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

FEBRUARY 22ND, 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:

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Executive Director

Henry Nanjo
Chief Counsel
Legal Department

Jack McCool
Chief
State-Assessed Properties Division

Sonya Yim
Tax Counsel
Legal Department

David Yeung
Deputy Director
Property Tax Department

Lisa Renati
Chief Deputy Director

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APPEARANCES CONTINUED

Peter Kim
Chief Communications Officer

Lisa Thompson
Chief
Taxpayers' Rights Advocate Office

Glenna Schultz
Principal Property Appraiser
County-Assessed Properties Division

Mary Cichetti
Clerk
Board Proceedings Division

Guest Speakers:

Erika Li
Chief Deputy Director
Budgets
California Department of Finance

Christina Wynn
Assessor
Sacramento County
Vice President
California Assessors' Association

Jon DeVille
Assessor
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Public Speakers:

Claude Parrish
Assessor
Orange County

Paul Ballard
Orange County Resident

Michael Hannah
Real Property Division Manager
Orange County Assessor's Office

Gary Hunter
AVP Tax
AT&T

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STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO
FEBRUARY 22, 2023

---oOo---

MR. VAZQUEZ: Good morning all.

It looks like we have a quorum here, and I believe we're all ready to get started. It's 10:06.

So if I could have Ms. Cichetti please call the roll.

MS. CICHETTI: Chairman Vazquez.

MR. VAZQUEZ: Present.

MS. CICHETTI: Vice Chair Lieber.

MS. LIEBER: Here.

MS. CICHETTI: Member Gaines.

MR. GAINES: Here.

MS. CICHETTI: Member Schaefer.

MR. SCHAEFER: Here.

MS. CICHETTI: Deputy Controller Emran.

MR. EMRAN: Present.

MR. VAZQUEZ: So we do have a full party here.

With that, let me call the meeting to order.

And we will start with our Pledge of Allegiance.

If I can get everybody to please stand, those that can.

1 (Whereupon the Pledge of Allegiance was
2 recited.)

3 MR. VAZQUEZ: With that, Ms. Cichetti, if you
4 would please call our first item of business.

5 MS. CICHETTI: Good morning.

6 MR. VAZQUEZ: Good morning.

7 MS. CICHETTI: Our first order of business is
8 an informational announcement.

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

12 Public comment is taken on each agenda item.
13 The public will be invited to comment during the matters
14 before the Board.

15 If there are any members of the public wishing
16 to speak before the Board on any agenda item in person,
17 we ask that you complete and submit to the sergeant of
18 arms a "public comment appearance" sheet located at the
19 entrance of the auditorium.

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

24 If you intend to make a public comment today
25 using the AT&T moderator, we recommend dialling into the

1 meeting on the teleconference line prior to the
2 beginning of the agenda item you wish to make a comment.

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

6 When giving a public comment, please limit
7 your remarks to three minutes.

8 The order that the Board identifies public
9 comments at the conclusion of each agenda item is as
10 follows:

11 I will first identify any public comment
12 requests that have been received by the Board
13 Proceedings staff in the auditorium. Then, I will
14 identify any public comments with the AT&T moderator.
15 And, lastly, we will read into the record any public
16 comments received in writing in advance of today's
17 meeting.

18 This concludes the informational announcement.

19 Thank you.

20 MR. VAZQUEZ: Thank you.

21 With that, Members, I'd like to open up our
22 meeting today in recognition of Black History Month,
23 which was -- which would acknowledge the Black Americans
24 important role in our shared history, and our
25 accomplishments and contributions in every area of our

1 endeavors.

2 This month we celebrate ongoing efforts of
3 Black Americans who have contributed to more fair and
4 inclusive society that realizes its full promise for
5 all.

6 And I know we had some opening remarks on it
7 at our last meeting. But I just wanted to, since we're
8 coming to the end of Black History Month in February,
9 wanted to also just acknowledge that and bring it to
10 everybody's attention. Especially for the viewing
11 audience.

12 And with that, let me open it up and see if
13 there's some comments from some of our Members.

14 We have our Deputy Controller.

15 MR. EMRAN: Thank you, Chairman, for
16 recognizing Black History Month.

17 Throughout the month of February, millions of
18 Californians have the opportunity to gather and
19 celebrate Black History Month.

20 The rich history of Black Americans extends
21 far beyond the traditional month of February.
22 Year-round we acknowledge and celebrate the
23 contributions of the African-American culture and
24 traditions, which helps paint a fuller picture of the
25 history of our nation.

1 This year's theme, "Black Resistance,"
2 highlights the profound legacy of many African-American
3 heroes who rose up against discrimination, violence and
4 oppression.

5 We honor their sacrifice, bravery and strength
6 to overcome many obstacles; however, the work for a more
7 equal and just society is not done. The pursuit for
8 equal opportunity, fair housing, equitable education,
9 impartial mortgage lending, greater political
10 representation, and so much more is ever-present.

11 The will and determination of Black Americans
12 to continue to make a way, not only for themselves, but
13 also for the millions of women, refugees, immigrants,
14 and other historically marginalized communities to
15 believe in the right to life, liberty, and the pursuit
16 of happiness; ideals that remain at the core of American
17 democracy.

18 With the tragic death of Tyre Nichols still
19 heavy in our hearts and minds, there remains plenty of
20 work to continue systematic racism head-on, and
21 protecting the rights and safety of Black Americans.

22 I stand with the Controller in continuing to
23 fight to break down the barriers to equality, equity and
24 justice for all.

25 In the midst of struggle, there lies an

1 opportunity to create the type of impactful and positive
2 change that will last forever.

3 This year, on what would have been Dr. Martin
4 Luther King, Jr.'s 94th birthday, I end with his
5 infamous quote, "Change does not roll in on the wheels
6 of inevitability, but comes through continuous
7 struggle."

8 Thank you.

9 MR. VAZQUEZ: Thank you for those opening
10 remarks.

11 Is there any other Member that wants to chime
12 in?

13 Seeing and hearing -- oh, yes, Ms. Lieber.

14 Member Lieber.

15 MS. LIEBER: Thank you, Mr. Chair.

16 While I very much appreciate the remarks that
17 have been made, I think that our U.S. history would not
18 be the same without recognizing our Black history as an
19 essential part of it. And it's a history that is still
20 being written.

21 And there are so many people who make up the
22 promise of California who are a part of writing that
23 history. And so I look forward to their contributions
24 ongoing as part of our state.

25 MR. VAZQUEZ: Thank you, Vice Chair Lieber.

1 And you're so correct and so on point.
2 Because now, finally -- I believe it was last session,
3 the Legislature finally is going to require ethnic
4 studies in our schools, in our public schools.

5 So like you mentioned, I mean, I'm learning so
6 much more about Black history than was ever taught when
7 I was going to school. And we're learning more and
8 more, not only about their contributions, but how it
9 impacted our lives and our own history.

10 So looking forward to that.

11 Yes, Member Schaefer.

12 MR. SCHAEFER: Yes. Thank you, Chair.

13 While history is being made, recently lots of
14 Black progress, we've had our first Black woman ever
15 appointed to the Supreme Court of the United States, who
16 is doing a fine job.

17 We have our Governor to appoint a Black woman
18 to the U.S. Senate if a vacancy should come up.

19 I'm an ex-prosecuting attorney, and I'm always
20 in support of whatever the police are doing. But I,
21 frankly, am pleased to see rogue policeman being
22 prosecuted and held accountable for misconduct. I think
23 that elevates the quality of all law enforcement.

24 And I was surprised to find that we still had
25 a lot of racism in our country, until I saw the movie

1 the "Green Book," which came out about 1918 about the
2 difficulty that Black people had staying in hotels and
3 motels around the country. That was part of our life in
4 the 1960s.

5 And I'm very proud to say that when I was in
6 the hotel business, the Chamber of Commerce told me they
7 had 20 Black musicians coming to Catalina Island, and
8 none of the hotels there owned by a certain one owner
9 had any rooms to rent at all.

10 And I gave them 20 rooms at rack rates of
11 20, 30 dollars, and made them very happy. And I found
12 out it was Count Basie and his orchestra that were
13 coming to town.

14 So I'm very proud to have been part of
15 participating in the wonderful progress being made back
16 then and today.

17 Thank you.

18 MR. VAZQUEZ: Thank you.

19 With that, I see no other hands.

20 Ms. Cichetti, if you would please call our
21 first item.

22

23

ITEM C

24

25 MS. CICHETTI: Okay. Good morning.

1 First item on our agenda is Item C, Public
2 Hearing.

3 Item C1, Property Taxes - State Assesseees'
4 Presentations on Capitalization Rates and Other Factors
5 Affecting Values; Cla, state assesseees' and our
6 representatives' presentations on capitalization rates
7 and other factors and procedures affecting fiscal year
8 2023-24 property values of California public utilities,
9 railroads, and pipelines.

10 This matter will be introduced by Mr. McCool.

11 MR. McCOOL: Thank you.

12 Good morning, Chair Vazquez and Honorable
13 Members of the Board.

14 My name is Jack McCool, Chief of the
15 State-Assessed Properties Division.

16 I am here to introduce the state assesseees'
17 presentations on capitalization rates and other factors
18 affecting value.

19 Under Property Tax Rule 903, the Board
20 provides state assesseees with the opportunity to make
21 public informational presentations regarding the
22 valuation of their unitary property.

23 These presentations are informational and do
24 not require any Board action.

25 I am not aware of any state assesseees that are

1 planning on making that presentation today; however, I
2 will note that the State-Assessed Properties Division
3 staff have met with state assessees already this year to
4 discuss matters relating to the upcoming valuation
5 season, and we have additional meetings scheduled this
6 month.

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

10 That concludes my presentation for this item.

11 Thank you.

12 MR. VAZQUEZ: Thank you, Mr. McCool.

13 Seeing no hands, Ms. Cichetti, do we have any
14 public -- any written comments?

15 MS. CICHETTI: We have no written comments,
16 and no one has said that they wanted to make a
17 presentation within the auditorium.

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

19 MR. VAZQUEZ: Thank you.

20 MS. CICHETTI: AT&T moderator, please let us
21 know if there's anyone on the line who would like to
22 make a public comment on this item.

23 AT&T MODERATOR: Ladies and gentlemen on the
24 phones, to make a comment on this item, please press
25 one, then zero on your phone's keypad at this time.

1 An operator will gather your name and place
2 you in queue, and wait for your name to be called to
3 give your comment.

4 Once again, to queue up for comments, press
5 one, zero, please.

6 Madam Chair, we have no commenters queueing
7 up.

8 MR. VAZQUEZ: Thank you.

9 Members, unless I -- I see no questions or
10 comments. And like Mr. McCool mentioned, no action is
11 required or motion.

12 So with that, we will move on.

13 Ms. Cichetti, if you would please call the
14 next item.

15

16 ITEM C1b

17

18 MS. CICHETTI: The next item is C1b, private
19 railroad car assessees' and other representatives'
20 presentations on factors and procedures affecting fiscal
21 year 2023-24 taxable values of private railroad cars.

22 This item will be introduced by Mr. McCool.

23 MR. MCCOOL: Thank you.

24 Chair Vazquez and Honorable Members of the
25 Board, today's agenda also provides private railroad car

1 taxpayers an opportunity to make public presentations to
2 the Board on factors affecting the taxable values of
3 private railroad cars.

