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

JANUARY 24TH, 2023
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 Antonio Vazquez
Chair

Honorable Sally J. Lieber
Vice Chair

Honorable Ted Gaines
First District

Honorable Mike Schaefer
Fourth District

Honorable Malia M. Cohen
State Controller

Hasib Emran
Appearing for Malia M. Cohen
State Controller
(per Government Code
Section 7.9)

For the Board of
Equalization Staff:

Yvette Stowers
Executive Director

Henry Nanjo
Chief Counsel
Legal Department

David Yeung
Deputy Director
Property Tax Department

Lisa Renati
Chief Deputy Director

Peter Kim
Chief Communications Officer

Jack McCool
Chief
State-Assessed Properties Division

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APPEARANCES CONTINUED

Lisa Thompson
Chief
Taxpayers' Rights Advocate Office

Glenna Schultz
Principal Property Appraiser
County-Assessed Properties Division

Mary Cichetti
Clerk
Board Proceedings Division

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STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO

JANUARY 24, 2023

---oOo---

MR. SCHAEFER: Good morning. It's 10:00 a.m.
We're ready to call the Board Meeting to order.

Ms. Cichetti, would you please call the roll.

MS. CICHETTI: Good morning, Vice Chair
Schaefer.

The roll.

Vice Chair Schaefer.

MR. SCHAEFER: Aye.

MS. CICHETTI: Member Gaines.

MR. GAINES: Aye.

MS. CICHETTI: Member Lieber.

MS. LIEBER: Aye.

MS. CICHETTI: Member Vazquez.

MR. VAZQUEZ: Aye.

MS. CICHETTI: Controller Cohen.

MS. COHEN: Aye. Present.

MR. SCHAEFER: A quorum is present.

The Board Meeting is called to order.

We will start with the Pledge of Allegiance.

Please stand.

(Whereupon the Pledge of Allegiance was

1 recited.)

2 MR. SCHAEFER: Ms. Cichetti, would you please
3 announce our first order of business?

4 MS. CICHETTI: Good morning, Vice Chair
5 Schaefer and Members.

6 The Board Meeting information announcement is
7 as follows:

8 First, I'd like to remind the audience to
9 silence your cell phones, and any other wireless
10 devices.

11 The current COVID-19 guidelines for the
12 Board of Equalization strongly encourage -- but no
13 longer mandatory -- that all BOE employees must wear a
14 mask while inside any BOE facility, while attending any
15 BOE event.

16 If needed, supplies of masks and hand
17 sanitizer are available and can be found in the back of
18 the auditorium.

19 Public comment is taken on each agenda item.
20 The public will be invited to comment during the matters
21 before the Board.

22 If there are any members of the public wishing
23 to speak before the Board on an agenda item in person,
24 we ask that you complete and submit to the sergeant of
25 arms a "public comment appearance" sheet located at the

1 entrance of the auditorium.

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

6 If you intend to make a public comment using
7 the AT&T moderator, we recommend dialling into the
8 meeting on the teleconference line prior to the
9 beginning of the agenda item you wish to make a comment.

10 We recommend this as the audio broadcast on
11 our website experiences a one-to-three minute delay
12 between the live stream and the live event.

13 When giving public comment, please limit your
14 remarks to three minutes.

15 The order that the Board identifies public
16 comments at the conclusion of an agenda item is as
17 follows:

18 I will first identify any public comment
19 requests that have been received by Board Proceedings in
20 the auditorium. Then I will identify any public
21 comments received on the AT&T moderator. And, lastly,
22 we will read into the record any public comments
23 received in writing.

24 This concludes the information announcement.

25 Thank you.

1 MR. SCHAEFER: Ms. Cichetti, please call our
2 first item.

3

4 **ITEM 1**

5

6 MS. CICHETTI: Our first agenda item is
7 Item 1, Chief Counsel Matters; 1a, Organization of the
8 Board: Election of the new Chair and Vice Chair,
9 effective immediately.

10 This item will be presented by Mr. Nanjo.

11 MR. SCHAEFER: Thank you.

12 MR. NANJO: Good morning, Chair Schaefer,
13 Honorable Members of the Board.

14 My name is Henry Nanjo. I'm the Chief
15 Counsel.

16 And as you may recall, at the November 2022
17 Board Meeting, the Board amended its Governance Policy
18 to address the election of the Chair and Vice Chair
19 during a gubernatorial election year.

20 This amendment deferred the election of the
21 Chair and Vice Chair until after the duly-elected
22 Board Members are sworn into office.

23 Consistent with this Governance Policy, this
24 agenda item is for the Board to elect a Chair and
25 Vice Chair to serve for the January 1st, 2023 to

1 December 31st, 2023 term, and will become effectively --
2 excuse me -- will become effective immediately upon the
3 election of both the Chair and the Vice Chair.

4 This conversation is a Member-to-Member
5 discussion, where a Member may choose to nominate
6 another Member or themselves for Chair or Vice Chair.

7 Additionally, Members, it is your pleasure
8 whether to elect a Chair and Vice Chair together or
9 separately.

10 I have a few procedural reminders before the
11 Board begins today's discussion.

12 As you may remember, there is no limit on
13 serving consecutive terms. And in the event of a tied
14 vote for either or both positions, as the case may be,
15 the 2022 Chair or Vice Chair would ordinarily continue
16 to serve for the 2023 term, pursuant to the
17 Governance Policy; however, in this instance, the
18 current Chair would be unable to serve due to her
19 newly-elected position as State Controller. Thus, the
20 current Vice Chair would become Chair for the 2023 term.

21 At this time, I turn it over to you,
22 Vice Chair Schaefer, to continue with this item.

23 MR. SCHAEFER: Thank you, Mr. Nanjo.

24 I have a question.

25 Does the nomination require a second?

1 I would not think so, because that would give
2 Members a veto power over anyone being nominated.

3 MR. NANJO: Yes.

4 Traditionally, this Board has not required a
5 second for the nomination. So only one nomination is
6 necessary.

7 MR. SCHAEFER: And a Member can nominate more
8 than one person?

9 MR. NANJO: Yes.

10 MR. SCHAEFER: Thank you.

11 First, we will open the nominations for
12 Board Chair.

13 This is an open-nomination process, meaning
14 any one of us may nominate themselves or another Member
15 for Chair. We could also nominate themselves and
16 another Member.

17 Once all nominations have been made, each
18 nominee will have three minutes to make a statement.

19 Then, Ms. Cichetti will call the roll, and
20 each Member will respond by stating the name of the
21 Member they are voting for to serve as Chair, or abstain
22 from voting.

23 Members, to support an orderly process, I
24 respectfully request that you hold your questions and
25 comments until you are called upon.

1 If a Member receives a requisite number of
2 votes, that Member will be elected as Chair.

3 If no candidate receives the required number
4 of votes, the Board may discuss whether to reconsider
5 any or all nominations.

6 If no Member receives the requisite number of
7 votes, a tie may be declared, consistent with
8 Robert's Rules of Order.

9 I will now open the nominations for the
10 election of Chair for the 2023 term.

11 I would -- Ms. Lieber.

12 MS. LIEBER: I'd like to nominate
13 Member Vazquez as Chair.

14 MR. SCHAEFER: Thank you.

15 That nomination is accepted.

16 I -- I would like to make two nominations. I
17 would like to nominate a man who has been Chair for
18 about ten minutes at the very start of our last term,
19 Senator Gaines.

20 I believe this is a nonpartisan activity that
21 we do for the public, and it should make no difference
22 whether he's a Republican or Democrat.

23 And I'd like to nominate myself on the grounds
24 that I received like a million-three votes for
25 reelection. A 60 percent strong vote, which tells me

1 the public likes what I'm doing.

2 I have never served as Chair. And out of
3 respect for elders, I should be -- I am the oldest
4 Constitutional Officer in the state of California.

5 And, also, I may not be around here next year,
6 God-willing. If the Lord gives me good health, I will
7 be. But, you know, I'd like to put that in my obituary
8 that I have been Chair.

9 And also you need me, because I have a sense
10 of humor and make you laugh.

11 So I have made these two nominations. So
12 that's Ted and Mike.

13 MS. COHEN: Mr. Chair, I'd like to make a
14 nomination.

15 MS. SCHAEFER: Yes.

16 Ms. Cohen, please.

17 MS. COHEN: Thank you.

18 Since we're making nominations, we should just
19 make a full house. I'd like to nominate myself. Just
20 kidding. I don't want to nominate myself.

21 But I would like to enter the name for
22 consideration, our new Member, Sally Lieber.

23 She's an outstanding leader, has incredible
24 leadership skills.

25 And I know it may seem a little daunting to

1 come into a new body. We've experienced that for years.

2 But don't discount yourself.

3 I'd like to nominate Member Sally Lieber.

4 Thank you.

5 MR. SCHAEFER: Yes. Right. I appreciate

6 that. Sure. Very confident candidate.

7 Our very first meeting I mentioned Ted Gaines

8 was Chair for about ten minutes. So, you know, you

9 don't have to have experience.

10 MR. GAINES: Can I put that in my obituary?

11 Just curious.

12 MR. SCHAEFER: Is there any further

13 nominations?

14 Mr. Vazquez?

15 MR. VAZQUEZ: No, I'm good.

16 MR. SCHAEFER: We have nominations of

17 Member Vazquez, Member Gaines, Member Schaefer and

18 Member Lieber.

19 So everybody but Ms. Cohen has been nominated.

20 Thank you for participating.

21 Ms. Cichetti, will you read the list of names

22 that have been nominated to serve as Chair?

23 MS. CICHETTI: All right.

24 The nominations are: Member Vazquez,

25 Member Gaines, Vice Chair Schaefer and Member Lieber.

1 This would be an opportunity if anybody -- if
2 the Vice Chair would like to afford the Members, if they
3 wanted to give a small presentation about why they
4 should be elected.

5 MR. SCHAEFER: Right. Thank you.

6 I think I've already given that presentation.
7 But I would want my colleagues to have their three
8 minutes.

9 Mr. Vazquez, would you share with us why we
10 should vote for you?

11 MR. VAZQUEZ: Sure.

12 MR. SCHAEFER: Well, you've held the job
13 several times.

14 MR. VAZQUEZ: Yes.

15 MR. SCHAEFER: And you are the most
16 experienced candidate.

17 MR. VAZQUEZ: Exactly.

18 And that's what I'd really like to bring back
19 to the table, especially as we move forward.

20 And I think this energy on this new Board,
21 especially with the new Member, Ms. Sally Lieber, who
22 was previously on the Assembly, I would look forward to
23 working with her leadership as well, as well as our
24 retired Senator, Mr. Gaines.

25 Because I think, you know, these last four

1 years, between myself and now our Controller, Ms. Cohen,
2 I think we did a pretty good job of getting us out of
3 what I consider hot water when we first got elected in
4 2018.

5 And now we're in a situation where I think
6 we're thriving. The staffing has been really good in
7 terms of filling vacancies. And I'm looking forward to
8 now really taking this Board to the next level, and to
9 expand it.

10 Because I think at the end of the day, and I
11 think many of us have experienced it in our respective
12 districts, we're hearing more and more from our
13 constituents, especially in the tax community, things
14 that we need to do and possibly bring back with some
15 authority of this Board moving forward, as I see some of
16 the small businesses that are still being hampered, or
17 punished really. Because in many cases they don't have
18 the skill sets to weather the storm.

19 And I think it should be our role here as the
20 BOE to provide as much guidance and technical assistance
21 to make sure that they thrive and survive.

22 Because if you look at the state of
23 California, I think it's about 80 percent of the folks
24 that are employed in the state are employed by small
25 businesses.

1 And I think we need to do whatever we can to
2 make sure that they -- not only that they survive, but
3 that they grow. And I'm hoping with this new Board, we
4 can continue that.

5 And I think the other thing that's real big
6 on -- especially the Governor's agenda, and it's been on
7 ours as well when we've done these hearings, is the
8 whole affordable housing piece. And I think we're
9 almost there.

10 And I believe this next couple years,
11 especially this year coming in, we should be able to put
12 a lot of our hearings, and the input that we got from
13 most of our partners, to really make this come to
14 fruition and be a real resource for those, not only in
15 the nonprofit world, but also in the for-profit world,
16 developers that are interested in building true,
17 affordable housing.

18 So I'm hoping with your support I can continue
19 that leadership, and hopefully make, not only the BOE,
20 but also those folks at the Capital here real proud of
21 this organization.

22 Thank you.

23 MR. SCHAEFER: Thank you, Member Vazquez.

24 I will call on Senator Gaines.

25 Do you have a few minutes?

1 MR. GAINES: Thank you so much. Yeah.

2 It's been an honor to serve on the Board of
3 Equalization for the last four years.

4 I think we've made a lot of progress in terms
5 of in many ways moving forward with a Board of
6 Equalization that is very different than what it was
7 actually when we were running for election.

8 And our primary focus now is property. And we
9 have our oversight duties with our county assessors, and
10 also working in collaboration with them. And it's been,
11 I think, a good relationship. And it's been an
12 opportunity for renewal for the Board of Equalization.

13 Our focus for each Board Member, I think, was
14 to make sure that we operated this Board in a
15 transparent way with the new reforms that came into
16 place. And I think we've done that.

17 And -- but not only to operate transparently,
18 but also to operate with a vision of additional things
19 that the BOE can do.

20 And we've had opportunities to take a look at
21 the housing industry, which clearly is a crisis here in
22 the state of California. And I think we're going to
23 continue that, based on conversations that we've had.
24 And we should do so.

25 I want to thank Members Vazquez and Cohen for

1 moving forward in those areas.

2 We've got, I think, other opportunities to
3 take a look where we might be able to help out
4 taxpayers, especially smaller businesses in the state of
5 California.

6 My hope would be that we could maybe take a
7 look at some of the duties that we used to have. And
8 wouldn't it be nice to have an appeal process for
9 smaller business owners, and just taxpayers that don't
10 know the way, can't afford an attorney or an advocate to
11 help them out.

12 And I think those are things we could handle
13 in a very judicious manner, and provide a little grace
14 to our constituents. Because government often is very
15 opaque and very impersonal. And I think we can do so
16 much better than that.

17 Of course, any ability of me to serve as Chair
18 is a difficult -- a difficult challenge. And that
19 really relies on my colleagues and their willingness to
20 give someone from across the aisle the opportunity to
21 serve in that capacity. So I feel that maybe there will
22 be that opportunity at some point during the second
23 term.

24 But either way, I'm going to serve my
25 constituents and serve the state of California, and do

1 the best job I can, work with my colleagues, and make
2 the BOE better for it.

3 Thank you.

4 MR. SCHAEFER: Thank you, Member Gaines.

5 Member Lieber, you're the new kid on the
6 block. And you bring legislative experience to us, like
7 Senator Gaines. And I appreciate that.

8 Go ahead.

9 MS. LIEBER: Thank you so much.

10 And I was really fortunate to overlap in the
11 State Assembly with Mr. Gaines, and to have the benefit
12 of working with him.

13 And I'm so honored to be nominated by our
14 State Controller. I want to put that out on social
15 media right away.

16 MR. SCHAEFER: Put that in your obituary.

17 MR. LIEBER: But as the Vice Chair mentioned,
18 I am the new kid on the block. And I'm looking forward,
19 in the subsequent months to come, to casting off the
20 training wheels, and to really getting up to full speed
21 with the Board.

22 So I'd like to defer to the Members who have
23 been here longer. But it's really a special moment to
24 be nominated by someone who I have so much respect for.

25 I don't think that Ms. Cohen, our State

1 Controller, knows this, but on my desk at home, I have a
2 business card that she gave me the very first time that
3 I met her, and wrote down the date, and said, "Met
4 Malia Cohen in SF today."

5 And that was several years ago, before you
6 started on the Board of Supervisors.

7 But she is a California treasure. And it is
8 so incredible to see the growth that she's gone through,
9 and taking her rightful place, serving our state very,
10 very well.

11 So thank you so much.

12 MR. SCHAEFER: Thank you, Member Lieber.

13 I had made my original comments.

14 I do want to say that for most of 150-some odd
15 years as existence, we have had a rotation basis for
16 picking the Chair. It's gone from Member to Member to
17 Member to Member. And we have changed that. But that
18 doesn't mean the old system is bad.

19 And I do have a second to my nomination from
20 Claude Parrish, who is the assessor of one of our
21 biggest counties.

22 He has called me up and said he was going to
23 write each Member a letter endorsing the idea of Member
24 to Member to Member, to follow the consecutive order of
25 the Chair to pass.

1 I don't think he's done that. But he is a
2 Republican, and I am a Democrat. And he approves
3 everything I'm doing, and he has no hesitancy to talk me
4 up. And I'm very proud of that.

5 And I'd hope I have some other support from
6 people that watch us, even though I am a little bit -- I
7 do rattle cages sometimes.

8 People in Southern California send me up here
9 to do something, you know. Not just sit.

10 I want to mention also that in the past
11 Boards, they have had a Member be the Chair for many,
12 many years in succession. And that's not necessarily
13 good.

14 I do think it's nice to have a breath of fresh
15 air once in a while. And it's my job, if I were Chair,
16 to bring out the best of our Members, rather than to
17 feel like it's Mike's Board, and it isn't. It's the
18 Members' Board, and we are the cheerleader for our
19 colleagues.

20 Thank you for your presentations.

21 Ms. Cichetti, do we have any public comments
22 on this item?

23 MS. CICHETTI: We have nobody in the audience,
24 and no written comments.

25 I'm going to go to the AT&T moderator.

1 AT&T moderator, could you please let us know
2 if there's anyone on the line who would like to make a
3 public comment regarding this item.

4 AT&T MODERATOR: And if you do have a public
5 comment at this time, it is one, followed by zero.

6 And there are no lines in queue.

7 MS. CICHETTI: Thank you.

8 MR. SCHAEFER: You know, I don't want to
9 always be the contrarian, but I don't think the public
10 has a right to a place at the table when it comes to
11 nominations of the Board.

12 I think the issue of who wields the gavel is
13 strictly an inhouse housekeeping matter.

14 And I'm appalled to see that the city of
15 San Diego, in picking their president of their city
16 council, spent, I think, eight hours into the wee hours
17 of the morning listening to 150 members of the public
18 come and give their opinion on who should be chosen.

19 And there was a candidate that had an
20 overwhelming choice of all the people that spoke during
21 the eight hours, and the city council promptly voted for
22 the other person and installed them.

23 There are certain things that Bagley-Keene
24 does not have anything to do with. And in my opinion,
25 that's selection of the Board. But until we have a

1 Court tell us that, we're going to do it as we are doing
2 it.

3 And Mr. Nanjo appreciates that. And I am a
4 get-along, go-along on stuff that affects our legal
5 image.

6 Thank you.

7 Now we will proceed to vote.

8 Members, when Ms. Cichetti calls your name,
9 would you please state the name of your selection for
10 Chair.

11 MS. CICHETTI: All right.

12 Please state the name of the selection of the
13 Chair when I call your name.

14 Vice Chair Schaefer.

15 MR. SCHAEFER: I will vote for myself.

16 MS. CICHETTI: Member Gaines.

17 MR. GAINES: Aye.

18 MS. CICHETTI: You have to --

19 MR. GAINES: Am I voting for my -- are we
20 voting --

21 MS. CICHETTI: Yes, you have to --

22 MR. GAINES: -- for Chair?

23 MS. CICHETTI: For the Chair. Mm-hm.

24 MR. GAINES: Yeah. Okay. So I'm an "aye."

25 MS. CICHETTI: Yes. But you have -- we have a

1 selection of names. You have to name the person you'd
2 like to vote for.

3 MR. GAINES: Okay. So of the ones that were
4 presented, I would vote for myself.

5 MS. CICHETTI: Okay.

6 Member Lieber.

7 MS. LIEBER: Mr. Vazquez.

8 MS. CICHETTI: Member Vazquez.

9 MR. VAZQUEZ: Member Vazquez.

10 MS. CICHETTI: Controller Cohen.

11 MS. COHEN: Member Vazquez.

12 MS. CICHETTI: The votes are three for
13 Member Vazquez, one for Member Schaefer, and one for
14 Member Gaines; therefore, we have enough votes for
15 Mr. Vazquez.

16 So the candidate, Vazquez, has been elected to
17 serve as the Chair of the Board.

18 MR. SCHAEFER: Congratulations.

19 MR. VAZQUEZ: Thank you.

20 MR. SCHAEFER: On my note, we have the most
21 experienced Chair we've ever had.

22 Hey, I'm fired.

23 MS. CICHETTI: At this time, the new Chair
24 will be taking over for the remainder of the meeting.

25 We'll get him situated.

1 Mr. Nanjo, did you want to begin this one, or
2 have Mr. Vazquez continue?

3 MR. NANJO: Mr. Vazquez can continue.

4 I want to thank Vice Chair Schaefer.

5 You did a wonderful job. Thank you very much,
6 sir.

7 MR. VAZQUEZ: Does it matter where we sit, or
8 should we switch seats?

9 MR. NANJO: No. At this point, I'd recommend
10 continuing with the vote of Vice Chair. And once that's
11 completed, we can take a short break and rearrange
12 everything.

13 MR. VAZQUEZ: Okay.

14 First of all, thank you to my colleagues, and
15 especially our new Controller.

16 I'm looking forward to working with you. And
17 I know you've been real active on the Board, and I'm
18 assuming you're going to be real active with BOE.

19 And I'm looking forward, especially many of
20 the projects we started over the last four years, to now
21 make sure that we follow through and see them happen.

22 Because I think, especially on the affordable
23 housing front, and then on the modernization that you
24 started many years ago, and with the leadership of our
25 new Member, I think we're in a real good position to

1 make sure these things really happen.

2 With that, let me begin, or open up with our
3 Vice Chair nominations.

4 I would like to open the floor to any
5 nominations people have for Vice Chair.

6 And I will open up.

7 And I think our Controller, Member Cohen,
8 really hit it on the nail. You know, I would like to
9 encourage -- I know she wasn't interested in running for
10 Chair, but maybe she's hopefully interested in working
11 with me as the Vice Chair.

12 So I'd like to nominate Sally Lieber as my
13 Vice Chair coming into this new year, 2023.

14 And with that, I'll open it up to hear if
15 there's any other nominations from any other Members.

16 MS. COHEN: I'll second that nomination.

17 MR. VAZQUEZ: I'm sorry.

18 MS. COHEN: I'll second that nomination.

19 MR. VAZQUEZ: Appreciate it.

20 MR. SCHAEFER: I will nominate myself on the
21 grounds that that's all I know how to do.

22 And on the further grounds that it's time for
23 Southern California to be recognized. And the way to
24 recognize Southern California is to elect the great
25 Los Angeles man as Chair, and a San Diego man as

1 Vice Chair.

2 Thank you.

3 MR. VAZQUEZ: Any other nominations?

4 Seeing no other nominations, Ms. Cichetti, do
5 we need to -- we don't have any public comment on this,
6 do we?

7 MS. CICHETTI: Well, we should -- our normal
8 procedure is to go out for public comment.

9 MR. VAZQUEZ: Let's ask AT&T.

10 MS. CICHETTI: Okay. So, first, let me make a
11 list of the nominations, so that we know who we have
12 there.

13 We have Ms. Lieber or Vice Chair Schaefer are
14 up for the two nominations.

15 And so we don't have any public comments in
16 the auditorium or anything in writing that we've
17 received on this item, so I'm going to go to the AT&T
18 moderator.

19 AT&T moderator, please let us know if there's
20 anyone on the line who'd like to make a public comment
21 regarding this item.

22 AT&T MODERATOR: And there are no lines in
23 queue at this time.

24 MS. CICHETTI: Thank you.

25 MR. VAZQUEZ: And with that, you know, I guess

1 we should afford an opportunity for Ms. Lieberman [sic]
2 to give us her take on what she sees coming into the
3 year of 2023 as our Vice Chair.

4 MS. LIEBER: Well, thank you so much.

5 And it's such an incredible honor just to be
6 elected to the office of being on the Board at all.

7 When you look at the fact that out of
8 forty-two million Californians, the five of us have been
9 selected; it's very, very humbling. And I am really
10 looking forward to working with everyone up here.

