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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  
FEBRUARY 23, 2022

REPORTED BY: Jillian M. Sumner  
CSR NO. 13619

APPEARING TELEPHONICALLY

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Equalization:

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Chair

Honorable Mike Schaefer  
Vice Chair

Honorable Ted Gaines  
First District

Honorable Antonio Vazquez  
Third District

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

For the Board of  
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Board Proceedings Division

David Yeung  
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Jack McCool  
Chief  
State-Assessed Properties  
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Sarah Garrett  
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STATE BOARD OF EQUALIZATION  
TELECONFERENCE  
FEBRUARY 23, 2022

---oOo---

MS. COHEN: Good morning, ladies and gentlemen. Good morning to you.

My name is Malia Cohen. I'm Chair of the California State Board of Equalization.

It is 10:05 a.m. on February 23rd.

We have a full agenda today.

So with that, I'd like to start this meeting and call this meeting into order.

Ms. Taylor, could you please call the roll.

MS. TAYLOR: Good morning.

Chair Cohen.

MS. COHEN: Present.

MS. TAYLOR: Vice Chair Schaefer.

MR. SCHAEFER: Present.

MS. TAYLOR: Member Gaines.

MR. GAINES: Present.

MS. TAYLOR: Member Vazquez.

MR. VAZQUEZ: Present.

MS. TAYLOR: Deputy Controller Stowers.

MS. STOWERS: Present.

MS. COHEN: All right. A quorum is present,

1 and the Board is called to order.

2 Ladies and gentlemen, let's go ahead and  
3 start this meeting off with The Pledge of Allegiance.

4 If you're physically able, please join me in  
5 rising, placing your right hand over your heart, and  
6 repeating The Pledge of Allegiance.

7 (Whereupon The Pledge of Allegiance was  
8 recited.)

9 MS. COHEN: So just a reminder to everyone,  
10 and all the Members, and the invited speakers, that  
11 we are simultaneously sharing an open-teleconference  
12 call line, and patience is needed to keep the audio  
13 clean, to keep the audio clear.

14 So what we're doing is we are asking if you  
15 could turn to your speaker -- if you could turn on --  
16 please ask for your turn to speak after each  
17 presentation has concluded so the transcriptionist  
18 can clearly hear and properly record the meeting.

19 Thank you.

20 And, Members, I'd like to open this  
21 meeting -- this month's meeting with an  
22 acknowledgment of Black History Month.

23 I was wondering to see if any of my  
24 colleagues have any remarks that they would like to  
25 share.



1           MR. VAZQUEZ: Yes, Madam Chair, real quick,  
2 if I could.

3           MS. COHEN: Absolutely. Floor is yours.  
4 Good morning.

5           MR. VAZQUEZ: I won't steal your thunder on  
6 Black History Month. I'll compliment it after you  
7 give your presentation.

8           But I would just like to announce to you, as  
9 well as all the Members, and I -- and just basically  
10 announce at the beginning of the meeting for the  
11 Governor's historic appointment of a Court of Appeals  
12 Justice Patricia Guerrero to the California Supreme  
13 Court on February the 15th.

14           Justice Guerrero is the first-generation  
15 Californian raised by immigrant parents from Mexico  
16 in the Imperial Valley, and is the first Latina to  
17 serve on the State's highest court.

18           Justice Guerrero of San Diego has served as  
19 an Associate Justice at the 4th District Court of  
20 Appeals since 2017, and has offered numerous opinions  
21 to protect the rights of consumers, individuals,  
22 while also ensuring that defendants' constitutional  
23 rights are protected, and that all parties are  
24 treated fairly and consistent with the rules of law.

25           Justice Guerrero has contributed many hours

1 of pro bono work to the Immigration Justice Project  
2 to promote due process and access to justice at all  
3 levels of immigration and court -- in the court  
4 system.

5 She assisted clients on a pro bono basis in  
6 immigration matters, including asylum applications  
7 protecting vulnerable families from litigation  
8 compliance with fair housing laws.

9 I believe this Board joins me with  
10 congratulating Justice Guerrero on her appointment,  
11 and shares the Governor's confidence that her great  
12 analytical skills, work -- work ethic and dedication  
13 to public service will be an immense asset to the  
14 California Supreme Court.

15 Thank you for this opportunity, Madam Chair.

16 MS. COHEN: Sure.

17 Actually, I was -- thought your comments  
18 were related to Black History Month. So you kind  
19 of --

20 MR. VAZQUEZ: That's why I said I didn't  
21 want to steal your thunder.

22 MS. COHEN: Oh, okay. Gotcha.

23 Do you want to --

24 MR. VAZQUEZ: Now I'll let you -- I'll turn  
25 it back to you.







1 unquote.

2 Financier and philanthropist Michael Milken  
3 called Lewis the Jackie Robinson of American  
4 business.

5 And I'm reciting from an article that was in  
6 The Wall Street Journal.

7 So thank you for this opportunity to  
8 recognize --

9 MS. COHEN: Absolutely.

10 MR. GAINES: -- Black History Month.

11 MS. COHEN: Thank you.

12 Thank you very much, colleagues, for  
13 acknowledging African American history and their  
14 contribution.

15 I -- throughout the month of February we  
16 already know that millions of Americans have gathered  
17 to celebrate Black History Month.

18 The rich history of African Americans  
19 extends far beyond this traditional month of February  
20 that is set aside by Black History Month.

21 And you heard from our colleague, esteemed  
22 colleague, Ms. Yvette Stowers, talked a little bit  
23 about the origin of it.

24 Indeed, each day we celebrate our history,  
25 and we celebrate and acknowledge, but whether

1 consciously or unconsciously, the attributions of the  
2 African American culture, as well as tradition in the  
3 greater American culture.

4 We acknowledge the contributions of our  
5 elders, the work each of us are doing every single  
6 day. And then the promise of our young people who  
7 are coming up behind us that are going to take over  
8 the ranks.

9 In celebration of Black History Month, I  
10 also want to highlight that the origins begin in the  
11 year of 1950 -- 1915, which was actually 50 years  
12 since the end of the Civil War.

13 You heard from Yvette Stowers that there was  
14 a Harvard-trained historian by the name of  
15 Carter G. Woodson.

16 And there was also a minister by the name of  
17 Jesse E. Moorland, who founded the Association for  
18 the Study of Negro Life and History.

19 And in 1926, the Association chose the  
20 second week in February to sponsor National History  
21 Week to coincide with the birthdays of  
22 Abraham Lincoln and Frederick Douglass.

23 You may recall from history that  
24 Frederick Douglass was a great abolitionist during  
25 the -- during the time period of slavery.

1           This -- this recognition of National History  
2 Week inspired decades of celebrations of the historic  
3 achievements of African American women and men in the  
4 United States.

5           Each of these individual celebrations really  
6 has been focused on teaching -- on taking and seizing  
7 a teachable moment for our country.

8           But slowly and surely this historic -- the  
9 historic stories are being told. And in 1976,  
10 President Gerald Ford formally recognized Black  
11 History Month, calling upon Americans to seize the  
12 opportunity to honor the often neglected  
13 accomplishments of Black Americans in every area of  
14 endeavor throughout our history.

15           So you may not know that this year in 2022  
16 the theme of Black History Month is "Black Health and  
17 Wellness," which is a pretty appropriate theme given  
18 that we're coming out of this pandemic.

19           And in keeping with this theme, let me say  
20 that the history of Black women and men in this  
21 country is more than just a chronicle of tragedy or a  
22 chronicle of lost opportunity, this is actually also  
23 a history of celebration, of triumph, of  
24 accomplishment.

25           So I wanted to just take a moment to reflect



1 on the pioneers in the field of medicine and public  
2 health. There are some names that I'd like to read  
3 for your -- for you to consider.

4 Dr. James McCune Smith, who was born in  
5 1813. He's the first African-American to obtain a  
6 medical degree.

7 Dr. Rebecca Lee Crumpler, first Black  
8 American physician in the United States.

9 I want to acknowledge more modern-day  
10 African American contributors, Dr. Mae Jemison, who  
11 you may know and recall. She's the first Black  
12 American astronaut. She was born in 1957.

13 Dr. Marilyn Hughes Gaston was born in 1939.  
14 She's a pediatrician who became the first Black woman  
15 to direct Public Health Service Bureau.

16 And let me conclude by celebrating the  
17 contributions of three of our California African  
18 American leaders in health.

19 First, there's Dr. Eric Goosby, who was born  
20 in 1952. He was raised in my hometown of  
21 San Francisco. He is the son of a civil rights  
22 pioneer educator and a dentist.

23 Dr. Goosby devoted 35 years to the treatment  
24 of AIDS and HIV patients.

25 In 2019 Dr. Nadine Burke, who was born in

1 1975, she was sworn in as California's first  
2 Surgeon General, sworn in by our very own  
3 Governor Gavin Newsom.

4 She's a distinguished pediatrician who  
5 studied the links between adverse childhood  
6 experiences with toxic stress and the harmful  
7 effects, and how those harmful effects later manifest  
8 in adult life.

9 So, with that, I'd like to recognize also  
10 the life and times of Dr. Bernard -- of a man named  
11 Bernard Tyson. Who was responsible for the delivery  
12 of a healthcare system to over 12 million people. He  
13 was the president and CEO of Kaiser.

14 We lost him just recently in 2019 at the age  
15 of 60. And he had an outstanding and distinguished  
16 career of 34 years in public service, in public  
17 health.

18 So, colleagues, I'd like to just close out  
19 my remarks and thank you for allowing us an  
20 opportunity to celebrate and recognize Black History  
21 Month.

22 It is February 23rd. And I'd like to close  
23 out on a high note, the celebration of this month.

24 With that, seeing that there are no other  
25 comments, we can continue with the rest of our

1 agenda.

2 Thank you.

3 Please call the next item.

4 Ms. Taylor, please call the next -- first  
5 order of business.

6 MS. TAYLOR: Thank you, Chair.

7 Our next first order of business is an  
8 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" web page in advance of  
20 today's meeting; or, alternatively participate in  
21 today's meeting by providing your public comment  
22 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

1 Board Proceedings staff, with the AT&T operator  
2 providing directions for you to identify yourself.

3 After all known public commenters have been  
4 called, the operator will also provide public comment  
5 instructions to individuals participating via  
6 teleconference.

7 Guests in our Teams environment may comment  
8 on items other than that, that they're scheduled for  
9 during the public comment by raising your hand during  
10 the public comment portion of the meeting.

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

15 When giving a public comment, please limit  
16 your remarks to three minutes.

17 We ask that everyone who is not intending to  
18 make a public comment please mute their line or  
19 minimize background noise.

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

24 Thank you for your patience and  
25 understanding.

1 MS. COHEN: Great. Thank you very much.  
2 Please call the first item.

3

4 **ITEM AA1**

5

6 MS. TAYLOR: Our first agenda item will be  
7 Item AA1, Board Discussion on Emerging Issues  
8 Affecting Unitary Value Setting: Value Indicators and  
9 the Reconciliation Process.

10 This item will be presented by Mr. McCool.

11 MS. COHEN: All right. Thank you.

12 So, colleagues, and members of the public,  
13 today we have a special presentation by  
14 Mr. Jack McCool.

15 Jack McCool is the Chief of our  
16 State-Assessed Property Tax Division.

17 This special presentation is made at my  
18 suggestion with the concurrence of Controller Yee in  
19 response to a motion that was supported by the Board.

20 The special presentation will allow the  
21 Board Members, and most importantly, the public, to  
22 receive an up-to-date review on the emerging issues  
23 affecting unitary value setting, including how value  
24 indicators are chosen and how value indicators are  
25 reconciled.

1           So the reason why this presentation is  
2 important -- well, setting property values for state  
3 assessees is one of the most critical constitutional  
4 functions that we perform.

5           And each year we're tasked with reviewing  
6 and adopting property tax values of 341 companies in  
7 the state of California, including telephone,  
8 including gas and electric companies, independent  
9 power producers, regulated railroads and intercounty  
10 pipelines.

11           In 2021 the Board-adopted values of  
12 126.8 billion in assessed property values for state  
13 assessees for fiscal year 2021-2022. And as you can  
14 see, that's a lot of money.

15           And so our actions in adopting these values  
16 for state assessees will result in the state local  
17 communities receiving over 1.99 billion in revenues.

18           So these revenues help fund our schools,  
19 they help fund local governments. And what it does  
20 is that it assures that vital services are being  
21 provided.

22           So although the setting property tax values  
23 for state assessees is one of the Board of  
24 Equalization's most important core functions, the  
25 public is often unaware, or only slightly aware of

1 this work.

2 So this special presentation is an  
3 opportunity just to shed some light on the value  
4 setting process.

5 And in the interest of transparency, we  
6 welcome this presentation, because it will highlight  
7 the important work of our State-Assessed Property Tax  
8 Division.

9 It also highlights our own work as  
10 Board Members when we review the property  
11 calculations.

12 And unlike most property in California, the  
13 values for state-assessed property are adopted each  
14 year. This process is outlined in our State  
15 Constitution, and drives the work for our staff, and,  
16 of course, it drives our own work conducted with our  
17 individual offices.

18 So based upon the documentation presented to  
19 us by the Board of Equalization staff, we will meet  
20 as a Board in public session this May and adopt the  
21 state-assessed property values for 2022 and 2023.

22 So it is my goal that this presentation will  
23 assist not only you, or new members of your staff,  
24 but also members of the public in understanding the  
25 importance of this duty in sustaining revenues that

1 we need to adequately fund our schools and local  
2 government.

3 So with that I'd like to pivot and introduce  
4 today's special presentation. It's a high-level  
5 policy discussion. We will not and cannot legally  
6 discuss any individual companies. To do so would be  
7 a violation of our taxpayer confidentiality and taint  
8 our own work in adopting values for companies at our  
9 meetings in May.

10 If you have questions, colleagues, please  
11 limit your questions to just policy issues only,  
12 without referencing any state assessee.

13 So with that, I'd like to introduce and  
14 welcome Mr. Jack McCool for the special presentation.

15 Thank you.

16 Mr. McCool, the floor is yours.

17 MR. McCOOL: Thank you, Chair Cohen, for the  
18 introduction.

19 As Chair Cohen stated, my name is  
20 Jack McCool. I'm Chief of the State-Assessed  
21 Properties Division.

22 Today I'll be making a presentation on  
23 issues affecting the annual value setting,  
24 specifically value indicators and the reconciliation  
25 process.



1           As you can see on our first slide, the  
2 objectives for today's presentation are to review the  
3 annual valuation timeline, provide an overview of the  
4 different value indicators used by SAPD, give a  
5 summary of why certain value indicators are used for  
6 each industry, discuss the reconciliation process,  
7 including the weighting of value indicators, and,  
8 finally, we will review the recent history of the  
9 wildfire/climate issue from a valuation perspective,  
10 and discuss how we go about making adjustments for  
11 the wildfire/climate change issue.

12           So I would like to begin by reviewing the  
13 timeline of the annual valuation process.

14           In January and February, SAPD staff began  
15 holding meetings with state assessees. During these  
16 meetings, we discussed topics of interest or concern  
17 that state assessees have, and we may also discuss  
18 new legislation, regulation, or industry  
19 developments.

20           It is during these meetings that we first  
21 begin to consider areas that may warrant a value  
22 adjustment.

23           We also begin work on our annual  
24 capitalization rate study. Rates derived in this  
25 study are used in income approach value indicators,

1 and are developed using market data, as well as  
2 industry input.

3 Staff are also working on developing the  
4 annual condition percent good, and replacement cost  
5 new factors.

6 These factors are used in our cost approach  
7 value indicators, and are developed using both market  
8 and industry data.

9 The annual valuation timeline continues  
10 through March, April, and early May.

11 The annual property statements submitted by  
12 state assessees are due beginning March 1st.

13 Assesseees can request a filing extension,  
14 and, in most cases, these extensions -- these  
15 extension requests are granted.

16 SAPD staff also continue to meet with state  
17 assesseees during this period. We may request  
18 additional data or information based on these  
19 discussions.

20 It is during this period where we begin to  
21 formulate value adjustments based on information  
22 gathered during our meetings with state assesseees.

23 During this time, SAPD staff continue  
24 completing unitary appraisals. And each appraisal --  
25 each completed appraisal goes through several lev --

1 several levels of review.

2 In addition, assessees have the opportunity  
3 to review their appraisal and the work papers.

4 Continuing with the valuation timeline, in  
5 mid-May SAPD transmits the confidential value  
6 indicators and the final value estimates to the Board  
7 in the form of the appraisal data reports for the  
8 Board's consideration.

9 During the annual unitary value setting at  
10 the May Board Meeting, the Board adopts unitary  
11 values.

12 Notification of assessed values come in  
13 several forms. First, BOE's Communication's Office  
14 issues a public news release, which announces each  
15 assessee's Board-adopted unitary value.

16 Staff also sends each assessee a notice of  
17 unitary value by June 1st of each year, which is  
18 required by the Revenue and Taxation Code  
19 Section 731.

20 A notice of allocated assessed values is  
21 then sent by June 15th as required by Revenue and  
22 Taxation Code Section 746.

23 That brings us to the topic of value  
24 indicators.

25 Value indicators are estimates of market

1 value for state-assessed property that are calculated  
2 according to recognized appraisal principles and  
3 statutory requirements.

4 Property Tax Rule 902 states in part that  
5 each year SAPD shall, quote, "Develop value  
6 indicators applicable to the unitary property of each  
7 state assessee," end quote.

8 More than one value indicator may be  
9 calculated for each assessee. The appraiser must  
10 decide which indicator or indicators represent the  
11 best estimate of the property's value.

12 To summarize, a value indicator is simply  
13 the value estimate that an appraiser calculates using  
14 one of the widely recognized approaches to value.

15 There are several recognized approaches to  
16 value. Property Tax Rule 3 provides that, quote,  
17 "The assessor shall consider one or more of the  
18 following as maybe appropriate for the property being  
19 appraised," end quote.

20 Comparative sales approach, stock and debt  
21 approach, replacement or reproduction cost approach,  
22 historical cost approach, and the income approach.

23 So let's take some time now to review the  
24 approaches to value used by SAPD.

25 The cost approach indicate -- the cost

1 approach value indicators, as used by SAPD by the  
2 historical cost less depreciation, or HCLD for short,  
3 this is a historical or original cost of the  
4 property, minus the accumulated depreciation. It is  
5 an important indicator for closely regulated public  
6 utilities.

7 SAPD also uses the reproduction cost less  
8 depreciation approach, which is the estimate of  
9 current cost to replace existing property with a new,  
10 exact replica.

11 Staff uses index factors applied to the cost  
12 of property, adjusted by a percent good factor to  
13 calculate the amount of depreciation.

14 Replacement cost less depreciation is  
15 estimate of the current cost replacement with a new  
16 equivalent.

17 Here staff use index factors applied to the  
18 cost of the property per -- by year. And then adjust  
19 it by a percent good factor to calculate the amount  
20 of depreciation.

21 On this slide we see that the income  
22 approach value indicator is used by SAPD. Our main  
23 income approach indicator is the capitalized earning  
24 ability, or CEA approach. The CEA is a method that  
25 converts future anticipated income into present

1 value.

2 SAPD primarily utilizes two types of CEA  
3 value indicators. The first is the perpetual life  
4 model, which assumes that the income stream is  
5 sustained into perpetuity.

6 The second is the limited life model, which  
7 assumes the income stream has a finite life.

8 The term when using the limited life model  
9 is usually tied to a contract or other defined  
10 document.

11 SAPD also used a net -- the net liquidation  
12 value indicator, also known as the salvage value.  
13 This approach is based on the principle that the  
14 highest and best use of the property would be to sell  
15 the assets for the liquidation value, rather than  
16 continuing to operate the company as a going concern.

17 The salvage value indicator is used mainly  
18 for certain "short line" railroads.

19 The sales approach value indicator by --  
20 used by SAPD is a variation of the traditional  
21 comparative sales model. The nature of utility  
22 companies makes them less likely to be subject to  
23 sales.

24 Additionally, there are very -- there are  
25 usually very few comparable sales of utilities that

1 our appraisers can use to calculate a comparative  
2 sales value indicator.

3           Instead, our staff will attempt to obtain  
4 details of a sales agreement that pertains to the  
5 portion of the sales price that was allocated to the  
6 physical assets.

7           Staff must also remove assets exempt from  
8 taxation from the sales price as part of calculating  
9 the sales model value indicator.

10           Now that we have reviewed the value  
11 indicators used by SAPD, I thought it would be  
12 helpful to review applicable parts of the appraisal  
13 process before we move to the next topic, which will  
14 be a review of which indicators we calculate for each  
15 industry, and the reasoning behind that.

16           Part of our appraisal process is to evaluate  
17 which value indicators make the most sense for each  
18 industry, and also for each state assessee's unique  
19 circumstances.

20           The appraisers always review the prior year  
21 appraisal before beginning the appraisal for the  
22 current year.

23           Part of that review will include a review of  
24 any prior year petition issues, if there were any.

25           Appraisers will also consider what data is

1 available, whether and how the assessee is rate  
2 regulated, whether the assessee has a stable income  
3 stream, whether the income data includes data for a  
4 parent company or a subsidiary, and various other  
5 questions along these lines.

6           Based on what is learned in the above  
7 process, appraisers will then calculate the  
8 indicators they feel are most applicable based on the  
9 property statement data submitted by the state  
10 assessee.

11           While working on the appraisal, the  
12 appraiser will make any value adjustments deemed  
13 necessary. This could be based on information  
14 brought to the appraiser's attention during the  
15 previous meetings with the assessee, or during the  
16 exchange of information during the appraisal  
17 season.

18           Decisions to make an adjustment typically  
19 involve senior appraisers and managers in addition to  
20 the appraiser.

21           The appraiser will then reconcile the value  
22 indicators, which we will cover in more detail later  
23 in the presentation.

24           But reconciliation is a process by which the  
25 appraiser must carefully choose the most appropriate



1 value indicator or indicators.

2 Finally, the appraiser must present the  
3 final value estimate. In SAPD's case, this is done  
4 via the confidential appraiser data reports provided  
5 to the Board annually each May.

6 Now I'd like to take some time to review the  
7 value indicators that we typically use for each  
8 industry group, and why we use those particular  
9 indicators for each industry.

10 First, I would like to review the value  
11 indicators typically used for gas and electric  
12 industry.

13 For investor-owned utilities, the primary  
14 value indicator is the historical cost less  
15 depreciation with the HCLD value indicator.

16 The perpetual life CEA is also typically  
17 given consideration for these type of assessees.

18 There are several appraisal texts that state  
19 that the HCLD is a reliable indicator of market value  
20 for closely-regulated public utilities. They include  
21 the Assessor's Handbook 502, Advanced Appraisal on  
22 page 146, the united -- sorry -- the Unitary  
23 Valuation Methods book on page 1, and the  
24 Western States Association of Tax Administrator's  
25 Handbook, page 11-8.

1 Gas and electric value -- gas and electric  
2 industry value indicators are continued on this  
3 slide, where we will have further support for using  
4 the HCLD value indicator for rate-regulated  
5 utilities.

6 According to Property Tax Rule 3(d), the  
7 assessed -- quote, "The assessing agency shall  
8 consider as relevant to value the amount actually  
9 invested in the property (less depreciation), if the  
10 income from the property (rate of return) is  
11 regulated by law, and the agency uses historical cost  
12 depreciation as a rate base."

13 Utilities that are closely regulated are  
14 subject to rate -- rate base regulations, which means  
15 they're authorized earnings or rates of return are  
16 set by regulators.

17 Continuing with a gas and electric industry  
18 for electric cooperatives, the primary indicator is  
19 also HCLD. These companies are also regulated by the  
20 CPUC, but are not directed toward profit-making.

21 For gas transmission companies the primary  
22 indicator is HCLD, as regulated by the Federal Energy  
23 Regulatory Commission, which is considered closely  
24 regulated.

25 The companies are considered -- sorry.

1           SAPD will also consider the CEA indicator  
2 for companies showing reliable income streams.

3           The gas storage companies we assess are not  
4 subject to the traditional rate-making process, so  
5 the HCLD indicator is generally not used.

6           Instead, the reproduction cost less  
7 depreciation and CEA indicators are typically both  
8 considered.

9           Next, we will review the electric generation  
10 value indicators.

11           For newer facilities, the replacement cost  
12 less depreciation in CEA value indicators are  
13 typically given equal reliance.

14           Replacement cost less depreciation reflects  
15 the replacement cost of current technology, while the  
16 CEA is considered reliable due to the reduced  
17 volatility in income projections from newer  
18 facilities.

19           When it comes to older facilities the  
20 specific reliance on a replacement cost and a CEA  
21 value indicator varies depending on the  
22 predictability and reliability of the future income  
23 streams.

24           Our staff must consider whether the facility  
25 has a long-term contract, a short-term contract, or

1 in some cases no contract at all.

2 To summarize, it is important to consider  
3 the age of the facility and length of the contract in  
4 determining the use of these value indicators for  
5 this industry.

6 For the intercounty pipeline industry value  
7 indicators, the primary indicators for common carrier  
8 pipelines are the reproduction cost less  
9 depreciation, historical cost less depreciation, and  
10 the CEA.

11 The use of reproduction cost and CEA is  
12 based on the assessee's specific factors.

13 Nonregulated natural gas transmission  
14 pipelines are typically valued using reproduction  
15 cost less depreciation.

16 And noncommon carrier pipelines are also  
17 valued primarily using reproduction cost.

18 These assessees are usually subsidiaries of  
19 other petroleum or mineral-extraction companies,  
20 which makes obtaining accurate income information  
21 difficult.

22 The railroad -- for the railroad industry  
23 value indicators, the CEA value indicators are  
24 considered most appropriate.

25 Reproduction cost less depreciation is used

1 only sparingly in the railroad industry due to the  
2 old age of many of the assets and the difficulties  
3 estimating depreciation.

4 For the large class 1 railroads staff rely  
5 mostly on the perpetual life CEA using the most  
6 recent year's income.

7 The perpetual life CEA is also the primary  
8 value indicator for most of the shortline railroads.

9 However, in some instances, the salvage  
10 indicator, otherwise known as the net liquidation  
11 value indicator, is used.

12 This indicator would be calculated when the  
13 high and best use of the property would be to just  
14 disassemble and sell the component parts of the  
15 railroad, rather than to continue the railroad as a  
16 going concern.

17 Moving on to the local telephone industry  
18 value indicators.

19 Overall, the HCLD in replacement cost value  
20 indicators are primarily used for these assessees due  
21 to regulation and market trends.

22 The CEA indicator is given consideration in  
23 some cases based on assessee's specific  
24 circumstances.

25 Traditional landline telephone companies are

1 valid primarily using the HCLD indicator, as these  
2 are companies that provide traditional landline  
3 telephone services and continue to be rate regulated.

4 For the larger local exchange companies the  
5 primary indicator replacement cost less depreciation  
6 and the CEA indicator is also considered.

7 These assessees have incentive-based rate  
8 regulation, which differs from traditional rate  
9 regulation.

10 These assessees also face increasing  
11 competition from other providers, such as cable  
12 companies and competitive local exchange providers.

13 Replacement cost less depreciation is  
14 considered the most reliable value indicator for the  
15 wireless telephone industry.

16 These assessees are not closely rate  
17 regulated. This is also a highly competitive  
18 industry, experiencing significant advances in  
19 equipment technology, and reliable workplacement cost  
20 data is available.

21 The CEA value indicator is sometimes  
22 considered, but is generally not relied upon, as it  
23 may include value related to non-assessable  
24 property.

25 Finally, we have our interexchange industry

1 value indicators. These assessees are comprised of  
2 long-distance carriers, alternative access providers,  
3 satellite communications providers, and other hybrid  
4 telecom services.

5 The primary value indicator used to value  
6 assessees in this industry is the replacement cost  
7 less depreciation indicator.

8 Similar to the wireless industry, these  
9 assessees are not rate-based regulated, and have  
10 highly competitive economic conditions that continue  
11 to resolve in contraction of companies in the  
12 convergence of services.

13 The CEA indicator is not considered reliable  
14 due to the uncertainty of the current income  
15 continuing into the future.

16 So before moving on to the next topic, I  
17 would like to summarize the value indicators  
18 typically used in each industry group.

19 As you can see on the displayed chart, the  
20 gas and electric industry typically utilized the HCLD  
21 and CEA value indicators.

22 The electric generation group primarily uses  
23 the replacement cost and CEA indicators.

24 The pipeline industry usually considers the  
25 HCLD, reproduction cost, and CEA value indicators in

1 their valuations. And the reproduction cost, CEA and  
2 salvage indicators are used in the railroad industry

3 The local telephone industry mostly relies  
4 on HCLD, replacement cost, and CEA value indicators;  
5 while the wireless industry relies on replacement  
6 cost and CEA indicators.

7 Replacement cost indicators is also the  
8 primary value indicator of the interexchange  
9 industry.

10 Displayed on the next slide is a pie chart  
11 illustrating the percentage of state assessees by  
12 industry.

13 So, Members, the point of this slide is to  
14 illustrate how many assessees we have in each  
15 industry group, and to give you an idea of which  
16 value indicators are used the most by SAPD.

17 Beginning at the top right of the pie chart  
18 you will see that the electric generation industry  
19 comprises 12 percent of the total number of state  
20 assessees.

21 As we discussed a few moments ago, the  
22 replacement cost and CEA indicators are typically  
23 used to value these assessees.

24 Moving downward in a clock-wise manner, you  
25 will see that the the gas and electric industry has



1 9.5 percent of our state assessees.

2 And if you recall, the HCLD indicator is  
3 generally considered the most reliable value  
4 indicator for this industry, with consideration also  
5 for the CEA indicator.

6 The pipeline industry makes up about  
7 7.4 percent of the total number of state assessees.  
8 And we use a combination of the reproduction cost,  
9 historical cost less depreciation, and CEA indicators  
10 for these assessees.

11 Continuing downward on the right-hand side,  
12 you will see that the railroad industry makes up  
13 about 10.6 percent of the total assessees.

14 And as mentioned, we typically use the CEA  
15 models to value assessees in this industry.

16 The local telephone industry makes up only  
17 5.4 percent of our assessees. And we mostly use the  
18 replacement cost indicator with some use of the  
19 historical cost less depreciation indicator.

20 Finally, completing our clock-wise  
21 direction, you will see first that the wireless  
22 industry is 7.2 percent, and the interexchange  
23 industry is by far our largest industry group at  
24 47.9 percent of all state assessees.

25 As just discussed, the replacement cost

1 indicator is the primary value indicator for both of  
2 these industry groups.

3 So, Members, I hope that helps to put into  
4 perspective how the different value indicators or  
5 approaches to value are utilized by the  
6 State-Assessed Properties Division.

7 Now we will move into the final phases in  
8 the appraisal process, reconciliation and the final  
9 value estimate.

10 According to the Assessors' Handbook 501 on  
11 page 110, the final analytical step in the appraisal  
12 process is to reconcile value indicators from the  
13 separate approaches utilized in the appraisal into a  
14 final estimate of value.

15 Resolving the differences among the value  
16 indicators is called reconciliation. And the result  
17 of reconciliation is the final value estimate.

18 According to the appraisal institute,  
19 reconciliation of the value indicators is, quote,  
20 "the process by which the appraiser evaluates,  
21 chooses, and selects from among value indicators to  
22 reach a final value estimate," end quote.

23 The institute goes on to say that, quote,  
24 "The appraiser must rely on our experience,  
25 expertise, and professional judgment to determine the

1 validity of each value indicator and appropriateness  
2 for the property being valued," end quote.

3 That text can be found in Appraisal  
4 Institute Understanding the Appraisal on page 13.

5 The word reconciliation has different  
6 meaning in accounting versus in appraisal.

7 According to the Oxford Dictionary of  
8 Accounting, in accounting, reconciliation is a  
9 procedure for confirming that two sets of records are  
10 in agreement.

11 An appraisal reconciliation is a process in  
12 which the appraiser conducts an analysis of the  
13 relative appropriateness of the approach is applied,  
14 the accuracy of the data collected and the  
15 calculations made, the quantity of the data available  
16 for each approach, and the consistency in the manner  
17 in which approaches to value were applied.

18 That definition is according to  
19 Assessors' Handbook 501, Basic Appraisal, page 110.

20 That brings us to the weighting of  
21 indicators as part of the reconciliation process.  
22 Deciding how much weight should be placed on each  
23 value indicator is part of the reconciliation  
24 process.

25 As the appraisal institute describes on

1 page 13 of Understanding an Appraiser, "The appraiser  
2 weighs the relative significance, applicability, and  
3 defensibility of each approach, and relies most  
4 heavily on those most appropriate to the intended use  
5 of the appraisal," end quote.

6 The Western States Association of Tax  
7 Administrators has further guidance in their  
8 handbook, specifically on page VII-4, in which the  
9 text states that, quote, "Averaging the value  
10 indicators is not a proper method, since it would  
11 imply that all value indicators are equally valid,  
12 and this is rarely the case. Use of an average  
13 bypasses the proper application of an appraiser's  
14 experience, expertise, and professional judgment to  
15 resolve the differences in the value indicators," end  
16 quote.

17 To summarize, the appraiser is drawing on  
18 all of their appraisal experience, expertise and  
19 judgment to carefully evaluate the appropriateness of  
20 the approaches, the quality and quantity of the data  
21 available to determine how much weight should be  
22 attributed to each of the value indicators.

23 And that brings us to the final value  
24 estimate.

25 The final value estimate is an appraiser's

1 expert opinion of value supported by verifiable data.

2           There is no mathematical formula or  
3 statistical technique, as we just discussed. It is  
4 an opinion that should be based on the appraiser's  
5 application of generally-accepted appraisal methods  
6 and procedures, taking into consideration each state  
7 assessee's unique situation.

8           I would now like to discuss how SAPD shares  
9 reconciliation in the final value recommendation with  
10 the Board.

11           The State-Assessed Properties Division  
12 annually transmits the value indicators to the Board  
13 in the form of the appraisal data reports, or ADR,  
14 prior to the May value setting.

15           The appraisal data reports show the value  
16 indicators that were calculated, as well as the  
17 weighting assigned to each value indicator.

18           The reports also show staff's final value  
19 recommendation.

20           SAPD also includes appraisal narratives with  
21 ADR for most of the larger state assessees, which  
22 document each appraiser's reconciliation of the value  
23 indicators.