4 I am not aware of any private railroad car
5 assessees that are making presentations today; however,
6 their annual property statements are due on April 30th.

7 And staff will continue to make themselves
8 available should any assessees wish to discuss any
9 matters.

10 Thank you.

11 MR. SCHAEFER: I'd like to --

12 MR. VAZQUEZ: Thank you, Mr. McCool.

13 Looks like we have a couple hands here.

14 So let me start with Member Gaines, then we'll
15 go with Member Schaefer.

16 MR. GAINES: Yeah.

17 Thank you, Mr. McCool, for bringing this issue
18 up on the agenda.

19 And I was wondering if maybe you could just
20 briefly give an overview in terms of how valuation is
21 determined on railroad cars.

22 You had mentioned, you know, it's number of
23 days that the car is in the state of California. And so
24 I just thought for the benefit of the public, that would
25 be helpful.

1 MR. McCOOL: Sure.

2 For private railroad car tax, it is
3 essentially a tax on freight cars that are physically
4 present in the state of California.

5 So we have voluminous reports of each railcar,
6 which each railcar has a unique railcar number. And
7 those cars are tracked on the number of days they are
8 physically present in California.

9 We also receive reports from our assessees in
10 the annual filing due date of April 30th that describe,
11 you know, how old each car is, what type of car it is.

12 So for the valuation of private railroad cars,
13 it is much more formulaic laid out in statute than, for
14 example, our state-assessed properties valuations are.

15 So it is basically the reporting filed by the
16 assessees for the cost of each railcar depreciated, and
17 then the factor of how many equivalent car days present
18 in the state of California.

19 So there's much less of an appraisal judgment
20 in our private railroad car assessments compared to our
21 state-assessed assessments.

22 MR. GAINES: Great. Thank you.

23 Is there any correlation between the number of
24 days and number of railroad cars in the state of
25 California to economic growth?

1 Or -- I'm just curious as to if there's more
2 material being moved, is there any correlation to what's
3 happening in the economy?

4 MR. McCOOL: I would say certainly there is.

5 The more -- the stronger the economy is,
6 typically the more goods shipped across the country, and
7 we will see the number of car days increase on our wall.

8 As part of the our annual recommendation to
9 the Board for the private railroad car tax, one of items
10 we do present is the number of equivalent car days.

11 And we have seen, for example, most recently
12 during the COVID-19 pandemic, we did see a drop in the
13 number of car days. Which reflects the fact that there
14 was a shutdown in the economy for a period.

15 And we did see a little bit of a rebound last
16 year. And it will be interesting to see, but I would
17 expect we would see a little bit more of an increase
18 this year.

19 MR. GAINES: Wonderful. Thank you.

20 MR. McCOOL: Of course.

21 MR. VAZQUEZ: Member Schaefer.

22 MR. SCHAEFER: Yes.

23 Mr. McCool, you mentioned that's primarily
24 freight cars that we tax. So when I think of railroads,
25 I think of passenger vehicles, which I ride in, and

1 private railroad cars that some wealthy investors own;
2 is it 90 percent freight, or more than that?

3 And I'd also like another question. How many
4 freight cars do you think you could hook together at one
5 time?

6 I've seen dozens, you know. You wonder, could
7 you have 50 or 100? Sometimes you have to wait a
8 half-hour, you know, at a road opening.

9 MR. McCOOL: Yeah.

10 So just to create a distinction, for some of
11 our larger railroad state assessees, such as Union
12 Pacific and BNSF Railway, those railroad-owned railcars
13 are part of our state assessment. So for the private
14 railroad car tax, those cars have already been captured
15 in our unitary assessment.

16 So we're talking about private railroad cars.
17 As far as freight cars go, yes, it's 99.9 percent are
18 related to some sort of freight operation.

19 Whether -- the private passenger cars, there's
20 very, very few of those. And I don't know that we have
21 any of those in our private -- in our private railroad
22 car assessment. I'm not aware of any of those that are
23 currently in our assessment.

24 MR. SCHAEFER: Do you know how many cars can
25 hook up at one time?

1 MR. McCOOL: It seems limitless sometimes.

2 But I do not have an exact number, no.

3 MR. SCHAEFER: Thank you.

4 MR. McCOOL: Of course.

5 MR. VAZQUEZ: Thank you.

6 I just had one quick question. And it's more
7 of a comment, Mr. McCool.

8 First of all, I know you mentioned that you
9 work with the assesseees throughout the year to give them
10 plenty of opportunities to meet with your team, or if
11 they have any concerns or questions. And I just wanted
12 to commend you and your team for doing that. I think it
13 really shows the fact that you do your due diligence on
14 this.

15 And the only thing I was wondering is that, I
16 know the Internet now in some ways, you know, is -- it
17 helps in terms of making contact with a lot of the
18 individuals. And I was wondering, on our website, do we
19 leave a place for comment or concerns without waiting
20 for -- you know, so they don't have to wait until
21 February or April to reach out?

22 MR. McCOOL: The Property Tax Department does
23 have a direct e-mail address. So it would be a general
24 department-wide inbox, that there's handful of our staff
25 who are responsible for responding, or, better yet,

1 routing the e-mails to the appropriate person based on
2 the topic. So we do have that for the public to
3 utilize.

4 And I would say specifically for the
5 State-Assessed Properties Division, we do publish an
6 annual newsletter that is sent to our state assesses,
7 and is also on our website. And that does have a page
8 of listing for key personnel by topic.

9 MR. VAZQUEZ: Thank you.

10 MR. McCOOL: Of course.

11 MR. VAZQUEZ: Seeing no other hands or
12 comments, there's no motion required on this. It's just
13 informational.

14 So I will turn it back over to Ms. Cichetti,
15 if you have --

16 MS. CICHETTI: Thank you, Mr. McCool.

17 To accommodate our speaker from the Governor's
18 Budget Office, can we skip to another item here, so we
19 can take them out of order?

20 MR. VAZQUEZ: Sure.

21 MS. CICHETTI: Is that okay?

22 MR. VAZQUEZ: Not a problem.

23 Do we know what time they're going to reach
24 us?

25 MS. CICHETTI: They're already here.

1 MR. VAZQUEZ: Okay.

2 So we'll begin.

3

4 **ITEM K1**

5

6 MS. CICHETTI: This item is K1, Executive
7 Director's Report; K1c is this item, Overview of
8 Governor's Proposed Budget: Overview of the Governor's
9 2023/24 budget.

10 This item is presented by Ms. Stowers, but she
11 is doing an introduction.

12 MS. STOWERS: Good morning, Members.

13 Yvette Stowers, your Executive Director.

14 I am so pleased to introduce Ms. Erika Li from
15 the Department of Finance, the Deputy Director for
16 Budgets.

17 She is going to give you guys a more overview
18 of the Governor's proposed budget for 23-24.

19 As you know, I provided you with a high level
20 last month, and the Controller's Office, under
21 Mr. Emran's leadership, was able to secure Ms. Li.

22 Ms. Li.

23 MS. LI: Thank you.

24 Good morning, Chairman Vazquez, Vice
25 Chair Lieber, and Honorable Members of the Board.

1 Erika Li with the Department of Finance.

2 And thank you very much for the invitation to
3 come and present the Governor's Budget to this body.

4 California enters 2023 in a very different
5 economic and fiscal landscape than the previous two
6 years.

7 The last two budgets included surpluses of
8 about one hundred billion each. But this year, we're
9 looking at revenue decreases of about 29.5 billion. And
10 after transfers and adjustments, we're facing a
11 \$22.5 billion dollar budget deficit.

12 This is -- the Governor's Budget is a
13 \$297 billion dollar all-funds expenditure plan, of which
14 223.6 billion is general fund.

15 So still very big, but in comparison to where
16 we thought we would be at the 2022 budget, we are
17 looking at a \$22.5 billion dollar budget deficit.

18 Now, California is used to the ups and downs
19 caused by our progressive tax system, which has a
20 reliance on the personal income taxes of high-income tax
21 earners, as well as capital gains revenues.

22 So not surprisingly most of the downward
23 revision that we are seeing, we are forecasting in the
24 Governor's Budget, again, when compared to the Budget
25 Act, is due to about \$25 billion dollars in reduced

1 personal income taxes.

2 While we are up against a decline in revenues,
3 this is really more of a moderation. If you look back a
4 couple years, we are trending to where we would be.
5 But because the last two years have been -- we've seen
6 such significant revenue increases, this does feel quite
7 painful.

8 Despite our revenue decline or decreases, we
9 are actually better positioned now than we have ever
10 been to handle a slow down.

11 And this is largely due to Proposition 2,
12 which the voters passed in 2014. California now
13 annually must set aside 1.5 percent of general fund
14 revenues and transfers, as well as all capital gain
15 revenues in excess of eight percent of general fund tax
16 proceeds. So this goes into our Rainy Day Fund.

17 Additionally, we have been building in budget
18 resilience over the past several budgets. We've built
19 strong reserves, as mentioned. We made supplemental
20 deposits in both the Rainy Day Fund, as well as our
21 health -- our Safety Net Reserve Fund.

22 We've included inflationary adjustments in the
23 out years to hold funds in case of cost increases.
24 We've paid cash to reduce our long-term liabilities on
25 capital projects. And, very importantly, we allocated

1 the revenue surplus that I mentioned earlier, that those
2 discretionary funds on one-time expenditures versus
3 ongoing, knowing that they were only one-time forecasted
4 funds coming in.

5 So all of these measures are really important
6 to have included in our budget, because they help
7 mitigate the need for cuts now. And particularly to our
8 health and safety net programs, which were frankly
9 devastated during the Great Recession.

10 And they also help protect some of the
11 investments that we've made over the past several
12 budgets.

13 So how do we solve for the \$22.5 billion
14 dollar budget deficit? Let me just walk you through
15 some of the buckets that are laid out in the Governor's
16 Budget.

17 The largest is funding delays. So we have
18 about 7.4 billion-worth of delays. And what this means
19 is that we've continued to prioritize these proposals or
20 these programs, but they may start a year later, or they
21 may take longer to implement, so that we can save some
22 of those dollars in the budget year.

23 And it essentially means that all the funds
24 that we allocated for these programs remain in tact,
25 they're just spent over a different number of years.

1 The second bucket is reductions or pull-backs
2 equaling 5.7 billion. And the two significant items I
3 want to point out here are three billion dollars of an
4 inflationary adjustment that we put into next year's
5 budget year. We're pulling three billion back.

6 And then the second one is about -- it's
7 750 million. It was a payment towards a UI trust fund
8 debt that we have.

9 So those are the two biggest ones in the
10 reduction and pull-back bucket.

11 The third bucket is fund shifts. And
12 essentially what we have been doing is, in last year's
13 budget, as I mentioned earlier, paying cash versus
14 taking out bonds or accruing debt, well, we're now
15 reversing that and going back to debt. Particularly,
16 I'll point out that CSU capital projects, we're now
17 proposing, rather than paying cash upfront, they would
18 issue CSU-issued debt.

19 We're also shifting certain zero-emission
20 vehicle commitments from the General Fund to the
21 Greenhouse Gas Reduction Fund. That's about
22 1.4 billion.

23 The fourth bucket is what we call trigger
24 reductions. And these are indeed cuts. These are
25 reductions. About 3.9 billion. And this is put in a

1 trigger. So I'll explain what is in the trigger and
2 what the trigger is.

