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

REPORTER'S TRANSCRIPT
SEPTEMBER 22, 2020

REPORTED BY: Jillian M. Sumner
CSR NO. 13619

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APPEARING TELEPHONICALLY

For the Board of
Equalization:

Honorable Antonio Vazquez
Chair

Honorable Mike Schaefer
Vice Chair

Honorable Ted Gaines
First 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

Lisa Renati
Chief Deputy Director
Board of Equalization

David Yeung
Deputy Director
Property Tax Department

Lisa Thompson
Chief
Taxpayers' Rights Advocate

Sonya Yim
Legal Department

Mark Durham
Chief
Legislative, Research &
Statistics Division

Toya Davis
Clerk
Board Proceedings Division

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STATE BOARD OF EQUALIZATION
TELECONFERENCE
SEPTEMBER 22, 2020

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MR. VAZQUEZ: Good morning. We're ready to call the Board Meeting to order.

Ms. Davis, if you could please call the roll.

MS. DAVIS: Chairman Vazquez.

MR. VAZQUEZ: Present.

MS. DAVIS: Vice Chair Schaefer.

MR. SCHAEFER: Present.

MS. DAVIS: Member Gaines.

MR. GAINES: Present.

MS. DAVIS: Deputy Controller Stowers.

MS. STOWERS: Present.

MS. DAVIS: We have a quorum present.

MR. VAZQUEZ: The Board Meeting is now called to order.

We will start with the pledge of allegiance. If I could just get you to all please stand, and we'll begin with the pledge of allegiance.

(Whereupon the pledge of allegiance was recited.)

MR. VAZQUEZ: Members, just another friendly reminder. I know I say this every meeting, but, you know, given these new times with all this teleconferencing we're doing, you know, just once

1 again, really appreciate your patience.

2 Because, you know, we're basically all on
3 one telephonic line, which means that it's sometimes
4 not very clear for the transcriber to take -- you
5 know, copy his notes. So please bear with us.

6 And let's try to, you know -- if you need to
7 speak, just in this sense, now we're all on Zoom
8 here, we could raise our hand, or just let me know
9 through -- if -- you know, who's speaking, so we can
10 identify you and make sure that it's being well
11 recorded.

12 Now I'd like to open this meeting officially
13 in memory of the U.S. Supreme Court Justice Ruth
14 Bader Ginsburg, who passed this last Friday at
15 the age of 87.

16 Justice Ginsburg was appointed to the
17 Supreme Court in 1993. The second woman ever
18 appointed to the court. And she served more than
19 27 years.

20 She was known for the fierce descending
21 opinions in key cases, and for consistently
22 delivering progressive votes on some of the most
23 divisive social issues.

24 But she also was known as a judge's
25 judge, for clear and straightforward opinions
26 that provided guidance to the lower courts.

27 As a young woman, she had faced
28 discrimination when she was denied the opportunity of

1 a clerkship after graduating from Columbia Law
2 School in 1959 when few women attended law school.

3 But now, as a colleague, Chief Justice John
4 Roberts has lauded her as she will be remembered as
5 the jurist of historic -- historic stature, a
6 tireless and resolute champion of justice.

7 So with that, we will officially open our
8 meeting.

9 If I can get Ms. Davis to please announce
10 our first order of business.

11 MS. DAVIS: Our first order of business is
12 an announcement from acting Chief of Board
13 Proceedings, Henry Nanjo, regarding public
14 teleconference participation.

15 Mr. Nanjo, are you ready?

16 MR. NANJO: Yes, I am. Thank you.

17 MR. GAINES: Chair Vazquez.

18 MR. VAZQUEZ: I'm sorry, I think I have --

19 MR. NANJO: Good morning.

20 MR. VAZQUEZ: -- wanting to talk to you
21 guys.

22 MR. GAINES: Chair Vazquez.

23 MR. VAZQUEZ: Yes. Go ahead, Mr. Gaines.

24 MR. GAINES: Yeah. This is Member Gaines.

25 Would you mind if I made a couple of
26 comments?

27 MR. VAZQUEZ: No, no, no. Go ahead.

28 MR. GAINES: I'm sorry.

1 Yeah, thank you so much.

2 First of all, I'd just like to start with
3 condolences, thoughts and prayers to you,
4 Chair Vazquez, and all your family as you mourn the
5 loss of your brother who passed last week.

6 And so, Chair Vazquez, I just wanted to let
7 you know that we're very sad about this news about
8 your loss. I know you're close to your brother. We
9 had a little chance to talk before our meeting, so
10 thoughts and prayers with you.

11 MR. VAZQUEZ: Thank you.

12 MR. GAINES: Absolutely.

13 And then also if I could, just to piggyback
14 on your comments, Chairman Vazquez, in terms of
15 Supreme Court Justice, Ruth Bader Ginsburg, who
16 served our country for 30 years with great
17 distinction.

18 And I thought what was nice about her, there
19 was a -- she had a relationship, a good relationship,
20 a friendship with Justice Antonin Scalia. And I just
21 thought that that was interesting, because, really,
22 they were on opposite sides of the spectrum in terms
23 of their philosophies. And, yet, they were able to
24 enjoy friendship.

25 But I think, you know -- I think I read they
26 travel together, and some other things. And it just
27 speaks to to Justice Ginsburg and to Justice Scalia.

28 And I think that's something we need more of

1 in American society. That we can just disagree on
2 issues, but we can also be respectful of one
3 another's views.

4 Ginsburg was only the second woman to serve
5 on the court, which is really hard to believe now
6 that we consider that half of all law school students
7 are women. I think the fact that that is itself
8 directly attributable to the trailblazing done by
9 Justice Ginsburg.

10 She was also a longtime advocate for
11 women's rights before being seated on the court. And
12 her life and work served to inspire many women and
13 men to fight for justice.

14 In addition, I'd like to take this
15 opportunity to recognize firefighter Charlie Morton,
16 who lost his life battling the El Dorado Fire in
17 San Bernardino in my district.

18 This has been a staggering fire season,
19 and the men and women in Cal Fire, the Forest
20 Service, and the local fire departments and other
21 organizations battling these blazes risk their lives
22 daily to keep others safe, and to protect our
23 property.

24 This hero lost his life in our service,
25 and I'm deeply saddened by his death.

26 And then, finally, on a note of happiness
27 and hope, we had just heard word that our fellow
28 Member Malia Cohen had her baby.

1 And so congratulations to Malia and her
2 husband, and bringing joy to the world with their
3 beautiful baby.

4 So thank you so much for those opening
5 comments.

6 MR. VAZQUEZ: Thank you.

7 Yes, I'm glad you did mention the reason why
8 we're missing one of our Board Members.

9 Malia Cohen, she -- you're right, she
10 just gave birth to her first baby, Madison Victoria
11 Pulley.

12 Welcome to the world. I know she's gonna
13 be a fierce activist when she gets older. And wish
14 you nothing but the best.

15 And I don't blame her for taking some time.
16 I would do the same. But we will miss it today at
17 our meeting.

18 With that, let me get go back to Mrs. Davis.

19 If you would please announce our first order
20 of business.

21 MS. DAVIS: Our first order of business is
22 an announcement that will be read by Mr. Henry Nanjo,
23 acting Chief of Board Proceedings.

24 Mr. Nanjo, are you ready?

25 MR. NANJO: Yes, I am. Thank you very much.

26 Good morning, and thank you for joining
27 today's Board of Equalization meeting via
28 teleconference.

1 Throughout the duration of today's meeting
2 you will primarily be in a listen-only mode.

3 As you may know from our public agenda
4 notice and our Web site, we have requested that
5 individuals who wish to make a public comment fill
6 out the public comment submission form found on our
7 "Additional Information" Web page in advance of
8 today's meeting.

9 Or, alternatively, participate in today's
10 meeting by providing your public comment live after
11 the presentation of an item has concluded.

12 We will begin by identifying any public
13 comment requests that have been received by our
14 Board Proceedings staff, with the AT&T operator
15 providing directions for you to identify yourself.

16 After all known public commenters have
17 been called, the operator will also provide public
18 comment instructions to the individuals participating
19 via teleconference.

20 Accordingly, if you intend to make a
21 public comment today, we recommend dialing into the
22 meeting on the teleconference line, as the audio
23 broadcast on our Web site experiences a one- to-
24 three-minute delay.

25 When giving a public comment, please limit
26 your remarks to no more than three minutes.

27 We ask that everyone who is not intending to
28 make a public comment, please mute their lines or

1 minimize background noise.

2 If there are technical difficulties when
3 we are in the public comment portion of our meeting,
4 we will do our best to read submitted comments into
5 the record at the appropriate times.

6 Thank you for your patience and
7 understanding.

8 Ms. Davis, back to you.

9 MS. DAVIS: Mr. Chairman, are you ready?

10 MR. VAZQUEZ: I'm sorry. I think I was
11 muted.

12 Ms. Davis, please go ahead and give us our
13 first order of business.

14 MS. DAVIS: Our first item on the agenda is
15 C1, Proposed Amendments to Property Tax Rule 462.500
16 by Sonya Yim of the Legal Department.

17 Ms. Yim, are you ready to present this item?

18 MS. YIM: Yes, I am.

19 MS. DAVIS: Thank you. Go ahead.

20 MS. YIM: Sure.

21 Good morning, Chairman Vazquez and Members
22 of the Board. This is Sonia Yim from the Legal
23 Department.

24 I'm here to recommend and request that the
25 Board vote to adopt the proposed amendments to
26 Property Tax Rule 462.500.

27 The proposed amendments make the rule
28 consistent with current law, namely Revenue and

1 Taxation Code Section 68, which governs change in
2 ownership of real property acquired to replace
3 property taken by governmental action or eminent
4 domain proceedings.

5 And I'll be happy to answer any questions or
6 provide any additional details.

7 Thank you.

8 MR. VAZQUEZ: Thank you.

9 Members, are there any questions?

10 Hearing none, can I -- I'd like to entertain
11 a motion to adopt the staff's recommendation.

12 MS. DAVIS: Mr. Chairman, I apologize. We
13 do have --

14 MR. VAZQUEZ: All right.

15 Is there any public -- I'm sorry.

16 MR. SCHAEFER: Vice Chair Schaefer. I would
17 so move.

18 MR. VAZQUEZ: I'll second that.

19 But before we take a vote, do we need to
20 hear the public first, Ms. Davis?

21 MS. DAVIS: Yes. If we can please have the
22 public comment read into the record.

23 MR. VAZQUEZ: Yes.

24 MS. DAVIS: I believe we have -- I believe
25 we have Ms. Yim who would like to read the comment,
26 or is it Mr. Nanjo?

27 MR. NANJO: It's Henry Nanjo. I will be
28 reading the public comment.

1 MS. DAVIS: Thank you.

2 MR. NANJO: Okay. And this public comment
3 is from a Mr. Jonathan Green. And his comment is
4 as follows:

5 For my public announcement, taxes should
6 be reduced by 50 because of the reason everyone can't
7 make payments unless they're married.

8 I'm a single homeowner. It's not fair to
9 me, especially if I don't have kids, and paying taxes
10 for schools. Some people or families are barely
11 making mortgage payments. So how can we lower taxes
12 to at least 50 percent?

13 And that's the comment.

14 Mr Green's comment is to agenda Items C1,
15 K5(a) through (d), the assessors' workgroup and the
16 training, as well as the COVID matter. But it will
17 only be read at this point. And then we will attach
18 it to the minutes of the meeting.

19 Thank you very much.

20 MR. VAZQUEZ: Ms. Davis, is there anybody on
21 the line that wishes to speak on this item?

22 MS. DAVIS: We can check with the AT&T
23 moderator.

24 AT&T moderator, can you please let us know
25 if there's anyone on the line who'd like to make
26 public comments at this time?

27 AT&T MODERATOR: Ladies and gentlemen on the
28 phone lines, if you wish to make a comment at this

1 time, you may press 1, then 0 to place yourself into
2 the queue.

3 I do not show anyone queuing up at this
4 time.

5 Please continue.

6 MS. DAVIS: Thank you.

7 Mr. Chairman, we have -- we have no further
8 public comments at this time.

9 Go ahead, sir.

10 MR. VAZQUEZ: Thank you.

11 So we have a motion that's been second.

12 Hearing and seeing no other comments,
13 can we take a roll?

14 MS. DAVIS: Chairman Vazquez.

15 MR. VAZQUEZ: Yes.

16 MS. DAVIS: Vice Chair Schaefer.

17 MR. SCHAEFER: Yes.

18 MS. DAVIS: Member Gaines.

19 MR. GAINES: Yes.

20 MS. DAVIS: Deputy Controller Stowers.

21 MS. STOWERS: Yes.

22 MR. VAZQUEZ: Thank you. That's unanimous
23 of those present.

24 Ms. Davis, if we can go to the next order
25 of business.

26 MS. DAVIS: Next is our Administrative
27 Consent Agenda Item, J1, Approval of Board Meeting
28 Minutes from July 22nd through 23rd, 2020.

1 MR. VAZQUEZ: Members, do we have any
2 questions or comments on our minutes?

3 MR. GAINES: Motion to approve.

4 MR. VAZQUEZ: It's been moved to be approved
5 by Mr. Gaines. I will second that.

6 Seeing no hands or comments here, Ms. Davis,
7 can you please call the roll.

8 MS. DAVIS: Chairman Vazquez.

9 MR. VAZQUEZ: Yes.

10 MS. DAVIS: Vice Chair Schaefer.

11 MR. SCHAEFER: Yes.

12 MS. DAVIS: Member Gaines.

13 MR. GAINES: Aye.

14 MS. DAVIS: Deputy Controller Stowers.

15 MS. STOWERS: Aye.

16 MR. VAZQUEZ: So that's unanimous of those
17 present.

18 Ms. Davis, can you please call our next
19 item.

20 MS. DAVIS: Next is our Administrative
21 Consent Agenda Item, J2, Approval of 2021 Board
22 Work -- Board Workload Plan. Excuse me.

