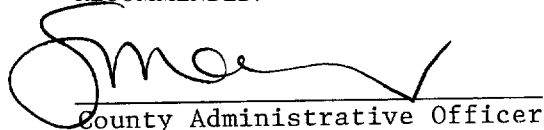
Therefore, I recommend that you approve the attached resolution.

Very truly yours,

  
ROBERT C. PETERSEN

ASSESSOR

RECOMMENDED:

  
County Administrative Officer

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO.

On the Motion of Supervisor  
duly seconded by Supervisor  
the following resolution is adopted

**RESOLUTION REQUESTING THE STATE BOARD OF  
EQUALIZATION (THE "SBE") TO PERMIT THE COUNTY  
ASSESSOR AND/OR AUDITOR-CONTROLLER TO EXAMINE THE  
SBE'S RECORDS**

WHEREAS, the State Board of Equalization (the "SBE") is responsible for annually assessing public utilities such as telephone, gas and power companies pursuant to California Constitution Article XI 11, Section 19: and

WHEREAS, a "Master Settlement Agreement" entered into by the counties and state and public utilities to settle lawsuits set a formula for valuation of public utilities by the SBE for fiscal years 1992-93 through 1999-2000; and

WHEREAS, the County is concerned that beginning with fiscal year 2000-01 the SBE will modify its methodology to reduce utility valuations below fair market value, and thereby reduce the amount of property taxes allocated to counties and other public entities; and

WHEREAS, Revenue and Taxation Code section 833 states that when requested by resolution of a county board of supervisors, the SBE shall permit the Assessor and/or Auditor-Controller of such county to examine any and all records of the SBE: and

WHEREAS, examination of SBE records will allow the county to monitor the SBE value-setting process and to examine the valuation indicators for each utility industry and the SBE staffs recommended values for utilities; and

WHEREAS, the collection of such data may be useful to the County Assessor in valuing utility property that is transferred to the local roll;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Santa Cruz County Board of Supervisors as follows:

That the County of Santa Cruz hereby request the SBE to permit the Assessor and/or Auditor-Controller of the County of Santa Cruz, or any duly authorized deputy or employee of the Assessor and/or Auditor-Controller, to examine any and all records of the SBE.

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PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz,  
State of California, the 6th day of June, 2000, by the following vote:

AYES:	SUPERVISORS
NOES:	SUPERVISORS
ABSENT:	SUPERVISORS
ABSTAIN:	SUPERVISORS

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Chairperson of the Board of Supervisors

Approved as to Form:

  
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County Counsel