

SAN LUIS OBISPO COUNTY SUPPLEMENTAL ASSESSMENT PRACTICES SURVEY

OCTOBER 2023

CALIFORNIA STATE BOARD OF EQUALIZATION

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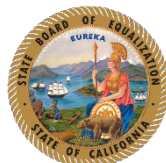
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October 24, 2023

TO COUNTY ASSESSORS:

**SAN LUIS OBISPO COUNTY
SUPPLEMENTAL ASSESSMENT PRACTICES SURVEY**

No. 2023/038

A copy of the San Luis Obispo County Supplemental Assessment Practices Survey Report is enclosed for your information. The State Board of Equalization (BOE) completed this survey in fulfillment of the provisions of sections 15640-15646 of the Government Code. These code sections provide that the BOE shall make surveys in specified counties to determine that the practices and procedures used by the County Assessor in the valuation of properties are in conformity with all provisions of law.

The Honorable Tom J. Bordonaro, Jr., San Luis Obispo County Assessor, was provided a draft of this report and given an opportunity to file a written response to the findings and recommendations contained therein. The report, including the Assessor's response, constitutes the final survey report, which is distributed to the Governor, the Attorney General, and the State Legislature; and to the San Luis Obispo County Board of Supervisors, Grand Jury, and Assessment Appeals Board.

Fieldwork for this supplemental survey was performed by the BOE's County-Assessed Properties Division during March 2023. The report does not reflect changes implemented by the Assessor after the fieldwork was completed.

Mr. Bordonaro and staff gave their complete cooperation during the survey. We gratefully acknowledge their patience and courtesy during the interruption of their normal work routine.

Sincerely,

/s/ David Yeung

David Yeung
Deputy Director
Property Tax Department

DY:lp
Enclosure

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INTRODUCTION

Although county government has the primary responsibility for local property tax assessment, the State has both a public policy interest and a financial interest in promoting fair and equitable assessments throughout California. The public policy interest arises from the impact of property taxes on taxpayers and the inherently subjective nature of the assessment process. The financial interest derives from state law that annually guarantees California schools a minimum amount of funding; to the extent that property tax revenues fall short of providing this minimum amount of funding, the State must make up the difference from the general fund.

The assessment practices survey program is one of the State's major efforts to address these interests and to promote uniformity, fairness, equity, and integrity in the property tax assessment process. Under this program, the State Board of Equalization (BOE) periodically reviews the practices and procedures (surveys) of specified County Assessors' offices. This report reflects the BOE's findings in its current survey of the San Luis Obispo County Assessor's Office.

The Assessor is required to file with the board of supervisors a response that states the manner in which the Assessor has implemented, intends to implement, or the reasons for not implementing the recommendations contained in this report. Copies of the response are to be sent to the Governor, the Attorney General, the BOE, and the Senate and Assembly; and to the San Luis Obispo County Board of Supervisors, Grand Jury, and Assessment Appeals Board. That response is to be filed within one year of the date the report is issued and annually thereafter until all issues are resolved. The Honorable Tom Bordonaro, Jr., San Luis Obispo County Assessor, elected to file his initial response prior to the publication of our survey; it is included in this report following the Appendices.

OBJECTIVE

The survey shall "...show the extent to which assessment practices are consistent with or differ from state law and regulations."¹ The primary objective of a survey is to ensure the Assessor's compliance with state law governing the administration of local property taxation. This objective serves the three-fold purpose of protecting the state's interest in the property tax dollar, promoting fair treatment of taxpayers, and maintaining the overall integrity and public confidence in the property tax system in California.

The objective of the survey program is to promote statewide uniformity and consistency in property tax assessment by reviewing each specified county's property assessment practices and procedures, and publishing an assessment practices survey report. Every Assessor is required to identify and assess all properties located within the county – unless specifically exempt – and maintain a database or "roll" of the properties and their assessed values. If the Assessor's roll meets state requirements, the county is allowed to recapture some administrative costs.