11 And if I am selected as Vice Chair, I'll put
12 all of my effort into that, and the priorities of this
13 Board, many of which Ms. Cohen worked on very hard last
14 year, are going to continue and come forward into this
15 year. And I am very excited about those priorities.

16 In particular, among what's been mentioned,
17 the affordable housing, and what kind of tax exemptions
18 would be offered to increase the amount of the
19 missing-middle housing, and also the assistance for the
20 small businesses that has been mentioned by Mr. Gaines
21 and by our new Chair is really critically important.
22 That's the heart and soul of California.

23 And, particularly, in our rural areas, and
24 making sure that we cover all the ground in California,
25 and all of the needs, and all of the potential that is

1 there.

2 So thank you so much for the nomination. And
3 if I'm selected, I am definitely willing to serve as
4 Vice Chair.

5 MR. VAZQUEZ: Thank you.

6 Our Vice Chair Schaefer.

7 MR. SCHAEFER: I'd like to point out that just
8 because Sally is the new kid on the block, doesn't mean
9 she doesn't know what's going on.

10 She served with great distinction in the State
11 Assembly down the street. So she's really an old-timer,
12 as far as we're concerned in government.

13 I'd also like to state that I think the job of
14 the Vice Chair is to make the Chair look good. And I've
15 concentrated on doing that for Malia, and I've been very
16 successful, because she got a promotion.

17 Thank you.

18 MS. COHEN: That's very clever. That is very,
19 very clever.

20 MR. VAZQUEZ: You like that spin, huh?

21 MS. COHEN: Yeah.

22 MR. VAZQUEZ: Okay. With that, Ms. Cichetti,
23 if you would -- I guess -- yeah, you would just -- I'll
24 let you call the --

25 MS. CICHETTI: Yeah. I'll name the two

1 people, and then I'll ask everybody. Yes.

2 So the two people who have been nominated for
3 the Vice Chair is Vice Chair Schaefer and Ms. Lieber.

4 When I call your name, please state your vote.
5 Vice Chair Schaefer.

6 MR. SCHAEFER: I vote for myself.

7 MS. CICHETTI: Member Gaines.

8 MR. GAINES: I support Member Lieber, with all
9 due respect to Mr. Schaefer.

10 I think he's done a good job serving as the
11 Vice Chair. But I think there's an opportunity here. I
12 think there's an opportunity here to work on these areas
13 that you had discussed and I discussed.

14 And so I am in support of Sally Lieber.

15 Thank you.

16 MS. CICHETTI: Member Lieber.

17 MS. LIEBER: I'll vote for Lieber.

18 MS. CICHETTI: Member Vazquez.

19 MR. VAZQUEZ: Member Lieber.

20 MS. CICHETTI: Controller Cohen.

21 MS. COHEN: Thank you. I'm honored to support
22 Sally Lieber.

23 MS. CICHETTI: Very good.

24 MR. SCHAEFER: I change my vote to vote for
25 Sally Lieber.

1 MR. VAZQUEZ: So that's a unanimous vote.

2 Congratulations, Vice Chair Lieber.

3 MS. LIEBER: Thank you. Thank you.

4 MR. VAZQUEZ: Now I believe you want to take a
5 little, what, five-minute break?

6 MR. NANJO: Yes. Thank you.

7 MS. COHEN: Before we take a break, may I say
8 some few remarks?

9 MR. VAZQUEZ: Sure.

10 MS. COHEN: Thank you very much.

11 I just want to acknowledge all the members of
12 the public and say good morning to -- and happy new
13 Year. It's good to be back, and to see the staff on
14 this body.

15 I'd like to offer my congratulations to the
16 newly-voted Chair and Vice Chair.

17 And as a Board, your work in this
18 administration of an \$85 billion property tax system
19 is -- ensures that our schools and local government
20 continue to have the much-needed resources and critical
21 resources that they need.

22 And what I also want to note is the reputation
23 and the integrity of the Board of Equalization, that we
24 continue to strive to repair and build.

25 This Board has remained steadfast and

1 constant, despite challenges. The Board continues to
2 make significant strides to preserve the Nation's only
3 elected tax board. And I think that's important to
4 note.

5 And I want to also acknowledge that the future
6 begins here today, similar to the remarks that I said at
7 the swearing in.

8 And that the incoming Board renews its
9 commitment to public service. And that it maintains its
10 commitment to be efficient and effective, and most above
11 all, fair when it comes to the administration of
12 property tax here in the great state of California.

13 We've got 40 million residents depending on
14 all of us to do our job, to come to work ready, to give
15 110 percent of our efforts.

16 And I just wanted to also publicly affirm that
17 in my new role as State Controller, I consider it a
18 privilege to continue my service on this body. And I
19 remain committed, and will continue to work with you to
20 prioritize the items that we still need to get done, and
21 also prioritize the needs of taxpayers.

22 So I look forward to working with you, to
23 supporting you.

24 And want to acknowledge Executive Director
25 Stowers and your Executive team as you continue to build

1 and make transitions. You're doing it with grace. And
2 I think this newer era will be our moment.

3 And I also want to acknowledge the
4 Deputy Controller coming in my steadfast, Hasib Emran.
5 Should be a familiar face. He was on my staff when I
6 was on the Board of Equalization. And he will do an
7 amazing job. And will be fully present and engaged, and
8 we are both ready to go.

9 So with that, I close my remarks. And I thank
10 you for allowing me a few minutes to say a few thoughts
11 that are on my mind and on my heart.

12 Thank you.

13 MR. VAZQUEZ: Appreciate it. Thank you.

14 With that, I guess we can take a little
15 five-minute break.

16 MS. CICHETTI: Just before we go to recess,
17 can I just ask one thing?

18 MR. VAZQUEZ: Oh, I'm sorry. Yes.

19 MS. CICHETTI: I just wanted to, just for the
20 record, our Chair for the 2023 term is Member Vazquez,
21 and our Vice Chair for the 2023 term is Ms. Lieber.

22 Just wanted to make sure we got that on the
23 record before we move forward.

24 MR. VAZQUEZ: Thank you.

25 So we will stand in recess for five minutes,

1 and then we'll be right back.

2 MS. CICHETTI: Okay. Good. Thank you.

3 (Whereupon a break was taken.)

4 MR. VAZQUEZ: So I think we have everybody
5 back. So let me call this meeting back to order.

6 And let me start with Ms. Cichetti to let us
7 know where we're at.

8 MS. CICHETTI: Where we're at. Okay.

9

10 **ITEM 2**

11

12 MS. CICHETTI: The next item on the agenda is
13 Item 2, Special Introductions: Introduction of new and
14 returning Chief Deputies and Assistant to each
15 Board Member.

16 MR. VAZQUEZ: Yes.

17 Members, I know there's been a lot of shifts,
18 especially with the election of the new Controller, and
19 then, of course, a new Member to the Board.

20 I've been fortunate enough to be able to hold
21 on to most of my staff. But I did have one change. One
22 of my Chief of Staff, who you all know and was very
23 involved and very dedicated, not only to the BOE, but to
24 me as a Board Member, as a new Board Member, Kari
25 Hammond, who has decided to retire.

1 I was hoping that she was going to hang on.
2 But she had -- I know she was hoping to do that a lot
3 sooner. And, luckily, she was able to at least stick it
4 out for my first term. Because she was very helpful.

5 And if she's out there listening, I just
6 wanted her to know that she's going to be sorely missed.
7 She was so -- like I had mentioned, not only with me as
8 a new Board Member, but she had such good relationships
9 with many of our staff members here, and provided a very
10 good service to the community, to our taxpayers. And
11 she's going to be sorely missed.

12 But with that comes a new opportunity. I was
13 fortunate enough to be able to hire a new Chief Deputy,
14 Deborah Bautista-Zavala, who is with us today.

15 And I don't know if those that are viewing are
16 able to see her. She's standing up in the back.

17 Some of you have met her probably through Zoom
18 or through Teams. But now you see her in the flesh.
19 And she's been great.

20 She comes with a lot of experience at the
21 Capital, and had the opportunity to work with several
22 legislative members at the Assembly side, and I believe
23 even on the Senate side as well.

24 And she's pretty close to Sacramento. I
25 believe she lives in Woodland. So not too far of a

1 commute. So hopefully you'll see her a lot, not only at
2 our Board Meetings, but in the community here.

3 And I'm looking forward to her expertise.
4 Because she had been very involved leading and lobbying,
5 most recently with the LAUSD school district on
6 educational programs and funding.

7 And I'm hoping she'll bring that expertise to
8 us as we look to possibly work with some of our
9 legislators, both on the Assembly side and Senate side.
10 To move some of our agenda items that was mentioned
11 earlier by our Controller, you know, and by
12 Member Gaines. You know, things that we were able to
13 start.

14 And now I think some of it is probably going
15 to be put on us, and hopefully on some of our expertise,
16 and many of our staffers that we have in the different
17 districts here to take it to the next level.

18 And that might require some legislation. So
19 I'm hoping -- and I know she'll be an asset in that area
20 for us.

21 With that, let me turn it over to -- I'll
22 start with the new Member. Because she probably has the
23 most changes here.

24 I'll start with our Vice Chair, Sally Lieber.

25 MS. LIEBER: Well, thank you so much,

1 Mr. Chair.

2 I'm very pleased to recognize the incoming
3 staff. A couple of whom are familiar faces. Two folks
4 here, not with us today, because he's on the mend from
5 an illness is Mr. Gary Gartner. Who I think is known to
6 everybody here, and just about everybody in California.

7 And in with us today is Mr. John Thiella, who
8 is our attorney, who is in the back.

9 And my special assistant, who is always my
10 wingman, Mr. Jordan Eldridge. Who is here with us
11 today.

12 And in his short time working with me with the
13 Board, I think has become known to many people as being
14 a very helpful and knowledgeable person. He's worked in
15 the State Legislatures in a couple of different states
16 now.

17 And then also we have Kimberly Jacobs, who is
18 continuing with our district as well.

19 And I'm very much looking forward to working
20 with all the staffs of all my colleagues. I've been
21 really pleased to see everyone who are working within
22 the different offices, and have really good collegial
23 relationships with them. And so I look forward to that
24 going forward.

25 And I'm also so pleased to discover what

1 quality there is in the staff of the BOE. And it's been
2 a really pleasant journey so far getting to know
3 everyone, and to find out how much expertise and
4 knowledge and ethics in a good spirit of service there
5 is.

6 So I think that we have all the tools that are
7 ready to do very good work here for the people of the
8 state of California.

9 Thank you.

10 MR. VAZQUEZ: Thank you.

11 With that, let me go back to the top of the
12 order here with our First District, Member Gaines, to
13 share any comments on changes in his staff.

14 MR. GAINES: Yeah. Thank you so much.

15 And just an aside, if I could, I hope Gary is
16 doing well with his -- he's recovering well.

17 I spoke to him this morning on the drive down.
18 Seems like he is doing well. So I'm encouraged by that.

19 But, yes, thank you for the opportunity to
20 introduce my staff.

21 And, first of all, my Chief of Staff is
22 Matt Cox, and next to him is Betsey Hodges. And they
23 both started working for me on the same day in 2011 in
24 the State Legislature. So I'm really blessed to have
25 them with me. They've done a great job.

1 Matt has been just an awesome Chief of Staff
2 in helping me figure it all out and do it right.

3 And Betsey is my communications person. And
4 she's just been wonderful. And it's nice to have the
5 luxury of having that consistency.

6 And it took a little while to get them both
7 over here. But I'm fortunate that's all come together.

8 Rounding out my team, I've got some good
9 folks. I've got Barbara Bus, who helps me with
10 constituent issues. And she's been at the BOE for a
11 number of years. Very experienced. And she's got a
12 real light touch with our constituents in trying to help
13 them out.

14 Because, let's face it, we're elected
15 officials. And I feel that it's really our duty to make
16 sure we're connecting the dots for our constituents.

17 And it doesn't matter, right, if it's local,
18 state, or federal, we ought to be trying to help folks
19 out. So that's great.

20 And then Lee Williams, you know, he's a
21 veteran. He's been around for a number of years at the
22 BOE. And he's really our technical expert, and we rely
23 on him to help us weigh through many of the technical
24 aspects of what happens here at the Board of
25 Equalization.

1 And then Bill Cardoza is working part time for
2 me. And he just helps out with things that are
3 district-related. And he's an old hand too, and done
4 that for quite a while.

5 And so I'm very fortunate to have this great
6 staff.

7 Thank you.

8 MR. VAZQUEZ: Welcome.

9 With that, let me move onto our next Member,
10 our Member Schaefer.

11 MR. SCHAEFER: Thank you, Chair.

12 As to Gary Gartner, he had a touch of fatigue,
13 and he was hospitalized for two days. But he is just as
14 garrulous as ever.

15 Last Saturday he was on the phone telling me
16 what events to go to, what I should wear, and what time
17 I should be there. And I'm not surprised that he's been
18 talking to all of you guys.

19 So I'm very glad that we'll have him to help
20 us through Ms. Lieber's office.

21 We said goodbye to Sue Blake, who is my Chief
22 Counsel, who is retired. I have Michelle Harrison
23 continuing in my office. She's famous for being the
24 mother of five daughters. Could you believe? And she
25 keeps the office running.

1 Bridger Langfur, would you raise your hand,
2 Bridger?

3 He's the best-dressed guy in our office. And
4 he has a good background in teaching and education. And
5 he's really been a blessing to be in our office.

6 He's been our No. 2 in staff. And he's soon
7 to be No. 1 in about half an hour, because Cody's got to
8 go to the airport.

9 And I'm saving the best for last, Mr.
10 Cody Petterson. You see a former staffer sitting up
11 here. You're going to see Cody sitting up here someday
12 too, because he's the Chief of Staff that's going
13 places.

14 He is an elected official in his own right,
15 and none of the staff members can say that. He was
16 recently elected to the San Diego Unified School
17 District.

18 And he's gone through the battle of campaigns.
19 They put out \$100,000 worth of hit pieces on him.
20 Showing a cartoon of somebody with a puppeteer, and he
21 was a little puppet being directed around.

22 I thought that was funny, and he thought it
23 was funny too. And I think the voters thought it was
24 funny, and they voted him in overwhelmingly.

25 His mother is a well-known doctor and famous

1 in politics as a Democratic activist, as is Cody.

2 And Cody spent a year or two living in Peru
3 getting a doctor degree in anthropology.

4 And how many of us have been to Peru?

5 So, Cody, I'm very proud of you.

6 And he just gave me a salute.

7 And I just want you to remember
8 Cody Petterson. That's a name you're going to be
9 hearing for decades.

10 Thank you.

11 MR. VAZQUEZ: Welcome.

12 And you reminded me, Member Schaefer, that
13 actually my new Chief of Staff is also an elected
14 official on a school board here locally.

15 She currently sits on -- she's a school board
16 trustee and clerk for the Woodland Joint Unified School
17 District.

18 MR. SCHAEFER: I stand corrected on that then.

19 MR. VAZQUEZ: That's why I wanted to bring it
20 out.

21 MR. SCHAEFER: That's a requirement to be a
22 Chief of Staff. You've got to be on school services.

23 MR. VAZQUEZ: She just got reelected with no
24 opposition. Shows you how well she's doing in her
25 community.

1 And with that, let me turn over to -- I didn't
2 realize I was remised earlier. I didn't realize that
3 our Controller, Member Cohen, had to leave before she
4 could give a more formal introduction.

5 But with that, you know, rather than me
6 butchering your name, I want to have you introduce
7 yourself.

8 And most of us know him because he's been
9 here. And he's worked, actually, when our Controller
10 now, when she was still a Member to this Board. And he
11 served her well.

12 And welcome, and let me have you give a formal
13 introduction.

14 MR. EMRAN: Thank you.

15 Good morning, everyone.

16 First, I just want to thank the Controller,
17 Malia Cohen, for bestowing this opportunity on me. I'm
18 very humbled by this appointment, and I look forward to
19 working with the Members here.

20 I want to first congratulate you,
21 Chair Vazquez, on your appointment.

22 And to Member Lieber, by now, Vice Chair.
23 Just an incredible opportunity.

24 And to the other Board Members, Senator Gaines
25 and Member Mike Schaefer, really looking forward to the

1 old faces I see here, and some of the new faces.

2 Really excited for this new term here. I feel
3 like we can continue the work and the momentum that the
4 Board of Equalization has moving into this new term, and
5 really taking this Board to new heights.

6 My name is Hasib Emran. I'm a Deputy State
7 Controller for taxation. I'm an attorney. I was an
8 attorney here at the Board of Equalization.

9 I've been working with Malia, the Controller,
10 for the past eight years now. And just really, really
11 incredibly excited to continue this work.

12 Thank you.

13 MR. VAZQUEZ: Welcome.

14 Looking forward to your input and your
15 expertise as we move forward.

16 With that, you know, when we first opened up
17 the meeting, I was remised. I wanted to make some
18 opening remarks. And I'll turn it over to the Members
19 as well before we start, and we get back on track with
20 the agenda.

21 And many of you I'm sure have heard this, and
22 it just so happened to happen in my district, you know,
23 this tragedy that took place in Monterey Park this last
24 week.

25 And then in my conversation -- I was actually

1 on the steps of the Capital yesterday with many of the
2 legislators, the Asian-American Community Elected
3 Officials hosted a kind of a unity and support press
4 conference yesterday at 2:30. And I was able to join
5 with many of the legislators, both on the Assembly and
6 the Senate side.

7 And we had some remarks from the Senator who
8 represents that area, Susan Rubio, and the Assembly
9 Member from the Monterey Park area, which was Mike Fong.
10 And it was just a very tragic incident.

11 And as we were speaking, you know, it was --
12 it was mentioned on the news that of the others that
13 were injured, we lost another one. So there's 11 lives
14 now that have been lost in that tragic incident that
15 took place.

16 And it happened to coincide with their Lunar
17 Year celebration. Which is really tragic. But I just
18 wanted to put that out there.

19 And I know many of us here are all thinking
20 about those families. And our thoughts and prayers are
21 with those folks.

22 And then only to find out when I was talking
23 to the Senator from that area last night, Susan Rubio,
24 she mentioned that there was another shooting right here
25 in Half Moon Bay. Which is closer to us here in

1 Sacramento. And I understand, I think, there's seven
2 folks that were lost lives there.

3 So I just wanted to open up our meeting
4 recognizing those individuals that lost their lives.

5 With that, let me go to my Vice Chair Lieber.

6 MS. LIEBER: If I might comment on that as
7 well.

8 Obviously this is a repeated situation in
9 California, and repeated just within 48 hours, two
10 shootings.

11 And there are many people who say, "Well, you
12 know, why should we do something here in our community?
13 It hasn't impacted us."

14 And the long reach of these tragedies really
15 mean that we will all be impacted. In particular,
16 children who are growing up in a very unstable world,
17 and are impacted by the trauma of these experiences.

18 As the Chair mentioned, yesterday afternoon
19 there was a second shooting in Half Moon Bay. That's in
20 my home neighborhood. And it's a quintessential quiet
21 beach town in California.

22 And it is just beyond horrific to see that
23 there were seven people who were engaged as farm workers
24 who were killed.

25 And because it was in a rural setting, in the

1 farm setting, there were children present who witnessed
2 this.

3 And this ongoing drum beat of occurrences, I
4 think, can't be treated as individual phenomenon. And
5 sometimes I feel that that's the first thing that we go
6 to. "Why did the shooter do this?" When the fact is
7 that there are just simply too many guns in our state
8 and in other states.

9 And California does have much more protective
10 laws than other states. But guns come across our state
11 borders.

12 And it has really come to -- my realization
13 is that we do need to have licensing of gun owners. And
14 we need more funding to take firearms away from people
15 who never should have had them in the beginning.

16 We need more funding for our law enforcement,
17 and special teams that go in at great risk to themselves
18 to take care of those situations.

19 And we also need local communities to realize
20 their power.

21 And one report that I'm going to be passing
22 out to the local communities in my district is from the
23 Giffords Center. And they have really a menu of
24 different options that local communities can pursue.

25 And this is a legal mesh that is more

1 protective when it is tighter. And we need all local
2 communities, all counties, our state government, and if
3 we can ever get them to do it, the federal government to
4 act on this.

5 Because, you know, hopes and prayers are very
6 nice when there's a natural disaster, a wildfire, a
7 flood. But these aren't natural disasters. They're
8 unnatural, out of time, and out of order. Deaths that
9 should not have occurred.

10 And in each one of these instances, there are
11 also people who get horrific injuries. So when we
12 adjourn today, I'd like to adjourn in memory of the
13 victims of gun violence. But also in respect and
14 recognition for the members of law enforcement who risk
15 their lives, the family members who many times have to
16 care for grievous injuries and disabilities over many,
17 many years, and in respect and recognition of the pain
18 suffered by survivors.

19 There's a part that we can all play to stop
20 this terrible, terrible plague from taking place. And
21 we just have to do it.

22 MR. VAZQUEZ: Thank you for those opening
23 remarks.

24 Member Schaefer.

25 MR. SCHAEFER: I always tend to have a sense

1 of humor.

2 I always tend to have a sense of humor in
3 life. But there's nothing at all funny about the
4 current life that we're living here.

5 I have two children that are married. But
6 they were -- I mean, my two sons. Neither one of them
7 wants to bring a baby into the world, because the world
8 is in such a sad state.

9 All of the tragedy we see in here sort of
10 pales to Mexico next door. They've had 15 journalists
11 killed in the last year, and they've had 500 people a
12 year being murdered. I can't see anybody going down
13 there, you know, to visit in that terrorism.

14 Ms. Lieber's district is famous for some of
15 the worst in history. A U.S. Congressman that she had
16 went down to Jonestown and lost his life. Jackie Speier
17 was down there with him and survived and served as
18 distinction in the U.S. House.

19 You know, I read three newspapers every day.
20 And that's getting harder and harder to do.

21 But I just want you to know I appreciate very
22 much her remarks, and that we are taking notice today of
23 how the world is slowly falling apart. And I hope we
24 can do something to get it straightened.

25 Thank you.

1 MR. VAZQUEZ: Member Gaines.

2 MR. GAINES: I've got some comments for an
3 adjourning memory that I will reserve for the end,
4 unless you feel we should do it now.

5 MR. VAZQUEZ: It's up to you. Do you want to
6 do it in opening or closing? What's more appropriate
7 for you?

8 MR. GAINES: I'll do it during closing.

9 MR. VAZQUEZ: Okay.

10 MR. GAINES: But I would like to speak to
11 these violent crimes that have occurred.

12 MR. VAZQUEZ: Sure.

13 MR. GAINES: They're just -- they're evil.
14 It's evil in nature in terms of what's happening here.

15 And I think there's a lot of different aspects
16 on the issue. It's complicated in many ways. But there
17 seems to be some real challenges in terms of, you know,
18 what's happening to our society. And are we
19 experiencing a degradation of love for one another, and
20 the ability to help people out?

21 What is it that leads someone to use a gun and
22 actually murder someone, and why isn't -- you know, how
23 does a society intervene in something like that and
24 prevent that from happening?

25 And I think there's some mental health aspects

1 to this. I think there's family -- perhaps, in some
2 cases, but not all, family structure issues where maybe
3 a parent is not in communication, or other family
4 members. And that there's a level of awareness that's
5 needed by close friends and family for people that may
6 be contemplating these very violent acts.

7 And I don't think our media and movie industry
8 help us either. Because it's glorified so much. And I
9 don't know. It's a very difficult issue.

10 But I think, you know, we need to take a real
11 close examination of it and figure out how we reduce
12 violence in America.

13 So thank you.

14 MR. VAZQUEZ: Thank you.

15 Oh, our Deputy Controller Hasib.

16 MR. HASIB: Thank you, Chair Vazquez.

17 My heart has been heavy these past few days.

18 As a community, we were mourning the lives
19 lost in Southern California. And to waking up to even
20 more tragedy and senseless gun violence, it's time for
21 us, as a state, and the leaders here on this Board, to
22 step up and really determine how we can put forth a
23 policy that creates a safer California. A California
24 where we can all lock arms and have our families, our
25 children, be able to go to school, go to the movie

1 theaters, and enjoy their lives without this fear of a
2 mass shooting happening.

