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

REPORTER'S TRANSCRIPT

APRIL 26, 2022

REPORTED BY: Jillian M. Sumner
CSR NO. 13619

1 APPEARANCES

2 For the Board of
3 Equalization:

Honorable Malia M. Cohen
Chair

4
5 Honorable Mike Schaefer
Vice Chair

6 Honorable Ted Gaines
First District

7
8 Honorable Antonio Vazquez
Third District

9 For the Board of
10 Equalization Staff:

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Executive Director

11 Brenda Fleming
Former Executive Director

12 Henry Nanjo
13 Chief Counsel
14 Legal Department

15 Jack McCool
16 Chief
17 State-Assessed Properties
18 Division

David Yeung
Deputy Director
Property Tax Department

19 Lisa Renati
20 Chief Deputy Director
Executive Director's Office

21 Glenna Schultz
22 Principal Property Appraiser
23 County-Assessed Properties
Division

24 Holly Cooper
25 Principal Property Appraiser
County-Assessed Properties
Division

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APPEARANCES CONTINUED:

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Statistics Division

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STATE BOARD OF EQUALIZATION
BOARD MEETING
APRIL 26, 2022

---oOo---

MS. COHEN: Good morning, ladies and gentlemen. We'll call this meeting to order.

Good morning. It's 10:01. It's April 26.

I want to welcome everybody back to the regularly-scheduled California Board of Equalization.

My name is Malia Cohen, I'm Chair of this body.

And to my right is -- oh, wait -- to my right is Tony Vazquez, and to my left is the Vice Chair, Mr. Mike Schaefer.

And all the way down there on my left is retired Senator Ted Gaines.

So I want to welcome everybody back into the rhythm of things. Acknowledge that we are in a season of transition here at the Board of Equalization. This is our first meeting in person after a couple of years of being on -- on Teams and online.

I wanted to also just acknowledge that the Controller will not be joining us today, and a designee has not been appointed just yet.

1 And to the clerk, could you please call the
2 roll.

3 Good morning to you both.

4 MS. CICHETTI: Good morning.

5 Good morning, Chair Cohen.

6 Chair Cohen.

7 MS. COHEN: Present.

8 MS. CICHETTI: Vice Chair Schaefer.

9 MR. SCHAEFER: Present.

10 MS. CICHETTI: Member Gaines.

11 MR. GAINES: Present.

12 MS. CICHETTI: Member Vazquez.

13 MR. VAZQUEZ: Present.

14 MS. CICHETTI: Controller Yee is absent.

15 We have a quorum. A quorum is present.

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

17 Ladies and gentlemen, if you are physically
18 able, please join me by rising, placing your right
19 hand over your heart, and saying The Pledge of
20 Allegiance.

21 (Whereupon The Pledge of Allegiance was
22 recited.)

23 MS. COHEN: All right. We're off to a
24 fantastic start.

25 All right. Please call the first item.

1 MS. CICHETTI: The first item of business is
2 an announcement regarding public safety in boardroom
3 procedure.

4 Good morning, Madam Chair and Members.

5 I'd like to remind the audience to silence
6 your cell phone and any other wireless device to
7 facilitate order in the boardroom and ensure that all
8 meeting participants are not distracted.

9 All persons appearing before the Board are
10 asked to conduct themselves in a professional manner.

11 The Board of Equalization current COVID-19
12 guidelines and procedures require that all BOE
13 employees must always wear a mask while inside a BOE
14 facility or while attending a BOE event.

15 You may remove your mask when you're
16 presenting before the Board as a speaker while
17 sitting at the table.

18 Masks and hand sanitizer are available to
19 all, and can be found in the back of the auditorium.

20 As you may know from our Public Agenda
21 Notice, you may provide a public comment in person,
22 in advance, or both.

23 To speak before the Board in person, please
24 complete and submit to the clerk a "public comment
25 appearance sheet" located at the front of the

1 auditorium.

2 If you wish to speak before the Board by
3 telephone, please dial the phone number and access
4 code provided on our agenda, and follow the
5 instructions of the AT&T moderator.

6 If you wish to submit a public comment to be
7 read into the record at the appropriate time, simply
8 fill out the "public comment submission form" found
9 in our "additional information" webpage in advance of
10 today's meeting.

11 After the presentation of any item has
12 concluded we will begin by identifying any public
13 comment request that has been received by our Board
14 Proceeding staff in the auditorium.

15 Then we will identify any public comments
16 with the AT&T moderator.

17 Then we will read any public comments
18 received in writing in advance of today's meeting.

19 Accordingly, if you intend to make a public
20 comment today using the AT&T operator, we recommend
21 dialing into the meeting on the teleconference line,
22 as the audio broadcast on the website experiences a
23 one-to-three minute delay.

24 If you are presenting before the Board as a
25 speaker or making a public comment, please adhere to

1 the professional protocols and come forward when the
2 item -- when your item is called.

3 Please take a seat at the table and place
4 the microphone directly in front of you.

5 You may approach the table when your item is
6 announced, or when your name is called upon to make a
7 public comment.

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

10 Thank you for your patience and
11 understanding.

12 The safety video has been shown to the
13 audience in the auditorium.

14 Please make note of the emergency exits.

15 The Chair will maintain order in these
16 proceedings.

17 Thank you.

18 MS. COHEN: Great. Thank you.

19 I just want to do a sound check.

20 Was everybody able to hear the clerk?

21 You might need to turn your mic up just a
22 little bit. Sounds a little -- it was just a little
23 hard. I think you might need to use the mic on the
24 dais.

25 MS. CICHETTI: Thank you.

1 MS. COHEN: All right. As we figure out
2 that, let's call the first item.

3 Please call Item C.

4 MS. CICHETTI: Item C?

5 MS. COHEN: I'm sorry, please call Item -- I
6 think we're going to go with I.

7 MS. CICHETTI: Yes. Correct. We're taking
8 an item out of order.

9 MS. COHEN: Yes.

10

11

ITEM 11

12

13 MS CICHETTI: Our first order of business
14 will be Item 11, Other Chief Counsel Matters;
15 Resolution Conferring Powers on the Executive
16 Director: Discussion and adoption of resolution
17 conferring powers on the Executive Director.

18 This item will be presented by Mr. Nanjo.

19 MR. NANJO: Good morning, Chair Cohen,
20 Vice Chair Schaefer, and Honorable Members of the
21 Board.

22 The draft powers conferred on the
23 Executive Director by resolution has been attached to
24 today's PAN and your materials for your
25 consideration.

1 This document describes powers to be
2 conferred to the Executive Director upon the Board's
3 resolution.

4 Many powers are vested in the
5 Executive Director by statute, but the resolution
6 provides clarity when interacting with control
7 agencies such as the Department of General Services
8 and the Department of Finance.

9 And this facilitates smooth and expeditious
10 activities when dealing with the execution of
11 contracts and other such necessary services.

12 Please note in preparation of this draft the
13 prior conferred powers were reviewed for consistency.

14 Additionally, I have also attached the prior
15 Executive Director, Ms. Fleming's conferred powers,
16 which was adopted by this Board on February 26th,
17 2019 for your reference.

18 Thus, the Legal Department recommends the
19 Board's adoption of this resolution. But I am happy
20 to answer any questions you may have.

21 MS. COHEN: Great.

22 Thank you very much for the presentation.

23 Colleagues, I was wondering, any comments?

24 No?

25 Okay. Great.

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Thank you.

I -- I would like to say a few words.

First, on behalf of the entire Board, I'd like to just recognize the outgoing Executive Director, Ms. Fleming.

For your years of tireless advocacy, your commitment, your devotion to the Board of Equalization, thank you.

This is an opportunity for us to acknowledge you, present.

I think that the Board is stronger and equipped to fulfill its constitutional and statutory responsibilities because of the dedication and the integrity, not only that you embody, but that you also embody in your staff members, and your hirees.

I know you're looking forward to retirement. I know you're looking forward to this transition. And you deserve it. You've earned it. And we are here to celebrate you and to congratulate you, and wish you the very best.

And I want to just say some remarks to the incoming Executive Director, Ms. Stowers.

I want to congratulate you on your appointment. The Board looks forward to working with

1 you in this new and very exciting role as we continue
2 to modernize the Board of Equalization and fulfill
3 our constitutional duties on behalf of taxpayers here
4 in the state of California.

5 So thank you for accepting the call.

6 And, Colleagues, with that being said, I
7 will open the floor to any of you if you had any
8 remarks, parting remarks for Ms. Fleming and/or
9 welcoming remarks for Ms. Stowers.

10 Anyone?

11 Mr. Vice Chair, I'll start with you if you
12 have anything.

13 MR. SCHAEFER: Well, I've been -- I've been
14 impressed with Ms. Stowers ever since she sat on the
15 dais with me here.

16 And I feel we're most fortunate to have her
17 to continue to work with us in an even more intense
18 capacity.

19 And she has a resume that won't stop, and
20 we're only adding to it. And that's good.

21 MS. COHEN: Thank you.

22 Anyone else?

23 Gentlemen?

24 Mr. Vazquez.

25 And then we'll get you.

1 MR. VAZQUEZ: Yes. Yes. Thank you.

2 I'd also like to put my two cents in,
3 especially to Ms. Fleming for all her time.

4 I know when we all came on as new
5 Board Members we were all just kind of struggling,
6 trying to figure this whole piece out.

7 And I know she was actually at the time
8 coming up in terms of the new Executive Director as
9 well. So we were all kind of on a big learning
10 curve. I think most of us on a larger one than hers,
11 because she's had, I believe some -- I don't even
12 want to mention the years, but quite a bit of years
13 here working here through the BOE.

14 And I really appreciate your guidance and
15 support. Especially when I was the Chair. Because
16 it was real helpful in terms of getting your
17 assistance and support.

18 And for Ms. Stowers, little did I know when
19 she was sitting next to me all these years how much
20 expertise and experience she had until I had an
21 opportunity to review her resume, and have a more
22 in-depth conversation with her.

23 And I'm really looking forward to working
24 with you, and -- actually, now, in your new role for
25 you to provide some assistance and guidance to take

1 us, the Board, to the next level.

2 Sounds like from what I'm hearing and what
3 I've read, I think you're well equipped to do that.
4 And I'm looking forward to that opportunity to work
5 with you a little closer, not only here, but also at
6 the Capitol as well.

7 MS. COHEN: All right.

8 Thank you very much.

9 Mr. Gaines.

10 MR. GAINES: Yeah. Thank you very much.

11 I just -- yeah, I want to also just add on
12 here in terms of the great job that Ms. Fleming has
13 done as Executive Director.

14 And really developed a friendship with you,
15 and appreciate what you've done.

16 I think you've done a great job in terms of
17 providing leadership to the Board, and a great
18 adviser, keeping us in the lane, so to speak, so that
19 we're as productive as we can be, and focus on what
20 our duties are as Members of the Board of
21 Equalization.

22 And it was a tough period, because the BOE
23 was redefined. And you were coming into that -- that
24 dramatic change, and then bringing it to us as
25 newly-electeds, and making sure that we were

1 operating in the right -- the right fashion.

2 So thank you for that leadership. I just
3 hope you'll have a great retirement, and be able to
4 do a lot more things with your husband.

5 And I hope his health is improving as --
6 as -- as we speak here.

7 And also very excited about Ms. Stowers
8 coming on as Executive Director.

9 And just excited about what I think you can
10 do for us.

11 Because, as Tony reiterated, we learned a
12 lot from you. Just because your institutional
13 memory, and how does government work, right, and
14 taxation, and things of that sort.

15 So those have been very helpful for me, just
16 as a Member of the Board of Equalization.

17 And now as you take this next step, I'm very
18 excited about the opportunity that we have to work
19 with you.

20 So thank you.

21 MR. SCHAEFER: Madam Chair, I just wanted to
22 remind our former Executive Director at how impressed
23 I am with the experience you brought to the job.
24 Because of all the colleagues up here, I'm the
25 newbie. I haven't been in public office since 1965

1 to '71.

2 And Ted came here from the Senate, and Tony
3 came here from Santa Monica, Malia has come here from
4 history of San Francisco that we all are impressed
5 with. And I was on a learning curve, and you were a
6 great help to me.

7 MS. FLEMING: Members, thank you.

8 Not sure if I've got a mic check here.

9 Members, thank you for the opportunity.

10 Executive Director Stowers, thank you for
11 the opportunity to comment.

12 I just want to acknowledge your kind words.
13 They warm my heart. I appreciate the opportunity to
14 have served you for these past few years. And it has
15 been a great pleasure and my highest honor to be able
16 to participate with you.

17 We've done a lot to try to rebuild the
18 organization, now focusing now on the revitalization
19 and the modernization. And your leadership has been
20 extraordinary, allowing me to work for you as your
21 Board Secretary, and the Agency's Executive Director.
22 It's been a great, great pleasure.

23 So you're in good hands with Ms. Stowers as
24 you continue this modernization journey. I think
25 there are some wonderful things ahead.

1 I'll still be in a special consultant role
2 behind the scenes supporting you for a few more
3 months here, and then look forward to just keeping an
4 eye on you all as I move forward into retirement.

5 So it's been my pleasure and my honor. Such
6 a blessing.

7 So thank you all.

8 And thank you, Ms. Stowers, for this
9 opportunity.

10 Thank you, Members.

11 MS. COHEN: Great. Thank you.

12 MS. STOWERS: Good morning, Members,
13 Chair Cohen, Vice Chair Schaefer, and all Members.

14 I just want to briefly say thank you for
15 your vote of confidence. I'm looking forward to
16 working with you in the partnership to moving the
17 Board of Equalization forward.

18 And thank you to Executive Director --
19 former Executive Director Ms. Fleming for all her
20 service and commitment to this organization.

21 Again, thank you very much.

22 MS. COHEN: All right. Thank you.

23 Okay. Now, Mr. Nanjo, are you coming back
24 up? Make a presen --

25 MR. NANJO: Yes, I am.

1 MS. COHEN: All right.

2 MR. NANJO: Thank you very much,
3 Chair Cohen.

4 At this point I'm happy to answer any
5 questions, or the Board, at their pleasure, may
6 approve the draft powers conferred on the
7 Executive Director by resolution.

8 MS. COHEN: All right. Great.

9 I'll make a motion to adopt the
10 Board-conferring powers to the incoming
11 Executive Director, Ms. Stowers.

12 Is there a second?

13 MR. VAZQUEZ: I will second it.

14 And if I have an opportunity, I just have --
15 I did have a couple quick questions.

16 MS. COHEN: Sure. Go ahead.

17 Sorry. Go ahead.

18 MR. VAZQUEZ: And, Ms. -- now that we have
19 you here, one of the things I was looking at in the
20 resolution, and it was more of a question, I guess,
21 now, moving forward with Ms. Stowers, and, I guess,
22 is there any language in the resolution that -- that
23 in our opinion would contradict the language or the
24 intent of the Board in its 2021 Governance Policy?

25 Are there two doc -- you know, because

1 there's two documents. You know, are they
2 consistent, I guess, is my question?

3 MR. NANJO: Absolutely.

4 Thank you for that question, Member Vazquez.

5 We did take a look at the Board's policy,
6 Governance Policy. And the documents are very
7 consistent.

8 They're based on the same statutory scheme,
9 and they harmonize nicely. So there are no issues
10 there.

11 MR. VAZQUEZ: And I guess this would -- I
12 guess this would be for Ms. Stowers.

13 But unless there's other questions of
14 Mr. Nanjo from the Board --

15 MS. COHEN: I have no other questions.

16 Colleagues?

17 Nope? No?

18 No questions.

19 MR. VAZQUEZ: I just have a question for
20 Ms. Stowers --

21 MS. COHEN: Ms. Stowers.

22 MR. VAZQUEZ: -- now in your new role.

23 Do you see, you know, now as we're hearing
24 from Mr. Nanjo, especially on those two issues of
25 policy, because I know you were real active and have

1 some history with those two documents.

2 In your opinion are you seeing any potential
3 conflict, or is there consistency in these -- these
4 two documents that are out there on the Governance?

5 MS. STOWERS: Thank you, Member Vazquez, for
6 the question.

7 The Governance Policy as amended, and even
8 the original document, is in line with the Government
9 Code.

10 I see it as a living document that the
11 Members have accepted and are following. And there's
12 some items within that document that requires the
13 Executive Director to carry out some duties.

14 Most importantly the Executive Director's
15 communication with the Board Members.

16 And I am committed to follow that
17 communication protocol to keep the Members and your
18 deputies informed on the operation of the agency.

19 So I do not see any conflict. I think the
20 two work well together.

21 MR. VAZQUEZ: Thank you. I appreciate that.

22 And I did second it, so unless there's other
23 questions, we'll bring it back to the Chair.

24 MS. COHEN: I think we're ready for the
25 vote.

1 Thank you.

2 MS. CICHETTI: We can take public comment.

3 MS. COHEN: Yes, please.

4 MR. VAZQUEZ: Yes.

5 MS. CICHETTI: We have not received a
6 request for any in-person speaker, and no written
7 comments.

8 But we will go to the AT&T moderator.

9 AT&T moderator, please let us know if
10 there's anyone on the line who would like to make a
11 public comment regarding this matter at this time.

12 AT&T MODERATOR: Ladies and gentlemen, if
13 you're listening by phone, if would like to make a
14 public comment, please press one, then zero.

15 An operator will gather your name and
16 organization, and we'll introduce you for your
17 question.

18 One moment, Madam Chair.

19 Once again, one, zero for public comment.

20 At this time, we have no phone participants
21 that have queued up.

22 MS. COHEN: All right. Great.

23 Thank you very much, Mr. Moderator, or
24 Mr. -- yeah, moderator, right?

25 Let's -- let's call the roll.

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MS. CICHETTI: Thank you.

Chair Cohen has made a motion to adopt the resolution conferring the powers of the Executive Director, with Member Vazquez seconding the roll.

Chair Cohen.

MS. COHEN: Aye.

MS. CICHETTI: Chair -- Vice Chair Schaefer.

MR. SCHAEFER: Aye.

MS. CICHETTI: Member Gaines.

MR. GAINES: Aye.

MS. CICHETTI: Member Vazquez.

MR. VAZQUEZ: Aye.

MS. CICHETTI: Controller Yee, absent.

The motion passes.

MS. COHEN: Great. Thank you very much.

Congratulations, it's official.

Could you please call the next item.

ITEM C1

MS. CICHETTI: The next item is C1, Public Hearings; Property Taxes - State Assessee's Presentations on Valuation of State-Assessed

1 Properties.

2 The Board will hear state assessees'
3 presentation on the valuation of state-assessed
4 properties.

5 This item will be presented by Mr. McCool.

6 MS. COHEN: All right.

7 Hi, Mr. McCool. Good morning.

8 MR. McCOOL: Good morning, Chair Cohen and
9 Honorable Members.

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

12 I am here to introduce the state assessees'
13 presentations on the valuation of state-assessed
14 properties.

15 Under Property Tax Rule 903 the Board
16 provides state assessees with the opportunity to make
17 public presentations regarding the valuation of their
18 unitary property.

19 Today is the second of two opportunities,
20 the other being at the February meeting, where state
21 assessees may come before the Board and make
22 presentations regarding matters affecting their
23 annual valuation.

24 These presentations are informational only,
25 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 many state assessees
5 already this year to discuss specific matters related
6 to their valuations.

7 And we will continue to make ourselves
8 available to any state assessee that would like to
9 meet with us.

10 That concludes my presentation for this
11 item.

12 Thank you.

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

14 Colleagues, do we have any questions for
15 Mr. McCool?

16 All right. Let's see if there's public
17 comment.

18 MS. CICHETTI: We have not received a
19 request for any in-person speaker. And no written
20 comments on this item. But we will go to the AT&T
21 moderator

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

25 AT&T MODERATOR: Thank you.

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Currently no one in queue.

Once again, ladies and gentlemen, to make a public comment by phone, press one, then zero at this time.

MS. COHEN: Great. Thank you very much.

AT&T MODERATOR: Thank you.

MS. COHEN: No action is taken on this item.
This is --

AT&T MODERATOR: Once again, no respondents.

MS. COHEN: Thank you.

Madam Clerk, could you call the next item.

MS. CICHETTI: Yes.

ITEM J1

The next item is J1, Administrative Consent Agenda; Approval of the Board Meeting Minutes for the March 29th-30th, 2022.

The minutes from March 29th-30th, 2022 were attached to the Public Agenda Notice for your consideration.

MS. COHEN: Thank you.

Colleagues, this is a pretty routine matter.

Any questions or clarifications or edits?

All right. Seeing none, let's take public

1 comment.

2 MS. CICHETTI: We have not received a
3 request for any in-person speaker, and no written
4 comments.

5 We will go to the AT&T moderator.

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

9 AT&T MODERATOR: There is currently no one
10 in queue for this item.

11 Once again, for public comment, please press
12 one, zero.

13 And again, we have no respondents.

14 MS. COHEN: All right. Thank you.

15 Members, would anyone like to make a motion
16 on this item?

17 MR. VAZQUEZ: So moved.

18 MS. COHEN: All right. Thank you.

19 Motion made to accept.

20 MR. SCHAEFER: Second.

21 MS. COHEN: All right. Motion made by
22 Mr. Vazquez and seconded by Mr. Schaefer.

23 Please call the roll.

24 MS. CICHETTI: Chair Cohen.

25 MS. COHEN: Aye.

1 MS. CICHETTI: Vice Chair Schaefer.
2 MR. SCHAEFER: Aye.
3 MS. CICHETTI: Member Gaines.
4 MR. GAINES: Aye.
5 MS. CICHETTI: Member Vazquez.
6 MR. VAZQUEZ: Aye.
7 MS. CICHETTI: Controller Yee, absent.
8 MS. COHEN: All right. Thank you.
9 This --
10 MS. CICHETTI: The motion passes.
11 MS. COHEN: The motion passes.
12 Thank you.
13 Call the next time.

14
15 **ITEM J2**
16

17 MS. CICHETTI: The next item is J2,
18 Administrative Consent Agenda; Invitation to Annual
19 Meeting of the Board and County Assessors on
20 October 19th, 2022.
21 MS. COHEN: All right. Thank you.
22 I've got a couple comments on this item.
23 So, colleagues, let me say that I look
24 forward to our annual meeting with our -- with the
25 county assessors.

1 It's actually these meetings that provide an
2 opportunity for us to hear the issues, many concerns
3 that 58 county assessors may have.

