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

REPORTER'S TRANSCRIPT  
AUGUST 24, 2021

REPORTED BY: Jillian M. Sumner  
CSR NO. 13619



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STATE BOARD OF EQUALIZATION  
TELECONFERENCE  
AUGUST 24, 2021

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MR. VAZQUEZ: Good morning, everybody. Glad to see everybody. Looks like everybody is bright and early today this morning.

With that, let me go ahead and let's call this Board Meeting to order.

If I can have Ms. Taylor please call the roll.

MS. TAYLOR: Certainly.  
Chairman Vazquez.

MR. VAZQUEZ: Here.

MS. TAYLOR: Vice Chair Schaefer.

MR. SCHAEFER: Here.

MS. TAYLOR: Member Gaines.

MR. GAINES: Here.

MS. TAYLOR: Member Cohen.

MS. COHEN: Good morning. Present.

MS. TAYLOR: And Deputy Controller Stowers.

MS. STOWERS: Present.

MR. VAZQUEZ: So we have a full quorum. Everybody present this morning.

With that, we will start with the pledge of allegiance.

1           If I could get you all to please stand.  
2           (Whereupon the pledge of allegiance was  
3           recited.)

4           MR. VAZQUEZ: Okay. With that, Members,  
5           once again, since we're still doing this virtual  
6           meeting here. I want to just remind us all  
7           again -- and you've all been real good about this.

8           And for those that might be logging in,  
9           especially today during the hearing, please, your  
10          patience is greatly appreciated as we all begin this  
11          meeting.

12          Because we all pretty much share one line.  
13          So if we can just remember to just please be  
14          recognized, so we can have our transcriptionist  
15          clearly state who is making motions, who is seconding  
16          them, and then document it all very as accurate as  
17          possible moving forward. Really appreciate your  
18          patience with that.

19          And with that, I want to open it up for some  
20          opening remarks.

21          I know Member Gaines wanted to say a few  
22          words. And I see his hand up.

23          Member Gaines, go ahead.

24          MR. GAINES: Yeah. Thank you, Chair  
25          Vazquez. I appreciate it.

26          I just wanted to give a little update in  
27          terms of the Caldor Fire in El Dorado County, not too  
28          far from where I live. And it's burned over 100,000

1        acres. And the blessing is that there have been no  
2        deaths.

3                There have been hundreds of structures that  
4        have been burned down, including people's homes. And  
5        the -- it's nine percent contained. So for many,  
6        many days there was no containment of the fire. So  
7        the fact that it's nine percent is showing some  
8        improvement.

9                And I think the fear is that it goes into  
10       other communities like Pollock Pines, Placerville,  
11       and even South Lake Tahoe. So I'm hoping that CAL  
12       Fire can contain it as best as possible. They're  
13       working very hard, and doing a good job, I think, of  
14       trying to contain it.

15               The smoke is out of control in many parts of  
16       the county. The basin, Lake Tahoe Basin, the air  
17       pollution index had been as high as 800. I think  
18       it's 500 to 600 right now.

19               But -- so thank you for asking about it  
20       earlier, Tony.

21               And then finally I just wanted to also  
22       announce that it's our 36th wedding anniversary. So  
23       Beth and I have been married 36 years today. And to  
24       celebrate, I'm at the BOE meeting. And I'm loving  
25       it.

26               Thank you.

27               MR. VAZQUEZ: That's true commitment, 36. I  
28       think you might have me by a few months.

1           But -- and thank you for those -- for the  
2 update. Because, you know, we were out there in  
3 Tahoe for the Assessors' Association. I thought the  
4 air quality wasn't that bad.

5           But just for the viewing public, when we're  
6 throwing out these numbers, 500, 800, what's good  
7 quality?

8           MR. GAINES: I think it's -- isn't it under  
9 like 50 or 60, I think, is considered good air  
10 quality. And I think around 100 is considered  
11 moderate.

12          MR. VAZQUEZ: You're saying 500 to 800,  
13 right?

14          MR. GAINES: Yeah. Very unhealthy.

15          MR. VAZQUEZ: That's pretty bad.

16          MR. GAINES: I've got a friend that lives up  
17 there. And he's actually down in Yosemite with his  
18 wife. He just got out of town.

19          MR. VAZQUEZ: Is Yosemite a lot better?

20          MR. GAINES: Yes.

21          MR. VAZQUEZ: Okay. Thank you.

22          MR. GAINES: Thank you.

23          MR. VAZQUEZ: I see another hand up.

24          Ms. Stowers. Go ahead, Ms. Stowers.

25          MS. STOWERS: Thank you, Chairman Vazquez.

26           Controller Yee and myself would like to say  
27 that our hearts go out to those individuals who are  
28 impacted by the current wildfires.



1           We also want to let you know that there's  
2 various tax relief, relief from property tax, which  
3 you can find information at the BOE website that will  
4 connect you to your local county assessor.

5           It'd be tax relief regarding income tax,  
6 like filing and tax deductions on the Franchise Tax  
7 Board website, tax relief related to sales and use  
8 tax on the California Department of Tax and Fee  
9 website.

10           When you go to those websites, I recommend  
11 you do a keyword search, "disaster," and those pages  
12 would pop up with the information that you need.

13           Also, I note since many of these areas are  
14 declared a governor's -- a disaster area, tax staff  
15 in those various agencies are out there currently in  
16 the county providing information like obtaining your  
17 tax records if something was destroyed in the fire,  
18 and just kind of recreating your financial records.

19           So I just wanted to make that available to  
20 those who are currently listening, and let you know  
21 if you need any additional service, you can always go  
22 to the State Controller's website at [sco.ca.gov](http://sco.ca.gov). And  
23 we have a resource page there for these type of  
24 items, including COVID-19 assistance.

25           Thank you.

26           MR. VAZQUEZ: Thank you for that  
27 information.

28           Yes. For all those that are viewing and

1 listening in, there's -- and I know several of us who  
2 have our own websites, including the BOE. You know,  
3 please, by all means, reach out if there's anything  
4 we can do to assist.

5 With that, let me ask Ms. Taylor if she  
6 would please announce our first order of business.

7 MS. TAYLOR: Our first order of business is  
8 an announcement regarding public teleconference  
9 participation.

10 Good morning, and thank you for joining  
11 today's Board of Equalization Meeting via  
12 teleconference.

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

15 As you may know from our public agenda  
16 notice and our website, we have requested that  
17 individuals who wish to make a public comment, fill  
18 out the public comment submission form found on our  
19 "Additional Information" webpage in advance of  
20 today's meeting.

21 Or, alternatively, participate in today's  
22 meeting by providing your public comment live.

23 After the presentation of an item has  
24 concluded, we will begin by identifying any public  
25 comment requests that have not been received by our  
26 Board Proceeding staff, with the AT&T operator  
27 providing directions for you to identify yourself.

28 After all known public commenters have been

1 called, the operator will also provide public comment  
2 instructions to the individuals participating via  
3 teleconference.

4 Accordingly, if you intend to make a public  
5 comment today, we recommend dialing into the meeting  
6 on the teleconference line, as the audio broadcast on  
7 our website experiences a one-to-three-minute delay.

8 When giving a public comment, please limit  
9 your remarks to three minutes.

10 We ask that everyone who is not intending to  
11 make a public comment, please mute their line or  
12 minimize background noise.

13 If there are technical difficulties when we  
14 are in the public comment portion of our meeting, we  
15 will do our best to read submitted comments into the  
16 record at appropriate times.

17 Thank you for your patience and  
18 understanding.

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

20 With that, if you would please call our  
21 first agenda item.

22

23 ITEM C1

24

25 MS. TAYLOR: Our first order -- agenda item  
26 of the day will be Item C1, Public Hearings,  
27 Taxpayers' Bill of Rights Hearing.

28 A public hearing to allow taxpayers to

1 comment on items in the Taxpayers' Rights Advocate  
2 Annual Report, or issues related to the agency's  
3 administration of its tax programs.

4 Taxpayers can share their experiences with  
5 property tax problems they may be having, so the  
6 agency can help facilitate resolutions.

7 This matter will be presented by  
8 Ms. Thompson.

9 MR. VAZQUEZ: Good morning.

10 Is Ms. Thompson there? Oh, I see her on the  
11 screen now.

12 Good morning.

13 MS. THOMPSON: Good morning, Chair Vazquez  
14 and Honorable Board Members. I'm Lisa Thompson, the  
15 agency's Taxpayers' Rights Advocate and Chief of the  
16 Taxpayers' Rights Advocate Office.

17 I'm pleased to be here today to conduct the  
18 Annual Taxpayer Bill of Rights Hearing to allow  
19 property taxpayers, as well as industry  
20 representatives, government agencies, and other  
21 parties, the opportunity to provide comments before  
22 this elected Board.

23 The hearing is held in accordance with the  
24 Morgan Property Taxpayers' Bill of Rights and the  
25 California Taxpayers' Bill of Rights.

26 Before we extend the opportunity to the  
27 public to provide their comment, I would like to  
28 share some information on the format and purpose of

1 this hearing, and then discuss the most recent  
2 Taxpayers' Rights Advocates Annual Report, which is  
3 fiscal year 19/20.

4 This can be accessed on our agency's website  
5 through the taxpayer advocate pages, as well as by  
6 viewing the agenda notice for this Board Meeting.

7 As to the format for the order of the  
8 speakers, we would like to extend the opportunity to  
9 speak to those that notified the Taxpayers' Rights  
10 Advocate Office, or the Board Proceedings Division,  
11 of their interest to speak prior to the meeting.

12 And then we will go to the speakers on the  
13 teleconference line who wish to provide comment.

14 After each speaker, I would like to make  
15 some remarks on past work that the Taxpayers' Rights  
16 Advocates Office may have had with them, or -- if  
17 that's applicable, or to provide some other comments  
18 if we have not yet had the opportunity to work with  
19 them.

20 As to that purpose of a hearing, it is to  
21 give taxpayers' industry representatives, assessors,  
22 and local agencies, the opportunity to provide  
23 comments on the items or problems discussed in the  
24 annual report from the Taxpayers' Rights Advocate's  
25 Office, for the purpose of correcting any problems  
26 identified in those reports.

27 And also to provide comments on any other  
28 issues that they may be working with our office on,

1 as well as on property taxes in general.

2 Parties may also comment on programs  
3 administered by the State Board of Equalization, the  
4 quality of our agency's services, property tax issues  
5 as well.

6 Individuals may present their concerns  
7 regarding issues related to the administration of any  
8 of its tax programs, including state and local  
9 property taxes, the alcoholic beverage tax, or the  
10 tax on insurers.

11 To publicize this Bill of Rights Hearing, we  
12 issued Letter To Assessors 2021-23 on June 10th,  
13 2021. Which is distributed electronically to  
14 approximately 3,500 subscribers.

15 We distributed posters and fliers to local  
16 agencies involved in property tax for posting in  
17 public areas.

18 And similar to last year, we contacted the  
19 following six major organizations and asked if they  
20 could notify their membership about the opportunity  
21 to speak, as well as invited representatives from  
22 their organizations to speak.

23 And those organizations are the California  
24 Taxpayers Association, commonly known as CalTax,  
25 Howard Jarvis Taxpayers' Association,  
26 Spidell Publishing, California Society of CPAs,  
27 California Society of Enrolled Agents, and California  
28 Chamber of Commerce.

1           Additionally, we notified the California  
2 Alliance of Taxpayer Advocates and KPMG.

3           Additionally, there was a news release, and  
4 the hearing was advertised on various social media  
5 platforms, Facebook, Instagram, Twitter, and  
6 LinkedIn.

7           For the first time ever we also had a public  
8 service announcement that was recorded. And our  
9 agency worked with the media services of the  
10 California Department of Tax and Fee Administration  
11 on this. And we think they did an excellent job.

12           The hearing was also noticed as part of the  
13 August Board Meeting. So this year we had a lot of  
14 exposure as to it, and hopefully that will be a lot  
15 of viewers.

16           Over the last few months, the Taxpayers'  
17 Rights Advocates Office has had an increase in -- in  
18 contacts. So apparently our additional outreach is  
19 working well to get the word out that we're available  
20 to help taxpayers.

21           Our agency's Taxpayer Bill of Rights Hearing  
22 is held in accordance with certain statutory  
23 provisions. And so to provide some framework, I'd  
24 like to provide those provisions.

25           For property taxpayers, the Revenue and  
26 Taxation Code Section 5906(d) states that the Board  
27 shall annually conduct a public hearing, soliciting  
28 the input of assessors, other local agency

1 representatives, and taxpayers, to address the  
2 advocates annual report pursuant to section 5904 to  
3 identify a means to correct any problem identified in  
4 that report.

5 And for the alcoholic beverage tax, Revenue  
6 and Taxation Code Section 32863 states that the Board  
7 shall conduct an annual hearing before the full Board  
8 to allow industry representatives and individual  
9 taxpayers to present the proposals on changes to the  
10 alcoholic beverage tax law to improve voluntary  
11 compliance, and the relationship between taxpayers  
12 and government.

13 The Taxpayers' Rights Advocate's annual  
14 report that is applicable to this hearing is fiscal  
15 year 19/20, which was published in February of 2021.

16 That report included discussion on problems  
17 or issues in the area of property taxes, and contain  
18 examples on property tax cases, illustrating how the  
19 Taxpayers' Rights Advocate Office assists  
20 taxpayers.

21 Additionally, that report includes our  
22 involvement in education to local taxpayers. We do  
23 this through the publication of information sheets  
24 that are written in simple, nontechnical terms, and  
25 are geared to assist taxpayers in understanding  
26 various property tax topics.

27 Before we invite taxpayers to share their  
28 experiences or voice their concerns before this



1       elected Board, I would like to share some statistics  
2       on how many taxpayers we assisted in the last fiscal  
3       year, the fiscal year for that report, and also  
4       provide some information on how the advocate's office  
5       helps to resolve problems that taxpayers may have  
6       with the assessment or collection of property taxes.

7               And so for fiscal year 19/20, our office  
8       worked on approximately 250 cases, all in the area of  
9       property taxes.

10              The majority of those taxpayers contacted  
11       our office through the web inquiry form that we have,  
12       that is accessed through the Taxpayers' Rights  
13       Advocate Office page, or by phone.

14              A significant number of cases were also  
15       forwarded to us from Board Member offices after the  
16       taxpayer reached out to their offices seeking  
17       assistance.

18              The majority of taxpayers that the  
19       Taxpayers' Advocate Office assisted were from  
20       District One, Board Member Gaines' district, and  
21       District Two, Board Member Cohen's district. But the  
22       other two districts were represented as well.

23              And the majority of cases pertain to  
24       valuation issues, such as value reductions, change in  
25       ownership, new constructions, exclusions from  
26       reassessments, exemptions, assessment appeals, and  
27       general property taxation.

28              The remaining cases were in the

1 administrative category, which includes topics such  
2 as creating a mailing of tax bills refunds and  
3 penalties.

4 This year the annual report identified  
5 problems taxpayers experienced with property tax bill  
6 penalties, property being reassessed for a change in  
7 ownership when the property owner passed away and a  
8 family member inherited it, and another problem with  
9 the transfer of the base year value from one home to  
10 another for a person over age 55.

11 This year, the annual report identified  
12 these problems. So I'm just going to give a little  
13 bit of information about the types of cases.

14 In one of the cases, a taxpayer received  
15 penalty for not paying the second installment of the  
16 property taxes on time.

17 And we contacted the taxpayer -- Tax  
18 Collector's office to find out when the payment was  
19 made and the amount.

20 We then explained to the taxpayer in  
21 nontechnical terms the reason for the penalty, and  
22 that the taxpayer can submit a penalty cancellation  
23 request to the Tax Collector's office.

24 In another case, a taxpayer received several  
25 tax bills for a supplemental assessment that covered  
26 several years of estate assessments as well, when an  
27 assessor reassessed property for a change in  
28 ownership due to the death of a taxpayer's parent

1 that happened many years ago.

2 The Taxpayers' Rights Advocate Office  
3 coordinated with the assessor's office to obtain  
4 information on the change in ownership reporting and  
5 supplemental assessment noticing.

6 We then explained to the taxpayer that even  
7 though the change in ownership occurred more than  
8 three years ago, the taxpayer could complete and  
9 submit the parent-child transfer claim form, and it  
10 would be considered timely, as long as the taxpayer  
11 filed with the assessor within six months of the  
12 assessor's supplemental notice.

13 After the claim was filed with the  
14 assessor's office, we then worked with them to  
15 expedite the claim processing, and the exclusion was  
16 granted with the reassessment reversed.

17 In another case, the -- when the assessor  
18 denied a base year value transfer request for a  
19 person aged 55 and over, we helped the taxpayer  
20 understand what documentation could be submitted to  
21 show that the house which was sold was in fact their  
22 principal residence, even though they had not claimed  
23 the homeowner's exemption on that.

24 A large part of the Taxpayers' Rights  
25 Advocates role is to help facilitate resolution of  
26 taxpayers' problems. And we do that by working with  
27 the property tax agencies, such as the assessor or  
28 Tax Collector to obtain information about the

1 assessment, the taxpayers' property, and the  
2 corresponding property taxes for that property, and  
3 other charges that may be included on the tax bill.

