



MALIA M. COHEN
CHAIR
STATE BOARD OF EQUALIZATION

August 23, 2019

TO: Members of the Board of Equalization

FROM: Malia M. Cohen, Chairperson

RE: Board of Equalization Board Meeting, August 27, 2019
Item L.1. Property Tax Related Training and Continuing Education: Restoring
the Statewide Program

The Board Equalization (BOE) executive staff and Assessors across the state have highlighted the need for statewide appraiser training and continuing education.

Such training was previously developed, offered, and managed by the BOE over the years, in partnership with community colleges and universities. However, the trainings currently offered by the BOE do not align with the magnitude and scope of the need.

At the August 2019 Northern California Regional Conference of the California Assessors' Association, conference attendees further amplified the ongoing need to train and certify current and newly hired property appraisers in County Assessors' Offices.

The demand for addressing challenges associated with recruiting, training, and retaining of property appraisers does not only exist at the County Assessor level, but also at the BOE.

Anticipated retirements, as well as the uncertainties resulting from the passage of Assembly Bill 102 and the introduction of Assembly Constitutional Amendment 2, have resulted in an ongoing loss of talented and experienced appraisers. This phenomenon is occurring while individuals interested in pursuing technical careers related to property taxation have other attractive and lucrative options.

Any new candidate wishing to become an appraiser qualified to serve in County Assessors' Offices or at the BOE must undergo training in accounting or similar academic disciplines at the college level with a four-year degree or have had at least four year's expertise in property appraisal, accounting, or in related fields.

Advanced training and continuing education in the specialties of appraisal theory and practice are required to ensure that appraisers are completely familiar with increasingly complex valuation challenges.

The training investment in new appraisers makes them very attractive to private sector recruiters. In addition, their salaries have not kept pace with other attractive career options and the cost of living in California. As a result, appraisers serving in County Assessors' Offices and at the BOE are choosing to pursue more lucrative careers in the private sector.

The demand for qualified appraisers will only increase if the voters pass some version of the Split Roll initiative, which will inevitably generate a significant increase in commercial property tax appeals.

Los Angeles Assessor Jeffrey Prang recently described the potential impact of a Split Roll initiative in a meeting with the Los Angeles Daily News editorial board. As stated in the [Daily News August 11, 2019 editorial:](#)

"Los Angeles County Assessor Jeffrey Prang told the editorial board that his office's \$180 million annual budget would have to be augmented by \$130 million in the first year of implementation, plus \$80 million per year going forward, to pay for an additional 400 appraisers. Statewide, about 1,000 additional appraisers would be needed to implement the measure."

"That's a problem. It takes five years to train a commercial/industrial appraiser, and Prang anticipates that his current workforce will likely be raided by private law firms seeking to hire experienced appraisers to handle tens of thousands of appeals of new assessments."

Seeking to address these ongoing training and continuing education challenges, as well as compensation challenges, Members of the Board of Equalization, including Board Member Antonio Vazquez and myself, have been investigating ways to enhance the training resources provided by the BOE for aspiring appraisers, as well as for appraisers seeking to satisfy continuing education requirements.

This item is brought before the Board to permit a discussion and possible action regarding the extent to which the BOE can contribute to the development and expansion of appraiser training programs to fully address the statewide property appraiser training and continuing education needs of the County Assessors' Offices and the BOE.

Recognizing that analyses have been conducted in recent years regarding the challenges of recruitment and retention of property appraisers, including enhancing compensation levels to make these positions more competitive with the private sector, this item is timely for the Board's review.

This item presents an opportunity to discuss the options and the challenges of ensuring that there will be a sufficient pool of well qualified and technically proficient property appraisers to meet the statewide needs of County Assessors and the BOE.

It also will facilitate a potential partnership to work closely with the BOE's executive team and the California Assessors' Association to meet these ongoing challenges.