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ANTONIO VAZQUEZ
CHAIRMAN
CALIFORNIA STATE BOARD OF EQUALIZATION

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VICE CHAIR
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: May 8, 2020

To: Ted Gaines, Board Member
Malia M. Cohen, Board Member
Betty T. Yee, State Controller

From: Antonio Vazquez, Board Chairman
Mike Schaefer, Board Vice Chair

**Re: May 13, 2020 Board Meeting Agenda Item M, Public Policy Hearings
BOE COVID-19 Property Tax Relief Task Force Report**

As discussed at the April 21, 2020 Board Meeting, the Chair and Vice Chair were authorized to form a Working Group to receive input on the impact of the COVID-19 “Shelter-in-Place” Executive Orders on property tax administration and deliver that information to the full Board at the earliest possible date.

Due to upcoming tax deadlines and vital issues of importance, the Chair, Vice Chair, and their staffs promptly set up the *BOE COVID-19 Property Tax Relief Task Force*, reaching out to a broad cross-section of participants, convening our first task force meeting via Zoom on April 23, 2020, including Assessors, Assessment Appeals Boards officials, large and small business taxpayer organizations, taxpayers, tax attorneys/representatives, tax practitioners, and members of the public. To obtain detailed information and input needed for a Board report, we sub-divided the participants into five Working Groups, providing an opportunity to examine and discuss the five most pressing issues facing the Board. The following Working Groups/ Teams met via Zoom for approximately 90 minutes each:

- Team 1: 571 Property Statement May 7 Filing Deadline Relief
Team Leader: Gary Gartner, Chief Deputy to BOE Vice Chair Mike Schaefer
- Team 2: Assessment Appeals Boards Relief: for RTC 1603 1605 60-day deadlines, and RTC 1604(c) Two-year Hearing Deadline
Team Leader: Kari Hammond, Chief Deputy to BOE Chairman Antonio Vazquez

- Team 3: Section 170 Disaster Relief for Covid-19 Calamity
Team Leader: Sue Blake, Senior Tax Counsel to BOE Vice Chair Mike Schaefer
- Team 4: Proposition 8 – Decline in Value Relief for January 1, 2020 Lien Date
Team Leader: Kris Cazadd, Tax Counsel to BOE Chairman Antonio Vazquez
- Team 5: Waiver of Wet Signature Requirement on 571 and Other Forms
Team Leader: Cody Petterson, Assistant to BOE Vice Chair Mike Schaefer

Team leaders asked participants in each group to email written submissions with their positions and recommendations by April 28 and then collected and collated this information. On April 29, all submissions were shared with the broad Task Force during the second full Task Force meeting.

This report is divided into five “chapters” attached to this Memo by means of a comprehensive Report from each Working Group with a list of their respective participants and their submission attached; and summarizes the following:

- I. Key Issue and Sub-issues;
- II. A Summary of the Participants’ Positions & Recommendations; and
- III. Options for the Board’s Consideration.

We greatly appreciate the time and effort all of the participants dedicated to this Task Force and its Working Groups to provide the detailed input for the full Board to be properly informed on the key issues the Teams examined and to ultimately determine appropriate options and solutions for COVID-19 impact relief.

Executive Summary: The Five Issues, Participant Positions, and Options for Board Consideration

Working Group Team 1: 571 Property Statement May 7 Filing Deadline Relief.

Issue:

Should the Form 571 Property Statement May 7 Filing Deadline be Extended Due to the COVID-19 Impacts?

General agreement:

A time extension and/or penalty waiver for the May 7 property tax statement filing is needed. RTC 441 (b) and Section 463 require taxpayers with a total combined value of \$100,000 or more of business personal property, equipment or leasehold improvements to file a Form 571

on or before May 7 —or the Assessor must add a 10% penalty on the unreported value of the property assessed.

Disagreement on the amount of any extension:

Most Assessors agreed to an extension of 21 days (through) May 31, as law allows taxpayers to amend a timely filed Form 571 to be amended until May 31. Taxpayer input varied: from a July 15 extension - to a 40-day extension by the Board under RTC 155 – to May 31.

Disagreement on the method of extension and/or penalty waivers (legal authority):

Stakeholders need Board guidance on needs for future COVID-19 extensions:

- Assessors: Governor’s Executive Order is needed to grant assessors authority to implement a “for cause” penalty waiver.
- Taxpayers and AAB representatives: generally oppose “for cause” penalty waivers as they may cause increased assessment appeals; and the BOE has authority for time extensions under Section 155 “for the performance of any act by the Assessor or County Board ... for not more than 30 days, or, in case of public calamity, 40 days.”

Options for Board Consideration:

Option 1. Implement the Governor’s May 5 Executive Order N-61-20 extending the May 7 filing deadline until May 31 through an LTA.

Option 2. Issue an LTA providing guidance for future time extensions due to COVID-19 under RTC Section 155.

Option 3. Do nothing; maintain the status quo.

Working Group Team 2: Assessment Appeals Relief: RTC 1604(c) for AABs 2-year statute of limitations deadline to hear appeals; and RTC 1603 & 1605 for Taxpayers 60-day deadline to file an appeal on notice of supplemental or escape assessment.

Issue I:

Should the 2-year deadline for AABs to hear/determine appeals be extended?

Participants agreed on impact; disagreed on options for solution:

“Shelter-in-place” orders caused AABs to cease hearings resulting in a large backlog of cases. RTC 1604 and Rule 309 require a hearing and determination on a taxpayer’s application within 2 years of filing, unless they agree to a time extension (waiver) – or taxpayer’s opinion of value must be enrolled, resulting in potential revenue loss.

- AABs: Six counties surveyed (Los Angeles, Orange, Riverside, San Bernardino, Santa Clara, and Stanislaus) are at risk of losing \$442.66 billion in revenue (beginning in mid-July) if pending cases are not heard within the 2-year deadline.
- Taxpayers: taxpayer reps would sign waivers if time extensions were limited to a time certain (e.g., 6-12 months).

Options for Board Consideration:

Option 1: Issue an LTA extending 2-year deadline for AABs by 40 days under Section 155.

Option 2: Issue an LTA encouraging AABs to request taxpayers to submit waivers due to COVID-19 with a time certain beyond 40 days for a hearing.

Option 3: Request an Executive Order for AABs to selectively postpone taxpayer appeals beyond 2 years;

Option 4: Do nothing; maintain the status quo.

Issue II:

Should the 60-day deadline for taxpayers to appeal supplemental and escape assessments be extended?

RTC 1605 and Rule 305 require taxpayers to appeal an escape or supplemental assessment within 60 days after the date of mailing on the notice of assessment or the postmark (whichever is later), or 60 days after the date of mailing on the tax bill or the postmark (whichever is later).

Participants disagreed on impact and options for solution:

- Taxpayers: Assessors/Tax Collectors keep sending supplemental/escape assessment notices and bills to taxpayers by U.S. Mail – requiring taxpayers to file an appeal within 60-days. Per “stay-at-home” orders, some taxpayers cannot retrieve mail at the addresses used, and cannot file timely appeals within 60-days. An extension is needed.
- AABs: The vast majority of supplemental/escape assessment notices go to homeowners – who do receive mail; many businesses have someone checking or processing mail. No extension is needed as Section 1605(b)(1) allows taxpayers to file late with an affidavit declaring under penalty of perjury that notice of assessment was not timely received.

Options for Board Consideration:

Option 1: Issue an LTA extending 60-day deadline for AABs to accept appeals by 40 days per Section 155.

Option 2: Issue an LTA encouraging AABs to notify taxpayers unable to file in 60 days that they may file late with an affidavit declaring the notice of assessment was not timely received.

Option 3: Issue an LTA encouraging AABs to allow a “safe harbor” period (e.g., February 1, 2020–July 1, 2020) per Rule 305(d)(4) for taxpayers to late file appeals and provide an affidavit for them to attach.

Option 4: Do nothing; maintain the status quo.

Working Group Team 3: Section 170 Disaster Relief for Covid-19 Calamity.

Issue I:

What constitutes “property physically damaged or destroyed” as outlined in the California Constitution Article XIII, Section 15 and implemented in Revenue and Taxation Code Section 170, Disaster Relief, in which the Legislature defined *damage* to include a diminution in value “as a result of **restricted access to the property**”? (emphasis added)

General Agreement:

COVID-19 certainly resulted in reduced property values, but did it physically damage or destroy property such that it should be reassessed midyear? Stated differently, does *indirect (or economic) damage to property* qualify as physical damage subject to disaster reassessment?

General Disagreement:

The only appellate case is Slocum v. Board of Equalization (2005) 134 Cal.App.4th 969. Participants disagreed on the interpretation of Slocum, some saying Slocum recognizes indirect damage for purposes of mid-year, disaster reassessment, others saying no, Slocum does not.

Issue II:

Can/should the Legislature amend RTC 170 to allow for mid-year disaster reassessment resulting from COVID-19 restricted access?

Participants Answered in Three Different Ways:

- NO. Disaster reassessment under the California Constitution requires physical damage to the property and the Legislature does not have authority to amend the statute to include indirect, physical damage.

- YES/NO. The Legislature has the authority, but does not need to amend RTC 170 because the statute is sufficient under the California Constitution to allow counties to address indirect, physical damage, should they so choose.
- YES. The Legislature has the authority and should amend RTC 170 to address indirect, physical damage, thereby clearing up the dispute.

Options for Board Consideration:

Option 1: Issuing a Letter to Assessors encouraging acceptance of claims for mid-year declines in value due to COVID-19 pandemic; if denied, taxpayers may go to court;

Option 2: Propose/Support legislation to amend RTC 170 to further define *economic/physical damage*, and/or seek an Executive Order from the Governor.

Option 3: Issuing a Letter to Assessors providing guidance on the Board’s current interpretation of Section 170 relief.

Option 4: Do nothing; maintain status quo.

Working Group Team 4: Proposition 8 – Decline in Value Relief for January 1, 2020 Lien Date.

