

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

INTERESTED PARTIES MEETING

November 7, 2018

Summary

This interested parties meeting was the fifth in this interested parties process. Discussion focused on the meeting agenda, which included a report from Assessors and Industry on recent meetings occurring outside of the interested parties process.

Report from Assessors and Industry

The Assessors and Industry met on October 17, 2018. While there has been a great deal of agreement in principle to a new allocation methodology that is required to implement a 365-day representative period, little to no progress has been made regarding the representative period for 2019.

2019:

Assessors and Industry did not agree to a 2019 representative period. Industry advised that any change from the status quo, one week in January, would cause great burden especially as they are gearing up for a 365-day representative period for 2020. Industry expressed their concerns during the October 17, 2018 meeting and to the California Assessors' Association Aircraft Advisory Subcommittee on October 23, 2018. The Aircraft Advisory Subcommittee heard Industry's concerns and reviewed data related to activity at California airports over a five-year period. Ultimately, the Aircraft Advisory Subcommittee decided to recommend the week of October 14-20, 2018, for the representative period to be used for the 2019 lien date.

2020:

Assessors and Industry have agreed in principle to a new allocation formula that would be more conducive to a 365-day representative period. Currently, there is agreement that the allocation factor should only be based on ground time and flight time. The parties are working on the mechanics of that type of reporting. The Assessors requested to see a sample reporting, along with some information as to how that reported data will be audited. Industry stated they can report ground time by airport and by fleet type relatively easily. For the flight times, there is agreement that the BOE standard published flight times will be used. The issue of maintenance time was brought forward during the October 17, 2018 meeting. Industry expressed and further clarified their request for the exclusion of maintenance time in the numerator. They clarified that only aircraft pulled out of revenue service would be considered for the exclusion, and that they are able to provide the detail of the aircraft that get pulled out of revenue service during the calendar year. After this clarification, the Assessors agreed that the concept makes sense.

Conclusion

Assessors and Industry have made progress regarding the representative week for 2020 but did not reach an agreement for the 2019 representative week. Assessors want a representative week that accurately reflects the average activity within the state and Industry wants the status quo. Assessors and Industry will continue to meet and work towards the implementation of a 365-day representative period.