

Tuesday, January 25, 2022

The Board met at 10:01 a.m., via teleconference (Gov. Code, § 11133), with Ms. Cohen, Chair, Mr. Schaefer, Vice Chair, Mr. Gaines and Mr. Vazquez 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 Ms. Cohen.

ANNOUNCEMENTS

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

CHIEF COUNSEL MATTERS: RULEMAKING

Regulation (Property Tax Rule) 302, Section 100 Changes

David Lujan, Tax Counsel, Legal Department, made introductory remarks regarding staff's request for authorization to make Section 100 changes to Rule 302, *The Board's Function and Jurisdiction*, to update the subdivision (b) reference to subdivision (a)(5) to return the reference to its original meaning and purpose ([Exhibit 1.1](#)).

Action: Upon motion of Ms. Cohen, seconded by Ms. Stowers and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board authorized staff to proceed with Section 100 changes to Property Tax Rule 302 as recommended by staff.

Exhibits to these minutes are incorporated by reference.

ADMINISTRATIVE SESSION

Administrative Matters, Consent

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

Action: Approve the Board Meeting Minutes of December 14, 2021.

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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 an overview regarding California redistricting.

Brenda Fleming, Executive Director, introduced Tracy Arnold, Chief Deputy Cabinet Secretary, Office of Governor Gavin Newsom, who provided an overview of the Governor's Proposed Budget ([Exhibit 1.2](#)).

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 and action plan for Proposition 19 ([Exhibit 1.3](#)).

David Yeung, Deputy Director, Property Tax Department, provided an update on the Property Tax Department's Proposition 19 implementation actions, including updates on guidance.

Henry D. Nanjo, Chief Counsel, provided an update on the Legal Department's Proposition 19 implementation actions, including updates on rulemaking.

Dustin Weatherby, Chief, Legislative, Research & Statistics Division, provided an update on legislation related to the implementation of Proposition 19.

Peter Kim, Chief Communications Officer, provided an update on the Communications Department's Proposition 19 implementation actions.

Lisa Thompson, Taxpayers' Rights Advocate, provided updates on the Taxpayers' Rights Advocate Office's Proposition 19 implementation actions, and Education and Outreach Proposition 19 implementation actions.

Chief Counsel's Report

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

The Board recessed at 12:16 p.m. and reconvened at 12:54 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

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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.

Patricia Lumsden, Chief, County-Assessed Properties Division, Property Tax Department, provided reports on: Letters to Assessors ([Exhibit 1.4](#)); Appraisal Training and Certification; and Assessment Practices Surveys.

Michelle Cruz, Principal Property Appraiser, State-Assessed Properties Division, Property Tax Department, provided a report on the status of pending and upcoming projects and activities.

Lauren Keach, Principal Property Appraiser, Legal Entity Ownership Program and Welfare Exemption Section, County-Assessed Properties Division, Property Tax Department, provided the status of the Welfare Exemption Process Improvement Project.

Legislative, Research & Statistics Division Chief's Report

Dustin Weatherby, Chief, Legislative, Research & Statistics Division, provided an update on administrative and program related legislative bills impacting the BOE ([Exhibit 1.5](#)).

Dustin Weatherby, Chief, Legislative, Research & Statistics Division, made introductory remarks regarding suggested proposals for legislation to be sponsored by the Board of Equalization in the second year of the 2021-22 Legislative Session. Mr. Weatherby presented the 2022 Legislative Proposal: Alcoholic Beverage Tax: Amend Revenue and Taxation Code 32471.5 of Alcoholic Beverage Tax Program to extend the sunset date for the offer in compromise for open and active businesses for five years ([Exhibit 1.6](#)).

Action: Upon motion of Ms. Stowers, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board approved the 2022 Legislative Proposal to amend section 32471.5 of the Revenue and Taxation Code as recommended by staff.

Taxpayers' Rights Advocate Office's Report

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

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BOARD MEMBER REQUESTED MATTERS: NEW MATTERS**Property Tax Abatement Board Work Group Update (Ms. Cohen / Mr. Vazquez)**

Ms. Cohen provided an update on the strategy and proposed plan to convene the Property Tax Abatement Board Work Group and provide any suggestions and/or recommendations regarding the proposed plan ([Exhibit 1.7](#)).

Mr. Vazquez recommended modification to the proposal, or that a possible charter be drafted, to clarify two facts: 1) the Board Work Group will focus strictly on property tax related housing policy and studies, and not specific housing projects, programs, or initiatives in Members' districts; and 2) the challenges and scope of the Board Work Group (listed on pages two and four of Ms. Cohen's memo) will be limited only to items within the Board's jurisdiction and that the title of the Board Work Group should be changed to reflect that.

Speakers: Eric Payne, Executive Director, Central Valley Urban Institute, and Fresno County Resident
Michael Lane, State Policy Director, Spur Public Policy Think Tank
Richard Ayoob, Partner, Ajalat, Polley, Ayoob, Matarese and Broege, on behalf of California Alliance of Taxpayer Advocates (CATA)

Action: Ms. Cohen moved to form a Board Work Group: Property Tax Abatement Board Work Group. Ms. Cohen withdrew her motion.

