

2023 MINUTES OF THE STATE BOARD OF EQUALIZATION

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Wednesday, February 22, 2023

The Board convened at 450 N Street, Sacramento, at 10:06 a.m., with Mr. Vazquez, Chair, Ms. Lieber, Vice Chair, Mr. Gaines, and Mr. Schaefer present, Mr. Emran present on behalf of Ms. Cohen, in accordance with Government Code, section 7.9. A quorum was established.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Vazquez.

ANNOUNCEMENTS

Mary Cichetti, Clerk, Board Proceedings, provided guidelines for public participation and other Boardroom procedures.

PUBLIC HEARINGS

Property Taxes – Presentations on Capitalization Rates and Other Factors Affecting Values

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, made introductory remarks regarding 1) State Assessee's presentations on capitalization rates and other factors and procedures affecting fiscal year 2023-24 property values of California public utilities, railroads, and pipelines; and 2) Private Railroad Car Assessee's presentations on factors and procedures affecting fiscal year 2023-24 taxable values of private railroad cars.

State Assessee's and Speakers were invited to address the Board, but there were none.

EXECUTIVE DIRECTOR MATTERS

Yvette M. Stowers, Executive Director, introduced Erika Li, Chief Deputy Director, Budgets, Department of Finance, who provided an overview of the Governor's proposed 2023/24 budget.

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LEGAL APPEALS PROPERTY TAX NONAPPEARANCE ADJUDICATORY MATTERS

Section 40 Decisions

Southern California Edison Company (0148), SAU22-006

2022, \$34,274,700,000 Unitary Value

Considered by the Board: December 13, 2022, Summary Decision (Rev. & Tax. Code, § 40)

Contribution Disclosures pursuant to Government Code, section 15626: None were disclosed. The Members noted that their records disclosed no contributions from this taxpayer, their agent, or participants.

ACTION: Upon motion of Ms. Lieber, seconded by Mr. Vazquez and duly unanimously carried, Mr. Vazquez, Ms. Lieber, Mr. Gaines, and Mr. Emran voting yes, Mr. Schaefer abstaining, the Board adopted the written Summary Decision as recommended by the Appeals Attorney.

SFPP, L.P. (0461), SAU22-015

2022, \$419,400,000.00 Unitary Value

Considered by the Board: December 13, 2022, Summary Decision (Rev. & Tax. Code, § 40)

Contribution Disclosures pursuant to Government Code, section 15626: None were disclosed. The Members noted that their records disclosed no contributions from this taxpayer, their agent, or participants.

ACTION: Upon motion of Ms. Lieber, seconded by Mr. Vazquez and unanimously carried, Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Mr. Emran voting yes, the Board adopted the written Summary Decision as recommended by the Appeals Attorney.

PROPERTY TAX PROGRAM NONAPPEARANCE MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

Audits

Globalstar USA, LLC (2772)

2021 to 2022, \$977,000.00 Escaped Assessment, \$97,700.00 Penalty, \$107,220.00 In-lieu Interest

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ACTION: Upon motion of Mr. Schaefer and seconded by Mr. Gaines, Mr. Vazquez, Ms. Lieber, Mr. Gaines, and Mr. Schaefer voting yes, and Mr. Emran not participating in accordance with Government Code section 7.9, the Board voted to adopt the audit adjustments as recommended by staff. The vote was held open for additional action later in the day.

NetFortris Acquisition Co., Inc. (8164)
2021 to 2022, \$980,000.00 Excessive Assessment

ACTION: Upon motion of Mr. Schaefer and seconded by Mr. Gaines, Mr. Vazquez, Ms. Lieber, Mr. Gaines, and Mr. Schaefer voting yes, and Mr. Emran not participating in accordance with Government Code section 7.9, the Board voted to adopt the audit adjustments as recommended by staff. The vote was held open for additional action later in the day.

Intermountain Infrastructure Group, LLC (8218)
2022, \$2,600,000.00 Excessive Assessment

ACTION: Upon motion of Mr. Schaefer and seconded by Mr. Gaines, Mr. Vazquez, Ms. Lieber, Mr. Gaines, and Mr. Schaefer voting yes, and Mr. Emran not participating in accordance with Government Code section 7.9, the Board voted to adopt the audit adjustments as recommended by staff. The vote was held open for additional action later in the day.

ADMINISTRATIVE SESSION

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

ACTION: Adopt the consent agenda including the Board Meeting Minutes of January 24, 2023, as presented by staff.

EXECUTIVE DIRECTOR MATTERS (CONTINUED)

Yvette M. Stowers, Executive Director, reported on the status of pending and upcoming organizational issues.

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Yvette M. Stowers, Executive Director, provided a report confirming her approval for the extension of time to complete and submit the Local Assessment Rolls, pursuant to Revenue and Taxation Code, section 155, for the Counties of San Luis Obispo and Trinity.

Lisa Renati, Chief Deputy Director, reported on the status of operational priorities.

