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

REPORTER'S TRANSCRIPT  
FEBRUARY 11, 2021

REPORTED BY: Jillian M. Sumner  
CSR NO. 13619

1                   APPEARING BY VIDEOCONFERENCE OR TELEPHONICALLY

2   For the Board of  
3   Equalization:

                  Honorable Antonio Vazquez  
                  Chair

4                   Honorable Mike Schaefer  
5                   Vice Chair

6                   Honorable Ted Gaines  
7                   First District

8                   Honorable Malia M. Cohen  
9                   Second District

10                  Yvette Stowers  
11                  Appearing for Betty T.  
12                  Yee, State Controller  
13                  (per Government Code  
14                  Section 7.9)

15   For the Board of  
16   Equalization Staff:

17                  Brenda Fleming  
18                  Executive Director

19                  Henry Nanjo  
20                  Chief Counsel  
21                  Legal Department

22                  Richard Moon  
23                  Tax Counsel IV  
24                  Legal Department

25                  David Yeung  
26                  Deputy Director  
27                  Property Tax Department

28                  Patricia Lumsden  
                  Chief  
                  County-Assessed Properties  
                  Division

                  Lisa Thompson  
                  Taxpayer Rights Advocate

                  Peter Kim  
                  Chief Communications Officer

                  Lisa Renati  
                  Chief Deputy Director

                  Cathy Taylor  
                  Chief  
                  Board Proceedings Division

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Additional speakers:

Ernest Dronenburg  
President  
California Assessors'  
Association

Jeff Prang  
Assessor  
Los Angeles County

Public Speakers:

Alicia Gamez  
Attorney  
San Francisco

Bonnie Landles-Dowling

Ferial Maghami

Sairsha

Marry Ann Welch

Mikhail Kazantsev

Lilana Spindler

Yulissa Zulaica  
Attorney  
San Francisco

Kathleen

Lillian Lulonna [phonetic]

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1 STATE BOARD OF EQUALIZATION

2 VIDEOCONFERENCE

3 FEBRUARY 11, 2021

4 ----oOo----

5 MR. VAZQUEZ: All right. We're ready to  
6 call this Board Meeting to order.

7 Is Ms. Taylor on the line?

8 MS. TAYLOR: Yes, I am.

9 MR. VAZQUEZ: If you would please call the  
10 roll.

11 MS. TAYLOR: Chairman Vazquez.

12 MR. VAZQUEZ: Present.

13 MS. TAYLOR: Vice Chair Schaefer.

14 MR. SCHAEFER: Present.

15 MS. TAYLOR: Member Gaines.

16 MR. GAINES: Present.

17 MS. TAYLOR: Member Cohen.

18 MS. COHEN: Present.

19 MS. TAYLOR: Controller Stowers.

20 MS. STOWERS: Present.

21 MR. VAZQUEZ: The quorum is present, and the  
22 Board Meeting is called to order.

23 We will start with the pledge of allegiance.

24 If I could just have you please stand.

25 (Whereupon the pledge of allegiance was  
26 recited.)

27 MR. VAZQUEZ: With that, let me just --  
28 another friendly reminder.

1 I know we do have our Chair, or I should say  
2 the president, Ernie Dronenburg, with us, as well as  
3 Jeff Prang from the assessors.

4 And I just wanted to remind everybody that  
5 we all share -- we're all sharing the same line,  
6 so -- simultaneously. So just to be aware as we  
7 speak, that we speak in the audio as clean and clear  
8 as possible, and to wait to be recognized so the  
9 transcriptionist can make sure that they're taking  
10 down minutes correctly in terms of who is moving any  
11 motions or who is speaking. So we record this as  
12 accurate as possible.

13 With that, let me have Ms. Taylor please  
14 announce the first order of business.

15 MS. TAYLOR: Our first order of business is  
16 an announcement regarding public teleconference  
17 participation.

18 Good morning, and thank you for joining  
19 today's Board of Equalization meeting via  
20 teleconference.

21 Throughout the duration of today's meeting,  
22 you will primarily be in a listen-only mode.

23 As you may know from our public agenda  
24 notice and our Web site, we have requested that  
25 individuals who wish to make a public comment fill  
26 out the public comment submission form found on our  
27 "Additional Information" Web page in advance of  
28 today's meeting; or, alternatively, participate in

1 today's meeting by providing your public comment  
2 live.

3 After the presentation of an item has  
4 concluded, we will begin by identifying any public  
5 comment requests that have been received by our Board  
6 Proceedings staff with the AT&T operator providing  
7 directions for you to identify yourself.

8 After all known public commenters have been  
9 called, the operator will also provide public comment  
10 instructions to individuals participating via  
11 teleconference.

12 Accordingly, if you intend to make a public  
13 comment today, we recommend dialing into the meeting  
14 on the teleconference line, as the audio broadcast on  
15 our Web site experiences a one- to- three minute  
16 delay.

17 When giving a public comment, please limit  
18 your remarks to three minutes. We ask that everyone  
19 who is not intending to make a public comment, please  
20 mute their line or minimize background noise.

21 If there are technical difficulties when we  
22 are in the public comment portion of the meeting, we  
23 will do our best to read submitted comments into the  
24 record at appropriate times.

25 Thank you for your patience and  
26 understanding.

27 MR. VAZQUEZ: Thank you.

28 Members, our hearing today is to follow up

1 on our prior actions on January 14th and the 15th to  
2 hear and discuss the Prop. 19 Strike Team report  
3 updates, and to take actions that have been or need  
4 to be taken to implement it.

5 Last month the Board took action and adopted  
6 staff recommendations on five items.

7 No. 1, the Prop. 19 legal analysis; two, our  
8 proposed legislative package; three, the BOE guidance  
9 and rulemaking; four, the BOE and assessors forms;  
10 and, five, a Prop. 19 communications and education  
11 plan.

12 We also agree to send a letter to the  
13 Legislature supporting the legislative packets that  
14 included three key steps to implement Prop. 19 by the  
15 constitutional deadline.

16 Section 63.2, parent-child and grandparent  
17 to grandchild exclusions by February 16th;  
18 Section 69.1, wildfire and governor-declared natural  
19 disaster base year value transfers by April 1st; and  
20 Section 69.6, seniors and disabled base year value  
21 transfers by April 1st.

22 We emphasize the urgencies so that  
23 taxpayers' rights are protected in an effective and  
24 uniformed matter; so they are treated fairly and  
25 understand the impact on transfers on their homes and  
26 property.

27 We even urge the legislators to consider and  
28 approve an abbreviated form of it before the

1 February 16th deadline.

2 We also voted to schedule this meeting today  
3 for three reasons.

4 One, to ensure -- excuse me.

5 One, to update everyone on what has been  
6 done, or is pending before the February 16th  
7 deadline; two, to clarify where assessors,  
8 petitioners and public can obtain the information  
9 they need to comply; and, three, to make any  
10 decisions or take action on additional steps that may  
11 be needed.

12 With the three caveats that I need to  
13 mention.

14 First, although our legislative package is  
15 being considered, it has not yet been introduced.

16 As you know, until a bill is introduced, we  
17 won't know how closely the end product will align  
18 with what we submitted.

19 It's my understanding, and I am optimistic,  
20 that it will be introduced soon.

21 Second, when the bill is introduced and is  
22 available, we'll make sure it's forwarded to you  
23 immediately for review.

24 If it aligns with what we proposed and is  
25 consistent with the staff's recommendation, I would  
26 like your pre-authorization to have the Executive  
27 Director draft a letter of support on behalf of the  
28 Board, and submit the letter for your review, if at



1 all possible, depending on whether the bill is  
2 available on Friday or next Tuesday.

3 The ED will cover this further in detail  
4 under the Legislative Update on the agenda.

5 And, third, at the last meeting we discussed  
6 and received a report from the Legal staff on the use  
7 of the emergency rulemaking for Prop. 19's  
8 implementation. Since then, it was determined that  
9 Prop. 19 doesn't meet the emergency conditions.

10 Alternatively, the legislature could provide  
11 a special exemption. Mr. Moon will explain this  
12 further in his update on rulemaking.

13 And, finally, for all those who are  
14 listening or wish to ask questions, we encourage your  
15 input. However, we cannot advise you on your  
16 personal situation in this meeting, and we cannot  
17 change any of the deadlines that are listed in  
18 Prop. 19.

19 The rule of the Board -- the role. Excuse  
20 me.

21 The role of the Board is to clarify and  
22 administer the intent of Prop. 19. And we have a  
23 special Prop. 19 Web page posted on the BOE Web site  
24 with some information, and we will issue more as soon  
25 as it's possible.

26 With that, let me open it up to the Members  
27 if they have any opening remarks.

28 And I see a hand already from Ms. Cohen.

1 MS. COHEN: Thank you.

2 MR. VAZQUEZ: Member Cohen, go ahead.

3 MS. COHEN: Can you guys hear me okay?

4 MR. VAZQUEZ: Now I can hear you.

5 MS. COHEN: All right.

6 Good morning, colleagues.

7 Good morning, ladies and gentlemen, and  
8 members of the public.

9 I'm very excited to be here.

10 I do want to take some time to talk a little  
11 bit about Prop. 19, and where we are, and some of my  
12 thoughts.

13 Over the last -- over the past several  
14 Board Meetings and various outreach convenings  
15 throughout the state, through constituent inquiries,  
16 and the many conversations we're all having with our  
17 elected family members and our friends and our  
18 colleagues, we've received extensive testimony and  
19 feedback from California families who will be  
20 impacted on Prop. 19.

21 Just want to set that up.

22 The largest concerns are about the  
23 provisions of Proposition 19 that will come into  
24 effect on the 16th, restricting the ability for  
25 families to transfer their homes and their property  
26 to the next generation.

27 This testimony that we heard expressed a  
28 concern that families will be forced to sell their

1 homes and their farms and other property, because it  
2 will be reassessed.

3 And under Prop. 19, there is only one  
4 exception: if a child or a qualified grandchild  
5 decided to live in the family home.

6 And I believe that Prop. 19 needs to be  
7 amended to restore the property tax laws enacted  
8 through Proposition 58 and Prop. 193 that allowed  
9 families to transfer their homes and other properties  
10 without penalty or without reassessment.

11 I also believe that, frankly, because of the  
12 impact of COVID-19, we need to amend the Constitution  
13 to extend the time deadlines for the completion of  
14 the sale -- sales and transfers of property.

15 So to put my views into context, I want to  
16 take a look at the realities surrounding the passage  
17 of Prop. 19.

18 Mr. Chair, you commented on that we've put  
19 together an extensive package somewhere around  
20 40 amendments. But, yet, we have not found a  
21 sponsor. And that's concerning.

22 You know, to go back as a point in history,  
23 Prop. 19 was championed as an initiative that  
24 provided the much-needed assistance to seniors, to  
25 severely disabled, to families, to victims of fires  
26 and natural disasters, while simultaneously providing  
27 revenue for wildfire protection agencies and  
28 counties.

1           Lofty and novel, and I think having good  
2 intentions; however, broad bipartisan coalition of  
3 support, including business and labor, as well as  
4 elected leaders across the state of California have  
5 supported Prop. 19.

6           It's only in its recent passage that we are  
7 coming to see how challenging this implementation of  
8 Prop. 19 will be.

9           According to the most recent figures, over  
10 \$57 million was spent on the "yes" on Prop. 19's  
11 side. \$57 million to get this initiative passed,  
12 with over 40 million from the California Association  
13 of Realtors Issues Mobilization, Political Action  
14 committee. That is a lot of money to influence  
15 voters.

16           And only \$69,000 was spent against Prop. 19.

17           So what does that mean? That means that  
18 Prop. 19's side outspent the "no" on Prop. 19's side  
19 by ratio of 826 to 1; 826 to 1.

20           Now, in my many conversations people have  
21 asked me how does this happen?

22           Well, when you follow the numbers, and you  
23 look at the money, you can see quite clearly how it's  
24 happened.

25           Television advertising promoted Prop. 19 as  
26 the law that would, quote, limit taxes on wildfire  
27 victims so families can move to replacement homes  
28 without tax penalty.

1                   Yeah, that's true.

2                   Prop. 19 was enacted with a margin of around  
3 51 percent yes, 49 percent no.

4                   Californians have good hearts. I have a  
5 good heart. We all have a good heart. And they're  
6 generous, and they're thoughtful, and they're caring.

7                   There was great interest in providing  
8 assistance to the victims of the wildfires and  
9 natural disasters so that they could transfer their  
10 Prop. 13 base year values to any county in the state  
11 of California.

12                   Californians also wanted to provide  
13 much-needed revenue to wildfire agencies and counties  
14 that responded to these disasters. Again, very  
15 novel.

16                   Now, I think that we should -- let me see.

17                   However, I don't believe that enough  
18 attention was paid to the fact that Prop. 19 also  
19 took away protections that allowed property to be  
20 transferred from one generation to another.

21                   And for so many middle-class families, and  
22 particularly families of color, the home is a  
23 valuable savings account. It's a 401(k). It's how  
24 many people put their kids through college. It's how  
25 people plan to retire on.

26                   And I've been on calls, on many calls of  
27 leaders not only in the African American community,  
28 but largely in communities of color, where the pain

1 of a family losing their single most important asset  
2 is causing uncertainty and fear.

3 And these same fears have been expressed by  
4 other communities, and middle-class families,  
5 working-class families, family farmers.

6 As stated in a study -- I'm going to quote a  
7 study that McKinsey & Company published on financial  
8 inclusion.

9 Historically, buying a home is the key to  
10 stepping -- is a key step in building family wealth.  
11 And Prop. 19 will force the middle-class families and  
12 families of color to sell their single most important  
13 financial aspect, which we call a family home.

14 Fathers and mothers and grandfathers and  
15 grandmothers worked hard to purchase homes. They  
16 hoped that their children would be able to benefit  
17 from this hard work.

18 And, quite frankly, we're not talking about  
19 \$25 million houses in Malibu. We're talking about  
20 the middle-class homes in Baldwin Hills, and maybe  
21 Hunters Point, and Encanto in San Diego, and other  
22 communities throughout California.

23 And we've heard testimony from other similar  
24 issues that will have an impact on family farms  
25 throughout our state.

26 Well, that's why I hope that everyone on  
27 this call will join me and urge the Legislature to  
28 place on the ballot at the next general election a

1       corrective constitutional amendment to Prop. 19.

2               A corrective constitutional amendment that  
3 could restore the ability of families to transfer  
4 their principal residence to other property -- and  
5 other properties, as currently provided under  
6 Prop. 58 and Prop. 193.

7               After that's accomplished, I think there  
8 will be plenty of time to review concerns that  
9 transfers of family homes worth many millions of  
10 dollars benefit families of Hollywood movie stars and  
11 out-of-state investors. We can address that.

12              But let's restore -- let's restore what --  
13 the generational loss that's happening.

14              There will be time to address how to  
15 backfill the revenue to wildfire agencies and  
16 counties. These discussions are important, but they  
17 should occur in full public view, and give broad --  
18 and we take in broad feedback.

19              So I'm asking that you join me in working  
20 with the Legislature to encourage a constitutional  
21 amendment

22              Mr. Chair, I appreciate your time.

23              Thank you.

24              MR. VAZQUEZ: No, thank you.

25              And I don't think you'll find any opposition  
26 from this Board.

27              MS. COHEN: I'm sure.

28              MR. VAZQUEZ: And, you know, and I think

1 just for the public, I think many -- I've been in a  
2 lot of these forums, and I'm sure you have, and other  
3 Members, people don't really understand our role.  
4 We're not legislators. And I think it's good to get  
5 that information out.

6 At the end of the day, we're only here as a  
7 Board to implement what laws are passed or  
8 legislation is passed. And in this case, a  
9 constitutional amendment. And to try to make sure  
10 that it is implemented as fairly as possible.

11 But with that, let me see if there's any  
12 other Members that want to --

13 MR. GAINES: Chair Vazquez.

14 MR. VAZQUEZ: I see Member Gaines.

15 Go ahead.

16 MR. GAINES: Great. Thank you.

17 I want to thank Member Cohen for her great  
18 comments. And I'm in complete agreement.

19 And also with you, Chair Vazquez.

20 You know, when we take a look at Prop. 19,  
21 the good aspect of it is that it gave you the ability  
22 to have a base year transfer to any county in the  
23 state if you're over 55 years of age, or disabled, or  
24 a fire victim.

25 And I think we're all in agreement that that  
26 is -- that's great. That's a good benefit for folks.

27 But to tax families and family farms who are  
28 trying to pass property on to continue the farm for



1 the next generation, or families that are trying to  
2 pass that asset on, you know, acquiring a home, and  
3 paying a home off is usually the asset that a family  
4 has.

5 They've paid into Social Security, and  
6 things of that source. So they have Social Security,  
7 and then they have the cash that's in their home.  
8 And if they're fortunate, they've got some sort of  
9 IRA or 401(k), or something of that nature.

10 But the ability to pass that on to your  
11 children or grandchildren is so critical, so  
12 important to not put that burden on the family to  
13 make a decision as to whether they need to sell the  
14 home or not because the taxes are reappraised and go  
15 up dramatically.

16 And we had that example cited. It was a  
17 bigger dollar amount, but it was with a family farm  
18 where the taxes went up 800 percent.

19 And you can see, for a family farm, passing  
20 that down, if it was kind of a low-margin type of  
21 farming or ranching they're doing, like cattle, for  
22 instance, is pretty low margin. And so you need a  
23 lot of land. And over time, that land can become  
24 very valuable.

25 But you've got a family tradition that wants  
26 to pass that family ranch or farm on to the next  
27 generation, and yet those taxes go up dramatically.  
28 And that could kill off the ranching operation or the

1 farm.

2 So I'm in complete agreement.

3 And if we can get a sponsor in the  
4 Legislature that will carry the bill through and get  
5 it on the ballot as soon as possible, I'm in complete  
6 support of that.

7 I did have a -- I attended a meeting with  
8 the Farm Bureau and got to talk about Prop. 19 at  
9 that meeting, a virtual meeting. And it was very  
10 helpful. But it was very sad hearing some of the  
11 stories of what some folks are going through.

12 I spoke to a dairy family, and there's a lot  
13 of consolidation going on with dairy farms right --  
14 right now, and has been going on for years in  
15 California.

16 And of course we heard the stories in our  
17 own hearing about the families with a disabled child,  
18 maybe an adult child that still needs that extra  
19 care, and yet they're going to be socked with a tax  
20 increase.

21 And I think people didn't realize that if  
22 you were disabled, you got the benefit for the base  
23 year transfer to all 58 counties, but -- but you're  
24 going to get socked on the taxes if you want to pass  
25 that home on.

26 Let's say that's an asset that you could  
27 rent out and provide income for that disabled child,  
28 or a place to live if they've got the right care,

1 in-home care.

2 So I'm in complete agreement.

3 And I don't know if we need to formalize  
4 this in terms of some sort of motion. I don't know  
5 if this is the appropriate time to do that.

6 But I'm in agreement with both of your  
7 comments, both from Member Cohen and Member Vazquez.

8 Thank you.

9 MR. VAZQUEZ: Thank you.

10 Any other Members who wish to speak?

11 Vice Chair Schaefer, I see you moving.

12 Go ahead.

13 MR. SCHAEFER: Yes. Thank you, Chair  
14 Vazquez.

15 We had a listening post in San Diego last  
16 Friday, and had between 2 and 300 taxpayers contact  
17 us with questions, written and oral.

18 And we had our expert counsel, and we had  
19 the assessors from Imperial County, Riverside County,  
20 and Mr. Dronenburg, of course, on behalf of all  
21 assessors and on behalf of San Diego County.

22 And we spent the most of Friday, at least a  
23 couple of hours, assisting inquiries on Prop. 19.

24 I think that was a great service to the  
25 counties that participated.

26 And while I support Ms. Cohen and what she's  
27 offering to us, and I look forward to Member Gaines  
28 to know who in the Legislature has an interest and an

1 ability to help us concur what we're trying to do.

2 We had over 1,000 people on Zoom participate  
3 in our hearing from 12:00 to 2:00 last Friday. So I  
4 want you to know that District 4 is doing what we can  
5 to clarify things, and to help everybody in  
6 California deal with the ambiguities in Prop. 19.

7 Thank you.

8 MS. COHEN: Mr. Chairman, can I jump in for  
9 a second?

10 MR. VAZQUEZ: Thank you.

11 Yes, Member Cohen. Go ahead.

12 MS. COHEN: I wanted to affirm Vice Chair  
13 Mike Schaefer's meeting.

14 I had a chance to jump on and listen to the  
15 discussion for about a half-hour to about 45 minutes.  
16 And it was excellent. It was very well attended and  
17 very thoughtful. He had a great panel.

18 So my compliments to you, Mike, and to Gary  
19 and your team for setting that up.

20 Also, Ernie and Jordan. Jordan Marks and  
21 Ernie Dronenburg also did a fantastic job on this --  
22 on this panel as well.

23 MR. VAZQUEZ: Thank you.

24 Any other Members?

25 MS. STOWERS: Chairman Vazquez. Deputy  
26 Controller Stowers.

27 MR. VAZQUEZ: Ms. Stowers, go ahead.

28 MS. STOWERS: Thank you.

1           Prop. 19 -- I'd like to kind of go back to  
2 your statements, Chair Vazquez.

3           Our role here is to implement. And that's  
4 what we're trying to do for a very complicated  
5 measure that has some very negative consequences --  
6 consequences.

7           And I understand that the voters probably  
8 did not understand. But I would like to restate that  
9 individual Board Members may take -- as an elected  
10 official -- may take a position, and even seek  
11 someone to sponsor a constitutional amendment.

12           But as this Board as a whole, we cannot do  
13 that. We're charged with implementing and not  
14 seeking amendments or taking positions on  
15 legislation.

16           I believe our Chief Counsel has stated that  
17 to us several times.

18           MR. VAZQUEZ: Thank you.

19           Anybody else?

20           Hearing no other comments, I just thank the  
21 Members.

22           And if I could get Ms. Taylor to please call  
23 our first sub item.

24           MS. TAYLOR: Our first item -- sub item is  
25 M1(a), Public Policy Hearings; Proposition 19 Strike  
26 Team Updates on Proposition 19, the Home Protection  
27 for Seniors, Severely Disabled, Families, and Victims  
28 of Wildfire or National Disasters Act of 2020: update

1 on legal analysis associated with the implementation  
2 of Proposition 19, presented by Mr. Moon.

3 MR. VAZQUEZ: Mr. Moon, if you're available,  
4 would you please provide us with any updates  
5 regarding Prop. 19.

6 MR. MOON: Yes, Chairman Vazquez. This is  
7 Richard Moon with the Legal Department.

8 And we don't have any updates to the January  
9 legal analysis that's been published. But what we've  
10 focused on is drafting further guidance based on some  
11 of the legal conclusions in that memo, and trying to  
12 flush those out to specific situations.

13 And you'll hear a little more about that in  
14 the guidance and rulemaking portion of today's  
15 meeting.

16 But I'd be happy to take any questions that  
17 you have.

18 MR. VAZQUEZ: I have just a couple  
19 questions. But let me see if any of the Members have  
20 any questions for you before I start.

21 Seeing no hands, I will go ahead.

22 Mr. Moon, my first question is -- first,  
23 thank you for the analysis you did back in  
24 January 8th. Which is very helpful, by the way.  
25 Especially on the Web site.

26 And on your ongoing legal analysis, I wanted  
27 to know if we'll be addressing the eligibility of  
28 multiple transferees who receive and wish to take

1 turns to continue a principal residence.

2 MR. MOON: Yes.

3 This is Richard Moon again.

4 We will be addressing that. And as you  
5 said, it is in the legal analysis. We will be  
6 flushing that out a little bit more in regulations  
7 and/or guidance.

8 And as the legal memo indicates, it is  
9 possible to, as you put it, take turns for siblings  
10 in the family home, to use it as a family home and  
11 maintain the benefit to the exclusion.

12 However, I do want to make clear that the  
13 subsequent child is eligible to move in and take the  
14 benefit of that exclusion only if they were also a  
15 recipient of the property from their parent at the  
16 initial transfer.

17 So, for example, if a parent has two  
18 children, and they give 100 percent of the home to  
19 child one who moves in, and then two years later that  
20 child moves out and gives the home to his sibling who  
21 moves in, then that home is not going to qualify.  
22 Because child did not receive the home from the  
23 parent.

