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

OCTOBER 18TH, 2022
CALIFORNIA STATE BOARD OF EQUALIZATION
BOARD MEETING

REPORTED BY: Jillian M. Sumner
CSR NO. 13619

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APPEARANCES

For the Board of
Equalization:

Honorable Malia M. Cohen
Chair

Honorable Mike Schaefer
Vice Chair

Honorable Ted Gaines
First District

Honorable Antonio Vazquez
Third District

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

For the Board of
Equalization Staff:

Yvette Stowers
Executive Director

Henry Nanjo
Chief Counsel
Legal Department

Julia Himovitz
Tax Counsel
Legal Department

Richard Moon
Tax Counsel
Legal Department

Lisa Renati
Chief Deputy Director

David Yeung
Deputy Director
Property Tax Department

Laurel Williams
Technical Advisor
Special Taxes

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APPEARANCES CONTINUED

Lisa Thompson
Chief
Taxpayers' Rights Advocate Office

Patricia Lumsden
Chief
County-Assessed Properties Division

Jack McCool
Chief
State-Assessed Properties Division

Sonia Yim
Appeals Attorney

Dustin Weatherby
Chief
Legislative, Research and Statistics
Division

Peter Kim
Chief Communications Officer
Communications Department

Mary Cichetti
Clerk
Board Proceedings Division

Public Speakers:

Ernest Dronenburg Jr.
San Diego County
Assessor-Recorder-Clerk

Public Comment:

Cathy Brusseau

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STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO

OCTOBER 18, 2022

---oOo---

MS. COHEN: Good morning, ladies and gentlemen. We are ready to call this Board Meeting to order.

Ms. Cichetti, would you do me the honor and please call the roll.

MS. CICHETTI: Will do.

MS. COHEN: Thank you.

MS. CICHETTI: Good morning, everyone.

Chair Cohen.

MS. COHEN: Good morning.

Present.

MS. CICHETTI: Vice Chair Schaefer.

MR. SCHAEFER: Present.

MS. CICHETTI: Member Gaines.

MR. GAINES: Present.

MS. CICHETTI: Member Vazquez.

MR. VAZQUEZ: Present.

MS. CICHETTI: Deputy Controller Epolite.

MR. EPOLITE: Present.

MS. COHEN: Thank you very much.

A quorum is present, and this Board Meeting is

1 now called to order.

2 We'll start with the Pledge of Allegiance.

3 Please join me by standing and placing your
4 right hand over your heart, and repeat after me.

5 (Whereupon the Pledge of Allegiance was
6 recited.)

7 MS. COHEN: All right. Good morning.

8 I just want to welcome everyone to today's
9 Board Meeting.

10 Let me check in with my colleagues to see if
11 there's any opening remarks.

12 Mr. Gaines. Yes.

13 MR. GAINES: Good morning. How are you?

14 MS. COHEN: Good morning.

15 MR. GAINES: Wonderful.

16 Thank you for this opportunity to make a
17 couple comments. They're sobering in nature. But I
18 feel like they need to be expressed. And I'm here to
19 offer my condolences regarding two tragic events that
20 unfolded in my district.

21 In Merced a family, including an
22 eight-year-old baby girl.

23 MS. COHEN: Eight month old.

24 MR. GAINES: Eight month old.

25 Thank you. Yeah.

1 Were senselessly kidnapped and murdered.

2 The suspect is a former employee who worked
3 for them at their family trucking business, and has been
4 apprehended.

5 It breaks my heart that these were immigrants
6 to America. They worked tirelessly for 18 years to
7 achieve safety, security and community. And I pray for
8 their family during this devastating time.

9 I also want to acknowledge the victims of a
10 serial killer in Stockton who has now been arrested.
11 His killing spree included six men and wounding a woman.
12 And my heart and prayers are with the family who has
13 been left behind.

14 Thank you.

15 MS. COHEN: Thank you very much.

16 It's a privilege to be able to honor their
17 memory with you today.

18 Mr. Schaefer.

19 MR. GAINES: Thank you.

20 MR. SCHAEFER: Thank you, Madam Chair.

21 I find it sad that there's so much violence in
22 the world to comment on. But I want to share with you
23 my great concern over the journalist in Las Vegas,
24 Nevada who was brutally slain a few weeks ago,
25 Jeff German.

1 I spent 20 years in Nevada before returning
2 home to San Diego about five years ago. And I knew him.
3 Not real well. But I was in campaigns, and we were on a
4 first-name basis.

5 I was at a seminar at San Diego State
6 University on Saturday where Steve, the politics editor
7 for that newspaper, gave a nice forum, and spoke in his
8 memory of his dear friend, and on the violence that so
9 many journalists suffer. We've had 15 journalists, I
10 think, in Mexico alone slain this year.

11 So consistent with my colleagues recitation,
12 there's just so many horrible things going on in the
13 world. And I'm just hoping that, you know, society can
14 only go up from here.

15 Thank you.

16 MS. COHEN: Thank you.

17 To my right any announcements?

18 Mr. Epolite.

19 MR. EPOLITE: Yes.

20 Good morning, Chair Cohen and Members.

21 I have some prepared remarks on behalf of the
22 Controller. But I will hold them off until the
23 Executive Director's Report.

24 MS. COHEN: Okay.

25 MR. EPOLITE: Thank you.

1 MS. COHEN: Opening remarks, Mr. Vazquez.

2 MR. VAZQUEZ: I would just like to add my
3 condolences.

4 You know, I've been listening to all these
5 things that have been going up and down the state. And
6 I know here, specifically in Member Gaines' District,
7 this was a real tragedy when I heard about it.
8 Especially when you're talking about young kids.

9 MS. COHEN: All right. Thank you.

10 Ms. Cichetti, could you please announce our
11 first order of business.

12 MS. CICHETTI: I have a couple of
13 announcements.

14 Good morning, everyone.

15 We are having issues with the
16 closed-captioner. We ask anyone who needs that service
17 to please use the YouTube service for the
18 closed-captioning at this time.

19 When the captioning is reinstated, then you
20 will see that automatically pop up, and you'll be able
21 to use the closed-captioning that we offer.

22 All right. Good morning, Madam Chair and
23 Members. The Board Meeting Information Announcement is
24 as follows:

25 First, I would like to remind the audience to

1 silence your cell phones and any other wireless devices.

2 The COVID-19 guidelines for the Board of
3 Equalization strongly encourage, but no longer
4 mandatory, that all BOE employees wear a mask while
5 inside a BOE facility, or while attending a BOE event.

6 If needed, supplies of masks and hand
7 sanitizer are available to all and can be found in the
8 back of the auditorium.

9 The public is invited to comment during
10 matters before the Board. If there are any members of
11 the public wishing to speak before the Board on an
12 agenda item in person, we ask that you complete and
13 submit to the Sergeant of Arms a "public comment
14 appearance sheet" located at the entrance of the
15 auditorium.

16 If you wish to speak before the Board by
17 telephone, please dial the phone number and access code
18 provided on our Public Agenda Notice, and follow the
19 instructions of the AT&T moderator.

20 If you intend to make a public comment today
21 using the AT&T moderator, we recommend dialing into the
22 meeting on the teleconference line prior to the
23 beginning of the agenda item, if you wish to make a
24 comment.

25 We recommend this as the audio broadcast on

1 our website service provides a one-to-three minute delay
2 between the live stream and the live event.

3 When giving a public comment, please limit
4 your remarks to three minutes.

5 The order that the Board identifies public
6 comments at the conclusion of an agenda item is as
7 follows:

8 I will first identify any public comment
9 requests that have been received in the Board
10 Proceedings auditorium.

11 Then, we will identify any comments with the
12 AT&T moderator.

13 Then, we will read into the record any public
14 comments received in writing in advance of this meeting
15 today.

16 This concludes the informational announcement.

17 Thank you.

18 MS. COHEN: Thank you very much.

19 Please call our fist agenda item.

20

21 **ITEM D2**

22

23 MS. CICHETTI: The first agenda item is D2,

24 Tax Program Nonappearance Matters - Consent: Property

25 Tax Matters.

1 This item will be taken up in one vote.
2 Petition for Unitary Escaped Land Assessments:
3 A) Southern California Edison Company (0148).
4 Petitions for reassessment of unitary value:
5 B) Pacific Bell Telephone Company (0279);
6 C) Torrance Valley Pipeline Company 0409;
7 D) Sprint Spectrum LP (2720).

8 Petitions for Penalty Abatement on Unitary/
9 Nonunitary Value:

10 E) Foresthill Telephone Co. (0235);
11 F) Kerman Telephone Co (0246);
12 G) Blythe Energy, Inc. (1136);
13 H) Purple Communications, Inc. (7999).

14 This is a constitutional function.

15 Contribution Disclosure forms are not required pursuant
16 to Government Code 15626; therefore, the
17 Deputy Controller may not participate in this matter
18 under Government Code 7.9.

19 MS. COHEN: Thank you.

20 MS. CICHETTI: This matter will be presented
21 by Mr. McCool.

22 MR. McCOOL: Thank you.

23 Good morning, Chair Cohen and
24 Honorable Members of the Board.

25 My name is Jack McCool, Chief of the

1 State-Assessed Properties Division.

2 Before you today for your consideration and
3 adoption are eight petitions:

4 One petition for abatement of penalty and
5 interest for unitary escaped land assessment; three
6 petitions for reassessment of unitary value; and four
7 petitions for penalty abatement on unitary value.

8 For all of these matters, staff and
9 petitioners are in agreement on the recommendations, and
10 I ask for your adoption.

11 Thank you.

12 MS. COHEN: Thank you.

13 Mr. Schaefer.

14 MR. SCHAEFER: Madam Chair, I -- I read
15 through all of the -- I read through all of the material
16 on all of these matters, and I'm very impressed with how
17 our office has handled it. That we've respected
18 reasonable cause whenever it's existed, and treated the
19 applicants with great respect, and listened to their
20 views. And I want to commend your office on the
21 handling of these items.

22 MR. McCOOL: Thank you very much.

23 MS. COHEN: Thank you.

24 Colleagues, do we have any other questions or
25 comments? No?

1 Is there a motion on this item?

2 MR. VAZQUEZ: So moved.

3 MS. COHEN: Thank you.

4 Motion made by Mr. Vazquez.

5 Is there a second?

6 MR. SCHAEFER: Second.

7 MS. COHEN: Second by Mr. Schaefer.

8 Let's call the roll.

9 MS. CICHETTI: The motion is to adopt staff
10 recommendation.

11 Before we take the vote, I'm going go out to
12 the AT&T moderator to see if we have any public comments
13 on this item.

14 AT&T moderator, can you let us know if there
15 is anyone who would like to make a public comment on
16 this matter?

17 AT&T MODERATOR: Certainly. Thank you.

18 And if so, please press one, zero at this
19 time. Again, it's one, zero.

20 And giving it a minute here, we've got nobody
21 in queue.

22 MS. COHEN: Thank you.

23 MS. CICHETTI: All right. Then I'll call the
24 roll.

25 Chair Cohen.

1 MS. COHEN: Aye.

2 MS. CICHETTI: Vice Chair Schaefer.

3 MR. SCHAEFER: Aye.

4 MS. CICHETTI: Member Gaines.

5 MR. GAINES: Aye.

6 MS. CICHETTI: Member Vazquez.

7 MR. VAZQUEZ: Aye.

8 MS. CICHETTI: Deputy Controller Epolite.

9 MR. EPOLITE: Not participating.

10 MS. CICHETTI: Not participating.

11 MS. COHEN: This motion passes.

12 Thank you.

13 Ms. Cichetti, please call the next item.

14 Thank you, Mr. McCool.

15

16 **ITEM 11**

17

18 MS. CICHETTI: The next item is I,

19 Chief Counsel Matters; 11, Other Chief Counsel Matters,

20 Board Governance Review: Review of the provisions of the

21 Board Governance Policy.

22 This matter will be presented by Mr. Nanjo.

23 MR. NANJO: Good morning, Chair Cohen and

24 Vice Chair Schaefer and Honorable Members of the Board.

25 My name is Henry Nanjo. I'm your Chief

1 Counsel. And I'm here today to go over the Board
2 Governance Policy with you.

3 As you may remember, the Board Member
4 Strategic Plan has, as one of its provisions, that the
5 Board will annually review its policy -- or excuse me --
6 Board Governance Policy. And that is what this item is
7 about.

8 With me today is Ms. Julia Himovitz. I'm
9 happy to announce Ms. Himovitz has gotten a promotion,
10 and she is now an attorney for or over governance
11 matters. So I'm going to be utilizing her skill set to
12 go over the Governance Policy.

13 And then we are both available to answer any
14 questions or any items that the Board Members may have.

15 And with that, I'll turn it over to
16 Ms. Himovitz.

17 MS. COHEN: Congratulations.

18 MS. HIMOVITZ: Thank you.

19 Good morning, Chair Cohen.

20 Can you guys hear me? Sorry.

21 Good morning, Chair Cohen and Members of the
22 Board.

23 As Henry said, my name is Julia Himovitz. I'm
24 an attorney with the Legal Department. And today I'm
25 going to be presenting for your review the

1 Governance Policy, which was adopted on January 15th,
2 2021.

3 And as you may recall, as part of your
4 strategic plan, you agreed to review the policy
5 annually. And as such, I will be walking you through
6 the key provisions.

7 If there are any specific sections that you'd
8 like me to highlight as I go through, just please let us
9 know, and we can do that. Or we can save it all for the
10 end.

11 So for Section I, Purpose, discusses -- this
12 discusses the purpose of the Governance Policy,
13 specifically outlining the policies that govern the
14 Board, consistent with the constitutional and statutory
15 responsibilities, guides the Board in their processes,
16 and identifies and distinguishes between the roles of
17 the Board Members and the Executive Director.

18 MR. NANJO: If I can pause you for a second,
19 Ms. Himovitz.

20 I just wanted to let the Board Members know
21 that you have a copy of the Board Governance Policy at
22 your places in the dais. It's the color-bound one.

23 For members who are listening in -- public
24 members who are listening in, that document is also
25 available on the BOE website. You can click on that,

1 and pull it up.

2 And for anybody in the audience who may want a
3 copy, Board Proceedings Division has additional copies
4 available for review.

5 So pardon the interruption.

6 MS. HIMOVITZ: No problem.

7 Sections II, III and IV discuss the Mission
8 Statement, the history of the agency, and the three tax
9 programs administered by the BOE.

10 Section V covers the Governance Principles
11 that guide the conduct, decisionmaking and behavior of
12 the Board, and provide a framework for the development
13 of policies and practices.

14 Specifically, the Board and the ED work
15 together ethically and remain open and accountable to
16 the Legislature and taxpayers.

17 Section VI, conformity with state law and
18 avoidance of conflicts of interest, highlights the state
19 laws that the Board Members must comply with,
20 specifically, Bagley-Keene Open Meeting Act, Conflict of
21 Interest, Kopp Act, incompatible activities and ethical
22 guidelines for professional conduct, mass-mailing
23 restrictions, Behested Payments, gift and travel
24 restrictions and limitations, Statement of Economic
25 Interest, use of state resources, use of public funds to

1 support or oppose a ballot measure.

2 Please note that the gift limit increased to
3 \$520 for calendar years 2021 and 2022. The gift limit
4 in 2020 was \$500.

5 Section VII outlines the roles and powers of
6 the Board consistent with the Government Code.

7 Subparagraph A describes what the Board is
8 authorized to do pursuant to the Government Code.

9 Subparagraph B highlights the Board Members'
10 authority over the Executive Director and their
11 relationship to the agency staff.

12 Subparagraph G discusses the Board's authority
13 to prescribe rules for its own governance, and that the
14 Board may implement public disciplinary action against a
15 Board Member whose conduct fails to meet the standards
16 outlined in or in violation of the Governance Policy, or
17 whose conduct is inconsistent with Board policies.

18 The discipline will be at the discretion of
19 the Board.

20 Section VIII is on the Board Chair and Vice
21 Chair. Subparagraph A outlines the process of the
22 election of the Board Chair and Vice Chair.

23 It reads as follows:

24 The Board shall automatically place on the
25 agenda an election to take place in December for the

1 offices of Chair and Vice Chair of the Board, or earlier
2 if there is no December meeting.

3 The Chair and Vice Chair shall serve a full
4 one-year term, which shall begin January 1st of the
5 following year and will end on December 31st.

6 There is no limit on serving consecutive
7 terms. If there's a tied vote, the currently serving
8 Chair or Vice Chair, as the case may be, shall continue
9 to serve.

10 Subparagraph B provides that the role of the
11 Board Chair -- excuse me -- provides for the role of the
12 Board Chair, and states that the Chair approves the
13 Board Meeting agendas, and may add additional meetings.

14 Additionally, the Chair convenes and adjourns
15 the meetings, calls the items, and provides leadership
16 to the Board.

17 The Chair also serves as a Member of the
18 Franchise Tax Board.

19 Subparagraph C provides for the role of the
20 Vice Chair, which is to serve on behalf of the Chair if
21 the Chair is absent or incapacitated.

22 Section IX discusses the Board Member roles,
23 responsibilities and conduct. This section highlights
24 the Government Code and discusses the repeal of
25 Section 15623, which previously allowed individual

1 Board Members to have investigatory powers.

2 Now, upon a motion approved by the Board in
3 open session, Members can collectively or individually
4 inspect the work of any local officers whose duties
5 relate to the assessment of property under
6 Government Codes 15612, 15611 and 15613.

7 Subparagraph A discusses the Board's governing
8 styling.

9 Subparagraph B highlights Members'
10 competencies. Members should develop an understanding
11 of their roles and responsibilities, state laws, the
12 agency's organizational structure, and the proper
13 conduct of Board Meetings.

14 Subparagraph C states that Members should
15 direct questions at meetings to the ED or to the person
16 who is designated to speak on the item.

17 Subparagraph D outlines the rules around ex
18 parte communications, which are restricted pursuant to
19 Government Code Section 11430.10.

20 While a proceeding is pending, there shall be
21 no communication regarding any issues in the proceeding.
22 This applies to all adjudicatory proceedings, which is a
23 proceeding that is an evidentiary hearing for
24 determination of facts, pursuant to which an agency
25 formulates and issues a decision.

1 Subparagraphs E through F highlight the
2 Board Members' limitations around their involvement with
3 agency staff and staff work. The communications
4 protocols with the Executive Director, confidentiality,
5 attendance and Board Member vacancies.

6 Lastly, the final section discusses the role
7 of the Executive Director.

8 So this completes my review. But Henry or I
9 are available to answer any questions that you have.

10 MS. COHEN: Thank you.

11 Colleagues, do you have any questions? Any
12 questions on clarification?

13 Mr. Vazquez.

14 MR. VAZQUEZ: Mine's not so much on
15 clarifications. But if there's some clarifications, you
16 might want to take those up. I just have some
17 suggestions.

18 MS. COHEN: Please.

19 MR. VAZQUEZ: First of all, thank you for your
20 update on this.

21 And I would like to make a few -- or propose a
22 few changes. But I didn't have the opportunity to put
23 it in writing. I want to put it in a form of a memo,
24 and at least give our Board Members, as well as staff,
25 an opportunity to review these before we consider the

1 possible changes.

