

ASSEMBLY BILL

No. 1157

Introduced by Assembly Member Nazarian

February 27, 2015

An act to amend Sections 401.17, 441, and 1153.5 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1157, as introduced, Nazarian. Property taxation: certificated aircraft assessment.

Existing property tax law requires the personal property of an air carrier to be taxed at its fair market value, and the California Constitution requires property subject to ad valorem property taxation to be assessed in the county in which it is situated. Existing law, for the 2005–06 fiscal year to the 2015–16 fiscal year, inclusive, specifies a formula to determine the fair market value of certificated aircraft of a commercial air carrier, and rebuttably presumes that the amount determined pursuant to this formula is the fair market value of the certificated aircraft. Existing law further requires, until December 31, 2015, the Aircraft Advisory Subcommittee of the California Assessors' Association to designate, after soliciting input from commercial air carriers operating in the state, a lead county assessor's office for each commercial air carrier operating certificated aircraft in this state in an assessment year, and requires the lead county assessor to calculate the value of the air carrier's personal property and to transmit these calculations to other county assessors, but specifies that each county assessor is responsible for assessing and enrolling the taxable value of the property in his or her county, as provided. Existing law also requires, until December 31, 2015, the lead county assessor's office to lead a

team to audit the books and records of commercial air carriers and authorizes these air carriers to file a property statement solely with the lead county assessor’s office, as provided.

This bill would extend the 2015–16 fiscal year termination date to the 2021–22 fiscal year and the December 31, 2015, inoperative or repeal date to December 31, 2021, for the above-described provisions relating to the determination of the fair market value and taxation of certificated aircraft.

By extending the application of the aforementioned valuation process for certificated aircraft beyond the 2015–16 fiscal year, thereby imposing new duties upon a lead county assessor’s office, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 401.17 of the Revenue and Taxation
2 Code is amended to read:
3 401.17. (a) For the 2005–06 fiscal year to the ~~2015–16~~
4 ~~2021–22~~ fiscal year, inclusive, it shall be rebuttably presumed that
5 the preallocated fair market value of each make, model, and series
6 of mainline jets, production freighters, and regional aircraft that
7 has attained situs within this state is the lesser of the sum total of
8 the amounts determined under paragraph (1) or the sum total of
9 the amounts determined under paragraph (2). The value of an
10 individual aircraft assessed to the original owner of that aircraft
11 shall not exceed its original cost from the manufacturer. The
12 preallocated fair market value of an aircraft may be rebutted by
13 evidence including, but not limited to, appraisals, invoices, and
14 expert testimony.

1 (1) (A) The original cost for the aircraft, which shall be
2 determined as follows and adjusted, as applicable, under
3 subparagraphs (B), (C), and (D):

4 (i) For owned and leased aircraft, the taxpayer's or lessor's
5 acquisition cost for that individual aircraft reported in accordance
6 with generally accepted accounting principles, and to the extent
7 not included in the acquisition cost, transportation costs and
8 capitalized interest and the cost of improvements made before a
9 transaction described in clause (ii). If the original cost for leased
10 aircraft cannot be determined from information reasonably
11 available to the taxpayer, original cost may be determined by
12 reference to the "average new prices" column of the Airliner Price
13 Guide for that model, series, and year of manufacture of aircraft.
14 If information is not available in the "average new prices" column
15 for that model, series, and year, the original cost may be determined
16 using the best indicator of original cost plus all conversion costs
17 and improvement costs incurred for that aircraft.

18 (ii) For sale/leaseback or assignment of purchase rights
19 transaction aircraft, the average of the taxpayer's cost established
20 pursuant to clause (i) and the cost established in a sale/leaseback
21 or assignment of purchase rights transaction for individual aircraft
22 that transfers the benefits and burdens of ownership to the lessor
23 for United States federal income tax purposes. In no event shall
24 the original cost for sale/leaseback aircraft be less than the
25 taxpayer's acquisition cost.

26 (iii) In the event of a merger, bankruptcy, or change in
27 accounting methods by the reporting airline, there shall be a
28 rebuttable presumption that the cost of the individual aircraft and
29 the acquisition date reported by the acquired company, if available,
30 or the cost reported prior to the change in accounting method, are
31 the original cost and the applicable acquisition date.

