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BEFORE THE CALIFORNIA STATE BOARD OF EQUALIZATION  
450 N STREET  
SACRAMENTO, CALIFORNIA  
TELECONFERENCE

REPORTER'S TRANSCRIPT  
APRIL 21, 2020

ITEM M  
PUBLIC POLICY HEARINGS

REPORTED BY: Jillian M. Sumner

APPEARING TELEPHONICALLY

For the Board of  
Equalization:

Honorable Antonio Vazquez  
Chair

Honorable Mike Schaefer  
Vice Chair

Honorable Ted Gaines  
First District

Honorable Malia S. Cohen  
Second District

Yvette Stowers  
Appearing for Betty T.  
Yee, State Controller  
(per Government Code  
Section 7.9)

For the Board of  
Equalization Staff:

Brenda Fleming  
Executive Director

Henry Nanjo  
Chief Counsel  
Legal Department

Richard Moon  
Tax Counsel IV  
Legal Department

Toya Davis  
Clerk  
Board Proceedings

Public Speakers:

Don Gaekle  
President, California  
Assessors' Association and  
Stanislaus County Assessor

Carmen Chu  
San Francisco City and County  
Assessor-Recorder

John McKibben  
Deputy Clerk, Los Angeles  
County Board of Supervisors,  
and Chairman, BOE Rules Work  
Group, California Association  
of Clerks and Election  
Officials (CACEO)

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Public Speakers Continued:

- Paul Waldman  
President, California Alliance  
of Taxpayer Advocates (CATA)
- Nick Fogle  
Treasurer, CATA, and California  
Market Leader, Paradigm Tax  
Group
- Chris O'Neall  
Chair, CATA, and Shareholder,  
Greenberg Traurig, LLP
- Wes Nichols  
Board Member, CATA, and  
Managing Principal and Founder  
of Paramount Property Tax  
Appeal
- David Wolfe  
Legislative Director, Howard  
Jarvis Taxpayers Association
- Raymond Blatt  
Partner, Blatt & Sorell Tax  
Group, Inc., A Member of  
International Association of  
Assessing Officers (IAAO)
- Reed Schreiter  
Property Tax Director,  
PricewaterhouseCoopers, LLP
- Lawrence Stone  
Santa Clara County Assessor
- Jeffrey Prang  
Los Angeles County Assessor
- Jeffrey Meyer  
Chief Appraiser, Assessment  
Appeals Division, Los Angeles  
County Assessor's Officer
- Tom Parker  
Deputy County Counsel, Los  
Angeles County Counsel Office,  
on behalf of the Los Angeles  
County Assessment Appeals Board

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Public Speakers Continued:

Marty Dakessian  
Attorney, Dakessian Law, Ltd.

Marcy Berkman  
Deputy County Counsel, on  
behalf of Santa Clara County  
Assessment Appeals Board

Chuck Leonhardt  
Plumas County Assessor

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1 STATE BOARD OF EQUALIZATION

2 TELECONFERENCE

3 APRIL 21, 2020

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5 MS. DAVIS: The next item is Item M, Public  
6 Policy Hearing. Chair Vazquez will lead a discussion  
7 on the impact of COVID-19 on the Property Tax  
8 Administration.

9 Chair Vazquez, do you have the list of the  
10 speakers?

11 MR. VAZQUEZ: I do.

12 MS. DAVIS: Okay. Perfect. Thank you.

13 MR. VAZQUEZ: Now, you'll call the speakers  
14 once I give my opening remarks; is that -- I just  
15 want to -- just a procedural thing. I'm --

16 MS. DAVIS: We can definitely do that.

17 MR. VAZQUEZ: Perfect. Thank you.

18 First, I would like to thank all the public  
19 who have joined us today who are waiting on the line  
20 to give their presentations.

21 I would also like to take this time to thank  
22 our Executive Director, Henry Nanjo, our BOE staff  
23 who has worked very hard in making this meeting  
24 happen. I appreciate the heavy lift it was to move  
25 this meeting date up a week to allow us to have a  
26 timely discussion on the impacts of COVID-19 on  
27 Property Tax Administration.

28 Thank you very much.

1           Members, I will ask that we all keep our  
2 opening comments brief, allow us to get to the  
3 many -- the many public callers waiting on the line  
4 as quickly as possible.

5           We, as Members, will have an opportunity to  
6 fully discuss what we hear today, and how we would  
7 like to move forward after the public testimony.

8           I propose we wait to ask our questions after  
9 all the speakers have had the opportunity to speak.

10          Can we all agree on that?

11          If we're all comfortable with that, I want  
12 to thank all my colleagues on the Board for their  
13 support in having this meeting today. And I  
14 appreciate all the hard work that each of us has done  
15 to prepare for today's discussion.

16          I personally have spoken to many assessors  
17 from small, medium and large counties up and down our  
18 state.

19          The assessors in my district, LA, Ventura,  
20 San Bernardino were very helpful, as well as OC  
21 Assessor Claude Parrish and San Diego Assessor Ernie  
22 Dronenburg, since they have a perspective from being  
23 former BOE Board Members too.

24          In addition, I spoke with several taxpayer  
25 advocacy organizations, some who are here today, CSAC  
26 and other county and city officials.

27          This public policy meeting is unprecedented,  
28 and I am confident that with the input of many of you

1 who have been able to structure this agenda time to  
2 maximum our time getting critical input from the  
3 public, as elected constitution officers representing  
4 nearly ten million constituents in our districts, and  
5 working with the 58 assessors, and many Assessment  
6 Appeal Boards, we have a responsibility to ensure  
7 that during this COVID-19 state of emergency and  
8 recovery period, that we make every effort to provide  
9 stability through fair, sufficient and uniform  
10 Property Tax Administration for all taxpayers,  
11 businesses and property owners and nonprofits.

12 The public policy hearing is to give  
13 everyone an opportunity to inform us of the COVID-19  
14 impacts, problems and issues that they see occurring.  
15 That really needs to be addressed in order to keep  
16 Property Tax Administration stable and fair.

17 We, as Board Members, need the information  
18 each of you have. And we intend to make sure that  
19 everyone has a chance to present it both on the phone  
20 and in writing, too, if you wish.

21 From this meeting we can develop a record of  
22 the issues, findings, and recommendations presented  
23 today.

24 And, colleagues, I would suggest that we  
25 make those findings available to the public and share  
26 them with the governor's office. We can discuss the  
27 specifics on how to do that after we hear all the  
28 public testimony. Then segue into giving my

1 colleagues and the public listening an update on the  
2 letter I sent to the governor, so that we're all on  
3 the same page.

4 The intent of the letter to the governor  
5 sent at the end of March was requesting that the  
6 governor grant the BOE temporary authority to extend  
7 statutory local and state property assessment filing  
8 deadlines beyond the extensions authorized by RTC 155  
9 and GC 15620.

10 I wrote the letter with the review and input  
11 from the BOE Executive Director, and the CAA  
12 president, the Honorable Don Gaekle. I appreciate  
13 that the collaborative efforts of Mr. Gaekle and our  
14 ED were for the collective good.

15 Good news to the report -- good news,  
16 actually, to report is that the governor's office  
17 took our request under submission immediately, and we  
18 have continued to be in contact.

19 Yesterday alone, with the Vice Chair's  
20 office, we met with the governor's staff to provide  
21 additional information.

22 Thank you to Gary Gartner, Member Schaefer's  
23 Chief Deputy for arranging the call.

24 The phone meeting went well, and the  
25 governor's office recognizes the complicity of the  
26 Property Tax Administration, and was happy to hear we  
27 are having this meeting today, and would appreciate  
28 getting a summary of today's findings.



1 I will continue to keep the Board informed  
2 on the status progress of the request to the  
3 governor. I am optimistically hopeful we will have a  
4 decision soon.

5 In addition to my letter, we know that CAA  
6 also sent a letter on April 10th asking for the  
7 authority to waive penalties for late filings of the  
8 business personal property tax statements versus  
9 giving the BOE the expanded emergency authority to  
10 extend deadlines.

11 While the CAA letter seems contradictory and  
12 a bit confusing, since I have worked collectively  
13 with the CAA President Gaekle in writing my letter,  
14 the one thing we have learned about COVID-19 is its  
15 fluidity and how quickly things change.

16 I appreciate President Gaekle's recent  
17 follow-up letter on April 20th that clarified the  
18 sequence of events that led to the CAA's letter to  
19 the governor.

20 At the end of the day, we may not always  
21 agree on all matters, but I am committed, and I know  
22 Don is too, to make this a collaborative process as  
23 much as possible. And I look forward to hearing from  
24 him and other assessors today.

25 At the end of the day, the issues we're all  
26 facing are unprecedented. Never have millions of  
27 properties and businesses been shut down. We really,  
28 really need each other. I truly believe we can work

1 together and carve out actions that will help people.

2 It is in that spirit of unity and  
3 thoughtfulness for each other that we are opening  
4 this public policy hearing.

5 Now I'd like to go down the line and give  
6 each of my colleagues an opportunity for brief  
7 remarks.

8 I'll start with my Vice Chair, Mike  
9 Schaefer.

10 MR. SCHAEFER: Thank you, Chair Vazquez, for  
11 bringing this topic to our agenda today.

12 COVID-19 has impacted all of our lives in  
13 historic and profound ways. My thoughts and prayers  
14 are with all of those who have lost loved ones, those  
15 who are sick and scared, those who lost jobs and are  
16 not really sure how they're going to feed their  
17 families in the coming weeks or the coming months.

18 The BOE is committed to doing everything in  
19 our power to help California through this difficult  
20 time.

21 I want to extend our profound thanks to  
22 Governor Gavin Newsom, who has navigated our great  
23 state -- we are the fifth largest economy on earth --  
24 through all of these crises with courage,  
25 intelligence and compassion.

26 I also want to thank the people of  
27 California who have done their part to flatten the  
28 curve and protect our healthcare and our essential

1 workers, and to protect the most vulnerable to the  
2 virus. As a senior, I am particularly indebted to  
3 your willingness to shelter in place.

4 COVID-19 has impacted businesses in ways  
5 that many don't realize. We will today, from the  
6 scheduled speakers, learn about many of the taxes  
7 that we're dealing with. And I want to highlight one  
8 specifically, which is the annual Business Property  
9 Tax Statement.

10 The BPTS is a compilation of all business  
11 property, personal property, such as machinery,  
12 equipment, furniture, lease holds. By statute we've  
13 got to file it with the county assessor by April 1st,  
14 but that was three weeks ago. And it's subject to a  
15 10 percent penalty if it's late.

16 I have a number of calls from business  
17 owners in District Four who do not have the resources  
18 to complete their statements in a timely matter.

19 It's a tedious problem to get information  
20 organized, collected, recorded, submitted and  
21 analyzed and expressed. Staff at all of our  
22 workplaces are not available to collate all this  
23 information as timely as they used to be. And the  
24 CPAs don't have a staff, when half your staff is  
25 closed down to work with businesses to prepare these.

26 Given the economic downturn for many  
27 business owners, that 10 percent penalty adds insult  
28 to injury.

1           One of our primary responsibilities is to  
2 administer property tax in a fair basis. Because the  
3 Business Property Statement is a statutory  
4 requirement, we are working with the governor's  
5 office to try to see if we can get some kind of  
6 immediate relief for these businesses.

7           I'm looking forward to hearing and  
8 discussing creative solutions for businesses today.

9           And thank you for the opportunity,  
10 Chair Vazquez.

11           MR. VAZQUEZ: Thank you, Vice Chair.

12           Now we'll go down to Member Gaines.

13           MR. GAINES: Yes. Thank you very much.

14           I'm just very concerned about what's  
15 happening in our country, and in California in  
16 particular. And my thoughts and prayers go out to  
17 our leaders, to our BOE employees who are stepping  
18 up, to our first responders who are stepping up, to  
19 our nurses, to our doctors. They're stepping up in  
20 such a big way and putting their lives at risk.

21           And, you know, Governor Newsom, I think, has  
22 been effective in bending the curve. And that is  
23 very encouraging. And I think it gives us hope for  
24 the future.

25           I'm very concerned about the economy, what's  
26 the state of economy the economy is turning into.  
27 And my fear is that it could be worse than a  
28 recession. And that we need to figure out how we can

1 safely get people back to work.

2 We've got a lot of people unemployed. I sit  
3 in this chair very fortunate that I receive a  
4 paycheck from the State of California. But that is  
5 not so with a lot of fellow business owners that I  
6 know, and even family.

7 My son was furloughed on March 21st. He is  
8 a used-car buyer for a dealership, and they just shut  
9 the dealership down.

10 I've got a son-in-law who is a contractor.  
11 And he's working on a project in Sonoma County. And  
12 he was directed by the county that once the exterior  
13 of the building is water tight, that they have to  
14 stop construction.

15 And so you look at this ripple effect  
16 occurring through our local economy. And we've got  
17 to figure out how we can reverse it, and do it in a  
18 very timely way.

19 I look at my position as a Member of the  
20 BOE, and there are a few things that we can do that  
21 can provide some relief to folks. And so I think  
22 it's incumbent on the Board for all of us to look  
23 through those ways. I know everybody is sympathetic,  
24 and I think we're all thinking along the same line.

25 Looking forward to the testimony in this  
26 meeting. I appreciate the suggestions in the letter  
27 that we got from the California Alliance of Taxpayers  
28 Act. Some great suggestions. So I'm looking forward

1 to hearing that testimony in this meeting, and  
2 looking at --

3 MR. VAZQUEZ: Member Gaines?

4 MS. COHEN: Hello?

5 MR. VAZQUEZ: Hello?

6 Hello? Did we hear him? Did we lose Member  
7 Gaines?

8 Hello?

9 MS. DAVIS: We can hear you, Chair --

10 THE OPERATOR: I believe his line  
11 disconnected.

12 MR. VAZQUEZ: Oh, shoot.

13 Let's go on.

14 Ms. Cohen, are you prepared?

15 MS. COHEN: Yes, I'm prepared.

16 I was actually touched by Member Gaines'  
17 remarks.

18 MR. VAZQUEZ: So was I.

19 MS. COHEN: On a personal note, I look and I  
20 watched across the entire country, all the data, and  
21 the hundreds of thousands of people that have been  
22 affected, as well as those that have passed away.

23 Personally, my uncle is in the hospital  
24 recovering from COVID-19. And he's about 80 years  
25 old. He's doing well, and will be able to make a  
26 full recovery.

27 I'm just reminded at how devastating this  
28 virus has been, not only to the small communities,

1 but also acknowledging the ethnic community, pockets  
2 within the African American community, Latino  
3 community, immigrant community that are suffering at  
4 a far greater loss and level than those of us who are  
5 probably on the call that are fortunate to have:  
6 One, a job; and, two, to have healthcare and  
7 healthcare coverage. And to also speak English and  
8 to understand all this information communicating back  
9 to us.

10 So good morning, colleagues. It is a gift  
11 to be here, and a privilege to be able to speak with  
12 you during these very difficult times as we come  
13 together as Californians.

14 In this particular moment, I'm reminded of  
15 something that Salesforce CEO, Marc Benioff, said  
16 recently. He explained that the road map of this  
17 crisis will unfold in three phases: First,  
18 responding to the pandemic; second, recovery; and,  
19 third, adapting to a new normal.

20 And while we still believe that we're the  
21 first phase by our earlier conversation on this call,  
22 we are actively thinking and planning for the second  
23 phase by thoroughly developing return-to-work  
24 strategies, as well as looking ahead into the third.

25 I wish to, again, add my voice to the  
26 commender who have praised the governor. I also want  
27 to acknowledge our fellow constitutional officer,  
28 local mayor, city councils, Board of Supervisors and

1 assessors for leadership in responding to the  
2 pandemic. Nonprofit workers as well.

3 On March 16th San Francisco mayor, London  
4 Breed, issued the first stay-at-home order. And at  
5 the time, and even the weeks following, most  
6 jurisdictions have followed her courageous lead. It  
7 shows us a lot of respect, and I hereby acknowledge  
8 her vision and compassion. She offered a state of  
9 emergency before there was even one, because the case  
10 supported.

11 In particular I also want to acknowledge the  
12 staff of Board of Equalization, Brenda and her senior  
13 team. I want to also note the service that they have  
14 given in the midst of a great adversity, helping to  
15 keep our \$70 billion property tax system operating  
16 the critical functions that, I believe, in a moment  
17 of crisis will certainly be highlighted, because it's  
18 the most stable source of revenue to local  
19 jurisdiction.

20 And with that said, we are -- I want to  
21 acknowledge that we are in difficult times, in the  
22 state, the country, the world. We are all  
23 interconnected. Many lives have been lost. I extend  
24 my heartfelt sympathies to all the families and loved  
25 ones, particularly those who have lost loved ones.

26 And I also applaud the amazing healthcare  
27 workers, and those that are on the front line.

28 Essential workers, thank you for responding.



1           However, as I sit back at home, safe, I  
2 reflect. And as each day goes by, I remain hopeful  
3 and encouraged that we will collectively get through  
4 this crisis, because we're resilient and strong.  
5 After all, we're Californians.

6           Chair Vazquez, I want to acknowledge and  
7 appreciate you for including this item on the Board  
8 Meeting agenda. I think it's important for us to  
9 listen and learn from those in our community who have  
10 been impacted by the crisis, to hear their  
11 suggestions regarding Property Tax Administration.

12           I'll make some introductory comments, and  
13 would like to call on some of the key decisionmakers  
14 and stakeholders a little bit later on in my remarks.

15           As a Member of the Board of Equalization, I  
16 think it's our duty to ensure that the equal  
17 application of property tax rules and regulations  
18 certainly be universal.

19           One thing that I want to highlight is under  
20 our constitutional and statutory authority, the Board  
21 is charged with ensuring that the property tax  
22 assessment practices are equal and uniform throughout  
23 the entire state within and among all 58 counties.

24           In normal times we've performed this duty in  
25 cooperation with our 58 assessors. We perform  
26 assessment practices surveys, we hold interested  
27 party meetings. We issue new or revised property tax  
28 rules, or as we did last year, hold hearings on the

1 modernizations of the property tax administration.

2 But, you know, these are not normal times  
3 now. It's a crisis. And it's our obligation to lead  
4 in the midst of this crisis. And as a result of  
5 COVID-19, the pandemic, the Board Members must work  
6 hard. We must meet regularly. We must share our  
7 ideas and listen so that we can lessen the burden on  
8 homeowners as well as small businesses.

9 And as we work to ensure this continuity in  
10 government functions, we must also ensure that our  
11 state property taxpayers and stakeholders have both  
12 uniform statewide application of property tax rules  
13 and regulations, and that appropriate notice of any  
14 changes of these regulations be made available to  
15 all.

16 So it's my perspective that this public  
17 policy hearing is a fantastic opportunity to gain  
18 insight from taxpayers, from advocates, from our  
19 colleagues, as well as from staff.

20 This is an opportunity to examine the  
21 impacts of COVID-19 and statewide Property Tax  
22 Administration and the assessment appeal process,  
23 looking at the challenges facing taxpayers and  
24 stakeholders as they attempt to comply with the  
25 property tax laws and rules and regulations.

26 And based upon extensive discussions with  
27 property taxpayers and stakeholders impacted by the  
28 pandemic, I have a couple points, six of them, that

1 I'm raising today. The following issues are going to  
2 be for discussion:

3 First is the immediate long-term need for --  
4 needs of state and local government agencies to meet  
5 the deadlines for property tax administration.

6 I like to know what people are needing. I  
7 believe that our BOE staff is closely examining the  
8 upcoming deadlines to determine if any actions are  
9 required relating to deadlines to address the needs  
10 of our assessors, colleagues, or others. And I look  
11 forward to hearing input on the deadline issues.

12 Second point, I'd like to get a status of  
13 requests. The status of request to the governor for  
14 additional authority for the Board of Equalization.

15 We're all aware that this request has been  
16 made to the governor relating to additional powers.  
17 In particular, I am aware that there have been  
18 requests to extend the deadline for the filing of  
19 Business Property Tax Statements, which are due to be  
20 filed on May 7th. I look forward to the input and  
21 discussion on this particular issue.

22 Third point, options for providing uniform  
23 guidance to homeowners and small property owners,  
24 taking a waiver of penalties and interest for delayed  
25 payments of property.

26 Now, we're all aware in anticipation of the  
27 April 10th deadline for the payment of the second  
28 installment of property tax, the governor issued a

1 press release on April 4th of 2020. The press  
2 release praised the pledge of the California counties  
3 to cancel penalties and other charges for homeowners,  
4 and small businesses, and their property owners that  
5 can demonstrate an economic hardship.

6 The governor referenced a joint statement  
7 issued by the California State Association of  
8 Counties, did that as well as California Association  
9 of County Treasurers and Tax Collectors.

10 Now, while this didn't guarantee a uniform  
11 application of the waiver, and the relief of  
12 penalties in all 58 counties, it did -- it did  
13 provide a standard to follow.

14 So I suggest that the governor's press  
15 release and the joint statement from CSAC and the Tax  
16 Collectors Association be placed on the Board of  
17 Equalization's Web site, along with other resources,  
18 such as the links of the Secretary of State business  
19 programs, the links of the governor's Web site, and  
20 the Employment Development Department link for  
21 payroll, taxes, and FTB and CDTFA links.

22 I think these are all imperative links of  
23 information that we could be directing our  
24 constituents to go to the BOE Web site so that they  
25 can get further information, and kind of pivot it to  
26 other statewide entities.

27 The fourth point that I'd like to bring up  
28 and highlight is options for assessors and clerks of

1 Assessment Appeals Boards to postpone official acts.

2 Now, I don't know if there's an appetite for  
3 this, but I'd like to have a discussion on it. This  
4 refers to a very, very real world issue of how to  
5 address the assessment appeals administration in this  
6 new COVID-19 world.

7 So in particular, I'm interested in hearing  
8 the views of those concerned with the assessment  
9 appeals in a few areas, like to your deadline to  
10 render assessment appeals decisions; the time  
11 required to notify parties of pending hearing dates,  
12 particularly difficult during the stay-at-home  
13 environment when it's hard to reach parties; issues  
14 related to the document filing and examinations at  
15 remotely-held teleconference hearings.

16 Oh, you know, one more. The 45-day notice  
17 requirement of hearing. So the bottom line is  
18 whether or not any additional authority is required  
19 to ensure the administrative efficiency for  
20 assessment appeals.

21 And my last two points are pretty simple.  
22 First -- the fifth one is during this item I look  
23 forward to a report from the Executive Director and  
24 the Deputy Director of Property Tax on plans and  
25 recommendations to address property tax  
26 administration in the face of the pandemic.

27 You heard me talk about it a little bit  
28 about it earlier in the Executive Director report.

1 I'm interested in hearing what are the options, or  
2 the best practices for ensuring that the uniformity  
3 of administrative practices and the continuity  
4 continues to happen.

5 In particular, I'm interested in whether  
6 uniformed guidance to assessors is required on these  
7 procedures related to Business Property Tax  
8 Statements via e-mail. This issue also relates to  
9 Business Property Tax Statements which have been  
10 signed and executed.

11 And looking beyond this meeting, I suggest  
12 as part of my property tax modernization initiative  
13 that the Board examine possible administrative or  
14 legislative changes, which would allow all assessors'  
15 documents to be received electronically, including  
16 the possible revisions of the current statutory  
17 requirements for the acceptance of electronic  
18 signatures by government agencies.

19 And, finally, I look forward to the  
20 discussion and possible action regarding the Board's  
21 support for legislative remedies to address  
22 challenges to uniform property tax administration  
23 resulting from COVID-19.

24 So regarding all these issues, I believe the  
25 BOE may consider whether we may offer our support of  
26 the legislation, or to codify the relief of  
27 penalties.

28 I suggest we support, in concept,

1 legislation, which is consistent with the governor's  
2 statement issued on April 4th, and the joint  
3 statement issued by CSAC, and the County Treasurers  
4 Association.

5 And, Mr. Chair, at this time I just want to  
6 thank, again, our hardworking staff who continue to  
7 serve taxpayers during this terrible pandemic.

8 And I'd also like to thank each presenter  
9 that's been patiently waiting, particularly  
10 highlighting those that I've personally invited to  
11 present on these important and timely issues that  
12 I've highlighted above.

13 Thank you.

14 MR. VAZQUEZ: Thank you.

15 I think we have Member Gaines back on the  
16 line. Is that true?

17 MR. GAINES: Yes, I'm back on the line. I  
18 don't know what happened there. Sorry.

19 MR. VAZQUEZ: Did you want to finish your  
20 comments?

21 MR. GAINES: Yeah, if I could. I'll keep it  
22 really brief. And that is that, again, I just want  
23 to reiterate opportunities for us to help taxpayers  
24 and assessors.

25 Is there a way that we can work in providing  
26 pathways for simplicity, for people who, let's say,  
27 have a business that's shut down? How will they have  
28 the ability to move forward and even get a report,

1 specifically, as mentioned by CATA, and reiterated by  
2 Member Cohen, on this wet signature authorization?

3 I think that's an area that we can zero in  
4 on that we could provide some quick relief for folks  
5 that are having to turn in the business personal  
6 property returns.