4 If the issue is with work performed by  
5 programs that are directly performed or administered  
6 by our agency, then we work with a particular section  
7 within a Property Tax Department or other departments  
8 on resolving that.

9 We review each taxpayer's situation on a  
10 case-by-case basis, conduct research and analysis  
11 pertaining to the case, contact local agency  
12 representatives, and review existing guidance on the  
13 case. And then help -- to help resolve the  
14 taxpayer's issues between -- with that agency.

15 We largely help taxpayers with problems that  
16 they have with the assessment or collection of  
17 property tax on their property. And oftentimes a  
18 taxpayer just needs assistance in understanding what  
19 documentation needs to be provided to the assessor's  
20 office to arrive at that solution, or to receive some  
21 confirmation by a third party, us, the Taxpayers'  
22 Rights Advocate Office, that they were treated fairly  
23 according to the law.

24 In addition to helping taxpayers with  
25 specific problems that they are having with the  
26 assessment or collection of property taxes, we also  
27 help with larger issues that can bring about change.

28 That can start with somebody contacting the

1 Taxpayers' Rights Advocate Office, or with somebody  
2 attending the Taxpayers' Rights Advocate Office, like  
3 today, and bringing comments to the elected Board.

4 And if you look at the advocates 2019/20  
5 annual report, it identifies one such project that  
6 resulted in many beneficial changes. And that is the  
7 Assessment Appeals Project.

8 At a past Taxpayers' Bill of Rights Hearing,  
9 a taxpayer organization came to the hearing  
10 expressing concerns that taxpayers were having with  
11 the assessment appeals process.

12 A project was then started by our Property  
13 Tax Department, with the project going through the  
14 interested parties process, with participation from  
15 the taxpayer group that brought the issue forward,  
16 the California Alliance of Taxpayer Advocates, as  
17 well as the California Assessors' Association, and  
18 California Clerks' Association.

19 And so in addition to property tax rule  
20 changes, that project resulted in revision to  
21 guidance issued in our agency's assessment appeals  
22 manual, as well as a new form created that all 58  
23 county assessors must use in making requests for  
24 information to taxpayers under section 441(d).

25 That project was completed shortly after  
26 fiscal year 2019/20, the year of that report.

27 And bringing issues forward with results  
28 just shows that coming to the Taxpayers' Bill of

1 Rights Hearing and providing comments -- to provide  
2 comments, as well as voicing their concerns, can  
3 bring about changes. And it's very important.

4 So for today's hearing, we were notified  
5 that there are eight speakers. That was prior to the  
6 hearing that contacted the Board Proceedings Division  
7 through public comment, or the Taxpayers' Rights  
8 Advocate's Office.

9 I'll just go ahead and list them out first,  
10 and then -- before introducing them.

11 For today's hearing we first have  
12 Honorable Ernie Dronenburg, San Diego County Assessor  
13 and President of the California Assessors'  
14 Association, who indicated he would be calling in to  
15 provide comment.

16 Mr. David Kline on behalf of the California  
17 Taxpayers' Association, CalTax. He also indicated he  
18 would be calling in.

19 Mr. Bart Norman, a taxpayer from Valley  
20 County indicated he would be calling in.

21 Mr. Dil Kazzaz submitted comments in writing  
22 to the Board Proceedings Division through our public  
23 comment form.

24 And Ms. Jaimie Korody submitted comments in  
25 writing to the Board Proceedings Division through the  
26 public comment form.

27 T.R. Jahns submitted comments in writing to  
28 the Board Proceedings Division through the public

1 comment form.

2 Ms. Bea Stotzer on behalf of a nonprofit  
3 organization submitted comments in writing. Also  
4 through the public comment form.

5 And, lastly, Corinne submitted comments in  
6 writing through the public comment form to Board  
7 Proceedings this morning.

8 And that concludes my opening remarks.  
9 Unless there are any questions from the Board Members  
10 or comments, we can invite taxpayers that provided  
11 comment to us previously to start. And then we would  
12 invite people from the teleconference.

13 So after -- after each speaker provides  
14 their comments, then I would like to provide comments  
15 and some remarks to speak to any action that we may  
16 have had with those taxpayers, what future action  
17 that could be taken.

18 So we would like to start with Mr. Ernest  
19 Dronenburg, San Diego County Assessor and President  
20 of the California Assessors' Association.

21 And I'll send it back to the Board  
22 Proceedings clerk to call that.

23 Thank you very much.

24 MR. SCHAEFER: Vice Chair Schaefer.

25 Before you go to Mr. Dronenburg --

26 MR. VAZQUEZ: There's a couple hands up I  
27 see --

28 MS. THOMPSON: Oh, okay.

1 MR. VAZQUEZ: -- before we get started.

2 MR. SCHAEFER: Ms. Cohen and I both have  
3 comments.

4 MR. VAZQUEZ: I see Member Cohen and Vice  
5 Chair Schaefer.

6 Member Cohen, go ahead.

7 MS. COHEN: Thank you. Thank you very much.  
8 Thank you, Ms. Thompson.

9 So I -- I see from the annual report that  
10 the TRA office handled approximately 250 cases. And  
11 that the majority of these cases were in the  
12 valuation category.

13 My question is whether you had any  
14 recommendations for additional taxpayer education,  
15 additional outreach to assist taxpayers in  
16 understanding the valuation issues.

17 MS. THOMPSON: So we have -- currently we  
18 have taxpayer information sheets on -- on base year  
19 value transfers for seniors, as well as exclusions,  
20 parent-child, grandparent-child, as well as base year  
21 transfer for seniors, as well as disabled persons,  
22 those were impacted, as you know, by Proposition 19.

23 So we will be revising those information  
24 sheets, as well as adding another one for disaster  
25 relief. So as we do those, we will do that.

26 But we do have quite a bit of contact from  
27 taxpayers on base year value transfers or exclusions  
28 under, you know, family transfers. Whether that be



1 from, you know, current law, or under the -- I mean,  
2 current law, Prop. 19, or previous law.

3 So those are key areas. And those -- those  
4 also -- those impact, you know, change in ownership  
5 as far as that. Change in ownership unless the  
6 exclusion applies.

7 But we do take note of the areas that we get  
8 recurring -- recurring concerns about, and then we  
9 try to address those.

10 Thank you for that.

11 MS. COHEN: So is that a yes or a no,  
12 Ms. Thompson? That was a lot. Just make it simple  
13 for me.

14 Are there any -- can you hear me? Are there  
15 any -- are there any opportunities for education  
16 outreach to assist taxpayers?

17 MS. THOMPSON: Yes. So we --

18 MS. COHEN: Simple.

19 MS. THOMPSON: Yes, on our information  
20 sheets. And we will do that. Thank you.

21 MS. COHEN: Okay.

22 So also noted from the annual report that  
23 the San Francisco Assessor's Office conducted a  
24 series of taxpayer outreach and education events.  
25 These were events, included in 2020, the first  
26 welfare exemption workshop to help local nonprofits  
27 save on property taxes.

28 It was actually attended by 130

1 participants. And the Annual Signature, the Family  
2 Wealth Forum, attended virtually by over 250 viewers.

3 Report shows that over 90 questions from  
4 taxpayers were answered by the panel of experts.

5 And so my question for you is whether -- or  
6 what are your thoughts on extending these outreach  
7 education events to other counties?

8 I think Phong La might do something very  
9 similar in Alameda County, but I can't say with any  
10 certainty. I do know San Francisco, because that is  
11 my home county.

12 But I'm wondering if there's a way that we  
13 can extend this, either by individual counties, or by  
14 the Board of Ed -- Board of Equalization conducting  
15 statewide or regional taxpayer outreach education  
16 events.

17 I also want to note that the San Mateo  
18 County Assessor's Office has implemented a DocuSign  
19 solution to make it possible for users to fill out  
20 forms, and to sign and submit online from any device,  
21 making sure it's available 24/7.

22 And then my final question is whether there  
23 are any efforts by the Board of Equalization to work  
24 with other county assessors' offices to implement  
25 such -- to implement other technology, electronic  
26 solutions, to eliminate the need for wet  
27 signatures.

28 MS. THOMPSON: So as to your first question

1 that these -- that individual county assessor's  
2 offices have put on workshops. San Francisco is one  
3 of them.

4 In our -- in our "Improvement Section"  
5 within our Taxpayers' Rights Advocate Annual Report,  
6 we asked for input from assessors. And they submit  
7 that, and so we highlight them.

8 But there have been assessors that partner  
9 with their Board Members to put on these workshops.  
10 And it's definitely a way to get information out to  
11 the taxpayers. So -- so that is something, a viable  
12 alternative to look at.

13 As to, you know, efforts to work with  
14 assessors on electronically, I can't speak to that.  
15 The Property Tax Department would be, you know, more  
16 appropriate.

17 But, yes, I'm aware of, you know, certain  
18 efforts that are being made, I mean, electronically.  
19 There are changes that are in place in the works now  
20 just for tracking the base year value transfers and  
21 inner -- you know, intrafamily transfers, because of  
22 Prop. 19.

23 MS. COHEN: Thank you.

24 MS. THOMPSON: Thank you.

25 MR. VAZQUEZ: Vice Chair Schaefer.

26 And then I have Ms. Stowers after that.

27 I think you're muted. Vice Chair, you're  
28 muted.

1 MR. SCHAEFER: Yes, thank you.

2 Ms. Thompson, you had a very impressive list  
3 of taxpayers who wanted to offer comments. And you  
4 identified them all by name. That means we don't  
5 have any anonymous commentators; is that right?

6 MS. THOMPSON: We do not.

7 MR. SCHAEFER: Oh, thank you.

8 MS. THOMPSON: As of now, yes.

9 MR. VAZQUEZ: Thank you.

10 Ms. Stowers.

11 You're muted. There you go.

12 MS. STOWERS: Thank you.

13 Thank you, Ms. Thompson, for your opening  
14 remarks. Very detailed. I appreciate it.

15 I also like that you made it clear that this  
16 hearing is also for industry -- individuals who do  
17 business with the BOE and the county assessors.

18 I have a question, and then I wanted to kind  
19 of follow up on what Ms. Cohen was saying when she  
20 was talking about education, outreach and workshops.

21 I think I heard you say, yes, updating the  
22 fact sheet is definitely on your list. But I -- I  
23 would like -- and I don't know what our resources  
24 are, but I would like to see if our office, the  
25 Taxpayers' Rights Advocate could take the lead on  
26 some of these common problems and workshops, develop  
27 the workshops -- especially if we're doing it  
28 virtually -- develop the workshops, and then go out

1 to each county to see if they're interested in the  
2 workshop.

3 And partnering together to hold them  
4 virtually in their county, or sending out invitations  
5 to those people within their county. I think that  
6 would be more effective and efficient.

7 And -- no, go ahead.

8 MS. THOMPSON: Oh, no. Go ahead. Finish.

9 MS. STOWERS: And then my other comment or  
10 question is just -- I'm just kind of curious.

11 I know that we have a statutory mandate for  
12 Taxpayers' Rights Advocate Office, and the annual  
13 report that you just went over. Do the assessors  
14 have a similar local mandate? Are -- are they just  
15 providing advocate services through -- or most  
16 providing advocate services through their offices?

17 MS. THOMPSON: Okay. So, for one, for the  
18 TRA office to kind of work with different assessors  
19 to try to get workshops, I'm happy to discuss that  
20 with our Executive Director and see if that's  
21 something that, you know, we're able to do.

22 Especially now that we're more in a virtual  
23 environment to do. So that would, you know,  
24 minimize, you know, travel and budgetary constraints.

25 So we can certainly look on that, and to see  
26 if there are -- if there's information that we could  
27 develop that could be given by different assessors'  
28 offices should they, you know, choose to do that.

1                   And some of the provisions of  
2 Proposition 19, you know, might be a way to do that.  
3 Because that is new, and it is, you know, important  
4 for taxpayers. So if having a standardized, you  
5 know, means to provide that, would be a good idea.

6                   So the -- I can also discuss that or bring  
7 that up at the next Assessors' Association Conference  
8 to see if they would be supportive -- would be  
9 supportive of the Taxpayers' Rights Advocate Office  
10 assisting in that endeavor to train their local  
11 taxpayers so that can be done.

12                   So for the second one, as far as the, you  
13 know, mandate to have a Taxpayers' Rights Advocate  
14 Office, that is actually at the state level. It's  
15 for different taxing agencies at the state.

16                   But I think assessors, kind of as a matter  
17 of practice, their offices, you know, provide  
18 customer service. And that's kind of a lot of what  
19 it is. And advocate advocacy as well.

20                   So -- but there isn't a mandate that they  
21 include one. I am aware that there are counties in  
22 the state that either have had kind of a designated  
23 or a specific person as their own internal Taxpayers'  
24 Rights Advocate, or similar ombudsman or something,  
25 so, you know, they've had that.

26                   But that's just up to the discretion of  
27 that. And I don't know if that's something that,  
28 like, smaller counties would be able to designate.

1           But as a matter of practice, I think all  
2 assessors are very supportive, and their staff. So  
3 customer service and providing, you know, the  
4 services to them.

5           MS. STOWERS: Thank you, Ms. Thompson.

6           MS. THOMPSON: Thank you.

7           MR. VAZQUEZ: Thank you. Those are very  
8 good comments.

9           Ms. Thompson, I just have a couple quick  
10 follows-ups.

11           I know we're going to have -- when you  
12 mentioned several of the folks that are going to be  
13 speaking to us and will be calling in, I'm going to  
14 let them chime in.

15           But the one -- I guess when we do get our  
16 president on board, Mr. Dronenburg, that might be a  
17 good question to ask him to see if, in fact, they're  
18 willing to partner with us for this.

19           Now that we can do things via Zoom or  
20 virtually, I think it's a little bit easier probably  
21 to do them. As opposed, like you mentioned, to have  
22 folks traveling up and down the state to do these.

23           But in your opening remarks you -- you  
24 cited, I guess, examples of cases that you're working  
25 on, or you've done with some of our taxpayers. And  
26 you kind of touched on one that I had a question  
27 about.

28           Because I happened to run across a couple of

1 folks over the weekend at a reception who, you know,  
2 due to COVID, now were -- I didn't realize that, you  
3 know, as we're hearing about so many people passing  
4 away, now they're willing over -- in some cases  
5 willing, and some cases they didn't have a will.

6 So, you know, their homes or their assets  
7 are now being distributed by their kids, or in some  
8 cases their grandchildren.

9 And a question came up, because this one was  
10 actually set up in a trust. And you kind of touched  
11 on it. What happens -- I know upon transfer of  
12 property, it gets reassessed. But if it's sitting in  
13 the trust, does it get reassessed after somebody  
14 passes away? Or only does it -- or does it sit there  
15 until it actually transfers out of the trust?

16 MS. THOMPSON: For property in health and  
17 trust, the date of change of ownership is what  
18 controls. Because that is the person's trust. And  
19 so in the case of, like, families where they're  
20 inheriting, that's why it's so important.

21 It's that even though it's held in a trust,  
22 that the change in ownership statement be filed  
23 timely following the death of that. Really, it's the  
24 property owner, because they're the beneficiary of  
25 that trust.

26 And they do need to advise the assessor's  
27 office through the change of ownership statement on  
28 the change in ownership, it's a death, COS -- I'm



1       sorry -- 502(d), I believe. And so they do have to  
2       file that within that time period.

3               And the same thing then is, you know, so  
4       it's not just, you know, within the date of transfer.  
5       So it's important that they keep that in mind. And  
6       the reassessment would occur as of that date of  
7       death.

8               So that's the importance of providing  
9       information to the assessor's office in order for  
10      them to get that parent-child transfer in place as  
11      quickly as possible.

12              But, again, you know, we're looking at  
13      Proposition 19 if you have a death that occurs, you  
14      know, currently, after February 15th.

15              So there are still different rules in place  
16      depending when the, you know, decedent passed away.

17              So we have two forms. Two different types  
18      of forms now for -- that are prescribed, depending on  
19      the date of change in ownership.

20              MR. VAZQUEZ: So just to be clear, so you're  
21      saying if it's in a trust, that, in itself, I mean,  
22      with somebody passing, doesn't constitute a transfer  
23      of ownership, or it does?

24              MS. THOMPSON: No, it does.

25              MR. VAZQUEZ: It does.

26              MS. THOMPSON: The date of death, yes.

27              MR. VAZQUEZ: So it does get reassessed at  
28      that point?

1 MS. THOMPSON: Unless an exclusion applies,  
2 then, yes.

3 MR. VAZQUEZ: And what would be the  
4 exclusion?

5 MS. THOMPSON: Well, like if you have a  
6 family -- intra -- you know, family transfer, say, a  
7 parent-child transfer, or grandparent-grandchild  
8 transfer.

9 MR. VAZQUEZ: Oh, if they transfer it to a  
10 child or a grandchild.

11 MS. THOMPSON: If that's the case. But  
12 other than that, if it doesn't.

13 So let's say -- let's say that, you know,  
14 decedents will or trust, you know, whatever document  
15 they have, says that it passes to the nephew, you  
16 know, there's not an exclusion for that. So it's  
17 reassessed.

18 MR. VAZQUEZ: You bring up a good point.

19 Because, for example, in this one they  
20 happen to have five -- he passed away, and he had  
21 five children, right?

