



PUBLIC COMMENT

From: Gina Rodriguez

Agenda Item: C1. Taxpayers' Bill of Rights Hearing

Meeting Date: 8/30/22

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SENT VIA ELECTRONIC MAIL

Lisa.Thompson@boe.ca.gov

August 30, 2022

Ms. Lisa Thompson, Chief
Taxpayers' Rights Advocate Office
Board of Equalization
Sacramento, CA

Re: 2022 Annual Property Taxpayers' Bill of Rights Hearing

Dear Ms. Thompson,

Thank you for your tireless efforts to ensure that taxpayers' rights are protected. We appreciate all public servants, but the role of the advocate requires a special skill set, and you are well equipped for that role.

Ryan has two issues to bring to your attention at this year's annual property taxpayers' bill or rights hearing: digital signatures and assessment appeals backlog.

Digital Signatures

Problem: We are aware of several counties imposing penalties on taxpayers who have timely-filed paper business property tax statements ([Forms 571-L](#)), but failed to use a wet signature. [LTA 2020/022](#), Guidance on Accepting Electronically Filed Business Property Statements and Other Documents, does not address the use of digital signatures on *paper-filed* statements. As a result, some confused taxpayers attach to the preprinted statements they receive from their county assessor a blank statement with a wet signature before mailing it. Other confused taxpayers simply mail the preprinted statements to their county assessors without signing them, since the preprinted statements apparently have their names preprinted on them, and believe that suffices.

Confusion on the issue of digital signatures was especially prevalent during the pandemic. There is no guidance regarding what type of signature is acceptable either on the statement or in the instructions.

Recommendation: We respectfully request that the Board immediately provide guidance on the use of digital signatures on paper-filed statements and publish a public list of county assessors who:

- Accept e-filed and/or paper-filed statements; and
- Accept digital signatures on paper-filed statements.

Background: In reaction to Gov. Gavin Newsom's March 19, 2020, stay-at-home order, the use of digital signatures on various property tax documents was discussed at the BOE's April 21, 2020, meeting. As a result of that discussion, BOE released LTA 2020/022. LTA 2020/022 explains that if an assessor decides

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to accept e-filed statements, an appropriate authentication must be formulated to ensure the document is true and original.

Further, the LTA references Gov't Code Sec. 16.5, which states that *a digital signature will have the same force and effect as a manual, or wet, signature if it embodies certain attributes*; and provides that the use or acceptance of a digital signature is optional for public entities. Therefore, assessors may or may not choose to accept e-filed statements, along with digital signatures. If an assessor chooses to accept e-filed statements, then the assessor must submit to the BOE for approval procedures to authenticate the forms, according to the LTA.

BOE discussed the issue of eliminating the use of wet signatures at its Dec. 14, 2021, meeting. The Board voted to direct the BOE executive director to consult with the CA Assessors' Association (CAA) and recommend possible actions.

Backlog of Assessment Appeals and Refunds

Problem: There is an extraordinary backlog of assessment appeals in some counties, some appeals of which are more than five years old. Further, some property tax refunds take up to two years to receive after the local assessment appeals board (AAB) has decided the appeal or an agreed-upon stipulation has been finalized. Taxpayers deserve a transparent and timely process to resolve their disputes.

Recommendation: We respectfully request that the Board provide guidance to assessors to support an increase in the number of "informal" hearings, whereby the disputed is resolved through a stipulation, a written agreement (R&TC Sec. 1607). Perhaps the *COVID-19 County Boards of Equalization/Assessment Appeals Boards Workgroup (Workgroup)* should further define efficiencies with assessment appeals and refunds. Assessors and applicants should discuss their valuation positions prior to a formal AAB hearing. Informal discussions are how taxpayers and the CA FTB, the CDTFA, and the IRS customarily resolve disputes with their income, franchise, sales, use and many other taxes to avoid costly formal hearings and avoid litigation. We understand that some counties will be increasing the number of assessment appeal boards, but that alone, will not prevent a backlog from continuing.