24 But if the parent gave the home 50/50 to  
25 each child, and they did that, then it would qualify.  
26 And the reason is because sibling-to-sibling  
27 transfers are not excluded by Proposition 19, while  
28 parent-to-child transfers are excluded.

1 MR. VAZQUEZ: Thank you.

2 Will we also have -- will we also have  
3 information on the process that children would use to  
4 do this?

5 And what would they -- what would they be  
6 submitting to the assessor? Do we know that?

7 MR. MOON: So there will be information as  
8 to process.

9 And so what we know is that anybody who  
10 qualifies the family home as their principal  
11 residence would need to file a homeowner's exclusion.  
12 And they would also need to file the exclusion  
13 exemption. And they would also need to file the  
14 exclusion claim form with the assessors.

15 So when the child moves out, they would need  
16 to inform the assessor that they are no longer  
17 eligible for the homeowner's exemption.

18 And then when the second child moves in,  
19 they would need to file the homeowner's exemption.  
20 And they would also need to file a claim for the  
21 exclusion as well.

22 MR. VAZQUEZ: Thank you.

23 My second question is, would you also be  
24 able to address any update -- updated legal analysis  
25 whether a parent-child exclusion under Prop. 19 would  
26 still apply if a parent leaves her property to her  
27 children to share and share alike?

28 I think you kind of touched on that.



1 MR. MOON: Yes. Yeah. So we will address  
2 "share and share alike" trusts in future guidance.

3 And what I can say is, although  
4 Proposition 19 changes the kind of property that can  
5 be excluded using such trust, it didn't change the  
6 rules that govern the trust.

7 So a parent can still leave a family home to  
8 their children in a "share and share alike" trust.

9 And if the children desire, there is still a  
10 method by which one child can inherit the entire  
11 property, instead of each sharing it, and still  
12 maintain the exclusion on the entire home.

13 It's just that now the type of property that  
14 can be excluded is different.

15 MR. VAZQUEZ: Thank you, Mr. Moon.

16 I believe that with -- even without the  
17 legislation, it's critical that we issue sound  
18 written guidance on this.

19 I'm telling practitioners and constituents  
20 to check our Prop. 19 Web page daily for updates.  
21 But I want to remind people that they should address  
22 their individual situations with their practitioners.  
23 Because I don't want to mislead folks.

24 And some of this is very critical  
25 information as they choose to pass on their  
26 inheritance to their children.

27 With that, let me have -- is Ms. Fleming  
28 available? I understand Ms. Fleming --

1 Ms. Fleming, I would like you to have an  
2 action plan for our proposed rules, LTAs, forms or  
3 other guidance for the February 23rd meeting,  
4 consistent with your priorities -- priorities and  
5 plan.

6 I think we -- we'd be negligent if our  
7 duties -- of our duties if we fail to act.

8 If we issue guidance and draft rules or any  
9 information, we need to be sure to modify and update  
10 as legislation continues to be passed.

11 Is an action plan for February 23rd doable,  
12 Ms. Fleming?

13 MS. FLEMING: Thank you, Chairman and  
14 Honorable Members.

15 To answer your question correctly, yes, sir,  
16 it is doable by the 23rd, as you'll hear more today  
17 under that segment of the discussion.

18 We are in a process of -- of flushing some  
19 of the details out. We will use that information to  
20 draft the guidance it needed, and also to prepare for  
21 the rulemaking process.

22 And our intent is to responsibly make sure  
23 that that information is provided to the Board for  
24 our implementation at the February 23rd meeting.

25 Yes, sir. Thank you.

26 MR. VAZQUEZ: Thank you.

27 I see Ms. Stowers has a hand up.

28 Let me just finish my last little remark.

1           And, you know, with this Board, I know, in  
2 listening to, especially, the comments that were made  
3 earlier today, we obviously take our responsibility  
4 very seriously. And we will keep the Legislature  
5 informed.

6           But we cannot sit on our hands and do  
7 nothing. So I think it's real critical that we keep  
8 on top of this. Because this is constantly going to  
9 be changing, as we're hearing.

10           And hopefully, like I mentioned earlier in  
11 my opening remarks, that we should have a -- a bill  
12 soon where this thing is starting to take shape and  
13 move forward.

14           And at that point, I think we need to make  
15 sure that we all weigh in as much as we can with  
16 those that we know.

17           With that, let me have -- Ms. Stowers had a  
18 hand, and Member Gaines.

19           Ms. Stowers.

20           MS. STOWERS: Thank you very much.

21           Just really quick, I just wanted to come on  
22 and say I agree with what you're saying about having  
23 some guidance and rulemaking with the plan provided  
24 to the Board at our next meeting.

25           One thing that strikes me is that the -- the  
26 legal memo that our Chief Counsel and Mr. Moon  
27 prepared responding to questions is an excellent  
28 memo. It really outlines some of the critical items.

1           But my concern is that if we don't move  
2 forward with guidance and, especially, rulemaking,  
3 that legal memo could be perceived as an underground  
4 regulation.

5           So I highly encourage that we move forward  
6 in the rulemaking process.

7           MR. VAZQUEZ: Thank you.

8           MS. FLEMING: Thank you, Deputy Controller  
9 Stowers.

10          This is Brenda Fleming.

11          We concur.

12          MR. VAZQUEZ: Member Gaines, I see your  
13 hand.

14          MR. GAINES: Yeah.

15          Thank you. I appreciate that.

16          Just a couple of comments. Because there is  
17 a lack of clarity in the law.

18          So it's my understanding that there's going  
19 to -- people are going to interpret it as best they  
20 can until clarity is provided.

21          So here we have cases going on where people  
22 are passing away, and property is still to be passed  
23 on.

24          You know, I don't know how you deal with  
25 that other than trying to interpret -- interpret it  
26 the best as you can until we get clarity from the  
27 Legislature.

28          I guess we have some of our own rulemaking

1 authority. I don't know -- I don't have clarity in  
2 terms of what we can do in providing clarity, as  
3 Member -- as the BOE versus the Legislature.

4 It is an initiative, so we can't change the  
5 intention of the initiative without going back to a  
6 vote of the people.

7 So maybe if we get a little clarity from  
8 that, in that regard, from Richard Moon, that will be  
9 helpful.

10 But before you comment, I do want to thank  
11 both Richard Moon and David Yeung with my Zoom  
12 workshop that I had with California Farm Bureau.

13 So they were -- they were available. They  
14 asked a myriad of questions -- they were asked a  
15 myriad of questions, and did a great job in  
16 representing the Board of Equalization.

17 So thank you for that.

18 Richard, can you -- can you provide a little  
19 clarity on what we do in the interim in terms of --

20 MR. MOON: Yes, I'd be happy to. I'd be  
21 happy to.

22 This is Richard Moon from the Legal  
23 Department again.

24 So our authority extends to chiefly two  
25 things. One is regulations; and one is, I guess,  
26 what we can just group as a category, less informal  
27 or more -- more informal guidance.

28 And so we are -- and you'll hear more about

1 this later on in the agenda. But we are in the  
2 process of drafting regulations. And we will either  
3 do them through the emergency rulemaking process, or  
4 through the regular rulemaking process.

5 At the same time, we're putting forward  
6 guidance that hopefully answers a lot of the  
7 questions that remain.

8 And that guidance will initially take the  
9 form of the letters to -- letter to assessors. And  
10 that will touch on many different things.

11 But two of this -- two of the sort of the  
12 chief things that it will touch on are our filing  
13 requirements, and then valuation of the property in  
14 instances that sort of aren't the vanilla, one  
15 parent-child transfers 100 percent of the property to  
16 one child.

17 And so the LTA will -- will address many of  
18 those types of questions.

19 And then once that LTA is released, I  
20 believe that our next step -- and Dave Yeung can  
21 confirm this. But I believe our next step would be  
22 to look at the other types of guidance that we have  
23 out there, including Assessors' Handbooks that may  
24 need to be updated and changed, as well as even less  
25 formal guidance in the form of our Web page where we  
26 have a "frequently asked questions" section that will  
27 be updated as well.

28 MR. GAINES: Okay. That -- that is great.

1           And I'm wondering if you could touch on this  
2 again. But you have commented about irrevocable  
3 trusts. And I know those are different from trust to  
4 trust. But I think you had given kind of a broad --  
5 a broad statement with regard to the passage of  
6 property from, you know, parent to child through an  
7 irrevocable trust.

8           Can you reiterate that again just for the  
9 public so that they are aware of it?

10          MR. MOON: Sure. I'd be happy to.

11          So our general rule -- and, again, this is  
12 another situation where Prop. 19 does not affect the  
13 rules that govern the trust, although it may affect  
14 the type of property that can be passed through the  
15 trust and get exclusion.

16          And so the general rule for trusts are that  
17 the date of the change in ownership of an irrevocable  
18 trust is the date that the property is transferred to  
19 that irrevocable trust, or the date that the trust  
20 becomes irrevocable.

21          So if there's an irrevocable trust in  
22 properties transferred into that trust prior to  
23 February 16th, the Propositions 58, 193, the old  
24 rules, would apply.

25          But if that property transfer occurs after  
26 the 16th or after, then new Proposition 19 rules  
27 would apply.

28          And, again, I need to caveat that by saying,

1     you know, you really need to look at the specific  
2     terms of that trust.

3             In a revocable trust, even if the property  
4     is transferred to that revocable trust, the property  
5     is still considered to be owned by the trustor of  
6     that trust. And that's because the trust is  
7     revocable. So if they put it in, they can still take  
8     it out.

9             MR. GAINES: Yes.

10            MR. MOON: So there's no transfer considered  
11     to have been done.

12            MR. GAINES: Okay. That's very helpful.  
13     Thank you.

14            No further --

15            MR. VAZQUEZ: Thank you.

16            MR. GAINES: Thank you.

17            MR. VAZQUEZ: Ms. Taylor, I know we have two  
18     of our assessors on this call with us.

19            Do we have any -- or do they wish to speak  
20     on this?

21            I see Jeff Prang.

22            MR. PRANG: I don't have anything to speak  
23     on that specific item.

24            But if we're on the agenda, if we're at that  
25     point, I do have a report to offer. Or probably want  
26     to follow our president, Mr. Dronenburg.

27            MR. DRONENBURG: Well, we were scheduled to  
28     be later. So that's why I didn't say anything now.



1 MR. VAZQUEZ: No, you're right. You're  
2 coming up, actually, next. I just didn't know if you  
3 had any comments on what we've discussed so far.

4 MR. PRANG: No. I think that Mr. Moon has  
5 explained things fairly, concisely and consistent  
6 with how we are -- how we're viewing the  
7 interpretation as well.

8 MR. VAZQUEZ: Thank you.

9 Ms. Taylor, do we have any written comments  
10 on this item?

11 MS. TAYLOR: Yes. We have three written  
12 comments on this item.

13 The first item will be read by Ms. Renati.

14 MS. RENATI: The first comment is from an  
15 unidentified retired public school educator.

16 The section of Prop. 19 that overturns  
17 Propositions 58 and 193 will disproportionately land  
18 on the backs of Californian's middle-class, causing a  
19 loss of generational properties due to excessive  
20 property tax increases.

21 Our taxpayers deserve to have Prop. 19's  
22 true consequences publicly scrutinized.

23 The 2020 Official Voter Guide specifically  
24 stated that among Prop. 19's pro arguments: closes  
25 unfair tax loopholes used by wealthy out-of-state  
26 investors, and protects Prop. 13 savings.

27 This thesis of reform is completely false.

28 One, right now, out-of-state and "Lebowski"

1 families predictably continue to protect their  
2 inherited properties through a variety of legal  
3 maneuvers, to which those with modest means do not  
4 have access.

5 Two, Prop. 19 removes existing property  
6 transfer protections of Propositions 13, 58, and 193  
7 for all family properties.

8 It imposes convoluted restrictions regarding  
9 primary resident status. And even then imposes  
10 arbitrary limitations on exemptions.

11 Heirs of modest means will be forced to sell  
12 family property due to sudden unsustainable increases  
13 in property taxes.

14 This measure structure was purposely  
15 misleading. It conflates seniors, heirs, and victims  
16 of fire, significantly disparate life situations, and  
17 it pits one's needs against the other's in a  
18 ham-handed effort to manipulate voters.

19 This proposition passed by a barely  
20 two-percent margin. By contrast, Prop. 58 earned  
21 more than 75 percent voter approval in 1986, because  
22 it addressed a very real threat to families of modest  
23 means.

24 Rising real estate prices in the intervening  
25 years made the threat even more dire today.

26 Voters were clearly exploited by deceptive  
27 language, false claims, and devastating distractions  
28 of 2020.

1           It is reasonable to extrapolate that if  
2 transparently presented, this measure would never  
3 pass.

4           This proposition disproportionately impacts  
5 middle-class Californians. It takes multiple  
6 generations, and innumerable sacrifices for people of  
7 modest income to acquire property in California. The  
8 majority of these properties are not intended for  
9 profit.

10           Such a property represents a life savings, a  
11 family-shared sense of place, values, traditions.  
12 Its worth is intangible.

13           Despite its rhetoric, Prop. 19 does nothing  
14 to close property tax loopholes enjoyed by the  
15 wealthy or business classes.

16           Homeowners of modest means do not have the  
17 luxury of a financial cushion, neither to pursue  
18 legal work-arounds, or to weather the change in winds  
19 of federal or state laws.

20           Make no mistake, middle-class Californians  
21 will be forced out of their homes, their communities,  
22 and, likely, their state. Because Prop. 19 reverses  
23 the actual reform they relied on since 1978.

24           If we cannot reinstate Propositions 58 and  
25 193, any new tax reform for intergenerational family  
26 properties should, at the very least, be nuanced and  
27 informed by the substantive distinction: Is the  
28 property owned by California residents? Is the

1 property for personal use, primary residence, and/or  
2 vacations, or does it generate income?

3 If existing law is to be changed that there  
4 are limitations imposed, is exemption amount  
5 arbitrary, or does it fairly reflect California's  
6 diversity?

7 Equal is not equitable. Develop a taxation  
8 formula for private residential transfers that  
9 ensures equitable impact and protection by applying  
10 suitable regional factors.

11 Future property tax legislation should  
12 target the problem, not our own middle-class  
13 residents.

14 Voters have a right to be forthright -- to a  
15 forthright explanation of any tax proposal, so they  
16 can weigh the ramifications.

17 As a retired public school educator, I truly  
18 hope the Board will do everything in its power to  
19 expose and remedy Prop. 19's disingenuous gutting of  
20 intergenerational property transfers.

21 The second comment is from Jon Coupal,  
22 Howard Jarvis Taxpayers Association.

23 He states:

24 Our phones continue to ring off the hook  
25 from thousands of homeowners and small business  
26 owners about the loss of intergenerational  
27 protections of Prop. 58.

28 Our organization is ready, willing and able

1 to assist in the drafting of proposed constitutional  
2 amendments to readdress the problem.

3 As an aside, virtually no one was aware that  
4 this was an impact of Prop. 19.

5 And the final comment will be read by  
6 Ms. Taylor.

7 MS. TAYLOR: This comment is from Sairsha  
8 Folsom.

9 I would like to comment on the following:

10 One, legislative intent to preserve family  
11 homes not fulfilled. The legislative intent to  
12 protect and preserve family homes does not carry home  
13 through families with more than one child in the  
14 Prop. 19 legislation.

15 Take example -- take, for example, my  
16 family. We are a family with two siblings. Each of  
17 us had planned to move into one of two homes, as we  
18 cannot afford to purchase our own homes.

19 These modest single-family homes were  
20 purchased at great sacrifice by my grandparents using  
21 post-World War II GI loans in the 1950s.

22 For 70 years my grandparents, my parents,  
23 and now my brother and I have invested, cleaned,  
24 maintained, repaired, and worked extremely diligently  
25 to preserve this modest, intergenerational familial  
26 wealth gain.

27 My parents currently use these homes for  
28 their retirement income, a modest \$4,000 a month of

1 rental income. Their only income in addition to  
2 their collective \$650 a month in Social Security.

3 Now our parents will not only have to forego  
4 their rental income before their death, but they will  
5 have to decide which child is more deserving of  
6 inheriting a tax burden.

7 Is this equal treatment under the law?

8 We propose that the rules be rewritten to  
9 accommodate more than one child inheriting the home  
10 with the tax shelter, if they intend to live in that  
11 home.

12 The requirement the parent should move into  
13 the home before they die in order to pass on their  
14 property tax shelter is extremely unreasonable and  
15 should be removed.

16 If the legislative intent is that a home  
17 should be used as a primary residence in order to  
18 keep the modest tax shelter, how does forcing the  
19 parents to move into a given home prior to their  
20 death achieve that goal?

21 How does limiting the home to only one  
22 primary residence, no matter how many siblings there  
23 are, achieve the goal of preserving family homes?

24 Simply put, the requirement to have the  
25 parents live in only one home, and only allow one  
26 home to have a property tax shelter, only serves to  
27 force multi-sibling families to sell their family  
28 homes so that realtors can make more money on fees.

1           In this regard, the legislative intent of  
2 Proposition 19 is erroneous at best and fraudulent at  
3 worst.

4           Please remove the requirement that parents  
5 move into the home prior to their passing in order  
6 for their children to move in and utilize the homes  
7 as primary residences.

8           Please allow for more than one home and  
9 property tax shelter to be passed on to families with  
10 more than one child.

11           Changing these rules would help  
12 multi-sibling families like mine to actually retain  
13 their family homes.

14           Two, Prop. 19's impacts on tenants and the  
15 primary residence usage limits for children. The  
16 Legislature has not considered the ill effects that  
17 Prop. 19, as currently written, will have on  
18 California's already beleaguered tenants.

19           California has a chronic lack of rental  
20 inventory. Prop. 19 requires that rentals intended  
21 to be passed on to children be taken off the rental  
22 market before someone dies and after the home is  
23 inherited.

24           We've reached the three-minute limit.

25           MR. VAZQUEZ: Thank you.

26           MS. TAYLOR: Thank you.

27           MR. VAZQUEZ: Is there any --

28           Oh, I'm sorry. Go ahead.

1 Ms. Taylor, check with AT&T.

2 MS. TAYLOR: Yes, thank you.

3 AT&T moderator, we will now take public  
4 comment.

5 Each caller will have up to three minutes to  
6 speak.

7 For the record, we would request that the  
8 callers provide their names.

9 Is there anyone on the line who would like  
10 to make a public comment regarding this matter?

11 AT&T OPERATOR: Thank you.

12 If you wish to make a public comment, please  
13 press one, and then zero at this time.

14 And I do have a few that are queuing up now.  
15 We are gathering their name. One moment for the  
16 first comment.

17 And first we'll go to the line of Alicia.

18 Please go ahead.

19 MS. GAMEZ: Hi. This is Alicia Gamez. I'm  
20 an attorney practicing in San Francisco.

21 And I'm calling -- or wanting the Board --  
22 either to inform the Board or to have feedback from  
23 the Board regarding certain county assessor's  
24 apparent demand that people record -- in order to  
25 have a transfer be effective, they are requiring that  
26 both the transfer be completed, and it be recorded  
27 prior to February 15 or 16.

28 That is contrary to California law, as I



1 understand it. And I just want the Board's sense of  
2 their rules implementing whether a document must be  
3 recorded prior to the implementation of Prop. 19 in  
4 order to be effective.

5 AT&T OPERATOR: Thank you.

6 Next we'll go to the line of Bonnie.

7 Please go ahead.

8 MS. BONNIE: They actually had the same  
9 question as the previous commenter, so I'm all set.

10 AT&T OPERATOR: Thank you.

11 And next we'll go to the line of Ferial.

12 Please go ahead

13 MS. FERIAL: Thank you.

14 My comment is related to the communication  
15 that was read.

16 I'm a 68-year-old mother of two children,  
17 single mother. And I feel that this second section  
18 of the proposition related to parent-child transfer  
19 was not transparent, was -- was not communicated, and  
20 California Association of Realtors that was behind  
21 promoting the positive aspects of the bill, only  
22 communicated the first section, which will advantage  
23 them.

24 I feel this is unfair, and I feel it's  
25 fraudulent on the part of California Association of  
26 Realtors.

27 And I am desperately requesting that the  
28 second section related to parent-child transfer be

1 reconsidered to be eliminated.

2 Thank you.

3 AT&T OPERATOR: Thank you.

4 And next we'll go to the line of Sairsha.

5 Please go ahead.

6 MS. SAIRSHA: Hi.

7 Thank you for allowing the public to comment  
8 on this.

9 I do understand the role of the Board of  
10 Equalization as interpreting and making  
11 implementation rules; however, I'd like to really  
12 thank Board Members Cohen and Board Member Gaines for  
13 acknowledging the fact that this poorly, poorly  
14 written proposition really kind of snuck in under the  
15 condition of COVID-19, really.

16 I happen to have transferred, yesterday, a  
17 property that was conserved by my grandparents, and  
18 transferred to my father, and -- and -- and now to  
19 me. Thank goodness I had read enough that I could  
20 conduct this transfer in advance.

21 I saw many families that were crying in line  
22 at the recorder's office.

23 This has caused a really undue and horrific  
24 amount of stress on California middle-class and  
25 working-class families.

26 And I also would like to say that this goes  
27 beyond homeowners. I was unable to get my full  
28 comment in about how this will affect tenants.

1           You know, here we are, we're in a housing  
2 crisis. And contrary to what the California Realtors  
3 Association may think, tenants cannot afford to go  
4 out and buy a home. Okay? We have a chronic low  
5 inventory.

6           This proposition actually deliberately goes  
7 against a lot of things that cities are doing in  
8 order to actually allow multi-usage living  
9 situations, whereby you have a primary residence, and  
10 maybe you redo a studio above your garage, and you  
11 rent that out. Well, under Prop. 19, that could then  
12 cause a risk for the property to be reassessed.

13           So this is going to really have a terrible  
14 impact on our already beleaguered tenant population.

15           And I just, again, really want to thank  
16 Board Member Gaines and -- and thank my Board Member,  
17 Malia Cohen, for their acknowledgment of the terrible  
18 suffering that this proposition has imposed on  
19 California's families.

20           And I'm going to do everything I can to  
21 support a legislative constitutional amendment.

22           Thank you very much.

23           AT&T OPERATOR: Thank you.

24           As a reminder, if you wish to make a  
25 comment, please press one, then zero at this time.

26           And next we'll go to the line of Mary Ann.

27           Please go ahead.

28           MS. WELCH: Yes. I have a -- I, first of

1 all, want to thank Mrs. Cohen for all the work she's  
2 done for my district here.

3 Ms. Cohen, your office is also wonderful,  
4 too. I just want to let you know that.

5 However, as everybody knows, this  
6 Proposition 19 is bad policy, and everyone knows it.

7 Only the state wins. All inherited property  
8 or -- we're all at a total disadvantage. Okay?

9 And as far as I'm concerned, there is no  
10 help really coming unless we basically put back  
11 Proposition 58.

12 It's hurting too many people. And as the  
13 lady just said before me, people are crying.

14 But I have an idea just real quick. Instead  
15 of taxing it at market value, and the state would  
16 still get some money, possibly maybe only taxing when  
17 the transfer of property, of inheritance property,  
18 may be two to five percent of the assessed value.

19 Therefore, the state would still be getting  
20 some money, but not be getting 700 percent of the  
21 market value, which no one can afford.

22 So it hurts the middle-class for sure. It  
23 hurts anybody who is either trying to buy a house, or  
24 trying to even keep their property.

25 And I have that -- the other thing I wanted  
26 to say is this, it was so fraudulently done by the  
27 advertisers, is how many beach-front property owners  
28 are there in the state of California that are giving

1 it to their children?

2 How many people out of state are investing  
3 in California real estate?

4 None of that was disclosed.

5 What are the numbers? The numbers are not  
6 there, so we don't know.

7 But they just put that out there, Oh, well,  
8 we have all these beach-front property people that  
9 are movie stars, and they're not paying their fair  
10 share, and they gave it to their children, blah,  
11 blah, blah.

12 They were doing it within the law, by the  
13 way, because Proposition 58 truly, truly needs to be  
14 reinstated. It's not helping anybody keep their  
15 property.

16 And as far as I'm concerned, the  
17 middle-class, the only thing they really have of any  
18 wealth is their property.

19 I worked myself to death to save my property  
20 for my three children.

21 And, by the way, one of my children are in a  
22 nursing home right now, and a care home, because he  
23 had a stroke. And that -- that property and my trust  
24 is there to take care of him also.

