



MALIA M. COHEN

MEMBER, SECOND DISTRICT
STATE BOARD OF EQUALIZATION

November 14, 2022

TO: Members of the Board of Equalization

FROM: Malia M. Cohen, Chair & Board Member, Second District

RE: Board of Equalization Board Meeting, November 17, 2022, L.1.a.
Report from Each Board Member on their District County Assessors Meeting
Held During the Annual Meeting of the Board of Equalization and County
Assessors

Issues raised and possible recommendations by each District's County Assessors during the meeting.

The Second District County Assessors raised the following issues and agreed to continue working on the listed 2021 outstanding issues during the 2022 Annual Meeting of the Board of Equalization (BOE) and County Assessors:

- Effectively managing the future of work.
- Recruitment, pipeline development, and leadership training.
- Ensure that the financial technology investment by the Administration & the Legislature is properly executed to the benefit of all counties and forms the basis for further investments.
- Partner with the Board and the Agency to ensure that the Agency has sufficient staffing and resources to carry out its roles, responsibilities, and functions.

2021 Outstanding Issues Raised

- Training for members of Assessment Appeals Boards.
- Training for county counsels.
- Acceptance of electronic signatures.
- Review of depreciation valuation guidance and schedules.

This agenda item highlights issues raised by the Assessors in their break-out meetings with Board Members.

Background

At the BOE Second District break-out session of the Annual Meeting of the BOE and

County Assessors held on October 19, 2022, the County Assessors expressed interest in continuing to pursue the proposals raised and approved by the Board last year that have not been completely addressed as well as two proposals the Board is currently working on and two new proposals.

The proposals that remain outstanding from last year are listed above as 2021 outstanding issues and outlined in the attached document summarizing last year's Second District break-out session.

Please find below the new issues raised by the Second District Assessors.

Effectively managing the future of work

The pandemic forced government to examine the viability of remote work to ensure the continuity of government services. As a result, government realized many benefits associated with remote work including work-life balance, commute miles saved, emission reductions, and business-related cost savings. Government also acknowledged challenges associated with leading in a remote work environment and providing real time supervision, mentoring, and support.

It has been suggested that the BOE explore training opportunities to assist local County Assessors and BOE leadership and mid-level management in fostering remote work environments that will promote an engaged workforce, measurable productivity, and high performing teams.

Recruitment, pipeline development, and leadership training

Since the first statewide hearing on Modernizing CA's Property Tax System, local Assessors, BOE leadership, and stakeholders highlighted the need to develop an initiative to assist local County Assessors offices and the BOE in building a pipeline of talent for their respective offices.

As a result, the Board directed Executive Director Brenda Fleming to present a recommendation on establishing a Workforce Planning Workgroup, to address these issues in an expeditious manner.

At the Board's October 22, 2019 Board Meeting, Executive Director Fleming recommended a path forward, including the following elements:

- Conduct a staff classification analysis and compensation survey of those positions most impacted by recruitment, retention, and retirement challenges.
- Develop a robust training and professional development program.
- Create a role for Board Members to engage with the Legislature, colleges, universities, and others to develop a strategy to ensure that California's property tax systems remain a priority, with commitments to invest in its workforce.

Following these recommendations and discussion, the Board approved the establishment of a Board Member Workgroup to accomplish the goals highlighted above. The Board convened several meetings and received extensive feedback from stakeholders.

Cleary, there is still a need to continue this work and develop an initiative focused on recruitment and retention, training, and continuing education and compensation. The Second District Assessors also pointed out the need to review the minimum qualifications for appraisers set by the BOE and determine whether alternative options should exist for meeting the minimum qualifications.

Second District Assessors will continue working with my office and the Executive Director to address the issues raised and develop a comprehensive training initiative.

Ensure that the financial technology investment by the Administration & the Legislature is properly executed to the benefit of all counties and forms the basis for further investments.

Last year, my office and Executive Director Fleming continued our efforts in partnership with the California Assessors Association to ensure enhanced funding for the State Supplementation for County Assessors Program.

We met on several occasions with the Governor's Office, Department of Finance, and the Legislature advocating for re-implementing the State Supplementation for County Assessors Program with enhanced funding and minimizing the matching funds for smaller counties. After further consultation with the California Assessors Association and Department of Finance, we advocated for a statewide financial investment to address technology needs in local Assessors' offices.

The most recent State budget included a \$30 million technology investment over three years to local County Assessors to assist them in performing property assessments.

It has been suggested that we continue our partnership around this investment to ensure that it benefits all counties and forms the basis for further investments.

Partner with the Board and the Agency to ensure that Agency has sufficient staffing and resources to carry out its roles, responsibilities, and functions.

At the passage of Assembly Bill 102, the Second District Assessors noted that the Agency did not appear to have sufficient staffing and resources to operate at an optimal capacity.

It has been suggested that the Agency identify its staffing and resources gaps and the Assessors will partner with the Board in the Legislature to ensure that the Board and Agency are able to carry their constitutionally mandated roles, responsibilities, and functions which ultimately assist the local County Assessors in fulfilling their constitutionally mandated roles, responsibilities, and functions.

Recommendation

Since the Board has previously acted on most of the items listed in this memorandum with the exception of leadership training associated with remote work environments and partnering with the California Assessors Association to advocate on behalf of the Agency which both align with our strategic plan, I respectfully request that we each personally re-

affirm our desire to accomplish the items listed in partnership with the Executive Director and the California Assessors Association.

Attachment



MALIA M. COHEN

MEMBER, SECOND DISTRICT
STATE BOARD OF EQUALIZATION

December 8, 2021

TO: Members of the Board of Equalization

FROM: Malia M. Cohen, Member, Second District

RE: Board of Equalization Board Meeting, December 14, 2021, L.1.a
Issues Raised by Second District County Assessors During the Annual
Meeting of the Board of Equalization and County Assessors.