4 It's also a chance for us to hear a vision
5 that the assessors have on how we can continue to
6 work together to improve the modernization and
7 property tax administration.

8 So later on in the agenda today we are going
9 to hear a report from our Property Tax Director,
10 Mr. David Yeung, where he will present to us a report
11 on the issues raised by the Second District, the
12 district that I represent, from the Second District
13 county assessors at the break-out session that took
14 place during last year's 2021 annual meeting of the
15 Board of Equalization county assessors.

16 So I presented these issues to the Board at
17 our December Board Meeting. Since then,
18 Executive Director Fleming and her staff have been
19 working diligently to respond to these issues.

20 It's my intention to meet regularly with
21 assessors in the Second District during this quarter
22 of this year.

23 Our first meeting took place this month on
24 April 7th. And these meetings are just merely
25 examples of the close collaboration that's

1 necessary -- that's needed between the assessors and
2 the Board.

3 I'd like to also thank the new
4 Executive Director, Yvette Stowers, for her previous
5 comments that all Board Members should report out
6 concerns raised by assessors in our annual district
7 break-out discussion.

8 Deputy Controller Stowers is spot on. And
9 when she -- was spot on when she made this
10 recommendation.

11 And so this year, as part of our annual
12 meeting, I am proposing that we -- that I recommend
13 that each of us consider reporting out our concerns
14 that county assessors, that they've raised during
15 your district meetings.

16 So I think that will lead us to have a very
17 robust meeting in October. Something that we could
18 channel our energy and focus on how we can work
19 together to continue to modernize the property tax
20 administration.

21 So with that, I'd like to open up to see if
22 there are any comments from my colleagues.

23 And if there aren't -- Mr. Vazquez.

24 MR. VAZQUEZ: Yes. Thank you,
25 Madam Chair.

1 I, too, also am looking forward to this
2 opportunity. I think it was great that we did it
3 last year. And I think it's a good suggestion and
4 recommendation that we report out in October after
5 our meetings.

6 Because, you know, I'm looking at my
7 colleagues here that represent twenty-plus, some of
8 them I think even 30 counties. You know, myself, you
9 know, now I'm down to one. But one big one.

10 But at the end of the day, I think it's real
11 helpful just to hear, especially from my colleagues,
12 on some of the issues.

13 Because we forget, you know, the state of
14 California is so huge, you know, between the rural,
15 small counties, and then the huge urban counties that
16 we have. I mean, there's 58 counties throughout the
17 state, and I think there's so much to learn.

18 Because in some cases there's things that we
19 can share and hopefully duplicate throughout the
20 county or throughout the state. So I'm looking
21 forward to that.

22 Thank you for the opportunity,
23 Madam Chair.

24 MS. COHEN: Great. Thank you.

25 Colleagues, anyone else?

1 Mr. Gaines.

2 MR. GAINES: Yeah. Thank you very much.

3 Member Vazquez raises an interesting issue,
4 because I think we're -- I've got the extreme in
5 terms of the number of counties. I represent 34, and
6 you represent LA County. And isn't it interesting
7 they're equal in population, right?

8 MR. VAZQUEZ: Yes.

9 MR. GAINES: Because they've got to be that
10 way in terms of district representation.

11 But you can get a lot of variety and a lot
12 of different challenges and issues that need to be
13 addressed in many of these different counties.

14 So I think, you know, I like the idea that
15 Chair Cohen is presenting to us that we have these
16 meetings with our assessors in our districts. And
17 then bring that back and share what we learned in the
18 meeting, and we can collaborate and work with one
19 another.

20 MS. COHEN: Absolutely.

21 MR. GAINES: So thank you.

22 MS. COHEN: Great. All right. Thank you.

23 Let's hear from the public, and then we'll
24 take a motion.

25 MS. CICHETTI: We have not received a

1 request for any in-person speaker, and no written
2 comments on this item. But we'll go to the AT&T
3 moderator

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 item.

7 AT&T MODERATOR: Currently there are no
8 callers in queue.

9 Ladies and gentlemen, to leave a comment by
10 phone, please press one, zero, please.

11 Once again, we have no respondents.

12 MS. COHEN: All right. Great.

13 Thank you.

14 Let's call the roll.

15 Sorry, before we call the roll, I'd like to
16 make a motion to move to approve the invitation to
17 the county assessors to meet with the Board on
18 October 19th, 2022.

19 Is there a second?

20 MR. VAZQUEZ: Second.

21 MS. COHEN: All right. Second made by
22 Mr. Vazquez.

23 Let's call the roll.

24 MS. CICHETTI: Chair Cohen.

25 MS. COHEN: Aye.

1 MS. CICHETTI: Vice Chair Schaefer.
2 MR. SCHAEFER: Aye.
3 MS. CICHETTI: Member Gaines.
4 MR. GAINES: Aye.
5 MS. CICHETTI: Member Vazquez.
6 MR. VAZQUEZ: Aye.
7 MS. CICHETTI: Controller Yee, absent.
8 The motion passes.
9 MS. COHEN: All right.
10 Thank you very much.
11 Let's call the next item.

12
13 **ITEM K1a**
14

15 MS. CICHETTI: The next item is K1a,
16 Executive Director's Report; Organizational Update:
17 Report on the status of pending and upcoming
18 organizational priorities.

19 This matter will be presented by
20 Ms. Stowers.

21 MS. COHEN: Thank you.

22 MS. STOWERS: Good morning, Members,
23 Chair Cohen, Vice Chair Schaefer.

24 I have three items that I would like to
25 report on today.

1 I am Yvette Stowers, your Executive
2 Director.

3 First of all, for Item A, I would like to
4 say thank you for the appointment to serve as the
5 Executive Director.

6 I am honored and thankful for the Board's
7 confidence, and the opportunity to work and partner
8 with each of you to continue rebuilding, revitalizing
9 and modernizing the Board of Equalization.

10 I'm also excited and humbled to be leading
11 this agency. And I'm very much looking forward to be
12 working with the amazing BOE team made up of stellar,
13 professional, and dedicated employees.

14 I have come to know them over the past years
15 on various roles, and I know that they are excellent.

16 Once again, thank you for placing your trust
17 in me.

18 Also, Members, I would like to acknowledge
19 our first in-person meeting in two years.

20 Staff has done an excellent job to structure
21 this room. We have cameras, and we are also still
22 practicing social distancing.

23 The public is available to comment via
24 telephone or via -- when necessary, via virtual.

25 Again, thank you, staff, for taking this

1 time to organize this meeting.

2 And, finally, for this item, I would like to
3 comment that on last Friday the Board of Equalization
4 was featured on Jeopardy.

5 I'm sure most of us saw this. If you follow
6 social media, you saw the post. But the question
7 was:

8 "California Board of Equalization ensures
9 assessments are fair in levying these taxes the main
10 source of local government revenue."

11 As we all know, the answer to the question
12 is property taxes.

13 This question highlights the opportunities
14 and the importance of the BOE's critical role in
15 California property tax system, and informs those who
16 may not know.

17 I believe BOE is now trending on social
18 media.

19

20

ITEM K1b

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22 MS. STOWERS: My next item is K1b, Extension
23 of Time to Complete Local Assessment Roll.

24

25 Section 616 requires county assessors to annually

1 complete their local assessment roll by July 1st.

2 Section 155 provides that the Board or the
3 Executive Director may extend by 30 days the deadline
4 for any official act by the assessors.

5 And in the case of public calamity, the
6 deadline may be extended by 40 days.

7 Section 155 requires that the
8 Executive Director inform the Board of any such
9 extension at its next regular meeting.

10 This report is to inform you that
11 Los Angeles and Shasta County assessors have
12 requested and been granted a 30-day extension for
13 completing their 2022 local assessment roll.

14

15

ITEM K1c

16

17 MS. STOWERS: My final item is K1c,
18 Annual Report Overview.

19 And this is an overview for the 2020-21
20 annual report.

21 As you know, Members, the BOE reports
22 annually to the governors -- to the Governor as
23 required by Government Code Section 15616.

24 The BOE released its annual report for
25 fiscal year 2020-21 in March '22 in conjunction with

1 a news release highlighting the property tax levees
2 increase, increases over statewide. That increase
3 was six percent from the prior year.

4 I would like to talk about some of the
5 highlights within that report with your permission.

6 MS. COHEN: Yes.

7 MS. STOWERS: The total net statewide
8 county-assessed property value was 7.1 trillion,
9 resulting in 79 billion in local property tax levees.

10 The property tax levees contribute
11 43 billion to schools, 36 billion to local
12 government.

13 As noted, this is an increase of
14 six percent, or a 4.5 billion increase in property
15 tax levees from the prior fiscal year.

16 In 2021 the BOE set the value of
17 state-assessed properties, primarily privately-owned
18 public utilities and railroads.

19 The values were set at 123 billion. This
20 was a 3.5 billion increase from the prior year
21 values.

22 State-assessed properties produced
23 1.9 billion in local property tax revenues for the
24 58 counties.

25 BOE also administers and collects the

1 private railroad car tax, which generate 9.3 million
2 in state general funds.

3 As we know the BOE is responsible for
4 administering the alcohol beverage tax program, which
5 produced 405 million, and the tax on insurance
6 program, which added 2.7 billion to the state.

7 New in this annual report is acknowledgment
8 of the BOE roll in implementing -- implementing
9 Proposition 19.

10 As we all know, we spent a great deal of
11 time in 2021 implementing this proposal.

12 It highlights the accomplishments that the
13 BOE made during this time period. Accomplishments
14 that was not just agency-driven, but was driven by
15 the Board Members and our stakeholders.

16 In sum, the BOE plays a critical role in
17 supporting our schools and our communities through
18 the 85 billion in fiscal contributions to the state
19 and local government.

20 Finally, I want to acknowledge the amazing
21 contribution of the Board Members, again, that each
22 one of you guys play during this time period.

23 Thank you.

24 That conclude my presentation.

25 Are there any questions?

1 MS. COHEN: Thank you very much for that
2 high-level analysis of the report. Perfect. I love
3 the fact about the revenue.

4 Can you state that one more time for the
5 record how much the Board of Equalization --

6 MS. STOWERS: Eighty-five billion dollars --

7 MS. COHEN: Yeah. Yeah.

8 MS. STOWERS: -- contributing to our state
9 local government.

10 MS. COHEN: Awesome.

11 You got that?

12 MS. STOWERS: Most importantly our schools.

13 MS. COHEN: Most importantly our public
14 schools.

15 Thank you.

16 Mr. Vazquez.

17 MR. VAZQUEZ: Along those lines, you know,
18 when I was looking -- I guess it's on page 12, the
19 report where you showed the one dollar bill.

20 And it pretty much spells out that 54 cents
21 of that -- of each dollar, you know, goes to our
22 schools.

23 And then I believe it says that 14 cents
24 goes to the counties, 13 cents go to our cities, and
25 19 cents goes to other.

1 What does "other" mean?

2 MS. COHEN: Good question.

3 MS. STOWERS: Very good question.

4 Schools, counties, cities, other.

5 MS. COHEN: Fire districts?

6 MS. STOWERS: Yeah. You know, it -- thank
7 you.

8 Special districts, fire district, local
9 district. So they still support at the local area,
10 local government area.

11 MR. VAZQUEZ: That's what I thought.

12 So -- so it's kind of misleading. Well, I
13 guess it's not real clear. Because I thought it was
14 going back to the districts. I didn't know they were
15 special districts.

16 But at the end of the day, they are other
17 counties, right?

18 So I was just wondering -- so the amount is
19 obviously higher than it would be for counties and
20 cities, wouldn't it? If they're going back to those
21 districts.

22 MS. STOWERS: Yes.

23 Sir, if you would like, let me drill down a
24 little further.

25 MR. VAZQUEZ: Please. I would appreciate

1 it.

2 MS. STOWERS: And -- and break down exactly
3 what it's going to.

4 MR. VAZQUEZ: Okay.

5 MS. STOWERS: And I can report back out
6 individually, and back at next month's meeting.

7 MR. VAZQUEZ: Perfect.

8 And then my second question, if I could,
9 Madam Chair, it was just on page 15.

10 The report states that the Property Tax
11 Department answers -- I guess it answered 3,144 calls
12 and 1,117 e-mails on Prop. 19 this past fiscal year,
13 but I could not find where Prop. 19 calls and e-mails
14 received by the Taxpayer Rights Advocates.

15 Are they in the report somewhere? I
16 couldn't find that. It may be buried in there,
17 but --

18 MS. STOWERS: I'm sure it's buried, because
19 we know our advocate filled a great deal of those
20 calls.

21 MR. VAZQUEZ: That's what I kind of figured.

22 MS. STOWERS: And --

23 MR. VAZQUEZ: It didn't jump out at me.

24 MS. STOWERS: It didn't jump out. It's
25 probably most likely in the Taxpayers' Rights Annual

1 Report.

2 MR. VAZQUEZ: Okay.

3 MS. STOWERS: Which I don't have in front of
4 me.

5 But, again, I will confirm that that count
6 includes TRA, or it does not.

7 MR. VAZQUEZ: I appreciate it.

8 MS. STOWERS: And then state on the record
9 what the TRA did. Because we know she did a lot.

10 MR. VAZQUEZ: That's what I kind of figured.
11 It just doesn't -- it didn't come out in the reports.
12 Or at least I didn't see it.

13 MS. STOWERS: Thank you.

14 MR. VAZQUEZ: Thank you.

15 MS. COHEN: Question. I have a question.

16 I love the annual report. I'd love to get a
17 couple copies before I leave.

18 But one question that I have is I see on
19 page 13, and on page -- and then also on page 12,
20 you've got the percent from change from the previous
21 year.

22 And I was wondering if you or maybe a member
23 of your staff could speak to some of the drivers that
24 have driven the increase.

25 So for school purposes, from fiscal year we

1 were at -- we have a 6.1 percent change. I was
2 wondering if anyone could speak to us about what
3 drives that change, why it's increasing as opposed to
4 decreasing.

5 MS. STOWERS: Staff, do we have someone that
6 could speak to it?

7 MS. COHEN: Sure. Mr. Yeung is heeding the
8 call.

9 How are you, Mr. Yeung?

10 Good to see you.

11 MR. YEUNG: Thank you.

12 MS. COHEN: So what drives these changes?

13 And then when we he look at the revenue
14 summary, particularly on page 13, they've got six
15 percent for county-assessed properties tax; tax on
16 insurers is 3.8 percent; state-assessed property tax
17 is 3.6 percent.

18 Talk to me a little bit about that -- that
19 increase.

20 MR. YEUNG: Thank you, Chair Cohen,
21 Honorable Members of the Board.

22 This is David Yeung here, Property Tax
23 Deputy Director.

24 For the Property Tax Department's -- for the
25 property tax components, most of the drivers of an

1 increase in the taxable value of the roll, and its
2 result in taxes, they're mainly due to two items.

3 One is, it's basically tied to the economy,
4 California economy as a whole.

5 The increase in the appreciation of real
6 estate, as real estate is either, one, built, or,
7 two, sold and reassessed.

8 Those account for a big majority of what
9 drives a property tax roll -- what drives an increase
10 in the property tax roll.

11 As you recall, Prop. 13 limits the increase
12 to two percent a year if there is no new construction
13 or a change in ownership, a sale of real estate.

14 And the other big driver is basically
15 investment in -- in business property. So business
16 personal property. As the state does better, they
17 invest and buy more of this type of taxable property.
18 And so it increases the roll.

19 And, of course, that type of property is not
20 subject to Prop. 13. So that does go up and down
21 with -- with the economy.

22 So the two main components are sales and new
23 construction of real property and investment in
24 business personalty.

25 MS. COHEN: Now, it is forecasted that as

1 inflation continues to go up, and the feds have
2 increased interest rates --

3 MR. YEUNG: Yes.

4 MS. COHEN: -- that although we, the state
5 of California, is in a very robust position, right?

6 I think we found \$46 billion, or something
7 like that, for our state budget.

8 It is projected that we are going to be
9 having and facing an economic downturn.

10 And what, if at all, could we project about
11 the future of our assessed property values?

12 When there is an economic downturn, would we
13 be able to, one, weather such downturn in terms of
14 property value, or shall we be planning for the
15 downturn to impact the amount of revenue that
16 property taxes are bringing in for the state of
17 California?

18 MR. YEUNG: Well, it's -- I believe we were
19 seeing some signs of a downturn.

20 MS. COHEN: Right.

21 MR. YEUNG: Real estate, at least in the
22 residential area, has --

23 MS. COHEN: Cooled.

24 MR. YEUNG: -- has cooled. It has not
25 retreated.

1 MS. COHEN: Okay.

2 MR. YEUNG: But the rate at which it has
3 been appreciating has slowed down a little bit.

4 Part of that is due to the rise in interest
5 rates. Some mortgage rates now, purchase money rates
6 are about five percent.

7 So that has basically almost doubled over
8 the last year. So there is some cooling there.

9 As we have learned in the 2008 economy, when
10 that does happen, we actually -- the state actually
11 goes through what they call Prop. 8 reductions.

12 So as the -- as the market value of real
13 estate drops below their factored base year value of
14 Prop. 13, there may be a -- there may be a drop in
15 some of the reassess -- in some of that assessed
16 value.

17 But, overall, as a trend in California, if
18 you take a look at how our property taxes have been
19 trending over the last two or three decades, it's --
20 it's been growth. Albeit, slower growth at certain
21 points. But it's -- it's been -- it's been growth.

22 MS. COHEN: Thank you.

23 And correct me if I'm wrong, but I believe
24 the property tax revenue is stable. It's one of the
25 most stable sources of revenue, compared to personal

1 income tax that fluctuates, as a result of the market
2 fluctuating; is that correct?

3 MR. YEUNG: Absolutely.

4 Over the last 40-plus years of Prop. 13, one
5 thing that Prop. 13 has done is that it has
6 stabilized the property tax revenues over -- over the
7 long run.

8 MS. COHEN: And so, let's see, property tax
9 revenue is \$85 billion; what is the personal income
10 tax revenue?

11 I don't know if you know that figure off the
12 top of your head.

13 MR. YEUNG: You know, I do not know that
14 figure off the top of my head.

15 MS. STOWERS: Let me -- excuse me,
16 Madam Chair --

17 MS. COHEN: You look it up? No problem.

18 MS. STOWERS: I may have -- I have some -- I
19 may have something.

20 In front of me, Members, is the March 2022
21 Statement of General Fund Cash Receipts and
22 Disbursements that the Controller publishes.

23 And I have the income tax -- personal income
24 tax projected revenue for -- glasses.

25 It is estimated for 2022 to be 88 billion.

1 Personal income tax is the main revenue source for
2 the state of California.

3 MS. COHEN: Right.

4 And, I'm sorry, what was that figure for
5 personal --

6 MS. STOWERS: Eighty-eight. That seems like
7 a lot.

8 MS. COHEN: We'll double check on that
9 figure. I think it actually might be a little more.

10 MS. STOWERS: Yeah.

11 MS. COHEN: So we'll circle back on that.

12 MS. STOWERS: Actually, it's 98. I had to
13 go to the next column.

14 MS. COHEN: Okay.

15 MS. STOWERS: But I will report back out --
16 or I will pull up the current January, and even the
17 May revise. It will definitely be in there.

18 MS. COHEN: Definitely right in the May
19 revise.

20 It sounds like it's down from the last
21 annual report. I think last year we might have been
22 at 127 billion.

23 So, any way, I don't want to dominate the
24 conversation on this.

25 Colleagues, do we have any other questions

1 or anything?

2 Yes, Senator Gaines.

3 MR. GAINES: Yes.

4 Thank you very much for giving us the annual
5 report. Appreciate it.

6 And I just thought it was interesting taking
7 a look at the ten-year summary of net-assessed value
8 of state and county-assessed property.

9 Because as Chair Cohen had also mentioned, I
10 mean, it's been consistently increasing over time,
11 right?

12 So you showed that -- I'm looking at page 9
13 where in 2012 we had \$4.4 trillion in property value;
14 and in 2021, that's now 7.2 trillion.

15 So that is pretty consistent, because even
16 in 2012, '13, '14, we were kind of -- the economy
17 wasn't super robust either, right?

18 We were still kind of slowly coming out of
19 the Great Recession.

20 But I also wanted to highlight the -- on
21 page 10 the exemptions that are available for
22 nonprofits.

23 And it's always nice to see a breakdown in
24 where that -- how those break out in terms of the
25 No. 1 exemption is for charitable nonprofits at

1 \$143 billion, is that right, in value?

2 That's a property value exemption?

3 MS. STOWERS: Yes.

4 MR. GAINES: Yeah. Okay.

5 And then hospital is the second at
6 40 billion; and then colleges is third; and
7 homeowners' exemption is fourth.

8 And then it drops down and shows others,
9 religious -- other exemptions, 26.

10 I'm not quite sure what that is.

11 But we have religious at 18 billion;
12 disabled veterans at 9 billion; private schools at
13 3.8 billion; churches at 2.5 billion.

14 So nice to know that those are available,
15 right? That there's certain organizations that we
16 deem as a state that are of such value that they get
17 the exemptions.

18 So thank you for presenting all this. It's
19 very helpful.

20 MS. STOWERS: Thank you.

21 MR. SCHAEFER: I had a question.

22 Mr. Yeung, on your listing of Letters to
23 Assessors, you mentioned a complete listing of all
24 LTAs issued to date can be found on our website.

25 Do those go back to 1879 when we started

1 out, or when did we start with Letters to Assessors?

2 Have you seen letter No. 1?

3 MR. YEUNG: Thank you, Vice Chair Schaefer.

4 Unfortunately, it does not go all the way
5 back to our inception.

6 We started the LTAs, I believe, in the early
7 '70s, as first as informal advice, and then we later
8 on basically numbered them and put them in a
9 compendium for easy reference.

10 MR. SCHAEFER: So we went 100 years without
11 Letters to Assessors?

12 MR. YEUNG: Not -- not formally as such, but
13 we did issue guidance and other communication with
14 assessors.

15 And so we just, at that point in time, we
16 organized them and basically made them available.

17 MR. SCHAEFER: So we're refining how we do
18 it as time goes on.

19 MR. YEUNG: Absolutely, sir.

20 MR. SCHAEFER: Thank you.

21 MS. COHEN: All right. Great.

22 Thank you very much for the presentation.

23 Oh, Mr. Vazquez.

24 MR. VAZQUEZ: One quick one.

25 And I -- Member Gaines brought it up.

1 The other exemptions, what falls under our
2 "other exemptions"? I'm just curious now.

3 MR. YEUNG: Yeah.

4 So there's a catch-all category of "other
5 exemptions."

6 There are other things that may fall in
7 there that are general charitable that may not be
8 enumerated in one of the others ones. One is
9 probably museums.