3 And it's something that my thoughts and
4 prayers go out to those families affected. And I'm with
5 you today.

6 And I'm going to continue to pray and work
7 with these Members to really, really move some policy
8 forward to make sure that this never happens again.

9 Thank you.

10 MR. VAZQUEZ: Thank you.

11 With that, Ms. Cichetti, let's get back on
12 schedule here with the agenda.

13 MS. CICHETTI: Yes.

14

15 **ITEM 3**

16

17 MS. CICHETTI: The next item on the agenda is
18 Item 3, Adoption of the Board Meeting Minutes; the Board
19 Meeting Minutes of December 13th, 2022.

20 The meeting minutes were attached to the
21 agenda for your consideration.

22 MR. VAZQUEZ: Members, is there any comments
23 or corrections to the minutes as presented?

24 If not, I would like to entertain a motion to
25 approve.

1 MS. LIEBER: So moved.

2 MR. SCHAEFER: Second.

3 MR. VAZQUEZ: It's been moved by the
4 Vice Chair, and second by Member Schaefer.

5 If there's no other comments, Ms. Cichetti, do
6 we have any -- do we have any written comments on this?

7 MS. CICHETTI: We have no written, and no one
8 in the audience.

9 Let me go out to the AT&T moderator.

10 MR. VAZQUEZ: Thank you.

11 MS. CICHETTI: AT&T moderator, do we have
12 anyone on the line who'd like to make a public comment
13 regarding this item?

14 AT&T MODERATOR: And if you would like to make
15 a public comment, it is one, then zero at this time.

16 And there are no lines in queue.

17 MS. CICHETTI: Thank you.

18 MR. VAZQUEZ: Thank you.

19 Ms. Cichetti, if you would please call the
20 roll on this motion.

21 Chair Vazquez.

22 MR. VAZQUEZ: Aye.

23 MS. CICHETTI: Vice Chair Lieber.

24 MS. LIEBER: I'll abstain, since I was not
25 present on that date.

1 MS. CICHETTI: Member Gaines.

2 MR. GAINES: Aye.

3 MS. CICHETTI: Member Schaefer.

4 MR. SCHAEFER: Aye.

5 MS. CICHETTI: Deputy Controller Emran.

6 MR. EMRAN: Aye.

7 MR. VAZQUEZ: So we have a majority vote on
8 that. And with that, the minutes were approved.

9 Ms. Cichetti, if you would continue with the
10 next item.

11

12

ITEM 4

13

14 MS. CICHETTI: The next item on the agenda is
15 Item 4, Public Comments on Matters Not on the Agenda.

16 Persons who wish to address the State Board of
17 Equalization regarding items not on the agenda may do so
18 under this item on the agenda.

19 Please note that the Board cannot take action
20 on the any items not on the agenda; however, the Board
21 can schedule issues raised by the public for
22 consideration at future meetings.

23 MR. VAZQUEZ: Ms. Cichetti, do we have any
24 written comments on this?

25 MS. CICHETTI: We have not received any

1 written comments, or no one is in the audience.

2 Let me go out to the AT&T moderator.

3 AT&T moderator, is there anyone on the line
4 who would like to make a public comment regarding this
5 item?

6 AT&T MODERATOR: We have no lines in queue.

7 MS. CICHETTI: Thank you.

8 MR. VAZQUEZ: Hearing no comments and seeing
9 no written comments here today, or presented to us
10 today, Ms. Cichetti, if you could please call our next
11 item.

12

13 **ITEM 5**

14

15 MS. CICHETTI: The next item on the agenda is
16 Item 5, Executive Director Matters; 5a, Organizational
17 Update: Report on the status of pending and upcoming
18 organizational priorities.

19 This matter is presented by Ms. Stowers.

20 MR. VAZQUEZ: Welcome, Ms. Stowers.

21 MS. STOWERS: Good morning. Still morning.

22 MR. VAZQUEZ: Still morning, yes.

23 MS. STOWERS: Okay.

24 Good morning, Chair Vazquez, Honorable

25 Members.

1 I'm Yvette Stowers, Executive Director.

2 First of all, my congratulations to
3 Chair Vazquez and Vice Chair Lieber on your election,
4 and I look forward to working with you and the entire
5 Board this year.

6 Congratulations, Member Sally Lieber, who is
7 joining the Board, representing the Second District.

8 I also want to welcome Deputy Controller for
9 taxation, Hasib Emran, who will represent
10 Controller Cohen, and is no stranger to the BOE.

11 Welcome home.

12 Happy new year. Happy Lunar New Year.

13 And, Members, with your permission, I'd like
14 to go over a couple of notable historical dates for
15 January.

16 January 10th, 1864, George Washington Carver,
17 inventor and scientist, was born.

18 January 12th, the Congressional Black Caucus
19 was organized in 1971.

20 January 15th, the fabulous and wonderful civil
21 rights leader, Dr. Martin Luther King, Jr. was born.

22 On that same date in 1908 the famous
23 Alpha Kappa Alpha Sorority was incorporated -- was
24 founded at Howard University, one of our Black
25 universities, and the sorority, our first Black

1 sorority.

2 January 20th, 2009, Barack Obama was sworn in
3 as the first African-American President.

4 Twelve years later, Kamala Harris was sworn in
5 as the first African-American and Indian Vice President.

6 She's also a member of Alpha Kappa Alpha.

7 I thought about -- twice about saying this
8 one. But I think it's still appropriate even with the
9 violence.

10 January 26, Angela Davis, activist was born in
11 1944.

12 And for you sports fans, January 31st, 1919,
13 Jackie Robinson became the first African -- was born in
14 1919. And he is known as the first African-American
15 Major League Baseball player, No. 41.

16 MR. VAZQUEZ: 42.

17 MS. STOWERS: 42? I added that part in
18 myself. No. 42.

19 Okay. That's our history for the day.

20 Now I would like to start my report.

21 Starting with reflection of 2022.

22 As your Board's Secretary and Agency Executive
23 Director, I am, and continue to be, thankful and
24 appreciative of your leadership and support to move this
25 agency forward.

1 I am grateful and honored to work with a team
2 of extraordinary superstars, the employees of the State
3 Board of Equalization, whose professionalism, expertise
4 and dedication to successfully administer our programs
5 continue to impress me daily.

6 Thank you all, team BOE.

7 Staff has been reporting on their progress and
8 work activities throughout the past year. And now I
9 would like to highlight some of our '22 accomplishments.

10 Starting with Board Proceedings and Support
11 Services Division.

12 Board Proceedings Support Services hosted the
13 annual meeting of the State Board of Equalization/County
14 Assessors in October. And as a thanks to Board
15 Proceedings and our partners at CDTFA media and
16 production team, I would like to highlight that they
17 have successfully facilitated nine in-person hybrid
18 public Board Meetings, managing the range of services
19 needed for in-person meetings with available remote
20 access, in addition to three hearings performed
21 100 percent remotely using Microsoft Teams.

22 Board Proceedings and Support Services has
23 prepared and submitted 111 purchase contract requests,
24 prepared and facilitated and submitted 42 hiring
25 packages, and completed the on-boarding of 22 employees

1 new to the State.

2 These hiring packages and on-boarding is part
3 of our commitment for recruitment and successful
4 workforce development and workforce planning.

5 Now -- later on, Ms. Renati will give more
6 details about our recruitment efforts and workforce
7 planning, as she does on a monthly basis.

8 Now let's talk about the State-Assessed
9 Properties Division. This Division produced and
10 prepared the '22 Board Roll of State-Assessed Property,
11 with a total assessed value of over 136 billion, and
12 transmitted the values to the 58 county assessors,
13 representing approximately 2.16 billion in property tax
14 revenues for our schools and local governments.

15 Produced, prepared for adoption, and built the
16 2022 Private Railroad Car Tax Roll, for a total amount
17 of over 9.7 million that will go to the state general
18 fund.

19 They successfully completed 18 state-assessed
20 property appeals, completed 9 property tax audits, and
21 physically inspected and valued over 10,000
22 state-assessed land parcels.

23 Processed over 1,000 statement of land
24 changes, and coordinated the corresponding assessment
25 jurisdictions for each change with the 58 county

1 assessors.

2 Processed over 200 jurisdictional boundary
3 changes, resulting in 532,000 in revenue for the state's
4 general fund, and produced the 2022 ballot tax rate area
5 list with 61,365 rate tax areas.

6 The County-Assessed Properties Division,
7 they published 9 county survey samplings, and issued
8 61 letters to assessors, and 25 county assessors-only
9 letters.

10 Responded to over 15,000 property tax
11 inquiries from our stakeholders by phone, web inquiries,
12 letters and fax.

13 The Division issued 340 permanent/advanced
14 appraiser certifications, and 11 permanent/advanced
15 assessment analyst certifications.

16 These certificates are only available after
17 the required training classes are completed, the
18 training classes that we produce to our county assessors
19 and their staff.

20 Additionally, in 2022, they provided 660 --
21 they provided training to 660 students in 19 different
22 virtual courses, and 7 in-person courses.

23 A 269-student class, provided through American
24 River College and Sacramento State University, and 411
25 students via self-study courses.

1 They issued 886 organizational clearance
2 certificates, and 564 supplemental clearance for the
3 Welfare Exemption.

4 That is an increase from 2021 of 326
5 additional organizational clearance, and 336 additional
6 supplemental clearances.

7 Members, as you know, this increase is a
8 result from the good work we have done in our Welfare
9 Exemption Process Improvement study. Something that we
10 have reported out on in 2021 and 2022.

11 The County-Assessed Division discovered and
12 reported 338 change in control and 167 change in
13 ownership to the county assessors, and updated the
14 Assessor's Handbook Sections 531, 534, and 581.

15 Next, Members, is the Communication
16 Department. As you know, the BOE's website is a
17 critical tool in communicating and providing essential
18 and up-to-date information to stakeholders and to the
19 general public.

20 The homepage of the BOE website has been
21 modified to include three new graphics under the main
22 banner, currently highlighting the Taxpayers' Rights
23 Advocate, Proposition 19 and Disaster Relief.

24 The Board Members' web pages were also
25 enhanced to have a more modern look with additional

1 features, as the last update took place in 2019.

2 A new career page, www.boe.ca.gov/careers, for
3 those who are listening, was also established in 2022 to
4 assist the workforce planning and recruitment efforts.

5 Finally, through the Board's leadership, BOE
6 established a "translate" web button to offer
7 translation on non-limited English-speaking individuals.

8 Currently, the web page alert button is
9 highlighting today's Board Meeting and disaster relief
10 for those impacted by the recent winter storms.

11 Our Taxpayers' Bill of Rights Hearing last
12 year really showed us the level of public participation,
13 really coming from the Communication Department and
14 partnership with the TRA office, in successfully and
15 strategically promoting that event, promoting it and
16 keeping taxpayers informed, and stakeholders. And they
17 did that through a very creative outreach toolkit,
18 utilizing electronic communication and engaging partners
19 in promoting the hearing.

20 Recognizing the diversity of the state, the
21 Communication Department has led in creating several new
22 translation publications that contain general and
23 statistic information, including Proposition 19 fact
24 sheets in Spanish and Chinese, as well as several
25 taxpayers' rights information sheets on property tax

1 savings.

2 Last year the BOE had over 70 social media
3 posts on all of our channels, and notified our followers
4 of upcoming Board Meetings and Hearings, updated
5 Prop. 19, information about BOE's responsibilities,
6 BOE's job opportunities, and other important
7 information.

8 Legislative Research and Stats Division,
9 some of their accomplishments, the Board sponsored
10 SB 440, and this law was signed in -- and this bill was
11 signed into law.

12 SB 440 authorized the BOE to provide deadline
13 extensions and penalty and interest relief to taxpayers
14 under the alcohol and beverage tax when they are
15 impacted by a Governor-declared disaster.

16 I'll say that again, because we're living it
17 now.

18 So those impacted by the most recent storms,
19 they will receive relief automatically. They don't have
20 to ask for it. We just give it to them. And that's
21 extremely important.

22 The Board also sponsored legislation included
23 in SB 1495, which was signed into law, which, amongst
24 other things, makes a technical correction to the
25 RTC Section 97.68 to correct references from BOE to

1 CDTFA. And this was just mainly housekeeping.

2 This section deals with allocation of sales
3 and use tax revenue. Something that BOE 1.0 did. And
4 we -- just making it clear, that that is a CDTFA
5 responsibility.

6 The Board-sponsored legislation proposal
7 included in SB 1496, which was signed into law, also
8 amended RT Section 3247.5 to extend the sunset date for
9 the offer and compromise program for open and active
10 businesses under the alcohol beverage tax law for an
11 additional five years, which now sunsets January 1st,
12 2028.

13 The calculated -- the Division calculated the
14 Private Railroad Car tax rate and the 4-R ratio, and
15 provided stats tables for the agency's upcoming 2021-22
16 annual report.

17 Equal Employment Opportunity Office has been
18 very successful. Completed a biannual language survey,
19 as required by Government Code Section 7290.

20 BOE Disability Advisory Committee successfully
21 held its second virtual event, hosted by Rachel Stewart,
22 Workability Coordinator and Counselor for Los Rios
23 Community College.

24 In efforts towards diverse hiring, which is
25 part of our workforce planning, the BOE recruitment

1 participated in multiple recruitment fairs in 2022,
2 including one which the BOE EEO officer participated in
3 a career fair hosted by Los Rios Workability.

4 Los Rios Workability helps students with
5 disabilities transactions -- transitions --
6 disabilities, and transitions them into employment into
7 mainstream.

8 The BOE EEO officer spoke about BOE's
9 diversity, and invited students to join the BOE.

10 To help BOE staff transition back into the
11 office, the BOE EE -- Equal Employment Officer created a
12 collection of training on the following; returning to
13 work, employee wellness, diversity, equity and
14 inclusion.

15 The office also implemented annual training
16 plans, for which the purpose is to assist employees in
17 their short and long-calling professional development
18 goals, we're aligning BOE training resources with BOE
19 business workforce goals and strategic plan initiatives.

20 Taxpayers' Rights Advocate Office. The office
21 completed approximately 290 taxpayer cases, providing
22 response and resolving taxpayers' issues.

23 Published a taxpayer rights advocate fiscal
24 year 2020-21 annual report in February of 2022, held the
25 annual Taxpayers' Bill of Rights Hearing August 2022.

1 This provided the taxpayers the opportunity to
2 speak before the elected Board.

3 In the area of taxpayer education, the office
4 published eight information sheets to assist taxpayers
5 in understanding various exclusions and base year value
6 transfer topics.

7 The first four published information sheets
8 addressed parent-child exclusion and
9 grandparent-grandchild exclusion under the current law
10 of Prop. 19, and the prior law.

11 The next four address the base year value
12 transfer provision for seniors and disabled persons
13 under Prop. 19 and prior year.

14 And, finally, the Legal Department. The Legal
15 Department issued 10 legal opinions on novel and complex
16 property tax issues facing the 58 counties, responded to
17 over 53 legal inquiries by providing resources and
18 analyses to county assessment appeal boards, and county
19 assessors, and the public, submitted 5 rulemaking
20 processes to the Office of Administrative Law, and had
21 one case against the BOE close, and 12 additional cases
22 dismissed.

23 Members, this review of the 2022
24 accomplishments highlights the more significant work and
25 accomplishments, but by no means does it represent the

1 full array of our work of this agency and extraordinary
2 staff.

3 Again, I just want to applaud and commend
4 them. Each year that passes, we leverage on the lessons
5 learned, and build upon our many achievements to fuel
6 our success.

7 We will continue to modernize, rebuild and
8 revitalize our agency, so that we may have a valued,
9 respected and effective State agency serving all of
10 California.

11 Members, I would like to thank you. Your
12 leadership has been invaluable in continuing our
13 modernization journey and helping to ensure that our
14 taxpayers and stakeholders are well aware of who we are
15 and our value to the state and local government.

16 Are there any questions on our
17 accomplishments?

18 MR. VAZQUEZ: I have several.

19 Let me start with a couple, and then I'll turn
20 it over to the Members. And if they don't have as many
21 as I do, I will come back.

22 Let me start first with the -- first of all,
23 thank you for the overall -- your overall presentation,
24 especially opening remarks, to remind us of the history
25 that January has.

1 You know, we all pretty much rely on -- or we
2 all pretty much celebrate the MLK celebration in our
3 respective districts, and we forget about all the other
4 accomplishments. Not only in the sports area, but also
5 in the terms of inventions that took place by
6 African-Americans throughout our history.

7 But in your opening remarks, you were talking
8 about the funding being proposed to deal with the
9 affordable housing and homeless. You said it was
10 about -- I don't know if you gave the figure, but I
11 heard it's around six billion in total.

12 MS. STOWERS: Oh, I haven't got there yet.
13 That's going to be when I do the Governor's proposed
14 budget.

15 MR. VAZQUEZ: Oh, you know what, I think I was
16 thinking about our meeting we had.

17 MS. STOWERS: Yeah.

18 MR. VAZQUEZ: Okay then. I'll hold back.

19 The only item that I'll bring up now is, you
20 did talk about the exemption piece. And I'm just
21 wondering, as we're talking, especially about the
22 Welfare Exemption, has the Department looked at the
23 revenue loss, potential revenue loss that the tax
24 savings on property earns as a result of the developers
25 taking advantage of the Welfare Exemption?

1 MS. STOWERS: Let me see if I -- good
2 question. Have they looked at --

3 MR. VAZQUEZ: The cost, potential cost, or
4 loss, I guess.

5 MS. STOWERS: Not that I know of.

6 I'm sure when the Welfare Exemption was first
7 enacted there was a fiscal analysis on the projected
8 revenue impact.

9 MR. VAZQUEZ: Okay.

10 MS. STOWERS: But that provision has been on
11 the books for quite some time.

12 MR. VAZQUEZ: So we have been --

13 MS. STOWERS: We have not -- we have not as a
14 Department.

15 Mr. Yeung, do we even track that?

16 MR. VAZQUEZ: He's coming up.

17 MR. YEUNG: Good morning, Chair Vazquez.

18 This is David Yeung, Deputy Director of the
19 Property Tax Department.

20 The -- our Department does not track that, per
21 se, on an annual basis. We do get, as a matter of
22 course, all the counties do report to us how much
23 property tax has been exempted off the roll.

24 But that figure is fairly inclusive. It
25 includes other things than just affordable housing. So

1 it includes things with entities that were granted
2 exclusions, exemptions from taxation for either
3 religious purposes, hospitals and whatnot.

4 But the total numbers actually is reported on
5 our annual report. So it is on there.

6 If you wish, I can see if I can segregate that
7 number out.

8 MR. VAZQUEZ: Yeah, I'd be curious. And I
9 think the Members might be also be interested in that
10 figure, if you're able to extrapolate that.

11 MR. YEUNG: Yeah. It might take some doing,
12 but we'll give it a shot.

13 MR. VAZQUEZ: Appreciate it.

14 And, actually, along those lines, too, maybe
15 this might be more of a question for you as well.

16 You know, I'm looking at, in terms of the
17 bigger developers, maybe cognisant of the Welfare
18 Exemption on affordable housing, for example. But I'm
19 wondering if the smaller nonprofit organizations are in
20 tune or have -- or even aware that this exists.

21 Because I know, in talking to some of my small
22 non-profits in conversation when they've come to me
23 about just their funding for their projects and what
24 possibly -- because we've been having these hearings,
25 especially on possible tax credits that we can provide.

1 They brought up that they weren't even aware
2 that their property, their current development possibly
3 qualifies for this exemption.

4 And I'm just wondering -- and I know, looking
5 in the audience here, seeing Peter Kim has done a great
6 job in terms of our website and to make it as
7 user-friendly as possible.

8 But I'm wondering if there's a way to possibly
9 do a little bit more in terms of getting the word out,
10 especially from the non-profits. You know, because many
11 of these small non-profits, you know, they usually
12 operate in such a silo that they're really not doing --
13 they don't have the resources or the staffing to stay on
14 top of all the bills and potential savings that they can
15 afford it to them as they're developing their housing
16 projects.

17 MS. STOWERS: If we don't already have a fact
18 sheet on Welfare Exemption --

19 MR. VAZQUEZ: We do, right?

20 MS. STOWERS: I'm not sure if we do. But we
21 will investigate. And if we don't have one, we will
22 design one. And then that can be part of your tool kits
23 when you're out being ambassadors.

24 MR. VAZQUEZ: Appreciate it.

25 MR. YEUNG: Absolutely.

1 MR. VAZQUEZ: That'd be great.

2 With that, I'll hold my other comments until
3 the later part of your presentation.

4 But let me open it up. I know there's -- I
5 think Vice Chair Lieber has a couple questions. And I
6 think other Members as well.

7 MS. LIEBER: I also love the history moments
8 that you presented to us. I hope you keep that up.
9 There'll be some pressure to do it at each meeting. But
10 it's a wonderful part of U.S history to be recognized.

11 And I also really appreciate hearing about all
12 of the work that's been completed, and all of the work
13 with Taxpayers' Rights that's been completed.

14 And it really spoke to me when you mentioned
15 the legislation to just extend the considerations to
16 taxpayers on an automatic basis, rather than expecting
17 someone who's been impacted by circumstances to come
18 forward and have to know how to request that. I think
19 that's especially sensitive and important to be doing
20 that.

21 And I think from what I hear from folks in my
22 communities, trying to get their hands around Prop. 19
23 is a major thing for them. And, in particular, for the
24 families who have a special needs trust, and are looking
25 at how to convey property, and what the situation is in

1 the Bay Area. I think we have just about the highest
2 home values of any place in the world.

3 And so if when we're doing some of the
4 electronic outreach, if we can maybe connect with some
5 of the disability rights groups and provide them with
6 the Prop. 19 facts sheets. And maybe they'd like to put
7 it out to their followers. I think that would help to
8 clear up a lot of the concern that's out there.

9 And also have the community come forward with
10 their suggestions as we move through implementation of
11 Prop. 19.

12 And I love to hear about 209 cases resolved.
13 That's -- that's really where it's at is making sure
14 that our constituents aren't left alone to find their
15 own way out of the forest, so to speak. But have
16 individuals within the agency that are working directly
17 with them. So I really very much appreciate that.

18 And I would also be very interested to get the
19 data on where the exemptions are coming from. If
20 there's a way to break that out, I think that would be
21 valuable.

22 Thank you.

23 MR. VAZQUEZ: Thank you.

24 Member Gaines.

25 MR. GAINES: Yeah. Thank you for your

1 introductory comments about Black history. Really
2 appreciate that.

3 And I'm gonna make some few -- a few comments
4 that are in adjourning memory. But thank you for the
5 presentation.

6 You mentioned disaster relief. Can you expand
7 on that a little bit in terms of what would be available
8 to our constituents given the latest storm damage we've
9 had?

10 MS. STOWERS: As it relates to property taxes?

11 MR. GAINES: And if you want to --

12 MS. STOWERS: I would do a high level. But
13 Mr. Yeung --

14 MR. GAINES: Should we wait until --

15 MS. STOWERS: Mr. Yeung.

16 MR. GAINES: Great. Thank you.

17 MS. STOWERS: He could go into -- I know it's
18 Section 170, but --

19 MR. GAINES: Right.

20 MR. YEUNG: Yes.

21 David Yeung, again, Deputy Director, Property
22 Tax Department.

23 With the recent advent of storm damage and
24 flooding and whatnot, the disaster relief is actually --
25 it's on the forefront of many affected folks' minds

1 right now.

2 So we do have on our website a lot of
3 information on disaster relief. We have information
4 sheets available for anybody who is affected by it, or
5 interested in it.

6 But most importantly, if I can convey
7 something to anybody now who is affected by this
8 disaster relief, to please, while the Board has
9 oversight function, it -- the actual benefits of the --
10 of disaster relief for property tax purposes is
11 administered locally through the county assessor.

12 Please contact your local county assessors.
13 The application is through them. The granting, the
14 relief is through -- is through the county levels.

