
NEWS

From RICK AUERBACH LOS ANGELES COUNTY ASSESSOR

320 Hall of Administration, 500 West Temple Street, Los Angeles, California 90012
Telephone: (213) 974-3101 • Fax: (213) 617-1493 • lacountyassessor.com

SATELLITE UPDATE

Because of confusion about the assessment of privately owned orbiting satellites, I would like to clarify how this question arose and what the outcome might be. The issue evolved out of a routine business audit of property belonging to a company headquartered in Los Angeles County. Our Auditor found that the firm owned various satellites placed in orbit for commercial purposes.

It appeared the satellites might meet criteria requiring an assessment. Assessors throughout California frequently seek expert advice about complex legal problems and this was what I did. I asked my County Counsel and then the legal staff from the State Board of Equalization for opinions concerning the tax status of these satellites. Both concluded that these satellites appeared to satisfy the criteria requiring an assessment.

On July 10, 2001, the elected State Board of Equalization reviewed the facts of the situation and voted to prepare a rule which would clarify that satellites do not have situs in California for property tax purposes and they are not subject to taxation in this state. I expect this rule to be approved by the Board and become law in the near future. If the Board of Equalization does adopt a rule prohibiting satellite assessments, and it conforms with the California Revenue and Taxation Code and the State Constitution, as I expect it will, I will follow that rule.

It is also important to recognize that my responsibilities are in no way revenue-driven. My duty under the State Constitution, and my charge from the voters, is to follow the law and fairly and accurately value all taxable property owned by businesses and residents of Los Angeles County.

My administration supports the business community and all other Los Angeles County property owners. I am one of the first assessors to create and meet with advisory committees which include community leaders, builders, developers, realtors and representatives of various industries. I will continue to listen to their concerns and act on any suggestions which might improve the property tax process.