2 So I would like to ask, if it's possible, I
3 guess, Chair, as well -- to agendize this for our
4 November meeting. And I will, before then, hand out or
5 make sure everybody on the Board, as well as staff,
6 including the Executive Director, receives the memo with
7 just a couple changes or recommendations, so we can
8 discuss the matter at the November meeting if that's
9 possible.

10 MS. COHEN: Well, let's see. What are your
11 ideas? Let's see what your ideas are.

12 MR. VAZQUEZ: Oh.

13 MS. COHEN: Before I commit to putting
14 anything on the agenda.

15 MR. VAZQUEZ: The first one is just -- I'd
16 like the Board to consider adding a paragraph on the
17 Board Work Groups, and to link or attach the Board Work
18 Group charter as an appendix to the Governance Policy,
19 if that's possible.

20 Second one, I would like to propose some minor
21 clean-up edits on a few pages that I think would add
22 some clarity. That's all. If those are friendly, I
23 would like to --

24 MR. NANJO: So in order to not run afoul with
25 Bagley-Keene, what I would recommend, Member Vazquez, is

1 if you would like to send those suggested changes to my
2 office, then I will work with Board Proceedings to
3 distribute those to the other Members before the
4 meeting.

5 MR. VAZQUEZ: I'd appreciate it. That's why I
6 was bringing it up. Because I wasn't sure if I could
7 just hand it to them before the meeting.

8 MR. NANJO: Yeah. If you go through us, we --
9 and if any -- if it -- if it pleases the Chair, I would
10 also invite any other Board Members who have any ideas
11 to also send those to my office, and I can compile them
12 and get them to the other Board Members at that point.

13 MR. VAZQUEZ: That would be great.

14 And I would just suggest, you know, if any of
15 my colleagues are interested in this, to give us all,
16 you know, ample time, at least a week's notice. Because
17 it's tough, at least for me, to look at something the
18 day of or the day before. So just out of courtesy.

19 MS. COHEN: Thank you.

20 Mr. Schaefer has something to say.

21 MR. SCHAEFER: Mr. Nanjo, I applaud this
22 entire collection of rules that we abide by. I think
23 they're sound and they preserve our integrity.

24 The Quentin Kopp Act 1990 is very strong and
25 important, but inflation has been pretty hard on all of

1 us. That was 30 years ago. And I would think there
2 should be an indexing of the amounts every 10 or 20
3 years, so that they are more reflective of the current
4 time. And I would suggest you take a look at that.

5 MR. NANJO: Thank you, Vice Chair Schaefer.

6 I would note, as Ms. Himovitz pointed out, the
7 gift limit does, for lack of a better term, adjust every
8 year. So at least that part is being changed on an
9 annual basis.

10 MR. SCHAEFER: So the \$250 limit used to be
11 \$100 or so?

12 MR. NANJO: The gift limit was 500, and I
13 think it's now 520.

14 MS. COHEN: Just wanted to reorient my
15 colleagues that the item that's being presented today is
16 in part of the Board's commitment to review the
17 Governance Policy.

18 MR. NANJO: Absolutely.

19 MS. COHEN: And, like you did, make
20 suggestions.

21 Something that I think that we need to talk
22 about is when the elections are held. What's
23 interesting is that we have, in our Governance Policy,
24 elections held in December. However, as we know, this
25 year, there's an election in November. And the new

1 Members -- new Members or new Member will be -- won't
2 take the seat, won't be sworn in until January.

3 So my question to this body is, we need to
4 address or reconcile that vote. I would suggest that we
5 consider doing a vote in February -- January or February
6 of 2023. That way it would allow any new Member to join
7 this body to be a part of the vote for leadership of
8 this body.

9 And so this is just a discussion item. This
10 is not an action item. And I just wanted to discuss
11 this with you. And I will reach out to Mr. Nanjo and
12 his Legal Counsel team to formally draft something if it
13 comes to that.

14 MR. NANJO: Okay. I'd be happy to.

15 Thank you, ma'am.

16 MS. COHEN: Yes. Thank you.

17 So I just wanted to point out that there's a
18 slight -- I don't know -- error seems too harsh -- an
19 oversight in our Governance Policy.

20 Do you guys follow what I'm saying?

21 Mr. Vazquez.

22 MR. VAZQUEZ: I think it makes sense if
23 there's a major turnover on this Board. But if it turns
24 out it's just one Member that we're replacing, I would
25 probably support that we keep it as is.

1 But I guess that's up for discussion, I guess,
2 at the November meeting.

3 MS. COHEN: True. But what I'm looking for is
4 deeper further into the future. This is a Governance
5 Policy that's going to live well beyond you and I and
6 this particular body. We are setting up governance
7 rules as a guide to help this body govern.

8 So --

9 MR. VAZQUEZ: So maybe -- oh.

10 MS. COHEN: Making a decision on -- making a
11 decision on one isolated case, to stick with your
12 example, you're saying, "Hey, one person just comes in.
13 We don't need to wait."

14 What I'm saying is that we need to look at the
15 policy in its entirety. Because that is what it is this
16 election cycle.

17 Who -- you know, in another four years, when
18 everyone is termed out, it will be a different
19 situation. So it would literally be like how it was
20 when we came in. The previous Board allowed us, a new
21 Board, to come in, take a seat, and then we decide -- we
22 decided how that leadership was going to unfold.

23 According to our governance rules right now,
24 that courtesy doesn't exist. So that is why I'm
25 bringing up this conversation.

1 MR. VAZQUEZ: Maybe a suggestion might be, you
2 know, in the event of, let's say, November, where it
3 looks like there's -- who knows, right? Because it's
4 all left up to the voters. If there is a drastic change
5 of maybe more than two Members, then we consider your
6 suggestion as a policy, right?

7 MS. COHEN: I think as a policy. I think
8 drastic or in-drastring, one person or four Members, I
9 think that's inconsequential.

10 I think we need to discuss how -- what is best
11 for the future of the Board of Equalization and its
12 elected Members.

13 Mr. Nanjo, I don't know if you have any
14 experience -- I think you were part of the transition
15 prior to this. What is this -- we're the class of 2018.
16 We were put into -- we were sworn in in January of 2019.
17 And if I'm not mistaken, I think it was in January, or
18 was it in February that we took that vote?

19 MR. NANJO: I think you were sworn in in
20 January. I believe the vote occurred in February.

21 MS. COHEN: That's what I thought.

22 MR. NANJO: Yeah.

23 MS. COHEN: Okay. That's what I was thinking.

24 So do you have any insight that you could
25 share with us?

1 MR. NANJO: Well, I mean, I -- I -- there are
2 a couple items I would just point out to the Board.
3 Which is, obviously, this is the Board policy, so you're
4 free to change it at any time.

5 So, for example, if you do hold your elections
6 in December, hypothetically, as suggested in the current
7 policy, and then there is a desire to allow maybe some
8 of your new Members to participate, you could always
9 hold another election in the earlier part of the year.
10 So that is something that you could always do.

11 MS. COHEN: How does that work with the
12 Board Governance structure as it exists right now?

13 MR. NANJO: Well, again, like I said, the
14 Board Governance Policy -- the Board Governance Policy
15 is just that, a Board policy. So the Board can either
16 make a temporary change or a permanent change at any
17 time.

18 So just because you have a published, so to
19 speak, Board Governance Policy, doesn't mean it's set in
20 stone and you can never change it.

21 The other issue that I would have you keep in
22 mind is it's always challenging if the election -- well,
23 if the election isn't until January or February, then
24 that means the, again, hypothetically, that means the
25 current Chair would have to serve until that time.

1 Because one of the things that happens in
2 between the Board Meetings, as you know, Chair Cohen,
3 and Board Members, is that there's a lot of planning as
4 to what's on the agenda and scheduling, and things of
5 that nature.

6 So I believe one of the reasons that
7 November/December was suggested, was so that when we go
8 into the new year, we have an existing leadership
9 structure that we can consult regarding scheduling.

10 So those are just two points that I know came
11 up in discussions at various points regarding the
12 Governance Policy.

13 MS. COHEN: I see.

14 MS. HIMOVITZ: Excuse me. If I may.

15 I know there's been different iterations of
16 the Governance Policy.

17 We -- Legal did not draft this. This is your
18 policy. Prior iterations had different methods for
19 electing Chairs. Some of them just being an automatic
20 transition, which I believe is what it was prior to this
21 one. Where it just went by district number, and you
22 rotated through that way.

23 So, again, this is your policy as a Board.
24 And it's something that you guys can discuss and change
25 over time, at each meeting if you -- you wanted.

1 MR. NANJO: So desired.

2 MS. HIMOVITZ: You know? So you're not tied
3 to whatever is in here every time.

4 But for consistency, there should be some
5 agreement on it, like Henry said, for the simple fact of
6 transitioning between the November/December into
7 January/February.

8 MS. COHEN: Okay. Thank you very much.

9 I fully understand that. I think the example
10 that Mr. Nanjo uses, we certainly, the Board Governance
11 Policy covers that, if I remember correctly.

12 I think Mr. Gaines presided over the meeting
13 until there was an election. So having one be a steward
14 of the ship, that is something that we can reconcile in
15 December, for example. So I'm not so much worried about
16 that.

17 I wonder, as our Legal Counsel, if you have
18 any other advice to changes that we need to make to the
19 Governance Policy as we're reviewing this document
20 today.

21 MR. NANJO: Upon my review, I don't see
22 anything that's critically -- that critically needs to
23 be changed.

24 MS. COHEN: Okay.

25 MR. NANJO: You know, Member Vazquez made a

1 suggestion about putting the Work Group information in
2 there. That would probably be appropriate if the Board
3 continues to want to have Work Groups.

4 That's an integral -- appears to be an
5 integral part of this Board's business. So that would
6 be an appropriate change.

7 But other than that, we are -- we do, from
8 time to time, review the Governance Policy to make sure
9 that it is -- it is current with current law, that it's
10 timely, that there are no issues. And I'm not aware of
11 any.

12 Are you, Ms. Himovitz?

13 MS. HIMOVITZ: Other than the gift amount
14 change, I didn't find anything at this time.

15 MR. NANJO: Thank you.

16 MS. COHEN: Thank you very much.

17 MR. NANJO: And Ms. Himovitz is correct. At
18 the time -- I neglected to mention that the time that
19 you folks, this -- excuse me -- this current Board, the
20 Honorable Members joined the Board of Equalization, I
21 believe the policy, at that time, was a automatic
22 rotation based in order of district number.

23 So, again, it's a Board policy. You can do
24 whatever you want to do along those lines. And if there
25 are any legal issues, I, of course, would let you know

1 about that.

2 MS. COHEN: Thank you.

3 Are there any -- did you complete your review,
4 or is there more for you to present to us?

5 MR. NANJO: No, that's all I have.

6 MS. COHEN: That's what I thought.

7 Thank you.

8 Is there any questions or comments or anything
9 down there?

10 Okay. Thank you very much.

11 MR. NANJO: Great.

12 And if it meets with your approval,
13 Chair Cohen, if the Board Members want to send their
14 suggestions to me, I will compile them and make sure
15 they're distributed to the Board Members before the next
16 meeting.

17 MS. COHEN: Thank you.

18 So, Board Members, think about if you have any
19 recommendations to send to Mr. Nanjo.

20 Mr. Epolite, if you have any recommendations
21 or any ideas, please let us know also.

22 Mr. Epolite.

23 MR. EPOLITE: Absolutely.

24 MS. COHEN: Thank you.

25 All right. Let's continue.

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

3 MS. COHEN: You're welcome.

4 MR. NANJO: -- Vice Chair Schaefer and
5 Honorable Members.

6 Thank you, Ms. Himovitz.

7 MS. HIMOVITZ: Thank you.

8 MS. CICHETTI: Before we go to the next item,
9 I am going to go out to the public to see if we have any
10 public comment on this item.

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

14 AT&T MODERATOR: Thank you.

15 And if so, please press one, zero at this
16 time. Again, that is one, zero on your telephone
17 keypad.

18 And currently nobody in queue.

19 MS. CICHETTI: Thank you.

20 MS. COHEN: Ms. Cichetti, please call the next
21 item.

22

23

ITEM J1

24

25 MS. CICHETTI: The next item on the agenda is

1 Administrative Session; J, Administrative Consent
2 Agenda; J1, Adoption of the Board Meeting Minutes for
3 September 27, 28, 2022.

4 The minutes of the Meeting were attached to
5 the Public Agenda Notice for your consideration.

6 MS. COHEN: All right.

7 Colleagues, is there any discussion or
8 anything that you'd like to note in the minutes or
9 change?

10 All right. Seeing none, is there a motion on
11 this item? A motion to adopt the September 27, 28
12 Board Meeting minutes?

13 MR. VAZQUEZ: So approved.

14 MR. SCHAEFER: Second.

15 MS. COHEN: Thank you.

16 Motion is made -- has been made by Mr. Vazquez
17 and approved by Mr. Schaefer.

18 Let's go to public comment.

19 MS. CICHETTI: AT&T moderator, is there anyone
20 on the line who'd like to make a public comment
21 regarding this item?

22 AT&T MODERATOR: And, again, it's one, zero.

23 And currently nobody in queue.

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

25 Let's call the roll.

1 MS. CICHETTI: Chair Cohen.
2 MS. COHEN: Aye.
3 MS. CICHETTI: Vice Chair Schaefer.
4 MR. SCHAEFER: Aye.
5 MS. CICHETTI: Member Gaines.
6 MR. GAINES: Aye.
7 MS. CICHETTI: Member Vazquez.
8 MR. VAZQUEZ: Aye.
9 MS. CICHETTI: Deputy Controller Epolite.
10 MR. EPOLITE: Aye.
11 MS. COHEN: Thank you. The motion passes
12 unanimously.

13 Thank you, Members.

14 Ms. Cichetti, please call the next item.

15

16 **ITEM J2**

17

18 MS. CICHETTI: All right. The next item on
19 the agenda is J, Administrative Consent Agenda; J2,
20 Adoption and Presentation of Retirement Resolution:
21 Retirement of Patricia Lumsden.

22 I have her resolution that I'm going to read
23 into the record.

24 MS. COHEN: Please.

25 MS. CICHETTI: Honoring Patricia Lumsden on

1 her retirement.

2 Whereas, Patricia Lumsden, Chief of the
3 County-Assessed Properties Division, will retire on
4 December 1st, 2022 after 14 years of outstanding and
5 notorious service to the State of California and the
6 California Board of Equalization.

7 Whereas, Patricia began her career with the
8 California State Board of Equalization on June 26, 2008
9 as an Associate Property Appraiser in the Assessment
10 Practices Survey Unit.

11 And, whereas, as a result of diligent work and
12 demonstrated ability, she advanced to positions of
13 increasing responsibility, first earning appointment to
14 the position of Senior Specialist Property Appraiser in
15 April 2011, and after ably serving the Assessment
16 Practices Survey Unit, she moved to the Welfare
17 Exemption Section in September 2014, advancing to the
18 position of Supervising Property Appraiser.

19 And, whereas, in recognition of her
20 outstanding leadership skills and proven
21 professionalism, she was appointed to the position of
22 Principal Property Appraiser in the Assessment Services
23 and Training and Certification Unit in February 2019,
24 and Division Chief of the County-Assessed Properties
25 Division in April 2020.

1 And, whereas, the California State Board of
2 Equalization has greatly benefitted from Patricia's
3 knowledge, experience, dedication and integrity, all
4 while setting an example of quality, exceptional
5 service, and earning the respect of management,
6 coworkers and peers.

7 Therefore, be it resolved that we, the Members
8 of the Board, do hereby extend to Patricia Lumsden our
9 sincere and grateful appreciation for her dedicated
10 services to the California State Board of Equalization
11 and to the State of California.

12 Our congratulations on her well-earned
13 retirement, and our best wishes to her continued
14 success, happiness, and good health in the years to
15 come.

16 Adopted in Sacramento, California, today,
17 October 18th, 2022.

18 MS. COHEN: That's amazing.

19 Ms. Lumsden, would you like to come down?

20 Try not to skip so fast.

21 It's good to see.

22 MS. LUMSDEN: Nice to see you.

23 MS. COHEN: I, first, wanted to see if the
24 Executive Director had any remarks.

25 If you do, you're welcome to say some things

1 before the Board makes a few remarks.

2 We'll make this -- we'll make this as painless
3 as possible. I can see the anxiety on your face, Ms.
4 Lumsden.

5 MS. STOWERS: Thank you, Chair Cohen and Vice
6 Chair Schaefer.

7 Yvette Stowers, Executive Director.

8 Thank you for recognizing Patty, our Chief of
9 County-Assessed Properties Division by presenting her
10 with this lovely resolution.

11 I know I speak for the entire BOE team, that
12 while we are sad to see her go, we are also very happy
13 for her and what's to come in her well-deserved
14 retirement.

15 Her depth of knowledge in property tax
16 assessment, her professionalism in dealing with county
17 assessors' offices and the public, and her amazing
18 leadership of the entire team has been a very positive
19 experience, and a very long-lasting impact on the BOE.

20 In addition, she has contributed so much, and
21 was instrumental in rebuilding the BOE after its
22 restructuring, and has implemented effective changes
23 that will carry on as part of her legacy.

24 Once again, on behalf of the entire BOE team,
25 congratulations, Patty, on your well-deserved

1 retirement. You will be missed.

2 MS. LUMSDEN: Thank you. Appreciate that.

3 MS. COHEN: Ms. Lumsden, I, too, want to just
4 echo a few of the remarks from the Executive Director.

5 You've seen a lot of transition in this body,
6 and yet you have been one of the senior staff members
7 that have remained steadfast.

8 People enjoy your trainings. And as a matter
9 of fact, as you know, we've been pushing and asking for
10 more.

11 And, you know, we are working through the
12 constraints that we have. But this is a pivotal moment.
13 A transition. And I hope that you're excited. I'm
14 excited for you.

15 And this is a moment where you get to step
16 back and review your life's work. And I hope it's a
17 prideful moment. You have had positive impact on many
18 Californians lives, even if they don't know it.

19 So I wanted to commend you and celebrate you
20 in this moment for your hard work. Dedicating your life
21 to public service is not an easy job. And being a
22 teacher, being a trainer, working in this particular
23 space is not an easy job. But you have risen to the
24 occasion and have fully executed in a brilliant way.

25 I've enjoyed working with you, and I've

1 enjoyed watching you work, listening to you speak on
2 panels, working with the assessors and the assessors'
3 association. It's been a joyful moment for me. I just
4 wanted to let you know that.

5 Let me see if my colleagues --

6 Mr. Vazquez had something to say.

7 MR. VAZQUEZ: Patty Lumsden, what do I say
8 here?

9 First of all, just sincere congratulations.
10 I think it's been a real joy, at least when I came in
11 here as a freshman in 2018, you were such an asset to my
12 office and to my district. And I really want to -- I
13 really, really appreciate your service.