32 (B) (i) For mainline jets and production freighters, the original
33 cost described in subparagraph (A), plus the cost of any
34 improvements not otherwise included in the original cost, shall be
35 adjusted from the date of the acquisition of the aircraft to the lien
36 date using the monthly United States Department of Labor
37 Producer Price Index for aircraft and a 20-year straight-line
38 percent-good table starting from the delivery date of the aircraft
39 to the current owner or, in the case of a sale/leaseback or
40 assignment of purchase rights transaction, as described in this

1 section, the current operator with a minimum combined factor of
2 25 percent.

3 (ii) For regional aircraft, the original cost described in
4 subparagraph (A), plus the cost of any improvements not otherwise
5 included in the original cost, shall be adjusted from the date of the
6 acquisition of the aircraft to the lien date using the monthly United
7 States Department of Labor Producer Price Index for aircraft and
8 a 16-year straight-line percent-good table starting from the delivery
9 date of the aircraft to the current owner or, in the case of a
10 sale/leaseback or assignment of purchase rights transaction, as
11 described in this section, the current operator with a minimum
12 combined factor of 25 percent.

13 (iii) If original cost is determined by reference to the Airliner
14 Price Guide “average new prices” column, the adjustments required
15 by this paragraph shall be made by setting the acquisition date of
16 the aircraft to be the date of the aircraft’s manufacture.

17 (C) (i) For mainline jets and regional aircraft, the assessor shall
18 analyze the adjusted original cost derived pursuant to subparagraph
19 (B), for application of an economic obsolescence allowance which
20 shall be determined as follows:

21 (I) For the applicable year, the assessor shall calculate the
22 average annual net revenue per available seat mile, the net load
23 factor, and the yield utilizing the Airline Quarterly Financial
24 Review published by the United States Department of
25 Transportation, and referring to the section descriptive of the
26 passenger airline industry, entitled “System Operations, System
27 Pax. Majors” for the calendar year ending December 31
28 immediately preceding the applicable assessment date.

29 (II) For a 10-year benchmark, the assessor shall calculate as of
30 December 31 for each of the 10 calendar years preceding the
31 applicable year, the average annual net revenue per available seat
32 mile, the net load factor, and the yield utilizing the Airline
33 Quarterly Financial Review published by the United States
34 Department of Transportation, and referring to the section
35 descriptive of the passenger airline industry, entitled “System
36 Operations, System Pax. Majors” for the calendar year ending
37 December 31 immediately preceding the applicable assessment
38 date.

39 (ii) (I) The assessor shall compare each factor calculated under
40 subclause (I) of clause (i) with the corresponding factor calculated

1 under subclause (II) of clause (i) to derive the percentage that each
2 of the factors calculated under subclause (I) of clause (i) deviated
3 from the 10-year benchmark calculated under subclause (II) of
4 clause (i). The assessor shall then calculate a weighted average of
5 the indicated percentage adjustments, weighted as follows:

6 (aa) Net revenue per available seat mile shall be weighted 35
7 percent.

8 (ab) Net load factor shall be weighted 35 percent.

9 (ac) Yield shall be weighted 30 percent.

10 (II) The assessor shall reduce the adjusted original costs derived
11 under subparagraph (B) by the percentage adjustment calculated
12 in subclause (I), but only if the final economic obsolescence
13 determined under that subclause exceeds 10 percent, otherwise no
14 economic obsolescence allowance shall be provided.

15 (D) (i) For production freighters, the assessor shall analyze the
16 adjusted original cost derived under subparagraph (B), for
17 application of an economic obsolescence allowance, as follows:

18 (I) For the applicable year, the assessor shall calculate the
19 industry average of net revenue per available ton mile and the ton
20 load factor based upon the Airline Quarterly Financial Review
21 published by the United States Department of Transportation, and
22 referring to the section descriptive of the cargo airline industry,
23 entitled “System Operations, System Cargo Majors” for the
24 calendar year ending December 31 preceding the relevant
25 assessment date.

26 (II) For a 10-year benchmark, the assessor shall calculate as of
27 December 31 for each of the 10 calendar years preceding the
28 applicable year, the net revenue per available ton mile and the ton
29 load factor utilizing the Airline Quarterly Financial Review
30 published by the United States Department of Transportation and
31 referring to the section descriptive of the cargo airline industry,
32 entitled “System Operations, System Cargo Majors” as of
33 December 31 for each of the 10 calendar years preceding the
34 calendar year utilized for the subject year, for the calendar year
35 ending December 31 immediately preceding the applicable
36 assessment date.