15 We can act as a resource. And we have. We've
16 had quite a spike in inquiries from our technical --
17 from our technical services section. So a lot of people
18 have been calling in. We've -- we've done some
19 outreach. We've tried to tell them this is what's
20 available out there.

21 But in the end, the final application has to
22 be made locally. So please contact your local county.
23 Not only is the disaster relief the property tax
24 component there, but they also have information and
25 services available for a whole variety of assistance.

1 So that's -- in the end, that's kind of where we always
2 try to lead them back is to the counties.

3 MR. GAINES: That's great.

4 Is there anything that we can do at the BOE in
5 terms of public service announcements? Something beyond
6 what we're providing on our website directing them to
7 their county assessors?

8 MS. STOWERS: We have done that through the
9 Communications Department when -- as we are currently
10 living one into one right now.

11 MR. GAINES: Okay.

12 MS. STOWERS: We first wait. We respect the
13 assessor, and we wait for the assessor to do a -- to do
14 a news release.

15 And then once the assessor does a news
16 release, and they're generally doing it through social
17 media, we will follow their lead.

18 MR. GAINES: Okay.

19 MS. STOWERS: And then we piggyback.

20 We currently have one out for LA County. And
21 there's another county in Vice Chair Lieber's district.

22 MR. GAINES: Okay. Are we communicating with
23 the assessor offices?

24 MS. STOWERS: We do. We do.

25 MR. YEUNG: We do.

1 MR. GAINES: So we're -- we know what they're
2 up to.

3 MS. STOWERS: We know what they're up to, yes.

4 MR. GAINES: And then we can kind of follow
5 up.

6 MS. STOWERS: We know what they're up to.

7 Our pages, when you look at the information
8 that we have out there, they look very similar to the
9 assessors. We kind of -- it looks the same, because it
10 is the same information.

11 Only difference with our page, we also have a
12 link that will give you all the Governor's declared
13 disasters going all the way back.

14 MR. GAINES: Good. Wonderful. I just want to
15 make sure people know that it's available.

16 MS. STOWERS: It's available.

17 And what normally happens when they go out to
18 wherever the county is, once it's safe, there's always a
19 center held and organized through FEMA. And the
20 assessors and their staff is there providing them with
21 the information they need.

22 Same thing with our other --

23 MR. GAINES: I've seen them with some of our
24 wildfires.

25 MS. STOWERS: Yes. Same thing with the

1 wildfires.

2 And our other sister agencies will be there as
3 well. Because, you know, taxes are taxes. It's a major
4 problem for income tax and sales tax. And a lot of
5 times you guys are there making it known.

6 MR. GAINES: Good.

7 MS. STOWERS: So if you're going, and you need
8 some pamphlets, let us know, and we will get some
9 printed for you. It takes some leeway time. It's not a
10 24-hour service. But we can get something printed for
11 you.

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

13 MR. VAZQUEZ: Thank you.

14 Member Schaefer.

15 MR. SCHAEFER: Ms. Stowers, I was -- nice you
16 mentioned Howard University. I got to know
17 Kurt Schmoke. He used to be the dean of the law school
18 there, and he went on to become the mayor of Baltimore.
19 And now he's the president of the University of
20 Baltimore. And it's quite a school.

21 And then Morgan State had Kweisi Mfume as its
22 chairman of the board after he retired before going back
23 into the congress. So a lot of history there. I stay
24 up with it.

25 MR. VAZQUEZ: Thank you.

1 Seeing no other hands, Ms. Stowers, I'll let
2 you continue.

3 MS. STOWERS: Okay. The Governor's Budget.

4 MR. VAZQUEZ: Okay. Let's hear it.

5 MS. STOWERS: Members, as you know, the
6 Governor released his proposed fiscal year 2023-24 state
7 budget on Tuesday, January the 10th.

8 The full budget summary and fact sheets are
9 available online; however, I will provide a few
10 highlights from the reports for you today.

11 The revenue outlook is substantially different
12 than seen in the last two years.

13 Prior to accounting for solutions, the
14 Governor's budget forecast general fund revenue would be
15 29.5 billion lower than at the 2022 budget at
16 projections. And Californians now face an estimated
17 budget gap of 22.5 billion for the 2023-24 fiscal year.

18 The Governor's office reported that the
19 2023-24 state budget proposal maintains the state's
20 unprecedented investment in California while fortifying
21 the state's strong fiscal foundation and economic
22 revenues uncertain ahead -- aimed at economic revenues
23 uncertain ahead.

24 Despite slow down impacting the state's
25 economic revenue outlook this year, the state commitment

1 to building reserves and budget resiliency over the last
2 several years enables the 23-24 state budget proposal to
3 sustain key investments reflecting the values and
4 priorities of Californians.

5 This includes major funding to transform our
6 education system, address homelessness crisis and
7 housing affordability, increase healthcare access,
8 tackle the climate crisis, keeps California safe, and
9 expand economic development and growth across the state.

10 The current budget proposal -- in the current
11 budget proposal, the BOE funding remains the same at
12 193.6 position. Let's go ahead and call it 194. And
13 approximately 38 billion -- million -- and funding of
14 approximately 38 million, 33 million.

15 We will continue to monitor the budget process
16 and keep you informed if there are any changes made to
17 BOE.

18 Before I move to my next topic, questions
19 regarding the budget?

20 MR. VAZQUEZ: Let me go back to the one I was
21 hearing about in -- I think you kind of hit on. It's
22 roughly about six billion in total for the affordable
23 housing front.

24 I'm just wondering, is there any specific
25 timeframe or window for spending these funds? Or are

1 you hearing anything that might be earmarked?

2 MS. STOWERS: Since it's just his proposed
3 budget, and it would have to, you know, go through the
4 legislators for a debate, there's no timeframe yet.
5 It's for the 22 -- 23-24 fiscal year. And the budget
6 must be enacted by June 30th -- June 15th.

7 I would ask my Leg. guy to come up here, but I
8 don't have one. So June 15th.

9 MR. VAZQUEZ: I believe it's the 15th.

10 MS. STOWERS: Yeah. Everyone's nodding their
11 head, June 15th. So we don't have a projection of when
12 the numbers --

13 MR. VAZQUEZ: But we'll be tracking that, I'm
14 sure.

15 MS. STOWERS: Yeah. We will track that as
16 they go through the budget process.

17 MR. VAZQUEZ: Any other questions?

18 Sure. Go ahead, Deputy Controller.

19 MR. EMRAN: Thank you, Executive Director
20 Stowers, for that presentation.

21 And I understand the highlights were regarding
22 the Board of Equalization.

23 Some practices that have been done in the past
24 is the Controller brings somebody from the Department of
25 Finance to make a very comprehensive overview of the

1 budget. And I will work with the Controller to reach
2 out to DOF and get this presentation scheduled for
3 February. Just so we all, as a Board, have this
4 understanding of, entirely, this \$200 billion-plus
5 budget, and the ins and outs of it.

6 Thank you.

7 MS. STOWERS: That's fine. Okay. Thank you.

8 MR. VAZQUEZ: Yes, Vice Chair Lieber.

9 MS. LIEBER: That would be very welcome to
10 hear from the Department of Finance.

11 And I know that the Legislature and the
12 Governor have been very ambitious in the recent years.

13 MR. VAZQUEZ: Yes.

14 MS. LIEBER: You know, particularly on getting
15 people housed, and throughout our state.

16 And I know that LA County is a very impacted
17 county in terms of housing. And so I'll be very
18 interested, and I'm sure my colleagues will as well, on
19 how this all unfolds, and what we're expecting to see in
20 the May revise in terms of income coming into the state,
21 and how that would be impacted.

22 The tech sector, while smaller in numbers than
23 some other sectors, I think has been a great producer of
24 revenues for our state over the years. So it's kind of
25 a multiple whammy, I think, potentially this year.

1 And from everything that I'm hearing, the size
2 of the budget hole is -- is growing. So we'll be very
3 interested in ongoing information about that, and the
4 impact on housing in particular. Which I think is
5 probably the biggest challenge that we face as a state
6 right now.

7 MR. VAZQUEZ: Thank you.

8 No, no. I forgot. We've done that the last
9 couple years, and it's been really helpful.

10 Thank you for reminding us.

11 MR. EMRAN: Yeah. No problem, Chair Vazquez.

12 And I'll work with the Controller, and reach
13 out to the Governor's administration, and work, of
14 course, with Executive Director Stowers to get that on
15 schedule.

16 Thank you.

17 MR. VAZQUEZ: Appreciate it.

18 MS. STOWERS: Thank you.

19 MR. VAZQUEZ: Any other --

20 MR. GAINES: Yeah. I just --

21 MR. VAZQUEZ: Member Gaines.

22 Yes, go ahead.

23 MR. GAINES: Appreciate Hasib's comments.

24 Thank you for bringing that up.

25 But that ought to be a matter of routine. And

1 I think --

2 MR. VAZQUEZ: It should be.

3 MR. GAINES: -- maybe that's what you're
4 saying is that why isn't it, you know, every, you know,
5 pick the month, but we bring Department of Finance in to
6 give us a review.

7 I know we've done it in years past.

8 MR. VAZQUEZ: We have.

9 MR. GAINES: But I'm not sure if we've done it
10 every year.

11 MS. STOWERS: We've done it since you guys --
12 since your term.

13 MR. GAINES: Okay. All right.

14 MS. STOWERS: We've done it. We've been able
15 to reach out to the Department of Finance.

16 MR. GAINES: Okay. So it's been consistent.
17 That's good.

18 MS. STOWERS: And it has been informative.

19 I will say this, as we work in partnership to
20 get them to come, we always have that problem with the
21 data they present being accessible, ADA compliant. So
22 it may take more than 30 days. The sooner you reach out
23 to them and have someone, we have to work together.
24 That's all I'm saying.

25 Because they're going to have a presentation,

1 and I know you guys are going to want to follow along.
2 And we're going to want to put it on our PAN. And my
3 people to my left are going to be screaming at me.

4 MR. EMRAN: Thank you. Understood and noted.
5 Thank you, Executive Director.

6 MR. GAINES: Could I make one more comment,
7 though, just in terms of -- because I think we've done a
8 good job in being careful with our budget.

9 And, Member Lieber, you've probably already
10 been briefed.

11 But we've had -- we had vacancies, and we're
12 filling those up. And it's taken a couple years to do
13 that. We're not 100 percent, but there's always some
14 turnover.

15 So I'm glad we haven't -- we've been careful
16 with our budget. And just trying to kind of fill the
17 vacancies that we have. And we'll have to see if we
18 have other needs. But we've been able to accommodate
19 Prop. 19 by filling vacancies.

20 MR. SCHAEFER: We've been vacant and
21 successful at that too.

22 MR. GAINES: Yes, we have. Yeah.

23 MS. STOWERS: Doing an excellent job at
24 filling our vacancies. And Department of Finance has
25 taken note of that.

1 Okay. Any more questions on that?

2 MR. VAZQUEZ: I think we're good.

3 Continue.

4 MS. STOWERS: Okay. So my next topic, at last
5 month's meeting we had a discussion of holding some of
6 our Board Meetings outside the Sacramento location.

7 And I was asked to provide some information
8 about the feasibility, including the cost and logistic
9 to holding the Board Meeting in other locations other
10 than 450 N Street.

11 So let me start. First, under Government Code
12 Section 15609, the Board is required to hold regular
13 meetings each month at a time and place within the state
14 as directed by the Chairperson.

15 At least one regular meeting must be held in
16 Sacramento each quarter.

17 In the past, when we've had income and sales
18 tax appeals, it was decided by the Board, our regular
19 meetings, several of our regular meetings were held in
20 Culver City, California.

21 The purpose of holding those meetings in
22 Culver City was to accommodate the taxpayers, so that
23 those who live in Southern California didn't have to
24 come all the way to Sacramento to have their case heard
25 and decided.

1 Because that was a major function of the BOE
2 at the time, we had a permanent building in Culver City
3 to facilitate those meetings. And we also had funding
4 for it.

5 With the change of us, we no longer have a
6 huge travel budget to move outside of the
7 Sacramento-location Board Meeting.

8 However, as you know, in 2009, we did hold two
9 Informational Hearings outside of Sacramento. One was
10 in San Diego County, and one was in Santa Clara County.

11 Both of those meetings, the Chair of the
12 Information Hearings partnered with the various county
13 assessors, and we were able to secure a facility at
14 minimum-to-zero cost.

15 We were also able to use their media services.
16 By doing it that way, it kept our costs down.

17 In addition, one of those meetings, the one in
18 San Diego, took place the day following the county
19 assessors' conference, and all of you guys were at that
20 conference. And so was most of the Property Tax
21 Division and -- and the Executive Director.

22 I was there, too, but I was wearing a
23 different hat. I got myself confused for a minute.

24 But with that being said, if we were to
25 decide -- if the Chair was to decide to have a meeting

1 outside of Sacramento, we need to be aware that it would
2 cost us money to rent a site. It would cost us money
3 for media services to provide the streaming.

4 We will incur travel. Board Proceedings would
5 have to travel. And it is currently, I estimate six to
6 seven of them would have to go. And they would have to
7 go the day before to set everything up.

8 And we will conduct the meeting, assuming it
9 would be a one-day meeting. And then they would stay --
10 even if we finish the meeting at 5:00, they would stay
11 that night in order to shut everything down, and come
12 back the following day.

13 They will stay that night, because it's
14 actually cheaper to incur an additional hotel stay
15 versus over time.

16 Legal Chief Counsel will have to attend.

17 The Taxpayer Rights Advocate must attend.
18 She's our advocate. You never know, a taxpayer may have
19 a complaint. And we always have our advocate directly
20 available.

21 Our Communications Chief will have to attend
22 just in case there's any media inquiries.

23 And we'll need to note that for this fiscal
24 year, 2022-23, we do not have a travel budget for
25 Board Proceedings.

1 So, in short, to travel outside of Sacramento,
2 and if we don't partner with someone to get a
3 zero-to-free facility, the cost for travel is estimated
4 at 45,400.

5 And the cost for facility, media services and
6 security is estimated at 23,462.

7 For a total estimated cost of 68,862.

8 That's assuming that we do not partner with
9 someone to get the cost down.

10 Should the decision be made to go outside of
11 Sacramento, it will require a great deal of planning.

12 Even if we have a free facility, it is still
13 considered a contract. Zero-base contract, but a
14 contract. And we will have to go through the Department
15 of General Services.

16 But with that being said, we have been
17 successful with holding our meetings here at
18 450 N Street and having people participate remotely.

19 I do believe the work groups that we did
20 towards the end of the year show that it can happen, and
21 they were very successful.

22 That concludes my report on holding meetings
23 outside of 450 N Street.

24 Are there any questions?

25 MR. SCHAEFER: Yes, I have some comments.

1 MR. VAZQUEZ: Member Schaefer.

2 MR. SCHAEFER: Thank you for your presentation
3 on that.

4 I'm sorry it's not in writing, but I made some
5 notes. Because Cody had to leave early.

6 The fact we no longer have a travel budget
7 doesn't impress me. That's really not your control or
8 our control.

9 But this could be -- unanticipated necessities
10 come up. And for a group that oversees \$80 billion, I'm
11 not impressed with spending another \$50,000 either way
12 to do our job.

13 And as you point out, in partnering with other
14 sources, one thing, though, that does surprise me is you
15 talk about taxpayers' representative, Mr. Nanjo and
16 Peter Kim, must attend.

17 Well, you know, back when they were setting up
18 how we do our business, there was no such thing as Zoom
19 meetings.

20 I am very impressed at how so many people that
21 talk to us, talk to us by Zoom. I've had Lisa Thompson,
22 our taxpayers' representative, being here in the
23 building talking to us for whatever reason, I thought
24 she was here in the building. But she would appear only
25 on Zoom. Which she's entitled to do sometimes for a

1 just cause or even no cause. And we're not really
2 allowed, I don't think, to ask her why she does that.

3 So I know that Mr. Kim and Mr. Nanjo and
4 herself could very well appear and field any answers
5 from any questions that might arise.

6 Peter Kim's questions, I think, tend to come
7 from us and not the public. Because, you know, they're
8 not concerned with how he does his business; we are.

9 And I really have full confidence in all of
10 our very fine staff being in San Diego by Zoom. We
11 might let them go to San Diego and have a hotel room and
12 an airplane fare, if they want to go to the beaches or
13 something, see our San Diego Zoo, which is, you know, I
14 have free passes for, four every day, which I, you know,
15 would see they had a good time there.

16 You say it takes a great deal of planning.
17 Well, I'm not planning that we do this just for 2023.
18 I've got four years to rattle cages here. And I expect
19 us to rotate meetings in 2023, 2024, 2025 and 2026. We
20 had two meetings in the last four years out of town.

21 Since the law says that we can have 16 of our
22 48 meetings in Sacramento, and 32 of them out of town,
23 I'm not asking we do that, although I think there's some
24 members -- some staff that would like to live and work
25 in San Diego and Los Angeles. I'm asking that we have

1 two or three, at least a quarter of the meetings every
2 year. So the great deal of planning that we're doing
3 now to have at least three of our meetings out of
4 Sacramento would apply for next year, the year after,
5 and the year after that.

6 I wasn't sent up here by ten million people,
7 and his ten million people, twenty million of us to sit
8 and look at the status quo. I think it's our duty to
9 see how we do business.

10 And I don't think we're serving Southern
11 California if we pretend we're back in the 1900s where
12 everything is done in Sacramento.

13 I have cases before the Supreme Court of
14 California, and they meet in Los Angeles; would you
15 believe? Their headquarters is in San Francisco. The
16 old building is in Sacramento.

17 But when the Supreme Court decides to dance
18 around the state as a convenience to the public that
19 wants to go hear them, I think we must take note.

20 This is 2023, not 1940. And I'm asking that
21 you come up with having, I would say, at least, if not
22 32 meetings, at least we have, maybe, 6 meetings a year
23 out of Sacramento.

24 And I would nominate Orange County, San Diego
25 County, and Los Angeles County. Because there are huge

1 populations there. There are students of taxation that
2 might like to come watch us to see how we do business.

3 There are taxpayers that may have some
4 questions, that don't feel they can afford to go to
5 Sacramento, and they're too intimidated by Sacramento.

6 Claude Parrish is agreeing with me as an
7 assessor for Orange County that when he was a Board of
8 Equalization Member, they had several out-of-state --
9 out-of-Sacramento meetings.

10 He said the Orange County Board of Supervisors
11 would probably provide their grand place for us to have
12 a meeting for a day or two. Because if it were
13 available, why not use it?

14 In fact, it's in the public interest that
15 these big, gorgeous, beautiful facilities the taxpayers
16 provide be used to the maximum. So if it's used only
17 once a week for a board meeting of some type, maybe we
18 can go down there and get it once or twice a month for
19 two-day meetings.

20 So I think this is a very important issue.
21 Maybe that's why you didn't elect me to be Chairman,
22 because you knew I just might decide to order the
23 meeting in Southern California.

24 No, I'm not -- I'm not that strong-willed. I
25 feel the Board is the king, and not the Chair. But I'm

1 making a good pitch on behalf of Mr. Vazquez and myself,
2 whether he wants to be represented or not.

3 I think I have a duty to say that Southern
4 California is making some noise. And we expect to see
5 us, if not half the time, at least a third of the time,
6 or a quarter of the time.

7 So let's plan something a quarter of the time,
8 or a third of the time, to be out of Sacramento. And if
9 we can tie it into when there's an assessor meeting or
10 some other event, more power to us.

11 I think that we are a little known agency.
12 And I think if we show up in Los Angeles or Orange
13 County or San Diego, the media is going to give us some
14 publicity.

15 Mr. Kim will notify the colleges there, that
16 maybe some of their students or grad students would like
17 to come meet us.

18 I would be sure that the television stations
19 and radio and newspapers were all notified, so they
20 might want to interview these celebrities from
21 Sacramento. I think really it would be important for
22 the overall image.

23 And, you know, even if my colleagues aren't
24 going to say so, I think they agree with me.

25 MS. STOWERS: Thank you, Mr. Schaefer. I

1 understand your concern.

2 I will defer to the Chair and his direction as
3 to whether or not we should have a meeting outside of
4 Sacramento.

5 And with the understanding that we do need to
6 be mindful of costs, and we should have a business
7 purpose for going there, like we did when we were going
8 to Culver City.

9 MR. SCHAEFER: I think it would be a good
10 habit.

11 MR. VAZQUEZ: I think I shared this with you
12 in our one-on-one, that I am definitely open to this.

13 And I'll turn to my colleagues as well, and
14 see if they have a preference.

15 And I know when we started the hearings, I was
16 scheduled to host one actually in Santa Monica. And
17 COVID hit, and we kept pushing it back and back. So,
18 nothing else, I'm still committed to doing that.

19 And I'll work with you.

20 And I know, you know, in terms of a budget
21 cost, I'll do everything on my part. If I have to raise
22 the money, especially on the housing front. Because I
23 know staying in Santa Monica is very expensive.

24 But I'll work with you and the hotel industry
25 to make sure that it's within our budget for the

1 government rates.

2 Outside of that, I would be open to it. But
3 definitely sensitive to our budget constraints.

4 And it sounds like this thing wouldn't take
5 place, even if we all agreed, it's not going to happen
6 this fiscal year. It probably wouldn't start until
7 July 1. Which I think there's probably an agreement on
8 that.

9 And I have no problem, especially on the one
10 hearing that I put out there, I guess, two years ago,
11 before the COVID, that would happen in Santa Monica.
12 I'm still committed to that.

13 And if it happens to land in July or August
14 when we have our new budget, so be it.

15 And I'll -- and let me ask my Vice Chair and
16 anybody else that --

17 MR. SCHAEFER: I'm so pleased you mentioned
18 Santa Monica. I'd love to have a meeting there.

19 MR. VAZQUEZ: You're welcome.

20 MR. SCHAEFER: And I'm so pleased you
21 mentioned that the hotel industry and the chambers of
22 commerce kick in some money.

23 Because having been a councilman, I know they
24 kicked in money to bring anybody to town. And they'd
25 love to have us. We're prestige people.

1 MR. VAZQUEZ: Yes.

2 Vice Chair Lieber.

3 MS. LIEBER: Well, I, for sure, don't have any
4 problem with going to Santa Monica for any reason.

5 But I hope that maybe we can take an approach
6 of developing a little bit more information, and a
7 little bit more thought about the cost.

8 You know, it's when we have a large percentage
9 of the state budget that goes away, I think it's a
10 difficult time to say, "Let's travel to some place."
11 Sometimes -- especially if it's a very nice place that
12 you're traveling to, it can be misinterpreted.

13 So I think developing a little bit more
14 information, and seeing where the nexus would be with
15 ways that we could do something, I think would be good.

16 And I think I'm sort of one of those Liberal
17 Democrats who's afraid of spending any money. And I
18 really do feel like if you watch your pennies and
19 nickels, the dollars will take care of themselves.

20 But, you know, I think if we can find a nexus
21 where there's a way to do something that would work and
22 would be less expensive. And I think, in particular,
23 you know, as the subject to affordable housing comes up,
24 there's an obvious strong relevance to LA and to the
25 San Francisco Bay areas as well.

1 But I -- I hope that we can just develop a
2 little bit more information before we commit to spending
3 anything.

4 MR. VAZQUEZ: Appreciate it.

5 Member Gaines I believe had some comments on
6 this.

7 MR. GAINES: Yeah.

8 I appreciate Member Lieber's comments.
9 Because we do need to be very cautious and careful,
10 especially in what's looking like a reduced budget and
11 potential recession. I don't -- I don't know.

12 But I think if we're careful, we might be able
13 to look at it. I think, like you had mentioned, if we
14 could get a free accommodation for the meeting itself,
15 and then be careful on hotel costs.

16 But we'd have to look at a budget and see, you
17 know, how much is that going to cost.

18 So I agree with you on that.

19 But I think there's opportunities,
20 potentially, for more informational hearings. I know
21 that there are issues with Prop. 19. And I think we
22 could discuss potential fixes.