24           The appraisal data reports are considered  
25 confidential under Revenue and Taxation Code

1 Section 833, and Government Code Section 15619.

2 As we move into the last phase of today's  
3 presentation I would like to discuss the recent  
4 history of the wildfire and climate change issue.

5 This is an evolving issue that SAPD has been  
6 working on with investor-owned utilities since at  
7 least 2017.

8 We have been engaged with industry and  
9 assessee representatives every year since the issue  
10 first surfaced many years ago.

11 Early discussions focus mainly on how to  
12 address climate change and wildfire risk, and how to  
13 account for that risk in the appraisal.

14 Much speculation in the early years centered  
15 around what action the CPUC and/or the Legislature  
16 may take.

17 There was a productive session -- sorry --  
18 there was a productive discussion at the  
19 February 2018 Board Meeting that included an assessee  
20 representative and the SAPD chief at the time.

21 Part of the conversation discussed the  
22 difficulty in quantifying the impacts of climate and  
23 wildfires on the taxable property.

24 There are many challenges related to the  
25 wildfire/climate change issue.

1           From a valuation perspective, the difficulty  
2 for SAPD and the utilities is how to quantify the  
3 impacts. Specifically, how does this issue affect  
4 the value of the physical assets?

5           There isn't much data available for  
6 appraisers to value. SAPD is not a climate change  
7 expert. And as we do on similar issues, we defer to  
8 the regulators, the CPUC and other industry experts.

9           So when it came time to make our first  
10 adjustments for the wildfire/climate change issue,  
11 SAPD made adjustments for the 2019 lien date based on  
12 the Cost of Capital applications that investor-owned  
13 utilities submitted to the CPUC.

14           These applications submitted by utilities to  
15 the CPUC were among the first sources of data that  
16 attempted to quantify the impacts.

17           SAPD made a decision to be proactive and  
18 allow for an adjustment of our valuations based on  
19 this data for the 2019 valuations.

20           New legislative and regulatory developments  
21 occurred in time to affect our 2020 valuations.  
22 Specifically, the Legislature passed  
23 Assembly Bill 1054 in the second half of 2019, which  
24 established a Wildfire Insurance Fund, and included  
25 other provisions, all designed to stabilize credit

1 markets for the investor-owned utilities.

2 The CPUC also announced rate case decisions  
3 the major utilities in December of 2019.

4 The investor-owned utilities had included  
5 requests for an equity risk premium in their rate  
6 case applications, but the CPUC ultimately denied  
7 this request, stating that an AB 1054 and other  
8 policies had, quote, "Mitigated wildfire exposure  
9 faced by California's utilities," end quote.

10 SAPD met with the utilities in late 2020 to  
11 discuss AB 1054 and the CPUC rate case decisions.  
12 Part of the discussion centered on how to treat  
13 payments to the AB 1054 Wildfire Fund, required  
14 mitigation costs, and other provisions.

15 The topic of equity risk premium adjustment  
16 denied by the CPUC was a major component of these  
17 discussions with the utilities -- with the utilities  
18 contending this risk premium better quantified the  
19 risk the utilities were facing.

20 This brings us to the value adjustments made  
21 in response to the CPUC rate cases and  
22 Assembly Bill 1054.

23 SAPD considered all of these conversations  
24 carefully. We analyzed the CPUC decisions and  
25 analyzed the provisions of AB 1054.



1           SAPD made adjustments to the  
2 wildfire/climate issue for the 2020 lien date based  
3 on the new regulatory and legislative events.

4           After the 2020 petition season, SAPD did a  
5 careful analysis of factors affecting the indicator  
6 weightings, and decided that our confidence level in  
7 the weighting of the value indicators remain the  
8 same.

9           Our analysis was based on the reliability  
10 and the quality of the data available.

11           Part of our consideration is the fact that  
12 the investor-owned utilities continue to replace old  
13 property, significant amounts of new property, which  
14 is also consistent with reliance on the cost  
15 approach.

16           As we look ahead -- excuse me -- as we look  
17 ahead, SAPD will continue to monitor all aspects of  
18 this evolving wildfire/climate change issue related  
19 to valuation.

20           At this time no new legislation or  
21 regulation affecting state assessment is pending.

22           We will continue to engage with the  
23 utilities, and we will continue to consider studies  
24 and data presented by state assessees.

25           Members, that concludes my presentation on

1 value indicators and the reconciliation process.

2 Thank you.

3 MS. COHEN: Awesome.

4 Thank you for that very thoughtful and  
5 thorough presentation.

6 Let me see if my colleagues have any  
7 questions.

8 All right. Mr. Vazquez, go for it.

9 MR. VAZQUEZ: Just real quick.

10 First of all, thank you, Mr. McCool, for  
11 that indepth presentation. And I know you and your  
12 staff must have spent quite a bit of time in  
13 preparing this.

14 But I have -- I guess a couple questions.

15 One, in terms of the value indicators, you  
16 kind of touched on that. How long has it been since  
17 the Department went back to see if such value  
18 indicators are current with today's specific issues,  
19 kind of like what you mentioned with the wildfires  
20 and disasters?

21 MR. MCCOOL: Yes. Thank you for the  
22 question.

23 So specifically with the wildfires, because  
24 it is an evolving issue, it is something that we do  
25 revisit every off season.

1           Generally speaking, when we talk more  
2 broadly about all industries, you know, we're  
3 fortunate enough to have senior appraisers who are  
4 devoted as an industry lead for each of these  
5 industry groups.

6           And part of their responsibilities are to  
7 monitor issues affecting each industry. And part of  
8 that is to analyze whatever information that we can  
9 get our hands on to determine if the indicators that  
10 we're using remain as appropriate as they have been  
11 in the past.

12           So to answer your question, it really is an  
13 annual process by which we're reviewing issues  
14 specific to each industry to determine if the  
15 indicators -- not only the indicators, but  
16 specifically the weighting applied to each indicator,  
17 it remains appropriate.

18           MR. VAZQUEZ: Thank you.

19           And then my second one was, has the  
20 Department looked at trends in appraising  
21 methodologies such as establishing value indicators  
22 used by specific industries used by other states with  
23 similar appraising issues?

24           And does that department see the need to  
25 adjust appraising methods to adjust for issues that

1 warrant major concerns ten years ago?

2 MR. McCOOL: Yes.

3 So, again, I think that as part of our  
4 annual process, adjusting, whether we're talking  
5 about indicators themselves, the weighting applied to  
6 them, but also more specifically adjustments made  
7 within each appraisal. That is an annual evaluation  
8 that we do intake.

9 As regards to other states, we are a member  
10 of the Western States Association of Tax  
11 Administrators, and we do meet on a regular basis  
12 with that group. Up until recently they actually had  
13 a committee member on the central committee.

14 And this -- this association allows us to  
15 reach out to our similarly-situated partners in other  
16 Western States and discuss appraisal issues.

17 We've discussed wildfires, we've discussed a  
18 number of issues. And while the specific laws  
19 regarding valuation may differ in -- in other states,  
20 there is some commonality within central assessment.  
21 And we do reach out to other states and discuss how  
22 specific types of companies are appraised.

23 And we -- we rely on those conversations as  
24 well when forming our decisions for the current  
25 year.

1 MR. VAZQUEZ: Thank you.

2 And then just one last quick one.

3 Can you touch on the process where there is  
4 a big discrepancy between the two valuations like  
5 HCLD and CEA, in which the implied conclusions in  
6 this situation is due to obsolescence.

7 I understand it is ultimately the  
8 appraiser's opinion to verify or confirm that the  
9 differences are in fact due to the obsolescence.

10 MR. McCOOL: Sure. Thank you for that  
11 question.

12 So I know there's some language in one of  
13 the handbooks that says HCLD, basically minus the CEA  
14 value indicator, may be result of obsolescence.

15 And I think the keyword there is "may."  
16 Because HCLD minus CEA does not necessarily equal  
17 obsolescence.

18 So specifically when you talk about closely  
19 rate based regulated utilities, the two indicators  
20 should, in theory, be close, but in practice this  
21 doesn't always occur. And there can be several  
22 reasons for that.

23 The two main reasons often cited in  
24 appraisal tax are regulatory lag, and also  
25 management.

1           There's other factors as well. You know,  
2 there's discussions about inter-year accounting  
3 adjustments, and then also deviations from, you know,  
4 any established earning projections that was part of  
5 the CPUC rate case decisions. But most tax will  
6 focus on regulatory lag and management of the assets.

7           And regulatory lag, as we've discussed in  
8 previous public hearings, is the time period between  
9 when the utilities rates go into effect, and then its  
10 next rate case.

11           So, you know, basically the thought is  
12 you've been -- you were given approval to increase  
13 your rates, but you haven't yet realized those  
14 revenues in your -- in your reporting.

15           So it will artificially depress the CEA  
16 indicator, which can, in part, describe -- or,  
17 sorry -- explain the difference between the two  
18 indicators.

19           And then also under traditional rate  
20 regulation, rates are set on the utility's prudent  
21 incurred costs. So if the utility is able to improve  
22 its operating efficiency after rate case, the utility  
23 could, in theory, see increased profits, much like  
24 you would see in a competitive market.

25           And then on the other hand, if the utility

1 becomes less efficient or is unable to contain its  
2 cost after a rate case decision, they might actually  
3 earn less than what they're authorized to earn.

4 So because the CPUC allows the utility the  
5 opportunity to earn a set rate of return, that  
6 doesn't guarantee the utility will actually earn that  
7 level of return.

8 And that's where the text will discuss the  
9 idea of management of the assets coming into play.  
10 If there's imprudent management, the utility could  
11 earn less than what a different operator that's more  
12 efficient -- so a -- a less-efficient operator could,  
13 in theory, earn less operating those assets than in a  
14 different operator operating the same assets that's  
15 more efficient could actually earn.

16 So that's another reason why we generally  
17 place more reliance on the HCLD indicator than the  
18 CEA indicator, is because it's very difficult to  
19 quantify either one of those items where there's  
20 regulatory lag or differences due to management in  
21 imprudent costs.

22 MR. VAZQUEZ: Thank you.

23 Madam Chair.

24 MS. COHEN: All right. Thank you very much.

25 Ms. Yvette Stowers.

1 MS. STOWERS: Thank you, Madam Chair.

2 I don't have a question, just an  
3 observation.

4 I wanted to say thank you to Mr. McCool for  
5 your presentation. I found it very informative.

6 You did an excellent job of protecting  
7 taxpayer confidentiality.

8 And hopefully the information was helpful  
9 for the general public.

10 As we know, you know, value setting is -- is  
11 \$119 billion resulting in almost 1.8 billion to local  
12 government. So it's very important that the process  
13 of value setting is accurate, fair, and transparent.

14 I especially appreciate SAPD's communication  
15 with state assessees in providing them with an  
16 opportunity to review the appraisal and work papers  
17 before the values were adopted by the Board.

18 That way these assessees are aware in  
19 advance that they have the opportunity to bring in  
20 additional data if necessary. So I like that  
21 collaboration and working together.

22 Thank you, Mr. McCool.

23 Thank you, Madam Chair.

24 MR. McCOOL: Thank you.

25 MS. COHEN: Colleagues, anyone else have any



1       comments?

2               Mr. Gaines, did I see you --

3               MR. GAINES:   Yes.

4               MS. COHEN:   Yes, please.   Go ahead.

5               MR. GAINES:   Yeah.

6               Thank you, Chair Cohen.   I appreciate it.

7               And my question -- No. 1, yeah, I appreciate  
8       the presentation.

9               And I was just highlighting this  
10       wildfire/climate change issue in terms of the  
11       mitigation measures put in place as result of  
12       AB 1054.

13              And, you know, I know we're filing --  
14       following the guidelines based on the statute.   But  
15       my concern is are we setting aside enough money in  
16       the mitigation fund to offset the exposure from  
17       wildfire?

18              MR. McCOOL:   Yeah.   Thank you for the  
19       question.

20              I know that is an open question that is  
21       discussed in the CPUC rate case decisions that were  
22       made public in December of 2019.

23              It's certainly outside the realm of our  
24       assessment jurisdiction to comment on whether it's a  
25       sufficient amount to cover the expenses, but I do

1 know that it is an open question that the PUC and the  
2 investor-owned utilities have debated.

3 And I -- I don't know what the answer to  
4 that -- if there is sufficient money being set aside  
5 for that or not, I do not know.

6 MR. GAINES: Okay. Well, I get -- I imagine  
7 the PUC would be hopefully looking at that on a -- on  
8 a regular basis and making adjustments accordingly.

9 Of course I feel that it's not enough set  
10 aside or -- or too much.

11 But thank you very much. I appreciate this  
12 presentation.

13 I think the only other question I would  
14 have, which is not related to state-assessed, but,  
15 you know, we've had questions -- questions and  
16 discussion on this Board as it relates to the  
17 pandemic and the effect on property values.

18 And I'm wondering if -- and this would be  
19 through the Chair, if we could take a look at that at  
20 a future meeting to see what the impact had been.

21 Obviously a lot of businesses struggled  
22 through the pandemic. And there's even been a  
23 cultural shift where people just aren't coming into  
24 the city center like they used to. And a lot more  
25 people are working out of their homes.

1           So what is the impact on office space, for  
2 instance, in, you know, downtown LA or San Francisco  
3 or Sacramento?

4           But that would be for another day.

5           Thank you.

6           MR. McCOOL: Thank you.

7           MS. COHEN: I appreciate that,  
8 Senator Gaines.

9           And we will definitely look on getting that  
10 on for the future agenda.

11          Okay.

12          MR. GAINES: All right. Thank you.

13          MS. COHEN: Mr. Schaefer, Mr. Vice Chair,  
14 unmute yourself, and the floor is yours.

15          MR. SCHAEFER: Thank you, Chair Cohen.

16          You spoke about the extensive wildfire  
17 damage and how it's affected so many taxpayers. We  
18 don't see much evidence of that coming in on the  
19 Board level. We did have the Southern California  
20 Edison \$2.9 billion reduction, the 2.8 billion a few  
21 months ago.

22          I assume there's an extensive amount of this  
23 handled by settlement within the assessor world that  
24 we don't really know about.

25          Does the assessors reporting to us gonna

1 give us an update on what's maybe off the record  
2 being voluntary actions by the assessor in making  
3 reductions?

4 We don't really have to get involved, you  
5 know, if the assessor finds merit in the damaged  
6 claims. And I think that's what's going on.

7 Will we be hearing a little more about how  
8 the assessor world is treating this outside the  
9 really big ticket items that end up with the Board?

10 MS. COHEN: Who -- who are you directing  
11 your question to; Mr. McCool or to me?

12 MR. SCHAEFER: To Mr. McCool.

13 MS. COHEN: Okay.

14 MR. SCHAEFER: And if yourself had a comment  
15 on it, too.

16 MS. COHEN: Okay.

17 Mr. McCool, if you want to take a stab at  
18 that one.

19 MR. McCOOL: Sure.

20 Thank you for the question,  
21 Vice Chair Schaefer.

22 In regards to homeowners and damage  
23 resulting from wildfires, that is the purview of the  
24 local assessors.

25 And I know they work very diligently and

1 prioritize the -- the work related to processing  
2 those calamities resulting from wildfires.

3 I know that's a -- that's a priority for  
4 each assessor who experiences those strategies within  
5 their counties.

6 I'm certainly not an expert on how the  
7 assessors go about processing those claims. And I  
8 certainly don't have any numbers regarding the effect  
9 on valuation, or a total reduction in value related  
10 to wildfires.

11 I'm sure that at a future meeting it could  
12 be a potential topic for both Property Tax Department  
13 here, and potentially the -- the Assessors'  
14 Association.

15 But that is a function of the local county  
16 assessors. And I do know that it is an absolute  
17 priority for them.

18 MR. SCHAEFER: Thank you. And they all know  
19 that our heart is with the homeowners.

20 Thank you.

21 MS. COHEN: Yep. All right.

22 Thank you.

23 Colleagues, seeing no other questions,  
24 Mr. McCool you've done an outstanding job on the  
25 presentation. I appreciate it. You have delivered

1 exactly what I wanted and how I envisioned it.

2 MR. McCOOL: Thank you very much.

3 MS. COHEN: Deputy Controller Stowers,  
4 please report back to the Controller and let her know  
5 we had a good discussion.

6 Let's go ahead and see if there's any public  
7 comment on this item.

8 MS. TAYLOR: Thank you.

9 AT&T moderator, please let us know if there  
10 is anyone on the line who would like to make a public  
11 comment regarding this matter.

12 AT&T MODERATOR: Ladies and gentlemen, if  
13 you wish to ask -- make a comment, you may press --  
14 press one, then zero on your touchtone phone.

15 You may remove yourself from the queue at  
16 any time by pressing one, zero again.

17 If you're using a speaker phone, please pick  
18 up the handsets before pressing the numbers.

19 Once again, if you have a public comment,  
20 you can press one, then zero at this time.

21 At this time it appears nobody's queuing up.

22 MS. COHEN: Thank you. All right.

23 Please call the next item.

24

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1 ITEM Cla

2  
3 MS. TAYLOR: The next item is Cla, Public  
4 Hearing, Property Taxes, Presentation on  
5 Capitalization Rates and Other Factors Affecting  
6 Values.

7 State assesseses' and/or representatives'  
8 presentations on capitalization rates and other  
9 factors and procedures affecting fiscal year 22-23  
10 property values of California public utilities,  
11 railroads, and pipelines.

12 This matter will be introduced by  
13 Mr. McCool.

14 MR. McCOOL: Good morning again, Chair Cohen  
15 and Honorable Members of the Board.

16 Once again, I'm Jack McCool, Chief of the  
17 State-Assessed Properties Division.

18 I am here to introduce the state assesseses'  
19 presentation on capitalization rates and other  
20 factors affecting value.

21 Under Property Tax Rule 903 the Board  
22 provides state assesseses with the opportunity to make  
23 public presentations regarding the valuation of their  
24 unitary property. These presentations are  
25 informational and do not require any Board action.

1 I am not aware of any state assessees that  
2 are planning on making a presentation today; however,  
3 I will note that the State-Assessed Properties  
4 Division staff has met with several state assessees  
5 already this year to discuss matters relating to the  
6 upcoming valuation season. And we have additional  
7 meetings scheduled for the remainder of this month.

8 We will also continue to make ourselves  
9 available to any state assessee that would like to  
10 meet with us.

11 That concludes my presentation for this  
12 item.

13 Thank you.

14 MS. COHEN: Colleagues, any questions for  
15 Mr. McCool?

16 All right. Seeing none, Ms. Taylor, do we  
17 have any scheduled speakers or public comment?

18 MS. TAYLOR: We do not have any scheduled  
19 speakers, so we -- we will call for public comment.

20 AT&T moderator, please let us know if there  
21 is anyone on the line who would like to make a public  
22 comment regarding this matter.

23 AT&T MODERATOR: Once again, if you do -- if  
24 you would like to make a public comment, please press  
25 one, then zero at this time.



1 At this time we have nobody queuing up.  
2 MS. COHEN: All right. Thank you very much.  
3 Colleagues, we have no other questions.  
4 So, Ms. Taylor, please call the next item.

5  
6 **ITEM C1b**

7  
8 MS. TAYLOR: The next item is C1b, Public  
9 Hearing, Property Taxes, Presentation on  
10 Capitalization Rates and Other Factors Affecting  
11 Values.

12 Private railroad car assesses' and/or  
13 representatives' presentations on factors and  
14 procedures affecting fiscal year 2022-23, taxable  
15 values of private railroad cars.

16 This matter will be introduced by  
17 Mr. McCool.

18 MS. COHEN: Great.

19 MR. McCOOL: Good morning once again,  
20 Chair Cohen and Honorable Members of the Board.

21 Once again, for the record, my name is  
22 Jack McCool with the State-Assessed Properties  
23 Division.

24 Property Tax Rule 903 also provides private  
25 railroad car taxpayers an opportunity to make public

1 presentations to the Board on factors affecting the  
2 taxable values of private railroad cars.

3 I am not aware of any private railroad car  
4 assessees that are making presentations today;  
5 however, their annual property statements are due on  
6 April 30th, and they have another opportunity to make  
7 public presentations to the Board in April if they so  
8 choose.

9 Thank you.

10 MS. COHEN: All right. Thank you.

11 Colleagues, any questions?

12 All right. Let's take public comment.

13 MS. TAYLOR: Thank you.

14 AT&T moderator, please let us know if there  
15 is anyone on the line who would like to make a public  
16 comment regarding this matter.

17 AT&T MODERATOR: Once again, if you have a  
18 public comment, you can press one, then zero at this  
19 time.

20 And nobody has queued up.

21 MS. COHEN: Okay. Great. Thank you.

22 Next item.

23

24

**ITEM E3a**

25

1 MS. TAYLOR: The next item is E3a, Tax  
2 Program Nonappearance Matters, Adjudicatory, Legal  
3 Appeals, Property Tax Matters, Section 40 Decisions;  
4 Southern California Edison Company (0148) SAU21-007.

5 This matter will be presented by  
6 Ms. Garrett.

7 MS. GARRETT: Good morning, Chair Cohen and  
8 Honorable Members.

9 I am Sarah Garrett, an appeals attorney for  
10 the Board.

11 Members, as you will recall, Southern  
12 California Edison Company's 2021 appeal was decided  
13 by the Board in December 2021.

14 This decision was final at the time it was  
15 made by the Board; however, as the amount in  
16 controversy exceeded \$500,000 in tax, under Revenue  
17 and Taxation Code Section 40, the Board is required  
18 to adopt and publish a written decision for the -- to  
19 the Board's website within 120 days of the original  
20 decision.

21 This allows for transparency and  
22 memorialization of the Board's decision.

23 A draft non-presidential written decision  
24 has been submitted for your consideration.

25 The appeals attorney recommends the Board

1 adopt this written decision to fulfill the Board's  
2 obligations under Section 40.

3 Thank you.

4 MS. COHEN: Great. Thank you.

5 Colleagues, any questions?

6 All right. Let's go ahead and see -- let's  
7 take public comment, and then we'll take a motion.

8 MS. TAYLOR: AT&T moderator, please let us  
9 know if there is anyone on the line who would like to  
10 make a public comment regarding this matter.

11 AT&T MODERATOR: Thank you.

12 No one has queued up.

13 MS. COHEN: All right.

14 Is there a motion?

15 MR. VAZQUEZ: So moved, Chair.

16 MS. COHEN: Thank -- thank you.

17 Is there a second?

18 Okay. Motion made by Vazquez, second by  
19 Schaefer.

20 Please call the roll.

21 MR. SCHAEFER: That motion was by  
22 Ted Gaines.

23 MS. COHEN: I'm sorry.

24 MS. TAYLOR: Oh, it was with Ted Gaines  
25 would be the first, and the second was

1 Vice Chair Schaefer?

2 MS. COHEN: No, no, no. The -- the -- the  
3 motion was made by Vazquez, and it was seconded by  
4 Schaefer.

5 MS. TAYLOR: Thank you very much,  
6 Chair Cohen.

7 The motion on the floor is to adopt the  
8 non-presidential Section 40 written decision for  
9 Southern California Edison Company.

10 Chair Cohen.

11 MS. COHEN: Aye.

12 MS. TAYLOR: Vice Chair Schaefer.

13 MR. SCHAEFER: Aye.

14 MS. TAYLOR: Member Gaines.

15 MR. GAINES: Aye.

16 MS. TAYLOR: Member Vazquez.

17 MR. VAZQUEZ: Aye.

18 MS. TAYLOR: Deputy Controller Stowers.

19 MS. STOWERS: Aye.

20 MS. TAYLOR: The motion passes.

21 MS. COHEN: Great. Thank you very much.

22

23 **ITEM E3b**

24

25 MS. TAYLOR: The next item is E3b, Tax

1 Program Nonappearance Matters, Adjudicatory; Legal  
2 Appeals Property Tax Matters, Section 40 Decisions;  
3 Russell City Energy Company, LLC (1151) SAU21-008.

4 This matter will be presented by  
5 Ms. Garrett.

6 MS. GARRETT: Thank you, Ms. Taylor.

7 I believe it was 028, just for the record.

8 MS. TAYLOR: Thank you.

9 MS. GARRETT: Good morning, again,  
10 Chair Cohen and Honorable Members.

11 Once again, I am Sarah Garrett, an appeals  
12 attorney for the Board.

13 Similarly, the 2021 Russell City Energy  
14 Company, LLC appeal was previously decided by the  
15 Board in December 2021. The decision was also final  
16 at the time it was made.

17 As this case had an amount in controversy  
18 that exceeded \$500,000 in tax, under Revenue and  
19 Taxation Code Section 40, the Board is also required  
20 to adopt and publish a written decision to the  
21 Board's website for this case to allow for  
22 transparency and memorialization of the Board's  
23 decision.

24 A draft non-presidential written decision  
25 has been submitted for your consideration.

1           The appeal's attorney recommends that the  
2 Board adopt this written decision to fulfill the  
3 Board's obligations under Section 40.

4           Thank you.

5           MS. COHEN: All right. Thank you very  
6 much.

7           Members, any -- any questions or --  
8 All right. Seeing none, let's take public  
9 comment.

10          MS. TAYLOR: AT&T moderator, please let us  
11 know if there is anyone on the line who would like to  
12 make a public comment regarding this matter.

13          AT&T MODERATOR: Thank you.

14          And no one has queued up.

15          MS. COHEN: All right. Thank you.

16          Let's see --

17          MR. GAINES: Motion --

18          MS. COHEN: Is there a motion on this item?

19          MR. GAINES: Motion to approve.

20          MS. COHEN: Motion made by Senator Gaines,  
21 second by Vice Chair Schaefer.

22          Please call the roll.

23          MS. TAYLOR: The motion on the floor is to  
24 adopt the non-presidential Section 40 written  
25 decision for Russell City Energy Company.

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Chair Cohen.  
MS. COHEN: Aye.  
MS. TAYLOR: Vice Chair Schaefer.  
MR. SCHAEFER: Aye.  
MS. TAYLOR: Member Gaines.  
MR. GAINES: Aye.  
MS. TAYLOR: Member Vazquez.  
MR. VAZQUEZ: Aye.  
MR. GAINES: Deputy Controller Stowers.  
MS. STOWERS: Aye.  
MS. TAYLOR: The motion passes.

**ITEMS Fla, Flc and Fld**

MS. TAYLOR: The next item is Fla, c, and d;  
Other Tax Program Nonappearance Matters, Property Tax  
Matters.

And this item includes two items, audit and  
roll change.

First, Mr. McCool will present the audits,  
which may be voted on individually or collectively.

Contribution disclosure forms are not  
required for these items.

As these matters are a constitutional  
function, Ms. Stowers is not participating in



1 accordance with Government Code Section 7.9.

2 The audits are:

3 A) CBTS Technology Solutions LLC (2470);

4 C) Network Innovations, Incorporated (8154);

5 D) CallFire Incorporated (8220).

6 This matter will be presented by Mr. McCool.

7 MS. COHEN: Awesome.

8 MR. McCOOL: Good morning again, Chair Cohen  
9 and Honorable Members of the Board.

10 Jack McCool, Chief of the State-Assessed  
11 Properties Division.

12 The State-Assessed Properties Division  
13 performs routine audits of state assessees under the  
14 authority of California Revenue and Taxation Code  
15 Section 828 and Government Code Section 15618.

16 The purpose of the property tax audit is to  
17 determine the accuracy, completeness and reliability  
18 of the financial data furnished by state assessees  
19 and used by the Board in the valuation process.

20 Audits also include an internal review of  
21 the methods, calculations and assumptions used by the  
22 State-Assessed Properties Division staff.

23 Before you today for your consideration are  
24 three property tax audits completed by State-Assessed  
25 Properties Division staff.

1           The assessees have been presented with a  
2 copy of the audit report, and provided an opportunity  
3 to provide additional information in response to the  
4 audit report.

5           None of the assessees to date have provided  
6 additional information.

7           I am available to answer any questions if  
8 needed. And I ask for your adoption of these three  
9 audits.

10          Thank you.

11          MS. COHEN: All right.

12          Colleagues, any questions about the audit?

13          MR. GAINES: This is Member Gaines, if I  
14 could.

15          MS. COHEN: Senator Gaines, go ahead.

16          MR. GAINES: It's just a question of  
17 clarification.

18          Can you go over the audits?

19          Because I believe one of these was deleted  
20 for our agenda.

21          MR. McCOOL: That is correct.

22          The deleted company -- as part of our  
23 process, each state assessee is provided a 30-day  
24 notice.

25          When we submit them, the audit findings and

1 the full audit report, the 30-day notice will give  
2 them a window to provide additional information for  
3 us to consider prior to Board action.

4 So for that particular assessee, they were  
5 pulled from the agenda because, while they did not  
6 initially suggest they would provide information,  
7 they did provide us with additional information  
8 within that 30-day window.

9 So we have removed that item from this  
10 month's agenda so that we may consider the  
11 information they provided in full.

12 MR. GAINES: And what are those -- what are  
13 those three that are remaining, just for  
14 clarification to -- to me and the --

15 MR. McCOOL: The remaining companies are  
16 CBTS Technology Solutions LLC, No. 2470; Network  
17 Innovations Incorporated, No. 8154; and  
18 CallFire Incorporated, 8220.

19 MR. GAINES: That's great.

20 And then should these be presented in  
21 separate motions?

22 Question to the Chair.

23 I don't know if we're voting on each of  
24 these individual or --

25 MS. COHEN: Well, we're the -- we're the

1 Board. We can decide.

2 What would you like? Would you --

3 MR. GAINES: Well --

4 MS. COHEN: -- like it individually? Or I  
5 was just going to take them all together.

6 MR. GAINES: Yeah, that's -- that's fine.

7 MR. VAZQUEZ: Let's do them together.

8 MS. COHEN: Okay. Yeah, that's what I was  
9 going to do, take it all together. If that's okay  
10 with everyone.

11 We seem to have a consensus. So perfect.

12 Okay. Mr. McCool.

13 MR. McCOOL: It's the pleasure of the Board,  
14 I ask for the adoption of the three property tax  
15 audits under your consideration.

16 MR. GAINES: So moved.

17 MR. McCOOL: This does require Board action,  
18 yes.

19 MS. COHEN: Yes. Thank you.

20 So before we take that vote, we do need to  
21 take public comment. So we'll take -- we'll take up  
22 that motion in a second.

23 Ms. Taylor, could you please go to the  
24 public.

25 MS. TAYLOR: Thank you.

1           AT&T moderator, please let us know if there  
2 is anyone on the line who would like to make a public  
3 comment regarding this matter.

4           AT&T MODERATOR: Thank you.

5           No one has queued up.

6           MS. COHEN: All right.

7           Well, let's see. There was a motion --  
8 was -- a motion to adopt was made by Senator Gaines.

9           Is there a second?

10          Second by Member Vazquez.

11          Let's call the roll, please.

12          MR. VAZQUEZ: Oh, actually, no, no.

13          Madam Chair, I was going to suggest if we're  
14 going to take them up together, why don't we hear the  
15 second one and make a motion for the two?

16          Is that okay?

17          MS. COHEN: Fine with me.

18          MR. VAZQUEZ: Because it doesn't seem like  
19 there's an objection to them.

20          MS. COHEN: Doesn't seem like there's an  
21 objection at all.

22          Okay. So what we'll do -- we have an open  
23 motion.

24          MR. VAZQUEZ: It didn't get a second anyway,  
25 so let's move forward, right?

1 MS. COHEN: Right. There was no second.  
2 It's just an open item.

3 So let's go ahead and call the next item,  
4 and then we will take a vote. We'll create a motion  
5 for both items.

6 MS. TAYLOR: All right. Thank you,  
7 Ms. Chairman Cohen.

8

9 **ITEM Fle**

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11 The next item is Fle, Roll Change; 2021  
12 Board Roll of Private Railroad Cars.

13 As these matters are constitutional  
14 functions, Ms. Stowers is not participating in  
15 accordance with Government Code Section 7.9.

16 This matter will be presented by  
17 Mr. McCool.

18 MR. McCOOL: Thank you, Ms. Taylor.

19 Again, Chair Cohen and Members of the Board,  
20 Jack McCool, State-Assessed Properties Division  
21 Chief, just for the record.

22 Revenue and Taxation Code Section 11426  
23 allows for the correction of errors to the private  
24 railroad car roll.

25 Before you today for your consideration and

1 adoption is one change to the private railroad car  
2 roll.

3 The change is being recommended to correct a  
4 staff error that resulted in incorrect application of  
5 a penalty for a late filing of the property  
6 statement.

7 Thank you for your consideration of this  
8 matter. I'm available to answer any questions if the  
9 Board has any.

10 And I ask the Board's adoption of this roll  
11 change.

12 Thank you.

13 MS. COHEN: Okay. Thank you.

14 So let's go ahead and take public comment on  
15 this, and then we'll wrap up both -- the motion for  
16 both these items.

17 MS. TAYLOR: Certainly.

18 AT&T moderator, please let us know if there  
19 is anyone on the line who would like to make a public  
20 comment regarding this matter.

21 UNIDENTIFIED PERSON: Or do we -- do we have  
22 that -- it's in -- I'll forward it to you.

23 MS. COHEN: Someone needs to mute their mic.

24 I'm sorry. I'm not sure who it was.

25 Great. Thank you.

1 AT&T MODERATOR: Thank you.

2 MS. COHEN: Ms. Taylor, I'm sorry --

3 AT&T MODERATOR: No one has queued up.

4 MS. COHEN: No one has queued up.

5 All right. Thank you.

6 Mr. Vazquez, can you go ahead and make a

7 motion for both items?

8 MR. VAZQUEZ: Sure.

9 I move that we adopt the two items as staff

10 recommended as their recommendation.

11 MR. GAINES: Second.

12 MS. COHEN: All right. So motion made by

13 Vazquez, second by Gaines.

14 Let's call the roll.

15 MS. TAYLOR: The motion on the floor is to

16 adopt the audit findings and adopt the Board Roll

17 Change as recommended by staff.

18 Chair Cohen.

19 MS. COHEN: Aye.

20 MS. TAYLOR: Vice Chair Schaefer.

21 Vice Chair Schaefer.

22 MR. VAZQUEZ: I think you're muted.

23 MR. SCHAEFER: Aye.

24 MS. TAYLOR: Member Gaines.

25 MR. GAINES: Aye.



1 MS. TAYLOR: Member Vazquez.

2 MR. VAZQUEZ: Aye.

3 Ms. Stowers not participating, the motion  
4 passes.

5 MS. COHEN: Great. Thank you.

6 Ms. Taylor, let's call the next item.

7

8 **ITEM J1**

9

10 MS. TAYLOR: The next item is J1,  
11 Administrative Consent Agenda; Retirement Resolutions  
12 for Andrew (Andy) B. Austin and Barry W. Frazier.