37 (ii) (I) The assessor shall compare each factor calculated under
38 subclause (I) of clause (i) with the corresponding factor calculated
39 under subclause (II) of clause (i) to derive the percentage that each
40 of the factors calculated under subclause (I) of clause (i) deviated

1 from the 10-year benchmark calculated under subclause (II) of
2 clause (i). The assessor shall then calculate a weighted average of
3 the indicated percentage adjustments so that the net revenue per
4 available ton mile is weighted 50 percent and the ton load factor
5 is weighted 50 percent.

6 (II) The assessor shall reduce the adjusted original costs derived
7 under subparagraph (B) by the percentage adjustment calculated
8 in subclause (I), but only if the final economic obsolescence
9 determined under that subclause exceeds 10 percent, otherwise no
10 economic obsolescence allowance shall be provided.

11 (2) (A) Except as otherwise provided in subparagraph (B), for
12 each individual mainline jet, production freighter, or regional
13 aircraft, the assessor shall identify the value referenced in the “Used
14 Price of Avg. Acft. Wholesale” column of the Winter edition of
15 the Airliner Price Guide by make, model, series, and year of
16 manufacture, and deduct 10 percent from that value for a fleet
17 discount.

18 (B) For each individual mainline jet, production freighter, or
19 regional aircraft that is less than two years old and for which the
20 Airliner Price Guide does not list used wholesale values, the
21 original cost determined under paragraph (1) of subparagraph (A)
22 shall be decreased by the lesser of 5 percent or one-half of the
23 percentage decrease between original cost and 90 percent of the
24 value listed in the “Used Price of Avg. Acft. Wholesale” column
25 of the Winter edition of the Airliner Price Guide for a two-year-old
26 aircraft of that same make, model, and series.

27 (b) For the 2005–06 fiscal year to the ~~2015–16~~ 2021–22 fiscal
28 year, inclusive, it shall be rebuttably presumed that the preallocated
29 fair market value for each make, model, and series of converted
30 freighters that has attained situs within this state is the amount that
31 is determined as follows:

32 (1) (A) The assessor shall begin his or her appraisal of a
33 converted freighter as of the relevant lien date by identifying the
34 aircraft’s original cost as a passenger aircraft prior to conversion.
35 The aircraft’s original cost as a converted freighter shall be the
36 lesser of:

37 (i) Its trended original cost as a passenger aircraft prior to
38 conversion, less a downward adjustment of 10 percent to reflect
39 tear-outs.

1 (ii) Its value described in the Winter edition of the Airliner Price
2 Guide in the “Used Price of Avg. Acft. Wholesale” column in
3 passenger configuration, less a downward adjustment of 10 percent
4 to reflect tear-outs.

5 (B) The amount determined under subparagraph (A) shall be
6 adjusted according to the following:

7 (i) If, on the relevant lien date, the frame of the aircraft is 15
8 years old or more, 50 percent of the cost to convert the aircraft to
9 a freighter shall be added to the value determined under
10 subparagraph (A).

11 (ii) If, on the relevant lien date, the frame of the aircraft is less
12 than 15 years old, 75 percent of the cost to convert the aircraft to
13 a freighter shall be added to the value determined under
14 subparagraph (A).

15 (iii) In addition, all other improvements, including capitalized
16 interest, to the aircraft that are not otherwise included in the
17 aircraft’s original and conversion costs shall be added at full value.

18 (2) The amount determined under paragraph (1) shall be adjusted
19 from the date of the conversion of the aircraft to the lien date using
20 the monthly United States Department of Labor Producer Price
21 Index for aircraft and a 16-year straight-line percent-good table,
22 however, the percent-good applied to the aircraft shall in no event
23 be less than 15 percent.

24 (3) If the Airliner Price Guide “Used Price of Avg. Acft.
25 Wholesale” is utilized under paragraph (1), only the improvements
26 and adjusted conversion costs pertaining to the converted freighter
27 shall be adjusted from the date of the conversion of the aircraft to
28 the relevant lien date using the monthly United States Department
29 of Labor Producer Price Index for aircraft and a 16-year
30 straight-line percent-good table. In no event, however, shall the
31 percent-good applied to the improvements and adjusted conversion
32 costs be less than 15 percent.

33 (4) (A) Except as otherwise provided in subparagraph (B), the
34 assessor shall reduce the adjusted original cost, plus improvements,
35 and adjusted conversion costs, derived under paragraphs (1) to (3),
36 inclusive, by the obsolescence percentage adjustment calculated
37 for production freighters under subparagraph (D) of paragraph (1)
38 of subdivision (a).