7 And on that note, I'll conclude.

8 Thank you.

9 MR. VAZQUEZ: Thank you.

10 We'll move on to Deputy Controller Stowers.

11 Do you have any comments?

12 MS. STOWERS: Good morning, everyone. I'll  
13 be brief.

14 On behalf of Controller Yee, I would like to  
15 thank BOE staff and Ms. Fleming for their continued  
16 commitment to moving BOE forward during this trying  
17 time.

18 We would also like to thank first  
19 responders, healthcare workers. Those who are  
20 working in the homeless shelters and bringing people  
21 off the street, they're also on the first line. And  
22 for so many people, especially in my community, who  
23 are taking care of family members during this very  
24 trying time.

25 As far as today's meeting, I look forward to  
26 hearing from stakeholders and the general public on  
27 the impact of COVID-19 and property tax  
28 administration.



1           And then I kind of would like to look back  
2 to Ms. Cohen's comment about -- and I tried to catch  
3 it all, Ms. Cohen. So I may not quite understand.

4           But I believe you talked about uniform  
5 guidance and penalties as it relates to payment of  
6 property taxes, and the governor's statement, and the  
7 joint statement by CSAC and the tax collectors. I  
8 think you were feeling we still didn't have enough  
9 uniform guidance.

10           So I just wanted to, at least for those who  
11 are on this call, let people know that there was a  
12 sample form prepared in connection with raising  
13 penalties for that second installment.

14           This form was done in collaboration with the  
15 State Controller's Office as we work in partnership  
16 with the state county collectors, and in association  
17 with the county -- Association of County Treasurers  
18 and Tax Collectors. That form is on the State  
19 Controller's Web site under "sample forms and  
20 figures." Very similar to how BOE does their sample  
21 forms for the assessors.

22           I have also forwarded the link of that form  
23 over to Ms. Fleming, and she will share with you guys  
24 if you would like to have a copy of it.

25           Other than that, thank you all. And I'm  
26 looking forward to hearing some comments from the  
27 public.

28           MR. VAZQUEZ: Thank you.

1           Thank you, Members, Deputy Controller, for  
2 your comments.

3           And actually, my prayers. I didn't realize  
4 we had one of the Members, Ms. Cohen, family member,  
5 who actually contacted -- that's the first I've heard  
6 from my circle of folks.

7           You know, we hear so much on the news of all  
8 these people, one, being contacted with it, and then  
9 those that have actually passed on.

10           But it sounds like he's on the road to  
11 recovery. So my prayers are with your family,  
12 Ms. Cohen.

13           With that, let me just move into -- before  
14 we begin with the speakers we have lined up, I just  
15 wanted to go over some real quick protocols to ensure  
16 the full engagement of all that are on the queue  
17 waiting to speak.

18           First, for the members of the public, please  
19 state your name, organization, if applicable, and if  
20 you have submitted a document in writing, so that the  
21 Chief of Board Proceedings can make it available to  
22 everyone during or after the meeting.

23           The speakers, if possible, please identify  
24 the type of impact you intend to address. Some  
25 examples are listed in the A through H on the agenda.  
26 This will help those who are taking minutes, and  
27 those taking notes, to track and summarize the public  
28 discussion.

1           The orders of the speakers -- we're just  
2 actually going by the order that the individual  
3 organizations signed up. So we will go down as they  
4 came into -- as they recorded and requested to speak.

5           And the Q and A, after all the speakers have  
6 shown -- or at least after all the speakers that are  
7 shown on the agenda have presented, I will ask each  
8 Board Member for comments and questions regarding the  
9 presentations.

10           I ask that the Board Members hold their  
11 questions to after we have heard from all the public  
12 speakers.

13           Thank you.

14           Can the clerk please call the first speaker.

15           MS. DAVIS: Yes, Mr. Chairman.

16           The first speaker is the Honorable  
17 Don Gaekle, president of the California Assessors'  
18 Association and Stanislaus County assessor.

19           Mr. Gaekle.

20           MR. VAZQUEZ: Excuse me. One correction,  
21 though, Ms. Davis. I was wondering if we could put  
22 the Honorable Carmen Chu, because I know she needs to  
23 leave.

24           MS. DAVIS: Okay.

25           MR. VAZQUEZ: I apologize for that. Then we  
26 can just reverse -- go back to the order.

27           MS. DAVIS: Okay. No problem.

28           Mr. Gaekle, if you can hold just one moment.

1                   We will now call the Honorable Carmen Chu,  
2 San Francisco City and County Assessor-Recorder.

3                   Ms. Chu.

4                   MR. VAZQUEZ: Thank you.

5                   MS. CHU: Hi. Thank you.

6                   Thank you, Chair Vazquez, for the time  
7 request. However, because Assessor Gaekle is the  
8 president of the CAA, actually I would defer to him  
9 to start first. And perhaps I can follow him. Would  
10 that be okay with you?

11                  MR. VAZQUEZ: It's good with me. I was just  
12 trying to respect your time.

13                  MS. CHU: Absolutely. Thank you for that.

14                  MR. VAZQUEZ: Thank you.

15                  All right. We'll go back to the order.

16                  MS. DAVIS: Mr. Gaekle.

17                  MR. GAEKLE: Good morning, Chair Vazquez,  
18 Members of the Board, participants, and the public  
19 listening in, I -- this is Don Gaekle, Stanislaus  
20 County assessor and president of the CAA.

21                  And I'm just sitting here thinking the  
22 impacts of COVID-19, although we're talking weeks, it  
23 seems like almost a year ago that I actually attended  
24 the February meeting of the Board in Sacramento.

25                  So many things have happened. Beginning  
26 with the varied counties doing stay-at-home orders on  
27 March 12th. And that weekend, the schools announcing  
28 that they were shutting down pretty much statewide.

1 And assessors' offices closing, and the governor  
2 issued a statewide order on the 19th. So it all  
3 happened very quickly.

4 Local government financial system is  
5 including the property tax system, and assessors were  
6 generally determined to be essential services as the  
7 backbone of local discretionary revenue system.

8 And, for the most part, the latter part of  
9 March and April, assessors were spending time putting  
10 employees out to work at home, as most businesses  
11 that were continuing were doing.

12 That varied, I think, from county to county,  
13 depending on the size of the county. Larger counties  
14 getting a big end of their workforce at home to limit  
15 the number of people in the office, to smaller  
16 counties that may be still working in their offices  
17 due to lower staff members. So there have been  
18 various impacts across the state.

19 And during that time, of course, we have to  
20 restrain our IT infrastructures, and having to deal  
21 with emergency personnel issues, and emergency  
22 leaves. So it's been a very challenging time for  
23 assessors.

24 Keep in mind, lots of the work the assessors  
25 are doing is now processing change in ownership  
26 events and new construction events that occurred in  
27 the 2019 calendar year. And so we are still  
28 processing those.

1 I'm sure the counties entered the COVID-19  
2 crisis in different -- in different places in that  
3 process. Some in better positions than others. But  
4 generally this time of year assessors are busy  
5 working on their assessment roll, and kind of putting  
6 meetings and other things aside, for the most part.  
7 But that has not been the case this year.

8 Your -- your agenda today is focused in  
9 large part on deadlines: assessment deadlines, local  
10 rule deadlines, and exemption filing deadlines are  
11 part of that.

12 In all, assessors are not revenue agents.  
13 We're very much cognizant of the fact that we are the  
14 foundation of the local property tax system that  
15 delivers funds for schools, and is the largest single  
16 share in most counties of discretionary revenue. And  
17 those revenues are critical now as local government  
18 attempts to meet the services in need of those in the  
19 community.

20 So with that in mind, deadlines are critical  
21 to timely completion of local assessment roll.

22 The values establish -- as of the lien date  
23 and the roll delivery to the auditors on July 1st,  
24 establishes the time lines around which tax rates,  
25 tax bills, and tax due dates are established.

26 So with that in mind, thinking of, you know,  
27 how the property tax system works, the challenges  
28 completing the roll and adapting to work at home,

1 many assessors have asked for extensions, as you  
2 noted earlier in the meeting, by accepting the  
3 extensions requested by various counties.

4 I think most assessors, myself included,  
5 would hope that we do not need those extensions due  
6 to the downstream impacts of requesting such  
7 extensions.

8 A 30-day extension or 40-day extension on  
9 the assessment roll has downstream impacts on the tax  
10 collector, and then on all the agencies that depends  
11 on that revenue stream.

12 So I know that assessors have requested  
13 extensions as a good business practice in case they  
14 need them. I know that we're all working as hard as  
15 we can to meet those deadlines.

16 I noticed that one of the things also  
17 mentioned on the thing, exemption filing deadlines.  
18 And the good news there is that for most annual  
19 exemption filings, the deadline to file in California  
20 was February 15th, before most of the impacts of  
21 COVID-19 stay-at-home orders were in effect.

22 And homeowners can file exemptions through  
23 5:00 p.m. on December 10th of this year, and still  
24 get 80 percent of their exemption.

25 Welfare and institutional filers will  
26 actually have longer than that. Again, would not get  
27 100 percent exemption. But, fortunately, those  
28 deadlines hit before the COVID-19 impact.

1           What has concerned assessors in large part  
2 is the information that we are still gathering, which  
3 has been discussed here today; May 7th Business  
4 Property Statement filing deadline. And as you've  
5 already noted, BOE has limited authority under  
6 Section 155.

7           And as you also noted, Chair Vazquez, and in  
8 response to inquiries to BOE staff and from assessors  
9 around the state, inquired of the governor to have  
10 the authority to extend filing dates or take other  
11 actions to provide relief.

12           Assessors, of course, as you also noted,  
13 specifically ask to have authority to waive penalties  
14 as required to assist taxpayers in COVID-19, and  
15 driven in large part because the Revenue and Taxation  
16 Code does not give assessors any leeway on imposition  
17 of penalties if statements are not filed by the  
18 May 27th deadline.

19           Assessors don't really want to be in that  
20 position. And, therefore, I ask for the authority to  
21 be able to waive penalties as needed for the time  
22 between May 7th and May 31st.

23           That dialogue is continuing, as you noted,  
24 with your office and the governor, and with our  
25 advocate and capital also continuing. And we look  
26 forward to working together to find solutions for  
27 that.

28           It's worth noting the current filing status



1 in counties, generally, that I have talked to, and in  
2 our county, is running fairly consistently with  
3 filings from last year. And we will not probably  
4 know the impact for the next few weeks.

5 In our county, two-thirds, generally, of the  
6 statements come in between now and May 7th. And --  
7 at least the ones that are timely filed. And many of  
8 those are submitted by, you know, CPA's offices. And  
9 it's hard to say what the impact will be on that.

10 The income tax deadlines were pushed out.  
11 But, again, we have no idea what impact that will  
12 have on filing.

13 I'd like to say we do, you know, continue to  
14 look for a solution, and look forward to working with  
15 all the parties involved to find a solution to that.

16 As you mentioned in your meeting notes,  
17 decline in value, disaster relief, again, deadlines  
18 being critical to the assessors' business, all  
19 property assessed on the local roll is assessed in  
20 value as of the January 1st lien date.

21 And that's true whether it's change in  
22 ownership, new construction that has happened by the  
23 lien date, and during the 2019 year. It's true also  
24 of business property assets owned, controlled or in  
25 use as of the January 1st lien date. And those are  
26 the Business Property Statements that we are waiting  
27 to have filed now.

28 In addition to that, you also discuss on

1 your agenda Proposition 8, decline in value of  
2 provisions in the constitution to address declines  
3 happening in most years.

4 Assessors, generally, are anticipating that  
5 we will be looking at many declines in value in the  
6 coming year as the market resets, and the data and  
7 information becomes clear on the status of the  
8 market.

9 There is, most assessors believe, would be  
10 very little sales information available currently, or  
11 impacting the 90-day statutory window that assessors  
12 would be looking at to consider market values as of  
13 the January 1st lien date 2020.

14 That information will become available and  
15 well-known as the year progresses in going towards  
16 the January 1st, 2021 lien date. We anticipate that  
17 there would be significant corrections at that  
18 time.

19 I did note that in their presentation that  
20 CATA -- the CATA presenters would be addressing,  
21 perhaps, a disaster relief. I had spoken with  
22 Paul Waldman and Chris O'Neall, the speakers who will  
23 be coming about that, their issue. They were kind  
24 enough to call me and talk about those issues.

25 I told them at the time, and I still feel,  
26 that the economic fallout is still coming. And the  
27 market impact is not known.

28 We're appraisers, as assessors, and we work

1 on data. And we're looking at sales and data to  
2 justify our decisions. As the year goes on, that  
3 data will become very apparent.

4 Currently, the federal government is -- and  
5 the state government are providing financial relief  
6 to businesses, as they should. And we hope that  
7 helps those businesses through a difficult time.

8 And we are certainly not insensitive to the  
9 issues of the taxpayers. But from an assessment  
10 point of view, we think that may be a difficult issue  
11 to address through assessment, given the statutory  
12 guidelines that assessors work under.

13 And that is really -- those are the issues I  
14 was prepared to address. I know that there are  
15 issues involving assessment appeals and the waiving  
16 of tolling dates that are critical and of concern to  
17 stakeholders, CSAC and the County Clerks Association.

18 I know that also John McKibben is on your  
19 list of speakers and would be addressing that later.  
20 So I will leave that up to him.

21 And with that, with the intent of working  
22 together to solve assessment issues ahead, I will  
23 conclude my comments, and let you move on to the next  
24 speaker.

25 MR. VAZQUEZ: Thank you.

26 With that, we'll go ahead with the Honorable  
27 Carmen Chu.

28 MS. CHU: Thank you so much, Chair Vazquez.

1           To Vice Chair Schaefer, Member Cohen,  
2 Member Gaines, and Ms. Stowers, thank you very much  
3 for giving us the opportunity to speak with you, and  
4 thank you for holding this unprecedented hearing.

5           I think COVID-19 is certainly top of mind  
6 for so many people at the moment.

7           I think I share many of the comments that  
8 you've expressed in terms of my appreciation for  
9 front line workers, and for healthcare workers, and  
10 even folks who are working at our grocery stores, and  
11 pharmacies, and delivery services, who are keeping  
12 things moving. They do that with risk. And I  
13 certainly know that with my own husband being a  
14 firefighter.

15           So just understanding and knowing that  
16 everyday folks are out there continuing to provide  
17 services even at their own risk. So I appreciate  
18 them very much.

19           I think as many of you have mentioned, this  
20 is definitely a time that is unprecedented. We're  
21 seeing a lot of hard times, not only for individuals,  
22 but also for businesses.

23           The \$350 billion of federal CDC money was  
24 gone in one week. So I think that gives us all a  
25 scale of how pervasive, and how immediate some of  
26 these economic issues have been.

27           And I know, Chair Vazquez, you and I have  
28 spoke about some of your concerns around the fairness

1 even of how CDC moneys were allocated, and some of  
2 the vulnerable populations and communities that may  
3 not be able to benefit from some of those programs.

4 And so I think we all come to this meeting  
5 today with a desire to be responsive and  
6 understanding of the hard time that all of our  
7 constituents are going through, but also aware of the  
8 important functions that we all carry on as assessors  
9 across the state in terms of our underlying  
10 supportive city and local services. And so I think  
11 this is something that we all understand.

12 Just to give a picture, I think Chair Cohen  
13 asked me to give an overview of what we're seeing here  
14 in terms of impact locally. In San Francisco County,  
15 we are expecting to see a budget deficit in terms of  
16 our own city's operating budget of something around  
17 the range of \$1.1 to \$1.7 billion over a two-year  
18 period of time. This is significant.

19 Just to give you a comparison, when we were  
20 in the throws of the Great Recession, we were  
21 probably at a two-year budget deficit of something  
22 more around the range of \$800 million. So it's just  
23 a scale of that in comparison to, say, that we're  
24 looking down the barrel of \$1.1 to \$1.7 billion in  
25 operating shortfalls is really significant.

26 In March alone we had over 70 businesses  
27 here give notice of layoffs to come, noticing for  
28 about 6,000 layoffs. And that was just in the month

1 of March. We don't have numbers yet for April. But  
2 you can imagine that will continue to rise.

3 Our hospitality industry, which is a  
4 cornerstone of our economy here in San Francisco, and  
5 also has many impacts to related industries, like our  
6 entertainment industries, our restaurants, our  
7 catering services, all the services that benefit from  
8 hospitality have been hurt very badly.

9 Occupancy is down. Some hotels, as you  
10 know, are closed momentarily. And then our numbers  
11 for hotel tax revenues are down about \$100 to \$120  
12 million this year alone. So that's pretty  
13 significant for our operation.

14 For our own assessor's office, authorization  
15 shelter-in-place was ordered March 16th for us in the  
16 Bay Area, and we began operating remotely by March  
17 17th. So the next day we were able to turn that on  
18 very quickly.

19 Currently about 98 percent of our operating  
20 hours are done remotely. We still need to come into  
21 the office to provide some functionality in order to  
22 make sure that our processes work.

23 I think, again, we just understand that we  
24 are a foundation for the city, so we must continue to  
25 do our work.

26 And I think though there has been many  
27 challenges to collaboration, there's not sufficiency  
28 because people don't have the same tools and

1 equipment at home, there's child care issues to  
2 contend with.

3 I think, overall, I really want to  
4 appreciate my staff for the hard work that they are  
5 doing to make sure that we continue the work that  
6 we're doing there.

7 That being said, I think what I'm  
8 understanding in terms of intent of this hearing is  
9 really to understand what it is that the Board of  
10 Equalization can be doing in order to be supportive  
11 of not only local efforts, but also to help, in  
12 general, the people of California to recover and to  
13 get through this difficult time. And so I think  
14 there are two perspectives.

15 I'm going to speak a little bit about the  
16 property tax side of some of the things that we are  
17 looking at that could be helpful. But I think also  
18 as a message, you are all public officials and have a  
19 responsibility and a role to play to be able to  
20 partner with us.

21 Meaning that one of the things that we're  
22 seeing -- I serve on the Economic Recovery Task Force  
23 for San Francisco, we're thinking about things that  
24 we need to do to put in place a strong recovery for  
25 San Francisco quickly and as expediently as possible.  
26 But the magnitude of the problem that we're looking  
27 at is so significant that it is impossible to imagine  
28 us being able to move the needle without the help of

1 the state government as well as the federal  
2 government.

3 And as our representatives at the BOE, I  
4 think you have a much closer pulse to the politics of  
5 the state to what is happening, what is being  
6 considered, revenues or measures, or resources that  
7 the state is considering. And I think to the extent  
8 that you have the capacity to be a partner with us to  
9 advocate for the resources that we need, and to share  
10 information, I think that would be extremely valuable  
11 to all of us locally at the county level.

12 We simply don't always have the ability to  
13 have an eye on what's happening at the state because  
14 of our local responses, and your partnership there, I  
15 think, would be very helpful.

16 The second thing, in terms of just generally  
17 as public officials, and I speak to you as a member  
18 of the Asian American community is that frankly many  
19 Asian Americans are being targeted and attacked as a  
20 result of COVID-19. I think it doesn't help that  
21 we've had this virus be called the "Chinese virus."

22 And so the impacts of that is that we have  
23 many microaggressions and straight aggression that is  
24 happening to the Asian American community. Bullying  
25 that is happening in schools, seniors who are being  
26 attacked on the street.

27 And to the extent that we have a coalition  
28 of the corridors in terms of our public officials



1 across different ethnicity groups, and who are  
2 denouncing those kinds of actions, I think that would  
3 be incredibly meaningful to the Asian American  
4 community. And also would be much more impactful in  
5 terms of making sure that we're helping.

6 So that is just to broadly say what you can  
7 be doing to be helping during this time as public  
8 officials.

9 Now, as Members of the Board of  
10 Equalization, there are very specific things that we  
11 are looking at that could also be helpful to us. And  
12 keep in mind that these comments I'm making are  
13 comments as a mostly urban county, and also a county  
14 that is relatively dense.

15 I think you're going to want to also be  
16 reaching out to the small and rural counties as well.  
17 I know Larry Stone is speaking later, as well as  
18 Jeff Prang, who covers larger counties and more urban  
19 counties.

20 But we definitely want to make sure that we  
21 don't forget the impact, operationally, that COVID-19  
22 is having on our small and rural counties, because  
23 they have a very different operating structure, and  
24 they feel this in a very different way.

25 A few things for us, at the state level, I  
26 think the assessment appeals deadlines are very  
27 important. That we know we have a two-year statute  
28 of limitation in order to hear all hearings. And if

1 that does not happen, there are consequences in terms  
2 of a valuation that would have to be put on the roll.

3 And so to the extent that you could be  
4 helpful in taking a look at how we might be able to  
5 extend those deadlines, I think that would be  
6 something that is immediate that you could be doing.

7 Right now in San Francisco we have the  
8 capacity to do remote meetings. But we had not yet  
9 held an Assessment Appeals Board Meeting.

10 We're working very closely with our  
11 Assessment Appeals Board and with our clerk to just  
12 make sure that we're aware of the schedule, so that  
13 we're not missing any that might be hitting a  
14 two-year statute of limitations period.

15 As you can imagine, if COVID-19 continues  
16 for a longer duration of time, or comes and goes, or  
17 might have relapses, we're going to have to consider  
18 what kind of flexibilities, legally, we might  
19 actually be needing in order to continue to have fair  
20 hearings of these cases, and not sort of risk the  
21 ability to do that.

22 So I think that's one thing that I would ask  
23 the Board of Equalization to look into is what we can  
24 be doing on assessment appeal deadlines,  
25 understanding that COVID-19 might be with us for a  
26 while, and how it is that we're going to deal with  
27 it, not only in the short term, but also in the long  
28 term.

1           In terms of nonprofit exemptions, we have  
2 asked the governor to take a look at making sure that  
3 annual renewals can still stay in place, even if  
4 we're not able to process all applications right  
5 away.

6           I think, as you know, our nonprofit partners  
7 are an important partner in the delivery of service  
8 for us locally in San Francisco, and I'm sure across  
9 the state. And so we're watchful for that, and want  
10 to make sure that there are no unintended  
11 consequences to our nonprofit partner.

12           In terms of the flow of information coming  
13 to our office, our office is both an assessor's  
14 office, as well as a recorder's office. So in terms  
15 of deeds that come through that start the process for  
16 an assessment or a valuation, we have actually seen a  
17 few challenges here.

18           For example, we are able, as an office, to  
19 continue receiving electronic recordings, but  
20 electronic recording services are not open to all  
21 members of the public.

22           People can still mail in those documents  
23 like deeds or other things, but sometimes they need a  
24 notary in order to make sure the document is  
25 legitimate and not fraudulent. And we are seeing  
26 that we have fewer and fewer services available for  
27 notaries.

28           And I know that the state had considered, in

1 the past, whether or not they would consider  
2 electronic notaries to be available. This is  
3 currently being done in other states. We don't have  
4 that authority in California yet.

5 So that is something I would encourage the  
6 State Board of Equalization perhaps, just in their  
7 partnership with others, to be able to look into.  
8 Because it does impact the flow of information that  
9 comes into our office, and our ability to handle  
10 transactions as a whole.

11 On the CATA items that have been put  
12 forward, there are a number of things that are here.  
13 I think, frankly, some of the information or  
14 suggestions need to be flushed out, because there is  
15 not a lot of detail behind it, so hard to respond to.

16 But the one thing that I would say is that  
17 in terms of wet signatures, Ted Gaines, Member Gaines  
18 had mentioned this idea of supporting the ability to  
19 have taxpayers submit information through different  
20 mechanisms. We certainly agree with that, because I  
21 think even if we did not have a COVID-19 scenario, I  
22 think more and more taxpayers are looking for  
23 different ways to improve the ease in which they  
24 provide information to us.

25 So I think taking a look at that is  
26 reasonable. And not only is it reasonable, I think  
27 it could be a benefit to taxpayers in the long term  
28 as well.

1           We just need to make sure that we're not  
2 opening up any opportunity for fraudulent behavior to  
3 happen. But if we're doing it thoughtfully, I think  
4 that is a possibility for us to pursue.

5           With that, I think I just want to conclude  
6 my comments to just thank the Board Members for your  
7 attention. And although I have to be signing off  
8 soon, I'm available at any time for you to call upon.

9           Thank you so much.

10          MR. VAZQUEZ: Thank you.

11          Ms. Davis, the clerk, if you would just  
12 go -- follow the order again.

13          MS. DAVIS: Thank you, Mr. Chairman.

14          The next speaker is the Honorable John  
15 McKibben, California Association of Clerks and  
16 Elected Officials and Clerks of the Board, also Yolo  
17 County Board of Supervisors.

18          Mr. McKibben, are you available?

19          MR. McKIBBEN: Yes, I am. Thank you.

20          MS. DAVIS: Thank you.

21          MR. VAZQUEZ: Welcome.

22          MR. McKIBBEN: Thank you very much,  
23 Mr. Chairman.

24          Good morning, Members. My name is John  
25 McKibben. I'm actually a Deputy Clerk to the Board  
26 in Los Angeles County, and I'm speaking today on  
27 behalf of that office, and on behalf of the  
28 California Association of Clerks and Elected

1 Officials.

2 Our members, our clerk of the board members  
3 of the CACEO, our administrators of the assessment  
4 appeals programs in California's counties, we really  
5 appreciate this opportunity to speak to you today  
6 about the affects of COVID-19 on the assessment  
7 appeals process. Because we're very -- have a lot of  
8 concerns, as you can imagine.