14 And I know you've worked very hard in this
15 position for many, many years. And you're leaving some
16 huge, huge shoes to fill. But I hope -- and I know
17 Executive Director is probably going tap you for some
18 assistance down the road as you retire.

19 But really appreciate all the hard work you've
20 put into BOE. Because you've really helped us in terms
21 of fulfilling our mission as the new BOE. And I just
22 wanted to thank you for that.

23 And it's sad to see you go, but I'm sure you
24 have a lot to do in your retirement. And wish you
25 nothing but the best.

1 MS. LUMSDEN: Thank you.

2 MS. COHEN: Mr. Epolite, if you would like to
3 say some more comments.

4 MR. EPOLITE: Sure.

5 Patty, in coming back, it was good to see your
6 familiar face. I wish you all the best in your
7 retirement. Many years of dedicated service to the
8 Board of Equalization, but many years to come in
9 retirement. And best wishes to you.

10 Thank you.

11 MS. COHEN: Mr. Gaines.

12 MR. GAINES: Patty Lumsden, thank you so much
13 for everything you've done while you've been here. I
14 really appreciate your dedication.

15 You know, we talked a lot about what was
16 happening with education, and helping our county
17 assessors and our own staff in getting the education
18 that they needed. And just so encouraged to see so much
19 progress that was made over the course, through the
20 pandemic, for which we had to adjust to. And getting
21 innovative and coming up with ideas in terms of how we
22 can still serve the needs of those that need to take
23 their classes, and then accelerating that passed the
24 pandemic. So thank you so much for the time you've
25 dedicated here.

1 I did want to hear a little bit about what
2 your plans are. Do you have some ideas of what you're
3 going to do?

4 MS. LUMSDEN: At this time I have a lot of
5 things to do that have to do with more -- some personal
6 matters, you know, helping my father transition over
7 to -- we just got done moving him closer to his -- I
8 actually moved myself to the San Luis Obispo area. And
9 actually looking forward to retiring there with the rest
10 of my family.

11 MR. GAINES: Wonderful.

12 MS. LUMSDEN: Two siblings that live up there
13 as well.

14 MR. GAINES: Fantastic.

15 MS. LUMSDEN: So, yeah. We'll be
16 transitioning that. As a matter of fact, my day after I
17 leave, I will be helping move my dad into his new
18 apartment. So that will be the start of my exciting
19 retirement.

20 MR. GAINES: Still work hard.

21 MS. LUMSDEN: Yeah.

22 I appreciate all the nice comments. And I've
23 enjoyed working with all of you. And I've really
24 enjoyed working with the BOE all these years, and
25 appreciate all the opportunities that they have given

1 me.

2 And a lot of the successes that I've had are
3 because we've had great staff working with me, and also
4 great -- a great team working with me as well. Not only
5 just the staff, but also the other supervisors and
6 managers along the way. And I really appreciate all of
7 them.

8 MS. COHEN: Well, I'm delighted to welcome you
9 into the BOE District Two down in San Luis Obispo. We
10 get down there pretty often.

11 MR. GAINES: Thank you so much.

12 MS. COHEN: Mr. Schaefer.

13 MR. SCHAEFER: Yes.

14 Ms. Lumsden, I was the new kid on the block
15 when I got here 4 years ago. And it's so nice to have
16 somebody with your experience, you know, to give
17 kindness and help our office as you have done.

18 We're all prohibited from serving more than
19 eight years in public service, and your fourteen gives
20 you special standing.

21 Also very impressed that you were here in 2017
22 when about 90-95 percent of our personnel disappeared in
23 the reorganization. And that gives you a unique insight
24 into what we are doing as survivors.

25 So I want to wish you well in your retirement,

1 and I look forward to retirement someday too.

2 MS. LUMSDEN: Thank you. I really appreciate
3 that.

4 MS. COHEN: All right. Well, thank you very
5 much. We've got a --

6 MS. CICHETTI: Opportunity for a photo session
7 if the Board Members wouldn't mind stepping down?

8 MS. COHEN: If you don't mind, we'll take a
9 five-minute recess. Ten-minute recess.

10 MS. CICHETTI: Yes.

11 MS. COHEN: Thank you.

12 (Whereupon a break was taken.)

13 MS. COHEN: Reconvene, everyone.

14 Good morning. It's 10:08.

15 Ms. Cichetti.

16 MS. CICHETTI: We need to complete the
17 resolution for Ms. Lumsden.

18 MS. COHEN: Yes.

19 MS. CICHETTI: We stopped to take a
20 photograph. We need to take a motion adopt it.

21 MS. COHEN: Thank you very much.

22 Is there a motion to adopt to adopt the
23 retirement resolution for Ms. Patricia Lumsden?

24 MR. VAZQUEZ: So moved.

25 MR. GAINES: Second.

1 MS. COHEN: All right. Made by Mr. Vazquez.
2 Second by who? Mr. Gaines?
3 MR. GAINES: Gaines. Yeah.
4 MS. COHEN: Thank you.
5 MS. CICHETTI: Going to go out to the AT&T
6 moderator to see if we have any public comment on this.
7 AT&T moderator, please let us know if there's
8 anyone on the line who would like to make a public
9 comment regarding this item.
10 AT&T moderator.
11 AT&T MODERATOR: Can you hear me?
12 MS. CICHETTI: Now we can hear you.
13 We're looking to see -- is there anyone on the
14 line who would like to make a comment on the last item,
15 J2?
16 AT&T MODERATOR: Again, it is one, zero at
17 this time.
18 And currently nobody in queue.
19 MS. COHEN: Thank you.
20 MS. CICHETTI: Ready to take roll.
21 MS. COHEN: Yes, please.
22 MS. CICHETTI: The motion was to adopt the
23 resolution for Patricia Lumsden.
24 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: Deputy Controller Epolite.

8 MR. EPOLITE: Aye.

9 MS. COHEN: All right. This motion passes
10 unanimately.

11 Ms. Cichetti, please call the other
12 administrative matters.

13

14 **ITEM K1a**

15

16 MS. CICHETTI: The next item on the agenda is
17 K, Other Administrative Matters; K1a, Executive
18 Director's Report: Organizational Update. Report on the
19 status of pending and upcoming organizational
20 priorities.

21 This matter will be presented by Ms. Stowers.

22 MS. COHEN: Good morning.

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

25 I am Yvette Stowers, Executive Director.

1 For today's report, I will provide an update
2 on our presentation to the California Society of
3 Enrolled Agents, and I will then provide highlights of
4 upcoming meetings of note.

5 On September 29th, 2022, the BOE participated
6 in the California Society of Enrolled Agents annual
7 State Tax Agency Liaison Meeting. There were over 100
8 enrolled agents statewide attending this virtual
9 meeting.

10 I gave a brief overview of the BOE, followed
11 by a presentation from the Property Tax Department
12 staff, who gave an informative presentation on
13 Proposition 19. And I will say, it was well received.

14 Our Taxpayers Rights Advocate also highlighted
15 our recently updated information sheets on property tax
16 savings and ways to reach our office.

17 This was our first appearance at this annual
18 event, and I believe it provided an excellent
19 opportunity for our outreach to our stakeholders on the
20 agency's role in property tax and other important tax
21 information.

22 We would like to thank the California Society
23 of Enrolled Agents for inviting BOE to participate, and
24 we look forward to next year's meeting.

25 Next, Members, I'd like to highlight a few

1 important dates of note.

2 Members, as you know, tomorrow is your annual
3 meeting with the assessors. And this is a meeting that
4 is required under Government Code Section 15607.

5 This annual meeting will provide a good
6 opportunity for a formal and informal dialogue amongst
7 the Members of the Board of Equalization and the
8 58 county assessors.

9 This conversation will be regarding
10 administration of property tax assessments and taxation
11 loan.

12 The first half of the meeting agenda will
13 include public presentations and discussion, followed by
14 the second half of the meeting for county assessors and
15 the Board Members to meet collectively.

16 Then on November 2nd through the 4th, the
17 California Lawyers Association will hold its annual
18 meeting of Tax Bar and Tax Policy Conference in
19 San Diego, California.

20 BOE Chief Counsel, Henry Nanjo, will be
21 participating as part of the Chief Counsel round table
22 discussion. He will be accompanying with other
23 Chief Counsels for other California tax agencies.

24 And finally, Members, on November 14th is the
25 annual California Assessors' Association Conference,

1 which will be held in Solano County.

2 I would continue to keep your offices up to
3 date on the details of these upcoming events.

4 Lastly, Members, sad, very sad. As I shared
5 earlier, a former BOE employee, Rose Marie Kinnee,
6 passed away last week on Monday, October the 10th.

7 Rose Marie was an employee of the BOE for over
8 28 years, most recently as a Property Tax Legislative
9 Analyst.

10 She also worked as a Senior Consultant for the
11 Assembly Committee on Revenue and Taxation before she
12 retired from State service in November of 2020.

13 Rose Marie was a brilliant and well-known
14 property tax expert, who was also certified as an
15 advance appraiser by the BOE.

16 She was a caring colleague, mentor and friend
17 to many, and she will be deeply missed by all those who
18 knew her and loved her.

19 She is survived by her husband, former BOE
20 Executive Director, Dean Kinnee.

21 Thank you, Chair Cohen, for agreeing to
22 adjourn the meeting in her honor.

23 Because she is a family member, several of my
24 team members, when they do their report, would like to
25 make some remarks as well.

1 MS. COHEN: Of course.

2 MS. STOWERS: Thank you.

3 Please join me in expressing our deepest
4 condolences to the Kinnee family.

5 This concludes my presentation.

6 The management team will follow. And I'm
7 available to answer any questions that you may have.

8 MS. COHEN: Thank you.

9 Are there any questions or comments?

10 Yes.

11 MR. VAZQUEZ: I'm sorry to hear that we lost
12 one of our stars from the BOE.

13 I'd like to give my condolences to her and her
14 family as well.

15 But you mentioned in your report, and I don't
16 know if this is a question for you or Mr. Nanjo. I
17 guess on November 4th, he's going to be making a
18 presentation to the round able.

19 Just out of curiosity, do you know what he's
20 going to be covering?

21 MS. STOWERS: They generally talk about --
22 come on up, Mr. Nanjo.

23 They -- all the Chief Counsel generally talk
24 about recent completed litigation that's not public, any
25 rules and regulations that's been passed.

1 MR. NANJO: Thank you, Executive Director
2 Stowers.

3 Chair Cohen and Vice Chair Schaefer, Honorable
4 Members of the Board, Member Vazquez.

5 So the Chief Counsel's round table is an
6 opportunity at the close of the State Tax Policy
7 Conference. It's an opportunity for the Chief Counsels
8 of the Office of Tax Appeals, California Department of
9 Tax and Fee Administration, FTB, Franchise Tax Board,
10 and BOE to just present kind of what's been going on in
11 their agency in the last year.

12 We do a very high-level overview of
13 litigation, regulations, any kind of new news that's
14 going on at our agency. And more than anything else,
15 it's an opportunity for the audience to ask us questions
16 and answers about, you know, what's going on, and what
17 may be planned.

18 So it's something that happens on an annual
19 basis. And I'm happy to participate and represent the
20 Board.

21 MR. VAZQUEZ: I appreciate it.

22 I was just wondering, you mentioned CDTFA, I
23 guess, is present there?

24 MR. NANJO: Yes.

25 MR. VAZQUEZ: And I know when I participated

1 in some of these conferences, we constantly get asked
2 about our role, who's doing what. And at least in my
3 district, and I think I'm speaking for other Members as
4 well, you know, we constantly -- I just had a call last
5 week from actually a senator in my district that thought
6 we had some authority over CDTFA. And I said we really
7 don't.

8 And I'm just -- you know, I still -- we're
9 four years into this, I haven't heard anybody really
10 speak highly that this new body that they created, this
11 bureaucratic Board has actually been very effective for
12 the taxpayers.

13 And I'm just wondering, in your experience as
14 you're hearing from folks, especially on the legal side,
15 if that's correct, or if you're hearing otherwise?

16 MR. NANJO: You know, it's -- I don't hear a
17 lot from my peers. You know, a lot of the folks I have
18 contact with are, for lack of a better term, are kind of
19 tax policy nerds. So they're kind of where the
20 difference is between CDTFA and BOE.

21 And I think as a matter of professional
22 courtesy, I would assume that they're not necessarily
23 talking to me about their criticisms of another State
24 agency.

25 Thank you for the question, though.

1 MR. VAZQUEZ: Thank you.

2 MS. COHEN: Mr. Epolite.

3 MR. EPOLITE: Just to -- I had a comment to
4 make.

5 But just to address Mr. Vazquez's question,
6 this is a Tax Policy Conference. So this is tax
7 professionals attending this particular conference. So
8 I don't think for that particular conference, there
9 would be those types of questions being asked at that --
10 from that audience, that particular audience.

11 To go to Executive Director's comments
12 regarding Ms. Kinnee, I have a statement to make from
13 the Controller.

14 MS. COHEN: Please.

15 MR. EPOLITE: This is a statement from the
16 Controller.

17 The Board of Equalization has lost a gem with
18 the passing of Rose Marie Kinnee.

19 I have known and worked with Rose Marie for
20 close to 30 years.

21 She was not only a dedicated public servant,
22 whose career began at the BOE in 1989, and assented to
23 become a respected, sought-after property tax expert by
24 her colleagues, but by legislators, county assessors,
25 tax practitioners and taxpayers.

1 Rose Marie was best known for her reputation
2 as a can-do person who always had a positive attitude.
3 This was how she lived her life through her last day
4 with us.

5 I extend my heartfelt condolences to her
6 husband, another leader of this organization, former
7 Executive Director, Dean Kinnee, and their family.

8 May Rose Marie's memory always be a blessing,
9 and may her life continue to inspire.

10 I respectfully request that this Board Meeting
11 be adjourned in memory of Rose Marie Kinnee, the one who
12 gave so much of herself to this organization and its
13 mission.

14 Thank you.

15 Chair Cohen and Members, I would also like to
16 add my own words of memory for Rose Marie Kinnee as
17 well.

18 Rose Marie was one of the first people that I
19 met as a new property tax attorney when I started with
20 the Board almost 23 years ago.

21 Rose Marie was an expert in her field as an
22 analyst of property tax legislation on behalf of the
23 Board and the Legislative Division, and I'm grateful to
24 have worked with her.

25 As the Controller mentioned, Rose Marie was

1 full of life, and her time with us was too short. She
2 will be deeply missed by all of us who knew her.

3 Thank you.

4 MS. COHEN: Thank you for your remarks on
5 behalf of the Controller and yourself.

6 Let's see if there's anyone on my left.

7 MR. GAINES: Yeah, if I could.

8 MS. COHEN: Mr. Gaines.

9 MR. GAINES: I appreciate your comments.
10 And thank you for sharing that history with
11 us, too, in terms of Rose Marie Kinnee.

12 I'm wondering if we can -- is there some way
13 that we can memorialize her life here, her life's work
14 at the BOE?

15 You know, when I was in the Senate, we had
16 opportunities to memorialize folks that had passed away,
17 and you could give a brief biography of those, and then
18 give that to the family.

19 And I'm just wondering if we might be able to
20 do something that would highlight the wonderful things
21 she did at the BOE that we could give privately or
22 publicly, whatever the family would desire.

23 But I'd sure like to recognize her in writing
24 with a document, if that would be, No. 1, the will of
25 the Board, and if that would make sense in terms of

1 recognizing someone who dedicated so many years to the
2 BOE.

3 MS. COHEN: Mr. Gaines, I'm not that familiar
4 with the Senate's practices, but it sounds fitting if we
5 could adopt some of it.

6 Would you mind leading the Board and the staff
7 in that process?

8 MR. GAINES: Sure. Yeah. You bet.

9 MS. COHEN: Just work with the staff.

10 MR. GAINES: Absolutely.

11 MS. STOWERS: If I may, Madam Chair.

12 Absolutely, we can definitely write something
13 up. And I would communicate with the family, and see if
14 they would like for it to be private or publicly.

15 And I know, obviously, that we're hurting.
16 Many of the team members will go to the service.

17 And in the past, when we lost another property
18 tax expert, we attended the service, and had -- I'm not
19 sure the exact title of this document, but something was
20 prepared by the Board and presented to the family.

21 So if I could retrieve that and move forward,
22 and share it with you guys before it's published.

23 MS. COHEN: Absolutely. Thank you very much.

24 I wanted to see if there's any members of the
25 Executive Team that would like to go on the record and

1 share a memory or thought about Rose Marie Kinnee.

2 There's no pressure. You don't have to. But
3 if you'd like to.

4 MS. THOMPSON: I thank the agency's Executive
5 Director, Ms. Stowers, for dedicating and paying tribute
6 to one of our long-time employees, Rose Marie Kinnee.

7 And also for Deputy Controller Epolite, for
8 his nice remarks on behalf of himself as well as
9 Controller Betty Yee.

10 I'd like to say that I, like many others, will
11 miss her professionally and personally.

12 My heart goes out to her husband, family and
13 friends. But I know she will continue to do great
14 things and be her bubbly self, just at a different
15 place.

16 MS. COHEN: Thank you.

17 Does that conclude your remarks?

18 MR. YEUNG: Thank you for this opportunity.

19 David Yeung here, Deputy Director of the
20 Property Tax Department.

21 I also would like to express my condolences to
22 the Kinnee family for this tragic loss.

23 Ms. Rose Marie Kinnee, whenever -- I know,
24 personally, whenever I had a question about anything
25 that relates to legislation, she was the absolute oracle

1 in that aspect. And she always had it at the tip of her
2 tongue and the very edge of her mind. And her recall
3 was fantastic.

4 But more on a personal basis, I could always
5 tell when Rose Marie entered the room. The tenor and
6 the mood of the room lifted with her appearance.

7 So my deepest condolences to friends and
8 family.

9 Thank you.

10 MS. COHEN: Thank you, Mr. Yeung.

11 Mr. Nanjo.

12 MR. NANJO: Thank you, Board Members, for this
13 opportunity.

14 When I joined the Board, it was right after
15 the split. I had two attorneys who were relatively new
16 to property tax and the BOE, and myself, and one of the
17 first people that I ran into was Ms. Rose Marie Kinnee.

18 And Rose Marie was just fantastic in that she,
19 as it's been said by everyone, she is pleasant, she is
20 effusive, she is happy to help. Her knowledge of
21 property tax was amazing, especially about when rules
22 went into place, the history of those rules.

23 She was better than any encyclopedia or
24 Westlaw program, or anything else that I could have
25 asked for.

1 She helped out my staff immensely by providing
2 us with background, giving us leads on where to do
3 research. She just had an encyclopedic knowledge of
4 property tax.

5 But above and beyond that, the thing that was
6 most lasting about Rose Marie was she was so happy, so
7 excited, so pleasant to do this for you or with you that
8 it made you get interested in property tax and really
9 go, "Wow. This must be pretty cool stuff, because look
10 at Rose Marie. She's like taking off with this."

