

## 2025 MINUTES OF THE STATE BOARD OF EQUALIZATION

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Wednesday, February 19, 2025

The Board convened at May Lee State Office Complex Auditorium, 651 Bannon Street, Sacramento, at 10:05 a.m., with Mr. Gaines, Chairman, Ms. Lieber, Vice Chair, Mr. Vazquez, and Mr. Schaefer present; and 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. Gaines.

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

### **Public Comment on Matters Not on the Agenda**

Mr. Gaines invited persons who wish to address the Board regarding items not on the agenda to come forward. The Board received public comments from Palmer Luckey.

### **Board Member Matter**

Mr. Emran introduced Erika Li, Chief Deputy Director, Budgets, California Department of Finance, who provided an overview of the Governor's Proposed Budget for fiscal year 2025/26.

### **Tax Program Matters**

Mr. Emran left the meeting and Ms. Cohen joined the meeting via teleconference.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, made introductory remarks regarding the public hearing for property tax state assesses' presentations on capitalization rates and other factors affecting values. State assesses and their representatives were invited to make presentations on capitalization rates and other factors affecting fiscal year 2025-26 property values of California public utilities, railroads, and pipelines. Private railroad car assesses and their representatives were also invited to make presentations on factors affecting fiscal year 2025-26 taxable values of private railroad cars. No presentations or comments were received.

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Sarah J. Wilkman, Appeals Attorney, requested Board approval to publish Summary Decisions under Revenue and Taxation Code section 40 for the following previously decided matters:

Race Telecommunications, LLC (8099), SAU24-016, petition for reassessment of the 2024 unitary value, which was determined by the Board on November 19, 2024.

Crown Castle Fiber (8169), SAU24-025, petition for reassessment of the 2024 unitary value, which was determined by the Board on November 19, 2024.

BNSF Railway Company (0804), SAU24-024, petition for reassessment of the 2024 unitary value, which was determined by the Board on December 17, 2024.

MOTION: Mr. Vazquez made a motion to adopt and publish the nonprecedential written Summary Decisions under Revenue and Taxation Code section 40. The motion was seconded by Ms. Lieber. The motion passed. Mr. Gaines, Ms. Lieber, 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:

Pacific Harbor Line, Inc. (813): Audit adjustments of \$327,835 Escaped Assessment, \$32,784 Penalty, \$66,882 Assessment In-lieu of Interest, for 2021 to 2024.

Consolidated Communications Enterprise Services, Inc. (7707): Audit adjustments of \$14,900,000 Escaped Assessment, \$1,560,000 Penalty, \$3,753,000 Assessment In-lieu of Interest, for 2021 to 2024.

Synergem Technologies, Inc. (8211): Audit adjustments of \$1,461,000 Escaped Assessment, \$146,100 Penalty, \$746,670 Assessment In-lieu of Interest, for 2021 to 2023

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

Mr. Gaines stated that he would not participate in the matter of *Central California Traction Company (818): Audit adjustments*, in accordance with Government Code, section 87105, and left the meeting.

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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:

Central California Traction Company (818): Audit adjustments of \$431,392 Excessive Assessment, \$17,658 Penalty, \$34,558 Assessment In-lieu of Interest, for 2021 to 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. 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 meeting. Ms. Cohen left the teleconference and Mr. Emran entered the meeting.

The Board recessed at 11:21 a.m. and reconvened at 11:35 a.m. with Mr. Gaines, Ms. Lieber, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

### **Consent Agenda**

MOTION: Mr. Emran made a motion to adopt the consent agenda including the Board Meeting Minutes of January 23, 2025, as presented. The motion was seconded by Mr. Schaefer. The motion passed. Mr. Gaines, Ms. Lieber, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

### **Executive Director's Reports**

Lisa Thompson, Taxpayers' Rights Advocate (TRA), presented the 2023-24 Taxpayers' Rights Advocate's Annual Report highlighting the office's accomplishments, taxpayer service improvements, and examples of cases illustrating services provided. Ms. Thompson also provided an update on the workload of the TRA Office.