10 So there are other exemptions. There are
11 exemptions for certain types of aircraft. And so it
12 just catches some of the other smaller exemptions.

13 MR. VAZQUEZ: Would -- now that you bring it
14 up, I'm just thinking, would school properties and
15 city properties fall under that as well?

16 MR. YEUNG: There -- there is a -- there is
17 a separate category for other nonprofits, for
18 schools. So they would -- they would fall -- a
19 private school would fall under that one.

20 MR. VAZQUEZ: I see the private school, but
21 I don't see public schools.

22 MR. YEUNG: For public schools, they are
23 not -- they're generally not -- they're not taxable,
24 because they are basically a governmental property.
25 So those would not need --

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MR. VAZQUEZ: An exemption.

MR. YEUNG: -- an exemption.

They're -- they're --

MR. VAZQUEZ: Same with cities? Is that the same with cities?

MR. YEUNG: Correct. Absolutely.

MS. COHEN: All right.

Thank you.

Let's take public comment.

MS. CICHETTI: There are no -- we have not received a request for any in-person speaker, and no written comments on this item. But we will go to the AT&T moderator.

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

AT&T MODERATOR: For public comment by phone, please press one, then zero at this time.

We have no respondents in queue.

MS. COHEN: Thank you very much.

So this is just an informational item, so no action is needed.

MS. CICHETTI: That's correct.

MS. COHEN: Let's call the next one.

1 ITEM K1d

2
3 MS. CICHETTI: The next item is K1d,
4 Executive Director's Report; Operational Priorities:
5 Report on the status of operational priorities.

6 This matter will be presented by Ms. Renati.

7 MS. COHEN: Thank you.

8 Hello.

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

11 My name is Lisa Renati. I'm the Chief
12 Deputy Director.

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

15 The first item is in regard to our workforce
16 capacity.

17 Since our last meeting, we have filled three
18 positions. All three were internal promotions. And
19 we are currently actively recruiting for 65 percent
20 of our other vacant positions.

21 As you know, this is one of our most
22 important focuses. We're making sure that we have
23 our workforce capacity solidly in place.

24 Another operational priority I'd like to
25 report to you involves the implementation of BOE's

1 updated telework policy.

2 Starting April 1st, we began the process of
3 returning employees to the work site using a hybrid,
4 in-person and office work model.

5 As we transition to the new model, the
6 safety of our employees is of the utmost importance.
7 And so we are following all directives of the
8 California Department of Public Health, and CalHR,
9 and we provided staff with current COVID-19
10 guidelines and procedures.

11 The last item is a brief update on the
12 feasibility in implementing Google Translate on the
13 State Board of Equalization's website and Board
14 Member webpages.

15 Our Communications Department is
16 collaborating with CDTFA web services regarding this
17 matter, and currently the team is conducting
18 feasibility studies, and they're looking to do other
19 things, including costs, risks, accessibility issues,
20 and other implementation factors, which need to be
21 considered before we can implement Google Translate.

22 Once the analysis is -- the analysis of the
23 feasibility is completed, we'll come back to the
24 Board, and let you know where we're at.

25 And this concludes my presentation on

1 operational priorities. And I'm available for any
2 questions you may have.

3 MS. COHEN: Thank you.

4 Ms. Renati, I have a question about the
5 translate button.

6 How often is this team meeting?

7 MS. RENATI: They are -- I would have -- as
8 far as I know, they're meeting at least weekly, if
9 not, you know, every couple days.

10 MS. COHEN: Okay.

11 MR. RENATI: Mr. Kim is constantly working
12 with the Web Services Department.

13 MS. COHEN: Okay.

14 And what is the timeline? When -- when are
15 we going to be out of this fact-finding analysis
16 stage?

17 MS. RENATI: That's a very good question.

18 We're hoping to have some more -- a better
19 answer for you next month to let you know where we're
20 at. So I'm hoping within 30 days we can have a
21 better answer on the feasibility.

22 MS. COHEN: And how long has the team been
23 working on this?

24 MS. RENATI: Since you asked us to put the
25 button on, which I believe was at the February 23rd,

1 2022 meeting.

2 MS. COHEN: So February, March, April.

3 Okay. We're moving along, I suppose.

4 Well, let's just keep in mind that accessing
5 this information is critical. Not everyone speaks
6 English. We have to respect that with where people
7 are.

8 And, particularly, when I think about how
9 rich the information is and dense the information is
10 on our website, Prop. 19 information, it's just
11 really critical that we really stay focused and move
12 urgently to allow that translate button to get on
13 there.

14 We know there's precedent. We know the
15 Governor's Office has one. We know the Franchise Tax
16 Board has this feature. So we know that it is
17 doable. So let's keep pushing.

18 Please relay my message to the team.

19 MS. RENATI: I will. Thank you.

20 MS. COHEN: Thank you.

21 Ms. Fleming, do you have -- I mean,
22 Ms. Stowers, do you have anything you wanted to add?

23 MS. STOWERS: No.

24 MS. COHEN: No. Okay.

25 Colleagues, anything?

1 Yes, Mr. Vazquez.

2 MR. VAZQUEZ: Yes.

3 I would just echo your thoughts.

4 But also thank you. Because I know I've
5 been bugging you folks on just Prop. 19 stuff.

6 And as I look at this, just appreciate all
7 the work that you've been doing.

8 Keep up with this. Because there's so many
9 moving parts with Prop. 19 as we're finding, you
10 know, as we're getting more and more calls and
11 questions from folks that are going through this
12 process.

13 My office is getting constantly -- we get
14 constant calls on this. And some of them we don't
15 have the answers for just yet.

16 But thank you for that.

17 MS. RENATI: Thank you. I'll let the team
18 know. They get all the credit.

19 MS. COHEN: Mr. Gaines.

20 MR. GAINES: Yeah.

21 I just wanted to thank Ms. Renati for your
22 efforts on that translate issue.

23 And just want to reiterate that what a great
24 opportunity to use technology. I'm hoping it can
25 integrate and all work.

1 But it seems like it would be a daunting
2 task if we didn't have technology. So seems like
3 it's available, and we can integrate it, and get it
4 functional. So that's exciting.

5 I was also wanting, if you don't mind, can
6 you just give us an overview in terms of personnel,
7 in terms of where we started with vacancies and where
8 we are just in rough terms.

9 Because it's been dramatic. It's taken a
10 couple of years. But we have filled so many
11 positions.

12 And I think it's helpful for the public to
13 be aware of that in terms of where we started and
14 where we are now.

15 MS. RENATI: Thank you for your question.

16 In the last, about, 22 months, about --
17 let's say two years, we filled 65 positions.

18 Those include from bringing people in, you
19 know, in the door from outside, brand-new employees,
20 up through promoting into our ranks.

21 In this time we've also had people we
22 brought in who promoted since they've been here. So
23 they get a couple counts there in the count.

24 Our vacancies, we still have our vacancy
25 rates that we're still working at and plugging along.

1 And we're trying -- now the team is
2 working -- even -- we're augmenting our recruitment,
3 and trying to get more people into the door.

4 And as we, you know, being on Jeopardy,
5 perhaps, will help to get people wanting to work for
6 our agency.

7 But we are working those efforts every day.
8 And it's part of our weekly management meetings of
9 where we are, and where we're going.

10 MR. GAINES: Good.

11 And our vacancy rate currently is -- isn't
12 it pretty consistent with other state agencies?

13 MS. RENATI: It's -- it's a lit -- it's
14 consistent with other agencies.

15 And, you know, we're not the only agency
16 that's having difficulty bringing people in.

17 MR GAINES: Right.

18 MS. RENATI: But we are not outside of the
19 norm.

20 MR. GAINES: Right. Wonderful.

21 Thank you. Appreciate it.

22 MS. COHEN: All right. Great.

23 Let's go to the next item.

24

25

//

1 ITEM K1e

2
3 MS. CICHETTI: Next item is K1d,
4 Executive Director's Report; Operational Priorities:
5 Report on the status of operational priorities.

6 Excuse me -- K1e. Excuse me.

7 Executive Director's Report; Proposition 19
8 Implementation Project: Report on the status of the
9 agency's Proposition 19 Implementation Project.

10 This matter will be presented by Ms. Renati.

11 MS. RENATI: Thank you.

12 For the record, I'm Lisa Renati, Chief
13 Deputy Director.

14 Today I will provide an update on our
15 Prop. 19 Implementation Project.

16 A high-level implementation plan is attached
17 to today's agenda. And I'm happy to report that the
18 status of our implementation of Prop. 19 is green.

19 As you know, our Prop. 19 Implementation
20 Project has been in place for about 18 months.

21 Staff continues to ensure taxpayers and
22 stakeholders have the information they need, and we
23 continue to look for ways to improve our ability to
24 provide information as needed.

25 Starting this month I will provide a brief

1 update on the approximate number of unique external
2 page views the BOE Prop. 19 webpage has received
3 since November 10th, 2020.

4 As of yesterday the webpage has received
5 approximately 315,500 unique external page views.
6 That's an additional 35,000 unique external page
7 views since February 2020.

8 In addition, this month, the Taxpayers'
9 Rights Advocates Office, along with the
10 Communications Department, released the updated
11 Proposition 19 Fact Sheet.

12 Ms. Wing, from the Taxpayers' Rights
13 Advocate's Office will address more on the fact sheet
14 later in her report.

15 And this conclude my presentation on this
16 topic.

17 I'm available to answer any questions you
18 may have.

19 MS. COHEN: Thank you.

20 I just want to publicly recognize the hard
21 work and give credit where credit is due.

22 I think that it has been incredible to see
23 the BOE team step up and organize and provide this
24 level of leadership and clarity in a pretty unclear
25 piece of legislation.

1 Also want to highlight that the
2 implementation work for the passage of Prop. 5 -- not
3 prop -- but Senate Bill 539, which was authored by
4 Senator Hertzberg, that provided the statutory
5 language needed to implement this constitutional
6 amendment.

7 I think people are knowledgeable about the
8 initiative process. But the reality, once things
9 become law passed by voters, the implementation, I
10 think the real work really does begin in the
11 implementation.

12 Particularly when you're dealing with
13 legislation that has such a cultural change, and
14 really a different -- a change in how we conduct
15 business.

16 And as you heard in the previous
17 presentation, a very important element, \$85 billion
18 system we're talking about.

19 So Prop. 19 really, as the tech folks say,
20 was a disrupter and changed our business model.

21 But we have assessed and reassessed, and no
22 pun intended, but we are honoring the call to
23 taxpayers. And each of us have joined in that
24 spirit. And it's just been phenomenal.

25 Also noting that we have an understaffed

1 agency, and that you're also doing double time trying
2 to fill up.

3 So the Board of Equalization, they were up
4 to the challenge, Prop. 19, the portal, the BOE's
5 website is just an expression of countless hours,
6 difficult technical work, and communicating that --
7 that needs to be acknowledged.

8 And I just want to publicly acknowledge
9 that.

10 Thank you for that.

11 This work is being completed in a timely
12 fashion. And, ironically, there's a still work that
13 needs to be done. There's still a lot of questions
14 that are out there.

15 So I just want to close by complimenting the
16 Board of Equalization staff.

17 Thank you.

18 MS. RENATI: Thank you.

19 And also I'd like to also compliment the
20 Members, and thank you for your leadership in helping
21 us through this process.

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

23 Senator Gaines.

24 MR. GAINES: Just reminded me, I have a
25 Prop. 19 question.

1 I don't know if we need David or not to
2 answer it.

3 MS. RENATI: I'm sure we need David, yes.

4 MR. GAINES: Yes.

5 Just in terms of clarity, because I've got a
6 lot of constituents that ask about passing property
7 on to a child.

8 And they say, "Well, we're just going to
9 change the title into our child's name." And I said,
10 "I don't think there's a path to do that."

11 I know that that Prop. 19 triggers upon
12 death of the owner of the property. But if you had
13 parents that wanted to give property to a child,
14 don't you run up against gifting?

15 And isn't there a limitation on gifting of
16 property, or anything else for that matter?

17 MR. YEUNG: Thank you, Board Member Gaines,
18 for that -- for that question.

19 There are many considerations that a parent
20 will have to basically weigh when transferring any
21 asset to one of their heirs, be it real estate or any
22 type of -- any type of asset.

23 So there are income tax concerns, and
24 there's property tax concerns, real property
25 concerns.

1 They may run them -- they may run them into
2 income tax considerations, but -- but, most
3 importantly, as it pertains to real estate, just
4 changing the title to their child is only the first
5 step of it.

6 There are -- you actually do need to make an
7 application in order to get that benefit.

8 So if you have an opportunity when speaking
9 to your constituents, make sure that the whole -- the
10 holistic --

11 MR. GAINES: Right.

12 MR. YEUNG: -- process is conveyed to them.

13 MR. GAINES: Right.

14 MR. YEUNG: If they believe that just
15 changing the title is enough to pass on the base year
16 value, it is not.

17 MR. GAINES: Right.

18 MR. YEUNG: There is an application process.

19 So that -- so that is -- that is very
20 important.

21 MR. GAINES: Okay. And is that laid out on
22 our website?

23 So if I'm -- I'm trying to figure out how to
24 handle these questions by --

25 MR. YEUNG: Yes.

1 MR. GAINES: -- constituents.

2 So they can go to the website?

3 MR. YEUNG: Yes.

4 MR. GAINES: Of course, we can have our own
5 staff look into it, too, for them, but --

6 MR. YEUNG: Of course.

7 There -- there -- we have -- on our website,
8 we actually have a dedicated page to Prop. 19.

9 And in there there are FAQs, frequently
10 asked questions. And one of the questions actually
11 does address the issue of having the actual
12 application and the process.

13 We also have our Letters to Assessors. Be
14 it they are written for assessors, and are a little
15 bit more technical, there is -- there is that
16 available.

17 And, thirdly, I will have to also
18 acknowledge that TRA, they are in the process of
19 developing a -- basically a fact sheet that would
20 give information to actual taxpayers.

21 And very lastly, the application is made at
22 the local level. I always encourage taxpayers to
23 contact the local assessor, and to have them contact
24 directly and go through their process.

25 MR. GAINES: Okay. That's great.

1 And I think what I'll do is I'll follow up
2 with my staff so that we -- we understand that
3 clearly in our office when these calls come in.

4 MR. YEUNG: Okay.

5 MR. GAINES: So thank you.

6 MR. YEUNG: Of course.

7 MS. COHEN: All right.

8 Seeing there are no other questions, let's
9 continue.

10 Yes, Ms. Stowers.

11 MS. STOWERS: Madam Chair, thank you.

12 You asked a question regarding personal
13 income tax revenue.

14 MS. COHEN: Yes.

15 MS. STOWERS: Thanks to Mr. Dustin
16 Weatherby, I have that information in front of me.

17 MS. COHEN: Okay.

18 MS. STOWERS: Ninety-eight point seven
19 billion.

20 Year to date, 2021/2022, 98.7 billion.

21 That's 11.7 percent increase. And that
22 represents the numbers through March 2022. It does
23 not include April 18th.

24 MS. COHEN: Got it.

25 MS. STOWERS: Which will increase debt

1 dramatically.

2 MS. COHEN: Yes. You're right.

3 MS. STOWERS: And that is actually coming
4 from the Department of Finance bulletin.

5 MS. COHEN: Thank you.

6 Thank you very much to the team that got
7 that.

8 MR. GAINES: Could I clarify just in
9 reference to that?

10 MS. COHEN: Yes, please.

11 MR. GAINES: Is that an annualized number,
12 or is that actual receipts to date?

13 MS. STOWERS: Actual receipts.

14 MR. GAINES: Okay. Thank you.

15 MS. COHEN: All right. Let's continue.

16 MS. CICHETTI: We're ready to see if we have
17 a public comment on these items.

18 We haven't received any requests in person,
19 and no written comments on this item. But we will go
20 to the AT&T moderator.

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

24 AT&T MODERATOR: Thank you.

25 If you wish to make a public comment, please

1 press one, then zero.

2 And there are no public comments at this
3 time.

4 Thank you.

5 MS. COHEN: Great. Thank you.

6 Let's hear the next item.

7 MS. CICHETTI: We had scheduled a small
8 break.

9 We have an administrative item that we would
10 like to take care of if we could break for 5 minutes.

11 MS. COHEN: Sure. All right.

12 It's 11:05, we'll break for five minutes.

13 Thank you.

14 MS. CICHETTI: Thank you very much.

15 (Whereupon a break was taken.)

16

17 **ITEM K2a**

18

19 MS. CICHETTI: The next item is K2a, Chief
20 Counsel Report; Legal Workload Quarterly Report:
21 General discussion on the Legal Department's workload
22 over the last three months.

23 This matter will be presented by Mr. Nanjo.

24 MS. COHEN: All right. I want to call this
25 meeting back into order. It's 11:17.

1 Thank you very much.

2 Could you just re-read --

3 MS. CICHETTI: Yes. Will do.

4 MS. COHEN: Restate.

5 Thank you.

6 MS. CICHETTI: The next item is K2a,
7 Chief Counsel Report; Legal Workload Quarterly
8 Report: General discussion on the Legal Department's
9 workload over the last three months.

10 This matter will be presented by Mr. Nanjo.

11 MS. COHEN: All right.

12 Mr. Nanjo.

13 MR. NANJO: Thank you very much.

14 Again, good morning, Chair Cohen, Vice Chair
15 Schaefer, and Honorable Members of the Board.

16 Henry Nanjo, Chief Counsel.

17 Today I'm presenting the Legal Department's
18 quarterly report covering the first quarter of 2022.

19 Before reporting on our regular ongoing
20 work, I wanted to report back to the Board regarding
21 its direction that we take a look at the appeals
22 process, particularly in light of the recent Verizon
23 decision.

24 Along with our partners, the Board
25 Proceedings Division and the State-Assessed

1 Properties Division, the Legal Team has been working
2 on the holistic review requested by the Board.

3 In this process we were able to share
4 lessons learned and committed to continuing to
5 improve the on-boarding and training of staff.

6 We have also identified some specific
7 improvements, both for immediate implementation and
8 for longer-term projects.

9 At this time I'm pleased to report that the
10 team has completed the holistic review requested by
11 the Board. And I will provide some detail on the
12 specific improvements today.

13 The reviewer resulted -- excuse me.

14 The review results in two specific
15 improvements for implementation prior to this year's
16 appeals season, and several longer-term items that
17 we're continuing to look at.

18 First, for implementation prior to this
19 year's appeals season, we reviewed the joint
20 recommendation confirmation e-mail text utilized
21 during the last 2021 appeals season.

22 As a reminder, once SAPD and the petitioner
23 have reached an agreement on all the issues, the
24 State-Assessed Properties Division, or SAPD, has been
25 requesting written confirmation of that agreement

1 from the petitioner via e-mail.

2 That confirmation e-mail acknowledges that
3 all issues have been resolved, and the parties have
4 agreed to the joint recommendation of the stated
5 value to be submitted for the Board's consideration.

6 The e-mails also state that the Board's
7 approval of the joint recommendation will constitute
8 a resolution of all issues raised by the petitioner,
9 and informs the petitioner that, consistent with the
10 Verizon case, the petitioner will have no right to
11 file an action in superior court to seek a lower
12 value after the joint recommendation is approved.

13 As a result of our review, we have edited
14 the e-mail for clarity and instituted an internal
15 requirement that a copy of the confirmed e-mail be
16 included in the confidential joint recommendation
17 package sent to Board Members for consideration at
18 the Board Meeting during the appeals season.

19 Second, we will be proposing amendments to
20 the State Assessment Manual, or SAM.

21 Specifically the SAM was reviewed for
22 language regarding joint recommendations and the
23 Verizon case.

24 We have determined that the SAM should be
25 amended to add language to the overview of the

1 appeals process section, which will clarify that a
2 resolution of all issues prior to the hearing will be
3 presented to the Board as a joint recommendation for
4 value for the Board's approval, and will state that
5 the -- if the Board approves the joint
6 recommendation, the assessee will be barred from
7 filing a court action to seek a lower value
8 consistent with the Verizon case's holding.

9 We believe that this additional coverage of
10 the recent Verizon case will increase transparency
11 and understanding of the joint recommendation process
12 for all petitioners consistent with the Board's
13 request.

14 Additionally, in our holistic review, the
15 team has also identified a few areas for further
16 review that may result in longer-term projects.

17 For example, the Legal team believes that
18 there may be a need for clarity regarding certain
19 amendments to the rules for tax appeals.

20 Further, we will review the need for
21 additional guidance regarding ex parte
22 communications.

23 The Legal team will begin reviewing the
24 rules for tax appeal to determine whether amendments
25 are necessary to clarify the ban on ex parte

1 communications throughout the appeals process.

2 Another area is the streamlining of
3 communications internally within the Department for
4 efficiency.

5 The Legal Department will engage in
6 additional review and analysis during the next two
7 quarters.

8 If amendments are needed, we would estimate
9 bringing rulemaking proposals for the Board's
10 consideration in early 2023 to avoid any conflicts
11 with this year's 2022 appeals process.

12 I thank the Board for the opportunity to
13 provide a report back on the Board's assignment
14 regarding the holistic review of the appeals process.

15 I have no other remarks related to the
16 Legal Department's appeals workload at this time, but
17 would anticipate providing remarks on our appeals
18 workload again in the third quarter later this year,
19 as by that time the appeals process will be underway.

20 Moving on to litigation.

21 Members, as you know, our litigation
22 attorney continues to provide confidential monthly
23 reports to the Board, as well as providing
24 appropriate public updates to our website.

25 In general, we're seeing that due to the

1 COVID protocols in effect, many courts have continued
2 to delay or postpone hearings, which has resulted in
3 a bit of a holding pattern in many cases.

4 However, we continue to closely monitor and
5 handle the Board's litigation cases, and will
6 continue to keep you informed and updated of any
7 developments.

8 We also regularly provide updates to the BOE
9 public litigation roster so the public is provided
10 sufficient information in the interest of
11 transparency.

12 Next, I'll provide some remarks on our
13 Public Records Act disclosure requests workload.

14 In the first quarter we had completed
15 74 PRAs or disclosure inquiries. The work is steady,
16 ongoing, and experiencing a bit of an uptick on this
17 first quarter.

