

2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

Page 71

Tuesday, December 17, 2024

The Board convened at May Lee State Office Complex Auditorium, 651 Bannon Street, Sacramento, at 10:03 a.m., with Ms. Lieber, Chair, Mr. Gaines, Vice Chair, Mr. Vazquez, 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. Vazquez.

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.

**TAX PROGRAM MATTERS**

Mr. Emran left the Boardroom and Ms. Cohen entered.

Sarah J. Wilkman, Appeals Attorney, presented the hearing summary of *Southern California Edison Company (0148), SAU24-003, Property Tax Appeal Oral Hearing*, petition for reassessment of Board-adopted 2024 unitary value in the amount of \$38,986,400,000. Contribution Disclosure forms were filed as required pursuant to Government Code, section 15626: No disqualifying contributions were disclosed.

The Petitioner requested the Board take official notice of the litigation complaints filed in Superior Court for tax years 2020, 2021, 2022, and 2023 between the Board of Equalization (BOE) and the Petitioner and to submit the complaints as evidence. The Board rejected the Petitioner's request and instead took official notice of the existence of the litigation between the BOE and Petitioner regarding the 2020, 2021, 2022, and 2023 tax years, as recommended by the Appeals Attorney.

Appearing for Petitioner:

David Lee, Taxpayer  
Andrea Wood, Taxpayer  
Karl Matthews, Taxpayer  
Mardiros H. Dakessian, Attorney  
Charles J. Moll III, Attorney  
Joshua Lin, Attorney  
Andrew W. Bodeau, Attorney

Appearing for the Department:

David Lujan, Attorney  
Sonya Yim, Attorney

2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

Page 72

Tuesday, December 17, 2024

Issues:

Whether Petitioner has shown that the State-Assessed Properties Division (Respondent) has failed to reconcile the historical cost less depreciation (HCLD) value indicator and the capitalized earning ability (CEA) indicator of value.

Whether Petitioner has shown that Respondent erred in placing 75 percent reliance on the HCLD value indicator and 25 percent reliance on the CEA indicator of value.

Whether Petitioner has shown that Respondent must adjust the Board-adopted value for SCE's Liabilities for the 2017/2018 wildfires and mudslides.

Whether Petitioner has shown that Respondent improperly assessed the wildfire mitigation capital expenditures.

Whether Petitioner has shown that Respondent erred in its treatment of wildfire insurance fund-related contributions.

MOTION: Ms. Lieber made a motion to deny the petition. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes; Mr. Gaines voted no.

The Board recessed at 11:30 a.m. and reconvened at 11:45 a.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen present.

Sarah J. Wilkman, Appeals Attorney, presented a summary decision of *SFPP, L.P. (0461), SAU24-021, Property Tax Appeal Nonappearance Adjudicatory*, petition for reassessment of Board-adopted 2024 unitary value in the amount of \$436,200,000. Some Contribution Disclosure forms were filed as required pursuant to Government Code, section 15626, and some were not: Members noted that their records disclosed no disqualifying contributions from this taxpayer, their agent, or participants.

MOTION: Mr. Vazquez made a motion to deny the petition. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes.

Sarah J. Wilkman, Appeals Attorney, presented a summary decision of *CALNEV PipeLine LLC (0402), SAU24-022, Property Tax Appeal Nonappearance Adjudicatory*, petition for reassessment of Board-adopted 2024 unitary value in the amount of \$96,100,000. Some Contribution Disclosure forms were filed as required pursuant to Government Code, section 15626, and some were not: Members noted that their records disclosed no disqualifying contributions from this taxpayer, their agent, or participants.

2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

Page 73

Tuesday, December 17, 2024

MOTION: Mr. Vazquez made a motion to deny the petition. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes.

Mr. Gaines stated that he would not participate in the matter of *BNSF Railway Company (0804), SAU24-024, Property Tax Appeal Nonappearance Adjudicatory*, in accordance with Government Code, section 87105, and left the Boardroom.

Christian Younger, Appeals Attorney, presented a summary decision of *BNSF Railway Company (0804), SAU24-024, Property Tax Appeal Nonappearance Adjudicatory*, petition for reassessment of Board-adopted 2024 unitary value in the amount of \$3,239,400,000. Some Contribution Disclosure forms were filed as required pursuant to Government Code, section 15626, and some were not: Members noted that their records disclosed no disqualifying contributions from this taxpayer, their agent, or participants.

MOTION: Ms. Lieber made a motion to deny the petition. The motion was seconded by Mr. Vazquez. The motion passed. Ms. Lieber, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes; Mr. Gaines was absent and did not participate in accordance with Government Code, section 87105.

Mr. Gaines returned to the Boardroom.

Christian Younger, Appeals Attorney, presented State-Assessed Property Division's recommendation of *Central Oregon & Pacific Railroad (0802), SAU24-029, Property Tax Appeal Nonappearance Adjudicatory*, petition for reassessment of Board-adopted 2024 unitary value in the amount of \$9,890,000. Some Contribution Disclosure forms were filed as required pursuant to Government Code, section 15626, and some were not: Members noted that their records disclosed no disqualifying contributions from this taxpayer, their agent, or participants.