3 Largely, the -- the big numbers are under
4 climate and transportation. We have 3.1 billion in
5 trigger cuts. We have about 600 million in housing,
6 another 100 million for parks, and 55 million in
7 workforce training.

8 And how the trigger works is these are
9 essentially cuts that will happen July 1. But this time
10 next year at the Governor's Budget, if revenues are
11 coming in strong, meaning that we can fund our base
12 programs, as well as these programs, then they will
13 trigger off. So those cuts will trigger off. And
14 that's 3.9 million.

15 And our last bucket is what we call limited
16 borrowing and revenue generation. The two that I'd like
17 to point out, the two biggest portions of this bucket
18 are about 850 million in general fund loans from special
19 funds, and then we are proposing a renewal of the
20 Managed Care Organization tax, or the MCO tax.

21 So while we have used many of the budget
22 resilience measures to reduce the overall need for
23 reductions in the Governor's Budget, we are actually not
24 proposing pulling from the reserves at this point.

25 So the Governor's Budget solves for the

1 \$22.5 billion dollar deficit without pulling from the
2 reserves. And I just want to point out two things. One
3 is we want to retain flexibility. So if things continue
4 to get worse in terms of revenues over the spring, then
5 we may propose dipping into the reserves as part of the
6 main revision.

7 And at this point, things are not looking
8 great. They're trending downward. We had the finance
9 budget bulletin, which comes out monthly, and assesses
10 the cash coming into the state. And right now we're
11 about two billion dollars short in January based on what
12 we thought we would be at the Governor's Budget. And so
13 things are already trending worse than what we proposed
14 in the Governor's Budget.

15 So we'll see what the rest of the spring looks
16 like. And potentially we may have to dip into the
17 reserves.

18 And what are the reserves? The total reserves
19 at this point are about \$35.6 billion dollars, of which
20 the Rainy Day Fund makes up the largest portion,
21 22.4 billion. And that's the fund I mentioned earlier
22 where we're mandated to put in a certain amount
23 annually.

24 And 8.5 billion is for the public school
25 reserve. So they have their own, basically, safety net

1 as well. So that can protect the schools.

2 We have 900 million in the safety net reserve,
3 and then 3.8 billion in what we call the Special Fund
4 for Economic Uncertainties. And that's basically like
5 our check -- our checking book. And that's the fund
6 that we need sort of on a day-to-day basis as things
7 come up that are not planned.

8 So to continue, we did not pull from the
9 reserves. But we're actually not forecasting a
10 recession come this spring.

11 And, you know, generally we don't forecast
12 recessions, but obviously we looked at the economic
13 indicators, and we believe that there are risks on the
14 horizon. But at this point, we are not forecasting an
15 inflation -- sorry -- forecasting a recession.

16 But we are looking at inflation, the rate of
17 inflation. We're also looking at further tightening of
18 monetary policy through the federal reserve to see how
19 those are trending.

20 Potentially, if we do hit a recession -- and
21 this is just important for us to note. It's also in our
22 budget summary pages. Is that even a mild recession
23 could lead to another 20 to 40 billion dollars in
24 general fund hit to revenues. If it's more moderate to
25 severe, it could be over 60 billion.

1 So we're obviously not seeing that right now.
2 But should there be some downward trend in the stock
3 market, further increases, inflations, other economic
4 indicators, the recession could be quite significant.

5 But we are protecting a lot of things in this
6 budget, as I said. We built in budget resilience so
7 that we didn't have to make significant cuts.

8 And I'll just go through some of these
9 important priorities of both the Governor, as well as
10 the Legislature.

11 In education, Prop. 98 funding actually has
12 seen a very little hit. I would say 1.5 billion less
13 than what we were forecasting at the '22 Budget Act.

14 And of note, the per-person spending, general
15 fund per-person spending is over 17,500 per pupil.
16 That's the highest ever general fund. If you include
17 all funds, it's over 23,000 per pupil. So education
18 through the guarantee is largely spared.

19 But in addition, we are continuing to protect
20 the universal TK program that's being implemented for
21 all four year olds, universal school meals. We've
22 provided a statutory COLA of 8.13 percent.

23 We have included an equity multiplier to
24 support our highest needs schools and our highest needs
25 students. We continue to make investments for arts and

1 cultural enrichment through -- for the elementary
2 levels.

3 And higher education, we maintain the higher
4 education compacts with the UCs and the CSUs, as well as
5 a road map with the CCC. And that means a five percent
6 base increase for the UC and the CSU systems.

7 We further support financial aid programs to
8 bring down the cost of higher education for California
9 students.

10 In health and human services, we continue to
11 go full steam ahead with healthcare access for all,
12 despite immigration status.

13 We continue to support CalAIM with over
14 \$10 billion dollars when it's fully implemented. CalAIM
15 is kind of a reform of our Medi-Cal system.

16 We support behavioral health continuum with
17 over 8 billion in total investments over multiple years.

18 We maintain the public health infrastructure
19 investments that we've made through COVID and beyond,
20 and we continue to support grants through the SSI, SSP
21 and CalWORKS programs.

22 In regards to public safety, the Governor's
23 Budget continues to create safer communities by
24 supporting all the policing, task force, retail theft --
25 organized retail theft task forces to reduce crime.

1 And for homelessness and housing, we've
2 maintained investments. All the investments we've made
3 in homelessness. So there are no reductions in
4 homelessness.

5 And we continue to provide funding and
6 technical assistance to support local entities to build
7 their fair share of housing, including affordable units.

8 For climate and, you know -- a lot of the
9 one-time funding went to climate. Over 54 billion over
10 the last two years was invested or committed to climate.

11 Because we're seeing a reduction of revenues
12 coming in, we have reduced that to 48 billion in this
13 Governor's Budget. So they are taking a bit of a cut
14 there.

15 Important to note is we made the decision for
16 certain cuts based on potential for backfill. And at
17 the federal level, we have the IRA, the inflation
18 reduction, as well as the IIJA, the Infrastructure
19 Investment and Jobs Act, which will provide billions and
20 billions of more dollars to California. Obviously to
21 all states, but to this point, we have -- California has
22 been committed \$48 billion dollars through both of those
23 programs. And we expect to receive likely tens of
24 billion dollars more.

25 And so where some of those cuts were made in

1 climate and in transportation, it's important to note
2 that we hope to and we will aggressively pursue those
3 federal funds.

4 So in conclusion, despite a significant turn
5 in our revenues, this budget is -- I think we're all
6 proud to say -- protects a lot of the programs that were
7 very important for both the administration and the
8 Legislature over the past two years.

9 And this is no -- this has been no small part
10 due to some of the hard decisions we've had to make to
11 build in budget resilience for Proposition 2 to stack
12 away funds to -- for basically a rainy day. And the
13 rainy day may be coming.

14 So this concludes my presentation. I'm happy
15 to take any questions.

16 MR. VAZQUEZ: Thank you.

17 I know we have several questions. But just
18 for kind of like the viewing audience here, when you
19 look at the whole pie, where does most of our revenue
20 come into the -- to our budget for the state of
21 California?

22 MS. LI: Most of our revenue is coming in
23 through personal income tax.

24 So we have the top three, personal income tax,
25 and we have corporate tax, and then sales and use tax.

1 But it's largely PIT. PIT, personal income tax.

2 MR. VAZQUEZ: Oh.

3 MS. LI: Yeah. Sorry.

4 MR. VAZQUEZ: These acronyms.

5 MS. LI: I try not to use budget jargon.

6 And another important point is that the top
7 one percent of our income earners bring in about
8 50 percent of our personal income tax. So I think
9 that's important to note.

10 And we're seeing a lot of layoffs at tech
11 companies, at higher-income positions. And so obviously
12 that's a worry as we look at revenues, you know, what's
13 happening with labor market, and how does that impact
14 our revenue coming into the state.

15 MR. VAZQUEZ: Because that's a big question I
16 always get, you know, back in my district. And
17 obviously the last couple years have been really -- the
18 one percent has been doing very well. So obviously we
19 had this huge surplus.

20 And then now you're saying obviously they're
21 taking -- many of them are taking hits, and some are,
22 you know, some of these tech companies have left as
23 well.

24 MS. LI: Right.

25 And also I would add that the federal

1 government provided significant surplus over the past, I
2 think there were six surplus bills or acts that were
3 signed. And so you see the influx of the income --
4 high-income earners, as well as the significant stimulus
5 coming in from the feds.

6 And, of course, capital gains. So when you
7 have high-income earners, and during the pandemic there
8 wasn't a lot of -- there weren't a lot of places to park
9 money outside of the stock market, and capital gains
10 skyrocketed. So we're seeing a moderation of that now.

11 MR. VAZQUEZ: Thank you.

12 I have a couple more questions, but I see a
13 lot of hands.

14 Let me start with my Vice Chair, Ms. Lieber,
15 first.

16 MS. LIEBER: Thank you.

17 Well, thank you so much for coming in and
18 giving us this briefing. It's very helpful to have
19 ourselves grounded in the knowledge about what's going
20 on in terms of our money overall. And I do think that
21 we're going to face more difficult days ahead here.

22 So I had a question in terms of the trigger
23 cuts. You mentioned there was some housing spending
24 that would be included in the trigger cuts. Can you say
25 more about that?

1 MS. LI: Sure.

2 So we have about -- we have 50 million in ADU
3 program, 200 in Dream For All program, and -- let's
4 see -- the remainder in CalHome.

5 And so the decision to make those cuts was
6 basically this; they are -- those programs are
7 supportive of homeownership. Of course we're supportive
8 of homeownership. But during this time with soaring
9 interest rates, the plan was to invest -- maintain the
10 investments and programs that actually built units
11 versus homeownership. So that's the rationale for those
12 cuts.

13 MS. LIEBER: Okay.

14 So you mentioned also the homelessness and
15 housing programs separately from this. So spending on
16 things like HomeKey would still be protected under the
17 proposed --

18 MS. LI: Yes. There's no -- been no cuts to
19 HomeKey. There were actually no cuts at all to the
20 homelessness programs, which we spent over 17 billion
21 over the last two years.

22 So if you think about the overall package, the
23 cuts, we tried to be very targeted and look at
24 homeownership again versus unit production.

25 MS. LIEBER: Thank you.

1 And then I had a question, you talked toward
2 the beginning of your presentation about UI potentially
3 being exposed to some cuts. Can you talk more about
4 that?

5 MS. LI: Sure.

6 And not the UI program itself, but in last
7 year's budget, a billion dollars was included to help
8 pay off the UI trust fund balance.

9 And so we currently have about \$18 billion
10 dollars at the federal trust fund with a negative,
11 basically. And we proposed to pay off a billion of
12 that. A small amount, but something to help reduce --
13 to chip away at that balance.

14 At this point, it's -- it's one of the
15 proposals, because it's large and helps mitigate, again,
16 cuts elsewhere. And it is something that has come up
17 quite often in my conversations with members of the
18 Legislature and others.

19 I think, you know, I would just say that a lot
20 of, you know, this is the beginning of a conversation.
21 The Governor's Budget is always the beginning of
22 conversation. And as we hear more, and we go through
23 the spring process, we will have a shared prioritized
24 budget at the end.

25 This is one issue that has constantly come up.

1 But the one thing I would note is the way the Federal
2 Unemployment Tax Act works is that if any state has a
3 negative balance over a certain period of time, the
4 credit that they offer employers is reduced.