Issue:

Is any immediate relief for a decline in property value under Proposition 8 from COVID-19 available in 2020?

General Agreement:

COVID-19 has resulted in property value declines, though complete data is not available. Proposition 8 and RTC 51(a)(2) require assessors to enroll a market value decline below the property's adjusted base year value based on the current lien date. Since COVID-19 occurred after the January 1, 2020 lien date, taxpayers must wait until January 1, 2021 unless other steps are taken.

General Disagreement on Solutions:

- Taxpayers: Immediate relief is needed by taxpayers (retail, hospitality, etc.) to keep businesses from failing, not paying mortgages, declaring bankruptcy; a value reduction will offset any tax revenue reduction by allowing them to re-open and stay in business.

- Assessors: the property tax system is tied to the lien date and is not designed for assessors to provide short-term relief. Even if it was possible, there is still insufficient market data; assessors will reduce values when more data is available on January 2, 2021.

Options for Consideration by Members:

Option 1: Propose/Support legislation to change the lien date from January 1, 2020 to a later date in this year only.

Option 2: Propose/Support amendments to RTC 402.5 and Rule 324(a) to allow Assessors/AABs to consider comparable sales occurring up to 90 days after January 1, 2020 lien date for this year only.

Option 3: Issue an LTA in coordination with Assessors, taxpayers and AABs to develop 2020/21 uniform capitalization rates/rate of return for valuing business properties impacted by COVID-19.

Option 4: Issue an LTA providing guidance on proactive processing of declines in value and suggestions for discovering reduced market values.

Option 5: Do nothing; maintain the status quo.

Working Group Team 5: Waiver of Wet Signature Requirement on 571 and Other Forms.

- LTA No. 2020/022 was issued on May 4, to encourage assessors who have not yet accepted electronically filed property statements per RTC Section 441(k) and other electronically filed documents/signatures per Government Code Section 16.5 during the COVID-19 crisis. Working Group 5 information is still relevant and future guidance on this issue may be needed.

Issue:

Should the Board issue guidance encouraging Assessors to accept 571 and other forms without wet signatures?

General agreement:

RTC 441(k) provides that “*property statements filed using electronic media shall be authenticated pursuant to methods specified by the assessor and approved by the Board.*” The key issue adequacy is the adequacy of the authentication methods. The Board should balance the COVID-19 needs against the risk of fraud in determining methods and any burdens imposed on taxpayers and assessors and should expressly clarify which basic methods of authentication (e.g., faxes, emailed signature scans, etc.) are acceptable and under what circumstances.

Options for Board Consideration:

Option 1. Issue an LTA providing guidance on authenticating electronically filed 571's for quick approval under 441(k) – to identify for Assessors acceptable methods under the current emergency environment and expedite approval of modified authentication methods they propose.

Option 2. Issue an LTA or Emergency Rule intended to ease authentication criteria for electronic submissions during this time, provided that the desirable ratio of risk-to-benefit is consistent with state law and Executive Orders.

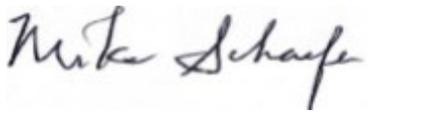
Option 3. Sponsor/Propose legislation establishing emergency authentication standards for the production/transmission of electronic scans of signed documents.

Option 4. Issue a request to the BOE Executive Director to immediately develop a plan identifying ways to expand the approval of eSignature programs across the state.

Option 5. Do nothing; maintain the status quo.

This report reflects the findings of each of the subgroups on the issues and we are most grateful for their input. We look forward to a full public discussion with the Board and other stakeholders to examine solutions and decide options for appropriate COVID19 property tax relief. In addition, the Board should discuss how to continue this work in a timely manner.


ANTONIO VAZQUEZ, Chairman
Board of Equalization, 3rd District


MIKE SCHAEFER, Vice Chair
Board of Equalization, 4th District

cc: Ms. Kari Hammond, Chief Deputy, Office of Chairman Antonio Vazquez
Mr. Gary Gartner, Chief Deputy, Office of Vice Chair Mike Schaefer
Mr. Dave Titus, Chief Deputy, Office of Member Ted Gaines
Ms. Regina Evans, Chief Deputy, Office of Member Malia M. Cohen
Ms. Yvette Stowers, Deputy State Controller
Ms. Brenda Fleming, Executive Director
Mr. Henry Nanjo, Chief Counsel

**California State Board of Equalization
COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports**

May 8, 2020

**Antonio Vazquez, Chairman, California State Board of Equalization
Mike Schaefer, Vice Chair, California State Board of Equalization**

*General Meeting and Working Groups: Thursday, April 23, 2020; 10:00 am – 5:30 pm
General Meeting to Review Findings: Wednesday, April 29, 2020; 10:00 am – 11:45 am*

Table of Contents

Working Group 1: Business Property Statements, 571.....2

Working Group 2: County Assessment Appeals Board (AAB) Deadlines.....8

Working Group 3: Revenue & Tax Code Section 170, Disaster Relief.....17

Working Group 4: Proposition 8 – Decline-in-Value Relief.....25

Working Group 5: Wet Signature vs. e-Signature.....28

Subgroup 1: Business Property Statements, 571 L

Leader: Gary Gartner

Chief Deputy to Mike Schaefer, Vice Chair, California State Board of Equalization

gary.gartner@boe.ca.gov

Participants: Stakeholders included approximately 40 individuals from a broad spectrum of taxpayers, Assessors, Assessment Appeals Board officials, attorneys, taxpayer representatives, trade associations, and business interests who met on April 28. (A complete list of the participants and their affiliations is included in the attached Appendix A.)

Stakeholder Documents: www.boe.ca.gov/meetings/pdf/2020/051320-M1-w1.pdf

Purpose/Key Sub-Issues:

During the preparation of this report, Governor Gavin Newsom issued Executive Order N-61-20 on May 6, 2020 extending the deadline for Business Property Statements from May 7 until May 31. Chairman Antonio Vazquez and Vice Chair Mike Schaefer worked with the Governor’s Office and commended Governor Newsom’s timely, thoughtful action to extend the filing date and thereby diminish the burden of COVID-19 on California small businesses and taxpayers.

While the Executive Order resolves the immediate issue of penalty relief for businesses unable to comply with the May 7 deadline, collateral issues remain.

Background for the Executive Order.

Under Revenue and Taxation Code (RTC) Section 441, Business Property Statement Forms 571 must be filed annually by April 1. If not filed by May 7, an automatic 10% penalty attaches (RTC 463). On March 19, 2020, Governor Gavin Newsom issued Executive Order N-33-20, the “Stay-at-Home” order intended to minimize the effects of the COVID-19 viral pandemic, which required thousands of businesses to close and forced employees to stay home. As a result, these businesses could not properly access the information necessary to complete Form 571, nor were their employees available. Some businesses used CPA firms and third-party bookkeeping services to handle their 571s, however, these companies were likewise closed or understaffed due to COVID-19. Consequently, thousands of businesses would miss the May 7 business personal property tax deadline and become subject to a 10% penalty.

Participants’ Key Sub-Issues:

- I. Data is required to establish the need for an extension of the May 7 filing deadline and/or penalty waiver.
- II. The amount of time the deadline should be extended and/or the penalty waived.
- III. The existing legal authority to grant time extensions and/or penalty waivers.

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

The following are summaries of the participants' positions and recommendations:

I. Data is required to establish the need for an extension of the May 7 filing deadline and/or penalty waiver

Assessors, taxpayer representatives, and others agreed that there is a need to provide some immediate relief for taxpayers who may be impacted in their ability to timely file by May 7. Form 571 must be filed on or before that deadline by any business in the state that owns business personal property – including business equipment, supplies, and leasehold improvements – with a total combined value of \$100,000 or more – or the assessor must add a 10% penalty on the unreported value of the property assessed.

Assessors: Data.

The California Assessors' Association (CAA) President Don Gaekle (Stanislaus County) asked each assessor to provide data on the 2020 Form 571 filing status in comparison to the 2019 year at the same time of year. He submitted a graph of the 2020 filing status for the week ending April 24 compared to filings near the same date in 2019. For 2020, an average of 30% of the Business Property Statements sent out were returned as of April 29, 2020, which was down 25% from the same date in 2019 as a result of COVID-19. Santa Clara County however, indicated that approximately 85% of the corporations had already filed.

1. A formal extension of the May 7 deadline could push back work on all other assessment roll tasks, and cascading effects of an extension could jeopardize the timely collection of tax revenue and thus the disbursement of public funds. (Larry Stone, Santa Clara County Assessor)
2. There are downstream impacts of deadline changes. If dates are extended a month, assessors' staff will have only 11 months to accomplish 12 months of work the following year. Furthermore, since many deadlines are mutually intertwined, you have to look at the cascading impacts of an extension of one date on all the others. (Leslie Davis, Calaveras County Assessor)
3. COVID-19 does appear to be depressing 571 filings somewhat. There is currently an estimated shortfall of nearly 50,000 statements—a decrease of more than 20%—compared to the same date in 2019. Empowering assessors to waive penalties on a case-by-case basis would allow assessors to ease the burden on those businesses facing legitimate challenges, rather than those 15-20% of filers that are chronically late. (Don Gaekle, CAA President/Stanislaus County Assessor)

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Taxpayers: Data.