11 So, again, it is a great loss to not only the
12 BOE, the Kinnee family, but the entire property tax
13 community.

14 I know she helped out the Legislature and was
15 invaluable over there as well.

16 My heart goes out to Dean Kinnee and his
17 entire family and Rose Marie's family. It is very
18 tragic, because she -- she has unfortunately left us way
19 too early.

20 But thank you very much.

21 MS. COHEN: Thank you for sharing your
22 thoughts and your memories.

23 Colleagues, thank you for sharing your
24 thoughts and well wishes. I'd like to just add my voice
25 to this sad occasion. This is a tremendous loss.

1 To the Kinnee family, we're very thankful that
2 you shared this lovely woman with us for so many years.

3 And, colleagues, just want to note that we
4 will be sending a resolution to the Kinnee family. It
5 will be packaged in a nice portfolio with nice binding
6 for a keepsake momentum for the family. And it will
7 highlight Ms. Kinnee's accomplishments and contributions
8 for a stellar career.

9 So with that, I think we can keep moving.

10 Ms. Cichetti.

11 MS. CICHETTI: We'd like to go out to the AT&T
12 moderator to see if there's anyone who would like to
13 make a public comment on this.

14 MS. COHEN: Yes.

15 Thank you to the Executive staff.

16 Thank you.

17 MS. CICHETTI: AT&T moderator, can you let us
18 know if there's anyone on the line who would like to
19 make a comment on this item.

20 AT&T MODERATOR: Certainly.

21 Again, it is one, then zero to make a comment.

22 And currently nobody in queue.

23 MS. CICHETTI: Do we want to take a moment at
24 this time, or did you want to move forward?

25 MS. COHEN: Let's continue moving forward.

1 Thank you.

2

3

ITEM K1b

4

5 MS. CICHETTI: The next item on this agenda is
6 Executive Director's Report, K1b, Operational
7 Priorities: Report on the status of operational
8 priorities of the Board of Equalization.

9 This matter will be presented by Ms. Renati.

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

12 My name is Lisa Renati, Chief Deputy Director.

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

15 The first item is our recruitments. Since my
16 last report to the Board, we have filled four positions:
17 three promotions of internal candidates, and one
18 position was filled with a professional new to State
19 service.

20 We are actively recruiting our remaining
21 vacancies by leveraging the recruitment services of
22 CDTFA. This includes targeted online recruitment
23 services, allowing our recruiters to obtain training and
24 access to materials, and also participation in multiple
25 recruitment efforts.

1 For the current calendar year, we have
2 participated in 13 separate informational and/or
3 recruitment activities: four events were in person, nine
4 were virtual.

5 We have also established a new career webpage
6 on our website. Since July 2022, we have had 756 unique
7 page views: 277 of those views have been in the last
8 17 days. So we pretty much think that our last three
9 recruitments events that we did in a month, 17 days,
10 were partially responsible for that increase.

11 My next item is in regard to the agency's
12 strategic goal regarding workforce development. Just
13 that we have spent time and energy with our recruiting
14 efforts. We are also making sure our new staff and
15 managers have the tools, training and mentoring needed
16 to successfully perform and grow in their roles.

17 The management team is committed to providing
18 practical experience and intentional focus on knowledge
19 transfer and succession planning, so that we develop the
20 next generation of property tax subject matter.

21 Members, this concludes my report on the
22 agency's day-to-day operational priorities.

23 If you have any questions, I'm available to
24 answer them.

25 MS. COHEN: Thank you very much.

1 Congratulations on moving that agenda forward
2 and getting these vacant positions filled. That is
3 awesome news.

4 I'm going to pivot to my colleague,
5 Mr. Gaines. I know he's got something to say.

6 MR. GAINES: I just want to thank you. Keep
7 up the good work.

8 MS. RENATI: Thank you.

9 MS. COHEN: All right.

10 MR. VAZQUEZ: Real quick. I'm sorry.

11 Thank you, Ms. Renati, for your presentation.

12 I just have one question. And it's, have you
13 found that any of the recruitment methods you described
14 that particularly affected our efforts to attract and
15 hire qualified candidates?

16 MS. RENATI: I think the combination of
17 everything we're doing is getting our name out and
18 letting people know that we have positions.

19 A majority of our appraiser classifications
20 require education and experience. So it's not so easy
21 as just going and finding a recent college graduate in
22 training. We need to find those people with experience
23 and education. But by getting our name out and getting
24 through word of mouth, we are getting more qualified
25 candidates, and people realizing that we're interested.

1 Today I will provide an update on our Prop. 19
2 Implementation Project. A high-level implementation
3 plan is attached to today's agenda.

4 I'm happy to report that the status of our
5 implementation of Prop. 19 is green, meaning no issues
6 to report.

7 The BOE has a dedicated web page regarding
8 Prop. 19, which can be accessed from our home page. The
9 webpage includes guidance, frequently asked questions,
10 related legislation, and additional resources to help
11 all taxpayers.

12 As of October 16th, our Prop. 19 webpage
13 received approximately 398,400 unique external page
14 views since we launched the page in November of 2020.

15 This includes an additional 15,400 unique
16 external page views since our last Board Meeting.

17 This concludes my presentation on this topic.

18 I'm available to answer any questions.

19 MR. VAZQUEZ: Just a quick one.

20 You know, on Prop. 19, I constantly run across
21 folks that were really confused on this whole issue. As
22 at matter of fact, last night I was at a reception, and
23 I was talking -- I believe he's the new Chair of the
24 Hispanic Chambers of Commerce here for this region,
25 and -- as a Realtor. And I was asking him, "Did you

1 know what this all was going to entail, the final
2 product?"

3 And, once again, he confirmed what I've heard
4 from many other folks, that what they started with was
5 something they thought was going to be really helpful,
6 especially for this whole intergenerational wealth
7 transfer. And they -- he was very disappointed with the
8 final outcome.

9 And I'm wondering if that's something you're
10 hearing, too, when -- with folks that are calling in and
11 they're asking about assistance.

12 MS. RENATI: That's a great question, and one
13 that David, or Mr. Yeung, or Ms. Lumsden can answer for
14 you, or Ms. Thompson as well.

15 MR. VAZQUEZ: Thank you.

16

17 **ITEM K1d**

18

19 MS. CICHETTI: The next item on the agenda is
20 Executive Director's Report, K1d, Budget Quarterly
21 Report: Report on the status of the BOE Budget.

22 This matter will be presented by Ms. Renati.

23 MS. RENATI: Good morning.

24 Again, Lisa Renati, Chief Deputy Director.

25 Today I'll provide a quarterly update on the

1 agency's budget.

2 Members, as you're aware, approximately
3 86 percent of the BOE's budget is appropriated for
4 personal services. That is salaries and benefits for
5 the BOE's 193 positions.

6 The remaining 14 percent of funding is
7 appropriated for the operating expenses and equipment.

8 For the fiscal year 21/22, which ended
9 June 30th, '22, the BOE expended 84 percent of our
10 appropriated funding.

11 For personal services, we expended 85 percent,
12 and for operating equipment and expenses, or OE&E,
13 75 percent.

14 A few years ago, at the end of fiscal year
15 2019/20, our personal service expenditures were only
16 77 percent. If you compare that to our current
17 85 percent PY expenditures, it demonstrates in the last
18 two years, we've made significant progress in filling
19 our key program and administrative positions as shown by
20 our 11 percent increase and overall expenditures for
21 personal services.

22 Our fiscal year 21/22 OE&E expenditures were
23 lower than the amount appropriated due to multiple
24 factors. These include reductions in business-related
25 travel for audit surveys and training due to COVID-19

1 with travel restrictions, savings due to reduced office
2 space, and less spending on printing and office supplies
3 due to our modernization efforts.

4 Overall, we are pleased with our budget
5 management efforts for the BOE's fiscal year 21/22
6 budget.

7 Which brings me to our current budget. For
8 our fiscal year 22/23 budget allocation, which began in
9 July 2022, our funding and positions for both the agency
10 and Member offices remain the same. We have 193
11 positions.

12 Projections based on current expenditures,
13 posted for the first quarter of this fiscal year, which
14 is July, August, and September, indicate that our
15 personal services spending at the end of the fiscal year
16 will be 88 percent.

17 This is close to our sweet spot, and close to
18 those of other agency's with low vacancy levels. We're
19 very excited about reaching those levels.

20 Our projections for OE&E expenditures for
21 fiscal year 22/23, our current fiscal year, relies on
22 many moving parts, involving basic operational
23 functions, like our must-haves, our goals for
24 modernization, and the reality of increasing costs.

25 For example, we have modernized our survey,

1 audit and training programs to include hybrid and
2 in-person courses, which can reduce expenses for more
3 in-person hybrid classes that are taught online.

4 At the same time, we are implementing
5 succession plans for essential roles and program subject
6 matter, which includes on-the-job training, which can
7 increase expenses with both trainees and trainers
8 traveling.

9 Another example is that we transitioned our
10 telephone service from old technology with equipment
11 that is tethered to a physical office location, to Voice
12 over Internet Protocol or VoIP.

13 This technology allows you to answer your
14 phone anywhere you're at, from your laptop or from your
15 handheld device like a cell phone.

16 Once we complete gathering up all the old
17 equipment and to return it to the vendor, we are going
18 to save a substantial amount of money each year, while
19 at the same time, continuing better facilitation of our
20 teleworking. So that movement is going to change our
21 budget.

22 We are also phasing out desktop computers in
23 favor of more versatile laptops, docking stations,
24 additional monitors and headsets. And those expenses
25 hit our budget this year.

1 These are just a few examples of the moving
2 parts being tracked for our agency's expenses on a
3 global level.

4 And lastly, Members, we continue to provide
5 expenditure reports by unit to each senior staff and to
6 each of your offices so that expenses can be tracked in
7 somewhat realtime. We get them about a month later.
8 And you can make decisions at the lowest level on
9 spending, and make sure of managing budgets.

10 So there are two takeaways from today's
11 report. One, we are on target for our fiscal year 21/22
12 budget, with an increase in filling our vacant positions
13 that were allocated in the budget to us.

14 And, No. 2, our current fiscal year
15 projections are on target, and we continue to focus on
16 managing our spending so that we can continue our
17 modernization efforts for the agency.

18 This concludes my presentation. I'm available
19 to answer any questions you may have.

20 MS. COHEN: Thank you.

21 Let's see. Any questions?

22 I think it was a succinct presentation.

23 Mr. Gaines.

24 MR. GAINES: Yeah.

25 I just want to thank you. Because it's an

1 indication that things are going in the right direction.

2 And you think we're okay -- I don't know if
3 this will be a question for Yvette Stowers or not. But
4 do you think we're okay in terms of staffing for the
5 role that we play as an entity?

6 It sounds like we're getting to kind of a
7 margin where there's always going to be a certain amount
8 of vacancy. But are we -- are we satisfying our duties
9 as the Board of Equalization in terms of providing the
10 services that we should be at the staff levels that we
11 have now?

12 MS. STOWERS: Thank you, Member Gaines, for
13 that question.

14 Currently, we are staffed. There's a few
15 vacancies. But our current staff is allowing us to
16 carryout our requirements as far as surveys, training,
17 handbooks, regulations. So we are staffed at a
18 sufficient level.

19 Could we use more? Absolutely.

20 We get new assignments all the time. We're
21 looking to highlight the surveys that are completed. So
22 we will be using staff to pull those out and present to
23 everyone in the near future.

24 So we will say that we're staffed
25 sufficiently, but could always use more.

1 MR. GAINES: Okay. Thanks.

2 That would include Prop. 19?

3 MS. STOWERS: Right. Prop. 19.

4 MR. GAINES: Because we've had to implement
5 that. And I know that's taken a lot of labor. So I'm
6 just --

7 MS. STOWERS: It took a lot of labor. A lot
8 of calls. A lot of inquiries on what --

9 MR. GAINES: Yeah.

10 MS. STOWERS: -- Prop. 19 did. But the
11 Property Tax Department was able to respond to the
12 questions, help out the constituents as needed, and
13 along with our Taxpayers Rights Advocate.

14 MR. GAINES: Right.

15 MS. STOWERS: I do not see any gaps. Nothing
16 has fallen through. We have carried out everything.

17 MR. GAINES: Yeah. That's great.

18 And it's tough with the transition, if someone
19 retires, they might have paid sick leave, things like
20 that, that we've got to include in our budgeting, right?
21 So it's a balancing act.

22 MS. STOWERS: Absolutely. Yes, that's a very
23 good point. And that's why we sent out, and we monitor
24 the annual leave balance, and occasional leave balances.
25 And we basically have -- when our staff is exceeding the

1 balance, we ask for them to establish a plan on how
2 they're going to use their time.

3 MR. GAINES: Right.

4 MS. STOWERS: Because if they do retire, we
5 have to cover that in our budget.

6 MR. GAINES: Right. So you have an estimate
7 of retirement dates, and then what the obligation is
8 financially. Okay. That's great. Wonderful.

9 Thank you.

10 MS. COHEN: Mr. Gaines, I want to also jump in
11 here.

12 And as a part of our strategic plan, I've been
13 working with the Executive Director to complete the
14 agency assessment. And I believe that that process will
15 answer your questions thoroughly that you just posed to
16 the Executive Director in a very meaningful way. So
17 there is more to come.

18 MR. GAINES: Great. Thank you.

19 MS. COHEN: Thank you.

20 MS. STOWERS: Madam Director, you come from
21 years of working with elected officials, and you know
22 that we're here to serve the taxpayers more than to
23 serve ourselves.

24 MS. CICHETTI: Mr. Schaefer, can you turn your
25 microphone on please? Thank you.

1 MR. SCHAEFER: Yeah. Sure.

2 You come from many years of working with
3 elected officials, and you know that we're here to
4 represent the taxpayers rather than the bureaucracy.

5 And when we're trying to make Prop. 19 work
6 better, we're making it work better, not for the
7 government, but make it work better for the taxpayers.

8 And I think you're doing a good job in that
9 respect. I just want to chime in and remind us that
10 that's what we're all looking for.

11 Thank you.

12 MS. STOWERS: Thank you, sir.

13 MS. COHEN: I would instead say that we have
14 the bare minimum just to get the job done. And that
15 we -- we need more, so that we can fully execute. So we
16 can have more than just one Patricia Lumsden, you know,
17 in the education training field.

18 And we've just lost Ms. Lumsden, and now we
19 need to really step up and amplify. We're losing a lot
20 of our institutional knowledge. A lot of our folks with
21 sage wisdom.

22 So look forward to continuing to partner with
23 you to make sure that this agency has the resources she
24 needs in order to move forward and provide stellar
25 service to the taxpayers.

1 All right. Ms. Chic -- oh, Ms. Renati, does
2 that conclude everything?

3 MS. STOWERS: Thank you, Ms. Cohen. That's
4 it. That concludes our presentation.

5 MS. COHEN: Okay. Let's go to public comment.

6

7

ITEM K1e

8

9 MS. CICHETTI: The next item on the agenda is
10 Executive Director -- we were going to go at the end of
11 the Executive Director's Report. So we have one more.

12 I apologize.

13 MS. COHEN: No problem.

14 MS. CICHETTI: The last Executive Director's
15 Report for today is K1e, Special Taxes Quarterly Report:
16 General discussion on the Special Taxes workload over
17 the last three months.

18 This matter will be presented by
19 Ms. Laurel Williams.

20 MS. WILLIAMS: Good morning, Chair and
21 Honorable Members of the Board.

22 I am Laurel Williams, the BOE's Technical
23 Advisor for Special Taxes.

24 Today I will be providing you with a report
25 regarding the BOE's Special Tax programs. I'll start

1 with the alcoholic beverage tax.

2 The alcoholic beverage tax, as you know, is a
3 per-gallon excise tax, collected on alcoholic beverages
4 in California.

5 Currently there are 10,353 active accounts,
6 which is slightly down from the 10,648 accounts reported
7 in June; however, still up from the March number.

8 Most of the accounts report their revenue on a
9 calendar yearly basis. So since they've had no
10 returns filed -- excuse me -- since my last report,
11 there are no significant revenue changes to report.

12 There are currently no appeals for this
13 program.

14 The next program is the Tax on Insurers
15 Program. Insurance companies may be subject to as many
16 as three types of insurance taxes in California. There
17 are currently 2,695 active accounts, which is up from
18 the 2,637 accounts reported in June.

19 Most insurance accounts also file once a year.
20 The different programs have slightly different due
21 dates, but they're mostly annual.

22 So this program also has no significant
23 revenue changes to report for this period.

24 This program also currently has no appeals.

25 For both programs, we have continued to have

1 regular meetings with CDTFA, which have been going
2 consistently very well.

3 In general, we have found the CDTFA staff to
4 be very responsive and collaborative in regards to the
5 Special Tax programs.

6 This concludes my report for today.

7 Are there any questions?

8 MR. SCHAEFER: I have a question.

9 Ms. Williams, I noticed for beverage tax
10 appeals and for insurance appeals that you have no
11 appeals pending as of this moment.

12 Do we have to go back a few years to find an
13 appeal, or does an appeal come along once in a blue
14 moon, or did we have some earlier this year? Just how
15 active is the appeal business?

16 MS. WILLIAMS: So these are some of the most
17 compliant programs that BOE and CDTFA also have.

18 For the insurance appeals, we have not had one
19 for quite a while. I believe two years ago we had one
20 that was in process, and it was -- did not come all the
21 way to an appeal before the Board. It was settled
22 administratively.

23 Alcohol, you would have to go back several
24 years, I believe even before the split, to find an
25 alcohol appeal.

1 MR. SCHAEFER: Thank you.

2 MS. COHEN: Thank you.

3 Any other questions? No? Yes?

4 MR. VAZQUEZ: Just a quick question.

5 When you mentioned the last one and the
6 alcohol you're saying probably like four years ago or
7 more, what was that in regards? Do you remember what it
8 was about, the appeal?

9 MS. WILLIAMS: I don't remember specifically
10 what the appeal was about, to be honest. It was prior
11 to my even coming on from BOE to CDTFA.

12 MR. VAZQUEZ: Okay.

13 MS. COHEN: Thank you. All right. Thank you.
14 Let's go to public comment.

15 MS. CICHETTI: We're gonna go to the AT&T
16 moderator for any public comments.

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

20 AT&T MODERATOR: Thank you.

21 And, again, ladies and gentlemen, please press
22 one, zero at this time. Again, one, zero.

23 And currently no comments in queue.

24 MS. COHEN: All right. Thank you.

25 No comments in queue. There it is.

1 Let's keep moving.

2

3

ITEM K2a

4

5 MS. CICHETTI: Next item on the agenda is
6 Other Administrative Matters, K2a; Communication Chief's
7 Quarterly Report: Report on the status of BOE's
8 communications.

9 This matter is being presented by Mr. Kim.

10 MR. KIM: Thank you.

11 Good morning, Chair Cohen and Honorable
12 Members.

13 I am Peter Kim, BOE's Chief Communications
14 Officer.

15 As outlined in the memo attached to the
16 agenda, I'll provide a summary of the communications
17 efforts for the 2022 Taxpayer Bill of Rights Hearing,
18 and improvements made to the BOE website.