13 MS. COHEN: Okay.

14 Colleagues, we're going to take a  
15 five-minute recess. And then we'll take up the next  
16 item.

17 Thank you.

18 (Whereupon a break was taken.)

19 MS. COHEN: Let's reconvene.

20 It is 11:38 exactly.

21 And we left off, we just called Item J1,  
22 Administrative Consent Agenda; Retirement  
23 Resolution.

24 So at this time what I'd like to do is I  
25 want to congratulate Mr. Austin and Mr. Frazier for

1 their dedicated service, not only to California, but  
2 also to the Board of Equalization.

3 Let's see, Ms. Fleming, is there any remarks  
4 that you'd like to say?

5 MS. FLEMING: Just on behalf of the agency,  
6 we are very proud and extending our congratulations  
7 to both Mr. Andrew Austin and Barry Frazier, who have  
8 just been rock stars in the organization, serving us  
9 well for a number of years.

10 Again, we wish them congratulations in this  
11 next chapter of their life, and appreciate all that  
12 they've done for the Board of Equalization and for  
13 this great state of California.

14 So, Madam Chair, thank you for the  
15 opportunity to comment.

16 Congratulations, guys.

17 MS. COHEN: Absolutely.

18 Thank you.

19 Colleagues, are there any comments that  
20 you'd like to -- to say?

21 MR. VAZQUEZ: Madam Chair, if I could.

22 MS. COHEN: Please, yes.

23 MR. VAZQUEZ: Yes.

24 I would also like to add my sincere  
25 congratulations to both Andy and Berry for their very

1 valuable service, not only to the Board, but to the  
2 Board of Equalization as a whole, for your tremendous  
3 contributions towards fulfilling our BOE mission over  
4 these years.

5 And wish you nothing but the best, and a  
6 healthy and enjoyable retirement moving forward.

7 And, once again, I have to say I'm jealous.

8 MS. COHEN: There's many more years of work  
9 ahead of you, Mr. Vazquez.

10 MR. VAZQUEZ: I know.

11 MS. COHEN: Mr. Gaines, I see your hand.

12 MR. GAINES: Yeah.

13 I just wanted to also thank Mr. Frazier and  
14 Mr. Austin for their many years of dedication to the  
15 BOE, and thank them also for the transition, too.

16 Because there were a lot of changes that  
17 occurred in the BOE -- BOE as a result of AB-102.  
18 And so I'm glad that they were able to hang on and  
19 keep the institutional memory within our agency.

20 And I just wish them the best in retirement.

21 So thank you for your service.

22 MS. COHEN: All right. Well, we will keep  
23 moving.

24 Ms. Taylor, please call the next item.

25 Or, I guess, do we -- do we need to take

1 public comment on this? There's no action.

2 MS. TAYLOR: I don't think we need to take  
3 public comment.

4 MS. COHEN: I didn't think so. Okay.

5

6 **ITEM J2**

7

8 MS. TAYLOR: Our next item is J2,  
9 Administrative Consent Agenda, Approval of the Board  
10 Meeting Minutes.

11 The minutes of the January 23rd, 24th, 2022  
12 were attached to the Public Agenda Notice for your  
13 consideration.

14 MS. COHEN: Thank you.

15 Colleagues, are there any corrections to the  
16 minutes?

17 All right. Seeing none, Members, would  
18 anyone like to make a motion on this item?

19 MR. VAZQUEZ: I move to approve them.

20 MS. STOWERS: Second.

21 MS. COHEN: All right. Thank you.

22 We'll hold this motion.

23 Let's go to public comment.

24 MS. TAYLOR: AT&T operator, can you please  
25 let us know if there is anyone on the line who would

1       like to make a public comment regarding this  
2       matter.

3               AT&T MODERATOR:   Thank you.

4               No one has queued up.

5               MS. COHEN:   Great.   Thank you so much.

6               All right.   So a motion has been made by  
7       commissioner Vazquez -- or, no, not commissioner --  
8       Board Member Vazquez.

9               And it was second -- a second motion was  
10       made by who?

11              By Ms. Stowers.

12              Let's do a roll call vote, please.

13              MS. TAYLOR:   The motion is to adopt the  
14       minutes for January --

15              MS. COHEN:   Yes, that's right.

16              MS. TAYLOR:   -- 23rd and 24th.

17              Chair Cohen.

18              MS. COHEN:   Aye.

19              MS. TAYLOR:   Vice Chair Schaefer.

20              MR. SCHAEFER:   Aye.

21              MS. TAYLOR:   Member Gaines.

22              MR. GAINES:   Aye.

23              MS. TAYLOR:   Member Vazquez.

24              MR. VAZQUEZ:   Aye.

25              MS. TAYLOR:   Deputy Controller Stowers.

1 MS. STOWERS: Aye.

2 MS. TAYLOR: Motion passes.

3 If I may, Chair Cohen. I believe we do need  
4 to take a motion on adopting the retirement  
5 resolutions, and, therefore, take public comment.

6 So if someone wants to make a motion, we  
7 can --

8 MR. GAINES: So moved.

9 Member Gaines.

10 MS. COHEN: All right. Member Gaines has  
11 made a motion, and Member Vazquez has made a second.

12 Let's do the roll on that.

13 MS. TAYLOR: Let me call for public comment.

14 MR. VAZQUEZ: Well, you need to take public  
15 comment, I think, first, no?

16 MS. TAYLOR: Yes.

17 MS. COHEN: Yes.

18 MS. TAYLOR: AT&T moderator, please let us  
19 know if there is anyone on the line who would like to  
20 make a public comment regarding this matter.

21 AT&T MODERATOR: Thank you.

22 No one has queued up.

23 MR. GAINES: This is Member Gaines.

24 I'd like to make a motion for the  
25 resolutions for Mr. Frazier and Mr. Austin.

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MS. COHEN: I'll second that.

MR. VAZQUEZ: I'll second that.

MS. COHEN: All right.

So, Ms. Taylor, did you get that motion?  
Senator Gaines made a motion, I second that  
motion.

And I don't believe we need to take roll, so  
would you please call the roll for the vote.

MS. TAYLOR: Chair Cohen.

MS. COHEN: Aye.

MS. TAYLOR: Vice Chair Schaefer.

MR. SCHAEFER: Aye.

MS. TAYLOR: Member Gaines.

MR. GAINES: Aye.

MS. TAYLOR: Member Vazquez.

MR. VAZQUEZ: Aye.

MS. TAYLOR: Deputy Controller Stowers.

MS. STOWERS: Aye.

The motion passes.

MS. FLEMING: Thank you, Members.

MS. COHEN: Next item, please.

**ITEM K1a**

MS. TAYLOR: The next item is K1a,

1 Executive Director's Report, Organizational Update,  
2 Report on the status of pending and upcoming  
3 organizational priorities.

4 This matter will be presented by  
5 Ms. Fleming.

6 MS. FLEMING: Thank you, Ms. Taylor.

7 Good morning, Members.

8 Good morning, Chair Cohen and Honorable  
9 Members.

10 I'm Brenda Fleming, Executive Director.

11 Just a few comments for you today to make  
12 sure that you're kept informed.

13 The first item is regarding the status of  
14 our public meetings.

15 The second item I'll give you an update on,  
16 Members, is the update on the Advisory Council, and  
17 then finally just some highlights on upcoming  
18 meetings of note.

19 As you may recall, Members,  
20 Assembly Bill 361 extended the ability of public  
21 agencies to meet remotely during the COVID-19  
22 pandemic.

23 That bill, Members, is still in effect.  
24 Therefore, we will continue to meet remotely via  
25 teleconference through March of 2022.



1           There is legislation that was recently  
2 introduced by Assembly Bill 1733 by Assembly  
3 Member Quirk introduced that could extend the  
4 timeframe for remote meetings.

5           However, as this bill was just introduced,  
6 we will monitor for updates. And absolutely,  
7 Members, we will make sure that you're kept informed.

8           My second item is to inform you that our  
9 next Advisory Council meeting is scheduled for  
10 Monday, February 28th.

11           I look forward to sharing the highlights and  
12 the take-aways from that meeting to add to our list  
13 of very important modernization and improvement  
14 priorities.

15           Finally, Members, as we look at the year  
16 ahead and times ahead, I'd like to highlight a few of  
17 the important dates on horizon.

18           In April, the 2022 Central-Southern  
19 California Assessors' Association Annual Conference  
20 will convene in Pismo Beach.

21           In June, the California Taxpayers'  
22 Association, CalTax, is hosting their 96th annual  
23 meeting. And that will be in Sacramento.

24           Tentatively, as you know, Members, in  
25 October we will hold our annual meeting with the

1 assessors. More details to come.

2 And then finally, Members, in November the  
3 120th Annual CAA Conference, California Assessors'  
4 Association Conference will be held.

5 I'll make sure, Members, that you have the  
6 details regarding the dates and locations, and any  
7 other upcoming important dates or events.

8 If there are no questions at this point,  
9 Members, I'd like to turn it over to the wonderful  
10 staff who will give you updates on the operations.

11 MR. SCHAEFER: All right.

12 MS. COHEN: Mr. Vazquez -- oh, sorry.

13 Mr. Schaefer, I see your hand.

14 Go ahead, ask your question.

15 MR. SCHAEFER: There is a June event, that's  
16 the California Taxpayers' Association in  
17 Sacramento.

18 MS. FLEMING: That is correct. Yes, sir.

19 MR. SCHAEFER: Right. I'd like to get back  
20 to Sacramento sometime. Right -- right now our  
21 authority is -- expires in March.

22 MS. FLEMING: Correct.

23 MR. SCHAEFER: So if there is no extension,  
24 we know that we will be going to Sacramento for June?

25 MS. FLEMING: I'll circle back with you as

1 we get close to that date to ensure what the -- what  
2 the travel plans can be.

3 So you've got some flexibility, and I can  
4 certainly circle back with you, sir.

5 MR. SCHAEFER: Is there some experience in  
6 government that Members do go to Sacramento for part  
7 of the year, if not for the difficult months, say,  
8 when the pandemic is strongest?

9 I just am not happy with never going to  
10 Sacramento.

11 MS. FLEMING: We miss you in Sacramento,  
12 Vice Chair Schaefer, for sure.

13 But, again, as it relates to our public  
14 meetings, and that's where we're making the  
15 distinction.

16 It's the public meeting for state agencies.  
17 And that legislation is speaking to what we're able  
18 to do in terms of public participation and holding  
19 our meetings in person.

20 As it relates to the CalTax events, that's  
21 not a public meeting. It's not a government public  
22 agency meeting. And so the rules might be a little  
23 bit different for them.

24 At this point, they're just announcing the  
25 timeframe of their meeting. We'll work with them to

1 get more details to make sure that you're informed,  
2 sir.

3 You're muted, sir. I'm sorry.

4 MR. SCHAEFER: Oh, we're in Sacramento the  
5 same time they're meeting is, so it would be  
6 convenient for us to --

7 MS. FLEMING: That would be --

8 More details to come.

9 Thank you, Members.

10 Madam Chair, I'll turn it back over to  
11 you.

12 MS. COHEN: I appreciate that. Thank you.

13 All right. Colleagues -- well, I guess,  
14 Ms. Executive Director, does that complete your  
15 report?

16 MS. FLEMING: That completes my report.

17 If you, with your permission, ma'am, will  
18 have Ms. Taylor continue with the rest of the  
19 presentation.

20 MS. COHEN: Just a second. I think Vazquez  
21 has a question.

22 MR. VAZQUEZ: Just a quick -- I was just  
23 wanting to thank you for your updates, and actually  
24 kind of looking forward to your report. I guess it's  
25 going to happen in March now on the Advisory Council

1 Meeting.

2 MS. FLEMING: Mm-hm. Yes, sir.

3 MR. VAZQUEZ: Thank you.

4 MS. FLEMING: Thank you.

5 Madam Chair, with your permission,  
6 Ms. Taylor --

7 MS. COHEN: Yes, please continue.

8 MS. TAYLOR: Yes. We will need to take  
9 public comment.

10 AT&T moderator, please let us know if there  
11 is anyone on the line who would like to make a public  
12 comment regarding this matter.

13 AT&T MODERATOR: Thank you.

14 No one has queued up.

15 MS. TAYLOR: Thank you.

16

17 **ITEM K1b**

18

19 MS. TAYLOR: The next item is K1b,  
20 Executive Director's Report; Operational Priorities  
21 and Projects -- Operational Priorities: Report on the  
22 status of operational priorities.

23 This matter will be presented by

24 Ms. Renati.

25 MS. RENATI: Good morning, Chair Cohen and

1 Honorable Members.

2 I am Lisa Renati, Chief Deputy Director.

3 Today I will report on some of the agency's  
4 operational priorities and projects.

5 The first item is our workforce capacity.

6 Since our last meeting, we have filled four  
7 positions; two were internal promotions, and the  
8 other two were filled with staff new to the agency.

9 The team continues to focus on this  
10 important effort to ensure our workforce capacity is  
11 solidly in place.

12 The next item I would like to present is an  
13 update on our Process Improvement Project.

14 As I have mentioned in past reports, process  
15 improvement is a proactive and continuous process,  
16 with examination of the processes and procedures of  
17 each unit in determining how to best improve each  
18 process for work flow level -- relevance and user  
19 experience.

20 This project aligns with our agency's  
21 Strategic Plan goals to modernize our tax  
22 administration functions and provide for the growth  
23 and development of our future property tax leaders.

24 I'm happy to report that while the work is  
25 being performed in addition to our regular duties,

1 the Process Improvement Project continues to advance  
2 and progress is being made.

3 Later this morning you will hear a report  
4 from Ms. Lauren Keach, a manager within our  
5 County-Assessed Properties Division who will talk  
6 about the specific progress on the Welfare Exemption  
7 Supplemental Clearance Certificate process, and we  
8 will continue to inform the Board of any other  
9 notable improvements of our process and procedures.

10 This concludes my report on some of the  
11 agency's operational priorities. I'm available to  
12 answer any questions you may have.

13 MS. COHEN: Well, thank you.

14 Let's see if there's any questions for  
15 Ms. Renati.

16 Colleagues?

17 This is a pretty straightforward  
18 presentation, so it doesn't surprise me that there  
19 isn't any.

20 Let's go ahead and take public comment.

21 MS. TAYLOR: AT&T moderator, please let us  
22 know if there is anyone on the line who would like to  
23 make a public comment regarding this matter.

24 AT&T MODERATOR: No one has queued up.

25 MS. COHEN: All right. Great.

1 MS. TAYLOR: Thank you.

2 MS. COHEN: Let's take a vote.

3 MS. TAYLOR: We'll move on.

4 MS. COHEN: We'll move on.

5 You're right. No vote.

6 MS. TAYLOR: No vote.

7 MS. COHEN: Let's just move on.

8 MS. TAYLOR: Thank you.

9

10 **ITEM K1c**

11

12 MS. TAYLOR: The next item is K1c, Executive  
13 Director's Report; Proposition 19 Implementation  
14 Project: Report on the status of the agency's  
15 Proposition 19 Implementation Project.

16 This matter will be presented by Ms. Renati.

17 MS. RENATI: Good morning.

18 Again, this is Lisa Renati, Chief Deputy  
19 Director.

20 Today I will provide an update of our  
21 Proposition 19 Implementation Project.

22 A high-level implementation plan is attached  
23 to today's agenda.

24 I'm happy to report the status of our Prop.  
25 19 project is green, which indicates we have no



1 issues or concerns to report.

2 Members, next, each team leader will provide  
3 you with specific information on the implementation  
4 actions for each of their areas.

5 Thank you.

6 MS. COHEN: Colleagues, any questions?

7 Again, really simple, straightforward.

8 All right.

9 MR. GAINES: This is Member Gaines, if I  
10 could just briefly.

11 MS. COHEN: Yes.

12 Mr. Gaines, go ahead.

13 MR. GAINES: Yeah.

14 I just wanted to thank Ms. Renati  
15 on basically everything she's reported on.

16 I think the, you know, organizationally, I'm  
17 just really happy how things are going in terms of  
18 getting to, you know, full staffing.

19 And we've made so much progress. I'm just  
20 very encouraged by that. So I just wanted to  
21 highlight that.

22 Thank you.

23 MS. RENATI: Thank you, Member Gaines.

24 It's a team effort. I can't take any credit  
25 for how well my team has done. But they're doing a

1       tremendous job, so thank you.

2               MR. GAINES:  Yes, all of you are.  So thank  
3       you.

4               MS. COHEN:  Great.

5               Seeing no other hands, let's go to public  
6       comment.

7               MS. TAYLOR:  Chair Cohen, perhaps we can go  
8       through the subitems, and then we can take public  
9       comment at the end?

10              MS. COHEN:  Sure.

11              MS. TAYLOR:  Okay.

12              The second subitem is the Property Tax  
13       Department's Prop. 19 Implementation and Guidance,  
14       presented by Mr. Yeung.

15              MR. YEUNG:  Yes.

16              Good morning, Chair Cohen and Honorable  
17       Members of the Board.

18              David Yeung here, Property Tax Deputy  
19       Director.

20              I am going to give you a brief report on our  
21       Department's implementation of Prop. 19.

22              So the biggest news I have for today is that  
23       we have released our long-associated LTA giving  
24       guidance on the base year transfers.

25              As you will recall, SB-539 went ahead and

1 put into statute 69.6. This is a LTA that will give  
2 additional guidance to the ones that we already have  
3 out on -- on the implementation and the  
4 administration of the base year transfers.

5 So that was released as of Thursday of last  
6 week. So February 17th was actually put on our  
7 website.

8 Just as a brief note, this is -- that  
9 actually is the 14th LTA that we put out on Prop. 19  
10 and its various aspects.

11 What's next on the agenda is an LTA on the  
12 intergenerational transfers. That has already gone  
13 through development, and we anticipate it being  
14 released as early as tomorrow.

15 So that will make it No. 15 of our LTAs on  
16 this issue.

17 What else is going on, staff continues to  
18 work on reviewing guidance, LTAs, old annotations  
19 on -- on this issue.

20 We're identifying any LTAs, or any written  
21 guidance that needs to be updated or republished.

22 We are also working on updating 10 forms to  
23 conform with SB-539.

24 And we are continuing, actually, a pretty  
25 good, decent workload on answering public inquiries

1 on this issue.

2 So we are still getting -- we're still  
3 getting a lot of calls from taxpayers, from  
4 assessors, other stakeholders on the application and  
5 the implementation of Prop. 19.

6 So this will conclude my presentation for  
7 the Property Tax Department.

8 I'm available for any questions you may  
9 have.

10 MS. COHEN: Colleagues, any questions for  
11 Mr. Yeung?

12 MS. TAYLOR: All right. The third --

13 MS. STOWERS: I have a question,  
14 Madam Chair.

15 MS. COHEN: Please, Ms. Stowers, go ahead.

16 MS. STOWERS: Mr. Yeung, where do we stand  
17 on the system change?

18 Aren't we supposed to be tracking --

19 MR. YEUNG: Yeah. Thank you very much,  
20 Deputy Controller, for that question.

21 Our system change is actually complete.

22 We -- we have -- we have designed and  
23 implemented a system to track the -- the base year  
24 transfers, so it's complete.

25 Thank you to staff and our partners in

1 CDTFA. They've been a fantastic resource in helping  
2 us do that.

3 So it is up and running. And we've actually  
4 had reports come in already.

5 MS. STOWERS: Perfect. Thank you.

6 MR. YEUNG: Of course.

7 MS. COHEN: All right. Glad you got your  
8 answer.

9 Any other questions for Mr. Yeung?

10 All right. Let's hear the third subitem.

11 MS. TAYLOR: Certainly.

12 The third subitem is Legal Department's  
13 Proposition 19 Implementation and Updates, presented  
14 by Mr. Nanjo.

15 MR. NANJO: Thank you, Cathy.

16 Good morning, Chair Cohen, Honorable Members  
17 of the Board.

18 I am Henry Nanjo, Chief Counsel of the BOE's  
19 Legal Department, here with my Senior Counsel,  
20 Richard Moon.

21 As I reported last month, Legal Department  
22 completed the initial rulemaking effort to implement  
23 Proposition 19.

24 Additionally, as the Board knows,  
25 Senate Bill 539 was signed into law by the governor

1 on September 30th, 2021.

2 SB-539 provided amendments to the Revenue  
3 and Taxation Code Sections 62.3 and 69.6, clarifying  
4 Proposition 19's constitutional amendments.

5 Since SB-539's passage, staff has been  
6 working closely with the Property Tax Department to  
7 review the Board's Proposition 19-related property  
8 tax rules in light of SB-539.

9 Staff has determined that both of the  
10 Board's Proposition 19-related property tax rules  
11 will require amendments through the emergency  
12 rulemaking process to fully implement SB-539.

13 Today I will provide status updates and our  
14 anticipated timeline to initiate each emergency  
15 rulemaking action.

16 For Property Tax Rule 462.540, Exclusion  
17 from Change in Ownership-Base Year Value Transfers,  
18 which implements Revenue and Taxation Code 69.6,  
19 staff is currently drafting amendments, and  
20 anticipates presenting the proposed emergency  
21 rulemaking package for the Board's consideration at  
22 the March 2022 meeting.

23 For Property Tax Rule 462.520, Exclusion  
24 from Change in Ownership-Intergenerational Transfers,  
25 which implements Rev. and Tax Code Section 63.2,

1 staff is in the early drafting stages, and  
2 anticipates presenting the emergency rulemaking  
3 package for the Board's consideration in April of  
4 2022.

5 We will keep the Board updated with any  
6 changes to this anticipated timeline.

7 I'd like to thank my team for being very  
8 active in helping partner with the Property Tax  
9 Department and answering public inquiries to clarify  
10 all these changes Proposition 19 has brought upon us.

11 That concludes my report.

12 Please let me know if there are any  
13 questions at this time.

14 MS. COHEN: Thank you.

15 Mr. Vazquez.

16 MR. VAZQUEZ: Yes.

17 Mr. Nanjo, you kind of touched on it.

18 I was wondering, do we have an estimate -- a  
19 good estimate of when your office expects to have  
20 that taxpayer information sheet on SB-539?

21 MR. NANJO: I believe that's being worked on  
22 both with TRA and in conjunction with the  
23 Property Tax Department.

24 That is one of the priorities. So we are  
25 currently working on getting that out.

1 I don't have a current timeline. But  
2 we're -- it is a priority project as well.

3 MR. VAZQUEZ: And, actually, I wasn't sure  
4 if it's something -- your kind of experience, or  
5 Ms. Thompson.

6 Is that something I should ask her later?

7 MR. NANJO: Yes.

8 MR. VAZQUEZ: Okay.

9 MR. NANJO: The information sheets typically  
10 come from the TRA office.

11 MR. VAZQUEZ: All right. I'll wait then.  
12 Thank you.

13 MR. NANJO: Thank you, Chair -- thank you,  
14 Member Vazquez, for that question.

15 Any other questions, Members?

16 MS. COHEN: I don't see any.

17 MR. NANJO: Great. Thank you very much.

18 MS. COHEN: Thank you.

19 Let's go to the fourth subitem.

20 MS. TAYLOR: The fourth subitem is Update on  
21 Legislation Related to the Implementation of  
22 Proposition 19, presented by Mr. Weatherby.

23 MR. WEATHERBY: Good afternoon, Chair Cohen  
24 and Vice Chair Schaefer and Honorable Members of the  
25 Board.



1           This is Dustin Weatherby, Chief of the  
2           Legislative, Research and Statistics Division.

3           So after the legislative bill introduction  
4           deadline on Friday, no bills were introduced or  
5           amended relating to the implementation of  
6           Proposition 19.

7           While no new bills have been introduced or  
8           amended, Assembly Constitutional Amendment 9 by  
9           Assembly Member Kevin Kiley is still pending in the  
10          Legislature.

11          The last day for the Legislature to place a  
12          measure on the November 2022 ballot is June 30th.

13          So this particular measure seeks to repeal  
14          several provisions of Proposition 19 regarding  
15          intergenerational base year transfer exemptions, and  
16          to reinstate the prior roll.

17          This measure will apply retroactively to all  
18          purchases or transfers occurring on or after  
19          February 16th, 2021.

20          Currently ACA-9 is awaiting referral to the  
21          Committee and the Assembly.

22          So this will conclude my presentation on  
23          this item.

24          And I'm available to answer any questions.

25          MS. COHEN: Questions for Mr. Weathersby?

1 All right. I don't see any.

2 All right. Thank you.

3 Colleagues, let's keep moving. Let's hear  
4 the fifth subitem.

5 MS. TAYLOR: The fifth subitem is  
6 Communications Office, Proposition 19 Implementation  
7 Actions, presented by Mr. Kim.

8 MR. KIM: Thank you, Ms. Taylor.

9 Good -- good afternoon, Chair Cohen and  
10 Honorable Members of the Board.

11 This is Peter Kim, Chief Communications  
12 Officer.

13 Members, today I will provide a brief report  
14 on the Communications Department's efforts in  
15 implementing Proposition 19.

16 Members, as you know, the Proposition 19  
17 web page is being updated and enhanced to provide the  
18 latest information in realtime for stakeholders and  
19 taxpayers.

20 Since last month, a notable update includes  
21 adding the Letter to Assessors on the implementation  
22 of Proposition 19 base year value transfers.

23 This LTA was also highlighted on our social  
24 media channels to let our followers know of the new  
25 guidance.

1           Also, the Taxpayers' Rights Advocate,  
2 Lisa Thompson, and I have been collaborating together  
3 to update the existing Proposition 19 facts sheet to  
4 reflect the changes due to SB-539.

5           We will inform the Board and the public once  
6 the fact sheet is finalized.

7           As of yesterday, we received a total of  
8 approximately 280,504 unique external page views  
9 since November 10, 2020.

10           Since my report at last month's Board  
11 Meeting, that's an additional 11,709 unique external  
12 page views.

13           Finally, we're continuing to use our social  
14 media channels, such as Facebook, Twitter, Instagram  
15 and LinkedIn to expand our audience and direct  
16 followers to the BOE website for the latest updates  
17 and resources.

18           This concludes my report.

19           And I'm available to answer any questions  
20 the Board may have.

21           MS. COHEN: All right.

22           MR. GAINES: This is Member Gaines.

23           MS. COHEN: Hold on.

24           Senator Gaines, I see your hand.

25           MR. GAINES: Great. Thank you.

1 I just wanted to highlight, again, the  
2 number of page views as it relates to Prop. 19.

3 So, Mr. Kim, you'd mentioned that it's  
4 280,000. And I think you've been tracking that on a  
5 monthly basis.

6 I'm just trying to get a handle on you know,  
7 is that waning off?

8 I mean, are fewer people viewing that per  
9 month, or is it stabilized, or is it going up?

10 MR. KIM: It's pretty -- thank you for that  
11 question, Board Member Gaines.

12 It's been pretty consistent. The range has  
13 been between 11,000 to about 15,000 per month.

14 MR. GAINES: Okay.

15 MR. KIM: And so I think, as we issue more  
16 and more guidances due to the passage of SB-539,  
17 we're anticipating more visits to the web page.

18 As Mr. Yeung has alluded to, the Property  
19 Tax Department's contacts that we've received have  
20 been pretty consistent, and the volume has been  
21 pretty solid. So we're anticipating that the views  
22 to our web pages are also going to be similar

23 MR. GAINES: That's great.

24 Well, I want to thank you just for providing  
25 that information and working on enhancing our

1 website.

2 Because it's so -- such a critical tool in  
3 terms of our ability to communicate with our  
4 constituents.

5 Thank you.

6 MR. KIM: Thank you.

7 MS. COHEN: All right. Thank you.

8 Let's see.

9 MR. KIM: Thank you, Madam Chair.

10 MS. COHEN: I see no other hands.

11 So let's go to the sixth and final  
12 subitem.

13 MS. TAYLOR: The sixth subitem is the  
14 Taxpayers' Rights Advocate Office Implementation of  
15 Proposition 19, and the seventh subitem, Education  
16 and Outreach for Proposition 19, is presented by  
17 Ms. Thompson.

18 MS. THOMPSON: Good afternoon, Chair Cohen  
19 and Honorable Board Members.

20 I am Lisa Thompson, Chief of the Taxpayers'  
21 Rights Advocate Office.

22 I am pleased to report on the Proposition 19  
23 implementation and action plan for the Taxpayers'  
24 Rights Advocate Office.

25 Taxpayers' Rights Advocate Office

1 implementation plan is focused on developing new  
2 information sheets for the intergenerational  
3 exclusion and base year value transfers under  
4 Proposition 19, and revising its existing information  
5 sheets affected for this change in law.

6 Our office has reviewed the language in  
7 Proposition 19's implementing legislation resulting  
8 from Senate Bill 539, and has reviewed information  
9 issued by our agency's Property Tax Department  
10 concerning this implementing legislation.

11 Last week Letters to Assessors 2022-09 was  
12 issued addressing the base year value transfers. And  
13 as the Property Tax Department just indicated in its  
14 report, the LTA pertaining to intergenerational  
15 transfers will be issued this week.

16 Our office is collaborating on how best to  
17 present information on Proposition 19. It's  
18 implementing legislation and LTA guidance in the  
19 Taxpayers' Rights Advocate Office information sheets  
20 so that taxpayers are aware of property tax savings  
21 available to them.

22 The -- our information sheets will identify  
23 the effective dates for Proposition 19 when  
24 implementing legislation was passed, as well as key  
25 LTAs issued by our agencies concerning the

1 implementing legislation.

2 I'll go ahead and go on to the next item if  
3 that pleases the Board.

4 Again, I am Lisa Thompson, Chief of the  
5 Taxpayers' Rights Advocate Office.

6 And I'm pleased to report on the  
7 Proposition 19 implementation and action plan for  
8 education and outreach.

9 The Proposition 19 implementation and action  
10 plan for education and outreach is focused on  
11 creation of a Proposition 19 facts sheet and  
12 presentation material development.

13 As you know, we issued a Proposition 19 fact  
14 sheet and PowerPoint presentation on February 1st,  
15 2021.

16 And our office has collaborated with the  
17 Communications Officer, Peter Kim, on updates to this  
18 Proposition 19 facts sheet that we issued in February  
19 as a result of implementing legislation from  
20 Senate Bill 539.

21 It was signed into law September 30th, 2021.

22 And we've also reviewed information issued  
23 by our agency's Property Tax Department on this  
24 implementing legislation.

25 We have prepared a draft of the revised

1 Proposition 19 fact sheet incorporating information  
2 from implementing legislation and corresponding  
3 guidance on this issued in the two letters to  
4 assessors on this implementing legislation for base  
5 year value transfers and intergenerational  
6 exclusions.

7 The revised fact sheet is currently being  
8 reviewed internally. And once that is finalized for  
9 publication, once the internal review is completed,  
10 we'll apprise you at a later Board Meeting of the  
11 fact sheet and the status to keep you informed.

12 Later in the agenda I'll be providing some  
13 information on the activities of the TRA office as to  
14 issuance of the TRA Annual Report and projects being  
15 worked on, as well as some statistics on completed  
16 cases.

17 This concludes my update for the education  
18 and outreach implementation plan.

19 I am available to answer any questions.

20 MS. COHEN: All right. Thank you,  
21 Ms. Thompson, for just continuing the excellent work,  
22 and the excellent work that your staff is doing,  
23 particularly during these really difficult times.

24 As we see from the TRA Annual Report, your  
25 office provides great assistance to taxpayers so



1 that -- as they attempt to navigate the complex  
2 property tax system.

3 I know that all these cases are not  
4 cookie-cutter cases. And each inquiry is different.  
5 Each requires a great deal of expertise to provide  
6 the appropriate and accurate and also timely  
7 responses.

8 So I was wondering if you had a need -- how  
9 many staff members do you have in your office to help  
10 with these inquiries?

11 MS. THOMPSON: They're -- including myself,  
12 there are four.

13 MS. COHEN: Okay. All right. Okay.

14 Well, let me compliment you on including a  
15 breakdown in your report how taxpayer cases in the  
16 valuation category differ from the cases in the  
17 administrative category. I thought that was great.

18 MS. THOMPSON: Thank you. I appreciate  
19 that.

20 MS. COHEN: Particularly -- go ahead.

21 MS. THOMPSON: And I'm -- thank you so much  
22 for that.

23 And I'm also pleased to expand more on the  
24 details of the Taxpayers' Rights Annual Report in  
25 Item K5 at that time. So --

1 MS. COHEN: Okay. Please do.

2 MS. THOMPSON: If we could --

3 MS. COHEN: Yeah, go ahead.

4 MS. TAYLOR: Ms. Cohen, we are on  
5 Item K1c.

6 MS. COHEN: Oh, we're still on c.

7 Sorry. I'm jumping the gun. I just saw  
8 Ms. Thompson, and I got excited.

9 MS. TAYLOR: I understand.

10 Would you like me to call for public comment  
11 so we can see --

12 MS. COHEN: Yes, I would.

13 MS. TAYLOR: Thank you.

14 MS. COHEN: Ms. Thompson, we'll circle back  
15 to you, because I have more compliments --

16 MS. THOMPSON: Thank you. It's an exciting  
17 report. I'm glad your --

18 MS. COHEN: It is an exciting report.

19 Okay. Go ahead.

20 MS. TAYLOR: AT&T moderator, please let us  
21 know if there is anyone on the line who would like to  
22 make a public comment.

23 AT&T MODERATOR: Once again, if you would  
24 like to make a public comment, please press one, then  
25 zero at this time.

1                   Currently, we have nobody queuing up.

2                   MS. COHEN:   Okay.   Thank you.

3

4   ITEM K3a

5

6                   MS. TAYLOR:   The next item is K3a, Property  
7 Tax Deputy Directors's Report; Operational Updates:  
8 Report on the status of pending and upcoming  
9 projects, activities and departmental issues.