23 Mr. Chairman.

24 MR. VAZQUEZ: Yes. I'm sorry.

25 MS. DAVIS: No problem.

26 MR. VAZQUEZ: Do we have a -- can you hear
27 me?

28 MS. DAVIS: We can hear you now, sir.

1 MR. VAZQUEZ: Thank you.

2 Okay. I'm sorry about that.

3 Members, I'd like to entertain a motion to
4 approve or adopt the staff's recommendation on this
5 item.

6 MR. SCHAEFER: Vice Chair -- Vice Chair
7 Schaefer. I had a question.

8 MR. VAZQUEZ: Sure. Go ahead, Mr. Vice
9 Chair.

10 MR. SCHAEFER: I'd like to ask Ms. Davis,
11 why is it necessary that we approve a workload
12 program? I mean, is this just something that's
13 done routinely every -- every year, or as a
14 substitute modification?

15 I'm not really aware of just why we're --
16 why it's before us.

17 MS. DAVIS: Mr. Nanjo.

18 MR. NANJO: Yes, Vice Chair Schaefer, this
19 is Henry Nanjo, Chief Counsel.

20 It is customary, approximately at this
21 time of the year, that the Board adopts a workload
22 plan for the next calendar year, that's 2021.

23 This gives the public an opportunity to plan
24 for the dates of the meeting if they wish to
25 participate.

26 And also let's all other entities that may
27 wish to conduct business with the Board be aware of
28 the dates that the Board are conducting their

1 meetings for planning purposes.

2 As I may have mentioned to the Board
3 Members at other times, the workload plan is approved
4 by the Board. But if there's ever a conflict that
5 comes up during the year through a noticed motion at
6 a meeting, the Board Members can change any of
7 those dates.

8 But this is a way to let the public and
9 others know, so they can pre-plan for the future.

10 MR. SCHAEFER: That -- that makes sense.

11 I thank you, Mr. Nanjo.

12 I would move we approve -- it's been moved.
13 And I will go ahead and second that.

14 MR. VAZQUEZ: Hearing and seeing no other
15 comments, Ms. Davis, could you please call the roll?

16 MS. DAVIS: Chairman Vazquez.

17 MR. VAZQUEZ: Yes.

18 MS. DAVIS: Vice Chair Schaefer.

19 MR. SCHAEFER: Yes.

20 MS. DAVIS: Member Gaines.

21 MR. GAINES: Aye.

22 MS. DAVIS: Deputy Controller Stowers.

23 MS. STOWERS: Aye.

24 MR. VAZQUEZ: That's unanimous of all those
25 present.

26 Thank you.

27 Ms. Davis, please call the next item.

28 MS. DAVIS: The next item is K, Other

1 Administrative Items.

2 The Executive Director's Report has two
3 items, K1(a) and K1(b), Extension of Time for
4 Official Acts is the first.

5 Ms. Brenda Fleming, BOE Executive Director,
6 and Ms. Lisa Renati, Chief Deputy Director, will
7 present these items.

8 Ms. Fleming and Ms. Renati are both ready
9 to --

10 Are you both ready to present at this time?

11 MS. FLEMING: Good morning, Ms. Davis. Yes.
12 Good morning, Chairman Vazquez and Honorable
13 Members. This is Brenda Fleming, the Executive
14 Director.

15 Members, good stories to report for you
16 today.

17 Members, as of September, believe it or not,
18 we are now three-quarters of the way through this
19 Board's second year.

20 2020, Members, as you know, has been an
21 unprecedented year. And for my report today, I'd
22 like to take this opportunity to highlight a few
23 of your extraordinary accomplishments, and what
24 lies -- a little bit about what lies ahead on the
25 horizon for the this last quarter of the year.

26 First, let me start to give you some
27 updates on the Statewide Informational Hearing.

28 First, I'd like to highlight that beginning

1 one year ago in September of 2019 you held the first
2 in a series of four Informational Hearings designed
3 to get input on issues that are important to the
4 long-term health of California's property tax system.

5 The Board's leadership plays a crucial
6 role in studying emerging state and local government
7 issues that impact the property tax duties under our
8 jurisdiction.

9 Your leadership also plays an essential role
10 in facilitating public discussions with taxpayers,
11 taxpayer advocates, local governments, policymakers,
12 academics, subject matter experts, and other
13 interested parties that could result in policy
14 development, problem solving, and more.

15 These Informational Hearings and public
16 forums are opportunities to gather information
17 from industry experts and the public on modernizing
18 California's property tax system.

19 The plan, if you recall, was to hold four
20 Informational Hearings throughout the state, one in
21 each of your equalization districts.

22 To date, we've completed three of the four
23 hearings.

24 A little bit of a -- of a highlight of the
25 walk through, their first Informational Hearing,
26 Modernizing California's Property Tax System, Part
27 One, Opportunities, Challenges, and Emerging Issues
28 was held one year ago in September 2019 in San Diego

1 in Vice Chair Schaefer's District.

2 The September meeting began the Board's
3 focus on emerging issues that may affect the
4 administration of property taxes, and brings to light
5 the challenges facing California's property tax
6 system.

7 A panel of industry experts discussed the
8 current and future state of property tax
9 administration, you gathered information and heard
10 about workforce challenges related to the Silver
11 Tsunami of retirement, and the high cost of low
12 salaries in relation to specialized skills needed by
13 this property tax industry.

14 At this meeting you also heard from property
15 tax experts on preparing for the potential impact of
16 a split roll in California.

17 The second Informational Hearing,
18 Modernizing California's Property Tax System, Part
19 Two, was held in December 2019 in San Jose,
20 California in Board Member Cohen's District.

21 At this hearing a panel of industry experts
22 discussed the strengths, challenges and opportunities
23 of California's Assessment Appeals Board's assessment
24 of personal property and fixtures and opportunity
25 zones.

26 The third Informational Hearing, Modernizing
27 California's Property Tax System, Part Three, was
28 held last month -- I'm sorry -- a month before July

1 2020 in Board Member Gaines' District.

2 Members, you took a deeper dive into the
3 newly qualified ballot initiative split roll, which
4 is Prop. 15, increases funding for public schools,
5 community colleges and local government services by
6 changing tax assessment of commercial and industrial
7 property.

8 You heard presentation, Members, from
9 proponents and opponents of the initiative, and held
10 a discussion of the potential implementation issues
11 and impact the initiative will have on the BOE,
12 county assessors, and the assessment appeals process
13 should it pass in November.

14 The fourth and final Informational Hearing
15 in this series will be held for Chairman Vasquez's
16 District. The schedule for this information is
17 pending. And as soon as we have more information,
18 we'll update you.

19 These Informational Hearings have
20 facilitated action on some of them -- some of the
21 important challenges facing property tax
22 administration, most notably on the current
23 challenges in workforce recruitment and retention.

24 On September 24th of this year, day three of
25 this month's Board Meeting, you'll be holding a
26 Workforce Planning Workgroup Stakeholders Meeting to
27 have discussion and identify opportunities and
28 recommended action, both short term and long term, to

1 ensure that the county assessors and BOE have
2 sufficient, skilled appraisers and
3 auditor-appraisers, and training programs for
4 efficient, effective, and modernized property tax
5 administration.

6 The next item, Members, briefly, is the
7 sudden impact of COVID-19 on the Board and Property
8 Tax Administration.

9 In March, in response to the COVID-19
10 pandemic, the governor issued an executive --
11 executive order implementing a stay-at-home policy.
12 Due to the COVID-19 stay-at-home policy, travel
13 restrictions and social distancing were needed.

14 To implement alternative means of holding
15 public meetings, the governor's executive order
16 included provisions for our remote hearings.

17 My team worked tirelessly to find a
18 solution, which provides a live video stream and
19 teleconference access to our meetings, and a means
20 for the public to actively participate.

21 And I kudos to the staff for their work.

22 In addition to your regularly scheduled
23 meetings, Members, the Board has held multiple public
24 policy hearings. And I congratulate you on those
25 public policy hearings. Designed to address issues
26 on the many impacts of COVID-19 on property tax
27 administration as they arise from the pandemic and
28 the stay-at-home orders.

1 These hearings have provided an opportunity
2 for county assessors, Assessment Appeals Boards,
3 taxpayers, and other interested parties to share
4 experiences and have meaningful discussions, and work
5 towards solutions to the challenges that lie before
6 us by facilitating stakeholder testimony and
7 discussion on these important issues in the public
8 forum.

9 These hearings have provided important
10 context and information for the Legislature and
11 the governor to take some timely action to address
12 concerns as they arise in these unprecedented times.

13 To alleviate the strain identified by
14 taxpayers and property tax administrators, the
15 governor has issued multiple executive orders.

16 In response, the BOE has issued guidance to
17 help facilitate, implement the policies created by
18 these executive orders and our Board's leadership.

19 The Board has issued letters to assessors
20 to provide guidance on executive orders. For
21 example, in 6-1-20, allowing taxpayers until June
22 1st, 2020 to file their personal property statements
23 without incurring a penalty. And on Executive Order
24 N-72-20, which provides an extension of the two-year
25 deadline for County Boards of Equalization and
26 Assessment Appeals Boards to render a final decision
27 on assessment appeals.

28 Members, your leadership was a central

1 part of that -- of that -- those actions.

2 Most recently, at the August meeting, the
3 Board held the Public Policy Hearing to discuss the
4 impact of COVID-19 on Assessment Appeals Boards and
5 their ability to hold remote -- remote Assessment
6 Appeals Hearings, and how to ensure public access
7 and due process rights of applicants.

8 This important discussion will continue
9 this month, Thursday, September 23rd and 24th, on day
10 two and three of this month's Meeting.

11 Finally, Members, I'd like to mention some
12 of the important items on the horizon as we quickly
13 approach the end of 2020.

14 Over the next few months, at the October,
15 November and December Board Meetings, the Board will
16 hear and render decisions on appeals of
17 state-assessed property values.

18 The Board will continue to gather
19 information, work with the governor's office and the
20 Legislature to provide guidance on issues affecting
21 property tax arising from the pandemic.

22 The Board will work with -- will work on the
23 fourth and final Informational Hearing on modernizing
24 California's property tax system, etc. And the sky's
25 the limit on other opportunities for us to help our
26 property tax system and our taxpayers.

27 As always, I'd like to thank our staff for
28 their response to this crisis, and their commitment

1 to our continuity of government responsibilities
2 while they're still caring for our families. And in
3 this month, while also relocating our offices.

4 So kudos to the staff for all that they're
5 doing.

6 Members, at this point, if there are no
7 questions, I'll now hand it over to the Executive
8 Management Team, the Executive Management Team
9 members including Chief Counsel Nanjo, Chief Deputy
10 Director, Ms. Renati, our Property Tax Deputy
11 Director, Mr. Yeung, Mr. Durham, and Ms. Thompson,
12 our TRA, will provide updates on their operational
13 priorities so that you have a full comprehensive view
14 of what the priorities are that we're focused on
15 at this time.

16 Members, thank you, and that concludes my
17 report.

18 I'll turn it over to Ms. Renati.

19 Thank you.

20 MS. RENATI: Thank you, Chairman Vazquez and
21 Honorable Members. I am Lisa Renati, Chief Deputy
22 Director.

23 Today I will provide an update on the
24 agency's operational priorities and projects.

25 The first item is our recruitments. We
26 are making marked progress in our efforts to fill our
27 vacancies and streamline our hiring processes.
28 Currently, we have 51 percent of the agency's

1 vacancies in active recruitment.

2 We have updated our hiring practices to
3 utilize an until-filled designation, and converted
4 our promotional examinations to an education
5 experience format. Both of these changes allow more
6 flexibility to attract and hire qualified candidates.

7 We are pleased to announce that Mr. Peter
8 Kim will join the team on Monday, September 28th, as
9 the Chief Communications Officer.

10 Mr. Kim brings with him almost 14 years
11 of communication experience, which is a great value
12 to this very important role in the BOE.

13 We will continue to focus on our recruitment
14 and retention plans to ensure our workforce capacity
15 is solidly in place.

16 Members, the next item is our facilities.
17 As Brenda -- as Ms. Fleming mentioned, we are looking
18 forward to moving into our new headquarters. It will
19 be the first time in decades that the Executive
20 Office, Legal Department, Board Proceedings staff,
21 the Taxpayers Rights Advocates office, the
22 Legislative Research and Statistics team, the EEO
23 office, and our property tax staff will be located in
24 one building.

25 We will all benefit from the operational
26 efficiencies realized from working out of one
27 facility.

28 Currently the project is on time with an

1 estimated final completion date of December 2020.

2 Next, I would like to discuss teleworking.
3 We anticipate the continuation of sheltering in place
4 and telework protocols through the end of the fiscal
5 year.

6 With this in mind, the agency's business
7 continuity plan has been updated to ensure we are
8 able to complete our constitutional duties. And the
9 teleworking plan also complies with the governor's
10 orders to help prevent the spread of COVID-19.

11 Lastly, as regards to the agency's strategic
12 plan, the workforce development aspects of our
13 strategic plan are being implemented.

14 Specifically, our focus is on recruitment
15 strategies, which includes resuming our participation
16 in recruitment affairs, including virtual events,
17 making better use of specific classifications to
18 enhance recruitment opportunities and career paths,
19 hiring process improvements, and mentoring activities
20 for success in planning.

21 This concludes my presentation. I am
22 available to answer any questions you may have.

23 MR. GAINES: If I could.

24 MR. VAZQUEZ: Yes, Mr. Gaines.

25 MR. GAINES: Yes.

26 Thank you. I just wanted to thank Lisa
27 Renati for that presentation. And I'm very excited
28 that you and Brenda have been working on a

1 communication's director. So it's exciting to hear
2 that Mr. Kim's been hired. And look forward to the
3 key role that he can play for the BOE in making sure
4 that our constituents are aware of what the BOE is
5 doing. So that's a very positive note.

6 Also on the recruitment, very excited to
7 hear that -- that we are promoting from within, while
8 at the same time getting applicants.

