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

REPORTER'S TRANSCRIPT
OCTOBER 20, 2020

ITEM C1;
PROPOSED AMENDMENTS TO
PROPERTY TAX RULE 202

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

 Regina Evans
 Appearing for
 Honorable Malia Cohen

 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

 David Yeung
 Chief
 County-Assessed Properties
 Division

 Lawrence Lin
 Regulations Coordinator
 Legal Department

 Toya Davis
 Clerk
 Board Proceedings Division

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1 STATE BOARD OF EQUALIZATION
2 TELECONFERENCE
3 OCTOBER 20, 2020

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5 MS. DAVIS: Our first item on the agenda is
6 C1, Proposed Amendments to Property Tax Rule 202,
7 Allocation of Aircraft of Certificated Air Carriers
8 and Scheduled Air Taxi Operators to certify emergency
9 Rule 202, which establishes a new allocation formula,
10 and the "lead county" system, and requires an audit,
11 and the issue of "California Standard Flight Time."

12 This will be presented by attorney
13 Lawrence Lin of the Legal Department.

14 Mr. Lin, are you ready to begin?

15 MR. LIN: Yes, I am. Thank you.

16 MS. DAVIS: Go ahead.

17 MR. LIN: Okay.

18 Good morning, Chairman Vazquez and Members
19 of the Board. My name is Lawrence Lin, and I am the
20 tax counsel with the Legal Department.

21 I'm here to recommend and request that the
22 Board vote to adopt the proposed amendments to
23 Rule 202 entitled, "Allocation of Aircraft of
24 Certificated Air Carriers and Scheduled Air Taxi
25 Operators," which provide guidelines for the
26 allocation of certificated aircraft valuation.

27 If you will recall, our last discussion of
28 this rule was during the August Board Meeting whereby

1 the Board voted to re-adopt the emergency rule.

2 Adoption of the proposed amendment here will
3 make the emergency rule permanent.

4 And now I'll be happy to answer any
5 questions. And I thank you for your time.

6 MR. VAZQUEZ: Thank you, Mr. Lin.

7 For me, I just want to -- you know, I
8 thought this presentation -- and I know you folks
9 have been working real diligently with this for some
10 period of time here.

11 And I'm glad to see we were able to get the
12 assessors, the BOE to agree on a representative
13 period, and also to agree on how we can come to a
14 reasonable and fair valuation. That is truly a
15 wonderful accomplishment for everyone involved.

16 And going forward, specifically at the
17 offset of this new process, I would like the Board to
18 maintain an open line of communication with all
19 parties, and that we keep in on the issues that may
20 come up. So hopefully we can mitigate any negative
21 impacts or unknown that may affect all parties
22 involved.

23 I just had a couple quick questions for you.
24 In what capacity would the BOE serve during this
25 first year of this new rule change to ensure that
26 this is an administrative, efficient, you know, and
27 we are administering this efficiently.

28 MR. LIN: Yes. Well, I believe Mr. Dave

1 Yeung might be able to answer that a little bit
2 better.

3 But as far as I know --

4 MR. YEUNG: This is David Yeung. I'm the
5 Deputy Director of the Property Tax Department.

6 If I may, sir, I would like to offer a
7 couple things the Board and staff will be doing.

8 First of all --

9 MR. VAZQUEZ: David, can you speak a little
10 louder? I can barely hear you.

11 MR. YEUNG: Staff will be actually
12 publishing the standard flight times, which is part
13 of the information needed to make these assessments
14 and these allocations.

15 Two, the Board staff is -- Board staff is
16 working on a revision and a review --

17 Whoops. Okay. Hello. I'm sorry. I seem
18 to have had a little technical difficulties getting
19 my unmute done.

20 If no one has heard what I previously said,
21 if I may, can I restart?

22 MR. VAZQUEZ: Sure. Go ahead.

23 MR. YEUNG: Okay.

24 This is David Yeung. I'm the Deputy
25 Director of the Property Tax Department.

26 The Board is actually taking a couple steps
27 in which to hopefully ensure a smooth implementation
28 of this process.