18 We note that the workload depends on the
19 volume of public inquiries. We expect work in this
20 category to continue in Q2, quarter two, excuse me,
21 as public inquiries come in.

22 Moving on to the administration or support
23 of Board Proceedings Division, and in the
24 Executive Office.

25 Members, as you recall, administration

1 assignments are typically requested by the
2 Board Proceedings Division or Executive Office
3 covering various administrative or
4 Board Meeting-related legal issues.

5 In the first quarter we completed six such
6 requests in this area.

7 We continue to provide this support to
8 Board Proceedings as well as the Executive Office as
9 needed.

10 In the area of publications review, Members,
11 the Legal Department completed 46 legal reviews in
12 the first quarter.

13 These publications include items originated
14 from the Property Tax Department, Communications
15 Department, and other agency publications.

16 We expect this work to continue in the
17 second quarter as well.

18 In the area of regulations, in the first
19 quarter of 2022 we presented to the Board the
20 proposed adoption of amendments to appendices A and B
21 to regulation 6001 containing the Board's conflict of
22 interest code.

23 At the March 22nd Board Meeting -- excuse
24 me -- the March '22 Board Meeting the Board
25 authorized staff to initiate the rulemaking process

1 related to these amendments.

2 Staff is in the process of drafting noticed
3 documents, and once completed, staff will submit the
4 initial rulemaking package to the Office of
5 Administrative Law, and notice all employees of the
6 comment period.

7 Moving on to our Proposition 19 rules, as a
8 reminder, Property Tax Rules 462.520 and 462.540 went
9 into effect on January 1st, 2022.

10 However, to further implement SB-539, staff
11 issued Letters to Assessors in anticipation of
12 proposed emergency rulemaking related to our
13 Proposition 19 regulations.

14 These LTAs will include the solicitation of
15 initial comments prior to the emergency rulemaking
16 process.

17 We anticipate presenting both emergency
18 rulemaking packages to the Board at the May meeting,
19 after the staff receives the input from the
20 California Assessors' Association, which is meeting
21 this week.

22 In the second quarter, the Legal staff will
23 continue to work with the Property Tax Department and
24 make progress on our rulemaking calendar efforts.

25 We anticipate additional regulatory work

1 later this year, and will bring proposals to the
2 Board under our rulemaking item at future Board
3 Meetings.

4 The Legal Department will continue to look
5 for future regulatory updates and revisions to bring
6 to the Board.

7 In the area of the tax program or technical
8 advice, the first quarter yielded the team responding
9 to 16 e-mail inquiries and 19 phone call inquiries.

10 Finally, Members, for the first quarter, the
11 Legal Department issued a total of four legal
12 opinions or memos, including both the property tax
13 technical advice opinions, and the internal
14 Board Meeting-related Chief Counsel memoranda.

15 In closing, I want to again extend my
16 appreciation to my team for their exemplary work
17 efforts during the first quarter.

18 Members, this concludes my report. And I'm
19 available to answer any questions that you may have.

20 MS. COHEN: Thank you.

21 Colleagues.

22 Mr. Vazquez, and then we'll go with
23 Mr. Gaines.

24 Go ahead.

25 MR. VAZQUEZ: Thank you. Thank you.

1 Mr. Nanjo, in your opening remarks you
2 mentioned -- and it sounds like we're going back to
3 that Verizon case with your opening remarks.

4 MR. NANJO: Yes.

5 MR. VAZQUEZ: Were you looking to put
6 together a form or a letter of some sort that, you
7 know, states there's an agreement? Is that what
8 we're looking at?

9 Or is it just more of a verbal
10 understanding?

11 MR. NANJO: No, there's going to be an
12 e-mail confirmation.

13 What we've done is we've taken the existing
14 structure for this year, and we've added additional
15 language to make sure the petitioners know the effect
16 of the Verizon case and the impact of them agreeing
17 to a joint recommendation.

18 MR. VAZQUEZ: Yeah.

19 I'm just a little concerned, because, moving
20 forward, I don't know if there's any exposure if we
21 don't have something in writing, and they come back
22 later to this Board and try to appeal this thing
23 saying they didn't agree on this thing if there isn't
24 anything signed.

25 And I guess to show more transparency, which

1 you kind of touched on as well.

2 MR. NANJO: Yes.

3 So we will -- we are -- we are going to have
4 something from the petitioner. That's the e-mail
5 confirmation that I referred to in my remarks. And
6 that will be part of the package that the Board
7 receives. So you can verify that that has been done.

8 As far as a form or something more formal,
9 the challenge there is a form would require -- we'd
10 have to be careful that we're not inadvertently
11 creating an underground rule or regulation. So that
12 would be a longer process.

13 We can put that into consideration for our
14 longer look. We kind of broke this up into two
15 phases, if you will.

16 Because the state-assessed appeals season is
17 starting now. I mean, honestly, state-assessed
18 appeals have already started doing their numbers and
19 meeting with their -- talking to their assesseees.

20 We didn't want to impact this season or
21 cause changes for this season.

22 So the first part was how can we make this
23 clear to our petitioners and make sure that there's a
24 clear understanding.

25 And we're doing that by augmenting the

1 language in the e-mails and the documents that we
2 currently use.

3 Then for future, we're looking at making
4 additional changes, and putting things in the State
5 Administrative Manual, in other publications that
6 take a longer process.

7 Because, typically, we work with the public.
8 We do -- you know, we -- we get inquiries. We try to
9 get a collaborative approach for those kind of
10 changes. So that's what we're looking at for next
11 year's state-assessed season.

12 MR. VAZQUEZ: That's what I'm more
13 interested in, I guess, as we move forward.

14 Because you're right, you're kind of in the
15 thick of it now. But as we move forward, I would be
16 definitely supportive.

17 And I don't know how the Board feels, if you
18 want to bring it back. I don't know if that means a
19 rule change or something moving forward where you
20 actually have something in writing that we can use in
21 the event that they try to challenge it after the
22 fact, for example.

23 MR. NANJO: Yeah. Yeah. We'll look into
24 all those things.

25 Obviously, again, for the longer term, we

1 want to be as clear and transparent as possible.

2 MR. VAZQUEZ: Appreciate it.

3 MR. NANJO: Sure.

4 Thank you for the question.

5 MS. COHEN: Mr. Gaines.

6 MR. GAINES: Yeah. I just had a question.

7 You mentioned ex parte rules. So are those
8 being examined?

9 MR. NANJO: So what -- what we're -- what
10 that's identifying is, as the Board Members know,
11 once you get into your adjudicatory role, ex parte
12 rules applies to you.

13 I think not all of our petitioners or
14 assessees may realize that those rules changed, and
15 that the ex parte rules apply to them as well, right?

16 They should not be reaching out to
17 Board Members once you start your adjudicatory
18 process.

19 So this is part of our effort in
20 identifying, "Hey, this is a good thing to give a
21 heads-up to the public to know, so that they don't
22 inadvertently contact Board Members when it's not
23 appropriate."

24 MR. GAINES: Right.

25 Thank you. I appreciate that.

1 Because if you have someone who is a state
2 assessee that doesn't have anything coming before the
3 Board, then we, as Members, can meet with those
4 individuals. Is that accurate?

5 MR. NANJO: As long as they don't have a
6 pending matter in front of the Board, or are --

7 MR. GAINES: Right.

8 MR. NANJO: -- intending to file an appeal
9 with the Board, yes.

10 MR. GAINES: Yes. Yeah.

11 So I think that clarification can be
12 helpful, too, for us as Members, so that we have --

13 MR. NANJO: Absolutely.

14 MR. GAINES: So we just understand clearly
15 what we can and cannot do.

16 But I'm glad you're reviewing that.

17 Thank you.

18 MR. NANJO: Absolutely. Thank you.

19 MS. COHEN: All right. Thank you.

20 MR. NANJO: Great.

21 Thank you very much, Members.

22 MS. CICHETTI: Are we ready to take public
23 comment?

24 MS. COHEN: Yes, please.

25 MS. CICHETTI: We have not received a

1 request for any in-person speaker, and no written
2 comments for this item.

3 We will go to the AT&T moderator.

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, to
8 make a public comment by phone, please press one,
9 then zero, please.

10 And at this time we have no respondents.

11 MS. COHEN: Great. Thank you.

12 Let's call the next item.

13 MS. CICHETTI: Yes.

14

15 **ITEM K3a**

16

17 MS. CICHETTI: Next item is K3a,
18 Property Tax Deputy Director's Report; Second
19 District County Assessors Issues: Report out on
20 issues raised by Second District County Assessors
21 during the Annual Meeting of the Board of
22 Equalization and County Assessors.

23 This matter will be presented by Mr. Yeung.

24 MR. YEUNG: Good morning, Chair Cohen and
25 Honorable Members of the Board.

1 My name is David Yeung, Deputy Director of
2 the Property Tax Department.

3 This morning I will report on the issues
4 raised by District 2's assessors during the last
5 year's annual Board/Assessor Meeting.

6 There were five items -- five issues raised
7 in -- in that addendum in December. So I will
8 address each one individually. And I will be
9 available for any questionings you may have.

10 The first item raised was training for
11 members of assessment appeals board.

12 County assessment appeals boards resolved
13 disputes between county assessors and taxpayers over
14 the values of locally-assessed property.

15 It has been suggested that training -- a
16 training program be established to provide guidance
17 to AABs on valuation issues.

18 So here are some of my preliminary findings:

19 So at first what I did was I actually went
20 through and reviewed the qualifications needed in
21 order to serve as an AAB member.

22 The qualifications are set by Revenue and
23 Taxation Code 1624.

24 Those qualifications are, a person is not
25 eligible for nomination for membership on the

1 assessment appeals board unless he or she meets one
2 of the following criteria:

3 A) Has a minimum of five years professional
4 experience in the State as a Certified Public
5 Accountant or public accountant, a licensed real
6 estate broker, an attorney, a property tax appraiser
7 accredited by a nationally-recognized professional
8 organization, or a property appraiser certified by
9 the Office of Real Estate, Office of Real Estate
10 Appraisers.

11 B) Is a person who is -- who the nominating
12 members of the Board of Supervisors has reason to
13 believe is possessed of competent knowledge of
14 property appraisal and taxation.

15 So there's two -- there's two paths to
16 serving on the assessment appeals board for local --
17 for local board of equalization.

18 They have to either, one, meet the five-year
19 requirements, or the Board of Supervisors has to deem
20 them qualified to do so.

21 So also in Revenue and Taxation Code 1624.01
22 there is a requirement for assessment appeals boards
23 to basically take a course and pass it within one
24 year.

25 So training required by section 1624.01

1 includes an overview of assessment processes,
2 elements in the conduct of assessment appeals
3 hearings, and important developments in case and
4 statutory laws, and administrative rules.

5 The training course will be conducted by
6 either the Board of Equalization, or by the county at
7 the county's option.

8 The curriculum for the course of training
9 will be developed in consultation with the county
10 boards of supervisors, the administrators of the
11 assessment appeals boards, assessors, and local
12 property tax representatives.

13 And that is also embedded in our -- in our
14 Assessment Appeals Manual.

15 So the Board has developed that training,
16 and it is available on our website.

17 It is a self-study course. The base of that
18 training is our -- our Assessment Appeals Manual.

19 So there is a guided self-pace course, and
20 that fulfills that requirement.

21 So the county has the option of having their
22 board members take that, or they can do their
23 training themselves.

24 There is a requirement that they actually do
25 pass that class -- take that class within the first

1 year of them serving.

2 MS. COHEN: Would Board of Equalization
3 Members be able to access this information and take
4 it as well?

5 MR. YEUNG: Yes.

6 The course is available on our website.
7 There is -- there is a portion under training. If
8 you click there, it actually differentiates between
9 assessors and AABs.

10 So you could -- you could actually -- if you
11 go under AAB, that course will be available, and it
12 is -- it's available for anybody.

13 So it's a self-pace course. You take it,
14 you send in the questions to the Board, and the Board
15 will actually review them and correct them. So it is
16 available.

17 So that training is currently available, and
18 it is on our website.

19 MS. COHEN: Mr. Yeung, how long is that
20 training? I know you said self-pace, but is there
21 an estimated time?

22 You know, with a lot of our training's --

23 MR. YEUNG: Yeah. Yeah.

24 MS. COHEN: -- or anything about our ethics,
25 it'll say this -- going through this training will

1 take you three hours, or will take you an hour.

2 MR. YEUNG: Right. Right.

3 MS. COHEN: Do you have any ideas --

4 MR. YEUNG: Ms. Schultz, do you recall what
5 the actual hours for that training is?

6 MS. COHEN: Or an average.

7 MS. SCHULTZ: I don't recall.

8 MS. COHEN: Okay.

9 MR. YEUNG: It's -- it's -- it is actually
10 quite a robust training course. And it follows our
11 Assessment Appeals Manual, which is approximately
12 30 or 40 pages long.

13 So I -- I -- I would imagine it would take
14 somebody at the very minimum 12 to 15 hours to get
15 through. So it is quite a robust course.

16 What also is available online for us is we
17 have other self-study courses.

18 I believe there's at least 30 of them. And
19 they have various aspects of training on assessment
20 issues, on appraisal issues, and on a lot of topics
21 that are just germane to property taxes.

22 The valuation of possessory interest of
23 property that is basically under a California Land
24 Conservation Act.

25 So very, very specific property tax type

1 issues. That, I believe my last count was there's a
2 little over 30 of them. Those courses are, once
3 again, self-paced. They average between two, three,
4 and I think some of them may be a little bit longer,
5 about four hours.

6 And, once again, they're available on our
7 website. Anybody can take them. We -- we do not
8 exclude anybody from taking those. So those are also
9 available.

10 And we also have another course that's
11 available through a junior college, the American
12 River College. It is our basic appraisal course. It
13 is the course that most new employees of either the
14 assessors office or the board, they take that course
15 in preparation to get certified as an appraiser for
16 property tax purposes.

17 That is available. It is actually -- it is
18 taught by a Board employee as an adjunct professor.
19 But it is through a junior college. It is their
20 course. You register and pay their fees, and you are
21 able to take it. It is a semester course. So we
22 have a fair amount of courses available.

23 As the issue concerns D2's assessors, we
24 have been in contact with the -- with the assessors.
25 We have asked, and we've had discussions with your

1 assessors, D2, and we have -- we are committed to
2 meeting with them to see exactly what they are
3 wishing their AABs to actually -- what type of topics
4 they wish to have training in.

5 The ideal would be some of those topics are
6 already covered with our self-study and online
7 courses. And either they're covered through the AAB
8 mandatory course, the 30-plus courses that we give as
9 a self-study, and/or through the American River
10 College.

11 So we have some of those courses already.
12 We're just trying to match, get inventory of their
13 needs. Give them basic inventory of the courses we
14 cover, the scope of what is covered, and hopefully
15 some of those will match.

16 MS. COHEN: How are you taking the inventory
17 of what the assessors need? Is it through
18 conversation, is it through conversation or survey?

19 MR. YEUNG: It's -- it's through -- right
20 now we've had conversations, been through
21 conversation. But we have a commitment from one of
22 the assessors to actually compile a list of topics,
23 issues, and areas they wish to have training in or
24 their AABs.

25 MS. COHEN: Okay.

1 So what I'm hearing from my assessors in
2 District 2 is that they are definitely -- they're
3 excited about the training module. They love that
4 it's accessible. They want more. They're hungry for
5 more.

6 I'm sure you've heard this before as well.

7 MR. YEUNG: Yes.

8 MS. COHEN: And so as you develop these
9 modules, do you write the curriculum yourself?

10 Is it -- how exactly do they come -- does it
11 come about?

12 MR. YEUNG: The modules that we -- that are
13 out there, a lot of it is based on our handbooks that
14 we've already written. And they're already
15 Board-approved guidance.

16 Some of it is updated annually. We have a
17 module on legislation that has passed for that year.
18 And we also -- and we're trying to develop modules
19 that are pertinent to new developments.

20 Our goal is permitting staff resources and
21 whatnot. We would love to do a module on Prop. 19.
22 The topical, it's of interest to many, and it's
23 basically new ground.

24 MS. COHEN: Right. So I'd imagine we'd be
25 pulling from the FAQs that are on the website.

1 MR. YEUNG: Yes.

2 MS. COHEN: Pulling from the questions that
3 come in.

4 MR. YEUNG: Right.

5 MS. COHEN: As well as just kind of just of
6 our lived experience.

7 MR. YEUNG: Absolutely.

8 MS. COHEN: How close are you to creating
9 that Prop. 19 module?

10 MR. YEUNG: We, once again, as resources and
11 time permits, our -- our training staff, we have two
12 full-time trainers. And so we're working them really
13 hard.

14 Right now our focus is basically meeting the
15 training needs of the assessors. We have a different
16 level of responsibility to train assessors. And so
17 we've been -- in the last two years, we've
18 transitioned from live in-person classes to all
19 online. And now we're transitioning back, and we're
20 trying to do a hybrid. So we're focused on their
21 training needs first.

22 AABs are definitely of concern. But we're
23 statutorily -- it's a different level of
24 responsibility for the assessors' offices.

25 So we are definitely looking into it. We

1 are already fairly content-rich on that. The
2 challenge in developing these courses, these are
3 modules. They're made to be relatively brief,
4 relatively condensed, and relatively concise.

5 We realize that our courses are full courses
6 that are four-plus days with an exam at the end. It
7 can be a challenge for some -- for anybody to find
8 that kind of time and commitment to take that type of
9 courses.

10 So we concentrate them so that they're about
11 three hours. They're concise. They give you what is
12 needed. And they're just that. They're just modules
13 to introduce. And we try to provide them a lot of
14 resources in there.

15 MS. COHEN: All right.

16 Thank you for answering my questions.

17 Any questions to my colleagues?

18 Yes, Mr. Gaines.

19 MR. GAINES: A question of clarification in
20 terms of our authority versus county supervisors with
21 regards to appeals boards.

22 So ultimately anything that we come up with
23 would have to be approved at the county level, would
24 it not?

25 Wouldn't they have to make a decision in

1 terms of what the proper training would be for
2 members on their assessment appeals board?

3 MR. YEUNG: The assessment appeals board
4 answers and works too, and their budget is controlled
5 by the Board of Supervisors of that county.

6 MR. GAINES: Yes. Okay.

7 MR. YEUNG: They are only required to take
8 one course by statute in order to sit on the
9 assessment appeals board.

10 MR. GAINES: Okay. So that's statute.

11 MR. YEUNG: Yeah.

12 MR. GAINES: So that's -- that came from the
13 Legislature.

14 MR. YEUNG: That came from the Legislature.

15 It is embedded in Revenue and Taxation
16 Code 1624.

17 MR. GAINES: Okay.

18 MR. YEUNG: Any additional training they
19 wish to require would be a local issue.

20 MR. GAINES: Right. Okay. Very well.

21 Thank you.

22 MS. COHEN: Mr. Gaines, I just wanted to
23 acknowledge that we are also engaging in this
24 process, trying to facilitate the coming -- coming
25 together.

1 MR. GAINES: Yeah. Absolutely.

2 I just want to make sure -- trying to
3 understand what the authority of the county was
4 versus what we're doing as the BOE.

5 MS. COHEN: Mm-hm.

6 MR. GAINES: And then also what the county
7 assessor's authority is.

8 MS. COHEN: Mm-hm.

9 Mr. Vazquez.

10 MR. VAZQUEZ: Just a quick question.

11 You mentioned you were talking about the
12 assessors now. You know, what's their concept of
13 this -- the structure, I guess, of this new grant
14 program?

15 MR. YEUNG: The new grant program?

16 MR. VAZQUEZ: Yes.

17 MR. YEUNG: Oh, okay.

18 MR. VAZQUEZ: Or are you going to touch on
19 it a little bit later?

20 MR. YEUNG: I was going to touch on that
21 after -- once I go down all five items.

22 MR. VAZQUEZ: I'll give you the chance.

23 MR. YEUNG: Okay. Of course.

24 MS. COHEN: Please continue.

25 MR. YEUNG: Okay. Of course.

1 My next -- the next item brought up is
2 training for county counsels.

3 Once again, we've had discussions with D2's
4 assessors, and there is a desire for training for
5 their county counsels.

6 I just wanted -- some of my preliminary
7 findings is that there is no statutory requirement we
8 provide training to county counsels.

9 But that being said, we do have all those
10 courses that I mentioned for the AABs available. It
11 is on our website. They are -- they are able to look
12 at it. They are -- they are able to use it.

13 We have the American River College one
14 through the JC, junior college, is available. They
15 register as anybody is able to do so.

16 But I do mind you it is a -- it is a one
17 semester course. It is a little bit of a commitment.
18 But it is a very complete and robust course. And it
19 is taught by us.

20 And where our online self-study courses,
21 they're already posted. There are over 30 of them.
22 They're welcome to take it.

23 Our commitment to -- we may not be able to
24 grade them and give them credits for continuing ed.,
25 because there is no requirement for us -- for county

1 counsels to have continued education as it pertains
2 to this type of property tax.

3 And so, once again, we are looking, we are
4 discussing it with D2's, District 2's assessors.
5 They are amongst their list of desires and topics,
6 we're hoping that some of them do actually fall in
7 line with what they wish for their AABs, and that we
8 can meet some of their needs with already-existing
9 type courses.

10 MS. COHEN: Any questions so far?

11 No?

12 Okay. Please continue.

13 MR. YEUNG: The third item on the
14 December 11a issues was the acceptance of electronic
15 signatures.

16 So it has been suggested that the
17 requirement for wet signature on documents submitted
18 to county assessors offices be eliminated.

19 So I -- I did a little bit of research and
20 took a look at what currently -- what the current
21 state is.

22 Currently now Government Code
23 Section 16.5(a) allows any written communication with
24 a public entity, in which a signature is required,
25 any party to that communication to affix a signature

1 by the use of a digital signature, and that digital
2 signature will have the same force and effect as
3 used -- as the use of a manual signature if it
4 embodies all of the following attributes.

5 So there's five. I won't list them. But
6 there are five requirements they have to meet.

7 And any -- anything that you have to turn
8 into a public agency, including the assessor, if you
9 meet Government Code 16.5, you're able to go ahead
10 and file it electronically. Wet signature is not
11 required.

12 There is one actually little -- a little bit
13 of a difference for business property statement,
14 otherwise known as a BPS.

