

**Tuesday, July 27, 2021**

The Board met at 10:03 a.m., via teleconference (Governor's Exec. Order No. N 8-21 (June 11, 2021)), with Mr. Vazquez, Chairman, Mr. Schaefer, Vice Chair, Mr. Gaines and Ms. Cohen present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code, section 7.9.

### **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mr. Vazquez.

### **ANNOUNCEMENTS**

Mr. Vazquez provided guidelines for teleconference Member participation. Catherine Taylor, Chief, Board Proceedings and Support Services Division, provided guidelines for teleconference invited speakers and public participation.

### **PUBLIC HEARINGS**

#### **Proposed Property Tax Rule 462.520**

Richard Moon, Tax Counsel, Legal Department, made introductory remarks regarding the public hearing and proposed adoption of Property Tax Rule 462.520, *Exclusion from Change in Ownership – Intergenerational Transfers*, to implement and make specific provisions of section 2.1 of Article XIII A of the California Constitution ([Exhibit 7.1](#)).

Catherine Taylor, Chief, Board Proceedings and Support Services Division, read into the record written comments from the following individual.

Tom Sheehy, Sheehy Strategy Group, on Behalf of Commercial Loan Corporation of California ([Exhibit 7.2](#))

Action: Upon motion of Ms. Stowers, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board adopted the changed version of the new Property Tax Rule 462.520 as published in Letter to Assessors No. 2021/028, dated July 2, 2021.

Exhibits to these minutes are incorporated by reference.

### **ADMINISTRATIVE SESSION**

#### **Administrative Matters, Consent**

Members made complimentary remarks regarding their experiences working with David Ginsborg, Deputy County Assessor, Santa Clara County Assessor's Office, in recognition of his retirement.

Speakers: Hon. Lawrence E. Stone, Santa Clara County Assessor  
Hon. Ernest J. Dronenburg, Jr., President, California Assessors' Association (CAA); and San Diego County Assessor-Recorder-Clerk

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**Public Comment on Proposition 19 Implementation**

Speakers: Wendell Phillips, Sonoma County Resident, and California Licensed Real Estate Professional ([Exhibit 7.3](#))

**Administrative Matters, Consent (Continued)**

With respect to the Administrative Matters, Consent Agenda, upon motion of Ms. Stowers, seconded by Mr. Vazquez and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board made the following order:

Action: Adopt the following resolution, extending its sincere and grateful appreciation to the retiree for his dedicated service to the State Board of Equalization and to the State of California, their congratulations on his well-earned retirement, and best wishes to him and his family for continued success, happiness and good health in the years to come ([Exhibit 7.4](#)).

David Ginsborg, Deputy County Assessor, Santa Clara County Assessor's Office

With respect to the Administrative Matters, Consent Agenda, upon motion of Mr. Gaines, seconded by Ms. Cohen and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board made the following order:

Action: Approve the Board Meeting Minutes of June 29, 2021.

**Executive Director's Report**

Brenda Fleming, Executive Director, provided a report regarding the status of pending and upcoming organizational issues.

Brenda Fleming, Executive Director, provided a report on time extension for the Counties of Calaveras, Imperial, and Shasta to complete and submit the Local Assessment Roll, pursuant to Revenue and Taxation Code, section 155 ([Exhibit 7.5](#)).

Brenda Fleming, Executive Director, provided a report on options for Constitutional and statutory amendments, as presented in Issue Paper No. 21-001, *Property Tax Deadlines Impacted by COVID-19 Pandemic* ([Exhibit 7.6](#)).

Action: Ms. Cohen moved to direct the Executive Director to report at its upcoming meeting on suggestions regarding a Constitutional amendment to provide relief for taxpayers impacted by COVID-19, including a Constitutional amendment to extend the time for individuals to complete the base year value transfer paperwork to a time that the legislature deems acceptable. The motion was seconded by Mr. Gaines. Ms. Cohen withdrew her motion.

Speaker: Hon. Ernest J. Dronenburg, Jr., President, CAA; and San Diego County Assessor-Recorder-Clerk

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Action: Upon motion of Ms. Cohen, seconded by Mr. Gaines and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board directed the Executive Director to have staff draft language that includes statutory amendments, proposed in Issue Paper No. 2021-001, to Revenue and Taxation Code, section 155 and Government Code, section 15620, and also that staff draft language for a narrowly drawn legislative Constitutional amendment to section 2 and section 2.1 of Article XIII A to provide relief to taxpayers who were prevented from transferring their base year values to their new properties during the pandemic.

Lisa Renati, Chief Deputy Director, provided a report on the status of operational priorities.

Lisa Renati, Chief Deputy Director, made introductory remarks and her staff provided reports on the status of agency projects, and legislative developments related to the implementation of Proposition 19 ([Exhibit 7.7](#)).

David Yeung, Deputy Director, Property Tax Department, provided an update on the Property Tax Department's implementation actions, including updates on guidance.

Henry D. Nanjo, Chief Counsel, and Richard Moon, Tax Counsel, Legal Department, provided an update on the Legal Department's implementation actions, including updates on rulemaking.

Peter Kim, Chief Communications Officer, provided an update on the Communications Department's implementation actions.

Lisa Thompson, Taxpayers' Rights Advocate, provided updates on the Taxpayers' Rights Advocate Office's implementation actions, and Education and Outreach implementation actions.