19 I will conclude with some highlights of
20 projects the Department is currently working on.

21 In collaboration with the Chief of the
22 Taxpayers' Rights Advocate Office, the Department
23 implemented a broad communication strategy to inform the
24 public, taxpayers and stakeholders regarding this year's
25 Taxpayers' Bill of Rights Hearing.

1 For this year's hearing, we assembled an
2 outreach tool kit consisting of the flier, the public
3 service announcement, social media graphics, suggested
4 talking points and e-bus message, an image for use as a
5 web button on external partners' websites, and web links
6 for additional information regarding the hearing.

7 Excuse me.

8 We also expanded our electronic communications
9 by leveraging the Taxpayers Bill of Rights Hearing
10 Listserv, and sending e-blasts to those on that list.

11 In addition, e-blasts were sent to all known
12 e-mail addresses associated with entities filing
13 alcoholic beverage tax returns.

14 Also, for the first time, the BOE website
15 featured a dedicated banner regarding the hearing, along
16 with taxpayers and stakeholders being able to utilize an
17 electronic, rather than paper form, to submit comments
18 or concerns leading up to the date of the hearing.

19 Finally, in partnership with the TRA office, a
20 modified outreach toolkit was provided to BOE Advisory
21 Council Members, statewide taxpayer organizations and
22 associations, and all State legislative offices.

23 Numerous organizations and legislative offices
24 highlighted the hearing on their social media accounts
25 and electronic communications.

1 Members, as you know, the BOE website is a
2 critical tool in communicating and providing essential
3 and up-to-date information to taxpayers and the general
4 public.

5 With the assistance of the California
6 Department of Tax and Fee Administration's Web Services
7 Unit, Board Member webpages were enhanced to have a more
8 modern look with additional features.

9 The last major update to Board Member webpages
10 took place in 2019.

11 In addition, the BOE website homepage has been
12 modified to include three new graphics under the main
13 banner to highlight the Taxpayer Rights Advocate,
14 Proposition 19 and Disaster Relief. This will allow
15 visitors to easily find information by making these
16 topics front and center.

17 Also, updates remain to the Proposition 19
18 webpage to include the Proposition 19 filing
19 requirements checklist, the TRA office information
20 sheets on property tax savings, and other updates in
21 realtime.

22 And, finally, a new BOE career's web page was
23 recently launched to assist with recruitment efforts.

24 Through the Board's leadership, a translate
25 button to offer translation to non or

1 limited-English-speaking individuals was implemented
2 approximately four months ago.

3 The Board requested an update, and there are
4 approximately over 900 unique external page views since
5 October 7th.

6 Before I conclude, I wanted to provide a brief
7 look forward. In the coming months, the Department will
8 be focussed on preparing the agency's fiscal year
9 2021/22 annual report, updating the State Board of
10 Equalization facts sheet, and since a new Board will
11 soon be seated, several forms and publications will also
12 need to be updated.

13 Members, this concludes my report. And I'm
14 available to answer any questions you may have.

15 Thank you.

16 MS. COHEN: Thank you.

17 Vazquez.

18 MR. VAZQUEZ: Thank you for your report,
19 Mr. Kim. I just have a question for you.

20 You said that this is the first year you've
21 used the TRA's Listserv, and you sent three e-blasts
22 about the hearing to notify those who subscribe, and you
23 sent three e-blasts to all known e-mail addresses for
24 entities filing alcohol beverage tax returns.

25 In addition, this was the first year you

1 featured the TRA hearing with a dedicated banner on your
2 homepage for a whole month. And the first time
3 taxpayers could submit comments and questions
4 electronically rather than paper.

5 All these efforts prove very successful,
6 because we had a huge turn out. I think it was around
7 50 people.

8 My question is, can you use these same tools
9 for Board Work Groups or public hearings when we have
10 important issues we need to vet to the public and for
11 their input?

12 MR. KIM: Yes. Thank you for that question,
13 Board Member Vazquez.

14 I could definitely work with our Executive
15 Director to see how we could coordinate efforts
16 regarding future Work Groups and events.

17 I know that for the Taxpayers Bill of Rights
18 Hearing, it's an important event. We wanted to make
19 sure all taxpayers were able to participate. It was
20 their opportunity to address the Board, to raise issues
21 and concerns. And so that's the reason why all those
22 resources were put in, to ensure that folks knew about
23 it.

24 But of course I could work with the Executive
25 Director to see and explore what we could do.

1 MR. VAZQUEZ: Yeah. I would like to recommend
2 that we somehow make that part of the permanent --

3 MR. KIM: Sure.

4 MR. VAZQUEZ: -- communications and outreach.
5 It's gonna be real successful.

6 MR. KIM: Thank you.

7 MS. COHEN: Anyone on this end? No?

8 Thank you, Mr. Kim.

9 MR. KIM: Thank you.

10 MS. COHEN: We'll take public comment.

11 MS. CICHETTI: Gonna go to the AT&T moderator
12 first.

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

16 AT&T MODERATOR: Certainly. Thank you.

17 And, again, it's one, zero to make a comment.

18 Please press one, zero.

19 And currently nobody in queue.

20 MR. KIM: Thank you.

21 MS. CICHETTI: All right. Thank you.

22 MS. COHEN: All right. Ms. Cichetti, next
23 item.

24

25

1 **ITEM K3a**

2

3 MS. CICHETTI: The next item on the agenda is

4 Taxpayers' Rights Advocate Office Report; K3a,

5 Operational Update: Update on activities of the

6 Taxpayers' Rights Advocate Office, including

7 Proposition 19 education and outreach, and other

8 matters.

9 This matter will be presented by Ms. Thompson.

10 MS. THOMPSON: Good morning, Chair Cohen and

11 Honorable Board Members.

12 I'm Lisa Thompson, Chief of the Taxpayer

13 Rights Advocate Office.

14 I'm here to provide you with an update on the

15 activities of the Taxpayers' Rights Advocate Office, and

16 also on Proposition 19, and outreach to keep you

17 informed.

18 First, I'd like to share with you some

19 statistics on the number of completed cases by the

20 TRA office last month, and provide some insight on the

21 types of those cases.

22 Attached to the Public Agenda Notice is a

23 memorandum from the TRA office to the Executive Director

24 reporting the number of completed cases by Board Member

25 Districts, which distinguishes the cases between the

1 administrative and valuation category, and topics within
2 those categories.

3 In September 2022, we completed 33 cases:
4 5 were in Board Member Gaines' district, District One;
5 10 were in Member Cohen's district, District Two;
6 11 over in Member Vazquez's district, District Three;
7 and 7 in Board Member Schaefer's district,
8 District Four.

9 Of the 33 cases, 7 were in the administrative
10 category and 26 in the valuation category.

11 The administrative category includes topics
12 such as creating and mailing of tax bills, refunds,
13 penalty cancellations, defaulted taxes, access to data,
14 special assessments or direct levees on a property tax
15 bill.

16 The valuation category includes topics such as
17 change in ownership, declines in value, assessment
18 appeals, exemptions, exclusions, new construction,
19 enrollment of value, general -- and general property
20 taxation.

21 With respect to the administrative category
22 and its 7 in total, 4 pertain to delinquent or defaulted
23 taxes, and 3 involved other concerns, such as a property
24 tax postponement program for seniors.

25 With respect to the valuation category and its

1 6 cases in total, 7 pertain to actual enrollment of
2 values, 4 pertain to change in ownership, 1 case
3 pertained to decline in value, 7 cases pertained to
4 exclusions from reassessment, 4 involved exemptions, and
5 3 involve general property taxation.

6 To provide some additional insight on the
7 specific types of exclusion and exemption cases, I offer
8 this further breakdown. For the 7 cases involving
9 exclusions from reassessment, 4 pertain to the
10 parent-child exclusion, and 3 pertain to base year value
11 transfers for persons aged 55 and over.

12 Three of the four parent-child exclusion cases
13 fell under prior law, Proposition 58, since the
14 transfers occurred before February 16th, 2021. And that
15 was the effective date for Proposition 19
16 intergenerational transfer exclusions, while one of the
17 parent-child cases fell under current law of
18 Proposition 19.

19 With respect to the three cases pertaining to
20 base year value transfers, two occurred during current
21 law under Proposition 19, and one was under prior law of
22 Proposition 60.

23 For the exemption cases, one pertained to the
24 Welfare Exemption, one for the Homeowners' Exemption,
25 and two for the Disabled Veterans' Exemption; two

1 provide some insight on the nature of the cases that our
2 office works on to assist taxpayers. I offer some
3 additional information on this case to highlight the
4 work that our office does, and how we help the taxpayer.

5 An example of a case that our office helped
6 resolve involved a taxpayer representative who contacted
7 our office about property that was held in two trusts, a
8 marital trust and a survivor's trust, where one of
9 the -- one of the owners died over 20 years ago, and the
10 other owner had died more recently in 2020.

11 In both instances the assessor's office was
12 not notified of the change in ownership for the property
13 that resulted from the death. And portions of one trust
14 had transferred ownership to the trustor's children, but
15 the property had not been reassessed.

16 A claim for the parent-child exclusion for
17 reassessment had not yet been filed, claiming the
18 exclusion from reassessment.

19 Our office explained that upon the death of a
20 property owner, the assessor's office should be notified
21 about the change in ownership, even if the property is
22 held in trust.

23 We also indicated that although the recording
24 of documents is not within our area, generally an
25 affidavit of death or affidavit of death of trustee

1 should be recorded with the county recorder's office
2 shortly after the death to reflect that the decedent
3 no longer owned a property through the trust.

4 A change in ownership occurred for this
5 transaction pursuant to Section 480 due to the death,
6 since interest in the property owned in the trust become
7 those of another party.

8 We explained that the first death would not
9 result in re-assessable change in ownership, because the
10 ownership passed to the descendant's spouse; however,
11 the second death would. And unless the transaction
12 qualified for exclusion from reassessment under law,
13 that would be subject to reassessment.

14 The taxpayers' representative indicated that
15 the beneficiaries of the trust were the decedents'
16 children and grandchildren. So we explained that,
17 generally, in order to receive the parent-child
18 exclusion as of the change in ownership date, the claim
19 form must be filed within three years of the date of
20 change in ownership. In this case, would be the date of
21 the last parent's death.

22 However, since the property had not yet been
23 reassessed for the change in ownership, and they still
24 owned the property, they could still file a claim for
25 exclusion and receive exemption from basically the date

1 of change in ownership.

2 And that was based on a provision of law
3 stating that the claim is still considered timely if
4 filed within six months of the date of mailing of the
5 notice of supplemental assessment.

6 We made sure that the taxpayer knew to use
7 claim form BOE-58-AH to file for the parent-child
8 exclusion, since the death occurred before the
9 February 16th, 2021 effective date of Proposition 19.

10 We also reminded them that the death
11 occurred -- if the death had occurred on or after that
12 February 16th date, then it would not have qualified for
13 the parent-child exclusion, since the property owned by
14 the trust was commercial property, in case they were
15 considering transfers of interest in the future.

16 It should be noted that the provision in law
17 where a claim can be filed more than three years after
18 the change in ownership date and still be considered
19 timely filed, if filed within 6 months of the
20 supplemental or escape notice, is -- remains in law
21 today. It is part of Proposition 19's implementing
22 legislation in Revenue and Taxation Code Section 63.2 as
23 well.

24 So we provided the taxpayer with copy -- the
25 copy of the code section allowing for the claim filing

1 beyond the three years. And also an LTA from 1994 that
2 discusses the 1993 amendment to Revenue and Taxation
3 Code Section 63.1, which added this provision, so they
4 could provide it to the assessor's office.

5 We suggested that they notify the assessor's
6 office of both changes in ownership events, and any
7 effect on the ownership interest on the property through
8 those trusts at the same time that they submit a claim
9 for parent-child exclusion on any portion of the
10 interest that transferred to a child of the decedent,
11 and also to write a note on the claim form indicating
12 that it was timely, in accordance with LTA 94/21, as the
13 property had not yet been reassessed.

14 The taxpayer representative has our contact
15 information should they need further assistance once the
16 claim is filed.

17 The next item that I would like to report on
18 to the Members is work associated with Proposition 19
19 education and outreach for taxpayers.

20 As you are aware, our office completed work on
21 eight information sheets to help taxpayers understand
22 property tax laws on exclusions available to them that
23 could result in property tax savings. That completed
24 our update to an existing information sheet that we
25 published from 2018 through June of 2020 to reflect

1 changes due to the passage of Proposition 19. They are
2 published and available on the BOE's website under the
3 TRA page.

4 An LTA announcing the availability of these
5 information sheets will be issued shortly and posted to
6 our agency's website.

7 At future Board Meetings, the TRA office will
8 provide further updates on the activities of the TRA
9 office to keep you informed.

10 That concludes my update. I'm available to
11 answer any questions.

12 At this time, I am going to take the
13 opportunity to address a question that was posed to
14 Chief Deputy Director, Ms. Lisa Renati, during her
15 presentation by Member Vazquez.

16 So you had asked if we had been hearing from
17 people about Proposition 19, and if they thought it was
18 what was intended.

19 And at the August 2022 Board Meeting, as part
20 of the Taxpayers' Bill of Rights Hearing, many people
21 submitted comments about Proposition 19. Some of which
22 express concerns about changes in law specific to the
23 intergenerational exclusion, parent-child transfers, and
24 basically the loss of not being able to pass on the
25 property tax savings through that exclusion for

1 commercial properties and industrial properties, or
2 rental properties basically.

3 So, generally, people do like the base year
4 value transfer provisions of Proposition 19. But the
5 focus, I guess, any comments that we hear during that
6 hearing, as well as other contacts direct with our
7 office, pertains to the April 1st, 2021 effective date.

8 Some taxpayers, unfortunately, purchased
9 properties before the April 1st effective date, and
10 thought that it was, you know, effective basically when
11 it passed into law in November of 2020. Others may have
12 thought that it was in place as of the January 1st, '21
13 lien date. So that's kind of where we're hearing.

14 So when we do our approach by taxpayers, I
15 mean, we explain to them the law, you know, and where
16 it's shown as far as the effective date in
17 constitutional provisions, as well as constitutional
18 amendment that had it, as well as the code section. So
19 they understand why they aren't able to take advantage
20 of that exclusion due to the timing of when they bought,
21 or when they transferred it to their property.

22 So that was kind of where we're at. And we
23 direct them to our resources on our website, as well as
24 take that opportunity to direct them to our information
25 sheets that they can use for themselves or pass onto

1 friends that, you know, may be interested in doing
2 transfers in the future.

3 MS. COHEN: Thank you.

4 Mr. Vazquez.

5 MR. VAZQUEZ: Thank you.

6 Thank you for that response. So that was
7 going to be one of my questions.

8 But the second one I had is, I noticed in your
9 report that the number of completed cases in September
10 was almost twice as many in August. And I was wondering
11 what you might attribute that to.

12 MS. THOMPSON: I think the number of completed
13 cases varies, you know, depending on workload.

14 But August, I mean, we were preparing for the
15 Bill of Rights Hearing a little bit. And I was also on
16 vacation.

17 MR. VAZQUEZ: Oh, okay.

18 MS. THOMPSON: So I was out for almost three
19 weeks.

20 MR. VAZQUEZ: Thanks.

21 MS. COHEN: Mr. Gaines.

22 MR. GAINES: Yeah.

23 Thank you for your presentation, Ms. Thompson.

24 And I was just wondering if maybe you could go
25 through the process. It looks like we're in a recession

1 state. And looks like property values are declining.
2 Can you go through the process of what happens when we
3 have a decline in property values, and the opportunity
4 for our constituents to ask for an adjustment to
5 valuation?

6 MS. THOMPSON: Yeah.

7 I mean, that's kind of more of a technical
8 question. But as, I mean, it's a right of any taxpayer
9 to file an appeal if they disagree with the assessed
10 value that the assessors enroll for it in any year
11 during the applicable appeal period.

12 But assessors, by law, are required to assess
13 property at the lower of its Prop. 13 factored base year
14 value or market value. And so taxpayers, if they think,
15 you know, their properties have declined lower than what
16 they're being assessed at, then they can certainly
17 contact their assessor's office first.

18 Many assessor's office have information
19 available online about, you know, an ability to make a
20 request for kind of an informal review of their values.

21 They can do that, or they can do the more
22 formal, you know, procedure, and file an assessment
23 appeal with the clerk of the Board through their
24 Assessment Appeals Board.

25 But that's kind of how that's, you know, how

1 that's going. And it's possible that that could happen
2 for, you know, some of the people who particularly have
3 bought in the last few years when the market was higher,
4 then, you know, it might go a little bit lower.

5 But assessors are, you know, looking at that
6 every year. And that's, you know, what they do.

7 MR. GAINES: Can the county assessor take
8 action that would impact all property taxpayers?

9 MS. THOMPSON: I can't really address how they
10 do that. But, I mean, I think they have mass, kind of,
11 you know, systems, where they look at different areas
12 that have been reduced.

13 I can't really, you know, address that. But
14 they have tools to do that, I'm aware.

15 MR. GAINES: Okay. Through the Chair --

16 MS. COHEN: Yes.

17 MR. GAINES: Would it be -- could I ask for
18 Ernie Dronenburg to come forward to provide clarity from
19 an assessor's standpoint?

20 MS. COHEN: Sure.

21 Mr. Dronenburg, please come down.

22 MR. DRONENBURG: Good morning, Honorable --

23 MS. COHEN: Save your remarks for the mic, so
24 we can make sure we can capture -- please sit down and
25 have a seat down there wherever you want.

1 Thank you.

2 MR. DRONENBURG: I was just planning to sit.

3 I was elected in 2010 just after the 2008
4 massive drop. And if we had waited for everybody to
5 apply, we would still be doing applications for a place.

6 So what we did is we did sales ratio studies
7 of general areas, and then we came to and dropped --
8 San Diego County, at that time, had about 850,000
9 appraisals. We came through and dropped over 275,000
10 with just an adjustment as a percentage into an area,
11 and didn't wait for the people to apply.

12 Because it's the assessor's responsibility to
13 do it. It's not the taxpayers' responsibility to have
14 to ask for it. So an assessor that's looking to take
15 care of things quickly and more sufficiently will go out
16 and do an assessment of general areas within their
17 county and make an adjustment.

18 And they can make an adjustment to the whole
19 county or just a piece. It doesn't have to be an
20 individual home.

21 MR. GAINES: Okay. Thank you for that
22 clarity.

23 And we'll have to see what happens with the
24 economy. None of us know, you know, if we're going into
25 a decline. We've got higher interest rates. It's just

1 nice to know kind of what the options are.

2 Thank you for providing clarity for me.

3 MR. DRONENBURG: And right now we're looking
4 at maybe two years, the last two years somebody that
5 purchased with them. They're our target right now, and
6 we're watching them closely --

7 MR. GAINES: Okay.

8 MR. DRONENBURG: -- to see just how much
9 they're dropping. And then we might go, and we can sort
10 by changes, and then go and attack those. But that's
11 just what we are doing in San Diego.