Regarding the delayed refunds, it is unclear why this is happening, and needs to be investigated. Are the tax collectors' computer systems working properly? Is there a staff shortage? Have the counties tallied how much interest they are paying because of the delay, especially considering that some of the appeals are older than five years?

Background: The Board's *Workgroup* provided several recommendations to make the assessment appeal process more efficient. As pointed out by the [CAA in a letter to the Board dated December 11, 2020](#), "There are many larger counties in California that have a significant number of unresolved (backlogged appeals) which have only in part been caused by the COVID-19 pandemic and the temporary suspension of hearings across the states." The CAA recognizes the "usefulness" of pre-hearing conferences, acknowledging that pre-hearing conferences have been shown to save considerable time and expense for the appeal boards and applicants, and have been helpful in reducing the number of requests for continuances.

The CAA said, "Even if a withdrawal is not made or a stipulation is not possible, the discussion with the assessor's office will improve the efficiencies of scheduling applications that require an actual hearing.

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Improved and early communication will dramatically improve overall efficiencies." We couldn't agree more. Again, taxpayers deserve transparency regarding procedural matters, such as proposed hearing dates, number of hearing days, whether bifurcation needs to be discussed at a pre-hearing conference, whether exchange of information is complete or needs to be addressed in a pre-hearing conference, and agreement on burden of proof. But most importantly, taxpayers deserve a timely appeal.

Thank you for your attention to these matters.

Sincerely,



Gina Rodriguez
Principal, Advocacy Services Practice
Ryan, LLC

cc: Honorable Malia M. Cohen, Chair
Honorable Mike Schaefer, Vice Chair
Honorable Ted Gaines, First District
Honorable Antonio Vazquez, Third District
Honorable Betty T. Yee, State Controller
Yvette Stowers, Executive Director
Henry Nanjo, Chief Counsel
David Yeung, Deputy Director, Property Tax Department

From: Hear TRA Form
To: Meeting Info; BOE Taxpayers" Rights Advocate Office
Subject: [External] Taxpayers" Bill of Rights Hearing Appearance Electronic Form
Date: Monday, August 29, 2022 4:31:47 PM

Taxpayer would like to speak at the hearing: I want to speak at the hearing (speak in person)

Type of Tax: Property Tax

Speaker's Name: Gina Rodriquez

Title (if applicable): Principal, Advocacy Services Practice

Company (if applicable): Ryan, LLC

Mailing Address: 500 Capitol Mall, Ste. 2080

City: Sacramento

State: California

Zip Code: 95814

E-Mail Address: gina.rodriquez@ryan.com

Account Number (if applicable):

Taxpayer's Name (if not speaker): N/A

Organization: N/A

Telephone Number: 916-600-3261

Description of Issues:

In light of the work done by the Board's COVID-19 County Boards of Equalization/Assessment Appeals Boards Workgroup, there continues to be a significant backlog of assessment appeals. Further, refunds can take up to two years to be released by some county tax collectors. How should these issues be addressed?

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From: [Hear TRA Form](#)
To: Meeting Info; BOE Taxpayers" Rights Advocate Office
Subject: [External] Taxpayers" Bill of Rights Hearing Appearance Electronic Form
Date: Monday, August 29, 2022 4:23:57 PM

Taxpayer would like to speak at the hearing: I want to speak at the hearing

Type of Tax: Property Tax

Speaker's Name: Gina Rodriquez

Title (if applicable): Principal, Advocacy Services Practice

Company (if applicable): Ryan, LLC

Mailing Address: 500 Capitol Mall, Ste. 2080

City: Sacramento

State: California

Zip Code: 95814

E-Mail Address: gina.rodriquez@ryan.com

Account Number (if applicable): N/A

Taxpayer's Name (if not speaker): N/A

Organization: N/A

Telephone Number: 916-600-3261

Description of Issues:

There is a lack of guidance regarding the use of digital signatures when filing personal property tax statements.

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