9 We hope your Board will be able to assist  
10 clerks in addressing the changes in the process that  
11 will have to be made in order to cope with this  
12 crisis, and in order -- but in order, also, to  
13 continue to providing taxpayers and assessors with  
14 due process in the appeal process while still making  
15 the process manageable for clerks in county boards.  
16 That's going to be a built of a challenge.

17 First, a little background of some things to  
18 keep in mind. As I mentioned before, before your  
19 Board, this is a program that, under the  
20 constitution, belongs to the Board of Supervisors.  
21 And I'm hoping that today somebody from CSAC will be  
22 here to talk about CSAC's concerns and efforts as  
23 well.

24 Large counties typically have a significant  
25 number of pending appeals, as you might imagine. And  
26 unlike in a normal year, right now the number of  
27 pending appeals is not going down anywhere in  
28 California due to the fact that Assessment Appeals

1 Boards have been closed down since the middle of last  
2 month due to COVID-19. And clearly they're going to  
3 remain closed for some time to come.

4 Processing and scheduling of appeals have  
5 ceased, and the hearings have been cancelled. We  
6 anticipate the county boards will continue to be  
7 closed for an as of yet undetermined amount of time.

8 With regard to the COVID-19's affects on  
9 future workload trends, historically, economic  
10 factors prompt large spikes in assessment appeal  
11 rates, such as in the 1990s, and during the Great  
12 Recession earlier in this century.

13 COVID-19 will soon begin to affect the real  
14 estate market. And if it hasn't already, close  
15 businesses, and outright business failures are going  
16 to greatly aggravate the market's condition.

17 Most affected properties are going to be  
18 commercial/industrial in nature. The large value  
19 complex properties that require lengthy hearings.

20 So the result in broad terms, there's going  
21 to be a large spike in the rate of appeals or the  
22 number of assessment appeals filed, especially among  
23 commercial/industrial properties. There's going to  
24 be a spill-over effect on residential real estate  
25 market, triggering even more appeals.

26 Potentially, we anticipate an overwhelming  
27 number of appeals from California beginning this  
28 year, and at least through 2021. How that will play

1 out, and when that will play out may depend on some  
2 of the actions of the Board and/or the governor.

3 What changes are going to be made to cope  
4 with all of this?

5 As indicated in the testimony and comments  
6 by the Members today, we may see claims of misfortune  
7 and calamity due to effects of COVID-19 on commercial  
8 properties, which is going to result in additional  
9 appeals to the county boards, which may then, in  
10 turn, result in even more appeals absent an  
11 extraordinary effort by assessors.

12 All this is going to require a tremendous  
13 increase in spending at the county level for costs  
14 associated with acquiring and supporting the staff,  
15 and the facilities, and the hearing rooms, and the  
16 additional qualified Assessment Appeal Board Members,  
17 and hearing officers needed to cope with the  
18 sky-rocketing rate of appeal.

19 And all this is at a time of radically  
20 declining tax revenue due to the effects of COVID-19  
21 as referred to by Assessor Chu.

22 There are other aspects of impacts rather on  
23 Assessment Appeals Boards and clerks, and these  
24 include, under the current appeal hearing process,  
25 social distancing is going to reduce the number of  
26 people who can safely gather in the Appeals Boards'  
27 hearing rooms and facilities.

28 The number of hearings on a daily calendar



1 will often have to be reduced. Small hearing agendas  
2 means losing hearing capacity, thus reducing the  
3 Assessment Appeals Boards' effectiveness and  
4 efficiency.

5 Hearing officer hearings will be similarly  
6 affected, and many more Assessment Appeals Boards  
7 will be needed -- will need to be created to maintain  
8 the pace of dispositions due to the reduced calendars  
9 and boards and hearing officer sites.

10 At least three counties are already at the  
11 legal maximum of five boards permitted by Revenue and  
12 Taxation Code Section 1621, and cannot increase the  
13 number of Assessment Appeals Boards beyond that five.

14 Something else serious to consider, most  
15 Assessment Appeal Board Members and hearing officers  
16 are members of the COVID-19 virus' target  
17 demographic, that is people who are 60 years and  
18 older. COVID-19 will therefore aggravate an already  
19 dangerous shortage, and was dangerous in our view in  
20 Los Angeles, of qualified board members and hearing  
21 officers who are willing to serve on the boards.

22 All of this is going to cause county boards  
23 and clerks very serious challenges, as you might  
24 imagine, in meeting the deadline for rendering a  
25 decision on every appeal within two years of filing  
26 under the R&T Code Section 1604.

27 And keep in mind that failure to timely hear  
28 and dispose of hearings or of appeals will result in

1 the applicant's opinion of value being enrolled for  
2 the year or years covered by the taxpayers  
3 application form.

4 I'm aware that some might consider that a  
5 day-brightener. But consider the following: It's  
6 already clear that COVID-19 will certainly cause the  
7 state to lose large amounts of tax revenue from its  
8 three greatest revenue sources; that is personal  
9 income tax, corporate income tax, and sales tax.

10 But the remaining major source, the property  
11 tax, is also going to suffer reductions due to  
12 climbing assessed values. But it can also suffer  
13 declines through likely defaults on the two-year  
14 deadline, which result in even greater revenue  
15 losses.

16 And the state's revenue loss will be  
17 aggravated due to loss of property tax funding for  
18 schools, which must be back-filled by the state.

19 So what steps do we think can be taken to  
20 mitigate?

21 We need, first and foremost, relief with  
22 regard to the two-year deadline contained in  
23 Section 1604. We need relief with regard to the  
24 45-day notice of hearing requirement, Section 1605.6,  
25 under certain circumstances, as mentioned by  
26 Member Cohen. Especially after hearing postponement  
27 that has been granted to one or both of the parties,  
28 which are required -- we're required to grant as a

1 matter of right.

2 We'll need relief with regard to certain  
3 other time frames covered in the property tax rules.

4 Now, these three issues were brought to the  
5 attention through CSAC submitted to the governor's  
6 office for consideration as emergency or executive  
7 orders, but so far has not been accepted. And we  
8 understand that the governor's office has indicated  
9 that they prefer that the Board of Equalization grant  
10 such relief.

11 If that is the case, immediate clarification  
12 by your Board as to whether it can grant appropriate  
13 relief under Section 155 or some other provision of  
14 law is necessary.

15 I empathize the word "appropriate," because  
16 Section 155 seems only to permit an extension of,  
17 say, the two-year deadline by 40 days. Forty days  
18 hardly rises to the level of a band aid on this  
19 situation.

20 Forty-five -- the notice of hearing is  
21 required at least 45 days leave time. So 40 days in  
22 that entire two-year process is not significant.

23 Now, we understand that some members of the  
24 staff may have interpreted Section 155 to mean only a  
25 one-time extension of 40 days. But this is totally  
26 inadequate to address the extensions of potentially  
27 thousands of assessment appeals.

28 Come Monday, for example, we will have

1 already lost 40 days of hearings. And there's no end  
2 in sight at this point.

3 If your Board believes that it does not have  
4 the ability to grant the appropriate relief we need,  
5 which is a tolling -- an indefinite tolling of the  
6 two-year deadline, then we strongly urge your Board,  
7 along with assessors, and clerks, and CSAC, to once  
8 again approach the governor to either directly grant  
9 the requested relief, or grant your Board the  
10 necessary authority to do so.

11 We also need legislation to eliminate the  
12 cap on the number of Assessment Appeals Boards that a  
13 County Board of Supervisors may create, currently  
14 limited to five. This will be a vital importance in  
15 dealing with the economic and assessment appeal  
16 fallout of COVID-19.

17 Now, CACEO and Los Angeles County are  
18 jointly sponsoring Assembly Bill 3373, offered by the  
19 Committee on Revenue and Taxation to do just that.  
20 We strongly urge the Board's active support in  
21 getting this bill enacted.

22 One other -- one further issue of importance  
23 to clerks, which has come up already in several  
24 comments today, and that has to do with remote  
25 hearings.

26 The possible direction -- this possible  
27 direction raises some very serious challenges to  
28 clerks as administrators of the appeal program, and

1 indeed to assessors and taxpayers as well, in the  
2 context of these quasi-hearings, which are  
3 quasi-judicial evidentiary hearings.

4           Given the current law in the Revenue and  
5 Taxation Code and the property tax rules, for  
6 example, your Board's rules properly require that the  
7 county boards base their decisions solely upon  
8 evidence taken at the hearing.

9           How this will be accomplished at a remote  
10 hearing, we need some guidance on. Would the board  
11 members and opposing parties properly examine  
12 witnesses and conduct cross-examination if the  
13 parties cannot be seen?

14           How would evidence be submitted to the  
15 Board, and by whom? How would evidence be given to  
16 the opposing party, and by whom?

17           This implementation would require access to  
18 certain technological equipment. Would the appeal  
19 process discriminate against parties who lack that  
20 technology, whether it be taxpayers or even some  
21 assessors?

22           How would county boards of equalization pay  
23 for the technology that might be needed -- might need  
24 to be acquired in order to implement appropriate and  
25 effective remote hearings?

26           There are a number of other questions, which  
27 we will need to work out.

28           So if remote hearings are under

1 consideration by your Board, we urgently request that  
2 you immediately initiate a conversation with clerks  
3 about how this might be done, and perhaps even where  
4 the resources to do that might come from.

5 Thank you for providing clerks with this  
6 opportunity to participate in today's discussion. We  
7 look forward to hearing the rest of the discussion.

8 Thank you so much.

9 MR. VAZQUEZ: Thank you.

10 Ms. Davis, if you go down the list.

11 MS. DAVIS: Yes, Mr. Chairman.

12 The next speaker is Paul Waldman of CATA.  
13 He is the President and Director.

14 MR. WALDMAN: Good morning, Members of the  
15 Board.

16 MR. VAZQUEZ: Welcome.

17 MR. WALDMAN: Am I on?

18 MR. VAZQUEZ: Yes.

19 MR. WALDMAN: Oh.

20 So good morning, Members of the Board. We  
21 want to thank the Board Members and staff for setting  
22 up this meeting and for inviting CATA to speak today.

23 I'm Paul Waldman. I'm President of  
24 California Alliance of Taxpayer Advocates or CATA.

25 For those who don't know who we are, we are  
26 an organization who represents state and local  
27 taxpayers before county assessors, the Franchise Tax  
28 Board, and the Board of Equalization. Our purpose is

1       advancing the professional practice in state and  
2       local tax consulting for education advocacy and high  
3       ethical standards.

4               Before I start, Member Cohen, I just want to  
5       say I certainly hope for a speedy recovery of your  
6       uncle. That's very, very -- it certainly brings it a  
7       little bit closer to home for everyone, doesn't it.

8               Now getting back to my comments, as you can  
9       imagine, our members, and even more so our clients,  
10      have been severely impacted by COVID-19.

11              I can tell you from my personal experience,  
12      my clients have been spending most of their time  
13      dealing with their tenants -- many of them small  
14      businesses -- to figure out how the tenants are going  
15      to survive, as well as how they will survive.

16              CATA has been working very hard to look for  
17      options to mitigate the economic damage to our  
18      client, as well as the impact of instances  
19      surrounding the appeals process in California.

20              To that end, we have three speakers today  
21      who will address the issues which we have broken up  
22      into three sections.

23              We have short-term issues, where the most  
24      immediate items we still need to address. The  
25      medium-term issues surrounding the 2020 assessment,  
26      and what can be done to help taxpayers now.

27              And long-term issues, as we move forward  
28      through this year and next.

1           Our first speaker will be Nick Fogle. He's  
2 the CATA Treasurer, and he will be discussing  
3 short-term issues surrounding the filing of business  
4 personal property returns, talking about the issues  
5 as we see -- about the issues that we've seen with  
6 filing assessment appeal applications for 2020, and  
7 some potential solutions for them.

8           Our next speaker will be Chris O'Neill,  
9 Chair of the CATA Board, who will be discussing the  
10 medium-term issues. First, he'll be talking about  
11 various options that CATA feels may be considered to  
12 offer taxpayers immediate relief in 2020.

13           It doesn't need to be said here that all  
14 businesses are in dire need of help, and that, of  
15 course, affects the entire commercial real estate  
16 chain.

17           Our final speaker will be Wes Nichols. He's  
18 a CATA Board Member. He'll be discussing the  
19 long-term issues with respect to mitigating the  
20 impacts of a massive spike in appeal filings in  
21 California in 2020, 2021, and beyond.

22           And so with that, I'm now going to turn it  
23 over to Nick Fogle, who will start with the short  
24 term.

25           Nick, are you on?

26           MR. FOGLE: I am.

27           Good morning. I'd like to thank everyone  
28 for allowing us to participate in this discussion



1 today. These are obviously challenging times, and we  
2 greatly appreciate the opportunity to offer up a few  
3 ideas we think will help California's businesses  
4 navigate matters during this crisis.

5 I'll be covering proposed acts and items  
6 around short-term issues for 2020, related to filing  
7 business personal property returns and filing  
8 assessment appeal applications.

9 We believe the short-term actions that we  
10 are proposing will help alleviate pressures, and  
11 California businesses will not have any meaningful  
12 costs to implement.

13 For each item, I'll present background for  
14 clarity, identify challenges, and offer solutions.  
15 The solutions are straightforward, involve a small  
16 bit of extra time where needed, and taking advantage  
17 of existing technology to be mindful of personal  
18 safety, and allow for adherence of social distancing  
19 guidelines.

20 Item one -- we've had a few people touch on  
21 this earlier today -- the filing of business personal  
22 property returns in rendition.

23 As you know, every year taxpayers must file  
24 business personal property returns with county  
25 assessors. These returns, sometimes called  
26 renditions, lists all the personal property taxpayers  
27 have in a county as of January 1 of a given year.  
28 Returns have to be filed by May 7th to avoid an

1 automatic filing penalty.

2 We see a huge range in the back-up  
3 documentation and compiling of data required from  
4 several documents, 20 rows, totaling 100,000, to  
5 hundreds of documents, 50,000 plus rows of data  
6 totaling well into a billion dollars.

7 The specific challenges that are facing  
8 taxpayers vary depending on the size and  
9 sophistication. Generally speaking, we see taxpayers  
10 facing two problems that we like to address.

11 First, stay-at-home orders in COVID are  
12 preventing taxpayers and their employees from  
13 gathering and assembling the necessary information  
14 needed to prepare and timely file their 571-L.

15 Second, some jurisdictions are continuing to  
16 require forms to be filed with original wet  
17 signatures from authorized persons.

18 Wet signatures on documents corresponding to  
19 penalties for late filings requires traditional  
20 mailing protocols that are no longer safe or  
21 practical.

22 The suggestions for addressing the first  
23 problem:

24 Move the 2020 compliance filing deadline  
25 from May 7th to June 15th. And allow county  
26 assessors to propose -- postpone the roll close date  
27 for business personal property accordingly.

28 As an alternative to extending the deadline,

1 we could offer to waive late filing penalties for  
2 returns filed July 15th.

3 Suggestions for addressing the second  
4 problem:

5 We would like to propose allowing the filing  
6 of form 571-L with an electronic signature and  
7 submission by facsimile or scan.

8 Second item I want to address today is  
9 filing assessment appeal applications. County  
10 assessors mail supplemental and escape assessment  
11 notices, and tax bills to taxpayers at their business  
12 addresses, at somewhat unpredictable times within a  
13 four-year window.

14 Supplemental and escape assessment notices  
15 must be appealed within 60 days of the date of  
16 mailing by a statute. Due to COVID and stay-at-home  
17 orders, some property owners are not able to timely  
18 retrieve mail sent to their business address. As a  
19 result, business owners may miss the date for  
20 appealing supplemental and escape assessments.

21 Additionally, some jurisdictions continue to  
22 require wet signatures on assessment appeal  
23 applications and corrections.

24 Again, wet signatures and adherence to  
25 traditional mail process are not necessarily safe or  
26 practical at this time.

27 Suggestions for addressing these problems:

28 First, where taxpayers are unable to timely

1 file assessment appeal applications due to COVID-19  
2 stay-at-home orders, permit taxpayers to file  
3 applications with an explanation for the delayed  
4 filings of taxpayer application forms.

5 Second, again, we'd like to allow taxpayers  
6 to submit assessment appeal applications and related  
7 documents with an electronic signature by facsimile  
8 or scan.

9 Thank you.

10 MR. WALDMAN: Thank you, Nick.

11 Our next speaker here at CATA will be  
12 Chris O'Neall, who will be talking about the  
13 medium-term issues that we see.

14 Are you on?

15 MR. O'NEALL: I'm here. Thank you, Paul.

16 And thank you, Chairman Vazquez and Members  
17 of the Board, for taking the time to listen to what  
18 we're hopeful are ideas that will deal with a number  
19 of the issues that have arisen as a result of the  
20 pandemic.

21 I also want to thank our assessor colleagues  
22 on the other side of the aisle. Because I think that  
23 we have developed a working relationship with the  
24 CAA, and Chairman Gaekle. And I appreciate his  
25 comments and certainly look forward to working with  
26 the assessors and with the Board, and hopefully  
27 resolving some of the issues we face because of  
28 COVID-19.

1           I want to address this morning what I call  
2 medium-term issues. And those are really tied to  
3 allowing taxpayers to obtain property tax relief this  
4 year. And to understand that, it's important to know  
5 the background of how property tax generally works in  
6 California.

7           For the current -- for this year of 2020  
8 through 2021, that fiscal year, the data value is  
9 going to be January 1, 2020. And assessment appeals  
10 can be filed starting in July.

11           But those assessment appeals, which some of  
12 which won't be heard until next year sometime, will  
13 be based on what market conditions were as of  
14 January 1st of this year. And with few exceptions,  
15 no one in California, no businesses, no property  
16 owners, had any idea of how things would look as of  
17 today, and how they may look as of July 1st.

18           With the stay-at-home orders, businesses  
19 have closed, all types of businesses are shuttered,  
20 revenues are down, rents are not being paid,  
21 mortgages are in jeopardy.

22           And this isn't, you know, the large property  
23 owners. This is a lot of small property owners. The  
24 strip mall shops, and, you know, the beauty salons,  
25 and all those kind of places that we typically see.

26           I drive down a main thoroughfare in my  
27 community, and everything is closed; small and large  
28 stores of all types.

1           So because of the fact that if taxpayers  
2 wanted relief now, and they filed an appeal during  
3 the regular filing season, they would be stuck with  
4 how the market looked on January 1st of this year.  
5 Which means that filing a regular assessment appeal  
6 this year won't be effective. You would have to file  
7 an assessment appeal next year in July of 2021, and  
8 that would look to what the market was like on  
9 January 1st, 2021.

10           In the meantime, we'll have had 8, 10, 12  
11 months of downturn in the real estate market. And a  
12 lot of companies will just go out of business.

13           Small property owners are not going to be  
14 receiving rents. They're going to go out of  
15 business. We're going to lose a lot of property  
16 owners, or have a lot of vacant properties.

17           So the question becomes what can we do now?  
18 What are some ideas about what we could do now,  
19 today, in the next 40 days, to help these property  
20 owners whose properties are shuttered, who aren't  
21 going to be receiving income, whose values are way  
22 down, and, in some cases, who may not even be able to  
23 afford their property taxes going forward?

24           And there are three ideas that I want to put  
25 forth that would provide some form of immediate  
26 relief.

27           The first is something that's been talked  
28 about briefly already, and that's a misfortune and

1 calamity claim that would be filed under Section 170  
2 of the Revenue and Taxation Code.

3 These are sometimes frequently filed when we  
4 have a major fire that, say, has occurred in Northern  
5 California, or earthquakes, or flood damage.

6 There has been a huge discussion in the  
7 property tax community over the past two to three  
8 weeks about whether Section 170 claims can be made  
9 for the COVID pandemic.

10 And I don't -- we can't get into, here, to  
11 all the legal nuances that exist there. We do know  
12 that generally speaking, physical damage has been  
13 required.

14 There's a question about what type of damage  
15 does COVID-19 create. And that is an issue that's  
16 going to have to be worked out.

17 There's also the question of can -- can  
18 misfortune and calamity claims be -- [inaudible].

19 MR. WALDMAN: We're losing you.

20 [Inaudible].

21 MS. DAVIS: If you are not presenting, you  
22 need to make sure that your phone is on mute.

23 MR. WALDMAN: Hello?

24 MS. DAVIS: Thank you.

25 MR. WALDMAN: Chris, are you still there?

26 MR. O'NEALL: I am still here.

27 I'm sorry about that. I don't know who that  
28 was. Let me continue.

1           There's been some discussion about whether  
2 you could -- whether taxpayers can file misfortune  
3 and calamity claims today. And some have. And  
4 whether the existing legal standards would permit  
5 that.

6           I believe that it might be necessary to  
7 amend the statute to allow for that, to allow for an  
8 economic damage claim. And I know in my write-up I  
9 put it would be required. I was probably a little --  
10 a little strong. I would probably say that it might  
11 be necessary.

12           One thing that's going to happen, though, is  
13 there's going to have to be some decisions made, and  
14 it may be by a court, or it may be by the Court of  
15 Appeals, or even our Supreme Court as to whether  
16 COVID-19 qualifies as a misfortune and calamity  
17 event, and would support misfortune and calamity  
18 claims.

19           If there is such a court challenge, and I  
20 think it's possible that could happen, it would delay  
21 the implementation of misfortune and calamity claims  
22 that would be filed this year. Could be for two  
23 years or three years. And that kind of undermines  
24 the desire to get the relief right now, for taxpayers  
25 right now in the medium term.

26           Another method that has been talked about is  
27 simply to move the date of value. I said that  
28 January 1st is the important date for the present tax



1 year. Perhaps it would require, I believe, a  
2 statutory change. But the data value for this year  
3 only, because of COVID-19, would be moved to, say,  
4 July 1st. Then all the information that exists as of  
5 July 1st would be available to assessors, to  
6 appraisers as they value properties.

7 And I realize, as Mr. Gaekle has said, that  
8 there's also going to be a lot of sales. But there's  
9 going to be a lot of income about what's happened to  
10 rental income, rental rates, or rent at all being  
11 received. And that would be important in determining  
12 what are property values as of July of this year.

13 The third method that could be put in place  
14 as a medium-term solution that would resolve the  
15 problem now, that could give relief to taxpayers now,  
16 is to change the evidentiary standard temporarily for  
17 property tax appeals that are filed this year.

18 And what I mean by that is as Mr. Gaekle  
19 said, currently the law allows assessors and  
20 taxpayers to look at sales that occur within the  
21 first 90 days of the year. And using that  
22 information, they can determine what is the value of  
23 their property as of January 1, 2020.

24 It would be possible, and would require a  
25 statutory change for this year to push that date out,  
26 say, to 180 days after January 1st, or maybe 270 days  
27 past January 1st.

28 Another alternative would be -- and this

1 possibly could be even done administratively by the  
2 State Board of Equalization to change the evidentiary  
3 standard this year to allow assessors and Assessment  
4 Appeals Boards to look at market conditions after  
5 January 1st.

6 The current law, which is some judicial  
7 laws, not always directly on point, but it says that  
8 we basically are limited to what was known and  
9 knowable as of January 1st of the year.

10 But I think it could be possible, either by  
11 statute or maybe by administrative ruling, to say,  
12 for this year, we're going to allow assessors and  
13 taxpayers to look at what was known or knowable, say,  
14 as of July 1st, or maybe as of September 30th. That  
15 would allow values for the current tax year, when  
16 they've been appealed, to consider the COVID-19  
17 impact.

18 And, again, these suggestions that I'm  
19 making are only for this year. Because we have a  
20 once-in-a-century pandemic. And we need, I think, a  
21 once-in-a-century kind of relief to help taxpayers  
22 now in the medium term before a lot of property  
23 owners lose their properties in foreclosure, have to  
24 go to bankruptcy, businesses are shuttered because  
25 they don't have revenues, their property values are  
26 down, and, as mentioned, even the tax rolls could be  
27 impacted, because taxpayers won't have the money to  
28 pay their taxes.

1           Those are the three suggestions that CATA  
2 wants to bring forth on the medium-term issues.

3           And with that, I'm going to turn matters  
4 back over to Mr. Waldman.

5           MR. WALDMAN: Thank you, Chris. I  
6 appreciate that.

7           Now, next, we're going to have -- our final  
8 speaker will be Wes Nichols. He's a Board Member of  
9 CATA. And he's going to talk about some of the  
10 things we consider as long-term issues, particularly  
11 in dealing with various appeal -- assessment appeal  
12 loans, issues, etc.

13           Wes, Are you available?

14           MR. NICHOLS: Yes, I'm here.

15           MR. WALDMAN: Thanks. Go ahead.

16           MR. NICHOLS: Thank you, Board Member  
17 Vazquez, for setting this up. Talking to you, I know  
18 that you really care a lot about small businesses,  
19 and we're here to help services. And we want to  
20 share with you some ideas.

21           Now, long term, some of the ideas that we  
22 have, and I will share with you, I know we're going  
23 to have probably future meetings and topics and  
24 discussions on, but we wanted to at least address  
25 them, and to start the conversation.