25 Now, here lies the problem: we're either  
26 going to give government total power to control all  
27 of our lives, control our -- control our wealth in  
28 our property, and then we're going to ask government

1 to take care of us.

2 I don't think that's the American dream. I  
3 don't think that's the American way. I think we  
4 have -- we have freedom here in this country.

5 And not only that, people come here from all  
6 countries in order to buy property, in order to start  
7 a business and stuff. We're killing that American  
8 dream by these stupid propositions, and its stupid  
9 narrow --

10 MS. TAYLOR: Thank you, caller.

11 Thank you, caller. Your time is up.

12 AT&T MODERATOR: Thank you.

13 And I have no further comments in queue at  
14 this time.

15 MR. VAZQUEZ: Thank you.

16 Ms. Taylor, if you would please call the  
17 next item.

18 MS. TAYLOR: The next item is M1(b), update  
19 on the proposed draft legislation associated with the  
20 implementation of Proposition 19, presented by  
21 Ms. Fleming, Mr. Ernest Dronenburg, and Mr. Jeff  
22 Prang.

23 MR. GAINES: Excuse me, Chair Vazquez.

24 MR. VAZQUEZ: Yes, Member Gaines. Go  
25 ahead.

26 MR. GAINES: I just -- can I comment on the  
27 section before we move on to the next one?

28 MR. VAZQUEZ: Sure. Go ahead.

1           MR. GAINES: I just wanted to, you know --  
2 there was a question -- an attorney asked the  
3 question in reference to title changes, which I  
4 thought was a -- is a great question.

5           And that is, must the property be recorded  
6 prior to February 16th?

7           I mean, we've got all sorts of challenges as  
8 a result of COVID. And if title is changed prior to  
9 the trigger date of the 16th, it seems to me that  
10 should stand, regardless of whether that has been  
11 recorded or not.

12           I'm wondering if Richard Moon could speak to  
13 that, and what is our answer?

14           What is the solution for a county that may  
15 not be able to turn that around quickly enough?

16           MR. MOON: Mr. Gaines, this is Richard Moon  
17 from the Legal Department again.

18           And there is an existing property tax rule  
19 that states that the recording date is rebuttably  
20 presumed to be the change in ownership date.

21           And what that means is that if there's other  
22 evidence that the transfer was done on some other  
23 date, then the assessor should accept that other  
24 evidence.

25           MR. GAINES: Okay.

26           MR. MOON: So there's no particular reason  
27 why an assessor absolutely must abide by that  
28 recording date.

1           And I am aware that there are at least some  
2 counties that do not -- are not required -- are not  
3 considering the change in ownership date only by  
4 the -- by the recording date.

5           MR. GAINES: Oh, that is great.

6           And it's -- we're kind of running out of  
7 time. But I'm wondering if that can be posted on our  
8 Web site or not today. Just -- and we've got a few  
9 more days here, folks.

10          MR. MOON: Yeah.

11          So I'm not sure about the Web site. But I  
12 do know that in our guidance, again, which you'll  
13 hear about in the -- in the guidance section of this  
14 meeting, it -- we are planning to have a question and  
15 answer regarding that topic.

16          MR. GAINES: Wonderful. That's great.  
17 Thank you.

18          MR. VAZQUEZ: Thank you.

19          Good morning.

20          I know Ms. Fleming and Mr. Dronenburg and  
21 Mr. Prang are on the line and are ready to move  
22 forward with this.

23          And first and foremost, I wanted to thank,  
24 especially the president, Mr. Earnest Dronenburg, and  
25 my assessor, Jeff Prang, for all their work this last  
26 couple weeks.

27          You know, it seems like we've been meeting  
28 just about every day trying to get this thing to



1 move. And they know how difficult it's been.

2 And I really appreciate the time you've put  
3 in. Especially the work, the late hours that you've  
4 done.

5 And I know a couple of you have even been on  
6 some Zoom calls with us over the weekend. So I  
7 really appreciate all the time and energy you've put  
8 into this.

9 But with that, let me have Ms. Fleming begin  
10 her presentation. And then I believe she'll  
11 introduce Mr. Dronenburg, and then Mr. Prang.

12 MS. FLEMING: Thank you, Chairman, Honorable  
13 Members. Brenda Fleming, Executive Director.

14 Today I'll provide an update on the proposed  
15 draft legislation designed to implement  
16 Proposition 19.

17 Joining me, as you've noted, for this  
18 discussion is the honorable Ernie Dronenburg,  
19 President of California Assessors' Association, and  
20 San Diego County assessor/recorder clerk.

21 Also, the honorable Jeffrey Prang, Chair of  
22 CAA's Legislative Committee, and Los Angeles County  
23 assessor.

24 I want to thank them both for their active  
25 participation and collaboration with us as we are  
26 focused on ensuring that this legislation is  
27 operative on the 16th.

28 If I may, Members, allow me to briefly

1 summarize what we've accomplished to date since our  
2 last meeting, and where we stand today.

3 In November of 2020, first, we established  
4 strike teams, if you recall, comprised of both BOE  
5 and CAA staff, for the purpose of expediently and  
6 efficiently identifying the gaps and ambiguities in  
7 Proposition 19 as you've noted and discussed today.  
8 And also to prepare the path forward for the  
9 successful implementation of this legislation.

10 At the January 2021 meeting you approved,  
11 Members, the proposed draft legislation to implement  
12 Proposition 19, and directed that I send a copy of  
13 the draft legislation to the State Legislature.

14 Your direction, Members, was effective in  
15 that the Legislature -- the material was sent to the  
16 legislative leadership, and that opened the doors to  
17 many important conversations that we've had over the  
18 last few weeks with legislative leadership, the tax  
19 policy and budget committees, and then potential  
20 offers -- authors.

21 It's been really an active, very full  
22 comprehensive discussion, both the breadth and the  
23 depth of discussions have occurred. It's a complex  
24 piece of legislation, and the conversations have been  
25 very helpful.

26 As you could appreciate, Members, though,  
27 the legislative process is fluid and very dynamic.  
28 Even more so during this COVID-19 pandemic. And even

1 more so with the governor identifying some urgency  
2 priorities for the Legislature and the Executive  
3 Branch.

4           However, we've still been actively engaged  
5 with the Legislature to address the gaps to clarify  
6 and respond to the technical and policy-related  
7 matters needed for the legislation.

8           As we've noted, Prop. 19 has a lot of lack  
9 of clarity and ambiguities. And our role is to make  
10 sure that we're informing and educating the  
11 Legislature on where those gaps exist with existing  
12 law, and where there are conflicts, or it's just  
13 silent.

14           Every interaction to date has given us the  
15 opportunity to continue that education. And I want  
16 to just speak to some of the important issues there.

17           Some of the issues that are important to  
18 clarify through this process is the filing  
19 requirement. The timeframe for a taxpayer to file  
20 for a base year -- base year value transfer, as  
21 currently these time limits are not defined;  
22 clarification on what constitutes a family farm.

23           And, again, these are just examples.

24           Eligibility for the parent-child and  
25 grandparent-grandchild exclusions.

26           The process, Members, and interactions are  
27 consistent with how we, as an agency, typically work  
28 with the Legislature to implement new legislation.

1 Again, engaging in the technical aspects of the  
2 discussion.

3 Noting that our job is to just to continue  
4 to make sure that as we support the Legislature, to  
5 make sure that we have actually implemented  
6 legislation that we can administer efficiently and  
7 effectively.

8 At this point in time, Members, we are  
9 optimistic that we may see a bill introduced either  
10 tomorrow, February 12th, or as late as Tuesday,  
11 February 16th.

12 We'll continue these conversations, but it  
13 looks like we have an opportunity to get a bill  
14 introduced then.

15 Once the bill is introduced, of course,  
16 Members, we'll review and analyze the actual impacts.

17 What we're waiting for at this point is to  
18 see the bill introduced, to see the actual language,  
19 and then we'll review that to determine the impacts.

20 We, of course, will keep you informed as  
21 soon as we get it, and then can have definitely more  
22 conversation at the February 23rd meeting.

23 Our hope is that the proposed legislation,  
24 or the introduced legislation, is going to align with  
25 what we're looking for.

26 But as we're waiting, since there is a  
27 measure of uncertainty and material that's unknown at  
28 this time, what we're considering is two possible

1 scenarios.

2 The first scenario is if the Legislature  
3 introduces the bill and enacts it by February 16th,  
4 then we're prepared to operationalize the  
5 administration of Prop. 19 on February 16th.

6 So what do I mean by operationalize?

7 Basically, in the short term, we have  
8 created seven new forms for county assessors to use,  
9 and we've updated our Web site regarding the latest  
10 information on Prop. 19.

11 We will begin the emergency rulemaking  
12 process, promulgate rules, and continue to issue  
13 guidance in the form of Letters to Assessors and  
14 county-assessors only letters.

15 And the long term, based upon the scenario  
16 that the implementation legislation is enacted, we'll  
17 examine and update Assessors' Handbooks, annotations,  
18 publications, and other guidance materials. And  
19 that's just to name a few.

20 We will also continue the communications  
21 plans to continue with our education outreach work,  
22 and to make sure that our taxpayers advocate --  
23 Taxpayer Rights Advocate Office is prepared to assist  
24 taxpayers.

25 In addition, discussion on Proposition 19  
26 has -- has, up to this point, mostly been under  
27 public policy. We'll continue to look at how we  
28 address it under public policy.

1           I think it's going to be important to  
2 continue to, as you've indicated today, to engage  
3 with the public and other interested parties and  
4 stakeholders on what's next, even after we get this  
5 initial legislation.

6           The second scenario is if we don't get the  
7 legislation passed in time, and it's not enacted by  
8 February 16th as we are hoping, we are still  
9 responsible for the legislation that still takes  
10 effect on February 16th.

11           So we will just continue, then, to proceed  
12 with administration of the law. We will use the  
13 rulemaking process.

14           It may take a little longer if we don't get  
15 the -- the authority and specific authority for the  
16 emergency rulemaking process. But we will still need  
17 to continue, as we've discussed earlier, with the  
18 rulemaking process.

19           And staff will give you more detail on that  
20 in the upcoming discussion.

21           Again, we're still responsible for  
22 fulfilling our duties to support the county  
23 assessors. We'll continue to issue guidance to  
24 ensure statewide uniformity and consistency.

25           And in this scenario, if we, again, don't  
26 get legislation enacted by Tuesday the 16th, we'll go  
27 back to the table with the Legislature.

28           We still have to push. We still have to

1 make sure that work is getting done. And if that  
2 means additional legislation going through later  
3 iterations than we'd -- than we'd like, we'd still  
4 have to go back to the table of the Legislature, as  
5 you're hearing, there's still more work to be done.

6 To conclude, Members -- and we'll open it up  
7 to questions, because a number of staff will get  
8 involved.

9 We -- I just want to acknowledge, again,  
10 that we do have, you know, some things to celebrate  
11 about this even with the tough legislation.

12 Just a little bit of some highlights of what  
13 the staff have accomplished.

14 We have issued two LTAs on Proposition 19,  
15 including one for the seven new forms that county  
16 assessors will need to implement Prop. 19.

17 We also have expanded many resources and  
18 information for our taxpayers on the Web site.

19 We've answered literally hundreds of  
20 questions by phone, e-mail, letters and faxes to  
21 assist taxpayer questions on Prop. 19.

22 And, again, I just want to thank the staff  
23 for the amazing super-hero work that they've been  
24 doing over the last few weeks.

25 Again, we're responsible for implementing  
26 the legislation, and we're fully focused on making  
27 sure that that work is done.

28 And if I may, at this point, I'll turn it

1 over to Assessor Dronenburg next.

2 Unless, Members, that are any questions for  
3 my part of the presentation.

4 MR. VAZQUEZ: I see two hands.

5 Let me go with Member Gaines was up first,  
6 and then Member Cohen.

7 Go ahead, Member Gaines.

8 I think you're muted.

9 MS. FLEMING: Mr. Gaines, you're muted.

10 MR. GAINES: I'm sorry.

11 I'd like to thank Director Fleming for your  
12 presentation.

13 I really appreciate it, and appreciate the  
14 activity of BOE staff to work on these LTA letters  
15 and be responsive.

16 I did have a specific question, though, in  
17 terms of bill introduction.

18 On the timing, do you think we can get a  
19 rushed bill through prior to the 16th?

20 I just -- you know, the 16th is a holiday, I  
21 believe; isn't it? Isn't that -- so we've got --

22 MS. FLEMING: The 15th. Monday the 15th is  
23 a state holiday.

24 MR. GAINES: Is that President's Day?

25 MS. FLEMING: Monday -- Monday the 15th.  
26 Monday the 15th is a state holiday. Monday -- Monday  
27 the 15th.

28 MR. GAINES: The 15th it is. Okay. All



1 right.

2 MS. FLEMING: Yes, sir.

3 MR. GAINES: So do you think that someone --  
4 and I don't even know who the legislator is. But  
5 maybe can you expand on that a little bit?

6 And is it going through with urgency so that  
7 they could conceivably get it done in a timeline? Or  
8 are we really looking at a longer timeline to move it  
9 through?

10 MS. FLEMING: Yeah. Thank you for that  
11 question.

12 Our focus and our push, aggressive push,  
13 quite frankly, has been the legislation focused,  
14 primarily, initially, the provisions for the -- the  
15 provisions for February 16th.

16 And by doing so, we've asked for a tax levy  
17 clause to be inserted in there, which -- which --  
18 which supports the urgency.

19 And just in all of the discussions, we've --  
20 we've reiterated multiple, multiple, multiple times  
21 the necessity to have it ready to go by the 16th.

22 So, again, the goal would be to have it  
23 introduced by tomorrow. It gets a little strange if  
24 it happens on Tuesday. Because that would be some  
25 significant work process, legislative process-wise,  
26 to do an introduction and go through the whole  
27 process of getting it introduced, discussed, voted  
28 upon, and then, ideally, enrolled on the same day.

1           But we've had those conversations. And so,  
2 you know, at this point, we just continue to push  
3 aggressively for it.

4           But there is a measure of, you know, having  
5 handshakes with -- with the parties in the  
6 Legislature, and trusting that they, too, appreciate  
7 the necessity to get this done by the 16th.

8           MR. GAINES: Okay.

9           And is this happening through leadership?  
10          It must be.

11          MS. FLEMING: Yes, sir. Through -- through  
12 just about anybody and everybody there in the  
13 Legislature.

14          Yes, sir.

15          MR. GAINES: Well, that's very encouraging.  
16 Thank you. I appreciate it.

17          MS. FLEMING: Absolutely.

18          MR. VAZQUEZ: Member Cohen.

19          MS. FLEMING: Thank you for your question.

20          MS. COHEN: Thank you.

21          Thank you very much.

22          Thank you, Ms. Evans -- excuse me --  
23 Ms. Fleming.

24          I have a question.

25          So based on where we find ourselves today,  
26 meaning that there's no bill introduced or acted on,  
27 or an action signed by the governor, or even a  
28 sponsor. There's, you know -- we -- it's just kind

1 of a vision. And we're hoping something will happen.

2 What exposure are we placing on the agency?

3 And when I'm talking about exposure, I'm  
4 talking about our responsibility to taxpayers; our  
5 responsibility to assessors.

6 Are we subject to -- are we opening up  
7 ourselves to litigation?

8 I, you know -- I fear that the taxpayers'  
9 rights are not being protected.

10 I am very sensitive to assessors not having  
11 direction or guidance.

12 I also want to acknowledge and applaud every  
13 one of your staff members.

14 Richard Moon has just been incredible in  
15 answering these questions. I know I've personally  
16 called on him to do Zoom calls, and -- with me on the  
17 last minute. And he's been gracious, and he's  
18 stepped up. So I'm grateful for that.

19 Where -- so back to my original question,  
20 what's the exposure?

21 And then my second part of that question is,  
22 what do you need from us as Board Members to help  
23 push this along?

24 MS. FLEMING: Thank you, thank you, thank  
25 you, thank you, thank you.

26 MR. SCHAEFER: Vice Chair Schaefer here.

27 MS. FLEMING: So I have spoken --

28 MR. SCHAEFER: I -- I disagree with

1 Member Cohen, my esteemed colleague, on all the  
2 exposure.

3 We are working hand in hand with all the  
4 assessors. The assessors have all the forms  
5 available. We're doing all that can be humanly  
6 possible to reach out and to help.

7 And I'd like to hear from Mr. Dronenburg on  
8 Ms. Cohen's comments.

9 MS. COHEN: Well, before we hear from  
10 Mr. Dronenburg, I'd like my question to be answered  
11 from Ms. Fleming. And then I would love to hear from  
12 Mr. Dronenburg.

13 MR. VAZQUEZ: Ms. Fleming.

14 MS. FLEMING: Thank you.

15 Thank you, Ms. Cohen, for your comment.

16 So, first of all, what is our exposure?

17 So -- let me speak to it from a perspective  
18 of what our responsibility is.

19 So when legislation and -- is -- becomes  
20 operative, and in this case we have two operative  
21 dates, as you've, you know -- as you've indicated,  
22 February 16th and April 1st.

23 So our job once the legislation is passed is  
24 to administer the provisions that are -- that are  
25 stated in the law.

26 In this case, the provisions that are there  
27 are, in many cases, they're just unclear, or just  
28 not -- not fully thought out. Or in many cases have

1 some conflicts with existing law.

2 Because we are very fortunate to have  
3 amazing staff, and in our deep decades, you know, of  
4 experience in this area, we do have the  
5 subject-matter expertise to be able to make  
6 interpretations of what it means.

7 And so a lot of what you -- what you're  
8 referring to in terms of the staff work is they go  
9 through and do a full examination and vetting of what  
10 the proposition language says. Specifically, how it  
11 lines up with other propositions, prior propositions,  
12 existing law, rules, etc., etc.

13 So they fully examine that material, which  
14 they've been doing, to come to a conclusion or an  
15 interpretation.

16 But, again, that interpretation is not just  
17 sort of a, you know -- an informed guess. It is --  
18 it is well thought out, seasoned, experience,  
19 knowledge, and legal expertise.

20 So our exposure from that perspective is --  
21 is -- is not really the concern for me at this point  
22 in terms of exposure, litigation, etc.

23 We certainly have -- there is some  
24 percentage or some opportunities for someone to  
25 challenge us. But, again, at this point as, you  
26 know, if I may, as the State's expert on property  
27 tax, we do have a certain amount of authority, and  
28 absolute authority for a number of areas of this in

1 the Constitution, and by statute in other areas of  
2 the law.

3 So I think -- from my perspective,  
4 Ms. Cohen, I think we are -- we can't be remised in  
5 our duties, we can't fail to move forward with the  
6 law.

7 And I think, as to the extent that we are  
8 doing that, then we are in effect, ma'am, doing our  
9 jobs.

10 And that we will just continue to push  
11 forward with the Legislature, like we do on either --  
12 even on prior legislation that's passed over the  
13 years and decades.

14 Whenever there is still outstanding matters  
15 that need to be clarified, we just continue to push,  
16 and to get the additional legislation that's needed.

17 So your second question, ma'am, in terms of,  
18 you know, what can you do to help us: just what  
19 you're doing.

20 Continue to have the public meetings;  
21 continue to engage with the legislators that are  
22 nested in your districts; continue to -- continue --  
23 especially between now and tomorrow for sure, work  
24 with the legislators in your districts, and help them  
25 to understand, as you've done today, hearing from the  
26 taxpayers the importance of this legislation and the  
27 importance of having that clarifying language by  
28 Tuesday.

1           So, again, we're here to do our jobs. But  
2 at the end of the day, whether the -- the 16th is an  
3 operative date. So, internally, that means we go  
4 live on Tuesday, along with the assessors.

5           MR. VAZQUEZ: Thank you.

6           I believe Mr. Dronenburg is ready to go.

7           Or, Ms. Cohen, are you finished?

8           MR. DRONENBURG: I wanted to address Mr. --  
9 Ms. Cohen's -- I'm sorry -- question.

10           And as the California Assessors' Association  
11 President, we believe that -- that one of our major  
12 goals is consistency and fairness throughout the  
13 state. Not just our county, but the whole state.

14           And in that regard, we distributed -- we  
15 looked at, remember, the package that you approved,  
16 in that is certain areas that relate to  
17 February 16th.

18           We took those out, and our task force,  
19 together with the assessors' legal staff in San Luis  
20 Obispo, put together a five-page memo on different  
21 parts that are effective on Monday -- I mean on  
22 Tuesday.

23           That was then run by Moon to make sure that  
24 it was consistent with him.

25           It had already been passed by the  
26 Legislature's lobbyist, and the consultants to the  
27 committees.

28           So this is language that is in a package,

1 hopefully, that will come out.

2 But we distributed to our assessors, just  
3 the assessors, all 58 of them. And they have what we  
4 call the guidelines.

5 And those guidelines will then allow us to  
6 have a consistent treatment from the top of the state  
7 to the bottom of the state on the implementation of  
8 Prop. 19 on the 16th.

9 Now this is just guidelines provided by  
10 their association. So there's no underground  
11 regulation or anything. We're not hamstrung by  
12 regulatory authority on what we can do when we're  
13 telling our own members, This is what we think we --  
14 the path we should follow so there's consistency  
15 throughout the whole state.

16 And that was done and delivered to them  
17 yesterday. So that come Monday, if we don't have a  
18 bill -- which I'm hoping we do. If we do have a  
19 bill, it should mirror this package. But if it  
20 doesn't, at least our assessors will have some kind  
21 of guidance.

22 Because, unlike you, they haven't been --  
23 all of them, you know -- they trust their association  
24 to do the work. All of them don't know what to do,  
25 and they're all feeling questions. So this will give  
26 them some guidance.

27 And it also points to the Board of  
28 Equalization's Web site as a point of other



1 information.

2 So that's -- to answer your question, that's  
3 what we've done.

4 MS. COHEN: Thank you. Thank you,  
5 Mr. Dronenburg. I actually appreciate that insight.

6 If you don't mind, Mr. Chair, I'd like to  
7 also hear from the other assessor, Jeff Prang.

8 MR. VAZQUEZ: Sure.

9 MS. COHEN: Thank you.

10 MR. PRANG: Mr. Chairman, Member Cohen,  
11 great to be with you again today.

12 And I want to acknowledge the format that  
13 Assessor Dronenburg has laid out. It's something we  
14 think is very important to provide guidance and  
15 consistency to assessors in implementing Prop. 19  
16 during this period where there's a great deal of  
17 uncertainty.

18 There is -- you spoke to the issue of  
19 exposure or liability. And just me speaking as the  
20 LA County assessor, I am concerned about that. But  
21 I'm also concerned that this measure has been duly  
22 enacted by the voters of California. There are  
23 deadlines, there are constitutional deadlines that we  
24 have to meet.

25 It is -- we're hoping that we'll get  
26 legislation in the next 72 hours that will deal with  
27 components of the measure. But there still is the  
28 broader deficiencies in Prop. 19 that will be waiting

1 for additional legislation.

2 And we are obligated to implement this,  
3 whether or not we have the legislation. And I don't  
4 think assessors, or the BOE, should be in a position  
5 where we can shrug our shoulders and tell taxpayers  
6 that we don't know.

7 There are some things in the measure that I  
8 think are pretty obvious. For example, inheriting  
9 your parents' property if there's three siblings.

10 It's absurd to believe that all the siblings  
11 have to move into the property to inherit it, even  
12 though that's what the language seems to suggest that  
13 has to be done.

14 So we're not going out on a limb by saying  
15 that if one child moves in, they'll qualify -- the  
16 exemption conditions will be satisfied.

17 There are other issues that might be  
18 wobblers. And then there's other issues where, you  
19 know, I'm recommending that absent legislation, we're  
20 going to have to make determinations to help  
21 taxpayers. And we're going to have to see how far we  
22 can go and get away with it to provide that type of  
23 guidance.

24 And it's not inconceivable the way the  
25 legislative process works, that some of the guidance  
26 that we offer will later not be ratified by the -- by  
27 the Legislature.

28 But from my -- from my own view, is that we

1 have to go as far as we can to provide some sort of  
2 guidance to taxpayers. And that there is a risk that  
3 what we decide may not be in conformance with what  
4 the Legislature finally decides.

5 MS. COHEN: Yeah.

6 Thank you. I appreciate that, assessors,  
7 from -- from your perspectives, both of you.

8 Assessor Prang, the point that you raised,  
9 actually, is one of my concerns.

10 I mean, before all of this pandemic, you  
11 know, your offices were maxed out, at capacity. We  
12 haven't even begun to talk about AAB, right? And  
13 that deadline.

