

2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

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Tuesday, March 19, 2024

The Board convened at 450 N Street, Sacramento, at 10:00 a.m., with Ms. Lieber, Chair, Mr. Gaines, Vice Chair, and Mr. Schaefer present, Mr. Emran present on behalf of Ms. Cohen, in accordance with Government Code, section 7.9. A quorum was established.

The Pledge of Allegiance was led by Mr. Emran.

Mr. Vazquez entered the Boardroom.

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

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Ms. Lieber invited persons who wish to address the Board regarding items not on the agenda to come forward, but none provided comment.

BOARD MEMBER MATTERS

Mr. Emran introduced Erika Li, Chief Deputy Director, Budgets, California Department of Finance, who provided an overview of the Governor's proposed 2024/25 budget.

TAX PROGRAM MATTERS

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested approval to change values of state-assessed properties discovered on audit as follows:

Harbor Cogeneration Company, LLC (1145): Audit adjustments of \$2,199,348 Escaped Assessment, \$378,886 Penalty, \$404,573 Assessment In-lieu of Interest, for 2020 to 2023

MOTION: Mr. Vazquez made a motion to adopt the audit adjustments. The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, and Mr. Schaefer voted yes; Mr. Emran did not participate in accordance with Government Code, section 7.9.

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Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested approval to change values of state-assessed properties discovered on audit as follows:

KDDI America, Inc (7766): Audit adjustments of \$2,110,000 Escaped Assessment, \$211,000 Penalty, \$472,200 Assessment In-lieu of Interest, for 2020 to 2023

MOTION: Mr. Gaines made a motion to adopt the audit adjustments. The motion was seconded by Mr. Vazquez. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, and Mr. Schaefer voted yes; Mr. Emran did not participate in accordance with Government Code, section 7.9.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested adoption of proposed land escaped assessment of state-assessed property of Pacific Gas & Electric Company (0135) for the 2021 to 2023 full value in the amount of \$789,239.

MOTION: Mr. Gaines made a motion to adopt the land escaped assessment for Pacific Gas & Electric Company (0135). The motion was seconded by Mr. Vazquez. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, and Mr. Schaefer voted yes; Mr. Emran did not participate in accordance with Government Code, section 7.9.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested adoption of proposed land escaped assessment of state-assessed property of Southern California Edison Company (0148) for the 2023 full value in the amount of \$8,410,000.

MOTION: Mr. Vazquez made a motion to adopt the land escaped assessment for Southern California Edison Company (0148). The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, and Mr. Schaefer voted yes; Mr. Emran did not participate in accordance with Government Code, section 7.9.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested adoption of proposed land escaped assessment of state-assessed property of BNSF Railway Company (0804) for the 2022 full value in the amount of \$61,993.

MOTION: Mr. Vazquez made a motion to adopt the land escaped assessment for BNSF Railway Company (0804). The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, and Mr. Schaefer voted yes; Mr. Emran did not participate in accordance with Government Code, section 7.9.

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Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested adoption of proposed land escaped assessment of state-assessed property of Los Angeles SMSA Ltd., Partnership (2532) for the 2020 to 2022 full value in the amount of \$2,971,838.

MOTION: Mr. Vazquez made a motion to adopt the land escaped assessment for Los Angeles SMSA Ltd., Partnership (2532). The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, and Mr. Schaefer voted yes; Mr. Emran did not participate in accordance with Government Code, section 7.9.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested adoption of proposed land escaped assessment of state-assessed property of T-Mobile West, LLC (2748) for the 2021 to 2022 full value in the amount of \$10,282,383.

MOTION: Mr. Vazquez made a motion to adopt the land escaped assessment for T-Mobile West, LLC (2748). The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, and Mr. Schaefer voted yes; Mr. Emran did not participate in accordance with Government Code, section 7.9.

CONSENT AGENDA

MOTION: Mr. Schaefer made a motion to adopt the consent agenda including the Board Meeting Minutes of February 21-22, 2024, as presented. The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

The Board recessed at 11:07 a.m. and reconvened at 11:21 a.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

BOARD MEMBER MATTERS (CONTINUED)

Mr. Emran and Mr. Vazquez made introductory remarks regarding the Board Member Strategic Plan ([Exhibit 3.1](#)). The Executive Director will provide a written assessment and a plan to move forward.

Exhibits to these minutes are incorporated by reference.

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Mr. Vazquez made introductory remarks regarding AB 2238 (Low Franchise Tax Board- Membership, which is a bill that would remove the Chairperson of the State Board of Equalization from the membership of the Franchise Tax Board and would instead make the Treasurer a member of the Franchise Tax Board.

MOTION: Mr. Vazquez made a motion to take a position to oppose AB 2238. The motion was seconded by Mr. Gaines. Mr. Vazquez amended his motion to take a position to oppose AB 2238 unless the bill is amended to retain the BOE representative on the Franchise Tax Board. The amended motion was seconded by Mr. Gaines. The amended motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, and Mr. Emran voted yes; Mr. Schaefer voted no.

EXECUTIVE DIRECTOR'S REPORTS

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

Lisa Thompson, Taxpayers' Rights Advocate, provided an update on the workload of the Taxpayers' Rights Advocate Office ([Exhibit 3.2](#)).

Yvette M. Stowers, Executive Director, reported that the County of San Luis Obispo has received an extension to complete and submit their 2024 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155 ([Exhibit 3.3](#)).

The Board recessed at 12:44 p.m. and reconvened at 1:49 p.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

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

David Yeung, Deputy Director, Property Tax Department, reported on the status of pending and upcoming projects, activities, and departmental issues. Lauren Keach, Chief, County-Assessed Properties Division, reported on the status of Letters to Assessors ([Exhibit 3.4](#)), and the Appraisal Training and Certification Program. Mr. Yeung reported on the status of pending and upcoming projects and activities for the State-Assessed Properties Division.

Ted Angelo, Chief, Legislative, Research & Statistics Division, provided an update on administrative and program related legislative bills impacting the BOE ([Exhibit 3.5](#)).

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CLOSING

The Board adjourned at 2:32 p.m. in memory of Jeff Slater who was a childhood friend of Mr. Gaines, and Carmen Rodriguez who ran a successful restaurant in Santa Monica.

The foregoing minutes are adopted by the Board on April 16, 2024.