Discussion and possible Board action regarding the following issues raised by Second District County Assessors during the Annual Meeting of the Board of Equalization (BOE) and County Assessors:

- **Training for members of Assessment Appeals Boards.**
- **Training for county counsels.**
- **Acceptance of electronic signatures.**
- **Review of depreciation valuation guidance and schedules.**
- **Enhanced funding for State Supplementation for County Assessors Program**

This item is to request that the Executive Director provide the Board a report out on proposals to address issues raised by Second District County Assessors.

Background

At the BOE Second District break-out session of the Annual Meeting of the BOE and County Assessors held on October 19, 2021, several County Assessors expressed interest in pursuing proposals to address the following issues.

Training for Members of Assessment Appeals Boards

As stated on the BOE website: "In all counties in California, either one or more assessment appeals boards or a county board of supervisors perform the duties of a local board of equalization, commonly referred to as an appeals board. The appeals board is an independent entity whose function is to resolve disputes between the county assessor and taxpayers over values of locally assessed property. The decisions of an appeals board are legally binding and enforceable."

Assessment appeals boards (AABs) are charged with performing often complex analyses of data and evidence challenging or supporting property valuations.

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In the interest of supporting AABs, it has been suggested that a training program be established to provide guidance to AABs members on valuation issues.

Training for County Counsels

County counsels provide legal guidance on property tax issues to County Assessors and AABs.

To ensure that county counsels possess the knowledge and expertise to provide guidance on complex property tax issues, it has been suggested that a training program be established to enhance the skill set of county counsels who provide guidance on property tax issues.

Acceptance of Electronic Signatures

As stated in Letter to Assessors (LTA) No. 2020/022, linked here <https://www.boe.ca.gov/proptaxes/pdf/Lta20022.pdf>.

"Government Code section 16.5(a) allows for any written communication with a public entity in which a signature is required, any party to the communication to affix a signature by use of a digital signature, and that digital signature will have the same force and effect as the use of a manual signature if it embodies all of the following attributes: (1) It is unique to the person using it. (2) It is capable of verification. (3) It is under the sole control of the person using it. (4) It is linked to data in such a manner that if the data are changed, the digital signature is invalidated. (5) It conforms to regulations adopted by the Secretary of State.

"Effective January 1, 2017, Assembly Bill 2296 (Chapter 144, Statutes 2016) amended Government Code section 16.5 and Civil Code section 1633.2 to clarify that a "digital signature" authorized by Government Code section 16.5 and subject to regulations adopted by the Secretary of State is one type of "electronic signature" that a public agency may choose to adopt under the Uniform Electronic Transactions Act. (See Government Code section 16.5(d) and (e); and Civil Code section 1633.2(e), (g), and (h)).

"It should be noted that Government Code section 16.5(b) provides that the use or acceptance of a digital signature is at the option of the parties and it does not require a public entity to use or permit the use of a digital signature. Thus, an Assessor may elect to accept electronically filed documents, but they are not required to do so.

"In summary, if an Assessor chooses to accept electronically filed business property statements, the Assessor must submit procedures to authenticate those property statements to the BOE for approval. For all other types of documents, an Assessor may elect to accept electronically filed documents if the provisions of Government Code section 16.5 and Civil Code section 1633.2 are met; however, BOE approval of procedures to authenticate those documents is not required."

It has been suggested that the requirement of wet signatures on documents submitted to County Assessor's offices be eliminated. This may require a statutory solution.

Review of Depreciation Valuation Guidance and Schedules

The BOE provides guidance on the valuation of property. This includes depreciation schedules and related guidance, as described in various Assessors Handbooks (AH), including, but not limited to the following:

- AH 504, Assessment of Personal Property and Fixtures (October 2002, reprinted January 2015)
- AH 511, Assessment of Manufactured Homes and Parks (November 2001, reprinted January 2015)
- AH 513, Assessment of Shopping Centers (January 1983, reprinted January 2015)
- AH 510, Assessment of Taxable Possessory Interests (December 2002, reprinted January 2015)
- AH 516, Assessment of Cemeteries (January 1983, reprinted January 2015)
- AH 573, Assessment of Vessels (February 2002, reprinted January 2015)
- AH 581 Equipment and Fixtures Index, Percent Good and Valuation Factors (January 2021)
- AH 582, Explanation of the Derivation of Equipment Percent Good Factors (February 1981, reprinted January 2015)

It has been suggested that the BOE review its depreciation valuation guidance and schedules to ensure that valuation procedures, methods, and recommendations are consistent with contemporary values.

Enhance Funding for State Supplementation for County Assessors Program

The State of California 2018 Budget Act appropriated \$5 million to create the State Supplementation for County Assessors' Program (SSCAP). This three-year pilot program was created to provide funding to assist County Assessors in performing property assessments. SSCAP funds are available for both new assessment staff and technological improvements and require a local match at the rate of one local dollar for every two dollars the County receives in SSCAP funds.

In 2019, the Agency and the California Assessor's Association joined my office in discussions with the Administration about expanding the program to increase funding and change the criteria to increase smaller County participation and their ability to leverage the grant funding.

It has been suggested that expanding the program could be beneficial due to prior success in utilizing the grant funds to address technology and personnel challenges in local Assessor's offices.

Recommendation

In the interest of fulfilling the Board's Constitutional and statutory responsibilities, I request that the Executive Director report to the Board her recommendations on possible BOE actions the Board and agency may take to address the issues raised.

I also recommend that the Executive Director consult the CAA in developing her response to the Board on this item.

Therefore, I respectfully ask my Board Member colleagues to join me in this request