

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

INTERESTED PARTIES MEETING

May 23, 2018

Summary

This interested parties meeting was the third in this interested parties process. Discussion focused on the meeting agenda items but also included new information regarding talks between the assessors and certain industry representatives. The agenda items discussed involved expected resources, staff, and time needed to accommodate a transition to a 365-day representative period, a continuation of the discussion and analysis of the data samples presented prior to the April 5 meeting, and a continuation of the discussion of alternatives for the representative period should the 365-day approach not be adopted.

Additional Resources, Staff, and Time

On the issue of forecasted additional resources, staff, and time required:

- Assessors noted that it would be less burdensome if the data was received in smaller packets, rather than receiving a year's data in one transfer. Assessors would employ staff from CAA members from various counties to handle the additional workload. One assessor, not speaking for the CAA, explained that the additional burden would not be manageable, and for that reason, an appropriate one-week period should be selected.
- Industry stated that the compliance burden from a transition to a 365-day representative period under California's current allocation methodology would require flight-by-flight analysis and three-factor verification on hundreds of thousands of flights and would not be manageable. In addition to the need for increased staff, computer programming would be required. One participant noted a possible increase of three or four employees to handle the additional burden. However, industry participants asserted that compliance would be completely unworkable.

Review and Analysis of Data Samples

On the item regarding the data samples provided by prospective vendors, industry repeated a concern from the prior meeting regarding the accuracy of data in the samples. One vendor explained that the data is as accurate as the data they receive from the airlines; through hundreds of quality control checks and by communicating with airlines when data is missing, the data provided is accurate.

No additional objective analysis of the data samples was offered.

Representative Period Alternatives

In the discussion regarding alternatives for the representative period, industry explained that assessors and representatives from Airlines for America met via conference call on Monday, May 21, and agreed to work together to look at commercial aircraft assessment in California. Assessors and industry will work together outside of this interested parties process to convene a working group that includes assessors' subject matter experts from Los Angeles County and San Mateo County, and property tax professionals from industry. Excluded from that working group would be contract lobbyists and elected officials. The goal is to provide objective analysis by both sides in order to advance proposed changes to the current assessment allocation methodology.

The Los Angeles County Assessor's office presented an analysis of arrivals and departures by week covering the last five years based on publically available information. The analysis identifies weeks in April, May, September, October, and November as options for a representative period.

Industry expressed concerns about the use of fuel studies in supporting a representative period. They also expressed concerns about relying on a study based solely on arrivals and departures.

There was agreement between industry and assessors that a legislative solution that would simplify the assessment of certificated aircraft would be needed to advance the use of a full year's activity in the assessment allocation.