SCOPE AND METHODOLOGY

Government Code sections 15640 and 15642 define the scope of an assessment practices survey. As directed by those statutes, our survey addresses the adequacy of the procedures and practices employed by the Assessor in the valuation of property, the volume of assessing work as measured by property type, and the performance of other duties enjoined upon the Assessor.

Pursuant to Revenue and Taxation Code² section 75.60, the BOE determines through the survey program whether a county assessment roll meets the standards for purposes of certifying the eligibility of the county to continue to recover costs associated with administering supplemental assessments. Such certification is obtained either by satisfactory statistical result from a sampling of the county's assessment roll or by a determination by the survey team – based on objective standards defined in regulation – that there are no significant assessment problems in the county.

The BOE has elected to conduct a supplemental survey for San Luis Obispo County. The supplemental survey includes a review of the recommendations contained in the prior survey report, the Assessor's written response to the recommendations, the Assessor's current records pertaining to those recommendations, and interviews with the Assessor and his staff. This supplemental survey is made to determine the extent to which the Assessor has implemented the recommendations contained in the prior survey report and to identify areas where problems still exist.

This supplemental survey examined the assessment practices of the San Luis Obispo County Assessor's Office for the 2022-23 assessment roll. Since this survey did not include an assessment sample pursuant to Government Code section 15640(c), our review included an examination to determine whether significant assessment problems exist, as defined by Rule 371.

¹ Government Code section 15642.

² Unless otherwise stated, all statutory references are to the California Revenue and Taxation Code and all rule references are to sections of California Code of Regulations, Title 18, Public Revenues.

Our survey methodology of the San Luis Obispo County Assessor's Office included reviews of the Assessor's records, interviews with the Assessor and their staff, and contacts with officials in other public agencies in San Luis Obispo County who provided information relevant to the property tax assessment program.

For a detailed description of the scope of our review of county assessment practices, please refer to the document entitled *Scope of Assessment Practices Surveys*, which is available on the BOE's website at <http://www.boe.ca.gov/Assessors/pdf/Scopemaster.pdf>. Additionally, detailed descriptions of assessment practices survey topics, authoritative citations, and related information can be found at <http://www.boe.ca.gov/proptaxes/apscont.htm>.

EXECUTIVE SUMMARY

The BOE has elected to perform a supplemental survey of the San Luis Obispo County Assessor's Office, addressing only the recommendations from the prior survey and whether the Assessor has implemented those recommendations. In the 2019 San Luis Obispo County Assessment Practices Survey Report, there were a total of five recommendations.

In the area of real property assessment, we reviewed two prior recommendations identified in the Assessor's change in ownership and mineral property programs. The Assessor has implemented the recommendation related to the change in ownership program. However, the Assessor has not implemented the recommendation related to the mineral property program.

In the area of personal property and fixtures, we reviewed three prior recommendations identified in the Assessor's audit, business property statement, and business equipment valuation programs. The Assessor has implemented the recommendations related to the business property statement and business equipment valuation programs and partially implemented the recommendation related to the audit program.

OVERVIEW OF SAN LUIS OBISPO COUNTY

San Luis Obispo County is one of California's original 27 counties created in 1850. The county encompasses 3,298.56 square miles of land area and 316.98 square miles of water area. San Luis Obispo County is bordered by Monterey County to the north, Kern County to the east, Santa Barbara County to the south, and the Pacific Ocean to the west.

As of 2022, San Luis Obispo County has an estimated population of 282,013. There are seven incorporated cities in San Luis Obispo County, which include Arroyo Grande, Atascadero, El Paso De Robles, Grover Beach, Morro Bay, Pismo Beach, and San Luis Obispo. The county seat is San Luis Obispo.

The San Luis Obispo County local assessment roll ranks 21st in value of the 58 county assessment rolls in California.³



³ Statistics provided by the BOE's Table 7 – *Assessed Value of County-Assessed Property Subject to General Property Taxes*, for year 2022-23.

ASSESSMENT OF REAL PROPERTY: PRIOR RECOMMENDATIONS, RESPONSES, AND CURRENT STATUS

Following are the recommendations included in our May 2019 Assessment Practices Survey Report that relate to the assessment of real property and the Assessor's response to the recommendations. After each recommendation, we report the current status of the Assessor's effort to implement the recommendation, as noted during our supplemental survey fieldwork.

