



P.O. Box 1079  
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www.citiesassociation.org

June 16, 2016

Senator Robert M. Hertzberg  
Chair, Senate Governance & Finance  
Committee  
State Capitol, Room 408  
Sacramento, CA 95814

Assembly Member Sebastian Ridley-Thomas  
Chair, Assembly Revenue & Taxation  
Committee  
State Capitol, Room 2176  
Sacramento, CA 95814

**RE: SB 1329 (Hertzberg) Property Taxation: Certificated Aircraft – OPPOSE –**

**Location: Assembly Revenue & Taxation Committee**

**AB 2622 (Nazarian) Property Taxation: Certificated Aircraft Assessment – SUPPORT –**

**Location: Senate Governance & Finance Committee**

Dear Senator Hertzberg and Assembly Member Ridley-Thomas:

On behalf of the Cities Association of Santa Clara County, I write to inform you of our opposition to SB 1329 (Hertzberg) and support for AB 2622 (Nazarian). It is my understanding that both bills are in active negotiations with California Assessors Association, Airlines For America, legislative staff and members of the state legislature.

The Cities Association is a collaboration of the 15 cities in Santa Clara County that addresses issues of mutual interest across the region. Senate Bill 1329 had previously included a legal concept called Trial De Novo and we strongly oppose any effort to reinsert this provision into SB 1329 or any other bill. We also remain opposed to SB 1329 in its current version as it merely continues mandating a specific assessment methodology, which provides a significant tax break that was set over a decade ago in the wake of 9/11 to provide temporary relief. In contrast, the author of AB 2622, Assembly Member Nazarian, has been in active negotiations for over a year and has proposed modifications to the current methodology for assessing aircraft which modifies the existing methodology to bring it closer to market value just like all other businesses.

Trial de Novo could result in a loss of property tax revenue and raises other concerns that impact our cities and region. Whether it be for one industry or all corporations, trial de novo would seriously undermine the constitutionally established independent local assessment appeals boards. Assessment appeals boards are an extremely efficient and cost-effective way of resolving these disputes, and they are independent of both the assessor and county government. Currently, the vast majority of assessment appeals result in a reduction or a mutually agreed stipulation between the property owner and the



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assessor.

For these reasons, **the Cities Association opposes SB 1329 and supports AB 2622.** Thank you for your continued efforts.

Sincerely,

Jim Griffith  
President, Cities Association of Santa Clara County  
Council Member, City of Sunnyvale

cc: Assembly Member Adrin Nazarian  
Colin Grinnell, Chief Consultant, Senate Committee on Governance and Finance  
Oksana Gaffe, Chief Consultant, Assembly Committee on Revenue and Taxation  
Dan Carrigg, League of California Cities, [CarriggD@cacities.org](mailto:CarriggD@cacities.org)  
Cities Association Board of Directors  
Larry Stone, Santa Clara County Assessor  
Santa Clara County State Delegation