26           So the one is preparing for the tsunami of  
27 appeals filed in July of 2021. As Mr. O'Neall has  
28 described, we can't really win right -- or there's

1 not much reduction for 2020 for most properties.

2 But for 2021, we anticipate -- as far as  
3 what that anticipation is, we don't know the exact  
4 numbers. But we can probably identify similar  
5 numbers that we saw back in the last recession of  
6 2009 to 2012.

7 This is going to be a little bit different  
8 from the last recession. In my personal opinion,  
9 this is going to be a reverse of how it was in the  
10 past of 2008, 2010. Currently we believe that the  
11 property value decreases will be for hotels, travel,  
12 and the retail and restaurant industries first.

13 Then we'll be seeing reductions in value of  
14 apartments due to increase in cap rate, and increase  
15 in risk.

16 Then we'll also start seeing reductions  
17 in -- offices will start going down in values because  
18 more employees are working from home and less demand  
19 for office space.

20 Finally, I believe the third phase of this  
21 property value decrease will be for single-family  
22 homes and other properties. This is a fact that, in  
23 my opinion, we believe that the banks will delay  
24 foreclosing on property, and this result will be  
25 expending or kicking the can down to have the  
26 properties eventually will be lowest -- be the lowest  
27 value coming in 2022 to 2023.

28 So as you can see, this is different from

1 the 2008 recession where a majority of the appeals  
2 first were single-family residents, and then  
3 commercial. This is going to be a complete reversal.

4 Some of the solutions that we have or have  
5 come up with would be: One, to assist Assessment  
6 Appeals Boards to handle more appeals.

7 And how do we do that is: One, increase the  
8 number of boards for each county. Apparently smaller  
9 counties typically meet once a month. LA currently  
10 meets five times a week, Monday through Friday, four  
11 boards. So they're having 20 board hearings a week.  
12 We're in favor of them increasing that as much as  
13 possible.

14 Allow more special hearings that will take  
15 longer, or in cases oftentimes if one agent has many  
16 appeals, we can get as many done, rather than having  
17 20 cases spread out over 20 hearings.

18 So currently LA does a good job with the  
19 schedule. It's for 20 cases. And we just have that  
20 one hearing board itself.

21 But in other counties they'll schedule  
22 everybody on the same day. It's just impossible to  
23 get it all done.

24 But, for example, if, say, my firm or  
25 another firm had all their cases or a majority of  
26 their cases scheduled to one day, we can then  
27 anticipate getting most of them done and settled  
28 before. Or if they go forward, we can get most of

1       them done that day.

2               The other idea is we're going to need to  
3       support recruiting of new board members.  Currently  
4       most of the board members, I would say, are of the  
5       risk age or elderly.  And most of them that we see or  
6       interact with are, I would say, 45 or 50 years old,  
7       plus.  And so we're going to need to get new board  
8       members.

9               And, personally, I believe having board  
10       members with commercial real estate experience, or  
11       who are active participants, such as a general  
12       certified appraiser, or a market participant, such as  
13       a commercial real estate broker, really matters.

14               Oftentimes there's a discount between what's  
15       really going on verse what data is being presented.  
16       And having these board members with local knowledge  
17       as well as timely experience is key.

18               The other thing is improve training of board  
19       members.  CATA has, in the past, offered to provide  
20       training on special topics such as intangibles or  
21       complex income approach.  We are more than willing to  
22       provide training in person or via video conference if  
23       needed.

24               CATA is blessed with members who are the top  
25       experts in complex valuations relating to property  
26       tax matters.  We could, at your request, provide a  
27       list of special topics that we could provide  
28       education onto these board members.  We could roll it

1 up statewide.

2 The next would be increase salaries paid to  
3 board members. I know this was a topic in the past.  
4 We would be helpful and attract -- or this would be  
5 helpful in attracting the retention of current board  
6 members and extra hours needed.

7 Many of these boards typically meet once a  
8 month, and they're now going to be meeting three to  
9 four times a week in some counties.

10 The other would be create a megaboard that  
11 handles appeals for multiple counties. Example would  
12 be having a hearing, say, scheduled in Fresno, but  
13 here the case is concerning properties in, say,  
14 counties like King or Merced County. The Board  
15 members would be from surrounding areas and experts  
16 in the field. This would help smaller counties with  
17 acceleration of more hearings, and having complex  
18 appeals be heard with more experienced board members.  
19 Also, in my opinion, would reduce cost too

20 The next one would be larger counties create  
21 boards to handle large cases. For example, why is  
22 this important? Well, each board member has their  
23 own expertise. Some might be an attorney, and have a  
24 good understanding of law and procedures. Others  
25 might be experienced in single-family real estate  
26 sale.

27 For each special board, what is needed are  
28 board members who have experience to understand

1 complex commercial issues, mostly related to  
2 commercial real estate.

3 Next would be changing assessment procedures  
4 to improve efficiency. A law flexible to your  
5 waivers of the R&T code. I know prior speakers have  
6 suggested that we move or get rid of the two-year  
7 extension. We can understand their concerns;  
8 however, the key is what's best for the taxpayers and  
9 this economy is the faster we can get money in the  
10 hands of the taxpayers and small business owners, is  
11 better for all of us.

12 And what I mean by that is the faster the  
13 government can help out, the faster the government  
14 can get back to having the revenue they anticipated  
15 and need.

16 Some counties typically will schedule many  
17 hearings on one day, and force many of the tax agents  
18 and taxpayers to sign waivers. Or if we refuse to,  
19 there's other consequences.

20 Once the waivers are signed, oftentimes the  
21 hearings are not rescheduled for almost another year.  
22 CATA would suggest if we're forced to sign a waiver,  
23 maybe having limits on those extensions such as 60 or  
24 90 days.

25 This would be difficult due to the  
26 anticipation of so many appeals; however, the key is  
27 the faster the government can issue refunds and  
28 settle cases, the faster and easier it would be for



1 small businesses to keep the doors open, or simply  
2 could be the difference of keeping their business or  
3 bankruptcy. So this is why the faster we can do  
4 this, the better.

5 The next would be develop ways to accelerate  
6 processing appeals. One way to be more flexible on  
7 applications is errors and corrections. Recommend  
8 that tax agents have special hearings where we can  
9 schedule, say, 15 a day, rather than 15 applications  
10 over 15 hearing dates.

11 One problem I personally run into is  
12 sometimes I'm scheduled in five county Assessment  
13 Appeals Boards in one day. Now, I have staff to help  
14 out, but oftentimes I need to be there and can only  
15 do one county a day.

16 The result of which are we're allowed to  
17 postpone a hearing, and we do not get a chance to  
18 choose when the next hearing date is. So oftentimes  
19 if the county postpones the first one, they'll then  
20 send out another letter on the next one.

21 Well, if I'm already previously scheduled on  
22 that day, then oftentimes will get denied for lack of  
23 appearance, or denied for a request for another  
24 extension.

25 If we had more flexibility or allowing us to  
26 maybe reach out to the county clerks and say, Hey,  
27 here's all my cases I have with you in this county.  
28 Can I possibly start scheduling these out six months

1 in advance, or in advance so that we're fully  
2 prepared and my schedule is clear so I don't run into  
3 any conflicts?

4 That would be just one idea for myself.

5 The other suggestion would be is allow more  
6 hearing officer programs for large commercial.

7 Currently in LA the cap limit for test  
8 sites for commercial hearing officer programs is  
9 \$3 million. But if we had an ability to be able to  
10 sit down with each appraiser or each assessor and  
11 quickly get through these, the faster we can get  
12 these resolved.

13 Section B would be increase the number of  
14 appraisers and assessor's offices. Now I know that  
15 the budget constraints, and I heard that LA County  
16 put a hiring freeze on, so this is going to make it  
17 difficult. However, there are some alternative  
18 solutions.

19 One, expand training programs to community  
20 colleges. I know in the past we've spoke about it,  
21 and we're in favor of this.

22 Also, another alternative would be -- and  
23 work in San Diego has had much success -- is go out  
24 and recruit general certified commercial appraisers.

25 Currently the commercial appraisers are in  
26 need of work. Because there's not a lot of bank  
27 work; there's not a lot of sale. So there's an  
28 opportunity for county assessors to go out and hire

1 and recruit already extensively trained general  
2 commercial appraisers.

3 I know San Diego has had a lot of success in  
4 doing this. And I would also suggest more counties  
5 try to follow this model.

6 Apprentice appraiser who can handle simple  
7 matters. Now what I'm about to say here I think is a  
8 very important and easy solution. Currently my tax  
9 practice, I have a personal assistant or coordinator  
10 for my valuation staff.

11 Now, why I did that was, their  
12 responsibilities are to collect information from  
13 clients and help support our valuation team.

14 The less administrative work my appraisers do,  
15 the better it is for me and my efficiency.

16 Now, if the county assessor took the same  
17 model and assigned maybe a person for each region, or  
18 each county, and their sole job was to do nothing but  
19 working with agents on gathering information for the  
20 appeals so that it can be sent to the correct  
21 appraiser, this would free up more time for the  
22 actual appraisers who are good at what they do, and  
23 that's valuing property. To spend more time doing  
24 that rather than calling or e-mailing me to get the  
25 information that I need to send to them.

26 So it's -- finding a process to resolve that  
27 would help out as well.

28 Also this person could help schedule calls

1 with agents and appraisers to go with the valuation  
2 and resolve the appeal.

3 The next would be to require assessors  
4 offices in larger counties to create an Assessment  
5 Appeals Unit. Currently Orange County and San  
6 Bernardino have this model. And, frankly, it works  
7 really, really well.

8 And why it works is I got one person -- I  
9 got one or two people that I know are working on  
10 appeals, and I can get ahold of them quickly, easily,  
11 and I know where and how to send information to.

12 Also, it's just easier to communicate, to  
13 work out valuations, it's easier to process  
14 resolutions and stipulations, and it's just honestly  
15 faster. We can also work out multiple years. In the  
16 past, we were able to work out resolutions for  
17 multiple years, for rather than just one year at a  
18 time.

19 The next would be to improve tax payment and  
20 refund processing. So currently right now expand  
21 plans for payment of escaped taxes to help taxpayers.

22 One idea would be to help taxpayers and  
23 assessors as if the assessor of the county were to  
24 delay the issue and mailing of supplemental or state  
25 assessments by one year. This would free up workload  
26 from the assessor, and would delay large new property  
27 tax bills for taxpayers.

28 Or in the spirit of this idea, would be

1 allow more flexible payment. Some counties,  
2 currently Los Angeles County, has a four-pay program.  
3 So if you're issued a supplemental or escape of bill,  
4 oftentimes the aggregate of these bills can be quite  
5 large, they allow a four-pay system.

6 I would like to suggest to support maybe an  
7 eight-payment program statewide. So any supplemental  
8 or state tax bill would allow the taxpayer to be able  
9 to have those payments broken up over eight period --  
10 payments to lessen the burden.

11 These escape and supplementals would be for  
12 recent purchased property, say, in 2019, or new  
13 construction properties.

14 And, lastly, the establishment of timely  
15 payments and refund economic stimulus. The faster we  
16 can get money in the hands of business owners, the  
17 faster we can recover.

18 Each county has different processing times  
19 to refund. The shortest is typically one to two  
20 months; however, most are typically four to six  
21 months.

22 Currently Riverside County, due to a new  
23 computer system they have, we have appeals that we  
24 won over two years ago that we have not -- the  
25 clients have not yet seen refunds.

26 Currently there's to be a standard line if  
27 you issue refunds faster, if counties do not comply,  
28 there would be a penalty added to the refund.

1           If property taxpayers are held to pay by a  
2 certain date or penalties incur, then why can't the  
3 county government be held to the same timely demands?

4           Thank you for your time.

5           MR. WALDMAN: Thank you, Wes.

6           And thank you, Nick, Chris and Wes.

7           Members of the Board, I hope we've been able  
8 to convey the issues that we're seeing in our  
9 capacities of representing taxpayers in California.

10          You can see from our presentation, we put a  
11 great deal of research, thought and discussion into  
12 these issues. We hope you'll consider some of the  
13 suggestions we've made today.

14          That concludes CATA's comments. Again, we  
15 thank the Board, Board Members and staff for your  
16 time today, and welcome any questions.

17          MR. VAZQUEZ: Thank you. Thank you.

18          Ms. Davis, please call the next speaker.

19          MS. DAVIS: The next speaker is David Wolfe,  
20 Legislative Director, Howard Jarvis Taxpayers  
21 Association.

22          Mr. Wolfe, are you on the line?

23          MR. WOLFE: Yes, ma'am. I am.

24          MS. DAVIS: Go ahead.

25          MR. WOLFE: Thank you.

26          Good morning, Chairman Vazquez and  
27 Members. Actually, good afternoon now. I'm David  
28 Wolfe, I'm the Legislative Director at the Howard

1 Jarvis Taxpayers Association. HJTA is the largest  
2 taxpayer association in California with nearly  
3 200,000 members, mostly homeowners.

4 I've been asked to speak for a couple  
5 minutes today, and in deference to the other people  
6 on the call, I will only be speaking for a couple  
7 minutes regarding how homeowners are dealing with the  
8 confusion and lack of uniformity relating to the  
9 April 10th property tax deadline.

10 For weeks prior to the scheduling, HJTA  
11 pushed for the governor to issue an executive order  
12 to either postpone the April 10th property tax  
13 deadline, or waive late fees and other fees for those  
14 taxpayers unable to pay due specifically to COVID-19.

15 We understood that the governor was unlikely  
16 to issue an executive order prior to this deadline,  
17 and usually did not, because it would have  
18 temporarily denied counties their largest source of  
19 revenue in the midst of a pandemic.

20 Also, because of the pending revenue  
21 shortfall, it would have been difficult for the state  
22 to temporarily backfield billions of dollars of  
23 delayed property tax revenue as a general fund.

24 That said, an executive order would have  
25 been the easiest way to confront this problem for  
26 hundreds of thousands of homeowners who have been  
27 economically impacted by COVID-19, and whose property  
28 taxes are not paid via escrow accounts. We presume

1 that affects about 20 percent or so of homeowners  
2 across the state of California based on some  
3 additional data.

4 Because the governor didn't act, the issue  
5 fell to counties and treasurer tax collectors to deal  
6 with. We understand that the treasurer tax  
7 collectors' hands are tied a little bit, because they  
8 lack the statutory authority to waive late fees and  
9 penalties for property tax payments, specifically for  
10 issues and economic hardship. And obviously I know  
11 this has been discussed already today in this  
12 hearing.

13 In the week-and-a-half since the deadline,  
14 it's our anecdotal understanding from taxpayers that  
15 treasurer tax collectors are indeed waiving late fees  
16 and penalties for homeowners directly impacted by  
17 COVID-19. We're continuing to watch the situation  
18 closely to ensure that this continues.

19 And, finally -- and this has obviously been  
20 discussed during this hearing as well. When the  
21 Legislature is in session, HJTA is eager to support  
22 pending legislation that will retroactively waive  
23 late fees and penalties specifically for economic  
24 hardship conditions in light of COVID-19.

25 For state unemployment, we seem to be  
26 approaching 13 percent. There must be a statutory  
27 definition of what applies when we use the term  
28 economic hardship.



1 Thank you for your time.

2 MR. VAZQUEZ: Thank you.

3 Ms. Davis, please call the next speaker.

4 MS. DAVIS: The next speaker is  
5 Raymond Blant -- Blatt, partner Blatt and Sorell Tax  
6 Group, Inc., a member of the International  
7 Association of Assessment Officers, IAAL.

8 Mr. Blatt, are you available?

9 MR. BLATT: Yes, ma'am, I am.

10 MS. DAVIS: Can you make sure you turn your  
11 volume down, you have an echo.

12 If you have two phones in the room, please  
13 turn the volume down on one.

14 Go ahead.

15 MR. BLATT: Thank you, Mr. Chairman, Members  
16 of the Board for allowing me to speak. I may  
17 [inaudible] for over six years. [Inaudible.] I'll  
18 make this brief.

19 Typically, when a business closes its books  
20 at the end of the year, we get the information, maybe  
21 separate forms [phonetic]. This year we've got very  
22 little information because of the stay-at-home order  
23 the staff has. A couple of which -- a number of  
24 employees are being ill.

25 We are in need of relief of having the  
26 extension from May 7th to at least 40 days, and a  
27 waiver of penalties. We would appreciate it very  
28 much.

1           We have clients of -- in most of these  
2 counties. We have one client in Monterey where we  
3 process 15 tax returns.

4           In Tulare Fresno, a client that just emerged  
5 with a very large farm organization where there's 40  
6 property tax returns involved, etc. etc.

7           So anything the Board can do to assist our  
8 effort, I really would appreciate it.

9           Thank you.

10          MR. VAZQUEZ: Thank you.

11          Ms. Davis, please call the next speaker.

12          MS. DAVIS: Our next speaker is Mr. Reed  
13 Schreiter, Property Tax Director,  
14 PricewaterhouseCoopers, LLC.

15          Mr. Schreiter, are you available?

16          MR. SCHREITER: Good afternoon. Yes, I'm  
17 here.

18          MS. DAVIS: Thank you.

19          MR. SCHREITER: Good afternoon, Honorable  
20 Members. My name is Reed Schreiter. I'm a Director  
21 with the accounting firm PricewaterhouseCoopers, and  
22 assist clients with a variety of property tax  
23 matters.

24                 Thank you for the opportunity today to  
25 comment on the property tax administrative impacts on  
26 taxpayers and the COVID-19 pandemic. I will speak  
27 generally to the experience of some of our clients  
28 that engage in a variety of business activities,

1 including commercial real estate, hospitality, retail  
2 and service industries.

3 Despite their different business activities,  
4 we are all facing similar problems. We've all heard  
5 about these problems on the news, but they are real.

6 They're experiencing reduced income due to  
7 tenants not paying their rent, the required closures  
8 of retail locations, customers required to stay home,  
9 closure of their own business facilities, and staff  
10 required to work remotely.

11 As a result, cash flow and less cash on hand  
12 is significantly reduced for many, forcing businesses  
13 to make choices among computing demands to limit cash  
14 be used to pay outstanding bills, mortgages, loans,  
15 rent, payroll or taxes.

16 Further, because their own staff are working  
17 remotely, it may be difficult to process checks,  
18 gather information for tax returns, and obtain  
19 required signatures and approvals.

20 Compounding these problems for many  
21 taxpayers is that they are facing these demands in  
22 multiple jurisdictions, not just one jurisdiction in  
23 California, or just in California.

24 I'll recognize that the payment demands are  
25 normal demands in business operations, and there is  
26 no question about the need to satisfy all these  
27 payments. The problem comes down to the limits on  
28 resources.

1           Keep in mind, I'm not talking about poorly  
2 managed businesses, or those on the verge of closing  
3 their doors before COVID-19.

4           Instead, these are well-run, well-managed  
5 businesses that as of five or six weeks ago were  
6 thriving. And as all, are working to adapt to the  
7 current situation.

8           There is no question that these are unusual  
9 times, or that the government is facing many of the  
10 same issues the businesses are facing.

11           The difference lies in the fact that the  
12 government controls the framework within which  
13 businesses operate, and thus is the one with the  
14 power and authority to make temporary changes to the  
15 framework to assist everyone through the difficult  
16 and hopefully temporary time.

17           And I intentionally emphasized the word  
18 "temporary" there.

19           So what to do? Specifically what can  
20 government do?

21           The extension of filing the payment due  
22 dates for May taxes has been a great help. As  
23 already stated, because of limits of cash on hand, it  
24 is difficult for many taxpayers to pay all  
25 outstanding demands currently, including the recent  
26 April 10th real property tax installment.

27           In addition, new taxpayers are still working  
28 to put into place processes to remotely generate

1 checks and provide wet signatures on those documents  
2 that require them.

3 With respect to the April 10th real property  
4 tax payment due date, taxpayers appreciate the  
5 extension some jurisdictions have offered, and the  
6 stated flexibility and penalty relief others have  
7 described. However, a case-by-case review of each  
8 penalty relief application does not seem practical or  
9 a good use of limited government resources. And it  
10 does not provide taxpayers with any guidance or  
11 guarantee of consistency.

12 It would be helpful if jurisdictions would  
13 either provide guidelines as to what qualifies as  
14 acceptable reasons for failure to pay the tax  
15 payment, so the taxpayers can be sure to describe  
16 that in their applications, or, better yet, provide a  
17 one-time blanket waiver of penalties.

18 Yes, some taxpayers may receive relief that  
19 do not deserve it. But I expect the better good of  
20 assisting deserving taxpayers outweighs this on a  
21 one-time basis.

22 A one-time extension to the upcoming May 7th  
23 filing deadlines for Business Property Statement  
24 would also be helpful. Right now many taxpayers face  
25 challenges for a variety of reasons, such as  
26 computing deadlines across jurisdictions, access to  
27 the required records, and staff working remotely. A  
28 30-day automatic extension of this deadline would be

1 helpful.

2 Assessors could also use the authority  
3 granted in California Revenue and Taxation Code  
4 Section 170 to proactively reduce property tax  
5 assessments for specific time periods related to the  
6 COVID-19 pandemic.

7 These would be temporary reductions that  
8 would not require taxpayers to file applications or  
9 appeals, and would recognize the current reductions  
10 in value, rather than only future reductions that  
11 what might occur if we wait until next year.

12 The reductions could be standardized for  
13 specific business activities such as assessors  
14 currently use index factors and good factors  
15 published by the Board of Equalization to perform  
16 mass appraisals or business property recorded on the  
17 annual Business Property Statements.

18 Once their economy reopens, the assessments  
19 could be phased back to their previous levels as the  
20 economy again finds its footing.

21 If government doesn't act proactively in  
22 some of these areas, we can expect the appeal system  
23 to be immediately overwhelmed and unable to process  
24 all the appeals for penalty relief and valuation  
25 reductions that will result. And we've heard some of  
26 the previous speakers addressing this issue.

27 This would only extend the current crisis  
28 beyond the period of the pandemic. Further, it would

1 have cost both government and taxpayers to increase  
2 spending without the additional increase in revenue.  
3 These are not good outcomes for anyone.

4 So our recommendation that the best way to  
5 work through the current difficulties is to recognize  
6 that we're all in this together, and together we can  
7 find the answers.

8 Thank you, again, for the opportunity to  
9 participate today.

10 MR. VAZQUEZ: Thank you.

11 Ms. Davis, please call the next speaker.

12 MS. DAVIS: The next speaker is the  
13 Honorable Lawrence E. Stone, Santa Clara's County  
14 Assessor.

15 MR. VAZQUEZ: Welcome.

16 MR. STONE: Thank you. Good afternoon.

17 My comments will address a single topic,  
18 primarily, and that's the May 7th filing deadline for  
19 the 571 business personal property statement.

20 Virtually everything in an assessor's office  
21 is on an annual 12-month cycle, ending with the close  
22 of the assessment roll, which is our constitutional  
23 responsibility.

24 Within that 12-month cycle, there are many  
25 deadlines. Some statutory, some internal. The real  
26 property division, the business division and even  
27 exceptions have different deadlines. Any change in a  
28 major deadline simply compresses our work within that

1 annual cycle. We simply can't add a 13th month to  
2 handle an overload or a crisis.

3 As a manager, I love deadlines. Yeah, they  
4 can be difficult. But they also promote work  
5 discipline, consistency and efficiency.

6 So consider the May 7th filing deadline for  
7 business personal property statements.

8 Why is this deadline so important?

9 Well, in Santa Clara County, we have some of  
10 the largest, most successful companies in the world:  
11 Google, Apple, Adobe, Intel, HP, LinkedIn, DIVIDIA,  
12 the list goes on. All headquarters in Santa Clara  
13 County.

14 My county enrolls 35 billion in business  
15 assessments every year. That's \$350 million in  
16 property tax revenue. That's greater than the total  
17 assessment roll in 24 counties. We're second only to  
18 Los Angeles.

19 Most of the major corporations file their  
20 571 on or near the May 7th deadline. In fact,  
21 82 percent have already filed so far in Santa Clara  
22 County.

23 In Santa Clara County, we close the  
24 assessment roll by the statutory deadline, July 1st  
25 every year. We do not ask for the extension of  
26 30 days, or now 40 days, for the reasons I stated  
27 previously, plus a very important reason that I can  
28 explain if you ask.



1           In order to meet the July 1st roll close  
2 deadline, I must shut down inputting all activities  
3 around June 15th to enable our legacy computer system  
4 to process everything for the July 1st roll close.

5           Consequently, between May 7th and June 15th,  
6 slightly less than six weeks, I have to process and  
7 enroll the major portions of \$35 billion of assessed  
8 value from some of the world's largest companies.

9           Any extension to the May 7th deadline will  
10 result in failure to assess and enroll several  
11 billion dollars in assessed value. That is the  
12 message I conveyed to the governor.

13           There would be a loss of property tax  
14 revenue, which benefits the state, schools and local  
15 government. That is why assessors were united in  
16 conveying to the State Board of Equalization, don't  
17 mess with the May 7th statutory deadline.