12 MR. GAINES: Wonderful.

13 Thank you, Mr. Dronenburg, and for your
14 service as county assessor in San Diego.

15 MS. COHEN: Any other questions?

16 I appreciate your support, Ms. Thompson.
17 Thank you. It's actually very helpful to know where
18 taxpayers are feeling the pinch, what their questions
19 are, and how we can better serve them.

20 Let's go to public comment.

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

24 AT&T MODERATOR: If you would like to make a
25 comment, please press the one, followed by the zero.

1 are working toward filling in the fourth quarter in the
2 beginning of the first quarter of 2023.

3 One of them was created by the promotion of
4 Ms. Himovitz, and the other one was one of our attorneys
5 decided to take another position. So we have those two
6 vacancies.

7 Now, onto the Legal Department's workload, we
8 began our 2022 state-assessed appeals season in the
9 third quarter with 19 positions this year. We have
10 filed 18 briefs with SAPD and Board Proceedings
11 Division. And staff will be holding our appeals
12 conferences and oral hearings in the fourth quarter.

13 As far as litigation, in the litigation area,
14 as you know, we provide confidential monthly written
15 litigation reports to the Board, as well as providing
16 appropriate public updates to our website on the BOE's
17 Public Litigation Roster.

18 As you are aware, during the third quarter,
19 the lawsuit with Burlington Northern Santa Fe Railway
20 company was dismissed, and the BOE's Public Litigation
21 Roster has been updated as of this month.

22 Regarding the lawsuit with La Paloma, the
23 reply brief was filed on October 7th, and the oral
24 argument has been moved to December 16th, 2022.

25 We continue to closely monitor and handle the

1 Board's litigation cases, and will continue to keep you
2 informed and updated as to any developments either in
3 closed session or via the confidential memorandum as
4 appropriate.

5 In the area of Public Record Act or Public
6 Disclosure Request, in the third quarter we have 55
7 completed PRA disclosure inquiries. The work in this
8 area is steady and ongoing.

9 We do note that the workload is dependent upon
10 the volume of public inquiries, and we expect work in
11 this category to continue in the fourth quarter as
12 public inquiries begin.

13 In the area of administration and support of
14 the Board Proceedings Department and Executive Office,
15 Members, as you will recall, administrative assignments
16 are typically requested by the Board Proceedings
17 Division or Exec Office, covering various administrative
18 or Board Meeting-related issues.

19 In the last quarter, we had two such
20 assignments, which we have completed. We continue to
21 provide support to Board Proceedings Division and the
22 Executive Office on smaller matters as necessary.

23 In the area of publications review, the
24 Legal Department completed 29 legal reviews in the third
25 quarter. These publication include items originated

1 from the Property Tax and Communication Departments, as
2 well as other agency publications. We expect work in
3 this category to continue in the fourth quarter as well.

4 In the area of regulations in the third
5 quarter, as you know, we completed the rulemaking for
6 two property tax rules and BOE's Conflict of Interest
7 Rule.

8 We completed Regulation 301, definition and
9 general principles. After the Board adopted the rule in
10 June of 2022, the staff submitted the rulemaking file to
11 OAL, and OAL approved this rule with an effective date
12 of August 25th, 2022.

13 Regulation 905, Assessment of Electric
14 Generation Facilities, after the Board adopted the rule
15 in 2022, staff submitted the rulemaking file to OAL in
16 July, and OAL has approved this rule with an effective
17 date of July 28th, 2022.

18 The other regulation that I am pleased to
19 announce that we have completed is Regulation 6001.
20 This is the update to the Board's conflict of interest
21 schedules.

22 And, as you know, we received FPPC's approval
23 on August 31st, 2022. OAL approved the rulemaking with
24 an effective date of October 28th, 2022. So as of this
25 coming year, 2023, we will be operating under our new

1 conflict of interest schedules.

2 With regards to our Prop. 19 regulations, we
3 continue to work to make the emergency rules permanent.
4 The Board authorized staff in the third quarter to
5 publish the notice of proposed regulatory action with
6 other amendments. Staff submitted the rule to OAL to
7 begin the 45-day comment period for the Proposition 19
8 regulations in September 2022.

9 The first was the Property Tax Rule 462.520,
10 Exclusion from Change in Ownership - Intergenerational
11 Transfers. And this was to clarify, interpret and make
12 specific the provisions of Section 63.2 of the Revenue
13 and Taxation Code.

14 The second was the Property Tax Rule 462.540,
15 Change in Ownership - Base Year Value Transfers, to
16 clarify, interpret and make specific provisions of
17 Revenue and Taxation Code 69.6.

18 Both rules will remain effective until
19 January 18th. Both emergency rules will be effective
20 until January 18th, 2023.

21 We anticipate bringing the rules before the
22 Board at the November meeting to begin the official
23 process to make the emergency rules permanent.

24 As we are entering the year quarter --
25 year-end quarter, I would like to update you on BOE's

1 progress on our 2022 rulemaking calendar.

2 There is one remaining rule on the 2022
3 rulemaking calendar, and that's Property Tax Rule 192,
4 Property Tax Audit Selection. The proposed amendments
5 to Rule 192 would clarify, interpret and make specific
6 the statutory changes to Revenue and Taxation Code 469.

7 Staff anticipates making progress on this rule
8 in the late quarter of this year, awaiting an interested
9 parties notice to assessors for comments before
10 beginning the rulemaking process.

11 This may delay the rulemaking process, which
12 will result in this rule being added to the 2023
13 rulemaking calendar.

14 As you may figure, the last quarter of the
15 year is not an opportune time to have an interested
16 parties process. So we may push that off a little bit
17 to get better participation.

18 Finally, Members, for the third quarter, the
19 Legal Department issued a total of nine legal opinions
20 and memos, which include property tax technical advice
21 opinions, internal and Board Meeting-related Chief
22 Counsel memoranda.

23 We expect work in this category to continue in
24 the fourth quarter as inquiries come in.

25 In closing, I want to again extend my

1 gratitude to the team for their outstanding work in the
2 third quarter, especially given the fact that there's a
3 state-assessed appeals season going on, and my attorneys
4 are very much involved in that as well.

5 Members, this concludes my report, and I'm
6 available to answer any questions.

7 MS. COHEN: Thank you for that.

8 Mr. Vazquez.

9 MR. VAZQUEZ: Thank you for your report,
10 Mr. Nanjo.

11 I just have a couple questions on the
12 possessory interest opinion your Department issued on
13 October 11th to several assessors, including Mr. Prang.

14 Your opinion states that the individual rental
15 units in a public housing project owned by a JPA or
16 local government are taxable possessory interest, and
17 they do not qualify for the Welfare Exemption, because
18 there is no statute or constitutional law exempting
19 them.

20 But then you go on to say at the BOE that has
21 issued at least two prior legal opinions advising
22 assessors not to tax units leased to low-income tenants
23 and public housing projects.

24 Since they may -- since they and many other
25 entities have relied on our opinions for the past

1 27 years, first, would it be best practice for the BOE
2 and the assessors to seek legislation confirming this?

3 And then, second, are we at risk if someone
4 said that they are entitled to the exemption for units
5 rented to people who are above the low-income level of
6 Section 214, since the exemption doesn't really apply
7 here?

8 MR. NANJO: So to your first question, the
9 memo does talk about the rather thin support for the
10 position that we've taken.

11 As indicated in that memo, what we've done is
12 we try to be consistent with the historical practice of
13 the BOE, which has been relied on for many decades by
14 the assessors and other entities out there.

15 That being said, it would be up to the
16 assessors and this Board if they desire to bring
17 legislation to bring more support to that.

18 As far as anything above low-income housing,
19 not providing -- not collecting possessory interest on
20 those items. Because of the -- because that opinion is
21 limited to those facts, it'd be hard to argue that there
22 should be an exemption, if you will, for anything above
23 that.

24 So we would strongly recommend limiting that.
25 And as we indicated, there's some caution to even

1 relying on that.

2 MR. VAZQUEZ: So at the end of the day, I
3 think it makes sense to -- especially, I'm looking at a
4 building where they have like split rents, you know,
5 where they may be charging low income to some of the
6 tenants, and then market rate for others.

7 I guess it would probably be legal for them to
8 just prorate that at some point, and the assessors
9 probably should take that up, if, in fact, they are
10 earmarking or working with some of those units for
11 low-income folks.

12 MR. NANJO: Yeah.

13 Thank you for that question, Member Vazquez.

14 The challenge is really it's very
15 fact-specific.

16 Because of the JPAs have created a number of
17 different scenarios and different structures, it's
18 difficult for me to say at this point whether or not
19 proration would be appropriate, or what have you.

20 It really would require kind of digging into
21 the facts of the specific situation, and very much
22 working with a local assessor. Because they're in a
23 better position to kind of know where they're
24 comfortable giving an exemption or not.

25 MR. VAZQUEZ: Thank you.

1 MS. COHEN: Okay.

2 MR. GAINES: Follow-up question, if I could.

3 MS. COHEN: Please. Yes.

4 Gaines.

5 MR. GAINES: Because I think Member Vazquez
6 brings up a great point. To provide that clarity is
7 really -- it's really important if you're counting on
8 getting a Welfare Exemption, and it's not coming
9 through, and the project was based on low-income housing
10 element to the project, are -- are you saying that there
11 are some cases where they're not getting the Welfare
12 Exemption?

13 MR. VAZQUEZ: That's what I'm hearing. And
14 I'm wondering if, at some point as we move forward,
15 maybe we need an LTA to kind of give at least some
16 direction to the assessors.

17 MR. GAINES: Yeah.

18 MR. VAZQUEZ: Because I'd hate to see some of
19 these developers that are trying to do the right thing
20 in providing affordable housing being dinged, or not
21 able to qualify for the exemption.

22 MR. GAINES: Right. Right.

23 I mean, based on what we've learned in our
24 workshop, a lot of those projects, sometimes it's a
25 thin --

1 MR. VAZQUEZ: Oh, yeah.

2 MR. GAINES: -- amount of revenue that makes a
3 difference as to whether the project goes forward or
4 not. So I'm in support of getting that clarity.

5 MR. VAZQUEZ: I appreciate it.

6 MR. NANJO: And I see Deputy Director Yeung
7 has come up, and he can provide a little bit more
8 color-commentary detail.

9 MR. YEUNG: Thank you, Henry.

10 And thank you, Board, for the opportunity to
11 address this.

12 It's -- I want to make the distinction that
13 our legal opinion asked about a possessory interest
14 issue. It is separate and aside from the Welfare
15 Exemption.

16 What the individuals that are -- that are
17 tenants to these units built by or acquired by the JPAs,
18 they are -- they are -- they do not qualify under the
19 Welfare Exemption. It is two separate issues.

20 So you're correct, there is not a whole lot of
21 clarity here for not -- not assessing a PI to a
22 low-income tenant in one of these projects. But it is
23 not a welfare issue.

24 Mr. Nanjo nailed it, and had it -- it is
25 actually addressed in the -- in the opinion that -- for

1 clarity, legislation would probably be needed in order
2 to settle these issues.

3 MR. GAINES: Can I get a question of
4 clarification, if I could?

5 MS. COHEN: Yes.

6 MR. GAINES: What is the possessory interest
7 in that particular case? I'm just curious.

8 MR. YEUNG: The possessory interest is a tax
9 on a private individual's use of publicly-owned
10 property, real property.

11 So if -- if you use either a terminal in a
12 airport, you are a rental car concessionary, your
13 private use of that is taxable.

14 And the same concept applies to somebody who
15 lives in government-owned property, be it a cabin in the
16 national forest, or -- or in some cases, it is also
17 applicable to somebody who lives in public housing or
18 low-income housing.

19 In that case, our Board, the BOE, has a long
20 history of saying that type of possession, where it's a
21 low-income tenant living in a public housing unit, there
22 should not be an assessment to the tenant themselves.
23 The person who lives there should not get a tax bill.

24 MR. GAINES: Okay. And is Mr. Vazquez's
25 question in reference to the tax credit to the owner, or

1 developer, or whoever -- yeah? Okay.

2 Yeah. I think it needs to be clarified. And,
3 I mean, from a policy standpoint, we need -- you need
4 that clarified so you can get the housing built.

5 MR. NANJO: Yeah.

6 And as I indicated, Member Gaines and
7 Member Vazquez, with the Chair's indulgence, the
8 legal -- legal opinion of the Legal Department is very
9 tied to a specific factual situation which was presented
10 to us.

11 The other thing is our legal opinions do not
12 have the force and effect of law. They are just
13 advisory. So statutory law is controlling.

14 And part of the challenge here, as I mentioned
15 to Member Vazquez, is a lot of these -- the JPAs,
16 these types of projects have a variety of different
17 factual situations and various structures, and that very
18 much makes a difference.

19 MS. COHEN: So let me interject here real
20 quick.

21 So, colleagues, we actually had placed the
22 issue of the possessory interest issue on the agenda for
23 tomorrow to allow for a meaningful discussion. And
24 that's just because of the long -- the day is going to
25 be long tomorrow. So I took it off the agenda to allow

1 the discussion to occur at the November Board Meeting.
2 So it is definitely coming.

3 MR. GAINES: Okay.

4 MS. COHEN: And so that by doing so, in
5 November, we will be able to hear from all the
6 stakeholders on this timely matter.

7 There are a lot of people who want to engage
8 with us on this topic. And so I want to temper the
9 conversation today. Reserve it for when it's noticed,
10 which is in November. That will also allow our staff
11 very adequate time to be prepared to present information
12 to us, to answer all of our questions, but more
13 importantly, take public comment and listen to our
14 stakeholders.

15 So I believe that the discussion in November
16 will be very helpful in guiding this conversation.

17 Now with that said, I see Mr. Dronenburg has
18 found his way back up to the dais. And we'll make
19 sure -- I want to be able to recognize him if he's got
20 any comments that he wants to give.

21 MR. DRONENBURG: Well, just quickly clarify.

22 It's important that for that meeting that you
23 understand exemptions versus -- which is based on --
24 exemption is based on use, whereas the -- what we're
25 talking about, a possessory interest, is based on

1 ownership.

2 And, whereas, the Welfare Exemption and the
3 College Exemption, those are all use-based. And this is
4 an exemption based on ownership. And what's a big
5 problem in confusion is that there is too many names out
6 there. There's low income. There's moderate income.
7 There's workforce income. There's high income. But the
8 only one that anything's been written about is low
9 income.

10 And there's a court case on that. And we've
11 got annotation on that. That one is not really in a lot
12 of doubt. Everybody understands that one. But
13 everybody else is trying to say, "Well, I've got
14 moderate-income housing, and that's what city counsels
15 want, because they get points for that."

16 It doesn't have to be low income to get
17 points. It's creating housing. And so they get it for
18 moderate income. And some of these developers are
19 coming in and trying to get an exemption from the PI
20 based on the fact that it's being used for housing. And
21 there's a confusion in that.

22 So the definition of the terms would be very
23 helpful when you start to consider this. You will be
24 miles ahead of everybody else in the room.

25 MR. VAZQUEZ: I appreciate it. I think

1 they're hitting it on the L. Because that's one of the
2 issues we have, specifically in Santa Monica. And you
3 probably have it in some other areas of the state, where
4 folks, like you mentioned, just because they're
5 providing housing, they think they should get an
6 exemption. And I disagree with that. Because it's not
7 really meeting the needs of the affordable housing
8 crisis that we're in.

9 As a matter of fact, we have an abundance of
10 high-end housing in Santa Monica that's vacant, because
11 they're trying to get 7 to \$8,000 a month. I mean --
12 and we shouldn't be providing an exemption or a tax
13 credit for that.

14 And I think you're hitting on a real good
15 point. And I'm hoping when we bring this back up in
16 November, Madam Chair, that we come up with some
17 definitions and some terminology that we all agree upon.
18 So moving forward, especially the development community
19 out there, that I think, you know, they've been going on
20 for the last 27 years based on our opinions.

21 And like Member Gaines mentioned, you know,
22 they put together these financial packets assuming
23 they're going to get these tax credits, and now we're
24 saying, "Nope. It's not going to happen." And we need
25 to be careful with that.

1 MR. DRONENBURG: They've deceived some of
2 these city councils too. I mean, it's -- I'm not going
3 to get into your next month's meeting. But I will be
4 here.

5 MR. VAZQUEZ: Appreciate it. We need your
6 input on this, because I know you have a lot history on
7 this.

8 MR. DRONENBURG: There's a lot of snakes in
9 this pile here.

10 MS. COHEN: Thank you.

11 MR. VAZQUEZ: Thank you.

12 MS. COHEN: Mr. Nanjo, is there anything else
13 to your report?

14 MR. NANJO: No, Chair Cohen. Thank you. That
15 concludes my report.

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

17 Before we hear from you, Mr. Yeung, I want to
18 go to Ms. Cichetti, who's going to do public comment.

19 MS. CICHETTI: AT&T moderator, is there anyone
20 on the line who'd like to make a public comment
21 regarding this matter?

22 AT&T MODERATOR: Thank you. Let me check real
23 quick here.

24 Again, it is one, zero to make a comment.

25 Please press one, zero at this time.

1 his team.

2 MR. YEUNG: Thank you, Mary.

3 Good morning, Chair Cohen, Honorable Members
4 of the Board.

5 David Yeung here. For the record, Deputy
6 Director of the Property Tax Department.

7 Today I will give you an update on our
8 Department's efforts to implement Prop. 19. So far we
9 continue to monitor the progress of Property Tax Rules
10 462.520 and 462.540, as it works its way through the
11 Office of Administrative Law for their review.

12 As Mr. Nanjo reported earlier, we anticipate
13 that coming before the Board next month.

14 Second, staff is reviewing the need for any
15 additional forms that may be required by Prop. 19.
16 We've already basically created about seven new ones and
17 updated an oldest of existing forms for that. So we're
18 doing a second review to see if there's anything else
19 that's currently needed.

20 And also to chime in on Board Member Vazquez's
21 question earlier about Prop. 19 implementation, our
22 experiences for the Property Tax Department has been
23 very similar to that of the TRA.

24 As you all know, in 2021, we had a many
25 Board Meetings where people came in and provided

1 testimony on the effects of Prop. 19 on their ability to
2 transfer property.

3 By and far, the base year value transfer
4 inquiries have been pretty -- actually, it's been okay,
5 because Prop. 19 expanded that benefit.

6 Most of our inquiries have come on the
7 intergenerational transfers. Prop. 19 did three
8 fundamental things to the ability to transfer property:

9 One, it limited it to only residential
10 property; two, it not only limits residential property,
11 but it has to be a primary residence of both a
12 transferor and a transferee; and then, third, even
13 though they -- even if it is the primary residence of
14 the transfer and transferee -- and, by the way, family
15 farms does qualify as a primary residence -- so it
16 limited the benefit to \$1 million. So it shrank down
17 that benefit, so you could only transfer a certain type
18 of property. It has to be the primary residence of both
19 transferor and transferee.

20 And even when you qualify under those
21 conditions, you're limited to basically \$1 million above
22 your factored base year value. So it did limit that.