14 I mean, there's -- and we haven't talked  
15 about, you know -- I mean, I understand that  
16 different assessors' offices have different  
17 resources. I'm sure all assessors can use a few more  
18 dollars.

19 So I wanted just to make sure that assessors  
20 have the resources and the direction and the guidance  
21 that you need.

22 That is the spirit of my question.

23 Thank you.

24 MR. VAZQUEZ: Thank you.

25 Ms. Fleming, do we go -- I guess we should  
26 have Mr. Dronenburg now make his presentation.

27 MR. DRONENBURG: Thank you, Chair Vazquez.

28 I, today, just wanted to start by

1 reiterating a little bit of what Ms. Fleming said.

2 I can't -- I've been around this business  
3 for over 40 years, and I can't think of better  
4 teamwork, and more people reaching out, more people  
5 going the extra mile to get this done on this crazy  
6 timeline.

7 And so I wanted to really call out a couple  
8 people such as Brenda Fleming, and the Chair, and the  
9 Chairman staff, Kari Hammond. She did so much  
10 reaching out.

11 Everything happens, in this legislative  
12 process, it seems like after 5:00. And that's when  
13 people start calling each other. And that's when  
14 people say, "Oh, okay. I'll do this."

15 And it was all done. And the quarterback  
16 was our lobbyist Rob Grosvenor. And he did a  
17 fantastic job, and is still doing a fantastic job.

18 If we pull -- if this thing is pulled off,  
19 and to ask -- answer Board Member Gaines' question,  
20 the Hail Mary on this is a -- is a trailer bill.

21 You asked about deadlines, and process, and  
22 the time. This is headed -- if it's to happen, it's  
23 going to happen in a trailer bill with a tax clause  
24 in it that it becomes effective and passed really  
25 quick.

26 I agree that getting it all done by Tuesday  
27 would really be something else. But I think the  
28 vehicles that are in line, the processes in line,

1 it's taken us too long. But at least it's here.

2 If we -- we need to give guidance, it'll  
3 be -- my guess is it might not be on the 16th, but it  
4 will be shortly thereafter if things go correctly.

5 I also wanted to comment on Assessor Larry  
6 Stone's -- he had over 1,500 people on his call, and  
7 Malia was on his call, and did a good job.

8 And Carmen Chu did a call, and hers was  
9 good.

10 And then Vice Chairman Schaefer, he  
11 mentioned his call. We had four county assessors on  
12 his call and over 1,000 people.

13 An example of some of the things that, you  
14 know, we're hopefully completing by Tuesday, we will  
15 discuss. But there's an example of something that's  
16 not clear. And it's going to take the Legislature to  
17 cut the baby in half, is that the ledge -- the --  
18 Prop. 19 said you had two years to replace your house  
19 if it's fire causes. And, yet, right now you have  
20 five years.

21 Now if you can -- and I know in San Diego  
22 County, if you're going to try to replace the house  
23 and get it through just the permitting process, it's  
24 going to take you two years. Much less the finance  
25 and the construction time.

26 So -- but the Legislature -- and we've had  
27 help from legislative counsels, they're believing  
28 that that's not necessarily the case.

1           But that's what's written. And that's an  
2 example of what's really bad that we have to change  
3 in this -- or interpret out through other sections.

4           So just thank you for all the help that this  
5 joint effort has had. And that's my comments.

6           And I want to turn the technical part off to  
7 my colleague from the Los Angeles area, the great  
8 Assessor Jeffrey Prang.

9           MR. PRANG: Thank you, Assessor Dronenburg.  
10 Thank you, Mr. Chairman and Honorable Board  
11 Members.

12           I'm delighted to be with you again to  
13 provide an update on the progress we've made since  
14 the last time I spoke with you as a group.

15           I also want to add my voice and  
16 appreciation to Board Members and staff for  
17 developing the partnership we have over the last  
18 couple of months to try to work together to identify  
19 a pathway to fix the deficiencies that will allow us  
20 to fairly and equitably administer Proposition 19.

21           I am grateful to be able to work with each  
22 one of you and your staff.

23           And, you know, the voters have -- have  
24 dually enacted this -- this law, and we are obligated  
25 as public servants to find a way to implement it, to  
26 identify the deficiencies, and do our best to correct  
27 those.

28           I did also, just as a side, in my capacity

1 as the LA County assessor, want to say that I  
2 appreciate the very well reasoned remarks that  
3 Member Cohen made in her introductory, the  
4 statements. And I wish to associate myself with  
5 those.

6 I agree that a constitutional amendment is  
7 needed to reverse the very regressive elements of  
8 Prop. 19 that disproportionately affect working  
9 people and middle-income people.

10 That's not the Assessors' Association  
11 speaking; that's just me.

12 However, as Chairman of the Legislative  
13 Committee, wanted to tell you a little bit about some  
14 of the steps that we have taken thus far.

15 We have -- last time we discussed -- had a  
16 conversation with one another, I discussed the  
17 leadership and guidance provided by the Board, and  
18 collaboration with the California Assessors'  
19 Association, which has been critical in positioning  
20 us to a point where we can hopefully make certain  
21 that our constituents are informed and treated fairly  
22 and equitably to the extent possible.

23 Because of the pandemic, nothing has really  
24 gone by the book. It's not been easy. The  
25 legislation we proposed has felt the effects of those  
26 conditions.

27 We have engaged with and worked  
28 collaboratively with CAL Fire, with California State

1 Association of Counties, with California Association  
2 of Realtors, and Farm Bureau, amongst others.

3 As I believe was stated -- implied by  
4 Brenda Fleming, we are anticipating the version of  
5 some of the provisions of our proposed legislation  
6 relative to intergenerational transfer will be  
7 introduced no later than noon tomorrow.

8 Although, as has been stated, the  
9 legislative process is fluid and full of uncertainty.  
10 And we have seen -- we have seen hard and fast  
11 deadlines come and go over the course of the last  
12 couple weeks, and still a position where we're making  
13 progress.

14 Just as a recap, we introduced a  
15 comprehensive legislative package intended to address  
16 as many deficiencies in Prop. 19 as we could.

17 We were instructed by legislative staff that  
18 a comprehensive policy package was not appropriate  
19 for the budgetary trailer bill process. They asked  
20 us to narrow it down.

21 So we narrowed that bill down to legislation  
22 that was focused on the must-have interpretations to  
23 meet the February 16th intergenerational transfer  
24 deadline.

25 As all of you know, the Legislature has many  
26 rules. One of them is a bill must be in print for  
27 72 hours before it can be voted upon.

28 This timeline, coupled with the



1 conversations of Board Members, assessors, and other  
2 stakeholders are having with members of the  
3 legislature, still gives us relative confidence --  
4 and let me emphasize relative -- that we will see a  
5 bill that is able to be passed by both chambers of  
6 the Legislature and signed by the governor on  
7 February 16th.

8 But it is perilously close. And none of us  
9 are feeling very comfortable at the moment.

10 We do not anticipate that the comprehensive  
11 legislative package we proposed will be returned and  
12 passed in full.

13 We have been advised that there's a strong  
14 possibility the legislative guidance that we must  
15 have for the February 16th deadline will be written  
16 into this -- in this bill.

17 Having some familiarity with the  
18 legislature, I can assure you that the best laid  
19 plans often go awry.

20 And it's a possibility that the Assessors'  
21 Association and Board of Equalization language is  
22 coupled with the language from other stakeholders.

23 And we're monitoring that very closely to  
24 ensure that any variations are within our acceptable  
25 perimeters.

26 And we've been admonished several times, and  
27 we're adhering to this admonishment, that we're not  
28 willing to give up the good in expectations of the

1 perfect.

2 That being said, regardless of what bill is  
3 actually introduced to be voted on, assessors are  
4 required to start administering Prop. 19 on Tuesday.

5 And I can assure you that I, and the  
6 57 other assessors of mine, intend to administer  
7 Prop. 19 in a uniform manner, and to the degree that  
8 is practicable, and that we have guidance to do so  
9 within -- in accordance with the law and the intent  
10 of Proposition 19.

11 Fundamentally, assessors were obligated to  
12 administer the law; not, you know, make the law. We  
13 don't even necessarily interpret the law.

14 Prop. 19 becomes operative on the 16th.  
15 We're aware of the issues and concerns that the law  
16 does not make clear. And we're hoping that we can  
17 provide clarity by that date.

18 But even without it, we're going to do  
19 something to provide some support for members of the  
20 public.

21 And I want to end by echoing some of the  
22 previous comments by Board Members.

23 Obviously, the Prop. 19 implementation  
24 deadline was extremely aggressive. And we made  
25 astronomical progress in identifying issues,  
26 interpreting the language, writing the legislation,  
27 educating the lawmakers, as well as speaking to  
28 literally thousands of taxpayers, Realtors, the

1 deficiencies of the measure and the needed  
2 corrections.

3 Everyone involved here, I believe, should be  
4 applauded for the efforts that we made together, and  
5 feel proud of what we've accomplished in such a short  
6 time period. Despite the fact that we're not quite  
7 at the finish line.

8 To some extents, we're the victims of  
9 circumstance. This is not normal times.

10 But that same context, to be where we are on  
11 the cusp of passing legislation that -- legislation,  
12 which, I believe represents the most significant  
13 change to Proposition 13 that has been adopted,  
14 really represents a significant feat.

15 I know that those words may mean nothing to  
16 those who are affected or are about to be affected by  
17 a change in property tax administration. And for  
18 that, I can only offer you the fact that we are here,  
19 we're trying under very difficult circumstances,  
20 doing our very best that we can to operate the law  
21 and to provide clear guidance.

22 And, Mr. Chairman, I thank you for inviting  
23 me to be with you to provide an update today.

24 And I'm happy to answer any questions that  
25 you may have at this time.

26 MR. VAZQUEZ: Thank you.

27 Thank you both.

28 Members, do we have any questions of either

1 of our assessors who are on the line?

2 I saw -- I don't know if that's an old hand  
3 from Member Cohen.

4 But hearing and seeing none, I would just  
5 like to thank you, especially, once again, both of  
6 you, for your time and energy on this.

7 I know it feels like we've been seeing each  
8 other just about every day for the last two or three  
9 weeks now. But I feel pretty confident.

10 And now we're just waiting, hopefully, that  
11 we can get some leadership, who we've actually had an  
12 opportunity to interact with, to step up and take  
13 this for -- take this forward either by tomorrow or  
14 Tuesday.

15 So with that, let me just ask Ms. Taylor to  
16 check and see if there's any public comment on this.

17 MS. TAYLOR: Thank you.

18 We have two written comments. And,  
19 actually, they're from the same person, so they'll be  
20 combined into one.

21 From Ferial Maghami.

22 Proposed legislation is promoted only the  
23 benefits part of, with no mention of a huge tax  
24 impact upon change of ownership.

25 While for seniors -- I am 68 -- it offers an  
26 opportunity to sell existing residence and buy  
27 another, transferring the base taxes of the current  
28 residence.

1           It then take it all and more by requiring  
2 the inheritent children to pay market value taxes at  
3 the time of change in ownership with an exemption  
4 that is hardly realistic.

5           I worked hard and honest all my life as a  
6 healthcare professional. Unlike those dishonest  
7 people who are in the high offices, paid my taxes, I  
8 bought a house, and it is my major asset. Which is  
9 the only thing I can leave for my daughters. One  
10 daughter is severely ill and unable to work.

11           The elimination of the parent-child transfer  
12 and addition of taxes is unconscionable and unfair.  
13 Please reverse this to where it was under  
14 Proposition 13 and 58.

15           This Proposition 19 was advertised and is  
16 named as the Home Protection for Seniors, Severely  
17 Disabled, Families, and Victims of Wildfire or  
18 Natural Disasters Act, without transparencies related  
19 to its rather negative impact that is a parent to  
20 child transfer.

21           Me and many parents in my position feel very  
22 strongly that this section of the proposition was  
23 purposefully and fraudulently kept undercover so that  
24 interest groups such as CAR could promote the part  
25 that is to their advantage.

26           As such, we request that the section related  
27 to the parent-child transfer be eliminated or  
28 revised.

1 Thank you.

2 AT&T moderator, we will now take public  
3 comment.

4 Each caller will have up to three minutes to  
5 speak.

6 For the record, we request that the callers  
7 provide their name.

8 Is there anyone on the line who would like  
9 to make a public comment regarding this matter?

10 AT&T OPERATOR: Thank you.

11 If you wish to make a comment, please press  
12 one, and then zero at this time.

13 And first we'll move to the line of  
14 Mary Ann.

15 Please go ahead.

16 MS. WELCH: Yes.

17 I'd like to just say one thing about all of  
18 you. I think you're all doing the work of the  
19 Legislature.

20 I think it is crazy times. But only because  
21 the legislators did not do their duty. So,  
22 therefore, the Board of Equalization, the assessors,  
23 and tax lawyers, and everybody else is having to do  
24 the Legislature's job.

25 I also believe in the state of California,  
26 we have no real representation. This particular  
27 Proposition 19 never should have been through the  
28 Legislature at all. It was rushed through.

1           It was -- and the Legislature missed many  
2 policy and legal issues that would have been  
3 uncovered had the amendment gone through the regular  
4 and more extensive public review process, which it  
5 did not.

6           So even though the Board of Equalization and  
7 the assessors don't want to be legislators, basically  
8 that's what you people are doing. You are fixing  
9 what the Legislature did not do.

10           So as far as I'm concerned, in this state,  
11 we have no -- the public really has no  
12 representation.

13           The way it was -- the proposition was done  
14 to the voters was underhanded, prejudice, and  
15 unconstitutional. Because you're pitting the fire  
16 victims against the inherited property people. And  
17 it's still, to this day, unclear.

18           And when you see people crying after trying  
19 to find a lawyer, trying to get their affairs in  
20 order, they just don't have the time nor the money to  
21 do it under the stress.

22           Also, I'd like to ask all of you one other  
23 thing that I read. During a health crisis, it's  
24 unconstitutional, in my small reading, that you are  
25 not supposed to pass any laws or anything, or any  
26 initiative during the health crisis. Which we have  
27 been in since March.

28           So I don't understand why that health issue

1 is -- is not put in there to look at the whole issue,  
2 when all of us are under enormous amount of stress.

3 But I -- my hand -- my hat is off to the  
4 Board of Equalization, and all of you people that are  
5 trying to be legislators, and trying to interpret a  
6 very bad law, and a very bad policy.

7 All I can say is this state really does need  
8 real representation.

9 Also, one more factor. The way the  
10 propositions are written is unfair, unclear, and they  
11 continue to mislead the public and the voters.

12 And I also have another thing to say if I  
13 have a little bit more time here. And that is this  
14 particular -- we have 40 million people here in the  
15 state of California. And 55 percent of them are --  
16 would be 22 million voters.

17 Of the 22 million voters that could have  
18 voted, only 327,000 passed, as you know. Which  
19 really means only 1.48 percent of the California  
20 registered voters decided on Proposition 19. That  
21 means one percent.

22 MS. TAYLOR: Caller, your time is up.

23 Thank you.

24 MS. WELCH: Thank you.

25 MR. VAZQUEZ: Thank you.

26 AT&T OPERATOR: Next we'll move to the line  
27 of Sairsha.

28 Please go ahead.



1 MS. SAIRSHA: Hi. I have a question rather  
2 than a comment for the Board.

3 I'm just curious -- and I don't know if I  
4 should address this question directly to  
5 Mr. Cronenburg or Mr. Ronenburg. I apologize if I'm  
6 mispronouncing your name. Who are -- who is the  
7 Chair of the Legislative Committee tasked with  
8 implementing Prop. 19.

9 Just a question for me, so that I can, you  
10 know, address a public comment to them, you know,  
11 pose my plight to them, and in the hopes that they'll  
12 consider that when working with the Legislative  
13 Committee.

14 MR. DRONENBURG: I would suggest your  
15 comments to the Chair of the Board of Equalization.  
16 And you can --

17 MS. SAIRSHA: Okay.

18 MR. DRONENBURG: You can copy me on it if  
19 you feel like that's going to be an advantage.

20 But I would suggest the Honorable  
21 Anthony Vazquez, Chair of the Board of Equalization,  
22 to address your comments.

23 MS. SAIRSHA: Thank you.

24 MS. FLEMING: And if I may, Members.

25 This is Brenda Fleming.

26 Thank you, taxpayer, for weighing in.

27 You can also address it to the Legislature  
28 in whose district you reside.

1 MS. SAIRSHA: Yes. I believe that would be  
2 Assemblymember Stone and Mr. Laird.

3 I was just wondering if there was another  
4 particular chairperson who is overseeing the  
5 legislative intent and so on that you're currently  
6 working with. That was really my specific question.

7 MS. FLEMING: And noted.

8 And, again, in the Senate, you can address  
9 it to Senate Gov. and Finance, also to the Budget  
10 Committee, and similarly in the assembly, to Assembly  
11 Rev. and Tax, or Assembly Budget Committees also.

12 Thank you, ma'am.

13 MS. SAIRSHA: Thank you. Thank you very  
14 much.

15 AT&T OPERATOR: Thank you.

16 And next we'll go to the line of Mikhail.

17 Please go ahead.

18 MR. KAZANTSEV: Hi.

19 My question is in regards to the deadlines  
20 for Prop. 19.

21 So I'm with my family. We're trying to file  
22 paperwork. And there's, like, the February 12th  
23 effective deadline, because the 15th is a holiday.

24 And so we're trying to figure out, does that  
25 mean that the deed needs to be transferred on that  
26 date?

27 Does that mean that all the supplemental  
28 paperwork needs to be transferred on that date, like

1 the preliminary change of ownership, the change of  
2 ownership? There's a whole bunch of different  
3 documents.

4 You know, what happens if it's submitted,  
5 say, today, and then it -- you know, the assessor's  
6 office is really backed up, and then it doesn't get  
7 processed until, you know, Tuesday or Wednesday?

8 So we're just trying to figure out, kind of,  
9 you know, when they say that everything needs to be  
10 in by the deadline, what specific document needs to  
11 be in?

12 And then what happens if the assessor's  
13 offices themselves are backed up through no fault of  
14 their own?

15 And if somebody could help me understand  
16 where to look for that information, or if there's any  
17 guidance, that would be super helpful.

18 Thank you.

19 MR. DRONENBURG: Well, I would suggest that  
20 Richard Moon would be the best person to answer this  
21 question to look for statewide.

22 Because some assessors are -- and I'd say  
23 the vast majority of the assessors are allowing the  
24 recorded -- not necessarily the recording, but the  
25 notarizing of the documents to be the date that it's  
26 acceptable.

27 But, Ms. Fleming, maybe you could ask  
28 Richard to answer.

1 MS. FLEMING: Richard Moon's on the line  
2 with us. But also Dave Yeung is available to assist  
3 with that question.

4 Gentlemen, whoever is available on mic.

5 MR. YEUNG: Yes. Good morning.

6 This is David Yeung from the Property Tax  
7 Department. And I'm the Deputy Director.

8 What I would recommend is you go ahead and  
9 get as much of the paperwork as you can complete as  
10 possible today and tomorrow.

11 We do have a property tax rule, it is  
12 Property Tax Rule 462.260. And it does talk about  
13 the recording date being the actual date -- it's  
14 rebuttably presumed to be the date of the transfer.

15 But there are provisions that Mr. Moon  
16 already talked about that you can rebut that  
17 presumption.

18 If there is either a contract or a signature  
19 on the deed, or something else that would be evidence  
20 that would be compelling to the assessor that the  
21 transfer and deed happened at a different date, an  
22 earlier date, they are able to use that as the date  
23 of the actual transfer.

24 So if you're trying to make it before the  
25 deadline of the 12th -- actually, it's the 16th. The  
26 16th. Then that is one way in which you can do it.

27 Of course, the most sure way is to complete  
28 as much of it as possible.

1 MR. KAZANTSEV: Thank you.

2 MR. YEUNG: I will -- if you are looking for  
3 extra information, we do have it on our Web site.  
4 Our Web site is BOE -- www.BOE.ca.gov. There is  
5 information on Prop. 19 on there.

6 We do address the issue of when -- what date  
7 does the -- that the transaction is effective. It  
8 is -- actually we do address it in the Chief Counsel  
9 memo dated January 1 -- January 1st -- I'm sorry --  
10 January 8th of 2021. So it is in there.

11 And I believe we -- if it's not addressed  
12 directly in some of our guidance online, we -- I will  
13 present a -- I will have an update on my following  
14 presentation on guidance on that, too.

15 So, Mr. Moon, if you care to add anything.

16 If not, that is -- that's my -- that's my  
17 best advice.

18 And I'm available for any questions you may  
19 have.

20 Thank you.

21 MR. MOON: This is Richard Moon.

22 I don't have anything to add.

23 MR. VAZQUEZ: Thank you.

24 Ms. Taylor, was that it for the public  
25 comment?

26 AT&T OPERATOR: I do have one more over the  
27 phone from Lilana.

28 Please go ahead.

1 MS. SPINDLER: Hi. My name is Lilana, and I  
2 have two comments.

3 One is I transfer my two property, one's for  
4 my son, one's for my daughter, to irrevocable trust.

5 And now my comment is, did I lose now the  
6 good side of Proposition 19, because I'm not own this  
7 house anymore?

8 So did they lose it forever, is first thing.

9 And second thing, on assessor's form, like,  
10 PCOR, they have only one option to check yes; gift,  
11 trust, or other.

12 So if I check a yes to gift, I might lose,  
13 my understanding, concept -- my death for my  
14 children.

15 But if I do not check yes, then I'm still  
16 filing a claim for exclusion now.

17 So how I can reconcile these two different  
18 things?

19 It's, again, I move my houses based on the  
20 current Proposition 19 to irrevocable trust. One  
21 house directly to my primary beneficiary, my  
22 daughter; and another one, a rental property directly  
23 to my primary beneficiary, my son.

24 So I'm filing PCOR. And I don't know,  
25 should I check yes to gift, should I check yes to  
26 trust, should I check yes to other?

27 Thank you.

28 MR. VAZQUEZ: Thank you.

1                   Is that a question we can answer, David or  
2                   Richard?

3                   MR. MOON: Mr. Chair, this is Richard Moon.  
4                   She -- there's a lot of facts going on in  
5                   what she said.

6                   And my suggestion would be that she, after  
7                   the meeting, contact our -- either our Property Taxes  
8                   Department, or our Taxpayer Rights Advocate. And  
9                   they will be able to help her a little bit more.

10                  MR. VAZQUEZ: Thank you.

11                  And I -- like I mentioned in my opening  
12                  remarks, for many of you in the public, as you're  
13                  asking these questions, I would also double check  
14                  with your practitioner or your attorney, whomever you  
15                  may feel comfortable with, just to be sure.

16                  MR. GAINES: Just a clarification, if I  
17                  could, Chair Vazquez.

18                  MR. VAZQUEZ: Yes. Member Gaines, go  
19                  ahead.

20                  MR. GAINES: Can we publicly provide the  
21                  phone number for that lady that had the question  
22                  about the trust and the transfer of property? Just  
23                  so she knows who to call.

24                  Sounds like it's the Property Department; is  
25                  that correct?

26                  And then if we can provide a phone number.

27                  MR. YEUNG: Yes. This is David Yeung.

28                  MR. VAZQUEZ: I believe we can do that.

1 MR. YEUNG: Again, let me give you that  
2 number.

3 It's 1-916 -- bear with me for one second.  
4 I'm looking it up right now, so you'll have to bear  
5 with me.

6 MR. GAINES: Sure.

7 MR. YEUNG: Let me -- let me -- now I'm  
8 locked out of my computer.

9 Please let me -- let me get that for you  
10 later on today, and I will provide it publicly.

11 MR. GAINES: That's great.

12 MS. FLEMING: Members, this is  
13 Brenda Fleming, if I may.

14 If I may offer something. So -- and we  
15 absolutely want to assist the taxpayers.

16 If you don't mind, for the taxpayers, if --  
17 we are providing significant information on our  
18 Web site.

19 So if it's at all possible to have you go to  
20 the Web site, we'll make sure that there's not only  
21 Q and A there for you, but if you want to reach us,  
22 then the phone numbers for how to reach us directly  
23 for more direct conversation, that information is  
24 also on our Web site.