The COVID-19 “stay-at-home” orders are preventing taxpayers and their employees from gathering and assembling the necessary information to prepare and timely file their Form 571s. Small businesses are especially affected since they outsource the 571 to bookkeepers, accountants, or employees who are prevented from meeting at their place of business; whereas, large corporations have software and staff to prepare the forms timely. The revenue impact from extending the May 7 deadline would be minimal – as personal property and fixture assessments make up a small portion of the total assessment roll in each county – for example, in Santa Clara County, Form 571 filings comprise only 5.95% approximately of the entire County roll (See Santa Clara County Assessment Survey – SBE Report dated June 2018, Appendix A, P. 16). (CATA 2/28/20 letter re Business Property Statements, 571L)

1. California businesses, as well as accountants and tax specialists, are heavily burdened by COVID-19 and are overburdened already in preparing loan and grant applications for federal and state assistance – they are in desperate need of property tax assistance. Federal authorities have already provided comparable extensions. The time extension might slightly inconvenience assessors but distributing the burden of COVID-19 response is part of our responsibility to Californians. (Cindy Gompper-Graves, South County Economic Development Council)
2. Without an extension or proper authority to waive penalties, already backlogged Assessment Appeals Boards will likely see a huge surge in COVID-related appeals this Fall and next year. A time extension now will help to alleviate large problems later. (Sean Keegan, Property Tax Assistance Company)
3. Small businesses will be adversely affected. Staff and outside accountants—to whom many outsource completion of Form 571s—will experience difficulty in accessing business locations and documents necessary to complete their inventory. While an extension might impact other deadlines and assessment work, the unsecured roll only represents a little over 5% of the total roll, and an extension of its filing would thus constitute a fairly modest disruption of workflow. Given that COVID impacts are very likely to be consistent with the criteria for penalty abatement laid out in RTC 463(c), a uniform waiver would avoid burdening AABs with penalty appeals whose outcomes were a foregone conclusion. (Marc Aprea, CATA)

II. The amount of time the deadline should be extended.

Participants disagreed on the appropriate amount of time for an extension and the method of providing an extension. Since the law allows taxpayers to amend a Form 571 that was timely filed on May 7, until May 31, the assessors agreed that 21 days (through) May 31 would be a reasonable time extension. Taxpayer input varied: some requested an extension to July 15; others requested for the Board to extend deadlines the 40 days allowed under RTC 155 in a

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

public calamity (until June 16); while still others thought even 21 days – through May 31 – would be sufficiently helpful and appropriate.

Assessors: Length of Time Extension.

- RTC 441(i) already allows businesses to file an amendment by May 31, which is effectively an extension. A July 15 deadline would push back a lot of things. (Marc Tonnesen, Solano County Assessor/Recorder)
- The CAA requested authority from the Governor to waive penalties as needed through May 31. (Don Gaekle, CAA President)

Taxpayers: Length of Time Extension

- San Diego County ARCC has received about 15 calls requesting extensions to at least May 31. Flexibility extending the May 7 filing to the May 31 amendment deadline could provide some relief to businesses in relation to Form 571-L. A BOE Letter to Assessors providing some degree of latitude, even if it offered a 3-week extension that is within the bounds of current code, would help. (Jordan Marks, San Diego County ARCC Taxpayer Advocate)
- The primary impediment to completion of the 571 Forms is the stay-at-home order. Many staff members are unable to come into work to prepare the information needed to file. Both a waiver of penalties and a time extension to at least May 31 would be beneficial. (Ray Blatt, Blatt and Sorrell Tax Group, Inc.)

III. The existing legal authority to grant time extensions and/or penalty waivers.

Participants disagreed on the appropriate method of providing an extension and/or penalty waiver. As the need for other extensions arises in the future, stakeholders will need direction; therefore, this is the most pressing issue remaining.

- Assessors indicated that a Governor’s Executive Order is needed to grant assessors or the Board authority to selectively waive the 10% penalty for taxpayers who establish that they could not timely file due to COVID-19.
- Taxpayers and Assessment Appeals Board (AAB) representatives indicated the BOE has existing authority to grant a limited time extension by law. Under RTC Section 155: “The time fixed in this division for the performance of any act by the assessor or county board may be extended by the board [the BOE] or its executive director for not more than 30 days, or, in case of public calamity, 40 days.” Selective “for cause” penalty waivers by individual assessors were not favored as they will incite assessment appeals and add to the AABs’ already burdensome workload.

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Assessors: Method of Time Extension

- During March and April, the CAA and the Santa Clara County Assessor wrote to the Governor requesting additional authority to address the COVID-19 impacts specifically related to the ability of taxpayers to meet the May 7 deadline by giving them discretion to waive penalties for legitimate taxpayer requests as needed through May 31.
- Other assessors asserted that taxpayers/filers could submit a “rough” Form 571-L on May 7 so that it would at least be timely. Then they could use the next three weeks to submit more comprehensive information as an amendment, since amendments are permitted up until May 31 without penalty. (Marc Tonnesen, Solano County Assessor/Recorder)

Taxpayers: Method of Time Extension

- California businesses, accountants, and tax specialists are already overburdened in preparing loan and grant applications for federal and state assistance. They are in desperate need of property tax assistance. Federal authorities have already provided comparable extensions. Requiring them to prepare more paperwork, fill out online forms, or provide documentation for a penalty waiver would significantly add to their burden. A “blanket” time extension and a penalty waiver are the most practical solutions and would avoid future appeals. (Cindy Gompper-Graves, South County Economic Development Council)

Recommendations

Assessors’ Recommendation:

The Governor should grant assessors the authority to waive penalties on a discretionary case-by-case basis in order to ease the burden on those businesses facing “legitimate” COVID-19 challenges.

Taxpayers’ Recommendation:

BOE should uniformly extend the May 7 delinquency date by 40 days (until June 16) at a minimum – as permitted by RTC 155, providing a blanket waiver of late penalties on Forms filed on or before that date.

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Options for Consideration by the Members:

1. Implement the Governor’s Executive Order N-61-20 extending the May 7, 2020 filing deadline until May 31, 2020. This option would allow the Board opportunity to implement the details of the recently released Executive Order through an LTA in consultation with Board staff and assessors.
2. The Board could consider issuing an LTA or a legal opinion providing guidance regarding the need for future COVID-19 time extensions under RTC Section 155. This option provides an opportunity for a comprehensive analysis of the extent of relief permissible under RTC Section 155 and historical BOE precedent.
3. Do nothing; maintain the status quo.

Subgroup 2: County Assessment Appeals Board (AAB) Deadlines (Statutes of limitation: 2-year deadline for AAB, 60-day deadline for taxpayers to appeal supplemental assessment notice.

Leader: Kari Hammond

Chief Deputy to Antonio Vazquez, Chair, California State Board of Equalization

kari.hammond@boe.ca.gov

Participants: Stakeholders included a broad spectrum of taxpayers, assessors, assessment appeals board officials, attorneys, taxpayer representatives, trade associations and business interests. (A complete list of the participants and their affiliations is included in the attached Appendix A.)

Stakeholder Documents: www.boe.ca.gov/meetings/pdf/2020/051320-M1-w2.pdf

Purpose/Key Issues: The Governor’s mandated stay-at-home executive order on March 19, 2020, as a result of the COVID-19 pandemic, has significantly brought the operations of all 58 counties’ assessment appeals boards (AABs) to a grinding halt. Specifically, the AABs are currently unable to conduct crucial and time sensitive property tax appeals hearings.

The purpose or need of this taskforce is to find property tax relief as it relates to:

- I. The 2-year statute of limitation for property tax appeals cases: whether granting authority to the AABs to extend the 2-year statute of limitations to hear property tax appeals cases is beneficial.
- II. The 60-day deadline for taxpayers to appeal supplemental escape assessment notices: whether granting authority to the AABs to extend the 60-day deadline for taxpayers to appeal supplemental assessments is beneficial.

A public discussion was conducted via videoconference (Zoom) on Thursday, April 23, 2020 from 12:00 pm to 1:00 pm. There were approximately 38 participants in the meeting who consisted of private and public stakeholders. There were five separate subgroups assigned to work on and discuss possible solutions and recommendations to mitigate the negative impacts of COVID-19 on the public, as well as on the 58 County Assessors throughout California. This report contains the end product of Working Group 2 and recommends several solutions to Issue Items I and II raised above.

I. Whether granting authority to the AABs to extend the 2-year statute of limitations to hear property tax appeals cases is beneficial.

Existing law and the significance of the 2-year statute of limitations:

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Pursuant to Revenue and Taxation Code (RTC)1604, Property Tax Rule 309 states that for an application for reduction in property tax assessment, hearing must be held and a final determination made on the application within two years of the timely filing, unless the applicant and the board mutually agree in writing or on the record to an extension of time (waiver).

If the hearing is not held and a determination is not made within the time specified, the applicant's opinion of value stated in the application shall be conclusively determined by the board to be the basis upon which property taxes are to be levied.

In other words, for applications involving base year value appeals that have not been heard and decided by the end of the two-year period provided and where the two-year period has not been extended, the applicant's opinion of value will be entered on the assessment roll for the tax year or years covered by the pending application, and will remain on the roll until the fiscal year in which the board makes a final determination on the application.

Accordingly, Section 155 allows the Board or the Executive Director to grant the Assessor or AABs an extension of time of 40 days.