22 But he did, in the trust, it was written  
23 that upon his death, it would be transferred to one  
24 of them.

25 So when it's transferred to that one  
26 individual, that would also constitute a transfer of  
27 ownership I'm assuming, right?

28 MS. THOMPSON: Well, so -- I mean, I'm not a

1 legal expert. But, yes, it would be transferred.

2 But if it's designated, so it's designated  
3 in the will, or, you know, in the trust, that one of  
4 the five children received that asset, is distributed  
5 that house, then, I mean, it depends on the timing of  
6 the death.

7 So let's say if the person died, the father  
8 or mother died in 2020, that's going to fall under  
9 the old rules.

10 So, actually, if that house is distributed  
11 in the will to one child is designated, they get X  
12 property, then they can file the parent-child  
13 transfer claim form and get excluded.

14 Doesn't matter if it's going to be their  
15 primary residence, or if it's a rental property.  
16 Because they passed away in 2020 before this  
17 Proposition 19 was effective, then that would be  
18 eligible for an exclusion, and it wouldn't be subject  
19 to reassessment.

20 It would be a different situation depending  
21 on if they died, you know, after the effective date  
22 of Proposition 19.

23 If they died after the date of  
24 Proposition 19, then they would not be able to  
25 qualify for an exclusion, say, if it's a rental  
26 property.

27 But if it was a principal residence of the  
28 parents who died, and the sibling who was designated

1 to have that home in the, you know, trust or will  
2 moved into it and filed for the homeowner exemption  
3 within a year, then it's going to be eligible for an  
4 exclusion.

5 MR. VAZQUEZ: And let me just add one more  
6 wrinkle to this.

7 What if on the trust it actually specifies  
8 that a grandchild is allowed to stay in the home, the  
9 principal home of the deceased, for ten years?

10 MS. THOMPSON: Yeah. I mean, we could -- I  
11 would be happy to talk with Legal and try to provide  
12 it to you differently.

13 I mean, I think the scenarios would be  
14 different. Because, I mean, it depends, first of  
15 all, if the grandchild's parents are deceased  
16 themselves. Because otherwise, the grandparent-child  
17 transfer doesn't count.

18 So there's a lot variables. So I think it  
19 depends on the case, case-by-case basis, and the  
20 specifics of the situation. So I don't want to make  
21 a broad statement as to that.

22 MR. VAZQUEZ: And my last question, because  
23 I was actually on a talk show yesterday, and I made a  
24 statement. But I kind of qualified it, because I  
25 didn't want to put out wrong information. So I told  
26 them to listen in today. So hopefully folks might be  
27 listening today from that talk show.

28 And a question came up where -- and I think

1 we've had this conversation before, but I wanted to  
2 make sure I'm giving out the right information.

3           So on a transfer now, let's say now this is  
4 a living person, right? A person wants to -- who is  
5 retired, and decides to sell their home, and wants to  
6 either scale down or scale up, you know, move into  
7 another area. But doesn't want to -- but wants to  
8 transfer the value, the property value, or, I guess,  
9 the assessed value they have on their home. I know  
10 they're allowed to take it with them, right?

11           For example, under Prop. 19, before it was a  
12 little bit -- it wasn't a guarantee. But now under  
13 Prop. 19, let's say somebody lives in San Bernardino,  
14 and decides to move into Orange County, in, let's  
15 say, a smaller home, but obviously, probably, worth  
16 more, can that individual take, you know, whatever  
17 taxes he's paying, if he's over 55, from San  
18 Bernardino into Orange County?

19           MS. THOMPSON: So it depends when they --  
20 when one of the events take place.

21           I'm not certain if Orange County was -- so  
22 before Proposition 19, in order to move the factored  
23 base year value for a person over 55 to another  
24 county, the law required that an ordinance be passed  
25 by that County Board of Supervisors where the person  
26 is moving to.

27           So there were only ten -- I believe ten  
28 counties in the state that accepted that. And, I'm

1       sorry, I don't know off the top of my head if  
2       Orange County was one of them.

3               Our website actually lists those counties  
4       and discusses that under "Frequently Asked Questions"  
5       for Proposition 90 and 110, so you can -- or 60, 90  
6       and 110. If you look at that information, that would  
7       list those counties.

8               But currently, with the passage of  
9       Proposition 19, that expanded it. So that basically  
10       allows a senior to take their factored base year  
11       value to -- excuse me -- from one county to any of  
12       the 58 counties in the state.

13               So under the assumption that it's after the  
14       effective date of Proposition 19, April 1st, 2021 for  
15       the base year value transfers for seniors, that  
16       person could transfer their factored base year value  
17       of their house from San Bernardino to Orange County.  
18       And what would happen is so that factored base year  
19       value would transfer.

20               But if the house, like you said, the house  
21       in Orange County is probably a little more expensive  
22       than San Bernardino. So if the market value of the  
23       Orange County replacement property compared to the  
24       original property that was sold in San Bernardino is  
25       more, the excess of that market value will be  
26       actually added to the factored base year value that  
27       is transferred from that San Bernardino home.

28               So -- so at that -- so basically the

1 difference is taxed at market value and added to it.

2 So that's a benefit really for -- for the  
3 California taxpayers. Because before Proposition 19,  
4 you couldn't.

5 So basically if the market value of that  
6 replacement house was more than the market value of  
7 the original, you lost out. You couldn't actually  
8 transfer your factored base year value, because that  
9 was one of the restrictions. It had to be -- the  
10 replacement had to be equal to or lesser than the  
11 market value. So --

12 MR. VAZQUEZ: So if, for example, if the  
13 San Bernardino home is -- they bought it for 300,000,  
14 and they buy something for 1.3 in Orange County, 300  
15 would be deducted, but they would be assessed only on  
16 the million, not the 1.3; is that it?

17 MS. THOMPSON: It's -- well, the factored  
18 base year value. So it doesn't really matter what --  
19 it's not exactly what they bought it for in San  
20 Bernardino, because --

21 MR. VAZQUEZ: Oh, when it's assessed by the  
22 assessor.

23 MS. THOMPSON: -- they bought it ten years  
24 ago. So you have to factor it forward. So you  
25 can -- you know, you factor it forward based on the  
26 CPI. So the maximum of two percent increase each  
27 year. So it's the factored base year that will  
28 transfer.

1 MR. VAZQUEZ: Oh, I see.

2 MS. THOMPSON: Hopefully that answers your  
3 question.

4 MR. VAZQUEZ: So it actually could be a lot  
5 higher, right?

6 MS. THOMPSON: Yeah. More than --

7 MR. VAZQUEZ: At the transfer.

8 MS. THOMPSON: It definitely would be more  
9 than 300,000 if -- if they bought it for 300,000,  
10 say, ten years ago. Because the factored base year  
11 value today is going to be higher.

12 MR. VAZQUEZ: Gotcha. Okay.

13 I see another -- was that an old hand, or is  
14 that a new hand?

15 Oh, it's an old hand.

16 And I saw Member Cohen -- oh, Vice Chair  
17 Schaefer. That is a new hand.

18 MR. SCHAEFER: Yes.

19 Ms. Thompson, I had just a very general  
20 question.

21 I notice in the annual report that our  
22 office generally assists taxpayers who have been  
23 unable to resolve a matter through normal channels.

24 Do we enforce that they have actually tried  
25 some normal channel before they come to us? Or do  
26 they come to us as their first recourse?

27 MS. THOMPSON: We don't enforce that.

28 It's -- yeah. I mean, if they contact us



1 then we -- then we assist them. So we don't, you  
2 know, require that they had reached out, you know, to  
3 the assessor's office to try to resolve it ahead of  
4 time.

5 MR. SCHAEFER: Yeah. That's good.

6 MS. THOMPSON: Sometimes they do, and, yeah,  
7 sometimes they don't. But, you know, it just depends  
8 on the situation.

9 I'd say oftentimes they, you know, try to,  
10 you know, try to reach out to the assessor's  
11 office.

12 MR. SCHAEFER: Thank you.

13 MS. THOMPSON: Certainly not always. We're  
14 happy to help any taxpayer that, you know --

15 MR. SCHAEFER: I appreciate that. Thank  
16 you.

17 MR. VAZQUEZ: And I think I have a new hand.  
18 Is that -- Member Cohen, is that your hand  
19 up?

20 Member Cohen.

21 Is she -- that might be an old hand then.

22 Okay. With that -- oh, Ms. Stowers has a --  
23 that's a new hand, right, Ms. Stowers?

24 Go ahead.

25 MS. STOWERS: I am a new hand. And I would  
26 like to ask a question. But I am sensitive to if we  
27 have the people on our public lines waiting to  
28 speak.

1 MR. VAZQUEZ: Yes. We can continue the  
2 conversation after the public speaks if --

3 MS. STOWERS: Okay.

4 MR. VAZQUEZ: Why don't we do that. Because  
5 I know there's several people waiting.

6 Ms. Taylor, if you can locate -- I guess, do  
7 we -- we have written comments. Do you want to start  
8 with those first, or are those people on the line,  
9 Ms. Taylor?

10 MS. TAYLOR: I believe the plan was to start  
11 with our speakers. So I can call and see.

12 MR. VAZQUEZ: Yes.

13 MS. TAYLOR: Is the Honorable Ernest  
14 Dronenburg on the line?

15 All right.

16 AT&T operator, could you please let us know  
17 if Mr. Dronenburg is on the line?

18 AT&T MODERATOR: I am not seeing him on.

19 If he's on, but did not dial in as a  
20 speaker, he can press star, zero for an operator.

21 Star, zero if you're on the main line.

22 Okay. And it looks like he may be on the  
23 main line. One moment.

24 And they're just gathering his line. One  
25 moment.

26 Okay. And, Ernest, your line is open.

27 One moment. They're still with him. One  
28 moment.

1           Sir, your line is open. Are you able to  
2 hear us?

3           MR. DRONENBURG: Yes.

4           AT&T MODERATOR: Okay. Your line is open.  
5 You're able to speak.

6           MR. DRONENBURG: Good morning, Board  
7 Members. Can you hear me?

8           MR. VAZQUEZ: Yes, I can hear you. Go  
9 ahead. Welcome.

10          MR. DRONENBURG: All right. Well, again, a  
11 pleasure for me to join you today.

12          This -- the topic of the Taxpayers' Bill of  
13 Rights is near and dear to me since I was the  
14 proponent of this when it very first started. And  
15 we -- the Board was real supportive of it.

16          The Harris-Katz Bill was actually written by  
17 my office. And then when we wanted to complete it,  
18 we, you know, it was sales tax, and then income tax,  
19 and then finally we got Senator Morgan to do the  
20 property tax piece.

21          But -- so way back then it was a part of my  
22 program. And I'm glad that it's still functioning.

23          And I wanted to compliment Ms. Thompson. It  
24 is working well, as the assessors have all mentioned  
25 to me they are very happy with the support that the  
26 Board is giving them with the Taxpayers' Bill of  
27 Rights Hearings, as well as with the office during  
28 the year.

1 I -- I noted that there were several  
2 questions. And I don't want to take all of the time.  
3 But there are several questions that you asked that I  
4 might be able to answer.

5 I have a taxpayers' advocate position in my  
6 office. And I know that Orange County has a  
7 taxpayers' advocate in their office.

8 I don't know of any others. Sort of like I  
9 can neither confirm or deny that others have them.  
10 But I haven't heard of any others.

11 Jeff in LA might have one. But I haven't  
12 heard of any others other than San Diego and Orange  
13 County.

14 The mention of electronic signatures in  
15 1993, we became the first office in San Diego to do  
16 an electronic signatures for a form. And that was  
17 with a "Change in Address" form.

18 And today we have ten other forms that  
19 are -- and some of them requiring two signatures  
20 even -- done electronically.

21 So this is something that I've been a  
22 champion of in trying to push other assessors to do.

23 It is costly at first, but the end -- end  
24 saves the office money. Because it costs quite a bit  
25 to program a form electronically.

26 But once you've got it in place, then it  
27 pays -- it pays back quickly. And I think it is a  
28 good idea.

1           Prop. 19 -- all the hearings that were going  
2 on, I think Board Member Cohen was talking about  
3 that. We had over 20 hearings in my office. This  
4 was a real information-soaking-up kind of program.  
5 Everybody wanted to know about it. So we just had to  
6 advertise that we're going to do it.

7           And then I think, one, we had over 500  
8 names -- people on the line. I know San Francisco  
9 had a huge one when they very first started.

10          I know Board Member Cohen's office was a  
11 real part of that. And a former assessor from  
12 San Francisco was a part of it.

13          But as you know right now we're doing  
14 electronic classes. So electronics is a keyword as  
15 to how we can use it in greater and greater extent,  
16 will only pay dividends for us in our limited  
17 resource situations.

18          The question about change in ownership that  
19 Tony -- Chairman Vazquez asked, I think was  
20 adequately answered by Ms. Thompson. But I'm sure  
21 the best resource for some technical pieces of --  
22 which are still not ironed out, because the  
23 legislation still hasn't passed for Prop. 19. But  
24 we're doing the best.

25          And I'd say your office is doing very, very  
26 well with the unsecured language. We just have to  
27 guess what the outcome will be. But hopefully by the  
28 end of the session, the bill will pass, and we can

1 give complete, with faith, the guidance for somebody  
2 who wants to do change in ownership -- I mean, with  
3 transfer of base or -- or intergeneration transfer.

4 Both of those situations will be finished  
5 when -- when the session ends, hopefully.

6 Other than that, again, compliments to the  
7 staff and their program. I think it's very well  
8 being used. And it's -- they're doing a good job at  
9 trying to get out and get information to people now.

10 MR. VAZQUEZ: Thank you.

11 MR. DRONENBURG: That concludes my --

12 MR. VAZQUEZ: Just -- just a quick comment.

13 You know, it was brought up. I don't know  
14 if you were listening in on the part where there was  
15 a possible request that we might want to look at  
16 involving the assessors in different counties  
17 throughout the state in doing -- now that we can do  
18 these things virtually, working with our staff to try  
19 to get out the word, or have these hearings in  
20 respective counties.

21 And I think it would be pretty effective if  
22 we did a partnership with many of the big assessors  
23 throughout the state of California.

24 I don't know if there's an interest in that.

25 MR. DRONENBURG: Yes, I did hear that. I  
26 did hear that, Tony. And I think it's a good idea.

27 MR. VAZQUEZ: Okay. Thank you.

28 With that, Ms. Taylor, if you -- do we have

1 the next -- oh, wait.

2 Ms. Thompson, did you have some comments?

3 MS. THOMPSON: I do, thank you.

4 MR. VAZQUEZ: Yes, go ahead.

5 MS. THOMPSON: We appreciate

6 Mr. Dronenburg's comments.

7 As part of assisting taxpayers, our office  
8 works closely with management and staff in the  
9 58 county assessor offices to obtain information on  
10 taxpayers' properties, to coordinate with them to  
11 resolve taxpayer problems or issues. So we  
12 appreciate their continued cooperation.

13 Our office is also pleased to assist  
14 assessors in their efforts to educate taxpayers  
15 through the issuance of information sheets that  
16 provide topics, information on exclusion exemption  
17 topics that provide simple, easy-to-understand  
18 information that may result in property tax savings  
19 to them.

20 And we are happy to explore providing  
21 information and education electronically with  
22 assessors and partnership. And we'll discuss that  
23 further later.

24 That concludes my remarks.

25 Thank you.

26 MR. VAZQUEZ: Thank you.

27 I see a hand from Member Cohen.

28 MS. COHEN: Yes. Thank you, Mr. Chair.

1           So what I'd like to suggest is that we  
2 identify the top five issues, and develop taxpayer  
3 training/presentation modules that we may roll out  
4 virtually across the entire state.

5           And, again, this is in partnership with our  
6 local assessors and our -- our offices to help  
7 address, facilitate this ongoing conversation. And  
8 all in all, be proactive in our outreach and  
9 education for -- on behalf of taxpayers.

10           So I'd like to recommend that we identify  
11 the top five issues and develop taxpayer training  
12 and/or modules in a presentation.

13           That's it.

14           Thank you, Mr. Chair.

15           MR. VAZQUEZ: Thank you.

16           So we're thinking of also working with the  
17 assessors. Do we want to hold until maybe after we  
18 hear from all the public to see which might be the --  
19 I guess what would surface as the top five?

20           MS. COHEN: You know, I'm -- I'm fine with  
21 doing that. It's a process thing.

22           I just wanted to just go on the record,  
23 based on what I'm hearing from the presentation,  
24 based on my own personal experience, I thought that  
25 it would be just a good -- a good suggestion.

26           We can always have the Executive Director  
27 weigh in and hear her -- her thoughts as well.

28           So I'll leave it to you in terms of process.



1 MR. VAZQUEZ: Thank you.

2 Seeing no other hands or comments,  
3 Ms. Taylor, who else do we have on the line?

4 MR. DRONENBURG: Mr. Chairman.

5 Mr. Chairman.

6 MR. VAZQUEZ: Oh. Yes, Mr. Dronenburg. Go  
7 ahead. I can't see you on the screen there.

8 MR. DRONENBURG: Yeah. I think that's an  
9 excellent idea. We have our annual meeting coming up  
10 in just a month and a half. Maybe we can survey the  
11 assessors and report back at that meeting what our  
12 top five -- I could get our secretary to campus all  
13 the assessors and get their picks of the top five.  
14 And then provide that to you at the annual meeting.