23 You brought up the disability issue. We've
24 heard a lot of complaints from our constituents in
25 reference to that.

1 Certainly housing, might be nice to have an
2 informational hearing on housing somewhere else than
3 here, and take in that local input.

4 And that we've talked about maybe the
5 potential of working with small businesses.

6 But I think if we did it occasionally and kind
7 of spread it around so that each Member would get an
8 opportunity to have a hearing in their own district.

9 But I think we would be careful about doing it
10 too much, just from a budgetary standpoint. Because I
11 know it's expensive when we're hauling seven staff. And
12 then they're having to set up for a meeting and all.

13 MS. STOWERS: Yes. Thank you.

14 MR. GAINES: Thanks.

15 MR. VAZQUEZ: Anybody else?

16 And, actually, just to kind of put closure to
17 this, you know, my thoughts when we were originally
18 going to do this hearing, especially in Santa Monica,
19 you know, when I was the Mayor of Santa Monica, I did a
20 league of cities event there, and I tied it into a tour.
21 We did a nice bus tour, so that we could visit all the
22 affordable housing.

23 And this was also around affordable housing
24 projects, not only in my city, but in the county at
25 large. And I would be welcome to do that again.

1 But let's -- I think with what Vice Chair
2 Lieber mentioned, let's take a look at the budget and
3 see when it might be appropriate. And if it pencils
4 out, I'm all on board with it.

5 MS. STOWERS: Okay. Thank you, sir.

6 I will work with your office as far as moving
7 it forward, and location, facilities, time of the
8 year --

9 MR. VAZQUEZ: Cost of it.

10 MS. STOWERS: Cost.

11 Duly note what you said, Vice Chair.

12 The perception of when you travel to a luxury
13 area, and the time of the year, it might be best to push
14 it to off season.

15 MR. SCHAEFER: Member Chair, I -- four years
16 ago I mentioned the idea we might go down and visit
17 Catalina and have a meeting there. Because I used to
18 own a hotel in Avalon.

19 But taking a key from Ms. Lieber, you know, we
20 should concentrate on urban areas where it's easy for
21 the taxpayers --

22 MR. VAZQUEZ: Yes.

23 MR. SCHAEFER: -- who we represent to come
24 squawk at us. I think we owe this to the taxpayers.

25 MR. VAZQUEZ: Well-noted. I'm sorry --

1 MS. STOWERS: Thank you.

2 I understand everyone's -- we will work on it.
3 We're starting the conversation.

4 MR. VAZQUEZ: Thank you.

5 MR. SCHAEFER: Thank you, Ms. Stowers.

6 MR. VAZQUEZ: I'll turn it back over to you,
7 Ms. Stowers.

8 MS. STOWERS: Okay. I've been up here awhile.

9 MR. VAZQUEZ: It's okay.

10 MS. STOWERS: I have one more item. And then
11 maybe -- let me just do my one item.

12 MR. VAZQUEZ: Go ahead.

13 MS. STOWERS: Okay. Upcoming events.

14 March 23rd, 2023, the California Taxpayers'
15 Association, CalTax, will hold their 97th annual
16 meeting. And the Members, you guys, have been invited
17 for the annual breakfast with the board members.

18 This is a great opportunity to meet with
19 business owners of the corporate tax directors.

20 MR. SCHAEFER: Will we be in town anyway?
21 I'm trying to avoid a special trip.

22 MS. STOWERS: I don't think that's a
23 Board Meeting date. It's a day or two before our
24 Board Meeting.

25 MR. SCHAEFER: Well, if we could change the

1 Board Meeting date to accommodate the breakfast, I would
2 be for it.

3 MR. VAZQUEZ: Do we know the dates, by chance?

4 MS. TAYLOR: The Board Meeting date is
5 March 21st, 22nd, and then the CalTax is March 23rd.

6 MR. SCHAEFER: Oh, that works.

7 MR. VAZQUEZ: Well, that's close enough,
8 I think.

9 MS. STOWERS: That's close enough.

10 MR. VAZQUEZ: Okay.

11 MR. SCHAEFER: My birthday is March 25th.

12 MR. VAZQUEZ: There you go.

13 MS. LIEBER: Do that, too.

14 MS. STOWERS: So that's the date.

15 The breakfast is in the morning. I'm sure
16 CalTax has sent you an invitation. But if they haven't,
17 they will send -- especially to Vice Chair Lieber. It's
18 an annual event that we do. And we look forward to it.

19 And this year they're also going to have a
20 roundtable discussion with all tax directors, including
21 myself. And that will be a great opportunity for me to
22 promote the BOE.

23 That is all that I have.

24 MR. VAZQUEZ: Members, any questions on any of
25 the reports that we've heard so far from Ms. Stowers?

1 If not, Ms. Cichetti, do we have any written
2 comments on this?

3 MS. CICHETTI: No, we -- when it comes to the
4 Executive Director Reports, we'll go at the end, after
5 all the reports are finished.

6 MR. VAZQUEZ: Okay. Let's go on to the next
7 item.

8 MS. STOWERS: It's 12:20. Should we break for
9 lunch? Or do we have to -- we have speakers coming,
10 huh?

11 MS. CICHETTI: We have speakers coming.

12 MS. STOWERS: Okay. Ms. Renati is next.

13 MS. CICHETTI: That's right.

14

15 **ITEM 5b**

16

17 MS. CICHETTI: The next item on the agenda is
18 5b, Operational Priorities and Quarterly Budget Report:
19 Report on the status of operational priorities and the
20 BOE budget.

21 This matter will be presented by Ms. Renati.

22 MS. RENATI: Good morning, Chairman Vazquez
23 and Honorable Members.

24 MR. VAZQUEZ: Welcome.

25 MS. RENATI: I am Lisa Renati. The Chief

1 Deputy Director of the Board of Equalization.

2 Today I will report on some of the operational
3 priorities for the agency.

4 The first item is our strategic efforts on
5 BOE's workforce through three separate initiatives, our
6 recruitments, our workforce development, and our
7 succession planning.

8 Regarding recruitments, we've continued to
9 actively fill our vacancies using proven recruitment
10 approaches.

11 Since our last meeting, we've filled eight
12 vacant positions; four were new employees, and four were
13 promotions of internal candidates.

14 As Ms. Stowers mentioned previously, the
15 management team has done an amazing job in the past year
16 to recruit and fill our vacant positions, as evidenced
17 by the 42 completed hiring packages that we've submitted
18 during the calendar year 2022.

19 And also Support Services gets a big shout out
20 too because they were the ones doing all the paperwork
21 processing.

22 The next item is our workforce development.
23 We bring a lot of staff onboard, and we continue to
24 implement our workforce development plans to ensure
25 those staff and our managers have the tools and training

1 they need so that they can grow in their roles.

2 In addition to our traditional on-the-job
3 training and our coursework courses, we have weekly team
4 meetings. We're fostering mentor/mentee relationships.
5 We're cross-training staff on multiple functions so we
6 don't have people siloed into one role. And we're also
7 regularly including multilevel staff and managers in
8 planning sessions. That way all staff get to contribute
9 and learn.

10 And, finally, as part of our succession
11 planning, we are working to prepare staff for leadership
12 roles, including offering resources that staff can build
13 their career paths, whether they currently are a
14 manager, or they want to be a manager.

15 We're providing in-depth training on specific
16 subjects, so those supervisors can have the tools they
17 need in the future as they grow up through the ranks.
18 Since we've been promoting people fairly quickly, we
19 need to give that background.

20 Before I continue to the next item, any
21 questions or -- on workforce planning?

22 Yes, Mr. Gaines.

23 MR. VAZQUEZ: Mr. Gaines, go ahead.

24 MR. GAINES: Am I jumping the gun in terms of
25 recruitment?

1 MS. RENATI: No, I just talked -- we had eight
2 packages submitted and approved; four were new
3 employees, and four were promotions.

4 MR. GAINES: Wonderful. Wonderful.

5 Now, there's been some outreach to college
6 campuses.

7 MS. RENATI: Correct.

8 MR. GAINES: Has that -- are we finding that
9 fruitful?

10 MS. RENATI: So where our recruitment events
11 have been very fruitful, I think, in calendar year 2022,
12 we had 14 recruitment events. And those are in person.
13 They're also -- we do some online virtual events. We
14 have gone to the local campuses at Davis and Sac State.

15 But we're also participating in multiple
16 universities throughout the state, knowing that people
17 may want to move to Sacramento.

18 MR. GAINES: Sure.

19 MS. RENATI: And we are working with EDD, our
20 partners at CDTFA. So we are actively recruiting.

21 And we've actually also spent some money on
22 some recruitment materials, so that we can have
23 something to pass out, and we're a visible force at the
24 recruitment events.

25 MR. GAINES: Have we brought in some folks

1 from the campuses?

2 MS. RENATI: We have hired people from the
3 campus. I don't have those exact numbers. And we are
4 working to add to our hiring CalCareers account, "How
5 did you find out about this job?" A survey monkey. Of
6 course it's only going to be as good as those people
7 that will push the button for us.

8 MR. GAINES: Yeah.

9 MS. RENATI: But we are bringing staff
10 onboard.

11 MR. GAINES: Good.

12 Is that something that you could report to us
13 in the future in terms of just -- I'm just curious as to
14 how many have been hired off of campuses.

15 MS. RENATI: Well, you know, the one thing you
16 need to remember is our current classifications that we
17 are working on as part of our workforce development
18 planning is that we don't have any truly entry-level
19 positions for our property, auditor-appraiser, and
20 appraiser positions.

21 MR. GAINES: Sure.

22 MS. RENATI: But we do have a Junior Property
23 Appraiser.

24 We have some Associate Governmental Program
25 Analyst positions.

1 So a lot less positions. But we are working
2 towards getting an entry-level position, so that we can
3 easily go to the university and recruit people, and then
4 bring them in.

5 MR. GAINES: Good. We've talked about that in
6 the past, haven't we, in terms of --

7 MS. RENATI: We're very close.

8 MR. GAINES: Yeah. That's encouraging.

9 MS. RENATI: But once -- I'm waiting until we
10 hit that mark, so that I can present it to you.

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

12 MR. VAZQUEZ: The next part of your
13 presentation, were you going to get into -- and you kind
14 of touched on it -- the mobility of moving individuals
15 up possibly, up the rank?

16 MS. RENATI: Our Upward Mobility Program?

17 MR. VAZQUEZ: Yes.

18 MS. RENATI: We are working on our Upward
19 Mobility Program.

20 And our EEO officer is actively pursuing
21 candidates. And those are staffs that are in our tax
22 tech position roles, our office technician roles, and
23 helping them to see if they're interested in going and
24 pursuing the college courses needed for them to get into
25 the professional roles. And we are working towards

1 finding those candidates that are interested in it.

2 It takes a little work from the candidate
3 themselves. But we will help reimburse a portion of
4 those college courses for them.

5 So that is an active program going on at the
6 BOE.

7 And as far as our Diversity Recruitment
8 Programs, we are working out to reach to other groups
9 with, you know, different professional groups, diverse
10 groups, so that we can get more people in the pipeline.

11 So depends on how you're viewing upward
12 mobility.

13 MR. VAZQUEZ: No, I think you kind of touched
14 on it.

15 So, for example, receptionists or clerks that
16 you currently have, you're affording them that
17 opportunity.

18 Because I know, I think somewhere in one of
19 the reports, or you might be mentioning it a little
20 later, it seems, you know, we had talked about it I
21 guess a couple years ago, trying to get the community
22 colleges more engaged in identifying appraisers, right?

23 MS. RENATI: Yeah.

24 MR. VAZQUEZ: People want to get into it.

25 And I understand it's not -- it doesn't seem

1 to be as attractive as we thought it was going to be on
2 the outside.

3 Although, you know, I think part of it is just
4 the outreach. And I'm wondering, as you're looking at
5 even your current staff, whether they're receptionists
6 or clerks or lower levels, if they are afforded the
7 opportunity, or maybe some kind of a career tracking
8 that you would do with them.

9 And it sounds like you're kind of hitting on
10 that. And see if we can somehow entice and get involved
11 with what they would need to do to become appraisers.

12 MS. RENATI: And it's -- in my previous life,
13 multiple people that I've worked with to get to upward
14 mobility. I know our EEO officer is very motivated to
15 get those staff the information they need.

16 And it's a definite partnership with the
17 employee, their supervisor, and the agency to make sure
18 that they have that opportunity.

19 So we are -- so it's our career work. If you
20 look at our career page, we'll have -- our new internet
21 will have it.

22 So thank you for mentioning it. Because I
23 forget about the upward mobility program. But it is
24 very important in our agency.

25 MR. VAZQUEZ: Yeah. I was just thinking about

1 it as I was looking at other reports.

2 And especially on our efforts with working
3 with the community colleges. I notice it's been a
4 little bit of a tough one to get people, especially
5 students, excited about becoming appraisers.

6 I think a lot of them it's just not, you know,
7 your -- very attractive, like being an attorney or
8 doctor. But, yet, it's, I think, a very good potential
9 career for some of these individuals.

10 MS. RENATI: Well, we think it's a great
11 career.

12 MR. VAZQUEZ: Right.

13 MS. RENATI: And so all of us were talked into
14 coming here, so here we are.

15 MR. VAZQUEZ: Thank you.

16 Unless there's other questions, I'll let you
17 continue.

18 MS. RENATI: Okay. So next -- my next item is
19 a report on our current budget for the fiscal year.

20 BOE's funding is provided by the general fund.
21 Our current working appropriation for the entire agency
22 provides 193.6 positions for support and operation of
23 our tax programs.

24 The majority of our budget, about 86 percent,
25 is for personal services. That is employee benefits and

1 salaries.

2 The remaining 14 percent of the BOE's budget
3 provides for the BOE's operating expenses and equipment.
4 We call it OE&E.

5 Typical expenses for OE&E include facility
6 lease payments. Probably the majority of our OE&E,
7 utilities, telecom, travel, purchases of new equipment
8 and supplies, and training.

9 Based on the most recent expenditure reports
10 available for December 2022, we are projected to spend
11 almost 85 percent of the amounts appropriated to the
12 agency. We expect this number to increase as we fill
13 our vacancies.

14 In this last year, we had a few retirements.
15 So our number is still at 85.

16 This concludes my report on the agency's
17 day-to-day operational priorities. I'm available to
18 answer any questions you may have.

19 MR. VAZQUEZ: Yes. It looks like we may have
20 Member Schaefer first.

21 Go ahead.

22 MR. SCHAEFER: Ms. Renati, I was listening to
23 your comments on the budget, waiting for you to throw
24 out a dollar figure. And you were talking about
25 percentages of this and number of employees. Could you

1 give us a dollar amount?

2 MS. RENATI: I can.

3 For the entire agency -- let me -- because
4 it's public information. The entire agency's budget is
5 \$33,854,000. Of that, \$29,263,000 is our -- for
6 personal services, and \$4,591,000 is our OE&E budget.

7 MR. SCHAEFER: I'd like to submit that out of
8 the \$33 million, we can well find the \$50,000 to have a
9 meeting out of town. Especially if we get a little help
10 from chambers of commerce and tourism bureaus, and the
11 like.

12 I just was excited to let you know that us
13 having a meeting every couple months someplace else, or
14 every three months, we can afford it.

15 Thank you.

16 MR. VAZQUEZ: Any other comments from any of
17 the Members?

18 Oh, Member Gaines. Go ahead.

19 MR. GAINES: If I could, yes.

20 In reference to the staffing issue, the -- are
21 we still -- I know that we were -- what's considered
22 normal for employment within a State agency? What
23 percent?

24 MS. RENATI: Depends on when your -- if we
25 were at 10 percent, a lot of people would say that would

1 be wonderful.

2 MR. GAINES: Yes.

3 MS. RENATI: But with an aging workforce,
4 knowing that we have retirements, and have to pay out
5 unfunded liabilities, it would be very difficult for us.
6 We'd be very close to the line every year.

7 MR. GAINES: Yeah.

8 MS. RENATI: So about 14 to -- we're currently
9 at 17.

10 MR. GAINES: Yeah.

11 MS. RENATI: About 15, probably would be
12 comfortable for me. Knowing that if people retire, we
13 do have to pay out their leave credits.

14 MR. GAINES: Right.

15 MS. RENATI: We try to keep those down through
16 monitoring people's leave balances, but --

17 MR. GAINES: But I think that's similar to
18 other State agency's, from what you have told me in the
19 past. So we're doing pretty well.

20 MS. RENATI: We're doing well. You know, I
21 want to be perfect. We're working towards that.

22 MR. GAINES: Yeah.

23 MS. RENATI: But we know that, you know, we're
24 funded for our positions at the midline. And as we --
25 we have a lot of new staff. But as they stay onboard,

1 we're hoping to retain those staff.

2 MR. GAINES: Sure.

3 MS. RENATI: Then we'll get closer and closer
4 to our budget.

5 MR. GAINES: We've had a lot of baby boomers
6 retire.

7 We had the transition, with the separation and
8 the creation of CDTFA.

9 So we've made new strides, and I'm encouraged
10 by that.

11 So thank you.

12 MR. VAZQUEZ: You know, just along those
13 lines -- and I think you kind of touched on it -- I was
14 just wondering, do we have the capacity, moving forward,
15 with potential retirements?

16 Because I know there's a payout on some of
17 these, and obviously that impacts your budget.

18 MS. RENATI: It does impact our budget. And
19 we have to be creative, and be careful of our spending.

20 Because the majority of our spending is for
21 personal services. So that's why we monitor people's
22 leave balances. We ask them to reduce them. We
23 sometimes kind of forcefully nudge to reduce their leave
24 balances, because they need to be low.

25 But it's still, if a person leaves, it does

1 hit our budget. And it's a budget decision of where
2 you're going to spend your money. And we have those
3 that we have to spend money on, and other things that
4 will be a decision to be made.

5 MR. VAZQUEZ: Thank you.

6 Seeing no other hands up, continue.

7 Or that's it?

8 MS. RENATI: That concludes my operational
9 priorities report.

10 MR. VAZQUEZ: Thank you.

11 Ms. Cichetti, do we have any other items?

12 Well, I think that was it for this item, no?

13 MS. CICHETTI: For Ms. Renati.

14 But it is 12:30. I don't know if you guys are
15 all in agreement. Maybe we could take a lunch recess at
16 this time.

17 MR. VAZQUEZ: What -- well, actually, let me
18 ask staff.

19 How are we feeling here?

20 Because, just in terms of agenda management,
21 just so you know, we basically have this item, and then
22 what I considered the L item, but now I guess it's
23 No. 6. The three items that I put on, myself and
24 Member Gaines were prepared to present these today. But
25 at the request of our Controller, and I'm sure the

1 Deputy Controller here is aware of this, she had asked
2 if it was possible to table those until our February
3 meeting.

4 And we've notified at least our speakers that
5 we had on hold.

6 And if there's no other information, I was
7 wondering, maybe, instead of taking a longer break, we
8 could take a shorter break, if we need to take a break.

9 And if not, we can try to finish up these
10 items, and then call it a day.

11 Because those three items were pretty much
12 what we're going to handle after lunch, if I'm not
13 mistaken.

14 MS. STOWERS: All three items are being
15 postponed?

16 MR. VAZQUEZ: I'm sorry?

17 MS. STOWERS: All three items are being
18 postponed?

19 MR. VAZQUEZ: Yes. Ms. -- the Controller
20 wanted to weigh in on the three, and wasn't -- I
21 guess -- I'm sure she's overwhelmed with all her other
22 responsibilities and duties as a newly-elected
23 Controller. So I just wanted to be sensitive to that.

24 MS. STOWERS: I understand. I still have to
25 have my staff take a brief lunch.

1 MR. VAZQUEZ: No, no. That's why I'm asking.
2 Because I know originally we were going to take a longer
3 break, and then come back. But I'm open to whatever is
4 convenient to the staff.

5 MR. SCHAEFER: We should just do a brief break
6 now, and finish the items. So we can terminate the
7 meeting, say, within an hour.

8 MR. VAZQUEZ: I appreciate that. But let me
9 hear from staff.

10 MS. STOWERS: We have to take a 30-minute
11 lunch break.

12 MR. VAZQUEZ: Perfect. Why don't we do that
13 instead of an hour.

14 Why don't we do that? Is that sufficient?
15 Okay. I just want to be sensitive to your
16 workers.

17 Why don't we do that?

18 We can take it now. And then we can come back
19 and finish this item, and then open it up for any public
20 comments we might have.

21 So we'll stand adjourned. It's 12:35. We'll
22 come back at 1:05.

23 How's that?

24 MS. CICHETTI: We'll recess for lunch.

25 MR. VAZQUEZ: We'll recess for lunch.

1 (Whereupon the lunch recess was taken.)

2 MR. VAZQUEZ: We're going to go ahead and
3 reconvene from our lunch break.

4 MR. SCHAEFER: Sorry. We're a few minutes
5 late.

6 MR. VAZQUEZ: Yeah. I'm going to dock you
7 next time.

8 MR. SCHAEFER: All my fault.

9 MR. VAZQUEZ: Ms. Cichetti, if you could
10 please put us back on track here.

11

12

ITEM 5c

13

14 MS. CICHETTI: Yes. We're back from recess
15 for lunch.

16 The next item is Item 5c, Communications
17 Chief's Quarterly Report: Report on the status of BOE's
18 Communications Office.

19 This matter will be presented by Mr. Kim.

20 MR. VAZQUEZ: Welcome.

21 MR. KIM: Thank you.

22 Good afternoon, Chair Vazquez and Honorable
23 Members.

24 I am Peter Kim, BOE's Chief Communications
25 Officer.

1 Today I'll provide a brief overview of some
2 major highlights and accomplishments of the Department
3 in the fourth quarter of 2022.

4 As outlined in the memo attached to the
5 agenda, I will provide a summary of significant updates
6 made to the BOE website, and a review of the translated
7 publications the Communications Department facilitated
8 in 2022.

9 I will conclude with some highlights of
10 projects the Department is currently working on.

11 Members, as you know, the BOE website is a
12 critical tool in communicating and providing essential
13 and up-to-date information to stakeholders and the
14 general public.

15 With the assistance of the California
16 Department of Tax and Fee Administration's Web Services
17 Unit, significant updates were made to the BOE website
18 as new equalization districts became operative with the
19 new Board.

20 The "Find Your Board Member" tool, the
21 introduction to Board Member's web page, the listing of
22 county assessors, auditor-controllers, clerks of the
23 board, and tax collectors' web page, and Board Member
24 web sites were updated on January 3rd, 2023 to reflect
25 the new equalization districts.

1 The BOE website home page was also updated to
2 reflect the new Board, effective January 2nd, 2023.
3 This includes the addition of new Board Member,
4 Sally J. Lieber, and State Controller, Malia M. Cohen.

5 In addition, the Proposition 19 web page,
6 including the guidance issued and the related
7 legislation tabs, were updated.

8 Since the web page was launched on
9 November 10th, 2020, there have been approximately
10 424,195 unique external page views through
11 December 31st, 2022.

12 Through the Board's leadership, a "translate"
13 button to offer translation to non or limited-English
14 speaking individuals has been available for over
15 half-a-year.

16 The website offers six language options,
17 Spanish, traditional and simplified Chinese, Filipino or
18 Tagalog, Vietnamese and Korean.

19 There have been approximately 1,573 unique
20 external page views since December 31st, 2022.

21 Now I'll provide a brief update on the
22 translated publications made available in the year 2022.

23 With the assistance of CDTFAs Forms and
24 Publications Section, the Communications Department
25 facilitated the translation of the following

1 publications:

2 The Proposition 19 fact sheet, in both Spanish
3 and Chinese; the Taxpayers' Rights Advocate Offices
4 information sheets on property tax savings in Spanish;
5 specifically the four information sheets focused on the
6 intergenerational exclusions before and after Prop. 19
7 went into effect.

8 The Department will continue to monitor
9 whether there is a demand for additional materials that
10 may need to be translated into other languages.

11 Before I conclude, I wanted to provide a brief
12 look forward. In the coming months, the Department will
13 be focussed on finalizing the agency's fiscal year
14 2021-22 annual report.

