



SALLY J. LIEBER

VICE CHAIR

CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: October 9, 2025

To: Ted Gaines, Chair, Board Member, First District
Antonio Vazquez, Board Member, Third District
Mike Schaefer, Board Member, Fourth District
Honorable Malia M. Cohen, State Controller

From: Sally J. Lieber, Vice Chair, Board Member, Second District

Re: Scheduling an Informational Hearing Regarding Proposals for Property Tax Reform and a review of the Legal Entity Ownership Program (LEOP).

This memorandum is a 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, Board Meeting.

This request is consistent with our duty to oversee property tax administration. As administrators of California's \$98 billion property tax system that funds our schools, counties, cities, and special districts, we have a duty to review and give the public an opportunity to comment.

Accordingly, it is appropriate to examine whether our property tax system needs reform to ensure that it is justly and equitably administered. Examining whether closing loopholes that shield commercial property from changes in ownership or increasing efficiencies in existing programs, such as the Legal Entities Ownership Program (LEOP) is part of our due diligence as Members of the Board of Equalization.

To assist in this examination, I am respectfully requesting that the Board conduct an Informational Hearing during its December 16, 2025, Board Meeting on Proposals for Property Tax Reform and a review of the Legal Entity Ownership Program (LEOP).

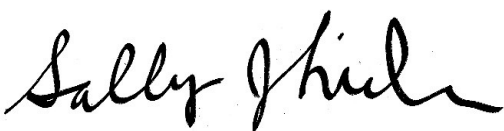
Specifically, this Informational Hearing would:

- Examine the current state of the law regarding change in ownership for legal entities that own commercial property, and whether there are more accurate ways to capture when property owned by legal entities should be reassessed, for example creating 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, and whether reporting on cumulative changes in partnerships or LLCs can provide a more accurate reflection of change in ownership.
- Examine the effectiveness of the Legal Entity Ownership Program (LEOP) in capturing changes in ownerships over the past 15 years.¹ This would include an examination of how Assessors use this information, and whether there is any accounting or estimate of revenues collected from use of the LEOP program. This examination can include which prospective ownership changes LEOP reviewed that have not resulted in re-assessment (e.g., multiple purchasers of companies); and the methodologies used to examine changes in ownership. We can use this opportunity to review if these methodologies can be improved.
- Examine how changes in ownership are being tracked by counties and assisted by the BOE's LEOP process and how partnership and LLC member changes are recorded.

An examination of the issues raised in this memorandum by the Board, stakeholders, interested parties, Assessors, and our constituents would contribute greatly to our understanding of the opportunities for just and fair property tax reform.

I look forward to discussing this request.

Sincerely,

A handwritten signature in black ink, reading "Sally J. Lieber". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Sally J. Lieber, Vice Chair

¹ See Legal Entity Ownership Program, linked at: <https://www.boe.ca.gov/proptaxes/leop.htm>

CC:

Mr. Matt Cox, Chief Deputy, Office of Chair Ted Gaines

Mr. Douglas Winslow, Chief Deputy, Office of Vice Chair Sally J. Lieber

Mr. Alexander Fay, Staff Counsel, Office of Member Antonio Vazquez

Mr. Cody Petterson, Chief Deputy, Office of Member Mike Schaefer

Mr. Hasib Emran, Deputy State Controller

Ms. Yvette M. Stowers, Executive Director

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