Arguments in favor of extending the 2-year statute of limitations:

- An extension to the 2-year statute of limitations will allow AABs to resume operations while providing taxpayers and assessors time to prepare for resumed hearing schedules and help ensure that the AABs establish the correct property value. (California Association of Clerks and Election Officials (CACEO))
- There is no clear timeline for when normal operations will resume. (Charles Leonhardt, Plumas County Assessor)
- There will be an influx of appeals cases by 2021. (John McKibben, Chairman, CACEO)
- If AABs fail to hear cases within the 2-year statute of limitations, the taxpayer's assessment opinion will prevail on the county assessment roll, resulting in a possible loss of revenue. (Tom Parker, County Counsel, Los Angeles County AAB)
- Six counties (Los Angeles, Orange, Riverside, San Bernardino, Santa Clara, and Stanislaus) that were surveyed risk of losing \$442.66 billion in property tax revenue if pending cases are not heard within the 2-year statute of limitations. (CACEO)
- July 2020 will trigger the 2-year statute of limitations for appeals cases which provides little time for AABs to prepare and hear cases. (Tom Parker, County Counsel, Los Angeles County AAB)

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

- As a result of the backup and delay, there will be a negative effect on local governments, schools, various public safety agencies, etc. (Tom Parker, County Counsel, Los Angeles County AAB)

Solutions and Recommendations:

1. An Executive Order by the Governor, who has full authority under the law to grant the described relief, would be the quickest, most effective, and most efficient avenue for obtaining such relief. We strongly recommend that the State Board of Equalization join counties, without any further delay, in urgently requesting Governor Newsom to issue this Executive Order. (CACEO)
2. An Executive Order delegating the necessary authority to the State Board to grant the requested relief would be a slower, but still effective, method of granting relief. The State Board of Equalization could approach the Governor and request that he delegate the legal authority to the Board to issue the desired emergency order providing temporary emergency relief from Section 1604(c). However, we assume this method would take days or probably weeks to accomplish, unnecessarily adding to critical backlogs and possibly causing county boards to begin defaulting on the two-year deadline in the coming weeks. (CACEO)
3. The State Board could interpret Revenue and Taxation Code Section 155 more broadly to permit successive 40-day extensions of the two-year deadline. Historically, deadline extensions under Section 155 have been granted as one-time events, but the language of this section is not clear on this point and there is no case law to provide any guidance either. The section could be interpreted to allow multiple, successive deadline extensions, based on need, throughout the duration of the emergency and for 120 days thereafter. However, in our view this method would be the least desirable of the three options because it would be more labor intensive than the other two options and might create delays for the State Board, given the notice requirements under the Bagley-Keene Act. Nevertheless, absent appropriate action by the Governor, we recommend that this option be seriously considered as a fallback approach to solving the problem. (CACEO & Charles W. Leonhardt, Plumas County Assessor)
4. The State Board of Equalization could join with counties to seek an Executive Order by the Governor. Again, the overarching operational priority for clerks and counsel for the county boards is to obtain temporary relief from the two-year deadline in Revenue and Taxation Code Section 1604(c). We strongly recommend that the State Board of Equalization join counties, without further delay, in urgently requesting Governor Newsome to issue such an Executive Order. (CACEO)
5. Notwithstanding Revenue and Taxation Code Section 1604, the two-year deadline by which a county board must render a decision in an assessment appeal shall be tolled for the duration of the COVID-19 emergency, as defined by state or county declarations of

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

emergency, whichever is of longer duration, plus 120 days after the termination of the emergency to allow county boards to resume normal operations, provide taxpayers and assessors time to prepare for resumed hearing schedules, and to reduce the backlog of appeals to a manageable level. (CACEO)

6. If the State Board cannot agree to adopt our priority recommendation, one of the following two back-up solutions should be approved. These are summarized in order of priority. (CACEO)
 - a. An Executive Order delegating the necessary authority to the State Board to grant the requested relief, above. The State Board of Equalization should join with counties, without further delay, to urge the Governor to delegate the legal authority to the Board to issue an emergency order, providing temporary relief from Section 1604(c). The State Board of Equalization, in turn, would promulgate an order as stated above. (CACEO)
 - b. The State Board should interpret Revenue and Taxation Code Section 155 more broadly to permit successive 40-day extensions of the two-year deadline. Lastly, if the first two recommendations are not feasible, we recommend that the State Board of Equalization broadly interpret Revenue and Taxation Code Section 155 to permit multiple county boards to request multiple periods of relief on a request-by-request basis, despite the cumbersome nature of this procedure. (CACEO)
7. Support AB 3373 legislation to expand the number of AABs in each county. (Charles W. Leonhardt, Plumas County Assessor)
8. Review current guides and provide a quick reference guide to refresh AABs and assessors on assessment appeals topics. (Charles W. Leonhardt, Plumas County Assessor)

Arguments against extending the 2-year statute of limitations:

- If AABs are given the authority to postpone appeals cases beyond the 2-year statute of limitation as a result of the Governor’s executive order, taxpayers’ right to a timely hearing may be violated. (California Alliance of Taxpayer Advocates (CATA))
- Communication gaps between AABs and taxpayers will result in confusion without the proper outreach and education efforts as to the status of ongoing appeals cases that were extended beyond the 2-year statute of limitation. (CATA)
- Hundreds of cases will be on a backlog roster, further delaying a taxpayer’s right to a timely appeal. (Tom Parker, County Counsel, Los Angeles County AAB)

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Solutions and Recommendations:

1. Applicants should be notified directly by AABs as to the status of their applications. Applicants should not be required to consult a website or social media or to telephone the AAB to determine the status of their applications. (CATA)
2. Applicants whose hearings are postponed beyond the 2-year statute of limitations pursuant to the Governor's state of emergency authority should not be asked to sign open-ended waivers of the 2-year statute of limitation as the Governor's exercise of emergency authority will remove any requirement for waivers. (CATA)
3. Applicants should be able to sign a 2-year statute of limitation with a set and defined timeline for when their appeals cases will be heard. (Cris O'Neall, Chair, CATA)
4. Applicants whose applications were in line to be heard, but were not heard during the COVID-19 shutdown period, should be given priority in hearing scheduling. Such applications should not "go to the end of the line" for scheduling once AABs are back in operation. (CATA)
5. If AABs request Section 1604(c) waivers of applicants whose hearings were delayed due to the COVID-19 shutdowns, those waivers should not indefinitely extend the statute of limitation but should only be for the period of time that the AABs were shut down due to COVID-19. (CATA)
6. Issue Letters to Assessors (LTA) instructing AABs to communicate directly with all applicants regarding the status of their applications (and not indirectly by requiring applicants to consult AABs websites, telephone AABs, etc.). (CATA)
7. Issue LTAs instructing AABs to give priority in hearing scheduling, after the COVID-19 shutdown has concluded and AABs are again in operation, to applications that were scheduled or were to be scheduled for hearing but could not be heard due to the COVID-19 shutdown period. (CATA)
8. Issue LTAs instructing AABs not to use waivers of the 2-year statute for applications that were postponed due to the COVID-19 shutdown unless such waivers are limited to the COVID-19 shutdown period. (CATA)

Options for Board Consideration:

Option 1: Issue an LTA extending 2-year deadline for AABs by 40 days under Section 155.

Option 2: Issue an LTA encouraging AABs to request taxpayers to submit waivers due to COVID-19 with a time certain beyond 40 days for a hearing.

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Option 3: Request an Executive Order for AABs to selectively postpone taxpayer appeals beyond 2 years;

Option 4: Do nothing; maintain the status quo.

II. Whether granting authority to the AABs to extend the 60-day deadline for taxpayers to appeal supplemental and escape assessments is beneficial.

Existing law and the significance of the 60-day extension to file an appeal on escape or supplemental assessments:

Property Tax Rule 305, pursuant to RTC Section 1605, states that an application appealing an escape assessment or a supplemental assessment must be filed with the clerk no later than 60 days after the date of mailing printed on the notice of assessment or the postmark date, whichever is later, or no later than 60 days after the date of mailing printed on the tax bill or the postmark date, whichever is later.

County assessors and tax collectors send supplemental assessments, escape assessment notices, and tax bills to assessees by U.S. Mail, in response to which they must file an appeal application to the AAB within 60 days.

However, due to COVID-19 “stay-at-home” orders, some assessees/taxpayers are not able to retrieve (either readily or at all) mail sent to the mailing addresses used by assessors and tax collectors. As a result, assessees and taxpayers will not be able to file timely assessment appeal applications within the 60-day statutory window for appealing supplemental and escape assessments.

There are no exceptions in RTC 1605 or Rule 305 for events, such as the COVID-19 pandemic, which have placed limitations on assessees’ and taxpayers’ ability to receive supplemental/escape assessment notices and tax bills mailed by assessors and tax collectors.

Arguments in favor of extending the 60-day deadline for filing appeals on supplemental and escape assessments:

- Assessees and taxpayers will not be able to file timely assessment appeal applications within the 60-day statutory window for appealing supplemental and escape assessments. (CATA)
- It is difficult to estimate the number of assessees/taxpayers who have been and are unable to regularly access their U.S. Mail during the period of the COVID-19 shelter-in-place orders. (CATA)

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

- Current information shows that many companies have laid off or furloughed employees, which increases the likelihood that notices and tax bills sent and received by U.S. Mail are not being processed. (CATA)
- Information also shows that many business locations are closed due to their classification as “non-essential,” which means those locations are not able to receive U.S. Mail. (CATA)

Solutions and Recommendations:

1. Create a “safe harbor” period for the acceptance of late-filed assessment appeal applications during the period of the COVID-19 pandemic as follows: for all notices and tax bills that were sent via U.S. Mail to assessees/taxpayers by assessors and tax collectors between February 1 and July 1, 2020, if the assessee/taxpayer files an assessment appeal application with the AAB by October 1, 2020, such application will be deemed timely. Because this is an extension of a statutory deadline, the Governor would have to grant such extension under his emergency powers. (CATA)
2. If the Governor does not grant relief under his emergency powers, ask the Legislature to amend Section 1605 to provide for the relief described in the prior paragraph. Suggested amendment to Section 1605, adding subparagraph (b)(3): (CATA)

(3) Where the notice of a supplemental assessment or the notice of an escape assessment, or the tax bill relating to such supplemental assessment or escape assessment, bears a postmark between February 1 and July 1, 2020, the application shall be filed with the clerk not later than October 1, 2020. Applications filed by that date shall be deemed timely filed by the clerk.
(CATA)

3. Where taxpayers are unable to timely file assessment appeal applications due to COVID-19 “stay-at-home” orders, permit taxpayers to file applications with an affidavit explaining the reason for the delayed filing attached to the application form as provided in Section 1605(b)(1) and Rule 305(d)(4). (CATA)
4. Present a request to the Governor for emergency relief pursuant to his emergency powers to extend statutes of limitations as described. (CATA)
5. Alternatively, ask the Legislature to amend Section 1605 to allow for the “safe harbor” relief outlined above. (CATA)
6. Alternatively, issue an LTA to AABs stating that applications filed by assessees/taxpayers pursuant to Section 1605(b)(1) and Rule 305(d)(4), with an attachment explaining that the reason for the late filing was COVID-19-related, should be accepted. (CATA)

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

- a. The LTA should recommend “safe harbor” mailing dates of February 1 through July 1, 2020 for notices/tax bills, and October 1, 2020 as the date for filing timely assessment appeal applications.
- b. The LTA should also recommend that AABs make “COVID-19 Extension Declaration” forms available for applicants to attach to assessment appeal applications.

