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No. 2012/004

January 9, 2012

TO COUNTY ASSESSORS:

### VESSEL VALUATION FACTORS

In 2008, Board staff initiated a project to develop depreciation factors to be used 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 2010/076 which provided the factors for the 2011 lien date.

The data indicate that the vessel market is still adjusting towards historical trends that were typical previous to the economic downturn and severe declines in values of vessels in 2009-10. This year's valuation factors may be applied to historic costs of vessels purchased anytime during the 2011 calendar year, as well as to 2011 lien date vessel values that were previously determined by application of the Board's factors.

Houseboats are not included in the vessel valuation factor table since most new houseboats are custom built and the value guides do not include values for these custom built vessels. The enclosed valuation factor table includes categories for:

Powerboats  
     Inboard/Outboard/Stern Drive under 38'  
     Inboard/Outboard/Stern Drive 38' and over  
 Sailboats  
 Personal Watercraft (Jet Ski)

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

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

We hope the information presented proves useful and that it promotes uniformity of assessments. The table is 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.

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 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, 2012 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 2011 calendar year.  
(See examples on following page.)

<b>POWERBOATS* - Inboard/Outboard/Stern Drive Under 38'</b>	
First year valuation factor for new models purchased in 2011	.98
Valuation factor for used models purchased in 2011	1.00
Annual valuation factor for all vessels currently on the roll	1.00
<b>POWERBOATS – Inboard/Outboard/Stern Drive 38' and Over</b>	
First year valuation factor for new models purchased in 2011	.97
Valuation factor for used models purchased in 2011	.97
Annual valuation factor for all vessels currently on the roll	.97

<ul style="list-style-type: none"> <li>*Bass</li> <li>Center Console</li> <li>Cruiser</li> <li>Day Cruiser</li> <li>Fish and Ski</li> <li>Racer</li> <li>Runabout</li> <li>Sports Cruiser</li> </ul>	<ul style="list-style-type: none"> <li>Sportsfisherman</li> <li>Ski</li> <li>Sports Runabout</li> <li>Trawler</li> <li>Utility Cruiser</li> <li>Utility Runabout</li> <li>Utility</li> <li>Yacht</li> </ul>
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<b>SAILBOATS</b>	
First year valuation factor for new models purchased in 2011	.97
Valuation factor for used models purchased in 2011	.97
Annual valuation factor for all vessels currently on the roll	.97
<b>PERSONAL WATERCRAFT (Jet Ski)</b>	
First year valuation factor for new models purchased in 2011	.97
Valuation factor for used models purchased in 2011	1.00
Annual valuation factor for all vessels currently on the roll	1.00

***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 2012 lien date value:

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

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

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

***Example 2***

A 28-foot powerboat was purchased new for \$300,000 during the 2011 calendar year. Depreciating the purchase price of this vessel by the appropriate factor results in the following calculation to arrive at the lien date 2012 value:

$$\$300,000 \times .98^3 = \$294,000$$

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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 factor contained in this Letter To Assessors.