25 That might be the more prudent way to do it,  
26 versus being on public mic offering that phone  
27 number.

28 So, again, I'll thank you for your calls.



1 We do want to assist. But if we can direct you to  
2 our Web site, which has e-mail addresses for the  
3 Taxpayer Rights Advocate's Office, and the public  
4 number for our Property Tax Department.

5 We appreciate it very much. Thank you.

6 MR. GAINES: If I can -- can I just  
7 reiterate a little bit?

8 Because if there is a -- if there is a  
9 question where they're trying to get a fast answer, I  
10 want to make sure that our constituents have the  
11 ability to get in touch with someone. Because we are  
12 coming up on the deadline here on Friday.

13 So do we have phone numbers on the Web site?

14 MS. FLEMING: Yes, sir, we do.

15 And also, Member Gaines, they can also --  
16 like we've been doing, they can also reach out to  
17 each of your offices individually --

18 MR. GAINES: That's correct.

19 MS. FLEMING: -- to clarify it a little bit  
20 more.

21 MR. GAINES: Yes.

22 MS. FLEMING: And then that information can  
23 be forwarded to us also.

24 MR. GAINES: Right. I was going to --

25 MS. FLEMING: That would be very helpful,  
26 Members, to assist us with taking these taxpayer  
27 calls.

28 And that way we also have a connection

1 between your offices and the taxpayers also, is also  
2 very helpful.

3 MR. GAINES: Yeah.

4 So that number -- those numbers should be on  
5 the Web site for each of us in our own office,  
6 correct?

7 MS. FLEMING: That is correct, sir, yes.

8 MR. GAINES: Good. I just wanted to make  
9 sure people knew they could get in touch.

10 Thank you.

11 MR. VAZQUEZ: Thank you.

12 I see a -- oh, I see a couple hands now.

13 Ms. Stowers was up first, and then I see  
14 Member Cohen, and then Vice Chair Schaefer.

15 Go ahead, Ms. Stowers.

16 MS. STOWERS: Thank you, Chairman Vazquez.

17 I've just been listening to a lot of the  
18 questions that our constituents have. And one of the  
19 common things is dealing with the change of  
20 ownership, and whether you have to have a recorded  
21 date, and the fact that February 15th was a holiday,  
22 and the effective date is February 16th.

23 I believe our staff has cited a couple of  
24 property tax rules that explain it; Property Tax Rule  
25 462-260 and 462-001.

26 And so I'm wondering if there's a way that  
27 we can push those two property tax rules upfront on  
28 our Web site under our frequently asked questions, so

1 that hopefully taxpayers will have some relief and  
2 understanding on how it's working.

3 MR. VAZQUEZ: Good recommendation.

4 Member Cohen, was that a hand still, or was  
5 that an old one?

6 MS. COHEN: Yes. Thank you.

7 Thank you very much.

8 Man, I'm loving this conversation. I love  
9 having the interaction with the taxpayers.

10 It's a really incredible, stressful and  
11 difficult time I recognize. So I'm honored to be  
12 able to step up and help in any and every way.

13 A couple things I heard:

14 To the taxpayer that called and asked  
15 questions about to whom she should write her letters  
16 to specifically, I just want to reiterate what  
17 Ms. Fleming said.

18 We want to -- you want to direct your  
19 letters to Senator Mike McGuire. He is the Chair of  
20 the Budget Committee, Subcommittee on the Senate  
21 side.

22 And you want to write a letter to  
23 Assemblywoman Autumn Burke. She is Chair of a  
24 committee called Revenue and Taxation.

25 Both of these two individuals need to hear  
26 from every member of the public about their concerns.

27 Please flood their office with your  
28 thoughts, your concerns, your frustrations. Don't

1 hold back. It's very important that we get this  
2 documented and on the record so they know the  
3 seriousness.

4 These two individuals are leading the  
5 discussion on tax issues as it pertains to  
6 Proposition 19, but tax issues, period. But  
7 specifically to Prop. 19.

8 So you want to highlight Mike McGuire and  
9 Autumn Burke. These are the leadership in the  
10 Legislature. Okay?

11 As you heard, unfortunately, the Board of  
12 Equalization, we don't have the authority to make  
13 policy.

14 We have the -- we have rulemaking authority  
15 as it relates to assessors. But we work in  
16 partnership with the Legislature and with the  
17 governor's office.

18 And so we are actively inputting everything  
19 that we hear from you on these calls into the  
20 Legislature leadership.

21 I want to go back to an item and a topic  
22 that was discussed earlier. I might have missed it.  
23 Let me see here. Hold on. Let me look at my notes.

24 Is it possible to have a summary of what --  
25 what we may be expecting in the proposed legislation?

26 So this is my question to Board of  
27 Equalization staff, and also to the assessors on the  
28 call.

1 I was wondering if we can get a summary of  
2 what we -- what you guys are expecting to see in the  
3 legislation.

4 Perhaps you can discuss it with us, and then  
5 your staff members can follow up by e-mailing it to  
6 us.

7 I just think it's important that the members  
8 of the public understand what we're talking about.  
9 We say, "Oh, we've got 40 amendments that's being  
10 considered." But we don't ever talk about what  
11 expressly is being considered.

12 So if he can touch on that, I would -- I  
13 would appreciate that.

14 Or at least we can discuss the key  
15 components that we're advocating for that we see  
16 in -- in the -- either the trailing legislation or  
17 the implementation legislation.

18 I just want to make sure that we are  
19 completely transparent, and we're putting laser focus  
20 on exactly where our assets are.

21 So -- and then the telephone number for the  
22 Legislature is area code (916) 274-3350. Area code  
23 (916) 274-3350.

24 Okay. Thank you. That's my -- those are my  
25 remarks for now.

26 Thank you.

27 MR. VAZQUEZ: Thank you.

28 Vice Chair Schaefer.

1 MS. COHEN: Hold on. I would like a  
2 response before you brush over my request to  
3 Vice Schaefer.

4 I want to know a summary of what we expect  
5 to see in the proposed legislation.

6 So I don't know who the best person that's  
7 qualified. I don't know if it's Richard Moon. I  
8 don't know if it's Brenda Fleming, or one of my  
9 assessors that are on this call.

10 But if someone could step up and share with  
11 me a summary of what they are -- what is being  
12 currently worked on in the Legislature, I'd be very  
13 grateful.

14 Thank you.

15 MR. VAZQUEZ: Member Cohen.

16 MR. NANJO: Member Cohen, this is Chief  
17 Counsel Henry Nanjo.

18 I just wanted to make a correction --  
19 correction for the audience that's listening.

20 The number you gave was not for the  
21 Legislature. That was, I believe, the BOE Property  
22 Tax Department's number.

23 Thank you.

24 MS. COHEN: Thank you very much, Mr. Nanjo.

25 MR. VAZQUEZ: And, Member Cohen, not to  
26 brush over what you just stated. But can we -- can  
27 you kind of hold that until the end?

28 Because some of that might come up in our

1 later discussions on some of these items, if that's  
2 okay.

3 MS. COHEN: Yeah. That's no problem. I've  
4 got it in my notes. I'll reiterate it if I don't get  
5 an answer.

6 And the taxpayer was asking for the BOE  
7 Property Tax number. And so that -- I'm sorry. I  
8 was giving the Property Tax number, but I did say the  
9 Legislature.

10 So, Mr. Nanjo, I apologize. Thank you for  
11 correcting me.

12 And, again ladies and gentlemen, that number  
13 that I gave is for the Property Tax Division within  
14 the State Board of Equalization.

15 MR. VAZQUEZ: Correct.

16 Vice Chair Schaefer.

17 MR. SCHAEFER: Thank you, Chair Vazquez.

18 Our office is available to assist anybody in  
19 District 4, which is the five southern counties.

20 My District office is at (619) 946-3791.

21 And my e-mail is Mike.Schaefer@BOE.CA.gov.

22 Ms. Ferial Maghami, who spoke to us, gave us  
23 her phone number in her e-mail, both. She's in my  
24 District in Orange County. And I appreciate her  
25 making her presentation. In fact, two presentations  
26 combined into one.

27 I don't know that we can reverse the matters  
28 to make it like it was under Prop. 13 and 58. But

1 since we do have her phone number and her e-mail, I  
2 would hope that somebody on staff might send her an  
3 observation or comment on behalf of Vice Chair  
4 Schaefer, so she knows that, you know, the gears are  
5 turning.

6 And also I'd like to comment, if anyone is  
7 going to inquire of, or send information to  
8 Senator McGuire or Assemblywoman Burke, as Ms. Cohen  
9 has suggested, that you mention it's on referral of  
10 Member Cohen of the BOE.

11 Because if you're not in the particular  
12 district of those legislators, they may not get  
13 around to you until they take care of everybody in  
14 their district.

15 And you're entitled to equal attention from  
16 them when a Member of the BOE suggests that there's  
17 an issue that requires their attention.

18 Thank you very much.

19 MR. VAZQUEZ: Thank you.

20 Members, before we wrap up this item, I just  
21 wanted to, once again, thank Ms. Fleming, Mr. Prang  
22 and Mr. Dronenburg for their input and their  
23 participation on this item.

24 And hopefully we'll be able to produce more  
25 written guidance on these issues, especially on the  
26 parent-child exclusion as a BOE priority moving  
27 forward.

28 But I believe Ms. Fleming still had a --



1 another comment on this item before we move on.

2 Is Ms. Fleming available?

3 MS. FLEMING: Yes.

4 Thank you, Chairman. I appreciate it.

5 So, Members, I just wanted to follow up, you  
6 know, in terms of the scenarios of the legislative  
7 timeframe.

8 If the Legislature -- if we get legislation  
9 introduced tomorrow, either later today or tomorrow,  
10 what I would like to do is request your approval to  
11 allow me to draft a letter of support or opposition  
12 depending on, you know, what's in the legislation.

13 Once we see it, staff will do a full  
14 examination and review of it to see how well it  
15 aligns with what we're doing.

16 I absolutely will keep you informed. But in  
17 order to support -- send a letter of support or  
18 opposition as appropriate, I would request your  
19 permission and approval to draft that letter under my  
20 signature on behalf of the Board.

21 MR. VAZQUEZ: Are the Members comfortable  
22 with that?

23 MS. STOWERS: Deputy Controller Stowers  
24 here.

25 MR. VAZQUEZ: Yes.

26 MS. STOWERS: This is a question of process.  
27 Because I -- can imagine this -- I cannot remember.

28 Do we normally, Ms. Fleming, have the

1 Executive Director send a letter of support for  
2 legislation that the BOE is basically sponsoring, or  
3 would we normally have the Executive Director -- I'm  
4 sorry -- the Chair send a letter under his signature?

5 I can't remember which direction we go.

6 MS. FLEMING: Understood.

7 And we've had both. We've used both  
8 approaches before. So we can go either way.

9 Our goal would be, if we want to make sure  
10 that the Legislature understands that we support or  
11 oppose something, we just look -- I'm looking for the  
12 approach to make that happen.

13 So we certainly can have it drafted from the  
14 Chairman on behalf of the Board, or I can -- I can  
15 send it on behalf of the Board.

16 It's the Member's pleasure.

17 MR. VAZQUEZ: Members, if you're  
18 comfortable, I don't mind working with our Executive  
19 Director. And it would obviously be a consensus that  
20 we both agree on this.

21 Because I know the urgency. Especially if  
22 we don't hear back until Tuesday. I mean, we  
23 basically got to move everything very fast if it's a  
24 Tuesday turn-around time.

25 I see a hand up from Member Gaines.

26 And you probably know the process better  
27 than all of us being a former senator.

28 MR. GAINES: Oh, I just want to respond to

1 your question.

2 I think that that would be fine,  
3 Chair Vazquez, with you and Executive Director  
4 Fleming working together on that letter. So -- from  
5 my perspective.

6 Thank you. Please move forward.

7 MR. VAZQUEZ: Thank you.

8 Is everybody else comfortable with that, all  
9 the other Members?

10 I see nods. I see heads moving.

11 Member Cohen is saying yes.

12 MS. STOWERS: One follow-up question.

13 MR. VAZQUEZ: Yes. Ms. Stowers.

14 MS. STOWERS: Thank you.

15 Who would the letter be addressed to again?

16 MR. VAZQUEZ: Well, it's my understanding we  
17 would address it to the leadership.

18 MS. STOWERS: -- address to the leadership?

19 MR. VAZQUEZ: Yes.

20 MS. STOWERS: I would prefer --

21 MS. FLEMING: I'm sorry.

22 Ms. Stowers, can you restate your question?

23 MS. STOWERS: I would prefer for the letter  
24 to go out from Chairman Vazquez since it will be  
25 going to leadership. I just think it should be  
26 elective to elective.

27 MR. VAZQUEZ: Sure. I'm fine with that.

28 Are the Members okay?

1 I see heads nodding. I think we have a  
2 consensus here.

3 MS. FLEMING: Yes. And that would be an  
4 appropriate approach also.

5 MR. VAZQUEZ: Thank you.

6 Was there anything else, Ms. Fleming, before  
7 we move on from this item?

8 MS. FLEMING: No. Just wanted the  
9 opportunity, again, to thank everyone who has just so  
10 actively participated in this collaborative effort.

11 Again, acknowledging Assessor Dronenburg,  
12 and Assessor Prang, and their staff, and, again, to  
13 my staff, to Richard Moon, David Yeung, Chief Counsel  
14 Nanjo, and all the managers and staff behind the  
15 scenes who have worked diligently to prepare for this  
16 legislation.

17 It's operative on Tuesday the 16th. And so  
18 we will absolutely perform our duties. But we do  
19 need -- that cleaned-up legislation would be very  
20 valuable to us.

21 So, Members, thank you for this  
22 conversation, and we appreciate your support.

23 And the next portions of the conversations  
24 later on this agenda today will get more into detail  
25 of guidance and rulemaking. So we hope that also  
26 provides additional and helpful information for you.

27 Thank you so much.

28 MR. VAZQUEZ: Thank you.

1 Ms. Taylor, can we please call the next  
2 item.

3 MS. TAYLOR: Certainly.

4 The third sub-item is M1(c), update on the  
5 forms and processes discussion associated with the  
6 implementation of Proposition 19, presented by  
7 Ms. Lumsden.

8 MR. VAZQUEZ: Ms. Lumsden, are you available  
9 to present the update on the Prop. 19 forms?

10 MS. LUMSDEN: Yes, I am.

11 Chair Vazquez and Honorable Board Members,  
12 my name is Patty Lumsden, and I'm the Chief of the  
13 County-Assessed Properties Division at the State  
14 Board of Equalization.

15 So today I'm here to provide you with an  
16 update on the forms portion of Proposition 19  
17 implementation plan.

18 As discussed in the January 2021 Board  
19 Meeting, BOE staff has created seven new forms and  
20 amended five existing -- four existing forms as part  
21 of our Proposition 19 implementation plan.

22 We then submitted those forms for review to  
23 the California Assessors' Associations Form  
24 Subcommittee, and also their Proposition 19  
25 Implementation Ad Hoc Committee to get further review  
26 and input on those forms to ensure that the forms  
27 were going to meet the needs of the assessors and  
28 their staff in trying to implement the provisions of

1 Proposition 19.

2 Both committees finished their review of the  
3 forms, and BOE staff was able to incorporate the  
4 edits as needed, and complete the final versions of  
5 the forms.

6 As stated during the January Board Meeting,  
7 in order to expedite the process to issue these  
8 eleven forms, and meet the first operative date of  
9 February 16th, 2021, we distributed the forms through  
10 an LTA, which was LTA No. 2021007. And it was issued  
11 on February 5th, 2021.

12 The forms were then posted to the BOE's  
13 assessor portal for assessors and their staff to  
14 access immediately, giving them time to incorporate  
15 the new amended forms into their own systems and  
16 update their -- put in their office logos and  
17 tracking information as needed.

18 We also notified the CAA's eForms liaison,  
19 and so they could incorporate the eleven forms into  
20 the CAA's eForms filing system.

21 And the next step for the forms is to submit  
22 them for the regular annual forms approval process,  
23 which will start this month in February.

24 Those eleven forms will go through the CAA's  
25 Forms Subcommittee process where members of the  
26 committee can provide any further additional changes  
27 or input they deem necessary.

28 Any further changes to these forms will be

1 an agreement with BOE staff and the members of the  
2 committee.

3 And then once approved through the Form  
4 Subcommittee process, these eleven forms, along with  
5 all other forms that are created and amended during  
6 that time, will be approved by the committee for the  
7 January 1, 2022 lien date, and will be presented to  
8 the Board Members for their final approval and  
9 adoption at the Board Meeting in May 2021.

10 I would like to take this opportunity to  
11 thank our BOE staff, specifically Glenna Schultz and  
12 Don Barage, who have been working tirelessly to get  
13 these forms completed, and always putting out that  
14 extra effort to make sure the forms got completed on  
15 time.

16 I would also like to thank the CAA's  
17 implementation -- Prop. 19 Implementation Ad Hoc  
18 Committee, the Chair of that committee was  
19 Tom Bordonaro. And the committee members were very  
20 helpful in assisting us in that process.

21 I would also like to thank the CAA's Form  
22 Subcommittee. Diane Brown is the chair of that  
23 committee. And we really appreciate the committee  
24 members, and both of those committees in assisting  
25 us.

26 They had a very short timeline to look at  
27 these forms. And they got the forms back to us,  
28 and -- you know, in plenty of time. And with very

1 valuable input on those forms, we were able to finish  
2 the forms on time. And we really appreciate their  
3 assistance.

4 And we know as we go forward with  
5 Proposition 19, there will be more implementation  
6 going on.

7 And whether, you know, the legislation --  
8 new legislative language could possibly affect the  
9 need for needing more additional forms to be created  
10 and/or amendments to existing forms.

11 And as that process takes place, we will  
12 definitely be engaged and committed to working with  
13 the CAA, and keeping track of whether or not those --  
14 that process will need to be implemented again for  
15 future forms.

16 This concludes my presentation. And I'm  
17 available to answer any questions you may have  
18 regarding this process.

19 MR. VAZQUEZ: Thank you, Ms. Lumsden.

20 I have a couple questions. But let me check  
21 with the Members first if they have any questions.

22 And I'm not seeing any hands. So I will  
23 start with mine. I have just two.

24 The first one, Ms. Lumsden, you -- and they  
25 both have -- actually have to do with the forms  
26 and -- in the coming future.

27 Question one, the parent-child exclusion  
28 claim form, BOE19-P, has several questions on page 2



1 where the child transferee must state when they moved  
2 into the home and filed for the homeowner's or  
3 disabled veteran's exemption. But the form also says  
4 that they have one year to file.

5 Is there another form or notice being  
6 developed to notify the child before the one year is  
7 up that they must file for the homeowner exemption?

8 MS. LUMSDEN: So this is a good question.

9 So currently there isn't another notice.

10 I mean, this particular form, the claim form  
11 for the parent-child exclusion, and the grandparent  
12 to grandchild exclusions, indicate under  
13 Proposition 19 that in order to qualify for those  
14 exclusions, it must be the principal -- must be both  
15 the transferor's, and then later the transferee's,  
16 principal place of residence.

17 And as a way to do that, that is through  
18 filing, and filing for either the homeowner's  
19 exemption or the disabled veteran's exemption.

20 Those current claim forms are already in  
21 existence for the homeowner's exemption and the  
22 disabled veteran's exemption.

23 And so whether or not there would be  
24 anything to notify the child of this deadline, we'd  
25 notify them on the exclusion claim form. So that's  
26 one way that they're being notified.

27 Any other type of notification could  
28 possibly come from the assessor's office themselves.

1           I know from my own experience working in the  
2 assessor's office, as well as being on our BOE Survey  
3 Team, auditing assessors' offices, a lot of times --  
4 and of course, I can't speak for all offices -- but a  
5 lot of times they issue form letters that go along  
6 with claim forms and identify specific filing dates  
7 and deadlines, or reasons for asking them to, you  
8 know, fill out the claim form, and that sort of  
9 thing.

10           So that may be one way. And a lot of this  
11 would be perhaps a tracking system that may be done  
12 internally.

13           And then that being said, of course we're  
14 always open to -- if we find that the assessor needs  
15 more additional assistance in collecting data from  
16 taxpayers or identifying a need for tracking them,  
17 we -- you know, we're always open to assisting in any  
18 way we can.

19           MR. VAZQUEZ: Thank you.

20           As I'm looking on the screen, I see we still  
21 have our Chair, Earnest Dronenburg.

22           Do -- how do the assessors -- do they go  
23 out -- do they give out a notice before the one year  
24 is up by any chance? I'm just curious.

25           I think you're muted. You're muted.

26           MR. DRONENBURG: There's a section in the  
27 law that requires if -- to be notified if you're no  
28 longer a resident of the property.

1           So they have to notify us, otherwise we  
2 automatically roll it over under the current system.

3           Now, with the -- the Prop. 19 legislation,  
4 that's something that we're not sure how the  
5 Legislature's gonna deal with it.

6           But there's a suggestion that if you have  
7 the Prop. 19 legislation, to take advantage of that,  
8 that you have to notify the office every year that  
9 you are a resident of the property.

10          I say that's a suggestion. It hasn't -- it  
11 hasn't -- it's -- it's -- some people are for it, and  
12 some people are against it.

13          So that's one of the ones that the  
14 Legislature is going to have to be the tie-breaker.

15          MR. VAZQUEZ: Okay. Thank you.

16          My second question -- I'm sorry, was there  
17 a --

18          MS. LUMSDEN: Oh, I was just going to  
19 further say, Chair Vazquez, is that I know that at  
20 the assessors' offices, when there's been a change in  
21 ownership on property, a lot of times they have an  
22 automatically generated form that sends out the  
23 homeowner's exemption claim form to the taxpayers at  
24 that time.

25          And that would be another way that they are  
26 notified of the possibility for the homeowner's  
27 exemption.

28          MR. VAZQUEZ: Okay.

1           My second question is, do you know what form  
2 or notice will be used to notify the child transferee  
3 of the value of the home, the amount that is over  
4 that one million threshold?

5           Is that something BOE will be generating  
6 soon?

7           MS. LUMSDEN: So, again, there already is an  
8 existence if there is a change to the assessed value  
9 on property, that the taxpayer is notified by a  
10 notice of supplemental assessment.

11          And those notices of supplemental assessment  
12 also give property taxpayers their appeal rights if  
13 they disagree with the value.

14          So at that time, if there's anything they  
15 disagree with, they would be able to notify the  
16 assessor and/or file an assessment appeal with their  
17 local clerk of the board.

18          MR. VAZQUEZ: Thank you. That was my  
19 second part of it, and you just answered it.

20          So they -- you also explained -- sounds like  
21 you explain to them -- or you let them know the  
22 process that they choose to appeal or disagree with  
23 the value moving forward, right?

24          MS. LUMSDEN: Yes. Typically the assessor's  
25 office would do that.

26          MR. VAZQUEZ: Okay.

27          MS. LUMSDEN: Yeah. And the notice actually  
28 has the information on there on what to do and who to

1 contact if they wish to file an appeal.

2 MR. VAZQUEZ: Great.

3 With that, I have no other questions.

4 Unless any of the other Members do.

5 And I see Ernie leaning forward. Does he  
6 have a question?

7 MR. DRONENBURG: I took my hand down there.

8 Yeah, the -- with the new system, if you  
9 are -- let's say you're the son, and you get the  
10 property. At that time, the assessor has an  
11 obligation to evaluate the base value of the  
12 property, the new base value, what it would be hadn't  
13 it transferred.

14 Because if, like, two years later, he  
15 decides to rent the place, then we'll go back and dig  
16 up that original value that it would have occurred,  
17 and then we'll increase it by the cost of living for  
18 each year, and come up with a new value for the --  
19 the person that received the transfer for a  
20 prospective basis.

21 So that's just some of the mechanics that  
22 are going to be required in this new system.

23 MR. VAZQUEZ: Thank you. Thank you for that  
24 update.

25 And I -- I know last month we approved, you  
26 know, this whole -- to expedite many of the forms and  
27 the process and the issuance of new and amended  
28 forms.

1           And I understand many of those are already  
2 posted on our Web site. And I believe, as we move  
3 forward, those are constantly being updated.

4           So for the public, keep checking our Web  
5 site. Because as these forms are updated and  
6 amended, we'll keep revising the Web site and posting  
7 those. So hopefully you have the latest information  
8 before these things are -- are due, or as they come  
9 due.