Arguments against extending the 60-day deadline for filing appeals on supplemental and escape assessments:

- No such relief is necessary. First, the vast majority of supplemental and escape assessment notices are issued to homeowners who receive their mail at their home. (CACEO)
- Second, businesses continue to receive mail, and most have someone checking and processing the mail; and in some cases, businesses are having their mail automatically forwarded to someone who processes it. (CACEO)
- Even if some taxpayers do not timely receive their mail, the Revenue and Taxation Code already provides a sufficient mechanism for relief. For assessments made outside of the regular roll time-period, Revenue and Taxation Code Section 1605(b)(1) provides that if the taxpayer does not receive the notice of the supplemental assessment or notice of escape assessment at least 15 calendar days before the 60-day deadline to file an assessment appeal application, then the applicant may file their assessment appeal application within 60 days of the date of mailing printed on the tax bill or the postmark on the tax bill, whichever is later, along with an affidavit declaring under penalty of perjury that the notice of assessment was not timely received. (CACEO)

Solutions and Recommendations:

1. The law already contains a practical, fair, and equitable solution to provide relief to those taxpayers who did not receive their assessment notice in time to file an appeal within 60 days. (CACEO)

Options for Board Consideration:

Option 1: Issue an LTA extending 60-day deadline for AABs to accept appeals by 40 days per Section 155.

Option 2: Issue an LTA encouraging AABs to notify taxpayers unable to file in 60 days that they may file late with an affidavit declaring the notice of assessment was not timely received.

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Option 3: Issue an LTA encouraging AABs to allow a “safe harbor” period (e.g., February 1, 2020–July 1, 2020) per Rule 305(d)(4) for taxpayers to late file appeals and provide an affidavit for them to attach.

Option 4: Do nothing; maintain the status quo.

Subgroup 3: Revenue & Tax Code Section 170, Disaster Relief

Leader: Sue Blake

Senior Tax Counsel to BOE Vice Chair Mike Schaefer

<mailto:sue.blake@boe.ca.gov>

Participants: Stakeholders included a broad spectrum of taxpayers, assessors, assessment appeals board officials, attorneys, taxpayer representatives, trade associations and business interests. (A complete list of the participants and their affiliations is included in the attached Appendix A.)

Stakeholder Documents: www.boe.ca.gov/meetings/pdf/2020/051320-M1-w3.pdf

Purpose/Key Issues:

On March 19, 2020, Governor Gavin Newsom issued Executive Order N-33-20, the “Stay-at-Home” order intended to minimize the effects of the COVID-19 viral pandemic. This Order required thousands of businesses to close their doors to the public, resulting in a broad shutdown of many sectors of the economy. This closure caused a widespread loss of property value.

The California Constitution requires that property tax assessments not exceed fair market value and requires assessors to realign property values when market values decline. Under the Revenue and Taxation Code (RTC), property is assessed and taxed as of its value on the lien date of January 1. However, property that is damaged and loses value after the lien date may be reassessed such that the owner is not required to pay tax inconsistent with the constitutional fair market value standard and principles of fundamental fairness.

Commonly known as “disaster relief” this authority for post-lien date recognition of loss in value is derived from the California Constitution, Article XIII, Section 15 which provides that, “The Legislature may authorize local government to provide for the assessment or reassessment of taxable property physically damaged or destroyed after the lien date to which the assessment or reassessment relates.”

Pursuant to this Article, the Legislature enacted RTC Section 170, which allows property owners who suffer **midyear loss** from a **calamity or misfortune** to petition for tax relief from their county assessor. Upon proper application for reassessment by the taxpayer, the assessor must appraise the property and determine the loss in value. The reduced value is entered on the roll and the taxpayer is entitled to a refund of any overpaid taxes.

The section of RTC 170 which describes what property is eligible for disaster reassessment is the first part of subsection (a), which states:

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

(a) Notwithstanding any other law, the board of supervisors, by ordinance, may provide that every assessee of any taxable property, or any person liable for the taxes thereon, whose property was damaged or destroyed without his or her fault, may apply for reassessment of that property as provided in this section. The ordinance may also specify that the assessor may initiate the reassessment where the assessor determines that within the preceding 12 months taxable property located in the county was damaged or destroyed.

To be eligible for reassessment the damage or destruction to the property shall have been caused by any of the following:

- (1) A major misfortune or calamity, in an area or region subsequently proclaimed by the Governor to be in a state of disaster, if that property was damaged or destroyed by the major misfortune or calamity that caused the Governor to proclaim the area or region to be in a state of disaster. As used in this paragraph, “damage” includes a diminution in the value of property as a result of restricted access to the property where that restricted access was caused by the major misfortune or calamity.
- (2) A misfortune or calamity.
- (3) A misfortune or calamity that, with respect to a possessory interest in land owned by the state or federal government, has caused the permit or other right to enter upon the land to be suspended or restricted. As used in this paragraph, “misfortune or calamity” includes a drought condition such as existed in this state in 1976 and 1977.

Undoubtedly, the entire state of California has suffered from the calamity known as COVID-19 and property that has been reduced in value after the January 1 lien date is eligible for reassessment. The first key issue is what constitutes “property physically damaged or destroyed.” COVID-19 certainly resulted in reduced property values, but did it physically damage or destroy property such that it should be reassessed midyear? Stated differently, does indirect (or economic) damage to property qualify as physical damage subject to disaster reassessment?

Note that in RTC 170(a)(1), the Legislature defined *damage* to include “a diminution in the value of property as a result of **restricted access to the property** where that restricted access was caused by the major misfortune or calamity.” [emphasis added]

The plain language of the statute seems to indicate that restricted access that causes a decline in value, such as during the stay-at-home order under COVID-19 restrictions, constitutes damage eligible for disaster relief reassessment. Several of the participants in the work group asserted that this is the correct reading of the statute and that this position is confirmed under the only Appellate case interpreting this issue, Slocum v. Board of Equalization (2005) 134

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Cal.App.4th 969. The others either stated that RTC 170 does not permit indirect damage to trigger disaster reassessment or requested additional legal analysis – or both.

The interpretation of “damage” in statute is critical to determining whether or not the taxpayer can seek mid-year relief. If economic or indirect damage qualifies under the *physically damaged or destroyed* category, then it should be reassessed as of the date of damage, upon proper application by the property owner. If indirect damage does not qualify, then the property should be reassessed at the following lien date, January 1, pursuant to the requirements of Proposition 8.

The second key issue then became, can and/or should the Legislature amend RTC 170 to allow for mid-year disaster reassessment resulting from COVID-19 restricted access?

While all the participants agreed that disaster declines would be enrolled no later than the following lien date, there was a variety of opinion on whether the Legislature could (or should) address the issue immediately.

Participant Positions:

Subgroup 3 received written submission from 11 of the participants. While all essentially agreed that the COVID-19 losses will be addressed on January 1, 2021 by Proposition 8 declines in value, at least half of the participants deferred, asserting that more legal analysis was needed before they could make any specific recommendations. Several suggested that the subgroup continue to work on this issue. (See comments from the California Association of Taxpayer Advocates (CATA); California Assessors Association (CAA) President/Stanislaus County Assessor, Don Gaekle; Plumas County Assessor, Charles Leonhardt; San Mateo County Assessor, Mark Church; and Solano County Assessor, Mark Tonnesen.)

There were three basic differences shared by the remaining participants, summarized as follows.

- I. Disaster reassessment under the California Constitution requires physical damage to the property and the Legislature does not have authority to amend the statute to include indirect, physical damage. (Jerri Bradley, Deputy County Counsel, Kern County; Larry Stone, Assessor, Santa Clara County)
- II. The Legislature has the authority, but does not need to amend RTC 170 because the statute is sufficient under the California Constitution to allow counties to address indirect, physical damage, should they so choose. (Marty Dakessian, Esq., Attorney, Dakessian Law; Douglas Mo, Attorney, Eversheds Sutherland; Charles Moll, Partner, Attorney, McDermott Will & Emery)

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

- III. The Legislature has the authority and should amend RTC 170 to specifically address indirect, physical damage, thereby clearing up the dispute. (Stephen Davis, Shareholder, Attorney, Greenberg Traurig; Charles Moll, Partner, Attorney, McDermott Will & Emery)

A compilation of the participant's salient comments follows. Because some of the submissions were lengthy, they have been edited for facility of reading. Sections in quotation marks came directly from the participants' written comments. For the complete statements of each, please see the appendix to this report.

I. The legislature does NOT have the authority to amend RTC 170.

Jerri Bradley, Deputy County Counsel, Kern County: RTC 170 does not permit disaster relief except in cases of physical damage or destruction. The Legislature does not have authority to provide a statute which specifically authorizes disaster relief based upon economic diminution due to restricted access, because that would be outside its Constitutional mandate.

"It has been suggested that property owners may qualify for disaster relief under California Revenue & Taxation Code section 170. Despite argument to the contrary, it is clear that physical damage is required for that statute to apply. For example, the assessed value of the damaged property is the taxable value until such time as it is ". . . restored, repaired or reconstructed . . ." Rev. & Tax. Code, § 170(g) Without physical damage, none of those things can occur. Presumably the idea in our situation is that once the restricted access is lifted the property is "restored." But that violates the constitutional restriction of article XIII, section 15, which specifically requires physical damage. ["The Legislature may authorize local government to provide for the assessment or reassessment of taxable property physically damaged or destroyed after the lien date to which the assessment or reassessment relates." Cal. Const., art. XIII, §15]"

See Slocum v. State Bd. of Equalization (2005) 134 Cal.App.4th 969, 977 which clarifies that, "Therefore, by no possible stretch can we rely on the 1975 opinion as affirming that damage under section 170 and its predecessors encompasses economic loss due to impeded access to the property, and that such construction is compatible with the physicality requirement of article XIII, section 15. Id. at 980."

