



October 20, 2025

Honorable Ted Gaines, Chair
California State Board of Equalization
621 Capitol Mall, Suite 2100
Sacramento, CA 95814

Re: Opposition to Proposed Informational Hearing on Property Tax Reform and the Legal Entity Ownership Program (LEOP)

Dear Chair Gaines and Members of the Board:

On behalf of the California Taxpayers Association, the signatories listed below, and our members representing businesses, property owners, and taxpayers across the state, we respectfully urge the Board to decline Vice Chair Lieber's request to schedule an "Informational Hearing on Proposals for Property Tax Reform and a Review of the Legal Entity Ownership Program (LEOP)" at the December 16, 2025, meeting.

Purpose of the Board and Scope of Authority

The State Board of Equalization's constitutional charge is to administer state-assessed property tax programs and provide oversight of local property tax administration, including equalization of property tax assessments across counties to ensure fairness and uniformity. The Board may also provide guidance to county assessors to promote uniformity and consistency on assessment practices throughout the state. Development or promotion of legislative proposals to amend California's long-standing change-in-ownership statutes, or modify Proposition 13's protections, are well outside the Board's purview. This proposed hearing strays from the Board's administrative role into a policy and advocacy arena properly reserved for the Legislature. We agree that oversight of the agency is important; therefore, a more appropriate informational hearing should solely focus on the efficiency and effectiveness of the Board's Legal Entity Ownership Program (LEOP), as was done at the Board's August 27, 2019, meeting (see Item 3(d) in the [agenda](#)).

"Nuking" Proposition 13

The topics outlined in the memorandum — including establishing a “*rebuttable presumption that there is a cumulative change in ownership of 50% within a defined period of time for entities that are publicly traded companies*” — are not mere administrative matters; they are substantive policy changes that would alter how the Legislature’s Proposition 13 implementation task force interpreted changes in ownership.¹

One of the last times the Legislature debated such a proposal to establish a rebuttable presumption, the author of that proposal proclaimed that this would be the first step to “nuking Proposition 13.” During a May 6, 2010, Capitol press conference called by Assembly Member Tom Ammiano to promote Assembly Bill 2492, Ammiano said, “You know, if it takes an incremental approach, then so be it. You know, my tendency is to want to nuke it. However, one has to deal with political dynamics here in California.” Assembly Member Ammiano tried again with AB 2372 in 2014. Both bills died.

The State Board of Equalization should avoid politicizing property tax administration. This is **NOT** the venue for legislative or constitutional changes dealing with changes in ownership.

Existing Transparency and Effectiveness of LEOP

The Legal Entity Ownership Program already is subject to extensive public reporting, assessor participation, and statutory guidance under Revenue and Taxation Code section 64. BOE staff regularly collaborates with assessors and taxpayers to ensure that changes in control and ownership are properly identified.

The State Board of Equalization regularly surveys counties to address the adequacy of the procedures and practices employed by every assessor through the board’s Assessment Practices Survey program. For example, in the BOE’s 2025 survey of Kern County, the board found inadequacies in the county’s change-in-ownership program with respect to legal entities. As a result of the board’s survey, Kern County implemented revisions to improve its system, better track ownership changes, and properly impose penalties when such changes are not reported in a timely manner.

In addition to these surveys, county assessors have the authority to request assistance from the BOE in conducting additional audits and investigations of potential legal entity ownership changes. Through the BOE’s Legal Entity Ownership Program (LEOP) – Discovery Methods for Changes in Control and Changes in Ownership, assessors may use Form BOE-100-BR to initiate these reviews. The Franchise Tax Board (FTB) also assists the BOE by identifying legal entity ownership changes that may trigger reassessment under section 64.

These ongoing surveys, collaborative discovery methods, and resulting corrective actions demonstrate that existing oversight mechanisms are working as intended. They lead to measurable improvements in property tax administration and ensure greater consistency, fairness, and effectiveness statewide.

Recommendation

The proposal contains no allegations of errors or deficiencies within the Legal Entity Ownership Program or among the staff who administer it. In the absence of any identified or alleged issues, it would be an unnecessary use of limited Board resources to pursue a review of a program that has not been shown to be problematic.

¹ *Report of the Task Force on Property Tax Administration – Presented to the Assembly Committee on Revenue and Taxation, Willie L. Brown, Jr., Chairman.* (January 22, 1979). Staffed by David R. Doerr. California State Assembly.

For these reasons, CalTax and the groups listed below respectfully urge the Board not to schedule the proposed informational hearing and instead to continue focusing on its constitutional and statutory duties – promoting uniform assessment practices, ensuring fair and consistent administration of property tax laws, and supporting county assessors in implementing existing statutes.

Thank you for your consideration and for your continued commitment to maintaining the integrity and impartiality of the property tax system.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Gutierrez', with a stylized flourish at the end.

Robert Gutierrez
President and CEO
California Taxpayers Association

on behalf of:

California Taxpayers Association
California Association of Realtors
California Business Properties Association
California Business Roundtable
California Chamber of Commerce
Contra Costa Taxpayers Association
Family Business Association of California
Howard Jarvis Taxpayers Association
Kern County Taxpayers Association
National Federation of Independent Business
Orange County Taxpayers Association
Silicon Valley Leadership Group
Solano County Taxpayers Association
Ventura County Taxpayers Association