23 Other than inquiries that dealt with
24 administration of "How do you apply for this" and "How
25 do you get this type of benefit," most of them had to do

1 with "Why is the benefit now smaller or less than what
2 it used to be?"

3 So your question is, is it kind of what the
4 voters experts? At least for the ones that are calling
5 us, the answer is no.

6 Finally, our efforts in implementing Prop. 19,
7 we, of course, continue to answer questions from
8 stakeholders. We're still getting -- we're still
9 getting a very steady workload on that. And we are
10 continuing our efforts in reviewing our existing
11 guidance.

12 So we're continuously making sure that stuff
13 is current, and catching the stuff that is not, and
14 updating that part.

15 MS. COHEN: Thank you. I do have a question.

16 MR. YEUNG: Of course.

17 MS. COHEN: I don't know if you will know this
18 answer. Might be a little bit out of your lane.

19 MR. YEUNG: Okay.

20 MS. COHEN: But when Proposition 19 was
21 advertised to voters, it was advertised of revenue,
22 steady revenue for firefighters. I'm wondering, do we
23 know what that revenue stream has been for the last year
24 that this legislation has been in operation?

25 MR. YEUNG: I -- I do not have first-time

1 knowledge of that.

2 MS. COHEN: Do you know how or where we can
3 capture that information?

4 MR. YEUNG: Well, CD -- our partners, the
5 California Department of Tax and Fees is actually
6 charged with basically keeping a track of the revenue
7 lost from the base year transfer's expansion of that
8 benefit to all 58 counties. And from basically one time
9 to three times the revenue loss from that, and balancing
10 it with the revenue gain from the contraction of the
11 intergenerational transfer.

12 And there is a mechanism in which there is a
13 fun set up to make at least whole, or partly in whole,
14 for the counties that have lost revenue due to the
15 expansion of the base year transfers.

16 They would probably have the primary
17 information on that, and they report that on a yearly
18 basis, I believe.

19 MS. COHEN: Do you know what time of the year
20 they would report this information out?

21 MR. YEUNG: Actually, I do not. But I can
22 make some inquiries and check.

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

24 MR. YEUNG: Of course.

25 MS. COHEN: All right. Pardon the intrusion

1 on your presentation. You can continue.

2 MR. YEUNG: Of course.

3 That actually concludes my presentation on the
4 implementation of Prop. 19. I'm available for any
5 questions you might have.

6 MS. COHEN: Mr. Vazquez.

7 MR. VAZQUEZ: Just a quick one.

8 Thank you for confirming what I pretty much
9 thought, and what I'm hearing out there in terms of
10 Prop. 19. That you're right, I think most of the
11 voters, even organized bodies that were behind this
12 didn't understand the dynamics of it, the final product
13 that actually came out that was on the ballot.

14 But you kind of touched on the Welfare
15 Exemption piece.

16 MR. YEUNG: Yes.

17 MR. VAZQUEZ: And how is it going in terms of
18 streamlining that process?

19 MR. YEUNG: I believe I made a report last
20 week on the improvement process. It's been pretty much
21 steady since then. We have seen improvements in both
22 our turnaround time and how complete packages are when
23 we actually receive them. And both of those have been
24 pivotal in our ability to actually turn around and
25 review and approve, or in some cases deny, these types

1 of applications.

2 The other thing that's been immensely helpful
3 that Ms. Renati, our Chief Deputy Director, has touched
4 on also is we are now getting to the point where we are
5 more staffed than we have been in recent history.

6 And the synergy of a better review and
7 approval process, better completed and accurate
8 applications, and basically more hands and eyes to
9 review and to work these have actually been very
10 productive for the Department.

11 MR. VAZQUEZ: What do you see the next steps
12 in that process in terms of streamlining this thing?

13 MR. YEUNG: Wow. The next -- the next steps?

14 Of course, as we hire folks, that our next
15 improvements will probably be from the training of staff
16 and their ability to -- to learn, execute, review these
17 things a little bit more.

18 As always, we, with our partners in CDTFA, our
19 system is relatively new on that. And we -- there may
20 be opportunities for an improvement in our computer
21 system in our tracking system. So we'll find synergies
22 in -- in our processing, our tracking. Give more
23 realtime look into how things are moving through our
24 system electronically.

25 MR. VAZQUEZ: Thank you.

1 MR. YEUNG: Of course.

2 MS. COHEN: Mr. Gaines.

3 MR. GAINES: Yeah. Thank you.

4 Can you provide more clarity on the exemption
5 aspect of Prop. 19? I know there's a lot of discussion
6 about the AG Exemption. And my understanding was that
7 was a million dollars per parcel, plus the -- was it the
8 initial purchase price?

9 MR. YEUNG: It's -- you -- you are correct.

10 Prop. 19 finally changed intergenerational
11 transfer. It was followed up by legislation, AB 539,
12 that basically added some statute to it. It included
13 the family farm aspect to it.

14 And it is a million dollars per parcel of a
15 qualified family farm.

16 MR. GAINES: Great.

17 Does that exemption apply anywhere else?

18 MR. YEUNG: It only -- that --

19 MR. GAINES: That million dollar --

20 MR. YEUNG: Per parcel only applies to family
21 farms.

22 MR. GAINES: That's it.

23 MR. YEUNG: Yeah.

24 MR. GAINES: Okay. All right. That's what I
25 thought. I wanted to make sure I didn't misunderstand

1 what you had said earlier.

2 MR. YEUNG: Okay.

3 MR. GAINES: Thank you.

4 MR. YEUNG: Of course.

5 MS. COHEN: Well, I'd like to ask Ms. Stowers.

6 You don't have to come to the table, I just
7 want to ask that you ask what I asked of Mr. Yeung, and
8 direct it towards you, and that is if you could report
9 back to the Board on the collection of revenue that has
10 been collected since Prop. 19's passage.

11 Mr. Yeung said that this information is
12 collected and housed at CDTFA. And so maybe you could
13 just inquire a little bit and ask CDTFA to come back and
14 report to us next month, or you report back on their
15 behalf. And we can work with you a little bit more to
16 fine-tune that.

17 Thank you. Okay.

18 Thank you. Please continue.

19 MR. YEUNG: Of course. Thank you.

20 So before I turn it over for the next two
21 presentations to Ms. Lumsden, I would like to recognize
22 on behalf of the Property Tax Department her valuable
23 contributions over the last 14 years she's been with the
24 Department.

25 So her contributions have been tremendous,

1 especially in the last several years where she's played
2 a pivotal role in basically restructuring the Property
3 Tax Department CAPD.

4 It is with a -- with a mixed heart. I'm happy
5 for her, but sad for our loss, that we -- that we
6 celebrate her retirement.

7 She leaves not only with 14 years with the
8 Board, but she came here with 18 years with the county
9 assessor's office. So in total 32 years of property tax
10 administration walks out the door with her.

11 So thank you for the opportunity to recognize
12 Ms. Lumsden.

13 And, with that, Ms. Lumsden, will you please.

14 MS. LUMSDEN: Thank you, Mr. Yeung, for those
15 kind words. I appreciate that.

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

18 I'm Patty Lumsden, Chief of the
19 County-Assessed Properties Division. And today I will
20 be providing you with a brief report on Letters to
21 Assessors.

22 And attached to the agenda this month is a
23 memo on Letters to Assessors, which provides a list of
24 all the LTAs that have been issued since our last
25 Board Meeting, as well as a link to the BOE's website

1 with all of the LTAs that have been issued to date.

2 As of the date of the attached memo, BOE staff
3 have issued a total of 47 LTAs during calendar year
4 2022. And six of those LTAs have been issued since our
5 last Board Meeting.

6 Two of those LTAs were issued for assessment
7 practices survey reports for Los Angeles County and for
8 San Francisco City and County.

9 We also issued an LTA that announces the
10 annual interest component of the capitalization rate to
11 be used in the valuation of enforceably restricted
12 lands, assessed under Revenue and Taxation Code Sections
13 423, 423.5, and 426.

14 In accordance with Section 423 of the Revenue
15 and Taxation Code, the BOE is required to determine and
16 announce this interest component no later than
17 October 1st each year.

18 We also issued another LTA announcing the
19 annual interest component of the capitalization rate to
20 be used in the valuation of qualified historical
21 properties as specified under Revenue and Taxation Codes
22 Section 439 through 439.4.

23 Revenue and Taxation Code Section 439.2
24 requires the Board of Equalization to annually determine
25 and announce this interest component no later than

1 October 1st each year.

2 And then, finally, we did issue two Letters to
3 Assessors to provide notice to the public regarding
4 amendments to California Code of Regulations, Title 18,
5 Section -- or Property Tax Rule 462.520, which was the
6 Exclusion from Change in Ownership - Intergenerational
7 Transfers, and also Section 462.540, Change in Ownership
8 - Base Year Value Transfers.

9 As Mr. Yeung mentioned previously, our
10 office -- the Office of Administrative Law posted the
11 amendments on its website on September 30th, 2022, which
12 began the 45-day comment period.

13 A public hearing regarding the proposed
14 regulatory actions will be held at 10:00 a.m. on
15 November 17th, 2022. Interested parties may present or
16 submit oral or written statements, arguments or
17 contentions at the hearing regarding the adoption of
18 these two property tax rules.

19 Copies of the notices were also attached to
20 those LTAs.

21 And that will conclude my report on Letters to
22 Assessors. I'm available to answer any questions that
23 you may have.

24 MS. COHEN: Thank you.

25 Mr. Vazquez.

1 MR. VAZQUEZ: Yes.

2 Thank you, Ms. Lumsden.

3 I was just wondering, I know we're going to be
4 discussing this a little bit more in detail tomorrow
5 with the assessors, especially on Prop. 19. But I was
6 just curious, from your staff's perspective, do you
7 think our rules have helped assessors with this whole
8 guidance on Prop. 19? Or are we still receiving quite a
9 bit of questions from their offices?

10 MS. LUMSDEN: Well, I would like to think that
11 these property tax rules have made it a little bit
12 more -- what's the right word? I mean, they give
13 examples of ways to interpret the code sections or
14 helping to implement those code sections.

15 We also have Revenue and Taxation Code
16 Section 63.2, as well as section 69.6, which also help
17 implement that Prop. 19.

18 You know, we're going to continue to get
19 questions for probably years to come. And we still get
20 questions about Proposition 13, you know.

21 So, I mean, it's something that's going to
22 evolve as time goes on. And more questions will come
23 up, and different scenarios and ways to do things. And
24 I think we'll be seeing this for quite some time.

25 But I definitely think that these property tax

1 rules have assisted in implementing and making it more
2 clear. Clarity was the word I was looking for. To
3 clarify some of these interpretations of the code
4 sections and the Proposition 19 itself.

5 So, yeah, I'd like to think that they've
6 helped quite a bit.

7 And if I can say one more thing, the other
8 thing, too, is in putting these property tax rules
9 together, I know our Legal Department had worked with
10 the Property Tax Department, as well as with the CAA, in
11 getting these together and asking for comments. And
12 then plus the public as well.

13 And so I think that they were put through a
14 pretty good interested parties process, and, you know,
15 putting them forward.

16 MR. VAZQUEZ: No, thank you.

17 And, once again, I just wanted to thank you
18 for your service. And, specifically, you and your staff
19 for dealing with, especially these training classes,
20 despite COVID, during that whole COVID period. I really
21 appreciate that.

22 MS. LUMSDEN: Thank you very much.

23 My staff, like I said, worked really hard in
24 making that all happen. So I appreciate those comments.

25 Thank you.

1 MS. COHEN: Mr. Gaines, any -- Mr. Schaefer?

2 No?

3 Thank you.

4 Mr. McCool.

5 MR. YEUNG: Oh. Ms. Lumsden, I think you have
6 one more report.

7 MS. COHEN: Oh, sorry. One more?

8 MS. LUMSDEN: Yes.

9 Thank you, Mr. Yeung.

10 Again, Chair Cohen and Honorable Board
11 Members, I'm Patty Lumsden, Chief of the County-Assessed
12 Properties Division.

13 And I will now be giving you a report on the
14 BOE's Appraisal Training and Certification Program.

15 And posted to our website is the appraiser
16 training and certification schedule for 22-23 fiscal
17 year, and which we have scheduled 33 classes, covering
18 8 courses.

19 And as I've mentioned in past meetings, this
20 is more than what we've offered in the past. Last year
21 we were only able to offer 23 classes, covering only
22 5 courses. So we've definitely made improvements from
23 last year in what we've been providing.

24 And in addition to that, this year, this
25 fiscal year, we were also able to offer both in-person

1 classes -- both in-person conducted classes, as well as
2 virtually-conducted classes.

3 So far for 22-23 fiscal year, we've completed
4 nine of those classes. And three were completed since
5 our last Board Meeting.

6 So we offered Course 3, which is a residential
7 appraisal procedures, taught in person by BOE staff.
8 And it was held in Bakersfield, which is in Kern County.

9 We also taught Course 2a, which is a
10 replacement cost estimating of residential structures.
11 This was taught virtually by BOE staff through Microsoft
12 Office Teams.

13 And then we also offered Course 120 in
14 investment mathematics and financial calculators, which
15 was taught in person by a Los Angeles County staff
16 member. And it was taught in San Bernardino, which, of
17 course, is in San Bernardino County.

18 And that will conclude my training and
19 certification report. And I'm available to answer any
20 questions you might have.

21 MR. SCHAEFER: Ms. Lumsden, you said you just
22 had courses in San Bernardino County. All of the others
23 were in Sacramento?

24 MS. LUMSDEN: We held one in Bakersfield,
25 which is in Kern County. And we've had some other ones

1 offered previously. One was in Alameda County in
2 Oakland, and then the other one was in San Diego County,
3 held in San Diego.

4 MR. SCHAEFER: The ones we have in -- most of
5 them would be held in Sacramento?

6 MS. LUMSDEN: No, actually, we do try to
7 spread them out throughout the state trying to depict
8 locations where we think we can touch, you know, several
9 different counties. So that they can -- it's not so
10 expensive to send their staff to, is kind of our goal.

11 MR. SCHAEFER: Do the people attending here in
12 Sacramento, are they all local, or do some come from
13 Santa Clara or different places?

14 MS. LUMSDEN: Mostly it's local, but they do
15 come from other areas that are, you know, semi close by.
16 But they can send them from wherever they -- throughout
17 the state. It just depends.

18 And, typically, I found that our BOE-offered
19 location does tend to receive several other -- several
20 counties where some of the other locations that we pick
21 out probably only reach out to probably, I want to say,
22 like, three-to-four counties at a time. And so it just
23 depends. It really depends on the timing and the
24 availability of the assessor's staff to be able to
25 attend those courses.

1 MR. SCHAEFER: That was a very fine report,
2 and I appreciate the way you've handled it.

3 MS. LUMSDEN: Thank you. I appreciate that.

4 MR. GAINES: Yeah. Can you clarify how many
5 classes are being offered this year?

6 MS. LUMSDEN: So for fiscal year, because we
7 actually do our classes on --

8 MR. GAINES: Fiscal, yeah.

9 MS. LUMSDEN: -- fiscal year. I just wanted
10 to make sure.

11 We're offering 33 classes, and they cover
12 8 different courses.

13 MR. GAINES: Yeah. That's great.

14 And it was 23 last year?

15 MS. LUMSDEN: Yes. Twenty-three last year,
16 and five of -- five covering five different courses.

17 MR. GAINES: And do we know how many classes
18 we've offered historically on a per-year basis?

19 MS. LUMSDEN: Well, I do have some data I
20 presented at some of our other Board Meetings that we've
21 had.

22 And these statistics that I do happen to have
23 with me are based upon a calendar year. So it's a
24 little bit different.

25 But so far in 2022, the calendar year 2022,

1 which of course is not over yet, we've already taught
2 18 classes to 511 students, 17 of those were taught by
3 BOE instructors.

4 In 2021 we were able to teach 18 classes,
5 which is, like I said, that's where we're at right now,
6 and we still have more classes to teach the rest of this
7 year.

8 And then we were -- and we taught a total
9 number of students at 578. But, keep in mind, those
10 were all taught virtually.

11 And then for BOE instructors, we had 18 BOE
12 instructor classes, and no additional instructors from
13 other counties.

14 Whereas, this year, we've so far had one other
15 instructor from another county teach for us.

16 MR. GAINES: Okay. Yeah. That's fine.

17 Thank you. I just wanted to recognize you,
18 because, you know, you're going out in a boom here.

19 MS. LUMSDEN: That's what I was hoping for.

20 MR. GAINES: I mean, we've got 33 classes this
21 year.

22 MS. LUMSDEN: That's what we were -- that's
23 what we were working towards.

24 MR. GAINES: So we went from 23 to 33.

25 And we've been talking about trying to make

1 sure we're reaching out to our county assessors and
2 their staff. I mean, that's been an issue and a
3 complaint when I was first elected. And, yet, we're
4 seeing this great progress. So I just wanted to
5 recognize you and thank you for all that effort.

6 MS. LUMSDEN: Thank you.

7 MR. YEUNG: I wanted to actually add to that.

8 Our 33 classes in one fiscal year is actually
9 a -- it's been a high point for BOE for as far as I've
10 been here. So historically for 22 years it's pretty
11 much a high point.

12 MR. GAINES: Wonderful.

13 MR. YEUNG: So, yes. Thank you, Patty.

14 MR. GAINES: Wonderful. Thank you.

15 MS. LUMSDEN: Thank you.

16 MR. VAZQUEZ: So she's entitled to, like, a
17 batting crown, or what?

18 MR. YEUNG: I'll have one made.

19 MS. COHEN: Okay. Thank you.

20 MR. YEUNG: Mr. McCool, I think you're up
21 next.

22 MR. McCOOL: Thank you.

23 Good morning again, Chair Cohen and Honorable
24 Members.

25 My name is Jack McCool, Chief of the

1 State-Assessed Properties Division.

2 Today, I will provide a short update on the
3 status of ongoing work in our division.

4 As you all know, SAPD staff have worked
5 diligently on state-assessed appeals the last few
6 months.

7 Earlier today, the Board adopted joint
8 recommendations for 8 petitions, including several
9 penalty abatement requests.

10 The first round of appeals conferences also
11 took place recently, and our staff have spent a
12 considerable amount of time preparing for those
13 conferences. Additional appeals conferences will be
14 held in November.

15 In addition to our continued work on appeals,
16 SAPD staff have also been preparing to mail the annual
17 Private Railroad Car tax bills to all Private Railroad
18 Car assessees. These bills reflect the Private Railroad
19 Car roll that the Board adopted in July.

20 The bills were prepared and mailed late last
21 week, ahead of the statutory deadline. The tax is due
22 on December 10th, and the revenue collected from the tax
23 goes to the State's general fund.