5 And so unless the balance is zero, the credit,
6 you know, whether it's 18 billion, 10 billion,
7 2 billion, the credit continues to be reduced. And so
8 the value of the 750 million in terms of the credit, you
9 know, we had to weigh that with cuts to other programs.

10 MS. LIEBER: Right.

11 As much as our mission here is to look at
12 property taxes and other taxes across the 58 counties,
13 as we're out in our communities, we each have very large
14 districts, 10.7 million people, you know. Folks look at
15 you, "Oh, you're a person from the State."

16 And I know that in the last several years with
17 some of the downturns that we experienced, the UI system
18 went through a real stress test. And people were very
19 reasonable in their nervousness about when it was going
20 to function again.

21 So that's something that's good information
22 for us each to have to be able to convey to folks. So
23 thank you so much for that.

24 MS. LI: Yes.

25 And I would just add that we continue to

1 support the transformation of the EDD department, as
2 well as their system.

3 They have a modernization benefit system that
4 they're working on that is both IT and process-oriented,
5 that, in the end, will take multiple years and cost
6 likely hundreds of millions of dollars. But the value,
7 obviously, to Californians is vast.

8 And this is a combination of three systems
9 that they're rolling into one, and they're improving
10 processes.

11 And so that is maintained in the budget. And
12 I think that's just important to note as well.

13 MS. LIEBER: Okay. Thank you.

14 MR. VAZQUEZ: Deputy Controller, go ahead.

15 MR. EMRAN: Thank you, Ms. Li, for that very
16 important and comprehensive presentation.

17 I also want to thank Director Stephenshaw for
18 coordinating this, and of course our Executive Director
19 Stowers. Bringing one of the heads of Department of
20 Finance is a big deal.

21 I also want to thank the Governor for his
22 continued leadership in these often difficult and
23 unprecedented times.

24 Like mentioned by my fellow Board Members, the
25 Board of Equalization continues their hard work in an

1 \$85 billion dollar property tax system, the second
2 largest revenue stream here in California, and ensures
3 that our local schools and governments receive the
4 critical funding that is needed.

5 I wanted to start off with the question,
6 specifically on the only tax credit discussed in the
7 budget, the film tax credit, and one of California's
8 most prestigious and iconic industries.

9 I believe that it's imperative that
10 Californians have an opportunity to be part of this
11 industry. And I was just wondering what the details
12 were.

13 I understand that the Governor is requesting a
14 five-year extension to make the tax credit refundable.

15 Can you speak to the Governor's continued
16 commitment to this program, and what the measurements on
17 workforce diversity and equity are surrounding the film
18 tax credit?

19 MS. LI: Sure. Thank you for that question.

20 Yes, the proposal is that when the current
21 film tax credit, let's call it three, because it's the
22 third, ends in 24, 25, the proposal would extend --
23 create 4.0 basically, the film tax credit 4.0 for an
24 additional five years, 330 million annually.

25 And the details are obviously still being

1 worked out. We have our trailer bill, and have been
2 working with stakeholders, as well as member --
3 including members and representatives industry to work
4 on just what you mentioned, equity, and making sure that
5 those production companies that are supporting greater
6 equity could potentially receive, you know, bonus points
7 for credits, let's say.

8 That's still being worked out. And I think
9 the new thing is the proposal for refundability. So if
10 an entity couldn't use those tax credits in a given
11 year, could roll over to the next year.

12 Which is in response to some of what we've
13 heard industry saying was a barrier for some smaller
14 production companies to -- or some production companies
15 to come in, because they couldn't benefit from the value
16 of the credit in a given year.

17 So more to come on that I'd say.

18 MR. EMRAN: Thank you. Looking forward to
19 that.

20 I wanted to turn my focus to education.

21 Yes, please.

22 MS. STOWERS: Thank you, sir.

23 Film tax credit. When you say refundability,
24 is that just limited to income tax, or does it also
25 include sales and use tax?

1 MS. LI: It's the refundability of the use of
2 that particular credit.

3 MS. STOWERS: No matter what.

4 Because I worked with them for a while, and
5 the small ones generally do not have income tax
6 liability. But they could benefit from not having to
7 pay the sales and use tax.

8 MS. LI: Yeah. And, again, more conversations
9 are being had so more companies can benefit.

10 MR. EMRAN: Thank you, Executive Director.

11 So I wanted to turn my focus to education.

12 I'm a former schoolteacher. And I want to
13 start off by thanking the Governor for protecting
14 classroom funding and championing early childhood
15 education as California seeks to close the achievement
16 gap and improve math and reading proficiencies across
17 the state.

18 You mentioned in your remarks, I just wanted
19 you to kind of expand on the universal transitional
20 kindergarten, TK, and if this rollout is still planned
21 for 2025.

22 MS. LI: Yes.

23 So the universal TK was always going to be a
24 multiyear implementation. And there are no changes to
25 the program. It still will be implemented by '25.

1 And so -- and along with additional funding
2 for school districts to accept more students as they
3 roll through the months, additional funds for adults in
4 the classroom are also included in this budget as
5 planned. So no cuts.

6 MR. EMRAN: Thank you.

7 Is there, like, some type of study or data
8 looking into making TK a full day instead of half day?

9 MS. LI: There are definitely conversations
10 around a full day TK versus a half day for many reasons;
11 for the benefit of students, for the benefit of
12 families, working families, opportunities. So those
13 conversations continue.

14 MR. EMRAN: Yeah. Just for working families
15 to be able to take advantage of that, single parents
16 versus two-parent households, I think it's really
17 important. So I want to thank the Governor for that
18 too.

19 And, lastly, I just had some comments on the
20 universal school meals for any and all school children.

21 I understand they have a guaranteed two free
22 hot meals a day, no questions asked. That's
23 incredibly -- that's incredible and remarkable for
24 California's six million school children, when it comes
25 to health, nutrition, and food security.

1 And to my understanding, a first of its kind
2 in the nation. So great work, and my hats off to you.

3 Thank you, again, Ms. Li.

4 MS. LI: Thank you.

5 MR. VAZQUEZ: Any -- yes, Member Gaines.

6 MR. GAINES: Great.

7 Thank you very much, Ms. Li, for your
8 presentation. I really appreciate it. And you went
9 into a lot of detail.

10 And I just wanted to ask a couple of questions
11 to help clarify in my mind what's happening.

12 In reference to the gas tax, I wanted to just
13 clarify in my mind, is that being protected in terms of
14 that money being used for road maintenance, or has money
15 been pulled away from that?

16 MS. LI: And specifically SB 1 funds?

17 MR. GAINES: Yes.

18 MS. LI: There are some funding swaps. So
19 some of the general fund that was for active
20 transportation, for example, that was general fund,
21 about 200 million will now be -- we're proposing the
22 State Highway Account funds would be used in its stead.

23 That's one example I think, or potentially
24 two, totalling about 300 million. I'd have to get back
25 to you on the exact number of that.

1 MR. GAINES: Okay. But that -- that money is
2 still being expended?

3 MS. LI: Yes.

4 MR. GAINES: Yeah. Okay.

5 Because I've seen gas tax money reallocated
6 through the Legislature when I served there. And there
7 have been assurances that that would not happen with
8 SB 1.

9 So just trying to make sure that it's actually
10 being implemented the way it was at least discussed and
11 proposed.

12 MS. LI: Yeah. That is the only fund transfer
13 in the Governor's Budget that's being proposed. And
14 it's being used on active transportation.

15 MR. GAINES: Okay. All right. Very well.

16 Thank you.

17 And then in reference to EDD, you know, we had
18 huge fraud issue there. You know, based on what our
19 State Auditor said, it looked like upwards of
20 30 billion. And you mentioned that measures are being
21 taken to change the computer system.

22 MS. LI: Yes. And the large amount of fraud
23 was found to be in the federal PUA, which is the
24 Pandemic Unemployment Act.

25 MR. GAINES: Okay.

1 MS. LI: And it is not on the backs of
2 California employers. That was fraud that the federal
3 government will end up paying for. In part because of
4 the way in which that program was rolled out during the
5 pandemic to get funds quickly to people. And there
6 wasn't the requirement of all the front-end identity
7 checks --

8 MR. GAINES: Okay.

9 MS. LI: -- that are present in the existing
10 unemployment insurance program.

11 And so the fraud that you mentioned, again, I
12 just want to note, because I think it's really important
13 that Californians are not paying for that, that is not
14 part of the 18 billion UI trust fund balance I mentioned
15 earlier.

16 MR. GAINES: Right.

17 MS. LI: And also of note, part of the EDD
18 funding that was included in last year's budget that is
19 maintained in this year's budget is 85 million towards
20 fraud prevention mitigation.

21 MR. GAINES: Okay.

22 MS. LI: To address some, exactly as you said,
23 some of the fraud of the current -- of the existing
24 state program.

25 MR. GAINES: Okay. Well, that's good to hear

1 about employers not being saddled with that. I worry
2 about us as taxpayers in general. Because it's the feds
3 that are now picking that up. But that is good in terms
4 of employers.

5 You had also mentioned that the terms of
6 climate, 54 billion had been spent in the last two
7 budget years; is that accurate?

8 MS. LI: 54 billion was allocated over
9 multiple years.

10 MR. GAINES: Okay.

11 MS. LI: And we -- because we don't have the
12 54 billion, we are bringing that down to 48 billion in
13 the Governor's Budget.

14 And, again, these are monies to be spent.
15 Some of them are being expended in the current year.
16 But a lot of it was over multiple years, up to five
17 years.

18 MR. GAINES: Okay. Very well. Thank you.

19 And then in terms of Rainy Day Fund, you said
20 there was a seven billion dollar, I call it an
21 augmentation, but it reduced the deficit from 29.5 to
22 22.5. Did that money come from the Rainy Day Fund?

23 MS. LI: No. Sorry.

24 The decrease in revenues totalled about
25 29.5 billion. But after adjustments and other technical

1 changes from year to year, the actual deficit that we
2 have to solve for is 22.5 billion.

3 MR. GAINES: Okay.

4 MS. LI: And we have not touched the Rainy Day
5 Fund at all.

6 MR. GAINES: Good. That's good news.

7 And can you tell me, how much is in that Rainy
8 Day Fund?

9 MS. LI: 22.4.

10 MR. GAINES: Oh, okay. All right. That's
11 wonderful. Great.

12 And then just in general, we've seen our
13 population decline for the last two years in a row here
14 in the state of California. My concern is that we have
15 people of means that are moving out of the state, and,
16 therefore, not paying taxes anymore. And then also
17 businesses that have had an impact here in the state.

18 Are there -- is anything being done to rectify
19 that?

20 My concern is that we've become a bifurcated
21 society of folks that are really well off, and those who
22 are very poor and need services. And our revenue in the
23 long term then declines, the middle class shrinks.

24 Is there any discussion or concern or programs
25 or anything that's being done on that front?

1 MS. LI: Sure. And there is definitely an
2 awareness that over the past several years the inward
3 migration has been -- has been reduced when compared to
4 outward migration. And to add to that, unfortunately,
5 COVID-related deaths.

6 MR. GAINES: Yeah.

7 MS. LI: And more global -- well, not
8 globally -- nationally, a reduction in immigration, both
9 under previous administration, but also as a result of
10 COVID and borders closing.

11 So I think California is really seeing the
12 impacts of that sort of lack of migration. And we do
13 hear often in the news about companies and people
14 leaving.