### **Chief Counsel's Report**

Henry D. Nanjo, Chief Counsel, provided a quarterly report on the Legal Department's workload.

### **Property Tax Deputy Director's Report**

David Yeung, Deputy Director, Property Tax Department, provided a report on the status of pending and upcoming projects, activities, and departmental issues.

David Yeung, Deputy Director, Property Tax Department, presented a white paper for review of the Welfare Exemption Program titled *Affordable Housing and Property Tax Relief* ([Exhibit 7.8](#)).

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Catherine Taylor, Chief, Board Proceedings and Support Services Division, read into the record written comments from the following individual.

Leo Goldberg, Co-Director, California Community Land Trust Network (CACLTN) ([Exhibit 7.9](#))

Speaker: Leo Goldberg, Co-Director, CACLTN

Action: Mr. Vazquez moved to direct the Executive Director to: 1) start a comprehensive review to streamline the application, review, and approval process for low-income rental housing; 2) work with the Board to sponsor or support necessary legislation that would make section 402.1 applicable to new models of affordable housing developments, provided the characteristics of any such new development fit the general intent of section 402.1; and, 3) work with the Board to sponsor necessary legislative proposals or supporting legislation that would make the Welfare Exemption available to new models of low-income housing developments, depending on the characteristics of specific projects. The motion was seconded by Ms. Stowers. Ms. Cohen offered an amendment to establish a Board working group on property tax abatement policies to spur development of affordable housing. The amended motion was accepted by Mr. Vazquez and Ms. Stowers and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes.

Ms. Stowers left the teleconference and Ms. Yee entered.

The Board recessed at 1:36 p.m. and reconvened at 1:45 p.m. with Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Yee present.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, reported that the 2021-22 private railroad car tax rate is set at 1.156 percent in accordance with the computation under the provisions of Revenue and Taxation Code, section 11403 ([Exhibit 7.10](#)).

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, provided the staff recommendation for the lien date 2021 assessment of private railroad cars under the provisions of the Private Railroad Car Tax Law ([Exhibit 7.11](#)).

Action: Upon motion of Ms. Yee, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Yee voting yes, the Board adopted the 2021 private railroad car roll as recommended by staff.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, provided the staff recommendation on the allocations of the unitary values adopted by the Board in May 2021, plus adjustments based on prior Board action and staff-recommended nonunitary values ([Exhibit 7.12](#)).

Mr. Gaines stated for the record that he would not participate in 106, *PacifiCorp*; 146, *Sierra Pacific Power Company*; 188, *Kern River Gas Transmission Company*; and, 804 *BNSF Railway Company*.

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Action: Upon motion of Ms. Cohen, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Ms. Cohen and Ms. Yee voting yes, Mr. Gaines not participating, the Board adopted the 2021 state-assessed property roll as recommended by staff. (Additional action was taken later in the day.)

### **Administrative Matters, Consent (Continued)**

Speaker: David Ginsborg, Deputy County Assessor, Santa Clara County Assessor's Office

Ms. Stowers entered the teleconference on behalf of Ms. Yee in accordance with Government Code, section 7.9.

### **Legislative, Research & Statistics Division Chief's Report**

Lisa Renati, Chief Deputy Director, provided an update on administrative and program related legislative bills impacting the BOE ([Exhibit 7.13](#)).

Lisa Renati, Chief Deputy Director, provided an update on legislative actions associated with the implementation of Proposition 19.

### **Taxpayers' Rights Advocate Office's Report**

Lisa Thompson, Taxpayers' Rights Advocate, provided an update on activities of the Taxpayers' Rights Advocate Office.

## **PUBLIC POLICY HEARING**

### **Proposition 19 Implementation**

Mr. Vazquez made introductory remarks regarding the implementation of Proposition 19, *The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act of 2020*.

## **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**

Mr. Vazquez invited public comment regarding items not on the agenda, but none provided public comment.

## **ADMINISTRATIVE SESSION (CONTINUED)**

### **Property Tax Deputy Director's Report (Continued)**

Mr. Gaines stated for the record that he would not participate in *106, PacifiCorp; 146, Sierra Pacific Power Company; 188, Kern River Gas Transmission Company; and, 804 BNSF Railway Company*; and confirmed that his intent was to vote "yes" on the Board's adoption of the remainder of the 2021 state-assessed property roll as recommended by staff. He requested that the Members reopen the vote so that he may vote accordingly.

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Action: Upon motion of Mr. Vazquez, seconded by Ms. Stowers and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board reopened the vote to adopt the 2021 state-assessed property roll as recommended by staff.

The Board's Clerk recalled the roll on the vote so that Mr. Gaines could record his vote accurately as follows: Upon motion of Ms. Cohen, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Yee voting yes, Mr. Gaines not participating in *106, PacifiCorp; 146, Sierra Pacific Power Company; 188, Kern River Gas Transmission Company; and, 804 BNSF Railway Company*; the Board adopted the 2021 state-assessed property roll as recommended by staff.

### **CLOSING**

Mr. Schaefer acknowledged the 99<sup>th</sup> birthday of Norman Lear, Television Writer and Producer.

The Board adjourned at 2:40 p.m. in memory of those whose lives were lost to the COVID-19 pandemic and to their families and loved ones.

*The foregoing minutes are adopted by the Board on August 24, 2021.*