

Tuesday, February 27, 2018

The Board met at its offices at 450 N Street, Sacramento, at 9:39 a.m., with Ms. Harkey, Chairwoman, Ms. Ma and Mr. Horton present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code section 7.9.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Annette Harris, Security Officer, Board of Equalization/California Department of Tax and Fee Administration.

PROPERTY TAX MATTER, ADJUDICATORY

Frontier California, Inc. (201), 1017434
2017, \$3,003,100,000.00 Unitary Value

Considered by the Board: December 14, 2017 Summary Decision (Rev. & Tax. Code, § 40)
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Ma, seconded by Mr. Horton and unanimously carried, Ms. Harkey, Ms. Ma and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Runner absent, the Board adopted the written summary decision as presented by staff.

La Paloma Generating Company, LLC (1112), 1017428
2017, \$62,600,000.00 Unitary Value

Considered by the Board: December 14, 2017 Summary Decision (Rev. & Tax. Code, § 40)
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Ma, seconded by Mr. Horton and unanimously carried, Ms. Harkey, Ms. Ma and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Runner absent, the Board adopted the written summary decision as presented by staff.

OTHER TAX PROGRAM NONAPPEARANCE MATTERS—NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

PROPERTY TAX MATTERS

Audits

Wilshire Connection, LLC, (7799)

2016 to 2017, \$380,000.00 Escaped Assessment, \$38,000.00 Penalties, \$57,000.00 In-lieu Interest

Action: Upon motion of Mr. Horton, seconded by Ms. Ma and unanimously carried, Ms. Harkey, Ms. Ma and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Runner absent, the Board adopted the audit adjustments as recommended by staff.

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Wide Voice, LLC, (8129)

2015 to 2017, \$161,000.00 Escaped Assessment, \$21,200.00 Penalties, \$43,320.00 In-lieu Interest

Action: Upon motion of Mr. Horton, seconded by Ms. Ma and unanimously carried, Ms. Harkey, Ms. Ma and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Runner absent, the Board adopted the audit adjustments as recommended by staff.

IFN.com, Inc., (8198)

2014 to 2017, \$1,321,000.00 Escaped Assessment, \$87,000.00 Penalties, \$171,630.00 In-lieu Interest

Action: Upon motion of Mr. Horton, seconded by Ms. Ma and unanimously carried, Ms. Harkey, Ms. Ma and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Runner absent, the Board adopted the audit adjustments as recommended by staff.

Land Escaped Assessment

Pacific Gas and Electric Company, LLC (0135)

2017, \$2,750,000.00 Nonunitary Value

Action: Upon motion of Mr. Horton, seconded by Ms. Ma and unanimously carried, Ms. Harkey, Ms. Ma and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Runner absent, the Board adopted the land escaped adjustments as recommended by staff.

Board Roll Changes

2017 State-Assessed Property Roll

Action: Upon motion of Mr. Horton, seconded by Ms. Ma and unanimously carried, Ms. Harkey, Ms. Ma and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Runner absent, the Board approved corrections to the 2017 Board Roll of State-Assessed Property as recommended by staff ([Exhibit 2.1](#)).

Exhibits to these minutes are incorporated by reference.

ADMINISTRATIVE SESSION**ADMINISTRATIVE MATTERS, CONSENT**

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Ms. Stowers, seconded by Ms. Ma and unanimously carried, Ms. Harkey, Ms. Ma, Mr. Horton and Ms. Stowers voting yes, Mr. Runner absent, the Board made the following order:

Action: Approve the Board Meeting Minutes of December 11-14, 2017 and January 25, 2018.

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OTHER ADMINISTRATIVE MATTERS

Executive Director's Report

Dean R. Kinnee, Executive Director, provided a report regarding the status of pending and upcoming organizational issues.

Speaker: Charles W. Leonhardt, President, California Assessors' Association, and Plumas County Assessor

Dean R. Kinnee, Executive Director, made introductory remarks regarding the proposed change to the 2018 Board Meeting Calendar for April to add the Annual Meeting of the Board and County Assessors (Board/Assessors' meeting) in Folsom, California, and provided alternative dates and locations ([Exhibit 2.2](#)).

Speaker: Charles W. Leonhardt, President, California Assessors' Association, and Plumas County Assessor

Action: Upon motion of Ms. Stowers, seconded by Mr. Horton and unanimously carried, Ms. Harkey, Ms. Ma, Mr. Horton and Ms. Stowers voting yes, Mr. Runner absent, the Board changed the 2018 Board Meeting Calendar by adding the annual Board/Assessors' meeting to the morning of December 13 in Sacramento, and discussed changing the scheduled December 11 meeting to December 12 (pending Member availability), which will be brought back to the Board at a later date.