15 And I would also just say that there are
16 companies coming, and there are companies being created
17 in the state that don't often get the same press as
18 those that are leaving.

19 But the awareness that these numbers are
20 turning down, we're acutely aware.

21 MR. GAINES: Yeah.

22 MS. LI: And a couple things that I would
23 highlight are, over the past couple of years when we had
24 have surplus, we have tried to provide further supports
25 to businesses such as grants and more tax credits, and

1 to incent more businesses to basically compete in
2 California.

3 We have the Cal Competes Grants. We have the
4 Cal Competes Credits, and trying to make a more friendly
5 and encouraging environment for businesses.

6 So I think that's one thing, understanding
7 that small business is really the economic engine of the
8 economy, and wanting to support them.

9 So there are definitely programs that we've
10 implemented both adding to old programs, as well as
11 creating new programs to incent businesses to come and
12 businesses to stay.

13 One being the film tax credit. That's
14 something that, as we continue, we do want California,
15 Hollywood, anywhere across the state to remain the No. 1
16 place for production to occur.

17 And so I think there are measures that we're
18 attempting to take through the budget, as well as
19 investments in, you know, visit California, having more
20 people come, love it, and stay.

21 But obviously we have housing affordability
22 issues. And so trying to address that issue, as well as
23 the cost of food and other things that, you know, are
24 going up across the country, but notably in California.

25 So something to address some of the problems

1 that we see to reduce the affordability problem.

2 MR. GAINES: Wonderful.

3 Thank you so much. Appreciate it.

4 MS. LI: Thank you.

5 MR. VAZQUEZ: Member Schaefer.

6 MR. SCHAEFER: Yes. Thank you.

7 Ms. Yim [sic], we are all speaking up for
8 taxpayers. And the fact that our property taxes are
9 less than our income taxes shows that maybe we're doing
10 a pretty good job at keeping property taxes down.

11 You mentioned Hollywood. I've been on
12 "Criminal Minds" TV show, and I've been in a couple
13 movies as an extra. And I know there's a lot of
14 competitive -- I think Georgia and some other states are
15 spending tons of money to steal the production of films
16 from California. And I think they've been pretty good
17 at it.

18 So California is not the state for making
19 movies. But it's up there. And I so support California
20 continuing to have some dominance in filmmaking
21 business.

22 There are eight states that have no income
23 tax, no personal tax whatsoever. That's Nevada, Texas,
24 Alaska, Florida, South Dakota, Tennessee, Washington and
25 Wyoming.

1 It hasn't always been that income tax has been
2 the majority of revenue for our state.

3 Do you know when that happened? When did
4 property taxes stop being 51 percent?

5 MS. LI: I don't know when that switch
6 occurred.

7 I know, as I mentioned earlier, the top three
8 are the personal income tax, corporate tax, and sales
9 and use tax.

10 But I've just been handed a note here that it
11 was 1935 to '37.

12 MR. SCHAEFER: Well, I didn't come along until
13 1938, so --

14 MR. VAZQUEZ: Missed it.

15 MR. SCHAEFER: Thank you very much.

16 MS. LI: Thank you.

17 MR. VAZQUEZ: No wonder you didn't know.

18 Thank you, Ms. Li, for your presentation.

19 And also chime in and thank the Governor.

20 You know, as a former educator, I didn't
21 realize we had others on the dais as well, that he's
22 protecting education. I think that's so key.

23 And then housing. I noticed you mentioned
24 that he's trying to bring down the cost. Because that's
25 -- these non-profits, when you talk to them, that's the

1 No. 1 thing. It's so expensive to build a true
2 affordable unit.

3 And I know land cost is a big part of it.
4 Especially in some of our urban areas that are very
5 pricey. So that's always the challenge.

6 And whatever -- and it sounds like he's
7 working with many of the entities and the partners to
8 partnership with him in leveraging our dollars, not only
9 with the state, but the federal, but then the local
10 municipalities to make that happen.

11 So I just wanted to send that out to the
12 Governor, and thank him for that as well.

13 MS. LI: Thank you.

14 MR. VAZQUEZ: Thank you.

15 MS. LI: Thank you again for this opportunity.

16 MS. STOWERS: Thank you.

17 MR. VAZQUEZ: Ms. Cichetti, what's our next
18 item?

19 MS. CICHETTI: Going back to the top of the
20 agenda where we were.

21 MR. VAZQUEZ: Okay.

22

23

ITEM E3

24

25 MS. CICHETTI: Back to Item E, Tax Program

1 Nonappearance Matters - Adjudicatory; Item E3, Legal
2 Appeals Property Tax Matters, Section 40 Decisions; E3a,
3 Southern California Edison Company (0148), SAU22-006.

4 This matter will be presented remotely by
5 Ms. Yim.

6 MR. VAZQUEZ: Welcome. I see you on the
7 screen.

8 MS. YIM: Good morning.

9 Thank you.

10 Good morning, Chairman Vazquez and Honorable
11 Members of the Board.

12 I'm Sonya Yim, the Appeals Attorney for the
13 State.

14 As you'll recall, Southern California Edison
15 Company's 2022 appeal was decided by the Board in
16 December of 2022.

17 This decision was final at the time it was
18 made by the Board; however, as the amount in controversy
19 exceeded \$500,000 in tax, the Board is required, under
20 Revenue and Taxation Code Section 40, to adopt and
21 publish a written decision to the Board's website within
22 120 days of the original decision.

23 This allows for transparency and
24 memorialization of the Board's decision.

25 A draft non-precedential written decision has

1 been submitted for your consideration. I recommend the
2 Board adopt this written decision to fulfill the Board's
3 obligation under Section 40.

4 Thank you.

5 MR. VAZQUEZ: Thank you, Ms. Yim.

6 I was just wondering, especially for the new
7 Members here, if you could -- because I know you spent a
8 lot of time to make sure this happened in a timely
9 manner.

10 If you can kind of walk us through in that
11 summary, and present, you know, the process and the
12 rights that they have for their appeals as well. Just
13 to kind of bring our new Members up to speed as well.

14 MS. YIM: Generally, the State -- as
15 Mr. McCool has presented earlier, the State-Assessed
16 Properties Division appraises each state-assessed
17 assessee. And they have the right to appeal.

18 The appeals are heard in November and
19 December. And the Board came to a final decision -- the
20 Board comes to a final decision during that time.

21 MR. VAZQUEZ: Thank you.

22 Do we have any questions or comments from
23 anybody?

24 Seeing none -- oh, did I hear somebody?

25 No? Okay.

1 Members, would anyone like to make a motion on
2 this item?

3 MS. LIEBER: Did we get our public comment?

4 MR. VAZQUEZ: Well, we'll do it before we take
5 our vote.

6 Does it matter, Ms. Cichetti, if we do the
7 motion first or after?

8 MS. CICHETTI: It doesn't matter. We could do
9 either one.

10 MR. VAZQUEZ: Okay. What's your preference?

11 MS. LIEBER: I'd be happy to move the
12 adoption, move these two items.

13 MR. VAZQUEZ: I'll second -- or we got a
14 second?

15 MS. CICHETTI: We're taking them separately.
16 We're going to take these items separate,
17 because they're two different cases.

18 MS. LIEBER: Okay. I'll move the adoption of
19 the recommendation, Item 3a.

20 MR. VAZQUEZ: I'll second that.

21 Do we need -- we don't have any written
22 comments on this?

23 MS. CICHETTI: I was just going to say, we
24 have no written comments received, and there's no one in
25 the audience who wanted to make a presentation.

1 Let me go to the AT&T moderator.

2 MR. VAZQUEZ: Thank you.

3 MS. CICHETTI: AT&T moderator, please let us
4 know if there's anyone on the line who'd like to make a
5 public comment regarding this item.

6 AT&T MODERATOR: If you have a comment, please
7 press one, then zero.

8 And there are no comments at this time.

9 MR. VAZQUEZ: Okay.

10 Seeing no other comments or questions,
11 Ms. Cichetti, will you please call the roll on the first
12 motion.

13 MS. CICHETTI: Okay.

14 Member Lieber presented a motion to adopt the
15 staff recommendation on this Section 40 matter, and
16 Mr. Vazquez seconded the matter.

17 Let me call the roll.

18 Chair Vazquez.

19 MR. VAZQUEZ: Aye.

20 MS. CICHETTI: Vice Chair Lieber.

21 MS. LIEBER: Aye.

22 MS. CICHETTI: Member Gaines.

23 MR. GAINES: Aye.

24 MS. CICHETTI: Member Schaefer.

25 MR. SCHAEFER: I pass.

1 MS. CICHETTI: Deputy Controller Emran.
2 MR. EMRAN: Aye.
3 MR. VAZQUEZ: So we have majority on that.
4 Thank you.
5 Vice Chair Lieber, you're up again.
6 MS. LIEBER: Thank you.
7 I'd like to move adoption of the
8 recommendation on Item 3b.
9 MS. CICHETTI: All right.
10 MR. VAZQUEZ: I'll second that.
11 MS. CICHETTI: Okay. That's fine.
12 Let me go out. We have no public comment
13 within the audience, and I have not received any written
14 comments on this.
15 Let me go to the AT&T moderator on this item.
16 AT&T moderator, is there anyone on the line
17 who'd like to make a public comment regarding this item?
18 AT&T MODERATOR: Once again, please press one,
19 then zero if you have a comment.
20 And there are no comments.
21 MS. CICHETTI: All right.
22 We have Member Vice Chair Lieber making the
23 motion to accept staff recommendation on this Section 40
24 matter, for SFPP, L.P., and seconded by Mr. Vazquez.
25 The roll.

1 Chair Vazquez.

2 MR. VAZQUEZ: Aye.

3 MS. CICHETTI: Vice Chair Lieber.

4 MS. LIEBER: Aye.

5 MS. CICHETTI: Member Gaines.

6 MR. GAINES: Aye.

7 MS. CICHETTI: Member Schaefer.

8 MR. SCHAEFER: Aye.

9 MS. CICHETTI: Deputy Controller Emran.

10 MR. EMRAN: Aye.

11 MR. VAZQUEZ: So that's unanimous.

12 With that, Ms. Cichetti, if you would go onto
13 our next item.

14

15 **ITEM F**

16

17 MS. CICHETTI: Our next item on the agenda is
18 Item F, Other Tax Program Nonappearance Matters.

19 Contribution Disclosure forms not required
20 pursuant to Government Code Section 15626.

21 F1 is Audits; F1c is Globalstar USA, LLC,
22 No. 2772; F1d, NetFortris Acquisition Co., Inc.,
23 No. 8164; and F1e, Intermountain Infrastructure Group,
24 LLC, No. 8218.

25 Mr. McCool will present the three items for

1 your consideration, which may be voted on individually
2 or collectively.

3 These matters are a constitutional function;
4 therefore, the Deputy Controller Emran may not
5 participate in accordance with Government Code
6 Section 7.9.