24 That concludes my report, and I'm available to
25 answer any questions.

1 Thank you.

2 MS. COHEN: Thank you.

3 Any questions for Mr. McCool?

4 Thank you.

5 MR. McCOOL: Thank you.

6 MR. YEUNG: That concludes our report.

7 MS. CICHETTI: Go to the AT&T moderator.

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

11 AT&T MODERATOR: Certainly. Thank you.

12 And again, it's one, zero to make a comment.

13 Again, please press one, zero on your
14 telephone keypad.

15 And currently nobody in queue.

16 MS. COHEN: Thank you.

17 Let's continue with the agenda.

18 MS. CICHETTI: We can continue the agenda if
19 you'd like, yes.

20

21 **ITEM K6a**

22

23 MS. CICHETTI: The next item on the agenda is
24 Legislative, Research and Statistics Division, Chief's
25 Report; K5a [sic], Legislative Issues: Update on

1 administrative and program-related legislative bills
2 impacting the BOE.

3 This item will be presented by Mr. Weatherby.

4 MR. WEATHERBY: Thank you.

5 So good afternoon, Chair Cohen, Vice Chair
6 Schaefer, and Honorable Members of the Board.

7 This is Dustin Weatherby, Chief of the
8 Legislative, Research and Statistics Division.

9 So attached to the PAN is a summary on final
10 actions on legislation affecting the Board of
11 Equalization this legislative year.

12 The first bill is Assembly Bill 1933 by
13 Assemblymember Friedman, which was signed by the
14 Governor on September 28th. Which provides a Property
15 Tax Welfare Exemption for lien dates occurring on or
16 after January 1st, 2023 and before January 1st,
17 2028, if that property is owned and operated by
18 nonprofit corporation and is organized and operated for
19 the specific and primary purpose of building and
20 rehabilitating single or multifamily residential units.

21 Some or all of these units must be
22 owner-occupied, and sold only to and purchased by
23 first-time home buyers that are low income.

24 The second bill is Senate Bill 989 by
25 Senator Hertzberg that was signed by the Governor on

1 September 28th, which allows taxpayers to defer payment
2 of local property taxes with penalty and interest
3 relief, if they have claimed a Proposition 19, property
4 tax relief, with the county assessor, and have requested
5 deferment with the county assessor within one calendar
6 year, but before January 1st, 2024, within receiving the
7 first tax bill for the property.

8 So this bill only applies to Los Angeles
9 County. But other counties may comply by adopting a
10 resolution of the Board of Supervisors after the Board
11 has consulted with various local elected officials.

12 And, finally, the Senate Bill 518 by
13 Senator Laird, this was signed by the Governor on
14 September 28th, and it requires the BOE, upon request,
15 to provide confidential taxpayer information on the
16 winegrower tax return and schedule for returns filed on
17 and after January 1st, 2023, unless that taxpayer is a
18 natural person.

19 Returns will include an opt-out box for
20 taxpayers who do not wish to have their confidential
21 taxpayer information shared publicly.

22 So this will conclude my presentation on this
23 item. And I'm available to answer any questions.

24 Thank you.

25 MS. COHEN: Mr. Vazquez.

1 MR. VAZQUEZ: One quick one.

2 You mentioned Hertzberg's bill on this
3 deferment piece. Do we have like -- or do you have,
4 like, a guesstimation of what kind of revenue lost?

5 Because obviously that's going to hurt some of
6 the counties, especially in LA, the entities that rely
7 on that income.

8 MR. WEATHERBY: No, I do not. I'll just echo
9 the comments by Mr. Yeung earlier. Any revenue lost
10 would be attributable and housed by the CDTFA.

11 MS. COHEN: All right. On this end?

12 Mr. Gaines.

13 MR. GAINES: Could you go through that
14 explanation again in terms of what the bill does?

15 MR. WEATHERBY: For 989?

16 MR. GAINES: Yes. Thank you.

17 MR. WEATHERBY: Okay. So, essentially, if a
18 taxpayer has bought and sold a property, and they claim
19 a base year value transfer under Prop. 19, and they
20 request that with the county assessor, and they request
21 a deferment, they have one calendar year to request that
22 deferment. But before January 1st, 2024.

23 So if the base year value transfer isn't
24 processed in time, they can defer the payment of those
25 taxes until the county assessor has time to process that

1 package.

2 MR. GAINES: Okay.

3 MR. WEATHERBY: So it just provides a little
4 taxpayer assistance. Because what was occurring is, in
5 some counties, taxpayers would sell their principal
6 home, buy a new home in a different county maybe, and
7 the county assessors hadn't processed those claims yet,
8 and they would receive a full property tax bill for the
9 value of the property.

10 MR. GAINES: Right.

11 MR. WEATHERBY: So taxpayers would go from a
12 low base year value to suddenly very high one.

13 MR. GAINES: Yeah.

14 MR. WEATHERBY: So it was just trying to
15 provide a little flexibility for assessors to catch up
16 on some backlog.

17 MR. GAINES: Hearing a story about that in the
18 media. Maybe there are more than one. But it sounds
19 like -- I don't think there would be -- to Mr. Vazquez's
20 question, I don't think there'd be much of a revenue
21 hit, would it?

22 Because it's just giving an extra year for
23 them to figure it out, and get that -- get that money to
24 the taxpayer, that credit?

25 MR. WEATHERBY: Yes, in a way. But there will

1 be some counties that will inevitably possibly lose
2 revenue, depending on where the transfers occur.

3 MR. GAINES: True. But that's true with
4 Prop. 19 anyway. So he's just trying to provide relief.

5 MR. WEATHERBY: Yeah. The switch is delayed
6 revenue.

7 MS. COHEN: Again, Mr. Yeung. We'll recognize
8 him.

9 MR. YEUNG: Thank you.

10 Mr. Weatherby has it correct.

11 And yes, Mr. Gaines, Board Member Gaines, it's
12 basically a delay in collecting the revenue. So if
13 there is revenue loss, it's only the present value there
14 of the collection.

15 But the counties should basically square up
16 specifically with this -- with this change in 989. So,
17 yeah, it should be.

18 MR. GAINES: Great. Thank you.

19 MS. COHEN: Okay. Thank you so much.

20 Thank you.

21 Just a second.

22 Ms. Stowers, I was wondering if this revenue
23 has impacted our Department, our agency in any way?

24 MS. STOWERS: Has the changes in --

25 MS. COHEN: So has the changes in this law

1 impacted our business as an agency? The changes in the
2 law?

3 MS. STOWERS: As the changes in the law in
4 respect to Prop. 19 or the Hertzberg Bill?

5 MS. COHEN: Yes.

6 MS. STOWERS: Prop. 19?

7 MS. COHEN: Well, I mean, both. They're
8 companions. So --

9 MS. STOWERS: Well, as far as Prop. 19,
10 absolutely. We've spent a great deal of time
11 implementing it. And we used personal service years to
12 do it, so, yes.

13 The bill, no. Because that's the workload of
14 the county assessor. It's their job to determine the
15 base year value calculation and send the supplement bill
16 if necessary. So if that's not our work, no impact to
17 BOE.

18 MS. COHEN: Thank you.

19 So, colleagues, I think what I'm going to do
20 is make a recommendation that we have the
21 Executive Director evaluate all statutory changes, and
22 report back to us the impact that it has had on the
23 agency.

24 So, for instance, are we able to easily absorb
25 the additional responsibilities, or do we need to staff

1 up?

2 These are all changes. So we can continue to
3 work together on that report back.

4 MR. GAINES: Question of clarification.

5 MS. COHEN: Yes.

6 MR. GAINES: Could that also include counties,
7 county assessors' offices?

8 MS. COHEN: That's a good question.

9 Yeah, we can certainly widen it and have the
10 county assessors.

11 MR. GAINES: Yeah. What is their impact? We
12 work so closely with them.

13 MS. COHEN: So this is not something that's
14 going to be turned around very quickly, obviously.
15 Connecting at least all 58 county assessors, certainly
16 those that will be able to participate in the
17 discussion.

18 But, again, I just want to emphasize the
19 changes in this legislative session. That's it. I
20 don't want to go back five years, even last year. Just
21 this legislative session. Just curious to know how
22 these changes have impacted our ability to do our job.

23 MS. STOWERS: Could you restate the request,
24 then, for me?

25 MS. COHEN: Yes.

1 So I just wanted to make a recommendation that
2 we have the Executive Director evaluate all statutory
3 changes and report back to us the impact that it has had
4 on the agency.

5 So -- I'm sorry. I forget your name.

6 MR. WEATHERBY: Mr. Weatherby.

7 MS. COHEN: Thank you, Mr Weatherby.

8 Mr. Weatherby comes in on a monthly basis and
9 he reports to us this -- the changes, things that are
10 going on in the legislature that has an impact on the
11 Board of Equalization. I just want to know, this entire
12 session, how have those legislative changes impacted us?

13 MS. STOWERS: Okay.

14 MR. GAINES: So a question of clarification.

15 So would that be fiscal and labor, or --

16 MS. COHEN: Yes, that includes all of the
17 above.

18 MR. GAINES: Okay. It'd be good to know.

19 MS. COHEN: Mr. Vazquez.

20 MR. VAZQUEZ: Yes.

21 I was wondering if, in that gathering --
22 information gathering piece, that -- if they can
23 include -- I know the Governor just recently signed
24 three affordable housing bills. I think it was AB 2011,
25 SB 886 and AB 2221, which all three of them pretty much

1 are going to have an impact in terms of uses, you know,
2 from commercial spaces now to residential uses. And I'm
3 wondering the financial impact that would have.

4 And I don't know if that's something -- once
5 again, it's probably CDTFA that collects that. And if
6 it is, if we can gather that and include that, I think
7 that'd be helpful.

8 MS. COHEN: I see looks of confusion. What is
9 so confusing?

10 Ms. Stowers, let's start with you.

11 And then we'll go to you, Mr. Weatherby.

12 MS. STOWERS: No, I was clear on your
13 direction. You're asking for the bills that were
14 signed, you want an analysis of the impact on the
15 agency.

16 MS. COHEN: Correct.

17 MS. STOWERS: Whether it's workload or
18 revenue.

19 MS. COHEN: Right.

20 MS. STOWERS: For everything that was signed.

21 MS. COHEN: Yes, ma'am.

22 MS. STOWERS: Okay. I'm clear on what you are
23 asking for.

24 MR. SCHAEFER: And on the county assessors'
25 offices as well.

1 MS. STOWERS: Then that's the part -- for us
2 to survey the workload on the county assessors, we can
3 ask.

4 MS. COHEN: That's what I'm asking -- we're
5 asking.

6 And also I'm asking -- making this request
7 with the understanding that you probably won't have
8 anything for us by next month. Because it's going to
9 take some time to talk to the assessors and to assess.

10 Now, it's Mr. Gaines' request that has asked
11 for the assessors to be included in this.

12 Mr. Gaines, do you have any further other --

13 MR. GAINES: Yeah. My thinking was, could we
14 have the president of the association, could they give
15 us an update in terms of what the impact is?

16 I'm thinking specifically of Prop. 19.
17 Because their impact, I think, is much more heavy than
18 our impact. And it would be nice to just have an update
19 in terms of how they're dealing with that.

20 I mean, they're tracking property that's
21 changing hands. I mean, that's going to involve -- I
22 think they're going to have to hire a lot more staff.
23 And it would be nice for us to just be in tune with that
24 as the BOE.

25 MS. STOWERS: I can check with them, and

1 perhaps that's something we can discuss tomorrow since
2 Prop. 19 is on the agenda.

3 MR. GAINES: Great. Wonderful.

4 MS. STOWERS: If I may.

5 MR. GAINES: Yeah. Thank you.

6 MS. COHEN: Mr. Weatherby, did you have
7 questions or --

8 MR. WEATHERBY: Well, I was going to answer
9 Board Member Vazquez's question on --

10 MS. COHEN: Please do.

11 MR. WEATHERBY: -- several of those bills.

12 So any of the bills that do not directly
13 affect the Welfare Exemption when it comes to low income
14 or affordable housing, the BOE doesn't track.

15 So I couldn't give you any information on what
16 the potential revenue impacts are for those bills,
17 depending on how the bills are written, and whether it's
18 a low-income housing tax credit for other issues, that's
19 other state agencies that administer those bills.

20 So if it's under the jurisdiction of the
21 Housing Community Development Agency, the information
22 may be available on their website.

23 MS. COHEN: Thank you.

24 Mr. Yeung, anything you want to add?

25 MR. GAINES: I'm good. Thank you.

1 MS. COHEN: Okay. No problem.

2 All right. Mr. Gaines.

3 MR. GAINES: I'm wondering if maybe that would
4 help if you could get an analysis through the
5 Legislature so they'll do a committee analysis on
6 legislation. And they might be able to provide the
7 information you're looking at, because they're supposed
8 to look at it fiscally too.

9 MR. VAZQUEZ: I think that would be helpful,
10 yeah.

11 MS. COHEN: So are you asking Mr. Vazquez to
12 do that, or are you just making a statement? What
13 exactly are you directing Mr. Vazquez, or suggesting --

14 MR. GAINES: That's a great question. We can
15 maybe follow up and get those analyses, that you could
16 then, you know --

17 MS. COHEN: Analyses for the legislation
18 that's been passed in the last legislative session that
19 impacted the Board of Equalization?

20 MR. VAZQUEZ: Yeah.

21 MS. COHEN: Mr. Weatherby, is that something
22 that --

23 MR. GAINES: Because we don't have the data.
24 But they do a bill analysis, right?

25 MS. COHEN: Well, we can -- let's do this.

1 We have made what we -- our request known.

2 Ms. Stowers, you and I, we can work together.
3 And if you want to keep me out of it because of
4 Bagley-Keene, you can work directly with Mr. Gaines on
5 this aspect of the request.

6 Sounds like there's two requests that are
7 happening here. I'm looking for something separate than
8 what Mr. Gaines is looking for.

9 So for the analysis that you're looking for --

10 MR. GAINES: Yeah, that's fine.

11 MS. COHEN: -- and the bills and the pieces of
12 legislation that have been passed.

13 MR. GAINES: Yeah. And Member Vazquez.

14 MS. COHEN: Oh, okay.

15 MR. VAZQUEZ: That would be helpful.

16 MS. STOWERS: I'll work with you, Chair Cohen.

17 Mr. Vazquez, I will follow up with you to get
18 clear clarification on what you're looking for. It does
19 not appear it's going to be a BOE analysis or impact.

20 As Mr. Weatherby said, it's another agency
21 that's going to be charged with administering the new
22 laws.

23 But let me get clarification of what your ask
24 is.

25 MR. VAZQUEZ: Appreciate it.

1 MS. COHEN: All right. Let's keep moving
2 forward.

3 MS. CICHETTI: Let's go -- we're going to go
4 to the AT&T moderator before we finish this item.

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

8 AT&T MODERATOR: Thank you.

9 Please press one, zero at this time if you
10 would like to make a public comment.

11 Again, it's one, zero at this time.

12 And no comments in queue at this time.

13 MS. CICHETTI: Thank you.

14 MS. COHEN: Thank you very much.

15 So there's no action taken on those particular
16 items that we heard. They were informational.

17 And at this time it's 12:15. I'd like to
18 break for a one-hour lunch.

19 MS. CICHETTI: We just have a few items, but,
20 yes, we can.

21 MS. COHEN: It's true. We do have a few more
22 items. I mean, if people want to continue to go
23 forward, we can. But I want to be respectful of the
24 staff.

25 Nobody wants to make a decision?

1 All right. I'll make a decision. We'll keep
2 going.

3 MS. CICHETTI: Okay.

4

5

ITEM M1

6

7 MS. CICHETTI: The next item on the agenda is
8 Public Policy Hearing; M1, Proposition 19
9 Implementation.

10 There are no planned staff reports or external
11 speakers for this agenda item for this month's meeting;
12 however, persons who wish to address the Board on this
13 topic as a public comment, may do so.

14 AT&T moderator -- we have no one who's come
15 forward, or no written comments on this matter. So I
16 will go to the AT&T moderator.

17 AT&T MODERATOR: Thank you.

18 Again, it is one, zero to make a comment.

19 Please press one, zero at this time.

20 And currently no comments.

21 MS. CICHETTI: AT&T moderator -- oh, we've
22 already done that.

23 Can I just take one moment?

24 MS. COHEN: Yes, please. You may.

25 MS. CICHETTI: I apologize. We do have a

1 public comment, but it's on the next item. The next
2 item.

3 MS. COHEN: All right. Well, let's go to the
4 next item.

5

6

ITEM M2

7

8 MS. CICHETTI: Public Policy Hearing; M2,
9 Impact of Public Calamities on Property Tax
10 Administration, County Boards of Equalization/Assessment
11 Appeals Boards (AAB) Remote Hearings.

12 There are no planned staff reports or external
13 speakers for this agenda item for this month's meeting;
14 however, persons who wish to address the Board on this
15 topic as a public comment may do so.

16 We have no written comments or anyone in the
17 audience who would like to make a comment, so I'm going
18 to go to the AT&T moderator.

19 MS. COHEN: Please do.

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

24 AT&T MODERATOR: And if so, please press one,
25 zero at this time. Again, it's one, zero.

1 was true that persons over the age of 65 does not have
2 to pay property taxes in California.

3 Thank you.

4 MS. COHEN: Thank you. That's it?

5 MS. CICHETTI: All right.

6 Our last item is closing remarks.

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

8 So in closing remarks, what I'd like to do is
9 just make the notion that we adjourn our meeting in
10 honor of Ms. Rose Marie Kinnee, who was -- what's going
11 on?

12 MS. CICHETTI: Nothing.

13 MS. COHEN: Okay.

14 On behalf of the Board, I'd like to express
15 our sincere condolences regarding the passing of
16 Ms. Rose Marie Kinnee.

17 As stated earlier in our meeting in the
18 Executive Director's Report, she worked 28 years, and
19 was well-known throughout the state as a preeminent
20 Property Tax Legislative Analyst, and a valued member of
21 our BOE family.

22 Her incredible spirit, heart for others, and
23 invaluable contributions to the property tax community
24 and friendship will be deeply missed.

25 We extend our thoughts and prayers to her

1 husband, Dean, who served as Executive Director of the
2 Board of Equalization, and as Chief of the Property Tax
3 Division.

4 So to the entire Kinnee family, they have
5 given a lot to this organization, and we are eternally
6 grateful.

7 Thank you.

8 Colleagues, I don't know if there's any other
9 closing remarks.

10 If not, I think we can close this meeting.

11 MS. CICHETTI: We'll recess this meeting.

12 MS. COHEN: And we're going to -- thank you.

13 We'll recess this meeting for our schedule
14 tomorrow.

15 MR. GAINES: Just one comment in reference to
16 the caller.

17 Maybe she was reference -- I'm wondering if
18 she's referencing base year value, which is Prop. 19,
19 which would go into effect at age 55.

20 MS. COHEN: Thank you for the acknowledgment
21 of the public comment.

22 Thank you for all that acknowledged the Kinnee
23 family. And we are in recess until tomorrow.

24 Thank you.

25 (Whereupon the Board Meeting concluded.)


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REPORTER'S CERTIFICATE

State of California)
) ss
County of Sacramento)

I, Jillian Sumner, Hearing Reporter for the California State Board of Equalization, certify that on October 18th, 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 158 constitute a complete and accurate transcription of the shorthand writing.

Dated: January 6, 2023



JILLIAN SUMNER, CSR #13619
Hearing Reporter