15 A business property statement is something
16 each assessee files to declare their taxable business
17 property. Not realty, but just computers and
18 whatnot.

19 So there's a requirement in Revenue and
20 Taxation Code 441(k) that in order to accept those
21 electronically, you have to basically get the
22 approval from the Board.

23 So I did a pretty broad-base survey and
24 looked at what is the state of electronic filing for
25 all 58 counties within the state of California.

1 So as it stands today, there are 36 counties
2 that are on one particular third-party computer
3 system. That computer system already comports the
4 16.5, so they're able to accept electronic
5 signatures.

6 And on top of that, that computer system, if
7 you -- if -- those 36 counties already have
8 Board-approval to accept electronic business property
9 statements. So 36 counties already have the ability
10 to do so. That leaves 22 other counties out there.

11 MR. GAINES: Question.

12 MS. COHEN: Yes.

13 MR. GAINES: If I could through the Chair.
14 Just a clarification.

15 So you referenced Board. Are you talking
16 about the BOE, or are you talking about a county
17 board, or --

18 MR. YEUNG: Oh, no. Board -- Board approval
19 to accept that, I'm talking about the Board of
20 Equalization.

21 MR. GAINES: Yes. Okay.

22 MR. YEUNG: Yes. So the Board of
23 Equalization, for those 36 counties, have already
24 approved their protocol to accept electronic
25 signature.

1 MR. GAINES: Great. Okay.

2 MR. YEUNG: So out of the remaining
3 22 counties, I've taken a look at those, and they
4 already -- they are either, one, on a different
5 system that already has our pre-approval, or they
6 have basically gotten their pre-approval through an
7 assessor's program that's called SDR, it's called
8 Standard Data Reports.

9 It's -- the assessors developed it, and
10 they've gotten our approval. If you file a business
11 property statement with this SDR or ESDR, the --
12 their authentication has already been approved.

13 And then the other few that are not either
14 of a system that has our pre-approval, or is one of
15 the 36, or is through SDR or ESDR, we've given those
16 remaining counties our approval explicitly. They've
17 requested, and we've given it to them.

18 So all counties as we stand right now have
19 the ability to basically accept electronic filings.

20 And my -- my initial search through all of
21 their websites, they all have basically functions
22 where you can file certain things electronically.

23 Are they all 100 percent complete, the whole
24 gambit of forms? That may or many not be 100 percent
25 complete, but they already have the ability to do so.

1 So we have identified --

2 MS. COHEN: Mr. Yeung, we have another
3 follow up. Sorry.

4 MR. GAINES: Just another question.

5 MR. YEUNG: Oh, of course.

6 MR. GAINES: From a cyber security
7 perspective.

8 MR. YEUNG: Right.

9 MR. GAINES: That's all vetted and we're
10 okay?

11 MR. YEUNG: Yeah. Yes.

12 So with that Government Code 16.5, there is
13 a requirement that they meet certain rules,
14 regulations set by the Secretary of State. And they
15 control what all cyber security, web security
16 elements are necessary.

17 MR. GAINES: Okay. Very good.

18 MR. YEUNG: Yeah.

19 So there is -- there is another agency, but
20 basically --

21 MR. GAINES: Yeah. Because if we're
22 granting the authorization, then --

23 MR. YEUNG: Yeah.

24 MR. GAINES: -- we've got to make sure that
25 we're okay from a cyber perspective.

1 MR. YEUNG: Right.

2 MR. GAINES: That's really our
3 responsibility, isn't it?

4 MR. YEUNG: It -- it -- it is for the
5 business property statements.

6 For everything else, we -- we don't -- they
7 do not need our Board approval. It's as long as you
8 meet that Government Code 16.5.

9 MR. GAINES: Okay.

10 MR. YEUNG: And the Secretary of State's
11 regulations, you're good to go.

12 MR. GAINES: Okay. Very well.

13 Thank you.

14 MR. YEUNG: Okay.

15 So we have identified one county who is --
16 has some issues and some concerns about whether all
17 of the -- of the forms are able to fall under 16.5.
18 We are committed to working with them, and we will
19 review their concerns.

20 Specifically, they had a couple concerns
21 about welfare forms. So we will take a look at that
22 and see if they do indeed fall in there.

23 MS. COHEN: I -- I just want to go back a
24 little bit to some of the previous statements that
25 you made about wet signatures.

1 MR. YEUNG: Yes.

2 MS. COHEN: And I just wanted to say that
3 I'm just looking forward to further discussions, and
4 an associated report out on the electronic
5 signatures.

6 I think this is really an interesting --
7 it's an interesting space.

8 MR. YEUNG: It is.

9 MS. COHEN: It's like we're stuck between
10 the 20th and the 21st century.

11 A lot of our business and our practices
12 require wet signatures. And then there are some that
13 don't. So I think that consistency is going to be
14 really important, particularly as we communicate them
15 to the taxpayers.

16 So I understand that there -- that we are
17 all committed to further examining this item and
18 making sure that we identify any of the possible
19 issues that require our attention.

20 And I -- I look forward to hearing your
21 analysis. It appears that there are several concerns
22 that exist. We've had, I think, many hearings on
23 this for the last year-and-a-half on this particular
24 topic, concerns around the requirements, the
25 requirements to comply.

1 And so once you complete the analysis, if
2 any issues surface, I hope that we will be able to
3 determine whether actions are necessary.

4 And I would imagine that the conversation
5 would be very robust with not only our staff, but
6 also the stakeholders, the representatives for the
7 taxpayers, the assessors, and anyone else that I'm
8 not thinking of at the top of my mind.

9 But I just wanted to put that out there on
10 the record.

11 Thank you, Mr. Yeung.

12 MR. YEUNG: Thank you.

13 The fourth item, if I may, the fourth item
14 on the December agenda was the review of
15 depreciation -- depreciation valuation guidance and
16 schedules.

17 So as it has been suggested that the Board
18 review its depreciation valuation guidance and
19 schedules to ensure the valuation procedures methods
20 and recommendations are consistent with contemporary
21 values.

22 So my initial findings are that of the
23 handbooks enumerated, three of them are produced
24 annually. But those are the -- they're updated
25 annually. Those are the AH, Assessors' Handbooks

1 531, which provides that information for buildings.

2 The Assessors' Handbook 534 provides the
3 same information for rule-building instructors. And
4 then the AH 581.

5 So every year, as a matter of course, we
6 take a look at -- not only do we review the
7 methodology in which that data is compiled, but we
8 also take a very close scrutiny of the actual inputs
9 we use.

10 So on those, yes, we hear ya. We're already
11 doing it, and we do it consistently every year. And
12 we bring it before the Board for action and
13 consideration. So that part we are already doing.

14 There are other -- there is a methodology
15 handbook in that listed. It's the 582. And that is
16 a book that basically delineates the methodologies,
17 assumptions, formulas and whatnot that we use in
18 order to come up with that.

19 So that is amongst our handbooks to be
20 reviewed.

21 But I just want to let you know that the
22 review of a handbook, especially one that is so
23 technically dense, is a long-term project.

24 The review itself is probably about six
25 months. If there's any revision, interested parties

1 processees and whatnot, that will add another -- at
2 least another year to it.

3 So we are taking a look at it. We're taking
4 a look at it informally now, and we're -- I do not
5 expect many revisions or many changes to that.
6 It is a methodology handbook. The way to come up
7 with this type of information, the math formulas do
8 not change much over time. But we are committed to
9 taking a look at that.

10 We have met, once again, with D2 assessors.
11 And there was one concern brought up.

12 The concern was from a county that have had
13 questions about basically the useful life of a
14 certain type of a business property equipment.

15 So we are -- we have been in contact with
16 them. We are our -- we're committed to talking with
17 them and to see what all is the issue. And
18 whether -- and some feasibility as to what exactly,
19 how do we solve your issue if it is ours to solve.

20 So we are -- we are in contact with the
21 county with a very specific desire and need for some
22 guidance.

23 MS. COHEN: Okay. Does that conclude your
24 presentation?

25 MR. YEUNG: I have one last item.

1 MS. COHEN: Great.

2 MR. YEUNG: And this is No. 5.

3 MS. COHEN: Okay.

4 MR. YEUNG: And that is enhanced funding for
5 state supplementation for county assessors program.

6 It has been suggested that expanding this
7 program could be beneficial. Due to prior successes
8 in utilizing the program, the grant funds to address
9 technology, and personnel challenges in local
10 assessor's offices.

11 So we have taken, by way of background, the
12 State of California 2018 Budget Act appropriated
13 approximately \$5 million to create the State
14 Supplementation for County Assessors' Program, or
15 otherwise known as SSCAP.

16 This three-year pilot program was created to
17 provide funding to assist county assessors in
18 performing property assessments. As cap funds are
19 available for both new assessment staff and
20 technological improvements, and require a local -- a
21 local match at the rate of one local dollar for every
22 two county receives through the SSCAP funding.

23 So the SSCAP funding, that was 2018. It was
24 a three-year program. It did not get continued
25 for -- for this year.

1 MS. COHEN: Great. Can you tell us why?

2 The reasons? What the the logic? What was
3 the reason why that was given?

4 MR. YEUNG: The reason, I -- I'm not --

5 MS. COHEN: Because it's a wildly -- it's a
6 popular program. I hear about it from assessors all
7 the time.

8 We ask them what they want, or what they
9 need, this is the one thing that they definitely ask
10 for.

11 MR. YEUNG: Yeah.

12 I hesitate a little bit to speak on their
13 behalf. I'm sure they had -- I'm sure they had
14 issues with -- with either --

15 MS. COHEN: When you say "they," you mean
16 the Department of Finance?

17 MR. YEUNG: Department of Finance probably
18 had issues with its effectiveness, or maybe it was
19 just a numbers issue.

20 MS. COHEN: Was it an audit performed?

21 I mean, how -- how was their analysis given
22 or presented to you saying, "We're not gonna -- we're
23 not gonna extend SSCAP, and here are our reasons
24 why"?

25 MR. YEUNG: There was an audit performed, to

1 be quite frank with you. I've only had a very,
2 very --

3 MS. COHEN: Brief moment to look at it?

4 MR. YEUNG: -- brief moment to skim it.

5 It is a very, very dense document. And
6 I -- I do not want to mischaracterize any of their --
7 any of their issues or whatnot with SSCAP.

8 But be that as it may --

9 MS. COHEN: So do you think it's more a
10 symptom of -- a symptom -- a product of the
11 administration's priorities? It's just -- meaning
12 that it's just not a priority?

13 MR. YEUNG: I -- I --

14 MS. COHEN: You don't want to put words in
15 their mouth. Okay.

16 MR. YEUNG: Yeah, I don't want to put words
17 in their mouth. I do not -- I do not know.

18 MS. COHEN: Okay. I won't lean in.

19 MR. YEUNG: Okay.

20 MS. COHEN: But I wanted just to know what
21 you knew. So there -- and wanted to share.

22 Thank you.

23 Okay.

24 MR. YEUNG: Yeah. Of course.

25 So in very brief general, there is -- the

1 program, as I understand it, I've been in property
2 taxes for the greater part of two decades, and a
3 little bit. I -- I'm familiar with the programs
4 prior to SSCAP. There was PCAP, and there was a
5 successor program for that.

6 MS. COHEN: Right.

7 MR. YEUNG: They started out as basically
8 loans that were forgivable if they met certain
9 measures.

10 And now it is basically a grant program, and
11 it is a -- it's a matching grant program that
12 requires a local money along with -- to be used in
13 conjunction with -- with their match in grant
14 money.

15 MS. COHEN: Let me just say this, I think
16 it's unfortunate that it wasn't funded, when you
17 consider how much -- how robust our state budget is
18 during this particular budget cycle.

19 And this -- the SSCAP program greatly
20 benefits, frankly, assessors in your district,
21 Senator Gaines.

22 Those that are just -- that just need the
23 extra money to help them perform their tasks in a lot
24 of the rural areas.

25 MR. GAINES: That's right.

1 MS. COHEN: And I think that it is
2 shortsighted for it not to be funded.

3 And I'm going to continue to push that the
4 SSCAP program become a priority. If not this
5 administration, perhaps the future administration.

6 But I hope that the Board of Equalization
7 will be able to join with me as we continue to push
8 and make this a priority.

9 Yeah.

10 Thank you.

11 MR. YEUNG: Okay.

12 MS. COHEN: All right.

13 No need to be liberate. Let's keep moving
14 forward.

15 I know there are people sending me text
16 messages that are ready to go for a break.

17 Mr. Yeung, is there anything else that you
18 have for us?

19 MR. YEUNG: Yes. With your permission, I
20 think B is up next.

21 MS. CICHETTI: Do you want to go to the next
22 item, or did you want take a lunch break at this
23 point?

24 MS. COHEN: Let's take a break and let
25 everyone regroup.

1 MS. COHEN: Thank you.

2 Mr. Yeung, welcome back.

3 Mr. Yeung and team, I should say.

4 It's good to see you all.

5 MR. YEUNG: Thank you.

6 Thank you very much, Chair Cohen,

7 Honorable Members of the Board.

8 David Yeung here, Deputy Director of the

9 Property Tax Department.

10 I will go over four items for Department's
11 implementation of Prop. 19, our actions we've
12 undertaken so far.

13 So the first item is, as Mr. Nanjo has
14 already mentioned, we are involved in basically
15 amending Property Tax Rule 462.520 and 462.540. And
16 that is for the intergenerational transfers and the
17 base year transfers, respectively.

18 The proposed language has been sent out to
19 stakeholders through an LTA. Comments are due back
20 at the end of this month on the 29th.

21 At that time we will work with Legal in
22 reviewing the comments.

23 Our goal, as Mr. Nanjo has mentioned, will
24 be to bring the language before the Board in May for
25 Board's consideration and action.

1 The next item has to do with the inquiries.
2 As you've heard, we've answered about
3 3,000 -- over 3,000 inquiries last year.

4 Staff continues to get a fairly decent
5 amount of inquiries monthly. Our staff is turning
6 those around quickly, and we are -- we are stepping
7 up and getting those inquiries answered.

8 The third item is staff is currently working
9 on reviewing and revising forms as it pertains to
10 Prop. 19.

11 We are working with the California
12 Assessors' Association. They're a formed
13 subcommittee. They are in revision right now.

14 And, once again, they will be brought before
15 the Board. After a final revision, it will be
16 brought before the Board for consideration and
17 action.

18 And, lastly, staff is -- I've mentioned our
19 website, and in particular, we have a dedicated page
20 to provide information on Prop. 19. It is under
21 constant review. We are taking a look at it right
22 now to make sure all the information on there is
23 still accurate, up to date, and purports to SB-539
24 and to new property tax laws that SB-539 added to the
25 Revenue and Taxation Code.

1 So with that, I'm available for any
2 questions you may have.

3 MS. COHEN: Great.

4 Let's see, colleagues, any questions?

5 Doesn't look like we have any.

6 Thank you.

7 MR. YEUNG: Thank you.

8 MS. CICHETTI: Thank you.

9 The next subitem is Letters to Assessors
10 presented by Ms. Schultz.

11 MS. SCHULTZ: Good afternoon, Chair Cohen
12 and Honorable Board Members.

13 I'm Glenna Schultz, Principal Property
14 Appraiser over the BOE's Assessment Services Unit --
15 sorry about that -- and Training and Certification
16 Unit.

17 Today I will provide you with a brief report
18 on Letters to Assessors.

19 Attached to the agenda this month is a memo
20 on Letters to Assessors, which provides a list of the
21 LTAs that have been issued since our last Board
22 Meeting.

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

1 As of the date of the attached memo, BOE
2 staff have issued a total of 16 LTAs for calendar
3 year 2022.

4 And three of those LTAs have been issued
5 since our last Board Meeting.

6 Those LTAs are summarized as follows:

7 As already mentioned, an LTA announcing the
8 interested parties process to promulgate amendments
9 to Property Tax Rule 462.520 for Proposition 19
10 intergenerational transfer exclusions, and to
11 Property Tax Rule 462.540 for Proposition 19 base
12 year value transfers, due to the passing of
13 Senate Bill 539, and the addition of Section 63.2,
14 and 69.6 to the Revenue and Taxation Code.

15 An LTA to issue an assessment practices
16 survey report for Sierra County, and an LTA which
17 provides notification that the BOE, following a
18 public hearing, amended Property Tax Rule 302, called
19 the Board's Function and Jurisdiction.

20 This amendment to the rule was approved by
21 the Office of Administrative Law, and became
22 effective on March 9, 2022.

23 This amendment was made to address an
24 incorrect crossreference in subdivision B of the rule
25 that occurred after the addition and renumbering of

1 subdivision A in 2020.

2 This concludes my report on Letters to
3 Assessors.

4 I'm available to answer any questions you
5 may have.

6 MS. COHEN: Thank you.

7 Mr. Vazquez.

8 MR. VAZQUEZ: Just one -- excuse me -- just
9 one quick one.

10 You know, since the amendments to, you
11 mentioned, Rule 302 on the AB jurisdiction seems to
12 be purely technical at this point.

13 Do you anticipate any comments on that?

14 MS. SCHULTZ: No. This did not go through
15 the interested parties process.

16 MR. VAZQUEZ: Okay. Thank you.

17 MS. COHEN: Anyone -- any questions on this
18 end to my left?

19 MR. GAINES: Yeah.

20 MS. COHEN: Please.

21 MR. GAINES: Just a question, if I could, in
22 reference to Sierra County.

23 Did you say that the survey was completed?

24 MS. SCHULTZ: I'm sorry, I didn't understand
25 that.

1 MR. GAINES: Was the survey completed for
2 Sierra County?

3 MS. COHEN: Was Sierra County -- was a
4 survey completed for Sierra County?

5 MS. SCHULTZ: Yes.

6 MS. COHEN: Yes.

7 MR. GAINES: Yes. Okay. Great.

8 I'm just curious --

9 MS. COHEN: See how important it is to
10 translate?

11 MR. GAINES: We need that button.

12 MS. COHEN: Right.

13 MR. GAINES: But I'm just curious, in terms
14 of, it's one of the smallest counties in the state.
15 I think Alpine is the smallest population-wise.

16 But can you tell me just a little bit about
17 how the survey is conducted for a county of that
18 nature versus LA County?

19 MR. YEUNG: I -- I'd be more than happy --
20 if I may, I'd be more than happy to address that.

21 With a county of that size, we all -- the
22 basic rules of engagement are about the same.

23 What we do is we send -- before we go, we
24 send them a list of documents that we would -- that
25 we would need in order to do so.

1 But -- and then we schedule a time where we
2 show up, now that we're going back to live, in-person
3 type of surveys.

4 Prior to this last two years we've been
5 doing it mostly all remotely and virtual, and
6 remotely by computer or by phone.

7 But with the smaller counties, the main
8 difference is we are very sensitive to our folks
9 coming into their office. Our presence is more of a
10 disruption for the smaller counties.

11 As you've already mentioned, Sierra is
12 amongst the smaller counties. Alpine is probably the
13 smallest. They have a staff of like three-and-a-half
14 [inaudible].

15 When we send our staff in, we double the
16 size of their office. And our footprint can be an
17 issue.

18 So we take particular care in scheduling and
19 having our folks go in and asking for documentation
20 and whatnot. We try to always tailor it to the
21 county in which we are -- in which we are surveying.

22 MR. GAINES: Great. Thank you.

23 MR. YEUNG: Of course.

24 MR. GAINES: I know Assessor Marshall does a
25 good job up there with limited resources.

1 MR. YEUNG: Absolutely.

2 MR. GAINES: I know we talked a little bit
3 earlier about the grant moneys available. And that's
4 an example right there where they were able to
5 maximize grant money to upgrade some of their
6 technology within their office.

7 So I just want to highlight that.

8 Thank you.

9 MR. YEUNG: That's fantastic.

10 Thank you.

11 MS. COHEN: All right.

12 Let's keep going with this next subitem.

13 MS. CICHETTI: Yes.

14 The next subitem is Appraisal Training and
15 Certification, presented by Ms. Schultz.

16 MS. SCHULTZ: I will now provide a brief
17 report on the BOE'S appraisal training and
18 certification program.

19 Since our last Board Meeting, we have taught
20 two more virtual classes of our most requested
21 courses.

22 So far during calendar year 2022 we have
23 taught a total of 8 virtual classes, and trained a
24 total of 248 students.

25 This time last year we taught our first two

1 former in-person week-long training courses in a
2 virtual format.

3 Thus, having taught eight virtual classes
4 this year, we are well on our way to surpassing what
5 we accomplished last year.

6 In addition, BOE staff sent out the annual
7 training needs questionnaire to all 58 county
8 assessors, training coordinators last month in order
9 to provide the BOE with their training needs for the
10 coming 2022/23 fiscal year.

11 BOE staff will be getting together this
12 month to go over those returned questionnaires and
13 determine the training schedule and locations for the
14 upcoming fiscal year.

15 Our plan is to provide some in-person-taught
16 classes, some virtually-taught classes, and some
17 short one-to-three virtually taught -- excuse me --
18 one-to-three hour virtually-taught workshops on
19 specialized topics such as mineral property,
20 California Land Conservation Act properties, and
21 taxable possessory interests.

22 To accomplish this, we plan on utilizing
23 existing BOE training staff and other certified BOE
24 staff from other sections within our office, as well
25 as partnering again with assessor staff that we have

1 certified as BOE trainers to teach our courses.

2 We will also continue to offer our existing
3 online training courses available through American
4 River College and California State University
5 Sacramento, as well as our online courses available
6 on the BOE's website, plus our self-study training
7 sessions also available on the BOE's website.

8 With this combination of different types of
9 teaching formats being offered and utilizing more
10 staff from other sources, we anticipate being able to
11 surpass the number of courses offered, and the number
12 of students taught, not only as compared to last
13 year's numbers of 18 classes and 578 students, but
14 also as compared to the numbers reached in 2019,
15 which were 22 classes and 636 students.

16 This concludes my report on training and
17 certification.

18 I'm available to answer any questions you
19 may have.

20 MS. COHEN: Looks like -- looks like there
21 are no questions.

22 Thank you.

23 MS. CICHETTI: Next subitem is Assessment
24 Practices Surveys, presented by Ms. Cooper.

25 MS. COOPER: Good afternoon, Chair Cohen and

1 Honorable Board Members.

2 I am Holly Cooper, Principal Property
3 Appraiser of the BOE's Assessment Practices Survey
4 Unit.

5 Today I will be giving you a brief report on
6 the assessment practices surveys.

7 For calendar year 2022 we have issued a
8 total of three assessment practices survey reports
9 via Letters to Assessor for the following counties:

10 Santa Barbara and Alameda Counties in
11 District 2, and Sierra County in District 1.

12 In addition to these three counties, we are
13 actively working on 11 -- sorry -- completing surveys
14 and/or samples for 11 other counties: six in
15 District 1; three in District 2; one in District 3;
16 and one in District 4.