39 (B) If the Airliner Price Guide “Used Price of Avg. Acft.
40 Wholesale” is utilized under paragraph (1), only the improvements

1 and adjusted conversion costs pertaining to the converted freighter
2 shall be reduced by the obsolescence percentage adjustment
3 described in subparagraph (A).

4 (c) For purposes of this section, if the Airliner Price Guide
5 ceases to be published or the format significantly changes, a guide
6 or adjustment agreed to by commercial air carriers and the counties
7 in which certificated aircraft have situs shall be substituted. If these
8 parties do not agree on a guide or adjustment, the State Board of
9 Equalization shall determine the guide or adjustment.

10 (d) The taxpayer shall, to the extent that information is
11 reasonably available to the taxpayer, furnish the county assessor
12 with an annual property statement that includes the aircraft original
13 costs as defined in subparagraph (A) of paragraph (1) of
14 subdivision (a). If an air carrier that has this information reasonably
15 available to it fails to report original cost and improvements, as
16 required by Sections 441 and 442, an assessor may in that case
17 make an appropriate assessment pursuant to Section 501.

18 (e) For purposes of this section, all of the following apply:

19 (1) “Converted freighter” means a certificated aircraft, as defined
20 in Section 1150, that, following its original manufacture, was used
21 for passenger transportation, but was later converted to be used
22 primarily for cargo transportation purposes.

23 (2) “Mainline jet” means a certificated aircraft, as defined in
24 Section 1150, that is either of the following:

25 (A) Manufactured by Boeing, Airbus, or McDonnell Douglas.

26 (B) Capable of being configured with approximately 100 seats
27 or more.

28 (3) “Production Freighter” means a certificated aircraft, as
29 defined in Section 1150, that immediately following its
30 manufacture is deployed primarily for cargo transportation
31 purposes.

32 (4) “Regional aircraft” means a certificated aircraft, as defined
33 in Section 1150, that is either of the following:

34 (A) Manufactured by ATR (Avions De Transport Regional),
35 Beech, British Aerospace Jetstream, Canadair Regional Jet, Cessna,
36 DeHaviland, Embraer, Fairchild, or Saab.

37 (B) Generally configured with fewer than 100 seats.

38 (5) “Improvements” means the cost of any modifications or
39 capital additions that materially add to the value of or substantially
40 prolong the useful life of the aircraft, or make it adaptable to a

1 different use. “Improvements” include modification costs incurred
2 during a heavy maintenance visit to the extent that they materially
3 add to the value of or substantially prolong the useful life of the
4 aircraft. “Improvements” do not include repair and maintenance
5 costs incurred for the purpose of keeping the aircraft in an
6 ordinarily efficient operating condition.

7 (6) “Net revenue per available seat mile” means operating
8 revenue per available seat mile less cost per available seat mile as
9 determined by the United States Department of Transportation.

10 (7) “Net load factor” means actual passenger load factor less
11 break-even passenger load factor, as determined by the United
12 States Department of Transportation.

13 (8) “Net revenue per available ton mile” means operating
14 revenue per ton mile less cost per available ton mile as determined
15 by the United States Department of Transportation.

16 (9) “Yield” means average revenue per revenue passenger mile
17 as determined by the United States Department of Transportation.

18 (10) “Ton Load Factor” means that percentage of effective use
19 of cargo capacity as determined by the United States Department
20 of Transportation.

21 (f) The amendments made by the act adding this subdivision
22 shall apply with respect to lien dates occurring on and after January
23 1, 2011.

24 SEC. 2. Section 441 of the Revenue and Taxation Code is
25 amended to read:

26 441. (a) Each person owning taxable personal property, other
27 than a manufactured home subject to Part 13 (commencing with
28 Section 5800), having an aggregate cost of one hundred thousand
29 dollars (\$100,000) or more for any assessment year shall file a
30 signed property statement with the assessor. Every person owning
31 personal property that does not require the filing of a property
32 statement or real property shall, upon request of the assessor, file
33 a signed property statement. Failure of the assessor to request or
34 secure the property statement does not render any assessment
35 invalid.

36 (b) The property statement shall be declared to be true under
37 the penalty of perjury and filed annually with the assessor between
38 the lien date and 5 p.m. on April 1. The penalty provided by Section
39 463 applies for property statements not filed by May 7. If May 7
40 falls on a Saturday, Sunday, or legal holiday, a property statement

1 that is mailed and postmarked on the next business day shall be
2 deemed to have been filed between the lien date and 5 p.m. on
3 May 7. If, on the dates specified in this subdivision, the county's
4 offices are closed for the entire day, that day is considered a legal
5 holiday for purposes of this section.