18           I don't know if you know this or not, but  
19 the May 7th deadline was negotiated between corporate  
20 tax managers and assessors more than 20 years ago.  
21 Industry tax managers argued successfully that  
22 because the corporate income tax filing deadline was  
23 in April, they didn't have sufficient time to prepare  
24 their Business Property Statement any earlier.

25           Well, this year the income tax deadline has  
26 been extended to July 15th, which should give  
27 corporations more time, not less time, to focus on  
28 property tax.

1           Yesterday I spoke to John Despotakis, the  
2 Senior Tax Manager of Apple. He said that Apple will  
3 have no problem in meeting their May 7th deadline.  
4 He said any decent software system with access to  
5 servers should be able to meet the deadline.

6           In fact, what I just said, 82 percent of  
7 taxpayers in Santa Clara County have already filed  
8 their 571-L, and it's April 21st.

9           Assessors recognize the significant decline  
10 in property values that we expect as a result of  
11 COVID-19. We understand this hardship will be  
12 pervasive and extensive. We hope to be prepared for  
13 that.

14           We support acceptance of electronic filing  
15 in lieu of wet signatures.

16           We agree with giving assessors authority to  
17 waive penalties for late filing as a result of  
18 COVID-19.

19           We strongly support CATA's desire to  
20 increase the relevant experience and professional  
21 credentials of AAB members.

22           But let me just -- we disagree, however,  
23 with the CATA recommendations such as changing the in  
24 lieu date, allowing misfortune and calamity claims  
25 for economic declines in property values, and  
26 changing the evidentiary standard in assessment  
27 appeals. We just disagree with those.

28           But let me be clear, I had a number of years

1 now to meet and deal with CATA. CATA's objective, in  
2 my opinion, has always been to deny or make it  
3 impossible for assessors to receive accurate  
4 information that assessors need to make accurate and  
5 timely assessments.

6 In 2008 CATA repeatedly opposed AB 2425, a  
7 simple bill that allowed assessors to require the  
8 electronic transmission of data and information when  
9 responding to a 441(d) request for information.

10 They opposed electronic transmission back  
11 then, but now they want electronic transmission of  
12 filing their form.

13 If they can delay and avoid providing the  
14 required information, they can force assessors to  
15 make estimates, what we call guesstimates. If an  
16 assessor guesses low, then they accept the assessor's  
17 value. If the assessor gets it too high, then they  
18 file an appeal.

19 The point is this, we need information,  
20 accurate information in a timely manner in order to  
21 do our job. And whenever we're obstructed from doing  
22 that, then it's not good for the taxpayer, nor is it  
23 good for assessors.

24 Thank you.

25 MR. VAZQUEZ: Thank you.

26 Ms. Davis, please call the next speaker.

27 MS. DAVIS: The next speaker is the  
28 Honorable Jeffrey Prang, Los Angeles County Assessor.

1 Mr. Prang, are you available?

2 MR. PRANG: I am. Can you hear me?

3 MS. DAVIS: Yes, we can. Go ahead.

4 MR. PRANG: Good -- good afternoon.

5 Thank you, Mr. Chairman and Members of the  
6 Board of Equalization. I appreciate the invitation  
7 to join you on this call this morning.

8 And I want to thank the Chair and all the  
9 Members of the Board for your interest and the hard  
10 work that you've been doing to work with assessors to  
11 try to help us address the mutual challenges we are  
12 having in administering our component of property tax  
13 chain, which has been a challenge for not only  
14 taxpayers, but for assessors and everyone else who  
15 has a piece of property tax administration.

16 One of the things that we are learning as we  
17 go along over the last couple of weeks is the more we  
18 dig into trying to resolve one issue, which seems to  
19 reveal that there's other nuances, and  
20 down-in-the-weeds sort of issues that also need to be  
21 addressed. And we're recognizing now that there's  
22 going to be probably a number of details we're going  
23 to have to address in the weeks and months ahead to  
24 help us do our job easier to provide appropriate  
25 relief to taxpayers.

26 So just a couple things that have been going  
27 on in LA County, which, as you know, is the most  
28 populous county in the United States with close to

1 11 million residents, due to the impact of COVID-19,  
2 we have had a high volume of inquiries regarding  
3 property tax.

4 We, like I'm sure the other assessors as  
5 well are enduring, is the mass confusion about who  
6 does property taxes and who does assessments. So  
7 we're dealing with a lot of issues that are  
8 appropriately directed to the treasurer and tax  
9 collector.

10 We also are expecting a high number of  
11 impacts on the local assessment rolls, since local  
12 government is primarily funded by sales and property  
13 taxes. But sales taxes are significant --  
14 significantly dried up, and that the reliance on the  
15 efficiency of assessors to maximize the assessment  
16 roll every year is that they -- a premium.

17 However, that will be complicated, at least  
18 in Los Angeles County, we have been, the Board of  
19 Supervisors has active a hiring freeze, which will  
20 slow down our ability to hire assessment roll  
21 generating appraisers, and other adjacent positions.

22 There's also been a hiring freeze placed on  
23 all the supplies services for all county departments.

24 We have been very successful in getting our  
25 employees to work from home. Somewhere between 85  
26 and 95 percent of our employees are now teleworking,  
27 out of a total employment complement of roughly 1,400  
28 employees.

1           We have lost some production hours in making  
2 this transition. Some technology challenges do slow  
3 down certain functions with the department based on  
4 the different type of equipment that people have at  
5 home. There's some employees that their jobs don't  
6 blend themselves well to teleworking.

7           On the plus side, because assessment appeals  
8 have all but seized, a lot of personnel production  
9 hours that we would be dedicating to appeals, we're  
10 now able to focus on assessment roll generating  
11 activities.

12           Obviously COVID-19 is going to have a  
13 significant impact on the business community since  
14 property owners have made businesses as tenants. And  
15 if they're not paying rent, that creates a whole  
16 domino effect of tenants not being able to pay,  
17 property owners, perhaps, not being able to pay their  
18 mortgages, and the impact of what will happen when  
19 businesses begin to return to a sense of normalcy.

20           We anticipate that there will be a lot of  
21 businesses that simply are unable to come back. We  
22 will monitor that very closely in the months ahead to  
23 see if that has an impact on property values. As it  
24 seems obvious that -- that the premium rents that  
25 have been charged for the last several years will  
26 probably be a little bit more challenging in the  
27 future, and may cause an impact on values for more  
28 recently purchased property.

1           Whereas, one of the questions that has come  
2 up quite a bit is why has not LA County extended  
3 property tax deadlines?

4           One, I always remind people that I'm not the  
5 tax collector, so that's not within my jurisdiction.  
6 However, there are a number of counties that made a  
7 decision of how their government would operate or not  
8 operate during a crisis, which gave them flexibility.

9           LA County did not shut down our government.  
10 We did not have the power or legal authority to  
11 extend the property tax deadlines.

12           I did want to add my voice to that of  
13 Assessor Larry Stone regarding the concerns about the  
14 May 7th business property filing deadline. We concur  
15 completely with his analysis. We do support the CAA  
16 position that would provide additional discretion to  
17 assessors, to support a waiver of late payments for  
18 the May 10th -- or May 7th personal property filing  
19 deadline.

20           I would go further and suggest that after  
21 that deadline passes, that we consider granting a  
22 blanket waiver for a specific period of time to those  
23 who, due to COVID, are challenged in meeting the  
24 May 7th compliance date.

25           The -- the issue has been raised a couple of  
26 times regarding a reduction in value and saying Rev.  
27 and Taxation Code Section 170, Misfortune and  
28 Calamity.

1           I have not spoken to any assessors through  
2 California Assessors' Association or our county  
3 counsel who believes that there is any legal M&C  
4 provisions applied to economic disaster. I would  
5 say, personally, from a policy perspective, I see no  
6 reason why it should not. But the law does not allow  
7 for an economic impact to be considered in terms of a  
8 misfortune and calamity.

9           Happy to consider any evidence to the  
10 contrary, but we've taken a pretty thorough look at  
11 that, and it just doesn't seem like it's an  
12 alternative that is available to us.

13           If properties do -- are impacted by a  
14 decline in value as a result of this crisis, that  
15 will be reflected when we -- on the lien date of  
16 2022.

17           There are a couple of other items I wanted  
18 to address as well. One of them, I think a  
19 representative from CATA had talked about finding  
20 alternative ways to hire personnel within assessors'  
21 offices, including working with community colleges.

22           I want to just report that I've worked with  
23 Chairman Vazquez and other Members of the Board, and  
24 the Assessors' Association, we have been actively  
25 exploring looking for other vehicles to hire, train,  
26 and on-board additional appraisers. We've been doing  
27 this for a number of months in anticipation of a  
28 potential adoption of the split roll measure in



1 November.

2 Obviously from LA County's perspective, an  
3 alternative approach to hiring and training  
4 appraisers outside of the government would be  
5 beneficial to us. We're simply unable to hire the  
6 number of people we need, and train them, and keep up  
7 with annual attrition.

8 It would be useful for us with or without  
9 split roll; however, at least with the hiring freeze  
10 in LA County, that seems to be -- at least in the  
11 short term, it seems to be a moot issue.

12 I think most assessors would probably agree  
13 that should split roll be adopted in November, no  
14 real insight about where that seems to be going at  
15 this point.

16 With a hiring freeze, we were going to be --  
17 split roll was going to be a very difficult hill for  
18 us to climb even without a hiring freeze; but with a  
19 hiring freeze, it will be a near-impossible task for  
20 us to implement, should it be adopted.

21 And finally I want to touch briefly on the  
22 assessment appeals. I'm hoping that, at least for  
23 Los Angeles County, that the crisis will provide us  
24 an opportunity to look at some of the elements of the  
25 appeals process, and give us an opportunity to  
26 identify efficiencies to make it -- to ensure  
27 taxpayers have an opportunity for a fair and  
28 expedient hearing.

1           Although there's going to be a -- because  
2 they've not been processing appeals for a number of  
3 weeks now, and it may be a whole lot longer, that  
4 that backlog is going to be significant.

5           I have advocated for the five years that I  
6 have been an assessor in LA County that, at least for  
7 Los Angeles County, that we should consider a  
8 different approach from the -- in appointing  
9 Assessment Appeals Board Members.

10           Currently, they are part-time appointees of  
11 the Board of Supervisors. They're paid a stipend.  
12 The Board just recently agreed to increase the  
13 stipend.

14           But the challenge is, prior to COVID, we had  
15 a backlog of 27,000 cases. We could have kept full  
16 time -- we have five special appeals boards. We  
17 could have kept them busy for about two years, on a  
18 full-time basis, just handling the volume that we  
19 have now.

20           But they're not full time, they're part  
21 time. Some people -- some members only give a couple  
22 hours a week.

23           I think it's time LA County consider an  
24 alternative structure, maybe even full-time hearing  
25 officers, or something similar to the Administrative  
26 Law Judge program that they have in the state for a  
27 number of their appellate functions.

28           We could also generate a lot of efficiencies

1 if we were able to have remote testimony, by --  
2 frankly, by all participants.

3 I have a number of district offices. My  
4 appraisers have to drive downtown to physically  
5 attend assessment appeals hearings. It would allow  
6 them to stay in production for longer hours -- longer  
7 periods of time if they could testify remotely. As  
8 opposed to coming downtown, and sometimes having to  
9 wait for a very long time, just to find out all the  
10 cases they were scheduled to testify on were  
11 continued or withdrawn.

12 And I continue to be an advocate in LA  
13 County to adopt a filing fee for assessment appeals  
14 primarily to deal with the number of taxations who  
15 have physicalized the assessment appeals process by  
16 filing thousands of unwarranted cases, which has  
17 really dumbed up the process for other, more  
18 meritorious appeals.

19 So those are the major issues I want to  
20 touch on.

21 And, Chairman Vazquez, thank you very much  
22 for the opportunity to be part of this hearing. I'm  
23 happy to stay around and answer any questions.

24 MR. VAZQUEZ: Thank you. We'll definitely  
25 chat in a little bit.

26 Ms. Davis, call the next speaker, please.

27 MS. DAVIS: Our next speaker is Jeffrey  
28 Meyer, Chief of the Assessment Appeals Division of

1 the Los Angeles County Assessor's Office.

2 MR. MEYER: Yes. Hi. Good afternoon. Can  
3 you hear me?

4 MR. VAZQUEZ: Yes. Welcome.

5 MR. MEYER: Very good. Thank you.

6 Good afternoon, Chair Vazquez and Honorable  
7 Board of Equalization Members. I thank you for the  
8 opportunity to speak to you today.

9 My name is Jeff Meyer from the County of Los  
10 Angeles. I'm the Chief Appraiser overseeing the  
11 assessment appeals section within the assessor's  
12 office. I've worked for the county assessor for over  
13 29 years. Primarily in our major real property  
14 division, as well as our assessment appeals section.

15 I believe that assessors thoughts and  
16 concerns have been well represented by the following  
17 assessors from across the state today, including  
18 Los Angeles county's own, Jeffrey Prang. Though I  
19 still have a few comments and responses I'd like to  
20 make to some of the suggestions that have been out  
21 there today.

22 I am going to wing it just a bit. I had  
23 some prepared comments, but since everything has been  
24 so thoroughly covered, I don't want to waste a lot of  
25 time.

26 MR. VAZQUEZ: I appreciate that.

27 MR. MEYER: Thank you.

28 So I think everybody's anticipating a large

1 spike in appeals this coming year, and for the years  
2 to follow. I expect that we're going to see a large  
3 increase in appeals for the year 2020, our current  
4 year, though, I think that assessors are going to be  
5 very limited in how we can address any -- the  
6 liability of any reductions for 2020, as the COVID-19  
7 arose after the lien date, and we're required to  
8 value property as of the lien date.

9 I think Mr. O'Neall of CATA expressed some  
10 suggestions on how they might be addressed, and I  
11 just wanted to make a few comments on those  
12 suggestions.

13 First suggestion he made was to allow  
14 misfortune and calamity claims under Revenue and  
15 Taxation Code 170.

16 While I'm not taking a position on the  
17 issue, I will agree with Mr. O'Neall that it would  
18 require either an amendment to Section 170, or  
19 perhaps a new code section that would allow it.

20 The assessor of LA County believes that 170  
21 extends to physical damage, and it doesn't address  
22 economic damage. 170 actually gives a detailed  
23 metric on how the damage is calculated and reflected  
24 in the assessment. And it does not. So you need  
25 some new metrics if it were extended to economic  
26 damage.

27 The second suggestion that Mr. O'Neall made  
28 of moving the lien date for this year only from

1 January 1st to July 21st, As Mr. O'Neill stated,  
2 would require, I believe, an amendment to the  
3 statute.

4 This suggestion, however, could cause other  
5 administrative issues for assessors, and likely tax  
6 collectors and auditor controllers. The change in  
7 the lien date would affect supplemental assessments  
8 and corresponding tax bills.

9 Assessors, tax collectors and auditor  
10 controller systems are built around the current lien  
11 date, and the costs of administering the necessary  
12 changes to the various programs should be  
13 considered.

14 The third suggestion of allowing utilization  
15 of comparables, comparable sales and information  
16 beyond the 90 days would also likely take some  
17 legislative action.

18 But even if the law allowed sales beyond the  
19 current 90 days, if the valuation date remains  
20 January 1, as an appraiser, I would still be required  
21 to make an appropriate adjustment for market  
22 condition, usually referred to as a time adjustment.

23 Theoretically, if I make the appropriate  
24 adjustment, the value would remain unchanged. I'm  
25 adjusting it backward in time as if COVID-19 had not  
26 occurred, because it didn't as of the lien date.

27 So I think there's a little -- there's a  
28 challenge with that suggestion as well. I just

1 wanted to make -- make you aware of those concerns  
2 that I would have.

3 And, with that, I'm going to wrap it up.  
4 Because I think everything else has been well  
5 covered.

6 MR. VAZQUEZ: Thank you.

7 Ms. Davis, please call the next speaker.

8 MS. DAVIS: The next speaker is  
9 Michael C. Lebeau, or if there is another  
10 representative on the call from Bewley, Lassleben &  
11 Miller, LLP.

12 Mr. Lebeau, are you available?

13 Is there another representative available  
14 from the firm?

15 If not, we will move to the next speaker.

16 The next speaker is Tom Parker, Deputy LA  
17 County Counsel for LA County AAB.

18 Mr. Parker, are you available?

19 MR. PARKER: Yes, I am.

20 MR. VAZQUEZ: Welcome.

21 MR. PARKER: Thank you.

22 Good afternoon. I started off thinking I'd  
23 be saying good morning. But good afternoon, Chair  
24 Vazquez and Board Members.

25 For the record, my name is Thomas Parker,  
26 Deputy County Counsel for Los Angeles County. I've  
27 served as legal counsel to the LA County Assessment  
28 Appeals Board since 2014.

1           I want to thank the State Board for holding  
2 this informational hearing today, and the invitation  
3 to testify.

4           You've heard a lot of the COVID-19 pandemic  
5 impacts, especially from Mr. McKibben of my county.  
6 So I just wanted to add that prior to March 13th, our  
7 four panels averaged 300 hearings a week. Since  
8 we've been closed, effective March 15th -- and our  
9 building is currently closed until May 15th, who  
10 knows what happens then -- we have been missing  
11 hearing days.

12           I'm pleased to hear the Executive Director  
13 of the State Board acknowledge that Revenue and  
14 Taxation Code 155 allows the State Board to grant  
15 relief in cases of emergencies and/or calamity to  
16 boards as well as to assessors.

17           I would note that there is no published  
18 appellate case law on whether the State Board may  
19 grant one or more relief orders pursuant to Revenue  
20 and Taxation Code 155.

21           So I view that as an open interpretational  
22 question. And I don't think there's any law that  
23 anyone could site that negates the possible  
24 interpretation of that statute to allow for multiple  
25 relief if it is warranted under the facts of the  
26 calamity or the emergency.

27           The -- and the Assessment Appeals Boards do  
28 request maximum flexibility in terms of whatever



1 relief the State Board thinks appropriate to us under  
2 Rev. and Taxation Code 155.

3 The AAB's respectfully request one or more  
4 of the following relief options to be considered by  
5 the State Board of Equalization:

6 No. 1, an interpretation of the statute  
7 Section 155 that allows the maximum available relief  
8 to any Assessment Appeals Board requesting relief  
9 pursuant to that statute.

10 Two, that the State Board work with county  
11 organizations to seek either direct relief through a  
12 direct gubernatorial emergency order, or that the  
13 governor's delegation of emergency authority, which  
14 has been referred to earlier in this hearing, you  
15 continue to seek that grant of delegated authority to  
16 the State Board to fully address the impacts of  
17 COVID-19 on the boards.

18 The failure of the governor and the State  
19 Board to find some way to assist Assessment Appeals  
20 Boards is going to have a downhill financial effect,  
21 not only in local government, but the state budget,  
22 itself, as referred to by Mr. McKibben in referring  
23 to the impacts on how the state funds the schools.

24 Local AABs also need clarification and  
25 guidance, as Mr. McKibben said, from the State Board  
26 on what we can and cannot do, and possibly holding  
27 virtual hearings during this pandemic.

28 I am glad to answer any questions the State

1 Board may have. I thank you all, again, for the  
2 opportunity to speak today.

3 Thank you.

4 MR. VAZQUEZ: Thank you.

5 Ms. Davis, can you please call the -- I have  
6 the last speaker; is that correct? Or is there a  
7 couple more?

8 MS. DAVIS: There are a few more speakers.

9 MR. VAZQUEZ: Okay. Go ahead. I'm sorry.

10 MS. DAVIS: The next speaker is Marty  
11 Dakessian, attorney.

12 Marty Dakessian.

13 MR. DAKESSIAN: Yes. Good afternoon.

14 MS. DAVIS: Good afternoon.

15 MR. VAZQUEZ: Welcome.

16 MR. DAKESSIAN: Good afternoon,  
17 Mr. Chairman.

18 Good afternoon, Mr. Chairman and Honorable  
19 Members. My name is Marty Dakessian. I'm the  
20 founder of Dakessian Law, which is a tax litigation  
21 firm based in downtown LA.

22 We represent several major property owners  
23 throughout California and across the country that are  
24 impacted by COVID-19. So I'll keep my comments  
25 brief.

26 But in the spirit of unity and cooperation  
27 that you and the Members have brought to this  
28 meeting, Mr. Chairman, I wish everyone the best in

1 health and safety during these incredibly challenging  
2 times.

3 And I would say the same for the county  
4 assessors and the other county officials. Very much  
5 appreciate the feeling of cooperation and  
6 togetherness that you're bringing to this meeting,  
7 and I think that that's essential during these  
8 difficulties.

9 So my remarks are going to center on  
10 Section 170 of the Revenue and Taxation Code, which  
11 relates to calamity and disaster relief.

12 I'm coming at it from a different  
13 perspective. We know that for income tax purposes,  
14 taxpayers have received relief. The same can be said  
15 for sales and use tax. As the assessors themselves  
16 deservedly have sought and obtained a relief to  
17 perform their duties, and property taxpayers in the  
18 same vein are also entitled to relief due to  
19 COVID-19.

20 Under California law, taxpayers are entitled  
21 to reassessment midyear after the lien date if there  
22 is diminution in the value of property as a result of  
23 restricted access to the property where the  
24 restricted access was caused by the major misfortune  
25 or calamity.

26 That is a direct quote from Revenue and  
27 Taxation Code Section 170(a)(1).

28 And I think that everybody in this -- on

1 this teleconference would agree that California  
2 property values -- California properties have  
3 suffered diminished value due to restricted access  
4 caused by COVID-19. I don't think there's any  
5 question about it.

6 The calamity has caused, as other speakers  
7 have indicated, sweeping government mandates to close  
8 businesses, shelter people in place, and all this has  
9 had a devastating impact on income, rental income,  
10 consumer spending, which has caused property values  
11 to drop precipitately.

12 This is a calamity in every sense of the  
13 term, and the divisions of Section 170 applies  
14 squarely -- I say this without hesitation. I know  
15 others earlier have suggested that a statutory  
16 amendment might be necessary. I reject that. I  
17 strongly, but respectfully disagree. No statutory  
18 amendment is needed.

19 Assessor Prang, whom I deeply respect and  
20 look forward to continuing the dialogue, said the  
21 statute didn't allow for it based on their review.

22 I welcome the dialogue, but I take the  
23 opposite view. I think the statute clearly allows  
24 for the definition of physical damage includes  
25 diminished value based on restricted access.

26 And so I would urge that these claims be  
27 processed and granted without delay, subject to  
28 proof, of course. And that no litigation should be

1       necessary.  These claims should move through the  
2       pipeline as quickly as possible, subject to all the  
3       restraint that the county officials indicated, that  
4       make a lot of sense.

5               But I would, in closing, urge, first, that  
6       the counties process these Section 170 claims without  
7       delay.

8               That the Assessment Appeals Boards, if there  
9       is any possibility of doing this, could calendar  
10       preference to the property owners that have been  
11       ravaged by this calamity.

12               And I would urge this Board, as it has done  
13       up until this point, to help facilitate this process  
14       with support and guidance for taxpayers, assessors,  
15       and Assessment Appeals Boards, so that we can have  
16       uniform and equal statewide assessment practices.

17               I thank you for your time, and I'm here to  
18       answer any questions you Members may have.

19               MR. VAZQUEZ:  Thank you.

20               Ms. Davis, please call the next speaker.

21               MS. DAVIS:  The next speaker is Joseph  
22       Vinatieri, Esquire, Bewley, Lassleben & Miller.

23               Mr. Vinatieri, are you available?

24               MR. VAZQUEZ:  I think Mr. Vinatieri had to  
25       sign off, but maybe one of his partners is there.

26               MS. DAVIS:  If no one is there from that  
27       firm, we have the last speaker.

28               MR. NANJO:  Ms. Davis, you also have

1 Marcy Berkman.

2 MS. DAVIS: Okay. Let me go back up to  
3 Marcy Berkman, Counsel for Assessment Appeals Board  
4 of Santa Clara County.

5 Ms. Berkman, are you available?

6 MS. BERKMAN: I am available. Do I need to  
7 press 1-0?

8 MS. DAVIS: No, we can hear you. Go  
9 ahead.

10 MS. BERKMAN: Okay. Whoops. Hello?

11 MR. VAZQUEZ: Welcome.

12 MS. DAVIS: We can hear you.

13 MS. BERKMAN: I'm so sorry.

14 I'm Marcy Berkman, Deputy County Counsel in  
15 Santa Clara County, and I'm Counsel for the  
16 Assessment Appeals Board. I've been doing property  
17 tax matters for almost 15 years now.

18 A couple of things I would like to address  
19 are, firstly, the two-year statute. To echo the  
20 sentiments raised by Tom Parker and others, we very  
21 much need the governor to either issue an order  
22 extending the two-year statute, or delegate that to  
23 the State Board of Equalization.

24 A great many taxpayers, on their  
25 applications, enter unrealistically low opinions of  
26 value, which they're allowed to do by law, including  
27 opinions of \$1 or zero.

28 So you could have a multimillion dollar

1 property value where the applicants, particularly  
2 those with savvy agents, have put an unrealistically  
3 low opinion of value, hoping the two-year statute  
4 will lapse.