7 This matter will be presented by Mr. McCool.

8 MR. McCOOL: Thank you.

9 Good morning again, Chair Vazquez and
10 Honorable Members of the Board.

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

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

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

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

24 Before you today for your consideration are
25 three property tax audits completed by State-Assessed

1 Properties Division staff.

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

6 None of the assesseees provided additional
7 information.

8 I am available to answer questions if needed,
9 and I ask for your adoption of these three audits.

10 Thank you.

11 MR. SCHAEFER: I so move.

12 MR. VAZQUEZ: Well, I believe we were going to
13 hold this, right? Because the Controller --

14 MS. CICHETTI: We can hold the vote over for
15 later, yes. We'd let Mr. McCool make the presentation.

16 MR. VAZQUEZ: -- later for the vote.

17 But if you have any questions, if people have
18 any questions, this is the time to raise them.

19 MS. CICHETTI: We can take a vote now and
20 leave it open for just Ms. Cohen's vote.

21 MR. VAZQUEZ: Oh, and not close the vote?

22 MS. CICHETTI: And just not close the vote,
23 correct.

24 MR. VAZQUEZ: Okay. You know, I just --

25 MS. CICHETTI: So Mr. Schaefer had --

1 MR. VAZQUEZ: I'm sorry. I just had one quick
2 question.

3 MS. CICHETTI: Sure.

4 MR. VAZQUEZ: And it's, as I was looking at,
5 you know, the three individual -- you mentioned the
6 three individual audit matters, for the auditees
7 [phonetic] bound to have discrepancies either escaped or
8 excessive, do we subsequently go back to see if
9 corrections were made, or processes were improved to
10 ensure assessees report accurately?

11 MR. McCOOL: Yes, that is part of the audit
12 process.

13 Not only are we looking for misreporting or
14 incorrect reporting, we're also making ourselves
15 available to help the assessees report correctly going
16 forward.

17 So, yes, that is part of our normal process.

18 MR. VAZQUEZ: Thank you.

19 With that, Members, I would like to entertain
20 a motion. I guess we can approve this all in three on
21 this one.

22 MR. SCHAEFER: I made a motion.

23 MR. VAZQUEZ: Oh, I'm sorry.

24 So we have a motion by Member Schaefer to
25 approve all three of these items.

1 MR. GAINES: Could you clarify the three
2 items, please?

3 MR. VAZQUEZ: Sure. If we can read those back
4 into the record.

5 MS. CICHETTI: Yes, I can. Yeah.

6 Item Flc, Globalstar USA, LLC, No. 2772; F1d,
7 NetFortris Acquisition Co., Inc, No. 8164; and F1e,
8 Intermountain Infrastructure Group, LLC, No. 8218.

9 MR. GAINES: Thank you. Do you need a second?

10 MR. SCHAEFER: Yes.

11 MR. GAINES: Yeah. I'll second the motion.

12 MR. VAZQUEZ: It's been moved and second.

13 And we'll go ahead and take the vote, and then
14 hold it open until, I believe, it's not until after
15 lunch that the Controller will join us, so she can cast
16 her vote as well.

17 Ms. Cichetti, if you would please call the
18 roll.

19 MS. CICHETTI: Chairman Vazquez.

20 MR. VAZQUEZ: Aye.

21 MS. CICHETTI: Vice Chair Lieber.

22 MS. LIEBER: Aye.

23 MS. CICHETTI: Member Gaines.

24 MR. GAINES: Aye.

25 MS. CICHETTI: Member Schaefer.

1 MR. SCHAEFER: Aye.

2 MR. VAZQUEZ: So that will stay open.

3 Do we need to go -- is it appropriate to go
4 out to the public to see if there's anybody on the line,
5 or should we wait?

6 MS. CICHETTI: Yes, we should go out to the
7 public. Correct.

8 AT&T moderator, is there anyone on the line
9 who would like to make a public comment regarding this
10 matter?

11 AT&T MODERATOR: If you would like to make a
12 comment, please press one, then zero.

13 And there are no comments.

14 MR. VAZQUEZ: Thank you.

15 MS. CICHETTI: Thank you.

16 MR. VAZQUEZ: We'll go ahead and leave the
17 vote open.

18 And then with that, Ms. Cichetti, if you would
19 please go onto our next item.

20

21 **ITEM J**

22

23 MS. CICHETTI: Okay. I'm going to go into the
24 Administrative Section now of the agenda.

25 The next item up is J, Administrative Consent

1 Agenda.

2 Contribution Disclosure forms are not required
3 for this one.

4 J1, Adoption of the Board Meeting Minutes; the
5 Board Meeting minutes of January 24th, 2023.

6 The meeting minutes were attached to the
7 Public Agenda Notice for your consideration.

8 MR. VAZQUEZ: And looks like we have
9 Ms. Stowers on --

10 MS. STOWERS: No, I'm just getting ready.

11 MR. VAZQUEZ: Oh, you're just getting ready.
12 Okay.

13 MS. CICHETTI: Let me go out to the AT&T
14 moderator.

15 We have no written comments on this one, and
16 no one in the audience to make a comment on this.

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

20 AT&T MODERATOR: Once again, please press one,
21 then zero.

22 And there are no comments.

23 MR. VAZQUEZ: Members, do we have any
24 comments, corrections?

25 Seeing and hearing no hands, I'd like to --

1 MS. LIEBER: I'll move adoption.

2 MR. VAZQUEZ: It's been moved by our Vice
3 Chair. I'll go ahead and second that.

4 You want to -- let's go ahead and call the
5 roll on this.

6 MS. CICHETTI: Okay. Yes.

7 Chairman Vazquez.

8 MR. VAZQUEZ: Aye.

9 MS. CICHETTI: Vice Chair Lieber.

10 MS. LIEBER: Aye.

11 MS. CICHETTI: 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 With that, Ms. Cichetti, would you go onto our
20 next item.

21

22 **ITEM K**

23

24 MS. CICHETTI: The next item is K, Other

25 Administrative Matters; Item K1, Executive Director's

1 Report; Kla, Organizational Update: Report on the status
2 of pending and upcoming organizational priorities.

3 This matter will be presented by Ms. Stowers.

4 MS. STOWERS: Good morning, Members,
5 Chair Vazquez, Vice Chair Lieber.

6 I am Yvette Stowers, your Executive Director.

7 For today's report I will provide an update on
8 Support Service Division and highlight upcoming events,
9 the California Taxpayers Association 97th annual
10 meeting.

11 Members, as you are aware, the past several
12 months have been very, very busy for our Support
13 Services Division.

14 This Division is in charge of all the
15 administrative work it takes to run our agency. In
16 addition to their regular workload, they have been
17 working very, very hard to welcome and onboard our new
18 Member, Ms. Lieber, her staff, and your, Members, your
19 new staff.

20 I just want to say thank you very much to
21 Support. They've done an excellent job in facilitating
22 this.

23 In addition to the new Members, they also had
24 to do a transition from D2, now our Controller's Office.

25 So they were extremely busy. And we -- I just

1 want to just give them a hand clap.

2 And I'm going to say this, I've asked -- I
3 told staff to put this on the agenda. And I'm going off
4 script now. Because I want those who are listening to
5 understand that although we do not have an HR
6 administrative division, we still have to move things
7 forward. And that's why we have the Support Service
8 Division.

9 I'm grateful and thankful that we have funding
10 for them. And we probably need more. That's another
11 conversation.

12 Okay. And let me talk about what they do.
13 They do facilities, contracts, technology. They're
14 extremely busy.

15 So, again, thank you, guys. Thank you, thank
16 you. They're under the leadership of Cathy Taylor.

17 The next item that I want to talk about is the
18 upcoming March 23rd Board Meeting with the California
19 Taxpayers Association. I do believe you all received an
20 invitation.

21 And, again, this is a great opportunity where
22 the members, they're speaking with various business
23 owners talking about property tax issues.

24 It's 7:00 or 7:30 a.m. I will be there. Some
25 people behind me will be there. And I know that you

1 guys will be there as well.

2 And then, Mr. Emran, you have a special room.
3 We call it Vanna White. You award the best question,
4 not to the Members, but to the public.

5

6 **ITEM K1b**

7

8 MS. STOWERS: Okay. Moving onto K1b,
9 Extension of Time to Complete the Local Assessment Roll.

10 Members, Revenue and Taxation Code 616
11 requires county assessors to annually complete their
12 local assessment roll by July 1st.

13 Section 155 provides that the Board, or the
14 Executive Director, may extend by 30 days the deadline
15 for any official act by the assessor.

16 In the case of public calamity, we may extend
17 it by an additional 10 days to 40 days.

18 Section 155 also requires the Executive
19 Director to inform this Board of any such extension at
20 its next regular meeting.

21 This report is to inform you that San Luis
22 Obispo and Trinity County assessors have requested and
23 have been granted a 30-day extension to complete their
24 2023 local assessment roll.

25 Members, that completes my report.

1 Are there any questions for me?

2 MR. VAZQUEZ: I have a couple.

3 One, going back to the Support Services
4 Division. I also would like to just chime in and thank
5 your staff. Especially with my new staff, Chief of
6 Staff, in that transition period.

7 And I know they probably were taxing your
8 staff quite a bit on that just to bring them up to
9 speed. So thank you for that.

10 And on your last part of your report you just
11 mentioned that we sometimes, like you just mentioned,
12 get requests from the assessors for extensions.

13 For the viewing audience, what might
14 constitute a good reason for an extension?

15 MS. STOWERS: It's generally speaking,
16 workload, staffing for them, staffing.

17 And some of the assessors, they do make the
18 request in advance, but they still get their roll
19 completed by July 1st. It's just more of just in case
20 something goes wrong.

21 I don't think the CAA president is in the
22 audience, but --

23 MR. VAZQUEZ: Oh, she is in the back.

24 MS. STOWERS: No. But the vice president is
25 here.

1 If you want to speak on it.

2 I know that you guys -- they come to us on a
3 regular basis. It's almost, I'm not going to call it
4 routine, but we know starting February through the end
5 of June, we will get these requests, and we will
6 respond.

7 MR. VAZQUEZ: I bring it up because it seems
8 like it comes up every year. And you're right. Most of
9 the time they put in the request, and in many cases,
10 probably 99 percent of the time, they do turn it in on
11 time. But it was more for the viewing audience.

12 But since we have part of the leadership here,
13 welcome.

14 MS. WYNN: Good morning. Thank you, Chair
15 Vazquez.

16 I am Sacramento County Assessor Christina
17 Wynn, and I am Vice President of CAA this year.

18 I think what you'll see is assessors will
19 preemptively apply for the extension. Just -- it
20 prepares everybody. Their own Department of Finance,
21 everybody is sort of given notice, we may have a delay.

22 There's a lot of things that have to happen to
23 get the roll closed. And with Prop. 19 implementation,
24 staffing shortages, some are just extra cautious and
25 file in advance.

1 I believe Sacramento County filed a couple
2 years ago because of the pandemic.

3 If you had a calamity in your county, you may
4 be asking to file for that reason. So it does happen.
5 I don't think you should be alarmed by it.

6 MR. VAZQUEZ: While I have you up here, you
7 mentioned Prop. 19.

8 MS. WYNN: Yes.

9 MR. VAZQUEZ: How's that going? Here we're
10 on, I guess, year two or three now.

11 MS. WYNN: You know, we're still working on
12 implementing everything internally. That means updating
13 our systems and getting good at coordinating with our
14 county partners, you know, our other county assessors.

15 We're exchanging information. We're looking
16 forward to developing a portal where that would help us
17 sort of facilitate it.

18 Right now we have 58 different e-mail
19 addresses. You know, we send things back and forth.
20 The law is complex in a lot of ways, probably more ways
21 than anybody could have imagined were impacted by
22 different scenarios that are popping up. So we continue
23 to just work with it.

24 We get a lot of legal advice from our county
25 counsels and our fellow assessors, you know, helping us

1 work through.

