



PUBLIC COMMENT

From: James DePasquale

Agenda Item: K1d. Status Report on Options for COVID-19 Impact on PT Deadlines

Meeting Date: 10/20/21

Minutes Exhibit: 10.9



October 14, 2021

BY E-MAIL

The Honorable Antonio Vazquez
Chairman, Board of Equalization
450 N Street, MIC: 72
Sacramento, CA 95814

Re: Amendment of Rev. and Tax. Code Section 155
Amendment to Constitution, Art. XIII A, Section 2
SBE Sept. 21, 2021 Agenda, Item K.1.b.
SBE Formal Issue Papers 21-001 and 21-002

Dear Chairman Vazquez:

This letter is a follow-up to the letter which the California Alliance of Taxpayer Advocates (“CATA”) letter sent to the State Board of Equalization (“SBE”) dated October 4, 2021. In that letter, CATA asked that it be included in and allowed to participate in the development of legislation amending Revenue and Taxation Code Section 155 (“Section 155”) and California Constitution, Art. XIII A, Section 2 (“Section”), as outlined in the SBE’s Formal Issue Paper Numbers 21-001 and 21-002.

Since issuing its October 4, 2021 letter, CATA has received requests from SBE representatives to submit suggested language for amending code sections and the Constitution. To that end, CATA submits herewith its proposed language for amending Section 155 and Section 2.

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Revenue and Taxation Code Section 155

CATA suggests that Section 155 be amended as shown below:

The time fixed in this division for the performance of any act by the assessor~~or~~, county board, or a taxpayer or taxpayers may be extended by the board or its executive director, upon request by the assessor, county board, or one or more taxpayers, for not more than ~~30~~ 60 days, or, in case of public calamity, ~~40~~ days not more than one calendar year. An act by a taxpayer or taxpayers includes, without limitation, the filing of any application, statement, report, claim or other written document with the assessor or the county board as required under this division. If an extension of time is granted, the executive director of the board shall give written notice thereof to the county auditor, county tax collector, and the officer or county board, or taxpayer or taxpayers to whom the extension is granted. The executive director shall inform the board at its next regular meeting of any action with respect to extensions taken by him or her. There shall be the same extension of time for any act of the board dependent on the act for which time was extended. The board may also authorize a subsequent extension of time for a specific public calamity. Such subsequent extension shall only be authorized by the board if, during a regular public meeting of the board, it is shown that a subsequent extension is necessary.

The portions in the paragraph above that are underlined/strikeout and highlighted are CATA's suggested language. The portions above that are underlined only were suggested by the California Association of Clerks and Election Officials ("CACEO") in the CACEO's September 16, 2021 letter to SBE Chair Vazquez. CATA agrees with the underlined only portions above as suggested by the CACEO.

CATA's suggested language is in accord with the discussion in SBE Issue Paper Number 21-001. CATA's suggested language is intended to include taxpayers within the SBE's authority to extend time periods in Division 1 of the Revenue and Taxation Code. The suggested language is also intended to limit the grants of subsequent extensions of time for a specific public calamity by requiring the SBE to hold a public hearing to determine whether a subsequent extension of time is needed before authorizing such extension.

California Constitution, Art. XIII A, Section 2

CATA also supports the SBE's proposed amendments to portions of Section 2 as set forth at Pages 4 and 5 in SBE Issue Paper Number 21-002. The SBE's suggested language for amending Section 2 is shown below (underlined portions):

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Paragraph 2 of section 2(a), Article XIII A

However, the Legislature may provide that, under appropriate circumstances and pursuant to definitions and procedures established by the Legislature, any person over the age of 55 years who resides in property that is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII and any implementing legislation may transfer the base year value of the property entitled to exemption, with the adjustments authorized by subdivision (b), to any replacement dwelling of equal or lesser value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property. For purposes of determining whether a replacement dwelling was purchased or newly constructed within two years of the sale of the original property, any time period during which a Governor proclaimed emergency exists, including for the COVID-19 pandemic, plus one year, shall not be counted if the original or replacement property is located within an area for which the emergency is proclaimed.

Section 2.1(b)(1), Article XIII A

Subject to applicable procedures and definitions as provided by statute, an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a wildfire or natural disaster may transfer the taxable value of their primary residence to a replacement primary residence located anywhere in this state, regardless of the location or value of the replacement primary residence, that is purchased or newly constructed as that person's principal residence within two years of the sale of the original primary residence. For purposes of determining whether a replacement primary residence was purchased or newly constructed within two years of the sale of the original primary residence, any time period during which a Governor proclaimed emergency exists, including for the COVID-19 pandemic, plus one year, shall not be counted if the original or replacement primary residence is located within an area for which the emergency is proclaimed.