Dean R. Kinnee, Executive Director, stated for the record that the proposed invitation to the annual meeting of the Board and county assessors will be revised in accordance with the Board's prior vote to schedule the meeting in December, and will be presented to the Board for approval at a later date ([Exhibit 2.3](#)).

Dean R. Kinnee, Executive Director, introduced Mark Durham, Chief, Research and Statistics Section, Legislative and Research Division, California Department of Tax and Fee Administration, who presented staff's recommendation for the fiscal year 2018-19 excise tax rate setting for motor vehicle fuel (fuel tax swap) ([Exhibit 2.4](#)).

Action: Ms. Stowers moved to set the excise tax rate for the period of July 1, 2018 through June 30, 2019 on motor vehicle fuel at \$0.337 per gallon (for an increase of \$.04 per gallon) as recommended by staff. The motion was seconded by Ms. Ma but failed to carry, Ms. Ma and Ms. Stowers voting yes, Ms. Harkey and Mr. Horton voting no, Mr. Runner absent.

Dean R. Kinnee, Executive Director, introduced Lisa Thompson, Taxpayers' Rights Advocate. Members congratulated Ms. Thompson on her new appointment.

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PUBLIC HEARINGS**Property Taxes – State Assesses’ Presentations on Capitalization Rates and Other Factors Affecting Values**

Richard Reisinger, Chief, State-Assessed Properties Division, Property Tax Department, made introductory remarks regarding 1) state assesses’ presentations on capitalization rates and other factors and procedures affecting fiscal year 2018-19 property values of California public utilities, railroads, and pipelines; and, 2) private railroad car assesses’ presentations on factors and procedures affecting fiscal year 2018-19 taxable values of private railroad cars.

Speaker: Peter Michaels, Law Office of Peter Michaels

BOARD MEMBER REQUESTED MATTERS**Establish Constitutional and Related Statutory Matters as a Standing Agenda Item**

Mr. Horton made introductory remarks regarding his proposal to establish a standing agenda item for the Board’s monthly meetings regarding constitutional and related statutory matters and/or requests from stakeholders ([Exhibit 2.5](#)).

Speakers: Charles W. Leonhardt, President, California Assessors’ Association, and Plumas County Assessor
Marc A. Aprea, Attorney, Aprea & Micheli, California Alliance of Taxpayer Advocates ([Exhibit 2.6](#))

Action: Upon motion of Ms. Harkey, seconded by Mr. Horton and unanimously carried, Ms. Harkey, Ms. Ma, Mr. Horton and Ms. Stowers voting yes, Mr. Runner absent, the Board established constitutional and related statutory matters as a standing agenda item, as recommended by Mr. Horton.

ORGANIZATION OF THE BOARD

Henry D. Nanjo, Chief Counsel, Legal Department, provided some options and background on the Board’s policy for selecting the Chair and Vice Chair.

Action: Upon motion of Mr. Horton, seconded by Ms. Stowers and unanimously carried, Ms. Harkey, Ms. Ma, Mr. Horton and Ms. Stowers voting yes, Mr. Runner absent, the Board elected Ms. Ma as Vice Chair effective at the conclusion of the February meeting.

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PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Opportunity for the Public to Make Public Comment

Henry D. Nanjo, Chief Counsel, Legal Department, made introductory remarks and introduced Lisa Thompson, Taxpayers' Rights Advocate, who read into the record written comments from Shawn Karl Mooney ([Exhibit 2.7](#)).

ORGANIZATION OF THE BOARD (CONTINUED)

Action: Upon motion of Ms. Stowers, seconded by Ms. Ma and duly carried, Ms. Harkey, Ms. Ma and Ms. Stowers voting yes, Mr. Horton voting no, Mr. Runner absent, the Board elected Mr. Runner as the Chair effective at the conclusion of the February meeting.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 12:33 p.m. and reconvened immediately in closed session with Ms. Harkey, Ms. Ma, Mr. Horton and Ms. Stowers present.

CLOSED SESSION

The Board met to discuss personnel matters (Gov. Code § 11126(a)(1)).

The Board recessed at 12:35 p.m. and reconvened immediately in open session with Ms. Harkey, Ms. Ma, Mr. Horton and Ms. Stowers present.

The Board adjourned at 12:36 p.m.

The foregoing minutes are adopted by the Board on March 27, 2018.