



**MALIA M. COHEN**  
CALIFORNIA STATE CONTROLLER

June 25, 2023

TO: Antonio Vasquez, Chair  
Ted Gaines, Board Member, First District  
Sally Lieber, Board Member, Second District  
Mike Schaefer, Board Member, Fourth District

FROM: Malia M. Cohen, California State Controller

RE: **Proposal for the Creation of a Specialized Unit within the Board of Equalization's (BOE) Legal Office to Support and Address the Needs of Small and Mid-Size Counties**

**Background:**

Given the complexities inherent in our property tax system, County Assessors representing small and mid-size counties often find themselves with a dilemma not encountered by larger counties in the state. This dilemma stems mainly from the fact that property tax revenues vary greatly from county to county based on property values resulting in a taxation landscape that is not a level playing field. Unlike many of the local County Assessor offices in larger counties, the local County Assessor offices in small and mid-size counties do not always have the resources to augment professional staffing, retain legal counsel, and alleviate retention challenges associated with much needed experienced property tax counsel.

This disparity often leaves a County Assessor compelled to make a decision based on independent judgment which, in turn, leads to a lack of uniformity. In an attempt to resolve this matter and to level the playing field, it is recommended that consideration be given to the creation of a specialized legal unit within the BOE Legal Department designed specifically to address the legal advice needs of small and mid-size local County Assessor offices. Such strategic initiative on behalf of the local County Assessor offices will fulfill the Agency's constitutional responsibilities and further strengthen the relations between the Agency and the local County Assessor offices.

The recommendation is based on the premise that the Board of Equalization's legal team has established a reputation of being some of the most experienced and competent property tax lawyers in the state and nation. The legal team's extensive capacity and institutional knowledge is valued

and repeatedly sought after by local County Assessor offices, property taxpayers and advocates, the Legislature and other government bodies, business associations, universities, think tanks, and other stakeholders. However, the current workload demands of the legal team continue to exceed the staffing allocation with limited relief in sight due to the many complexities associated with implementing Proposition 19 and other property tax changes. As result, the current legal team's ability to properly and timely provide legal advice to small and mid-size local County Assessor office's is not sustainable.

Therefore, acknowledging the disparities among local County Assessor offices and legal complexities associated with administering the complex \$100 billion property tax system, it is important from a governance perspective to request that the Executive Director review the issue raised and report back to the Board.

**Recommendation:**

I respectfully recommend that the Board direct the Executive Director to review this matter and provide the Board with a report and analysis of the value, feasibility, and costs of creating a specialized legal unit. Recognizing that time is of the essence, I further recommend that the Executive Director provide this report to the Board at its August regularly scheduled meeting.

cc: Ms. Deborah Bautista-Zavala, Chief Deputy, Office of Chair Antonio Vasquez  
Mr. Matt Cox, Chief Deputy, Office of Member Ted Gaines  
Mr. Gary Gartner, Chief Deputy, Office of Member Sally Lieber  
Mr. Cody Petterson, Chief Deputy, Office of Chair Mike Schaefer  
Ms. Yvette Stowers, Executive Director  
Mr. Henry Nanjo, Chief Counsel