10                   This item will be presented by Mr. Yeung.

11                   MR. YEUNG:   Yes.   Thank you, Cathy.

12                   Good afternoon, Chair Cohen and Honorable  
13 Members of the Board.

14                   David Yeung, Deputy Director of the Property  
15 Tax Department here again.

16                   For you today I will have an update on  
17 what's going on in the Property Tax Department.

18                   So as a whole, as Ms. Renati mentioned, the  
19 Property Tax Department is doing really well, and we  
20 are making great progress on our -- on our Process  
21 Improvement Project.

22                   Right now we are -- we have much of our  
23 procesees already documenting.   And we are  
24 identifying ones that have not been documented in the  
25 past, and we're working on that.

1           So staff has been very busy and doing  
2 fantastic work on that.

3           In the CAPD, the County-Assessed Properties  
4 Division, much work still continues with the  
5 Prop. 19, as we mentioned earlier.

6           We are still getting a fair amount of  
7 inquiries coming in, and it is taking staff -- it's  
8 taking up a lot of staff time.

9           Ms. Lumsden will follow after my  
10 presentation and will give you additional updates on  
11 three of our main functions in CAPD.

12           So that will follow.

13           In SAPD, State-Assessed Properties Division,  
14 much of the work now concentrates in getting ready  
15 for the 2022 valuation season.

16           So right now staff is finishing up with  
17 their capitalization rate studies, and is in the  
18 process of reviewing their appraisal templates, their  
19 methodologies, and everything it takes to start the  
20 appraisal process.

21           So come March, our season will be in full  
22 swing, and staff will be working double time to get  
23 everything completed and to the Board by May.

24           And with that, this will conclude -- oh, I'm  
25 sorry. There's one more thing.

1 MS. COHEN: Yeah, I was going to say, that  
2 was kind of --

3 MR. YEUNG: Yeah.

4 Ms. Keach will also bring -- will also  
5 provide you a little bit more detailed update on our  
6 process improvement project as it relates to the  
7 welfare exemption.

8 So that will also follow.

9 I'm available for any questions you may  
10 have.

11 And if not, I will turn it back to  
12 Ms. Taylor to go ahead and call for the next five  
13 presentations.

14 MS. TAYLOR: Thank you.

15 The next subitem is Letters to Assessors,  
16 presented by Ms. Lumsden.

17 MS. COHEN: All right.

18 Just for clarification and for our staff, we  
19 are going -- I'm going to continue moving forward,  
20 but we are going to break at 12:30. That's in  
21 15 minutes.

22 And then we will have a lunch break, and we  
23 will resume at 1:00 o'clock.

24 So we -- let's continue with the Letters to  
25 Assessors, and -- but just note to the members of the

1 public and my colleagues that we're going to break at  
2 12:30, in 15 minutes.

3 Okay. Let's continue.

4 Thank you, Ms. Taylor.

5 MS. LUMSDEN: Good afternoon, Board Members,  
6 Chair Cohen and Honorable Board Members.

7 This is Patty Lumsden. I'm Chief of the  
8 County-Assessed Properties Division.

9 Today I will provide you with a brief report  
10 on Letters to Assessors.

11 Attached to the agenda this month is a memo  
12 on Letters to Assessors, which provides a list of the  
13 LTAs that have been issued since our last Board  
14 Meeting.

15 In addition, it provides a link to the BOE's  
16 website where a list of all LTAs can be found that  
17 have been issued to date.

18 The LTA memo attached to the agenda this  
19 month shows that BOE staff have issued a total of  
20 nine LTAs for calendar year 2022. And five of those  
21 have been issued since our last Board Meeting.

22 And I will provide you with a summary -- a  
23 brief summary of each of those five LTAs.

24 The first LTA, which, following a public  
25 hearing, announced the Board's adoption of Property

1 Tax Rule 462.540, change in ownership of base year  
2 value transfers.

3 This new rule was approved by the Office of  
4 Administrative Law and became effective on  
5 January 1, 2022.

6 The next LTA provides the amendments to  
7 Revenue and Taxation Code Section 277 for  
8 Senate Bill 667, which added subdivisions (b) and (c)  
9 to section 277, expanding the authority of who can  
10 file a claim for the Disabled Veterans' Exemption  
11 with the assessor, and now includes the executor,  
12 administrator, or personal legal representative of a  
13 claimant's estate, or the trustee of the deceased  
14 claimant's trust assets.

15 The next LTA was -- which was presented in  
16 its drafted form and adopted by the Board Members at  
17 the last Board Meeting.

18 This LTA provides general principles to  
19 guide an assessment appeals boards and local boards  
20 of equalization when holding remote hearings.

21 This LTA supercedes previous guidance issued  
22 under LTA No. 22/057, 22/063, and 2021/002, and a  
23 notation has been placed on each of these prior LTAs,  
24 which shows on our website to indicate that they have  
25 been superceded by this new LTA.

1           The next LTA provides a report on the 2021  
2 state-assessed property appeals, which lists those  
3 assessees whose original Board-adopted value was  
4 revised upon appeal, the revised amount, and the  
5 counties impacted, as well as those assessees whose  
6 original Board-adopted value was not adjusted upon  
7 appeal.

8           And, finally, the last LTA provides further  
9 guidance on the implementation of the base year value  
10 transfer provisions under Proposition 19 after the  
11 passing of Senate Bill 539, which added section 69.6  
12 to the Revenue and Taxation Code.

13           This concludes my report on Letters to  
14 Assessors.

15           And I'm available to answer any questions  
16 you may have.

17           MS. COHEN: Okay.

18           Mr. Vazquez.

19           MR. VAZQUEZ: Yes. Thank you, Madam Chair.

20           And thank you, Ms. Lumsden, for -- for your  
21 staff's excellent work, especially on these LTAs.

22           I have two questions for you.

23           The first one relates to the LTA No. 2022/06  
24 states that the trustee or the executor can now sign  
25 a claim for a Disabled Veterans' Exemption.



1           But I have many veterans in my district with  
2 questions about the value of the Veterans' Exemption  
3 versus the Homeowners' Exemption.

4           And I'm wondering -- I'd, well, actually,  
5 basically been advising them that they cannot claim  
6 both the homeowners' exemption and the Veterans'  
7 Exemption.

8           But I'd like to direct them to a link on our  
9 website that answers their questions on which one  
10 will provide the biggest exemption amount.

11           It seems like the Veterans' Exemption is  
12 less, unless I'm reading that incorrectly.

13           Do we have a fact sheet or a simple LTA on  
14 the monetary differences between the exemptions and  
15 basic qualifications?

16           MS. LUMSDEN: So thank you for that  
17 question, Mr. Vazquez.

18           So we do have on our website information  
19 regarding the exemptions.

20           This particular LTA that I've just brought  
21 up is -- has to do with the Disabled Veterans'  
22 Exemption, which is different than the Veterans'  
23 Exemption.

24           So the Homeowners' Exemption is a  
25 thousand-dollar exemption. And then the

1 Veterans' Exemption is a \$4,000 exemption per year.

2 So that's the difference between the two  
3 that, of course, there's other requirements as well  
4 and qualifications involved.

5 And most people do claim the Homeowners'  
6 Exemption over the Veterans' Exemption, because it is  
7 a higher dollar amount in terms of getting relief.

8 But the Disabled Veterans' Exemption is  
9 different than those two exemptions.

10 So -- and then we do have on our website  
11 information about the Disabled Veterans' Exemption,  
12 as well as information on the Homeowners' Exemption  
13 and the Veterans' Exemption.

14 MR. VAZQUEZ: Thank you.

15 And then my second question is, in the new  
16 LTA 2022/012 on the intergenerational transfer  
17 exclusion under Prop. 19, I noticed that if a  
18 transferee is -- no longer qualifies for either the  
19 Homeowners' Exemption or Disabled Veterans'  
20 Exemption, the exclusion is removed, and the value of  
21 the family home is re-enrolled back to the date of  
22 change in ownership.

23 How and when will transferees be notified of  
24 this before that -- before they get this big bill?

25 And will the notice give the transferee a

1 chance to take corrective action and reapply for the  
2 exemption?

3 MS. LUMSDEN: Well, thank you, again, for  
4 that question.

5 That particular Letter to Assessors  
6 wasn't -- hasn't been put out for this report that  
7 I've put out. It must have recently come out, or is  
8 about to come out any day, I believe.

9 But in regards to your question, the  
10 taxpayers would be notified through a -- I'm assuming  
11 some sort of notification of the removal of their  
12 Homeowners' Exemption, I would believe, at that time.

13 That's something, though, that the  
14 assessor's office would be responsible for handling.

15 And so how they would be providing those  
16 notifications would depend on what exactly transpired  
17 to cause that to be removed.

18 But they would be notified, because any  
19 change in the assessment does require notification to  
20 the taxpayer.

21 MR. VAZQUEZ: So that responsibility, you're  
22 saying, has really been -- is really put on the  
23 county assessors in each respective county then?

24 MS. LUMSDEN: Yes, that is -- that is  
25 correct.

1 MR. VAZQUEZ: I'm a little worried about  
2 that, because I know LA being so huge, I'm wondering  
3 if they have the people power to make sure that gets  
4 out.

5 We don't -- we don't -- so we don't -- we  
6 have no way of tracking or providing assistance on  
7 that, especially, I'm thinking to the large counties?

8 MS. LUMSDEN: That -- providing the  
9 notification to the taxpayers --

10 MR. VAZQUEZ: Yes.

11 MS. LUMSDEN: -- on their assessments, or  
12 changes in assessments, that is at the local level.  
13 That's not something that the Board of Equalization  
14 does.

15 MR. VAZQUEZ: All right. Thanks.

16 MS. LUMSDEN: You're welcome.

17 MS. COHEN: Colleagues, I don't see any  
18 hands.

19 Are there any other questions for  
20 Ms. Lumsden?

21 Okay.

22 MS. TAYLOR: The next subitem is  
23 Appraisal --

24 MS. COHEN: Yes.

25 MS. TAYLOR: -- Training and Certification,

1 presented by Ms. Lumsden.

2 MS. LUMSDEN: Thank you, Ms. Taylor.

3 Again, my name is Patty Lumsden. I'm the  
4 Chief of the County-Assessed Properties Division.

5 And I will now give you a brief report on  
6 the BOE's appraisal training and certification  
7 program.

8 Since our last meeting we have taught two  
9 more virtual classes of our most requested sources.  
10 And so far during calendar year 2022 we have taught a  
11 total of 4 virtual classes, and trained a total of  
12 134 students.

13 And to put this into perspective for you,  
14 last year at this time we were still trying to get  
15 our classes converted over to a remote --  
16 remote-learning format, and up and running.

17 So we had not taught any classes during the  
18 first two months of 2021. So this puts us on track  
19 to outsurpass what we were able to accomplish last  
20 year. And I'm looking forward to meeting that goal.

21 And that will conclude my report on training  
22 and certification.

23 And I'm available to answer any questions  
24 you may have.

25 MS. COHEN: Mr. Vazquez, I see your hand.

1           And see yours, Mr. Gaines.

2           MR. VAZQUEZ: Yes. Thank you, Madam Chair.  
3           Just one quick one.

4           I believe these virtual classes are here to  
5 stay, and are the only way to reach most students  
6 with minimal effort.

7           And the logistics of it, what is the  
8 Department's plan to increase capacity, either with  
9 more classes, more subjects, or more instructors, so  
10 that we can increase the number of people trained and  
11 certified?

12           MS. LUMSDEN: Thank you for that question,  
13 Mr. Vazquez.

14           We are working on that as we speak.

15           In terms of trying to expand our ability to  
16 teach more classes, I've made mention in several of  
17 our Board Meetings that we are planning on doing a  
18 hybrid once we are able to. And we will do some  
19 remote classes, and we will also try to go back to  
20 doing some in-person classes.

21           All of the classes are -- differ in the  
22 information that's in them and presented in them.

23           So some classes do -- or may fare better for  
24 the students being held in person.

25           We're kind of finding that out as we're

1 going through this process.

2 And other classes may be great for doing  
3 remote learning.

4 And it also assists with not only saving BOE  
5 staff having to travel around the state to  
6 accommodate these assessors and their staff, but it  
7 also helps the assessors in being able to send their  
8 students to the different locations that we will be  
9 able to teach at.

10 We do teach at multiple locations throughout  
11 the state when we do have in-person training. But  
12 obviously we can't meet every -- you know, every goal  
13 of every being in every county.

14 So we definitely choose our positioning in  
15 accordance to locations and trying to meet the needs  
16 of as many assessors and their staff as we can.

17 That being said, we do plan on expending --  
18 expanding the number of classes we're offering, and  
19 also we have already discussed expanding the number  
20 of students allowed in the class.

21 We're finding now that we're getting the  
22 hang of doing more of the remote teaching. It's --  
23 it's allowing us to expand that a little bit more.

24 And -- but to keep in mind that even though  
25 these are being held remotely in a virtual format, it

1 still requires a lot of personal relating to the  
2 students. And it's very difficult to do if there's  
3 100 students in a class that has a lot of  
4 mathematical calculations in it.

5 So we really can't expand it too much,  
6 because it still requires us to be able to make time  
7 for the students, and have -- be able to answer their  
8 questions and work with them after hours and stuff,  
9 and with the class as well.

10 So hopefully that answers your question.

11 MR. VAZQUEZ: Yes, I think so.

12 Because it sounds like you're obviously  
13 working on trying to be a little bit creative, given  
14 the situation, basically, which we're learning, given  
15 this virtual, new, I guess, way of thinking and  
16 operating. And it looks like you're getting a  
17 good -- pretty good handle on it.

18 Appreciate it.

19 MS. LUMSDEN: Thank you for those comments.

20 And, yes, we have been working on this.

21 We do do our classes in a fiscal year. And  
22 so we are finishing up the current fiscal year, and  
23 will be meeting together to start setting up our  
24 plans for the coming fiscal year.

25 MR. VAZQUEZ: Thank you.



1 MS. COHEN: So it appears that, depending on  
2 the topic, in-person classroom experience might just  
3 make more sense, just might be more appropriate.

4 MS. LUMSDEN: Yes, that's what we're  
5 finding.

6 And that's what we're making note of to try  
7 to be able to accommodate the assessors and their  
8 staff as much as we can.

9 Because the more difficult the class is and  
10 the more mathematical calculations that are involved,  
11 we're finding it's difficult to teach that in a  
12 virtual format.

13 MS. COHEN: Okay.

14 Mr. -- Senator Gaines.

15 MR. GAINES: Great. Yes.

16 Thank you, Chair Cohen.

17 I just wanted to ask Ms. Lumsden if she  
18 could present just a small graph for us or a chart  
19 for our next Board Meeting.

20 It'd be very helpful, I think, for all of us  
21 to know how many people we're teaching and training  
22 each year.

23 So you had mentioned that we're already  
24 ahead of the curve for the first two months of this  
25 year with 134 students and 4 classes. And that's --

1       that's awesome.

2                   But it would be really helpful for me to  
3 know what were we doing before the pandemic, what  
4 happened during, and what's happening now.

5                   I'm -- because I'm making the assumption  
6 that we are providing more classes to more people  
7 than we were before the pandemic. And I -- I just  
8 don't know if that's accurate. But it'd be nice to  
9 see some -- some data.

10                   MS. LUMSDEN: Certainly.

11                   We can look into providing something like  
12 that for the next Board Meeting.

13                   I did at our last Board Meeting provide you  
14 with statistics on how -- the differences between  
15 years 2017 to the current year 2021. So -- to try to  
16 give you a good perspective.

17                   But we can definitely look into seeing if we  
18 can provide you with a graph of that information.

19                   MR. GAINES: Well, if you've already done  
20 it, just don't -- just don't reinvent the wheel. If  
21 I've already requested it, I apologize.

22                   MS. LUMSDEN: Oh, no. Not a problem.

23                   I just wanted to mention that we did  
24 mention -- we did bring that up at the last Board  
25 Meeting, the statistics for those classes.

1           MR. GAINES: Okay. Maybe what you could do  
2 is I could review those individually with you.

3           Because I -- I can't recall what those are.  
4 I'm -- I'm sorry.

5           MS. LUMSDEN: If you would like me to go  
6 over them, I --

7           MR. GAINES: Yeah, please. Please do.

8           MS. LUMSDEN: So in 2017 we taught a total  
9 of 23 classes with 644 students. And we used 16 BOE  
10 instructors to teach those classes. And we had -- we  
11 also used 7 county instructors.

12          MR. GAINES: Okay. All right.

13          MS. LUMSDEN: And in 2018 we were in the  
14 process of change, having gone through the  
15 switch-over from the breaking off with the CDTFA part  
16 of our thing -- our -- excuse me -- our agency.

17                 And so in 2018 we only had one -- one BOE  
18 instructor and one retired annuitant. And so our  
19 teaching that year, we only taught 16 classes in  
20 2018. We only taught a total of 462 students. And  
21 only 5 of those were taught by BOE instructors.

22                 And we partnershiped with 11 county  
23 assessors' staff to teach the other classes for us.

24          MR. GAINES: Okay.

25          MS. LUMSDEN: So in 2019, we started ramping

1 back up our program again, and we taught 22 classes  
2 that year. We taught 636 students. And we had --  
3 14 of them were taught by BOE instructors, and  
4 8 taught by the county instructors.

5 In 2020, that's when we had the pandemic.  
6 And the pandemic hit us, and that year we were only  
7 able to teach 6 classes in person. Total number of  
8 176 students.

9 And they were -- 4 of them were taught by  
10 BOE instructors, and 2 of them by county instructors.

11 And then that's when we were shut down, and  
12 we could not teach any classes for the whole rest of  
13 that year.

14 And so then in 2021 we spent the first two  
15 months trying to get our in-person classes up and  
16 running, because we hadn't been able to teach them  
17 for so long.

18 And we -- once we saw that, you know, the  
19 pandemic wasn't going anywhere, we needed to put in  
20 place some type of ability to continue teaching these  
21 classes.

22 And so we came up with the -- doing the  
23 remote virtual learning process. And so that year in  
24 2021 we were able to teach a total number of  
25 18 classes and 578 students.

1           And all 18 of those classes were taught by  
2 BOE instructors, which was the first time that we've  
3 taught all our own classes.

4           So the remote virtual learning actually did  
5 give us that ability to teach all of our own classes  
6 without having to partnership with the county  
7 assessors' staff.

8           And so that, you know, we're doing a lot of  
9 learning from the whole process of doing remote  
10 learning.

11           And so we're finding, like I said, a good  
12 hybrid of that process, once we're able to teach our  
13 in-person classes again. We would like to continue  
14 doing that, our virtual training classes. But we  
15 would also like to start going back to doing some  
16 in-person training as well.

17           MR. GAINES: Okay. That's great.

18           Now, in 2017, was that prior to AB-102?

19           MS. LUMSDEN: AB-102, I believe, took place  
20 or went into effect on July 1st of 2017.

21           MR. GAINES: Okay. All right. Very well.

22           So we had to kind of re -- rebuild it,  
23 didn't we?

24           MS. LUMSDEN: Yes, exactly. That's exactly  
25 what we had to do.

1           So in 2019 we started expanding our program,  
2           and that's why we were able to -- we were just -- we  
3           are on the verge of really revamping up that program.

4           And we did really well in 2019. We were on  
5           schedule in 2020 to do the same until the pandemic  
6           hit.

7           MR. GAINES: Yes. Yeah.

8           Wonderful. Well, you're doing a great job,  
9           so thank you.

10          MS. LUMSDEN: Thank you very much.

11          MR. GAINES: And do you think we're  
12          satisfying the demand?

13          I don't know what the demand is.

14          MS. LUMSDEN: The demand, I can tell you, is  
15          really high right now.

16          And a lot of it, you know, is partly from  
17          not being able to teach classes for seven, eight  
18          months, however long that period of time was that we  
19          were not able to teach classes.

20          MR. GAINES: Yeah. Yep.

21          MS. LUMSDEN: So we're trying to get those  
22          caught back up.

23          Also we have assessor staff that have been  
24          newly hired. So a lot of these classes are, you  
25          know, in high demand for the newly-hired staff

1 members.

2 So, yeah. So it's definitely high demand.  
3 And we're, you know, doing the best we can to  
4 accommodate them. But we know we need to do more.  
5 And that's what we're working on.

6 MR. GAINES: Great. Thank you so much for  
7 that update.

8 And I apologize that I asked for it twice.  
9 So I'm glad --

10 MS. LUMSDEN: That's not a problem.

11 MR. GAINES: I'm glad we went through it,  
12 and I have a clearer understanding.

13 And keep up the good work.

14 MS. LUMSDEN: Thank you.

15 And I'd like to thank my staff that's  
16 involved in the training and certification --

17 MR. GAINES: Yes.

18 MS. LUMSDEN: -- program. Because  
19 they're -- they're the ones doing all the work.

20 So thank you very much for those nice  
21 comments.

22 MR. GAINES: Great. Thank you.

23 MS. COHEN: All right.

24 Colleagues, it's 12:33. We are adjourned  
25 until 1:00 o'clock.

1           Enjoy your lunch.

2           Thank you.

3           MS. FLEMING: Madam Chair, just a note.

4 We'll recess, not adjourn. We'll recess.

5           MS. COHEN: Excuse me. I appreciate that  
6 clarification.

7           Right. We'll recess.

8           MR. VAZQUEZ: You're welcome to adjourn too,  
9 Madam Chair, if you wish.

10          MS. COHEN: No, we have too much work to do.  
11 Let's just recess.

12          MS. FLEMING: Thank you, ma'am.

13          (Whereupon a recess was taken.)

14          MS. TAYLOR: All right.

15          To refresh, we are on Item K3a, Property Tax  
16 Deputy Director's Report; Operational Updates:  
17 Subitem Assessment Practices Surveys, presented by  
18 Ms. Lumden -- Lumsden.

19          MS. LUMSDEN: Thank you, Ms. Taylor.

20          Good afternoon, Chair Cohen and  
21 Board Members.

22          This is Patty Lumsden. I'm the Chief of the  
23 County-Assessed Properties Division.

24          And I will be giving you a brief report on  
25 the BOE's assessment practices surveys.



1           Since our last Board Meeting and calendar  
2 year 2022, we recently issued the following two  
3 assessment practices survey reports via Letters to  
4 Assessors; Santa Barbara County in District 2, and  
5 Alameda County, also in District 2.

6           Since these reports were issued only  
7 yesterday via LTA, they were not included in my  
8 previous LTA report that I gave earlier. But will be  
9 included in my LTA report next month.

10           In addition to these two counties, we are  
11 actively working on completing surveys and samples  
12 for ten other counties. Six of those are in  
13 District 1, two in District 2, one in District 3, and  
14 one in District 4.

15           These surveys and samples, of course, are in  
16 various stages of production. And once completed, a  
17 copy of the report is provided to each of the  
18 Board Members and their office for preview.

19           Our staff continues to conduct these surveys  
20 and samples remotely. And they work closely with  
21 each assessor and their staff to determine the best  
22 way to collect the necessary information in the least  
23 impactful way to the assessor.

24           This concludes my report on assessment  
25 practice surveys.

1           And I'm available to answer any questions  
2 you may have.

3           MS. COHEN: Thank you.

4           Colleagues, are there any questions?

5           All right.

6           MR. VAZQUEZ: Just -- just one quick one if  
7 I may, Madam Chair.

8           MS. COHEN: Okay.

9           MR. VAZQUEZ: And it happens to deal with  
10 the counties here.

11           I'm just looking at -- have any of the  
12 counties expressed their concerns regarding resources  
13 needed to provide data to us?

14           MS. LUMSDEN: Yes. So thank you for that  
15 question.

16           So that's why we -- we work with each  
17 individual assessor when we get ready to do our  
18 survey.

19           We reach out to them months in advance to  
20 determine what the best way is to collect that data.

21           And so we determine, based upon what that  
22 county's particular situation is, whether or not  
23 they're able to give us remote access, or if we need  
24 to seek assistance having them help gather the data  
25 that we request.

1           So every county is different in what their  
2 capabilities are. And so we work with those counties  
3 to determine what the best way to collect that  
4 information is.

5           So it's not ideal, and we definitely are  
6 looking forward to going back in person.

7           But at this time, this is the best way for  
8 us to collect this information so we can continue  
9 doing our statutory duties.

10          MR. VAZQUEZ: Thank you.

11          One last quick one.

12          MS. LUMSDEN: Certainly.

13          MR. VAZQUEZ: It's -- you know, it's my  
14 understanding the assessment practice surveys are  
15 ways to promote uniformity and fairness and equity  
16 and integrity, pretty much, of the property tax  
17 assessment process.

18          From what you have seen from the results as  
19 a general consensus, what is the ongoing issue that  
20 you see needs work or needs to be prioritized?

21          MS. LUMSDEN: So I may need a little  
22 clarification on your question.

23          Because there is -- I mean, there is  
24 different things that we see in terms of -- there are  
25 certain recommendations that we see across the Board

1 in different counties. And we try to provide  
2 information on those -- those recommendations.

3 And also these reports are published for the  
4 public. And so any of the other counties also are  
5 available to see them and review them to see what  
6 sorts of recommendations we made in that particular  
7 county versus another county.

8 So don't know if that's what you're  
9 referring to in terms of what we see.

10 MR. VAZQUEZ: Yes, I -- I think -- I think  
11 you're kind of hitting on it.

12 Because, you know, I know obviously when  
13 you're dealing with, you know, 58 counties throughout  
14 the state, there's -- you've got the large, you have  
15 the medium, and the small.

16 But I was just wondering, especially on  
17 those where there's -- you feel like there's somewhat  
18 of a consensus on, what do you think might be some of  
19 the areas that we -- we should be at least looking to  
20 possibly prioritize in terms of improving the  
21 situation?

22 MS. LUMSDEN: Well, one of the things that  
23 we also participate in is the California Assessors'  
24 Association Survey Ad Hoc Committee.

25 We meet with them on a -- on a regular basis

1 and go over different issues that we see are  
2 recurring recommendations between the counties. And  
3 which ones, you know, can -- we can help be resolved,  
4 and to get the information out to the different  
5 counties. So we share information in that way.

6 In addition to that, we also, like I said,  
7 we have different mechanisms of providing that  
8 information. And like -- one of those ways is  
9 through our published reports.

10 And then counties can see those in an effort  
11 to see perhaps they're having the same issues. And  
12 then -- plus, on top of that, they can reach out to  
13 us, and we can go over those issues with them.

14 MR. VAZQUEZ: Yeah. That's what I was kind  
15 of hitting at.

16 Because I -- I'm assuming some of the  
17 smaller counties have probably had a little bit of a  
18 difficult time given their limited resources. And --  
19 and especially under this, you know, this whole COVID  
20 situation.

21 But I really encourage staff to see what we  
22 can do to try to bring as many of those smaller  
23 counties into the fold as possible.

24 MS. LUMSDEN: Right.

25 So we also have been prioritizing our coming

1 surveys in terms of handling the main topics of issue  
2 so that we can provide that information to the  
3 assessors and their staff.

4 And then also it's a good learning --  
5 learning tools for our own new appraisers that we  
6 have on staff.

7 So we go over those -- those particular  
8 topics. And we are looking more in depth on  
9 providing more training on some of the more difficult  
10 property types that we usually review, such as  
11 taxable possessory interests, CLCA-type properties.

12 And so we are looking into possibly  
13 providing more education-type sources -- resources  
14 for them, as opposed to writing up recommendations on  
15 certain topics.

16 So we're finding that that may be more  
17 beneficial to the assessors and their staff, and then  
18 that would be helpful, too, for some of the smaller  
19 counties.

20 And we have done that with some of the  
21 mining claim topics. And that was very successful  
22 last year when we did.

23 And we're looking forward to putting out  
24 some more of those sessions.

25 MR. VAZQUEZ: And I'm assuming, because of

1 technology, you know, I'm -- you know, a lot of the  
2 small counties are probably -- it's a bit of a  
3 challenge for them.

4 And I don't know what we could do on our end  
5 in terms of assisting with some of those resources or  
6 training.

7 MS. LUMSDEN: Right.

8 So that is, you know, like you said, that is  
9 something we're putting -- working on putting in  
10 place.

11 And we also have staff dedicated, our  
12 Assessment Services Unit is dedicated to assisting,  
13 not only the public in answering questions, but they  
14 also answer questions for assessors and their staff  
15 as they come across some of these more complex issues  
16 as well.

17 MR. VAZQUEZ: Thank you.

18 MS. LUMSDEN: You're welcome.

19 MS. COHEN: All right. Seeing no other  
20 questions, let's keep moving forward.

21 Ms. Taylor.

22 MS. TAYLOR: Our fourth subitem is  
23 State-Assessed Property, presented by Mr. McCool.

24 MR. MCCOOL: Good afternoon, Chair Cohen and  
25 Honorable Members.

1 My name is Jack McCool, Chief of the  
2 State-Assessed Properties Division.

3 Today I will provide information on the  
4 status of ongoing work in our division.

5 Staff are working diligently on compiling  
6 data for this year's annual capitalization rate  
7 study.

8 Appraisers with knowledge and expertise in  
9 each of our industry groups have been combining the  
10 market data used in the study, and are now in the  
11 midst of analyzing the data.

12 Staff have also started meeting as a larger  
13 group to scrutinize each other's industry data.

14 And we will hold a series of internal  
15 meetings over the course of the next couple of weeks  
16 before publishing the study in early March.

17 As always, staff have been engaging with  
18 state assessees, and have received input from several  
19 assessees.

20 We will continue to make ourselves available  
21 to any assessees that would like to share any data or  
22 thoughts on this year's study.

23 I am happy to report that staff have made  
24 good progress compiling the other main factors used  
25 in our annual appraisals.



1           Staff have published this year's condition  
2 percent good factors, which are now live on our  
3 website.

4           These factors are used in some of our cost  
5 approach value indicators, and used to help  
6 appraisers calculate the proper amount of  
7 depreciation.

8           Staff are also working to complete this  
9 year's replacement cost new factors.

10          These factors are also used in certain cost  
11 approach indicators.

12          We hope to have these factors completed and  
13 placed on our website by mid March.

14          Finally, Members, our field appraisal staff  
15 continue their lien date 2022 appraisal assignments  
16 to determine the market value of state-assessed land  
17 parcels and leased and nonunitary improvements.  
18 These land values will be incorporated into the 2022  
19 valuations.

20          The field appraisal team uses both market  
21 data and assessee-provided data to reach their value  
22 conclusions.

23          As part of their work, this team travels  
24 throughout the state, conducting physical inspections  
25 and analyses of both state assessee property as well

1 as market comparables.

2 That concludes my report on the status of  
3 our division's ongoing work for this month.

4 I'm happy to answer any questions if there  
5 are any.

6 Thank you.

7 MS. COHEN: All right. Thank you.

8 MR. McCOOL: Thank you.

9 MS. COHEN: I don't see any hands. So it  
10 looks like there are no questions.

11 Okay. Ms. Taylor.

12 MS. TAYLOR: The fifth subitem, Welfare  
13 Exemption Process Improvement Project, will be  
14 presented by Ms. Keach.

15 MS. KEACH: Good afternoon, Chair Cohen and  
16 Honorable Members of the Board.

17 My name is Lauren Keach, and I'm the manager  
18 of the Welfare Exemption Section of the Property Tax  
19 Department.

20 Today I will provide you with an update on  
21 the Welfare Exemption Supplemental Clearance  
22 Certificate Process Improvement Project.

23 Our goal for the project is to streamline  
24 the SCC process for claimants seeking to exempt  
25 low-income rental housing from property taxation.

1           We have identified opportunities for  
2 improvement and ways to increase efficiency when  
3 processing SCC claims.

4           We have completed our examination of the  
5 application process. The checklist and claim form  
6 were revised and are available on the BOE website for  
7 claimant's to utilize.

8           The examination process considered common  
9 reasons for an incomplete claim that can delay  
10 approval, and incorporated discussions with taxpayers  
11 to provide insight on necessary revisions to  
12 accomplish our goal of providing a more clear and  
13 user-friendly application process.

14           We will continue to keep record of common  
15 reasons involved in incomplete claims, following the  
16 newly-implemented form, and make necessary  
17 adjustments to ensure the success of this component  
18 of the project.

19           We have now moved onto phase one of the  
20 claims process of our project, which is to review  
21 each step of the claims reviewing process that is  
22 required to grant an SCC.

23           In our internal analysis we will look for  
24 ways to simplify, improve and modernize each step in  
25 the SCC claims process.

1           This process will incorporate a thorough  
2 review of our procedures and analysis of our  
3 available resources for taxpayers.

4           At our last Board Meeting we were asked  
5 whether our website provided FAQs on the application  
6 process for SCCs.

7           Currently, our Welfare Exemption web page  
8 provides general information on the filing  
9 requirements for both OCCs and SCCs, and provide  
10 links to the various types of applications to be  
11 filed with the BOE, as well as samples of  
12 applications to file with the county assessors once  
13 an OCC or SCC has been granted by the BOE.

14           In addition, our website provides FAQs on  
15 the Welfare Exemption and Veterans' Organization  
16 Exemption.

17           But these questions and answers are more  
18 general in nature, and not specific to the  
19 application process for SCCs.

20           While the current information on our website  
21 is helpful, we believe further review and revisions  
22 of the web page are warranted in order to provide  
23 more information regarding the application process,  
24 as well as the filing requirements for both OCC and  
25 SCCs.

1 Further, we plan to expand our current FAQs  
2 on our website regarding the Welfare Exemption and  
3 Veterans' Organization Exemption to provide more  
4 questions and answers specifically related to SCCs.

5 This part of the project will be tackled  
6 once we have completed our review plan and execution  
7 of the application claims and approval processes of  
8 the SCC project.

9 And as we move forward with this project, we  
10 will continue to provide updates and information  
11 regarding our progress and improvements to allow for  
12 visibility into the process and to ensure that the  
13 Board Members are kept informed.

14 Members, this concludes my presentation.

15 I'm available to answer any questions.

16 MS. COHEN: All right.

17 I see one hand.

18 Antonio Vazquez.

19 MR. VAZQUEZ: Thank you, Madam Chair.

20 And thank you, Ms. Keach.

21 I'm glad that -- I know I raised it at the  
22 last meeting. And it sounds like you're obviously  
23 working real hard on trying to see what we can do in  
24 terms of that, you know, just to have those basic  
25 questions, you know, basically the Q and A for a lot

1 of these folks, and then try to make it as  
2 user-friendly as possible.