17 This includes Stanislaus County in
18 District 1, which was published last week.

19 Due to the recent publication date, it was
20 not included in the Letters to Assessors memo
21 provided by the Assessment Services Unit; however, it
22 will be included in next month's report.

23 The other survey and/or samples are in
24 various stages of production. Once completed, a copy
25 of the report is provided to each of the

1 Board Members and their office for preview before it
2 is issued and posted to our website via an LTA.

3 Staff will continue to conduct their surveys
4 and samples remotely for the next two months;
5 however, part of our process improvement plan, we
6 will be transitioning our staff over to a more hybrid
7 plan for conducting the surveys and samples for the
8 upcoming 2022/23 fiscal year.

9 As staff begins to travel again, we will go
10 back to conducting our surveys in person; however, we
11 will continue to collect some information remotely as
12 deemed appropriate, as we have found that some things
13 are more efficient and less impactful to the assessor
14 when being collected remotely.

15 We plan to work closely with each assessor
16 and their staff to determine the best way to conduct
17 each survey and how to collect the necessary
18 information in the least impactful way.

19 In addition to implementing this hybrid plan
20 of conducting the surveys and/or samples, BOE staff
21 has implemented other changes to the program. Not
22 only to improve inefficiencies, but also to provide
23 more meaningful training to BOE staff.

24 We have refocused our scope on the more core
25 topics of the survey, so BOE senior staff have the

1 ability, as subject matter experts, to train, develop
2 and mentor new staff as they come on board.

3 As a result of these process improvements,
4 BOE staff have been able to reduce the total survey
5 and sample production time, which has been a
6 necessity, with the reduction of the statutory
7 deadline to issue our findings going from two years,
8 then to 15 months, and now down to 12 months.

9 This has also allowed us to reduce the
10 backlog of surveys and/or samples that we acquired
11 during the COVID-19 pandemic, as we are able to
12 conduct more surveys and/or samples all at the same
13 time.

14 Once our backlog has been completed and
15 staff fully trained to provide more subject matter
16 experts, we will expand the scope of our surveys once
17 again to include the more specialty topics, such as
18 CLCA properties, and taxable possessible interest.

19 MS. COHEN: I'm sorry, what are CLCA
20 properties?

21 MS. COOPER: It is the California Land
22 Conservation Act.

23 MS. COHEN: Okay.

24 MS. COOPER: This concludes my report on
25 assessment practices surveys.

1 I'm available to answer any questions you
2 may have.

3 Thank you.

4 MS. COHEN: Thank you.

5 Do you have a question?

6 Go ahead.

7 MR. GAINES: Yeah.

8 It's great to hear that the survey process
9 has been shortened and become more efficient.

10 And that is the result of more hiring within
11 your Department?

12 I mean, is that a portion of it that you
13 have more staff? Or is it a complete rewriting of
14 the survey -- survey process?

15 MS. COOPER: It's just improving the process
16 plans.

17 We do have staff, but we have some vacancies
18 in surveys to fill.

19 MR. GAINES: Okay. Good. Well, that's good
20 news.

21 MS. COOPER: Yeah.

22 MR. GAINES: Thank you, Ms. Cooper. I
23 appreciate it.

24 MS. COOPER: You're welcome.

25 MS. COHEN: Mr. Vazquez.

1 MR. VAZQUEZ: Just a quick one.

2 You know, as you're mentioning, I was just
3 wondering if you're noticing a good flow, especially
4 with the new hires, that are attending some of these
5 statewide, you know, classes that you're talking
6 about earlier.

7 MS. COOPER: We do -- do you want go ahead,
8 or --

9 MR. YEUNG: I'd be more than happy to
10 answer.

11 MS. COOPER: Thank you.

12 MR. YEUNG: Thank you.

13 If you're asking about our -- our new hires
14 and how we're -- how we're building them in, our --
15 we are fully aware that our -- in order to have
16 somebody walk into our door, even with some
17 experience, it's a two-to-three year process before
18 they are full journey level and able to function on
19 their own.

20 So we've invested very heavily in our new --
21 in our new staff in training, resources, time, time
22 mentoring with senior staff and our supervisors.

23 So they're folding in really well. We're
24 really happy with the progress we've made. We've
25 picked up a couple of folks that I think will be

1 rising stars. So I think -- I think we're doing
2 really well.

3 I hope that's responsive to your question.
4 If not, I'd be more than happy to readdress it.

5 MR. VAZQUEZ: No. I figured it's going to
6 be a little bit of a lengthy process, especially with
7 some of the new ones that are coming from the
8 outside.

9 MR. YEUNG: Absolutely.

10 MR. VAZQUEZ: But I was just curious to see
11 how that's going.

12 MR. YEUNG: It's going really well.

13 We've -- what we've been able to do is
14 with -- up until about maybe last quarter, we've been
15 able -- we've been having a very good result in our
16 recruitments.

17 So we've been getting some really -- not
18 only the quantity of applicant, but the quality of
19 applicants have been improved.

20 So we're hoping to build on that.

21 MR. VAZQUEZ: Great to hear.

22 Thank you.

23 MR. YEUNG: Of course.

24 MS. COHEN: Any other questions, colleagues?

25 Okay. Let's continue with the agenda.

1 MS. CICHETTI: The next subitem is
2 State-Assessed Property Presentation by Mr. McCool.

3 MR. McCOOL: Good afternoon, Chair Cohen and
4 Honorable Members.

5 My name is Jack McCool, Chief of the
6 State-Assessed Properties Division.

7 Today I will provide information on the
8 status of ongoing work in our division.

9 The annual state assessee property
10 statements were due on March 1st. Any state
11 assessees requested, and were granted extensions to
12 the filing deadline.

13 SAPD staff are diligently working on
14 completing the unitary appraisals, and our staff are
15 currently working at full capacity.

16 We continue to engage with assessee
17 representatives, and we will continue to make
18 ourselves available to discuss issues and meet with
19 assessees as needed.

20 Our Tax Area Services Section, also known as
21 TASS, is close to completing processing work for all
22 jurisdictional boundary changes for the current
23 year.

24 TASS has already transmitted process changes
25 to the counties on two occasions this year, and will

1 shortly be transmitting the final boundary change
2 information, as well as the final tax rate area data
3 for the current year.

4 And just as a reminder, each tax rate area
5 comprises a unique combination of revenue districts.

6 TRAs are used primarily by county assessors
7 and county auditors for the allocation, collection
8 and distribution of property tax revenue in the
9 state.

10 Our Tax Area Services Section is responsible
11 for maintaining and reporting all changes to
12 jurisdictional boundaries of revenue districts.

13 Thank you, Members. That concludes my
14 report for this month.

15 And as always, I'm available to answer any
16 questions.

17 MS. COHEN: Thank you, Mr. McCool.

18 Colleagues, questions?

19 Nope?

20 All right.

21 MS. CICHETTI: All right.

22 MR. McCOOL: Thank you.

23 MS. CICHETTI: The last subitem for this
24 item is Welfare Exemption Process Improvement Plan,
25 which will be presented by Ms. Keach.

1 MS. KEACH: Good afternoon, Chair Cohen and
2 Honorable Members of the Board.

3 My name is Lauren Keach, and I'm the manager
4 of the Welfare Exemption Section of the Property Tax
5 Department.

6 Today I will provide you with an update on
7 the Welfare Exemption Supplemental Clearance
8 Certificate Process Improvement Project.

9 Our purpose for the project is to streamline
10 the SCC process for claimants seeking to exempt
11 low-income rental housing from property taxation.

12 We have identified opportunities for
13 improvement and ways to increase efficiency when
14 processing SCC claims.

15 We've completed our examination of the
16 application process. The checklist and claim form
17 are revised and are available on the BOE website for
18 claimants to utilize.

19 The examination process considered common
20 reasons for an incomplete claim that can delay
21 approval, and incorporated discussions with taxpayers
22 to provide insight on necessary revisions to
23 accomplish our goal of providing a more clear and
24 user-friendly application process.

25 We will continue to keep record of common

1 reasons involved in incomplete claims following the
2 newly-implemented form revisions, and make necessary
3 adjustments to ensure the success of this component
4 of the project.

5 Upon completion of the application process
6 we moved onto our examination of the claims process
7 with the goal of simplifying and modernizing our
8 procedures to increase efficiency.

9 We began with phase one, which was a review
10 phase, and analyze each step of the claims-reviewing
11 process that's required to grant an SCC, as well as
12 conducted a thorough review of our procedures to
13 identify opportunities for improvement.

14 Then we progressed to phase two of the
15 claims process, which was the design plan phase.

16 Our analysis revealed areas in our procedure
17 that are outdated, and we examined ways to update and
18 streamline these areas.

19 We have improved our procedure by
20 transitioning from a paper-driven format to an
21 electronic format for processing claims.

22 We are now in phase three of the claims
23 process, which is the execute phase, and have begun
24 phase one of the approval process.

25 In our review of the approval process, we

1 are analyzing each step of the claim's approval
2 process that's required to grant an SCC, and
3 examining our procedures for necessary improvements.

4 We are working toward a solution for
5 claimants to provide documents electronically to
6 relieve the inconvenience and delays caused by
7 mailing, and, in turn, increase efficiency in the
8 approval process.

9 This modernization to our procedure
10 considers district feedback and suggestions we have
11 received from taxpayers regarding the burdens of
12 mailing claims and supporting documents.

13 I'm glad to report that we are making good
14 progress as staff is working diligently and remain
15 dedicated to this project.

16 Lastly, this project will also include an
17 analysis of our available resources for taxpayers.

18 Currently, our Welfare Exemption webpage
19 provides general information on filing requirements,
20 and frequently asked questions on the Welfare
21 Exemption and Veterans' Organizations Exemption. But
22 we believe further review and revisions of the
23 webpage are warranted to provide more information
24 regarding the application process, as well as the
25 filing requirements.

1 We also plan to expand our current FAQs on
2 our website to provide more questions and answers
3 that are specifically related to supplemental
4 clearance certificates.

5 This part of the project will be tackled
6 once we've completed our review plan and execution of
7 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 ensure that the
13 Board Members are kept informed.

14 Members, this concludes my presentation.

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

17 MS. COHEN: Thank you, Ms. Keach.

18 Colleagues, any questions for Ms. Keach?

19 Mr. Vazquez?

20 Mr. Gaines?

21 MR. VAZQUEZ: Just one quick one.

22 Thank you for the report.

23 And I was wondering, as you were gathering
24 consensus on, especially on these issues recommended
25 for changes, what were some of the issues that were

1 consistent coming from the stakeholders?

2 MS. KEACH: Some of the consistent issues
3 were the -- the incomplete claims that we received.
4 So having to amend documents and resubmit documents.

5 And then the frequent requests for
6 expediting, and those delays that are caused on
7 incomplete claims.

8 So that's really the main focus, how to
9 streamline these areas with the overall goal of this
10 project.

11 MR. VAZQUEZ: Do you think some of the
12 trouble was in terms of the electronic format? You
13 know, how much of that might have played into this
14 thing?

15 Because I know some of the counties are
16 having, still, a tough time with the technology.

17 MS. KEACH: You mean the updated electronic
18 format?

19 MR VAZQUEZ: The updated. The updated.

20 MS. KEACH: The electronic format is most
21 updated internally as far as our processing claims
22 electronically to increase efficiency and processing
23 on our end.

24 But the forms are still completed and
25 submitted in the mail as of this point.

1 MR. VAZQUEZ: Thank you.

2 MS. KEACH: Thank you.

3 MS. COHEN: Mr. Gaines.

4 MR. GAINES: Yeah.

5 Thank you, Ms. Keach, with your
6 presentation. I appreciate it.

7 Because I've had a few complaints
8 historically with these Welfare Exemptions and
9 nonprofits trying to get their applications filled
10 out correctly.

11 But it sounds like, you know, that's
12 changing, because it's going electronic. And I guess
13 those are internal electronic changes.

14 MS. KEACH: Correct. Yes.

15 MR. GAINES: It's not user -- it's not a
16 electronic userbase, or something of that nature.

17 And that the backlog, my recollection is the
18 backlog is improving?

19 MS. KEACH: Yes, we are improving the
20 backlog. And that's part of this process as well.

21 MR. GAINES: Great.

22 MS. KEACH: And we're speeding up the
23 processing on our end, which, in turn, improves the
24 backlog.

25 MR. GAINES: Good.

1 And how about staffing?

2 From a -- I don't know if that should go
3 through the director or not, but are -- is -- are you
4 properly staffed in your Department in terms of
5 getting the workload done?

6 MS. KEACH: I'm happy to report we are
7 constantly filling vacancies. And we've had recent
8 promotions within the unit. So we're happy to retain
9 staff and see them work their way up in the unit, and
10 increase their knowledge.

11 MR. GAINES: Good.

12 MS. KEACH: So we're trying to bring new
13 staff in and continue to promote from within.

14 MR. GAINES: Wonderful. That's great.
15 Thank you.

16 MS. KEACH: Thank you.

17 MS. COHEN: All right. Thank you.

18 Ms. Cichetti.

19 MS. CICHETTI: We're ready to take public
20 comment on these items.

21 We have not received any requests for any
22 in-person speaker, and no written comments have been
23 received -- have been received on this item.

24 We will be going to the AT&T moderator.

25 AT&T moderator, please let us know if there

1 is anyone on the line who would like to make a public
2 comment regarding these items at this time.

3 AT&T MODERATOR: Thank you.

4 Ladies and gentlemen, if you would like to
5 make a public -- public comment at this time, please
6 press one, then zero on your touch-tone phone.

7 Once again, if you would like to make a
8 comment, please press one, then zero on your
9 touch-tone phone.

10 And, again, ladies and gentlemen, if you
11 wish to make a comment, please press one, then zero.

12 At this time, I have no one queued up.

13

14 **ITEM K4a**

15

16 MS. CICHETTI: Our next item is K4a,
17 Legislative, Research & Statistics Division's Chief's
18 Report; Legislative Issues: Update on the
19 administrative and program-related legislative bills
20 impacting the BOE.

21 This item will be presented by
22 Mr. Weatherby.

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

1 I'm Dustin Weatherby, I'm Chief of the
2 Legislative, Research & Statistics Division.

3 So, Board Members, prior to moving to the
4 PAN attachment, I will highlight a few upcoming
5 legislative deadlines in the next steps for the
6 legislative budget process.

7 The Legislature reconvened last week from
8 the annual spring recess and had begun legislative
9 work.

10 There are several legislative deadlines
11 coming up for the month of May, but I'm only going to
12 highlight a couple of the upcoming deadlines.

13 A complete list of legislative deadlines in
14 May are included in the weekly legislative summary
15 e-mail to your office.

16 The first legislative deadline is this
17 Friday, April 29th, which is the Policy Committee
18 deadline for fiscal bills introduced in their house.

19 Next is the May 6th committee -- Policy
20 Committee deadline for non-fiscal bills introduced in
21 our house, and ultimately the May 27th House of
22 Origin deadline for bills introduced in their house
23 in 2022.

24 Another significant legislative item is the
25 upcoming May budget revision.

1 As you know, the governor introduced the
2 state's proposed 22-23 fiscal year budget in January.

3 Soon the governor will release a new
4 proposed budget called the May Revision, which
5 considers new revenue figures and cost estimates
6 based on the latest economic forecast, changes in
7 population, and expenditures for programs.

8 The May Revision is traditionally released
9 from early to mid-May, and is the starting point for
10 budget negotiations between the Administration and
11 the Legislature.

12 The Legislature will then begin the budget
13 process -- budget hearing shortly after the release
14 through the month of May.

15 And the Legislature must pass the budget by
16 midnight on June 15th.

17 And, typically, the Governor has 12 working
18 days to sign the budget bill.

19 If any substantiative statutory law must be
20 amended in order to implement the budget, then these
21 statutory changes must be approved by the Legislature
22 and are included in pieces of legislation known as
23 budget trailer bills.

24 These items typically trail the main budget
25 that has been signed by the Governor.

1 So, Board Members, I'm going to move on to
2 the PAN attachment, which includes a summary of the
3 legislation affecting the Board of Equalization that
4 is still pending the Legislature.

5 To date, no bills have been introduced or
6 amended relating to the implementation of
7 Proposition 19.

8 The only measure pending is Assembly
9 Constitutional Amendment 9 by Assemblymember
10 Kevin Kiley, which seeks to repeal several provisions
11 of Proposition 19 regarding intergenerational base
12 year transfer exemptions, and instead reinstate the
13 prior roll.

14 This bill has not been referred to
15 committee, and the last day for the Legislature to
16 place a measure on the November 2022 general election
17 ballot is June 30th.

18 And then over the past months the BOE has
19 collaborated with the California Department of Tax
20 and Fee Administration to include a five-year sunset
21 extension for the alcoholic beverage tax offer and
22 compromise program, and the proposed language will be
23 included in the CDTFA offer and compromise omnibus
24 bill.

25 Currently this language is not in print, so

1 it's not listed on the PAN in front of you.

2 So the first bill I want to highlight is
3 Senate Bill 1494 by the Senate Governance and Finance
4 Committee, which contains one of the Board's
5 sponsored legislative proposals to amend Revenue and
6 Taxation Code Section 97.68 relating to the sales tax
7 augmentation fund to correct references of Board of
8 Equalization to the California Department of Tax and
9 Fee Administration.

10 The bill passed the Senate Governance and
11 Finance Committee on April 20th, and is currently on
12 the Senate's consent calendar.

13 The next bill is Assembly Bill 1206 by
14 Assemblymember Bennett, which will require that a
15 rental unit continue to be treated as occupied by a
16 lower-income household when the income of those
17 occupants increases up to 140 percent of the area's
18 median income.

19 If the owner is a community land trust whose
20 land is leased to low-income households for fiscal
21 years 2022/23 through '27/28.

22 The Board voted at the February Board
23 Meeting to support AB 1206. The bill passed the
24 Assembly January 31st, and is still pending a
25 referral to a Senate committee.

1 The final bill I want to highlight is
2 Assembly Bill 1733 by Assemblymember Quirk, which
3 would provide the flexibility for State agencies to
4 hold meetings via teleconference.

5 And it has been double referred to the
6 Assembly Governmental Organization Committee, and the
7 Assembly Business and Professions Committee.

8 The bill was set for hearing on April 20th
9 in the Assembly GL Committee, but it was removed from
10 the committee's agenda.

11 The bill was double referred, and must pass
12 both committees by the April 29th Policy Committee
13 deadlines for fiscal bills.

14 So this will conclude my presentation on
15 this item, and I'm available to take any questions
16 you may have.

17 Thank you.

18 MS. COHEN: Yes.

19 MR. VAZQUEZ: Thank you for your report and
20 your updates.

21 I was just -- my question is regarding
22 AB 1933, the Freeman Bill. And I understand the bill
23 will expand the Welfare Exemption for -- to
24 owner-occupied residents sold only to low-income
25 first-time home buyers, provided the home is owned

1 and operated by a nonprofit corporation that is
2 organized to build and rehabilitate residents,
3 subject to a 45-year record agreement per section
4 214.15.1.

5 Have we or other agencies produced any data
6 estimating how many home buyers would benefit under
7 this bill if it was to pass?

8 MR. WEATHERBY: Thank you for that question,
9 Board Member.

10 So the BOE doesn't have any data specific to
11 how many units would be created.

12 In the legislative analysis of AB 1933 that
13 was just released this morning, the bill sponsors did
14 provide us with some data on 11 developments that
15 they've produced in Los Angeles County.

16 And then staff went through those eleven
17 developments and chose three developments applied
18 only to low-income households. And then kind of
19 provided a revenue estimate based upon if that bill
20 was in effect, how many, you know, what would the
21 local property tax estimate be.

22 But there's -- there's no data out there
23 that we can forecast on how many units will be
24 created.

25 MR. VAZQUEZ: Okay. Thank you.

1 MS. COHEN: Any other questions on this item
2 on my left?

3 No.

4 The AB 1206, Bennett, affordable housing,
5 although we passed -- we voted to pass it last month,
6 I'm wondering what happens.

7 So a family, basically, once they hit the
8 140 AMI threshold, are they forced out of the unit
9 and have to find housing someplace else?

10 MR. WEATHERBY: So, no. So what would
11 happen is the developer of the nonprofit that owns
12 the housing, they would be denied the Welfare
13 Exemption from applying for that unit.

14 So if --

15 MS. COHEN: Okay. Hold on.

16 So how do we prevent or discourage the
17 developers from pushing out that tenant --

18 MR. WEATHERBY: I -- I don't --

19 MS. COHEN: -- or creating displacement?

20 MR. WEATHERBY: I don't -- I can't speak to
21 that, as that's a local issue when it comes to county
22 assessors and administering the exemption.

23 But when it comes towards, you know, forcing
24 tenants out of housing, that's not within the
25 jurisdiction here at the BOE. So I don't know if we

1 can have any sort of fix on that.

2 MS. COHEN: I'm not looking necessarily to
3 have a fix, and I understand it's not necessarily in
4 the jurisdiction, but anything that we set into
5 motion, right?

6 For every action, there's an equal and
7 opposite reaction. I just want to make sure we're
8 not inadvertently creating or exacerbating the
9 homeless crisis.

10 But I could -- I see that I should probably
11 contact the sponsor of the bill to cans -- they would
12 have the level of detail that I'm asking.

13 MR. WEATHERBY: Yeah.

14 The exemption itself would only be denied to
15 the actual taxpayer. But the individuals that live
16 in the unit wouldn't be forced out of the unit.

17 MS. COHEN: Right. Understood.

18 MR. WEATHERBY: I mean, for example, if you
19 think of an example where you have maybe a
20 four-member household, and it's, you know, two kids,
21 and one of the partners gets a job.

22 MS. COHEN: Mm-hm.

23 MR. WEATHERBY: And then they go over that
24 140 percent income, what's going to happen is when
25 the audit is done on that particular taxpayer, and

1 the county assessor comes back and sees that, let's
2 say, 50 percent of the units were rented to below
3 140 percent, and there's a couple that went above,
4 they just remove the exemption from the tax from
5 applying to those units. So then the taxpayer would
6 just pay the additional tax on it.