9 Quite frankly, because of the Coronavirus,
10 we have more people in the private sector that are
11 looking for positions. So I see this as a great
12 opportunity for the BOE to fill those vacancies.

13 And I appreciate the progress that we're
14 seeing on that -- on that front, because it's kind of
15 a stair step. We -- we recruit from within, we bring
16 people up into positions of more authority, and then
17 that creates a vacancy behind it. But we have so
18 many active recruitments going on, I think we're
19 definitely moving in the right direction.

20 So just wanted to thank you, Lisa. And if
21 there's anything you want to add to that, please
22 let -- let me know. But it sounds great.

23 MS. RENATI: Thank you, Senator Gaines. We
24 are working very hard, and it's a team effort. And I
25 appreciate your comments.

26 MR. SCHAEFER: This is Vice Chair Schaefer.
27 I have a comment.

28 MR. VAZQUEZ: Yes. Go ahead.

1 MR. SCHAEFER: I notice Peter Kim who just
2 joined us, is he any relation to our Secretary of
3 Transportation, David Kim? And he's not the Peter
4 Kim who's a professor at Stanford University, I don't
5 think? He's not the Peter Kim who is a recognized
6 comedian based in LA?

7 I guess it's a whole new Peter Kim we have
8 yet to meet, right?

9 MS. RENATI: I would presume so, Mr.
10 Schaefer.

11 MR. SCHAEFER: Thank you.

12 MS. RENATI: Yes. I have no information
13 that -- that, to my knowledge, that he was any of
14 those Peter Kims. He is Mr. Peter Kim, our
15 Communications Expert that we've hired.

16 MR. SCHAEFER: All right. Thank you.

17 MS. RENATI: Thank you.

18 MR. VAZQUEZ: Ms. Davis, please call our
19 next item.

20 The next item is K2(a), Chief Counsel's
21 Report, presented by Mr. Henry Nanjo, Chief Counsel.

22 Mr. Nanjo, are you ready to present the K2?

23 MR. NANJO: Thank you.

24 Thank you, Chairman Vazquez, Vice Chair
25 Schaefer, Honorable Members.

26 Henry Nanjo, Chief Counsel.

27 Wanted to go over my quarterly update on the
28 status of the Legal Department. The Legal

1 Department's compensation -- excuse me -- composition
2 has not changed since our last presentation; however,
3 we do have -- currently have two tax counsel
4 positions that are in active recruitment. And we
5 hope to have them filled by the end of the year.

6 On a workload note, as a result of novel
7 Coronavirus, the Legal Department remains in a
8 telework status as we continue through the year to
9 work our way through the Coronavirus.

10 We do have employees come in as needed, but
11 try to limit their time in the office. And
12 consequently have a lot of our Legal staff working
13 from home.

14 From a workload highlight, we have started
15 our state-assessed appeals season, in which the Legal
16 Department attorneys play two roles during the
17 state-assessed appeals season.

18 One, is, as the state-assessed appeals
19 attorney, and repre -- that appeal's attorney is a
20 neutral position and tries to bring the parties
21 together to resolve the issues.

22 And then we have other attorneys who are
23 assigned as SAPD representation for the Department
24 for State-Assessed Appeals.

25 At the beginning of the petition/appeals
26 season, two attorneys in the Legal Department are
27 designated to handle responsibilities formerly
28 handled by the Appeals Division.

1 These responsibilities include verifying
2 that petitions are correctly filed, advising Board
3 Proceedings Division on filing and scheduling,
4 researching appeals issues, preparing for and holding
5 appeals conferences, and drafting summary decisions
6 and hearing summaries, and the publication of any
7 Section 40 decisions, the SAPD representation for
8 state appeals.

9 The remaining attorneys in the Legal
10 Department represent the State-Assessed Properties
11 Division, SAPD, in the state-assessed appeals. These
12 responsibilities include consulting with SAPD staff,
13 researching issues, drafting analysis, filing
14 documents with the Board Proceedings Division, and
15 preparing for and attending appeals conferences.

16 As I may have mentioned to the Board
17 Members, SAPD season presents a challenge to the
18 Legal Department, because virtually all my attorneys
19 are tied up in one role or another with SAPD appeals.
20 So, consequently, our workload metrics show a slight
21 decline in our ability to handle opinions and
22 technical advice.

23 However, during the period of July through
24 September 2020, we have completed 98 PRA requests.
25 We have 6 pending for administration inquiries. We
26 had completed 8 assignments. We have 5 pending for
27 publication review. We've completed 17 of those; we
28 have 5 pending.

1 And on regulations, we have four of those
2 completed, and we have two pending.

3 As far as providing technical advice,
4 this is through Legal opinions, we have answered
5 or completed 12 that came to us via e-mail; 7 pending
6 letters and memos. We have completed 2, and we have
7 8 pending.

8 And for phone calls, we had 8 completed and
9 4 pending. And then we've had one special project
10 pending, for a total of 161 assignments completed,
11 and 27 pending.

12 From the Legal Depart -- for purposes of the
13 Legal Department scope, from my last presentation,
14 I'd like to remind you the wide variety of subject
15 matters that the Legal Department is responsible for.

16 Those include Public Records Act requests.
17 This involves working with the appropriate
18 departments to gather any responsive records,
19 reviewing thousands of pages of documents, and
20 redacting confidential information where required.

21 Administration assignments are related
22 to disclosure and other administrative-type issues.
23 Representative examples include reviewing and
24 responding to Board Member inquiries, including
25 possibly Bagley-Keene issues, and other Board Member
26 issues or questions related to the BOE.

27 In addition, we coordinate through the
28 Board Proceedings Division to ensure Board Meeting

1 protocol, relevant laws, including recent executive
2 orders, are followed for teleconference meetings.

3 In the area of publication review, we
4 provide legal review of property tax and other
5 publications, including surveys, legal legislative
6 analysis, assessor's handbook provisions, letters to
7 assessors, and annotations.

8 Representative examples of these projects
9 include review of county surveys for legal issues,
10 and working with the County-Assessed Properties
11 Division to address both staff and assessor concerns.

12 Another example would be legal review of
13 multiple legislative analyses for recently enrolled
14 legislation, and review of letters to assessors,
15 including announcements concerning the governor's
16 executive orders.

17 In the area of regulations, any activity
18 related to the consideration or review of regulations
19 and such activities include research interested
20 parties meetings, review comments, drafting, editing
21 and receiving Department of Finance and Office of
22 Administrative Law approvals.

23 Some representative examples of ones that we
24 have done include further regulatory activities for
25 emergency rule 202, 462.500, which the Board heard
26 the public hearing on today, and rule 370.

27 In regards to technical advice or legal
28 opinions, we provide property tax advice

1 to staff, assessors, taxpayers and taxpayer
2 representatives.

3 Of the 43 completed assignments giving
4 technical advice, 16 were advice to staff and
5 assessors. Technical advice responses were in the
6 form of phone calls, e-mails, letters, memos.

7 And representative examples of substantive
8 technical advice include assessment appeals. The
9 Legal Department advised a county on assessment
10 appeals filing due dates for taxpayers that disagree
11 with the assessor's value upon restoration of
12 property after calamity, and numerous inquiries
13 regarding legal entities and exemptions.

14 The Legal Department advised the Property
15 Tax Department on the ability of an executor to file
16 a disabled veteran's exemption for disabled or for a
17 deceased disabled veteran.

18 For example, just a footnote, I also oversee
19 the Board Proceedings Division as acting Chief. I'm
20 pleased to report that we have completed a successful
21 recruitment, and we will have an additional gentleman
22 joining us as a Staff Services Analyst in Board
23 Proceedings Division who will start on October 5th.

24 I'd like to extend my thanks to the team
25 for the hard work and extra efforts in making
26 teleconference meetings, additional meet -- and
27 additional meetings to support Board efforts on COVID
28 policy discussions throughout this COVID season.

1 I'm open for any questions for Legal or
2 Board Proceedings.

3 Thank you very much, Members.

4 MR. GAINES: Chair Vazquez.

5 MR. VAZQUEZ: Thank you.

6 Yes, Member -- I see Mr. Gaines.

7 Go ahead.

8 MR. GAINES: Great. Thank you.

9 I want to -- am I in order? Did you have
10 comments first?

11 MR. VAZQUEZ: No, no. Go ahead.

12 MR. GAINES: Okay. All right. Thank you.

13 I -- one of the -- just, number one, great
14 great news on Board Proceedings in terms of the
15 hiring. So that is awesome.

16 And I know that you've been wearing a lot of
17 hats, Henry. Especially last year, and beginning of
18 this year.

19 I recall that you had indicated some new
20 hiring in your Legal Department. Can you give me
21 an update in terms of -- or give us an update in
22 terms of where you are on that? Are we getting close
23 to the right number of Legal staff to be fully
24 operational?

25 MR. NANJO: Every person -- thank you.
26 Thank you, Member Gaines.

27 Every -- every person helps. And we have
28 two tax counsel positions that we're actively

1 recruiting for that may sound familiar. We've
2 been recruiting for those positions for a while.

3 We have had a couple of sets of interviews
4 for -- to try to fill those positions. The challenge
5 is we weren't getting candidates who really had any
6 kind of background. And we really need some
7 horsepower, so to speak, in that area.

8 So we are very hopeful. We kind of cast a
9 wider net, and we changed our recruitment strategy so
10 that we don't have a closing date. Our tax counsel
11 positions are posted until filled.

12 And we're -- I'm exploring other
13 opportunities to actually visit law schools and
14 other methodologies to try to encourage a wider
15 applicant pool. So we're very hopeful by
16 the end of the year that we will -- those efforts
17 will bear fruit.

18 MR. GAINES: Good.

19 And how about workload for everybody? Are
20 you as --

21 MR. NANJO: It's challenging -- go ahead.
22 I'm sorry.

23 MR. GAINES: I just know that you were
24 overtaxed last year and beginning of this year. And
25 I'm wondering, is it getting -- my impression is it's
26 getting better. But I just want -- I want to confirm
27 that.

28 MR. NANJO: I -- in -- in all candor, it is

1 incrementally getting better. But there is still
2 much more work than -- that Legal has. We've been
3 working with Ms. Renati and Ms. Fleming to continue
4 to try to get resources to augment the Legal staff.

5 So those efforts look like they're --
6 they're heading in the right direction.

7 MR. GAINES: Wonderful. Great. Thank you.
8 Thank you very much.

9 MR. SCHAEFER: Vice Chair Schaefer. I have
10 some comments.

11 MR. VAZQUEZ: Yes. Go ahead, Vice Chair
12 Schaefer.

13 MR. SCHAEFER: Mr. Nanjo, you -- when you
14 first started your presentation, you misspoke
15 "compensation" when you meant "composition," which
16 raises my question about compensation.

17 Are we competitive with other public
18 institutions seeking to hire the same kind of people?
19 How are we in the competitive? Are we paying enough,
20 or are we paying all we can afford?

21 MR. NANJO: Thank you, Vice Chair Schaefer.

22 We are paying the same that other state
23 entities are paying attorneys; however, there has
24 been some concerns raised by the attorneys that the
25 compensation is kind of falling behind the locals.

26 It's my understanding that CalHR is looking
27 into those issues, and that is an ongoing discussion.

28 But, you know, one of the benefits, as you

1 know, of government employee -- employment, is not
2 only being able to serve the public good for -- for
3 that matter, but also the retirement, and some of the
4 additional benefits, which don't -- which are part of
5 the compensation package, but don't appear as salary.

6 So that's -- that's there. There is some --
7 some competitiveness there.

8 MR. SCHAEFER: All right. Am I -- thank you
9 for your input.

10 And my second question with the -- on the
11 horizon, we see Prop. 15. If that passed, that would
12 require hiring a lot of people, a lot of additional
13 people. But I think they would be primarily
14 assessors. I can't see that Prop. 15 would require
15 additional staff from the Legal point of view. I
16 think our existing Legal staff can do an expanded
17 job, because it's essentially just the same issues
18 that -- our worries over Prop. 15 personnel-wise have
19 to be focused really on assessors.

20 Am I right there?

21 MR. NANJO: Vice Chair Schaefer, actually,
22 it would require a lot of additional work on the part
23 of Legal staff from the standpoint of there would
24 need to be a lot of additional regulations that are
25 are produced and -- and presented to the Board, and
26 implemented.

27 As you may know, anytime you have new laws,
28 the laws are not typically specific enough for them

1 to be implemented. That's left to regulate
2 regulations. And as a BOE has responsibilities over
3 the property tax, that would fall to us. So we
4 anticipate a lot more resources
5 being needed to draft regulations.

6 In addition, split roll could possibly -- or
7 Proposition 15, if it passes, could also result in a
8 lot more inquiries about how the laws to apply
9 be applied, what effect it's going to have on
10 existing property owners.

11 There's a myriad of questions that will
12 likely come to the Legal Department for additional
13 legal opinions. So our anticipation is there would
14 be quite a significant tax on Legal resources if that
15 proposition does pass.

16 MR. SCHAEFER: I think I've heard some prior
17 information on that, and you've done a very good job
18 in informing us.

19 Finally, I'm enheartened that you're going
20 to be reaching out to law schools as possibly a
21 source of some talent. I'm a alumnus of Georgetown
22 in Washington.

23 I would hope that you might make an
24 appearance in Washington, because I think there's a
25 lot of people who are very tax proficient that are
26 employed in the Washington, D.C. bureaucracy, mostly
27 federal people that would love a chance to come work
28 in California and get away from the bad weather, and

1 all the other problems of being in the cesspool of
2 government.

3 And I would think it'd be very worthwhile,
4 if you do any recruitment out of state, that you make
5 an appearance in Washington, D.C. to see what legal
6 talent there we might invite to come help us out.

7 Thank you.

8 MR. NANJO: Thank you, Vice Chair Schaefer.

9 We don't have the resources to travel there.
10 But within this virtual world, I will definitely
11 reach out to them as well.