3 I guess my second piece would be, has the  
4 Department kind of considered seeking public or  
5 user-feedback on what needs to be improved, or what  
6 is needed to make their experience in that whole  
7 navigation process a little bit easier?

8 MS. KEACH: Yes, that is -- that has been  
9 incorporated as part of this project.

10 Our unit does communicate with taxpayers on  
11 a daily basis. So we receive suggestions and  
12 feedback that has contributed to areas of improvement  
13 that have been needed.

14 So that -- those discussions have been  
15 helpful and have definitely been incorporated in this  
16 process.

17 MR. VAZQUEZ: Thank you. I appreciate it.

18 MS. KEACH: Thank you.

19 MS. COHEN: All right.

20 Well, seeing that there are no other  
21 questions from colleagues, Ms. Taylor, let's go to  
22 public comment on these reports.

23 MS. TAYLOR: Certainly.

24 AT&T moderator, please let us know if there  
25 is anyone on the line who would like to make a public

1 comment regarding these matters.

2 AT&T MODERATOR: Once again, ladies and  
3 gentlemen, if you would like to make a public comment  
4 on any of these matters, please press one and zero at  
5 this time.

6 Again, that's one, then zero on your phone.

7 At this time we have nobody queued up for  
8 comment.

9 MS. COHEN: All right. Let's keep moving  
10 forward.

11

12 ITEM K4a

13

14 MS. TAYLOR: Thank you.

15 The next item is K4a, Legislative, Research  
16 and Statistic Division Chief's Report; Legislative  
17 Issues: Update on administrative and program-related  
18 legislative bills impacting the BOE.

19 This item will be presented by  
20 Mr. Weatherby.

21 MS. COHEN: Mr. Weatherby, the floor is  
22 yours.

23 MR. WEATHERBY: Thank you, Chair Cohen.

24 So good afternoon, Chair Cohen, Vice Chair  
25 Schaefer, Honorable Members of the Board.

1           This is Dustin Weatherby, Chief of the  
2 Legislative, Research and Statistics Division.

3           So before getting to bills in the  
4 legislative update, I want to inform the Board that  
5 the Legislature has two new chairs of the tax  
6 committees.

7           First, Senator Anna Caballero is the new  
8 Chair of the Senate Governance and Finance  
9 Committee.

10          She replaces Senator Mike McGuire, who is  
11 the new Senate Majority Leader.

12          And then just yesterday Assemblymember  
13 Jacqui Irwin was named Chair of the Assembly Revenue  
14 and Taxation Committee.

15          She replaces Assemblymember Autumn Burke,  
16 who resigned at the end of January.

17          So the Legislature just had their bill  
18 introduction deadline this past Friday,  
19 February 18th. And in total over 2,000 bills were  
20 introduced by the Legislature.

21          This means no new bills can be introduced by  
22 legislators, with the exception of constitutional  
23 amendments.

24          However, legislators can still utilize  
25 "gut and amends" to effectively introduce new



1 legislation, and amend spot bills introduced before  
2 the deadline.

3 The Board's proposal to authorize a  
4 five-year sunset extension to the Offer in Compromise  
5 program within the Alcoholic Beverage and Tax  
6 Program.

7 We had conversations with the Legislature in  
8 the list of priorities, and what we are looking at is  
9 a more efficient way to get this through by combining  
10 it with other agencies that are extending OIC sunset  
11 provisions.

12 These OIC provisions have always been  
13 packaged and reviewed together, and this will  
14 continue the best legislative practices.

15 So I will keep the Board updated on the  
16 status of this proposal moving forward.

17 And then the Board's proposal to provide  
18 deadline extensions related to the alcoholic beverage  
19 tax for situations related to COVID-19 did not  
20 receive a legislative author this session; however,  
21 I'm working with legislative staff to carry the  
22 proposal next year.

23 So attached to the PAN is a summary of the  
24 legislation affecting the Board of Equalization  
25 through just before the bill introduction deadline.

1 Board Members, as a courtesy note, I want to  
2 highlight that I will discuss some bills that were  
3 introduced Friday after the PAN attachment was  
4 posted.

5 I will make sure to specify in my discussion  
6 that those bills do not appear on this month's PAN,  
7 but will appear on the March Board Meeting PAN  
8 attachment.

9 The first bill for discussion is AB-1206 by  
10 Assemblymember Bennett, which will require that  
11 rental unit continue to be treated as a lower income  
12 household when the income of those occupants  
13 increases up to 140 percent of the area's median  
14 income.

15 If the owner is a community land trust whose  
16 land is leased to low-income households for the  
17 fiscal years 2022/23 through 2027/28, this would  
18 allow community land trusts to continue to receive  
19 the Welfare Exemption for units where the occupants  
20 earn up to 140 percent of the AMI, where current  
21 statutory law denies the exemption above 80 percent  
22 of the area's median income.

23 The bill passed the Assembly on  
24 January 31st, and is currently awaiting referral to a  
25 Senate committee.

1           The next bill is Assembly Bill 1933 by  
2           Assemblymember Friedman, which would provide a  
3           property is fully exempt from property taxation, and  
4           is also within the Welfare Exemption, if that  
5           property is owned and operated by nonprofit  
6           corporation that is organized and operated for the  
7           specific and primary purpose of building and  
8           rehabilitating single or multifamily residential  
9           units.

10           If those units meet certain criteria,  
11           including but not limit to -- limited to that are  
12           sold to first-time home buyers or low income or  
13           moderate income. It requires those units to be made  
14           at an affordable cost to buyers.

15           So this bill is awaiting referral to a  
16           committee. It may not be heard in a committee until  
17           March 13th.

18           The next bill I want to highlight is not  
19           listed on the PAN attachment.

20           It's AB-2651 by Assemblymember Petrie-Norris  
21           extends the sunset date for the Welfare Exemption for  
22           community land trusts that acquire property for  
23           development or rehabilitation for housing on or after  
24           January 1st, 2020.

25           The current sunset date for these provisions

1 is January 1st, 2025. And this bill would further  
2 extend that sunset date until January 1st, 2030.

3 The next bill that was -- is also not listed  
4 on the PAN, this is Senate Bill 1456 by  
5 Senator Stern, which eliminates the total Welfare  
6 Exemption amount allowed to a taxpayer during fiscal  
7 year in relation to low-income housing.

8 This bill would remove the cap of  
9 \$20 million of assessed value. So this bill is also  
10 awaiting pending a referral to a committee, and can't  
11 be heard until next month either.

12 And then Senate Bill 862 by Senator Umberg,  
13 expands the space flight property tax exemption to  
14 include property used for space flight activities.

15 And it definitely extends the sunset date  
16 beyond the January 1st, 2024 lien date.

17 This bill is currently in the Senate  
18 Governance and Finance Committee and is awaiting  
19 hearing.

20 And the final bill, Board Members, I want to  
21 highlight is Senate Bill 1073 by Senator Grove, which  
22 will provide a partial Disabled Veterans' Exemption  
23 to a veteran that is partially disabled, beginning  
24 with the January 1st, 2023 lien date.

25 So this bill was currently awaiting referral

1 to a committee, and it can be heard during committee  
2 hearings beginning in March.

3 And then as an additional note,  
4 Board Members, there are multiple proposed  
5 propositions that are currently in circulation.

6 To ensure you are informed, I have included  
7 in my weekly reports information regarding  
8 propositions which may affect our programs or the  
9 agency.

10 If you have any questions on these  
11 initiatives, I'm available to set up a meeting with  
12 you in your offices to provide more information as  
13 needed.

14 So this will conclude my presentation on  
15 this item.

16 And I'm available to answer any questions.

17 MS. COHEN: Thank you for the  
18 presentation.

19 Mr. Vazquez.

20 MR. VAZQUEZ: Yes. Thank you.

21 And thank you, Mr. Weatherby.

22 I think you touched a little bit on what I  
23 wanted to say.

24 But I just wanted to add to that, you know,  
25 I guess my question really relates to the 31 new

1 affordable housing bills that went into effect  
2 January 1.

3           You kind of hit on a few of them already.  
4 Of course, you know, as, you know, Governor Newsome  
5 signed these bills as part of his whole California  
6 comeback plan, and \$22 billion investment in housing  
7 and homelessness. The goal is to create over 84,000  
8 new housing units, including 44,000 for homeless.

9           I guess my question to you is there -- is it  
10 a possibility maybe at the next Board Meeting to kind  
11 of go through those 31, and then give us maybe a  
12 little brief synopsis of those? As they possibly  
13 could affect our district assessors in our respective  
14 areas, or the AABs for public agencies and their  
15 constituents.

16           If that's a possibility, I think that would  
17 be really helpful.

18           MR. WEATHERBY: Thank you, Board  
19 Member Vazquez.

20           I'd be happy to look into -- I believe  
21 you're referring to the early budget. The early  
22 budget action items that were taken by the  
23 Legislature and the governor.

24           MR. VAZQUEZ: Yes.

25           MR. WEATHERBY: I have gone through those

1 bills. A lot of the programs that were affected did  
2 not touch the BOE. But I would be happy to kind of  
3 circle back and double check, and then follow up with  
4 your office if that's acceptable.

5 MR. VAZQUEZ: I appreciate it.

6 MS. COHEN: Any other questions for  
7 Mr. Weathersby?

8 Mr. Weathersby, how did you kind of gather  
9 this information? What is your style of keeping, I  
10 guess, your finger on the pulse?

11 MR. WEATHERBY: So luckily the -- the State  
12 uses legislative tracking systems. So I'm able to  
13 use key -- key terms around the BOE, and any of its  
14 related programs and items.

15 So I get daily updates on legislation that  
16 affects any of those items.

17 And then I'll individually review the bills  
18 to see if they still applicably applied to BOE's  
19 programs, or whether one of them is just included in  
20 a legislative definition.

21 And so for bills that, you know, don't get  
22 picked up by those, I still go through all the bill  
23 introductions and amendments to see if it touches the  
24 agency's or any of its programs in a more tangential  
25 way.

1 MS. COHEN: What's the feel, I mean, the  
2 capital?

3 Are people coming back and, you know,  
4 working the halls, and having lunch, and are still --  
5 people still working from home and remote calling in?

6 MR. WEATHERBY: So the Legislature has moved  
7 out from the annex into the new swing space over off  
8 of O Street.

9 From my understanding from talking to  
10 legislative staff, is a lot of staff are still  
11 working remotely. And a lot of -- of the committee  
12 hearings, while they're in person, a lot of, you  
13 know, Third House advocates and other state agencies  
14 are still utilizing teleconferencing to access the  
15 Legislature through those committees.

16 So it's -- it's kind of -- it's a mixed bag.  
17 But mostly it's leading towards still  
18 teleconferencing and remote meetings.

19 MS. COHEN: Okay. Thank you. I appreciate  
20 that.

21 Mr. Vazquez has a question.

22 Mr. Vazquez.

23 MR. VAZQUEZ: Yes. Thank you.

24 I -- I forgot, I was going to make a comment  
25 also, and maybe a possible suggestion to see what the



1 Members-- how they feel about this.

2 And it actually leads into kind of a  
3 question that I'd like, and concern to share with  
4 staff, as well as our ED and the Members, related to  
5 legislation.

6 I would like to know the status of the  
7 Board's proposed amendments to clarify the statutes  
8 extending deadlines in the emergency section 155 and  
9 section 15620.

10 Last I recall we were to have a public  
11 discussion at our January meeting.

12 So, Members, I would propose we make sure it  
13 is placed on our -- our March meeting for discussion  
14 and possible action, if the Board is on Board with  
15 that.

16 And pretty much the Board and the BOE staff  
17 devoted substantial time and work over the last six  
18 months preparing an issue paper, submitting proposals  
19 of draft language, holding an interested parties  
20 meeting, and issuing documents addressing numerous  
21 concerns.

22 We owe it to the public and the BOE staff, I  
23 think, and ourselves as constitutional officers to  
24 discuss the proposals as currently worded, and  
25 determine if the changes should be made, and what

1 actions should be taken. If that's of any concern of  
2 the Members and staff.

3 I was kind of hoping to see if we could at  
4 least continue that discussion. I know it's not an  
5 agenda item today, but I was wondering if we could  
6 make sure that happens in our March meeting if  
7 possible.

8 Thank you.

9 MS. COHEN: Thank you.

10 Let's go to public comment.

11 MS. TAYLOR: AT&T moderator, please let us  
12 know if there is anyone on the line who would like to  
13 make a public comment.

14 AT&T MODERATOR: Once again, if you would  
15 like to make a public comment, please press one, then  
16 zero at this time.

17 At this time nobody's queued up.

18 MS. COHEN: All right. Thank you very  
19 much.

20 Seeing that there's no public comment,  
21 there's no further discussion, let's call the next  
22 item.

23

24

25

//

1 ITEM K5a

2  
3 MS. TAYLOR: The next item is K5a,  
4 Taxpayers' Rights Advocate Office Report; Taxpayer  
5 Rights Advocate's Annual Report: Presentation of the  
6 2021 TRA Annual Report highlighting the office's  
7 accomplishments, involvement in projects, and  
8 examples of cases illustrating services provided.

9 This matter will be presented by  
10 Ms. Thompson.

11 MS. COHEN: Ms. Thompson. All right.

12 Now is our favorite time in the agenda where  
13 we get to talk about how -- how you broke down the  
14 report on taxpayer cases and the valuation category  
15 differing from the administrative category.

16 Thank you again.

17 In particular -- in particular, I enjoyed  
18 seeing the data in how the specific cases inquires  
19 broke down among the various sub categories.

20 I know that took a lot of work. But I just  
21 want to publicly affirm and express my appreciation  
22 so you and your staff know how much -- how grateful I  
23 am.

24 So with that, I'd like to open up the floor  
25 to you in your presentation.

1 Thank you.

2 MS. THOMPSON: Thank you so much for those  
3 kind words.

4 It was a lot of work, and I do have my staff  
5 to thank for it, to which I am eternally grateful.

6 So I'll go ahead and proceed.

7 Good afternoon, Chair Cohen and Honorable  
8 Board Members.

9 I am Lisa Thompson, Chief of the Taxpayers'  
10 Rights Advocate for the Board of Equalization.

11 I am pleased to present to you the 2020/21  
12 Taxpayers' Rights Advocate Annual Reports for  
13 property taxes and the alcoholic beverage tax.

14 As part of my presentation, I will describe  
15 the contents on the report, then provide an  
16 operational update as to the status of projects and  
17 activities of the TRA office to keep you informed.

18 The TRA Annual Report is issued in  
19 accordance with the Morgan Property Taxpayers' Bill  
20 of Rights under the provisions of Revenue and  
21 Taxation Code Section 5904.

22 And the report highlights the  
23 Taxpayers' Rights Advocate Office's accomplishments,  
24 involvement in projects and examples of cases  
25 illustrating the services our office provides to

1 taxpayers, issues that our office works on to  
2 resolve, and describes our office's involvement in  
3 educational projects to help taxpayers.

4 In this year's annual report we have  
5 expanded reporting significantly.

6 This year's report includes several pie  
7 charts identifying percentages for various reporting  
8 metrics, the percentages of completed cases for each  
9 of the four equalization districts, the percentages  
10 of completed cases for valuation category versus the  
11 administrative category, as well as topics within  
12 each of those two categories. And we provide those  
13 in topic areas.

14 So for fiscal year 2021 our office completed  
15 work on 232 cases. All were in the area of property  
16 taxes.

17 Of the completed cases, 18 percent were from  
18 taxpayers in District 1, Board Member Gaines'  
19 District; 36 percent from District 2, Board  
20 Member Cohen's District; 23 percent from District 3,  
21 Board Member Vazquez' district; and 23 percent from  
22 District 4, Board Member Schaefer's district.

23 And 72 percent of the cases were in the  
24 valuation category, which pertains to topics such as  
25 decline in value, change in ownership, new

1 construction, exclusions from reassessment,  
2 exemptions, assessment appeals, and general property  
3 taxation.

4 Twenty-eight percent of those cases were in  
5 the administrative category, which includes topics  
6 such as creating and mailing of tax bills, refunds,  
7 and penalties.

8 As to the topic area within the valuation  
9 category, the report provides a breakdown into eight  
10 topic areas.

11 The largest percentage of those cases  
12 involved exclusions from reassessments at 37 percent,  
13 followed by change in ownership at 23 percent, with  
14 exemptions at 10 percent.

15 As to the topic area within the  
16 administrative category, the report provides a  
17 breakdown into six area topics.

18 The largest percentage of cases involves  
19 special assessments at 32 percent, followed by late  
20 payment penalty cancellations at 25 percent, with the  
21 next highest percentage for delinquent or defaulted  
22 taxes at 8 percent -- or -- excuse me -- 18 percent.

23 In addition to contacts from taxpayers that  
24 our office sets up as a case that we work on, our  
25 office also receives contacts from taxpayers that are

1 seeking assistance in areas that our agency is not  
2 involved in.

3 In those cases the TRA office assists those  
4 taxpayers by directing them to the appropriate state  
5 or county agency.

6 That number varies on a monthly basis. But  
7 in total, for fiscal year 2021, there were  
8 80 taxpayers or requesters that we directed  
9 elsewhere.

10 The annual report also describes how the  
11 public becomes aware of the services offered by our  
12 agency's TRA office. So taxpayers know that we're  
13 here to help them.

14 Our agency's publications provide the TRA's  
15 office's contact information, as does CDTFA's  
16 Publication 145, California Taxpayer Advocates, which  
17 identifies contact information for the advocate  
18 office of our agency, as well as for other state  
19 agencies, and the IRS advocate.

20 County assessors' offices also refer  
21 taxpayers to our office -- offices, as do the Board  
22 Member offices.

23 They direct taxpayers to our offices, or  
24 forward information to our offices, asking us to  
25 assist taxpayers who reached out to your offices.

1           Our agency's website is also a resource for  
2 taxpayers where taxpayers can become aware of the TRA  
3 office.

4           At the bottom of every page of our agency's  
5 website there is a link to the Taxpayers' Rights  
6 Advocate Office.

7           Other state agency representatives also  
8 refer taxpayers to our office, such as the Franchise  
9 Tax Board or the Department of Tax and Fee  
10 Administration.

11           Additionally, our Communications Officer  
12 Department issues social media posts to taxpayers so  
13 they are aware of our offices.

14           So taxpayers can contact us in several ways.  
15 They can contact us using a web intake form from our  
16 website where they can input the information in a  
17 form, and it sends us an automatic e-mail.

18           They could also contact us by phone. The  
19 website intake form is good for taxpayers, and then  
20 it allows them to identify their property and the  
21 nature of the concern in which they need our help.

22           So the two primary functions of the TRA  
23 office are to ensure fair and equitable treatment of  
24 taxpayers in the assessment and collection of  
25 property taxes, and to recommend changes to policies,



1 procedures and laws to improve and ease taxpayer  
2 compliance.

3 This annual report contains examples of  
4 cases that our office worked on to illustrate how the  
5 taxpayer's problems are resolved.

6 And our rule generally involves review and  
7 explanation of processes and laws, contact with local  
8 county assessors or tax collectors offices to help  
9 resolve the problem or concern that the taxpayer has  
10 with the local department.

11 Oftentimes a taxpayer just needs assistance  
12 in understanding what documentation is needed to be  
13 provided to county assessor's office to arrive at a  
14 solution they need, or to receive confirmation that  
15 they were treated fairly according to the law.

16 There are several examples included in this  
17 year's annual report illustrating the types of cases  
18 that we received and how we assisted taxpayers.

19 In this year's annual report we highlighted  
20 one case concerning defaulted property taxes, one  
21 case addressing the parent-child exclusion, and two  
22 cases addressing the base year value transfer for  
23 seniors. And then one case for the Disabled  
24 Veterans' Exemption.

25 One case that I would like to highlight

1 is -- or involved the Disabled Veterans' Exemption.

2 In this case a taxpayer whose husband  
3 recently passed away had contacted our office seeking  
4 assistance with the application for the Disabled  
5 Veterans' Exemption that was filed with an assessor's  
6 office.

7 The widow was concerned about losing her  
8 home, because she couldn't afford to pay the property  
9 taxes.

10 A few years before her husband's death, the  
11 Veterans' Administration had determined her husband's  
12 disability rating at 100 percent and service related.  
13 But they weren't aware that the Disabled Veterans'  
14 Exemption for property taxes was available, so they  
15 hadn't applied for it while her husband was alive.

16 The Taxpayers' Rights Advocate Office  
17 assisted the taxpayer in understanding the  
18 qualifications for the Disabled Veterans' Exemption  
19 and documentation needed to submit to the assessor's  
20 office to show qualification retroactively to an  
21 effective date of the disability, limited to eight  
22 years back.

23 We coordinated with the assessor's office to  
24 have the claim expedited, and the exemption was  
25 granted with several years of property tax refunds

1 issued by the tax collector's office.

2 Many cases that our office worked on in  
3 fiscal year 2020 involved exclusions from  
4 reassessment, specifically in the area of base year  
5 value transfers for seniors, as well as transfers  
6 between parents and children.

7 This annual report highlighted an example  
8 for a transfer between a parent and child where a  
9 taxpayer had inherited a rental property from her  
10 mother, and the taxpayer was concerned that she  
11 wouldn't qualify for exclusion as a result of the  
12 passage of Proposition 19.

13 We helped the taxpayer understand that the  
14 mother had passed away prior to the February 2021  
15 effective date for intergenerational transfer  
16 provisions of Proposition 19, so she did qualify for  
17 exclusion under the prior law.

18 For purposes of change in ownership for  
19 property tax purposes, the date of death is  
20 considered the change in ownership date, not the  
21 actual date of property tax distribution.

22 Once the taxpayer completed the proper claim  
23 forms, the reassessment was reversed, and the lower  
24 value that her mother had had on the property was  
25 reinstated.

1           With respect to base year value transfers  
2 for seniors, we highlighted two examples. One which  
3 addressed the base year value transfer to request to  
4 a different county, and another request for the base  
5 year value transfer to a replacement home of higher  
6 value.

7           Because statutory changes were made to the  
8 base year value transfer and intergenerational  
9 exclusions resulting from Proposition 19, the  
10 constitutional amendment approved by the voters in  
11 November 2020.

12           Our TRA Annual Report pointed out the impact  
13 of the amendment and integrated it into the cases we  
14 worked on during the year.

15           With respect to base year value transfers we  
16 identify changes due to Proposition 19 to provide  
17 greater flexibility as to where a senior can purchase  
18 a replacement residence. Now anywhere in the state,  
19 as a result -- as opposed to only ten counties that  
20 had adopted an ordinance accepting such transfers  
21 from other counties previously.

22           Additionally, a senior can now buy a  
23 replacement home with a higher market value than that  
24 original home with a difference of market value being  
25 added to the transferred value.

1           One case I would like to highlight from that  
2           2021 TRA Annual Report concerns base year value  
3           transfer requests for a taxpayer that sold his home  
4           and purchased a replacement home of higher value.

5           The taxpayer had sold his original home in  
6           January of 2021 and purchased the replacement in  
7           March 2021. So, unfortunately, it did not qualify.

8           The TRA office helped the taxpayer  
9           understand that although Proposition 19 was approved  
10          by the California voters in November of 2020, the  
11          base year value transfer provisions were not  
12          effective until April 1st, 2021.

13          Our office explained that that was specified  
14          in the constitutional amendment. But that the  
15          taxpayer could still take advantage of the base year  
16          value transfer provisions of Proposition 19 if he  
17          bought a different home as a replacement property, as  
18          long as it was within two years of the original  
19          property that had sold in January 2021, with that  
20          replacement, of course, being purchased after the  
21          April 1, 2021 effective date.

22          This annual report also identifies issues  
23          that the Taxpayers' Rights Advocate Office was  
24          involved in resolving.

25          As result of specific context from taxpayers

1 and issues raised at the Annual Taxpayer Bill of  
2 Rights Hearing, our agency becomes aware of issues  
3 that are out there.

4 This year's annual report for 2021  
5 identifies two projects, the Assessment Appeals  
6 Process Project, and the Solar Energy New  
7 Construction Exclusion Project.

8 With respect to the Assessment Appeals  
9 Project, as a result of comments made at a Taxpayer  
10 Bill of Rights Hearing by a taxpayer group regarding  
11 the use of data on assessment appeals process, our  
12 agency's Property Tax Department began a project to  
13 facilitate resolution of the issues.

14 Work began on the project in fiscal years  
15 2017/18 and concluded in fiscal year 2021, the year  
16 of this year's annual report.

17 The project resulted in changes to five  
18 property tax rules pertaining to appeals hearings,  
19 adoption of a form for county assessors to use when  
20 requesting information from a taxpayer under Revenue  
21 and Taxation Code Section 441(d), and revisions to  
22 language in our agency's assessment appeals manual.

23 The second project that is identified in the  
24 annual report is the Solar Energy New Construction  
25 Exclusion Project, which was initiated by our

1 agency's Property Tax Department, in part due to  
2 contacts made to the Taxpayers' Rights Advocate by a  
3 taxpayer representative.

4 The project was initiated to address issues  
5 that emerged since the release of our agency's  
6 guidelines for active Solar Energy Systems New  
7 Construction Exclusion.

8 And as part of that project a proposed new  
9 property tax reporting form for solar energy  
10 powerplant equipment to county assessor offices was  
11 drafted and distributed as part of one phase to that  
12 project.

13 We anticipate work will continue on this  
14 project after the work associated with the  
15 implementation efforts of Proposition 19 has been  
16 completed.

17 Next, the Taxpayers' Rights Advocate Annual  
18 Report contains a section on taxpayer service  
19 improvements.

20 This section has four parts: One, educating  
21 the public; two, educating the public about  
22 Proposition 19; three, ease of access to information;  
23 and, four, forms review.

24 The portion on educating the public  
25 discusses TRA office's role in taxpayer education

1 through publication of its annual -- of it's  
2 information sheets.

3 It explains that in 2018 our office and the  
4 California Assessors' Association discussed providing  
5 education through the issuance of short information  
6 sheets for various exemptions and exclusion topics  
7 written in simple, nontechnical terms.

8 Discussion in the annual report identifies  
9 completion of four information sheets from July 2018  
10 to June 2020 addressing exclusions from transfers  
11 between parents and children, transfers of  
12 grandparents to grandchildren, and base year value  
13 transfers from persons aged 55 or older, and for  
14 disabled persons.

15 It further indicates that as a result of the  
16 passage of Proposition 19, our office suspended work  
17 on information sheets until implementing legislation  
18 for Proposition 19 was passed by the Legislature, and  
19 after our agency issued guidance for that  
20 implementing legislation.

21 The Taxpayers' Rights Advocate's Office is  
22 committed to making improvements to taxpayer  
23 education and providing taxpayers with information in  
24 simple, understandable terms.

25 Our office values the importance of having



1 these information sheets available as a resource to  
2 taxpayers where they can read about any requirements,  
3 helpful hints, and where to find additional  
4 information.

5 I will discuss -- be discussing information  
6 sheets more, and recent work with the California  
7 Assessors' Association, in this regard in the second  
8 part of my presentation for the Board Members as part  
9 of the update for part B of agenda Item K5.

10 The second part of the taxpayer service  
11 improvement section is on education -- educating the  
12 public about Proposition 19.

13 It addresses publication of the  
14 Proposition 19 fact sheet in collaboration with our  
15 agency's Communications Officer as part of the  
16 agency's Proposition 19 implementation and action  
17 plan for education and outreach.

18 Well, our Property Tax Department issued  
19 various guidance addressing many aspects of  
20 Proposition 19. We felt it was important to publish  
21 some simple, straightforward information concerning  
22 Proposition 19 designed specifically for taxpayers.

23 The fact sheet was issued to provide  
24 information on the requirements, benefits and  
25 situational examples of how Proposition 19 works.

1           The Proposition 19 fact sheet published on  
2     February 1st, 2021 provided information on the  
3     parent-child and grandparent-child exclusion that  
4     became effective February 16th, 2021, and provided  
5     information on the base year value transfer  
6     provisions for seniors, disabled persons, and victims  
7     of wildfires or natural disasters, that became  
8     effective April 1st, 2021.

9           Of the end of fiscal year 2021, the year of  
10    this report, implementing legislation for  
11    Proposition 19 had not yet been passed. So the  
12    annual report identified that our office would --  
13    would update the Proposition 19 fact sheet after  
14    implementing legislation and corresponding guidance  
15    was issued by our agency.

16           The section on the TRA's work on the  
17    upcoming Proposition 19 fact sheet will be included  
18    as part of -- of the next year's annual report.

19           The third part of the taxpayer service  
20    improvement area is on ease of access to information.  
21    And this area discusses the TRA office's commitment  
22    to ensuring the public has access to information when  
23    they need it.

24           We do this through examining our agency's  
25    website with the taxpayer in mind, and we coordinate

1 with our agency's Property Tax Department and  
2 Communications Officer to update information on the  
3 website to ensure sufficient information is available  
4 on various topics, and that it can be easily  
5 accessed.

6 The 2021 TRA Annual Report indicates that  
7 our office reviewed the material issued by our agency  
8 pertaining to Proposition 19 during fiscal year 2021,  
9 and that we believe the information disseminated was  
10 comprehensive and responsive to the needs of  
11 taxpayers and assessors.

12 During the time period of the TRA's annual  
13 report, our agency issued eight Letters to Assessors  
14 concerning Proposition 19.

15 Our office believes that our agency was  
16 proactive and timely in posting information  
17 concerning Proposition 19, and that the Property Tax  
18 Department and the Legal Department did an excellent  
19 job.

20 The fourth part of the taxpayer service  
21 section is for forms review.

22 This area discusses the TRA office's role in  
23 periodically reviewing property statements and other  
24 forms prescribed by our agency to determine if the  
25 forms, or its instructions, discourage or promote

1 taxpayer compliance.

2 This is done as part of our responsibilities  
3 under the Morgan Property Taxpayers' Bill of Rights,  
4 specifically section 5906 of the Revenue and Taxation  
5 Code.

6 As a result of working with taxpayers, the  
7 TRA office becomes aware of changes that are needed  
8 to a form, either the form itself, or to the  
9 instructions.

10 The 2021 report identifies recommended  
11 change to a form that a taxpayer can use to apply for  
12 a base year value transfer from a property that was  
13 acquired by a public entity, form BOE 268.

14 A change was made to the form to clarify a  
15 claim could be filed more than four years after the  
16 property was taken by eminent domain, and that  
17 retroactive relief was available due to a statutory  
18 change.

19 The form revision will ensure that taxpayers  
20 who were unfortunate enough to have their property  
21 acquired from a public entity, may submit a form to  
22 the county assessor's office requesting a base year  
23 value transfer, even if they weren't able to submit  
24 that within four years of the acquisition by the  
25 public entity.

1           The -- the last part of the annual report  
2 are the appendixes. And appendix one contains the  
3 Property Taxpayers' Bill of Rights provisions, which  
4 pertains to property taxes.

5           Appendix two contains the California  
6 Taxpayers' Bill of Rights provisions specific to the  
7 alcoholic beverage tax.

8           In connection with the alcoholic beverage  
9 tax provisions, at a past Board Meeting Vice  
10 Chair Schaefer had asked about the dollar amounts in  
11 the statutory provisions on the tax liability  
12 compromised and the dollar amount -- if that dollar  
13 amount had ever changed.

14           I indicated that I would circle back and  
15 answer at a later date. I would like to take this  
16 opportunity to respond to that now.

17           The code sections that Member Schaefer was  
18 referring to was Revenue and Taxation Code  
19 section 32471.5 and section 32572, which are in the  
20 appendix of two of the annual report.

21           The amount in section 32431.5 has remained  
22 unchanged since it became law in 2006, and amount for  
23 the alcoholic beverage tax is consistent with the  
24 Bill of Rights provisions for the different types of  
25 business taxes that are administrated by --

1 administered by -- excuse me -- by the California Tax  
2 and Fee Administration.

3 The amount in section 32572 increased from  
4 1,500 to 2,300 in 2015 as a result of Assembly  
5 Bill 1277. Which is from chapter 7, 8, 9 stats of  
6 2015.

7 As to Revenue and Taxation Code  
8 section 32471.5, that addresses the Executive  
9 Director and Chief Counsel's ability to compromise a  
10 final tax liability of 7,500 or less for liabilities  
11 generated by a business that has discontinued or  
12 transferred, and the authority to compromise a tax  
13 liability greater than 7,500, but below \$10,000, with  
14 the approval of the Board.

15 Revenue and Taxation Code Section 32472  
16 addresses the ability to order a release of liability  
17 or notice to withhold up to \$2,300 upon the finding  
18 that it threatened the health or welfare of the  
19 taxpayer, his or her spouse, and dependents or  
20 family.

21 At last month's Board Meeting, as part of  
22 the Legislative, Research and Statistics Division  
23 report made by Chief Dustin Weatherby, he discussed a  
24 legislative proposal to increase the minimum  
25 threshold for the Executive Director and Chief

1 Counsel, that they can compromise from 7,500 to  
2 10,000 in Revenue and Taxation Code Section 32471.5.

3 So next, as far as this -- basically the  
4 annual report, and if you need further information,  
5 Vice Chair Schaefer, I'd be happy to provide that.

6 But this TRA Annual Report is posted to our  
7 website, and it can be accessed under the  
8 Taxpayers' Rights Advocate area in accordance with  
9 the Morgan Property Taxpayers' Bill of Rights  
10 statutory provision.

11 This annual report provides a basis for the  
12 upcoming Taxpayer Bill of Rights Hearing and relevant  
13 part.

14 Revenue and Taxation Code Section 5906(d)  
15 states that the Board shall conduct a public hearing  
16 soliciting input from assessors, other local agency  
17 representatives, and taxpayers to address the  
18 advocate's annual report and to identify a means to  
19 correct any problems identified in that report.

20 With respect to the alcoholic beverage tax  
21 section 32463 provides that the Board shall conduct  
22 an annual hearing where industry representatives and  
23 individual taxpayers may present their proposals on  
24 changes to the alcoholic beverage tax, which may  
25 further improve voluntary compliance, and the

1 relationship between taxpayers and government.

