

**Stanislaus County Oakdale Airport/Assessments
Grand Jury Case No. 03-41-HE
2002-2003**

REASON FOR INVESTIGATION

A citizen's complaint was received regarding procedure used by Oakdale City Airport to identify aircraft at that site which should be reported to the Stanislaus County Tax Assessor for tax assessment.

BACKGROUND

The Oakdale Airport, located east of Oakdale, CA, is one of many small municipal airports in Stanislaus County

PROCEDURES FOLLOWED

1. The Civil Grand Jury interviewed Oakdale Airport personnel at the site.
2. The Civil Grand Jury interviewed tenants of Oakdale Airport.
3. The Civil Grand Jury interviewed staff at the Stanislaus County Assessor's Office.
4. The Civil Grand Jury interviewed the Stanislaus County Assessor.

FINDINGS

1. The California Revenue and Taxation Code 5362 requires counties to assess all aircraft "habitually situated" in their county.
2. The California Revenue and Taxation Code 5362 requires the airports to provide their county Assessors with names of owners and operators of aircraft that use the site as a "base of operations."
3. One multiple-engine aircraft grounded at Oakdale Airport for at least one year because of an inoperative engine was not reported to or assessed by the county.
4. The Stanislaus County Assessor depends almost entirely upon the City of Oakdale's annual report for determining which aircraft are habitually located at that site.
5. The Stanislaus County Assessor depends almost entirely upon the City of Oakdale's report for determining which aircraft use the Oakdale site as a "base of operations."
6. The County Assessor does not have a clear definition for "habitually situated."
7. The County Assessor does not have a clear definition of "base of operations."

8. The Oakdale Airport has no legal requirement to document how much time any tenant's aircraft spends at the airfield.
9. Tenants at Oakdale Airport are not required to keep a log of how long their aircraft spend at this site.
10. Rent revenue far exceeds tax revenue as a source of income for the airport.
11. Oakdale City Airport personnel were very helpful and cooperative, providing answers to all questions.
12. The Stanislaus County Assessor's Office provided all information requested in a timely and helpful manner.

CONCLUSIONS

1. The Stanislaus County Assessor does not require airports within the county to keep a record of how much time their tenants' aircraft spend at the site.
2. Stanislaus County is losing revenue by not assessing airplanes.

RECOMMENDATIONS

1. That the Stanislaus County Assessor provide an objective written definition for determining when an aircraft is "habitually located" in the county.
2. That the Stanislaus County Assessor develop a written definition for "base of operations" that is objective and can be understood by any interested party for determining which aircraft in the county will be assessed.
3. That the Stanislaus County Tax Assessor develop a plan to aggressively identify and stop tax losses at all airports in Stanislaus County.