12 Thank you very much.

13 MR. VAZQUEZ: Thank you, Mr. Nanjo.

14 I also wanted to just echo the thoughts, and
15 and really welcome -- I know you've gone above and
16 beyond during this, especially during this pandemic.
17 And with just all the activity we've put out with the
18 informational hearings, which I know has created a
19 lot more work for the Legal Department.

20 And -- and I think one of the things that
21 might be key, I'm thinking, moving forward,
22 especially after the election, I think you mentioned
23 Prop. 15, I think even Prop. 19 could create some
24 more legal opinions that we might be asking of you
25 after that.

26 So we should definitely revisit this, and
27 see what we could do as a Board to advocate for
28 obviously more resources for the Legal Department

1 moving forward.

2 But thank you for all your hard work,
3 though.

4 MR. NANJO: Thank you very much, Chairman
5 Vazquez.

6 MS. STOWERS: Chairman Vazquez, Yvette
7 Stowers here.

8 MR. VAZQUEZ: Oh, I'm sorry. Ms. Stowers,
9 go ahead.

10 MS. STOWERS: Yes. I have a couple of
11 questions or comments to Chief Counsel.

12 Chief Counsel, you talked about -- we're now
13 in the state-assessed season, and your attorneys
14 are extremely busy. Have they started the hearings?

15 And if so, any feedback on how the remote
16 hearings are going?

17 MR. NANJO: Thank you, Deputy Controller
18 Stowers.

19 We actually have not started the hearings
20 yet. I believe the first hearings are scheduled for
21 next week or the week after. So we -- we will see
22 how it goes.

23 We're trying -- we're trying to anticipate
24 all possible issues. And I have a good team working
25 on that. So I will be able to report on that at the
26 next meeting.

27 MS. STOWERS: Okay. I look forward to that
28 report.

1 And just kind of piggybacking on everyone
2 else's comments regarding recruitment, I'm very
3 pleased that you're going back out to the
4 universities. And I just wanted to remind you about
5 Taxpayer Assistance Programs.

6 I realized that BOE does not have a TAP
7 program, but your sister agencies, CDTFA and FTB
8 does. So that might be a resource pool. They are --
9 obviously are not being trained in property tax. But
10 they are getting some really good training there.
11 And in the past, we have hired from that as a
12 resource pool.

13 MR. NANJO: Thank you very much, Deputy
14 Controller Stowers.

15 I am in pretty good contact with my
16 counterparts, both Mr. Bob Tucker and Jozel Brunett
17 over at FTB. So if they have any applicants to
18 spare, I'm more than happy to take them off their
19 hands.

20 MR. VAZQUEZ: Thank you.

21 Thank you all, Members.

22 Ms. Davis, can you please call the next
23 item.

24 MS. DAVIS: The next item is K3, Property
25 Tax Deputy Director's Report, presented by Mr. David
26 Yeung, Deputy Director of Property Tax.

27 Mr. Yeung will present K3(a), Operational
28 Updates.

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Mr. Yeung.

MR. YEUNG: Yes. Good morning.

Good morning, all. Good morning, Chairman Vazquez and Honorable Members of the Board.

My name is David Yeung. I am the Deputy Director of the Property Tax Department. And for you this morning, I have an operational update of the Department.

First of all, I would like to note that the Property Tax Department, as Ms. Renati already reported, is still in remote working situations. We are still teleworking.

Approximately 90 of the work is done remotely, with a rotational schedule for staff to come on in and to do some of the required stuff that can't be done, such as picking up mail, returning faxes, and -- and other stuff that requires a physical presence.

We are very mindful of the protocols and the distancing practices that would keep our staff safe.

One thing that has changed a little bit as of late is that staff is starting to re-engage in field work. With the start of the COVID-19 restrictions, the Property Tax Department suspended most of the field work.

The first -- the first unit to actually restart is our State-Assessed Properties Division. They perform field inspections on certain properties

1 throughout the year.

2 This work is particularly suited for -- for
3 initial -- to restart the field work it is mostly
4 solitary in that the staff goes out and inspects the
5 field, inspects the property, without the need to go
6 to either an assessor's office or to state assessees.

7 So that has already begun. Staff has --
8 staff is performing field work on that.

9 The -- the other unit that we are starting
10 to do some field work is actually in this
11 County-Assessed Properties Division. Our survey
12 program does require, in the past, field work.

13 We have -- since the COVID-19 restrictions,
14 we have shifted a lot of the initial gathering of
15 confirmation to digi -- to basically remote means.

16 We -- some assessors have been able to allow
17 us access into their computer systems. We've
18 gathered some information that way.

19 Where that is not possible, we have had
20 assessors send us information digitally.

21 And where neither one of those options
22 are -- are feasible, we are now working on how to get
23 our staff into some of the assessors' offices in a
24 safe and efficient manner.

25 So we are making some progress on that, and
26 we should be able to start on unlimited field work on
27 that.

28 Also, the next update I have for you is

1 on our State-Assessed Properties Divisions work. As
2 Mr. Nanjo pointed out, the majority of their work
3 right now is the -- has to do with our assessment
4 appeals.

5 The State-Assessed Properties Division
6 received valid applications from 24 state assessees.
7 Staff has been working with the actual state
8 assessees and with our Legal Department in writing
9 up the recommendations.

10 So progress is -- is going very, very well.
11 We actually anticipate probably the first of those
12 assessment appeals coming to the Board for action and
13 decision next month in October, continuing through
14 November -- November and December, concluding in
15 December. So that is our State-Assessed Properties
16 Division.

17 In our County-Assessed Properties Division,
18 one of the projects we've been working on is a
19 long-term guidance for community land trust.

20 As you may recall, that guidance has to do
21 with the assessment of affordable housing built on
22 land trust property. Staff started actually drafting
23 guidance on that almost two years ago. And it
24 follows basically the passage of two new laws that --
25 those are AB-2818 and SB-196.

26 With the draft on those, there was an issue
27 that needed to be resolved legislatively. A
28 legislative solution was proposed in Senate Bill

1 1473. That Senate Bill has been passed by the
2 Legislature, and it is now awaiting governor's
3 signature.

4 So when that bill is finalized, we will
5 include that in -- include that language in our --
6 in our guidance, and complete the interested parties
7 process, and hopefully bring it before the Board
8 for action and adoption.

9 After that, our -- my next report is on the
10 split roll initiative. Staff continues to track that
11 initiative. As you well know, that is up on the
12 ballot on November 3rd.

13 The Board -- the Board's Property Tax
14 Department has put together an implementation plan as
15 to -- if the initiative passes, as to how staff is
16 going to handle the work that will -- that will be
17 attached to it.

18 Mr. -- we have been working with Mr. Durham
19 of the Research and Statistics Department. Our
20 implementation plan basically goes hand in hand
21 with a budget change proposal, and Mr. Durham will be
22 able to give a little bit more detail on that
23 in the report after mine.

24 And my last update on the Property Tax
25 Department is on assessors' handbooks.

26 Every year the Property Tax Department
27 updates three assessors' handbooks. They are
28 sections 531, 534 and 581. They are cost guides

1 respectively for residential property or rural
2 properties, and for business equipment.

3 So staff is putting that together right now.
4 It will go through internal review first, and then it
5 will be brought before the Board for adoption by the
6 end of this year. This is an annual update of the
7 three cost guides.

8 Staff is also working on three other
9 handbooks. Two are revisions, and they are actually
10 fairly extensive revisions. And one is the
11 development of a new handbook.

12 The two revisions are Assessors' Handbook
13 215 and Assessors' Handbook 570.

14 The 215 is guidance on standards for mapping
15 that has been -- that is going through a fairly
16 comprehensive review and redrafting right now.

17 And we will -- we should be able to start
18 interested parties process on that once the -- once
19 the draft and review is completed.

20 The Handbook 570 provides guidance on
21 the assessment of commercial aircraft. This is part
22 two of a very long-term project that the Board
23 has -- the Property Tax Department has been involved
24 with.

25 The first part of that had to do with
26 the -- with the representative period and the
27 assessment of the aircraft as passed by SB-791.

28 The second part of it is -- second part of

1 that project is actually the revision of this
2 handbook.

3 So staff has already start -- started the
4 draft on that. We are working on one last chapter.
5 And that chapter is probably the most substantive
6 chapter. And that has to do, and that deals with
7 the valuation of such aircraft.

8 Once the redraft is done, we will also go
9 through the internal review. And once the internal
10 review is complete, it will -- we will start the
11 interested parties process by announcement of an LTA,
12 which will invite interested parties, industry
13 assessors, and other taxpayers to review and
14 comment on the draft.

15 And we will start with the -- with -- will
16 review their comments and -- and incorporate relevant
17 changes.

18 And then the very last handbook we are
19 working on is Assessors' Handbook 260. And that
20 is the general exemptions handbook.

21 If you recall, last year the Board -- we
22 brought before the Board the first part of that
23 handbook. That handbook deals with all the
24 exemptions, other than the welfare. It is such a
25 wide-ranging topic that our -- that we actually broke
26 up the project into four sections.

27 So right now we are working on the second
28 section on that. So that will, once again, go

1 through the drafting process and the interested
2 parties when -- when the draft is done.

3 This concludes my update on the Property Tax
4 Department. I am available to answer any questions
5 you may have.

6 If not, I turn it back to Ms. Davis.

7 Thank you.

8 MR. VAZQUEZ: Thank you.

9 Members, do we have any questions?

10 MR. SCHAEFER: Question.

11 MS. STOWERS: Yes, Chair. I do.

12 MR. VAZQUEZ: Schaefer.

13 Yes. There's a couple. All right.

14 Let's start with Vice Chair Schaefer.

15 MR. SCHAEFER: Thank you.

16 David, I'd like to ask you, in your comment
17 about a book coming out on commercial aircraft, what
18 do we do with non-commercial aircraft where we have
19 friends who have private planes?

20 MR. YEUNG: Yes. Both are -- both are
21 subject to property tax assessment. This project
22 deals specifically with commercial aircraft, those
23 owned by basically airlines -- by airlines.

24 The other type of aircraft, as you
25 mentioned, is covered under a different section of
26 the handbook, and that -- those are general
27 aircrafts. And that -- that is also in queue for a
28 review once we are done with these other -- with the

1 general aircraft, with the commercial aircraft.

2 MR. SCHAEFER: Thank you.

3 And -- and, Ms. Stowers, sorry. I'm waiting
4 to hear from you now.

5 MR. VAZQUEZ: Thank you.

6 Ms. Stowers, go ahead.

7 MS. STOWERS: Thank you both.

8 My question is dealing with Prop. -- Prop.
9 15. I'm not sure if -- if I need to wait for the
10 next report, but since Legal's already kind of given
11 us a flavor of what type of increased workload
12 they're looking at, they anticipate regulations and
13 an increase in legal opinions.

14 I'm just curious on what type of increased
15 workload are you guys looking at for the
16 county-assessed division?

17 MR. YEUNG: Of course. I'd be more than
18 happy to answer that, and at the apparel of stealing
19 some of Mr. Durham's thunder, the anticipated
20 workload on the CAPD, the County-Assessed Properties
21 Division will be extensive.

22 We are talking about arguably the biggest
23 change in -- in the property tax system since
24 basically Prop. 13 was enacted 40, 42 years ago.

25 I anticipate basically -- wow -- quite an
26 expansion of not only our current duties and
27 revisions of handbooks, that that will -- that will
28 need to conform to Prop. 15 should it pass, but also

1 some -- basically some new and added type of duties.

2 And I suspect there will actually be
3 probably quite some workload attached with the
4 assessment appeal side too.

5 One of the issues with Prop. 15 is that
6 it -- it does propose changes to the -- to the --
7 how innate -- how an assessment appeal is handled,
8 too. So I believe that the workload on CAPD will be
9 profound.

10 And in very rough number -- and in very
11 rough numbers, if you're looking to quantify it, I
12 would -- right now we're looking at just about
13 doubling CAPD staff in order to handle it through
14 the long term.

15 MS. STOWERS: Well, and you're talking
16 doubling in the audit-appraiser series, or what type
17 of classifications?

18 MR. YEUNG: The classifications will -- will
19 most definitely be the auditor -- I mean, the -- the
20 appraiser series from our entry level all the way up
21 to our principles, and all the way up to our
22 principle. It will have an impact on -- on the
23 assistants, the associates, the seniors, our
24 supervisors.

25 There will be much work involved in that,
26 not to mention our survey program. With the -- with
27 the change and anticipated reassessment of
28 commercial/industrial property, we will have to take

1 a look at how our survey program is handled in our
2 sampling.

3 I anticipate a whole lot of questions on
4 what basically fits in the commercial/industrial
5 classification and what does not. And -- and a whole
6 lot of technical inquiries from not only taxpayers,
7 but from assessors, too.

8 MS. STOWERS: And what type of new duties
9 are you anticipating?

10 MR. YEUNG: There is mention of certain
11 audit functions, the self-certification of -- of one,
12 whether you fit under a small business, or if you own
13 a property that is worth \$3 million or more.

14 Those that own property less than \$3 million
15 or more, or have 50 or fewer employees, basically are
16 given preferential treatment under -- under the
17 Prop. 15.

18 So I suspect there will be quite some
19 workload in -- in administering that, whether it's
20 through our survey program, or it's in conjunction
21 with the assessors.

22 The way it is set up right now under
23 Prop. 15 is they are basically silent. And as to
24 who will do which part, whether it will be a
25 parallel -- a parallel-type responsibility, or
26 whether the state or assessors will carry the full
27 weight of it.

28 If -- if it is parallel, I suspect that

1 we will actually have to probably take a look at it
2 in our survey program.

3 MS. STOWERS: So -- okay. Thank you. I
4 appreciate it.

5 And then my final question is, you said you
6 may be doubling your department. What's your current
7 staffing --

8 MR. YEUNG: We -- Mr. -- Mr. Durham should
9 be able to provide some actual numbers. But we have
10 performed an implementation plan, and we've gone
11 through with our staff from our supervisor and
12 principal and chiefs on up as to what it would
13 actually take in both staff -- staffing and
14 hour-wise, and classification-wise, in order to
15 handle some of this -- these new duties and expanded
16 duties. And in very rough numbers, it looks just
17 to be about double.