2 Both of these provisions are identified in  
3 the appendixes of the annual report.

4 The TRA Bill of Rights Hearing will be  
5 noticed with ample time for assessors and tax  
6 collectors statewide to display posters and fliers in  
7 their office for taxpayers to see.

8 And I will be collaborating with our  
9 Communications Department to publicize the hearing  
10 for taxpayers.

11 Last year we created a video about the  
12 hearing, which was posted to our agency's website.  
13 So we will explore creating another video.

14 Additionally, I reached out to numerous  
15 taxpayer organizations so they could notify their  
16 members and taxpayers about the hearing.

17 I will also -- Executive Director Fleming  
18 had touched on this earlier, but that we will be  
19 having an Advisory Council meeting next week, and I  
20 will also be reaching out to those members and asking  
21 them to kind of spread the word to other people as  
22 well.

23 And, generally, the hearing is held in  
24 August of each year. And the TRA office will confirm  
25 this date, the specific date and time of the hearing



1 with our agency's Executive Director and the  
2 Board Chair.

3 However, historically, it has been the first  
4 day of the August Board Meeting.

5 Letters to Assessors will also be  
6 distributed advising of that.

7 It is important to keep in mind that the TRA  
8 office works with taxpayers on their issues  
9 throughout the year, so many of the issues have been  
10 resolved during that year, and taxpayers choose not  
11 to speak at the hearing.

12 We, of course, enjoy hearing from taxpayers  
13 that our office worked with in the past to assist  
14 them with their problem.

15 At the hearing, taxpayers' industry  
16 representatives and other parties can comment on any  
17 areas in the annual report, items that our office may  
18 be working with them currently on, or on any other  
19 areas of concern regarding property taxes or other  
20 programs that our agency administered.

21 Before moving on to part B of my agenda item  
22 for the update on the status of pending and upcoming  
23 projects and activities, I would like to take this  
24 opportunity to thank my staff and the TRA office for  
25 all of their hard work in helping taxpayers

1 throughout the year.

2 They play an integral role in the activities  
3 presented in the annual -- annual report, and I'm  
4 very proud of them and truly appreciate all of their  
5 hard work.

6 This concludes my presentation for the TRA  
7 Office Annual Report.

8 And I'm available to answer any questions at  
9 this time, or I can address them after my brief  
10 update on the project and activities of the TRA  
11 office.

12 MS. COHEN: Thank you.

13 I have a question.

14 I see that also your office posted a series  
15 of short information sheets on topics as transfers of  
16 property between parent and children, and grandparent  
17 and grandchild, adults over -- persons over 55 of age  
18 and on replacement property.

19 Do you have any recommendations for  
20 additional taxpayer education or outreach assist --  
21 outreach to assist taxpayers in understanding the  
22 exclusion from reassessment and change of ownership  
23 issues?

24 MS. THOMPSON: So -- so my next, actually,  
25 part will kind of touch on that.

1           So we -- we are -- we're focused on, at  
2     least the certain information topics, as I'll talk  
3     about on the next portion.

4           We have worked with the California  
5     Assessors' Association to identify topics. But our  
6     focus is exemptions and exclusion -- exclusions and  
7     exemptions.

8           So that's focused on the taxpayer, you know,  
9     being able to -- to be aware of and -- and take  
10    advantage of property tax savings that may be  
11    available to them.

12          So that is kind of what we're -- we're  
13    focused on -- on doing. And so the information sheet  
14    availability, having access to that is key, I think,  
15    to being able to decipher all of the information into  
16    a very short and concise information.

17          So that's where we're --

18           MS. COHEN: Okay. So the answer is yes?

19           MS. THOMPSON: Well, yes, we are --

20           MS. COHEN: You will be doing more outreach?

21           MS. THOMPSON: We are focused on, like,  
22    those exclusions.

23           MS. COHEN: Yeah.

24           MS. THOMPSON: So the base year value  
25    transfers are exclusions. Exactly.

1           Same with parent-child and  
2 grandparent-child, as you -- as you --

3           MS. COHEN: Right.

4           MS. THOMPSON: -- as you said.

5           MS. COHEN: I mean, that seems to make  
6 sense. That's where the majority, lion's share, of  
7 your questions are coming from.

8           Rightfully so, right? We're talking about a  
9 lot of money that people and families tie into their  
10 property taxes.

11           So going forward, should there be a  
12 publicity campaign to greater inform the public about  
13 the services available through your office?

14           MS. THOMPSON: So, yes --

15           MS. COHEN: My questions are really  
16 statements of -- asking you for your statement of  
17 opinion.

18           You're the taxpayer advocate. You're  
19 forward-facing, right? You are kind of like almost  
20 the first line -- the first point of contact that the  
21 public has when they're dealing with the Board of  
22 Equalization.

23           MS. THOMPSON: So, yes, if the taxpayer's  
24 having problems that they're hoping to resolve, then,  
25 yes, we are definitely the first point of contact.

1           So -- so yes, I am working with the  
2           Communications Officer, Peter Kim, to do this. So we  
3           are kind of coordinating to -- to discuss how best to  
4           do that. Social media posts. And we'll keep you  
5           informed, I guess, of future ones.

6           But, yes, we have been coordinating on this  
7           how to go ahead and do this.

8           The -- really a good time would be right  
9           after we issue the -- you know, we want to advise  
10          about the issuance of the Proposition 19 fact sheet  
11          once that's, you know, that's actually issued, as  
12          well as these information sheets.

13          And we -- as you'll see in my next portion  
14          of it, we will be drafting these.

15          MS. COHEN: Okay. So that leads me to  
16          another question.

17          Should there be a program or some kind of  
18          a -- yeah, a program -- issuing press releases around  
19          property tax deadlines?

20          Do you think there's a need for that?

21          Or are property owners just -- they know  
22          April and December are --

23          MS. THOMPSON: Yeah. I mean, I know that  
24          there are kind of -- there's different mechanisms  
25          where the Property Tax Department noticed notices on

1 different property tax deadlines.

2           You know, we could look and see, circle back  
3 with you on the actual press release. I think there  
4 are for certain deadlines. But I'm happy to look  
5 into that and coordinate with the appropriate section  
6 on that.

7           MS. COHEN: You know, again, I was just  
8 looking for your professional opinion.

9           MS. THOMPSON: I think it would be helpful,  
10 yes.

11           MS. COHEN: Okay.

12           Just a couple more questions. And this  
13 relates to the nature of your work in relationship to  
14 the different county assessors' office.

15           Is there a certain level of coordination of  
16 information?

17           Does your office reach out to county  
18 assessors to inform them that your office is  
19 available to offer independent recommendations  
20 regarding property tax issues?

21           MS. THOMPSON: So, I mean, they are --  
22 assessors are aware of our office. I mean, in that  
23 we notify them every year of the, you know,  
24 Taxpayer Bill of Rights Hearing.

25           That letter goes directly to assessors. We

1 have a specific letter to them. Not just a Letter to  
2 Assessor. We notify them, mail them posters and  
3 fliers.

4 Of course I attend the different  
5 California Assessors' Association meetings. And  
6 we -- we discuss the, you know, kind of the role of  
7 the TRA office, and -- and that.

8 And so what we will be doing is with -- with  
9 the issuance of the information sheets that we will  
10 be doing for Proposition 19, is -- I've already been  
11 in communication with the current president of the  
12 CAA, Leslie Morgan.

13 MS. COHEN: Okay.

14 MS. THOMPSON: And she'll -- she'll push out  
15 notifications as we issue these information sheets.

16 And so individual assessors then, you know,  
17 may add links to their Web sites to our fact sheet,  
18 and then know they're available, you know, and then  
19 can inform their staffs and kind of let everybody  
20 know there are additional, you know, resources for  
21 taxpayers at that time.

22 MS. COHEN: I appreciate that.

23 Now I'm done with my questions, and I'm  
24 going to go to Mr. Vazquez.

25 MR. VAZQUEZ: You pretty much asked most of

1 my questions.

2 The only thing I would add, and I would just  
3 kind of echo what you're saying just in terms of the  
4 outreach piece, which you -- I think you did an  
5 excellent job with, and a thorough presentation on  
6 this annual report.

7 And I think you mentioned it on page 10, the  
8 outreach efforts you've done. And I was just going  
9 to kind of piggyback on what Madam Chair just talked  
10 about in terms of how do we get it out to more folks,  
11 right?

12 And -- and if anything, what possible, you  
13 know, hearings that we could do to just try to  
14 disseminate as much information as possible.

15 Because I think you're doing some great  
16 work. Especially for those I know that we've sent  
17 your way, you've done an excellent job in  
18 troubleshooting their problems.

19 But I think you're like the best-kept secret  
20 for a lot of these taxpayers. And we just need to  
21 figure out a better way to get the message out that  
22 you're -- the TRA office is available to them.

23 MS. THOMPSON: Well, thank you.

24 Yes, so I will, again, coordinate with the  
25 Communications Department on how to do that.



1           And, you know, we certainly appreciate, you  
2 know, your Member offices referring taxpayers. And  
3 that might be a way to do that, to include, you know,  
4 just some contact information on the TRA office.

5           And I'm happy to provide some standard, you  
6 know, points that you might want to include in your  
7 newsletters or e-mails to your constituents.

8           And you can, you know, choose to use them,  
9 or revise them. And -- and that might -- might be  
10 very, very useful to taxpayers in California.

11           So I would appreciate that.

12           MR. VAZQUEZ: Thank you.

13           MS. THOMPSON: Do you want me to go ahead  
14 and go on to my next --

15           MS. COHEN: Yes, I would love for you to do  
16 that.

17           MS. THOMPSON: Okay.

18           MS. COHEN: Because there's no other -- oh,  
19 wait. I'm sorry.

20           Senator Gaines has a question.

21           Senator, you have to unmute yourself.

22           Yeah.

23           MR. GAINES: Thank you for your  
24 presentation, Ms. Thompson. I appreciate it.

25           And, you know, I've tried to highlight it on

1 our website in terms of the availability of the  
2 Taxpayers' Rights Advocate, and how important that  
3 is.

4 And I think we still need to figure out, as  
5 has -- as has been raised by other Members, how do we  
6 get the messages out to folks that they have this  
7 option available to them?

8 And so I know that this -- our discussions  
9 yesterday, I -- I've spoken to Peter Kim about seeing  
10 if we might be able to bring the TR -- Taxpayers'  
11 Rights Advocate, how do we highlight it on our  
12 general websites so that people are aware that this  
13 is a service that they have available?

14 And so I think we need to continue to focus  
15 on that. Because there's actually another step  
16 available for taxpayers, you know. Initially, you  
17 would ask your questions of your assessor.

18 The assessment appeals board is another  
19 step. But there's also the Taxpayers' Rights  
20 Advocate. And I've found that it's been helpful for  
21 my constituents. You've highlighted a lot of  
22 problems and questions that you've been able to  
23 answer for our constituents.

24 So as Member Vazquez had mentioned, you  
25 know, how -- how do we -- how do we expand upon this

1 best-kept secret?

2 So if you just continue working with the  
3 Communications Department, with Mr. Kim, I don't  
4 think we can highlight it enough, quite frankly.

5 It's a great -- it's a great interphase. I  
6 mean, we have the ability as Members, as elected  
7 Members to speak to our constituents. They come to  
8 us with issues. But this is another opportunity for  
9 outreach.

10 Thank you.

11 MS. COHEN: All right.

12 Thank you, Ms. Thompson.

13 MR. THOMPSON: I think -- does Mr. Schaefer  
14 have a question?

15 MS. COHEN: Oh, I don't know. I didn't see  
16 his hand.

17 Mr. Schaefer, do you want to speak?

18 Mr. Schaefer, do you want to comment on --  
19 no? Okay.

20 MS. THOMPSON: Okay. Yeah, I wasn't sure.

21 So, yes, I'll continue on with my part B  
22 then.

23 Thank you.

24 Members, at this time I would like to  
25 provide you with the status of pending and upcoming

1 projects and activities to keep you informed.

2 As to the number of completed cases by the  
3 Taxpayers' Rights Advocate office last month, in  
4 January 2022 we completed work on 18 cases; 13 were  
5 in the valuation category, and 5 in the  
6 administrative category.

7 The majority of valuation category cases  
8 address exclusion from reassessments, exemptions, and  
9 change in ownership.

10 And I'm not going to go through the specific  
11 detail as I have in the past, because I presented the  
12 annual report. But next month you'll -- you'll hear  
13 from me as to my regular update.

14 As to projects, at last month's  
15 Board Meeting I updated the Members on progress that  
16 was made regarding taxpayer education and the  
17 consensus on the top five topics in need of taxpayer  
18 education.

19 And I explained that in 2022 our plan was --  
20 part of our plan of taxpayer education was to provide  
21 information sheets and to work in collaboration with  
22 the California Assessors' Association to identify the  
23 top five topics or issues in need of taxpayer  
24 education, then developing material addressing those  
25 areas.

1 I indicated that the TRA office coordinated  
2 with the California Assessors' Association to solicit  
3 input from assessors on what they thought were among  
4 the topics that could benefit from taxpayer  
5 education, and identified what we felt were the top  
6 five topics.

7 I talked with the CAA president, the  
8 Honorable Leslie Morgan, Shasta County Assessor, and  
9 she was in agreement that the topics our office  
10 identified were among the most pressing issues where  
11 taxpayer education was needed.

12 From the TRA officer perspective, our  
13 thoughts on needed education were as follows:

14 One, intergenerational transfers under  
15 Proposition 19 between parents and children,  
16 intergenerational transfers under Proposition 19  
17 between grandparents and grandchildren; base year  
18 value transfers under Proposition 19, persons age 55  
19 and over; base year value transfers under  
20 Proposition 19 and disabled persons, and  
21 Property Tax Welfare Exemption for nonprofit  
22 organizations.

23 We also identified one more, which was  
24 change in ownership reporting requirements when a  
25 real property owner dies.

1           Now that the topics have been agreed on with  
2 the California Assessors' Association, and Letters to  
3 Assessors have been issued on the implementing  
4 legislation for Proposition 19 with the passage of  
5 Senate Bill 539 as to base year value transfers, and  
6 the soon-expected issued LTA on intergenerational  
7 transfers, the TRA office can begin drafting  
8 information sheets on four of those topics.

9           The Taxpayers' Rights Advocate Office is  
10 committed to making improvements to taxpayer  
11 education and providing taxpayers with information in  
12 simple and understandable terms.

13           Our office values the importance of having  
14 information sheets available as a resource to  
15 taxpayers where they can find information about  
16 various exclusion or exemption topics that can  
17 benefit them.

18           Not only do the information sheets provide a  
19 resource for taxpayers visiting our website, but they  
20 also provide a resource where county assessors can,  
21 and their staff, can refer taxpayers in their  
22 counties to it.

23           As information sheets are published in 2022,  
24 we will coordinate with the CAA President,  
25 Leslie Morgan, so she can notify assessors of the

1 availability of the material that they can share with  
2 taxpayers in this county -- in their county.

3 And at future Board Meetings, I will also  
4 provide you with further updates to keep you  
5 informed.

6 This concludes my update on the activities  
7 of the TRA office.

8 And I'm available to answer any questions.

9 MS. COHEN: I have a quick question, if I  
10 may.

11 Senator Gaines, forgive me for just  
12 interjecting here.

13 This is directed towards Ms. Fleming.

14 Ms. Fleming, can you hear me?

15 MS. FLEMING: Yes, ma'am. I'm here.

16 MS. COHEN: I am listening, and I'm reminded  
17 that in the last meeting we requested a poll, that  
18 you take a poll of the Board Members about other  
19 options to include the listing of topics.

20 MS. FLEMING: Yes, ma'am.

21 MS. COHEN: Did this happen? I missed it.

22 MS. FLEMING: Thank you for the -- no, you,  
23 didn't miss it, ma'am.

24 Thank you for the question.

25 We've added that to Ms. Thompson's list of

1 priority things to look at. She was trying to finish  
2 up, honestly, Members, and we appreciate your  
3 patience as she's trying to focus on finishing up  
4 that annual report. But it is on the list.

5 And so we will lend some assistance to try  
6 to get that survey completed and get your input.

7 MS. COHEN: All right. Thank you.

8 Thank you.

9 MS. FLEMING: And if I may, just a moment on  
10 mic, Mr. Kim will ask for your assistance in helping  
11 to get that information.

12 MS. COHEN: Okay.

13 Mr. Gaines has a question for Ms. Thompson.

14 MR. GAINES: Yeah. Thanks, Chair Cohen.

15 I'm just curious to -- looking at the  
16 website here for Taxpayers' Rights Advocate, there's  
17 a button kind of on the bottom of the page.

18 And I'm just wondering if that -- if we  
19 could just take a look at it, and see if there's  
20 other options in terms of highlighting it.

21 I don't -- it could be in a different color,  
22 or it could be higher up on the page. I'm just --  
23 just wondering if that can be examined in terms of  
24 priority on our website.

25 MS. THOMPSON: Yeah.



1           So I'm happy to talk with the Communications  
2 Officer on that.

3           I mean, there are -- yeah, there's several,  
4 you know, ways to do that.

5           But I'll talk with him to see how we could  
6 kind of highlight that a little more. Maybe another  
7 area also in addition to it, certainly.

8           MR. GAINES: Okay. That's great.

9           Thank you.

10          MS. COHEN: All right. Seeing no other  
11 questions, let's continue. Let's keep going.

12          MS. TAYLOR: All right. May we call for  
13 public comment, Chair Cohen?

14          MS. COHEN: Yes, please. Yes.

15          MS. TAYLOR: AT&T moderator, please let us  
16 know if there is anyone on the line who would like to  
17 make a public comment regarding our Taxpayers'  
18 Rights Advocate Report.

19          AT&T MODERATOR: Ladies and gentlemen, if  
20 you would to make a public comment, please press one,  
21 then zero at this time.

22          Currently there's nobody else in public --  
23 nobody in public.

24          MS. COHEN: Thank you.

25          Ms. Taylor.

1 ITEM L1a

2  
3 MS. TAYLOR: Yes.

4 The next item is L1a, Assembly Bill 1206;  
5 Housing Justice Tax Equity Act, for discussion and  
6 possible action related to the Board of Equalization  
7 officially supporting Assembly Bill 1206, which  
8 raises the property tax exemption threshold for  
9 community land trust properties to match the federal  
10 requirement of 140 percent average median income.

11 This matter will be presented by Chair Cohen  
12 and Mr. Vazquez.

13 MS. COHEN: All right. Let me get to my  
14 notes.

15 So, colleagues, Board Member Vazquez and I  
16 have placed this item on the agenda to request that  
17 we, as a Board, support Assembly Bill 1206, the  
18 Housing Justice Tax Equity Act authored by  
19 Assemblymember Steve Bennett.

20 California is facing an affordable housing  
21 crisis that undermines the California dream. The --  
22 and threatens the state's long-term progress and  
23 prosperity.

24 And with -- when faced with this crisis,  
25 innovative solutions are required. So community land

1 trusts have become a valuable tool to ensure the  
2 availability of permanent affordable housing that  
3 relieves part of the significant financial burden  
4 that lower income household's face for rent costs  
5 they often are -- cannot afford.

6 So specifically this bill would do a couple  
7 of things. It would allow community land trust  
8 properties that already have a Property Tax Welfare  
9 Exemption to keep their exemption if a residence  
10 income rises above 140 percent of the area median  
11 income.

12 The Welfare Tax Exemption helps keep rents  
13 affordable for low income and moderate income  
14 residents in community land trusts. But also for the  
15 current tenant and future tenant to occupy the unit.

16 AB-1206 ensures that a community land trust  
17 will avoid a sudden and unexpected increase in their  
18 tax bill by increasing the income threshold on par  
19 with the federal requirements.

20 Similar flexible provisions have become law  
21 with the passage of Assembly Bill 1193.

22 AB-1193 was enacted in 2017. It provided  
23 for the same Welfare Exemption threshold increase,  
24 80 percent AMI to 140 for low-income house -- housing  
25 tax credit developments.

1           But AB-1260 would just take a similar action  
2 by extending income flexible provisions like those  
3 authorized for low-income housing tax credit to do --  
4 to be specified for the community land trust.

5           So I would like to point out that AB-1206  
6 has passed out of the Assembly Chamber by a 75/01  
7 vote, with bipartisan support, and is currently in  
8 the Senate.

9           At this time I will defer to my esteemed  
10 colleague, Mr. Vazquez, who I believe has a few  
11 remarks he would like to share.

12           Mr. Vazquez.

13           MR. VAZQUEZ: Thank you. Thank you.

14           I think you laid it out pretty well in terms  
15 of what it means, and what we need to do.

16           I would just like to encourage all Members  
17 to support this legislation in the interest of  
18 protecting critically-needed affordable housing.

19           And if -- I'm assuming we're going to try to  
20 put together a letter as a -- as a body. But I think  
21 it would be probably powerful also if maybe each  
22 individual Member also submitted a letter in support  
23 as well for your respective districts.

24           MS. COHEN: Okay. All right.

25           Well, I see a hand.

1           Mr. -- Mr. Vazquez, did you complete your  
2 thought?

3           MR. VAZQUEZ: Yes. Yes.

4           MS. COHEN: Okay. Then let's go ahead and  
5 hear from Ms. Stowers.

6           MS. STOWERS: Thank you.

7           I think it's a great bill. And I think it's  
8 definitely something that the Board of Equalization  
9 Members should support.

10          I just want to be consistent. Last year  
11 when there was legislation that the Board supported,  
12 I asked for the letter to be drafted, or come from  
13 the Chair, on the behalf of the Members.

14          And I'm not sure if you're open to having  
15 that same process this year for this. Typically the  
16 support letter would come from Chair Cohen.

17          MR. VAZQUEZ: To me, whatever you think is  
18 the most powerful, you know.

19          I think whatever, you know, we send a  
20 strong -- I was kind of suggesting that I think we  
21 could -- we should do that, and possibly I think each  
22 Member should also send one as well, just to show  
23 that, you know, within our respective districts, we  
24 really need to make sure this thing goes forward.

25          MS. STOWERS: Right.

1 I -- I think it's -- when it comes from an  
2 elected official, it has more weight.

3 So I think basically have -- having it come  
4 from the Chair's office would be great.

5 But I stood in support for it.

6 MS. COHEN: Thank you.

7 Okay. All right. So let's hear from  
8 Ms. Fleming on her thoughts on this legislation.

9 MS. FLEMING: Well, thank you, Members.

10 I appreciate the opportunity.

11 I agree, this is a good opportunity for the  
12 Board to show some support to a really important  
13 matter in California in terms of affordable housing.

14 I'm going to invite my staff to join me in  
15 this conversation today.

16 So if Mr. Yeung and Mr. Weatherby will join  
17 me on camera.

18 Dave has some really good history in terms  
19 of some of the details as it relates to this matter.

20 And I would like for Mr. Yeung, if he would,  
21 to offer some of those recommendations.

22 And then if there's any Q and A after Dave's  
23 comments, Mr. Weatherby can also join in the  
24 conversation in terms of legislative process.

25 So, Members, if you will, we will defer to

1 Mr. Yeung to give you a little bit more detail of his  
2 experience within this area.

3 Mr. Yeung.

4 MR. YEUNG: Of course.

5 Thank you, Ms. Fleming, for the opportunity  
6 to address the Board.

7 I think this bill will go a long way in  
8 providing some equity to CLTs.

9 As you already mentioned, this 140 percent  
10 limit is already given in general to other developers  
11 of low-income housing that use tax credits.

12 And the CLTs may or may not use such tax  
13 credits. So extending this to CLTs, so when  
14 member -- when their residences do go beyond the  
15 80 percent, I think that will go a long way in  
16 preserving the -- the Welfare Exemption for this type  
17 of housing.

18 So I think in general it's -- it's -- it  
19 aligns well with the governor's desire to increase  
20 the affordable housing stock, and -- and maintain it  
21 in California, and the Board's expressed interest in  
22 doing so too.

23 MS. COHEN: All right. Thank you.

24 Colleagues, any other questions for staff?

25 All right. Let's pivot and --

1 MR. GAINES: If I could.

2 MS. COHEN: Sure.

3 Senator Gaines.

4 MR. GAINES: Yeah, if I could just ask a  
5 question of Mr. Yeung.

6 MR. YEUNG: Yes.

7 MR. GAINES: In terms of -- can you give me  
8 an idea in terms of the impact of raising this  
9 threshold to 140 percent?

10 I mean, do we have anything that -- that  
11 clarifies how many additional housing units might be  
12 available for folks as a result of the passage of  
13 this bill?

14 Have they done any sort of analysis?

15 MR. YEUNG: I -- I'm not aware of any  
16 analysis that they've completed on this.

17 And I -- if I could just adjust a tiny bit  
18 of clarity to this -- to this proposal.

19 What it actually proposes is that if a  
20 tenant moves in and initially qualifies under the  
21 80 percent, when they eventually -- the goal of  
22 affordable housing is to lift somebody out of  
23 poverty.

24 And if they are able to basically raise  
25 their income up to 140 percent, there's already



1 federal statute that says if you qualify before and  
2 you live in -- in one of these low-income housing  
3 units, that they -- they cannot basically ask you to  
4 leave until you break 140 percent.

5 So I'm -- it may not necessarily increase  
6 it, but it will preserve the ability for the  
7 developer to keep the -- those units rated as  
8 affordable housing and get the tax benefit.

9 So it -- without this, with CLTs, once a  
10 tenant goes above 80 percent, without this  
11 legislation, they will no longer -- that unit will no  
12 longer qualify. They will be -- it will be removed.

13 MR. GAINES: So I go to the market rate at  
14 that point? It would be a market rate, or --

15 MR. YEUNG: Well, that is -- that is kind of  
16 where -- why this -- this legislation, in my opinion,  
17 is important.

18 So federal law prohibits somebody from being  
19 kicked out of a low-income housing unit if they go  
20 over 80 percent of AMI.

21 But without this -- without this  
22 legislation, the developer will be in a hard  
23 position. Because, one, they can't pick up -- they  
24 can't remove the tenant.

25 And, two, they will actually lose the

1 Welfare Exemption on that unit.

2 So this will basically give the developer a  
3 little bit more of a cushion. Since they -- since  
4 they can't remove that tenant, they will still enjoy  
5 the benefits of a low-income housing status and keep  
6 that exemption. So I --

7 MR. GAINES: So it kind of encourages the --  
8 encourages the marketplace to continue to retain --

9 MR. YEUNG: Correct.

10 MR. GAINES: -- units -- units for folks  
11 that their income may be increasing, but they're  
12 still working hard to make it all work.

13 MR. YEUNG: Absolutely.

14 MR. GAINES: Yeah.

15 MR. YEUNG: And I think it adds a little  
16 stability to the whole system too.

17 MR. GAINES: Yeah.

18 MR. YEUNG: In that these smaller  
19 fluctuations in income won't necessarily push you out  
20 until you get a little higher limit.

21 MR. GAINES: Okay. That's great.

22 Yeah, I support this. Thank you.

23 MR. YEUNG: Of course.

24 MS. COHEN: All right.

25 Colleagues, are there any other questions?

1           Sounds like we've got some Universal  
2 support.

3           I've already sent a letter. I'm asking the  
4 Board to register. I think this is important as we  
5 continue to build out the Board of Equalization's  
6 brand, that we could -- that we move in this  
7 direction, and we move as -- as one body.

8           So that's why we're -- the Chair and --  
9 Vazquez and I are coming to you and asking for you  
10 support on this.

11           Yeah, you're right. One letter is just one  
12 letter, but one big mighty letter from this team of  
13 elected officials, I think, also is powerful.

14           And it's bipartisan, so let's capitalize on  
15 that opportunity to work together.

16           Isn't that right, Mr. Gaines?

17           Let's work together in the spirit of  
18 unity.

19           MR. VAZQUEZ: I'll move it.

20           MS. COHEN: Perfect.

21           So let's go to public comment.

22           MR. VAZQUEZ: Yes. Let's do it.

23           MS. COHEN: And then -- and then we'll check  
24 in to see if there's anyone who needs a little bit of  
25 a break.

1           Okay. So let's go ahead, Ms. Taylor, public  
2 comment.

3           MS. TAYLOR: Certainly.

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

7           AT&T MODERATOR: Ladies and gentlemen, if  
8 you would like to make a public comment, please press  
9 one, then zero at this time.

10           One moment, we do have somebody queuing up.

11           It will take --

12           MS. COHEN: Great.

13           AT&T MODERATOR: Just another moment.

14           We have a comment from Christina Oatfield.

15           Please go ahead.

16           MS. COHEN: Christina, can you hear us?

17           MS. OATFIELD: Members, my name is -- oh, I  
18 can hear you. Can you hear me?

19           MS. COHEN: Yes, we can hear you.

20           It's good to hear your voice. Let's get  
21 your comment on the record.

22           MS. OATFIELD: Oh, great.

23           Thank you, Chair Cohen and Members.

24           My name is Christina Oatfield. I'm an  
25 attorney and legislative advocate representing the

1 California Community Land Trust Network, and our  
2 sister California CLT Action Organization.

3 And these two nonprofit organizations  
4 represent 25 and counting community land trusts, or  
5 CLTs, across the state of California.

6 And we're really pleased that Chair Cohen  
7 has already expressed her support for AB-1206.

8 We are sponsoring the bill, and working  
9 closely with Assembly Member Bennett on this bill.  
10 And we're delighted that the entire Board may express  
11 its support for the legislation.

12 The prior speakers have explained the  
13 significance of this bill. Just practically speaking  
14 right now, if a community land trust has a Welfare  
15 Exemption, and a resident income goes above the  
16 income limit, say someone goes to 82 percent of AMI,  
17 that can result in them having to pay hundreds of  
18 dollars more in rent.

19 Because suddenly we have this tax bill  
20 proportional to their rent, or sometimes we can lose  
21 the Welfare Exemption on the entire property.

22 So AB-1206 rectifies this unfair situation.  
23 It applies a similar policy, or the same policy to us  
24 as is already applied to low-income housing tax  
25 credit properties.

1           So thank you very much for introducing  
2 this -- this item, Chair Cohen, and former  
3 Chair Vazquez.

4           We appreciate your support and hope to  
5 continue to work with you on affordable-housing  
6 topics.

7           Thank you.

8           MS. COHEN: Great. Appreciate your comment.

9           Thank you for weighing in.

10          Ms. Taylor, are there any other speakers?

11          AT&T MODERATOR: Once again, if you have a  
12 question or comment, please press one, then zero at  
13 this time.

14          Just one moment please.

15          We have nobody else at this moment.

16          MS. COHEN: All right. Thank you very much.

17          Let's -- colleagues, what I'd like to do is  
18 just re -- restate the motion just for clarity.

19          I move that we support AB-1206, AB-1206 by  
20 Assemblymember Bennett, and direct the  
21 Executive Director to send the California Legislature  
22 a letter of support in regard to Assembly Bill 1206.

23          Do we have a second on that motion?

24          MR. VAZQUEZ: Second.

25          MS. COHEN: Thank you. All right.

1           Let's take the roll.  
2           MS. TAYLOR: Chair Cohen.  
3           MS. COHEN: Yes.  
4           MS. TAYLOR: Vice Chair Schaefer.  
5           MR. SCHAEFER: Yes.  
6           MS. TAYLOR: Member Gaines.  
7           MR. GAINES: Yes.  
8           MS. TAYLOR: Member Vazquez.  
9           MR. VAZQUEZ: Aye. Yes. Whatever it takes.  
10          MS. TAYLOR: Deputy Controller Stowers.  
11          MS. STOWERS: Aye.  
12          MS. TAYLOR: Motion passes.  
13          MS. COHEN: All right. Thank you very much.  
14          Ms. Taylor, let's take a five-minute break,  
15          and we will resume at 2:47 p.m.  
16          Thank you, ladies and gentlemen. We're  
17          taking a recess. Excuse me, a recess one.  
18          (Whereupon a break was taken.)  
19          MS. COHEN: Ms. Taylor, please.  
20          MS. TAYLOR: All right.

21  
22                                    **ITEM L1b**  
23

24           MS. TAYLOR: Our next item is L1b;  
25          Board Member and Board of Equalization Website

1 Translation: Board discussion and possible action  
2 relating to installing the interim -- excuse me --  
3 related to installing in the interim a  
4 Google Translation icon and associated disclaimer to  
5 the Board Member and Board of Equalization websites  
6 to ensure taxpayer accessibility in various  
7 languages.

8 This matter will be presented by  
9 Chair Cohen.

10 MS. COHEN: All right.

11 Thank you very much, Ms. Taylor.

12 Okay. Colleagues, we are getting close to  
13 our closed session time. So let's move  
14 expeditiously.

15 I want to begin by thanking the  
16 Executive Director, her team, and then CDTFA for the  
17 work that they're doing on a daily basis to ensure  
18 that our website is informative and user-friendly.

19 I realize that there is a lot that goes on  
20 behind the scenes to make sure that it remains  
21 current and running properly.

22 The reason why I placed this item on the  
23 agenda is because I believe there is a viable interim  
24 solution to begin translations on our website.

25 Previously, I pointed out that the city and



1 county of San Francisco, where I served, has a  
2 translate button on our website, which enables  
3 visitors to receive information in their preferred  
4 language.

5 In visiting other state agency websites,  
6 such as the Governor's website, as well as the  
7 Franchise Tax Board's website, I'm able to click on a  
8 translate icon and choose from a multitude of  
9 languages.

10 I also notice that a disclaimer window  
11 appears, which appears to mitigate liabilities  
12 associated with potential missed translations.

13 And I realized that Google translates --  
14 translations cannot account for all nuances in  
15 language; however, it's a viable option. It's a  
16 viable option worth considering.

17 And according to the United States  
18 Census Bureau, California is the state with the  
19 highest percentage of people over the age of five who  
20 speak a language other than English at home.

21 So approximately 44 percent of Californians  
22 speak another language at home other than English.

23 So as Board Members and public servants, I  
24 think we have a responsibility and an obligation to  
25 actively communicate with taxpayers.

1           It's not enough to put information on a  
2 website and hope that someone who doesn't speak  
3 English will find a way to interpret the information,  
4 or find a translator on their own.

5           The Google Translate service offers over  
6 100 languages, and I believe that it's a service  
7 worth exploring as an agency.