5 And while we do try proactively to get  
6 waivers where possible during this COVID-19 pandemic  
7 when we're not having hearings, but we're not always  
8 able to reach all applicants, and not all applicants  
9 are necessarily willing to enter into one.

10 For some, especially those with savvy  
11 agents, would prefer to just let the two-year period  
12 lapse and get their opinion of value entered,  
13 especially if it's a low ball or \$1 or zero opinion  
14 of value.

15 Responding to CATA's issue about waivers,  
16 and that in some places once they sign a waiver,  
17 their cases can languish for a year. I'd like to  
18 point out to the State Board that under the law,  
19 whenever there's a waiver in place, the applicant or  
20 agent can revoke that waiver on 120-days notice.

21 So what happens is, if you have a waiver in  
22 place, and you feel like it's taking too long, that  
23 waiver is polling the two-year statute from the day  
24 it was entered. You then give the clerk of the AAB  
25 notice that you're revoking the waiver. And 120 days  
26 after that notice is received, the two-year statute  
27 starts ticking along again.

28 So there is a remedy to make sure that cases

1 don't languish forever. And at least in Santa Clara  
2 County, you know, to the extent we're receiving  
3 waivers from applicants because we can't hold  
4 hearings at the moment, it is our best effort we're  
5 going to get them on the board as soon as we can be  
6 up and running again, once the pandemic passes.

7 As for remote hearings, I can only speak for  
8 myself, as a lawyer, and one who practices very  
9 heavily in the appellate world, I have serious,  
10 serious qualms about due process for remote hearings.

11 In the court contact, the Court of Appeals  
12 and the civil courts have stopped holding hearings,  
13 the judicial council last week issued an executive  
14 order extending the five-year statute to bring a case  
15 to trial for an additional year. That's probably the  
16 closest analogy to the Board of Equalization's  
17 two-year statute.

18 And in a similar context, what that is, is  
19 when you file a lawsuit, you have to bring your case  
20 to trial within five years or it's dismissed without  
21 prejudice.

22 So the judicial council has issued an  
23 executive order extending that for a year, because  
24 the civil court's recognize the serious due process  
25 issues in trying to conduct a trial any way other  
26 than by having all of your witnesses in the room. So  
27 that your board members can, in real life and in real  
28 time with people present, examine them for



1       credibility, question them, and be there in a room  
2       with them interacting with the witnesses and with the  
3       documentary evidence.

4               So any procedural issues aside, in my mind,  
5       personally, there's serious due process issues in  
6       trying to conduct quasi-judicial hearings remotely.  
7       Especially because Assessment Appeals Boards stand in  
8       the shoes of the civil court as the trier of fact in  
9       first instance. So just like normal, you'd have the  
10      civil court, and their decisions are given deference  
11      by the appellate court. In the same way the factual  
12      decisions rendered by the Assessment Appeals Boards  
13      stands like the decisions of the trial court, and are  
14      reviewed for substantial evidence on review by the  
15      civil court.

16              So I have serious, serious qualms about  
17      trying to conduct hearings remotely.

18              That said, I want to get our boards up and  
19      running as soon as we safely can. And, you know, if  
20      it means, you know, to the extent it's possible  
21      scheduling more hearings, we certainly have the  
22      authority to do that, you know, as long as we can  
23      keep it at a speed that the assessors' office and  
24      taxpayers can handle.

25              In the interim, to the extent the taxpayers  
26      and the assessor in our county have the capability to  
27      do that at the moment, we are still reviewing value  
28      stipulations that are turned in via DocuSign and

1 submitted to me as counsel to review.

2 And I don't know to what extent the  
3 assessors' office and the taxpayers, their agents,  
4 have the ability to do that now. But to the extent  
5 they do, I have the ability to receive and review  
6 them. And then as soon as we're able to, you know,  
7 be back up and running and holding hearings, we'll  
8 set hearings for the Assessment Appeals Board to  
9 review those.

10 Finally, several people have mentioned  
11 RTC 170, the calamity relief. I went through that  
12 back in the timeframe after 9/11, when the State  
13 Board of Equalization at that time had passed what  
14 was then Property Tax Rule 139, I believe.

15 It sort of dealt with the same sort of issue  
16 about restricted access following 9/11. People  
17 couldn't go into the airports, flights weren't  
18 flying, and all of that. And I think an important  
19 point is that the physical damage requirement comes  
20 to us from the constitution. And the constitution  
21 requires physical damage. And that was addressed in  
22 the Slocum case following 9/11 that I was involved  
23 with at that time.

24 So it's very important to remember that that  
25 physical damage requirement comes from the  
26 constitution itself.

27 And I thank the Board very much for the  
28 opportunity to participate in comments.

1 MR. VAZQUEZ: Thank you.

2 Ms. Davis, please call the -- I guess it's  
3 the last speaker.

4 MS. DAVIS: Our last speaker is Kent Meyer,  
5 Assessment Counseling Services.

6 Mr. Meyer, are you available?

7 MR. NANJO: Ms. Davis, this is Henry Nanjo.

8 I think given the fact he submitted a  
9 written comment, I can read it into the record for  
10 him.

11 MS. DAVIS: Go ahead, Mr. Nanjo.

12 MR. NANJO: Okay.

13 This is from Kent Meyer, Assessment  
14 Counseling Services.

15 A declaration of emergency allows assistance  
16 from FEMA not to exceed \$5 million. In order to  
17 receive assistance over that amount, a major disaster  
18 declaration must be requested by the governor and  
19 approved by the president.

20 It would be better served if the BOE issued  
21 a statement that, upon Governor Newsom's request to  
22 the president under the Stafford Act, be recognized,  
23 as the governor has declared, a disaster in  
24 California.

25 As evidence, see the letter written to  
26 President Trump, specifically the third paragraph on  
27 page 7, in which Governor Newsom writes, "I certify  
28 for this major disaster the state and local

1 governments..."

2 This recognition by the BOE should resolve  
3 the issue of whether or not a disaster occurred, and  
4 whether or not Section 170 (a)(1) and (a)(3) apply.

5 The date of disaster would begin with the  
6 stay-at-home order on March 19th. Pursuant to  
7 Section 170, the misfortune or calamity is in a  
8 region subsequently proclaimed by the governor to be  
9 in a state of disaster.

10 This request for disaster relief from the  
11 president is subsequent to the calamity itself. No  
12 modification to current legislation is required.

13 And that's the end of Mr. Meyer's  
14 comments.

15 MR. VAZQUEZ: Thank you.

16 MR. NANJO: And just to add before we go on,  
17 I wanted to alert the Chair, the Board Members and  
18 the public, that unfortunately at this time this  
19 meeting was only scheduled to go until 2:00 o'clock.

20 We are trying to contact the necessary  
21 entities to see if we can extend it, but we have not  
22 gotten confirmation of that. So if we do not get  
23 confirmation, the meeting will have to end at 2:00  
24 o'clock. And my apologies for that.

25 MR. VAZQUEZ: Well, hearing that, what are  
26 our options legally, Henry? I guess, are we allowed  
27 to -- I know if we adjourn, the meeting's over. But  
28 if we recess -- are we able to recess so the meeting

1 officially is not adjourned at 2:00, but rather just  
2 take a recess and then reconvene either if it's the  
3 will of the Members for tomorrow, or another -- a  
4 later date, and still be within our legal rounds  
5 here?

6 MR. NANJO: So it is an option for the Board  
7 to decide -- declare yourself as the Chairman to  
8 decide to recess the meeting and not adjourn.

9 We would recess to another day. It would be  
10 viewed as a continuation of this meeting.

11 For us to be able to do that via  
12 teleconference, we're going to have to try to get  
13 another reservation and explore when we can have the  
14 further date of this meeting.

15 Technically, when we recess, we would -- we  
16 should -- we should indicate to what date we can --  
17 we are recessing to.

18 If you want, I can try to ask staff to see  
19 if we can determine what date -- what future date we  
20 can have a recess -- or we can continue this  
21 teleconference to.

22 MR. VAZQUEZ: That'd be great. Because I  
23 was going to suggest or recommend to the Members that  
24 we, you know -- I guess we have about -- a little  
25 less than 45 minutes left, is to at least maybe do a  
26 little Q and A, and then everybody have an  
27 opportunity to kind of give their comments.

28 And then I'm sure it's going to hit 2:00.

1 And then if we can recess it, I would suggest that we  
2 recess it, and then this way we can reconvene without  
3 having to worry about, you know, setting all the  
4 legalese in terms of having, you know, ample time to  
5 post this meeting. Because it's technically not an  
6 official meeting that has ended.

7 And then get into really the action plan and  
8 the action items. Because I know there's been a lot  
9 of good information shared with us today. And I have  
10 some thoughts and ideas of what actions we might want  
11 to take on the short term.

12 But in terms of the midterm and long-term  
13 goals or action items that we might want to take,  
14 might take a little longer. And I know we're not  
15 going to be able to do it in the time we have left.

16 What are the thoughts and ideas of the other  
17 Members?

18 Sorry, I can't see hands. But if you can  
19 just identify yourselves.

20 MR. GAINES: Member Vazquez, this is  
21 Ted Gaines.

22 MR. VAZQUEZ: Yes, go ahead.

23 MR. GAINES: Yeah, I like the idea of  
24 extending the meeting to tomorrow if we need to do  
25 that.

26 In terms of action items for today, I think  
27 we should segment it in terms of short-term action,  
28 and what do we need to do today, what do we need to

1 do in the months ahead.

2 And, you know, an area of concern that I  
3 think we could address would be this wetting  
4 signature issue. And I think we can handle that  
5 through an advisory letter that we can send out to  
6 the assessors, so they would have clarity from the  
7 BOE in terms of what our stance is on the wet ink  
8 issue.

9 We want to make sure that the processes are  
10 able to take place, that we can expedite and get  
11 things done as fast as we can, given that we're  
12 operating in a new environment, employees actually  
13 working out of their homes, and things of that  
14 nature. So anything we can do to help expedite that  
15 process, I think we need to address, and probably  
16 best to end this meeting and get that taken care of.

17 Secondly, I think we have to have discussion  
18 on the 40-day extension issue for Section 155.

19 And then in relation to Section 170,  
20 calamity relief, I think we need to have a debate on  
21 that and what we can do in the near future. I don't  
22 think we have to make a decision today on that. And  
23 I'm open to discussion on all these issues.

24 So that's my two bits.

25 Thank you.

26 MR. VAZQUEZ: So it sounds like you're  
27 comfortable if we go as late as -- I mean, right up  
28 to 2:00, and then recess the meeting to a later date

1 and not adjourn it.

2 MR. GAINES: That's right.

3 MR. VAZQUEZ: Other Members?

4 MR. SCHAEFER: This is Member -- Member  
5 Schaefer.

6 MR. VAZQUEZ: Yes, Vice Chair. Go ahead.

7 MR. SCHAEFER: Do we have any problem  
8 reaching the telecommunications company? You know,  
9 we should be able to reach them, you know, instantly  
10 all the time. They're there to serve us. Why are we  
11 getting into such a debate over their accessibility?  
12 I don't understand that.

13 MR. VAZQUEZ: I don't believe it's AT&T, I  
14 think it's the closed-caption group. But they're  
15 trying to reach them right now.

16 MR. SCHAEFER: Okay. And this is probably  
17 the last day we're going to be meeting like this?  
18 We'll get together in person next time?

19 MR. VAZQUEZ: I hope so.

20 MS. COHEN: Mr. Chair.

21 MR. VAZQUEZ: Is that Ms. Cohen?

22 MS. COHEN: Yes. Hi.

23 MR. VAZQUEZ: Go ahead.

24 MS. COHEN: I would definitely love a way to  
25 further explore extending today. Maybe we can take a  
26 break to determine if we can get resources to  
27 continue today, especially since presenters are here,  
28 they're on the line.



1 I know that I have questions for our  
2 presenters that I'd like to continue -- that I have  
3 questions for our presenters, and I would like to  
4 continue the discussion.

5 It sounds like Board Proceedings could get  
6 some questions answered if we gave them 30 to 45  
7 minutes to drill down and take a break.

8 So I guess my proposal is just possibly take  
9 a break for 30 minutes to 45 minutes, and then  
10 reconvene. And then perhaps Board Proceedings will  
11 have an answer for us as to whether or not we can  
12 continue with the discussion.

13 MR. VAZQUEZ: I'm open to that. I guess my  
14 only concern is that if it's 2:00 o'clock -- I mean,  
15 they say it's 2:00 o'clock, if they cut us off, we  
16 won't even have an opportunity to come back.

17 So I was kind of hoping we could at least  
18 maybe, if nothing else, get into a little bit of the  
19 Q and A, and maybe just have everybody have some  
20 closing comments. And then hopefully they'd come up  
21 with an answer whether we can either continue it  
22 today, or if we're able to recess it and either  
23 reconvene tomorrow, or later today, either one.

24 MR. NANJO: Chairman Vazquez, this is Henry.

25 MR. VAZQUEZ: Yes.

26 MR. NANJO: At this point, we are trying to  
27 check with our various providers -- service providers  
28 to find out what our options are. I will let you

1 know -- I will get back on and let you know as soon  
2 as we find out.

3 The challenge is Bagley-Keene has provisions  
4 to recess a meeting, but typically the recess is to  
5 later on that same day. I'm trying to research  
6 whether or not there's any precedent for recessing to  
7 another day.

8 The challenge there is I don't know that the  
9 public necessarily knew that the meeting would go  
10 into a separate day, and I don't know what our  
11 availability of our speakers are.

12 So that is some of the challenges we're  
13 trying to work out. But I will get back on as soon  
14 as I discover anything about the options.

15 In the meantime, at this point, we are still  
16 working with a 2:00 o'clock cut-off for the meeting  
17 today. Again, we are trying to extend that as well,  
18 but I have not heard back from one or two of our  
19 service providers.

20 MR. VAZQUEZ: So that means we have  
21 35 minutes as of right now. My thoughts is to just  
22 continue the -- you know, allowing folks to have an  
23 opportunity to give some closing comments, and then  
24 hopefully we hear back from Henry.

25 I'm just afraid of taking a recess, and then  
26 trying to convene too close to 2:00, and they say,  
27 Sorry, you're done.

28 MR. GAINES: Chair Vazquez.

1 MR. VAZQUEZ: Yes.

2 MR. GAINES: Let's get our team working on  
3 it, and let's get a decision. We need to get on it.  
4 As Member Schaefer said, I don't know why we can't  
5 get an answer quickly before 2:00 o'clock. And I  
6 think the meeting can proceed in the meantime. But  
7 let's get it done.

8 MR. VAZQUEZ: All right. Let's -- we're  
9 going to go with that. Let's assume we're going to  
10 get an answer here before 2:00 o'clock.

11 So I was just -- let me just give you my  
12 thoughts real quick, and then I'll ask the rest of  
13 you to chime in.

14 MR. NANJO: Chairman Vazquez.

15 MR. VAZQUEZ: Yes.

16 MR. NANJO: One of the challenges is we're  
17 trying to contact the captioner, and the captioner is  
18 captioning this meeting as we speak. Can we take a  
19 five-minute break to try to contact the captioner to  
20 find out if he can go beyond 2:00 o'clock?

21 MR. VAZQUEZ: Yes, that's fine. I'm good  
22 with that.

23 MR. NANJO: Okay. If we can take a  
24 five-minute break. I believe it's 1:26 now. Let's  
25 start up at 1:31.

26 And in the meantime, if the captioner is  
27 hearing this, the captioner's company will be  
28 contacting the captioner to see if they can go beyond

1 2:00 o'clock today.  
2 And I will let you know as soon as we  
3 hear.  
4 MR. VAZQUEZ: Thank you.  
5 MR. GAINES: Question if I could. Member  
6 Gaines.  
7 MR. VAZQUEZ: Yes, go ahead.  
8 MR. GAINES: Can we just stay on line and  
9 we'll put it on mute?  
10 MR. VAZQUEZ: That's what I was going to do.  
11 Is that okay?  
12 MR. NANJO: That's what I would recommend.  
13 THE OPERATOR: This is the AT&T operator.  
14 Please keep all lines connected --  
15 MR. VAZQUEZ: Yes.  
16 THE OPERATOR: -- until you resume.  
17 And if the captioner is on line, you can  
18 press 1 and then 0 if you can hear this message.  
19 So, again, keep all lines connected. If the  
20 captioner is on line, please press 1 and then 0 at  
21 this time.  
22 Thank you.  
23 MR. VAZQUEZ: Thank you. So we'll take a  
24 recess here until 1:31. Please mute your phone, and  
25 then we'll be back.  
26 Thank you.  
27 (Whereupon a recess was taken.)  
28 MR. VAZQUEZ: Hello. Is everybody still on?

1 It's 1:35.

2 MR. NANJO: Okay.

3 MR. GAINES: Here.

4 MS. COHEN: I'm ready.

5 MR. VAZQUEZ: Henry, did we hear anything?

6 MR. NANJO: Yes, Chairman Vazquez.

7 So unfortunately we cannot get the closed  
8 captioning confirmed past 2:00 o'clock, but we were  
9 able to extend all the other service providers until  
10 3:30.

11 What we are going to do, and this is an  
12 announcement to the public, is if the closed  
13 captioner's captioning stops at 2:00 o'clock, we will  
14 make sure we have the balance of the meeting  
15 closed-captioned and put on our Web site.

16 So, unfortunately, it will not be in  
17 realtime, but we will make accommodations for those  
18 needing closed-captioning. It would just be a few  
19 days after the Board Meeting.

20 So with that, the Board Members are clear to  
21 continue this meeting until 3:30.

22 MR. VAZQUEZ: I'm going to suggest, then,  
23 moving forward, that everybody has the opportunity to  
24 at least share their immediate goals that they see,  
25 you know, within the next 90 days. And kind of hold  
26 off on your midterm and your long-term suggestions,  
27 so we can get through this.

28 And then obviously we'll open up the Q and

1 A, because I know Members have already expressed they  
2 would like to resolve questions of those that are  
3 still sitting on the line. Especially the speakers  
4 that are holding, waiting for us for any questions we  
5 may have.

6 So with that, I'm going to go ahead and  
7 start with my short-term thoughts, in terms of what  
8 we can do within the next 90 days. And, for me, the  
9 key -- well, the big one that we've already started  
10 is continue to work with the governor's office. Find  
11 out if, in fact, he is willing to give the BOE this  
12 executive order, or grant -- or order that would  
13 allow the -- or at least give the BOE, the Board, the  
14 possibility -- or grant the time extensions if we  
15 choose to use them.

16 It was that administrative duties and  
17 powers. That was the one I was thinking that's on.

18 The other two that I have here would be  
19 providing immediate guidance to an LTA, encouraging  
20 assessors to allow taxpayers to submit form 571, the  
21 Business Property Statements with the best  
22 information they have by May 7th, and allow them to  
23 amend on May 31st without a penalty under Section  
24 441.

25 Next would be to provide immediate  
26 guidance through the LTA, encouraging assessors to  
27 allow taxpayers to submit an incomplete form, 571,  
28 Business Property Statement, without a wet signature,

1 Section 441.

2 And those are the immediate ones. I'll hold  
3 back on my ones I consider midterm and long term.

4 And then let me turn to the Members. I'll  
5 start with our Vice Chair, Mr. Schaefer.

6 What are your thoughts?

7 MR. SCHAEFER: Hi, this is Member Schaefer  
8 calling.

9 I agree with everything that Tony has said.  
10 I'm very appreciate of the opportunity to meet with  
11 all of these speakers today. I was very impressed  
12 with what every one of them had to say, and I've made  
13 notes. And I pledge my cooperation to Chair  
14 Vazquez.

15 MR. VAZQUEZ: Thank you.

16 Next is going to be Member Gaines.

17 MR. GAINES: Yeah. Thank you, Chair  
18 Vazquez.

19 I agree with the points that you've already  
20 expressed. I think if we can address the electronic  
21 communication of wet signature, that would be very  
22 helpful. And we ought to do that immediately.

23 On this Section 170 issue, I'd sure like to  
24 dig in and take a much closer look at it. We're  
25 hearing varied opinions from Marcy Berkman versus  
26 Marty Dakessian versus Mr. Meyer. And I think we  
27 ought to dig into those and explore those and figure  
28 out exactly, you know, what can we do.

1           The calamity relief issue I think is a big  
2 one. And if we cannot provide that relief to  
3 business owners -- I'm really concerned about small  
4 business owners here. They don't have the depth.  
5 They don't have the financial backing to be able to  
6 survive for very long.

7           And so if we can provide some relief on  
8 valuation as a result of the pandemic, and do that  
9 more quickly, I think that would help resuscitate the  
10 economy so that we can get the tax revenue going.

11          We've got to have private employment in the  
12 state of California for even the government to  
13 function. We're going to go through the State's  
14 rainy day fund in a New York second. That money is  
15 going to be gone quickly. And we've got to figure  
16 out how to revive the economy. So I want to take a  
17 close look at that.

18          And then getting back to this Section 155.  
19 I want to explore that. Can that be extended more  
20 than once? Is it just a single 40-day opportunity?

21          And there's a lot of nuances to that, so I  
22 really want to flush that out, and find out if we  
23 have some flexibility there.

24          So that's it. I appreciate the speakers,  
25 and I thought the agenda was well laid out.

26          I want to thank all the speakers for their  
27 input. Very informative; very helpful. And I'm  
28 hoping that we can continue to work together on



1 really critical matters.

2 And I think the pressure is only going to  
3 increase over time. So the more we can take action  
4 in a quick manner, the better.

5 Thank you.

6 MR. VAZQUEZ: Thank you.

7 Member Cohen.

8 MS. COHEN: Yes, thank you. Excuse me.

9 So, Members, well, thanks for your feedback.  
10 And I believe significant priorities have been raised  
11 by colleagues as well as the presenters.

12 I, however, would like to propose that we  
13 find a way to dig deeper on the issues that are  
14 raised today.

15 For example, is it possible to establish a  
16 working group of assessors and Board Members to meet  
17 over the next two weeks and determine which immediate  
18 actions we need to take to address issues that we've  
19 heard today?

20 I'm trusting that the Executive Director  
21 could provide some kind of guidance on our options.

22 I have just -- I just have more questions,  
23 and want to make sure that we provide the assessors  
24 what they need.

25 And also the -- address the Appeals Board,  
26 some of the concerns that were raised today.

27 Mr. Chair, we kind of -- I feel like we're  
28 transitioning into closing remarks, and I have

1 questions to pose to the presenters. And I'd like to  
2 be able to propose those questions to the presenters  
3 before we lose them.

4 I'm wondering how -- is now a time for me to  
5 make my questions?

6 MR. VAZQUEZ: Yes, why don't you go ahead.  
7 You're right. Because they're sitting there before  
8 they have to leave. And I'm sure they're waiting.

9 MS. COHEN: Okay. Great.

10 I guess -- so let me think. Let me organize  
11 my notes here.

12 Okay. So my question for Mr. Nanjo and  
13 Mr. Moon, I was wondering if either one of you  
14 gentlemen were able to provide any feedback on the  
15 issues discussed today related to Proposition 8, the  
16 decline in values.

17 It came up a couple times in the  
18 discussion -- in the discussion. I raised it in my  
19 opening remarks.

20 I'm interested in whether calamities have an  
21 impact in such decisions.

22 I think Mr. Gaines also raised in his  
23 remarks, just briefly, raised some questions around  
24 Prop 8. Again, this is the decline in value, whether  
25 the calamities have an impact on such decision.

26 And then my follow-up question is, should we  
27 be bringing these issues -- exploring a request for  
28 the attorney general to offer an opinion?

1 MR. NANJO: Thank you, Member Cohen.

2 Richard Moon, I think you're on the line.  
3 Would you like to take first shot at it?

4 MR. MOON: Sure. I'm on the line.

5 Thank you, Members of the Board.

6 In addressing Ms. Cohen's question, there  
7 are actually two separate issues.

8 One is the general decline in value, the  
9 Prop 8 reductions that are done generally. And then  
10 there's the calamity provision that other speakers  
11 have been referring to in Revenue and Taxation  
12 Section Code 170.

13 So in regards to Section 170, we believe  
14 that there is some physical damage required. There's  
15 a case I believe that Ms. Berkman has referred to  
16 that's directly on point.

17 And so we believe that Section 170, by  
18 itself, as it stands today, would not allow  
19 reductions in the middle of the year for purely  
20 economic damage.

21 So it would take a legislative change, I  
22 think as one of the speakers from CATA had brought  
23 up. So that would be the appropriate avenue.

24 I think if we were to ask the attorney  
25 general's opinion, I think their answer would be the  
26 same, because that case is out there.

27 MS. COHEN: Okay. Thank you, Mr. Moon. I  
28 appreciate that.

1 I have a question. So we heard from our  
2 large urban and midsize assessors, I was curious to  
3 know if there is a smaller county assessor on the  
4 line that may speak to any of the challenges or needs  
5 from a smaller county. I'd love to hear from them at  
6 this time if possible.

7 I know we had Mari Wilson scheduled to speak  
8 and somehow signals got crossed. So I don't know if  
9 she's on, or if there's any other small county  
10 assessor that's able to speak to some of their  
11 issues. I just want to make sure the record fully  
12 reflects large counties, midsize counties, as well as  
13 small counties.