10           MS. LUMSDEN: Mr. Vazquez, if I may.

11           MR. VAZQUEZ: Yes.

12           MS. LUMSDEN: Sorry for interrupting you.

13           MR. VAZQUEZ: No, go ahead.

14           MS. LUMSDEN: Yeah.

15           I want to make it known to the public, too,  
16 that the forms that are located on our Web site are  
17 typically sample forms, strictly sample forms for  
18 them to view and have an idea of what types of forms  
19 are out there.

20           But the taxpayer should contact their local  
21 county assessor's office where the property is  
22 located to actually file and obtain those forms.  
23 Because they have the assessor's logo and contact  
24 information on them.

25           So I just wanted to make sure that that's  
26 clear that they know to go there to get their forms.

27           MR. VAZQUEZ: Thank you. I appreciate that  
28 clarification.

1 I see Member Gaines' hand.

2 Is that an old hand, Member Gaines, or is  
3 that a new one?

4 MR. GAINES: That's a new one.

5 MR. VAZQUEZ: Okay.

6 Go ahead, Member Gaines.

7 MR. GAINES: I just -- I'm just wondering  
8 about a break. I know that we've got staff that need  
9 breaks periodically, and myself included. So I  
10 thought I would just throw that out there as to do we  
11 have a plan at some point.

12 MR. VAZQUEZ: I actually just text our  
13 Executive Director, and she was checking with staff.

14 And I'm hearing back that they would like to  
15 keep going to try to wrap it up sooner.

16 But if the Members want to maybe have a  
17 quick restroom break, we can do that.

18 How is that?

19 And I'm seeing heads nodding.

20 MR. GAINES: That'd be great.

21 MR. VAZQUEZ: You want to do, like, a -- is  
22 a ten-minute break sufficient?

23 MR. GAINES: That'd be great.

24 MR. VAZQUEZ: That's good? Okay.

25 MR. GAINES: Thank you.

26 MR. VAZQUEZ: Why don't -- you know what,  
27 before we do, really quick, just so we can wrap up  
28 this item, can we just double check and see if we

1 have any public comment on this issue? And then  
2 we'll take a quick ten-minute break.

3 Ms. Taylor, do we have anybody on the line  
4 or any written comments on this item?

5 MS. TAYLOR: Yes. We have one brief written  
6 comment, and then we can check the line.

7 Our first written comment is from Bonnie  
8 Landles-Dowling.

9 Will the BOE direct assessors to accept the  
10 notary date as the change in ownership date, or are  
11 taxpayers required to record deeds prior to  
12 February 16th?

13 AT&T moderator, we will now take public  
14 comment on this item.

15 Each caller will have up to three minutes to  
16 speak.

17 For the record, we request that callers  
18 provide their name.

19 Is anyone on the line who would like to make  
20 a public comment regarding forms?

21 Thank you.

22 AT&T OPERATOR: Thank you.

23 If you wish to make a comment, please press  
24 one, and then zero at this time.

25 And our -- just one moment.

26 Our first comment is from Alicia.

27 Please go ahead.

28 MS. GAMEZ: Hi. Alicia Gamez again in



1 San Francisco.

2 My question follows on the notary question  
3 that just followed -- that was just presented.

4 I'm looking at rule -- the rules that have  
5 been cited, rule 462.001, and the rule 462.260.

6 In particular, the rule 462.260 regarding  
7 the change in ownership under section A references  
8 sales, and then has a B regarding leases, C regarding  
9 inheritance, and D regarding trust. But nothing  
10 specifically referencing gifts. There's no E.

11 And so regarding Mr. Moon's prior comments  
12 earlier today, that the assessor should be accepting  
13 other evidence to rebut the presumption of the  
14 recording date versus the document date, I do think  
15 the public would very much benefit from some clearer  
16 guidance.

17 Because it is understood in the legal  
18 community that certain assessors have stated that  
19 they will be enforcing the recording date and not a  
20 signing date, or the date placed on a PCOR.

21 And that's quite -- causing quite a lot of  
22 concern in -- among practitioners who can give our  
23 clients no clear guidance.

24 And so just reflecting, again, on the amount  
25 of concern, the very tight timelines, and the  
26 pressures that we're dealing with, I would really ask  
27 the BOE for prompt clarification upon whether  
28 assessors are required to look to the document date

1 and the date presented on the PCOR, or a notarization  
2 date, rather than the recording date.

3 And that's the end of my question.

4 MR. VAZQUEZ: Thank you.

5 Is there any other comments?

6 And, you know, for those folks that are  
7 making questions or comments to us, we will have  
8 staff, if they can't answer it on -- you know,  
9 immediately right now, to at least post something on  
10 our Web site.

11 So please keep checking our Web site for the  
12 latest information.

13 Member Gaines, did you have a question on  
14 this?

15 MR. GAINES: Yeah.

16 I just wanted to clarify. Because  
17 Richard Moon did speak to it in terms of the date.

18 So the date of the change of title, you  
19 know, you sign that, and there's a date next to it.  
20 So that's accepted. It doesn't have to be  
21 notarized --

22 MR. VAZQUEZ: Thank you.

23 MR. GAINES: -- or recorded.

24 I mean, you -- apparently you can take your  
25 case to your assessor, right?

26 In terms of -- you know, maybe Ernie can  
27 speak to that.

28 Assessor Dronenburg.

1 MR. DRONENBURG: Yes. That -- the language  
2 of the property statute is -- I mean, regulation is  
3 permissive. It gives the assessor the ability to use  
4 his own discretion to say, Yes, that's sufficient to  
5 change -- to recognize the change in ownership of the  
6 property as a -- so any of those dates, the vast  
7 majority -- I actually haven't heard of any county  
8 that is not going to accept it

9 Now, some counties initially said they were  
10 going to require a recording, but now have changed  
11 after hearing of the property tax law sections.

12 But to my knowledge, there's no county  
13 currently that is not going to be accepting a  
14 signature on a date or a notarized document.

15 MR. GAINES: Okay. That's -- that's great.

16 And we have COVID-19. I mean, this is --  
17 everything is moving slowly -- more slowly than it  
18 typically would in a normal situation.

19 So I'm hoping that there's a lot of grace  
20 that's being distributed through the 58 county  
21 assessors.

22 Thank you.

23 MR. VAZQUEZ: Thank you.

24 I understand we still have two more in the  
25 queue for public comment.

26 Ms. Taylor.

27 AT&T OPERATOR: Our next comment is from  
28 Mary Ann.

1                   Please go ahead.

2                   MS. WELCH: Yes.

3                   I believe that the Legislature -- really  
4 easily this could be handled by rein -- reinstating  
5 Proposition 58 to make it simple.

6                   When government owns everything,  
7 middle-class is hurt the most after years of working  
8 for family home reforms. And, basically, can lose  
9 their home due to excessive taxes.

10                  The state wins. People in middle-class lose  
11 the most. No time for getting affairs in order or  
12 the cost for legal advice.

13                  Keep it simple. ABC. Most cannot  
14 understand the so-called law that was passed by  
15 1.48 percent of the total voters of California with  
16 that stupid Proposition 19.

17                  Basically to save time, money, put back  
18 Proposition 58, period.

19                  All -- with -- the work all of you are doing  
20 is unnecessary in my opinion.

21                  It is very simple. The legislators have to  
22 put back Proposition 58. It is fair. It is just.  
23 And it's the right thing to do.

24                  We need more Jiminy Crickets in the  
25 Legislature. Not Pinocchios. We need Jiminy  
26 Crickets in the Legislature.

27                  Thank you.

28                  MR. VAZQUEZ: Thank you.

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AT&T OPERATOR: Thank you.

Our next comment is from Lilana.

Please go ahead.

MS. SPINDLER: Hi.

I notarized the paper, and I noticed that -- that this notary has his commission expire before he notarize. And he gave me the paper that says that Governor Newsome has issued Executive Order N-7120, which extends notary conditions that expires in certain date.

And that paper says, in addition to when you perform notarization, your original expiration date will expire. You must include the following statement: the notary commission extends pursuant of executive order, different order for whatever reason, N-6320.

And he did. He notarized.

I noticed that his commission date is expired, and he put on different ink that notary condition extended pursuant to Executive Order N-6320.

Will I have any problems with this notarization?

MR. VAZQUEZ: Thank you.

Ms. Taylor, was that the last one?

MS. TAYLOR: Yes, I believe that's the last caller.

MR. VAZQUEZ: I'm looking at the time now.

1 It's 12:00 -- almost 12:50. So if we do a ten-minute  
2 break, why don't we reconvene at 1:00 o'clock, if  
3 that works.

4 I see a hand by Member Gaines.

5 We're good?

6 1:00 o'clock, we'll reconvene. Ten-minute  
7 break.

8 Thank you. See you in a bit.

9 (Whereupon a break was taken.)

10 MS. TAYLOR: The second item is M2,  
11 Proposition 19 implementation.

12 Board Member discussion and possible actions  
13 on the implementation of Proposition 19, the Home  
14 Protection for Seniors, Severely Disabled, Families,  
15 and Victims of Wildfire or National Disaster's Act of  
16 2020.

17 MR. VAZQUEZ: Thank you.

18 Members, before us now is an update and  
19 discussion on the plan for two sub-items:

20 Sub-item M2(a), an update on proposed  
21 guidance and emergency rulemaking; and sub-item  
22 M2(b), an update on Prop. 19 education outreach  
23 plan.

24 Ms. Taylor, will you please call the first  
25 sub-item under M2.

26 MS. TAYLOR: The first sub-item is M2(a),  
27 guidance and rulemaking, presented by Mr. Yeung and  
28 Mr. Moon.

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MR. YEUNG: Yes.

Good afternoon, Chairman Vazquez and Honorable Members of the Board.

This is David Yeung, and I'm the Deputy Director of the Property Tax Department.

So I think we're going to split up our work a little bit here, now address the guidance.

And if Mr. Moon will be so kind as to address the rulemaking, I will proceed.

So today I'm going to give you an update as to our efforts so far in the guidance that the Board, the Property Tax Department has produced for Prop. 19.

So to date, this is what -- a little bit of history of what we've done so far.

The Board has developed and placed guidance on our Web site to include the comparison charts or the parent-child and the grandparent-grandchild exclusions guidance under LTA 2020-061.

That is the initial LTA that we put out last year at the end of the year. That basically announced and gave some information on the passage of Prop. 19.

We also -- Ms. Lumsden has already presented her LTA, under which the -- under which she -- under which the Property Tax Department basically created seven forms, and revised or amended four more. She's already reported out on that.

1           Also on our Web site is information related  
2 to Prop. 19. We have on there the Chief Counsel  
3 memo. It's posted on our Web site. That's the Chief  
4 Counsel memo from January 8th of this year, giving  
5 the interpretation of Prop. 19 in the Q and A format.

6           We've also -- also on our Web site is FAQs  
7 that have been placed on there.

8           And we've also made other information  
9 available on our Web site, additional resources.

10          I believe our original matrix of concerns  
11 and issues combined -- a combined matrix of the Board  
12 and the assessors is posted on there also.

13          So that's what we've done so far in  
14 guidance; answer information for assessors and  
15 stakeholders and taxpayers.

16          So what are we doing right now?

17          Right now, while we're waiting to see the  
18 official language of any proposed legislation, we've  
19 also drafted an LTA -- an LTA on -- specifically on  
20 the parent-child and the grandparent-grandchild  
21 exclusions.

22          It is in a Q and A format. And right now it  
23 actually has over 40 questions and answers in it. It  
24 is quite a robust document, in my opinion. A lot of  
25 time and effort has gone into -- into drafting that  
26 document.

27          Some of the areas that are covered in that  
28 LTA have to do with questions on the effective date



1 and timing of transaction for that exclusion, what  
2 qualifies the family home, and as a family farm.

3 There's filing requirements that -- that  
4 are -- we have developed Q and As for.

5 There's a section that addresses properties  
6 held in trust, properties that have gone only a  
7 partial transfer.

8 And we also have quite a few examples of the  
9 valuation calculations, how they're done, with actual  
10 examples of it.

11 So right now we are -- that document is  
12 going through internal review. Our goal is to get it  
13 out there and publish it as soon as possible.

14 If we can, we would like to do it by the  
15 16th of this month. That is -- that is a -- quite  
16 a -- will be an undertaking. But it is something  
17 that we have -- that the Property Tax Department,  
18 with Legal, with all the other departments, have  
19 worked on.

20 So it does represent some -- I believe to be  
21 some very valuable guidance for the assessors and  
22 stakeholders and taxpayers.

23 If I can, let me just put a placeholder  
24 there, and I'll circle back on that one.

25 What we are -- what we are continuing to do,  
26 what we will continue to do is we'll continue to  
27 review and amend and develop new forms as they are --  
28 as their need arises, and folks and assessors ask and

1 find a need for. We will continue to do that.

2 We will continue to update Board Web site  
3 with Prop. 19 information. We've -- this is our --  
4 this will be our second basic guidance on -- on  
5 Prop. 19.

6 But we will continue to develop and -- and  
7 put out guidance on Prop. 19.

8 There is a whole new -- there's a whole  
9 other section, the base year transfers that will need  
10 to be addressed.

11 We will continue to review and update  
12 Assessors' Handbook sections, annotations and other  
13 guidance that we may have.

14 I know we will be very, very busy with  
15 promulgating rules after -- which Mr. Moon will  
16 expound on.

17 We will continue to track legislation as it  
18 moves through. And, internally, what we've been --  
19 what we will start on doing also is updating,  
20 revising our clearinghouse function.

21 We do track transfers for the disabled and  
22 base year transfers. Now we -- we currently track  
23 them, but there's only a one-time limit there.

24 But now they'll be able to do it three times  
25 for -- for the 55 and disabled base year transfers.  
26 So we will be working on that also.

27 So we have quite a full agenda of things  
28 that we are working on in order to implement Prop. 19

1 in a timely manner.

2 I know that part of that will be this LTA  
3 that we have -- that we have developed and are  
4 planning on releasing as soon as possible.

5 So I know it will go through -- we will go  
6 through our regular channels. But what I'm going to  
7 ask for is your assistance in getting it out in a  
8 timely manner.

9 It may -- when we do have that LTA ready, it  
10 will go through our regular preview process. And it  
11 will go to your offices, and we will probably need to  
12 turn that around quickly.

13 So I'm -- I'm just -- hopefully I can  
14 account on your assistance on that part.

15 This -- this basically concludes my  
16 presentation. Of course, I am available for any  
17 questions you may have on this -- on this part.

18 Or I can -- or we can take it at the end of  
19 Mr. Moon's presentation. At your pleasure.

20 MR. VAZQUEZ: I'm not seeing any hands up  
21 right now.

22 So why don't we go on with Mr. Moon.

23 MR. MOON: Good afternoon, Chairman Vazquez.

24 I'm going to provide a brief update on the  
25 regulation.

26 So we have been working on drafting  
27 regulations that govern Prop. 19 that will fill in  
28 some of the gaps that are in the constitutional

1 amendment, and that are also likely to be in any  
2 forthcoming legislation.

3 And this may also be a good time to describe  
4 the legislation as Ms. Cohen had requested. And so  
5 with your permission, I'll do that as well.

6 So the legislation that was posted to the  
7 PAN last month, it includes specifics that are not in  
8 the amendment, the constitutional amendment itself  
9 around largely filing requirements. There are some  
10 substance -- substantive-type things in there. And  
11 then around valuation as well.

12 So on filing, the draft legislation largely  
13 mirrors existing requirements for both  
14 intergenerational and base year value transfers.

15 Some of the substance in the legislation is  
16 discussed in the legal memo.

17 For example, for base year transfers, either  
18 the sale or the purchase can be after April 1.

19 And then the way that the property is valued  
20 is also discussed in the legislation.

21 We've asked that the Legislature authorize  
22 emergency regulations so that we can promulgate them  
23 quickly. And with that authorization, we will have  
24 more certainty.

25 And this has been done in the most recent  
26 past with a bill called SB 791, which you may recall  
27 had to do with aircraft. And through which, we were  
28 able to do Emergency Rule 202.

1           With any legislation, however, just because  
2 of the very nature of legislation, there is still  
3 going to be gaps. And our regulations will attempt  
4 to fill some of these.

5           For example, the rules will not just explain  
6 how and when a claim must be filed, but it would also  
7 give some concrete examples, so that it would be more  
8 clear.

9           Although the forms have been already  
10 completed, the rules will provide an underpinning for  
11 some of the information that's required by the forms.

12           And then, finally, although Prop. 19  
13 explains, for example, how to calculate the amount of  
14 a family home that can be excluded from the  
15 assessment, it does not explain how to calculate  
16 taxable value in various situations; such as partial  
17 interest transfers, or when the family home is no  
18 longer the child's family home.

19           And so the rules will attempt to explain  
20 some of these calculations, and, again, give concrete  
21 examples so that it becomes more clear.

22           And I'd be happy to take any questions that  
23 you have.

24           MR. VAZQUEZ: Thank you.

25           Let me first start off by just thanking both  
26 Mr. Yeung and Mr. Moon.

27           Again, I want to express my thanks for your  
28 very hard work.

1 I know these last couple months have been  
2 difficult. And you've -- both of you have gone out  
3 of your way and above and beyond the call of duty to  
4 make sure that we have the latest updates on --  
5 especially as we move forward with this Prop. 19  
6 rules and amendments that we're looking to work with,  
7 and guidance, specifically, here.

8 But I have a question that I want to ask  
9 Mr. Yeung.

10 I have -- and it pertains to -- it's a  
11 similar question that I asked last month at our last  
12 meeting. And it's: Do you have an update on the --  
13 on your review of the LTA No. 2008/18 on the  
14 parent-child exclusion that includes information on  
15 the aspects of the exclusion that are not changing  
16 under Prop. 19?

17 It's a very helpful question -- 23-page  
18 question and answer LTA that many practitioners and  
19 the public refer to.

20 I would really like to have an update by the  
21 February 23rd meeting, if at all possible. So that  
22 the public can understand what parts of it are still  
23 reliable.

24 For example, are the question and answers on  
25 transfers through trust on page 9 through 11 the  
26 same, or can you have that information available for  
27 the 23rd based on your schedule?

28 Is that a possibility?

1 MR. YEUNG: Yes.

2 This is David Yeung again.

3 Thank you -- thank you for that question.

4 I have taken a very preliminary look at the  
5 LTA.

6 You are correct, there are some very, very  
7 good questions in there, and some very good  
8 answers.

9 Your -- in specific, the part about the  
10 trust, as Mr. Moon has mentioned earlier today, the  
11 vehicle of the trust and its function basically stays  
12 the same.

13 What changes is a little bit of -- well, not  
14 a little bit. What changes is the property that's  
15 eligible for this type of transfer under Prop. 19.

16 So I -- I -- the parts that are not  
17 applicable deal specifically with the other types of  
18 property. There are whole sections in that LTA that  
19 deals with property other than the primary  
20 residence.

21 Of course that will not be -- that will not  
22 be applicable anymore under the current theme of  
23 Prop. 19. It is only for that, a primary residence  
24 or a family farm as defined.

25 So there are some that -- that will be  
26 applicable, and some that will not.

27 What I will do is I'll actually bring a more  
28 detailed report to you on the 23rd.

1           But there are some -- there are some parts  
2 of that LTA that is still -- like I said, very  
3 applicable.

4           What I am -- what I am contemplating in  
5 doing is, even though parts of that LTA will not be  
6 applicable under Prop. 19, there will still be some  
7 transfers of property that are not discovered by the  
8 assessor, or not recorded, or somehow not handled  
9 until after February 16th to fall under the old rules  
10 of Prop. 58 and Prop. 193.

11           So I -- I'm a little hesitant in going  
12 through and -- and annotating it -- annotating an LTA  
13 that says this is applicable, this is not. Because  
14 there may be some transfers that -- that have  
15 happened prior to February 16th, 2021 that will still  
16 follow those rules.

17           Perhaps, I thought maybe a better approach  
18 to it would be to say this is applicable for all  
19 transfers that happen prior to the 16th, and leave it  
20 there.

21           Because some of those transfers may take  
22 several years to make its way all the way through.  
23 Especially stuff that are held in trust and not  
24 distributed later, or they don't file until much  
25 later.

26           So I -- I will bring a more complete report  
27 to you on the 23rd.

28           But I am starting to see the need, at least



1 to keep that type of guidance out there. At least  
2 until -- at least for the short, or even the medium  
3 term to address that type of situation where -- where  
4 transactions have happened, they just have not been  
5 transferred -- they have not been processed just  
6 yet.

7 MR. VAZQUEZ: Thank you.

8 It's my understanding that under both  
9 current law and Prop. 19, it's really important for  
10 the child to file a change in ownership statement due  
11 to death of the property owner form BOE 502-D.

12 But if they miss this deadline, they can get  
13 hit with a big penalty, on top of losing a parent,  
14 and dealing with the new law under Prop. 19.

15 As you -- as you continue updating the LTAs,  
16 would you please include information explaining why  
17 it's important for the children to file this form  
18 timely, 150 -- I believe it's 150 days after death of  
19 the property owner.

20 MR. YEUNG: Yes, Chairman Vazquez. I will  
21 keep that in mind.

22 You are absolutely correct. Under Revenue  
23 and Taxation Code 480 there is a provision that this  
24 type of transfer upon death needs to be filed  
25 within -- within 150 days.

26 And there is -- you are correct once again,  
27 there are some fines attached to that if they don't  
28 meet that. And it can -- it can be a significant

1 number. I believe the highest it can be for a  
2 primary residence is \$5,000. So it -- it -- it can  
3 be significant.

4 We will -- we will find venues in which to  
5 put that information out there.

6 MR. VAZQUEZ: Thank you.

7 Oh, I see a hand here from Ms. Stowers.

8 Go ahead, Ms. Stowers.

9 You're muted, though.

10 MS. STOWERS: Thank you.

11 I have a question for Mr. Moon if he's still  
12 available.

13 MR. MOON: Yes, I am.

14 MS. STOWERS: Thank you.

15 I really appreciate that you guys are  
16 starting to draft property tax rules/regulations.

17 A couple of things.

18 For the general public who may -- who most  
19 likely are listening, but do not understand the  
20 rulemaking process; will you please walk through that  
21 process, the regular rulemaking process and the  
22 emergency rulemaking process?

23 And in addition, can you speak to whether  
24 the rules that you're drafting would be interpretive  
25 or quasi-legislation?

26 And what's the difference between the two?

27 And with that question, I'm thinking about  
28 Yamaha v. the State Board of Equalization.

1 MR. MOON: Yes.

2 So let me take, I guess, your most technical  
3 question first; the difference between  
4 quasi-legislative and interpretive.

5 Essentially, the difference is  
6 quasi-legislative regulations are regulations that  
7 the Legislature has specifically authorized us to do.

8 And so I would say -- well, I guess I would  
9 take the position, and perhaps the people would  
10 argue, you know, have an argument about this.

11 But the vast majority of regulations that we  
12 do as the Board for property tax are  
13 quasi-legislative.

14 Because we have direct authority to do all  
15 kinds of property tax regulations through the  
16 Government Code.

17 In terms of how the emergency rules work and  
18 the regular rulemaking works for emergency rules,  
19 they're designed to be able to get through the OAL  
20 approval process more quickly.

21 And so what that requires is a publication  
22 of a notice that an agency is going to do emergency  
23 rules.

24 And then from that point, it would take,  
25 probably, roughly about a month or so in order for  
26 OAL to look at those, and, perhaps, less to look at  
27 those, and then to approve it.

28 And I should say for -- for an agency to get

1 the rules to OAL, for OAL to look at it and approve  
2 it, and then have them become effective.

3 So the timeline is fairly quick.

4 For the regular rulemaking process, there  
5 are a host of other requirements. One of which is to  
6 have a public hearing on -- on the rule.

7 And partially because of that, it's been the  
8 Board's practice in the past before that the rule --  
9 but before the Board officially approves the  
10 publication of the rule, that there are interested  
11 parties meetings that go on between staff, assessors,  
12 and other interested parties, to try and get rules  
13 that, I would say, you know, there's not always a  
14 consensus.

15 But rules that -- that perhaps most are  
16 comfortable with, that typically goes to the Board,  
17 and the Board will approve and make decisions that  
18 need to be made.

19 And then we would have to wait 45 days. And  
20 then there would be a public hearing.

21 And at that public hearing, assuming that  
22 there's no changes that the Board desires, the Board  
23 would approve those rules. And then we would send it  
24 to OAL.

25 And then that starts a whole, sort of  
26 another process where OAL goes through their  
27 requirements to review the rules.

28 And at the same time, it would need to go to

1 the Department of Finance. And they would have to  
2 sign off on those rules as well.