8           I'm wondering if the Executive Director  
9 could provide any insight on the service.

10          As we all know, she's got a strong  
11 technology background, and probably has some insight  
12 to offer.

13          Ms. Fleming.

14          MS. FLEMING: Thank you for the opportunity,  
15 Madam Chair.

16          So, Members, Google Translate is a function  
17 that does, as the Chair has noted, does provide some  
18 static -- ability to provide static -- what we refer  
19 to as static information. It can translate that into  
20 a range of languages.

21          So if it's something that the Board is  
22 willing to look into, what I'd like to do is have my  
23 staff working with our comms chief and some of the  
24 staff, along with the technology staff, take a look  
25 at the feasibility of applying that feature and that

1 function to the BOE website.

2 As the Chair noted, there's disclaimer  
3 language that almost all the state agencies that are  
4 using this function, there's disclaimer language that  
5 just informs the public in a healthy way about some  
6 of the limitations, or some of the challenges with  
7 the absoluteness of the translations.

8 We certainly don't want to misinform anyone  
9 as they're visiting our website. But as visitors  
10 come, to your point, we've got a wealth of diversity  
11 in California, including language diversity.

12 So I think it is something we can take a  
13 look at. We just need to look at the feasibility of  
14 how we would go about in doing the implementation and  
15 being able to support it.

16 And so in lieu of sensitivity to the time,  
17 I'm working with my comms chief to take a look at it.  
18 And with the Board's -- with the Board's approval, we  
19 can come back at an upcoming meeting, provide a  
20 little bit more detail on what's involved in the  
21 implementation of this feature and this function.

22 It does provide some -- some translation  
23 languages. So I think it has some benefits. We just  
24 need to -- we'll work with Legal to make sure that  
25 appropriate translations are there consistent with

1 other agencies. But certainly doing our part to  
2 support the taxpayers and other visitors to our  
3 public-facing website

4 Madam Chair, back to you.

5 MS. COHEN: I appreciate that.

6 Thank you very much.

7 Colleagues, are there any remarks that you  
8 may have?

9 Deputy, city -- I mean, Deputy Controller  
10 Stowers, I see your hand.

11 The floor is all yours.

12 MS. STOWERS: Thank you, ma'am.

13 I looked at the translation, and you're  
14 absolutely right. The Franchise Tax Board has, and  
15 several other agencies.

16 I think it's -- looking into the feasibility  
17 for BOE is a great idea. It will definitely help  
18 with our operations and help with our communication.

19 I know right now it was a free service, but  
20 there may be a charge in the near future. So I would  
21 like to suggest that when you're doing your  
22 investigation, see if we could have a joint contract  
23 with another state agency to defer some of the cost.

24 So maybe --

25 MS. FLEMING: Yeah. Thank you for that

1 comment. Perhaps CDTFA or some of the other  
2 agencies. And that's something we can take a look  
3 at.

4 That would be something similar to what we  
5 do, for example, in our Microsoft environment,  
6 whether it's Enterprise licensings. And so you raise  
7 that up to the statewide level to get the benefit of  
8 the entire statewide benefit.

9 I'm being very careful to go too deep into  
10 that portion of the conversation, because I've not  
11 talked to my colleagues in the IT space or the other  
12 agencies. So I certainly don't want to misspeak  
13 and -- and put them in a position of committing to  
14 anything.

15 But to the extent that this is something  
16 that California is offering, and all state agencies  
17 are participating, there's some benefits.

18 So we will add that.

19 Mr. Kim, if you would make a note, we'll add  
20 that portion of the -- of the components to our  
21 analysis also in terms of implementation.

22 And if not, you know, at a broader level,  
23 just take a look at any -- any pros and cons and  
24 benefits of partnering with just other agencies in  
25 general.

1           So we'd be happy to look at that.

2           MS. COHEN: Well, let's look at it.

3           MS. FLEMING: Will do.

4           MS. COHEN: Let's -- let me see.

5           Mr. Gaines has his hand up.

6           MR. GAINES: Yeah.

7           Thank you, Chair Cohen.

8           I agree with Member Stowers' comments.

9           I think that's a great idea in terms of  
10          trying to do this as efficiently as we can.

11          And I know this is an issue that  
12          Member Vazquez brought up quite a while ago.

13          And so I'm encouraged that you brought it  
14          up, and looks like things are moving forward.

15          And the technology is amazing. I mean,  
16          imagine being able to translate, you know,  
17          100 different languages. It's really kind of a  
18          live-saver in the sense of our ability to provide the  
19          service at a low cost.

20          So I'm encouraged by that, and I think we  
21          ought to continue investigating it, and see if it all  
22          makes sense.

23          Thank you.

24          MS. FLEMING: Thank you, Members.

25          MS. COHEN: All right.

1 Thank you very much.

2 Mr. Schaefer, you're up.

3 MS. FLEMING: You're muted, sir.

4 MR. SCHAEFER: Oh, am I on?

5 Yeah.

6 Well, I'd just like to concur with  
7 Member Gaines. I think he has a very sound view on  
8 it.

9 My only concern has been when they start  
10 printing something in hard paper in 20 different  
11 languages. But this is electronic, and it's  
12 productive.

13 Thank you.

14 MS. FLEMING: Thank you, sir.

15 MS. COHEN: Great. Thank you.

16 So, again, I just want to state, as I've  
17 stated in the memo, that I'm just asking the  
18 Executive Director to engage in the necessary due  
19 diligence.

20 MS. FLEMING: Duly noted.

21 MS. COHEN: So I'm sure she'll come back and  
22 she'll tell us how much it's going to cost.

23 Okay. Fantastic.

24 MR. VAZQUEZ: No, Madam Chair, if you need a  
25 motion, I'll move it to get her to look at the pros

1 and cons, and hopefully come back with some real good  
2 analyses of the benefits and the -- especially, I  
3 think, with what Ms. Stowers is saying. Let's see if  
4 we can't join forces with some of these other  
5 Departments within the State.

6 MS. COHEN: I love -- I love that, and I  
7 will accept that motion, and I will second that  
8 motion.

9 I move -- and just add that we direct the  
10 Executive Director to explore the feasibility and the  
11 appropriateness of this interim solution. That's it.

12 So thank you for making that motion.

13 And for the record, I'm going to second that  
14 motion, Ms. Taylor.

15 Let's pivot and go to public comment.

16 MS. TAYLOR: Yes.

17 AT&T moderator, could you please let us know  
18 if there is anyone on the line who would like to make  
19 a comment on this matter.

20 AT&T MODERATOR: Ladies and gentlemen, if  
21 you would like to make a comment on this matter,  
22 please press one, then zero at this time.

23 Currently you have nobody queuing up for  
24 comment.

25 MS. COHEN: All right. Thank you very much.



1           May we take a vote on this motion,  
2   Ms. Taylor?

3           MS. TAYLOR:  Yes.

4           Chair Cohen.

5           MS. COHEN:  Aye.

6           MS. TAYLOR:  Vice Chair Schaefer.

7           MR. SCHAEFER:  Aye.

8           MS. TAYLOR:  Member Gaines.

9           Member Gaines.

10          Member Vazquez.

11          MR. VAZQUEZ:  Aye.

12          MS. TAYLOR:  Deputy Controller Stowers.

13          MS. STOWERS:  Aye.

14          MS. TAYLOR:  Let me go back and see if  
15   Mr. Gaines is available to vote.

16          All right.  The motion passes.

17          MS. COHEN:  All right.

18          Thank you very much.  I appreciate that.

19          Ms. Fleming, just wanted to check in with  
20   you.

21                 It is almost 3:00 o'clock.  Should we pivot  
22   to closed session now, or shall we continue with the  
23   agenda as is until we get to closed session?

24                 MS. FLEMING:  Well, I would recommend at  
25   this point, because we do have invited guests, ma'am,

1 here to present.

2 So if you wanted to, one option is that you  
3 could proceed with -- to the guests on the M item,  
4 and move the Board Member Strategic Plan. We can  
5 shift things around.

6 MS. COHEN: Okay.

7 MS. FLEMING: Or if you want to go to closed  
8 session, that is an option. We could come back after  
9 closed session and resume the items. I'm just  
10 sensitive to the invited guests.

11 MS. COHEN: All right.

12 I'm going to take your recommendation.

13 Let's go ahead and move to the M items.

14 We'll have our guests -- we will skip L2a.

15 We'll go to M1.

16 MS. TAYLOR: All right.

17 MS. COHEN: Ms. Taylor, could you call that  
18 item, please?

19 MS. TAYLOR: Yes.

20

21 **ITEM M1**

22

23 MS. TAYLOR: Next item is M1, Public Policy  
24 Hearings; Discussion on the Implementation of  
25 Proposition 19: The Home Protection for Seniors,

1 Severely Disabled, Families, and Victims of Wildfire  
2 or Natural Disasters Act of 2020.

3 There are no staff reports or external  
4 speakers for this agenda item; however, persons who  
5 wish to address the Board on this topic as a public  
6 comment may do so.

7 This is an information-only item.

8 Would you like me to move to the AT&T  
9 moderator?

10 MS. COHEN: This is -- yes, please.

11 MS. TAYLOR: AT&T moderator, please let us  
12 know if there is anyone on the line who would like to  
13 make a public comment on this matter.

14 AT&T MODERATOR: Ladies and gentlemen, if  
15 you would like to make a public comment at this time,  
16 please press one, then zero.

17 Currently, we have nobody queuing up for  
18 comment.

19 MS. COHEN: Great. Thank you very much.

20 This is an information item. So let's call  
21 the next item.

22 MS. TAYLOR: Yes.

23

24

25

//

1 ITEM M2a

2  
3 MS. TAYLOR: The next item is M2a, Public  
4 Policy Hearings, Impact of Public Calamities on  
5 Property Tax Administration: County Boards of  
6 Equalization/Assessment Appeals Boards (AAB)  
7 Remote Hearings, Lessons Learned Presentations.

8 There will be two presentations. The first  
9 will be with Edward Yen, Assistant Executive Officer,  
10 Technology, Planning and Operations, Executive Office  
11 of the Los Angeles County Board of Supervisors, and  
12 copresenting with him, Jennifer Tran, Acting Deputy  
13 Executive Officer, Los Angeles County Assessment  
14 Appeals Board, and Alina Kasparian, Acting Assistant  
15 Chief, Assessment Los Angeles County Appeals Board.

16 And when they're presentation concludes, we  
17 will also hear from Ann Moore, Chief Deputy Clerk,  
18 San Diego County Board of Supervisors.

19 MS. COHEN: Thank you.

20 All right. Let's go ahead and -- let's go  
21 ahead and begin.

22 I want to welcome all of our guests.

23 Thank you for being here. I appreciate your  
24 presentation.

25 This is --

1 MR. VAZQUEZ: Madam Chair, do you want me to  
2 queue it up?

3 MS. COHEN: Yeah. Please go ahead.

4 MR. VAZQUEZ: Okay. Let me go ahead and  
5 queue it up.

6 This is, Chair Cohen, and for the Members, I  
7 would like to welcome Mr. Yen and Ms.  
8 Alina Kasparian.

9 Mr. Yen contacted my office several months  
10 ago offering to provide us with a presentation on the  
11 county's virtual hearing system and the AAB platform  
12 that his office developed to effectively and  
13 efficiently address document submission and  
14 simultaneously viewing problems in remote AAB  
15 hearings.

16 I am very supportive, and I have already  
17 committed to working with his office on some next  
18 steps that may help other counties with their  
19 modernization efforts.

20 So thank you, Mr. Yen and Ms. Kasparian, for  
21 your time and investment in preparing for this Board  
22 presentation.

23 And welcome.

24 I'll turn it over to -- is it -- are you  
25 going to start, Mr. Yen, first, or --

1 MR. YEN: I will.

2 MR. VAZQUEZ: Okay.

3 MR. YEN: All right.

4 Well, thank you.

5 Good afternoon, Members of the Board.

6 My name is Edward Yen, representing the  
7 Executive Office for the County of Los Angeles.

8 I am the Assistant Executive Officer  
9 overseeing the assessment appeals board.

10 Presenting with me today are Jennifer Tran  
11 and Alina Kasparian.

12 I want to thank Chair Cohen and Board  
13 Member Vazquez for inviting LA County to share our  
14 virtual hearing platform experiences.

15 We are proud of our employees' efforts to  
16 build and implement this customized solution that  
17 allowed our county to continue scheduling assessment  
18 appeal applications during the COVID pandemic; thus,  
19 providing taxpayers their due process rights to a  
20 hearing -- hearing.

21 Based on our experiences with virtual  
22 hearings, we are eager to continue to offer this  
23 platform in our post-pandemic plans.

24 During this past year, your Board, in  
25 collaboration with various stakeholders, including

1 assessors, assessment appeals board, applicant  
2 representatives and attorneys, held meetings to  
3 finalize guidance for counties to implement virtual  
4 assessment appeals board hearings.

5 While many stakeholders were eager to  
6 continue with hearings, some counties were hesitant  
7 or unable to virtually hold hearings due to a lack of  
8 financial or human resources.

9 Due to LA County's enormous case load, we  
10 determined to quickly move forward with developing a  
11 custom-built document exchange platform, and  
12 commenced virtual hearings on October 19th, 2020.

13 Today I will be explaining some of the  
14 reasons why LA County quickly transitioned to a  
15 virtual hearing platform, and describe some of the  
16 benefits we found moving to virtual.

17 Ms. Tran will be discussing how we built our  
18 platform, while also describing how we resolve  
19 concerns that were raised by stakeholders.

20 Ms. Kasparian will then conclude by  
21 providing examples of what our virtual hearing  
22 platform looks like, and provide a guide on how to  
23 access document exchange platforms, while also  
24 providing views that users have on their screens  
25 during a hearing.

1           We hope that this presentation will provide  
2 confidence to other counties to consider using  
3 virtual hearings as another method to ensure  
4 taxpayers the opportunity to be heard.

5           Lastly, we encourage county assessment  
6 appeals boards and their IT staff to reach out to us,  
7 as we are enthusiastic to share the lessons we  
8 learned from building our platform.

9           And go to the next slide, please.

10          So why did we go virtual?

11          Back in March 2020, LA County closed all  
12 county facilities to prevent the spread of the  
13 COVID-19 virus.

14          This also effectively suspended the  
15 scheduling of assessment appeals board hearings,  
16 causing an increase of open applications.

17          During the suspension of assessment appeals  
18 board hearings, our open applications increased  
19 approximately 25 to 35,000 applications. About a  
20 30 percent increase from the same date the previous  
21 year.

22          We determined waiting to schedule hearings  
23 would only increase the backlog of open applications,  
24 and impact the taxpayer's rights to a timely appeal.

25          I just want to quickly note that in our



1 slide presentation we identified 37 percent increase.  
2 I just want to make sure that people know that that  
3 was a misnomer, and that should actually say  
4 27 percent.

5 So during the early days of the pandemic,  
6 our Executive Officer, Celia Zavala, directed our  
7 Information Technology team and assessment board  
8 staff to research technology platforms suitable for  
9 us to quickly provide virtual hearings.

10 No cost-effective solutions were identified,  
11 so our IT staff, led by Amin Almuhabab and our PR  
12 Kandaharian (phonetic), designed a platform that used  
13 Webex to broadcast the hearing online.

14 Although Webex, Teams or Zoom are considered  
15 commonplace nowadays, at the time Webex was the only  
16 platform that allowed us to scale the usage of  
17 virtual conferencing.

18 Most importantly, though, was a development  
19 of our custom-built assessment appeals portal, or as  
20 we like to call it AAP, or evidence to be submitted  
21 online, which would allow parties to share and  
22 display evidence during a virtual hearing.

23 Due to the customized platform, we were able  
24 to keep costs lower and quickly transition to an  
25 effective virtual hearing solution.

1           We conducted our first virtual hearing on  
2           October 9th, 2020, and we haven't turned back.

3           Next slide, please.

4           So some of the benefits that we found  
5           through virtual hearing, and we quickly found out,  
6           was we addressed the -- first, we addressed the  
7           health and safety of our participants by allowing  
8           parties to use their existing technology equipment,  
9           such as computers, smart device, or tablets, to  
10          attend a hearing in the safety of their own home.

11          Second, we needed to address the issue of  
12          exchanging information, which would resolve by  
13          creating the assessment appeals portal, which allowed  
14          for convenient online evidence uploading to allow  
15          participants time savings and money from making  
16          copies of exhibits. When some exhibits can total  
17          hundreds of pages, this was actually a great cost  
18          savings for them.

19          Third, we also found that Board Members,  
20          taxpayers, representatives, and assessor  
21          representatives would timely arrive at their  
22          scheduled hearings due to the accessibility of just  
23          logging onto a computer to attend a hearing, instead  
24          of driving sometimes two hours to just attend the  
25          hearing in Downtown LA.

1           We have also found that virtual hearings was  
2 not a deterrent for parties to attend. From  
3 October 2020 to October 2021 we have scheduled 25,934  
4 applications for virtual hearing, with only  
5 467 requesting to appear for in-person hearings.

6           This has helped our county to continue to  
7 efficiently schedule hearings to reduce our open  
8 applications.

9           Next, we also found that the virtual  
10 hearings has helped taxpayers, representatives, and  
11 county employees to save money from commuting costs,  
12 such as gas consumption and parking fees incurred  
13 when appearing in person.

14           And, finally, the virtual hearing platform  
15 allows us to record the hearing to offer high quality  
16 audio and video recordings when requested. Which are  
17 much better than the audio recordings we previously  
18 offered.

19           Next, I would like to introduce  
20 Jennifer Tran to discuss how we developed our  
21 platform.

22           MS. TRAN: Thank you, Mr. Yen.

23           Good afternoon, Honorable Board Members.

24           My name is Jennifer Tran, the Acting Deputy  
25 Executive Officer for the Los Angeles County

1 Assessment Appeals Board.

2 When LA County began to plan for a virtual  
3 hearing solution, our goal was to leverage current  
4 and emerging technologies to streamline processes,  
5 and consider taxpayers' concerns on virtual hearing  
6 implementation, as shown on this slide.

7 First, we allow applicants to request for  
8 in-person hearing in lieu of a virtual hearing.

9 We modified our internal system to include a  
10 system flag to help us identify and track  
11 applications with in-person hearing requests.

12 Second, we implemented an electronic  
13 submission process where evidence is submitted at  
14 least two days prior to the hearing date, allowing  
15 both parties to view and download each other's  
16 evidence at the hearing.

17 For taxpayers who do not have capabilities  
18 to digitize documents, documents may be sent to AAB  
19 at least one week prior to the hearing for  
20 digitization.

21 The system also allows for submitting  
22 rebuttal evidence at the hearing, and simultaneous  
23 side-by-side view for document comparison.

24 Lastly, based on a recent survey, AAB  
25 members availability have increased by 26 percent due

1 to the convenience of virtual hearings.

2 Also since there is no commute or traffic  
3 conditions driving to Downtown LA, hearings start  
4 promptly as scheduled.

5 And, finally, our virtual hearing platform  
6 offers the use of virtual break-out rooms for private  
7 discussions and deliberations.

8 Next slide, please.

9 As shown on the Venn diagram, LA County's  
10 virtual hearing solution is comprised of two systems  
11 using current web conferencing technology and a  
12 highly-customized evidence submission system.

13 First is our virtual meeting platform, as  
14 shown on the right side of the diagram.

15 Using Webex, evidence is shared or displayed  
16 at the hearing, virtual break-out room is used for  
17 private discussion or deliberations, and customized  
18 view of participants including pinning specific  
19 persons based on user preference.

20 Although LA County uses Webex, as mentioned  
21 by Mr. Yen, there are other web conference tools  
22 available with similar functionalities, such as Zoom  
23 or Microsoft Teams.

24 On the left side of the diagram is the  
25 assessment appeals portal, or AAP.

1           AAP is the critical component of our virtual  
2 hearing solution. It is a highly-customized,  
3 innovative and interactive document management system  
4 that provides a safe and secure online portal to  
5 streamline the evidence submission and  
6 document-sharing processes.

7           Under a tight and aggressive timeline, AAB  
8 and our IT team work diligently during the  
9 customization, testing and integration of the  
10 following three technologies:

11           First, we customize the box application to  
12 serve as our centralized document repository of  
13 digitized hearing evidence.

14           Once an application is scheduled, the  
15 information in AAP is updated, allowing the applicant  
16 and the assessor to view their upcoming hearings and  
17 upload their evidence into the portal.

18           All parties can simultaneously view the  
19 documents once they are made public by the AAB  
20 clerk.

21           Access to the evidence that were made public  
22 at the hearing is available through the end of the  
23 hearing date.

24           Second, using an automated e-mail  
25 notification system called SendGrid, e-mail reminders

1 are sent to both parties to upload their hearing  
2 documents with the link to the AAP portal.

3 The system also allows us to track the  
4 delivery receipt of the e-mail reminders.

5 And, lastly, using Microsoft Power BI as our  
6 data analytics tool, we are able to create various  
7 reports on portal log-ins, file uploads, file access,  
8 and other metrics.

9 Next slide, please.

10 To ensure a smooth transition from in person  
11 to virtual hearings, LA County provided the following  
12 pre and post-implementation support:

13 First, as part of our communication and  
14 outreach efforts, we develop informative video clips  
15 and tutorials that are available on our website and  
16 also accessible on YouTube.

17 Similar information is also provided or  
18 shared during the monthly virtual public education  
19 seminar, which is designed to educate the taxpayers  
20 on the assessment appeals process.

21 Informative flier is also enclosed with the  
22 mailing or the mailed hearing appointment cards,  
23 which includes information on how to access the  
24 detailed, step-by-step reference guides on our  
25 website.

1 E-mail notifications for Webex meeting  
2 invitation are sent out to the applicant at least one  
3 week prior to the scheduled hearing.

4 Second, multiple training sessions were  
5 provided to our AAB board members, hearing officers,  
6 AAB staff and assessor staff.

7 Also, practice or dry-runs are available for  
8 taxpayers and agents upon request for training or  
9 connectivity test purposes.

10 Lastly, we offer a web conference room  
11 located at the Hall of Administration for taxpayers  
12 who do not have the required equipment to participate  
13 in the virtual hearing.

14 This private, safe and secured room is fully  
15 equipped with web conferencing technology, including  
16 PC and monitor, webcam, scanner or printer, and  
17 Internet connection.

18 We also provide an off-site technical  
19 support if needed.

20 And now I'll turn it over to Ms. Alina  
21 Kasparian, who will provide more information on our  
22 virtual hearing process.

23 MS. KASPARIAN: Thank you, Jennifer.

24 Appreciate it.

25 Good afternoon, Chair Cohen and Members of



1 the Board.

2 Thank you for this opportunity.

3 I'm just going to jump right in for the sake  
4 of time.

5 So this screen is displaying five icons or  
6 images giving an overview of the virtual hearing  
7 process.

8 And first icon is at the beginning process  
9 where an application is actually scheduled for  
10 hearing.

11 The second icon is of appointment cards and  
12 virtual hearing instructions, which are now mailed  
13 and included to give instructions to taxpayers on how  
14 to register and upload documents in our AAP portal  
15 system.

16 The third icon is of a Webex, which  
17 basically says that we send out Webex invitations at  
18 least one week prior to the hearing to all taxpayers  
19 and tax agents.

20 The fourth icon pertains to the AAP portal,  
21 in which taxpayers/tax agents can upload their  
22 evidence. And they are encouraged to upload evidence  
23 at least two days prior to the hearing, consistent  
24 with this Board's LTA.

25 And as mentioned previously, the taxpayers

1 have the ability to upload documents as soon as their  
2 case is scheduled, giving them plenty of time prior  
3 to the hearing.

4 Lastly, the fifth icon is the attending of  
5 the hearing, which is done virtually online at the  
6 hearing.

7 This slide displays four icons to illustrate  
8 what taxpayers will need for virtual hearings.

9 The first one is a PC or a laptop, second  
10 one is any smart device, such as an iPhone, the third  
11 icon is of Internet connection, and the fourth is  
12 access to audio/video capabilities.

13 This slide displays four icons illustrating  
14 the AAP portal process for uploading hearing  
15 evidence.

16 So all users must complete a one-time  
17 registration through our AAP portal.

18 Once they create their username and  
19 password, which is their e-mail and their password  
20 that's unique to them, they log into the AAP portal,  
21 they are able to select their case or hearing or  
22 application -- particular application to upload their  
23 evidence. And once they're in that particular case,  
24 they can upload their evidence.

25 This screen displays a short clip of the AAP

1 portal and how taxpayers sign in to upload their  
2 evidence.

3           Demonstrated on this screen, the applicant  
4 will log in using their username and password they've  
5 created. They will select their upcoming hearing,  
6 click on the document button, and once they come into  
7 that actual case, they can click on that little plus  
8 sign, hit upload.

9           They can browse your -- their device or even  
10 drag and drop if it's a file that's on their desktop.  
11 You can select multiple documents, click upload. And  
12 you can even tag the documents up top, such as  
13 confidential, to notify the clerk, and click  
14 upload.

15           You can also preview what you've uploaded  
16 just to make sure it's the right document. So you  
17 can click on the file that you've uploaded, and then  
18 you can continue to upload additional documents.

19           Or if you prefer, you can upload everything  
20 at once by selecting multiple files once you browse  
21 your device.

22           And, again, you can preview all of your  
23 documents. You can also save and download on your  
24 desktop as well. But you already have those files on  
25 your desktop.

1           So this particular screen is of another  
2 short clip of our AAP portal on how documents are  
3 viewed or saved during the day of the hearing.

4           So, again, the user will log into their AAP  
5 portal using their username and password that they  
6 created, select the upcoming hearing that they would  
7 like to upload or view documents on the day of the  
8 hearing.

9           Click on documents. Up top there are two  
10 buttons to view public files and my files.

11          The "view public files" button is basically  
12 documents at hearing that are made available by the  
13 clerk, marking it as public, which means all parties  
14 are able to see, both the assessor and the taxpayer.

15          If a document is not marked public, the  
16 other party cannot see the taxpayers' or assessors'  
17 documentation, or vice versa.

18          And "my files" tab will basically allow you  
19 to see your own files if you are the taxpayer, and  
20 the assessor if you're the assessor.

21          This slide displays two screenshots of Webex  
22 layouts that taxpayers can utilize during the day of  
23 their hearing, depending on whatever your preference  
24 is.

25          So you simply can click on the layout button

1 in Webex and customize whichever view you want.

2 So the screenshot on the left, I want to  
3 point out shows seven participants displayed at the  
4 top of the Webex app. with the document that's being  
5 shared on the screen as a primary focus.

6 This will allow -- this view allows  
7 taxpayers to toggle between the participants at the  
8 top, so you can move over, you know, whichever  
9 participant you want.

10 If there's additional participants that are  
11 not listed at the top, you can simply toggle between  
12 them, and move them for your primary focus right  
13 above the document that you're viewing.

14 The screenshot on the right shows another  
15 layout option that still displays the document on the  
16 left, but also gives the taxpayer the ability to do  
17 what's called pinning the participants in the center  
18 to the right of the document, which displays a  
19 larger, more-focused image of the participants.

20 The remaining participants in the hearing  
21 are displayed all the way to the right of the Webex  
22 app., with the ability to view and move around those  
23 participants for viewing.

24 So in this particular case this individual  
25 has pinned the three Board Members and the assessor's

1 representative, who is highlighted.

2 The box has a little highlight around them,  
3 which means that individual is currently speaking.

4 The person is always -- who is speaking is  
5 always in your focus no matter what view you're in.

6 And this is some, you know, taxpayer's  
7 preference where they want to simply focus on the  
8 board member and their reaction, and that's just as  
9 fine.

10 The other neat thing that I would like to  
11 point out is that the person who's -- other than the  
12 person who is speaking being highlighted, Webex will  
13 always notify you at the top of the screen, the  
14 person that is speaking.

15 So if it's the assessor's representative, it  
16 will say Mr. -- you know -- Chapman (phonetic) in  
17 this case is speaking.

18 Webex also allows you to mute and unmute in  
19 the same screen, which makes it easy and convenient  
20 for the person to follow along and speak in the same  
21 view as well, without having to change their layout  
22 or make any other modifications.

23 This slide as well as the next two slides  
24 include some samples of actual virtual hearing  
25 recordings.

1           I would like to point out that since the AAP  
2 clerk has recorded these hearings, the video displays  
3 the clerk's view, which generally focuses on the  
4 document, since the clerk's primary responsibility is  
5 to share the document that's being requested from  
6 either party.

7           So this particular slide demonstrates the  
8 agent and applicant testimony. The five hearing  
9 participants are displayed at the top of the screen,  
10 which includes the clerk, the assessor's  
11 representative, Mr. Tollbar (phonetic), and the  
12 agent, Mr. Nichols, who are interacting and speaking,  
13 as well as the board members and the appraiser.

14           The agent also calls on the applicant,  
15 Mr. Kadare (phonetic) to speak, and the evidence  
16 being displayed is the primary focus of the screen.

17           So please let me know if you are unable to  
18 hear the audio from this video clip.

19           (Whereupon a short video clip was played.)

20           MS. KASPARIAN: So I would like to point out  
21 that as soon as the taxpayer was called upon by the  
22 agent, even though he was originally not in focus,  
23 the person who is speaking will always come into  
24 focus no matter what view the individual has.

25           As you can see, Mr. Kadare, as soon as he

1 spoke, you saw his icon or his face is displayed at  
2 the top.

3 This slide displays another sample video  
4 recording of a virtual hearing demonstrating the  
5 redirect of the testifying appraiser.

6 The slide displays the seven participants,  
7 the clerk, the assessor's representative,  
8 Mr. Tollbar, who is speaking and questioning his  
9 appraiser, the three board members, the agent, and  
10 the appraiser, Mr. Martin, who is also speaking.

11 (Whereupon a short video clip was played.)

12 MS. KASPARIAN: So, again, since this is  
13 from the clerk's view, and as a recording -- but in  
14 live virtual hearings, Mr. Martin, once he was  
15 speaking or responding back to the assessor's  
16 representative, the box around his -- his face or his  
17 image would be highlighted in blue, so that it  
18 clearly demonstrates who is speaking, and also listed  
19 at the top.

20 This slide displays a video recording of an  
21 actual virtual hearing that demonstrates the agent's  
22 rebuttal evidence that is uploaded and displayed in  
23 the middle of the hearing.

24 The seven participants are displayed, the  
25 chair, Maggie Soleimani, inquires if the agent,



1 Mr. Boyle, has rebuttal evidence. To which the agent  
2 indicates that he does.

3 And I just want to point out that any time  
4 there's any rebuttal evidence that is going to be  
5 presented, the chair will also provide ample time for  
6 either party to pause the hearing, take a break,  
7 while the person uploads their documents.

8 (Whereupon a short video clip was played.)

9 MS. KASPARIAN: So at this time, the chair  
10 has already provided time for Mr. Boyle to upload  
11 that rebuttal evidence.

12 I believe it was about a 15-minute break,  
13 since the documents are readily available.

14 So the clerk is right now logging into the  
15 AAP portal, as the clerk's role, and to pull up the  
16 documents, mark it as public so that all parties are  
17 able to see the document.

18 (Whereupon a short video clip was played.)

19 MS. KASPARIAN: And, finally, this slide  
20 displays a screenshot of our assessment appeals board  
21 website, which includes userguides on how to navigate  
22 Webex, as well as our AAP portal.

23 We also have other informative material. We  
24 do have short clips of videos, kind of like some of  
25 the ones I've demonstrated in this presentation on

1       how-tos.

2               We are also under Eddie Yen's direction.

3               We are also working on revamping our website  
4       to make it more user-friendly, and adding a lot more  
5       resources that can assist our taxpayers with  
6       preparing for their -- better preparing for their  
7       appeals.

8               And this final slide concludes our  
9       presentation.

10              And on behalf of LA County, I want to thank  
11     you for your time and this opportunity.

12              I appreciate it.

13              MR. VAZQUEZ: Thank you.

14              MS. COHEN: I appreciate that very -- I'm  
15     sorry.

16              Mr. Vazquez, this presentation has been  
17     great. I've been waiting on it since last month.

18              So, Mr. Vazquez, I'll go ahead and let you  
19     finish up your comments.

20              I just had to say good job to the presenting  
21     team.

22              MR. VAZQUEZ: No, I really appreciate your  
23     patience with this.

24              And I know you folks spent a lot of time  
25     just preparing this. And I just wanted to thank

1       you.

2                   I think you kind of -- I was going to open  
3       up with a couple quick questions, but I think you  
4       answered two of them.

5                   But the third one I'm not sure you really  
6       touched on. And that is what type of maintenance  
7       support is needed for the system?

8                   And would it be costly for other counties, I  
9       guess?

10                   MR. YEN: So like we said in the beginning,  
11       this is a custom-built system. And we have internal  
12       staff that we have providing the maintenance and  
13       support.

14                   I think the -- the idea would be that if a  
15       county has their own -- their own IT technology team,  
16       we would be able to share the resources and the plans  
17       and logistics of how we prepare.

18                   And then it's just a matter of finding out  
19       what type of resources the other county would have.  
20       In other words, try to on-board a system like this.

21                   But we don't really have a -- it's really  
22       difficult to identify the actual cost.

23                   Because, you know, we're just internally  
24       developing it. So it's whatever time spent on  
25       developing it.

1           And then as far as the actual cost of the  
2 software that we're using, for example, with Box or  
3 Webex, you know, we've approximated that the cost  
4 could be anywhere from 30 to \$45,000 annually.

5           But we're still trying to identify and  
6 pinpoint the cost. Because there's a lot of  
7 licensing that's based on Enterprise licensing from  
8 the county as a whole. And then try to pinpoint only  
9 our department, there kind of requires some digging  
10 into the numbers.

11           MR. VAZQUEZ: Thank you.

12           Is there any other Members?

13           Any Members on our Board that have any  
14 questions after hearing and seeing the presentation?

15           MS. COHEN: Come on. Did you see that  
16 presentation? No questions? No feedback? No  
17 comment?

18           I mean, that was exciting.

19           MR. VAZQUEZ: Good stuff.

20           MR. GAINES: I can comment on it.

21           MR. VAZQUEZ: Sure. Go ahead.

22           MR. GAINES: If I could.

23           My concern as an elected who represents a  
24 lot of rural California, I mean, I can tell you  
25 personally that I don't have the greatest Internet

1 service at my home. And I've got hundreds of  
2 thousands of constituents that don't. And this  
3 option simply would not work.