7 MS. COHEN: Right. I understand that.

8 But I also understand a little bit about how
9 the affordable housing world also works, and they
10 wouldn't be too happy to be paying taxes on units
11 that they anticipated on paying either no or very low
12 taxes on.

13 So I'm wondering if they would develop some
14 kind of internal policy or policy that would -- that
15 would move people on.

16 This is not an answer -- this is not a
17 question that I expect you to have the answer to.
18 It's more like a rhetorical question on my part.

19 Just wanted to see if maybe you could point
20 me in the direction of the answer.

21 But I think what I'll do is just go back to
22 the sponsor and talk to the sponsor.

23 MR. WEATHERBY: I would say the bill
24 sponsor --

25 MS. COHEN: Yeah.

1 MR. WEATHERBY: -- or the Legislature.

2 MS. COHEN: Yeah.

3 MR. WEATHERBY: As they can -- they have the
4 policy implications and the considerations to make
5 them.

6 MS. COHEN: Perfect.

7 Who else is supporting this -- the, what is
8 this, AB 1206? Where else does the support lie?

9 MR. WEATHERBY: To be honest, I have not
10 looked at the support list for the legislative
11 analysis that was released by the committee.

12 MS. COHEN: Was it long and exhaustive, or
13 was it just you don't recall?

14 MR. WEATHERBY: I just don't recall off the
15 top of my head.

16 MS. COHEN: Okay. All right. Perfect.

17 All right. Thank you. I appreciate your
18 presentation, very thorough and thoughtful.

19 Any other -- yes, Senator.

20 MR. GAINES: Just to clarify on the
21 exemption itself, can you capsulate what happens to
22 the exemption as a result of a legislation?

23 It increases, does it not, so that there's
24 more potential candidates that can qualify for a unit
25 within an apartment complex?

1 MR. WEATHERBY: Yeah. Correct.

2 So for other entities that aren't CLTs,
3 there's already that 140 percent AMI income limit for
4 tenants. So this particular bill just brings parody
5 to CLTs and the Welfare Exemption for renting.

6 So if this bill was to be signed, if a CLT
7 has a bunch of tenants who meet the qualifications
8 above 80 percent, below that 140 percent, they would
9 qualify for that exemption.

10 MR. GAINES: Okay.

11 MR. WEATHERBY: And so when it gets -- when
12 the county assessors come back through and start to
13 administer the exemption, those units that would
14 qualify would be eligible for the exemption, which
15 would then, you know, reduce the tax liability that
16 the taxpayer would have.

17 MR. GAINES: Okay.

18 So speaking to the question of the Chair, at
19 least on one aspect of it, if you were at 80 percent,
20 and the exemption increased to 140, you would prevent
21 disruption of someone having to move out of their
22 unit as a result of the passage of this legislation?

23 Am I understanding that clearly?

24 If it went from 80 to 140?

25 MR. WEATHERBY: That's for the income of the

1 household. That's not necessarily for the exemption.

2 MR. GAINES: Okay.

3 MR. WEATHERBY: So if the household income
4 increases from 80 percent of AMI to 140 percent,
5 they're now going to qualify for the exemption.

6 MR. GAINES: Right.

7 MR. WEATHERBY: So it expands it in that
8 way.

9 MR. GAINES: Right.

10 MR. WEATHERBY: Once a tenant, if they were
11 to go beyond that 140 percent, I don't know if
12 there's anything in the legislative language that
13 would prevent a current CLT from, you know, quote,
14 unquote, evicting that tenant.

15 MR. GAINES: Right.

16 MR. WEATHERBY: I think that -- I think
17 that's a policy consideration that the Legislature
18 will have to contemplate.

19 MR. GAINES: That's right. Okay. All
20 right.

21 But it would help those at that -- in that
22 inbetween threshold, the above 80 below 140.

23 MR. WEATHERBY: Yeah. The exemption for the
24 taxpayer would -- would apply between that 80 to 140
25 percent.

1 MR. GAINES: Right. Right.

2 MR. WEATHERBY: Correct.

3 MR. GAINES: Which would ultimately help
4 tenants, because the exemption's given to the
5 taxpayer, which would be the owner of the apartment
6 complex.

7 MR. WEATHERBY: Correct.

8 MR. GAINES: Right?

9 They'll be able to provide more units to
10 folks in that category.

11 I'm just trying to clarify it in my mind.

12 Thank you.

13 MR. WEATHERBY: You're welcome.

14 MS. COHEN: All right. I think we can move
15 on.

16 Thank you.

17 MS. CICHETTI: We're ready to take our
18 public comments.

19 We have not received a request for any
20 in-person speaker, and no written comments on this
21 item. But we will be going to the AT&T moderator.

22 AT&T moderator, please let me know if there
23 is anyone on the line who would like to make a public
24 comment concerning this item.

25 AT&T MODERATOR: Thank you.

1 and outreach to keep you informed.

2 Our agency's advocate, Lisa Thompson,
3 extends her apologies for not being able to attend
4 today, as she is attending an Assessors' Association
5 conference.

6 First, I would like to share with you some
7 statistics on the number of taxpayers, cases
8 completed by the Taxpayers' Rights Advocate Office
9 last month, and provide some insight on the types of
10 cases we handled.

11 In March 2022 we completed 22 cases: four
12 were in Board Member Gaines' District 1; eleven in
13 Board Member Cohen's District 2; three were in
14 Board Member Vazquez's District 3; and four were in
15 Board Member Schaefer's District 4.

16 Of the 22 cases completed, 4 were from the
17 administrative category, and 18 were in the valuation
18 category.

19 The administrative category includes topics
20 such as creating and mailing tax bills, refunds,
21 penalty cancellation, defaulted taxes, access to
22 data, special assessments, and direct levees on the
23 property tax bill.

24 The valuation category includes topics such
25 as change in ownership, declines in values, appraisal

1 methodology, exclusions, exemptions, new
2 construction, actual enrollment of values, general
3 property taxation, and assessment appeals.

4 With respect to the four cases in the
5 administrative category, one case involved defaulted
6 or delinquent property taxes, two pertained to
7 creating and mailing tax bills, and one involved
8 penalty cancellation.

9 We assisted the taxpayers by coordinating
10 with the tax collector's office regarding their
11 payments, providing information on the laws requiring
12 tax collector's office to add penalties if payment
13 are not made timely, as well as information about
14 penalty cancellation request.

15 For the taxpayers with defaulted taxes, we
16 help them understand the availability of payment
17 plans before taxes have been delinquent for five
18 years, and the laws require a tax collector to sell
19 property if taxes were defaulted for more than five
20 years.

21 Our office also provided information on what
22 the taxpayer needed to do in order to redeem the
23 property to avoid having the property sold at a tax
24 sale auction.

25 With respect to the valuation category and

1 its 18 cases in total, three pertain to change in
2 ownership, five cases addressed exclusions for
3 reassessment, in which three pertained to the base
4 year value transfer exclusions for persons aged 55
5 and over, one for the base year value transfer for
6 disaster relief, and one case pertaining to the
7 parent-child exclusion.

8 Five cases involved exemptions, three
9 pertained to the Welfare Exemption, one pertained to
10 the Homeowners' Exemption, and one pertaining to the
11 Disabled Veterans' Exemption.

12 Two cases pertained to the actual enrollment
13 of values, one case involved general property
14 taxation, and two pertained to assessment appeals.

15 For the change in ownership cases, the TRA
16 office provided information about what a change in
17 ownership means for California tax purposes, what
18 types of transfers can result in a change of
19 ownership for property tax purposes, and how
20 assessors become aware of transfers through recorded
21 documents.

22 Additionally, we were provided information
23 explaining how transfers of ownership interest in a
24 legal entity, such as a corporation, can result in
25 reassessment of entities real property.

1 In one case we coordinated with assessor's
2 office to understand why its office reassessed the
3 property for a change in ownership 20 years ago
4 instead of a more recent transfer.

5 The assessor's office indicated that while
6 examining a current affidavit of death for one of the
7 partners in a partnership, it was discovered there
8 was a previous death for one of the partners that
9 caused a changed in ownership of the partnership
10 under Revenue and Taxation Code 64(d).

11 We reviewed the information to confirm a
12 reassessable change occurred, and provided
13 information to the taxpayer to help them understand
14 the impact of transfers of ownership interest in a
15 legal entity, and the importance -- and the
16 importance of -- to timely report transfers or legal
17 entities that result in a change in control or
18 ownership in accordance to the law.

19 Additionally, we provide information on the
20 statute of limitations for escaped assessments.

21 With respect to the four cases involving
22 base year value transfers, three pertaining to the
23 laws in place currently under Proposition 19, and one
24 was under the prior law due to the transaction date.

25 Three of these cases were for base year

1 value transfers for persons age 55 and over, with the
2 other case being a base year value transfer due to
3 disaster.

4 In one case the taxpayer approaches their
5 intended replacement property and sold the original
6 before the April 1, 2021 effective date of
7 Proposition 19.

8 So in order to qualify for the base year
9 value transfer, they would have needed to meet the
10 qualifications under Proposition 90 and Revenue and
11 Taxation Code Section 69.5.

12 Unfortunately, they did not qualify, because
13 the property was located in a county that did not
14 have an ordinance in place accepting the base year
15 value transfers from other counties.

16 The TRA office explained the requirements of
17 the base year value transfer provisions of
18 Proposition 60 and 90 that were in place prior to the
19 April 1, 2021 effective date of Proposition 19, as
20 well as the provisions for a base year value transfer
21 under Proposition 19.

22 We helped the taxpayer understand that there
23 were only ten counties in the state allowing
24 intercounty transfers. It is those from other
25 counties under section 69.5.

1 We also advised the taxpayer that if they
2 wanted to take advantage of the base year value
3 transfer provisions of Proposition 19, they could buy
4 another property, as long as it was within two years
5 of the sale of their original property.

6 In another case the taxpayer was concerned
7 about the timing of processing their application for
8 base year value transfer under Proposition 19,
9 because they needed to pay the property taxes on the
10 higher value while waiting for the assessor's office
11 to process their base year value transfer claim.

12 We explained to the taxpayer that although
13 Proposition 19 was approved by the voters in
14 November 2020, implementing legislation for
15 Proposition 19 was not passed until September 30,
16 2021, and that most assessor's offices had a high
17 value of claims.

18 We explained that the amount on the 2021
19 property tax bill represents the property's assessed
20 value as of the January 1 lien date, which was that
21 of the prior owner's, and that roll change -- and
22 that roll change cannot be changed.

23 We explained that once the base year value
24 claim was approved, the assessor would issue a
25 negative supplemental assessment for the difference

1 between the amount on the assessment roll and the
2 amount determined to be the new taxable value on the
3 current roll on the replacement property, considering
4 the factored base year value transferred for their
5 original property, and any excess market value of the
6 replacement property that is over the original
7 property.

8 The assessor would then transmit information
9 to the county auditor's office to adjust the second
10 installment of the tax bill or refund amounts paid.

11 Additionally, we advise the taxpayer that we
12 had coordinated with the assessor's office to confirm
13 receipt of the base year value claim, and checked on
14 the status of its processing.

15 We helped the taxpayer understand that there
16 are additional steps that must be taken when the
17 original property is located in a different county
18 than the replacement property. And the replacement
19 county must obtain a value certification from the
20 other county to obtain the original property's
21 factored base year value and its market value for the
22 date of sale.

23 Because the assessor's office said they were
24 just now processing the claim, we suggested the
25 taxpayer wait to pay their second installment closer

1 to the delinquency date. And that it was possible
2 that the tax bill would be adjusted by then, so the
3 taxpayer should review the tax collector's
4 information online before submitting payment.

5 The third base year value case involved
6 demonstration that the taxpayer was living in the
7 original property as a principal residence within two
8 years of the purchase of the replacement.

9 We helped the taxpayer understand that it
10 was not required that the original property had to be
11 granted the homeowner's exemption, or that it had to
12 be eligible for it, and provided information as to
13 the various ways taxpayer can demonstrate to the
14 assessor that they were living in the property within
15 two years of buying the replacement property.

16 With respect to the fourth and last base
17 year value case, it pertained to a taxpayer's denial
18 of a base year value application from a property
19 destroyed in Butte County's Paradise fire to a
20 property he purchased in neighboring Glenn County.

21 We looked into the situation and determined
22 that he made the purchase before Glenn County had
23 adopted an ordinance accepting base year value
24 transfers from other counties under Proposition 110.

25 We explained the requirements to qualify for

1 the base year value transfer, and that although
2 Glenn County had adopted an ordinance accepting
3 disaster based -- base year value transfers from
4 other counties, unfortunately it was not effective
5 until after the taxpayer had purchased the
6 property.

7 We further explained that if he decided to
8 rebuild the property on the same site of his former
9 home that had been destroyed in the fire, or buy
10 another home in Butte County within five years of the
11 disaster, he would qualify for base year value
12 transfer under the disaster provisions.

13 The final exclusion case pertained to the
14 parent-child exclusion. In this case the taxpayer
15 had inherited property as a result of her mother's
16 death, but she was not aware she needed to advise the
17 assessor of the change in ownership within 150 days
18 within the date of death, and record the affidavit of
19 death into the title of the property, and file a
20 claim to receive the exclusion from reassessment
21 under the parent-child exclusion.

22 The assessor's office reassessed the
23 property, which resulted in a substantial increase in
24 the property's assessed value, and generated two
25 years of increased taxes; one for the supplemental

1 assessment and one for the escape assessment.

2 The property -- the taxpayer was worried
3 about not being able to pay her property taxes and
4 stay in the home.

5 We coordinated with the assessor's office on
6 processing of this taxpayer's parent-child exclusion,
7 and they submitted the necessary paperwork to the
8 auditor's office to reverse the supplemental and
9 escape assessments.

10 With respect to the three Welfare Exemption
11 cases, we assisted the taxpayers by coordinating with
12 the assessor's office where the property is located
13 regarding its processing of the Welfare Exemption
14 claim, or coordinating with our agency's Property Tax
15 Department regarding the organization's
16 Organizational Clearance Certificate application.

17 For one of the cases we helped the taxpayer
18 understand why certain documents must be submitted
19 with an OCC claim, and that an assessor cannot grant
20 the Welfare Exemption on an organization's property
21 unless it holds a valid OCC by the State Board of
22 Equalization.

23 The remaining two exemption cases involve
24 the Homeowners' Exemption and the Disabled Veterans'
25 Exemption.

1 The TRA office helped the taxpayers by
2 explaining the requirements of the exemptions, when
3 they must be filed, and how to view property
4 information online through the assessor's office or
5 tax collector's office to review the property's
6 assessed value each year, and the amount of exemption
7 applied to reduce the property's assessed value.

8 Additionally, for the Disabled Veterans'
9 Exemption case, we helped the taxpayer understand
10 that the Disabled Veterans' Exemption did not apply
11 to a child of the deceased disabled veteran, and the
12 law only applied to the unmarried surviving spouse of
13 a deceased disabled veteran.

14 We explained in order to extend the
15 Disabled Veterans' Exemption to a child, it would
16 require a change to the California Constitution, as
17 well as statutory changes.

18 As to the cases for enrollment of values in
19 general property taxation, two involved valuation
20 issues, and the other involved a taxpayer wanting
21 relief from property taxes.

22 In one of these cases the taxpayer contacted
23 our office with concerns that the assessor had
24 over-valued the property due to the incorrect square
25 footage after new construction occurred.

1 We coordinated with the assessor's office,
2 and explained to the taxpayer that they could request
3 the assessor's office to do a physical inspection of
4 the property, and then they would review the value.

5 In another case the taxpayer disagreed that
6 the assessor could enroll escape assessments on a
7 partial-interest transfer that occurred more than a
8 decade ago.

9 We confirmed that the assessor's office
10 could go back and correct the base year value. And
11 that although it cannot enroll the supplemental
12 assessment, the law required issuance of escape
13 assessments for a certain number of years within the
14 statute of limitations, and that's four years.

15 In the case where the taxpayer, not wanting
16 to pay property taxes because she was a senior and
17 looking for relief from property taxes, we explained
18 the law did not allow for property to be exempt
19 because it is owned by a person of a particular age.

20 We provided the taxpayer with a summary
21 information on a property tax postponement program
22 administered by the State Controller's office, in
23 which she could find further details on it if she was
24 having financial hardship.

25 The remaining case pertained to assessment

1 appeals. We assisted one taxpayer by providing
2 information on county assessment appeals board
3 decisions and our agency's role regarding local
4 appeals.

5 We also explained the recourse the taxpayer
6 has if they disagree with a local assessment appeals
7 board decision.

8 With respect to the other case, we
9 coordinated with the county clerk of the Board of
10 Supervisors regarding an appeal application that was
11 initially determined to be invalid.

12 The issue was later resolved with an appeal
13 application being reinstated.

14 MS. COHEN: May I ask a question, Ms. Wing?

15 Is this -- is there someday in the future
16 you could provide a written report for us so that we
17 can read it prior to the meeting, and then if we have
18 questions, go over them with you?

19 Instead of just kind of going through this
20 long reading of a summary.

21 MS. WING: Well, I will discuss that with my
22 manager, Lisa Thompson.

23 MS. COHEN: Okay.

24 So Ms. Thompson -- Ms. Stowers, you want to
25 say something?

1 MS. STOWERS: Yes.

2 Excuse me, Madam Chair.

3 We had a conversation about that just
4 yesterday.

5 MS. COHEN: Okay.

6 MS. STOWERS: And I'm going to be working
7 with Ms. Thompson to see how we can provide something
8 in writing.

9 MS. COHEN: Prior.

10 MS. STOWERS: Prior to the meeting. Maybe a
11 report to you individually.

12 MS. COHEN: Yeah.

13 MS. STOWERS: As opposed to posted on the
14 PAN.

15 MS. COHEN: Yeah.

16 I think that will be more beneficial, and it
17 will allow us to absorb what you're presenting to us,
18 think about it, and then come back with either
19 questions or follow-up feedback.

20 I think, colleagues, I think you would agree
21 with that, as opposed to just receiving a very
22 detailed report.

23 So with that said, Ms. Wing, I don't know
24 how much more you have to present.

25 But just in the future, communicate to

1 Ms. Thompson, it would be best if we had something
2 prior, be able to read, digest, and think about, and
3 then -- and then she would be here to answer
4 follow-up questions.

5 MS. STOWERS: Absolutely.

6 MR. SCHAEFER: I don't think if the taxpayer
7 is provided with what we're doing, I don't think we
8 have to know all about that.

9 I think we're more concerned about if the
10 taxpayer is unhappy on how they're being treated, and
11 they have a position, and we have a position. And
12 maybe that position ought to come to our level.

13 But everything I hear is happiness. And we
14 don't have that much time.

15 MS. COHEN: Okay. No happiness over here.
16 We only want to hear complaints.

17 No, but all seriousness, though, I think
18 that what my colleague is really saying is that there
19 would be a preference just to have the report made to
20 us so that we can know what's going on.

21 So I am going to pause on the rest of the
22 report. Are there anything high level that stands
23 out that we do need to know about?

24 MS. WING: Well, as far as the cases are
25 concerned, I'm done with that.

1 MS. COHEN: Okay.

2 MS. WING: But my next portion of the
3 presentation will be on the taxpayer Proposition 19
4 education and outreach.

5 MS. COHEN: Okay. Perfect. Let's go ahead
6 and --

7 MS. WING: And that's short.

8 MS. COHEN: Okay. Let's go ahead and jump
9 there.

10 MS. WING: Okay.

11 MS. COHEN: Thank you, Ms. Wing. Thanks for
12 being so accommodating.

13 MS. WING: All right.

14 So the next item is our work on the --
15 associated with Proposition 19 education and outreach
16 for taxpayers.

17 With respect to information on
18 Proposition 19, the TRA office worked with
19 Communications Officer, Mr. Peter Kim, to revise
20 Proposition 19 fact sheet that was issued in
21 February 2021 to reflect the implementing legislation
22 and the two Letters to Assessors issued by the
23 Property Tax Department concerning Proposition 19's
24 implementing legislation.

25 I am pleased to inform you that the revised

1 Proposition 19 fact sheet was completed, and it was
2 posted to our website on April 14, 2022 on the same
3 date it was advertised on social media.

4 With respect to the education specific to
5 each area within Proposition 19, the TRA office plan
6 is to issue an information sheet addressing each of
7 the various intergeneration exclusion and base year
8 value transfer provisions of Proposition 19.

9 The TRA office has completed work on new
10 information sheets for the parent-child exclusion and
11 the grandparent-grandchild exclusion under Prop. 19,
12 as well as made changes to the existing information
13 sheets addressing transfers that occur before
14 February 16, 2021, the effective date for
15 Proposition 19 intergenerational exclusion
16 provisions.

17 Once our Forms and Publications Section puts
18 these four information sheets in final format and
19 makes them accessible, they will be posted to our
20 agency's website.

21 Additionally, the TRA's office drafted new
22 information sheets for the base year value transfers
23 for persons aged 55 and older, and for disabled
24 persons under Proposition 19, as well as receiving --
25 as well as revising the existing publications to

1 identify them as applicable to transfers prior to
2 April 1, 2021.

3 These information sheets will be sent to our
4 Forms and Publication Section to place them in final
5 format once the internal review process is completed.

6 Our agency's advocate, Lisa Thompson, is
7 communicating with the president of the California's
8 Assessors' Association to advise the association
9 about the issuance of the information sheets so
10 assessors and their staff are aware of the resources
11 available to the taxpayers.

12 Ms. Thompson is also coordinating with our
13 agency's Communications Officer so that social media
14 posts are made to inform the public about information
15 sheets that are issued specific to the
16 intergenerational exclusion and base year value
17 transfer provisions of Proposition 19.