Change in Ownership

RECOMMENDATION 1: Use the BOE-prescribed form in place of county-generated form for a change in ownership relating to death of a property owner as required by Government Code section 15606.

Original Findings:

The Assessor does not utilize Board prescribed form, BOE-502-D, *Change of Ownership Statement Death of Real Property Owner*. We found that the Assessor is using a county-generated version of the form, *Death of Real Property (Or Manufactured Home) Owner*, in cases when there is a death of a real property owner. Subdivision (d) of Government Code 15606 empowers the BOE to prescribe and enforce the use of all forms for the assessment of property for taxation. In addition, Letters to Assessors (LTA) No. 2004/049, *Board-Prescribed Forms Approval Process*, dated September 7, 2004 advises that an Assessor may not use locally developed forms if there is a BOE-prescribed form available.

Original Assessor's Response:

The form used by San Luis Obispo County is in a format that benefits the taxpayer and is appropriate for processing by my office. We acknowledge that form BOE- 502-D is required by Government Code 15606 and LTA 2004/049. Consistent with this recommendation, we will begin using form BOE-502-D as allowed by time and programming changes.

Current Status:

We found that the Assessor has implemented this recommendation. We reviewed several filings for a change in ownership related to death of a property owner and found that the correct form, BOE-502-D, *Change of Ownership Statement Death of Real Property Owner*, was used.

Mineral Property

RECOMMENDATION 2: Measure declines in value for mining properties using the entire appraisal unit as required by Rule 469.

Original Findings:

A current review of the mining property assessments indicates that the Assessor does not track base year values of fixtures and include them in the appraisal unit for measuring declines in value; a procedure that is necessary to determine the proper enrollment value. The actual application of the Assessor's procedures also contradicted the Assessor's own written procedures for mineral property assessments which indicate that for base year value adjustments the adjusted base year value of fixtures should be used.

Original Assessor's Response:

My office does perform an annual valuation of minerals and compares the total Proposition 13 value to the total market value. The total Proposition 13 and the total market values includes a business property component.

A very small number of mining properties are located within San Luis Obispo County. There are only 22 mineral assessments, with the majority of these being lower valued river sand and gravel operations that do not have associated fixtures or improvements. There are only two quarry operations that have associated fixtures and these are rock quarries. Recreating base year value for these two quarries is difficult and would be prone to inaccuracies as they date back more than 50 years.

In order to comply with this recommendation, my office would have to initiate annual audits and computer program changes that are not cost effective. Tracking of base year values for fixtures is not performed because they are valued on an annual basis. It is my position that no significant change in value would result.

Current Status:

We found that the Assessor has not implemented this recommendation. The Assessor does not combine the values of the land, improvements including fixtures, and reserves into a total value reflecting the total appraisal unit when determining whether to enroll the adjusted base year value or the current market value.

In accordance with the California Constitution, article XIII A, all real property receives a base year value and, on each lien date, the taxable value of the real property unit is the lesser of its adjusted base year value or current market value. Section 105 defines fixtures as a type of improvement and, hence, as real property.

For most properties, fixtures are treated as a separate appraisal unit for determining a decline in value. Mineral properties, however, are treated differently. Rule 469(e)(2)(C) specifically provides that the appraisal unit of a mineral property includes land, improvements including fixtures, and reserves. The Assessor should use this unit for measuring possible declines in value.

Failure to properly determine the decline in value of a mineral property using the entire mineral property appraisal unit could result in an underassessment of the fixtures and equipment or an overassessment of the mineral rights.

ASSESSMENT OF PERSONAL PROPERTY AND FIXTURES: PRIOR RECOMMENDATIONS, RESPONSES, AND CURRENT STATUS

Following are the recommendations included in our May 2019 Assessment Practices Survey Report that relate to the assessment of personal property and fixtures, and the Assessor's response to the recommendations. After each recommendation, we report the current status of the Assessor's effort to implement the recommendation, as noted during our supplemental survey fieldwork.