California Revenue & Taxation Code section 170 only authorizes local boards of supervisors to create an ordinance to provide for disaster relief. As the State Board of Equalization has no direct authority over a local board of supervisors, it appears that it cannot order a board of supervisors to alter their ordinance.

It has been argued that the legislature could provide a statute which specifically authorizes disaster relief based upon economic diminution due to restricted access, but that would be outside the legislature's authority.

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

The BOE would be better served by requesting from the Governor an Executive Order extending deadlines set by statute and providing for payment arrangements.

Larry Stone, Assessor, Santa Clara County: RTC 170 cannot be used as property tax relief as a result of **economic** harm. This was tried subsequent to the terrorist attacks of 9/11 when the BOE adopted Property Tax Rule 139 which allowed disaster relief from diminution in value resulting from restricted access to property (aircraft). The California Assessors Association (CAA) litigated the BOE Rule pursuant to RTC 538, in the case Slocum v. State Bd. of Equalization (2005) 134 Cal.App.4th 969.

In Slocum, the assessors argued that the State Constitution and RTC 170 plainly require physical damage, not merely economic damage. The Court on appeal ruled that a property owner must show that the property was physically damaged or destroyed. Physical damage is distinct from economic damage; thus Rule 139 improperly expanded the definition of damage beyond Section 170.

An appropriate solution would be to apply Proposition 8 reductions in value as of January 1, 2021.

II. RTC 170 is sufficient to allow counties to provide relief for indirect physical damage

Marty Dakessian, Esq., Attorney, Dakessian Law: There is no need for further amendment of RTC 170. The taxpayer can apply for relief under the existing statute. The Legislature defined the term “physical damage” under Section 170(a)(1) explicitly to include “indirect” physical damage—diminution in value due to restricted access.

The Court in Slocum v. BOE explained there are two types of physical damage under Section 170 — “direct” and “indirect.” **Direct** physical damage “[implies] direct physical injury to the property.” Slocum, at 978. **Indirect** physical damage includes “restricted access.” Slocum, at 981.

The counties argue that Section 170 requires “physical damage.” But they miss the point with this argument. According to Slocum, the Legislature defined such damage to include “restricted access”:

[T]he Legislature delineated two exceptions to the general meaning of ‘damage or destruction’ as implying direct physical injury to the property, thereby providing limited relief for *indirect* physical damage. *Thus, in subdivision (a)(1) the term “damage” includes diminution in value due to restricted access to the property, where the restricted access was caused by a major misfortune or calamity which spurred the Governor to proclaim the area to be in a state of disaster.* Slocum, at 978.

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

The Slocum court plainly stated, “Direct Physical Damage is a Requirement of Section 170, Subdivision (a)(2) But Not of Subdivision (a)(1) and (3).” Slocum, at 978. The following excerpt from the opinion confirms this dichotomy, “Rule 139 cannot be justified as consistent with Section 170, subdivision (a)(1) because the rule permits reassessment in the absence of physical damage, *whether direct or, in the case of restricted access, indirect.*” Slocum, at 981 (italics added).

Douglas Mo, Esq., Eversheds-Sutherland: “The California Constitution, Article XIII, Section 15, uses the words “physical damage.” It is within the purview of the Legislature to give meaning to these words, and such meaning is cloaked with a strong presumption of constitutionality. In the context of Section 170(a)(1), the Legislature has determined that “restricted access” constitutes a form of physical damage.

We note that the constitutionality of Section 170(a)(1) has not been called into question since its enactment in 1979. If any assessor believes that Section 170(a)(1), and in particular its adoption of “restricted access” as a form of physical damage is unconstitutional, his or her sole remedy is to bring a declaratory relief action under Section 1060 of the Code of Civil Procedure. Rev. & Tax. Code § 538. We are not aware that any such action has been brought. Moreover, in *Slocum v. State Board of Equalization*, 134 Cal.App.4th 969 (2005), the Court of Appeal strongly suggested that the Legislature’s interpretation was a permissible one—characterizing restricted access as a form of “indirect physical damage.” We agree with the Court of Appeal’s conclusion that “restricted access” is a form of physical damage.”

Finally, the Legislature has included the term “epidemic” in its definition of disaster. See Government Code Sections 8680.3 and 8558(b).

Charles Moll, Esq., McDermott Will & Emery: RTC Section 170 itself provides for relief in the situation that we are currently experiencing with the COVID–19 pandemic. Section 170 (a)(1) expressly provides that “‘damage’ includes a diminution in the value of property as a result of restricted access to the property where that restricted access was caused by the major misfortune or calamity.” *Slocum* supports this, clarifying that, “Direct physical damage is a requirement of Subdivision 170(a)(2) but not of Subdivision (a)(1) and (a)(3).”

III. The Legislature can and should amend RTC 170 to address indirect, physical damage

Stephen Davis, Esq., Greenberg Traurig: The legislature has the authority to amend RTC 170 to provide relief per the COVID-19 calamity. While all of the key elements required to provide immediate relief for COVID-19-related losses under the misfortune and calamity statute exist in some form, there are various technical barriers to actually implementing these value corrections.

Mr. Davis proposed a legislative interpretation of California Constitution Article XII, Section 15 necessary to remove these limitations and provided comprehensive language for statutory amendment. His proposal would expand eligibility for calamity and misfortune reassessment,

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

require assessors to consider the effects of the COVID-19 pandemic and associated emergency measures when re-valuing taxable property, authorize immediate relief, and would apply its provisions retroactively. Specifically, his bill language:

1. Expands eligibility for disaster reassessment to include a major misfortune or calamity in an area subsequently proclaimed by the Governor to be in a state of emergency, not only a disaster, so long as the property was “damaged or destroyed” by the major misfortune or calamity that caused the Governor to issue the proclamation and/or measures adopted by the government to respond to that event.
2. Directs assessors to consider loss of property value resulting directly or indirectly from viral contamination associated with the COVID-19 pandemic and governmental measures intended to contain such viral contamination when revaluing the property to its disaster-affected value.
3. Declares that COVID-19 virus contaminates physical surfaces and represents physical damage to property for purposes of article XIII, section 15 of the California Constitution.
4. States that its provisions apply retroactively as required to implement the immediate property tax relief intended by this bill.
5. Allows affected taxpayers to apply for reassessment within 12 months of the date the bill is enacted.
6. Establishes an effective date of March 2, 2020 for initial recognition of the COVID-19 pandemic for purposes of this statute.

In order to ensure immediate implementation and to avoid the 2/3 vote requirement in the Legislature for tax-related bill, Mr. Davis suggested including this legislation as part of the 2020 Budget Bill.

Charles Moll, Esq., McDermott Will & Emery: With respect to the constitutional authority of the Legislature, there is no doubt that the Legislature has the authority to prescribe appropriate valuation methodologies, including ways to calculate declines in value even in the absence of actual physical damage. Indeed, there are many examples of this authority, including the application under currently accepted valuation methodologies of external obsolescence which occurs without any physical damage to the property itself, special valuation methodology for subsidized low-income housing, and others.

Furthermore, the Legislature possesses the authority to determine when dates of valuation should be made and has exercised that authority in the past without challenge. For example, the Legislature changed the lien date from March to January, and it set forth the dates for supplemental assessment valuations. Indeed, for supplemental assessments, while the Legislature generally chose the valuation date as the date of the event, it could have chosen a different date (which in fact, it did for fixtures). Certainly, the Legislature likewise has the same

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

power to determine the date of valuation when a calamity occurs, and no contrary authority has been cited.

In the meantime, taxpayers should apply for relief in counties that will allow indirect diminution in value by ordinance. Mr. Moll proposes that a petition for a 25% reduction in value should be automatically accepted, like a safe harbor. Petitions for reduction of 26-50% should be presumed correct but supported by evidence. Reductions over 50% would require satisfactory evidence prior to acceptance.

If the shelter in place/business closures extend past July 1, then under the proposal set forth above, any reductions in value would not result in a refund for 2020–21, but would simply result in a reduction, in the same manner as previously stated above, of the December 2020 (August for unsecured property) tax payment.

Options for Consideration by the Members:

1. The BOE could issue a Letter to Assessors directing them to accept declines in value pursuant to RTC 170 based on the COVID-19 calamity.
2. The Board could propose or sponsor **special** legislation to address property damage consequent to the COVID-19 pandemic. This could be done in at least two different ways:
 - Amend RTC 170 recognizing economic or indirect damage to property value as a consequence of a calamity or COVID-19.
 - Adopt a new statute recognizing economic indirect damage to property value as a consequence of a calamity or COVID-19.
3. The Board could propose or sponsor **general** legislation. Again, there are two ways to do this:
 - Amend RTC 170 recognizing economic or indirect damage to property value
 - Adopt a new statute recognizing economic indirect damage to property value
4. The Board could seek an expanded Executive Order from the Governor giving the BOE specific authority to provide for disaster relief to redress the calamitous losses from COVID-19.
5. The Board could do nothing and allow each county to address the situation via Proposition 8 reductions at the next lien date, January 1, 2021.

Subgroup 4: Proposition 8 – Decline-in-Value Relief

Leader: Kristine Cazadd

Legal Counsel to BOE Chair Antonio Vazquez

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Participants: Stakeholders included a broad spectrum of taxpayers, assessors, assessment appeals board (AAB) officials, attorneys, taxpayer representatives, trade associations and business interests. (A complete list of the participants and their affiliations is included in the attached Appendix A.)