USC Partnership on BOE Board Branding Strategy (Ms. Cohen / Mr. Gaines)

Ms. Cohen and Mr. Gaines provided an update on the proposed partnership with the USC Sol Price School of Public Policy to proactively implement a key component of Goal 4 (Agency-Wide Branding Campaign) of the Board Member's Strategic Plan ([Exhibit 1.8](#)).

Members agreed to proceed with the partnership as presented.

BOARD MEMBER REQUESTED MATTERS: BOARD WORK GROUP REPORTS**Board Work Group on Wine Industry & Winegrower Excise Tax Data (Ms. Cohen / Mr. Schaefer)**

Ms. Cohen presented the report on the December 14, 2021 Board Work Group on Wine Industry & Winegrower Excise Tax Data and its recommendations ([Exhibit 1.9](#)).

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Action: Upon motion of Ms. Cohen, seconded by Ms. Stowers and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board approved the Board Work Group's recommendation (report), directing the Executive Director to disclose taxpayer data related to the Wine Industry by zip code, excluding redacted information to preserve taxpayers' confidentiality, in accordance with existing law.

PUBLIC POLICY HEARING

Proposition 19 Implementation

Ms. Cohen made 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

Ms. Cohen invited persons who wish to address the Board regarding items not on the agenda to come forward, but there were none on the teleconference.

The Board recessed at 2:50 p.m. and reconvened at 3:03 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 3:04 p.m. and reconvened immediately in closed session with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

CLOSED SESSION

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

ANNOUNCEMENT OF OPEN SESSION

The Board reconvened at 3:45 p.m. in open session with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

Ms. Cohen announced the retirement of Brenda Fleming, Executive Director, effective June 30, 2022. Members made complimentary remarks and provided their individual congratulations and thanks to Ms. Fleming and her family.

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CLOSING

The Board recessed at 3:51 p.m.

The foregoing minutes are adopted by the Board on February 23, 2022.

Note: The following matter was removed from the calendar prior to the meeting: *Legislative, Research & Statistics Division Chief's Report: Update on Government Code, section 15620 Board-Approved Proposal.*

Wednesday, January 26, 2022

The Board met at 10:01 a.m., via teleconference (Gov. Code, § 11133), with Ms. Cohen, Chair, Mr. Schaefer, Vice Chair, Mr. Gaines and Mr. Vazquez present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code, section 7.9.

ANNOUNCEMENTS

Ms. Cohen provided guidelines for teleconference Member participation. Catherine Taylor, Chief, Board Proceedings and Support Services Division, provided guidelines for teleconference invited speakers and public participation. Mr. Gaines wished Brenda Fleming, Executive Director, a happy birthday.

PUBLIC POLICY HEARINGS (CONTINUED)

Update: Impact of Public Calamities on Property Tax Administration: County Boards of Equalization / Assessment Appeals Boards (AAB) Remote Hearings (Continued from November 18, 2021) (Mr. Vazquez / Ms. Cohen)

Ms. Cohen made introductory remarks and reopened the discussion for possible action regarding procedural and due process issues in remote hearings to ensure continuity of business in the pandemic and other calamities, protect the rights of all parties, provide guidance, and seek additional authorities or actions if required ([Exhibit 1.10](#)).

Exhibits to these minutes are incorporated by reference.

Report on proposed Letter to Assessors (LTA) based on consensus language established by the Work Group at the November 2021 Board Meeting ([Exhibit 1.11](#))

Speakers: Brenda Fleming, Executive Director, California State Board of Equalization
David Yeung, Deputy Director, Property Tax Department, California State Board of Equalization
Richard Moon, Tax Counsel, California State Board of Equalization

Report on Communications Received Regarding Proposed LTA

Speaker: Brenda Fleming, Executive Director, California State Board of Equalization

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Follow-up Evaluation of Proposed LTA – Taxpayer Representative Perspectives and Clarification of LTA ([Exhibit 1.12](#))

Speakers: Marc A. Aprea, Principal, Aprea & Micheli Associates, on behalf of California Alliance of Taxpayer Advocates (CATA)
 Richard Ayoob, Partner, Ajalat, Polley, Ayoob, Matarese and Broege, on behalf of CATA
 Cris K. O’Neill, Shareholder, Greenberg-Traurig, on behalf of CATA
 Scott Donald, Vice President, Marvin F. Poer and Company, on behalf of CATA

Follow-up Evaluation of Proposed LTA – County Perspectives and Clarification of LTA ([Exhibit 1.13](#))

Speakers: Alina Kasparian, Acting Chief, Assessment Appeals Division, Executive Office of the Los Angeles County Board of Supervisors
 Thomas R. Parker, Deputy County Counsel, Los Angeles County, on behalf of the Los Angeles County Assessment Appeals Board, and California Association of Clerks and Election Officials (CACEO)
 Ann Moore, Chief Deputy Clerk, San Diego County Board of Supervisors
 Marcy L. Berkman, Retired Deputy County Counsel, Santa Clara County
 Kathy McClellan, Assistant Clerk of the Board of Supervisors, Sacramento County
 Kyreen Gonzalez, Deputy Clerk of the Board of Supervisors, Sonoma County
 Hon. Leslie Morgan, President, California Assessors’ Association (CAA); and Shasta County Assessor-Recorder
 Hon. Ernest J. Dronenburg, Jr., San Diego County Assessor-Recorder-Clerk

Action: Upon motion of Mr. Vazquez, seconded by Mr. Gaines and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board approved the proposed LTA as presented by staff.