1 As you know, prior, the Board has already
2 adopted two forms that were -- that we worked with in
3 this both industry and the assessors in order to
4 collect information needed in order to make these
5 allocations.

6 The Board will also be publishing the
7 "California Standard Flight Times." This is part of
8 the duties of the Board to publish these times in
9 order to make the allocations between the counties
10 and actually amongst the different states.

11 Thirdly, the Board staff is working on a
12 revision, a re-draft of the Assessors' Handbook,
13 Section 570, and that's the assessment of commercial
14 aircraft.

15 So we will be providing guidance about some
16 forms, and publishing information and data needed in
17 order to make these allocations and these
18 assessments.

19 I'm available for any questions you may
20 have, sir.

21 MR. VAZQUEZ: Members, do we have any
22 questions of staff?

23 Hearing none, I'd like to entertain a motion
24 to adopt staff's recommendation.

25 MS. DAVIS: Mr. Chairman, before we do
26 that --

27 MR. VAZQUEZ: I'm sorry.

28 MS. DAVIS: -- would you like to check with

1 AT&T to see if there's any commenters?

2 MR. VAZQUEZ: Yes, please. I forgot. I'm
3 sorry.

4 MS. DAVIS: That's okay.

5 AT&T moderator, can you please let us know
6 if there is anyone on the line who would like to make
7 a public comment regarding this matter.

8 AT&T OPERATOR: Certainly.

9 Ladies and gentlemen, if you do wish to make
10 a public comment, please press one then zero at this
11 time. One, zero.

12 And allowing a few moments, we do not have
13 anyone in queue at this time.

14 MS. DAVIS: Thank you.

15 Go ahead, Chairman.

16 MR. VAZQUEZ: Thank you.

17 Once again, do we have any Members who have
18 questions or comments first?

19 MR. GAINES: Yeah. Chair Vazquez.

20 MR. VAZQUEZ: Yes, Member Gaines.

21 MR. GAINES: Member Gaines. Thank you.

22 I just wanted to thank all the parties
23 involved in being able to figure out the proper
24 regulatory pathway for aircrafts in California.

25 I know that just from the periphery, when we
26 were running our campaigns, this was the issue at the
27 Board of Equalization. It was the big issue. And an
28 issue that had not been resolved for years and years.

1 So to see that the parties were able to come
2 together and craft a solution is encouraging. And
3 we'll have to see how it goes.

4 Like you said, Chair Vazquez, how is this
5 really going to play out, and what are the impacts
6 going to be, and will the parties have to come back
7 together and make some minor adjustments?

8 Certainly we received input from them, and
9 we can make that determination as a Board.

10 So with that noted, I'd like to go ahead and
11 make a motion to approve this.

12 Thank you.

13 MR. VAZQUEZ: It's been moved by, Member
14 Gaines.

15 I will go ahead and --

16 MS. STOWERS: Second.

17 MR. VAZQUEZ: Oh, I'm sorry. Ms. Stowers.
18 We got a second from Ms. Stowers.

19 If there's no other comments or questions
20 from the Members, hearing and seeing none, Ms. Davis,
21 if you could please call the roll.

22 MS. DAVIS: Chairman Vazquez.

23 MR. VAZQUEZ: Yes.

24 MS. DAVIS: Vice Chair Schaefer.
25 Vice Chair Schaefer.

26 MR. SCHAEFER: I'm sorry. The answer is
27 yes.

28 MS. DAVIS: Thank you.

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Member Gaines.

MR. GAINES: Aye.

MS. DAVIS: Deputy Controller Stowers.

MS. STOWERS: Aye.

MS. DAVIS: With Member Cohen being
absent.

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

And I guess moving forward, I forgot -- it's
my understanding if we move forward on these votes,
rather than saying "yes," I think we're supposed to
be saying "aye." And I don't know if that's a legal
issue or just a formality. So I will make that
correction moving forward.

Thank you all.

With that, Ms. Davis, please call the next
item.

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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 October 20, 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 10
14 constitute a complete and accurate transcription of
15 the shorthand writing.

16
17 Dated: February 2, 2021
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22 JILLIAN SUMNER, CSR #13619
23 Hearing Reporter
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