



May 13, 2016

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500

Facsimile
916.441.5507

Honorable Ricardo Lara
Chair, Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

**RE: Senate Bill 1329 (Hertzberg). Property taxation: certificated aircraft.
As amended April 26, 2016 – OPPOSE
Set for Hearing May 16, 2016 – Senate Appropriations Committee**

Dear Senator Lara:

The California State Association of Counties (CSAC) respectfully opposes Senate Bill 1329 (Hertzberg) related to the assessment appeals process for air carrier property. This measure creates a significant financial risk to both state and local governments and substantial cost burdens for county agencies and the courts.

SB 1329 seeks to shift duties and responsibilities assigned to the county boards of equalization for air carrier assessment appeals to the trial courts, offering a trial *de novo*. This is troubling for reasons beyond the potential loss of property tax revenue. First, trial court judges lack expertise on property valuation methods, whereas an assessment appeals board member is appointed to his or her position based on career experience in relevant fields. Further, each board member is required by law to successfully pass State Board of Equalization training on valuation methods, procedures, and proper conduct. Trial court judges are not subject to any such requirements.

Second, the potential expense of “starting over” in court will be more than many counties can responsibly pursue, even though the alternative of seeking a settlement with the taxpayer would likely result in an amount much lower than the taxpayer rightfully is obligated to pay. For those counties that choose not seek a settlement, the drain on county resources could be extensive. This is for direct costs as well as staff resources that are in demand for everything ranging from county ordinance and ballot initiative review to managing complex employment disputes and child protective services cases.

Due to the risk of lost property tax revenue in addition to new cost burdens, CSAC respectfully opposes SB 1329. Please do not hesitate to contact me with any questions regarding our position at (916) 327-7500, ext. 505.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dorothy Holzem'.

Dorothy Holzem
Legislative Representative

cc: Honorable Robert Hertzberg, California State Senate
Honorable Members, Senate Appropriations Committee
Robert Ingenito, Senate Appropriations Committee
Mike Petersen, Consultant, Senate Republican Caucus