3 So that whole entire regular rulemaking  
4 process could take a year or more. And that's been  
5 our experience in the past.

6 MS. STOWERS: Thank you, Mr. Moon. I  
7 appreciate it.

8 I just wanted to make sure that everyone  
9 listening had a good understanding of the process  
10 that we're looking at.

11 MR. MOON: You're welcome.

12 MR. VAZQUEZ: Any other questions?

13 I have a couple for Mr. Moon. But I was  
14 just checking to see if there's any hands.

15 Seeing none, Mr. Moon, the homeowners, and  
16 particularly in my district, are asking many detailed  
17 questions about how Prop. 19 legislation will be  
18 implemented.

19 I have two questions that have been raised  
20 that I was just wanting to get your take in terms of  
21 the rulemaking process.

22 The first one is a provision allowing for  
23 one transferee child, who made the parents' home  
24 their principal residence, wants to move out and have  
25 their sibling make it their principal residence  
26 instead.

27 Can a rule ensure that this is possible  
28 without a change in ownership?

1           MR. MOON: So I guess it depends. And it  
2 relates back to the question you had asked of my  
3 answer to one of your first questions in a different  
4 part of this report.

5           But it depends if both siblings were  
6 transferred a part of the principal residence by the  
7 parent, that can certainly be put in a rule. And it  
8 is part of the LTA guidance that's being ready to be  
9 published that Mr. Yeung had alluded to.

10           However, if only one of the siblings was the  
11 recipient of the family home, and they wanted to give  
12 that home to the other sibling, even if the other  
13 sibling was going to move in and make that their  
14 principal residence, we would not go that by rule.

15           And that's because the current law does not  
16 exclude transfers from one sibling to another. And  
17 so that would require a law change before we were  
18 able to put that in a rule.

19           MR. VAZQUEZ: Oh, so it literally has to be  
20 specified that it was handed down to the two  
21 siblings?

22           Because it sounds like if you said it was  
23 just handed down to one, the one sibling doesn't have  
24 that power to transfer it to their sibling without a  
25 transfer of ownership basically, right?

26           MR. MOON: That's correct. And that's not a  
27 function of Prop. 19, that's the current state of the  
28 law under Prop. 58 and 193 as well.

1           MR. VAZQUEZ: Oh, so that -- that didn't  
2 change in Prop. 19 then?

3           MR. MOON: That did not change.

4           MR. VAZQUEZ: Okay.

5           And then my second question is, we also have  
6 a statement under current law that I'd like to put  
7 into the Prop. 19 rule that some have asked about  
8 saying that there's no limit to the number of  
9 principal residences a person can have.

10           Example, in our LTA says a parent can  
11 transfer a large family home to one child, move in to  
12 their second home using it as their principal  
13 residence, and then transfer that home to another  
14 child, and so on.

15           I would like to include this rule for  
16 Prop. 19. Is that doable?

17           MR. MOON: Yes. And actually this is  
18 another example of an issue that -- that is in the  
19 LTA guidance. And we can certainly consider that for  
20 inclusion in the rule as well.

21           MR. VAZQUEZ: Thank you.

22           With that, unless I'm seeing -- I'm not  
23 seeing any other questions.

24           I wanted to just kind of check with the  
25 Members here.

26           Do -- is there a consensus on both the plan  
27 we're hearing from Mr. Moon and Mr. Yeung moving  
28 forward on -- especially as we're talking about

1 rulemaking for the -- you know, moving forward on  
2 these points?

3 I'm seeing some heads nodding.

4 Okay. So I believe there is a consensus,  
5 unless I get a hand or an objection here.

6 All right. Thank you.

7 Thank you for that.

8 So we have a consensus both for Mr. Yeung  
9 and Mr. Moon.

10 With that -- oh, I'm sorry.

11 MS. STOWERS: This is Deputy Controller  
12 Stowers.

13 MR. VAZQUEZ: Ms. Stowers, go ahead.

14 MS. STOWERS: I am in agreement with it, but  
15 I kind of would like to be consistent with what I  
16 said last month and have a motion. So that it's  
17 really clear that staff has our blessing.

18 And now my dog is barking.

19 So if you don't mind, I'd like to go ahead  
20 and make a motion to --

21 MR. VAZQUEZ: Sure. Go ahead.

22 MS. STOWERS: -- to authorize Mr. Moon and  
23 Mr. Yeung to move forward with the guidance that  
24 Mr. Yeung outlined in his presentation. And for  
25 Mr. Moon to continue to draft rulemaking as he  
26 addressed in his presentation.

27 MR. VAZQUEZ: All right.

28 So it's been formally moved by



1 Ms. Stowers.

2 If there's no second, I will second that.

3 Any discussion?

4 Hands? No comments?

5 Ms. Taylor, if you could please call the

6 roll on that.

7 MS. TAYLOR: Chairman Vazquez.

8 MR. VAZQUEZ: Aye.

9 MS. TAYLOR: Vice Chair Schaefer.

10 MR. SCHAEFER: Aye.

11 MS. TAYLOR: Member Gaines.

12 MR. GAINES: Aye.

13 MS. TAYLOR: Member Cohen.

14 MS. COHEN: Aye. Aye.

15 MS. TAYLOR: Deputy Controller Stowers.

16 MS. STOWERS: Aye.

17 MR. VAZQUEZ: So that's unanimous.

18 Thank you for that.

19 With that, Ms. Taylor, if you would please

20 call the second sub-item under M2.

21 MS. TAYLOR: Chair Vazquez, we do have one

22 written comment on this item.

23 MR. VAZQUEZ: On M1?

24 MS. TAYLOR: Yes.

25 MR. VAZQUEZ: Yes, go ahead.

26 MS. TAYLOR: Or M2. M2(a), yes.

27 MR. VAZQUEZ: I'm sorry. Go ahead.

28 MS. TAYLOR: Our written comment is from

1 Mikhail Kazantsev.

2 For Prop. 19 property transfers, what  
3 happens if we submit our transfer documents to the  
4 assessor's office on February 12 -- February 15th is  
5 a holiday -- but it is not processed until  
6 February 16th or 17th, or even later due to a backlog  
7 of too many forms in the assessor's office that they  
8 can't get through in time, through no fault of their  
9 own, is it still considered a transfer in time?

10 MR. VAZQUEZ: I believe we addressed that.  
11 But, you know, we can put it out there again on our  
12 Web site.

13 Was there any other written comments,  
14 Ms. Taylor, or was that it?

15 MS. TAYLOR: That completes the written  
16 comment.

17 MR. VAZQUEZ: I guess we should -- can we  
18 check with AT&T if there's anybody on the line for  
19 this particular item?

20 MS. TAYLOR: Yes.

21 AT&T moderator, we will now take public --

22 AT&T OPERATOR: We do -- we do have somebody  
23 in queue here. So it will be just one moment.

24 Once again, that's one, then zero.

25 And we have a comment coming from Mary Ann  
26 Welch.

27 Please go ahead.

28 MS. WELCH: Yes.

1 I want to make it very clear to the Board  
2 here that this legislation, Proposition 19, No. 1,  
3 was a twisted motivation by the governor to basically  
4 put in his own idea and change the legislation and  
5 change the Constitution without really any due  
6 process, and put it on the ballots quickly.

7 That's one thing.

8 The other thing I want to say to the Board,  
9 as you know, Newsome apparently is going to be  
10 recalled. They do have the number of votes now to  
11 recall Governor Newsome.

12 And I would just like to ask you --

13 MR. SCHAEFER: Chair Vazquez, point of  
14 order.

15 Vice Chair Schaefer.

16 We don't need to talk about the governor and  
17 his politics. Would you please strike that from --

18 MS. WELCH: Oh, okay. Okay. Okay. I am --  
19 okay. Fine.

20 But the point that I'm making is that this  
21 Proposition 19 never would have been on the ballot  
22 had it not been for the interference of the governor.

23 That's my point.

24 And the other point that I'm trying to make  
25 here if I can, please, is that this is causing so  
26 much grief to so many people.

27 I'm sure that everyone that is on the Board  
28 listening to this knows this. It goes on and on.

1           None of you would be doing any of this work  
2 had the Legislature -- legislation done their duty  
3 and their job.

4           They didn't do it. They passed it over to  
5 you. They passed it over to the assessors' office.  
6 They passed it over to tax attorneys. They passed it  
7 over to Legal Department. And now we have what you  
8 call a total mess.

9           I really believe that this Proposition 19  
10 needs to be amended, and Proposition 58 put back.

11           And I think that should be one of the items  
12 that the Board of Equalization would give to the  
13 Legislature to reconsider putting back  
14 Proposition 58 for the good of everybody.

15           And I mean everybody in the state of  
16 California. I mean everybody. The middle-class, the  
17 people that work so hard to keep their property.

18           And now with this outrageous taxes,  
19 outrageous rules and regulations and paperwork, and  
20 all the work that you people have done, I feel for  
21 you. Because that is not really what you're supposed  
22 to be doing.

23           The Legislature should have done it. And it  
24 was never done. They had plenty of time to do it.  
25 And they passed it over to you, because they didn't  
26 do their job.

27           They didn't have a review. They didn't have  
28 public hearing. They didn't -- in fact, I, as a

1 voter, didn't even know this junk was going to be on  
2 the ballot.

3 On top of that, when you read it, it's  
4 under-handed, prejudice and unconstitutional in my  
5 humble opinion.

6 Pass.

7 MR. VAZQUEZ: Thank you.

8 AT&T OPERATOR: And we have another caller  
9 coming from Alicia.

10 Please go ahead.

11 MS. ALICIA: Hello there. This is  
12 Alicia Gamez again from San Francisco.

13 The thing that -- I know that you feel that  
14 you have -- or it has been stated it's felt that the  
15 question regarding recording date versus transfer  
16 date had been addressed.

17 The problem that we, I think, as  
18 practitioners have is that what I've understood you  
19 to -- it be said today is that that's a discretionary  
20 call by the assessor. And when you're leaving  
21 something to an assessor who's -- between assessor  
22 discretion, we don't have -- we can't proceed with  
23 confidence.

24 And so it's -- if there is clear guidance  
25 that the BOE can provide, or clear guidance -- and it  
26 would have to be provided quite promptly, obviously,  
27 because people are dealing with this immediately.  
28 That would be very, very helpful.

1           And I'm very puzzled by the prior caller's  
2       comments about Governor Newsome. And I will leave it  
3       at that.

4           Thank you.

5       MR. VAZQUEZ: Thank you.

6           Anybody else on --

7       AT&T OPERATOR: And we have one more -- we  
8       have one more comment in the queue here with Yulissa.  
9       Please go ahead.

10       MS. ZULAICA: Hi. Good afternoon.

11           This is Yulissa Zulaica from San Francisco.  
12       I'm an attorney as well.

13           I was actually -- Alicia Gamez just asked my  
14       question. And I -- that is a still-pending question  
15       I think that hasn't been directly answered.

16           And the question that I wanted to piggy-back  
17       on was the one before that, specifically --  
18       specifically about submitting documents that aren't  
19       recorded until a later date.

20           And I didn't hear that addressed. And if  
21       you wouldn't mind repeating it. I may have missed  
22       it. And if I did, I'm sorry.

23           But how are those being treated if it's  
24       submitted timely, but it's not being recorded until a  
25       later date, post February 16th?

26       MR. DRONENBURG: Tony.

27       MR. VAZQUEZ: Yes. I see Mr. Dronenburg.

28           Go ahead, Ernie.

1 MR. DRONENBURG: Yeah.

2 Well, as she said -- and I am also the  
3 recorder for San Diego County. And we do have a  
4 substantial backlog. But it's not -- it's not that  
5 great.

6 But what I tried to allude to earlier is  
7 that the language gives the assessor the ability to  
8 accept something other than a recorded deed.

9 He can accept the signature on -- as  
10 Mr. Gaines said -- on a grant deed, or you can take a  
11 signature and a notary's book.

12 It just allows the taxpayer to get something  
13 faster than the recorded actual deed in the record  
14 books of the county.

15 So -- and as I said earlier, too, I haven't  
16 heard of any assessor in the state so far -- there  
17 were some earlier ones that have changed their  
18 mind -- that is not accepting anything that would  
19 show that there is a change.

20 MR. VAZQUEZ: Thank you.

21 I see a hand from Member Gaines.

22 Is that --

23 MR. GAINES: Yes, thank you.

24 Yeah, it is. Thank you, Chair Vazquez.

25 And I am wondering if I could speak to  
26 Richard Moon. Is he on?

27 MR. MOON: Yes, I'm on.

28 MR. GAINES: And I guess it would be to you

1 and also to Brenda Fleming, our Executive Director.

2 But could we respond with an LTA to provide  
3 clarity on this issue?

4 So there is some certainty for people who  
5 are going through this process.

6 MR. MOON: So what I can tell you is that  
7 the letter to assessors that Mr. Yeung had mentioned  
8 is in the works, and we are hoping to have out by  
9 Tuesday, will have guidance on this.

10 But as also both Mr. Yeung and I have said  
11 previously, there is an existing property tax rule.  
12 And of course the rule cannot cover every single  
13 situation that might exist out there. But I believe  
14 that rule is clear that an -- an assessor need not go  
15 by the date of recording.

16 And so that authority is there for the --  
17 for the assessor to look at other -- other documents  
18 and other dates.

19 What I can also say is that because that  
20 rule is there -- or partially because that rule is  
21 there, it would be inappropriate for us to say that  
22 an assessor must use a particular date.

23 I think this is a situation where an  
24 assessor needs the flexibility to be able to look at  
25 whatever documents may or may not be provided, and  
26 make a determination on his or her own.

27 And I believe Mr. Dronenburg has said that  
28 he's not aware of any assessor that's taking the



1 position anymore that the recordation date will be  
2 the date of transfer.

3 MR. GAINES: Okay.

4 Thank you, Mr. Moon.

5 So it sounds like the BOE doesn't have the  
6 authority to provide clarity, because the authority  
7 is granted to the county assessor?

8 MR. MOON: Well, I think the way that I  
9 would say it is that we have the authority to provide  
10 rules by which the assessor will make a  
11 determination. And we have done that in the rule.

12 And so now the assessor can take those rules  
13 and apply them as he or she sees fit, based on the  
14 information that they're getting.

15 MR. GAINES: Okay. But we can't get --  
16 sounds like we can't give absolute clarity on this  
17 issue.

18 MR. MOON: If by absolute clarity you mean  
19 that for us to say something to the effect of an  
20 assessor must accept some date other than the  
21 recordation date, that would go against our  
22 regulation.

23 MR. GAINES: Okay. Okay. I just wanted to  
24 get to the bottom of it, because I think the  
25 attorneys are looking for that clarity.

26 But it sounds like you're just going to have  
27 to work with your county assessor.

28 And, based on what Assessor Dronenburg is

1 sharing with us, that apparently they're -- they've  
2 all been cooperative in all 58 counties, to the best  
3 of, I think, Ernie's knowledge.

4 So I think that's what we've got to rely on.

5 Thank you.

6 MR. VAZQUEZ: Thank you.

7 Ms. Taylor, was that it, or did we have  
8 somebody else?

9 Oh, I see Ms. Stowers' hand up.

10 MS. STOWERS: Yes. I'm sorry. Just a real  
11 quick question.

12 Mr. Moon, what was that property tax rule  
13 again, please?

14 MR. MOON: It's 462.260.

15 MS. STOWERS: 260.

16 Thank you.

17 MR. VAZQUEZ: Ms. Taylor.

18 MS. TAYLOR: Yes.

19 There is no one else on the public comment  
20 line.

21 MR. VAZQUEZ: Thank you.

22 With that, can we move on to the next  
23 sub-item under M2, please.

24 MS. TAYLOR: Certainly.

25 The second sub-item is M2(b), education and  
26 outreach, update on the communications plan on  
27 education and outreach for Proposition 19, presented  
28 by Mr. Kim and Ms. Thompson.

1 MR. VAZQUEZ: Thank you.

2 First of all, let me just start off with  
3 kudos to both Ms. Kim and Ms. Thompson for putting up  
4 the Prop. 19 Web page.

5 I shared this with with my constituents and  
6 many of the legislators who find it very helpful.

7 At the last meeting the Board approved the  
8 staff recommendations for communications plan on  
9 education and outreach.

10 The plan would include materials on  
11 Prop. 19, generated by the BOE and the Taxpayer  
12 Rights Advocate's Office utilization of all  
13 electronic and traditional means of communications,  
14 and an accompanying PowerPoint presentation on  
15 Prop. 19 for our Web site and for educational venues.

16 Ms. Kim and Ms. Thompson, are you available  
17 for any updates?

18 MR. KIM: Yes, we are.

19 Thank you, Chairman Vazquez and Honorable  
20 Members. This is Peter Kim, Chief Communications  
21 Officer.

22 At last month's meeting the Board approved  
23 the communications plan on education and outreach on  
24 Proposition 19.

25 Since then, I have worked closely in  
26 collaboration with the Taxpayer Rights Advocate,  
27 Ms. Lisa Thompson. And we wanted to provide an  
28 update of what we have done in the past few weeks.

1           The Proposition 19 Web page has been  
2 enhanced and updated since the January Board Meeting.  
3 Specifically, we have added frequently asked  
4 questions with the assistance from our Property Tax  
5 and Legal Department.

6           In addition, as we continue to serve as a  
7 repository of information, we have added an  
8 additional resources tab that includes a link of the  
9 listing of all 58 county assessors, auditors and  
10 auditor controllers, clerks of the board, and tax  
11 collectors.

12           We also included the link to the  
13 Proposition 19 analysis and implementation planning  
14 matrix for those who wanted more information.

15           Also, on February 1st, 2021, the BOE issued  
16 a news release entitled "significant property tax law  
17 change to come later this month," to alert the media  
18 and their subscribers of the quickly-approaching  
19 change to intergenerational transfers.

20           Finally, we have utilized our social media  
21 channels, Facebook, Twitter and Instagram, to broaden  
22 outreach and share the information that has been  
23 added to our Web site.

24           I will now turn it over to Lisa Thompson,  
25 the Taxpayer Rights Advocate, for an update on the  
26 Proposition 19 facts sheet, and the accompanying  
27 PowerPoint presentation.

28           MS. THOMPSON: Good afternoon, Chairman and

1 Honorable Board Members. This is Lisa Thompson, the  
2 agency's Taxpayer Rights Advocate.

3 And I'm pleased to be here with Peter Kim,  
4 the agency's Chief Communications Officer, to update  
5 you on the progress of our work on taxpayer education  
6 efforts concerning Proposition 19 that we shared with  
7 you at last month's Board Meeting.

8 At the January 15th, 2021 Board Meeting we  
9 shared with you our plan to develop a facts sheet to  
10 identify the main components of Proposition 19, and  
11 direct taxpayers to resources where they can find  
12 additional information.

13 We are pleased to inform you that a facts  
14 sheet was created as of the February 1st, 2021 date.  
15 And that was posted to our Web site under the  
16 "additional resources" tab of our Proposition 19  
17 page.

18 That fact sheet is entitled "Proposition 19  
19 Fact Sheet," and it presents information on the base  
20 year value, taxable value transfer, provisions for  
21 seniors and disabled persons that become effective  
22 April 1st, 2021, and presents information on the  
23 parent-child and grandparent-grandchild exclusion  
24 that become effective February 16th, 2021.

25 The fact sheet identifies what the  
26 provisions of Proposition 19 allow, what property it  
27 applies to, and what must be done to qualify.

28 The benefit of the base year value transfer

1 exclusion and examples illustrate the calculations  
2 for value tax under the new law.

3 The facts sheet is written in simple,  
4 nontechnical terms so it is easy to understand.

5 The publication of this facts sheet will  
6 help educate taxpayers, increase taxpayer awareness  
7 to ensure people are informed about the provisions of  
8 the new law, and to understand the potential for  
9 property tax savings, and how to apply for them.

10 Additionally, at last month's meeting I  
11 indicated that we could prepare a PowerPoint  
12 presentation based on that Proposition 19 facts  
13 sheet.

14 It could be used by a Board Member's office  
15 for speaking engagements throughout the state to  
16 increase awareness.

17 I am also pleased to inform you that the  
18 PowerPoint presentation, as well as talking points  
19 for that PowerPoint presentation, have been  
20 completed.

21 I, as the agency's Taxpayer Rights Advocate,  
22 worked closely with Peter Kim, our agency's  
23 Communications Officer, to prepare the fact sheet,  
24 PowerPoint presentation, and accompanying talking  
25 points.

26 The PowerPoint presentation slides have been  
27 posted on the Proposition 19 page under the  
28 "additional resources" tab.

1           The PowerPoint presentation document is  
2 identified on our Web site as introduction to  
3 Proposition 19 presentation as of February 1st, 2021.

4           As implementing legislation for  
5 Proposition 19 is adopted by the Legislature, the  
6 Taxpayer Rights Advocate's Office and the  
7 Communications Officer will work together to update  
8 the material as necessary.

9           Now I will turn it back over to our Chief  
10 Communications Officer, Peter Kim, to conclude his  
11 remarks. And then we can address any questions that  
12 you may have.

13           Thank you.

14           MR. KIM: Thank you.

15           As the Taxpayer Rights Advocate, Lisa  
16 Thompson has mentioned, both the Proposition 19 facts  
17 sheet and the accompanying PowerPoint presentation  
18 were created with the taxpayer in mind.

19           They were developed in plain English and  
20 with examples, so that all taxpayers can easily  
21 understand the new law.

22           As noted, both the fact sheet and PowerPoint  
23 presentation are available on our Web site, and also  
24 have been featured on our social media channels.

25           I have also reached out to various  
26 organizations such as the California Taxpayers  
27 Association, the Howard Jarvis Taxpayers Association,  
28 the California Association of Realtors, the

1 California Farm Bureau Federation, AARP California,  
2 the California Lawyers Association Taxation, Real  
3 Property Law, and Trust and State Section, and the  
4 California Society of CPAs to inform them of the  
5 available resources we have on our Web site.

6 I have also encouraged them to share these  
7 resources with their members.

8 Finally, I know that in each of your  
9 equalization districts you have either hosted or  
10 cohosted an informational town hall.

11 Your media availability and your efforts and  
12 leadership on this issue have been -- have greatly  
13 assisted in getting the word out as the operative  
14 dates get nearer.

15 This concludes our update.

16 And Ms. Thompson and I are available for any  
17 questions you may have.

18 Thank you.

19 MR. VAZQUEZ: Thank you.

20 Thank you to Mr. Peter Kim and Ms. Lisa  
21 Thompson.

22 I see one hand up right now from Member  
23 Gaines. Let's start with that one first.

24 MR. GAINES: Yeah.

25 I just wanted to take this opportunity to  
26 thank both Peter and Lisa. Because I think we're --  
27 we're more engaged, I think.

28 You know, as we progress as a new Board, you



1 know, roughly two years for all of us serving, it's  
2 nice to see that, particularly in this case of  
3 Prop. 19, that we're able to respond in a fairly  
4 efficient manner, and get the information out that we  
5 need to get out to our constituents.

6 And so the upgrade to the Web site itself is  
7 great.

8 And then to see how -- how we can use that  
9 as a kind of a realtime communication method for our  
10 constituents, in this instance, in Prop. 19, is  
11 really helpful.

12 And I appreciate your comments,  
13 Chair Vazquez, about daily updates.

14 As we're learning more information about  
15 Prop. 19 or other matters that relate to BOE, that --  
16 that is a nice -- nice complementary aspect of an  
17 updated Web site that we can be communicating on a  
18 regular basis. So that if people have questions --  
19 and they've got a lot on Prop. 19 -- but they will in  
20 other areas in the future too -- that we can provide  
21 that information resource.

22 So thank you. I appreciate it.

23 MR. VAZQUEZ: Thank you.

24 And, Mr. Peter Kim, just my apologies. I  
25 think I said Ms. Kim at the outset. And I meant to  
26 say Mr. Kim.

27 But moving forward, though, is there -- you  
28 know, as we're looking at the Web page, and I know

1 you're updating this regularly. Is it possible to  
2 add -- I'm thinking it would probably be helpful to  
3 add somewhere in our Web site there, you know, like a  
4 taxpayer's to-do list. Something on Prop. 19 within  
5 our Web page that would kind of explain the when and  
6 why to many of these folks that are looking at it  
7 now.

8 Especially, you know, with all these changes  
9 happening as we speak. And hopefully more to come as  
10 we begin to move some possible clean-up language here  
11 in the near future.