Lisa Thompson, Taxpayers' Rights Advocate, presented the 2021-22 Taxpayers' Rights Advocate's Annual Report highlighting the office's accomplishments, involvement in projects, current issues, and examples of cases illustrating services provided ([Exhibit 2.1](#)). Ms. Thompson also provided an update on the workload of her office ([Exhibit 2.2](#)).

Exhibits to these minutes are incorporated by reference.

The Board recessed at 12:37 p.m. and reconvened at 1:38 p.m. with Mr. Vazquez, Ms. Lieber, Mr. Gaines, and Mr. Schaefer present, Ms. Cohen present via teleconference.

PROPERTY TAX PROGRAM NONAPPEARANCE MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE (CONTINUED)

Audits (Continued)

The Board's Clerk recalled the roll on the vote regarding the matters of *Globalstar USA, LLC (2772)*; *NetFortris Acquisition Co., Inc. (8164)*; and *Intermountain Infrastructure Group, LLC (8218)*, so that Ms. Cohen could vote as follows:

ACTION: Upon motion of Mr. Schaefer, seconded by Mr. Gaines and unanimously carried, Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Ms. Cohen voting yes, the Board adopted the audit adjustments as recommended by staff.

Ms. Cohen left the Boardroom and Mr. Emran entered on behalf of Ms. Cohen in accordance with Government Code, section 7.9.

EXECUTIVE DIRECTOR MATTERS (CONTINUED)

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

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Glenna Schultz, Principal Property Appraiser, County-Assessed Properties Division, reported on the status of Letters to Assessors ([Exhibit 2.3](#)), and the Appraisal Training and Certification Program.

Jack McCool, Chief, State-Assessed Properties Division, reported on the status of pending and upcoming projects and activities for the Division.

Lisa Renati, Chief Deputy Director, provided an update on administrative and program related legislative bills impacting the SBOE ([Exhibit 2.4](#)).

BOARD MEMBER REQUESTED MATTERS

Mr. Vazquez requested to postpone the discussion of the agenda structure update to a future Board meeting and all Members agreed.

Mr. Vazquez presented a proposal to schedule a public policy hearing to review the curriculum for a proposed training course on Assessment Appeals Board (AAB) procedures and BOE property tax rules to be offered voluntarily through the County Counsels' Association of California ([Exhibit 2.5](#)).

Mary Cichetti, Clerk, Board Proceedings, read into the record written comments from the following:

Thomas Parker, Los Angeles County Senior Deputy County Counsel ([Exhibit 2.6](#))

ACTION: Upon motion of Ms. Lieber, seconded by Mr. Vazquez and unanimously carried, Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Mr. Emran voting yes, the Board agreed to review draft training material from Mr. Parker and submit it to the Executive Director before scheduling a public policy hearing.

Mr. Vazquez presented a proposal to establish a schedule to reconvene the Property Tax Workforce Planning Board Work Group with the California Assessors' Association (CAA) and County Assessors from large, medium and small counties to continue efforts to develop educational opportunities, recruitment, and training solutions for County Assessors' offices and the BOE, in building a pipeline of skilled talent needed now and in future years ([Exhibit 2.7](#)).

Speakers: Hon. Jon DeVille, El Dorado County
Assessor

Hon. Jeffrey Prang, Los Angeles County
Assessor

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ACTION: Upon motion of Mr. Vazquez, seconded by Mr. Gaines and unanimously carried, Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Mr. Emran voting yes, the Board agreed to reconvene the Workforce Planning Work Group in April 2023.

Mr. Vazquez presented a proposal to establish a schedule to reconvene the Property Tax Abatement Board Work Group on Affordable Housing, specifically to drill down with County Assessors, city and county housing agencies, and stakeholders to identify gaps and develop recommendations for practical ways to streamline the welfare exemption processes both at the state and local level, as a means of accelerating critically needed low-income housing ([Exhibit 2.8](#)).

Speaker: Paul C. Ballard

ACTION: Upon motion of Ms. Lieber, seconded by Mr. Emran and unanimously carried, Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Mr. Emran voting yes, the Board agreed to reconvene the Property Tax Abatement Board Work Group on Affordable Housing and convene in June 2023.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Mr. Vazquez invited persons who wish to address the Board regarding items not on the agenda to come forward.

Speakers: Hon. Claude Parrish, Orange County
Assessor

Michael Hannah, Manager, Orange County
Assessor's Office

Gary Hunter, Assistant Vice President of
Tax, AT&T

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 3:48 p.m. and reconvened immediately in closed session with Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Mr. Emran present, to discuss pending litigation: *County of Santa Clara v. Santa Clara Superior Court; AT&T Mobility LLC, et al., Real Parties in Interest, Sixth District Court of Appeal, Case Number H049161; underlying case: AT&T Mobility LLC, et al. v. County of Santa Clara, et al., Santa Clara County Superior Court, Case Number 20CV363802* (Gov. Code, § 11126(e)).

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ANNOUNCEMENT OF OPEN SESSION

The Board reconvened at 4:12 p.m. in open session with Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Mr. Emran present.

Ms. Cichetti announced that the Board took no action in closed session.

CLOSING

The Board adjourned at 4:14 p.m. in memory of Bishop David O'Connell.

The foregoing minutes are adopted by the Board on March 22, 2023.