15 And then you can combine that with what your  
16 top five is, and maybe we'll have some consensus. I  
17 think that's a real good idea to start with.

18 MR. VAZQUEZ: That works with me.

19 All right. Why don't we just hold that, and  
20 then let's see if -- who else we have on the line,  
21 Ms. Taylor.

22 MS. TAYLOR: Thank you.

23 AT&T moderator, could you please see if  
24 Mr. David Kline is available to speak on behalf of  
25 the California Taxpayers' Association.

26 AT&T MODERATOR: Thank you.

27 His line is open.

28 MR. KLINE: Good morning, Chairman Vazquez

1 and Honorable Board Members.

2 Thank you for providing this opportunity to  
3 testify. And thank you for our prior speaker being  
4 instrumental in the legislation that created the  
5 Taxpayers' Bill of Rights Hearing.

6 I am David Kline, Vice President of  
7 Communications and Research for the California  
8 Taxpayers' Association. We are also known as CalTax,  
9 the state's largest and oldest association  
10 representing taxpayers.

11 Sometimes we appear at these hearings to  
12 voice concerns, you know, airing of grievances and  
13 such. But today we actually just want to praise the  
14 Board Members and the staff for ensuring that,  
15 despite the problems caused by the pandemic, the  
16 Board has really continued to provide the guidance  
17 and statistical updates, and assessment practice  
18 surveys, and other vital services that are so  
19 important to California.

20 CalTax and other groups use the BOE reports  
21 and statistics in a variety of ways to keep our  
22 members and the public informed. And so we  
23 appreciate the staff's hard work to keep the  
24 information flowing during a very, very challenging  
25 time for all of us.

26 And we also would like to reiterate our  
27 thanks to the Board for taking the lead on the issue  
28 of providing the option for Assessment Appeals Boards

1 to conduct their hearings remotely.

2 I know this issue is on your agenda for  
3 tomorrow's meeting and will be discussed in detail  
4 then. So I won't really go into a lot now. But we  
5 do look forward to that discussion, and getting the  
6 perspective from the assessors, from the Assessment  
7 Appeals Board members, other taxpayers' advocates of  
8 BOE, BOE staff, and property owners, and just  
9 everyone involved in the system.

10 CalTax continues to believe that this is a  
11 situation in which the pandemic has given us lemons,  
12 but we can really turn them into lemonade by using  
13 the remote AAB hearings, not just as a short-term  
14 solution during the pandemic, but as long-term  
15 options to give taxpayers more convenience, and to  
16 help Assessment Appeals Boards avoid some of the  
17 backlog they've experienced with the in-person  
18 hearings.

19 Obviously, the due process rights of  
20 taxpayers must be protected, and remote hearings  
21 should be an option for taxpayers, not a mandate.

22 Since some taxpayers require in-person  
23 hearings, whether it's because of technological  
24 challenges, or because they just need to be in person  
25 to effectively present their case.

26 We did see the January 13th Letter To  
27 Assessors from the BOE that described the right of  
28 taxpayers to have in-person hearings or remote

1       hearings.

2               So we don't anticipate that this will be a  
3 point of contention. But we just wanted to raise the  
4 issue, since it is so important to taxpayers.

5               So we appreciate the BOE's continuing work  
6 on this issue. We appreciate the engagement of  
7 taxpayers and their advocates, making sure their  
8 rights are protected. And we really do appreciate  
9 this opportunity to testify.

10              And thank you again for all the hard work in  
11 the pandemic year and going forward.

12              MR. VAZQUEZ: Thank you. Thank you for your  
13 comments.

14              Ms. Taylor, do we have anybody else on the  
15 line?

16              MS. THOMPSON: Could -- do you mind if I  
17 provide a little bit --

18              MR. VAZQUEZ: Oh. I'm sorry, Ms. Thompson.  
19 I keep forgetting. Go ahead.

20              MS. THOMPSON: So we appreciate Mr. Kline's  
21 comments.

22              The California Taxpayers' Association is a  
23 respected voice for taxpayers. And they have a large  
24 membership, including tax professionals working at a  
25 large range of businesses in California.

26              We thank them for their input, and for  
27 joining us today. And look forward to working with  
28 them in the future with any issues that they may

1 have.

2 Thank you.

3 MR. VAZQUEZ: Thank you.

4 Ms. Taylor, if we can go on to our next  
5 speaker.

6 MS. TAYLOR: Certainly.

7 AT&T operator, is Mr. Bart Norman available?

8 AT&T MODERATOR: Thank you. His line is  
9 open.

10 MR. NORMAN: Hello. Can you hear me, or --

11 MR. VAZQUEZ: Yes, we can hear you. Go  
12 ahead.

13 MR. NORMAN: Hello?

14 MR. VAZQUEZ: Yes.

15 MR. NORMAN: Okay. I'll make this as quick  
16 as possible.

17 I had an issue with a parent-to-child  
18 transfer at our local county assessor's office. We  
19 did a -- we had a trust that property was held in.

20 Our local county assessor -- we -- we messed  
21 up. The attorney that we hired did transfer the  
22 property to me and my brother right out of my dad's  
23 trust.

24 From there, it was reassessed at a  
25 50 percent, because it went to me and my brother,  
26 instead of just me directly.

27 We did do rescission deeds. And the local  
28 assessor would not accept the rescission deeds. This

1 was maybe in 2018, before Prop. 19 was in effect. So  
2 Prop. 13 was in effect at the time, where a  
3 parent-to-child transfer is exempt.

4 Our local assessor's office gave no  
5 guidance. Didn't ask. They just said they would not  
6 accept the paperwork at all.

7 We asked why wouldn't the rescission deeds  
8 be accepted. They said they're going to accept them  
9 the way they're originally presented. We were not  
10 going to accept the rescission deeds.

11 And everything that I ever read from the  
12 Board of Equalization on the website said that county  
13 assessors should accept rescission deeds.

14 Well, every time you would talk to them,  
15 they would actually say that we are not -- we cannot  
16 give legal advice.

17 So they said that we needed a court order in  
18 order for them to -- the rescission deeds to be  
19 accepted.

20 So three years later, we're still fighting  
21 this out. We filed an appeal, hired an attorney to  
22 draw up the paperwork for the appeal, which cost  
23 \$2,500.

24 During the meantime, I actually contacted, I  
25 want to say, Ted Gaines' office. And he referred me  
26 to the Taxpayers' Rights Advocate Office, where I was  
27 in contact with Lisa Thompson.

28 And once the Taxpayers' Rights Advocate

1 Office got involved, this was resolved in three  
2 weeks.

3 There were certain things that they wanted,  
4 I guess our assessors wanted from us. That the trust  
5 was not closed, a few other things that we've  
6 presented. Gave them to Lisa Thompson, and she sent  
7 them over.

8 And once she was involved, this issue was  
9 resolved within three weeks. And it took me three  
10 years and countless, countless amounts of hours to  
11 get them to accept the rescission deeds.

12 Everyone makes mistakes. And I can't  
13 imagine living in a world where you can't fix those  
14 mistakes. And we made a mistake. We accepted it.  
15 It should have been accepted by our assessor's  
16 office, and it wasn't.

17 And I don't know if every assessor's office  
18 is like this. And apparently San Diego and Orange  
19 County, they have an advocate there. If we had one  
20 here in San Joaquin County, maybe this issue would  
21 have been resolved a lot quicker.

22 But they're not giving guidance at the  
23 county. They're not telling you anything. They're  
24 just saying, "We are not accepting your paperwork."

25 And thank God that I was in touch with  
26 Lisa Thompson. This was a nightmare. When she was  
27 involved, it went as smooth as anything I've ever  
28 seen go.

1           And I just wanted to thank her, and thank  
2 the Board, and thank whoever set this program up,  
3 that this issue was resolved.

4           I don't know how many people would have went  
5 through this process and given up. This took over  
6 three years. When she was involved, it took three  
7 weeks.

8           So thank you, Lisa.

9           Thank you, Board.

10          Thank you everyone who has anything to do  
11 with setting something like this up for the normal  
12 person that doesn't have to hire attorneys to do  
13 everything. And even if you do, sometimes they do it  
14 wrong. And I want to thank Lisa and the Board for  
15 having this program there for people.

16          The problem is no one knows about it. Took  
17 me three years to find out. And I'm so upset that we  
18 had to call everyone we could at that point to find  
19 out about the program.

20          So I could answer any questions if you had  
21 any. But we're in San Joaquin County. And pretty  
22 much what was presented to us was, "We are not  
23 attorneys. We cannot give legal advice." That's --  
24 "We will not accept your rescission deeds." When  
25 everything I read said that they should have accepted  
26 them.

27          So that's my experience with my assessor's  
28 office, and my experience with the advocate,



1 Lisa Thompson.

2 And thank you again, Lisa.

3 MR. VAZQUEZ: Thank you.

4 And kudos to Ms. Thompson.

5 I see a hand for Member Gaines.

6 MR. NORMAN: A lifesaver. A lifesaver.

7 Thank you so much.

8 And thank you, Member Gaines, for referring  
9 me. It was a lady in your office. And thank you so  
10 much. It wasn't until I called your office and was  
11 set up with the advocate that we got this issue  
12 resolved, and it was resolved very quick. I was  
13 actually shocked.

14 MR. GAINES: Wonderful.

15 MR. VAZQUEZ: That's great to hear good  
16 news. Usually we hear all the complaints.

17 But go ahead, Member Gaines.

18 MR. GAINES: Yeah. Yeah.

19 Thank you so much for this -- relating that  
20 to the Board and publicly. Really appreciate that.

21 And, you know, we have cases that come  
22 before us, and sometimes they're in favor of the  
23 taxpayer. I think we would hope that they all were.  
24 But there's not always justification.

25 And so I want to thank Lisa for going  
26 through the process and realizing that there was  
27 corrective action that could be taken to resolve your  
28 issue.

1           And I think you highlighted some of the  
2 points that we, as Board Members, have been trying to  
3 make, too, and that is how do we get the word out so  
4 that our constituents are aware of the fact that we  
5 do have a Taxpayers' Rights Advocate that can help  
6 them in cases?

7           So I know that we bolstered our outreach.  
8 And we've got opportunities to -- I hope to get the  
9 word out in a bigger way so that our constituents are  
10 aware that they have these opportunities to have  
11 someone take a second look.

12           And sometimes, you know, they were done in  
13 the right fashion. And -- but it's nice to just have  
14 that second opinion. Because when they're not done  
15 in the right fashion, we want to make sure that  
16 people are dealt with in a fair way.

17           So thank you so much.

18           MR. NORMAN: Yeah. Thank you. It sounds  
19 like actually San Diego County and Orange County has  
20 an advocate in their office.

21           Now, I don't know the expense of that. And  
22 I'm sure it would be quite expensive. However, if  
23 the assessor's office has an issue like this, they  
24 should simply give the number. If they can't help  
25 someone, they should give them your number.

26           I literally had to find this out myself  
27 after years of just reading everything about it.

28           And actually calling and complaining to your

1 office, Mr. Gaines.

2 I mean, it's just so frustrating. And when  
3 you guys got involved, it was resolved so quick. It  
4 was like, "Wow. This could have been resolved years  
5 ago." But if -- I know if I was an assessor, I would  
6 probably want as much money from everyone, as much as  
7 I could.

8 But they should simply give -- if they can't  
9 help, and think that this -- if they're not going to  
10 give legal advice or ask people -- or tell people  
11 what paperwork is needed, they should simply give the  
12 advocate's number out. And that way they could call  
13 and have a second opinion and go from there. But  
14 they're not doing that at all.

15 If I were an assessor, I probably wouldn't  
16 either. But that's probably the right thing to do is  
17 get that number out if they possibly could.

18 MR. GAINES: Sure. That's nice to see it --

19 MR. NORMAN: That's --

20 MR. GAINES: -- work right, like Chair  
21 Vazquez was saying. That there is this -- this -- I  
22 mean, that's why we exist. That's why the Board of  
23 Equalization exists is we want to make sure that  
24 people from county to county are treated in the same  
25 fashion.

26 MR. NORMAN: Well, we're not. So if they  
27 have an advocate in San Diego County, Orange County,  
28 and they're having the tremendous service by having

1 that advocate, the rest of the state doesn't, I don't  
2 believe that's fair. But that's just my opinion, I  
3 guess.

4 MR. GAINES: Well, we'll have to take a  
5 deeper look at that.

6 I think that Member Cohen has some ideas on  
7 how we can expand that, and would like to -- the  
8 Board would like to work on that. So --

9 MR. NORMAN: Well, I just wanted to thank  
10 you guys for even setting up this program.

11 And thank you, Mr. Gaines, for getting me in  
12 contact with Lisa.

13 And thank you, Lisa. This has been a great  
14 experience with you guys. Absolutely great.

15 With the assessor, it was the worst  
16 experience of my life. I hope no one ever has to go  
17 through that again.

18 So thank you again. And if that's it, I  
19 would like to -- been quite a while on the phone.

20 MR. GAINES: Yeah. Thank you very much. I  
21 appreciate it.

22 MR. VAZQUEZ: Thank you.

23 I see a hand up from Ms. Thompson.

24 MR. NORMAN: Does anyone else have questions  
25 or -- sure.

26 MR. VAZQUEZ: You're muted, though.

27 Ms. Thompson, you're muted.

28 MS. THOMPSON: Sorry. Thank you.

1           Thank you for sharing those thoughts with  
2 us, Mr. Norman, and for your kind words. We really  
3 appreciate it.

4           So we -- we were able to work with  
5 Mr. Norman and the assessor's office on providing  
6 information that was needed in order to reverse the  
7 reassessment, as of the recording of that rescission  
8 deed, and to restore the factored base year value.

9           This was a complicated case. It was not  
10 straightforward. There was a lot of research  
11 involved with the trust situation and rescission  
12 deeds.

13           So, fortunately, our office was able to take  
14 advantage of resources that our agency publishes in  
15 these areas, and, you know, conduct the necessary  
16 research to explain to the, you know, the county  
17 assessor's office, you know, how -- kind of how --  
18 how it shouldn't be -- it shouldn't be reassessed.

19           And then also to talk with the taxpayer  
20 about information that he or his attorney could  
21 provide on the trust, to have indicated it was not --  
22 had not been dissolved at the point of the rescission  
23 deeds being recorded.

24           So recently we confirmed with the assessor's  
25 office that the 2021 lien date assessment reflects  
26 that reduced factored base year value to before the  
27 property was reassessed, in part, for the transfers  
28 amongst the siblings.

1           And we also confirmed with Mr. Norman that  
2 he received a refund of taxes paid. So that ended  
3 well for him.

4           And hopefully, you know, there's other  
5 taxpayers that are aware of our services will  
6 certainly just mention that availability.

7           And talk with Mr. Dronenburg maybe at the  
8 next assessors' conference. He can, you know, let  
9 their association and all of the assessors, you know,  
10 know that they're welcome to provide our phone number  
11 or website to their constituents if they have  
12 problems. And maybe disseminate that out to their  
13 staff.

14           So we know that the assessors are aware of  
15 them. But, you know, maybe they just need to remind  
16 some of their staff, newly-hired staff that we are  
17 available.

18           So thank you so much.

19           MR. VAZQUEZ: Thank you.

20           With that, Ms. Taylor, who else do we have  
21 on the line?

22           MS. TAYLOR: All right.

23           Next, we're going to read a series of  
24 written comments. Myself and Ms. Renati will take  
25 turns.

26           Our first comment is from Mr. Dil Kazzaz.

27           The Chief Counsel of the BOE, in his  
28 memorandum of January 8th, 2021 to the Board,

1 analyzed and legally reasoned the meaning of the  
2 Proposition 19, including, more importantly, the time  
3 factor of applicability.

4 He said in the forefront of his analysis  
5 that neither the sale or purchase of a replacement  
6 residence need be after April 1, 2021.

7 Now, today, you are adopting a form of that  
8 proposition that is contrary to your Chief Counsel.

9 Why? How can you ignore the contribution of  
10 your Chief Counsel? Are you aware that your actions  
11 will deprive many of the benefit of what we passed  
12 Proposition 19 for? Is it filling the coffers? Or  
13 votes don't matter and laws don't either?

14 Someday your votes will be ignored like mine  
15 are today. I hope you will not disappoint us.

16 Ms. Renati.

17 Lisa, are you going to comment?

18 MS. THOMPSON: Yes, I am. Thank you.

19 So we appreciate Mr. Kazzad's comments. He  
20 expresses concerns about information that was  
21 disseminated about Proposition 19.

22 We are happy to reach out to him to provide  
23 him with information to help him understand what was  
24 approved by the voters by Proposition 19 on November  
25 of 2020, as well as how the property tax rule fits  
26 within Proposition 19, and the form developed by our  
27 Board, as well as how the Proposition 19 effective  
28 dates work.

1           That concludes my remarks.

2           MR. VAZQUEZ: Thank you.

3           Who is next, Ms. Taylor?.

4           MS. RENATI: The next comment is from  
5 Jaimie Korody.

6           She states, I represent Tongva Land  
7 Preservation Corporation, a California 501(c)(3) in  
8 Santa Monica.