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**Board Member Matters**

Ms. Lieber made introductory remarks regarding Assembly Bill (AB) 53 (Ramos), Personal income taxes: exclusion: Military Services Retirement and Surviving Spouse Benefit Payment Act, which would grant uniformed retirees and their survivors a state personal income tax exclusion on their military pensions ([Exhibit 2.1](#)).

MOTION: Ms. Lieber made a motion to adopt a Board position supporting AB 53 (Ramos). The motion was seconded by Mr. Vazquez. The motion passed. Mr. Gaines, Ms. Lieber, Mr. Vazquez, and Mr. Schaefer voted yes; Mr. Emran abstained.

Exhibits to these minutes are incorporated by reference.

Mr. Vazquez made introductory remarks regarding a proposal to establish a Board Work Group (BWG) to address administrative and other issues facing County Assessors and Assessment Appeals Boards (AABs) in 2025 ([Exhibit 2.2](#)).

Yvette M. Stowers, Executive Director, provided the results of the informal survey, *Assessment Appeals and Property Tax Refund Procedures*, which was solicited from County Assessors, Treasurer-Tax Collectors, Auditor-Controllers, and Clerks of the Boards of Supervisors of the 58 counties.

Mary Cichetti, Clerk, Board Proceedings, stated for the record that written comments for this matter were distributed to the Members. The Board received public comments from the following speakers:

Marc Aprea, Principal, Aprea & Company, on  
behalf of California Alliance of Taxpayer Advocates  
(CATA)

Kate Bell, Lobbyist, Ryan, LLC

MOTION: Mr. Vazquez made a motion to establish the BWG and formalize the BWG meeting date of April 30, 2025. Ms. Lieber offered a friendly amendment to limit the BWG to four meetings and come back to the Board. Mr. Vazquez agreed to the amended motion. The amended motion was seconded by Ms. Lieber. The amended motion passed. Mr. Gaines, Ms. Lieber, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

The Board recessed at 12:59 p.m. and reconvened at 2:00 p.m. with Mr. Gaines, Ms. Lieber, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

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**Informational Hearing**

Mr. Gaines passed the gavel to Mr. Vazquez to Chair the *2025 Wildfire Disaster Relief and Recovery: Legislation and Other Solutions* portion of the Board Meeting.

Mr. Vazquez made introductory remarks regarding the Informational Hearing to gather testimony from key leaders and assist the relief and recovery efforts in the areas of property taxation and insurance relating to the January 2025 wildfire disaster in Los Angeles County.

Mr. Vazquez introduced, on behalf of the Hon. Jeffrey Prang, Los Angeles County Assessor, Jerry House, Director, and Lawrence Liu, Assistant County Assessor, Los Angeles County Assessor's Office, who discussed county-level relief and recovery efforts and provided input on the extent of the disaster.

Mr. Vazquez invited persons who wish to address the Board regarding the Informational Hearing on *2025 Wildfire Disaster Relief and Recovery: Legislation and Other Solutions* to come forward. The Board received public comments from the following speaker:

Hon. Lana Negrete, Mayor, City of Santa Monica

The Board recessed at 3:03 p.m. and reconvened at 3:18 p.m. with Mr. Gaines, Ms. Lieber, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

Mr. Vazquez led a discussion on proposed legislative solutions and introduced the following speakers, who provided input on disaster relief proposals recently introduced in the Legislature, their respective potential impacts, and analysis for key legislation.

Hon. Sasha Renée Pérez, Senator, California State Senate District 25

Hon. Ben Allen, Senator, California State Senate District 24

Members made closing remarks regarding the Informational Hearing on *2025 Wildfire Disaster Relief and Recovery: Legislation and Other Solutions*.

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**Closing**

The Board adjourned at 4:22 p.m.

The foregoing minutes are adopted by the Board on March 26, 2025.