Section 2(e)(3) of Article XIII A

In addition to the transfer of base year value of property within the same county that is permitted by paragraph (1), the Legislature may authorize each county board of supervisors to adopt, after consultation with affected local agencies within the county, an ordinance allowing the transfer of the base year value of property that is located within another county in the State and is substantially damaged or destroyed by a disaster, as declared by the Governor, to comparable replacement property of equal or lesser value that is located within the adopting county and is acquired or newly constructed within

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three years of the substantial damage or destruction of the original property as a replacement for that property. For purposes of determining whether a comparable replacement property was acquired or newly constructed within three years of the sale of the substantial damage or destruction of the original property, any time period during which a Governor proclaimed emergency exists as a result of the COVID-19 pandemic, plus one year, shall not be counted.

CATA agrees with and supports the SBE's suggested language. Such language will reduce the hardship that taxpayers have experienced due to the shortened deadlines for obtaining base year value transfers that were included in Proposition 19 as approved by the voters last November.

CATA looks forward to participating in the discussion regarding Section 155 and Section 2 at the SBE's meeting on October 21, 2021.

Sincerely,



James DePasquale, Chair
California Alliance of Taxpayer Advocates

cc: Honorable Malia Cohen, Member
Honorable Ted Gaines, Member
Honorable Michael Schaefer, Member
Honorable Betty T. Yee, State Controller, c/o Deputy Controller Yvette Stowers
Henry Nanjo, Acting Chief Board Proceedings
California Assessors' Association
California Association of Clerks and Election Officials
CATA Board of Directors



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October 4, 2021

BY E-MAIL

The Honorable Antonio Vazquez
Chairman, Board of Equalization
450 N Street, MIC: 72
Sacramento, CA 95814

Re: Amendment of Rev. and Tax. Code Section 155
Amendment of Government Code Section 15620
Amendment to Constitution, Art. XIII A, Section 2
SBE Sept. 21, 2021 Agenda, Item K.1.b.
SBE Formal Issue Papers 21-001 and 21-002

Dear Chairman Vazquez:

I am writing on behalf of the California Alliance of Taxpayer Advocates (“CATA”). The purpose of this letter is to express CATA’s desire to participate in the State Board of Equalization’s (“SBE”) development of amendments to California Revenue and Taxation Code Section 155 and related laws as described in SBE Formal Issue Papers 21-001 and 21-002.

CATA applauds the SBE’s desire to develop legislation that will benefit taxpayers in the event of a major public calamity, such as the COVID-19 pandemic, as discussed on page 3 of Issue Paper 21-001. In that regard, CATA wholeheartedly supports amending Section 155 to “allow the Board to extend the deadline for acts to be performed by taxpayers, thus allowing taxpayers the same benefit as afforded to County Assessors and Assessment Appeals Boards.” CATA concurs with the SBE that, in the event of a public calamity, deadlines applicable to taxpayers should be extended for the filing of business property statements, applications for assessment appeals, change in ownership statements, and applications for exclusions (including base year value transfers for seniors and disabled persons).

CATA also agrees that Government Code Section 15620 should be amended to allow taxpayers additional time to file documents with the SBE following a public calamity. In addition, CATA supports amendment of California’s Constitution (Art. XIII A, Sect. 2) to extend deadlines applicable to taxpayers in the event of a public calamity.

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CATA has reviewed the California Association of Clerks and Election Officials (“CACEO”) September 16, 2021 letter to you regarding possible amendment of Section 155. CATA is sympathetic to the concerns raised by the CACEO in that letter. Extending deadlines for taxpayers will affect the operations of Assessment Appeals Boards (“AABs”), and the impact of extending deadlines on AABs needs to be considered. That being said, CATA is concerned about the language proposed in the CACEO’s letter for multiple extensions as needed for a particular public calamity. CATA’s concern is that the CACEO is proposing an unlimited number of extensions which could restrict taxpayers’ rights to timely hearings before AABs.

The CACEO’s letter has highlighted the need for taxpayer participation in the amendments proposed by the SBE in Issue Papers 21-001 and 21-002. CATA reviewed the minutes from the Board’s July 27 and August 25 meetings and notes the absence of any taxpayer participation in the development of proposed amendments to Section 155, Section 15620 and the California Constitution. In order to ensure fairness in the development of legislation, CATA requests that taxpayers, including CATA, be allowed to participate in the development of legislation as interested stakeholders.

Sincerely,



James DePasquale, Chair
California Alliance of Taxpayer Advocates

cc: Honorable Malia Cohen, Member
Honorable Ted Gaines, Member
Honorable Michael Schaefer, Member
Honorable Betty T. Yee, State Controller, c/o Deputy Controller Yvette Stowers
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