9           Over the past two years we have been working  
10 on receiving a Welfare Exemption Certificate. The  
11 process from the perspective of an average taxpayer  
12 is quite cumbersome. Fortunately, we have been  
13 guided by the BOE Taxpayers' Rights Advocate,  
14 Lisa Thompson.

15           Ms. Thompson has been instrumental in  
16 helping us navigate an often confusing set of steps.  
17 Thanks to Ms. Thompson, we are readying the final  
18 stage of receiving a welfare exemption from the  
19 Los Angeles County assessors.

20           The critical role of the BOE Taxpayers'  
21 Rights Advocate, in good, efficient government, and  
22 Ms. Thompson in particular cannot be overstated.

23           That concludes the comment from Ms. Korody.

24           MR. VAZQUEZ: Thank you.

25           Ms. Thompson, did you -- I see your hand up.

26           MS. THOMPSON: Yes, I do. Thank you.

27           So we appreciate Ms. Korody's comments and  
28 her kinds words.



1           Earlier this year we assisted her in her  
2 organization's obtaining an organizational clearance  
3 certificate from our agency, and then working with  
4 the county assessor's office for them to expedite the  
5 processing of their -- processing of their welfare  
6 exemption claim that was filed.

7           So we're currently working with them to do  
8 that, to grant exemption from prior years in order  
9 for the auditor's office to refund the taxes to  
10 calculate the refund with the tax collector  
11 refunding. So we're hoping that that's done soon.

12           Their property actually was purchased out of  
13 tax sale from the tax collector's office, and  
14 dedicating it to property under a natural state,  
15 qualifying under the welfare exemption under the  
16 provisions of Revenue and Taxation Code Section  
17 214.02.

18           So we were happy to help her navigate the  
19 process of the administration of the welfare  
20 exemption, and coordinate with different agencies.

21           We look forward to continuing our  
22 conversation and communication with the assessor's  
23 office in order to get this nonprofit organization  
24 granted the exemption.

25           That concludes my comments.

26           Thank you.

27           MR. VAZQUEZ: Thank you.

28           Ms. Taylor, do we have anybody else on -- or

1 we have --

2 MS. TAYLOR: Yes, we have another written  
3 comment.

4 This comment is from T.R. Jahns.

5 Hello. I heard most of an interview on KVCR  
6 with Chairman Antonio Vazquez regarding issues to be  
7 discussed in the Board sessions this week, and  
8 seeking input from the public.

9 I want to pass along the following comments,  
10 and a suggestion for the Board of Equalization to  
11 consider.

12 I'd appreciate having this brought up during  
13 your session on Tuesday or Wednesday. And I'd  
14 welcome any response from Mr. Vazquez or others  
15 regarding what I'm presenting here.

16 I realize that the Board of Equalization is  
17 not a legislative body. But I understand that the  
18 Board could raise the issue of importance, and  
19 encourage the governor and the Legislature to create  
20 legislation to address a real need of property  
21 owners.

22 I believe county tax collectors are given  
23 some statewide rules or guidelines regarding how they  
24 handle annual property tax increases in the counties.  
25 I suggest that those rules be expanded to include  
26 additional factors beyond current assessed property  
27 values when setting or annually increasing property  
28 tax on individual properties within their

1 jurisdiction.

2 In particular, I think that a property  
3 owner's annual income should be considered along with  
4 issues like age range, and other unique factors, that  
5 may affect a property owner's ability to pay for  
6 property tax.

7 The goal would be to reduce the tax burden  
8 on those who are retired, on fixed income, or have  
9 low income while trying to hold onto their homes.

10 This can be restricted to those with a  
11 single home or property, and one in which they  
12 reside, and can allow for the county to do a  
13 reassessment of the property tax, should that person  
14 receiving a special allowance sell the property.

15 Having tax increases only consider current  
16 assessed property value is unfair. It fails to take  
17 into account other factors that involve ability to  
18 pay due to restricted income or assets.

19 That's why I believe that there should be  
20 options for property owners to seek some relief in  
21 the form of discounted tax assessment or similar  
22 compensation.

23 This special allowance would be calculated  
24 using certain strict guidelines regarding property  
25 owner's annual income, age, and other factors that  
26 might create a burden on the ability to sustain  
27 annual property tax increases.

28 I recommend a formula or method of

1 calculation be created to give homeowner's a chance  
2 to seek special allowance to keep property taxes  
3 affordable.

4 I realize the main objection of such an  
5 allowance would be fear of revenue loss, which would  
6 then impact the ability of counties to fund essential  
7 services, including schools.

8 However, I think the guidelines for  
9 qualification for such an allowance would be  
10 sufficiently strict to limit the number of property  
11 owners that could qualify.

12 Guidelines could include annual income  
13 limits, years of ownership, property values in the  
14 area of residence, percentage increase in property  
15 values from the previous year, and the indebtedness  
16 of a homeowner in the form of existing loans.

17 In any case, if property taxes are  
18 sufficiently burdensome that they impact the home  
19 owner's wellbeing or ability to even stay in the  
20 home, some form of tax relief is the right thing to  
21 do.

22 I urge you to raise this issue, and suggest  
23 that the Legislature or governor take up this need  
24 with appropriate legislation.

25 I will be passing along my ideas to the  
26 state legislators as well.

27 Thank you for considering my input.

28 Regards.

1           That concludes that comment.

2           MR. VAZQUEZ: Thank you.

3           Ms. Thompson, I see your hand up.

4           MS. THOMPSON: Yes.

5           So we appreciate T.R. Jahns submitting  
6 comments in response to yesterday's interview with  
7 Chairman Vazquez concerning the Taxpayers' Bill of  
8 Rights in our agency.

9           The commenter suggests that other factors be  
10 considered when handling property tax increases, such  
11 as their property owner's income. And we're happy to  
12 reach out to him to provide information on, you know,  
13 the current property tax system, and the limitations  
14 of Prop. 13 as to increases in property assessed  
15 values for the two percent in the factored base year  
16 value each year, and also the one percent general  
17 property tax.

18           There is some current law regarding  
19 exemptions that are available based on income. And  
20 those are the disabled veteran's exemptions. So  
21 those are certainly considered.

22           Changes to -- to existing California  
23 Property Tax Law would require changes to the  
24 California Constitution to a voter-approved  
25 proposition.

26           So we would be happy to provide some  
27 information to him about Proposition 13, which was  
28 approved by the voters in 1978.

1           So I think that concludes my remarks as  
2 well.

3           MR. VAZQUEZ: Thank you.

4           I see a hand from Ms. Stowers, and then one  
5 from Member Gaines.

6           Ms. Stowers, go ahead.

7           MS. STOWERS: Thank you, Chairman Vazquez.

8           Thank you, Ms. Thompson.

9           And to the constituents and your concerns.

10           Although not directly related, I wanted to  
11 bring up the Property Tax Postponement Program that  
12 allows homeowners who are seniors, disabled or blind,  
13 to defer their current year property tax on their  
14 principal residence.

15           There is certain criteria, and one being  
16 that you must have at least 40 percent equity in your  
17 home, and your household income must be at a certain  
18 threshold.

19           This might provide some relief. And I  
20 recommend that you go to the State Controller's page,  
21 keyword search "property tax postponement," and you  
22 can find additional information.

23           We will be accepting the application for  
24 those postponements starting September 1st.

25           And, Ms. Thompson, when you reach out, I  
26 would appreciate it if you can follow your regular  
27 protocol and provide information on the property tax  
28 postponement, or at least a website link.

1 Thank you.

2 MR. VAZQUEZ: Thank you.

3 Member Gaines.

4 MR. GAINES: Yeah. Thank you, Chair  
5 Vazquez.

6 I just wanted to kind of emphasize the  
7 comments that have been made.

8 Because the purpose of Prop. 13 was to  
9 protect property owners. And, in particular, we're  
10 talking about a homeowner in this case.

11 And we've got to figure out how to fix  
12 Prop. 19. And that wasn't an issue. It passed by  
13 the people. But I know that there's been an effort  
14 by Assemblyman Kiley with ACA 9. Or maybe it's an  
15 initiative that just goes to the people to correct  
16 this -- this aspect between children and  
17 grandchildren.

18 Because I'm just looking at another example  
19 here. This is an e-mail from Tricia Gonzalez. And  
20 she -- she's kind of laying out the same issue that  
21 can't afford these tax increases.

22 And she talks about -- she says, "I'm from a  
23 working-class family that's been devastated by  
24 Prop. 19.

25 Prop. 19 doesn't consider families with  
26 multiple children.

27 Prop. 19 doesn't consider families with  
28 modest homes and working-class neighborhoods that are

1 no longer affordable due to the pandemic causing high  
2 rise in real estate in the last year.

3 Due to Prop. 19 changes, families are forced  
4 to choose which child receives the Prop. 13 benefit,  
5 and which ones do not.

6 We are not landlords. We plan on staying in  
7 these homes.

8 My husband's parents bought the second home  
9 that we have rented for 20 years with the plan that  
10 we can take over the home.

11 The home still has a mortgage with  
12 reassessment. We can no longer afford to live in the  
13 home.

14 Additionally, Prop. 19 was implemented on  
15 February 16th of 2021, three months to make family  
16 decisions, when we could not meet due to the  
17 pandemic.

18 We ask that you adjust Prop. 19, or families  
19 like ours will be forced to move out of the state."

20 And that's what -- that's where it really  
21 hits the nail on the head in my view. Where you've  
22 got -- you've got folks where the reassessment will  
23 make the difference as to whether they can maintain  
24 that house or not. And maybe a bigger decision as to  
25 whether they can continue to live in the state.

26 And it just -- I think we ought to continue  
27 to figure out ways to fix it.

28 And many of you have talked about this, too,



1 as Members of the Board of Equalization. But it just  
2 reiterates, again, that I think there's going to  
3 continue to be pain.

4 Because from what I've read, it's like  
5 40-to-60,000 families are impacted by this every year  
6 as family members pass away. So I just want to throw  
7 that out again.

8 And it would be nice if we can figure out --  
9 maybe we would be able to sponsor something as  
10 Members of the Board, if we could get an agreement on  
11 what the fix should be for Prop. 19.

12 Obviously, the first element of Prop. 19 is  
13 good, because you have that ability to take base year  
14 value and transfer it to any county in the state.

15 But this -- this other side that takes away  
16 the ability to pass that property on to a child or  
17 grandchild, I think is hurting a lot more people than  
18 we realize.

19 Thank you.

20 MR. VAZQUEZ: No, I echo those comments.  
21 You're right on point.

22 And I'm constantly getting -- I'm hearing  
23 that as I go in more -- especially as I participate  
24 in other meetings and receptions. That's the one  
25 thing that comes up when they find out I'm from the  
26 BOE, they say, "How do we change Prop. 19?"

27 And that's going to be the challenge.

28 We've got -- seeing no other hands,

1 Ms. Taylor, who do we have on the line? Or who is  
2 the next written comment?

3 MS. RENATI: Our next written comment is  
4 from Bea Stotzer.

5 And Ms. Stotzer states:

6 Thank you for allowing me to provide a  
7 public comment regarding Taxpayers' Advocate Office,  
8 and in particular the exemplary and professional  
9 assistance of Lisa Thompson, Chief of Taxpayers'  
10 Rights Advocate Office, and the Chairman's staff.

11 I serve as a board member of the NEW  
12 Economics for Women.

13 NEW is a Latino nonprofit economic  
14 development organization that provides essential  
15 services such as housing, financial support, and  
16 economic development opportunities for low-income  
17 women and their families.

18 I was asked to resolve a very difficult tax  
19 lien issue that the organization had been trying to  
20 address for several years for one of its properties,  
21 the community center in San Fernando Valley of Los  
22 Angeles.

23 The organization did not have the means to  
24 afford an attorney to appeal the BOE's determination.

25 The property in question had received  
26 charitable exemption for several years. NEW was  
27 denied the tax exemption for incomplete application.

28 Staff tried to resolve, but with no

1 resolution in sight. Which resulted in a huge tax  
2 penalty and liability.

3 I initially approached our representative  
4 Chairman Anthony Vazquez in 2018, whose patience and  
5 counsel I will be eternally grateful. He explained  
6 the options and asked the staff to assist me.

7 Kristine Cazadd, in particular, spent an  
8 enormous amount of time identifying if we indeed  
9 could appeal the incomplete application, and thus the  
10 denial for tax exemption for the years in question.

11 She eventually connected me to Ms. Thompson.  
12 Ms. Thompson was extremely detailed in her research,  
13 and provided documentation so I could better  
14 understand what had happened, and why we did not  
15 qualify for the exemption for the years in question.

16 She was so responsive and enormously  
17 helpful, as I had a difficult duty to inform the  
18 board of BOE's processes and our options.

19 Then the pandemic hit in the middle of  
20 seeking resolution with our tax collector.  
21 Everything seemed to stop during COVID.

22 Despite the setback, both the Chairman staff  
23 and Ms. Thompson continued to be responsive and  
24 worked with the tax collector to provide the  
25 documentation necessary that explained the complexity  
26 of why the late payment penalties should be  
27 cancelled.

28 I am happy to report that in June 2021 the

1 tax collector agreed to cancel penalties, with  
2 payment due by the end of July.

3 That payment was made, and so pleased to  
4 inform this Board that the tax collector's office  
5 confirmed that they processed proper tax payment to  
6 satisfy the defaulted taxes, and that a certificate  
7 of redemption was issued.

8 This positive outcome with late payment  
9 penalties being cancelled could not have happened  
10 without the help of Lisa Thompson.

11 In addition, her office was invaluable. And  
12 we now know they will continue to assist nonprofits  
13 such as ours, who do not have the means to get legal  
14 counsel to obtain our organizational clearance  
15 certificate, expediting the welfare exemption claims  
16 processing with our county tax assessor.

17 If I can be of any assistance in helping  
18 others better understand the invaluable services BOE  
19 and the Taxpayers' Rights Advocate's Office provides,  
20 I am at your services.

21 Respectfully, Bea Stotzer, Board Member, NEW  
22 Economics for Women.

23 MR. VAZQUEZ: Thank you.

24 Yeah. Actually, I was -- I actually got  
25 involved with that issue right at the beginning. And  
26 I passed it over to Ms. Thompson.

27 And actually give kudos also to my legal  
28 folks, Kris did a great job with this and prepping it

1 and passing it on to Ms. Thompson.

2 And I wanted to also personally acknowledge  
3 and thank Ms. Thompson for all your work on this.

4 Because it's a great little nonprofit, and I  
5 was afraid they were going to go under with the taxes  
6 that they owed.

7 Ms. Thompson, I see your hand up.

8 MS. THOMPSON: Yes. Thank you.

9 I just want to tell Ms. Stotzer that we  
10 appreciate her comments, and for her kind words.

11 We had assisted her organization, as she  
12 indicated earlier, with the welfare exemption, and  
13 cancellation of penalties for late payment of  
14 property taxes.

15 We were able to communicate among the  
16 various government agencies involved for her to  
17 submit the appropriate information to receive the  
18 welfare exemption. And then also to support  
19 cancellation of penalties from the tax collector's  
20 office.

21 So I think that is a positive outcome. We  
22 truly value the work of nonprofit organizations,  
23 because they provide vital services to Californians  
24 here.

25 So if there are any other nonprofit  
26 organizations that are having problems with any  
27 issues they may have with the assessment or  
28 collection of property taxes, we would be happy to

1 assist them if they reach out to our office.

2 Thank you.

3 MR. VAZQUEZ: Thank you again.

4 With that, Ms. Taylor, do we -- who is the  
5 next written comment or speaker?

6 MS. TAYLOR: Yes. Our final written comment  
7 is from Corinne Muelrath.

8 Hello. I'm opposed to many aspects of  
9 Prop. 19. This bill will significantly harm  
10 families.

11 This bill did not take into consideration  
12 the many types of living arrangements in California.

13 This bill is harming my family.

14 Admittedly, I am not completely up to speed  
15 regarding the latest work being done to repair the  
16 damage that has been done by Prop. 19. But I would  
17 like my story to be included as part of the  
18 discussion.

19 Family farms often consist of multiple  
20 family residences, as does ours. We all live on the  
21 property.

22 However, due to no fault of our own,  
23 property values have skyrocketed in Sonoma County.  
24 When our property was passed to us by our mother, we  
25 met all the rules of Prop. 19, because we live on the  
26 farm.

27 But due to high property values, the new  
28 property tax valuation is far over the one million

1 cap plus assessed value. The new property taxes are  
2 so high that we will no longer be able to afford to  
3 live on our own property.

4 The property that was passed down from my  
5 grandfather will now have to be sold to some rich guy  
6 who could care less about our farm, or our children,  
7 or our children's children.

8 All who also live with us on the farm,  
9 because no one can afford to buy anything in Sonoma  
10 County, or in California.

11 Unfortunately, this will probably mean most  
12 of us will need to move out of state.

13 What can be done?

14 Remove the one million cap. That is a  
15 completely random number, and does not represent the  
16 value of farmland homes in all California counties.

17 This is an urgent matter for families in our  
18 county and across California. It has been my  
19 experience that the information regarding  
20 Proposition 19 was not widely distributed, and people  
21 voted on it without having a deep understanding as to  
22 the impact to families and farms.