Audit Program

RECOMMENDATION 3: Improve the audit program by: (1) performing the minimum number of audits of professions, trades, and businesses pursuant to section 469, and (2) enrolling the audit results for each year of a multiple year audit.

(1) Perform the minimum number of audits of professions, trades, and businesses pursuant to section 469.

Original Findings:

We found that the Assessor failed to meet the minimum required audit production as specified by section 469 for each of the four most recently completed audit years within the survey period. Contributing to the deficit in audit production are vacancies and turnover among auditor-appraiser staff.

Original Assessor's Response:

I am very pleased to report that the audits identified in this recommendation have been completed for 2018 and my office is on track to complete all audit requirements for 2019. From 2013 to 2017 our office was not able to complete the audits within the allotted time frame due to a lack of resources. However, we can assure the BOE that the audits had proper waivers and were completed within the waiver period.

Current Status:

We found that the Assessor has implemented this portion of the recommendation. The Assessor did meet the minimum number of audits required by section 469 for the 2017-18 and 2018-19 fiscal years. The Assessor completed a total of 64 audits for the 2017-18 fiscal year and 62 audits for the 2018-19 fiscal year, with each fiscal year exceeding the required 57 audits.

In addition, the Assessor had conducted 58 audits for the 2019-20 fiscal year, 56 audits for the 2020-21 fiscal year, and 60 audits for the 2021-22 fiscal year. However, effective January 1, 2019, Senate Bill (SB) 1498 (Stats. 2018, Ch. 467) provided the Assessor with some discretion in the number of audits to be completed each year. Rather than requiring the Assessor

to complete a specified number of audits each year, SB 1498 amended section 469 to allow the Assessor to complete a four-year total number of audits in each category within a four-year period. The first year of the four-year period began with the 2019-20 fiscal year and, thus, at this time, we are unable to determine whether the Assessor will meet the minimum number of audits required for the current four-year period of audits, which will end with fiscal year 2022-23.

(2) Enroll the audit results for each year of a multiple year audit.

Original Findings:

In a multiple year audit, there are often underassessments resulting in tax liabilities for some years and overassessments resulting in tax refunds in other years. In San Luis Obispo County, we found that the Assessor often offsets assessment differences resulting from a multiple year audit when correcting a single year's assessment roll.

Original Assessor's Response:

Our current practice of netting audit escapes and refunds increases the efficiency of the property tax system. Because this method is more economical and preferred by the taxpayer, no change in procedure is contemplated. We currently enroll escaped assessments for each year as they are found in the audit, but at the same time, any reductions in the amount of assessments found by those audits is offset against the escapes thus providing the taxpayer with a net value. Instead of writing numerous revisions to the assessment roll, a single revision produces the same result. We do check tax rates to ensure that our actions do not negatively affect the taxpayer.

Current Status:

We found that the Assessor has not implemented this portion of the recommendation. The Assessor offsets assessment differences resulting from a multiple year audit when correcting a single year's assessment roll.

Section 531 provides that if any property belonging on the local roll escapes assessment, the Assessor shall assess the property on discovery at its value on the lien date for the year for which it escaped assessment. The assessment is subject to the tax rate in effect in the year of its escape. Although administratively convenient to offset audit assessment amounts from different years, section 533 states that tax refunds and liabilities shall be offset against each other, not over and under assessments. Calculating tax refunds and liabilities, including penalties and interest, based on the rates in effect each year is the responsibility of the County Auditor, not the Assessor. Thus, relevant statutory provisions prescribe to the Assessor the responsibility to assess each year separately (section 531), and to the Auditor the responsibility of calculating the tax refund or liability due each year and offsetting those amounts (section 533).

The Assessor's current practice of netting audit results for multiple years into a single year of the audit could result in inaccurate calculations of tax refunds or liabilities since the tax rates in each year may be different.

Business Property Statement Program

RECOMMENDATION 4: Value taxable business property in accordance with section 501 when a taxpayer fails to file a business property statement (BPS).