14 Okay. Sounds like there isn't.

15 THE OPERATOR: If anyone has a comment or  
16 question, please press 1-0.

17 MS. COHEN: All right. Thank you. It  
18 doesn't sound like there's a small county assessor.

19 Mr. Gaekle, just please note if you're still  
20 on the call, we need to always include large, midsize  
21 and small county assessor voices in our conversation.  
22 So just help me keep a watchful eye over that.

23 So, Mr. Nanjo and Mr. Moon, one more  
24 question to you.

25 Is it possible to have the Board briefed on  
26 issues including the recent action by the judicial  
27 council raised -- which we heard raised by one of our  
28 presenters?

1           This was actually new information to me. I  
2 don't think this body has ever heard of this. So I'd  
3 love to hear a little bit more about this. Is it  
4 possible to get a briefing on this?

5           MR. NANJO: Yes. We can look into that, and  
6 get either a briefing at a Board Meeting, or some  
7 written document to the Board. So I'll have my staff  
8 work on that, Member Cohen.

9           MS. COHEN: Okay. Perfect.

10           Also want to acknowledge Mr. Moon. I think  
11 he answered my question.

12           I wanted to put it to a larger group, if  
13 there's any presenters on the call that are in  
14 agreement or disagreement with something Mr. Moon  
15 said, I want to give you an opportunity to speak.

16           MR. DAKESSIAN: This is Marty Dakessian.  
17 And, Board Member Cohen, if I may be heard.

18           MS. COHEN: Yes, please.

19           MR. VAZQUEZ: Sure. Go ahead.

20           MR. DAKESSIAN: Thank you.

21           Thank you, Mr. Chairman.

22           Thank you, Board Member Cohen.

23           So I have a lot of respect for Richard. I  
24 totally disagree with him regarding the Slocum case.

25           The Slocum case defined physical damage to  
26 include two categories of physical damage; direct  
27 physical damage, which is the structural damage to  
28 which Mr. Moon is referring; and indirect physical

1 damage, which the Slocum case specifically and  
2 explicitly defined as restricted access due to a  
3 major calamity or a disaster.

4 So, you know, there's confusion here as to  
5 how -- what is meant by physical damage. And the  
6 legislature in Section 170 has defined physical  
7 damage specifically to mean diminution in value  
8 resulted from a restricted access due to a calamity.

9 So the attorney general, I don't know if the  
10 attorney general would opine. But a plain reading of  
11 the statute I think indicates the calamity claims  
12 need to be granted. There's no need for additional  
13 legislation. The statute is very clear; 170(a)(1).  
14 Very clear.

15 MR. STONE: Mr. Chairman, this is  
16 Larry Stone in Santa Clara County.

17 I'm searching my memory here, but as I  
18 recall in 2001 the BOE adopted a rule granting relief  
19 to the airlines under code 1 -- R&T Code 170,  
20 misfortune and calamity. And as I recall, the court  
21 rejected that rule, which is very similar to what  
22 we're talking about now.

23 MR. DAKESSIAN: Actually, that's not  
24 correct. The Slocum case did turn out against the  
25 taxpayers as Assessor Stone indicated. But here's a  
26 direct quote from the case:

27 Nonetheless, we recognize in Section 170,  
28 subdivision (a)(1) and (3), the legislature

1 delineates two exceptions, the general meaning of  
2 damage, or destruction as inclined direct physical  
3 injury to the property. Thereby providing limited  
4 relief for indirect physical damage.

5 That is a direct quote from the case.

6 And there's one of the case headings, it  
7 says direct physical damage is a requirement of  
8 Section 170(a)(2), with that of (a)(1) and (3).

9 And then the Court goes on later  
10 specifically to describe restricted access as  
11 indirect physical damage.

12 So correct that the airlines lost; incorrect  
13 that that has any bearing on the COVID-19 situation.

14 MS. COHEN: Okay. I'm going to continue  
15 with the rest of my questions.

16 MR. GAEKLE: Ms. Cohen, this is Don Gaekle.  
17 I just wanted to let you know that Chuck Leonhardt of  
18 Plumas County has been following the proceedings, and  
19 he might be willing to speak on that.

20 MS. COHEN: Oh, fantastic.

21 Would the assessor from Plumas County,  
22 please just kind of share your perspective on how  
23 things are going from a small county's perspective?

24 MR. GAEKLE: I guess he would have to be  
25 unmuted somehow.

26 THE OPERATOR: Please press 1 followed by 0  
27 to make a comment.

28 MR. SCHAEFER: This is Vice Chair Schaefer

1 calling.

2 I move that the Chair and the Vice Chair,  
3 Mr. Vazquez and myself, we form a working group of  
4 the Board of Equalization and county assessors to  
5 meet by teleconference over the next two weeks and  
6 present our findings to the Board.

7 Is this helpful or is this --

8 THE OPERATOR: We do have one --

9 MR. SCHAEFER: This is per Member Cohen.

10 MS. COHEN: Thank you, Member Schaefer.

11 Hold that thought. Yes. The answer to your question  
12 is yes, it's helpful. But there's an assessor from  
13 Plumas County that is looking to chime in.

14 MR. SCHAEFER: That's fine.

15 MS. COHEN: Assessor, are you there?

16 Okay, Don, it doesn't look like the person  
17 was able to get on.

18 MR. GAEKLE: Okay. All right.

19 THE OPERATOR: Press 1 followed by 0. The  
20 operator has taken your name.

21 MS. COHEN: Press 1 followed by 0 in order  
22 to speak.

23 THE OPERATOR: One moment, please. And your  
24 line is open for question.

25 MS. COHEN: Assessor.

26 THE OPERATOR: Please press 1-0 one time  
27 please. Okay. Your line is open.

28 MS. COHEN: Plumas County, are you there?



1 MR. LEONHARDT: I'm here. Can you hear me?

2 THE OPERATOR: Thank you, yes.

3 MR. LEONHARDT: Please restate your  
4 question.

5 MS. COHEN: Sure.

6 My question is pretty simple. We heard from  
7 large counties, we've heard from midsize counties,  
8 and I wanted to hear from small counties on some  
9 immediate actions that the Board of Equalization  
10 should be addressing.

11 They wanted to speak to Prop 8 issues. I  
12 mean, it's an opportunity for you to share some of  
13 the things that you've processed.

14 MR. LEONHARDT: Thank you for this  
15 opportunity.

16 First, I will discuss Business Property  
17 Statements since we talked about that a lot today. I  
18 think our experience is probably similar to  
19 Santa Clara's in that the greater majority of our  
20 statements -- are at least a similar volume as with  
21 Stanislaus -- have come in so far this year. So,  
22 again, we wait.

23 Many of our professional filers -- or  
24 practitioners don't file until right near to the  
25 deadline. But I strongly support the CAA's position  
26 on extending the filing date in the -- in the period  
27 to make changes.

28 With regard to Prop 8, I understand there

1 are many who have spoken today who indicate that they  
2 feel there's been significant damage to the economy.  
3 The challenge I see in my market is that we have  
4 fairly low volume of sales as it is. But it also  
5 takes time for the market to react to a particular  
6 event.

7 In the Great Recession, it took us almost  
8 two years before we started seeing significant  
9 decline; however, we did see a long period of stall  
10 before the correction took place.

11 So I have some strong questions about how  
12 Prop 8 could be instituted in its present form in  
13 manner to address something where I don't believe we  
14 currently have enough market value to support what  
15 kind of a change would be made.

16 I don't believe that extending the March 31  
17 deadline in the short term is going to provide  
18 assessors with significant data to be able to close a  
19 tax roll on a timely basis.

20 And I think -- I would appreciate if you  
21 would remember that while I have also filed for a  
22 40-day extension, it's my hope that I won't need to  
23 use it. But I'm doing it as a prudent business  
24 precaution.

25 And there's been some conversation today  
26 about whether or not it could be extended multiple  
27 times. And I think there have been some very good  
28 comments made, which I would like to reiterate, that

1 the time lines that we have to close the tax roll,  
2 it, you know, involves a whole lot of departments  
3 that have to do their particular part in order to  
4 produce timely tax bills.

5 As I've spoken with my Board, and we talked  
6 about whether or not we were an essential function, I  
7 indicated to them that I felt we had to be. Because  
8 currently under the pandemic situation, governments  
9 are spending a lot of money. And we need to take the  
10 steps to continue to get timely revenues in to  
11 support their operations.

12 MS. COHEN: Okay. Thank you. I appreciate  
13 hearing from you.

14 I don't have any other questions for you.

15 I do want to direct my questions back to  
16 Mr. Gaekle, Mr. McKibben, and possibly a  
17 representative from CATA.

18 If there were three actions that you believe  
19 the agency should immediately take to address the  
20 issues that were raised on today's call, what would  
21 you recommend?

22 MR. GAEKLE: This is Don Gaekle.

23 MS. COHEN: Yeah. Okay.

24 MR. GAEKLE: Certainly the action that  
25 Chair Vazquez mentioned in extending the ability for  
26 people to file their final statement at a later date.

27 I had already talked to my county counsel  
28 about Section 441 sub (1), which allows for amended

1 statements. Along with that, it also requires that  
2 an original statement be filed by May 7th.

3 Certainly, you know, if a taxpayer is  
4 filing -- filing a statement, if not complete, but  
5 with an explanation the delay is due to COVID,  
6 certainly I would be inclined to accept that under  
7 441(i) provisions, and allow them to file an amended  
8 statement when they were able to.

9 Of course, under the current law, that'd  
10 have to be by May 31st. So I appreciate his putting  
11 that idea out there.

12 Also primary, the wet signature issue.

13 MS. COHEN: Mm-hm.

14 MR. GAEKLE: And I had talked to Ms. Fleming  
15 about that as well in that a number of assessors, I  
16 know that Alameda County assessor and Los Angeles  
17 County assessor had sent letters in asking for the  
18 ability to accept those.

19 And I had suggested to Ms. Fleming that it  
20 would be something simple the Board could do to  
21 extend that authority to all assessors, given the  
22 guidelines that they've already approved for Alameda  
23 and Los Angeles County.

24 So those are issues that definitely could be  
25 addressed.

26 I do want to speak on -- John McKibben spoke  
27 well, very well, on the appeals issue. But that  
28 certainly is something that should be addressed on a

1 broader scale, especially for the large counties,  
2 speaking for all assessors. I know that's a huge  
3 issue in our county yet.

4 But for the larger counties, they definitely  
5 need more consistent and reliable relief in terms of  
6 the tolling dates on those appeals, rather than a  
7 succession of 40-day extensions. But I guess if  
8 that's what it takes, that would have to do.

9 But to get something more reliable to them.  
10 Because it does affect assessors as well.

11 MR. McKIBBEN: Mr. Chairman, this is John  
12 McKibben. If I can speak.

13 MR. VAZQUEZ: Sure. Go ahead.

14 MR. McKIBBEN: In response to Member Cohen's  
15 question, Don Gaekle said it very well. We need a  
16 broader release than Section 155 with regard to the  
17 two-year deadline in Section 1604.

18 If we have to settle for a 155 extension,  
19 we'll certainly be glad to do it. But we would need  
20 the successive relief under Section 155, not just a  
21 one-time only.

22 I would say, just generally, relief on the  
23 two-year deadline is our first, second and third  
24 priority, short term and long.

25 We also would like, and have tried to seek  
26 through CSAC, relief from the governor's office about  
27 some other deadlines, including the notice of  
28 hearing, deadlines for preparation of findings of

1 facts, certain scheduling requirements. We want some  
2 additional flexibility. So those would be our goals.

3 MR. VAZQUEZ: Are you seeing those goals as  
4 like short term, or is that a mix of short and long  
5 term?

6 MR. McKIBBEN: Well, it's a mix of short and  
7 long, I guess. I don't -- I don't -- I would say  
8 they are short term primarily and some midterm.

9 Long term, major fundamental changes to the  
10 process. There's some things that clerks are not  
11 probably going to weigh in on too much. Some of the  
12 things Assessor Prang brought up perhaps might be an  
13 example.

14 Because, again, as I said earlier, this is a  
15 program of the Board of Supervisors. It's not the  
16 clerks. So if you're talking about fundamental  
17 changes on how Assessment Appeals Boards operate, or  
18 whether Assessment Appeals Boards operate, or  
19 replaced by something else, you can't talk to clerks  
20 about that. You have to talk to the policymakers,  
21 the Board of Supervisors. And CSAC would be the  
22 appropriate place to go for that.

23 MR. VAZQUEZ: The reason I bring it up is  
24 that I was just kind of focusing, because we have  
25 limited time on just the short term. And I was kind  
26 of looking and viewing that the midterm and long-term  
27 goals that we would definitely make sure we agendize  
28 those for our next May meeting. That's all.

1 MR. McKIBBEN: Yeah, no. I see.

2 MS. COHEN: How -- Mr. Chair, it's  
3 Malia Cohen.

4 How are you defining short-term goals,  
5 midterm goals, and long-term goals?

6 MR. VAZQUEZ: I was determining short term,  
7 you know, within the next 90 days, for example. And  
8 then midterm is looking at it more, you know,  
9 6 months to two years out. And then long term is  
10 thereafter.

11 For example, you know, we started before  
12 COVID-19, you know, to try to make an impact with  
13 the -- to help the assessors with hopefully  
14 generating more appraisers, right?

15 We were talking about that emergency  
16 certificate. That obviously is a long term, and now  
17 it's probably even longer because of what's happened.  
18 I don't know when the community colleges are actually  
19 going to be up and running again the way they used  
20 to. So it may be a bit of a challenge.

21 So, for me, that's why I was kind of looking  
22 at the wet signature, and a few other things that I  
23 think we can do in the short term before our next  
24 meeting. That's how I was kind of breaking it down.

25 MR. VAZQUEZ: Hearing nothing else --

26 MS. COHEN: Thank you.

27 MR. VAZQUEZ: I'm sorry. Do you have other  
28 questions, Ms. Cohen?

1 MS. COHEN: Yeah, regarding, kind of, remote  
2 hearing.

3 MR. VAZQUEZ: Yes.

4 MS. COHEN: Well, excuse me, I wanted to go  
5 back to the Board of Equalization Executive Staff. I  
6 wanted to know if the BOE needed to provide statewide  
7 guidance on accepting Business Property Statements  
8 via e-mail during this pandemic.

9 Does the BOE need to provide statewide  
10 guidance on accepting Business Property Statements  
11 via e-mail during the pandemic is my question to the  
12 Board of Equalization Executive Staff.

13 MS. FLEMING: Hi, this is Brenda.

14 Thank you for your question, Ms. Cohen.

15 Yes, we are going to prepare guidance.  
16 We've been talking about it the last couple days. As  
17 Mr. Gaekle mentioned, we've actually had a number of  
18 conversations about it.

19 So we'll draft the guidance on how to apply  
20 for the approval. There's still -- there's language  
21 in 441(k) that we're going to find a way that  
22 requires us to have an approval step, and we're going  
23 to just expedite through that step.

24 Basically, it's very, very similar to what  
25 we did for Assessor Phong La, for example, in  
26 Alameda.

27 And then guidance will be provided that we  
28 will send out statewide so that all of the assessors



1 are informed about the options.

2 MS. COHEN: All right. Yes. Thank you.

3 Again, I would just like to reiterate my  
4 recommendation that we ask that if anyone else is  
5 appropriate to add to the -- my recommendation about  
6 a work group, that all stakeholders be involved.

7 For example, we have representatives from  
8 CATA. They're a stakeholder in this space, staff.

9 And this is -- again, this might even help  
10 the Chair determine short-term, midterm and long-term  
11 goals, keeping in mind that we're in the middle of a  
12 pandemic, and so we need to move quickly. And I  
13 think the more people we have at the table, the more  
14 perspective that we'll be able to bring.

15 Also I want to recognize the representatives  
16 from the AAB. Thank you very much for your  
17 presentations. Very, very thoughtful and thorough.  
18 I hope you will consider joining this work group.

19 But I think time is of the essence. I think  
20 we must get to work immediately. I don't believe we  
21 have time to wait until the end of May when the next  
22 Board Meeting is scheduled. That's why I'm proposing  
23 some thoughtful action items that I think we should  
24 be able to deliver today, and that allows us to  
25 continue to roll up our sleeves and literally get to  
26 work tomorrow with a clear, succinct directive from  
27 not only taxpayers, but also our stakeholders.

28 MR. VAZQUEZ: I agree.

1           Let me see if there's any more questions  
2 before we get into some of those action items.

3           MR. GAINES: If I could. This is Member  
4 Gaines.

5           MR. VAZQUEZ: Mr. Gaines, go ahead.

6           MR. GAINES: Yeah. Just regarding the  
7 working group. Can we make sure that we -- I want a  
8 broad-based working group, but I want that also to  
9 include taxpayers.

10          MR. VAZQUEZ: Yes.

11          MS. COHEN: Absolutely.

12          MR. GAINES: Wonderful.

13          MS. COHEN: So my suggestions on the folks  
14 for the working group is not limited. It's just an  
15 idea. I'm not excluding anyone. Like I said  
16 earlier, the more the merrier.

17          Absolutely, Member Gaines. Thank you.

18          MR. GAINES: Great. Wonderful. Thank you.

19          Another question, if I could, just on some  
20 comments that were made by Assessor Prang.

21          He talked about a blanket waiver of penalty.  
22 And so I'm just wondering if we can -- I'd like to  
23 get a little advice on that.

24          And I'm wondering if, Mr. Nanjo, can you  
25 comment on that? Is that something that we have  
26 authority to do?

27          MR. MOON: This is Richard Moon.

28          I think what Assessor Prang had been eluding

1 to was the assessors ask of the governor to be able  
2 to waive penalties for late-filed Business Property  
3 Statements.

4 And one of the reasons why they needed to  
5 ask the governor for that authority is because they  
6 do not have that authority currently under statute.

7 It's also authority that the Board does not  
8 have. That authority belongs to the Assessment  
9 Appeals Board after an appeal is filed to waive the  
10 penalty for a late-filed statement.

11 So we do not have the ability to waive  
12 late-filed penalty.

13 MR. GAINES: But we have clarity on the  
14 40-day issue, correct? So with Section 155, we can  
15 extend 40 days?

16 MR. MOON: Yes, that's correct. 155 says we  
17 can extend for 40 days. And we believe that's a  
18 single 40-day period.

19 MR. GAINES: Okay. And --

20 MR. VAZQUEZ: Before you leave that real  
21 quick, Mr. Gaines. In 40 days, [inaudible] starts  
22 counting as of April 1, right?

23 MR. MOON: It would depend on the deadline.  
24 So for the business -- well, for the Business  
25 Property Statement, we do not have the authority to  
26 extend the late filing -- the filing date for the  
27 Business Property Statement.

28 Because 155 gives us the ability to extend

1 deadlines that need to be met by the assessors or the  
2 County Board. And so it would cover something like  
3 the 1604 two-year deadline that the Assessment  
4 Appeals Boards need to meet, but it would not cover  
5 property statement filing deadlines the taxpayers  
6 need to meet.

7 MR. GAINES: Okay.

8 MR. VAZQUEZ: I thought the 40 day -- so it  
9 doesn't include the May 7th deadline that's coming  
10 up?

11 MR. MOON: No, it does not.

12 MR. VAZQUEZ: Oh, okay.

13 MR. GAINES: All right. So I'm just trying  
14 to figure out what action we can take today. It  
15 looks like on the blanket waiver of penalty, we can't  
16 take action today on that. That would be, sounds  
17 like an executive issue.

18 Is that something that we could proceed  
19 forward with working with member -- or excuse me --  
20 with Assessor Prang, with you, Tony, as Chair, in  
21 having that discussion with the governor's office?

22 MR. VAZQUEZ: Sure. Is Assessor Prang still  
23 on the line?

24 MR. GAEKLE: This is Don Gaekle.

25 Certainly the -- what Jeff was originally  
26 talking about was the assessors' position to have the  
27 authority to waive penalties after May 7th and up to  
28 May 31st.

1           The Assessors' Association did not suggest a  
2 blanket waiving of penalties. And so that would be a  
3 separate -- that would be a separate issue, that you  
4 know, we didn't get support for that among assessors.

5           Although I suspect some assessors would use  
6 their authority to be very liberal in their  
7 interpretation if granted that authority. But  
8 certainly that would be an issue that would affect  
9 all the assessors. And I would be happy to discuss  
10 that.

11           MR. GAINES: Okay. Could I make a motion?

12           MR. VAZQUEZ: Go ahead, Mr. Gaines.

13           MR. GAINES: That motion would be in  
14 reference to this issue regarding a blanket waiver of  
15 penalty as suggested by Assessor Prang, that we would  
16 have discussion with the governor, and see if we  
17 could grant that on a blanket basis statewide.

18           And then my second -- well, why don't I just  
19 address that.

20           I have a second motion I'd like to make,  
21 too, if I could.

22           MS. COHEN: This is Malia Cohen.

23           Mr. Gaines, just so I'm clear on the motion,  
24 your -- what about --

25           MR. GAINES: The motion would be to start a  
26 conversation discussion with the governor asking for  
27 authority to issue a blanket waiver of penalty.

28           MS. COHEN: What about the perspective of

1 the other assessors?

2 MR. GAEKLE: This is Don Gaekle.

3 Yeah, the position with the CAA was not to  
4 have a blanket waiver. So I'm really not in a  
5 position right now as CAA president to support that.  
6 But I would be happy to engage in discussion  
7 regarding, you know, some form of penalty waiver.

8 MS. COHEN: Yeah, I'm going to probably  
9 not -- I'm not in a position to support the motion  
10 that you're proposing here today.

11 I appreciate the eagerness to engage in a  
12 conversation, but I feel like we're squelching other  
13 voices that are important. Particularly, the  
14 Assessors' Association, which is the main voice and  
15 representative. I think we should allow them an  
16 opportunity to come together and figure out, you  
17 know, something -- a cohesive message. I mean, we  
18 just -- I respect LA County assessor, but, you know,  
19 I have 23 other assessors that I'd like to check in  
20 with and talk to and get feedback from.

21 I wouldn't be able to support that motion,  
22 Mr. Gaines.

23 MR. GAINES: Okay. I would still like to  
24 take a vote on the motion. I think there's merit to  
25 it. I think we, as a Board, need to take action.  
26 And there's very few areas that we can move forward  
27 on granted our authority, and this is one area we can  
28 provide relief statewide.

1 MS. COHEN: I totally agree that we should  
2 be able to take action and move forward, which is why  
3 we're proposing a working group that allows us to  
4 further explore, at least within the next two weeks.  
5 I think we owe it to ourselves to represent the  
6 interest of all assessors, not just a big county  
7 assessor.

8 And, again, I'm representing District 2,  
9 where I have Bay Area's nine largest and probably  
10 wealthiest of the counties in the state of  
11 California.

12 I think a working group is probably a more  
13 logical, a medium place, so that there is action, but  
14 that it's a space that allows us to continue to work.

15 And as a result of the working group, if the  
16 recommendation comes up to make a recommendation to  
17 the governor, then perhaps we move it in that vein.  
18 But we have to represent everyone.

19 MR. VAZQUEZ: Member Gaines.

20 MR. GAINES: Yes.

21 MR. VAZQUEZ: Maybe it might be more  
22 appropriate then, because we already have a letter  
23 sitting with the governor anyway, why don't we just  
24 take a look at -- I think it was Vice Chair Schaefer  
25 was trying to make a motion earlier. But, you know,  
26 he was in the midst -- he kind of cut into  
27 Ms. Cohen's Q and A.

28 So if Mr. Schaefer is still out there and is

1 willing to make his motion, I think we can include --  
2 that could be part of that discussion of that task  
3 force, and take up your concern and issue within that  
4 task force, if you're comfortable with that,  
5 Mr. Gaines.

6 MR. GAINES: Okay. But we have a motion on  
7 the floor. So how are we going to deal with that?

8 MR. VAZQUEZ: That's what I'm asking you.  
9 Are you willing to retract it, because I was the  
10 seconder. And then we could move on with setting up  
11 this task force so we can deal with not only that  
12 issue, but there's several other immediate issues  
13 that we can take up.

14 Especially if we're well represented with  
15 not only the assessors, but the taxpayers, and  
16 several of the other groups that were on the call  
17 earlier today that gave their presentations, that I  
18 think could be helpful stakeholders.

19 MR. GAINES: Yes, I will.

20 MR. VAZQUEZ: Okay. Thank you.

21 Did I hear Vice Chair back there?

22 MR. SCHAEFER: Yes, Vice Chair Schaefer  
23 here.

24 I'm reflecting Member Cohen's suggestion. I  
25 move that the Chair and the Vice Chair, that we form  
26 a working group of the Board of Equalization, and  
27 county assessors, and taxpayer organizations such as  
28 CATA, to meet by teleconference over the next two



1 weeks, and present our findings to the Board -- to  
2 the Board.

3 Is there any -- is there a second for that?

4 MR. VAZQUEZ: I'll second.

5 MS. COHEN: Yes, I'll second that.

6 MR. VAZQUEZ: Ms. Cohen also.

7 MR. SCHAEFER: Taxpayer organizations such  
8 as CATA [inaudible].

9 MR. VAZQUEZ: And let's like -- I think  
10 Ms. Cohen mentioned, let's be as exclude -- no,  
11 inclusive as possible. Especially -- I know there  
12 were several members today that spoke out that we'll  
13 definitely reach out to. But if there's anybody  
14 we're missing, by all means, please bring them  
15 forward.