15 Additionally, with the new Board, several
16 publications are in the process of being updated, such
17 as the Board's Governance Policy, the Board Meeting
18 Reference Manual, and the Introduction to the California
19 State Board of Equalization.

20 Members, this concludes my report, and I'm
21 available to answer any questions you may have.

22 Thank you.

23 MR. VAZQUEZ: Thank you. Thank you for the
24 report.

25 And I was happy to hear that now that we have

1 it translated in six different languages, that we're
2 finally getting some activity on it.

3 And I was wondering, is it also being pushed
4 through our social media page?

5 MR. KIM: Yes. Thank you, Chairman Vazquez,
6 for that question.

7 Every time we do have a new release of the
8 materials, I definitely post it on our social media
9 channels so that our followers do know.

10 And I know that some of our Members have their
11 social media, and they do share those items as well.

12 So thank you for your support on that.

13 MR. VAZQUEZ: Great to hear.

14 Because sometimes, you know, we hear from the
15 folks, and they're saying, "Well, you know, why are you
16 translating these? Nobody is really taking advantage of
17 it."

18 So it's good to hear that there's some
19 activity. And let's keep promoting it.

20 And I know many of us in our districts are
21 pushing it through our internal and our local
22 newsletters.

23 MR. KIM: Yes.

24 And I just want to also thank some of our BOE
25 team members. They also do, in the review process, look

1 through the publications once it's been -- the draft
2 translation so that it ensures that the language, or the
3 translation is not lost. That it is accurate.

4 So thanks to the team that has reviewed that
5 for us, too.

6 MR. VAZQUEZ: Thank you.

7 I see a couple hands up.

8 Let me start with our Deputy Controller.

9 MR. EMRAN: Thank you, Mr. Kim, for your
10 report.

11 It's a report that I really look forward to
12 every quarter, understanding how important communication
13 is and the agency communicating with our taxpayers.
14 Especially in this digital era. Understanding their tax
15 obligations and how to reach out to our agency if
16 there's any questions needed.

17 I also wanted to highlight the "translate"
18 button. I know it was a heavy haul. And I understand
19 you're a one-person operation. But really great work.

20 We're up to six languages, like the Chairman
21 has noted. And getting those unique external page
22 visits.

23 So just great work on your end, and thank you.

24 MR. KIM: Yes. Thank you, Deputy Controller
25 Emran, for your kind words. Thank you.

1 MR. VAZQUEZ: Member Schaefer, I believe you
2 had --

3 MR. SCHAEFER: Yes.

4 Mr. Kim, I think you told me earlier that the
5 current little handout is being republished.

6 I use about 10 or 20 of those a month. It's a
7 very good product. It's stale, because I can't get them
8 out without getting Sally's picture in it.

9 But you've got her photo, right?

10 MR. KIM: Yes. Thank you for that question,
11 Member Schaefer.

12 I'm anxiously working on that. It's going
13 through the clearance process right now. And once I
14 have a final product, I'll definitely share it with the
15 Board through the Executive Director, so that you may be
16 able to share that with your constituents.

17 But I am working on that. That is one --

18 MR. SCHAEFER: You don't need my approval. I
19 just want you to go to press.

20 MR. KIM: Great. Thank you.

21 MR. VAZQUEZ: Thank you.

22 Oh, one more hand.

23 Member Gaines, go ahead.

24 MR. GAINES: Yeah. You were giving us an
25 update on the page views of the website.

1 Do you have the breakout for Prop. 19-related
2 page views?

3 MR. KIM: Yes.

4 So I believe in the memo I do mention briefly
5 that since the web page was launched on November 10th,
6 2020, there have been approximately 424,195 unique
7 external page views through December 31st, 2022.

8 So almost -- so a little over 400,000.

9 MR. GAINES: Is that everything, or is that
10 just Prop. 19?

11 MR. KIM: That is just Prop. 19 web page.

12 MR. GAINES: Oh, wow. That's -- it's still
13 increasing. I think we were in the 300s a couple months
14 ago.

15 MR. KIM: It's been pretty consistent. I
16 think there's been still consistent activity on that.

17 MR GAINES: Yeah. Okay. Thank you.

18 MR. VAZQUEZ: Seeing no other hands, I'll turn
19 it back over to you.

20 I believe you were finished, or you have more?

21 MR. KIM: Yeah. I'm complete. If there are
22 no more questions, I'll turn it back to Ms. Cichetti.

23

24

25

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1 **ITEM 5d**

2
3 MS. CICHETTI: Thank you.

4 The next item on the agenda is Item 5d,
5 Taxpayers' Rights Advocate Office's Report: Update on
6 the activities of the Taxpayers' Rights Advocate Office.

7 This matter will be presented by Ms. Thompson.

8 MR. VAZQUEZ: Welcome.

9 MS. THOMPSON: Thank you.

10 Good afternoon, Chair Vazquez and Honorable
11 Board Members.

12 I'm Lisa Thompson, Chief of the Taxpayers'
13 Rights Advocate Office.

14 And I'm here to provide an update on the
15 activities of the TRA office to keep you informed.

16 First, I'm pleased to report on some
17 statistics on the number of cases that were completed by
18 the TRA office in December, and provide some insight on
19 the type of those cases, as well as give you an example
20 to provide kind of some insight on the nature of those
21 cases, and highlight the services you provide.

22 Attached to the Public Agenda Notice is a memo
23 that attaches or provides some information, some
24 statistics, basically figures are provided by
25 Board Member district by topic and by category.

1 In December 2022, we completed twenty cases;
2 four were in Member Gaines' district, District One; nine
3 were in Board Member Lieber's district, District Two;
4 three were in Board Member Vazquez's district,
5 District Three; and four were in Member Schaefer's
6 district, District Four.

7 Of the completed cases, five were from the
8 administrative category, and fifteen from the valuation
9 category.

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

15 For the valuation category, that includes
16 topics such as change in ownership, decline in value,
17 appraisal methodologies, exclusion, exemptions, new
18 construction, and actual enrollment of value, general
19 property taxation, and assessment appeals.

20 With respect to the administrative category
21 and its five in total, three pertain to delinquent or
22 defaulted property taxes, one involved penalties, and
23 one pertained to special assessments.

24 With respect to the valuation category and its
25 fifteen cases in total, two pertain to the actual

1 enrollment of values; two involve change in ownership;
2 one case pertained to decline in value; seven pertained
3 to exclusions from reassessment; and three involved
4 exemptions.

5 To provide some insight on the specific types
6 of exclusion exemption cases, I provide this further
7 breakdown:

8 For the seven cases involving exclusions from
9 reassessment, two pertain to the parent-child exclusion;
10 four pertain to base year value transfers for persons
11 aged 55 and older; and one pertained to base year value
12 transfers for disabled persons.

13 Five of the seven cases occurred during the
14 time of current law of Proposition 19, since those
15 events occurred on or after the effective dates of
16 Proposition 19's February 16th, 2021 intergenerational
17 transfer exclusion provisions, or the April 1st, 2021
18 effective date for Proposition 19's base year value
19 transfer provisions.

20 The remaining cases pertained to transfers
21 occurring under prior law.

22 For the three exemption cases, one pertained
23 to the Disabled Veterans' exemption; one pertained to
24 the religious exemption; and one for the Welfare
25 Exemption.

1 To provide some insight on the nature of the
2 cases that our office works to assist taxpayers, I offer
3 some additional information that our office worked on
4 last month to help resolve the issue for the taxpayer.

5 This case involved a taxpayer that applied for
6 a base year value transfer for a property he had sold in
7 another -- to another property that he had purchased.

8 The taxpayer was concerned because he had
9 applied for the homeowner's exemption, and also a base
10 year value transfer for person's aged 55 and over. But
11 it wasn't reflected on his supplemental assessment
12 notice that he had received from the assessor's office.

13 He contacted our office, because it hadn't
14 been applied. Our office explained that, at first, that
15 it takes time for an assessor's office to process an
16 application for base year value transfer to ensure that
17 all of the qualifications are met, and then for it to be
18 processed, and for the values to be applied to the
19 assessment.

20 We also helped the taxpayer understand that
21 the timing of when a claim is reviewed is dependent on
22 the workload of an assessor's office, and the number of
23 claims that have been filed by taxpayers in their
24 county.

25 We also explained that when the original

1 property is located in a different county, then the
2 replacement property, the assessor's office -- must
3 coordinate with the assessor's office where the original
4 property is located to obtain information needed for it
5 to determine the new taxable value of the replacement
6 property.

7 Specifically, they must obtain the market
8 value of the original property at the time of the sale,
9 as well as the factored base year value, which is needed
10 to calculate the replacement property's new taxable
11 value.

12 Based on the information received, the
13 assessor determines if there is any excess value to be
14 added to the transferred factored base year value, if
15 the replacement market value is higher than the
16 original's market value.

17 As another matter of clarification, the
18 information provided from one county to another for a
19 base year value transfer is on a standard form that's
20 referred to as a value certification.

21 That form is prescribed by our agency, and is
22 used statewide by assessors in processing base year
23 value transfers statewide.

24 So we helped the taxpayer understand the steps
25 that are involved with the application for the base year

1 value transfer.

2 We further explained that the assessor's
3 office had granted the base year value transfer, along
4 with the homeowner's exemption, and it was reflected on
5 the 2022 assessment for which the first instalment of
6 property taxes needed to be paid by December 12th, 2022
7 without penalty.

8 We also helped him understand that the
9 supplemental assessment, which he received the notice
10 on, was based on the market value of that property at
11 the time he purchased it, had not been enrolled, and,
12 therefore, he would not be receiving a property tax bill
13 on that amount.

14 We also helped him understand that he would be
15 receiving a supplemental assessment that would be
16 substantially lower than the -- with the granting of the
17 base year value transfer.

18 Additionally, we informed the taxpayer that
19 using information obtained from the assessor's office,
20 we confirm that the factored base year value of his
21 original property was transferred to his replacement,
22 and the 2022 assessment was correctly calculated.

23 The next item I want to report on is for
24 taxpayer education and outreach.

25 As you know, our office issues information

1 sheets to taxpayers on various exclusions and exemption
2 topics that are designed for taxpayers as a resource,
3 where they can read information about the main
4 requirements of it, helpful hints, and how they can
5 apply for such exclusion and exemption.

6 We currently have eight information sheets on
7 exclusions available to taxpayers under various
8 provisions of law.

9 As part of my update at the future
10 Board Meeting for the presentation of the taxpayers'
11 rights annual report, I will go over each of those;
12 however, at this time, I wanted to share with you that
13 we have developed a new information sheet that is
14 currently being prepared by our Forms and Publications
15 Section. Our Communications Officer is coordinating
16 with them, so I thank him.

17 The information sheet covers property tax
18 assistance programs for seniors. And it covers areas of
19 property tax exemptions, as well as the property tax
20 postponement program that's offered through the
21 State Controller's office.

22 It also provides information on exemptions
23 from special assessments and direct levees on the
24 property tax bill.

25 And it also directs taxpayers to our existing

1 Publication 29 to provide general information on
2 California property taxation, as well as directing them
3 to our information sheet on the base year value
4 transfers for persons aged 55 and over.

5 At this time, I would also like to address
6 Member Vazquez's question that he posed earlier to
7 Executive Director Stowers about information sheets,
8 specifically, a fact sheet on the Welfare Exemption for
9 nonprofit organizations.

10 Our agency does have comprehensive information
11 on the Welfare Exemption, and -- however, the next
12 information sheet that the Taxpayers' Rights Advocate
13 Office will work on is an information sheet specific to
14 nonprofit organizations, not just to the Welfare
15 Exemption.

16 It will encompass it. But we are gearing it
17 toward exemptions available to nonprofit organizations,
18 because it's not just the Welfare Exemption.

19 So that's something we will be rolling out.

20 The Taxpayers' Rights Advocate Office has
21 already discussed that with the California Assessors'
22 Association in its dealing with them since, you know,
23 the information sheets are kind of worked on in
24 collaboration with them, with their approval. Because
25 the TRA office's role in education is to assist

1 assessors in their efforts to educate the public. So
2 I'll be providing more about that.

3 MR. VAZQUEZ: Thank you.

4 Any hands?

5 I have no questions. I think you were pretty
6 thorough there.

7 MS. THOMPSON: Okay. Thank you very much.

8 MR. VAZQUEZ: Thank you.

9

10 **ITEM 5e**

11

12 MS. CICHETTI: All right. The next item on
13 the agenda for today is Item 5e, Chief Counsel Quarterly
14 Report: General discussion on the Legal Department's
15 workload.

16 This matter will be presented by Mr. Nanjo.

17 MR. NANJO: Thank you, Ms. Cichetti.

18 Good afternoon, Chairman Vazquez,
19 Vice Chair Lieber, Honorable Members of the Board.

20 Henry Nanjo, Chief Counsel.

21 This is my quarterly report for the last
22 quarter of 2022.

23 First of all, I want to thank my team for
24 their continued dedication and hard work, especially in
25 the fourth quarter. As you know, that's our

1 state-assessed appeals time. So my attorneys are very
2 busy working on that.

3 But they were luckily or happily able to get a
4 lot of other work accomplished as well. So, again, I
5 thank them for their continued dedication and hard work.

6 We continue to work on filling our remaining
7 vacancies. We currently have two attorney vacancies,
8 which we will be filling in two phases.

9 As to the Legal Department's workload, as I
10 said, our first and foremost job was the
11 state-assessment appeals.

12 And, Members, we began our 2022
13 state-assessment appeals season with twenty petitions
14 this year; two of them were withdrawn.

15 And so our attorneys have filed eighteen
16 briefs with SAPD and Board Proceedings.

17 Staff completed our appeals conferences, as
18 you know, and had our one oral hearing in December in
19 the fourth quarter.

20 Additionally, there were a couple of cases,
21 due to the amount in controversy, that are Section 40
22 decisions.

23 The Board has already weighed in on those.
24 But it's my appeals attorney who will be writing up
25 those decisions for you. And that will most likely be

1 coming to you in the February Board Meeting for your
2 approval.

3 And, again, that's just to memorialize the
4 decision that the Board has already made, and publish
5 that, because of the amount involved.

6 In the area of litigation, we continue to
7 provide confidential written monthly litigation reports
8 to the Board Members.

9 You should have received the one for this
10 month.

11 And we provide the appropriate information and
12 updates to our web site on the BOE's Public Litigation
13 Roster.

14 Regarding the lawsuit on the La Paloma case,
15 closing arguments were held on December 16th, 2022.
16 After speaking with our Deputy Attorney General, we
17 think it went well, and we are anticipating a decision
18 probably in the next 60-to-90 days.

19 Due to the complexity of the issues involved,
20 the Court -- the Judge will probably take some time to
21 render his decision.

22 We will continue to closely monitor and handle
23 the Board's litigation cases. And we will continue to
24 keep you informed and updated as to any developments,
25 either in closed session, or via confidential memoranda

1 as appropriate.

2 In the area of Public Record's Act and
3 disclosure requests, in the last quarter, we completed
4 61 PRA or disclosure requests.

5 And as you may note, that is a little bit of a
6 bump up. But that's not unusual. That was an election
7 year, election period. And, typically, we do see an
8 increase in the number of PRAs we receive in that
9 period.

10 So we continue to anticipate that work to
11 continue -- hopefully not quite at that rate -- for the
12 next quarter.

13 In the area of administration, this is support
14 of Board Proceedings Division and the Executive Office,
15 we completed five assignments. And we will continue to
16 provide support as needed.

17 In the area of publication review, the
18 Legal Department reviews the agency publications for
19 legal sufficiency and to identify any issues.

20 The Legal Department has completed 35 legal
21 reviews in the fourth quarter.

22 These publications include items originated
23 from the Property Tax Department, Communications
24 Department, and other agency publications.

25 In the area of regulations, we had a little

1 bit of a hiccup. As you know, we were forwarding the
2 permanent regulations for Regulation 462.520, exclusion
3 from change in ownership intergenerational transfers,
4 and Regulation 462.540, change in ownership base year
5 value transfers, we were forwarding those to the OAL.
6 The Board has already approved the final language for
7 that.

8 We did make some grammatical and
9 non-substantive changes to the final copy. After
10 discussions with OAL, they have requested that we
11 republish the final version with those grammatical and
12 non-substantive changes to the public for a 15-day
13 period.

14 Because they are non-substantive and minor
15 changes, we didn't need to get Board approval or go
16 through any of the other additional approvals. They
17 just wanted it to be published. And in cooperation with
18 the Office of Administrative Law, we have decided to do
19 that.

20 Our concern was that the emergency regulations
21 were going to expire. So we went ahead and continued
22 those. We are -- we can do that relatively easily. So
23 we got a 90-day extension. So our emergency regulations
24 are in place for the next 90 days.

25 We anticipate probably within the next 30 days

1 that our permanent regulations will be approved by OAL.
2 And once that happens, they will go into place, and the
3 emergency regulations will be superceded.

4 So no problems there again. Just a little bit
5 of a procedural hiccup.

6 In the area of our 2023 rulemaking calendar,
7 we are going to be adding Property Tax Rule 192.
8 That's -- 192 is the property tax "Audit Selection"
9 rule. And here we're making some changes just to make
10 it consistent with recent statutory changes to
11 Revenue Tax Code Section 69.

12 Again, as the Board knows, throughout the
13 year, the Legal Department kind of keeps an eye out for
14 things that we need to clean up, just make consistent
15 with new changes in laws. And we are continuing that
16 process.

17 In the area of tax program and technical
18 advice, the team responded to 21 e-mail inquiries, and
19 32 phone-call inquiries.

20 Finally, Members, we -- the Legal Department
21 issued a total of five legal opinions or memos, which
22 include property tax technical advice memos, internal
23 and Board Meeting-related Chief Counsel memoranda. And
24 we continue to expect this work to continue as requests
25 come in.

1 In closing, I want to, again, extend my
2 gratitude to the team for their outstanding work in the
3 fourth quarter, and also getting all the state
4 assessments done on time and very efficiently.

5 So that concludes my report. I am available
6 to answer any questions that you may have.

7 Thank you, Members.

8 MR. VAZQUEZ: Oh, several hands are up.

9 First of all, thank you for the report. I
10 think it was well-delivered here.

11 But for me, and I don't know how the other
12 Members feel, I was wondering if there was a
13 possibility, especially as you're doing these quarterly
14 reports, if it was possible if you put it in writing, so
15 that we have a record of it.

16 And not only a record, but also, like you
17 mentioned, where you put -- include the attorneys and
18 staff that are working on some of these.

19 Because, I think, as we are looking in the
20 future, and I'm looking at our Executive Director for
21 our budget moving forward, I think we probably need some
22 more -- or hopefully try to get you a little bit more
23 assistance or staffing, or to beef up the staffing.

24 Because I know as we move forward, especially
25 on some of the legislation that we've been kind of

1 looking at, I can just see our workload getting a little
2 heavier for you in your department. And I think it'd be
3 good to document that somehow.

4 Just a suggestion. Throwing it out there.

5 MS. STOWERS: Thank you for the suggestion,
6 Chair Vazquez.

7 I would direct Mr. Henry Nanjo to put
8 something more in writing as an outline format.

9 I want to be -- a little warning to be careful
10 about what you're saying, as far as staffing for the
11 Legal Department.

12 I know you guys support us. But there are
13 some limitations on what the Board Members can do when
14 it comes to staffing, and the role that you play.

15 So let me take that on, please. And just
16 limit it to more of an outline on his report.

17 MR. VAZQUEZ: Whatever you think is
18 appropriate in terms of legalities.

19 For me, I'm looking at it more, you know, we
20 should be your advocates. And that's where I'm kind of
21 going with this.

22 MS. STOWERS: Right. And you guys are our
23 advocates.

24 MR. VAZQUEZ: And the reason I mentioned this
25 is because, you know, and just in my short term this

1 year, you know, there's a lot of new members coming in
2 to both the Assembly and the Senate. and there's new
3 leaders coming into chair, like Tax and Rev, and other
4 committees out there.

5 And, for example, the Latino Caucus, we're up
6 to 35 members. And I keep telling them, you know, our
7 numbers are growing. But if we don't flex our muscle,
8 what good is it?

9 And I think in this area, I think we're doing
10 a disservice if we're not providing more for,
11 especially, the small businesses.

12 And it's sad to say, I think at least in my
13 district, a lot of the small businesses that are
14 struggling are a lot of the businesses of color.
15 Because they just don't have the resources.

16 And in many cases, they're coming to us after
17 the fact, when they, you know, are backed up in their
18 taxes. Because they don't hire, for example, a CPA.
19 They hire a bookkeeper. And in many cases, they're not
20 paying what they should be paying.

21 And when they realize it, it's 10 years down
22 the road. And usually the fees, the interest, and the
23 penalties are more than what they owe.

24 MS. STOWERS: Right.

25 MR. VAZQUEZ: And I'm just trying to figure

1 out ways to eliminate that.

2 MS. STOWERS: Right.

3 MR. VAZQUEZ: And I think we can be a resource
4 to that. But I know it's going to be tough on your
5 staff, given the limitations you have.

6 MS. STOWERS: Right.

7 I think for your first part, a little more of
8 a handout of what his quarterly report is going to be,
9 we can definitely accommodate.

10 As far as your second part, as resources for
11 small businesses, I understand the pain. But we could
12 only provide resources for the programs that we
13 administer, alcoholic beverage tax. And I don't think
14 there are any small businesses in that area.

15 MR. VAZQUEZ: You're probably right about that
16 one.

17 MS. STOWERS: Yeah.

18 But I'm sure others will -- there are
19 resources there. And perhaps I could provide you --
20 your Deputy with some of the names of who will be
21 willing to help on those resources.

22 I'm thinking now, especially as the Chair of
23 the BOE, you also sit on the Franchise Tax Board. And
24 they do have those resources for small businesses as it
25 relates to income tax.

1 MR. VAZQUEZ: I have it on my list.

2 MS. STOWERS: On your list, yeah.

3 And our partners at CDTFA, they have a similar
4 resource for sales and use tax.

5 So let's just make sure that you guys are all
6 aware and capitalizing on that help. Because they will
7 help.

8 MR. VAZQUEZ: I saw several hands up here.

9 MR. NANJO: And, Chairman Vazquez, thank you
10 for the support. We always appreciate it.

11 And I'll work with the Executive Director on
12 getting the handout to you and the Board Members.

13 MR. VAZQUEZ: Member Schaefer.

14 MR. SCHAEFER: Mr. Nanjo, we won't be seeing
15 you again until April on the quarterly report; however,
16 you assured me if there's something interesting or
17 important that comes along in the interim, you might
18 give us a little heads up on it.

19 MR. NANJO: Absolutely.

20 MR. SCHAEFER: And also, you just said you had
21 31 -- I mean, 21 and 32 e-mails and calls from the
22 public.

23 I would hope that these aren't people just
24 looking for a free lawyer, when they should be hiring
25 outside counsel. You have enough things to do without

1 operating a free law office someplace, you know.

2 MR. NANJO: Absolutely.

3 Member Schaefer, we're very aware of that, and
4 we try to provide help.

5 In a lot of these kinds of circumstances, we
6 are providing support to questions that come to us
7 through Property Tax Department. They're from the
8 public, but Property Tax Department will try to answer
9 the question.

10 And sometimes there's a little bit of a legal
11 question involved, in which case, we get involved. And
12 we do a joint effort to try to serve the public.

13 MR. SCHAEFER: Sure.

14 And, finally, Ms. Stowers prefers oral
15 presentations on a lot of these things. I guess because
16 it's easier. Like I had mentioned something in writing
17 about her statements on why we should be careful about
18 taking the meeting out of Sacramento.

19 But, you know, it's -- there's also the theory
20 that if it's in writing, it's more important. If it's
21 just orally, it isn't that important.

22 I do want to remind you and her that
23 everything that's orally, is being taken down here in
24 writing. And, you know, we have transcripts of it.

25 It's just easier if it's something I'd like to

1 share with chambers of commerce. "Look what Ms. Stowers
2 is saying." And if I had a little memo from
3 Ms. Stowers, I can put it on the front burner.

