



SALLY J. LIEBER

CHAIR, CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: September 8, 2026

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

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

Re: Request for Guidance or Suggested Statutory Changes Regarding the Definition of “In the Course of Construction” for Non-profit Housing Developments.

As part of the Board’s oversight and due diligence process regarding the implementation of the Property Tax Welfare Exemption, and as a follow-up to our previous Board Meeting, I propose that the Board, through our Executive Director, receive a report on possible guidance or statutory changes regarding the definition of “in the course of construction” as stated in Revenue and Taxation Code section 214.2.

We are informed by non-profit housing advocates that “some county assessors are applying a narrower definition of ‘in the course of construction’ than Revenue and Taxation Code section 214.2 actually provides — treating physical construction start as the only qualifying event, rather than recognizing statutory paths, including demolition with intent to rebuild and externally caused predevelopment delays, or circumstances beyond the developer’s control.”

Such inconsistencies could impose a significant burden on non-profit housing developers who are seeking relief from the imposition of property tax during the development and construction process.

Accordingly, I respectfully request that the Executive Director, through her staff, provide a report to the Board regarding whether additional guidance or possibly a statutory change is required to provide clarity for assessors and non-profit housing developers that provides the broadest possible relief from property taxes for non-profit housing developers and stakeholders

Thank you.

Sincerely,

A handwritten signature in black ink, reading "Sally J. Lieber". The signature is fluid and cursive, with the first name "Sally" and last name "Lieber" clearly legible.

Sally J. Lieber, Chair

cc:

Matt Cox, Chief Deputy, Office of Vice Chair Ted Gaines
Douglas Winslow, Chief Deputy, Office of Chair Sally J. Lieber
Juan Carlos Flores, Chief Deputy, Office of Member Antonio Vazquez
Cody Petterson, Chief Deputy, Office of Member Mike Schaefer
Hasib Emran, Deputy State Controller
Yvette Stowers, Executive Director