6 (c) The property statement may be filed with the assessor
7 through the United States mail, properly addressed with postage
8 prepaid. For purposes of determining the date upon which the
9 property statement is deemed filed with the assessor, the date of
10 postmark as affixed by the United States Postal Service, or the
11 date certified by a bona fide private courier service on the envelope
12 containing the application, shall control. This subdivision shall be
13 applicable to every taxing agency, including, but not limited to, a
14 chartered city and county, or chartered city.

15 (d) (1) At any time, as required by the assessor for assessment
16 purposes, every person shall make available for examination
17 information or records regarding his or her property or any other
18 personal property located on premises he or she owns or controls.
19 In this connection details of property acquisition transactions,
20 construction and development costs, rental income, and other data
21 relevant to the determination of an estimate of value are to be
22 considered as information essential to the proper discharge of the
23 assessor's duties.

24 (2) (A) This subdivision shall also apply to an owner-builder
25 or an owner-developer of new construction that is sold to a third
26 party, is constructed on behalf of a third party, or is constructed
27 for the purpose of selling that property to a third party.

28 (B) The owner-builder or owner-developer of new construction
29 described in subparagraph (A), shall, within 45 days of receipt of
30 a written request by the assessor for information or records, provide
31 the assessor with all information and records regarding that
32 property. The information and records provided to the assessor
33 shall include the total consideration provided either by the
34 purchaser or on behalf of the purchaser that was paid or provided
35 either, as part of or outside of the purchase agreement, including,
36 but not limited to, consideration paid or provided for the purchase
37 or acquisition of upgrades, additions, or for any other additional
38 or supplemental work performed or arranged for by the
39 owner-builder or owner-developer on behalf of the purchaser.

1 (e) In the case of a corporate owner of property, the property
2 statement shall be signed either by an officer of the corporation or
3 an employee or agent who has been designated in writing by the
4 board of directors to sign the statements on behalf of the
5 corporation.

6 (f) In the case of property owned by a bank or other financial
7 institution and leased to an entity other than a bank or other
8 financial institution, the property statement shall be submitted by
9 the owner bank or other financial institution.

10 (g) The assessor may refuse to accept any property statement
11 he or she determines to be in error.

12 (h) If a taxpayer fails to provide information to the assessor
13 pursuant to subdivision (d) and introduces any requested materials
14 or information at any assessment appeals board hearing, the
15 assessor may request and shall be granted a continuance for a
16 reasonable period of time. The continuance shall extend the
17 two-year period specified in subdivision (c) of Section 1604 for a
18 period of time equal to the period of the continuance.

19 (i) Notwithstanding any other provision of law, every person
20 required to file a property statement pursuant to this section shall
21 be permitted to amend that property statement until May 31 of the
22 year in which the property statement is due, for errors and
23 omissions not the result of willful intent to erroneously report. The
24 penalty authorized by Section 463 does not apply to an amended
25 statement received prior to May 31, provided the original statement
26 is not subject to penalty pursuant to subdivision (b). The amended
27 property statement shall otherwise conform to the requirements
28 of a property statement as provided in this article.

29 (j) This subdivision shall apply to the oil, gas, and mineral
30 extraction industry only. Any information that is necessary to file
31 a true, correct, and complete statement shall be made available by
32 the assessor, upon request, to the taxpayer by mail or at the office
33 of the assessor by February 28. For each business day beyond
34 February 28 that the information is unavailable, the filing deadline
35 in subdivision (b) shall be extended in that county by one business
36 day, for those statements affected by the delay. In no case shall
37 the filing deadline be extended beyond June 1 or the first business
38 day thereafter.

39 (k) The assessor may accept the filing of a property statement
40 by the use of electronic media. In lieu of the signature required by

1 subdivision (a) and the declaration under penalty of perjury
 2 required by subdivision (b), property statements filed using
 3 electronic media shall be authenticated pursuant to methods
 4 specified by the assessor and approved by the board. Electronic
 5 media includes, but is not limited to, computer modem, magnetic
 6 media, optical disk, and facsimile machine.

7 (l) (1) After receiving the notice required by Section 1162, the
 8 manager in control of a fleet of fractionally owned aircraft shall
 9 file with the lead county assessor’s office one signed property
 10 statement for all of its aircraft that have acquired situs in the state,
 11 as described in Section 1161.