Original Findings:

We found that when a completed BPS is submitted late, the Assessor correctly calculates the current market value of known taxable business property owned and controlled by the taxpayer and applies the statutorily-defined 10 percent penalty. However, we found that when the business owner fails to file a BPS, the Assessor's property system applies an unsupported, pre-determined escalation rate of 10 percent to the previous year's enrollment. A 10 percent penalty is then applied to this escalated assessment. The 10 percent system escalation is also applied to unsecured structural improvements, where structural improvements were enrolled in prior years. In addition, we found that the Assessor sets no formal limits on the number of consecutive years a business property owner may fail to file a BPS before the Assessor either visits the location of the taxable property or conducts an audit. We found one instance where an audit was not conducted until after six years of non-filing. The Assessor's policy is to review and manually revise values based on field canvassing, telephone calls, and internet research. However, due to staff shortages, it is possible for the system escalation to continue for years with no review.

Original Assessor's Response:

I disagree with this finding. All business property assessment values are correctly valued by my office consistent with Section 501. For business properties that do not file the required report, a mass appraisal approach is initially applied. Prior to enrolling the value, all non-file accounts are reviewed by an auditor appraiser so that an informed value is established. In the instance of a new business that has never filed a statement, we use appraisal judgement based on the filings of similar types of businesses in our County. Based on *Domenghini v The County Assessor of Son Luis Obispo*, the Assessor has only to show that, based on information in their possession, the value of the property was estimated, and this was the basis to arrive at the assessment. We believe our process is valid and defensible based on the case noted above as well as mass appraisal valuation practices. There is also no recommended procedure that conflicts with our methodology as we verify our non-file accounts are still in existence by performing a yearly canvas as well as extensive review during the non-file appraisal process before final enrollment.

Current Status:

We found that the Assessor has implemented this recommendation. We reviewed several instances when a taxpayer failed to file a BPS and found the Assessor valued the taxable business property in accordance with section 501.

Business Equipment Valuation

RECOMMENDATION 5: Improve the application of the BOE recommended index, percent good, and valuation factors by: (1) using supportable minimum percent good factors, and (2) consistently issuing supplemental assessments for structural leasehold improvements enrolled on the unsecured roll.

(1) Use supportable minimum percent good factors.

Original Findings:

We found the Assessor limits the percent good factors utilized in many of his valuation tables to those prescribed for an age equal to 125 percent of the originally estimated service life of the taxable asset.

Original Assessor's Response:

We agree with this recommendation and are now using the CAA generated factors. We will also be generating supplemental assessments for the 2018 year.

Current Status:

We found that the Assessor has implemented this recommendation. The Assessor does use supportable minimum percent good factors in their business equipment valuation tables.

(2) Consistently issue supplemental assessments for structural leasehold improvements enrolled on the unsecured roll.

Original Findings:

We found that when a taxpayer completes Schedule B of the BPS and reports the cost of leasehold improvements, the business division typically values and enrolls the improvements in accordance with article XIII A of the California Constitution. However, the Assessor does not consistently issue supplemental assessments for newly constructed leasehold improvements on Schedule B of the BPS.

Original Assessor's Response:

We agree with this recommendation and are now using the CAA generated factors. We will also be generating supplemental assessments for the 2018 year.

Current Status:

We found that the Assessor has implemented this recommendation. The Assessor does consistently issue supplemental assessments for structural leasehold improvements enrolled on the unsecured roll.

APPENDIX A: STATISTICAL DATA

Table 1: Assessment Roll

The following table displays pertinent information from the 2022-23 assessment roll.⁴

	PROPERTY TYPE	ENROLLED VALUE
Secured Roll	Land	\$31,415,128,874
	Improvements	\$33,686,539,331
	Fixtures	\$385,032,479
	Personal Property	\$318,143,372
	Total Secured	\$65,804,844,056
Unsecured Roll	Land	\$0
	Improvements	\$300,989,445
	Fixtures	\$1,047,035,573
	Personal Property	\$1,160,330,901
	Total Unsecured	\$2,508,355,919
Exemptions⁵		(\$1,311,969,225)
	Total Assessment Roll	\$67,001,230,750

Table 2: Change in Assessed Values

The following table summarizes the change in assessed values over recent years.⁶

ROLL YEAR	TOTAL ROLL VALUE	CHANGE	STATEWIDE CHANGE
2022-23	\$67,001,231,000	6.8%	7.5%
2021-22	\$62,713,018,000	3.9%	4.1%
2020-21	\$60,369,558,000	5.1%	5.0%
2019-20	\$57,416,689,000	7.0%	6.1%
2018-19	\$53,669,259,000	5.8%	6.5%

⁴ Statistics provided by BOE-822, *Report of Assessed Values by City*, County 40 San Luis Obispo for year 2022.