23 I believe if the average person understood  
24 how harmful this proposition was to families and  
25 farmers, they would have never voted on it.

26 I believe we will see a follow-up bill that  
27 will change the negative effects of Proposition 19.  
28 If we don't, we will see many families moving out of

1 California, and many farms closing up shop.

2 Do you have any data regarding the number of  
3 attendees?

4 I'd also like to compliment Ms. Cohen, and  
5 look forward to working with her on our tax issues in  
6 the future.

7 And that concludes her comments.

8 MR. VAZQUEZ: Thank you. Thank you for your  
9 comment.

10 Ms. Thompson, I see your hand up go ahead.

11 MS. THOMPSON: Yes. We appreciate Corinne's  
12 comments.

13 And she's expressed concern about the  
14 provisions of Proposition 19 that was approved by the  
15 voters in November of 2020.

16 That voter-approved initiative  
17 constitutional amendment did include provisions for  
18 the \$1 million cap as to the maximum factored base  
19 year value that could be transferred.

20 In order to change that or remove that cap,  
21 another constitutional amendment would need to be --  
22 would be required, essentially, and passed by the  
23 voters.

24 Thank you. We appreciate the comments.

25 MR. VAZQUEZ: Ms. Thompson, along these  
26 lines, I'm just, you know, we're constantly hearing  
27 this one. Once again, kind of reiterates the issue  
28 of these folks, whether it's a family farm or



1 somebody's home that they want to keep in the family.  
2 But because of the reassessed value, in many cases it  
3 might be forced to sell.

4 The only way -- well, I guess it sounds  
5 like -- and I think you hit it again, it would take  
6 another constitutional amendment to change it.

7 Because one of the things I was thinking,  
8 what if there's some way we can provide an exemption  
9 where the people could stay in their home or their  
10 farm, paying the existing taxes. But upon the sale  
11 or the transfer of that property down the road, they  
12 would have to reimburse whatever the adjustment was  
13 that they haven't been paying over the years.

14 I'm assuming that would take another  
15 constitutional amendment, right?

16 MS. THOMPSON: Yes -- yes, I believe so.  
17 Yeah.

18 So -- but we are, you know, we're, again,  
19 gearing up, once implementing legislation for  
20 Proposition 19 has been passed with our proper  
21 agency, property tax rules adopted and approved  
22 through the Office of Administrative Law, we will  
23 be -- the Taxpayers' Rights Advocate Office will be  
24 drafting information sheets that are short, simple,  
25 clear, to the point, that provides resources to  
26 taxpayers, you know, so they're aware, you know, of  
27 the provisions of Proposition 19 as far as exclusions  
28 or exemptions that may be available to them for

1 property tax savings, and as well as, you know, just  
2 understanding the availability of those.

3 MR. VAZQUEZ: Thank you.

4 Ms. Taylor, I believe that concluded the  
5 written comments. Do we need to check with AT&T now  
6 with anybody that might be on the line?

7 MS. TAYLOR: Yes, we will.

8 At&t moderator, can you let us know if there  
9 is anyone who wants to make a public comment on this  
10 matter.

11 Each caller will have up to three minutes to  
12 speak.

13 For the record, a caller may provide their  
14 name.

15 AT&T MODERATOR: Thank you.

16 If you wish to make a comment, please press  
17 one, then zero at this time.

18 Once again, if you wish to make a comment  
19 over the phone, please press one, then zero at this  
20 time.

21 I currently have no comments in queue at  
22 this time.

23 MR. VAZQUEZ: Thank you.

24 I see a hand from Ms. Stowers.

25 Go ahead, Ms. Stowers.

26 MS. STOWERS: Thank you, Chairman Vazquez.

27 It's been a great conversation about  
28 property tax, and the services that our Taxpayers'

1 Rights Advocate provides.

2 But let's talk about the alcoholic beverage  
3 tax. Another program within our jurisdiction.

4 I have two questions, Ms. Thompson.

5 What type of advocate services did your  
6 office or CDTFA provide to the alcoholic beverage  
7 taxpayers?

8 My second question is, since this program is  
9 being administered by CDTFA, under a memo of  
10 understanding, what type of review will your office  
11 conduct to ensure the rights of taxpayers are being  
12 protected?

13 MS. THOMPSON: Okay. So as to the first  
14 question, we -- during this past year, we have not  
15 had any contact from taxpayers on the alcoholic  
16 beverage tax.

17 Historically, there has been little contact.  
18 Last year, just before the Taxpayers' Bill of Rights  
19 Hearing, I was contacted by a CEO of an organization  
20 about some beverage -- new beverages that they wanted  
21 to have -- they wanted to have additional public  
22 resources available to them on how to complete the  
23 tax return.

24 And so what we did was, you know, we put her  
25 in contact with some individuals with CDTFA. And we  
26 indicated that if, you know, they were having any  
27 other challenges or difficulty, that she could  
28 contact us, and we would coordinate with the CDTFA

1 Taxpayers' Rights Advocate Office to have anything  
2 resolved. But that has not been done.

3 There are many publications that are  
4 published by CDTFA containing to the alcoholic  
5 beverage tax.

6 So as to the second one, kind of comes over  
7 to the first. Is if we were contacted by -- by a  
8 person regarding the alcoholic beverage tax, we would  
9 coordinate with the Taxpayers' Rights Advocate Office  
10 at that agency on that and in that regard.

11 We do have a memorandum of understanding  
12 with them to administer the, you know, certain  
13 aspects of the alcoholic beverage tax program with,  
14 you know, those under our agency's responsibilities.

15 Both of our agencies have information about  
16 the alcoholic beverage tax on them as well.

17 MS. STOWERS: So are you confident that the  
18 requirements under RTC 32461 regarding education and  
19 outreach forms, and etc., for newly registered  
20 taxpayers, that is being carried out by CDTFA? Are  
21 you seeing these publications?

22 MS. THOMPSON: Yeah. They're -- I mean,  
23 they're posted, you know, to the website.

24 So -- but, you know, we're happy to, you  
25 know, look into it further to see, you know, as  
26 they're posting it.

27 But, yes, I reviewed their website to see  
28 the different publications. They have many tax

1 programs. And, you know, we can update -- even  
2 provide another link.

3 MS. STOWERS: I appreciate that.

4 I think I'd be a little bit more  
5 comfortable, since this is our program, if we had a  
6 little bit more active role, and a little bit more  
7 oversight over it. I would hate for something to  
8 fall through the cracks.

9 So if you could just know -- I know we have  
10 a handshake with them and speak with them, but just  
11 take a look at it and make sure that everything is  
12 running smoothly from the advocate's perspective.

13 MS. THOMPSON: Right. I'll definitely do  
14 that.

15 MS. STOWERS: And if that's okay with your  
16 director.

17 MS. THOMPSON: Yeah. I'll work with them.

18 I know that I don't, and the Taxpayers'  
19 Rights Advocate Office doesn't. But I know there are  
20 other staff in our agency, you know, that monitors  
21 CDTFA's work in the alcoholic beverage tax, reports  
22 are provided, and other information, and review. So  
23 that is done.

24 But from the point of advocacy on taxpayers,  
25 I'm happy to do that.

26 Thank you.

27 MS. STOWERS: Thank you.

28 MR. VAZQUEZ: Thank you.

1 I see another hand from Member Gaines.

2 MR. GAINES: Yeah.

3 I think Member Stowers and I are thinking  
4 along the same tracks.

5 I just sent a text over about a half-an-hour  
6 ago just asking Brenda -- excuse me -- our Executive  
7 Director if we could get more information and regular  
8 updates in terms of what is happening with the  
9 alcohol tax.

10 But also the gross premium tax. Because,  
11 you know, these are responsibilities that fall under  
12 our purview, but we never hear anything about them.

13 And I realize the CDTFA has taken on that  
14 responsibility. But I got the impression that that  
15 was going to be temporary. And that as we've staffed  
16 up the BOE, and we're making great progress in that  
17 area, you know, I think we ought to consider taking  
18 on those responsibilities.

19 And so it would be nice to have that  
20 discussion. Maybe, you know, my suggestion is if we  
21 can put it onto a future agenda.

22 I realize the Taxpayers' Rights Advocate  
23 role here, and that's critical. But just -- just  
24 oversight. You know, we've talked about other areas  
25 where we want further oversight as Members of the  
26 BOE. And I think these two particular programs ought  
27 to be included.

28 MR. VAZQUEZ: That's a good point. I agree

1 with that.

2 I don't know if Ms. Thompson -- I see -- is  
3 that an old hand, Ms. Thompson?

4 I think you're muted.

5 MS. THOMPSON: Sorry. It is, yes. It is an  
6 old hand.

7 MR. VAZQUEZ: No, I agree with you,  
8 Member Gaines. I think we should -- let's talk about  
9 that, and see how we formulate that to put it on our  
10 agenda.

11 MR. GAINES: That's great. Thank you.

12 MR. VAZQUEZ: Ms. Taylor, do we have -- oh,  
13 we already said there was no other folks on the line  
14 at this point.

15 MS. TAYLOR: Correct.

16 MR. VAZQUEZ: Seeing no other hands or  
17 comments at this point, I just wanted to once again  
18 thank you for your team, especially Ms. Thompson, for  
19 a great job.

20 I think this annual report provided a  
21 valuable overview on our progress in making our  
22 services better and improving our taxpayers'  
23 experience.

24 And in listening, especially to the written  
25 comments today, and even some of the folks on the  
26 line, for the most part, you know, usually when we do  
27 these hearings, and I'm used to, you know, being in a  
28 local city where you're sitting there at the dais,

1 and everybody that comes to testify is usually  
2 complaining about your staff.

3 And so it's kind of refreshing to hear  
4 people, at least written and publicly, actually  
5 giving you praise.

6 So kudos to Ms. Thompson and your staff for  
7 putting together this great report. And just for all  
8 the work you're doing that is helping a lot of these  
9 taxpayers. Not only the residential folks, but as we  
10 heard, you know, also the nonprofit world. Which,  
11 you know, I come out of.

12 You know I used to run a nonprofit. And  
13 many times, you know, you're working with board and  
14 staff that are not really experienced to handle a lot  
15 of these reporting mechanisms. And they fall back on  
16 their taxes.

17 And in many cases, it's to their detriment,  
18 and they end up having to close up shop. And at the  
19 end of the day, the community is the one that loses.  
20 Because whatever service they were providing is no  
21 longer available.

22 So thank you. Thank you for all your help,  
23 and your work along those lines.

24 With that, I'm getting a request from one of  
25 our Members that if we could take maybe a 15-minute  
26 break.

27 Is that good with everybody before we get  
28 into our next item?



1           And then we can come back and go on to C2.  
2           I see heads nodding. I think we're okay.  
3           So I have -- well, it's almost -- I have  
4 12:55. Why don't we say -- actually 11:56 right now.  
5 Why don't we say about 12:10 we will reconvene? Is  
6 that good?

7           I'm seeing heads nodding, waves.

8           Okay. We'll come back at 12:10.

9           MS. COHEN: Sorry, I missed that. Would you  
10 say it again, please?

11           MR. VAZQUEZ: Sorry. Who said that? Could  
12 you say it again, please?

13           MR. SCHAEFER: Vice -- Vice Chair  
14 Schaefer.

15           MR. VAZQUEZ: Vice Chair Schaefer, go ahead.  
16 I'm sorry.

17           MR. SCHAEFER: Before we leave, I was  
18 looking at the California Taxpayers' Bill of Rights  
19 excerpts dealing with alcoholic beverage tax law.  
20 And this is a 1992 statute. And that was almost 30  
21 years ago.

22           We have \$500 and \$7,500 amounts listed as to  
23 when it's a big deal, or a small deal, or when it  
24 could be settled simpler depending on the amount.

25           Are these figures over 30 years frozen? Or  
26 has it been changed, but it doesn't appear in the  
27 material that I've read?

28           I'd like to think that the easy handling of

1 a matter if it used to be \$500, maybe it might be  
2 \$1,000 today.

3 Who looks at that?

4 Do we wait until a Legislature does, or  
5 maybe a -- Ms. Thompson has a chance to do that?

6 MS. THOMPSON: So --

7 MR. VAZQUEZ: Ms. Thompson, go ahead.

8 MS. THOMPSON: Yeah. So the California  
9 Taxpayers' Bill of Rights is actually in our  
10 Taxpayers' Rights Advocate Annual Report.

11 There's two appendixes. And one of them  
12 includes the property tax -- Morgan Property  
13 Taxpayers' Bill of Rights provision.

14 And then the other one contains the  
15 California Taxpayers' Bill of Rights provisions, is  
16 applicable to our agency's, and the alcoholic  
17 beverage tax is one of them. So that is included in  
18 that.

19 And, yes, in the 90s was when those bill of  
20 rights provisions were first in place. And they do  
21 have those.

22 We looked to see if statutory changes have  
23 been made to those code sections from that -- that  
24 point forward. And if they are, we reflect those in  
25 those changes. So there are certain provisions that  
26 may have been updated.

27 So the dollar amounts should have -- you  
28 know, could have been updated by statute. I would

1 have to look at them to see. I'm happy to do that  
2 and reach out to you and let you know.

3 But, yes, those would require a statutory  
4 change in order to make those changes.

5 MR. SCHAEFER: Thank you. I'd appreciate  
6 you looking into that.

7 And if we find they've been asleep at the  
8 switch for 30 years and haven't done anything, then  
9 I'd like a little memorandum to support my asking the  
10 Legislature, or whoever would be involved, to some  
11 committee to argue for that. I'd even appear and  
12 speak when we return to Sacramento.

13 Thank you.

14 MS. THOMPSON: Okay. I'll be happy to reach  
15 out to you and give you that information, and you can  
16 proceed forward.

17 MS. FLEMING: Chairman Vazquez and Members,  
18 again, I -- this is Brenda Fleming, the Executive  
19 Director.

20 Vice Chair Schaefer, thank you so much for  
21 your comments, and, Members, all of the comments on  
22 these additional tax programs.

23 What I'd like to offer for you, and  
24 consistent with what you're asking, is for staff to  
25 come back and do a comprehensive update and  
26 presentation on both the alcoholic beverage tax  
27 program and the tax on insurers.

28 And then I think it'll -- it's good public

1 discussion to drill down on both of those programs a  
2 little bit more, so, one, you're informed about what  
3 those programs are and our responsibilities,  
4 including the oversight for our service provider,  
5 CDTFA, for the collection of the tax portions of it,  
6 and the redetermination rolls.

7 But really so that we're clear on what their  
8 roles are as sort of contractors for us for that  
9 service, and what our role is.

10 And then we can come back and look at what  
11 we need to do to modernize those tax programs also.

12 So if you would just allow us the  
13 opportunity to come back. And I'll work with the  
14 Chairman's office to schedule an upcoming hearing on  
15 that matter, so that we can drill down on it a lot  
16 more.

17 We might even consider whether or not we  
18 want to include it as a part of a recurring report on  
19 our PAN.

20 So if you would allow the staff to have a  
21 little time to be prepared for more in-depth  
22 discussion, we would greatly appreciate it.

23 Thank you, Members.

24 MR. VAZQUEZ: Thank you. I think that's a  
25 good suggestion.

26 With that, Members, now we're actually at  
27 12:00 o'clock. So we'll reconvene at 12:15. We'll  
28 take a 15-minute break. 12:15, we'll reconvene.

1 Thank you all, and we'll see you in a bit.

2 (Whereupon a break was taken.)

3 MR. VAZQUEZ: Members, let's go ahead and  
4 get started. Because I know we have a lot to cover  
5 still. And then we also have to try to work in our  
6 constitutional officer, Ms. Betty Yee, as well, the  
7 Controller.

8 So, with that, Ms. Taylor, if you would  
9 please call the next item.

10 MR. SCHAEFER: Excuse me, Chair Vazquez.

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

13 MR. SCHAEFER: I want to say I apologize for  
14 being a bit late. I just assumed you would go ahead  
15 with your quorum, but I was wrong. And if there was  
16 any inconvenience, I apologize.

17 MR. VAZQUEZ: Not a problem. Thank you.

18 MR. SCHAEFER: Thank you.

19 MR. VAZQUEZ: Ms. Taylor, if you would  
20 please call our next item.

21

22 ITEM C2

23

24 MS. TAYLOR: Our next item is C2, Public  
25 Hearings, Proposed Property Tax Rule 462.540. Public  
26 hearing and proposed adoption of Property Tax Rule  
27 462.540, *Change in Ownership - Base Year Value*  
28 *Transfers*, to implement and make specific provisions

1 of section 2.1 of Article XIII A of the California  
2 Constitution.

3 This matter will be presented by Mr. Moon.

4 MR. MOON: Good afternoon, Chair Vazquez,  
5 Members of the Board.

6 This is the public hearing for Proposed  
7 Property Tax Rule 462.540, Change in Ownership - Base  
8 Year Value Transfers, which will offer up an  
9 opportunity to make comments on the proposed rule.

10 Following the public, the Board will have an  
11 opportunity to formally adopt.

12 As you know, since the passage of  
13 Proposition 19 in November of last year, we've been  
14 working to provide guidance to assessors, as well as  
15 other stakeholders regarding its new requirements.