4 MR. NANJO: There you go. Appreciate it, sir.
5 I will work Ms. Stowers on that.

6 MR. SCHAEFER: Thank you.

7 MR. VAZQUEZ: Okay. I think we're good.

8 MR. NANJO: Great.

9 MR. VAZQUEZ: Let me turn to Ms. Cichetti to
10 see if there's any written comments on this.

11 MS. CICHETTI: We're going to take the public
12 comment at the end.

13 MR. VAZQUEZ: On this one? Oh, okay.

14 MS. CICHETTI: Yup. On all of them at the
15 end.

16 MR. NANJO: Thank you very much, Members.
17 Appreciate it.

18 MR. VAZQUEZ: Thank you.

19

20 **ITEM 5f**

21

22 MS. CICHETTI: The next item up for today is
23 Item 5f, Property Tax Deputy Director's Report: Report
24 on the status of pending and upcoming projects,
25 activities, and departmental issues, including

1 Assessment Practices Surveys Quarterly Report, Letters
2 to Assessors, Appraisal Training and Certification, and
3 State-Assessed Property.

4 These items will be presented by Mr. Yeung and
5 his team.

6 MR. VAZQUEZ: Welcome.

7 MR. YEUNG: Thank you, Chair Vazquez and
8 Honorable Members of the Board.

9 For the record, my name is David Yeung.

10 And I'm the Property Tax -- the Deputy
11 Director for the Property Tax Department.

12 So today I will be giving you a quarterly
13 report on the Assessment Practices Survey Program, to be
14 followed by two reports from Ms. Schultz here. She will
15 report on the Letters to Assessors that were issued, and
16 also on training and certification.

17 And the last report on the Deputy Director's
18 portion of this program will be from Mr. McCool. He
19 will update you on the State-Assessed Properties
20 Division, and what's going on there.

21 So as requested last year for the Assessment
22 Practices Survey Program, this is the first quarterly
23 report, I will be reporting on what was issued by the
24 Department for the last quarter of 2022.

25 So as of 2000 -- the last quarter of 2022, we

1 issued four reports. But before I start there, I just
2 want to give you just a little bit of background for
3 context.

4 These survey reports are required by
5 Government Code 15640 exec, so there's several
6 provisions of code that basically govern what we do.

7 These reports are, in essence, a compliance
8 audit. And they take a look at each county assessor's
9 offices as to their practices and procedures, how
10 they're doing their assessments.

11 And in some cases we actually take a
12 representative sample of their assessment roll, and we
13 run through some numbers to see how close they are to
14 hitting basically the ideal assessments.

15 So with that, that's kind of what the reports
16 are. It's basically a report to stakeholders as to how
17 the assessor is discharging their duties in their
18 accounting.

19 What it is not, is it's not a comprehensive
20 management report on their entire operations. There are
21 certain things we don't look at it. They usually have
22 to do with internal management and budgeting and
23 whatnot. So that is assessor's functions. We usually
24 do not look at that, and we don't comment on that.

25 We do comment -- we do put numbers on there as

1 to their workload and what they handle. But their
2 internal management is not a -- not a true component of
3 this type of report.

4 So this type of report not only serves as a
5 report card as to how they're doing discharging the
6 property tax administration on a county level, but it
7 also allows them to recoup certain costs.

8 So under Revenue and Taxation Code 75.60, if
9 we certify that their role meets some parameters, they
10 have an opportunity to basically recoup some
11 administrative costs to administer their supplemental
12 assessments.

13 So part of their function, they actually get
14 some money back. So it is a dual-purpose report. And
15 it's our main way of promoting uniformity, fairness,
16 consistency of the property tax administration
17 throughout the state.

18 So, with that, I will go over the four reports
19 that we issued since last quarter of 2022.

20 In October -- on October 4th, we issued the
21 report for San Francisco County. San Francisco County
22 is one of the top ten counties by the number -- by the
23 total -- assessment total.

24 So they both got a qualitative review of their
25 practices and procedures, and we also took a look at a

1 representative sample look at their assessment roll.

2 So we went through -- we went through and
3 looked at part of their administration. We looked at --
4 specifically, the review included some staffing levels,
5 their workload assessment, their assessment appeals, and
6 their exemptions.

7 And, overall, they did really well on that.
8 We made one recommendation under exemption program.

9 For this -- for the assessment of real
10 property, we looked at quite a few subjects there. We
11 looked at changes in ownership when something is
12 reassessed. We looked at new construction, and we
13 looked at declines in value.

14 So if their property is actually worth less
15 than what it's assessed at, they would get a decline in
16 value, otherwise known as a Prop. 8. We looked at that.

17 Once again, overall, it was a good review. We
18 made one recommendation on their new construction
19 program. We looked at their assessment of personalty
20 and fixtures. We looked at quite a few items there.
21 And actually that was a very well-run program. There
22 was no recommendations made on that one.

23 And we also took a look at their -- I
24 mentioned we took a look at their assessment roll. And
25 we took some representative samples out of there. And

1 our staff went through and made sure that they
2 reappraised what they should have, and they came up with
3 the right value.

4 That one -- that one actually they did -- they
5 did really, really well on that one. Their assessment
6 ratio was 99.92 percent. So out of 100 percent, they
7 got just about all of it correct.

8 So with that, we certified that they were able
9 to recuperate that assessment, that
10 supplemental-assessment portion of their administrative
11 costs. So that was -- that's San Francisco.

12 The next one we looked at was for Napa County.
13 Napa County was published in October 11th of 2022. And
14 that was a supplemental assessment.

15 So we have the option of looking -- doing a
16 full survey report on them or a supplemental. We opted
17 for the supplemental on that one.

18 We followed up on the prior assessment
19 practices survey report. And we looked at those
20 recommendations to see whether the assessor has actually
21 implemented them.

22 There were two. He implemented -- the
23 assessor implemented one of them. And on the other one,
24 under audit program for business property statement --
25 for business property assessments, they were not able

1 yet to implement that. So we repeated the
2 recommendation.

3 But overall, with that, they were certified.
4 There was not enough significant issues to not certify
5 them.

6 Butte County was published also last year on
7 November 8th, 2022. Butte County was one of the
8 counties in the third tier, ranked, once again, by
9 assessment values.

10 If there are 21 through 58 of the counties, we
11 have -- by random draw, they can do either a full survey
12 on them, or just a sample. They were picked just for
13 just a sample.

14 So we went through, we pulled out
15 representative samples out of their assessment roll.

16 Our appraisers went through and checked to
17 make sure the things that were supposed to be
18 reassessed, were; and those that were not, of course,
19 were not reassessed.

20 Their assessment ratio came out to be 100.03
21 percent. So that is well within the variance of what is
22 set as an acceptable variance.

23 So, with them, we also certified, and were
24 able to recuperate their supplemental assessment fees or
25 costs.

1 And the last one that we issued was for
2 Humboldt County. Humboldt County was published in
3 December 20th of last year.

4 And Humboldt County also falls within the
5 third category. So they, instead of being picked for a
6 sample, they were picked for a survey with no sampling.

7 We went through and looked at their
8 administration, their administrative programs, their
9 assessment of real property and assessments of
10 personalty and fixtures.

11 And, overall, we made a recommendation that --
12 for improvement for change in ownership and decline in
13 values. And we made a recommendation for their audit
14 program. So they have three recommendations.

15 But, once again, with that, they still met the
16 criteria for certification. And we did certify them for
17 the recovery of their administrative cost for
18 supplemental assessments.

19 So I just wanted to remind anybody who is
20 interested in reading any of these assessment practices
21 surveys, they are posted on our website. The current
22 one.

23 And we always try to also post -- keep on
24 there the year prior. So you can follow the chronology
25 of what we've looked at, and what we did, and what we

1 recommended for each county.

2 So that is the four that is going on right now
3 for -- that was published as of last year.

4 I also wanted to let you know that as of
5 January this year, just last week, we, during the
6 assessor's conference, we also picked the counties for
7 the next cycle of review.

8 So we're currently finishing up this cycle,
9 and we're gearing up for the next.

10 So this will conclude my presentation for the
11 assessment practices survey. I'm available for any
12 questions you may have.

13 MR. VAZQUEZ: I think we have several
14 questions here.

15 Let me just ask one. Just a quick one to
16 start it off.

17 When you were mentioning the assessment
18 practices surveys, the quarterly reports, I was
19 wondering, I know it's located on our website.

20 MR. YEUNG: Right.

21 MR. VAZQUEZ: And I was wondering, just for
22 the public, I guess, information more than anything, is
23 it possible to state it here publicly what disaster
24 relief might be available to some of these folks?

25 Especially in light of, you know, these last

1 floods that we've had throughout the state with the
2 rain. For a while we were in a drought, now with the
3 rain.

4 MR. YEUNG: Right.

5 MR. VAZQUEZ: And I'm just wondering where --
6 if we can put it out there where people could find it.
7 And I believe it's in our website.

8 MR. YEUNG: It definitely is on our website.
9 We actually have a dedicated section to disaster relief.

10 So it's -- for those that are watching and
11 aren't familiar, our website is www.boe.ca.gov.

12 So if you go on there, it's a very prominent
13 feature of our website. And we do have quite a lot of
14 guidance on it.

15 And if there is any question concerning
16 disaster relief, there's also a function on our website
17 where you can ask an inquiry. It's a PT web basically.
18 We have a Technical Services Unit that handles that.

19 And, on average, we answer about 500-plus
20 inquiries, either through the phone, through e-mail,
21 through written correspondence, every single month.

22 So we're very active on that front. And we
23 have a lot of information out there. Please contact us.
24 Use that feature. Contact your county assessor.

25 There is a lot -- there is relief out there.

1 It takes a little bit. You have to look for it. But
2 we're ready to help in any way we can.

3 MR. VAZQUEZ: And, once again, what's --
4 what's that website again?

5 MR. YEUNG: www.boe.ca.gov.

6 If you -- if you just enter in -- if you just
7 Google "Board of Equalization," it should pop right up.

8 MR. VAZQUEZ: Because I know many, you know,
9 locally -- but I know up here you're probably getting
10 more folks that have been, you know, victim to these
11 floods going on.

12 MR. YEUNG: Yeah. Absolutely. We have seen
13 it. We have seen it increase the inquiries on that
14 front.

15 MR. VAZQUEZ: And I saw several hands.

16 Member Gaines, did you have one?

17 MR. GAINES: Yeah, if I could.

18 MR. YEUNG: Of course.

19 MR. GAINES: I just wanted to review the
20 process for the surveys that you do.

21 MR. YEUNG: Yes.

22 MR. GAINES: And we call them surveys, but
23 also they're kind of like audits, too.

24 MR. YEUNG: You are correct. They're -- we
25 call them surveys. It's a term of art that is

1 referenced in the government codes and our own rules.

2 But, in essence, they're compliance audits.

3 We take a look at what they do. Is it -- does
4 it comport to statutes and regulations, and actually --
5 do they actually do it?

6 So it is a compliance audit.

7 MR. GAINES: Yeah, that's great.

8 And then that is -- it's my understanding that
9 that is then sent to the Board of Supervisors?

10 MR. YEUNG: It is sent to actually quite a few
11 very notable stakeholders, Board of Supervisors. We
12 send it to the Legislature. We send it to quite a few
13 public officials.

14 MR. GAINES: Okay. Good.

15 And then the assessor reviews it, and if
16 there's any recommendation, they take those into
17 consideration and make adjustments accordingly?

18 MR. YEUNG: They do. They do.

19 And a lot of times the assessor does have an
20 opportunity to address those recommendations that we've
21 made. With some frequency, by the time we publish them,
22 we meet with the assessors throughout the whole process
23 of the survey. It takes basically a year from the point
24 of engagement to the publishing of it.

25 So all along the way, we're in conversation

1 with them. And we tell them. We have several meetings,
2 and we tell them what we found. And in many cases, by
3 the time we publish, a lot of recommendations have
4 already been implemented. So it's part of the whole
5 program.

6 MR. GAINES: Good.

7 And we're back on track for in-person surveys?

8 MR. YEUNG: We -- the answer to that is yes
9 and no. We are back on track. Our team has been ready
10 and actually gone out to many engagements.

11 Many assessors now prefer a more remote
12 process. So we've settled on a hybrid process where
13 we've asked for stuff either remotely or conducted
14 interviews remotely.

15 And in cases where we're unable to do that, or
16 information isn't ready, then we do go onsite. So right
17 now it's about a 50/50 mix.

18 MR. GAINES: Because that was really brought
19 on by the pandemic.

20 MR. YEUNG: Absolutely.

21 And we found not only was it a response to the
22 pandemic, but it was kind of leading that way already
23 with our -- the way most of the business is conducted,
24 it is electronic. And our ability to get things via
25 e-mail, or we have a portal in which they can download

1 something, and it's secured. So we had a couple
2 technologies solved. That portal, that security.

3 The -- it helps with our budget. There's less
4 travel. But in the instances when a face to face is
5 needed, or they don't have the ability to do so, then
6 we're more than happy to go. And we've been trying to
7 do more of that.

8 MR. GAINES: Okay. Do you think you lose
9 anything by not having that personal interaction?

10 MR. YEUNG: Yes. But there's two sides to
11 that coin.

12 We do lose something. We lose the ability to
13 talk to them in realtime. And we lose -- we lose that
14 interaction, and a working relationship.

15 But the way I do things, and the way a 23 year
16 old does something, there's a little bit of a
17 generational thing there. They have no issue with doing
18 stuff remotely, and they're able to do that.

19 And so we have -- we try to take advantage of
20 the synergies where they exist, if we can get it.
21 Especially a lot of the documents and the stuff that is
22 required before somebody goes in and gathers it. That's
23 a little bit of time savings.

24 And then if we need to, we will send somebody
25 in. And they will do the actual interviews in person.

1 So we just do some background.

2 MR. GAINES: Yeah. So when you say hybrid, it
3 could be hybrid in terms of how information is gathered.

4 MR. YEUNG: Yes.

5 MR. GAINES: But there's also personal
6 interface.

7 MR. YEUNG: Yes.

8 MR. GAINES: With the same county.

9 MR. YEUNG: Absolutely. We try to use both.

10 MR. GAINES: Yeah. I just think we want to
11 make sure we're not losing anything, and there's really
12 an opportunity to discuss issues --

13 MR. YEUNG: Yes.

14 MR. GAINES: -- where -- tell me if I'm going
15 down the wrong path here, but let's say there's a
16 problem in a county --

17 MR. YEUNG: Right.

18 MR. GAINES: -- and you were there
19 personally --

20 MR. YEUNG: Yeah.

21 MR. GAINES: -- could an individual in an
22 assessor's office talk to you and say, "We've got a
23 problem here." Where they might not be willing to do so
24 remotely?

25 MR. YEUNG: Right. Yeah. So we are sensitive

1 to that.

2 MR. GAINES: Or vice-versa. I guess it can go
3 both ways, right? Yeah.

4 MR. YEUNG: It can go both ways. Yeah.

5 So where we find -- where it's expedient and
6 efficient, we'll gather it upfront electronically. And
7 we're always open to sending somebody in and talking one
8 on one.

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

10 MR. YEUNG: Of course.

11 MR. VAZQUEZ: Deputy Controller.

12 MR. EMRAN: Thank you, Mr. Yeung, for your
13 report and for the overview of those four counties that
14 went through the assessment practices survey.

15 MR. YEUNG: Yes.

16 MR. EMRAN: So I believe that the Board voted
17 last fall to have the assessment practices survey, like,
18 a top-down review, and a presentation to the full Board.

19 So I'm looking forward to connecting with
20 Chairman Vazquez to get that on the agenda in 2023.

21 Thank you.

22 MR. VAZQUEZ: I think we're good.

23 MR. YEUNG: Okay. Then I will turn it over to
24 Ms. Schultz for the next two.

25 MS. SCHULTZ: Good afternoon, Chair Vazquez

1 and Honorable Board Members.

2 I am Glenna Schultz, Principal Property
3 Appraiser from the County-Assessed Properties Division.

4 Today I will provide you with a brief report
5 on Letters to Assessors.

6 Attached to this month's agenda is a memo on
7 Letters to Assessors, which provides a list of the LTAs
8 that have been issued since our last Board Meeting.

9 In addition, the memo provides a link to the
10 BOE's website, where a list of all LTAs can be found
11 that have been issued to date.

12 As of the date of the attached memo, BOE staff
13 issued a total of 61 LTAs for calendar year 2022.

14 Since our last Board Meeting, seven of those
15 LTAs have been issued.

16 Those seven LTAs are summarized as follows:

17 An LTA to announce the 2023 Timberland
18 Production Zone Values; an LTA to issue an Assessment
19 Practices Survey Report for Humboldt County; an LTA to
20 issue Assessors' Handbook Section 531, Residential
21 Building Costs; an LTA to issue Assessors' Handbook
22 Section 534, Rural Building Costs; an LTA to issue
23 Assessors' Handbook Section 581, Equipment and Fixtures
24 Index, Percent Good and Valuation Factors; an LTA that
25 announces the valuation factors for publicly-owned lands

1 that are taxable under Section 11 of Article XIII of the
2 California Constitution; and an LTA to announce the
3 California Consumer Price Index inflation adjustment
4 factor for 2023.

5 This concludes my report on Letters to
6 Assessors. And I'm available to answer any questions
7 you may have.

8 MR. VAZQUEZ: Seeing none, I just had one
9 quick one.

10 When you were mentioning the seven LTAs, I
11 noticed the -- I guess the one that was 2022/061, which
12 recognizes the spike in prices of goods and materials.

13 Can you go over what the appraisers do if the
14 same year the cost of prices of the same materials
15 decreased to normal levels?

16 Will the valuation be adjusted in that same
17 year.

18 MS. SCHULTZ: Okay. LTA 2022/061 is on the
19 California Consumer Price Index adjustment. And that is
20 an annual adjustment for base year values under
21 California Constitution Revenue and Taxation Code.

22 That has to be annually adjusted by the
23 October inflationary change in the CCPI that cannot
24 exceed two percent.

25 So that means that all base year values went

1 up two percent for the upcoming year.

2 MR. VAZQUEZ: But it --

3 Go ahead.

4 MR. YEUNG: If I may assist.

5 Part of the leases that we did also on our
6 LTAs, we released a couple of basically cost factors for
7 constructing residential buildings and for rural
8 buildings and for certain equipment.

9 So if the -- what we try to do is we try to
10 take into consideration all the factors that would lead
11 to either increases in cost factors or a decrease. We
12 try to take a look at them as closely as we can. We
13 scrutinize them. We've had quite a history of doing
14 such.

15 If there is a -- I believe if this is what
16 you're asking, if by time we publish it, and when they
17 actually use it to make an assessment, if inflation or
18 whatever changes goes up or down, is there an adjustment
19 for it?

20 Our guides are just that. They are guides as
21 to -- it's a snapshot in time. It's our best analysis
22 of past information and anticipation of what's going on.

23 If it turns out that inflation isn't going at
24 eight percent, and it actually decreases a little, the
25 assessors are charged with taking a look at our guides

1 and actually comparing it to local information to see
2 whether it really is representative of fair market
3 value. The goal is always to get to fair market value.

4 So our guides are just that. It is one of
5 many cost factors they can use. There's also
6 commercially available cost factors through many
7 different outlets that you can subscribe to.

8 The assessor's office takes a look at all of
9 them. They try to figure out what is actually happening
10 on the ground at the time they're making that
11 assessment.

12 MR. VAZQUEZ: No, I think you answered my
13 question. Because I was just wondering. Because a lot
14 of these are projections.

15 MR. YEUNG: They are. You are right.

16 We're taking a look at what happened in the
17 past, and we're doing our very best to make a projection
18 as to what it will be for this upcoming year.

19 MR. VAZQUEZ: And at the end of the day, the
20 assessor has that flexibility.

21 MR. YEUNG: They certainly do. And that's
22 always the goal, fair market value.

23 MR. VAZQUEZ: Thank you.

24 MR. SCHULTZ: I will now provide a brief
25 report on the BOE'S appraisal training and certification

1 program.

2 During calendar year 2022, we taught 27
3 classes, and trained a total of 710 students.

4 For fiscal year 2022-23, we have scheduled
5 33 classes, both in person and virtual.

6 In addition to these classes, we have
7 scheduled two workshops; one on mineral property, and
8 one on taxable possessory interests.

9 To date, we have completed 19 of the
10 33 classes.

11 Since the last Board Meeting, we have taught
12 three more classes and the workshop on mineral property.

13 We also continue to offer our existing online
14 training courses available through American River
15 College and California State University Sacramento, as
16 well as our online courses available on the BOE's
17 website, plus our self-study training sessions, also
18 available on the BOE's website.

19 With this combination of different types of
20 teaching formats being offered, and utilizing more staff
21 from other resources, we anticipate being able to far
22 surpass the number of courses offered, and the number of
23 students taught in recent years.

24 This concludes my report on training and
25 certification. And I'm available to answer any

1 questions you may have.

2 MR. VAZQUEZ: Oh, yes.

3 Member Gaines, go ahead.

4 MR. GAINES: Can you remind me in terms of the
5 start time for the classes?

6 Because we've got 19 of 33 completed. But as
7 of what date? When did those -- when are you recording
8 those from?

9 MS. SCHULTZ: That's as of last week. And we
10 have more -- we have one going on this week.

11 MR. GAINES: Okay.

12 MS. SCHULTZ: More scheduled in January,
13 February, March, and into April.

14 MR. GAINES: So 33 classes to be completed,
15 I'm trying to figure out the timeframe.

16 MS. SCHULTZ: That started in -- at the end of
17 July. It started in July.

18 MR. GAINES: Okay. So it's a budget calendar?
19 Are we going budget calendar?

20 MS. SCHULTZ: Yes.

21 MR. GAINES: Okay. Thank you.

22 MS. SCHULTZ: That was the fiscal year.

23 MR. GAINES: Thank you. Wonderful.

24 MR. VAZQUEZ: I think we're good. Thank you.

25 Mr. McCool, you're up.

1 MR. McCOOL: Thank you.

2 Good afternoon, Chair Vazquez and
3 Honorable Members.

4 My name is Jack McCool, Chief of the
5 State-Assessed Properties Division.

6 Today I will provide an update on the status
7 of ongoing work in our division.

8 Now that the 2022 appeals season has
9 concluded, SAPD is concentrating on preparations for the
10 2023 appraisal season.

11 Staff are currently working on the annual
12 replacement cost new factors and the percent good
13 factors, which are used in our cost approach appraisals.

14 We publish these factors each year based on
15 data collected and analyzed by our staff.

16 The factors have traditionally been published
17 as PDF documents and placed on the agency's website;
18 however, this year, in an effort to make the data more
19 readily usable for external users, we are planning on
20 placing the factors on the agency's Open Data Portal.

21 Staff are also currently compiling data for
22 this year's annual capitalization rate study.

23 Appraisers with knowledge and experience in
24 each of our industry groups are working together to
25 obtain the market data used in the study. The data is

1 analyzed by our unitary appraisers, and input from state
2 assessees is also considered.

3 While it is still early in the data-gathering
4 portion of the process, staff have already received
5 input from some state assessees, and we will continue to
6 make ourselves available to any assessee that would like
7 to share any data or thoughts on this year's study.

8 Finally, the date to file the annual property
9 statement for state assessees is March 1st. And staff
10 are already receiving extension requests from some state
11 assessees. Requests for an extension to file the annual
12 property statement must be received prior to March 1st.

13 And that concludes my report. And I'm happy
14 to answer any questions if you have any.

15 Thank you.

16 MR. VAZQUEZ: Yes, we do.

17 Vice Chair Lieber.

18 MS. LIEBER: Thank you. Just a comment.

19 I think the migration from the PDFs to the
20 Open Data Portal is really an important one from many
21 different perspectives in terms of access to the
22 web-based information, and then the usability of it
23 ultimately as well.