⁵ The value of the Homeowners' Exemption is excluded from the exemptions total.

⁶ Statistics provided by the BOE's Table 7 – *Assessed Value of County-Assessed Property Subject to General Property Taxes*, for years 2018-19 through 2022-23.

Table 3: Gross Budget and Staffing

The Assessor's budget has increased from \$11,101,578 in fiscal year 2017-18 to \$11,520,016 in fiscal year 2021-22, with a reported low of \$10,488,534 in fiscal year 2019-20.

For the fiscal year 2021-22, the Assessor had 82.5 budgeted permanent positions. These positions consist of the Assessor, 6 managers, 28 real property appraisers, 6 business property auditor-appraisers, 6 drafting/mapping technicians, 5 computer technicians, 27.5 unspecified technical/professionals, and 3 support staff.⁷

The following table identifies the Assessor's budget and staffing over recent fiscal years:⁸

FISCAL YEAR	GROSS BUDGET	PERCENT CHANGE	PERMANENT STAFF
2021-22	\$11,520,016	5.6%	82.5
2020-21	\$10,904,949	4.0%	82.5
2019-20	\$10,488,534	(7.4%)	74.0
2018-19	\$11,324,521	2.0%	86.0
2017-18	\$11,101,578	22.6%	85.0

Table 4: Assessment Appeals

The following table shows the number of assessment appeals filed in recent fiscal years:⁹

FISCAL YEAR	ASSESSMENT APPEALS FILED
2021-22	340
2020-21	300
2019-20	259
2018-19	245
2017-18	231

⁷ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for year 2021-22 & *Roll Data* for year 2022-23.

⁸ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

⁹ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

Table 5: Exemptions – Welfare

The following table shows welfare exemption data for recent roll years:¹⁰

ROLL YEAR	WELFARE EXEMPTIONS	EXEMPTED VALUE
2022-23	501	\$945,833,776
2021-22	371	\$796,823,024
2020-21	333	\$763,290,578
2019-20	366	\$630,683,602
2018-19	864	\$670,472,475

Table 6: Change in Ownership

The following table shows the total number of transfer documents received and the total number of reappraisable transfers due to changes in ownership processed in recent roll years:¹¹

ROLL YEAR	TOTAL TRANSFER DOCUMENTS RECEIVED	REAPPRAISABLE TRANSFERS
2022-23	22,058	8,420
2021-22	19,504	7,620
2020-21	17,352	7,227
2019-20	16,384	8,144
2018-19	23,007	7,534

¹⁰ Statistics provided by BOE-802, *Report on Exemptions* for years 2018-19 through 2022-23.

¹¹ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

Table 7: New Construction

The following table shows the total number of building permits received and the total number of new construction assessments processed in recent roll years:¹²

ROLL YEAR	TOTAL BUILDING PERMITS RECEIVED	NEW CONSTRUCTION ASSESSMENTS
2022-23	9,015	8,898
2021-22	8,152	8,453
2020-21	9,413	9,211
2019-20	8,658	9,353
2018-19	6,835	11,428

Table 8: Declines In Value

The following table shows the total number of decline-in-value assessments in recent roll years:¹³

ROLL YEAR	DECLINE-IN-VALUE ASSESSMENTS
2022-23	14,071
2021-22	18,899
2020-21	19,942
2019-20	20,900
2018-19	27,315

¹² Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

¹³ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

Table 9: Audits

The following table shows the minimum number of audits required to be conducted and the total number of audits completed in recent fiscal years.¹⁴