16 Part of the guidance process has been  
17 drafting new regulations that clarified certain  
18 aspects.

19 And we've divided the rulemaking process  
20 into two curves, one covering each of the main  
21 property tax portions of the law, the  
22 intergenerational transfer exclusion, and the base  
23 year value transfer.

24 The intent of the rulemaking was to timely  
25 clarify some of the major issues raised by Prop. 19  
26 points.

27 At the May 25th meeting, the Board  
28 authorized publication to Rule 462.540, the new

1 proposed rule explaining aspects of topics [Internet  
2 connection disruption].

3 Again, following today's public comments,  
4 the Board will have the opportunity to stop the rule.

5 If the Board does so, staff will then  
6 prepare the final document to go to both the Office  
7 of Administrative Law, and the Department of Finance  
8 for final publication.

9 If you have any questions prior to hearing  
10 public comment, I'd be [Internet connection  
11 disruption.]

12 MR. VAZQUEZ: You know, Mr. Moon, I'm  
13 getting a little bit of a back -- a vibration back  
14 there, so it's not real clear.

15 And I don't know if you're on a speaker  
16 phone, or what the situation is. But I'm assuming  
17 you're finished with your comments.

18 MR. MOON: I apologize. Yes, I apologize.  
19 I didn't realize I was breaking in and out. Is this  
20 better?

21 MR. VAZQUEZ: That's a lot better.

22 MR. MOON: Yeah. I'd be happy to review  
23 anything that I may have broken up on and wasn't able  
24 to be heard.

25 But, essentially, I had just wanted to  
26 inform the Board that this is a public hearing where  
27 the public will be allowed to make comments on the  
28 rule.

1           And then following the public comments, the  
2 Board will have an opportunity to adopt the proposed  
3 rule.

4           MS. TAYLOR: You're muted, Mr. Chair.

5           You're muted.

6           MR. VAZQUEZ: Oh, thank you. I'm sorry.

7           Mr. Moon, were you going to state the actual  
8 article? I kind of lost you there.

9           MR. MOON: Yes. It's Proposed Property Tax  
10 Rule 462.540, which is title change in ownership,  
11 base year value transfers.

12          MR. VAZQUEZ: Thank you.

13          With that, Ms. Taylor -- or let's -- I don't  
14 see any hands or comments from anybody.

15          Ms. Taylor, can we check to see if we have  
16 anybody that wishes to make a comment -- a public  
17 comment on this?

18          MS. TAYLOR: Certainly. I could start with  
19 a written comment, and then we could go to --

20          MR. VAZQUEZ: Sure.

21          MS. TAYLOR: All right. Our first written  
22 comment is from Tricia Gonzalez.

23          I come from a working-class family who has  
24 been devastated by Proposition 19.

25          Prop. 19 doesn't consider families with  
26 multiple children.

27          Prop. 19 doesn't consider families with  
28 modest homes in working-class neighborhoods that are



1 no longer affordable due to the pandemic causing high  
2 rise in real estate this past year.

3 Due to Prop. 19 changes, families are forced  
4 to choose which child receives the Prop. 13 benefit,  
5 and which ones do not.

6 We are not landlords. We plan on staying in  
7 these homes. My husband's parents bought a second  
8 home that we have rented for 20 years with the plan  
9 that we can take over the home.

10 The home still has a mortgage. With  
11 reassessment, now we can no longer afford to live in  
12 the home.

13 Additionally, Prop. 19 was implemented on  
14 February 16th, 2021, three months to make family  
15 decisions when we couldn't meet due to the pandemic.

16 We ask you to adjust Prop. 19, or families  
17 like ours will be forced to move out of state.

18 And that concludes the written comments.

19 AT&T moderator, can you let us know if there  
20 is anyone on the line who wishes to comment on this  
21 rule.

22 For the record, they may provide their name.

23 AT&T MODERATOR: Thank you.

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

26 I currently have no lines in queue at this  
27 time.

28 MR. VAZQUEZ: Thank you.

1           And thank you, Mr. Moon.

2           One question. Are there any stakeholder  
3 concerns brought forward that this rule hasn't  
4 addressed?

5           MR. MOON: Chair Vazquez, the intent of the  
6 proposed rule was not to address every potential  
7 concern that could be raised by stakeholders.

8           Rather, it was to provide guidance for some  
9 of the larger questions that were raised by Prop. 19  
10 base year value provisions.

11           Thus, there are questions and issues and  
12 factual circumstances that these rules do not  
13 address. And we would anticipate that we will be  
14 providing additional guidance in the future in  
15 various forms, LTA, legal opinions, and, if  
16 necessary, amendments to these rules.

17           And we would anticipate additional guidance  
18 will be going on for quite some time.

19           So, for example, for the Prop. 58  
20 parent-child exclusion that was passed in 1986, we've  
21 been answering questions and providing guidance on  
22 that for the past, about, 30 years.

23           And so I would anticipate that we would be  
24 providing guidance addressing specific situations and  
25 issues not addressed by these rules far into the  
26 future.

27           MR. VAZQUEZ: Thank you.

28           Members, do we have any questions of

1 Mr. Moon or this item?

2 Seeing no hands or comments, let's proceed  
3 with -- if we can just proceed with a motion to adopt  
4 the proposed rule.

5 And the motion should be to adopt proposed  
6 rule 462.540 as reflected in the materials attached  
7 to the PAN under this item.

8 MR. GAINES: So moved.

9 MR. VAZQUEZ: It's been moved by Member  
10 Gaines.

11 Is that a hand or a second by Ms. Cohen?

12 MS. COHEN: It's actually a hand, but I can  
13 ask Mr. Moon my question after we take our vote.

14 MR. VAZQUEZ: Thank you.

15 So that's a second there.

16 Ms. Taylor, if you could please call the  
17 roll.

18 MS. TAYLOR: Certainly.

19 The motion is to adopt staff's  
20 recommendation to adopt proposed rule 462.540 as  
21 reflected in the materials attached to the Public  
22 Agenda Notice under this item.

23 Chairman Vazquez.

24 MR. VAZQUEZ: Aye.

25 MS. TAYLOR: Vice Chair Schaefer.

26 MR. SCHAEFER: Aye.

27 MS. TAYLOR: Member Gaines.

28 MR. GAINES: Aye.

1 MS. TAYLOR: Member Cohen.

2 MS. COHEN: Aye.

3 MS. TAYLOR: Deputy Controller Stowers.

4 MS. STOWERS: Aye.

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

7 And then Member Cohen, I believe, had a  
8 question for Mr. Moon, or a comment.

9 MS. COHEN: I don't have a comment or a  
10 question. Thank you.

11 MR. VAZQUEZ: Oh, okay. Thank you.

12 With that, Ms. Taylor, if you would please  
13 call our next item.

14 MS. TAYLOR: Our next item on the schedule  
15 is D3.

16 Are we planning to hold that until 1:00 p.m.  
17 for the Controller?

18 MR. VAZQUEZ: Yes. We want to hold that.

19 And I believe we can skip the next two and  
20 go to, I believe, it's J -- is it J1?

21

22 ITEM J1

23

24 MS. TAYLOR: Certainly.

25 The next item is J1, Administrative Consent  
26 Agenda; adoption of the Board Meeting minutes for  
27 July 27th, 2021.

28 Contribution disclosure forms are not

1 required pursuant to Government Code Section 15626.

2 MR. VAZQUEZ: Thank you, Ms. Taylor.

3 Members, do we have any questions or  
4 comments of these minutes?

5 Seeing and hearing none, Ms. Taylor, do we  
6 have any public comments on the minutes, or written?  
7 Or can we check with AT&T?

8 MS. TAYLOR: We have no comments, but I'll  
9 check with the AT&T moderator.

10 AT&T moderator, can you let us know if  
11 there's anyone who would like to make a public  
12 comment on this matter.

13 Each caller will have up to three minutes to  
14 speak.

15 And for the record, a caller may provide  
16 their name.

17 AT&T MODERATOR: Thank you.

18 If you wish to make a comment, please press  
19 one, then zero at this time.

20 I have no comments in queue at this time.

21 MR. VAZQUEZ: Thank you.

22 With that, Members, I'd like to entertain a  
23 motion to approve our minutes of July 27th, 2021.

24 MS. STOWERS: This is Deputy Controller  
25 Stowers.

26 I move that we approve the minutes of  
27 July 22nd, 2021. Is that the date? July 27th.

28 MR. VAZQUEZ: The 27th, right? Yeah. Okay.

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MR. GAINES: Second.

MR. VAZQUEZ: So it's been moved by  
Ms. Stowers, and second by Member Gaines.

And seeing no other hands or comments,  
Ms. Taylor, if we can call the roll on that.

MS. TAYLOR: The motion is to approve the  
minutes as presented.

Chairman Vazquez.

MR. VAZQUEZ: Aye.

MS. TAYLOR: Vice Chair Schaefer.

MR. SCHAEFER: Aye.

MS. TAYLOR: Member Gaines.

MR. GAINES: Aye.

MS. TAYLOR: Member Cohen.

MS. COHEN: I'm here. Aye.

MS. TAYLOR: How do you vote?

MS. COHEN: Aye.

MS. TAYLOR: Thank you.

MS. COHEN: Thank you.

MS. TAYLOR: Deputy Controller Stowers.

MS. STOWERS: Aye.

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

With that, Ms. Taylor, if you would call the  
next item.

//

1 ITEM J2

2  
3 MS. TAYLOR: The next item is J2, Invitation  
4 to the Annual Meeting of the Board and County  
5 Assessors; request approval to invite County  
6 Assessors to meet with the State Board of  
7 Equalization and discuss issues relating to property  
8 assessment administration.

9 The meeting may be virtual, pending status  
10 of the pandemic cases.

11 MR. VAZQUEZ: Thank you, Ms. Taylor.

12 Members, for the care and safety of the  
13 State staff and public, and due to the uncertainty  
14 surrounding the COVID-19 pandemic, at this time, we  
15 anticipate that this October meeting may need to be  
16 conducted remotely.

17 Additionally, we have received feedback from  
18 many of the assessors that they would prefer this  
19 year's annual meeting be held remotely.

20 However, we will continue to monitor the  
21 situation.

22 As you are aware, we have the capacity to  
23 hold this meeting remotely using video and  
24 teleconference systems similar to last year.

25 We would prepare for a public portion with  
26 the Board Members and the CAA, and then individual  
27 breakout sessions for each districts.

28 Members, do you have any comments or

1 questions on this?

2 MR. SCHAEFER: Chair, Vice Chair.

3 MR. VAZQUEZ: Vice Chair Schaefer, go  
4 ahead.

5 MR. SCHAEFER: Yes, Chair Vazquez.

6 We expect to be in Sacramento in October, I  
7 understand. Does that affect in any way whether this  
8 meeting would be virtual or not?

9 MR. VAZQUEZ: Well, if we're in Sacramento,  
10 then we'll probably be able to do it in person.

11 But we're -- I think we're kind of  
12 reserving, or holding back, because, you know, we're  
13 just -- we're seeing this activity with this new  
14 Delta still kind of out there, and it seems to keep  
15 spiking. So we just kind of want to have that  
16 flexibility.

17 MR. SCHAEFER: Well, I miss the opportunity  
18 to see my colleagues, and I miss the opportunity to  
19 see the assessors.

20 MR. VAZQUEZ: I'm with you on that one.

21 MR. SCHAEFER: Thank you.

22 MR. VAZQUEZ: Member Stowers, I see a hand  
23 up there.

24 MS. STOWERS: Thank you, Chair Vazquez.

25 So are you saying that we have the ability  
26 to have four separate breakouts with our  
27 telecommunication so that -- I'm getting feedback.

28 So that --



1 MR. VAZQUEZ: Member Schaefer -- Vice Chair  
2 Schaefer, you might want to mute your mic.

3 Mute your mic, Vice Chair Schaefer.

4 Thank you.

5 Okay. Ms. Stowers, go ahead.

6 MS. STOWERS: Okay. So we do have the  
7 capability to have four separate breakouts by  
8 districts so that each elected official -- each  
9 district member can meet with their -- the county  
10 assessors separately, just understanding that part is  
11 not generally a public meeting. That's generally  
12 just between the assessors and the district member.

13 MR. VAZQUEZ: That's my understanding.

14 MS. STOWERS: Right.

15 MR. VAZQUEZ: Yes.

16 Any other comments, questions?

17 Seeing and hearing none, Ms. Taylor, do we  
18 have any written or public comments on this item?

19 MS. TAYLOR: We do not have any written  
20 comments. I can reach out --

21 MR. VAZQUEZ: Reach out to AT&T.

22 MS. TAYLOR: Certainly.

23 AT&T moderator, can you let us know if  
24 there's anyone who would like to make a public  
25 comment on this matter.

26 Each caller will have up to three minutes to  
27 speak.

28 For the record, a caller may provide their

1 name.

2 AT&T MODERATOR: Thank you.

3 If you wish to make a comment, please press  
4 one, then zero at this time.

5 I currently have no comments in queue.

6 MR. VAZQUEZ: Thank you.

7 Members, do I hear a motion to approve this  
8 invitation?

9 I see Ms. Stowers.

10 MS. STOWERS: Yes. Deputy Controller  
11 Stowers.

12 I move that we approve the invitation to  
13 invite the assessors to meet with the Board Members  
14 on October 19th, which may or may not be virtual,  
15 depending on the circumstances.

16 MR. GAINES: Second.

17 MR. VAZQUEZ: It's been moved and second by  
18 Member Gaines.

19 Seeing no hands or comments or questions,  
20 Ms. Taylor, if you would please call the roll on that  
21 motion.

22 MS. TAYLOR: Certainly.  
23 Chairman Vazquez.

24 MR. VAZQUEZ: Aye.

25 MS. TAYLOR: Vice Chair Schaefer.

26 MR. SCHAEFER: Aye.

27 MS. TAYLOR: Member Gaines.

28 MR. GAINES: Aye.

1 MS. TAYLOR: Member Cohen.

2 MS. COHEN: Aye.

3 MS. TAYLOR: Deputy Controller Stowers.

4 MS. STOWERS: Aye.

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

7 (Whereupon Controller Yee joined the Board  
8 Meeting via teleconference.)

9 Ms. Taylor, it's my understanding that the  
10 Controller Betty Yee has joined us. So I believe we  
11 can go now to our constitutional functions, D3.

12 MS. TAYLOR: Thank you.

13 MR. VAZQUEZ: And welcome. I see you're on  
14 the screen now. Welcome, Controller.

15 MS. YEE: Good afternoon, Mr. Chair. Thank  
16 you.

17 MR. VAZQUEZ: Great to see you.

18 MS. YEE: You, too.

19 MR. VAZQUEZ: Okay.

20 Ms. Taylor.

21 MS. TAYLOR: Thank you.

22

23 ITEM D3

24

25 MS. TAYLOR: Our next order of business will  
26 be D3, Tax Program Nonappearance Matters - Consent;  
27 Legal Appeals Property Tax Matters. Applications for  
28 Review, Equalization, and Adjustment under the

1 California Constitution, Article XIII, section 11.

2 Confidential -- contribution disclosure  
3 forms are required for -- are not required for this  
4 matter. This is a constitutional function.

5 D3a, Woodland-Davis Clean Water Agency for  
6 Review, Equalization and Adjustment of Assessments in  
7 Yolo County. Appeal Nos. ARA 17-001 (2016-2017), ARA  
8 18-001 (2017-2018), ARA 18-002 (2018-2019), ARA  
9 19-001, (2019-2020) 'CF.'

10 This matter will be presented by Ms. Yim.

11 MR. VAZQUEZ: Thank you.

12 Is Ms. Yim available?

13 MS. YIM: Yes, I'm available.

14 Good afternoon.

15 MR. VAZQUEZ: Please proceed.

16 MS. YIM: Yes.

17 Good afternoon, Chairman Vazquez and  
18 Honorable Members of the Board.

19 I'm Sonia Yim, the appeals attorney assigned  
20 to the matter before you.

21 These are four section 11 petitions, which  
22 were filed each year for fiscal years 2016 to 2020,  
23 and they have been consolidated.

24 They are now before the Board, consistent  
25 with the Board's authority to review, equalize and  
26 adjust the value of taxable property owned by a  
27 public entity outside of its boundaries.

28 Here, the parties reached an agreement in

1 2020 resolving all issues in the consolidated  
2 petitions.

3 Specifically, the parties have agreed that  
4 the applicant's property is now within the  
5 jurisdictional boundaries of the applicant, and,  
6 therefore, exempt from property taxation.

7 And as such, the parties agree the correct  
8 assessed value of the applicant's property is zero  
9 for each of the assessment years at issue.

10 Based on the foregoing, the appeals attorney  
11 recommends that the Board adopt the parties agreed-to  
12 assessable value of zero for each of the lien dates  
13 at issue, and the consolidated petition.

14 I ask for your adoption as the appeals  
15 attorney's recommendation.

16 Thank you.

17 MR. VAZQUEZ: Thank you.

18 I have a -- just a procedural question that  
19 doesn't affect the substance of the appeal.

20 But I guess my question is, this matter, I  
21 guess, this water agency in the county has been  
22 pending for like four years. Is that an average  
23 timeframe for these court appeals?