2 So it's still a challenge. I would say people
3 are definitely impacted. You know, we're still -- some
4 counties hired more staff for the processing. I know in
5 Sacramento, we hired three additional staff to assist
6 with customer service and processing. So it is
7 impacting us in that way.

8 And of course that's not always popular,
9 because you're hiring people when you're taking money
10 off the roll. So -- but at the same time we have an
11 obligation to the public to process these claims and
12 give the benefits. So --

13 MR. VAZQUEZ: Thank you.

14 I see a couple hands here.

15 Member Schaefer, then we'll go to
16 Member Gaines.

17 MR. SCHAEFER: Yes.

18 Ms. Stowers, if somebody's thinking they're
19 going to need an extension, but they're not, and then it
20 comes the final day, and, oops, we didn't request it,
21 can they come in, you know, the day after and say "We
22 need it"?

23 MS. STOWERS: They can come in the day of, and
24 we are extremely flexible.

25 But I will say this, that although some

1 counties, I would come to you for the next three months
2 asking for -- saying that we approved.

3 Most of them asked, but they do not need it.
4 Most of the counties -- I'm going to say 99.9 percent of
5 them get their rolls done on time.

6 MR. SCHAEFER: So we're nice to our assessors.

7 MS. STOWERS: Yes. We're very nice.

8 Those, you know -- and they -- it's just a --
9 they ask. And they pride themselves on knowing that
10 they got their rolls done on time.

11 MR. SCHAEFER: Sure.

12 MS. STOWERS: I think last year I made the
13 mistake and said somebody was late, and they corrected
14 me.

15 MS. WYNN: You know, it's really difficult
16 when you're late, because other -- the Department of
17 Finance within your county is required -- you know,
18 they're counting on that information at a certain time.

19 So if you don't get that to them, then they're
20 impacted in what they do. So it's more than just we
21 have this statutory obligation. We're also impacting
22 everybody else down the line.

23 So it's really important that we're trying to
24 complete it on time and accurately. So --

25 MS. STOWERS: I like that. Accurate.

1 MR. VAZQUEZ: Member Gaines.

2 MR. GAINES: Yeah.

3 Thank you, Christina Wynn, for being here.

4 And you're in my district, and you're a great
5 leader in the state in terms of what you do as an
6 assessor. So I thank you for that.

7 But I just wanted to get some clarification on
8 Prop. 19, which, just for the record, I didn't support
9 it. But it's passed, and we have to implement it.

10 It's my understanding that there was an
11 element of that initiative that provided funding, I
12 thought, to the county assessors for the additional
13 workload.

14 No. 1, is that accurate?

15 MS. WYNN: Well, what we understand is there's
16 offset funding for counties experiencing a loss. We
17 don't fully understand yet what that will look like.

18 MR. GAINES: Okay.

19 MS. WYNN: Because the reporting, official
20 reporting periods are in the future. I believe 2025 is
21 the first one.

22 MR. GAINES: Okay. So in the meantime --

23 MS. WYNN: In the meantime, we're doing our
24 job as we need to do it. And we'll see what happens as
25 we proceed on.

1 What's not understood is if you have a gain in
2 your county, what does that mean? Do you pay then, or
3 how is that going to work? Or is it all collected
4 probably behind the scenes, is my guess?

5 But that part really hasn't been explained to
6 us. And that's sort of more on the Department of
7 Finance side of operations of the county.

8 Right now we're just collecting the data,
9 because we're going to have to report to CDTFA through
10 the Department of Finance on our gains and losses.

11 MR. GAINES: Yes. Okay.

12 I guess the other thought I had is there's
13 been some discussion about, you know, is there a tweak
14 or a change or an adjustment that can be made to
15 Prop. 19?

16 Because I think part of this impact is on,
17 first, generational wealth, and folks that have worked
18 hard their entire life and been successful enough to get
19 a rental or two. And now those are being reassessed,
20 especially in areas where values have gone up
21 dramatically over the last 30 or 40 years.

22 And so is that something that we, as a Board,
23 could look to you and the Assessors' Association in
24 terms of if we are able to come up with an idea, if it
25 passed through the Legislature, if it went through on

1 the back of the ballot and was approved, we just want to
2 make sure that that was implemented in the right
3 fashion. And we would like to have your -- your input
4 to make sure that we do that in the right way.

5 MS. WYNN: Well, of course, you know, we
6 definitely would like to engage in that process.
7 Because there are a lot of technicalities involved in
8 assessment administration.

9 And sometimes when laws are passed, those
10 things aren't really thought of and complications arise
11 because of that.

12 MR. GAINES: Sure.

13 MS. WYNN: So definitely we would -- we would
14 engage in that process. We always try to. And do our
15 best to make sure that we can administer whatever it was
16 that was being passed.

17 MR. GAINES: Sure.

18 MS. WYNN: Which, of course, would be a
19 constitutional amendment, a ballot measure.

20 MR. GAINES: Yes. And I don't want to speak
21 for the whole Board. But there's been little discussion
22 here and there. And I'm just curious as to what is that
23 pathway, and we want to make sure we engage the
24 association.

25 MS. WYNN: Yeah. You're talking about the

1 inheritance portion, not the base year transfer portion.

2 MR. GAINES: No. No.

3 MS. WYNN: So the inheritance cut backs that
4 were made --

5 MR. GAINES: Yes.

6 MS. WYNN: -- and possibly reinstating some of
7 those benefits. And that's, I think, what you're
8 referring to.

9 MR. GAINES: Yes.

10 And I think there's also an aspect with
11 disabled individuals that got the benefit, I think, on
12 base year value, but not on the other side in terms of
13 transfer of inheritance.

14 MS. WYNN: Yeah. I don't think the disabled
15 persons were impacted by the inheritance change.

16 MR. GAINES: Okay.

17 MS. WYNN: I don't recall that that occurred.
18 Because the inheritance is not really tied to anyone
19 like exempt status.

20 MR. GAINES: Okay.

21 MS. WYNN: It's just on, you know, whether the
22 person is occupying the property as their primary
23 residence in perpetuity. That was one of the big items.
24 Plus --

25 MR. GAINES: Okay. So if it were -- because

1 we heard some cases of parents with adult disabled
2 children that -- it was messing up the finances in terms
3 of cash flow.

4 MS. WYNN: Right. Because everyone's ability
5 to inherent was limited, regardless of your exempt
6 status. So you're talking about a particular portion
7 that could maybe be reinstated through a new ballot
8 measure.

9 MR. GAINES: Sure.

10 MS. WYNN: Yeah. So -- and the stats are
11 being gathered now as to the impacts of all the changes
12 that came from Prop. 19. So data should be coming
13 available fairly soon. So that -- that can be examined.

14 But my understanding, there was an attempt
15 already to put a ballot measure out there that didn't
16 get enough signatures. So I don't know if they will be
17 going down that same path again, and at what point.

18 MR. GAINES: Yes. Maybe through the
19 Legislature, though, if there were agreement. But
20 that's, you know, to be discussed.

21 Thank you.

22 MS. WYNN: Sure.

23 MR. GAINES: Appreciate it.

24 MS. WYNN: Of course.

25 MS. STOWERS: Thank you very much.

1 MS. WYNN: You're welcome.

2 MR. VAZQUEZ: I know there's -- I have more
3 questions for you.

4 MS. WYNN: Oh, sorry.

5 MR. VAZQUEZ: And, actually, you just brought
6 up a point. I had more of a clarifying question.

7 When you mentioned on principal residence, you
8 know, especially with Prop. 19, I had a call a
9 couple -- I guess it was last month -- when a property
10 goes into probate, for example, if one of the members,
11 the living members was to move into it while it's in
12 probate, does that kind of put a hold on the
13 reassessment of that property?

14 MS. WYNN: Well, it depends. I have to say it
15 that way. But what I would say is that's a smart move.

16 Because when you read the law, it actually
17 says more about when they move in versus when they file
18 for the homeowner's exemption. It's actually more
19 important to move into the property within one year than
20 it is to get the homeowner's exemption. Which you still
21 do have to do. But the actual act of making the home
22 your primary residence is the most important thing.

23 And that's where the -- where it's sort of a
24 gray area where people, I think, don't understand. They
25 think the homeowner's exemption is the key. It's

1 actually when you occupy the property.

2 And so moving into it will help preserve the
3 ability to get the benefits. So I think that's probably
4 a good move if that's the person that will be inheriting
5 property and qualifying for the benefit.

6 MR. VAZQUEZ: Okay.

7 MS. STOWERS: Members, if I may interject.

8 Great conversation.

9 And I appreciate you coming up. But --

10 MR. VAZQUEZ: Are we a little off topic there?

11 I think so.

12 MS. STOWERS: Yeah.

13 MR. VAZQUEZ: Okay.

14 MS. STOWERS: So let's do this, maybe we
15 should have another Public Policy Hearing on Prop. 19.

16 MR. VAZQUEZ: We should.

17 MS. STOWERS: Okay. And then -- and we can
18 have more dialogue without Legal telling me that we're
19 off topic.

20 MR. VAZQUEZ: Thank you for coming up. I
21 guess we'll have to excuse you now.

22 MS. WYNN: It's okay. Thank you.

23 MR. VAZQUEZ: We'll get back on the agenda.

24 MR. GAINES: Thank you very much. Can I
25 just --

1 MR. VAZQUEZ: I know there was a --

2 MR. NANJO: Thank you, Members.

3 Our Executive Director is correct.

4 And of course, thank you, Assessor Wynn, for
5 coming up and providing great information. But we are
6 kind of --

7 MR. VAZQUEZ: Off topic.

8 MR. NANJO: -- going far off topic. We should
9 agendize this for a future meeting.

10 Thank you.

11 MS. WYNN: Sounds good. Thank you.

12 MR. VAZQUEZ: We will do that.

13 Going back on topic here, I know there was
14 hands still up. And let me go with my Vice Chair Lieber
15 first.

16 MS. LIEBER: Thank you.

17 Well, I always appreciate the dialogue with
18 the assessors. And I think it's very valuable to have
19 them here.

20 And I was going to suggest that we agendize an
21 item when that data starts to come available. And as
22 time permits, I think it will be very fruitful.

23 And if we let folks know in advance that it's
24 going to be on the agenda, then I know we're going to
25 have a great deal of interest.

1 And then I just wanted to comment as one of
2 the -- well, I am the new person. Got someone who is
3 almost new who is here.

4 I very much want to commend the Support
5 Services. And I know that Mr. Gaines knows that I am
6 very fiscally conservative progressive person. I always
7 want to watch the money very closely. And so it's
8 really been a point of pride for me to get to know the
9 agency, and to see that it is very lean and effective,
10 and provides a great benefit for the taxpayers. And
11 it's lean and not at all mean.

12 So thank you.

13 MS. STOWERS: Thank you.

14 MR. VAZQUEZ: Thank you.

15 Go ahead, Deputy Controller.

16 MR. EMRAN: Thank you to the assessors for
17 showing up today. It means a lot to make this Board
18 function. You are an important part of it.

19 And also to Executive Director Stowers, I want
20 to just appreciate you for this moment. I know you've
21 been on this job for less than a year. It's been a huge
22 role that you filled. But you're doing an incredible
23 job. And it's been a pleasure to work with you in my
24 old and now new capacity.

25 Also to Support Services Division, always

1 professional, always timely. And I really do appreciate
2 everything that you've all done.