MOTION: Mr. Schaefer made a motion to approve staff recommendation as agreed to by the parties to reduce the value from \$9,890,000 to \$4,600,000 (before application of the 4-R Act Ratio). The motion was seconded by Mr. Vazquez. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes.

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

Utility Telecom Group, LLC (7994): Audit adjustments of \$330,000 Escaped Assessment, \$33,000 Penalty, \$19,800 Assessment In-lieu of Interest, for 2024.

2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

Page 74

Tuesday, December 17, 2024

MOTION: Mr. Vazquez made a motion to adopt the audit adjustments. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes.

**CHIEF COUNSEL MATTERS**

Julia Himovitz, Attorney, made introductory remarks regarding Organization of the Board and its vote to elect a new Board Chair and Vice Chair for 2025.

Ms. Himovitz opened the floor to nominations for Chair. Ms. Lieber and Mr. Gaines were nominated for Board Chair. Upon close of nominations, roll was called for the election of Board Chair for 2025. Votes were cast as follows:

Ms. Lieber voted to elect Ms. Lieber.  
Mr. Gaines voted to elect Mr. Gaines.  
Mr. Vazquez voted to elect Ms. Lieber.  
Mr. Schaefer voted to elect Mr. Gaines.  
Ms. Cohen voted to elect Mr. Gaines.

The Board elected Mr. Gaines to serve as Board Chair, effective at the adjournment of this meeting.

Ms. Himovitz opened the floor to nominations for Vice Chair. Ms. Lieber and Mr. Schaefer were nominated for Board Vice Chair. Upon close of nominations, roll was called for the election of Board Vice Chair for 2025. Votes were cast as follows:

Ms. Lieber voted to elect Ms. Lieber.  
Mr. Gaines voted to elect Mr. Schaefer.  
Mr. Vazquez voted to elect Ms. Lieber.  
Mr. Schaefer voted to elect Mr. Schaefer.  
Ms. Cohen voted to elect Ms. Lieber.

The Board elected Ms. Lieber to serve as Board Vice Chair, effective at the adjournment of this meeting.

The Board recessed at 12:26 p.m. and reconvened at 1:41 p.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

## 2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

Page 75

Tuesday, December 17, 2024

Julia Himovitz, Attorney, made introductory remarks regarding the annual review of the Board Governance Policy and presented proposed amendments for the Board consideration ([Exhibit 12.1](#)).

MOTION: Mr. Vazquez made a motion to add “recommended” to the 3-minute limitation on each Member’s opening remarks, and otherwise approve the amendments as presented. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

Exhibits to these minutes are incorporated by reference.

### **BOARD MEMBER MATTERS**

Mr. Vazquez made introductory remarks and presented a detailed report on the November 20, 2024 Informational Hearing on *Understanding and Exploring Options for Incentivizing California’s Hydrogen Hub Project* ([Exhibit 12.2](#)).

MOTION: Mr. Vazquez made a motion to adopt the report and minutes. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

### **CONSENT AGENDA**

MOTION: Mr. Gaines made a motion to adopt the consent agenda including the Board Meeting Minutes of November 19-20, 2024, as presented. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

MOTION: Mr. Schaefer made a motion to adopt the consent agenda including the publication of the 2025 revisions of Assessors' Handbook, Section 531, *Residential Building Costs*/ Section 531A, *Residential Building Cost Information* ([Exhibit 12.3](#)), Section 534, *Rural Building Costs* ([Exhibit 12.4](#)), and Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors* ([Exhibit 12.5](#)), 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.

### **EXECUTIVE DIRECTOR’S REPORTS**

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

2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

Page 76

Tuesday, December 17, 2024

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

Lisa Thompson, Taxpayers' Rights Advocate, reported on the workload of the Taxpayers' Rights Advocate Office ([Exhibit 12.6](#)).

The Board recessed at 2:35 p.m. and reconvened at 2:49 p.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

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 12.7](#)), 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.

Ted Angelo, Chief, Legislative, Research & Statistics Division (LRSD), presented two legislative proposals from the LRSD for the Board to consider sponsoring in the first year of the 2025-26 Legislative Session as follows:

LRSD 1: Alcoholic Beverage Tax: Amend Business and Professions Code (BPC) Section 23671 to require electronic filing of beer vendor reports, consistent with corresponding electronic filing requirements in the Revenue and Taxation Code (RTC) for alcoholic beverage licensees, common and private carriers, and other persons ([Exhibit 12.8](#)).

MOTION: Mr. Gaines made a motion to support the proposal. The motion was seconded by Mr. Vazquez. The motion passed. Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Mr. Emran voted yes.

LRSD 2: Property Tax: Amend RTC Section 1603 to synchronize current assessment appeal deadlines to November 30, annually, for all California counties ([Exhibit 12.9](#)). The Board received public comments from the following speaker:

Kate Bell, Lobbyist, Ryan, LLC

MOTION: Mr. Vazquez made a motion to support the proposal. The motion was seconded by Mr. Schaefer. The motion passed. Mr. Vazquez, Ms. Lieber, Mr. Gaines, Mr. Schaefer, and Mr. Emran voted yes.

2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

Page 77

Tuesday, December 17, 2024

**CLOSING**

Members made commemorative comments and closing remarks.

The Board adjourned at 3:36 p.m.

The foregoing minutes are adopted by the Board on January 23, 2025.