24 So my compliments on that.

25 Thank you.

1 MR. McCOOL: Thank you.

2 MR. VAZQUEZ: Seeing no other hands, I think
3 we're good.

4 MR. McCOOL: Thank you.

5 MR. VAZQUEZ: Thank you.

6 MR. YEUNG: That should conclude our report.

7 MR. VAZQUEZ: That concludes it.

8 Ms. Cichetti, I believe that's it for this
9 item, right? So do we need any written --

10 MS. CICHETTI: A couple more here. Have a few
11 more reports.

12 MR. VAZQUEZ: Do we need to go out to public
13 on this one?

14 MS. CICHETTI: Not yet, no. We're going to go
15 at the end of all these.

16

17 **ITEM 5g**

18

19 MS. CICHETTI: The next item on the agenda is
20 5g, Special Taxes Quarterly Report: General discussion
21 on the Special Taxes workload.

22 This matter will be presented by Ms. Renati.

23 MS. RENATI: Good afternoon.

24 Again, I'm Lisa Renati, Chief Deputy Director.

25 This month's report on the Alcoholic Beverage

1 Tax program and the Tax on Insurers program will start
2 with an overview of the recently enacted legislation for
3 the ABT program. There was no legislation for the Tax
4 on Insures program.

5 Two bills regarding the alcoholic beverage tax
6 program went into effect on January 1st, 2023. They are
7 Senate Bill 440, with Dodd as the author; and
8 Senate Bill 518, with Laird as the author.

9 SB 440 will provide an up-to-three month
10 deadline extension for the alcoholic beverage tax
11 programs, during a Governor-proclaimed state of
12 emergency, and provide penalty and interest relief,
13 regardless of whether the taxpayer has filed a request
14 for extension, or filed a statement under the penalty of
15 perjury.

16 And given the recent winter storms, this will
17 benefit many of our taxpayers, as they won't have to be
18 worried about filling out tax returns or extensions, and
19 incurring penalties, while they're trying to lessen the
20 impact from the storms.

21 Senate Bill 518 is twofold. The first aspect
22 is that it requires all alcoholic beverage tax accounts
23 to file electronically.

24 This will reduce the number of errors, and
25 help receive revenues more efficiently, as processing

1 times will decrease.

2 The second aspect is specific to the
3 winegrowers return. Starting with returns filed after
4 January 31st. All fields of the winegrower return will
5 be publicly available.

6 Taxpayers can opt out when filing, if they
7 wish for their information not to be shared.

8 Another update to report is that monthly
9 aggregate alcoholic beverage tax return data is now
10 accessible on the BOE's Open Data Portal, which can be
11 accessed through our website.

12 Placing the aggregate data on the portal
13 provides greater transparency, and allows the public
14 access to these data sets in realtime.

15 As regards to the current number of accounts,
16 there are 10,319 accounts of the alcoholic beverage tax
17 programs, which is a decrease of 34 from our last report
18 in October 2022.

19 There are 2,695 accounts in the tax on
20 insurers program, which is an increase of 3 from the
21 last report in October 2022.

22 Lastly, the total revenue for the ABT programs
23 is not ready to report, as many of the filers are on a
24 calendar year reporting basis, which has a due date of
25 January 31st.

1 Today I will provide a report on the workload
2 of our Legislative, Research and Statistics Division.

3 As you are aware, the Legislature reconvened
4 on Wednesday, January 4th. And we are tracking and
5 monitoring bills that could impact the BOE's tax
6 programs and administration.

7 Weekly reports are sent to your offices with a
8 listing of the bills and links to our analyses.

9 At the BOE's November 2022 Meeting, the Board
10 approved the three agency's legislative proposals.

11 For the alcoholic beverage tax program, we
12 have two proposals. One amends Section 32387 of the
13 Revenue and Taxation Code to authorize electronic
14 service of levies.

15 The second proposal amends Sections 32401 and
16 32440 of the Revenue and Taxation Code requiring any
17 terminations or cancellations made by the Board under
18 the alcoholic beverage tax that are in excess of \$50,000
19 to be made public for 10 days after the effective date
20 of the determination or cancellation.

21 Both of these bills increased the efficiency
22 administration of the program, and do not have any
23 fiscal impact.

24 The third proposal is a technical change
25 regarding the implementation of Proposition 19 that

1 amends Section 62.1, 62.5, and 69.4 of the Revenue and
2 Taxation Code to include references to Section 63.2
3 relating to the intergenerational transfer exclusion,
4 and 69.6 relating to the aged 55 and older disabled
5 disaster base year value transfer.

6 This is a technical proposal that clarifies
7 changes made by SB 539 into the Revenue and Taxation
8 Code, and does not have any fiscal impact.

9 We are currently working to get these three
10 proposals into bills, and will keep you informed as we
11 move forward in the process.

12 And that -- this concludes my report. I'm
13 happy to answer any questions you may have.

14 MR. VAZQUEZ: I have a couple. And I don't
15 see any other hands up.

16 One of them Mr. Yeung actually brought to my
17 attention, which you kind of touched on, AB 84, the
18 Assemblyman Ward's bill.

19 And it's my understanding that this would
20 remove the requirement that an eligible property owner
21 must receive a low-income housing tax credit, and would
22 instead allow the exemption to apply if the property is
23 subject to a legal restriction that the units designated
24 for low-income or lower-income households are
25 continuously available or occupied by lower-income

1 persons.

2 I believe this is unique community land trust
3 properties. Can you clarify that? Or maybe I probably
4 should rely on --

5 MS. RENATI: I'm going to ask Mr. Yeung to
6 come forward.

7 MR. VAZQUEZ: Yeah. Because he kind of
8 touched on it, I think. I just want to put it on the
9 record, so people -- the public can hear this.

10 MR. YEUNG: Good afternoon again,
11 Chair Vazquez.

12 David Yeung, Deputy Director.

13 That -- yes, you are correct. That bill
14 actually makes several amendments. That is one of them.

15 Right now, that specific provision is already
16 available to community land trusts. And it's also
17 available to folks that have this type of tax credit.

18 But it would make it available to everybody
19 else. So it expands that. You are correct.

20 MR. VAZQUEZ: That's good to hear.

21 And the other one wasn't mentioned here, but I
22 just want to bring it to your attention. And it's
23 SB 20.

24 And maybe Mr. Nanjo, if he -- I don't know if
25 he needs to come up. But I had the opportunity to look

1 at this, and actually have a conversation with
2 Senator Susan Rubio, who is putting this bill out. And
3 basically it's dealing with joint powers of agreements
4 on regional housing trust.

5 And it kind of touches on the possessory
6 interest law. And I know Mr. Nanjo put out an opinion
7 back on October 11th, 2022 stating that under the
8 current property tax law, billings owned by JPAs or
9 local governments that are used for low-income housing
10 are taxable. And there isn't a standard statewide.

11 I know in my county, in LA, Jeff Prang has
12 been pretty good about giving them that exemption. But
13 it's not required.

14 And in speaking to the Senator last night
15 about this, she is definitely open for amendments. And
16 I shared this with Mr. Nanjo.

17 So I'd like to see if I can ask you or one of
18 your attorneys to reach out to her attorney in the
19 Senator's office, Susan Rubio.

20 She is welcome -- she'd be open to listening
21 to legal language that you might recommend or suggest
22 that would amend her bill, that would make it uniform
23 throughout the state, and allowing or giving, I guess,
24 the opportunity, or legally, I guess, putting it out
25 there for the assessors to make sure that they're not

1 taxed if they're providing, or didn't have an exemption,
2 if they're providing low-income housing or affordable
3 housing.

4 MR. NANJO: Thank you, Chairman Vazquez.

5 Just to clarify, the opinion that I had issued
6 previously was specifically regarding JPAs that
7 possessory interest did not have to be charged by the
8 assessors to the very low-income housing or what have
9 you.

10 So that was a very narrow opinion. What
11 you're talking about is kind of the flip side of that,
12 which is making it a lot broader, and going statewide.

13 What I would recommend is if Senator Rubio's
14 attorney, or somebody on her staff, would like to send
15 something to me, we'd be happy to look at it.

16 I'm not entirely sure -- I'm not familiar with
17 the details of her bill as it stands now and what she's
18 trying to get it to. So we can look at that, and maybe
19 collaborate along those lines.

20 MR. VAZQUEZ: Well, the reason I'm kind of
21 putting it on our lap is that, well, first of all, she's
22 not an attorney, so she doesn't understand the issue.
23 And when I was talking to my understand from my office,
24 Kris was mentioning that I think this is an opportunity,
25 if she was open to it, for us to suggest some language

1 that would make it uniform throughout the state.

2 Because it's my understanding, for example, we
3 have, like, Orange County is not adhering to even your
4 narrow LT -- or your letter that you put out back in
5 October 11th versus LA County is. So it's pretty much
6 left open.

7 And I had shared it with her, I said --
8 because she's actually interested in trying to make this
9 uniform throughout the state, and really to incentivize
10 for those that are interested in -- developers that are
11 trying to do the right thing and provide this affordable
12 housing.

13 So I think she was looking more for us to give
14 her some language that she could possibly use to amend
15 her bill.

16 MR. NANJO: Okay. What I would recommend is,
17 if you don't mind, maybe I could work with the
18 Executive Director, and we can work with your office.

19 MR. VAZQUEZ: With Kris. Sure. That'd be
20 perfect.

21 MR. NANJO: Yeah. And try to put a little
22 more structure around this. Because it's kind of an
23 open-ended thing right now.

24 MR. VAZQUEZ: I'd appreciate it.

25 MR. GAINES: If I could.

1 MR. VAZQUEZ: Sure.

2 Go ahead, Member Gaines.

3 MR. GAINES: My thought would be maybe you
4 could draft something in bullet form that would describe
5 generally what we want to achieve, and it could go to
6 Leg. counsel.

7 They would review it. They would analyze the
8 language, and hopefully have the correct language that
9 would -- you know, you could take that Leg. language,
10 take a look at it and see if that's what we're trying to
11 achieve.

12 Member Lieber's aware of that, too. Yeah.

13 MR. NANJO: The other point I would probably
14 like to raise, at this point, is we'd probably be remiss
15 if we didn't touch base with the California Assessors'
16 Association. Because if, for some reason, they have
17 some issues, we'll want to address those as well before
18 we take language to Senator Rubio.

19 MR. VAZQUEZ: No, you're right. And you did
20 mention that, and I forgot to mention that. We should.

21 MR. NANJO: Not a problem.

22 MR. VAZQUEZ: Because I think, at the end of
23 the day, hopefully we can come up with some language.

24 And I'll have this conversation also with my
25 Vice Chair on this to put forth and at least bring it to

1 your attention. And then, like you mentioned, we'll
2 reach out to the leadership within the Assessors'
3 Association. And hopefully they're comfortable with the
4 language we come up with.

5 MR. NANJO: All right. Thank you.

6 MR. VAZQUEZ: Thank you.

7 Vice Chair.

8 MS. LIEBER: Mr. Chair, before you go on,
9 could you repeat the number of the Assembly Bill that
10 you raised right before SB 20?

11 MR. VAZQUEZ: Oh, before? It was AB 84.

12 MS. LIEBER: Okay.

13 MR. VAZQUEZ: And it's by Assemblyman Ward.

14 MS. LIEBER: Thank you.

15 MR. VAZQUEZ: Seeing no other hands, I think
16 we're good.

17 You did a great job. I know you're filling in
18 right now. So I didn't want to put you on the spot.

19 MS. RENATI: Luckily, I have Dave.

20 MR. VAZQUEZ: Great pinch hitter.

21 Okay. Ms. Cichetti, are we --

22 MS. CICHETTI: We're ready to take a public
23 comment on the Executive Director matters.

24 So we did not receive any written comments,
25 and we have no one in the auditorium who would like to

1 make a public comment. So we're going to go to the AT&T
2 moderator.

3 AT&T moderator --

4 AT&T MODERATOR: Thank you.

5 MS. CICHETTI: Thank you.

6 AT&T MODERATOR: I do apologize.

7 If you do have a comment from the phone, it is
8 one, then zero at this time.

9 And there are no lines in queue.

10 MS. CICHETTI: Thank you.

11 MR. VAZQUEZ: With that, Ms. Cichetti, if we
12 could just continue on our next item.

13

14 **ITEM 6**

15

16 MS. CICHETTI: So our next item is the Item 6,
17 Board Member Requested Matters.

18 MR. VAZQUEZ: Yes.

19 Actually, I'd like to see if we could put all
20 three of those together. We had three items that
21 actually I put on the agenda. And at the request of our
22 new Controller, I wanted to see if I could make a
23 motion, and see if it's fine with the Members to
24 postpone this until February, where she can also
25 participate, and actually add to -- which she actually

1 helped in many of these items.

2 MR. SCHAEFER: I would so move.

3 MR. VAZQUEZ: Okay. Great.

4 MR. EMRAN: Second, please.

5 MR. VAZQUEZ: It's been moved and second.

6 Do we need to get any --

7 MS. CICHETTI: Take a vote? Yes.

8 MR. VAZQUEZ: We don't need to go out to the
9 public --

10 MS. CICHETTI: Yes, we will go out to the
11 public. Yes. I apologize.

12 We have no one in the audience who has a
13 public comment for this, and I have not received
14 anything in writing.

15 AT&T moderator, is there anyone on the line
16 who would like to make a public comment regarding this
17 item?

18 AT&T MODERATOR: And we have no lines in
19 queue.

20 MS. CICHETTI: All right. Thank you.

21 MR. VAZQUEZ: Thank you.

22 And just for the record, so it's been moved
23 and second to postpone this item until our February
24 meeting.

25 And let me just also mention that I wanted to

1 thank Member Gaines. Because I know he also had some
2 folks that were prepared to speak today as well, for
3 your patience on this.

4 And with that, I will ask for roll call.

5 MS. CICHETTI: Okay.

6 Chair Vazquez.

7 MR. VAZQUEZ: Aye.

8 MS. CICHETTI: Vice Chair Lieber.

9 MS. LIEBER: Aye.

10 MS. CICHETTI: Okay.

11 Member Gaines.

12 MR. GAINES: Aye.

13 MS. CICHETTI: Member Schaefer.

14 MR. SCHAEFER: Aye.

15 MS. CICHETTI: Deputy Controller Emran.

16 MR. EMRAN: Aye.

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

19 So that will be on our agenda for the
20 February. And I'll get together with staff and see
21 where we would put it on the agenda. Because I'm sure
22 some of it will be dictated depending on the
23 Controller's schedule as well.

24 MS. CICHETTI: Perfect.

25 MR. VAZQUEZ: With that, Ms. Cichetti, what is

1 our next --

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CLOSING REMARKS

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5 MS. CICHETTI: Our last item is Closing
6 Remarks.

7 MR. VAZQUEZ: And I know we have several here.

8 Let me start with just -- I'll open up with
9 the first one, which we kind of touched on in our
10 opening remarks. Well, actually, I didn't -- actually,
11 our Executive Director did.

12 And I just wanted to mention as we close out,
13 as we adjourn this meeting, I wanted to adjourn it in
14 memory and honor of the -- now we're up to 11 lives for
15 the Monterey Park shooting that just took place.

16 And I would like to also include the 7 that
17 also took place last night in Moon Bay last night. And
18 I believe that was 7.

19 And also in -- as we adjourn in the memory --
20 I'd like to also include in the memory of
21 Dr. Martin Luther King, which was mentioned in our
22 Executive Director's opening remarks.

23 You know, sometimes we forget. It's been, I
24 think it's been 50 years now. It's been 50 years since
25 he was assassinated.

1 And while we continue to celebrate and honor
2 his legacy -- I know there were several events going on
3 last week in many of our districts throughout the state
4 of California. I was fortunate enough to participate in
5 several in the LA County area.

6 I'm always moved and touched by the new and
7 young generation that's continuing to support his
8 legacy, you know, for what he stood for, and what he
9 did.

10 And people forget that, you know, he was a
11 Nobel Prize, Peace Prize recipient back in 1964, at a
12 very young age.

13 And so I'd like to also adjourn in his honor.

14 And with that, let me -- I know there's
15 several people.

16 Let's start with Member Schaefer.

17 MR. SCHAEFER: Well, we've had the sad
18 adjournments. I have some happy adjournments.

19 We have four people we know that have
20 birthdays today. Neil Diamond of Sweet Caroline;
21 Yakov Smirnoff, who I got to know when I was married to
22 a Russian girl. We used to go meet up with him.

23 Guy Fieir, who is the great restaurateur; and
24 Ernest Borgnine, who we know from The Catered Affair.

25 Happy birthday to all of them.

1 MR. VAZQUEZ: I thought it was McHale's Navy.

2 MR. SCHAEFER: That too.

3 MR. VAZQUEZ: I guess we're dating ourselves
4 here.

5 I thought -- oh, Vice Chair.

6 MS. LIEBER: Sure.

7 While I very much appreciate you recognizing
8 those who are lost and also injured in Half Moon Bay, as
9 well as the first-responders who responded to both of
10 the scenes in California, and the law enforcement who
11 took down the shooter in Half Moon Bay, and the
12 survivors and the caregivers.

13 Because I work extensively with families of
14 gun-crime survivors. And they, too -- it changes their
15 lives profoundly. And in many cases makes them
16 full-time caregivers for the rest of their lives as
17 well.

18 And then I would be remised in not recognizing
19 that Holocaust Remembrance Week occurs later this week.
20 And it's such a mark on our world history, and so many
21 lessons that we are still unpacking through that.

22 And, again, I think the next generation has
23 really given meaning to it, and taking the message of
24 what happened, and really relating it to the current day
25 events.

1 It's very profound to see how evolved and
2 engaged and compassionate and understanding the next
3 generation are. And it really -- it really gives me
4 hope for the future.

5 So thanks so so much.

6 MR. VAZQUEZ: Thank you.

7 Seeing no other -- oh, Deputy Controller.

8 Go ahead.

9 MR. EMRAN: Thank you, Chairman.

10 It's been a very tough few weeks here in
11 California, from the tragedies of gun violence to the
12 floodings that have occurred, where I believe it was
13 21-plus lives being lost.

14 I do believe in these moments of tragedy,
15 California showed their resilience, sticking together,
16 and keeping their head high.

17 And all of us being shoulder to shoulder and
18 standing united against hate and bigotry. And also
19 lending a helping hand where needed to our neighbors,
20 our family, and our friends.

21 And it's just my hope that -- and I do know
22 that better days are ahead. And really just my thoughts
23 and prayers, again, for all the families and loved ones
24 that were affected by those flooding and tragic mass
25 shootings.

1 Thank you.

2 MR. VAZQUEZ: Thank you all.

3 And I believe, with that --

4 Oh, yes. I'm sorry.

5 Member Gaines, go ahead.

6 MR. GAINES: Thank you. Wonderful.

7 Yeah. I just wanted to take this opportunity,
8 also, in recognition of Martin Luther King, that we
9 celebrated this month, his life, and his many famous
10 quotes.

11 And I'd like to just recite one of his many
12 famous quotes. And that is, "Faith is taking the first
13 step even when you don't see the whole staircase."

14 And he was a man of faith, and he had a
15 vision. And he sustained a great movement for equality
16 and justice, and reshaped our country.

17 And so let us continue to work together to
18 build a better tomorrow, and help make California golden
19 for everyone.

20 In addition, I'd also like to recognize today,
21 because it marks the 58th anniversary of the death of
22 Winston Churchill. A man of the 21st century to so many
23 people, and a hero to the English, and everyone who
24 battled the Nazi and Axis powers in World War II to
25 bring to an end the horrible Holocaust.

1 Churchill was a soldier, statesman, war
2 correspondent, author, a wit, artist, and he played a
3 primary role in England's history for half a century.

4 But he's best remembered as the rock upon
5 which England leaned on during the darkest early days of
6 the war, when the Nazi menace blitzed through Europe and
7 defeat loomed over the continent.

8 To the House of Commons in his first speech as
9 prime minister, Churchill, the brilliant orator,
10 delivered one of his many speeches that echo through
11 time.

12 And let me quote, I would say to the House,
13 that I have nothing to offer but blood, toil, tears and
14 sweat.

15 We have before us an ordeal of the most
16 grievous kind.

17 You ask, 'What is our policy?' I will say, it
18 is to wage war, by sea, land, and air, with all of our
19 might and all of the strength that God can give us; to
20 wage war against this monstrous tyranny, never surpassed
21 in the dark lamentable catalog of human crime.

22 That is our policy.

23 You ask, 'What is our aim?' I have an answer
24 in one word. It is victory. Victory at all costs,
25 victory in spite of all terror, victory, however long

1 and hard the road may be; for without victory, there is
2 no survival.

3 Always a fierce opponent of the ill-conceived
4 appeasement of Germany. The far-seeing Churchill was
5 right in his assessment and memorable in his delivery.

6 England did not fold. They held on with great
7 sacrifice and heroic courage until the United States'
8 entrance into the war, where the collective strength of
9 the allies, over several brutal and tragic years,
10 overcame the access and relegated Hitler and the Nazis
11 to history's shameful memory.

12 I celebrate his amazing life.

13 And then, finally, I just would like to
14 adjourn in memory of a family friend, Melena Ose.
15 Really known as Mel Ose. And I'd like to adjourn in her
16 memory.

17 She passed away recently after a long and
18 active and well-lived life. She was so involved in the
19 Sacramento area charities and community groups. It's
20 really hard to believe how active she was.

21 She served as a founding member of the
22 Sacramento Regional Community Foundation Board of
23 Directors, shared the Capital Public Radio Board,
24 served on a Crocker Art Museum Investment Committee, and
25 was the President of the Fremont Presbyterian Church

1 Women's Group, and served on the grand jury.

2 She was a general philanthropist in the
3 region, giving to the Crocker Art Museum, the Sacramento
4 State University, McGeorge School of Law, KVIE
5 Capital Public Radio, and the Sutter Medical Center.

6 And this is just a small slice of how she
7 spent her time and her money to strengthen Sacramento.

8 She traveled all over the world, and was
9 married to Enlow Ose for more than seven decades. She
10 raised four children, including Congressman Doug Ole.

11 I grew up just down the street from her and
12 her father, and know she was a great woman, mother,
13 wife, and community leader.

14 May God bless Mel Ose, her family, and the
15 many thousands of people whose lives she touched, and
16 who will miss her dearly.

17 Thank you so much for your patience.

18 MR. VAZQUEZ: Thank you for sharing that.

19 And, you know, when you mentioned that, I
20 was -- forgot about -- and I'm sure many of you have
21 heard his music, you know, David Crosby. We lost him as
22 well.

23 I had the opportunity to meet him a few years
24 back. Because he did a benefit concert for our school
25 district, for our Ed Foundation. And my daughter didn't

1 know who he was, but actually performed with him. And
2 when I was sharing some of my old albums with her, she
3 didn't realize the talent this man had.

4 And he was very giving. Not only
5 philanthropically, but just socially in a lot of
6 movements.

7 And he had an impact on me as a college
8 student back in the day. And I'm sure many of you
9 experienced not only his movement, but also his music.

10 And he will be greatly missed. So I wanted to
11 include him in our adjournment today.

12 With that, if there's no others, we stand
13 adjourned at 2:44.

14 The next meeting will be in February.

15 Do we know the dates?

16 MS. CICHETTI: Yes, we do. February 22nd
17 and 23rd. Which is a Wednesday and Thursday, because
18 Monday is a holiday.

19 MR. SCHAEFER: Are we really going to meet
20 both days? I know we were scheduled today, and all the
21 internets, for a two-day meeting, and it was a one-day
22 meeting.

23 I think that might be a little misleading for
24 someone that's going to come to Sacramento the second
25 day, and find out we're not here.

1 MS. CICHETTI: I believe we make notice that
2 we're canceling the second day on the website.

3 And we'll work with the Chairman to see if, in
4 fact, how quickly he wants to adjust the days.

5 MR. SCHAEFER: Right. And of course so we
6 don't incur expenses --

7 MS. CICHETTI: Correct. Correct.

8 MR. VAZQUEZ: Definitely noted. Thank you.

9 With that, we stand adjourned.

10 Thank you all.

11 (Whereupon the 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 January 24, 2023, 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 192 constitute a complete and accurate transcription of the shorthand writing.

Dated: March 14, 2023



JILLIAN SUMNER, CSR #13619
Hearing Reporter