12 (2) Flight data required to compute fractionally owned aircraft
 13 allocation under Section 1161 shall be segregated by airport.

14 (m) (1) After receiving the notice required by paragraph (5) of
 15 subdivision (b) of Section 1153.5, a commercial air carrier whose
 16 certificated aircraft is subject to Article 6 (commencing with
 17 Section 1150) of Chapter 5 shall file with the lead county assessor’s
 18 office designated under Section 1153.5 one signed property
 19 statement for its personal property at all airport locations and
 20 fixtures at all airport locations.

21 (2) Each commercial air carrier may file one schedule for all of
 22 its certificated aircraft that have acquired situs in this state under
 23 Section 1151.

24 (3) Flight data required to compute certificated aircraft allocation
 25 under Section 1152 and subdivision (g) of Section 202 of Title 18
 26 of the California Code of Regulations shall be segregated by airport
 27 location.

28 (4) Beginning with the 2006 assessment year, a commercial air
 29 carrier may file a statement described in this subdivision
 30 electronically by means of the California Assessor’s Standard Data
 31 Record (SDR) network. If the SDR is not equipped to accept
 32 electronic filings for the 2006 assessment year, an air carrier may
 33 file a printed version of its property statement for that year with
 34 its lead county assessor’s office.

35 (5) This subdivision shall remain in effect *operative* only until
 36 December 31, 2015, and as of that date is repealed 2021.

37 SEC. 3. Section 1153.5 of the Revenue and Taxation Code is
 38 amended to read:

39 1153.5. (a) The Aircraft Advisory Subcommittee of the
 40 California Assessors’ Association shall, after soliciting input from

1 commercial air carriers operating in the state, do both of the
2 following:

3 (1) On or before March 1, 2006, and on or before each March
4 1 thereafter, designate a lead county assessor's office for each
5 commercial air carrier operating certificated aircraft in this state
6 in that assessment year.

7 (2) Every third year thereafter, redesignate a lead county
8 assessor's office for each of these air carriers, unless an air carrier
9 and its existing lead county assessor's office concur to waive this
10 redesignation.

11 (b) The lead county assessor's office described in subdivision
12 (a) shall do all of the following:

13 (1) Calculate, pursuant to Section 401.17, an unallocated value
14 of the certificated aircraft of each commercial air carrier to which
15 he or she is designated.

16 (2) Electronically transmit to the assessor of each county in
17 which the property described in paragraph (1) has situs for the
18 assessment year the values determined by the lead county
19 assessor's office under paragraph (1).

20 (3) Receive the property statement, as described in subdivision
21 (l) of Section 441, of each commercial air carrier to which he or
22 she is designated.

23 (4) Lead the audit team described in subdivision (d) when that
24 team is conducting an audit of a commercial air carrier to which
25 he or she is designated.

26 (5) Notify, in writing, each commercial air carrier for which he
27 or she has been designated of this designation on or before the first
28 March 15 that follows that designation.

29 (c) (1) Notwithstanding subdivision (b), the county assessor of
30 each county in which the personal property of a commercial air
31 carrier has situs for an assessment year is solely responsible for
32 assessing that property, applying the allocation formula set forth
33 in Section 1152, and enrolling the value of the property in that
34 county, but, in determining the unallocated fleet value for each
35 make, model, and series of certificated aircraft of a commercial
36 air carrier, the assessor may consult with the lead county assessor's
37 office designated for that commercial air carrier.

38 (2) The lead county assessor's office is subject to Section 322
39 of Title 18 of the California Code of Regulations and Sections

1 408, 451, and 1606 to the same extent as the assessor described in
2 paragraph (1).

3 (d) Notwithstanding Section 469, an audit of a commercial air
4 carrier shall be conducted once every four years on a centralized
5 basis by an audit team of auditor-appraisers from at least one, but
6 not more than three, counties, as determined by the Aircraft
7 Advisory Subcommittee of the California Assessors' Association.
8 An audit, so conducted, shall encompass all of the California
9 Personal Property and fixtures of the air carrier and is deemed to
10 be made on behalf of each county for which an audit would
11 otherwise be required under Section 469.

12 (e) This section shall remain in effect only until December 31,
13 ~~2015~~, 2021, and as of that date is repealed.

14 SEC. 4. If the Commission on State Mandates determines that
15 this act contains costs mandated by the state, reimbursement to
16 local agencies and school districts for those costs shall be made
17 pursuant to Part 7 (commencing with Section 17500) of Division
18 4 of Title 2 of the Government Code.