Stakeholder Documents: www.boe.ca.gov/meetings/pdf/2020/051320-M1-w4.pdf

Purpose/Key Issues:

I. Is Proposition 8 Decline-in-Value Relief currently available for taxpayers whose property values have declined from COVID-19 after the January 1, 2020 lien date?

Two Subgroup 4 participants submitted documents on their respective positions and recommendations:

- California Alliance of Taxpayer Advocates (CATA): *SBE Property Tax Relief Task Force Subgroup 4, Proposition 8 Decline-in-Value (Lien Date)*
- Office of the Santa Clara County Assessor: April 28 letter re: *Responses to the Five Hearings Initiated by BOE Task Force on Covid-19*, pgs. 6-8

Subgroup 4 identified the following key sub-Issues:

- Legal challenge: Proposition 8 Decline-in-Value relief for January 1, 2020 lien date
- Data; estimates regarding need for taxpayer relief

II. Data, Participant Positions on Legal Challenge, Recommendations.

Legal Challenge

Because the COVID -19 “stay-at-home orders” began in March 2020, resulting in the closure of large numbers of business properties deemed non-essential, the resultant declines in value occurred after the January 1, 2020 lien date. Proposition 8, and Revenue & Taxation Code section 51(a)(2) that implements it, require assessors to enroll a decline in a property's market

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

value below the property's adjusted base year value based on the current lien date.¹ This means that immediate relief (for a reduction in taxable value) is not available; taxpayers must wait until January 1, 2021 unless other steps are taken.

Data

In general, all parties acknowledged that a mid-year value decline in business property values has occurred, but market data on its current extent or range is somewhat limited. The longer the shelter-in-place orders persist, the greater the economic decline, resulting in more data.

Taxpayers, CATA Position & Recommendations:

Position

Immediate relief is needed by taxpayers (retail, hospitality, etc.) this year, before the next installment of property taxes are due in the Fall, to give them hope/support in their efforts to re-open their businesses. A short-term decline in value is already well established with some solid indicators; and keeping businesses from failing, not paying their mortgages, or declaring bankruptcy will offset any revenue reduction from allowing them some relief this lien date year.

Recommendations

- Support legislation amending RTC section 2192 to temporarily change the 2020 lien date from January 1 to July 1 (or some other date after March 19, 2020), so the COVID-19 impacts on market values can be considered.
- Support legislation amending RTC section 402.5 and Property Tax Rule 324(a) to allow assessors and AABs to consider comparable sales that occur up to 90 days after the January 1, 2020 lien date – through April 1, 2020.
- Work with assessors, Board Members, BOE staff to establish 2020/21 uniform capitalization rates/rate of return for types of properties impacted by COVID-19, to be applied and published statewide through a Letter to Assessors (LTA). While this does not solve the 1/1/2020 lien date problem, it does allow taxpayers to request assessors to begin review and correction of their property values through July 1, 2021.

¹ Section 51. “(a) For purposes of subdivision (b) of Section 2 of Article XIII A of the CA Constitution, for each lien date after the lien date in which the base year value is determined pursuant to Section 110.1, the taxable value of real property shall, except as otherwise provided, ... be the lesser of:

(1) Its base year value, compounded annually since the base year by an inflation factor, ...

(2) Its full cash value, as defined in Section 110, as of the lien date, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a decline in value.”

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

Assessors' Position & Recommendations.

Position. Though taxpayers may need immediate relief, the property tax system, which is specifically tied to the lien date, is not designed to allow assessors to provide it – particularly at this time of year as assessment rolls are being completed. Even if it was possible, there is currently insufficient market data needed to reduce assessments; however, assessors will be able to do so when they have more data around the 1/1/2021 lien date.

Recommendations.

- Oppose legislation amending RTC section 2192 to temporarily change the 2020 lien date from January 1 to July 1 (or some other date);
- Oppose legislation amending RTC section 402.5 and Rule 324(a) to allow assessors/AABs to consider comparable sales occurring up to 90 days after the January 1, 2020 lien date;
- Oppose efforts to establish 2020/21 uniform capitalization rates/rate of return for types of business properties impacted by COVID-19;
- Maintain the status quo; assessors will be prepared to proactively reduce values for the January 1, 2021 lien date.

Options for Consideration by the Members

1. Propose or support legislation to change the lien date from 1/1/2020 to a later date for this year only.
2. Propose/support amendments to RTC section 402.5 and Rule 324(a) to allow assessors/AABs to consider comparable sales occurring up to 90 days after the 1/1/2021 lien date for this year only.
3. Work with assessors, taxpayers and AABs to develop 2020/21 uniform capitalization rates/rate of return for types of business properties impacted by COVID-19 for publication in an LTA.
4. Issue an LTA providing specific COVID-19 guidance regarding the proactive processing of declines in value and proactive suggestions for discovering reduced market values and identifying indicators for assessment uniformity, etc. – e.g., LTA No. 92/63.
5. Do nothing; maintain the status quo.

Subgroup 5: Wet Signature vs. e-Signature

Leader: Cody Petterson

Assistant to BOE Vice Chair Mike Schaefer

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Participants: Stakeholders included a broad spectrum of taxpayers, assessors, assessment appeals board officials, attorneys, taxpayer representatives, trade associations and business interests. (A complete list of the participants and their affiliations is included in the attached Appendix A.)

Stakeholder Documents: www.boe.ca.gov/meetings/pdf/2020/051320-M1-w5.pdf

Purpose/Key Issues:

In the weeks following the Governor’s issuance of his “Stay-at-Home” order, the Board and staff of the BOE received expressions of concern from taxpayers, assessors, and tax professionals that the requirement to receive wet signatures puts an undue burden on taxpayers who may already be struggling with the impacts of the COVID-19 pandemic, “Stay-at-Home” order, and associated recession.

Working Group 5 convened on April 23 and April 29 to give the task force a better understanding of the extent of the problem and receive recommendations for its solution.

On May 4, LTA No. 2020/022 was issued to encourage assessors to accept electronically filed property statements per RTC Section 441(k) and other electronically filed documents/signatures per Government Code Section 16.5 during the COVID-19 crisis. However, future guidance on this issue may be needed and Subgroup 5 information is still relevant.

The pandemic and associated government policies do not significantly inhibit the submission of wet signatures per se. Signed documents like Form 571-L (Business Property Statement) and assessment appeals can still be dropped off or mailed to county assessors. However, taxpayers may be experiencing substantial difficulties in their personal and professional lives associated with the COVID-19 pandemic, and the BOE is committed to facilitating the process of submission, both to alleviate unnecessary burdens on taxpayers and to increase the rate of filing, which is likely to be depressed by COVID-19.

Furthermore, paper submissions themselves require in-person processing, which cannot be done remotely by county assessor staff, and thus impede full implementation of the Governor’s “Stay-at-Home” order.

There is a spectrum of documents received by assessors, which have differing levels of fraud risk and thus differing authentication requirements. There is also a spectrum of potential intensity of authentication of electronic media, from human review of electronic signatures,

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

through basic consumer digital verification products, to professional, custom-built verification systems.

Many assessors already have e-signature systems provided through state-approved third-party vendors. Where available, assessors report high, rapid adoption rates (60%+), which typically top out around 70%, with older filers often reluctant or unable to make the transition.

Less populous rural counties, however, often do not have the tax base and revenue to make these third-party applications cost-effective. If properly facilitated, supported, and incentivized, it is likely that these counties could implement e-signature programs by pooling costs between several counties.

Assessor Dronenburg and his staff estimate that their e-signature system required 6 months for implementation, but that it could potentially be done on an expedited basis in 3 months. This may be a desirable goal for the BOE to encourage and facilitate, though it is likely beyond the 90-day purview of this task force.

The most immediate concern amongst assessors, taxpayers, and tax professionals appears to be guidance and forbearance in the approval of electronic submission of facsimiles and emails of scanned signed documents. Many business owners—probably the vast majority—have access to email accounts and consumer scanners or facsimile machines. Electronic submissions would likely reduce the difficulty of submission, increase the rate of filing, and allow assessors' staff to continue to work remotely, rather than returning to their offices to process paper submissions.

The BOE's authority with regard to wet signatures is established in RTC 441(k), which stipulates that "property statements filed using electronic media shall be authenticated pursuant to methods specified by the assessor and approved by the board." The adequacy of authentication methods is therefore the central question which the BOE must answer. More precisely, with regard to the current pandemic, the BOE must endeavor to balance on an emergency basis the risk of fraud that a method leaves unmitigated against the burden that a more stringent method might impose on taxpayers, tax professionals, and assessors.

Participant Positions

- "Allow taxpayers to sign assessment appeal applications and related documents electronically by facsimile, scan, or any other media." CATA advocates that the BOE approve the acceptance by assessors of faxes or emailed scans of signed documents. Presumably this could involve some basic level of authentication by reviewers—for example, checking email addresses and signatures against previously submitted data or contacting filers by phone—but this would involve a very minimal degree of authentication. CATA's argument, however, is that emailed scans of signed documents are not significantly more vulnerable to fraud than mailed documents, and that the benefit of scanned submissions outweighs these relatively modest risks. (California Alliance of Taxpayer Advocates (CATA))

COVID-19 Property Tax Relief Task Force Working Group – Subgroup Reports

- “BOE could provide a ‘Letter to Assessors’ (LTA) outlining which forms can be submitted with digital or electronic signatures and which forms are restricted to wet signatures. The LTA could include information on best practices in implementing and managing digital, electronic, and fax signature documents.” Assessor Leonhardt’s recommendation appears to acknowledge that the risk of fraud differs by document, and that some documents may demand more stringent authentication methods. (Charles Leonhardt, Plumas County Assessor)
- BOE should ensure that methods of authentication are consistent with emergency cybersecurity regulations recently issued by the California Secretary of State. (Rob Grossglauser, Pinnacle Advocacy LLC)
- The ability to accept scanned documents would facilitate processing under current circumstances, but BOE guidance should be voluntary rather than mandatory, and assessors would need legal assurance that scanned documents would not be subject to Public Records Requests that might jeopardize their privacy. (Leslie Davis, Calaveras County Assessor)
- In the medium term, expanded adoption of digital signature systems is desirable, but the immediate need for assessors is the ability to accept scanned or faxed signed documents. The BOE should issue clear guidance on acceptable forms of authentication under current emergency circumstances and expedite the approval process for assessor policies regarding the authentication of electronic filings. (Don Gaekle, Stanislaus County Assessor/CAA President)
- The Santa Clara Assessor’s office has formally requested that the BOE provide written exemption from the wet signature requirement for Form 571-L. With regard to receiving faxes, scans, or other forms of electronic submission, these are complex issues that require extended study and analysis. (David Ginsborg, Santa Clara County Deputy Assessor)
- One Assessor requested that the Board issue an LTA that clearly approves/allows specific methods of authentication for Assessors to use uniformly – at least during this COVID-19 crisis. For example, many assessors require a wet signature on Welfare Exemption First Filing Claims. However, on subsequent Welfare Exemption Annual filing Claims, assessors would like to allow a faxed or a scanned claim sent by e-mail without requiring the original wet signature to be sent again, since they already have the first claim with the actual wet signature. The recent LTA No. 2020/022 was not particularly helpful, as it generally repeated what is already in the statute without definitive guidance on specific authentication methods.