18 MS. STOWERS: Okay. I appreciate that.
19 Sounds like a lot of employment opportunity for
20 County-Assessed Property Division.

21 MR. YEUNG: It -- it does. And I know -- I
22 know that this is not the first time we -- not the
23 first discussion on this issue. We -- we've had
24 discussions on -- on the informational meeting.

25 Both the assessors and BOE staff has
26 expressed the resources and -- and the staffing it
27 would take to implement this should it pass.

28 MS. STOWERS: Yes. Great -- great

1 opportunities for everyone.

2 Thank you.

3 MR. YEUNG: Thank you very much.

4 MR. VAZQUEZ: Thank you.

5 Members, any other questions?

6 Hearing and seeing none, I will -- I'll
7 just -- I would also just kind of chime in and
8 ditto a lot of the comments.

9 Dave, I think you're doing a great job. I
10 know I've taxed you on several issues, especially
11 legal issues, as we're looking at not only Prop. 15,
12 but also Prop. 19.

13 And I really appreciate the work. I know
14 you've got you a full plate right now. And hopefully
15 moving forward, we're able to augment some resources
16 to your division as well.

17 MR. YEUNG: Thank you, Chairman Vazquez.

18 MR. VAZQUEZ: Ms. Davis, will you please
19 call the next item.

20 MS. DAVIS: The next item is K4(a) through
21 (c), Legislative Research and Statistics Division,
22 Chief's Report, presented by Mr. Mark Durham,
23 Division Chief.

24 Mr. Durham will present K4(a) through (c),
25 Operational Updates.

26 Mr. Durham.

27 MR. DURHAM: Yes. Excuse me.

28 Thank you. Good morning, Chairman Vazquez

1 and Honorable Members. I'm Mark Durham of the
2 Legislative Research Division.

3 Today's report will provide an update on
4 legislation, and then an update on the legislative
5 budget proposal or the BCP for Proposition 15, which
6 is the split roll initiative.

7 So to begin with the -- let's just say the
8 calendar, September 30th is the last day for the
9 governor to sign or veto bills; November 3rd is the
10 general election; November 30th, the legislature
11 adjourns, then die at midnight; and then December
12 7th, the regular legislative convene -- legislative
13 session convenes on the 21, 22 session.

14 Looking at the bills of interest for the
15 BOE, we have AB-3373, which is an Assembly Revenue
16 and Taxation Bill, Committee Bill. And this is the
17 one talking about the Assessment Appeals Boards
18 that was chaptered on September 9th. So it's
19 AB-3373, Chapter 57, statutes of 2020.

20 The next one is Senate Bill 1473. This is
21 the Senate Governor Finance Committee Bill. This is
22 for the Local Government Omnibus Act of 2020. This
23 is the one that we have several little things in
24 there talking about the the surveys, and fixing some
25 of the rates that we have to go out. That was sent
26 to the governor on September 10th.

27 The next one is AB-107, which is the
28 Assembly Budget Committee Bill for State Government.

1 This one was sent to the governor on September 14th.

2 So that's it for the legislative side.

3 Any questions in the legislative?

4 MR. VAZQUEZ: Members, any questions?

5 Okay. Yes, Ms. Stowers. Go ahead.

6 MS. STOWERS: Yes.

7 Can you kind of refresh my memory on the
8 assembly bill dealing with surveys? Is that
9 providing BOE with additional time?

10 MR. DURHAM: What it is -- yes. Thank you
11 for that question.

12 It's Senate Bill 1473. And what it does is
13 this one extends the BOE's current county survey
14 cycle for an additional five years. It also
15 clarifies that the BOE must issue a final county
16 survey report within 12 months.

17 It also provides that the final county
18 survey report that the BOE files with specified
19 government officials is to include in the addendums.

20 And then for the purposes of the welfare
21 exemption, it corrects an erroneous cross-reference
22 in the definition of community land trust.

23 And then the final thing it does, is it
24 revises the interest compound used for the assessment
25 of historical property.

26 MS. STOWERS: Okay. All right. Thank you.

27 MR. DURHAM: You're welcome.

28 I'm moving on to the the overview of

1 the budget.

2 The BCP process, so a budget change proposal
3 or BCP is a formal document that is required when a
4 department has a need for additional resources or a
5 reduction in resources to change the level of service
6 or funding for activities authorized by the
7 Legislature, or to propose new program activities not
8 currently authorized.

9 The annual budget process preparation
10 usually begins 18 months prior to the beginning
11 of the effective budget year.

12 And for BCPs with legislative -- for
13 legislative BCPs, instead of 18 months, we have
14 10 days once the bill is chaptered by the
15 Secretary of State.

16 So that's why we're -- we're beginning to --
17 Prop. 15, we've begun that a few months ago.

18 So for the -- for the Proposition 15, let's
19 just say the BCP, if Proposition 15 passes at the
20 November 3rd general election, the Board of
21 Equalization will submit a legislative BCP to the
22 Department of Finance requesting an additional
23 funding, and positions of approximately \$21 million
24 or 135 new full-time positions to successfully
25 implement the measure, and for the additional
26 workload, as Mr. Yeung mentioned, and for ongoing
27 activities association -- associated with this
28 measure.

1 We're currently working collaboratively
2 with Department of Finance, LAO, and CDTFA to discuss
3 the resource needs and the implementation plan.

4 For the next steps, we will complete the
5 BCP, we'll continue to add the detail to the
6 implementation plan, and continue to maintain open
7 dialogues with the Department of Finance and other
8 control agencies.

9 And with that, that concludes my update. If
10 we have any questions?

11 MR. VAZQUEZ: Any questions for the Members?

12 MS. STOWERS: I have questions.

13 MR. VAZQUEZ: Yes, Ms. Yvette. Go ahead.

14 MS. STOWERS: Thank you.

15 Mr. Durham, you said -- I just lost my -- I
16 forgot how many additional people, were those
17 permanent or limited-term positions?

18 MR. DURHAM: We're looking at those to be
19 full-time permanent positions.

20 MS. STOWERS: Okay.

21 And --

22 MR. DURHAM: And those would be phased in
23 over a three-year period.

24 MS. STOWERS: Okay.

25 Oh, you said 21 million. I know Prop. 15
26 has a provision to provide reimbursement to the
27 county assessors for upfront administrative costs.
28 Are there any provisions for the Board of

1 Equalization within that Prop. 15?

2 MR. DURHAM: I'll have to get back with you
3 on that. That's a good question.

4 MS. STOWERS: Yeah. I think you might want
5 to reflect that in your BCP if there is an
6 opportunity for reimbursement.

7 MR. DURHAM: I completely agree.

8 MS. STOWERS: Okay. Thank you very much.
9 Have a good day.

10 MR. VAZQUEZ: Members, any other questions?

11 Hearing and seeing none, thank you,
12 Mr. Durham. I think that was great just for the
13 updates. And -- and I guess actually just keeping us
14 abreast. You know, there's so many moving parts
15 here, especially after November, depending on how --
16 what the turnout's like with these propositions.

17 MR. DURHAM: I totally agree. And you also
18 mentioned Prop. 19, too. So we're keeping a watchful
19 eye on that as well.

20 MR. VAZQUEZ: Yeah. That's the one, you
21 know, I was having a discussion actually on a Zoom
22 call last week over that, and I didn't realize that,
23 you know, if it does pass, it's going to create a lot
24 more work.

25 And there -- I'm even hearing from some of
26 the Members that they're probably going to have to
27 come up with some cleanup language, legislative
28 cleanup language if it does pass as well that would

1 impact BOE actually.

2 MR. DURHAM: Yes.

3 MR. VAZQUEZ: Thank you.

4 MR. DURHAM: Great. Thank you.

5 MR. VAZQUEZ: Ms. Davis -- oh, I'm sorry.
6 Was that it?

7 MR. DURHAM: Yes, it is. Thank you, sir.

8 MR. VAZQUEZ: Thank you.

9 Ms. Davis, if you could please call the next
10 item.

11 MS. DAVIS: The next item is K5, Taxpayers'
12 Rights Advocate's Report presented by Ms. Lisa
13 Thompson, Taxpayer Rights Advocate.

14 Ms. Thompson will present an update on the
15 Taxpayers' Rights Advocate office.

16 Ms. Thompson.

17 MS. THOMPSON: Good morning, Chair Vazquez
18 and Honorable Board Members. I'm Lisa Thompson,
19 Chief of the Taxpayer Rights Advocate office.

20 I'm here to provide you with an update
21 on the activities of the Taxpayer Rights Advocate
22 office to keep you informed.

23 As you know, the 2020 Taxpayer Bill of
24 Rights Hearing was held on August 18, 2020 where we
25 heard from many taxpayers about problems they were
26 having. And there was some good discussion. Work
27 has begun on the areas brought up during the hearing.

28 Today's report -- today I will report on the

1 activities related to the concerns that were
2 expressed by the taxpayers at that hearing.

3 One taxpayer expressed concerns about a
4 senior community in Orange County called Leisure
5 World Seal Beach, and the inability for people living
6 in the community to pay their property tax bill to
7 the county.

8 He also had concerns about real property
9 ownership, and said that seniors were being evicted
10 from their homes.

11 Following the hearing, the taxpayer
12 furnished information to our office, and we are
13 currently analyzing that.

14 We also reached out to the Orange County
15 Assessor's Office to ask for information about the
16 ownership structure of the properties in Leisure
17 World, assessment procedures, and change in ownership
18 tracking.

19 Based on our research thus far, Leisure
20 World Seal Beach is comprised of 16 mutual
21 corporations that are stock cooperative. People
22 living in the community don't own title to the real
23 estate, they own a share of stock in the mutual
24 corporation. That gives them the right to occupy a
25 specific home that is owned by the stock cooperative
26 corporation, and to use the community amenities.

27 Because the mutual corporation owns the land
28 and all of the improvements in a particular area of

1 Leisure World, which includes those homes, the
2 corporate owner is assessed the value of all the
3 property by the assessor's office, and the property
4 tax bill which covers numerous homes is issued to the
5 mutual cooperative corporation that owns all of the
6 property.

7 The corporate owner then passes on the
8 property taxes for the individual housing units to
9 the people living in those homes.

10 Along with other monthly charges like
11 Homeowners' Association Fees, there are specific
12 sections in the Revenue and Taxation Code that
13 address the assessment for stock cooperatives for
14 property tax purposes, but the type of ownership
15 structure is from a code outside of our jurisdiction.

16 Based on the Leisure World Web site, people
17 living in these communities can transfer or sell
18 their share of stocks, but they must apply to do so
19 with the stock cooperative mutual corporation, and
20 must be approved.

21 We are still in the process of our analysis,
22 but it seems like this isn't an assessment issue.

23 Once we've finished our analysis, we will
24 provide a response to the taxpayer and update the
25 Board on the results of this review.

26 Another area was where several taxpayers
27 expressed concerns was about the -- their inability
28 to meet the two-year deadline required under Revenue

1 and Taxation Code Section 69.5 to transfer their
2 base-year value from their original home to a
3 replacement home as a result of this pandemic.

4 The reasons range from them not being
5 able to complete construction on their original home,
6 needed to sell it within the two years after they
7 bought their replacement, or not being able to buy a
8 replacement home within two years after the sale of
9 their original home.

10 The Taxpayers' Rights Advocate office has
11 confirmed that the two-year time limit is not only
12 in statute, but it is expressly stated in article
13 13(a) section 2 of the California Constitution.

14 Unfortunately, we do not have the authority
15 to extend the two-year deadline to qualify for a
16 base-year value transfer.

17 We located a property tax annotation based
18 on a December 2006 legal opinion that opines that the
19 two-year period is mandatory, and that neither
20 article 13(a), nor section 69.5 provides for an
21 extension of this two-year period.

22 Because the two-year period limit is to
23 complete the purchase for new construction is
24 essentially stated in the constitution, it would
25 require a constitutional amendment to article 13(a),
26 section 2.

27 At future meetings I will update you on
28 the progress as we continue to work on matters that

1 came before the 2020 Taxpayer Bill of Rights Hearing.

2 Unless there are any questions, this
3 concludes my update.

4 MR. SCHAEFER: Vice Chair Schaefer.

5 MR. VAZQUEZ: Yes. Vice Chair Schaefer, go
6 ahead.

7 MR. SCHAEFER: Ms. Thompson, there are
8 several provisions where there can be an extension of
9 the two-year period for one reason or another by --
10 by us if necessary. But this does not happen. And
11 what you're talking about, it's truly fixed. And as
12 you aptly point out, it requires a constitutional
13 amendment.

14 My only concern is that we give proper
15 warning when we know somebody's depending on it. If
16 we think somebody who's depending on maybe you having
17 the ability to get them an extension, or us having
18 the ability to get them an extension, and, you know,
19 that isn't so, I feel we might have some obligation
20 to let them know that this is sort of set in stone,
21 and please don't count on the possibility of an
22 extension, because it just isn't going to happen.

23 Do we ever have an occasion to warn them?

24 MS. THOMPSON: Well, when we have been
25 contacted, as well as the tax -- the Property Tax
26 Department. So since, you know, probably toward the
27 end of March, we have received contacts from
28 taxpayers that were concerned about missing this

1 deadline.

2 So the tax -- both offices, and we have
3 advised taxpayers that -- that we don't have the
4 authority to extend it. And -- and that it is
5 constitutional, as well as, you know, in statutes.

6 So -- so we have kind of advised them of
7 this.

8 MR. SCHAEFER: Oh, thank you. You're doing
9 a good job.

10 MS. THOMPSON: Thank you.

11 MR. GAINES: Question, if I could.

12 MR. VAZQUEZ: Yes. Mr. Gaines, go ahead.

13 MR. GAINES: Yes.

14 Just with regard to Leisure World that
15 Lisa Renati brought forward, that's really a share
16 ownership issue, right? It's not a -- it's not a
17 real estate transaction; is that correct?