4 And so it concerns me if we're not giving  
5 taxpayers an option in terms of how they can present  
6 their case.

7 I like the presentation. The presentation  
8 was great. I think you've got great technology. It  
9 probably works very well in LA County.

10 But, you know, I represent 30 counties, and  
11 a lot of them are rural. And I'm going to represent  
12 34 if I'm -- if I have the honor of being reelected.

13 So it's a real concern I continue to have.  
14 And maybe things will get better with Elon Musk, and  
15 his new technology of launching satellites for better  
16 Internet in rural areas.

17 MR. YEN: No, definitely.

18 And I think with -- the purpose of our  
19 presentation is really to show and demonstrate one  
20 technology that has been used out there.

21 And definitely Internet connectivity is a  
22 big issue, and we definitely agree with you with  
23 that.

24 And hopefully, you know, this is something  
25 that's just one -- one tool, one platform that is

1 available.

2 And we are open to any other counties  
3 willing to -- wanting to discuss with us, and we're  
4 willing to share our lessons learned.

5 MR. GAINES: Thank you. I would appreciate  
6 that.

7 MS. COHEN: Well, okay.

8 MR. VAZQUEZ: Seeing no other hands or  
9 comments, Madam Chair, let me just give my --

10 MS. COHEN: I'm sorry. I didn't hear you.  
11 What did you say?

12 MR. VAZQUEZ: I'm sorry.

13 I said seeing no other hands, I will -- if  
14 you wish, I will go ahead and give some concluding  
15 remarks, and then you can go from there.

16 MS. TAYLOR: I believe we also --

17 MS. COHEN: Absolutely.

18 MS. TAYLOR: Excuse me, Chairman --  
19 Chair Cohen.

20 We also have Ms. Ann Moore, Chief Deputy  
21 Clerk from San Diego Board of Supervisors.

22 MS. COHEN: Yes.

23 MR. VAZQUEZ: I'm sorry.

24 Go ahead.

25 I thought she was there for a resource.

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Go ahead.

MS. MOORE: It's very hard to follow LA in that presentation. But I -- good afternoon, everybody.

I am Ann Moore. I'm the Chief Deputy Clerk of the Board of Supervisors for San Diego County.

And my assessor's office actually graciously volunteered me to speak to you today about how we transitioned to virtual hearings with the opposite experience of LA. We had limited additional technical resources.

So we implemented virtual hearings a lot earlier. We went with all of our administrative hearings in May of 2020, and then we had our first virtual hearing with applicants in July of 2020. We transitioned shortly after our Board of Supervisors meetings transitioned.

And overall the experience and process has been very similar to our in-person hearings, but do require additional efforts from our team that I'm just going to touch on in brief. Because we don't have, you know, as many technical resources.

So when it became apparent in the early days of the pandemic that the situation necessitated virtual hearings, we looked into many of the virtual

1 chat forms available including Teams, BlueJeans,  
2 Webex, GoTo. We ended up selecting Zoom after our  
3 Board of Supervisors had success with it.

4 But we also looked at the functionality, and  
5 ended up choosing a different license type of Zoom  
6 than our Board meetings did.

7 The functionality we looked for was a  
8 waiting room, break-out rooms, enhanced mute  
9 functionality, so the ability for us to mute people  
10 and have the muting stick, versus them being able to  
11 immediately unmute.

12 Alternate host functionality, as well as a  
13 platform that easily supported both call-in and web  
14 access.

15 So when we schedule our meetings in Zoom, we  
16 create this Zoom meeting using a password and a  
17 waiting room.

18 And we use the option to mute participants  
19 upon entry, so there's no interruption in the record  
20 if somebody joins mid-hearing and forgets to mute.

21 We also plan for additional prep time for  
22 our staff, so we can do additional testing prior to  
23 the Board and parties joining.

24 Of course prior to the meeting we post  
25 detailed instructions similar to LA County on how to



1 join the hearing on our website.

2 And we send an e-mail to all the parties  
3 with the link, as well as to the Board. We also send  
4 instructions with our notices.

5 And, also, like Los Angeles, we conducted  
6 mock hearings ahead of scheduled hearings.

7 And this was -- I can't recommend this  
8 enough. It allowed everybody, including our team, to  
9 get more comfortable with the platform.

10 We allowed practice for setting up the  
11 screen or view settings going into and coming out of  
12 break-out rooms, allowing additional moments for  
13 parties to object, adjusting Zoom on their screens,  
14 that those who may want larger views could zoom into  
15 any exhibits, etc.

16 And, again, this was absolutely invaluable,  
17 and I encourage anyone who is just moving into  
18 virtual to do these dry-runs ahead of time.

19 In the actual hearing, our board members  
20 have Zoomed in from their own offices or homes.

21 We also know that some counties, based on  
22 their own County Health Department guidelines, have  
23 held hearings with the Board in one room with the  
24 clerk, but the parties joined virtually.

25 We don't hold hearings where only one party

1 is virtual. Our calendars are either set as  
2 in-person hearings or virtual, but we don't do any  
3 hybrid.

4 And we found that with our limited  
5 additional technical resources, that the most  
6 successful hearings, we need to have three staff  
7 members devoted to the meeting.

8 So we have a main clerk who is, you know,  
9 basically the clerk who would be in the room for an  
10 in-person hearing.

11 So they do all the set up and coordinate the  
12 logistics of the meeting. They facilitate the  
13 meeting.

14 Then we also have a secondary clerk, who is  
15 there to help with the exhibits, the break-out rooms,  
16 muting, checking in parties, and dealing with any  
17 late submissions.

18 We also have a third clerk who is not in the  
19 meeting, but who is assigned to take phone calls and  
20 respond to e-mails to help parties or others trying  
21 to join the meeting, and to work through technical  
22 issues.

23 We found that the technical issues that we  
24 experienced are usually due to inexperience with  
25 technology, or they didn't read the instructions.

1           When our staff starts the meeting they  
2           rename themselves similar to how you saw in the video  
3           to indicate that they're clerk of the board staff, so  
4           when they speak, it's clear to the parties and -- and  
5           in the record of who is speaking.

6           At the beginning of the hearing our main  
7           clerk has a script that they read that details all  
8           the mitigation factors that we have for additional  
9           virtual hearing logistics.

10          And then our team works together in kind of  
11          this choreographed effort to ensure that everything  
12          is shared and distributed promptly when needed, and  
13          that members and parties are dropped into break-out  
14          rooms quickly when required.

15          This is where additional clerk of the board  
16          staff has proved essential. They use mute  
17          functionality as appropriate to ensure that the  
18          record is clear.

19          And we found that the Zoom records are much  
20          more complete, without the additional background  
21          noise that a large room of attendees creates.

22          If for whatever reason a party or a witness  
23          has technical issues or drops out during the hearing,  
24          we collect phone numbers prior to the hearing for all  
25          of our parties.

1           And our secondary clerk immediately gets the  
2 dropped party on the phone to troubleshoot and  
3 resolve the issue.

4           This hasn't happened in a while. We saw it  
5 more frequently in the beginning of the pandemic when  
6 there were bandwidth and infrastructure issues, due  
7 to so many people moving to telecomputing.

8           But having this process in places ensures  
9 that we can immediately contact them to prevent any  
10 issues with the hearing due to the continuity.

11           We also keep a county-issued cell phone or a  
12 hotspot available during the hearing. We did have  
13 one occurrence where it was actually the county  
14 network that went down, but we were able to quickly  
15 bring the meeting back up, because we held the  
16 hotspot on hand.

17           I know I touched on this in previous  
18 presentations to the Board, but briefly, evidence is  
19 submitted via e-mail. And we ask for it 72 hours in  
20 advance.

21           We were also, early on, using e-mail for  
22 distribution at the time of the hearing. But we  
23 found that we were having issues with delayed receipt  
24 or no receipt due to the size of some of the  
25 exhibits.

1           So after doing some research on what other  
2 counties were doing, as well as what courts were  
3 using for evidence submission, we transitioned to  
4 using Dropbox.

5           So parties submit their exhibits via e-mail  
6 or mail, or whatever method they choose, and we  
7 collect and consolidate them into a Dropbox folder  
8 specific for the hearing.

9           Then at the time of a hearing, we're able to  
10 share a read-only link to that Dropbox folder that  
11 includes all the exhibits for that application,  
12 eliminating issues due to file size.

13           It reduced a lot of confusion and delay due  
14 to board members searching through multiple e-mails  
15 per case, trying to find the exhibits being  
16 discussed.

17           Rebuttal exhibits can be quickly processed  
18 by our secondary clerk during the hearing and dropped  
19 into that same folder.

20           When exhibits are presented in the hearing  
21 our main clerk shares the exhibit on the screen and  
22 navigates through at the direction of the submitting  
23 parties, similar to how you saw in LA's video.

24           We've had feedback that some parties would  
25 prefer to share their own exhibits. But having the

1 clerk control it ensures that only the exhibits that  
2 were filed and distributed are shown.

3 It also limits the risk of showing exhibits  
4 that were not admitted, personal files that shouldn't  
5 be shown, or any notes that the party might have open  
6 on their desktop, among other things.

7 It doesn't limit the party from being able  
8 to show what they wish to. In fact, instead of  
9 spending time trying to direct board members to the  
10 correct page in the stack of paper that they've  
11 filed, which is not inconsequential as far as timing  
12 during in-person hearings, it ensures that everybody  
13 is looking at the exact piece of evidence that they  
14 want them to.

15 And then a final note on trade secrets for  
16 hearings where there is issue of trade secrets has  
17 been raised. We distribute the link and password  
18 only to parties, and then we use the feature, the  
19 waiting-room feature in Zoom to only admit named  
20 parties and their witnesses at the appropriate time.

21 These practices have worked extremely well  
22 for us. We haven't had, you know, much of a budget  
23 for additional technical platforms. But we continue  
24 to refine the process as we learn more.

25 We're also keeping tabs on any new practices

1 that the courts or other assessment appeals boards  
2 are implementing that we may want to consider.

3 But overall we've been extremely successful  
4 with this process.

5 And the mitigation techniques that I just  
6 touched on, out of the approximately 5,000 hearings  
7 that we scheduled during our virtual-only period,  
8 only 28 hearings were continued upon the request of  
9 parties to an in-person hearing.

10 So I will just keep it brief at that.  
11 Thanks for the opportunity to speak again about this  
12 today. I felt it was important to impart that  
13 successful virtual hearings can also be conducted  
14 with minimal, you know, technological resources.

15 Because I do know that there are counties  
16 that just don't have -- have the resources to do so.  
17 It's just a matter of having clear, conscious  
18 procedural best practices in place.

19 So, again, thank you for your time.

20 MR. VAZQUEZ: Thank you for sharing.

21 And I see there's two hands up.

22 Madam Chair, let me go ahead and call  
23 Mr. O'Neill. I believe has his hand up.

24 MR. O'NEALL: Yes. Thank you,  
25 Member Vazquez.

1           Cris O'Neall, I'm an attorney in Los Angeles  
2 practicing exclusively in the property tax area.

3           And I have appeared in front of assessment  
4 appeals boards for almost 30 years now. And I would  
5 like to respond to the presentation that was made by  
6 Los Angeles County.

7           First of all, to say that that's very  
8 informative. And to say -- and by the way, I'm  
9 speaking on behalf of CATA, the California Alliance  
10 of Taxpayer Advocates.

11           I'm part of a special committee that is  
12 addressing State Board of Equalization issues as  
13 they're raised during 2022.

14           So going back to Los Angeles County and the  
15 presentation, I can't deny that Los Angeles County  
16 has developed an approach, a pretty sophisticated  
17 approach using the Webex platform that works -- that  
18 works well in a lot of circumstances.

19           And I would say it's worked well especially  
20 during the pandemic, because the cases that aren't  
21 appropriate --

22           MS. TAYLOR: Excuse me.

23           MR. O'NEALL: -- for --

24           MS. TAYLOR: Mr. O'Neall, excuse me.

25           This is Ms. Taylor, the clerk.



1           We have lost our sound with AT&T. So we'll  
2 have to take a brief moment.

3           Perhaps five minutes to solve our technology  
4 problem.

5           MR. O'NEALL: Okay.

6           MR. VAZQUEZ: Speaking of technology, here  
7 we are.

8           Okay. We'll have to take a pause here, and  
9 hopefully we get reconnected here in the next  
10 five-to-ten minutes.

11          MS. FLEMING: Thank you for that, Members.

12          And thank you for staff.

13          We'll look into it.

14          Madam Chair and Members, we'll keep you  
15 posted, and try to get this issue resolved as quickly  
16 as we can.

17          Thank you for your patience.

18          (Whereupon a break was taken.)

19          MR. O'NEALL: Thank you. I'll try to be  
20 brief.

21          I've handled a variety of hearings in  
22 Los Angeles County. I have done the virtual hearing  
23 route with simple hearings, somewhat complex  
24 hearings. I've not done a large hearing in  
25 Los Angeles County.

1           I do represent taxpayers in large matters  
2 where the hearing will go on for a number of weeks.  
3 And there could be 100 or even 200 exhibits.

4           I think that the virtual hearing works well  
5 when there are just a few documents.

6           The best way it works is if there's a single  
7 document from the taxpayer. It may be a long  
8 document. It may be 30 or 40 or 50 pages, and  
9 everything is in order, and you just work your way  
10 through the document.

11           And if each side has one or two documents,  
12 that works well.

13           And if there's a single witness on each  
14 side, I think that works well.

15           And -- and there's no doubt it's a --  
16 assuming your Internet is working, it's a good  
17 approach for those types of matters.

18           As the number of documents increases, as the  
19 number of witnesses increases, as the number of  
20 hearing participants increases, it becomes more  
21 problematic.

22           Moving between documents, in my experience,  
23 even in LA system, is slow and cumbersome. The  
24 ability to see all documents simultaneously is hard.  
25 You would -- you need multiple -- multiple screens.

1           The ability to see all witnesses or all  
2 participants, you can't do it. You have to toggle  
3 back and forth across the top.

4           And also oftentimes the person who is  
5 speaking is very small on the screen. And to  
6 determine whether or not, you know, there's  
7 truthfulness, which is the reason for the hearing, if  
8 there's witness coaching going on in the room, it's  
9 very difficult to tell.

10          I'm turning to page 4 of the PowerPoint  
11 presentation that was presented by Mr. Yen.

12          CATA would agree with the information on  
13 page 4 or slide 4, PDF page 4 of the PowerPoint.

14          And in particular, the right to in-person  
15 hearings. We are pleased to see that Los Angeles --  
16 Los Angeles is agreeing that there should be a right  
17 to an in-person hearing in lieu of virtual hearing.

18          Because I think undoubtedly there are going  
19 to be cases which just don't lend themselves to  
20 virtual hearings.

21          And I'll tell you right now, all of my large  
22 hearings are on hold.

23          I thought I heard maybe Mr. Yen say that LA  
24 will resume in-person hearings in October of this  
25 year. I'm looking forward to that.

1           Because all of the major -- major matters  
2           that I -- I am involved with, and many of my  
3           colleagues, are waiting for the Board in LA to reopen  
4           in-person hearings.

5           So those are the comments I have. And I  
6           know my colleague, Mr. Donald, from CATA also has  
7           comments he'd like to make.

8           MR. DONALD: Yes.

9           Hi. My name is Scott Donald. I am with  
10          CATA. I'm a tax representative for the last  
11          29 years. Prior to that I was an assessor with  
12          Los Angeles County assessor's office.

13          And I do -- I, first of all, I want to thank  
14          both offices of both counties for taking the time to  
15          present.

16          I appreciate pursuit of best practices on  
17          behalf of San Diego, there with Ms. Moore and her  
18          presentation, going through step by step, you know,  
19          verbally. But I totally got exactly what she was  
20          saying. And how they converted back in August of  
21          last year to virtual, and giving us the flexibility  
22          to pursue both.

23          The bulk of our hearings are satisfied  
24          virtually. They've gone well in Los Angeles, as well  
25          as a couple other counties.

1           We have had some situations with audit  
2 appeals, for example, four-year audits on some  
3 manufacturing where we do need to get in person.

4           So with that being said, I did have a couple  
5 comments regarding the Los Angeles presentation.

6           First, just a quick commentary, on page 2 of  
7 the presentation, whether it was 27 or 37 percent  
8 increase, I believe that that would be expected in a  
9 year where we're transitioning to an unknown economic  
10 decline through a pandemic.

11           So I would expect that, because we didn't  
12 know if the misfortune calamity was going to be  
13 applied. We didn't know a lot of factors. And I  
14 think all -- with all levels.

15           Secondly, as my counterpart, Mr. O'Neall,  
16 stated on page 4, I appreciate that opportunity for  
17 those two that we need in person on that first  
18 bullet.

19           I would like to know the detail in terms of  
20 timing. Is it an automatic, at the day of the  
21 hearing?

22           Is there going to be some kind of  
23 requirement? Seven days, two days, four days,  
24 workdays before?

25           So just a little bit more detail in that

1 bullet would be great. Really appreciate it.

2 And then finally my last point I'd like to  
3 bring up, I used to work in Los Angeles and old  
4 Region 2, which was Newhall.

5 And I -- Member Gaines brought up a great  
6 point about connectivity.

7 You know, I still have family up there. And  
8 they still have connectivity problems. And that's  
9 Los Angeles County.

10 So whether it's the Santa Monica mountains,  
11 we have friends out there, saying, you know parts, of  
12 San Gabriel mountains, going up there, or out in  
13 Castilla, and those areas, and even Emerald Valley.  
14 Just in Los Angeles County there can be connectivity.

15 So I think that lends itself as well to a  
16 virtual flexibility with in person.

17 And thank you so much, everyone, for your  
18 time today.

19 That's it.

20 MR. VAZQUEZ: Thank you.

21 Was that -- I thought I heard somebody else.

22 No.

23 Thank you all. And thank you for your  
24 patience.

25 As you can see, technology sometimes doesn't

1 always work for everybody. I mean, I'm even  
2 experiencing some lighting issues where I'm at right  
3 now.

4 So I'm coming out a little bit dark on the  
5 screen here. Hopefully you can see me.

6 But, anyway, if there's no other comments  
7 from any of the Members or other participants that  
8 have weighed in on this, I would just like to thank,  
9 specifically, Mr. Yen and Ms. Kasparian for your work  
10 and your hard patience, especially in creating this  
11 platform.

12 And like I mentioned in my opening remarks,  
13 we're going to continue to work on this here at least  
14 in LA County.

15 And I think it was -- Member Gaines  
16 mentioned, you know, it obviously probably is not  
17 something that might be suitable or even compatible  
18 with some of these smaller counties, because they  
19 just don't have the resources or the technology.  
20 And I get that.

21 At the end of the day, we're hoping that we  
22 can create this model, at least here in LA, that some  
23 of the larger counties could definitely use, and  
24 possibly even some of the medium-sized ones.

25 And at the end of the day, if there's any

1 piece of this or even parts of this platform that  
2 might be useful for even in the small counties, you  
3 know, whatever we can do to assist or help, maybe  
4 even obtain some of those resources, by all means,  
5 let's see if we can't work it out and try to make it  
6 a benefit for all 58 counties throughout the state of  
7 California.

8 Madam Chair, I'll put it back over to you.

9 I think you're muted though.

10 MS. COHEN: You're right.

11 Thank you. I appreciate that.

12 Thanks for guiding this portion of the  
13 conversation. It's been really interesting. And I'm  
14 glad Mr. Yen reached out to pull everything together.

15 I would like to see if there's any public  
16 comment.

17 MS. TAYLOR: Thank you.

18 AT&T moderator, please let us know if there  
19 is anyone on the line who would like to make a public  
20 comment regarding this matter.

21 AT&T MODERATOR: Ladies and gentlemen, if  
22 you wish to make a comment, you can press one, then  
23 zero at this time.

24 Currently we have nobody queued up for  
25 comment.



1 MS. COHEN: Okay. Fair enough.

2 Colleagues, what I'd like to do is continue  
3 to move forward.

4 We've heard -- this is not an action item.

5 Yeah, this is just a -- just a hearing.

6 So what I'd like to do is make a -- go into  
7 closed session. It's 4:05. We're actually an hour  
8 behind on our closed session agenda.

9 And also wanted to get a temperature-read  
10 on -- Ms. Taylor, can you tell me what is left on the  
11 outstanding balance of the agenda?

12 MS. TAYLOR: Certainly.

13 First, we have L2a, the Board Member  
14 Initiatives, Board Member Strategic Plan. And then  
15 we have M2b, which is Public Policy Hearings, AAB  
16 Follow-Up on Nonconsensus Items. And then we have N,  
17 Public Comment on Matters Not on the Agenda.

18 MS. COHEN: Okay. Do we have guests for  
19 M2b? Are they here?

20 MS. TAYLOR: I'm not aware of any invited  
21 specific guests for that item.

22 MS. FLEMING: I don't believe so, ma'am.

23 MS. COHEN: Okay. Thank you.

24 So let's -- colleagues, how would you feel  
25 if we were to hear next month the strategic plan, the

1 L2a item?

2 MR. VAZQUEZ: I support that, Madam Chair.

3 MS. COHEN: Okay. Thank you.

4 Okay. Good.

5 So I'm going to make a motion that we hear  
6 L item 2 -- L2a, the strategic plan, in next month's  
7 hearing -- our next month's meeting.

8 MR. VAZQUEZ: I'll --

9 MS. COHEN: Do I -- just in terms of  
10 procedure --

11 MR. VAZQUEZ: Or do we need a second?

12 MS. COHEN: I think I can just direct. I  
13 don't think we actually need a motion.

14 Is that correct, Ms. Fleming?

15 MS. FLEMING: I think it's safe to have the  
16 motion just for public record. It could be done very  
17 quickly. And then a vote by consensus would be  
18 appropriate.

19 Staff, please correct me if there's any  
20 concerns from a parliamentary procedure.

21 But, ma'am --

22 MS. COHEN: Okay. That's fine.

23 So I made the motion, Mr. Vazquez made the  
24 second.

25 MR. VAZQUEZ: I second.

1 MS. COHEN: Let's go ahead and we'll take  
2 public comment, and then we'll vote.

3 MS. TAYLOR: AT&T operator, please let us  
4 know if there is anyone on the line who would like to  
5 make a public comment regarding this matter at this  
6 time.

7 AT&T MODERATOR: Once again, if you would  
8 like to make a comment on this matter, please press  
9 one, then zero at this time.

10 Currently we have nobody queued up for  
11 comment.

12 MS. COHEN: All right. Thank you.

13 Please call the roll for the vote.

14 MR. GAINES: Question, if I could, before  
15 the vote.

16 This is Member Gaines.

17 MS. COHEN: Oh, yes, sir.

18 MR. GAINES: Could you clarify what we're  
19 voting for?

20 MS. COHEN: Oh, sure. No problem.

21 We're not really taking an action vote.

22 What I'm doing is I'm trying to -- our day  
23 is running out of time, and so I'm taking something  
24 off the agenda.

25 MR. GAINES: Yeah. Okay.

1 MS. COHEN: The strategic plan, and putting  
2 it on the agenda for next month.

3 MR. GAINES: Thank you.

4 MS. COHEN: So we will still hear the item,  
5 but we'll just have to postpone it one more month.

6 Okay. So that's the vote that we're getting  
7 ready to take.

8 Ms. Taylor, please call the roll.

9 MS. TAYLOR: Chair Cohen.

10 MS. COHEN: Aye.

11 MS. TAYLOR: Vice Chair Schaefer.

12 MR. SCHAEFER: Aye.

13 MS. TAYLOR: Member Gaines.

14 MR. GAINES: Aye.

15 MS. TAYLOR: Member Vazquez.

16 MR. VAZQUEZ: Aye.

17 MS. TAYLOR: Deputy Controller Stowers.

18 MS. STOWERS: Aye.

19 MS. TAYLOR: Motion passes.

20 MS. COHEN: Okay. Thank you.

21 Member Vazquez, this is to you, M -- N2b, do  
22 you think that's a hearing that we should do today,  
23 or should we do that next month as well?

24 MR. VAZQUEZ: I would push it back.

25 I was -- I was hoping you were including

1 everything except for closed session.

2 MS. COHEN: Oh, I can do that.

3 MR. VAZQUEZ: If you're comfortable with  
4 that, I would --

5 MS. COHEN: I'm comfortable with that. I  
6 just wanted to make sure, because it was a shared  
7 item, and you and I hadn't -- we didn't talk about  
8 it.

9 MR. VAZQUEZ: I'm good.

10 MS. COHEN: Okay.

11 So, colleagues, we're going to do another  
12 motion, we're going to also kick over to next month  
13 item M2b, the Public Policy Hearings and Impacts of  
14 Public Calamities on Public Tax Administration,  
15 County Boards of Equalization, Assessment Appeals  
16 Boards, Remote Hearings.

17 And that just leaves N and O for us to deal  
18 with.

19 So I'm going to make that motion to continue  
20 Item M2b to the next month's agenda.

21 Is there a second?

22 MR. VAZQUEZ: I'll second that.

23 MS. COHEN: Thank you.

24 Let's take public comment.

25 MS. TAYLOR: AT&T moderator, can you let us

1 know if there's anyone on the line who would like to  
2 make a comment on this matter.

3 AT&T operator, can you let us know if there  
4 is anyone on the line.

5 AT&T MODERATOR: Currently there is nobody  
6 on the line for public comments.

7 MS. TAYLOR: Thank you.

8 MS. COHEN: Great. Thank you.

9 Ms. Taylor, could you call the roll for this  
10 vote.

11 MS. TAYLOR: Yes.

12 Chair Cohen.

13 MS. COHEN: Yes.

14 MS. TAYLOR: Vice Chair Schaefer.

15 MR. SCHAEFER: Yes.

16 MS. TAYLOR: Member Gaines.

17 MR. GAINES: Aye.

18 MS. TAYLOR: Member Vazquez.

19 MR. VAZQUEZ: Aye.

20 MS. TAYLOR: Deputy Controller Stowers.

21 MS. STOWERS: Aye.

22 MS. TAYLOR: Motion passes.

23 MS. COHEN: Thank you.

24 Okay. So let's please call item N.

25

1 ITEM N

2  
3 MS. TAYLOR: The next item is N, Public  
4 Comment on Matters Not on the Agenda.

5 Persons who wish to address the Board of  
6 Equalization regarding items not on the agenda.

7 Please note that the Board cannot take  
8 action on items not on the agenda; however, the Board  
9 can schedule issues raised by the public for  
10 consideration at future meetings.

11 AT&T moderator, please let us know if there  
12 is anyone on the line who would like to make a public  
13 comment regarding this matter.

14 AT&T MODERATOR: Ladies and gentlemen, if  
15 you would like to make a public comment, you can  
16 press one, then zero at this time.

17 Currently we have nobody queuing up for  
18 comment.

19 MS. COHEN: Thank you.

20 Could you please call the next item, closed  
21 session.

22 MS. TAYLOR: Yes.

23  
24  
25 //

ITEM 0

Our next item is 0, Closed Session;  
Discussion and action on personnel matters.

The Board Members will now go into closed  
session to discuss personnel matters.

MS. COHEN: Thank you.

MS. FLEMING: Members, just as a reminder,  
instructionally, please log out of this existing --  
the current Teams environment that you're in.

There's a separate closed session Teams link  
on your calendar. Please use that link to join that  
meeting.

And then we'll do the reverse coming back  
in.

So thank you, Members, for rejoining.

And everyone else, if I could have you mute  
your mics and turn off your cameras.

Thank you.

(Whereupon the Members began  
closed session.)

MS. COHEN: Colleagues, I'd like to come  
back into open session.

Please note that it's 5:19 p.m.

I'd like to make a motion not to disclose



1 what was discussed in closed session.

2 Is there a second?

3 MR. VAZQUEZ: So moved.

4 MR. GAINES: Second.

5 MR. VAZQUEZ: Second.

6 MS. COHEN: Second made by commissioner --

7 or -- Member Vazquez.

8 I forget were I am now.

9 Thank you.

10 MR. VAZQUEZ: You think you're in

11 San Francisco still.

12 MS. COHEN: Exactly.

13 Ms. Taylor, can we take a vote, please?

14 MS. TAYLOR: Yes, certainly we can.

15 MS. COHEN: Thank you.

16 MS. TAYLOR: Chair Cohen.

17 MS. COHEN: Aye.

18 MS. TAYLOR: Vice Chair Schaefer.

19 MR. SCHAEFER: Yes.

20 MS. TAYLOR: Member Gaines.

21 MR. GAINES: Aye.

22 MS. TAYLOR: Member Vazquez.

23 MR. VAZQUEZ: Aye.

24 MS. TAYLOR: And I don't believe we would

25 take a vote from Ms. Stowers.

1 MS. COHEN: That's right.

2 MS. TAYLOR: All right. The motion passes.

3 MS. COHEN: All right. Thank you very much.

4 Colleagues, I also, and to the members of  
5 the public, would just like to note that there's a  
6 possibility that we will be scheduling another closed  
7 session to take up the matters that we're dealing  
8 with in closed session in somewhere between  
9 two-to-three weeks time.

10 But we will confirm on a later date, and we  
11 will publicly notice that meeting accordingly.

12 I see Mr. Gaines' hand.

13 MR. GAINES: Yes.

14 I would like to ask the Chair and fellow  
15 Board Members if we could reopen item L1b so I can  
16 vote.

17 I was away from my desk and missed that vote  
18 on the translation issue.

19 MS. COHEN: Sure. All right.

20 I'll make a motion to rescind the vote on  
21 item --

22 MS. TAYLOR: Ms. Cohen.

23 MR. VAZQUEZ: Actually, we're just going to  
24 bring back the item, no?

25 MR. GAINES: Reopen it.

1 MR. VAZQUEZ: Reopen it.

2 MS. COHEN: Yes, I'm sorry.

3 MS. TAYLOR: Correct.

4 MS. COHEN: Let me pivot to Ms. Taylor.

5 Go ahead, Ms. Taylor.

6 MS. TAYLOR: Chair Cohen, you may ask for a  
7 motion to reopen the vote, and if everyone agrees,  
8 then we can reopen a vote and take Mr. Gaines'  
9 vote.

10 MS. COHEN: Okay. I'll make a motion to  
11 reopen the vote.

12 MR. VAZQUEZ: Second.

13 MS. TAYLOR: All right. And let me call the  
14 roll.

15 Chair Cohen.

16 MS. COHEN: Aye.

17 MS. TAYLOR: Vice Chair Schaefer.

18 MR. SCHAEFER: Aye.

19 MS. TAYLOR: Member Gaines.

20 MR. GAINES: Aye.

21 MS. TAYLOR: Member Vazquez.

22 MR. VAZQUEZ: Aye.

23 MS. TAYLOR: Deputy Controller Stowers.

24 MS. STOWERS: Aye.

25 MS. TAYLOR: The motion passes.

1 MR. GAINES: Thank you.

2 At the appropriate time can I do an  
3 adjourning memory?

4 MS. COHEN: Absolutely.

5 MS. TAYLOR: We first need to -- excuse me.  
6 This is Ms. Taylor again.

7 I do need to -- let me go back to my notes  
8 here, and, Mr. Gaines' -- yeah, I don't know that we  
9 need to retake the vote, we can just ask Mr. Gaines  
10 what his vote was.

11 MR. VAZQUEZ: Oh, okay.

12 MS. TAYLOR: This is on Item L1b,  
13 Board Member and Board of Equalization website  
14 translation.

15 And the motion was to move to have the ED  
16 explore and analyze and report back on this issue.

17 So everyone voted, and, Member Gaines, what  
18 is your vote?

19 MR. GAINES: Aye.

20 MS. TAYLOR: Thank you.

21 The motion passed.

22 MR. GAINES: Thank you.

23 MS. COHEN: Thank you. All right.

24 Colleagues, let's begin to close out our  
25 meeting.

1           Mr. Gaines, if you would like to --  
2           Mr. Gaines, if you would like to close us  
3 out.

4           MR. GAINES: Thank you.

5           MS. COHEN: All right.

6           MR. GAINES: Thank you very much.

7           Stockton Fire Captain Max Fortuna was shot  
8 in the early morning hours of January 31st while  
9 operating at a fire. He was transported to a nearby  
10 hospital where he died of his wounds.

11           Captain Fortuna was 47 years old. He will  
12 be remembered as a man who loved his job and his  
13 community, very active in sports, and very active  
14 with the youth within his community.

15           He was a 21-year veteran of the  
16 Stockton Fire Department and a proud member of the  
17 Stockton Firefighters Local 356.

18           Captain Fortuna leaves a wife and two adult  
19 children.

20           May he rest in peace.

21           Thank you.

22           MS. COHEN: Thank you.

23           Colleagues, are there any other closing  
24 remarks?

25           MR. VAZQUEZ: Just if I may, Madam Chair.

1 MS. COHEN: Please. Yeah.

2 MR. VAZQUEZ: I think we -- I'd like to  
3 continue, at least adjourn in all of the lives we're  
4 still losing due to COVID.

5 And we just lost another one here recently  
6 here in Santa Monica.

7 It's sad to say, though, this individual was  
8 not vaccinated.

9 So it kind of brings me back to this whole  
10 issue that, you know, while there's still people out  
11 there thinking that you don't need to get vaccinated,  
12 I would like to encourage as many of those out there  
13 that are still not vaccinated that they really should  
14 reconsider.

15 Because I think those that are not are  
16 having a real tough time fighting this COVID.

17 And I would just like to adjourn in the  
18 memory of all those lives we've lost since our last  
19 meeting.

20 MS. COHEN: Okay. I receive that and join  
21 with you in acknowledging the loss of life in the  
22 seriousness that COVID is still presenting, although  
23 masks mandates are coming down and things are  
24 relaxing.

25 And, colleagues, I also just want to note

1 that tomorrow's meeting is officially cancelled.

2 And with that, we are in adjournment.

3 Thank you for your service today.

4 MR. VAZQUEZ: Thank you all.

5 Thank you, staff. I know it was a long  
6 one.

7 MS. COHEN: It was.

8 Thank you, staff.

9 MS. FLEMING: Thanks, everyone.

10 MR. VAZQUEZ: Thank you.

11 (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 February 23, 2022, 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 282 constitute  
a complete and accurate transcription of  
the shorthand writing.

Dated: April 22, 2022

*Jillian Sumner*  
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JILLIAN SUMNER, CSR #13619  
Hearing Reporter