Options for Consideration by the Members

1. Issue an LTA providing additional guidance to assessors and expediting the process of approval under 441(k). This option would provide assessors with a clearer understanding of what methods of authentication were acceptable within the current emergency environment and allow them to more rapidly adopt modified authentication standards. For example, provide some uniform guidance on allowing faxed or scanned claims by e-mail after they receive the first claim with the wet signature.
2. Ease authentication criteria for electronic submissions for a fixed or contingent period of time, in a manner determined by staff to provide a desirable ratio of risk-to-benefit and to be consistent with state law and emergency regulations. This option might reduce the burden of submission, increase rates of submission, and allow additional assessor staff to continue to comply with the Governor’s “stay-at-home” order. It would also, however, expose submissions to some additional cybersecurity and fraud risk, and require BOE staff time to craft a policy that was judicious and compliant with state law.
3. Sponsor legislation in the California State Legislature specifically establishing emergency authentication standards for the production and transmission of electronic scans of signed documents. This option could be necessary if the BOE finds that modification of standards for the authentication of electronic submissions are outside of its existing authority.
4. Independent of the previous options, the BOE may instruct staff to explore ways of expanding the adoption of e-signature programs across the state. This option is a medium-term solution, which is beyond the immediate purview of the current task force, but which could help in the near future to alleviate the above-described burdens, particularly if the impacts of the pandemic persist into the coming year, as now seems likely.
5. Do nothing. The BOE may choose to not alter their current policy and practice regarding wet signatures. This would likely inconvenience some filers, as well as force assessors to shift some employees back into offices in order to process additional paper filings.

California State Board of Equalization COVID-19 Property Tax Relief Task Force Working Group - Participants

**Antonio Vazquez, Chairman, California State Board of Equalization
Mike Schaefer, Vice Chair, California State Board of Equalization**

*General Meeting and Subgroups: Thursday, April 23, 2020; 10:00 am – 5:30 pm
General Meeting to Review Findings: Wednesday, April 29, 2020; 10:00 am – 11:45 am*

Subgroup 1: Business Personal Property Tax Statements, 571 L

Leader: Gary Gartner

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Participants:

- Marc Aprea, Partner, Aprea & Micheli Government Relations
- Marcy Berkman, County Counsel, Santa Clara County
- Ray Blatt, Principal, Blatt & Sorell Tax Group, Inc.
- Leslie Davis, Assessor, Calaveras County; Past President, CAA
- Ernie Dronenburg, Assessor, San Diego County; President-Elect, CAA
- Don Gaekle, President, CAA; Assessor, Stanislaus County
- David Ginsborg, Deputy Assessor, Santa Clara County Assessor's Office
- Cindy Gompper-Graves, CEO, South County Economic Development Council
- Sean Keegan, Principal, Property Tax Assistance Company
- Jordan Marks, Taxpayer Advocate, San Diego County ARCC
- Robert Nakamae, Deputy County Counsel, Santa Clara County
- Charles Moll, Partner, Attorney, McDermott Will & Emery
- George Renkei, Assistant Assessor, Los Angeles County Assessor's Office
- Larry Stone, Assessor, Santa Clara County
- Marc Tonnesen, Assessor/Recorder, Solano County

COVID-19 Property Tax Relief Task Force Working Group - Participants

Subgroup 2: County Assessment Appeals Board (AAB) Deadlines

(Statutes of limitation: 2-year deadline for AAB, 60-day deadline for taxpayer to appeal supplemental assessment notice)

Leader: Kari Hammond

Chief Deputy to Antonio Vazquez, Chair, California State Board of Equalization

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Participants:

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- Jerri Bradley, Deputy County Counsel, Kern County
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- Don Gaekle, President, CAA; Assessor, Stanislaus County
- David Ginsborg, Deputy Assessor, Santa Clara County Assessor's Office
- Kecia Harper, Clerk of the Board, Riverside County
- Liz King, Clerk of the Board, Stanislaus County
- Chuck Leonhardt, Assessor, Plumas County
- Pat Martinez, Clerk of the Board, Orange County Assessment Appeals
- John McKibben, Chairman, CACEO
- Lynna Monell, Clerk of the Board, San Bernardino County
- Barbara Nack, Chief, Los Angeles County AAB
- Wes Nichols, Principal, Paramount Property Tax Appeal
- Cris O'Neill, Chair, CATA
- Tom Parker, County Counsel, Los Angeles County AAB
- Jemina Ramirez, Clerk of the Board, San Bernardino County
- George Renkei, Assistant Assessor, Los Angeles County Assessor's Office
- Wesley Stanfield, Deputy County Counsel, Riverside County
- Larry Stone, Assessor, Santa Clara County
- Robin Stieler, Clerk of the Board, Orange County
- John Tubbs, County Counsel, San Bernardino County AAB
- Maria Vasquez, Riverside County Assessment Appeals

COVID-19 Property Tax Relief Task Force Working Group - Participants

Subgroup 3: Revenue & Tax Code Section 170, Disaster Relief

Leader: Sue Blake

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- Jerri Bradley, Deputy County Counsel, Kern County
- Marty Dakessian, Attorney, Dakessian Law
- Stephen Davis, Shareholder, Attorney, Greenberg Traurig
- Don Gaekle, President, CAA; Assessor, Stanislaus County
- David Ginsborg, Deputy Assessor, Santa Clara County Assessor's Office
- Peter Kotschedoff, Principal, Versatax Consulting
- Chuck Leonhardt, Assessor, Plumas County
- Jordan Marks, Taxpayer Advocate, San Diego County ARCC
- Douglas Mo, Attorney, Eversheds-Sutherland
- Charles Moll, Partner, Attorney, McDermott Will & Emery
- Robert Nakamae, Deputy County Counsel, Santa Clara County
- George Renkei, Assistant Assessor, Los Angeles County Assessor's Office
- Larry Stone, Assessor, Santa Clara County
- Marc Tonnesen, Assessor/Recorder, Solano County

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Subgroup 4: Prop 8, Decline In Value (Lien Date)

Leader: Kristine Cazadd

Legal Counsel to BOE Chair Antonio Vazquez

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Participants:

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- Don Gaekle, President, CAA; Assessor, Stanislaus County
- David Ginsborg, Deputy Assessor, Santa Clara County Assessor's Office
- Robert Grossglauser, Founder, Pinnacle Advocacy LLC
- Peter Kotschedoff, Principal, Versatax Consulting
- Chuck Leonhardt, Assessor, Plumas County
- Robert Nakamae, Deputy County Counsel, Santa Clara County
- Wes Nichols, Principal, Paramount Property Tax Appeal
- Cris O'Neill, Chair, CATA
- George Renkei, Assistant Assessor, Los Angeles County Assessor's Office
- Larry Stone, Assessor, Santa Clara County
- Marc Tonnesen, Assessor/Recorder, Solano County
- John Tubbs, County Counsel, San Bernardino County AAB
- Maria Vasquez, Riverside County AAB
- Paul Waldman, President, CATA

COVID-19 Property Tax Relief Task Force Working Group - Participants

Subgroup 5: Wet Signature vs. e-Signature

Team Leader: Cody Petterson

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Participants:

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- Leslie Davis, Assessor, Calaveras County; Past President, CAA
- Ernie Dronenburg, Assessor, San Diego County; President-Elect, CAA
- Don Gaekle, President, CAA; Assessor, Stanislaus County
- David Ginsborg, Deputy Assessor, Santa Clara County Assessor's Office
- Robert Grossglauser, Founder, Pinnacle Advocacy LLC
- Sean Keegan, Principal, Property Tax Assistance Company
- Chuck Leonhardt, Assessor, Plumas County
- Jordan Marks, Taxpayer Advocate, San Diego County ARCC
- Robert Nakamae, Deputy County Counsel, Santa Clara County
- Maria Vasquez, Riverside County AAB
- Paul Waldman, President, CATA

COVID-19 Property Tax Relief Task Force Working Group - Participants

Participants in Task Force General Meeting Only:

- Aldo Arellano, Special Assistant, Los Angeles County Assessor's Office
- Carmen Chu, Assessor, City and County of San Francisco
- Mark Herbert, California Director, Small Business Majority
- Tiffany Lennear, Clerk of the Board, Santa Clara County
- Matthew Lyons, Legislative Affairs Deputy, Los Angeles County Assessor's Office
- Martha Moreno, Los Angeles County Assessor's Office
- Jason Paguio, President, Asian Business Association San Diego; Strategic Partnerships, California Asian Pacific Chamber of Commerce (CalAsian Chamber)
- Jeffrey Prang, Assessor, Los Angeles County
- Sherry Tran, Clerk of the Board, Santa Clara County