18 MS. THOMPSON: It -- no, it's -- so he -- he
19 is the taxpayer that brought this to the attention,
20 you know, is concerned that -- that he's not able to
21 pay, or other people in the community are not able to
22 pay their property tax directly to the county tax
23 collector, and -- and essentially hold a
24 deed.

25 But, yes, you're correct. They -- they
26 don't hold a deed. And it's because of the form of
27 ownership. But we will be providing information to
28 him on this once we're done with our analysis.

1 But the stock exists in -- in statutes
2 that's from the -- actually the Business and
3 Professions Code that allows the stock owners' stock
4 cooperative to exist.

5 Our statutes in the Revenue and Taxation
6 Code address, you know, how that property owned by
7 stock cooperatives are to be assessed, and as
8 different people purchase a share that's subject to
9 reassessment when they transfer or sell.

10 And so the assessor's office needs to
11 understand how -- how they must assess -- assess
12 that. As you can imagine, the stock cooperative
13 having numerous homes that transfer at different
14 dates will cause a change in ownership for
15 those dates. So --

16 MR. GAINES: Sure.

17 MS. THOMPSON: -- that's how about it.

18 MR. GAINES: Okay. Is there -- I'm
19 wondering if there is something that we could do on
20 our Web site that would provide information for
21 someone if they're about ready to enter that sort of
22 real estate transaction on providing clarity on
23 property valuation, but also clarity that they don't
24 hold a deed. That it's -- it's a share or shares
25 that they hold. And just making the potential buyer
26 aware of that type of ownership.

27 Because it's something that I think most of
28 us are not familiar with. To the degree that we can

1 provide clarity for our constituents, I think it's
2 helpful.

3 MS. THOMPSON: I think -- I mean, we have
4 letters to assessors that -- that address its
5 assessment, you know, for stock cooperatives. But I
6 can consult with our Legal staff to see.

7 But there's many types of ownership
8 structures out there. And I'm not -- I'm not sure if
9 that really would be in our purview. But I do know
10 that, you know, like when I was looking at Leisure
11 World, their Web site, it talks about, you know, what
12 is purchased. So it is, you know, it is -- it is
13 clear.

14 And I know that from what we've seen
15 so far -- again, we're not completely done -- is, you
16 know, they enter into -- into agreement, you know,
17 for this. So --

18 MR. GAINES: Okay.

19 MS. THOMPSON: So, you know, to follow up
20 with you at a later time as well --

21 MR. GAINES: Okay. So in this particular
22 case, though, it was a -- was it a relative of the
23 family that was figuring out how to -- he was trying
24 to figure out the ownership, and, therefore, there
25 was a lack of clarity?

26 MS. STOWERS: Yeah. I think what we'll do
27 is -- is -- I'm happy to circle back. And then as we
28 finish our research, to provide a further -- further

1 update.

2 MR. GAINES: Okay. That'd be great. Thank
3 you.

4 MS. THOMPSON: Thank you.

5 MR. VAZQUEZ: Members, any other questions?
6 Hearing and seeing none, I was wondering if
7 the Members are comfortable taking a 10-minute break
8 right now? And then we can continue with the
9 meeting.

10 Are we good with that?

11 MS. FLEMING: Thank you, Chairman. Staff
12 would appreciate it.

13 MR. VAZQUEZ: Alrighty. Why don't we go
14 ahead and do that. It's -- I have 11:38. So I guess
15 we'll come back -- we'll reconvene at 11:48.

16 Thank you.

17 (Whereupon a break was taken.)

18 MS. DAVIS: Next item -- the next item is
19 L1(a), Board Governance, Part 1, presented by
20 Chairman Vazquez.

21 Chairman Vazquez will present annual --
22 will present an annual review on the Board Members'
23 Policy, Mission Statement and commitment to strong
24 governance and considerations of revisions where
25 appropriate.

26 Chairman Vazquez.

27 MR. VAZQUEZ: Thank you.

28 Members, we pledge that every year we

1 would review the Board Members' Governance Policy and
2 consider possible clarifications, corrections, or
3 revisions where appropriate.

4 We've discussed a couple of areas that
5 need clarification or corrections in the past, but
6 instead of doing it piecemeal, I'd like us to review
7 everything, and then at the next meeting consider a
8 list of proposals to discuss and vote on.

9 Since this is quite a bit of work for less
10 than a month away, I'd like to ask, if the Members
11 were comfortable with it, that I would work with my
12 Vice Chair Schaefer to take the lead with me, and
13 basically come back with some recommendations,
14 proposals, that I will share with you, the Members,
15 before our next October meeting.

16 And then have the opportunity to discuss it
17 in public. And hopefully then also we would have
18 Ms. Cohen joining us. Because I'd hate to make, you
19 know, especially some of these changes that I'm
20 looking at without her physically, or I should say at
21 least on the Zoom call with some of the things I'm
22 looking at.

23 And I know we've discussed this already, you
24 know. There was some issue, I know last year when we
25 went through this whole election of the new Chair,
26 whether it was supposed to happen in January or
27 December. So I think we just need some good cleanup
28 language there.

1 The other thing that comes to mind is, well,
2 the big one, I think, for me is one that I've shared
3 with the Members right -- actually at the very
4 beginning when we first started as new Board Members.
5 I thought, you know, holding the -- whoever is the
6 Chair, putting them in this position for one year, I
7 didn't think it was sufficient. And -- and I think
8 Ms. Cohen agreed with me.

9 After serving her first year, she realized
10 that one year goes so quick that it's probably more
11 appropriate in terms of good governance that whoever
12 is the Chair should be in that role at least two
13 years.

14 But let me take a stab at it, and I'll work
15 with my Vice Chair Schaefer if he's in agreement with
16 me. And we will come back to you, will actually
17 deliver a tentative proposal, or a draft, I should
18 say, to all of you at least 10 days before our next
19 October 20th meeting. So then we could air it out in
20 public, and hopefully come to a consensus and move
21 forward.

22 And at that time, hopefully it would give
23 you all an opportunity as we make some of these
24 changes or recommendations to take a look at it and
25 give your input as well.

26 So hopefully we can come up with a
27 document that we can all live with, you know. I
28 think the -- the governance, for the most part, is it

1 was pretty well written. I just think now that
2 we've, you know, we got almost two years under
3 our belt, there's some things that I think we can
4 do that would improve it, and hopefully enhance it,
5 so we can do a little bit better in terms of making
6 it a little bit smoother. Especially on the
7 leadership side for translations moving forward.

8 The other thing that kind of jumped out at
9 me is that there's -- and some of it is just some
10 terminology, and maybe a little bit of wordsmithing,
11 but we could -- we can go through that, and if you
12 all find anything else that you think we should
13 consider or take a look at, by all means, share your
14 thoughts and ideas, and we'll bring it back up on the
15 October meeting.

16 But let me open it up to the Members and
17 see what their thoughts are. And if anybody has a
18 strong opinion one way or the other moving forward.

19 Yes. Ms. Stowers, go ahead.

20 MS. STOWERS: Thank you.

21 I -- I agree with you. It's been about
22 21 months since we adopted the governance plan. And
23 it is a good time to take a look at it and to see if
24 it needs to be updated, revised or amended.

25 I have known some areas where there is a
26 little conflict on what we're doing with respect to
27 the role of the Chair and the Vice Chair, and the
28 role of the Board.

1 We talked about it last January. There is a
2 conflict. In one part of the document we say that
3 the Chair and Vice Chair is to be elected in
4 December -- I mean in January.

5 And then the other part, the next page of
6 the document, we say is a rotation by district, by
7 equalization districts, and then -- and January.

8 I'm not really clear on what the motion was
9 where we -- did we -- was the motion to put you in,
10 because -- was it an election for you as a Chair and
11 Vice Chair, or if it was an election just confirming
12 that we continue with the rotation policy?

13 So I think at the very least, those two
14 areas that we have conflict with should be addressed.
15 And, of course, there's always other areas in the
16 document that may need to be addressed as well.

17 My concern is on that part, if we don't
18 speak up now on errors that need to be addressed,
19 could we legally send our comments and concerns to
20 you and Vice Chair without violating a serial
21 meeting?

22 MR. VAZQUEZ: Let me ask Henry about that.

23 MR. NANJO: If there are any comments, I
24 would recommend that they be sent to Board
25 Proceedings, and we can handle them
26 accordingly.

27 MS. STOWERS: Okay. Thank you.

28 MR. NANJO: Thank you.

1 MR. VAZQUEZ: Thank you.

2 Other Members? Anybody else want to chime
3 in?

4 MR. GAINES: Yeah. I -- I would like to
5 hear -- I'd like to hear from Mike.

6 It sounds like this would be a subcommittee
7 that would gather the two of you, and then you'd
8 report back to the Board next month; is that what I'm
9 hearing?

10 MR. VAZQUEZ: Yes.

11 And I don't know if Vice Chair Schaefer, I'm
12 putting that out there. I'm not sure he's in
13 agreement. Let me - let me hear his thoughts.

14 MR. SCHAEFER: Well, I'm pleased to work
15 with the Board on whatever we'd like to do.

16 I just know that people that are thinking of
17 running for the Board know that there are four
18 districts, and there are four one-year terms they're
19 going to serve. And that the last official
20 announcement on it is it's all being done in
21 sequence, you know, four, three, two, one, or one,
22 two, three, four.

23 And if we're going to change that after
24 we've had a debate last January, and -- and not made
25 any changes, I think it brings sort of politics
26 instead of certainty into the image of our Board, and
27 the working of our Board.

28 If any of us have a health problem, or if

1 any of us should be indicted for buying furniture, or
2 whatever the problem is, they would probably want to
3 resign from the Board instead of continue to be a
4 leader or a Member.

5 But I -- I favor the orderliness that I came
6 to the Board with, and which exists right now. And
7 I would, of course, want to meet. But we have a
8 problem of communicating with each other.

9 If I want to discuss with two or three of
10 you my thoughts on procedure, I'm not able to do that
11 except in an open session. And I have questions
12 whether the public has a right to have a seat at the
13 table if all we're going to talk about is baseball,
14 or the weather, or -- or our own internal operating
15 procedures. I don't think those are agenda items
16 really of the nature that Bagley-Keene is meant to
17 protect.

18 But as Mr. Nanjo warns us, we want to avoid
19 the appearance of impropriety, as well as
20 impropriety. And I think we've done a pretty good
21 job of it to date. And I wouldn't want us to go
22 astray.

23 Thank you.

24 MR. VAZQUEZ: Yeah, I appreciate your
25 thoughts.

26 That's why I was -- well, for me, it's -- it
27 kind of falls in two things. And I think Ms. Stowers
28 kind of hit it on the nail, you know. It's there's

1 still some ambiguity there. And if nothing else, at
2 least let's clean up that language, right?

3 Because in the document, the way it's
4 written in some of parts of it, it makes it sound
5 like, you know, it's -- we're going through a
6 rotation. And then in other parts of it, it sounds
7 like there's an election.

8 So whichever way we decide, whatever people
9 are comfortable with, let's make that final decision,
10 and, one, clean up the language, and then let's get
11 it voted on by all the Members.

12 And then I think there's a few other little
13 areas as I was reading through it. And I think you
14 other -- other Members have also brought it to my
15 attention where, you know, I think there was one
16 change. And I want to say it was in part 7,
17 paragraph 16, where it says "evaluation", and I think
18 it should be "valuation," with a "V" as in Victor,
19 not an "E."

20 I mean, a couple little things like that.
21 So I thought, why don't we just take the opportunity,
22 if you're willing to do this, Vice Chair, with me,
23 and let's just kind of go through it, and -- and kind
24 of take advantage of your legal mind, you know, as an
25 attorney, to make sure that we're -- everything is
26 clear, and there's no misunderstandings.

27 And I think to your point that, you know,
28 people understand, you know, moving forward what we

1 expect, not only of our Members, but of the group as
2 a whole, the Board, in terms of these, you know, this
3 whole governance piece that we've been talking about.

4 And I think, you know, to now, I think we've
5 been doing a pretty good job. I haven't heard too
6 many complaints from the public or the Members.

7 But like I said, and I think Ms. Stowers hit
8 the nail on the head, and she said, you know, it's
9 been two years, and it might be healthy to just kind
10 of go through it, and have that opportunity to make,
11 you know, fine-tune -- anything we need to fine-tune,
12 and move forward.

13 MR. GAINES: Yeah. This is Member Gaines.
14 It's just -- thank you.

15 Yeah. I think it makes sense. I think
16 there is ambiguity on rotation versus vote. And so
17 if you could -- if the Chair and the Vice Chair
18 could take a look at that, and see if there's a way
19 to provide some more clarity, then that's something
20 that could come back to the Board, and we could
21 decide what to do at that point.

22 But I think that is the right pathway. So I
23 would support that.

24 MR. VAZQUEZ: Okay.

25 And going back, Mr. Vice Chair, you know, we
26 could work with one while the two of us sit with
27 Henry, our legal attorney, to make sure, you know,
28 everything's legal in terms of the language.

1 I guess we should have to make it clear for
2 all, you know, on what we feel is probably the
3 best way to handle this. And then we'll bring it
4 back to the Board in October, and hopefully have a
5 consensus moving forward.

6 MR. SCHAEFER: Yeah. Well, Chair -- Chair
7 Vazquez, as you know, in my career I've been an
8 officer of city government, and officer of many civic
9 and service clubs, and presented dozens of meetings,
10 which I've run. But I don't come to the Board with
11 the steeped experience that you do, or our other
12 Members do, who have served in San Francisco and in
13 the State Capitol. I learn a lot from each of you.

14 Ms. Cohen has been particularly instructive
15 that my debates I have with our Chief Counsel
16 sometimes should be done between me and Chief
17 Counsel, and not take up the time of the Board.

18 But, again, one reason I'm hesitant to
19 deviate from rotation is I've looked upon Member
20 Vazquez, Member Ted Gaines, being Chairman year after
21 next which would be his -- his year of re-election to
22 the Board. He's a Republican, and the Board majority
23 is a Democrat.