Follow-up on Impact of Possible Transition Plans for In-Person AAB Hearings (Continued from November 18, 2021)

Speakers: Thomas R. Parker, Deputy County Counsel, Los Angeles County, on behalf of the Los Angeles County Assessment Appeals Board, and CACEO
 Hon. Leslie Morgan, President, CAA; and Shasta County Assessor-Recorder
 Cris K. O’Neill, Shareholder, Greenberg-Traurig, on behalf of CATA
 Scott Donald, Vice President, Marvin F. Poer and Company, on behalf of CATA
 Marcy L. Berkman, Retired Deputy County Counsel, Santa Clara County
 Richard Moon, Tax Counsel, Legal Department
 Richard Ayoob, Partner, Ajalat, Polley, Ayoob, Matarese and Broege, on behalf of CATA
 Kathy McClellan, Assistant Clerk of the Board of Supervisors, Sacramento County

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Kyreen Gonzalez, Deputy Clerk of the Board of Supervisors, Sonoma County
Alina Kasparian, Acting Chief, Assessment Appeals Division, Executive Office
of the Los Angeles County Board of Supervisors
Marc A. Aprea, Principal, Aprea & Micheli Associates, on behalf of CATA
David Yeung, Deputy Director, Property Tax Department, California State Board
of Equalization

Action: Ms. Stowers moved that in the paragraph defined as “rights of hearing participants” strike out the word “taxpayers” and insert “participants” starting at “this includes participants”; and direct the Executive Director and her staff to define “participants” within this LTA. Mr. Schaefer seconded the motion. Mr. Gaines offered an amendment that would change the wording to clarify that the taxpayer will be able to make the choice as to whether they will have a remote hearing or not. Mr. Schaefer withdrew his second. The motion failed for lack of a second.

Speakers: Edward Yen, Assistant Executive Officer, Executive Office of the Los Angeles County Board of Supervisors, on behalf of the Los Angeles County Assessment Appeals Board
Thomas R. Parker, Deputy County Counsel, Los Angeles County, on behalf of the Los Angeles County Assessment Appeals Board, and CACEO
Ann Moore, Chief Deputy Clerk, San Diego County Board of Supervisors
Richard Ayoob, Partner, Ajalat, Polley, Ayoob, Matarese and Broege, on behalf of CATA
Richard Moon, Tax Counsel, Legal Department
Cris K. O’Neill, Shareholder, Greenberg-Traurig, on behalf of CATA
Alina Kasparian, Acting Chief, Assessment Appeals Division, Executive Office of the Los Angeles County Board of Supervisors

The Board recessed at 12:23 p.m. and reconvened at 12:41 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

Speakers: Hon. Leslie Morgan, President, CAA; and Shasta County Assessor-Recorder
Cris K. O’Neill, Shareholder, Greenberg-Traurig, on behalf of CATA

Follow-up on Other Key Issues Needing Additional Guidance Regarding Remote AAB Hearings (Continued from November 18, 2021)

Speakers: Thomas R. Parker, Deputy County Counsel, Los Angeles County, on behalf of the Los Angeles County Assessment Appeals Board, and CACEO
Hon. Leslie Morgan, President, CAA; and Shasta County Assessor-Recorder
Marc A. Aprea, Principal, Aprea & Micheli Associates, on behalf of CATA
Cris K. O’Neill, Shareholder, Greenberg-Traurig, on behalf of CATA
David Yeung, Deputy Director, Property Tax Department, California State Board of Equalization

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Edward Yen, Assistant Executive Officer, Executive Office of the Los Angeles County Board of Supervisors, on behalf of the Los Angeles County Assessment Appeals Board

Richard Ayoob, Partner, Ajalat, Polley, Ayoob, Matarese and Broege, on behalf of CATA

Scott Donald, Vice President, Marvin F. Poer and Company, on behalf of CATA

Board Wrap Up and Schedule for Next Steps (Continued from November 18, 2021)

Action: Mr. Schaefer moved to direct the Executive Director to address the additional consensus items to the earlier-approved LTA. The motion was seconded by Mr. Gaines. Mr. Schaefer withdrew his motion. Mr. Gaines withdrew his second.

CATA and CACEO participants indicated their acceptance of the LTA as presented by staff and approved by the Board Members without amendment.

Members thanked the Work Group participants and staff for their good work and made closing remarks.

CLOSING

The Board adjourned at 1:05 p.m. in memory of recent fallen officers and firefighters, including Officer Tyler Lenehan of Elk Grove, California and Officer Fernando Arroyos of Los Angeles, California.

The foregoing minutes are adopted by the Board on February 23, 2022.