24 MS. YIM: I would -- I would say that this  
25 is not a court appeal, and not all of the petitions  
26 have been pending for four years. They've been filed  
27 each year until fiscal year 2020.

28 However, I can provide some other general

1 remarks about our appeals process.

2 For example, in general, staff are in  
3 regular contact with the parties whenever a petition  
4 is filed.

5 And, typically, cases are only stayed when  
6 the parties request a joint stay from our  
7 Chief Counsel.

8 And, generally, our staff will accommodate  
9 the party's request for a stay when it will help  
10 facilitate resolution of cases and avoid protractive  
11 litigation.

12 And that litigation could either be between  
13 the parties, or it could be a result of the Board's  
14 decision in the case.

15 But, in any case, staff does stay in regular  
16 contact with the parties, and ensures that the stays  
17 that they requested are continuing to be the will of  
18 the parties. And we ensure that the parties are  
19 moving toward resolution expeditiously.

20 MR. VAZQUEZ: Thank you.

21 Members, do we have any procedural questions  
22 or comments for Ms. Yim?

23 MS. YEE: Mr. Chairman, I have a question.

24 MR. VAZQUEZ: Yes. Go ahead, Madam  
25 Controller.

26 MS. YEE: Thank you very much.

27 First of all, I really applaud the parties  
28 for coming to a resolution on this matter.

1           And I think my only procedural question has  
2 to do with the timing where the agreement was reached  
3 in 2020 that we've got years at issue prior to that.  
4 And I guess a practical effect of what would happen  
5 if these properties were subject to tax.

6           But are we essentially just honoring the  
7 agreement of the respective parties that are part of  
8 this joint agency as it relates to all years? Or are  
9 there statutory, I guess, kinds of considerations  
10 that we need to think about relative to the prior  
11 years before the agreement was reached?

12           MS. YIM: I believe we are respecting the  
13 agreement that the parties came to, which affects the  
14 year that they filed appeals for.

15           MS. YEE: Okay. So their -- their agreement  
16 is encompassing all the prior years, and their  
17 elegant resolution with now the county joining just  
18 essentially has the property now within the  
19 boundaries of the entity, right?

20           MS. YIM: Yes, that's correct.

21           MS. YEE: Okay. Thank you.

22           Thank you, Mr. Chair.

23           MR. VAZQUEZ: Thank you.

24           Any other comments, questions?

25           Seeing --

26           MR. GAINES: Chair Vazquez, this is  
27 Member Gaines.

28           MR. VAZQUEZ: Oh, Member Gaines. Go

1 ahead.

2 MR. GAINES: Just to clarify to make sure I  
3 understand this correctly.

4 So this was a -- this was a GPA set up with  
5 Woodland and Davis. And to resolve the -- okay.

6 And then to resolve the tax issue at hand,  
7 it included the addition of Yolo County; is that --  
8 is that correct?

9 MS. YIM: Yes, that's correct.

10 MR. GAINES: Okay. Just so I understood  
11 that. Thank you.

12 MR. VAZQUEZ: Thank you.

13 Any other comments, questions?

14 Seeing and hearing none, if there are no  
15 other further comments, Members, do we have a motion  
16 to adopt the staff's recommendation for settling --  
17 for settling these appeals?

18 MR. SCHAEFER: So moved.

19 MS. YEE: Mr. Chairman -- yeah, I'll  
20 second.

21 MR. VAZQUEZ: Okay. It's been moved, and  
22 second by the Controller.

23 Seeing no other hands, Ms. Taylor, could you  
24 please call the roll on that motion.

25 MS. TAYLOR: Would we like to take public  
26 comment before I call the roll?

27 MR. VAZQUEZ: Oh, I'm sorry. Yes. Yes.  
28 Yes.



1 MS. TAYLOR. Thank you.

2 AT&T moderator, can you let us know if  
3 there's anyone who would like to make a public  
4 comment on this matter.

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

7 For the record, a caller may provide their  
8 name.

9 AT&T MODERATOR: Thank you.

10 Ladies and gentlemen, if you wish to make a  
11 comment, please press one, then zero. That's one,  
12 then zero to make a comment.

13 And at this time we have no one in queue.

14 MS. TAYLOR: Thank you.

15 MR. VAZQUEZ: Thank you.

16 Ms. Taylor, if you would now please call the  
17 roll.

18 MS. TAYLOR: The motion is for the Board to  
19 adopt the parties agreed-to assessable value of zero  
20 for each of the lien dates at issue in the  
21 consolidated petition.

22 Chairman Vazquez.

23 MR. VAZQUEZ: Aye.

24 MS. TAYLOR: Vice Chair Schaefer.

25 MR. SCHAEFER: Aye.

26 MS. TAYLOR: Member Gaines.

27 MR. GAINES: Aye.

28 MS. TAYLOR: Member Cohen.

1 MS. COHEN: Aye.

2 MS. TAYLOR: Controller Yee.

3 MS. YEE: Aye.

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

6 With that, you know, I would just like to  
7 make one final comment that, you know, as a  
8 Board -- I guess we're on the procedural matters.  
9 You know, we can't control the time court takes on  
10 some of these appeals.

11 But at the end of the day, as the Chair, I'd  
12 like to make sure we stay on top of these, and  
13 hopefully do a better job of monitoring these  
14 appeals.

15 Because, to me, it just seems -- well, even  
16 though Ms. Yim, I guess, mentioned that it wasn't as  
17 long as four years, but still, I think some of these  
18 take -- usually are pretty lengthy.

19 With that, Ms. Taylor, if you would please  
20 call our next item.

21

22 ITEM E3

23

24 MS. TAYLOR: Our next item is E3, Tax  
25 Program Nonappearance Matters - Adjudicatory; Legal  
26 Appeals Property Tax Matters; Petitions for Penalty  
27 Abatement on Private Railroad Car Tax.

28 3a, The Proctor & Gamble Manufacturing

1 Company (5891), PCP21-003 'CF.'  
2 3b, Trinseo, LLC (6529), PCP21-001 'CF.'  
3 3c, Blue Cube Operations, LLC (6590),  
4 PCP21-002 'CF.'

5 Contribution disclosure forms are required  
6 pursuant to Government Code Section 15626.

7 Contribution disclosure forms were received  
8 prior to the beginning of the Board Member -- Board  
9 Meeting.

10 This is a constitutional function.

11 This matter will be presented by  
12 Ms. Garrett.

13 MR. VAZQUEZ: Thank you.

14 Is Ms. Garrett available?

15 MS. GARRETT: Yes.

16 Good afternoon, Chairman Vazquez and  
17 Honorable Members of the Board.

18 As Ms. Taylor mentioned, I am Sarah Garrett,  
19 the appeals attorney assigned to those three cases  
20 under today's E3 calendar.

21 The three separate petitions mentioned are  
22 private railroad car tax penalty abatement petitions  
23 with the same questions of law and similar effects.  
24 Accordingly, my remarks will cover all three  
25 petitions.

26 Here, each petitioner paid their private  
27 railroad car tax late, but sufficiently timely to  
28 qualify for an abatement, provided that a petition is

1 filed that establishes reasonable cause to the  
2 satisfaction of the Board.

3 However, each petition at issue was filed  
4 outside of the time period required.

5 Nevertheless, the Board has the authority to  
6 extend the deadline for timely filing the instant  
7 petitions by up to 30 days if good cause is shown.

8 Here, the conditions of the COVID-19  
9 pandemic are cited for both good cause and reasonable  
10 cause purposes in each petition.

11 Additionally, if the Board grants an  
12 extension of time to each petitioner, the  
13 State-Assessed Properties Division and each  
14 petitioner are in agreement with the penalty  
15 abatement recommendation before the Board.

16 Accordingly, the appeals attorney recommends  
17 that the Board grants an extension of time under  
18 Government Code 15620 until February 23rd, 2021, to  
19 timely file the Proctor & Gamble Manufacturing  
20 Company, Trinseo LLC, and Blue Cube Operations, LLC  
21 petitions due to the good cause conditions of the  
22 COVID-19 pandemic.

23 And then also grant each petition abating  
24 the penalty interest and related recovery fees of  
25 each petitioner's late payment due to the reasonable  
26 cause stemming from the unique challenges of the  
27 COVID-19 pandemic.

28 I ask for your adoption.

1 MR. VAZQUEZ: Thank you. Thank you,  
2 Ms. Garrett.

3 Members, do we have any comments or  
4 questions for Ms. Garrett?

5 Seeing and hearing none --

6 MS. YEE: Mr. Chairman, I have one. I'm  
7 sorry.

8 MR. VAZQUEZ: Oh, I'm sorry. Go ahead.  
9 Go ahead, Madam Controller.

10 MS. YEE: It speaks to the current  
11 Government Code Section 15620.

12 I know that for these three matters before  
13 us, the timeliness related to the pandemic. And I  
14 just wanted to be sure that that Government Code  
15 section was pretty clear with respect to the various  
16 factors by which we would look at granting the  
17 extension of time.

18 MS. GARRETT: Thank you, Controller Yee.

19 So under 15620, good cause is needed to  
20 satisfy the Board. And in this instance, staff --  
21 staff's recommendation is to -- to grant the  
22 extension of time for each petitioner.

23 MS. YEE: So there's not a definition of  
24 what good cause or reasonable cause is in the statute  
25 itself?

26 MS. GARRETT: No, it is the Board's  
27 pleasure.

28 MS. YEE: Okay. Thank you.

1 MR. VAZQUEZ: Thank you.

2 With that, seeing no other comments or  
3 questions, Ms. Taylor, do we have any written  
4 comments on this?

5 MS. TAYLOR: We do not have any written  
6 comments.

7 MR. VAZQUEZ: Can we check with AT&T and see  
8 if there's anybody on the line that wishes to speak  
9 on this?

10 MS. TAYLOR: Certainly.

11 AT&T moderator, can you let us know if  
12 there's anyone who would like to make a public  
13 comment on this matter.

14 Each caller will have up to three minutes to  
15 speak.

16 For the record, a caller may provide their  
17 name.

18 AT&T MODERATOR: Thank you, ma'am.

19 Please press one, then zero if you wish to  
20 make a comment. That's one, then zero if you wish to  
21 make a comment.

22 And there is no one in queue at this time.

23 MR. VAZQUEZ: Thank you.

24 Members, this item is now before us. I'd  
25 like to entertain a motion to approve this matter.

26 MS. YEE: I'll move to adopt the appeals  
27 attorney's recommendation.

28 MR. SCHAEFER: Second.

1 MR. VAZQUEZ: Been moved by the Controller,  
2 and second by our Vice Chair Schaefer.

3 Seeing no other hands or comments,  
4 Ms. Taylor, if you would please call the roll on the  
5 motion.

6 MS. TAYLOR: Certainly.

7 The motion is to approve the staff's  
8 recommendation.

9 Chairman Vazquez.

10 MR. VAZQUEZ: Aye.

11 MS. TAYLOR: Vice Chair Schaefer.

12 MR. SCHAEFER: Aye.

13 MS. TAYLOR: Member Gaines.

14 MR. GAINES: Aye.

15 MS. TAYLOR: Member Cohen.

16 MS. COHEN: Aye.

17 MS. TAYLOR: Controller Yee.

18 MS. YEE: Aye.

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

21 With that, Ms. Taylor, I believe that  
22 concludes our constitutional responsibilities,  
23 correct?

24 MS. TAYLOR: Correct.

25 MR. VAZQUEZ: And I believe, Controller Yee,  
26 you're welcome to stay. But I believe you're  
27 probably off to another meeting or another  
28 convention, I'm sure.

1 MS. YEE: Thank you. It's great to see  
2 everyone. Thank you for your indulgence. Appreciate  
3 it.

4 MR. VAZQUEZ: No, thank you.

5 MS. YEE: All right.

6 MR. VAZQUEZ: You came in at perfect timing.  
7 Because now we're going to have to hold off a little  
8 bit.

9 MS. YEE: All right. Good. Take care,  
10 everyone.

11 MR. VAZQUEZ: Your timing was perfect.

12 MS. YEE: Okay. Thank you, Mr. Chairman.

13 MR. VAZQUEZ: Thank you.

14 With that, Ms. Taylor, I believe we're  
15 getting ready to go into closed session; is that  
16 correct?

17 MS. TAYLOR: That is correct.

18 MS. FLEMING: Chairman Vazquez and Members,  
19 this is Brenda Fleming, Executive Director.

20 At this time, Members, if you recall, sir,  
21 we will be taking up closed session at specifically  
22 3:00 p.m. today.

23 MR. VAZQUEZ: Oh. So do we -- we don't have  
24 any other items on the agenda, do we?

25 MS. TAYLOR: We do not.

26 MS. FLEMING: No, not at this time, sir.

27 So what we would do at this point is take a  
28 recess, if Members wanted to enjoy the pleasure of



1 maybe a lunch out of today's hearings.

2 And then we would reconvene the regular  
3 meeting a little bit before 3:00 o'clock. And then  
4 we would immediately go into closed session for some  
5 confidential briefing. And then follow the normal  
6 processes after the closed session.

7 MR. VAZQUEZ: All right. So we don't  
8 actually adjourn the meeting, we're just going to put  
9 it on hold; is that correct?

10 MS. FLEMING: No, sir. You will do a  
11 recess. At this point, we'll --

12 MR. VAZQUEZ: Oh, a recess.

13 MS. FLEMING: We'll recess for a lunch  
14 break, and then we'll reconvene -- how about we  
15 reconvene at about 2:55 -- 2:50, 2:55.

16 MR. VAZQUEZ: Why don't we say 2:50.

17 MS. FLEMING: Okay. Sounds good. Thank  
18 you.

19 MR. VAZQUEZ: All right. So we will go  
20 ahead and take a recess until -- take a lunch break  
21 until 2:50, and then we'll reconvene.

22 If we can have everybody come back probably  
23 at 2:50, and then we'll go ahead into our closed  
24 session.

25 Thank you all. And we'll see you in a bit.  
26 Enjoy your lunch.

27 (Whereupon the lunch recess was taken.)

28 MR. VAZQUEZ: Okay. Welcome back,

1 everybody.

2 We're going to go ahead and reconvene.

3 And if we could just get Ms. Taylor.

4 Do we have to take roll again, or just go  
5 ahead and start the meeting?

6 MS. TAYLOR: No, we can just --

7 MR. VAZQUEZ: So we're going to go ahead  
8 and reconvene.

9 We have all the Members present. Member  
10 Schaefer will be joining us shortly.

11 And with that, I will turn it back over to  
12 Ms. Taylor, so we can all have the instructions of  
13 how to close this, and then get into our closed  
14 session.

15 MS. TAYLOR: Thank you.

16

17 ITEM O

18

19 Our next item of business is O, Closed  
20 Session, Pending Litigation.

21 01, Paloma -- La Paloma Generating Company  
22 v. California State Board of Equalization, et al.,  
23 Los Angeles County Superior Court Case No. BC645390.

24 02, Michael D. Myers v. State Board of  
25 Equalization, et al., Court of Appeal, 2nd Appellate  
26 District, Consolidated Case No. B307981, on appeal  
27 from Sacramento County Superior Court Case  
28 No. BS143436, Related Cases, BS18 -- 158655,

1 BS157999, BC324947, BC655980.

2 03, Swanson David W., et al. v. Franchise  
3 Tax Board, et al., San Diego County Superior Court  
4 Case No. 37-2019-00030244-CU-MC-NC.

5 The Board Members will now go into closed  
6 session to discuss pending litigation matters.

7 So we will exit and go to our closed  
8 session.

9 MR. VAZQUEZ: Thank you.

10 So, Members, we gotta go ahead and leave  
11 this, and we'll move into our closed session.

12 Just click back onto your calendar, and then  
13 we'll reconvene in the closed session.

14 (Whereupon closed session took place.)

15 MS. TAYLOR: Good afternoon.

16 The Board Members met in closed session to  
17 discuss pending litigation matters, and no action was  
18 taken.

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

20 Members, do we have any final remarks for  
21 the day?

22 We're not going to adjourn. We're just  
23 going to recess.

24 But let me just remind folks that, one,  
25 thank the Members, and Ms. Fleming, and the staff for  
26 all your dedicated work on all these business matters  
27 that we took on today.

28 And we will address agenda Items K, L, M and

1 N during tomorrow's Board Meeting session.

2 And if there's no other comments or  
3 questions, we will stand in recess of this meeting  
4 until tomorrow, August the 25th, and reconvene at  
5 10:00 a.m.

6 Okay. We'll see you all.

7 Thank you, staff.

8 And we'll see you again tomorrow, virtually.

9 MS. FLEMING: Thank you, Chairman Vazquez  
10 and Members.

11 Thank you to staff.

12 (Whereupon the Board Meeting concluded.)

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REPORTER'S CERTIFICATE

State of California )  
 ) ss  
County of Sacramento )

I, Jillian Sumner, Hearing Reporter for the California State Board of Equalization, certify that on August 24, 2021, I recorded verbatim, in shorthand, to the best of my ability, the proceedings in the above-entitled hearing; that I transcribed the shorthand writing into typewriting; and that the preceding pages 1 through 121 constitute a complete and accurate transcription of the shorthand writing.

Dated: October 25, 2021

*Jillian Sumner*

JILLIAN SUMNER, CSR #13619

Hearing Reporter