24 That should have really nothing to do with
25 what we do, because I view our work as more
26 non-partisan than anything else. But if somebody
27 felt that whoever is Chair next year should be Chair
28 for two years in a row, because they wouldn't want to

1 give the unfair advantage of more prestige to see a
2 Republican running for re-election against a
3 Democrat, we're injecting really, totally irrelevant
4 thoughts. Maybe we're not really thinking that way,
5 but that's what media might think about.

6 And it goes back to the old political Board
7 that we had, unfortunately, that got us all into
8 trouble a few years ago.

9 So I think we are a new Board. We're our
10 own person. And I tend to favor the automatic
11 non-political rotation. But I am anxious to work
12 with each of you and -- and review this.

13 I have an open mind on it, and I want you to
14 know I'm very impressed with the caliber people that
15 I've been working with as a BOE Member.

16 And I'm also very appreciative of the
17 acceptance that I seem to have as to some of the
18 thoughts that I bring. I do send you stuff from time
19 to time that I think help make us better Members that
20 I happen to read about, about equalization where it
21 may go on in the United States.

22 And, you know, I think we're all in here to
23 help each other come up with a better BOE. And the
24 big thing is we're not the old BOE, we're the new
25 BOE. And I think the old BOE was more politics than
26 we are.

27 And while I'm proud to be a Democratic
28 Member, I feel I'm serving in sort of a nonpartisan

1 mode. And I think we all should do that.

2 MR. VAZQUEZ: I agree. And thank you for
3 your comments.

4 And if you're comfortable with it, why don't
5 we just do it -- I mean, at the end of the day,
6 there's nothing stopping us from coming back to the
7 full Board with, you know, a couple options. And
8 let's see what people feel, how they feel.

9 MR. SCHAEFER: Well, thank you.

10 MR. NANJO: Chairman Vazquez, this is --
11 Go ahead. I'm sorry.

12 MR. SCHAEFER: Well, I was just -- I have
13 to say I feel in good health. In fact, I was tested
14 for COVID-19 and got rave reviews this last week.

15 So my Chief -- Chief Deputy and I both went
16 to University of San Diego. I had a county testing
17 station that we had to run across the other day. And
18 so, you know, I feel good. I've never felt really so
19 good in my life. And I'm ready to roar.

20 But if -- if I was going to have another
21 stroke or something of that nature, I would request
22 either -- I would either resign if I was unable to
23 properly serve, or not want any additional duties.

24 But right now I want additional duties. I'm
25 hoping a dozen different groups will invite me to
26 come out and explain to them what the BOE is all
27 about.

28 And, unfortunately, I'm not getting these

1 invites because of CV-19.

2 MR. VAZQUEZ: Yeah. That's -- that's one of
3 the biggest problems.

4 No, I'm glad to hear the good news on
5 your health. That's always positive.

6 Member -- I think it was -- no, I think we
7 were hearing from Henry, our Legal counsel.

8 Did you have something?

9 MR. NANJO: Yes. Yes. Thank you, Chief --
10 thank you, Chairman Vazquez and Vice Chair Schaefer.

11 This is Henry Nanjo, Chief Counsel.

12 As what I understand the Board would like to
13 do is I'm happy to work with Vice Chair and Chairman
14 to work on proposed changes, whether it be one
15 version or multiple versions to the governance
16 policy.

17 We can bring that back to the next Board,
18 so that all the Board Members, including Member
19 Cohen, can have input at that point.

20 And then once we've got kind of a final
21 draft agreed to by the Board Members, I can bring it
22 back under Chief Counsel matters, as governance
23 policies are typically brought, and we can have it
24 voted on and approved by the Board.

25 So this is something that is very well
26 timed, and shouldn't be a problem.

27 MR. VAZQUEZ: Thank you.

28 MR. NANJO: Thank you.

1 MR. VAZQUEZ: So now listening to that --
2 this conversation, I guess we have two options.

3 We could, one, officially set up a, you
4 know, a little, I guess you might say, a little task
5 force or ad hoc between myself and the Vice Chair.

6 Or if the Board wants, we could just leave
7 it where, you know, Members, all -- any Members could
8 just go ahead and submit their thoughts and their
9 ideas and their recommendations to our Chief Counsel,
10 Mr. Nanjo, and have them just put together, you know
11 -- I guess there would be some options or a proposal.
12 And then we would all discuss it at our next meeting
13 in October.

14 And then really I think the key is we
15 would -- that would give us also an opportunity for
16 Ms. Cohen, who's not with us today, to weigh in and
17 give her thoughts and ideas. And let's see where
18 there's a consensus moving forward.

19 What's the wish or the will of the Board?

20 MS. STOWERS: Chairman Vazquez.

21 MR. VAZQUEZ: Yes. Go ahead.

22 MS. STOWERS: I think the latter is a very
23 good option that every Member will have an
24 opportunity to have input. And putting that input
25 through Board Proceedings and Chief Counsel.

26 I also would like to say I think it's
27 a great opportunity during that time period, the next
28 30 days, for us as Board Members to do our own

1 self-evaluation, and looking at what our governance
2 says, and evaluating ourselves, and how well we
3 have inherited that.

4 Of course we don't have to report out,
5 but I think it's a great time just to check it for
6 ourselves.

7 MR. VAZQUEZ: No, that's great.

8 Any other comments?

9 Member Gaines, go ahead.

10 MR. GAINES: Yeah. Thank you.

11 I just think we -- I think, you know, the
12 Chair and Vice Chair ought to have that meeting, and
13 meet with Henry Nanjo, and make sure that we're okay
14 from a legal perspective on what the proposals may
15 look like. And then bring that back to the Board.

16 And that gives us an opportunity to take a
17 look at this another time. And I think that Malia
18 should be -- our fellow Member Malia Cohen ought to
19 be involved, engaged in that discussion, have the
20 whole Board here.

21 And I would agree with Member Stowers, too,
22 that this gives us an opportunity to reflect and
23 review what's in place. Because there -- there was a
24 lack of clarity. Because it mentions both in our
25 governance policy in terms of, you know, is it
26 rotation, or is it a vote.

27 So at a -- at a minimum, we could provide
28 clarity in that governance agreement.

1 Thank you.

2 MR. VAZQUEZ: So, Member Gaines, if I'm
3 hearing you correctly, are you prepared to move that?

4 MR. GAINES: Yes, I would.

5 Okay.

6 So let me just repeat that.

7 So it's -- is it your recommendation that --
8 that myself and the Vice Chair get together with our
9 legal counsel, Mr. Nanjo, and put together maybe some
10 options or proposals that we would share with the
11 Members at least 10 days prior to our next meeting in
12 October?

13 And then have this open discussion, and
14 hopefully then Ms. Cohen -- Ms. -- yeah, Ms. Cohen
15 could join us as well.

16 If nothing else, at least give her an
17 opportunity to weigh in and -- and give us her
18 thoughts and ideas.

19 And then have that open discussion in
20 October, on October -- I think it's October 20th.

21 MR. GAINES: Yeah. Yeah, that would be
22 fine.

23 MR. SCHAEFER: Vice Chair Schaefer. I would
24 second that.

25 I would like to know whether it's our Chair
26 or Mr. Nanjo that will be reaching out to Member --
27 our Member Cohen to invite her, or at least let her
28 know that her input is wanted, you know.

1 MR. VAZQUEZ: I guess legally would probably
2 have to be Mr. Nanjo, since the two of us would be
3 already in conversation, just to protect ourselves.

4 I'm assuming that's the way to go,
5 Mr. Nanjo?

6 MR. NANJO: Yes. Thank you, Chairman
7 Vazquez.

8 And thank you for the inquiry, Vice Chair
9 Schaefer.

10 That -- that would be the way I would
11 recommend it.

12 What folks can do is if they have any
13 input, whether it be Member Cohen or Member Gaines,
14 or Deputy Controller Stowers, they can send any
15 thoughts to me, and I will compile that, and share
16 that with the Vice Chair and Chair.

17 I would leave it to the Chair to schedule
18 the meeting. And we can discuss any changes that are
19 there. And then once we bring the draft or drafts to
20 the next meeting in October, everyone can kind of
21 verbalize their thoughts and let us know how well we
22 did capturing it, or what have you.

23 MR. VAZQUEZ: Great. So there's -- we have
24 the motion. And it's been second.

25 Is there any other comments or discussion?

26 MR. NANJO: I'm sorry, Chairman Vazquez.
27 Who -- who seconded that one? I didn't get it for my
28 notes.

1 MR. VAZQUEZ: Chair Schaefer, I believe.

2 MR. NANJO: Thank you.

3 MR. VAZQUEZ: Hearing none, can we get a
4 quick roll call vote on that, Ms. Davis?

5 MS. DAVIS: Chairman Vazquez.

6 MR. VAZQUEZ: Yes.

7 MS. DAVIS: Vice Chair Schaefer.

8 MR. SCHAEFER: Yes.

9 MS. DAVIS: Member Gaines.

10 MR. GAINES: Aye.

11 MS. DAVIS: Deputy Controller Stowers.

12 MS. STOWERS: Aye.

13 MR. VAZQUEZ: All right. So that's
14 unanimous of those present.

15 So we'll go ahead and get started on that.

16 And with that, let me have Ms. Davis call
17 our next item.

18 MS. DAVIS: The next item is L2, Board
19 Member Initiatives presented by Chairman Vazquez.

20 Chairman Vazquez will provide an update
21 on the Los Angeles County Assessor's Office Training
22 Pilot Program.

23 Go ahead, Chairman.

24 MR. VAZQUEZ: Thank you.

25 Members, this is my monthly update on the
26 Los Angeles County Assessors Appraiser Training Pilot
27 Program.

28 As you recall, Assessor Prang documented

1 his need for a trained appraisers over a year ago,
2 showing that the demand for additional appraisers
3 training is generally outpacing the resources
4 currently available.

5 Consequently, he initiated his own
6 two-pronged college appraisal workforce training
7 pilot. He currently has 75 to 80 vacant appraiser
8 positions due to the attrition, which will be
9 magnified if split roll passes.

10 And it -- and he established that for each
11 one dollar spent on a trained appraiser, 10 in
12 revenue is generated.

13 Last month through a joint effort of the
14 Assessor Prang and the Los Angeles County Supervisor,
15 Hilda Solis, the Los Angeles Community College
16 District Chancellor, Francisco Rodriguez, myself and
17 several others from the Board of Supervisors adopted
18 a motion creating an educational opportunities and
19 career pathways with local community colleges, passed
20 unanimously.

21 This motion directed the Department of
22 Workforce Development, WDACAS, together with the
23 assessor, the Human Resource Department, and the
24 Chief Executive Officer, to develop and to report
25 back in 45 days with; one, a comprehensive review of
26 training programs and curriculums currently offered
27 by the assessor; and, two, a feasibility analysis
28 of establishing new pilot training programs and

1 curriculums at the Rio Hondo and East LA community
2 colleges to prepare students for careers with
3 assessors and other county departments.

4 The report will do three things:

5 A) Propose new training programs and
6 curriculums at Rio Hondo and East LA college, to
7 enhance students competitiveness for appraisal job
8 opportunities, and careers in the assessor's office.
9 Programs should be adaptable for implementation at
10 other colleges.

11 B) Establish a timeline to implement the
12 training programs and expand them to other colleges
13 countywide.

14 C) Identify a funding plan, including of
15 anticipated program costs and funding sources.

16 And D) Produce a review of Human Resources
17 classifications, criteria to ensure future job
18 opportunities for persons who successfully complete
19 the training program and are, therefore, more job
20 ready for careers with the assessors and/or county
21 departments.

22 In summary, I personally am very excited
23 about this since the report will focus on the
24 assessor's, appraiser's training needs both initial
25 training and continuing, and it will address
26 classification and compensation issues, as well as
27 the curriculum in the community colleges.

28 I think we will all benefit from this

1 information, and I look forward to updating you again
2 next month.

3 Members, we have any questions?

4 MR. GAINES: I do, Member Vazquez.

5 MR. VAZQUEZ: Yes, Mr. Gaines. Go
6 ahead.

7 MR. GAINES: Thank you. I apologize. I
8 just had a little sandwich.

9 MR. VAZQUEZ: No problem.

10 MR. GAINES: But my -- my hope was that in
11 the creation of this pilot, that it wouldn't just go
12 countywide, but it would go statewide. And the
13 leadership that Assessor Prang is displaying in LA is
14 an opportunity, I think, for us to create the model
15 and amend that model if necessary for different
16 jurisdictions throughout the state.

17 But you're using community colleges, and we
18 have those spread out through our four districts.
19 And it just seems like a great opportunity, without
20 replicating the creation of the wheel, that we can
21 just use that model, and -- and reach out to our
22 communities in each of our districts to prepare for
23 future employees at the BOE.

24 And if Prop. 15 passes, as we've said many
25 times, that's going to be accelerated greatly. And
26 so I'm glad that we're moving forward with this. And
27 I just want to make sure that we -- we can make that
28 transition out of LA so that we have the template

1 in place for each of our districts.

2 MS. FLEMING: Members, this is Brenda
3 Fleming, the Executive Director.

4 Thank you so much for those comments. I
5 just -- I just want to weigh in to give you a bit of
6 insight as to what's -- what's on my -- on my plate
7 as it relates to, you know, just expanding the
8 workforce and the available candidate pool for -- for
9 recruitment. It's not just for -- for the -- for the
10 assessors' offices, but definitely for BOE.

11 So what we want to do is -- and absolutely
12 will keep an eye on what's going on with the LA
13 County assessor. I think they're doing some really
14 good work there. My staff works with them on a
15 regular basis.

16 And so we do definitely have contributions
17 to -- to their training and curriculum, especially as
18 it relates to the certification for our appraisers,
19 auditor appraisers, etc.

20 We're also working with the California
21 community colleges also in addition to supporting
22 Mr. Vazquez and the work that he's doing.

23 Ms. Cohen is also doing something with
24 the California community colleges, which we started
25 some time back. And, as you know, it's a part of the
26 Board Member Strategic Plan.