16 Because I think it's all about -- you know,  
17 this pandemic we're in, there's just so many things  
18 that are -- so many missing parts, that I want to  
19 make sure we're not missing somebody or any group.

20 MR. SCHAEFER: Hi, it's Member Schaefer. I  
21 want to add taxpayers, quote, taxpayers, as a group  
22 to this.

23 MS. COHEN: Yes, thank you for doing that.

24 MR. WALDMAN: This is Paul Waldman speaking  
25 [inaudible]. We definitely would like to be involved  
26 in that. Certainly on all these issues, we would  
27 like to be involved and we'd like to talk about it.

28 As far as, Member Cohen, you had asked what

1 our top issues were. Certainly is immediate tax  
2 relief of some sort.

3 While I do agree -- I certainly agree with  
4 Marty. I think there is relief there now, but I  
5 think it's also worth discussing a little further to  
6 kind of cement something there that we might be able  
7 to do for immediate relief.

8 We also -- we certainly --

9 MR. VAZQUEZ: Excuse me. Is this the rep  
10 for CATA?

11 MR. WALDMAN: Yes, it is. This is Paul  
12 Waldman, president of CATA.

13 MR. VAZQUEZ: Oh, Paul.

14 Could you just hold for a second, though?  
15 Because we have this motion. Let us take action on  
16 this motion, and we'll come right back to you.

17 MR. WALDMAN: My apologies. Go ahead.

18 MR. VAZQUEZ: No, just hold for a second.

19 So if I don't hear any other comments or  
20 suggestions, can I get Ms. Davis to call roll on the  
21 motion by Mr. Schaefer and second by Ms. Cohen?

22 MS. DAVIS: Chairman Vazquez.

23 MR. VAZQUEZ: Yes.

24 MS. DAVIS: Vice Chairman Schaefer.

25 MR. SCHAEFER: Aye.

26 MS. DAVIS: Member Gaines.

27 MR. GAINES: Aye.

28 MS. DAVIS: Member Cohen.

1 MS. COHEN: Aye.

2 MS. DAVIS: Ms. Stowers.

3 MR. VAZQUEZ: Did we lose Ms. Stowers?

4 MS. STOWERS: No, I'm here.

5 MR. VAZQUEZ: Oh, I'm sorry.

6 MS. STOWERS: Does this working group  
7 include BOE staff?

8 MR. VAZQUEZ: Well, I think they'll assist  
9 us, but I -- from what I'm gathering, it sounds like  
10 it's really more the stakeholders that we're looking  
11 at. But I'm open if you're suggesting that.

12 MS. STOWERS: No, I was just actually just  
13 wanting clarification on the motion.

14 MR. VAZQUEZ: Okay.

15 MR. NANJO: Chairman Vazquez, as I  
16 understand the motion, just for all the parties  
17 listening in, so that we're clear, it is a working  
18 group of the Chairman and the Vice Chair to meet with  
19 the identified and mentioned stakeholders and various  
20 other interested parties to discuss the issues and  
21 actions that the Board can take in the next short  
22 term and midterm, I guess, is what I understood the  
23 motion to be; is that correct?

24 MR. VAZQUEZ: Yes.

25 MR. NANJO: Okay. Thank you.

26 MR. VAZQUEZ: Does that answer your  
27 question, Ms. Stowers?

28 MS. STOWERS: Thank you very much. I

1 appreciate that.

2 Yes.

3 MR. VAZQUEZ: All right. That's unanimous.

4 So that's taken care of.

5 I'm sorry, Paul. You can come back on now.

6 MR. WALDMAN: I apologize.

7 MR. VAZQUEZ: No problem.

8 MR. WALDMAN: It sounds like we'll be able  
9 to discuss more of this stuff in the working group,  
10 and that's great.

11 Our concerns, as I said, are really sort of  
12 an immediate relief option of one board or the other.

13 And then also one more concern I did have,  
14 we were talking about trolling the two-year deadline.  
15 And we definitely understand that there's some issues  
16 there that need to be looked at from the assessor  
17 side, but of course we want to be careful about how  
18 that's done. Because obviously the positions on the  
19 taxpayers' side as well, as far as getting that  
20 relief. And so I do think that that also needs to be  
21 addressed along the way as well.

22 MR. McKIBBEN: Mr. Chairman, this is  
23 John McKibben. Can I ask a question or make a  
24 comment?

25 MR. VAZQUEZ: I'm sorry, yes. Go ahead. I  
26 think I was muted.

27 MR. McKIBBEN: Yeah, I'm sorry. I just want  
28 to reiterate the clerks of the Board of Supervisors

1 would like to be involved in that. I'm sure there  
2 are two or three clerks who would be very happy to  
3 sit in on the task force, as well as Assessment  
4 Appeals Board counsel. Because it always helps to  
5 have the legal guys available, too, for that.

6 MR. VAZQUEZ: Well noted.

7 MR. McKIBBEN: Thank you, sir.

8 MR. VAZQUEZ: Any others on the call that we  
9 might have forgot?

10 MS. COHEN: Yes, I also -- I made the  
11 recommendation that the AAB have representation.

12 Also wanted to propose a friendly  
13 amendment, or a new motion. I'm not quite sure what  
14 it would look like. But I want to make sure that --  
15 that -- that the work group meeting is noticed  
16 publicly so that any and all people can participate.

17 MR. VAZQUEZ: Well noted.

18 Is there a rep on the line still from the --  
19 is it the AAB you mentioned?

20 MS. COHEN: Mr. McKibben, yeah. I'm just  
21 affirming what he said.

22 MR. VAZQUEZ: Okay. We got it.

23 Okay. Thank you.

24 MR. GAINES: Okay. Chair Vazquez.

25 MR. VAZQUEZ: Yes.

26 MR. GAINES: Could I clarify the motion?  
27 Because my initial motion was to discuss with the  
28 governor this blanket waiver of penalties, so would

1 that be included in the working group?

2 MR. VAZQUEZ: Yes, we can take it up.

3 MS. COHEN: Certainly.

4 MR. GAINES: Wonderful. Thank you.

5 MR. VAZQUEZ: Now, I know we cut you off a  
6 little bit, Mr. Gaines. Was there something else you  
7 had?

8 MR. GAINES: I had a second motion I'd like  
9 to bring, if I could.

10 MR. VAZQUEZ: Sure. Go ahead.

11 MR. GAINES: And that would be to issue an  
12 advisory to the county assessors granting them the  
13 ability to accept electronic signatures rather than  
14 the requirement of gathering wet signatures.

15 MS. COHEN: So I made that request. I'll  
16 second that motion.

17 And I believe, if I'm not mistaken, the  
18 Executive Director is also in agreement. This may  
19 already been done. I don't know if we need to take  
20 it up as an action item, but it would be good for it  
21 to be officially on the record.

22 MR. VAZQUEZ: I think they're right.

23 Brenda, you're on the line, right?

24 MS. FLEMING: Hi, this is Brenda.

25 I concur with Ms. Cohen. This is something  
26 that we're in motion. Feel free to take special  
27 action on it in terms of the public record by taking  
28 this motion and second.

1           But we are indeed, as Ms. Cohen suggested,  
2 we're already working on it.

3           MR. VAZQUEZ: So it sounds like all in favor  
4 can just say "aye" here.

5           MS. COHEN: Aye.

6           MR. GAINES: Aye.

7           MR. VAZQUEZ: Aye.

8           MR. SCHAEFER: Aye.

9           MS. STOWERS: Aye.

10          MS. FLEMING: Thank you, Members.

11          MR. NANJO: Chairman Vazquez, this is Henry  
12 Nanjo, Chief Counsel.

13                 Just want to be a little careful there. I  
14 think we can encourage that of the counties. I don't  
15 know that we can require it. Because I know the  
16 Board of Supervisors of each county also has  
17 jurisdictions as to whether or not to accept  
18 electronic signatures.

19                 So I would recommend -- and different  
20 counties may have different abilities to accept  
21 electronic signatures.

22                 So I would strongly recommend that  
23 we strongly encourage the counties, but I don't  
24 believe we have the authority to require that.

25          MS. FLEMING: Thank you for that comment,  
26 Henry.

27                 Just to clarify for everyone, what we're  
28 doing is offering some guidance as to what the

1 options are and what's available process-wise.  
2 That's actually the exercise of some of the counties  
3 already.

4 So we're not mandating it, just to be clear  
5 for the counties. But all of the counties do have  
6 the right to opt in or opt out. We're simply making  
7 sure that all the counties are informed about what's  
8 available for an expedited process.

9 MR. VAZQUEZ: And it was my understanding on  
10 the motion we just want to go on record that we're in  
11 support of that.

12 MR. GAINES: That's correct.  
13 Member Gaines.

14 The intent of the motion, I thought I  
15 mentioned it, advisory letter. So it would be  
16 advisory letter from the BOE as providing  
17 clarification from our perspective that it's okay for  
18 that to happen in the counties.

19 MR. NANJO: Great. Thank you, Member  
20 Gaines. I just wanted to make sure the record was  
21 clear.

22 MR. VAZQUEZ: Thank you.

23 MR. GAINES: Thank you.

24 MS. FLEMING: Thank you, Henry.

25 MS. COHEN: Also for the record, I just want  
26 to state that -- as it relates to wet signatures,  
27 San Diego County offers electronic signatures. They  
28 are the only one in the state of California. And



1 they've been doing this for the last three years. So  
2 this is an example that it actually does work even  
3 prior to such a calamity as the pandemic that we're  
4 dealing with.

5 Thank you.

6 MR. VAZQUEZ: Kudos to Ernie.

7 MR. GAEKLE: Yeah, this is Don Gaekle.

8 It is common, and Henry's comments are well  
9 taken. Stanislaus County is working for an  
10 electronic signature solution that would be across  
11 the county. But that's with our county counsel right  
12 now. So we don't have the ability to accept actual,  
13 what we refer to as electronic signatures.

14 I think assessors are thinking more in terms  
15 of faxed-in copies and e-mailed copies, and those  
16 sorts of things. Which I think is the relief that  
17 Assessor Aldana and Assessor Prang were thinking when  
18 they sent their letters in. More in that vein.

19 MR. NANJO: That is correct.

20 MR. GAEKLE: And since I have you on the  
21 line, in regards to the working group, I assume we  
22 don't want something like congress. So you're not  
23 expecting all 58 assessors there. What are you  
24 anticipating?

25 MR. VAZQUEZ: Oh, no, no, no, no.

26 As a matter of fact, maybe following what  
27 Member Cohen mentioned, I think if we just had, you  
28 know, maybe three, obviously a large, medium, and a

1 small assessor.

2 MR. GAEKLE: Okay. Will you be sending out  
3 something by e-mail or writing regarding that working  
4 group?

5 MR. VAZQUEZ: You should have it in an  
6 e-mail tomorrow.

7 MR. GAEKLE: Okay. Thank you.

8 MR. VAZQUEZ: Anybody else have any other  
9 thoughts or ideas or motions they want to put  
10 forward?

11 MS. STOWERS: This is Yvette.

12 MR. VAZQUEZ: I'm sorry. Yvette, go  
13 ahead.

14 MS. STOWERS: Is the working group going to  
15 address Section 170? Because it appears to be a  
16 conflict between what the assessors are saying and  
17 the tax agent, whether or not you have to have  
18 physical damage, and how on point this case is.

19 Is the working group prepared to do that?  
20 Or is it more appropriate for our legal team to take  
21 a second look at 170 and the case that was cited that  
22 provided us with the additional legal analysis on  
23 what that case stands for.

24 MR. NANJO: Legal -- Deputy Controller  
25 Stowers, this is Henry Nanjo.

26 Legal can take a look at that and provide  
27 some information to the Board.

28 I would also encourage anybody who has

1 citations or who wants to present their side of it,  
2 or their interpretation, such as Mr. Dakessian, to go  
3 ahead and e-mail me his thoughts, and we will  
4 definitely take that into consideration and analyze  
5 those as well.

6 MS. COHEN: I'd also like to acknowledge  
7 Ms. Stowers' question.

8 Yes. Absolutely, Ms. Stowers, all issues  
9 that are raised today, and others that we haven't  
10 even raised, will be discussed and considered, fully  
11 vetted, particularly as all this relates to  
12 navigating through this pandemic.

13 MS. STOWERS: Okay. Perfect. Thank you. I  
14 appreciate that, both of you.

15 MS. COHEN: Thank you.

16 MR. GAINES: If I could weigh in. This is  
17 Member Gaines.

18 MR. VAZQUEZ: Yes. Go ahead, Member  
19 Gaines.

20 MR. GAINES: I just want to agree with  
21 Member Cohen on this.

22 And, Member Stowers, thank you for bringing  
23 it up for clarification, but I do believe the  
24 calamity relief issue ought to be addressed by the  
25 panel. And then we can also get advice from our  
26 legal counsel as we proceed.

27 Thank you.

28 MR. VAZQUEZ: Members, if we're not hearing

1 anymore -- I know everybody is kind of holding back  
2 on midterm and long term. So I have a list of those.

3 But at least for now, I think this task  
4 force can dive into some of the -- obviously several  
5 ones we've already mentioned. And then of course  
6 once we gather up, I'm sure they'll be other  
7 suggestions that will come out of the working group.

8 So with that, I'd like to say that we pretty  
9 much wrapped up on this M Item. And I'd like to --  
10 I'm sorry.

11 MS. COHEN: Mr. Chair, this is Malia.

12 MR. VAZQUEZ: Oh, I'm sorry. Ms. Cohen.

13 MS. COHEN: If I may have the floor.

14 I think given the heaviness, the brevity and  
15 the seriousness of the items that we discussed today  
16 kind of warrants and necessitates a need for us to  
17 respond. And I think that meeting once a month might  
18 be woefully inadequate.

19 Perhaps this body could entertain a motion  
20 that I'd like to make to meet in two weeks so that we  
21 can come together to discuss where we are in our  
22 progress, and discuss where the work group is  
23 meeting.

24 Of course this will be publicly noticed. We  
25 are always cognizant of not violating Bagley-Keene.

26 Two weeks. If that seems too soon, I'm  
27 happy to consider three weeks. I'm just concerned  
28 that a lot of things will happen between now and our

1 end-of-May meeting that may require us to come  
2 together to take a vote, anything, even have a  
3 discussion.

4 So I'd like to make a motion for us to  
5 consider meeting in three weeks to follow up on  
6 these, particularly the short-term action items that  
7 you, yourself, have laid out.

8 MR. GAINES: Member Cohen.

9 MS. COHEN: Yes, sir.

10 MR. GAINES: This is Ted Gaines, if I could.

11 So your thought is that if something comes  
12 up in the next, say, seven to ten days, that we have  
13 an earlier meeting. I keep thinking of the time  
14 line. We have the ten-days notice, right?

15 MS. COHEN: Correct.

16 MR. GAINES: So -- okay. All right. I'm in  
17 favor of that. Do you need a second?

18 MS. COHEN: Yes, sir. Thank you.

19 MR. GAINES: Okay.

20 MR. NANJO: Members, this is Henry Nanjo.

21 As Board Proceedings Chief I just wanted to point out  
22 that if you are going to give sufficient notice for  
23 your working group to have a meeting, that's going to  
24 be probably not less than two weeks out.

25 You're talking about having a Board Meeting  
26 a week after that. And I will remind you about the  
27 PAN deadlines. If you're having a meeting in three  
28 weeks, those agenda items for that meeting would

1 actually be due a week before you have your working  
2 group meetings. Which may make it a little  
3 challenging to anticipate what you want on your  
4 agenda for your three-week meeting.

5 So just please keep in mind the agenda  
6 requirements. Because it seems to me if you're  
7 having a working group meeting within the next two  
8 weeks, that's going to make it really challenging to  
9 have a Board Meeting three weeks out, and then  
10 another Board Meeting a week-and-a-half after that.

11 MS. STOWERS: Well, can we -- this is Yvette  
12 speaking.

13 Ms. Cohen, how do you feel about having the  
14 Board meet on Tuesday, May 19th? And if that's  
15 workable for you, could we also do the other items on  
16 that date?

17 MS. COHEN: Give me a second, let me take a  
18 look at the agenda in lieu of the calendar.

19 MR. VAZQUEZ: While you're doing that, I  
20 thought the whole purpose of this task force was to  
21 really get into the short term now.

22 And I think as we meet, especially if we're  
23 calling all these stakeholders together, if something  
24 comes up, obviously during this next week or two that  
25 we think is an emergency, then it would probably be  
26 appropriate to try to call for an emergency meeting.

27 But I'm a little taken back that we would  
28 want to put that on top of our task force. And I

1 think that it's just going to be overlapping.

2 MS. COHEN: Well, what I'm proposing is to  
3 take action that gives us the flexibility. If we are  
4 struggling, or unable, or deem it unnecessary, then  
5 we don't have to follow through.

6 MR. VAZQUEZ: Oh, open-ended.

7 MS. COHEN: We have to plan to give  
8 ourselves that flexibility. If not, something could  
9 come up, and we have no flexibility. We are  
10 restricted to meeting at the next possible meeting  
11 time.

12 So I also just want to ask our Chief Counsel  
13 to weigh in on whether the pandemic allows us to  
14 waive any of our requirements.

15 I believe that we've experienced difficulty  
16 in scheduling an emergency meeting in the past. And,  
17 to be fair, this is a pandemic and an emergency, and  
18 all hands on deck. And this matter deserves our  
19 immediate attention.

20 So I would not be discouraged by, you know,  
21 obstacles that Henry presented as PAN deadlines, and  
22 putting together agenda. I can think of 10,000  
23 things that we can put on the agenda that would be  
24 thoughtful and narrative of our discussion.

25 And not just of the Board. Again, we are  
26 allowing an opportunity for the larger taxpayer  
27 community to weigh in and be part of this discussion.

28 So, again, my proposal is allowing us the

1 flexibility. For whatever reason it is deemed  
2 unnecessary, then we don't have to adhere to it.

3 MR. VAZQUEZ: Okay. I thought you were  
4 already setting it up. You're saying we should give  
5 ourselves that flexibility. I don't think there's  
6 any harm in it. Especially as we're moving forward  
7 with this task force.

8 MS. COHEN: Yes, exactly.

9 MR. VAZQUEZ: Not a problem.

10 MS. COHEN: So I think that Yvette had  
11 suggested a May 19th date as an interesting  
12 compromise. Let me, again --

13 MS. STOWERS: I can pull back on that. I  
14 can give -- like you just said, we have the working  
15 group meeting. If something comes up and we have to  
16 meet before the scheduled Board Meeting, sounds like  
17 the Chair is willing to call an emergency meeting.

18 MS. COHEN: Okay. Perfect. Thank you.

19 MR. VAZQUEZ: So is it clear, Ms. Cohen, on  
20 your motion that we're not giving it a date, we're  
21 leaving it open-ended depending on how things are  
22 moving forward; is that what you're saying?

23 MS. COHEN: Half of what I'm saying. What  
24 I'm saying is that in order for us to keep ourselves  
25 and give ourselves enough flexibility, perhaps we can  
26 consider a date of May 11th.

27 MR. VAZQUEZ: I wouldn't want to put a date  
28 on it.



1 MS. COHEN: Okay.

2 MR. VAZQUEZ: I would support it if you  
3 leave it open-ended.

4 MS. COHEN: All right. That's fine. I'm  
5 happy to leave it open.

6 I just want to double check with our Chief  
7 Counsel.

8 Mr. Nanjo, I guess if you could opine on  
9 this, is it better to leave it open, or is it better  
10 to put down a date on the record, and then just  
11 notice that the meeting is cancelled?

12 MR. NANJO: So you have more flexibility if  
13 you leave it open. If you put a date down now, and  
14 you're not ready, but you would be ready in a week,  
15 you're kind of -- that limits you, for lack of a  
16 better term.

17 MS. COHEN: Okay. That sounds good then.  
18 Then I'll take the date out.

19 Again, this is just a motion to allow us the  
20 flexibility to call a meeting -- call a meeting to  
21 address issues that come up in the work group, that  
22 then ultimately could allow us an opportunity to move  
23 things and move the conversation forward to speak  
24 with the governor's office.

25 MS. FLEMING: Thank you for that, Ms. Cohen.  
26 Chairman Vazquez, this is Brenda.

27 So the May Board Meeting is May 27th and  
28 28th. So we would need to protect that date, because

1 we've got statutory work that we've got to take up on  
2 relative to state assessees.

3           However, what it does give us is the  
4 May 27th meeting right now is also scheduled for two  
5 days. So I agree with the motion to try to do --  
6 what I would just refer to, for the sake of this  
7 discussion, an info meeting.

8           MS. COHEN: Okay.

9           MS. FLEMING: Somewhere in that week of, you  
10 know, May -- looking at the calendar -- looking at  
11 the May 11th week. So something in between now and  
12 then.

13           But then just putting on the record that you  
14 will have another opportunity in May if you wanted to  
15 exercise the second date, should it be necessary  
16 based, upon how this whole pandemic, and all these  
17 issues are evolving. So just for the record.

18           We still have to give a ten-day notice for  
19 the info meeting. But just note that we do need to  
20 make sure that the state-assessed staff are protected  
21 to get their work done for that May 27th meeting.  
22 May 28th would be open to you.

23           MS. COHEN: Thank you, Ms. Fleming. I  
24 appreciate you reminding us about the important  
25 agenda items on the 27th. And I'm in no way saying  
26 that we should compensate or negate that duty.

27           MS. FLEMING: Absolutely.

28           MS. COHEN: What I'm saying is an additional

1 meeting in May. And I, as former Chair of this body,  
2 know the 10-day PAN rule and will honor all of those  
3 statutes.

4 MS. FLEMING: Thank you, ma'am.

5 MS. COHEN: So let's go ahead and we'll just  
6 plan to schedule two meetings in the month of May.  
7 One possibly in the week of May 11th, and then again  
8 our formerly scheduled meeting of May 27th -- 26th or  
9 27th. I'm not quite sure.

10 MS. FLEMING: Yes, 27th and 28th. Yes,  
11 ma'am.

12 MS. COHEN: Okay, 27th and 28th.

13 MR. VAZQUEZ: So just a quick clarification,  
14 Ms. Cohen. I thought we were leaving it  
15 open-ended.

16 MS. COHEN: I'm sorry. My apologies. It is  
17 open-ended. My apologies.

18 MR. VAZQUEZ: If you're open-ended, I'm up  
19 with it.

20 MS. COHEN: I'll take out the reference to  
21 the having a meeting scheduled the week of May 11th.  
22 My apologies.

23 MR. VAZQUEZ: Perfect.

24 MS. COHEN: So, Mr. Chair, if it's possible,  
25 I believe the motion has changed.

26 MR. VAZQUEZ: Do you want to reiterate it?

27 MS. COHEN: I will reiterate it.

28 MR. VAZQUEZ: Then we'll take a vote.

1 MS. COHEN: Perfect. Thank you.  
2 So I'll just reiterate that we schedule two  
3 meetings for the month of May.  
4 MS. STOWERS: Second.  
5 MR. VAZQUEZ: We're giving ourselves that  
6 option, basically.  
7 MS. COHEN: That's correct.  
8 MR. VAZQUEZ: Got it.  
9 MS. STOWERS: I still second that motion.  
10 MS. COHEN: Thank you, Ms. Stowers.  
11 MR. VAZQUEZ: Hearing no other comments or  
12 suggestions -- do we need to take a roll call, or can  
13 we have a yay?  
14 Ms. Davis?  
15 MS. DAVIS: Chairman Vazquez.  
16 MR. VAZQUEZ: Yes.  
17 MS. DAVIS: Vice Chairman Schaefer.  
18 MR. SCHAEFER: Yay.  
19 MS. DAVIS: Member Gaines.  
20 MR. GAINES: Aye.  
21 MS. DAVIS: Member Cohen.  
22 MS. COHEN: Aye.  
23 MS. DAVIS: Ms. Stowers.  
24 MS. STOWERS: Aye.  
25 MR. VAZQUEZ: Okay. That's unanimous.  
26 Thank you.  
27 Now I believe that should conclude Item M  
28 for now, correct?

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Hearing no other comments or suggestions,  
Ms. Davis, can you please call our next item.

---o0o---

1 REPORTER'S CERTIFICATE

2  
3 State of California )  
4 ) ss  
5 County of Sacramento )  
6

7 I, Jillian Sumner, Hearing Reporter for  
8 the California State Board of Equalization, certify  
9 that on April 21, 2020 I recorded verbatim, in  
10 shorthand, to the best of my ability, the  
11 proceedings in the above-entitled hearing; that I  
12 transcribed the shorthand writing into typewriting;  
13 and that the preceding pages 1 through 173  
14 constitute a complete and accurate transcription of  
15 the shorthand writing.

16  
17 Dated: May 11th, 2020  
18  
19

20 *Jillian Sumner*

21 -----  
22 JILLIAN SUMNER, CSR #13619

23 Hearing Reporter  
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