MINIMUM NUMBER OF AUDITS REQUIRED¹⁵	2021-22	2020-21	2019-20	2018-19	2017-18
Largest Assessments				29	28
All Other Taxpayers				28	29
Total Required				57	57
NUMBER OF AUDITS COMPLETED					
Total Audits Completed	57	55	57	59	57
Largest Assessments	31	31	27	27	26
Over/(Under) Required				(2)	(2)
All Other Taxpayers	26	24	30	32	31
Over/(Under) Required				4	2
CCCASE AUDITS					
Prepared for other county Assessors	0	0	0	0	0

¹⁴ Statistics provided by *A Report on Budget, Personnel, and Appeals Data* for years 2017-18 through 2021-22 & *Roll Data* for years 2018-19 through 2022-23.

¹⁵ See Letter To Assessors (LTA) No. 2009/049, Significant Number of Business Property Audits, for the minimum number of annual audits required pursuant to the provisions of section 469 for fiscal years 2017-18 through 2018-19. Effective January 1, 2019, section 469 was amended to give Assessors more flexibility in completing the required number of annual audits by allowing for the four-year total of required annual audits to be completed within a four-year period of time, rather than annually, beginning with the 2019-20 fiscal year. For more information on the amendments to section 469, see LTA No. 2018/067.

APPENDIX B: COUNTY-ASSESSED PROPERTIES DIVISION SURVEY GROUP

San Luis Obispo County

Deputy Director

David Yeung

Survey Program Director:

Holly Cooper

Principal Property Appraiser

Survey Team Supervisor:

Gary Coates

Supervising Property Appraiser

Survey Team:

James McCarthy

Senior Petroleum and Mining Appraisal Engineer

Jeffrey Arthur

Senior Specialist Property Auditor Appraiser

Artemis Oestreich

Senior Specialist Property Appraiser

Lydia Vannarattananarat

Assistant Property Appraiser

Richard Arellano

Assistant Property Auditor Appraiser

ASSESSOR'S RESPONSE TO BOE'S FINDINGS

Section 15645 of the Government Code provides that the Assessor may file with the Board a response to the findings and recommendations in the survey report. The survey report, the Assessor's response, and the BOE's comments regarding the Assessor's response, if any, constitute the final survey report.

The San Luis Obispo County Assessor's response begins on the next page. The BOE has no comments regarding the response.



Office of Tom J. Bordonaro, Jr., County Assessor

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September 12, 2023

Mr. David Yeung
Deputy Director Property Tax Department
State Board of Equalization
P.O. Box 942879
Sacramento, CA 94279

RE: Assessment Practices Survey, San Luis Obispo County

Dear Mr. Yeung:

This is the response of my office to the *San Luis Obispo County Assessment Practices Survey* prepared by the Board of Equalization. I am providing information to clarify and explain the work of our office in response to the two findings and recommendations resulting from the survey.

I appreciate the professional and thorough work of the Board of Equalization staff who conducted the survey. On behalf of my office, we thank you and your team for the diligence and courtesy and for the opportunity to meet and discuss the preliminary findings contained in the survey report.

We look forward to working with the Board of Equalization on future surveys and other assessment matters as they arise.

Sincerely,

Tom J. Bordonaro, Jr.
County Assessor
San Luis Obispo County

**San Luis Obispo County Assessor's Response to
Findings and Recommendations
Supplemental Survey
September 2023**

Recommendation 2:

Measure the declines in value for mining properties using the entire appraisal unit as required by Rule 469.

Assessor's Response:

The Assessor will begin implementing this methodology in our valuations based on the property owner filings and information in our files.

Recommendation 3 (2):

(2) Enroll the audit results for each year of a multiple year audit.

Assessor's Response:

The Assessor enrolls a net assessment roll change on multi-year audits as it eliminates wasteful processing of Board Orders for the Assessor, Tax Collector, and Auditor. Simplifying the billings and refund process by issuing fewer changes is a benefit to the taxpayer. The practice as written in Section 531 is fiscally irresponsible in light of the cost to process the roll changes. The current Assessor's policy also eliminates billings that would cost more to issue than the County would collect.