27 But what we're looking at is additional
28 ways in which to extend our training and our

1 curriculum for the internal work that we're doing for
2 assessors, appraisers.

3 But, again, also just to really expand
4 the -- our ability to -- to develop the new talent,
5 as was indicated in Ms. Renati's comments, where
6 that's a part of the recruitment of retention
7 under our strategic plan.

8 So this plan overall, as it relates to
9 training, education and career development, really
10 does have multiple tracks. And so I just wanted to
11 weigh in.

12 We'll come back to you with, you know, much
13 more specific detail. But I just wanted to weigh in
14 to let you know that we are indeed looking at this
15 to leverage these opportunities, learn from, you
16 know, from what you're doing in your districts, but
17 absolutely raising that up to the state level through
18 community colleges so that you can do some of that in
19 your individual districts.

20 But also through the California community
21 colleges, there may be work that we can do, work
22 online.

23 And so regardless of where the district is,
24 anyone ideally can register for any of these classes.

25 So we definitely are going to -- it's a
26 priority for me to really look at how do we continue
27 to develop our workforce in giving career paths, etc.

28 And then also where we can shake hands with

1 some of these community colleges to perhaps do some
2 additional extension of our training, our internal
3 training resources that would be helpful as well.

4 And Mr. Yeung had shared with you
5 previously, we are currently doing much of this work
6 with the American River College and the Los Rios
7 Community College District, and also some additional
8 online materials through Sac State.

9 So it is an extension of some of what
10 we've done historically. We clearly are modernizing
11 and extending our reach in that area to make it
12 relevant to what we're doing today, and really taking
13 advantage of the new talent that's there.

14 So just wanted to weigh in, in support
15 of what's going on in LA County, and what's going on
16 with some work with Assessor Phong La and Alameda
17 area.

18 So we've got a lot going on, a lot of
19 areas. We'll be working with some of the other
20 Members also, as it looks at looking at curriculum
21 and some additional classification certification
22 issues that we might also be able to take advantage
23 of just in general in terms of the state process.

24 So, again, there's a lot of complexity
25 behind it. But it's something that -- these are all
26 workable plans.

27 And, again, just wanted to weigh in to
28 let you know that we are absolutely involved in this,

1 absolutely I support all that you're doing. And
2 we'll do our part to help make this successful for
3 all of us.

4 So I appreciate the work. Thank you.

5 MR. VAZQUEZ: Thank you. Thank you for that
6 insight.

7 Any other questions from other Members?

8 Hearing none, Ms. Davis, do we have anybody
9 from the public who want me to comment on this item?

10 MS. DAVIS: AT&T, can you please check to
11 see if there's anyone who is on the public line
12 who'd like to make a public comment regarding this
13 item?

14 AT&T MODERATOR: Certainly.

15 Ladies and gentlemen on the phone lines, if
16 you'd like to make public comment at this time, you
17 may do so by pressing 1, and then 0 on your telephone
18 keypad.

19 And there is no one queuing up at this
20 time.

21 Please continue.

22 MS. DAVIS: Thank you.

23 We have no public comments, no.

24 MR. VAZQUEZ: And there's nobody -- we had
25 nothing written as well, right?

26 MS. DAVIS: That's correct.

27 MR. VAZQUEZ: Well, thank you. And thank
28 you, Members. I really appreciate your feedback.

1 And to -- actually to Mr. Gaines' point,
2 Member Gaines, that's the goal, you know, or hope.

3 And I know we've already had some
4 preliminary conversations with some of the community
5 colleges up in your district.

6 And we hope that this model or pilot that
7 we're working with here in LA, we could take on the
8 road. And maybe just do some minor changes or tweaks
9 to it, and hopefully it could be used with very
10 little modification in your area as well.

11 MR. GAINES: Absolutely.

12 Member Gaines.

13 Thank you, Chairman Vazquez.

14 We have had a discussion with Brian King,
15 who's the chancellor of Los Rios Community College
16 District. And so we're looking forward to
17 hearing him later in the week. But I think we have a
18 a perfect opportunity here.

19 And I want to thank Brenda for all of her
20 efforts, and working with Los Rios and some of the
21 other community colleges, along with Member Cohen.

22 MR. VAZQUEZ: Thank you.

23 Member Vice Chair Schaefer, did -- I think I
24 might have cut you off. Did you want to say
25 something?

26 MR. SCHAEFER: Are we getting to the end
27 of -- the end of the meeting? I have an adjournment
28 when we get there.

1 MR. VAZQUEZ: Well, yeah. Well, actually,
2 we're not gonna officially adjourn this meeting.
3 We're gonna recess it till tomorrow.

4 So if you could hold that, we'll do it
5 when we finally conclude, and officially adjourn the
6 meeting.

7 MR. SCHAEFER: I had a problem with that.
8 It related to today is the 93rd birthday of one of my
9 constituents in Orange County, the great Tommy
10 Lasorda. He's 93.

11 I just wanted us to --

12 MR. VAZQUEZ: Great man.

13 MR. SCHAEFER: -- take note of that.

14 Would you believe that he has something like
15 71 seasons with the Dodgers, both back in Brooklyn
16 and in LA? He has a longer tenure than Vince Scully.

17 MR. VAZQUEZ: He's a legend.

18 MR. SCHAEFER: I don't know if you've met
19 him or not. I haven't. But I know he's got friends
20 everywhere. He lives in Fullerton. They've named
21 the Lasorda Fieldhouse in Yorba Linda after him.

22 And, you know, 93, I hope you and I get
23 there. But I want to salute him.

24 Thank you.

25 MR. VAZQUEZ: No, I appreciate it. I
26 actually had the opportunity to meet him several
27 times.

28 He was actually in our city. He was

1 actually on our beach in Santa Monica when we were
2 lobbying hard to move the Olympics to LA with the
3 mayor -- then mayor -- well, actually the current,
4 still, Eric Garcia.

5 Well, we weren't successful in moving the
6 Olympics. We were trying to get 2024, but now it's
7 going to be 2028.

8 MR. SCHAEFER: He served the Dodgers for two
9 decades, and he's in the Baseball Hall of Fame.

10 And, you know, maybe he'll run for the Board
11 of Equalization next. Who knows.

12 MR. VAZQUEZ: Who knows.

13 Sorry for going off the beaten path here a
14 little bit, folks. But with that, well, you know
15 what, before -- I guess we still have to open up
16 Item N, right, Ms. Davis?

17 MS. DAVIS: That is correct. The next item
18 is N, Public Comments.

19 Board Proceedings has received at least one
20 public comment.

21 We would also like to open it up for any
22 public comments that are on the AT&T line as well.

23 But at first, we'd like to have our
24 acting Chief of Board Proceedings, Henry Nanjo,
25 read at least the one comment that we've received in
26 writing.

27 Mr. Nanjo, are you ready?

28 MR. NANJO: Yes, I am.

1 Thank you very much, Ms. Davis.

2 We have received a public comment from a
3 John Ringel, historic aircraft owner.

4 His statement is as follows:

5 Chairman Vazquez and Board -- BOE Board
6 Members, owners of historical aircraft who normally
7 display our historical aircraft throughout the
8 calendar year have been unable to display them due to
9 all the display days at various airports in
10 California being cancelled starting in the month of
11 March 2020.

12 This also includes venues outside of
13 California. The reason for this communication is to
14 secure relief for historic aircraft displays during
15 the past and current stay-at-home order due to the
16 COVID-19 pandemic.

17 Section 577 220.5, page 26, aircraft of
18 historical significance states, quote, three, the
19 aircraft is available for display to the public at
20 least 12 days during the 12-month period, immediately
21 preceding the lien date -- lien date for which the
22 exemption is claimed.

23 Section 577 chapter 5 page 27 states, as
24 used in the statute, available means that if an
25 aircraft was formally scheduled for display at a
26 qualifying site, and the display was canceled,
27 example, because of rain, the date would count as a
28 day available for display -- available for display to

1 the public.

2 At least 12 days shall be defined as
3 displayed or available for display during -- for the
4 12 periods, each period being four or more hours
5 during one 24-hour periods.

6 During an average 12-month period, this
7 would require one display per month to satisfy the
8 minimum requirement for property tax relief for
9 historical aircraft as the lowest common denominator.

10 We firmly believe that COVID-19 pandemic is
11 far more serious than any weather phenomenon, which
12 canceled these events. This should fall under the
13 same qualification.

14 There is no requirement that the aircraft
15 display site be in California. Some aircraft owners
16 of historic aircraft display their aircraft at venues
17 like Oshkosh in Wisconsin and Sun N Fun in Florida.
18 Both these events were cancelled this year because of
19 COVID-19.

20 As stated above, if a qualifying site is
21 cancelled because of rain, or in this case COVID-19,
22 the date would count as a day available for display.

23 We consider formally scheduled as an
24 invitation on a recurring basis each month. While
25 rain may be a cause for cancellation of an event,
26 and now most recently with the fires throughout the
27 state of California due to visibility, certainly the
28 pandemic could be considered for the same

1 cancellation.

2 We would like some guidance on how we claim
3 days that the aircrafts were available for display,
4 but the venue was not.

5 Our recommendation would be a sign off by
6 the aircraft owner for display days the aircraft was
7 available with an accompanying letter stating that
8 the aircraft's availability date of display which was
9 canceled, along with the copies of section 577,
10 chapter 5, page 127 stating those displays claimed
11 that were cancelled due to COVID-19.

12 Speaking on behalf of those who display
13 our historic aircraft, we would like to ask for
14 relief for display days being cancelled due to the
15 COVID-pandemic in order to fulfill the mandate set
16 forth in section 577 for 12 displays in 12 months,
17 the following are offered as options:

18 One, submit all display signed-off
19 signatures you have participated in 2020 to your
20 county of record, and call it complete for the year.

21 Two, for all those participating in the
22 historic aircraft displays on record, wave the entire
23 year and start fresh in 2021, or when it is deemed
24 safe for display days to continue for those high --
25 in the high-risk category.

26 Three, allow owner of historic aircraft to
27 sign off for displays they normally would have
28 attended during the COVID-19 cancellation displays.

1 We have been pursuing relief on several funds fronts
2 for this issue since April 2020.

3 As we approach the end of this tax year,
4 we are asking for a fair resolution as soon as
5 possible.

6 Since the owners of historical aircraft
7 do not pay property taxes on their aircraft if they
8 are participating in this program, the state of
9 California and those local counties are not losing
10 any tax dollars.

11 The only groups losing out are those
12 interested in looking at our historical aircraft.

13 Thank you for your time and consideration.

14 John Ringel, historic aircraft owner.

15 That completes the statement.

16 MR. VAZQUEZ: Thank you.

17 Ms. Davis, we don't have anybody else from
18 the public, right? Is that correct?

19 MS. DAVIS: I'm going to check with the AT&T
20 moderator.

21 If you can check to see if there are any
22 public commenters on any matters on the agenda that
23 were not announced earlier.

24 AT&T MODERATOR: Certainly.

25 Ladies and gentlemen on the phone lines, you
26 may put yourself in the queue by pressing 1, then 0
27 at this time for public comment.

28 I do not show anyone queuing up at this

1 time.

2 MS. DAVIS: We don't have any other public
3 comments, Mr. Chairman.

4 MR. VAZQUEZ: Thank you.

5 Mr. Nanjo, you know, after you read this
6 statement, one of the things that hit me are, are we
7 able to get the BOE to respond to that taxpayer's
8 comments?

9 MR. NANJO: Thank you, Chairman Vazquez.

10 I believe Ms. Thompson and I have discussed
11 this person's inquiry, and Ms. Thompson, Mr. Yeung,
12 and Legal Department will try to see what we can do,
13 and report back to the Board at some later date.

14 MR. VAZQUEZ: I appreciate it.

15 I know, because it's a fort -- it's
16 basically public con -- we can't engage and have a
17 conversation as a Board.

18 But if you could do that, that would be
19 great. Then just give us an update or report.

20 MR. NANJO: Yes, we will.

21 Thank you very much, sir.

22 MR. VAZQUEZ: Thank you.

23 With that, I'd like to -- we're not
24 adjourning this meeting, but we're just going to take
25 a recess from this Board Meeting and then reconvene
26 tomorrow at 10:00 a.m.

27 Thank you for your patience and
28 your time, and we'll see you all tomorrow at

1 10:00 a.m.

2 MR. NANJO: (Audio cut out) talk about at
3 this meeting, but we will definitely circle back and
4 have a discussion with the aircraft owner, and then
5 we will report back at the next Board Meeting either
6 under -- depending on who takes care of it, either
7 the Legal Report, the Property Tax Deputy Director's
8 Report, or in all likelihood probably it will be
9 under Ms. Thompson's Taxpayer Rights Advocate Report.

10 MR. GAINES: Okay. And is that something --
11 is that something that's solvable?

12 MR. NANJO: We're -- we've got some ideas.
13 We'll work on it.

14 MR. GAINES: Okay. Because there's a lot of
15 vintage aircraft throughout the state. I'm sure this
16 is a much bigger issue.

17 MR. NANJO: Absolutely.

18 MR. VAZQUEZ: Mr. Schaefer. Yes, go ahead.

19 MR. SCHAEFER: I would hope we could find
20 some relief for them even when it costs a few dollars
21 to -- to the State. Because there's a lot of
22 intangible benefits in historical aircraft. And
23 I think we need to encourage the development of a
24 historical aircraft, even if it costs us a few
25 dollars.

26 MR. VAZQUEZ: Thank you.

27 Any other comments?

28 Hearing none and seeing none, we will go

1 ahead and take a recess from this meeting, and then
2 we'll reconvene tomorrow at 10:00 a.m.

3 Thank you. All right.

4 (Whereupon the meeting concluded.)

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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 September 22, 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 102
14 constitute a complete and accurate transcription of
15 the shorthand writing.

16
17 Dated: October 9, 2020
18

19
20 
21 -----
22 JILLIAN SUMNER, CSR #13619
23 Hearing Reporter
24
25
26
27
28