18 At future Board Meetings, the TRA office
19 will provide further updates on this to keep you
20 informed.

21 Members, that concludes my update,
22 thankfully.

23 I am available to answer any questions.

24 MS. COHEN: Thank you.

25 Let's see, anything on my right?

1 Any questions?

2 Go ahead.

3 MR. VAZQUEZ: More of a comment.

4 MS. COHEN: Go ahead.

5 MR. VAZQUEZ: One, thank you for this
6 in-depth presentation.

7 And to let Lisa, and I'm sure she'll listen
8 to this, that you did a great job.

9 MS. WING: Thank you.

10 MR. VAZQUEZ: I know she's out attending a
11 conference on our behalf. So I appreciate you
12 stepping in.

13 MS. WING: Thank you.

14 MS. COHEN: Thank you.

15 Let's see. On my left?

16 Mr. Gaines.

17 MR. GAINES: Just a comment.

18 Thank you for your presentation. We
19 appreciate it.

20 But I think the input from my colleague,
21 Mr. Schaefer, and from the Chair, are good ones in
22 terms of if we can be more concise in the public
23 presentation, and get details written to -- so that
24 we can review those prior to the meeting.

25 I did want to make a comment. It sounded to

1 me that of the 22 cases, were there 4 that were
2 related to Prop. 14? Did I --

3 MS. WING: Prop. 19?

4 MR. GAINES: Prop. 19. Excuse me.

5 MS. WING: Yeah, I believe so.

6 MR. GAINES: Yeah. Okay.

7 MS. WING: Yeah.

8 MR. GAINES: I just found that
9 interesting.

10 MS. WING: We do have a lot of questions on
11 Prop. 19 still.

12 MR. GAINES: Yes. Very well.

13 Thank you.

14 MS. COHEN: Okay.

15 Thank you very much.

16 MS. CICHETTI: Ready to take a public
17 comment?

18 MS. COHEN: Mm-hmm.

19 MS. CICHETTI: We have not received a
20 request for any in-person speaker, and no written
21 comment on this item. But we'll go to the AT&T
22 moderator.

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

1 AT&T MODERATOR: Thank you.

2 Ladies and gentlemen, if you would like to
3 make a public comment, please press one, then zero at
4 this time.

5 Once again, that's one, zero if you would
6 like to make a public comment.

7 At this time I have no one in queue.

8 MS. COHEN: All right. Thank you.

9 Thank you for your presentation.

10 Let's continue.

11

12 **ITEM L2a**

13

14 MS. CICHETTI: Next item is L2a,
15 Board Member Initiatives; Board Member Strategic
16 Plan: Board discussion and possible action on the
17 following items pertaining to the current
18 Board Member strategic plan.

19 Quarterly reports on priorities, actions and
20 progress related to the following goals:

21 Goal 1: Obtain surveys/reports on resources,
22 infrastructure to fulfill agency workload and
23 Board Member workload.

24 Goal 2: Identify Board workload priorities
25 to achieve statewide objectives for stakeholders.

1 Goal 3: Outline current parameters for an
2 education and outreach plan.

3 Goal 4: Collaborate with Executive Director
4 to develop scope of work on branding campaign.

5 This matter will be presented by Chair Cohen
6 and Mr. Vazquez.

7 MS. COHEN: All right.

8 Thank you very much.

9 So I'm going to yield to Board Member
10 Vazquez.

11 You ready? You want to kick this off?

12 MR. VAZQUEZ: I was gonna -- I was looking
13 at this report, or I guess the graph, the layout
14 here. I think it's pretty self-explanatory. I know
15 people are barely receiving it for the first time.

16 So I was just kind of going to open it up
17 and see if there's any questions. Because some of
18 this was done going back to a little over a year
19 ago.

20 MS. COHEN: Okay. Well, let me just try to
21 frame this up a little bit.

22 MR. VAZQUEZ: Sure.

23 MS. COHEN: Before we go any further, just
24 for those of you that are -- have forgotten about
25 what exactly we're talking about here.

1 So many years ago Board Member Vazquez
2 kicked off and initiated a Board Strategic Plan. And
3 when we developed the strategic plan, we identified
4 key steps that we needed to take to rebuild the
5 agency and to restore its natural national stellar
6 reputation.

7 And I wanted to just take a minute and
8 recognize that it was Board Member Vazquez and the
9 colleagues and I, that we all remain committed to
10 working collectively with the Executive Director, and
11 now the new Executive Director, and the
12 Executive Team that is growing, to make sure that we
13 are achieving these goals.

14 So this particular time on the agenda I
15 wanted to use for our quarterly progress report.

16 And, Mr. Vazquez, I was -- thought -- I was
17 under the impression that you were going to provide
18 us some highlights today.

19 MR. VAZQUEZ: I will.

20 MS. COHEN: Okay. All right. There we
21 go.

22 Go ahead. Take it.

23 MR. VAZQUEZ: Let me do that.

24 First of all, I just wanted to thank
25 Members, and especially the Chair, on this issue, as

1 we laid it out some time back.

2 But just to kind of hopefully set at least
3 some -- an update here.

4 I am pleased to present our first quarterly
5 report on our progress and actions related to our
6 first -- or to our four strategic plan goals.

7 Because we only had a few weeks to work on
8 this since the last meeting, my report will be brief.
9 But at least we can determine what has been
10 completed, and where the remaining work needs to be
11 done.

12 Since by our next report, hopefully the end
13 of July, I believe we'll see significantly more
14 progress, especially on some of these points.

15 I will proceed with each goal, and identify
16 our progress to date.

17 Please feel free to add anything that I may
18 have missed, or if there's some clarification needed.

19 The first one, the first goal is to obtain
20 survey reports on resources and infrastructures to
21 fulfill agency's workload and Board Members'
22 workload.

23 The surveys and reports are still in
24 progress. More information will be available in
25 coordination with the Executive Director, and our new

1 Executive Director specifically on this one is
2 forthcoming.

3 The second goal is to identify the Board
4 workload priorities, to achieve statewide objectives
5 for stakeholders.

6 Work on this goal, 2a, is still in the
7 process; however, on our January 29th meeting in 2020
8 we adopted the new Board Meeting agenda template that
9 included new guidelines for determining Board agenda
10 items L and N in order to vet emerging issues and
11 public policy actions. Therefore, all actions under
12 goal 2b have been completed.

13 Moving down to goal three, the outline
14 current parameters for an education and outreach
15 plan.

16 And Member Cohen I'm sure will add something
17 to this down the road, but let me just say to expand
18 and strengthen the property tax knowledge and
19 compliance for taxpayers' businesses, nonprofits,
20 veterans, other stakeholders, is still in the
21 process.

22 Goal 3b, established outreach and
23 communication guidelines, including guidelines for
24 Members interaction with the Taxpayers' Rights
25 Advocate is complete.

1 In the Board's work on the Governance
2 Policy, the Executive Director published the
3 Operation Memo No. 001, communications protocol for
4 the Board of Equalization Members and their staff
5 with the BOE Executive Management Team on January 14,
6 2021, which the Board incorporated into the
7 Governance Policy Publication 471.

8 And then I'll move into Goal No. 4,
9 collaborate with the Executive Director to develop a
10 scope of work on the branding campaign.

11 And goal 4a was to launch a three-year
12 branding campaign, particularly -- partially
13 completed.

14 And Member Gaines and Member Schaefer were
15 working on this to develop a baseline for the BOE
16 brand to establish a coordination between Member
17 offices and the BOE.

18 They met with the consultant from USC Price
19 School -- Price School for branding campaign
20 projects, including group discussions on needs,
21 structure, history, and Member offices and more.

22 And then just in the wrap-up I would say,
23 Members, I just wanted to thank you all for your
24 feedback, your work that you've done so far.

25 And as we can see, we are moving forward.

1 But please feel free to ask staff or send any
2 progress updates to my office at any time so we can
3 continue to add.

4 And as we come back at our future meeting,
5 probably in -- if not sooner, by July, to have a more
6 in-depth report -- progress report on some of these
7 goals and items.

8 And with that, let me just turn it back over
9 to my Chair.

10 MS. COHEN: All right. Great.

11 Thank you very much. I appreciate that
12 report out.

13 And like I said earlier, we still remain
14 committed to the development, and then, of course,
15 the implementation of these identified goals, and
16 working with the team, the Executive Team, as well as
17 Executive Director to continue to work on our
18 Board Strategic Plan.

19 My staff has submitted everything, all the
20 documents, should people want to read our remarks.

21 And, let's see, colleagues down on this end
22 on my left, do you have anything else to add?

23 Yes? No?

24 No?

25 MR. GAINES: I think Tony gave a good

1 synopsis on branding.

2 MS. COHEN: Okay.

3 MR. GAINES: We're meeting with USC and
4 we're still in progress.

5 MS. COHEN: Okay.

6 MR. GAINES: So thank you.

7 MS. COHEN: You're meeting with USC.

8 Okay. Great.

9 Has it been a challenge to get the meeting
10 scheduled?

11 MR. GAINES: No, they've been occurring.

12 Yeah. So we're fine.

13 MS. COHEN: All right. Great. Thank you.

14 MR. GAINES: Thank you.

15 MS. COHEN: All right. Well, let's take
16 public comment.

17 Thank you.

18 MS. CICHETTI: We have not received a
19 request for any in-person presentation, and no
20 written comments on this item.

21 We will go to the AT&T moderator.

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

25 AT&T MODERATOR: Thank you.

1 Let's see if there's any public comment.

2 MS. CICHETTI: We have not received any
3 requests for in-person speakers, but we have received
4 a written comment on this item.

5 MS. COHEN: Great.

6 MS. CICHETTI: I will go to the AT&T
7 moderator first, and then read the comment into the
8 record.

9 MS. COHEN: Thank you.

10 MS CICHETTI: AT&T moderator, do we have
11 anyone on the line who would like to make a public
12 comment on this matter?

13 AT&T MODERATOR: Thank you.

14 Once again, ladies and gentlemen, if you
15 would like to make a public comment, please press
16 one, then zero at this time.

17 Once again that's one, zero, if you would
18 like to make a public comment.

19 At this time I have no comments in queue.

20 MS. COHEN: Great. Thank you.

21 Please read the public comment.

22 MS. CICHETTI: Yes.

23 The public comment was received from
24 Vaughn McGuire on April 18th, 2022.

25 Hello. I have serious concerns about the

1 dramatic effect that Prop. 19 is/will have on small
2 rental property owners and their respective tenants.

3 I continually hear the phrase "affordable
4 housing" throughout California, and, yet, I do not
5 find the referenced housing in every -- excuse me --
6 housing to ever be particularly affordable.

7 The one area where I -- it still does
8 largely exist is in areas with stringent rent
9 controls like San Francisco and Santa Monica that
10 incentivize tenants to stay for long periods because
11 the cities have severe caps on the amounts that rents
12 can be raised each year.

13 I am -- I almost think of these cities as
14 having a mechanism that functions almost as it would
15 for property owners covered under Prop. 13, in that
16 it keeps their rent payment safe from large
17 escalations as long as the tenants do not move.

18 A wide swath of the housing in San Francisco
19 that was built prior to 1986 falls into this
20 category. It's the only affordable housing that
21 tenants have in SF.

22 My family is one of those small property
23 owners. We've owned a duplex in SF for 36 years, and
24 Prop. 19 stands to drive our family out of business,
25 while likely displacing our low-rent tenants.

1 Our current tenants have been with us for
2 27 years and pay roughly 50 percent market rate rent
3 due to the limitations that the SF rent Board sets on
4 the amounts that we can raise rents each year.

5 We think it's great. We actually do provide
6 affordable housing and have been for decades.

7 We've been able to do this solely because
8 Prop. 13 has provided us a stable tax base that
9 allows us to continue to operate, despite the very
10 small annual rent increases.

11 The removal of Prop. 58 stands to unwind the
12 relationship between our families stable tax base and
13 our tenants stable rent.

14 When our duplex is transferred from parent
15 to child, the assessed value will rise roughly 250 to
16 300 percent on the day of our parent's death, while
17 leaving us with no ability to raise the rent.

18 This will force us out of business
19 immediately, which has already happened to small
20 property owners all over SF since Prop. 19 went into
21 effect.

22 After we're forced out of business, the new
23 owners will likely purchase the property with the
24 idea of doing a owner move-in evictions, or
25 potentially doing a full Ellis Act, which will

1 displace both tenants.

2 Realtors have confirmed this for me. I've
3 asked them why people are willing to buy properties
4 with very low rent tenants. Every Realtor has
5 responded similarly.

6 Their intent is to displace the tenants so
7 they can live in the units, or go out of business
8 completely while replacing the current structure with
9 something larger.

10 Either way, the tenants are gone.

11 I paraphrase a bit.

12 Forty-one percent of the rentable units in
13 California are owned by mom-and-pop. All rental
14 properties stand to be fully reassessed back to
15 market after the parents' death under Prop. 19.

16 As the heirs inherit these properties, it
17 stands to be problematic for both tenants and heirs.
18 At best, tenants in light, rent-controlled
19 environments will feel the squeeze from their heir,
20 while the others keep rent maximized to offset their
21 high property tax bills.

22 Worst-case areas like SF with stringent rent
23 controls will see small property owners and their
24 respective tenants forced out.

25 There were zero hearings held before the

1 legislature green-lit Prop. 19 onto the 2020 ballot.

2 This is absolutely insane. Not only will
3 Prop. 19 force some high -- some non-high
4 income-earners out of the family home, but also stand
5 to up-end large segments of the rental market over
6 the next several decades for both small rental
7 property owners and their respective tenants.

8 Please help.

9 Thanks.

10 Vaughn McQuire.

11 MS. COHEN: Thank you, Vaughn McQuire.

12 Yes. Go ahead.

13 MR. VAZQUEZ: Yeah. I just wanted to make a
14 quick comment.

15 MS. COHEN: Okay.

16 MR. VAZQUEZ: First of all, I wanted to
17 thank Mr. McGuire for taking the time to provide us
18 with this written comment on the impact of Prop. 19
19 on the owners and tenants for rental property in
20 California.

21 What he has described is a little bit
22 concerning, though, because in light of the
23 continuing shortage of affordable housing, and the
24 high number of household people throughout the state
25 that are, you know, houseless basically.

1 And in his comments -- or in his written
2 comments, he states that he's the owner of a duplex.
3 I know in Santa Monica a duplex is exempt. So a
4 mom-and-pop wouldn't be penalized on the rent
5 control. It actually doesn't fall under the rent
6 control.

7 And if he lives in a triplex, it's also
8 exempt. But being an absentee landlord, if it's just
9 a duplex, it wouldn't take effect.

10 Now, I know he mentions it's in
11 San Francisco. I don't know if it's different in
12 San Francisco. But at least in Santa --

13 MS. COHEN: It's always different in
14 San Francisco.

15 MR. VAZQUEZ: I know it is.

16 MS. COHEN: It's a different place.

17 MR. VAZQUEZ: So -- but moving forward, I
18 would suggest, if he's listening, or if we can get
19 back to him, I think he just needs to reach out to
20 his legislative representative, especially for the
21 Bay Area, and discuss this issue moving forward.

22 Because, at the end of the day, it's all
23 about trying to keep these units as affordable as
24 possible, especially for the renters and seniors.

25 Thank you.

1 MS. COHEN: Yeah. Absolutely.

2 It's interesting, you heard -- the speaker's
3 name was Vaughn McGuire. You heard it as a man, I
4 heard it as a woman. I don't know. Maybe my --

5 MR. VAZQUEZ: You may be right. I'm bad in
6 terms of identifying.

7 MS. COHEN: I -- I don't know. That's --
8 that's just -- it's an ambiguous name.

9 But I am really delighted that the person
10 took the time to write with such great detail.

11 And this is exactly why we keep items like
12 this on the agenda, so that we can receive this
13 ongoing feedback, and be aware, as it continues to
14 inform us as we live with this legislation and the
15 implementation of it.

16 So I have no further comments.

17 I think Senator Gaines had something to
18 share.

19 MR. GAINES: Yeah.

20 Thank you. I really appreciate the
21 constituent's comments.

22 And there was a fix moving forward, I know
23 that Howard Jarvis Taxpayers Association is gathering
24 signatures for an initiative that would implement, I
25 think it's Prop. 58 and 130.

1 But basically it was addressing this aspect
2 of the parent-child, grandparent-grandchild
3 exemption, and putting it back into place.

4 You know, Prop. 19 is -- the good aspect of
5 Prop. 19 is that you have this ability for the base
6 year value transfer to any county in the state, which
7 is --

8 MS. COHEN: Six times if you're married.

9 MR. GAINES: Is that right?

10 MS. COHEN: That's right, yeah.

11 MR. GAINES: So that -- I mean, that's
12 really good that the impact of this parent-child
13 issue has been dramatic. And I'm glad that the
14 constituent raised this issue.

15 Because I -- I had, you know, I hadn't
16 really even contemplated what happens in a
17 rent-controlled scenario, where the rents are held at
18 a certain price, but the taxes are going up and
19 forcing the sale of that property.

20 So it does need to be fixed either
21 legislatively or through an initiative.

22 And I think Member Vazquez is correct. He
23 needs to speak to his elected official that
24 represents him in the Legislature, and we'll see if
25 anything else moves forward.

1 But thank you.

2 MS. COHEN: Thank you.

3 I think that completes this portion of our
4 agenda.

5 Let's continue.

6

7 **ITEM M2a**

8

9 MS. CICHETTI: The next item is M2a,
10 Public Policy Hearings; Impact of Public Calamities
11 on Property Tax Administration: County Boards of
12 Equalization, Assessment Appeals Boards, AAB Remote
13 Hearings.

14 Follow-up on consensus items needing
15 additional guidance regarding remote AAB hearings.

16 This matter will be presented by Chair Cohen
17 and Mr. Vazquez.

18 MS. COHEN: Well, not much to report out
19 here either.

20 I'll defer to you, Mr. Vazquez.

21 MR. VAZQUEZ: Yes.

22 The only thing I would just mention is that,
23 more for the Members, and if there's anybody on the
24 line that wishes to chime in -- I don't know if we
25 have anybody, especially from our stakeholders.

1 But I just wanted to thank folks in the
2 past, especially, that have participated with us, our
3 partners on this.

4 And I think it's important to ensure that
5 everyone has the opportunity to bring to our
6 attention any items that may need additional guidance
7 in the future.

8 This will give us a list, hopefully, to work
9 on as we move forward on this particular issue.

10 But like Chair Cohen mentioned earlier, it's
11 pretty much an item we're continuing listing on our
12 agenda, so it gives the opportunity, not only for the
13 Members, but also the public and any of our
14 stakeholders or partners who wish to chime in.

15 I don't know if we have any written comments
16 on this, or anybody on the line who wishes to chime
17 in.

18 MS. COHEN: Let's go to the -- let's go to
19 the public comment line.

20 MS. CICHETTI: We have not received a
21 request for any in-person speaker, and no written
22 comments on this item have been received. But we
23 will go to the AT&T moderator.

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 this item.

2 AT&T MODERATOR: Once again, to make a
3 comment by phone, press one, zero at this time.

4 We have no respondents queuing up.

5 MS. COHEN: All right.

6 Thank you very much.

7 MR. SCHAEFER: Madam Chair.

8 MS. COHEN: Yes.

9 MR. SCHAEFER: I would like to see the AT&T
10 people have an obligation to come forward and say we
11 want to be heard.

12 When we call out now and say, "Hey, AT&T, is
13 there anybody?" We may have called them just as they
14 went to the restroom, and, you know, might miss them.

15 Anybody that wants to be heard today,
16 they've got all day long to let themselves be known
17 that when this thing comes up, I want to speak on it.

18 So whenever we inquire AT&T would say, "We
19 have nobody." That's what I would prefer. Instead
20 of AT&T saying, "Let's go out and find out."

21 See, that's what we're doing now.

22 MS. COHEN: Yes.

23 MR. SCHAEFER: I think maybe we can shorten
24 things a little bit and make it more efficient.

25 MS. COHEN: Thank you.

1 All right. Well, Members, do we have any
2 final remarks of the day?

3 Yes, Mr. Vazquez.

4 MR. VAZQUEZ: Yes. Thank you.

5 Actually, I was hoping to do them at the
6 beginning, but I forgot that I had this here.

7 So let me just, I guess, in wrap up, to me,
8 this has been a historical month with the
9 confirmation of the first Black woman to the U.S.
10 Supreme Court. You know, we have Judge Brown Jackson
11 becoming the 116th Justice to serve on the
12 Supreme Court when she's sworn in in several weeks
13 from now.

14 She is a credit to the legal profession,
15 having served on the District of Columbia Court of
16 Appeal, and in lower courts for eight years. And she
17 will bring a great perspective to the highest court
18 in the land.

19 I commend our President Biden for his
20 excellent choice.

21 And as I was sitting here earlier as we were
22 talking just internally as we're passing the baton
23 from one great CEO, Ms. Fleming, now to Ms. Stowers,
24 who is going to take -- or fill her shoes.

25 And I'm looking here to my right, her shoes

1 are obviously pretty big, because Mrs. Betty Yee
2 still hasn't found somebody to fill hers.

3 But we're looking forward to whoever that
4 may be in the future.

5 But with that, I just wanted to put it out
6 there.

7 And thank you, Madam Chair, for the
8 opportunity.

9 MS. COHEN: Of course.

10 Thank you very much.

11 Mr. Gaines.

12 MR. GAINES: If I could just -- a comment in
13 terms of what's happening in Ukraine.

14 And I just -- I'm encouraged. I'm
15 encouraged by the courage of the Ukrainians and their
16 willingness to fight for democracy.

17 And also I'm glad that we, as a nation, are
18 doing what we can to supply them with what they need
19 to fight for their freedom.

20 So my thoughts and prayers continue to
21 Ukraine.

22 And those also extend to Russians too.
23 Hopefully we can arrive at a conclusion where
24 democracy is saved.

25 And thank you. I appreciate it.

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MS. COHEN: All right. Thank you.

Any last-minute comments?

MR. SCHAEFER: Yes.

I'd like to remind the world that today is William Shakespeare's birthday.

MS. COHEN: Okay. Thank you.

All right. Well, ladies and gentlemen, it's good to be back in person.

I want to welcome our team, new team member, Ms. Stowers, and bid Ms. Fleming adieu.

And we will continue to see you, but in a different role.

And with that said, it's 2:16, and this meeting is adjourned.

Thank you.

The next meeting will be scheduled for May 24th, 25th, 2022.

Goodbye.

(Whereupon the meeting concluded.)

REPORTER'S CERTIFICATE

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State of California)
) ss
County of Sacramento)

I, Jillian Sumner, Hearing Reporter for
the California State Board of Equalization, certify
that on April 26, 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 196 constitute
a complete and accurate transcription of
the shorthand writing.

Dated: May 19, 2022

Jillian Sumner

JILLIAN SUMNER, CSR #13619
Hearing Reporter