12 And I was wondering if that's something  
13 you've already been thinking about.

14 And if you haven't, if you could include  
15 something like that. I think that would be really  
16 helpful to the taxpayers and to many of us that are  
17 constantly checking in on our Web site.

18 MR. KIM: Mr. Chairman, I'll answer that  
19 question.

20 This is Peter Kim again, Chief  
21 Communications Officer.

22 Thank you for that great suggestion. And  
23 we'll definitely look into adding additional tabs,  
24 such as a taxpayer to-do list that you mentioned that  
25 can be helpful to taxpayers.

26 Just like I noted before, we are committed  
27 to serving as a repository of information. And as  
28 you alluded to, once more clarification is given on

1 the gaps and ambiguities, we will definitely  
2 define -- refine and add more resources to our  
3 Web site.

4 So we will definitely be looking into that.  
5 Thank you.

6 MR. VAZQUEZ: Thank you.

7 And then if I'm not seeing any other hands,  
8 one other suggestion I wanted to add.

9 And itself -- really it's one of the issues  
10 I also was considering preparing on the posting on  
11 some of the information for taxpayers on how to apply  
12 for homeowner's exemption.

13 Since almost all the provisions in Prop. 19  
14 will require the person to apply for their and  
15 receive the homeowner's or disability veteran's  
16 exemption.

17 We have many old LTAs on this. But it would  
18 be helpful for people to understand what makes them  
19 eligible for homeowner's exemptions.

20 And any annual renewal they must submit, and  
21 how long they can be absent from the home before they  
22 become ineligible, I think might be helpful as well.

23 MS. THOMPSON: Hi. This is Lisa Thompson.  
24 I'll go ahead and address that question or comment.

25 Thank you for that suggestion on posting the  
26 information as to how to apply for the homeowner's or  
27 disabled veteran's exemption. Since many of the  
28 Proposition 19 provisions require people to apply for

1 such exemption in order to qualify.

2 Currently, our Web site has comprehensive  
3 information about both of these types of exemptions.  
4 They actually -- they have a specific -- or separate  
5 pages for each of them.

6 But we can develop some language that could  
7 be added to the Proposition 19 page to simply advise  
8 taxpayers what form is used to apply for each of  
9 these exemptions, how they can apply for the  
10 exemptions, and that the form to apply can be  
11 obtained from the county assessor's office where the  
12 property is located.

13 And we can also go ahead and add a link to  
14 some of the existing homeowner's exemption page on  
15 the Web site, as well as the disabled veteran's,  
16 where they can find more resources and read more  
17 about those exemptions.

18 So I think that's a great idea. I'll work  
19 with Peter Kim to do that.

20 Thank you.

21 MR. VAZQUEZ: Thank you.

22 I see a hand from Member Gaines.

23 MR. GAINES: Oh, just a follow-up question  
24 if I could for Peter Kim and our Web site.

25 Are we monitoring how many hits we're  
26 getting on the Web site?

27 And can that be -- can we isolate, you know,  
28 if people are on our Web site, and they're going to

1 Prop. 19, can we isolate how many people are -- are  
2 clicking on the Prop. 19 button versus other areas on  
3 the Web site?

4 If you could just provide that --

5 MR. KIM: Yes. Thank you for that question,  
6 Board Member Gaines.

7 Yes, we are able to get analytics on our  
8 Web site and differentiate between the clicks that we  
9 get from internal users, from external users.

10 We could also get geographical data in terms  
11 of where folks -- where they're located, and can get  
12 that.

13 I don't have the specific current analytics  
14 with me now. But if -- if you're interested, I could  
15 definitely look into that and just circle back with  
16 your office.

17 MR. GAINES: Yeah, that would be helpful.

18 I think it would be helpful for all of us  
19 if -- if we can get breakdowns of what people are  
20 inquiring about on the Web site and from our  
21 districts.

22 That would be helpful for us to know that,  
23 so that we're making sure that we -- we are  
24 responding as electeds.

25 MR. KIM: Yes, sir.

26 I don't -- I don't know if we can provide it  
27 by equalization districts. I think it's based on  
28 Metropolitan areas.

1           But of course we can break down the data as  
2 much as we can, and just let the Members know what  
3 folks are interested in.

4           And I'm pretty sure I could anticipate that  
5 we probably got a lot of hits on our Prop. 19  
6 Web page. I know that there's been a lot of traffic  
7 just based on anecdotal evidence.

8           So we'll definitely get that to all the  
9 Members.

10           MR. GAINES: That's great.

11           Are we also getting suggestions coming from  
12 constituents on the Web site?

13           So if they have an idea, or they're having  
14 trouble finding information, are we getting that  
15 input and addressing it?

16           MR. KIM: Yeah. Actually, we've received  
17 some feedback from constituents and taxpayers on  
18 certain items that they wanted to see but were unable  
19 to locate.

20           I think that's why we have the different  
21 tabs we have on our Prop. 19 Web page, because we  
22 wanted to make it, again, as a repository of  
23 information for taxpayers.

24           And so normally folks had to go to the  
25 public agenda notice to get the materials on certain  
26 items, such as, like, the Chief Counsel memo, and the  
27 implementation matrix. But we wanted to make it  
28 easier and more centralized. And so that's why we

1 have those on there.

2 And so we've received some feedback from  
3 different taxpayers. And that's how we're able to  
4 develop the Web page as well.

5 MR. GAINES: That's great. That's very  
6 helpful.

7 Thank you.

8 MR. KIM: Thank you.

9 MR. VAZQUEZ: Thank you.

10 Along those lines, Mr. Peter Kim, since, you  
11 know, we've been getting so many questions about --  
12 especially of the, you know, the transfer and the  
13 recorded date, today -- is it possible to update our  
14 Web site, like, today to make sure that's on there?

15 Since, you know, this is right around the  
16 corner for many people.

17 MR. KIM: Yes, sir.

18 I know that the recording date is a priority  
19 of the Board. And I have been alerted to make sure  
20 that it's incorporated.

21 I can't make a commitment that it will be up  
22 by today. But we are definitely working hard to  
23 ensure that it's up as soon as possible.

24 I know that a lot of folks have that  
25 question. And so I'm working with my team here to  
26 make sure we could include it in a timely manner.

27 MR. VAZQUEZ: I appreciate that.

28 Members, is there any other questions or

1 comments of either Mr. Peter Kim or of Ms. Lisa  
2 Thompson?

3 Seeing no hands.

4 Oh, I see one. I see Ms. Stowers.

5 Go ahead, Ms. Stowers.

6 MS. STOWERS: Thank you.

7 I just want to take this opportunity to  
8 thank Ms. Thompson and Mr. Kim for all of their hard  
9 work and dedication with respect to the Web page, and  
10 the taxpayer educational outreach.

11 And also filling some of the calls that I  
12 receive regarding Prop. 19.

13 You guys have done an excellent job. I  
14 appreciate the fact sheet. It's easy to follow.

15 Although I couldn't get the PowerPoint, I do  
16 appreciate that as well.

17 And since I'm talking, I want to go ahead  
18 and thank everyone, staff, Mr. Moon, Mr. Yeung,  
19 Ms. Lumsden, Ms. Fleming, the whole BOE team.

20 You guys have really done an excellent job  
21 in handling this very difficult proposition.

22 Thank you very much.

23 MR. VAZQUEZ: Thank you.

24 And I know Ms. Stowers, you mentioned we  
25 shouldn't just do a consensus, we should have a vote.

26 So would you like to move that we're -- at  
27 least the Board is on board with both Ms. Lisa  
28 Thompson and Mr. Peter Kim's work plan as they move



1 forward with the -- this whole rulemaking plan?

2 MS. STOWERS: So moved.

3 MR. VAZQUEZ: Thank you.

4 MR. SCHAEFER: Vice Chair seconded.

5 MR. VAZQUEZ: It's Chair -- and it's  
6 seconded by our Vice Chair.

7 And with that, Ms. Taylor, if you would take  
8 a roll call, please.

9 MS. TAYLOR: Chair, would you first like to  
10 take public comment before the vote?

11 MR. VAZQUEZ: Oh, I'm sorry. Yes. I  
12 forgot.

13 Do we have any written comments first?

14 MS. TAYLOR: We do have a written comment.

15 And Ms. Renati will read that comment.

16 MS. RENATI: The first comment is from  
17 Derek Fohs.

18 Dear Board Members, I am a CPA in Santa Cruz  
19 County, frantically trying to educate and evaluate  
20 Prop. 19 issues with my clients.

21 While I feel that the voters were misled by  
22 a massive marketing campaign led by Realtor  
23 Associations, and that the proposition should be  
24 challenged, I'm only seeking the motion to extend the  
25 February 15th deadline to file paperwork needed to  
26 transfer properties from parents to children.

27 Due to the pandemic, many county offices are  
28 limited or closed, and meeting the February 15th

1 deadline is challenging, especially since it falls on  
2 a holiday weekend.

3 Furthermore, the BOE still hasn't released  
4 enough guidance on the issue, and advises the  
5 guessing on strategies to mitigate the effects.

6 Some advice may prove to be more detrimental  
7 and lead to malpractice.

8 Many voters were misled by the marketing of  
9 the proposition, claiming to help the disabled,  
10 elderly, and fire victims, and are unaware of what  
11 they truly voted for.

12 It's very common for children and  
13 grandchildren to move in with mom and dad in order to  
14 afford to live in the area they grew up.

15 Mom and dad may have moved into another  
16 residence or care facility, and that one-million  
17 dollar exemption won't apply.

18 The next generation will be uprooted or  
19 blindsided by a higher cost of living.

20 Those who are willing to pay the new  
21 assessment will need to raise rents on rental  
22 properties, making rents even less affordable.

23 Multi-generation business owners who own  
24 their buildings may need to sell.

25 Wealthy retirees, not necessarily seniors,  
26 will be allowed to move to other counties and carry  
27 their low tax basis, and have the advantage to  
28 out-bid other would-be home buyers.

1           Fire victims will now have less time to  
2 rebuild, with no relief for their business  
3 property.

4           These are just some of the issues that  
5 taxpayers need to be educated on.

6           I hope that the BOE will consider these  
7 issues and offer an extension of several months, so  
8 that the public can be educated and avoid being  
9 blindsided by a proposition that, by its title alone,  
10 is misleading.

11           Sincerely, Derek Fohs, CPA.

12           MS. TAYLOR: Thank you.

13           AT&T moderator, we will now take public  
14 comment.

15           Each caller will have three minutes to  
16 speak.

17           AT&T OPERATOR: I apologize for the  
18 interruption.

19           MS. TAYLOR: Do we have anyone on the line  
20 for public comment?

21           AT&T OPERATOR: We do have somebody on the  
22 line for public comment.

23           Mary Ann Welch, please go ahead.

24           MS. WELCH: Yes, I have a couple comments.

25           One is I think the taxes should -- taxes  
26 should be on the assessed value, not the market  
27 value.

28           And my idea was to tax anywhere from two to

1 five percent of the -- of any property that is  
2 transferred, each time it's transferred, thereby they  
3 would be getting some taxes. Not 700 percent taxes  
4 on the market value.

5 I also -- that's my idea. Anywhere from two  
6 to five percent transfer tax fee every time a  
7 property is transferred.

8 That way it's a continual tax, but it  
9 doesn't have to be the market value at 700 percent  
10 that no one could afford.

11 Which -- and also, my next comment will be,  
12 we are killing California citizens with taxes.

13 Something really needs to be done, folks.  
14 And I know that the BOE is trying to do their best.  
15 And I have a lot of respect for you people. And I'm  
16 really sad that you have to even go through all this.  
17 Because if the legislators would have done their job  
18 properly, you wouldn't be doing this, No. 1.

19 No. 2, I really believe that this  
20 Proposition 19 is basically under-handed. It's  
21 prejudice, and it is unconstitutional, in my opinion.  
22 And it wasn't completely stated in the Voters'  
23 Handbook.

24 Pass.

25 MR. VAZQUEZ: Was that it?

26 MS. TAYLOR: I believe that completes --  
27 yes.

28 MR. VAZQUEZ: Thank you.

1                   Now we'll go back to our motion.  
2                   Ms. Taylor, if you can please call the roll  
3 on that motion.  
4                   MS. TAYLOR: Yes.  
5                   Chair Vazquez.  
6                   MR. VAZQUEZ: Aye.  
7                   MS. TAYLOR: Vice Chair Schaefer.  
8                   MR. SCHAEFER: Aye.  
9                   MS. TAYLOR: Member Gaines.  
10                  MR. GAINES: Aye.  
11                  MS. TAYLOR: Member Cohen.  
12                  MS. COHEN: Aye.  
13                  MS. TAYLOR: Deputy Controller Stowers.  
14                  MS. STOWERS: Aye.  
15                  MR. VAZQUEZ: So that's unanimous of all  
16 those present with us today.  
17                  With that, Ms. Taylor, if you could please  
18 call our next item.  
19                  MS. TAYLOR: Our next item is N, public  
20 comment on matters not on the agenda.  
21                  Persons who wish to address the Board of  
22 Equalization regarding items not on the agenda have  
23 an opportunity to speak now.  
24                  AT&T OPERATOR: And, once again, that is  
25 one, then zero for a public comment.  
26                  And we have Mary Ann Welch in the --  
27                  MS. WELCH: Hello?  
28                  Yes, I'm here.

1 AT&T OPERATOR: Your line is open.

2 MS. WELCH: Okay.

3 I'd like to thank the Board of Equalization  
4 for all the work they've tried to do.

5 And I still say it's really unfortunate that  
6 they have to go through all this, because the  
7 legislators did not do their jobs. And they passed  
8 it over to the Board of Equalization.

9 But I would like to make one other comment.  
10 I did contact one lawyer for -- for at least their  
11 opinion. And here is what he wrote back to me. I  
12 want the Board to really hear this.

13 He said to me: I appreciate your legitimate  
14 concerns and the threat to everyone's liberty and  
15 property that's going on here.

16 That's what the lawyer told me. So my  
17 concerns are legitimate, and it's a threat to our  
18 liberty as people that own property here in  
19 California.

20 This Proposition 19 is -- absolutely needs  
21 to be amended, and absolutely needs to be relooked at  
22 carefully.

23 And I hope that the -- that the Board of  
24 Equalization can find someone in the Legislature to  
25 put it back on the ballot and reinstall  
26 Proposition 58 in its entirety.

27 Thank you.

28 AT&T OPERATOR: Okay.

1           We do have a public comment from Kathleen.  
2           Your line is now open.

3           MS. KATHLEEN: Yes. Can you hear me?  
4 Hello? Can you hear me?

5           MR. VAZQUEZ: Yes. Yes, I can hear you.  
6           Go ahead.

7           MS. KATHLEEN: Okay. I'm going to read this  
8 little letter that I wrote. Okay?

9           Dear ladies and sirs of the California Board  
10 of Equalization, last week I was taking a walk with a  
11 former neighbor friend of mine, and she gave me some  
12 papers regarding Proposition 19.

13           When I read the paper, I was deeply  
14 concerned. I have to say, my stress level went up  
15 even more than for being in a paraeducator during  
16 this COVID season.

17           The reason for my stress was because my  
18 husband and I had just gotten appraisals on our  
19 Proposition 13 property with the intent to buy out my  
20 husband's parents' trust and farmland.

21           Our son, who already lives on the property  
22 with his family and four children, just planted about  
23 100 avocado trees in the hopes of farming them, and  
24 continuing a family farm that has been here since  
25 1960.

26           We were hoping to raise -- have our  
27 grandchildren close by us.

28           Clearly, we are stuck in a very

1 heartbreaking position of not being able to sell our  
2 former home, buy out the trust in time to put our  
3 son's name on the title.

4 We understand that the state needs more  
5 taxes. But not providing an adequate transition  
6 period for people with will ultimately shoot the  
7 state in the foot, as longstanding farmlands are  
8 going to be lost in this higher taxes land-grab.

9 Most people are in the middle of COVID, and  
10 some will not even have access to a vaccine until  
11 spring, or perhaps even summer.

12 The February 16th date to have these laws  
13 altering the rules and mandates of the state are  
14 barely even -- we are just barely even finding out  
15 about them. And we feel it to be very unfair. And,  
16 quite frankly, despicable.

17 Let's put a human face on this. Our son,  
18 who was an A student, and won the first place in the  
19 California horticulture competitions two years  
20 running in the early 1980s, is about to learn that  
21 his dreams of staying on a --

22 MS. TAYLOR: Caller, thank you for your  
23 time.

24 MS. KATHLEEN: -- and avocado farms.

25 MS. TAYLOR: Thank you.

26 MS. KATHLEEN: In -- I'm almost done.

27 MS. TAYLOR: Caller, your time is --

28 MS. KATHLEEN: Okay. Thank you.



1 MR. VAZQUEZ: Thank you.

2 AT&T OPERATOR: Our next comment comes from  
3 the line of Lillian Lulonna [phonetic].

4 Your line is open. Please go ahead.

5 MS. LILLIAN: Okay. Thank you.

6 This is Lillian from Berkeley for assessment  
7 tax equity.

8 And I've joined your Board Meeting to  
9 explain an urgent matter. And it's haphazard and an  
10 inaccurate tax assessment in Berkeley. And I ask you  
11 for your immediate action.

12 Voter-approved taxes are equity based in  
13 Berkeley. A small home would pay less taxes  
14 [inaudible] than a large home.

15 Unfortunately, the city has been  
16 calculating -- and the county billing services  
17 incorrectly, throwing uniformity out the window.

18 Even though uniformity is guaranteed by the  
19 Constitution, and was affirmed in the Borikas v.  
20 Alameda School District in 2012.

21 The small group of eleven [inaudible] have  
22 applied to the county for tax appeal for the rights  
23 to be heard under California Tax Code 5099, and  
24 [inaudible].

25 Also, because we have quantified significant  
26 revenue losses [inaudible] we have signed affidavits  
27 under code 1362. Six new affidavits from harmed  
28 citizens, attesting to knowledge of escaped

1 assessments, are being delivered to Keith Carson's  
2 office this week.

3 Our appeal to you is this, look at our data  
4 on Berkeleytaxes.info. The inconsistencies are  
5 undeniable. You must ask how can an elderly widow in  
6 a single-family home pay more in city taxes than a  
7 24-unit market [inaudible] building.

8 Okay. Now, spoiler alert. When you ask the  
9 city and the county about this, they will completely  
10 deny any new seasons.

11 There are easy ways to check the veracity of  
12 what they say. Please ask the city and county to  
13 substantiate any claim they make with evidence of  
14 photos, permit records, and diagrams.

15 Otherwise, they will pull a fast one on you  
16 the same way they did the small-claims court judge in  
17 September 2019.

18 In conclusion, we beseech you to exercise  
19 your oversight capacity of the Alameda County  
20 [inaudible] to force the extensive reconciliation  
21 needed to bring the city's dwelling square-footage  
22 taxes into conformity.

23 Please get in touch with us if you have any  
24 questions: (925) 360-2634.

25 Thank you.

26 AT&T OPERATOR: And, ladies and gentlemen,  
27 if there are further public comments, you may press  
28 one, and then zero at this time.

1           There are no further comments in the comment  
2 queue.

3           MR. VAZQUEZ: Thank you.

4           Members, that pretty much concludes our  
5 agenda for today.

6           And I know today was primarily just really  
7 updates. But our meeting coming up on the 23rd and  
8 possibly the 24th, we will most likely have some  
9 legislation before us, and hopefully be able to have  
10 a deeper dive into the -- this Prop. 19 in terms of  
11 some of this clean-up language.

12           But I would like to, one, just say thank you  
13 to staff and to our two assessors that have been very  
14 active with me and my staff, and the BOE staff these  
15 last two- to- three weeks.

16           And thank our Chair, Mr. Earnest Dronenburg,  
17 and my assessor from LA, Jeff Prang, for your time  
18 and energy.

19           I really appreciate it. And I know you're  
20 going to still continue to work with us on this as it  
21 moves forward.

22           But with that, let me just see if there's  
23 any other closing remarks from any of the other  
24 Members before we adjourn.

25           I see Member Gaines' hand up.

26           MR. GAINES: Yes.

27           I just wanted to make some comments if I  
28 could about Mark Durham in closing.

1           And I wanted to recognize Mark as he begins  
2 his new position as an Assistant Deputy Director at  
3 the Department of Housing and Community Development.

4           Mark had a position of great responsibility  
5 here at the Board. And during his tenure, Mark  
6 counseled the Executive Director, Board Members, and  
7 staff on complex tax rate and statistical matters,  
8 testified before legislative committees, and gave  
9 advice on the potential impacts of tax policy  
10 proposal.

11           Mark's contributions greatly enhance the  
12 BOE. And we're going to miss him here at the Board  
13 of Equalization.

14           So I just wanted to congratulate him,  
15 though, on his new position, and thank him for his  
16 service to the people of California.

17           And then just as a final comment, I wanted  
18 to thank you, Chair Vazquez, for this hearing. I  
19 thought it was very productive and well organized.

20           I want to thank Ernie for all of his  
21 leadership with the County Assessors' Association,  
22 Brenda Fleming with her leadership within the Board.

23           But I think things are going well. And we  
24 have challenges in front of us, and we're trying to  
25 provide answers for our constituents as soon as we  
26 can on this Prop. 19 issue.

27           But the responsiveness is something that I  
28 think we want to shine light on and recognize that

1 things are going well.

2 So thank you.

3 MR. VAZQUEZ: Thank you.

4 Seeing no other comments, I would just like  
5 to, as we adjourn today, once again, just adjourn in  
6 memory of all the victims, the lives that we're still  
7 losing under COVID-19.

8 I'm reminded of it, especially in LA County  
9 here where, you know, we go through our ups and  
10 downs. But this last couple of weeks, especially  
11 after the holidays, we seem to have hit another  
12 spike.

13 But hopefully now as we're seeing more and  
14 more people get vaccinated, we will begin to see this  
15 turn -- begin to turn this around for many of us in  
16 many of our communities.

17 But with that, I just want to remind  
18 everybody to -- let's stay -- keep ourselves safe as  
19 possible. Wear those masks.

20 And I know it's been really daunting and  
21 inconvenient for a lot of us. But I think the more  
22 we comply with this, the quicker we'll get out of  
23 this COVID-19.

24 Unless there's any other adjournments that  
25 people want to make --

26 MR. SCHAEFER: Vice Chair Schaefer here.

27 MR. VAZQUEZ: Yes, Vice Chair Schaefer. Go  
28 ahead.

1           MR. SCHAEFER: I just want to announce that  
2 I've been vaccinated as the oldest constitutional  
3 officer.

4           And if any of you get to be 65 or over, I'm  
5 sure you'll be vaccinated too.

6           Okay.

7           MR. VAZQUEZ: I'm just about ready. You  
8 know, I'm 65. So I'm waiting -- I'm hearing that it  
9 might happen by the end of this month. We'll see.

10          But, no, I think --

11          MS. STOWERS: Congratulations, Member  
12 Schaefer, on your vaccination. Hopefully I don't  
13 have to wait until I turn 65 to get it.

14          MR. VAZQUEZ: No, no. We're hoping that  
15 everybody will be able to get vaccinated in the next  
16 couple months. But I know that's a daunting task for  
17 a state of 40 million people.

18          But I --

19          MR. SCHAEFER: I think we are all essential  
20 people, Chair Vazquez.

21          MR. VAZQUEZ: Yes.

22          Well, with that, let me just officially  
23 adjourn this meeting today.

24          And it's 2:21. And we will reconvene our  
25 next meeting on February the 23rd, 2021 at 10:00 a.m.

26          Thank you again for your patience and all  
27 your great questions today.

28          And, once again, thank Ernie -- I see Ernie

1 is still with us -- for sticking it out with us.

2 And, of course, Jeff Prang and his staff as  
3 well.

4 Thank you all. Enjoy. And we'll see and  
5 talk to you soon. Hopefully with some good news here  
6 in the next day or two.

7 Thank you once again.

8 MR. GAINES: Great. Thank you. Take care.

9 MR. VAZQUEZ: Bye bye.

10 MS. FLEMING: Thank you, Members.

11 (Whereupon the Board 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 February 11, 2021, 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 176 constitute  
14 a complete and accurate transcription of  
15 the shorthand writing.

16  
17 Dated: March 10, 2021  
18  
19

20 *Jillian Sumner*  
-----  
21 JILLIAN SUMNER, CSR #13619  
22 Hearing Reporter  
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