3 And then just last point for the CalTax
4 meeting, I have confirmed my attendance too. So looking
5 forward to that best question, and the breakfast with
6 the BOE Members.

7 Thank you.

8 MS. STOWERS: Thank you.

9 MR. VAZQUEZ: Thank you.

10 Member Gaines.

11 MR. GAINES: Yeah.

12 I really like your question, and the clarity
13 that Assessor Wynn provided in terms of how important it
14 is for the family moving into that house.

15 And I thought maybe we could work with our
16 Communications Department and add that in our Prop. 19
17 information for folks. Because we don't want them to
18 lose that status --

19 MR. VAZQUEZ: No.

20 MR. GAINES: -- if there's a family member
21 that wants to move into the home.

22 MR. VAZQUEZ: Well noted. I guess we can
23 include that in our website. And we'll talk to staff.

24 Well, we have Ms. Stowers here.

25 MS. STOWERS: We will.

1 You know, behind the scenes, as you guys are
2 making suggestions, we're taking notes, and we will have
3 a meeting. We call it our Board Member Assignment. And
4 that will be at the top of our list to see what we can
5 do to further educate the public.

6 And appreciate the assessor from Sacramento
7 being here. And we always have someone, it's either the
8 president or the vice president, either in person or
9 behind the scenes. Because we are in partnership.

10 So thank you again.

11 MR. GAINES: Thank you.

12 MR. VAZQUEZ: Thank you.

13 MS. STOWERS: My other item was going to be
14 the Governor's Budget, but we covered that.

15 MS. CICHETTI: All right.

16 MR. VAZQUEZ: If we're good, then,
17 Ms. Cichetti, what do we have next?

18

19 **ITEM K1d**

20

21 MS. CICHETTI: Yes.

22 We're just going to go along then. We're
23 going to continue on the Executive Director's Report to
24 K1d, Operational Priorities Report. Report on the
25 status of the operational priorities of the BOE.

1 This matter will be presented by Ms. Renati.

2 MS. RENATI: Good morning, Honorable Members,
3 Chairman Vazquez and Vice Chair Lieber.

4 I am Lisa Renati, the Chief Deputy Director of
5 the Board of Equalization.

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

8 The first item is workforce planning.

9 Workforce planning is to address the current
10 and future needs of our workforce. This includes
11 developing strategies to attract and retain employees,
12 creating training programs to meet the needs of our
13 diverse and changing workforce, and developing our
14 employees to take on key roles when current leaders
15 retire or move onto other positions.

16 Since our last meeting, we have filled three
17 vacant positions; one is a promotion of an internal
18 candidate, and the other two positions are new to the
19 BOE.

20 As a side note, one of the new BOE employees
21 found out about the BOE from our posting on CalCareers,
22 and the other from a BOE social media posting.

23 We continue to actively recruit our vacancies
24 by using multiple recruitment approaches, including
25 participation in six recruitment events planned for the

1 first half of this year. These events include career
2 fairs at universities, professional organizations, and a
3 multiagency event coordinated by the EDD.

4 Members, the next item is a status on our IT
5 modernization project. Our request for information,
6 frequently referred to as an RFI, was released to the
7 public on January 24th.

8 The RFI is regarding the design, development
9 and implementation of a new Board roll system for our
10 agency.

11 The goal of this RFI is to collect information
12 from interested parties with the necessary skills and
13 experience in designing workload and case management
14 systems to meet our technology needs.

15 We will use this information from the RFI to
16 develop and finalize requirements that will be used in
17 the next phase of our IT modernization project.

18 The deadline to submit responses to the RFI is
19 today, February 22nd. Additional information can be
20 found at DGS's Cal eProcure website.

21 And this concludes my report. I'm happy to
22 answer any questions you may have.

23 MR. VAZQUEZ: Let me go -- I see a question on
24 my left here with Member Gaines.

25 MR. GAINES: Great. Yeah.

1 Thank you very much. I just wanted to
2 compliment you on continuing to fill positions at the
3 BOE. So it's encouraging that we're promoting within,
4 but also bringing folks in from the outside.

5 And the fact that we saw our promotion, at
6 least one employee, future employee did, and followed
7 through with it, is encouraging.

8 So thank you.

9 MS. RENATI: Thank you.

10 MR. VAZQUEZ: I just had a couple quick
11 questions for you.

12 First, just an update. I know briefly, what
13 are the general scopes for our main focus on the IT
14 modernization project?

15 MS. RENATI: Well, the project is to modernize
16 and streamline our Board roll system and a case
17 management program. And so our Board roll system is our
18 statewide state-assessed roll, and we allocate those to
19 different counties.

20 And our current system is old. I'll say that.
21 It's antiquated. It's a little more people-driven. And
22 we'd like to have a modernized solution.

23 So the RFI is seeking -- collecting
24 information from all those interested parties to see if
25 anyone has a system, or they have any questions for us

1 about the system.

2 And it's just really the baby step of this
3 project to find out if anyone is interested in our
4 project, and can ask us more questions.

5 MR. VAZQUEZ: You mentioned RFI. And I guess
6 just for the -- it says request for information,
7 correct?

8 MS. RENATI: Correct.

9 MR. VAZQUEZ: On that project, can you kind of
10 summarize what is the purpose of the RFI?

11 MS. RENATI: It's to collect that information
12 from different people to tell us what -- who has the
13 skills, who has an experience in designing systems and
14 workload. And then we'll use that information to
15 develop and finalize our requirements.

16 And that will be the next step. We'll issue
17 what our requirements for the system are.

18 And ultimately, down the road, the
19 requirements will be used to go out and find, you
20 know -- either do a request for proposal, or do some
21 type of bid to get a system that we can purchase.

22 MR. VAZQUEZ: So we can modernize.

23 MS. RENATI: Modernize. Yeah.

24 MS. STOWERS: Representing we have an issue.
25 We need to modernize our roll. And we're looking to

1 technology vendors to provide us with a solution.

2 MS. RENATI: It's the California process.

3 MS. STOWERS: Yes, it's the California way.

4 And the long goal, we don't know what the
5 solution is, because --

6 MS. RENATI: We're hoping cheap.

7 MS. STOWERS: But we're hoping it's going to
8 be very inexpensive.

9 MS. RENATI: And works well.

10 MS. STOWERS: And works well.

11 MR. VAZQUEZ: I'm with you. I'm not an IT
12 person either.

13 MS. STOWERS: Yeah. But if it's something
14 more, we will keep you informed.

15 MS. RENATI: Yes.

16 MS. STOWERS: If we have to go to that
17 expansive technology project, we will follow the State
18 process, including Department of Technology, when it
19 comes to a new system.

20 But if it's something that's available off the
21 shelf, that's best.

22 MS. RENATI: Whatever works best. Because we
23 are -- have such a large Board roll. We need to make
24 sure that -- we can't fail at making sure we get the
25 Board roll done correctly and timely. So we're looking

1 towards the future.

2 MR. VAZQUEZ: No, I appreciate it. Having
3 stepped out of my role as the Franchise Tax Board
4 member, and now coming back, I went on a tour and I
5 couldn't believe just in this little short window of a
6 little over a year, the modernization that's taking
7 place over there with technology. It's advanced so
8 much.

9 MS. STOWERS: Their ED are 1, 2, 3. I think
10 they may be on 4 or 5 by now. We're not there. We're
11 doing baby steps.

12 MR. VAZQUEZ: I know.

13 MS. STOWERS: I think I said before, crawl,
14 walk, run. We're crawling when it comes to technology,
15 not as an agency.

16 MR. VAZQUEZ: Well, it's good to hear that
17 you're moving on it though.

18 Any other comments, questions?

19 Oh, yes. Member Gaines.

20 MR. GAINES: Just a question of procedure.

21 I notice we have a few folks in the audience
22 that I think are going to speak at some point. And I'm
23 just trying to figure out, are they aware of the
24 timeline and when they would speak?

25 MR. VAZQUEZ: As far as I know.

1 MR. GAINES: Okay.

2 MR. VAZQUEZ: Because the agenda was out.

3 Yeah.

4 MR. GAINES: Okay.

5 MR. VAZQUEZ: And we do have a lunch break

6 coming up. So I think it's going to take place after

7 that.

8 MR. GAINES: Oh, it is. Okay. All right.

9 As long as they're aware. I'd hate to have

10 folks waiting for undue period of time.

11 MR. VAZQUEZ: And then I know we have some --

12 we have former members -- actually former BOE member

13 that put in a request to speak under public comment,

14 which is our N item.

15 MR. GAINES: I see. Okay. Very good.

16 Thank you.

17 MR. SCHAEFER: Will they be able to stay until

18 the afternoon? I'd hate to lose them.

19 MR. VAZQUEZ: I'm assuming they budgeted their

20 time. Because that hasn't changed. We haven't changed

21 the schedule.

22 MR. SCHAEFER: If they have a plane to catch

23 or something, I would move it.

24 MR. VAZQUEZ: Ms. Stowers, I'm sorry. Go

25 ahead.

1 MS. STOWERS: Chair Vazquez, at your pleasure,
2 you can take something out of order. So if, at your
3 pleasure, if you want to take up --

4 MR. VAZQUEZ: Here we go.

5 MS. STOWERS: -- "Items Not on the Agenda" for
6 "Public Comment."

7 MR. NANJO: Normally that would be correct,
8 that you could move things out of order. I would not
9 recommend doing that with "Items Not on the Agenda,"
10 because it has been published at the end of the agenda.

11 We may have someone calling in who wishes to
12 speak toward the end of the day. And if you had called
13 it earlier, they would miss their opportunity to speak.
14 So --

15 MR. SCHAEFER: But that may not happen. We
16 don't know.

17 MR. NANJO: True. But -- but --

18 MR. SCHAEFER: Could I ask Mr. Parrish if he
19 finds it convenient to stay til the afternoon, or would
20 you have some reason you want to be heard?

21 MR. PARRISH: You know, I enjoy hearing this.
22 I enjoy hearing it, and I'm willing to wait.

23 MR. SCHAEFER: Thank you.

24 MR. GAINES: Question, if I could.

25 MR. VAZQUEZ: Yes, Member Gaines. Go ahead.

1 MR. GAINES: Yeah. For Mr. Nanjo.

2 MR. NANJO: Yes, sir.

3 MR. GAINES: If our wording was different on
4 the agenda, would that give us more flexibility in the
5 meeting?

6 MR. NANJO: You could change the wording to
7 make it more flexible, but I would quarry whether or not
8 that would be viewed as taxpayer or public-friendly.

9 Because if you could move it at any time, then
10 a person, a member of the public who would like to speak
11 on matters not on the agenda, wouldn't know where they
12 would be speaking. So they would have to, essentially,
13 listen to the whole meeting.

14 MR. GAINES: All right. Okay. Very well.
15 Thank you.

16 MS. STOWERS: If I could put in my plug. And
17 I know he's going to tell me to be quiet.

18 MR. NANJO: That's a different agenda item.

19 MS. STOWERS: That is why I'm promoting to
20 change our agenda order. Something that we're going to
21 talk about later this afternoon.

22 MR. VAZQUEZ: Yes.

23 MR. SCHAEFER: I would hate to see us hold
24 somebody over for half a day because of the theory
25 somebody might want to call in from the public.

1 MS. STOWERS: Yes. That's -- that's one
2 reason why we're looking to put public comments up
3 earlier in our agenda.

4 MR. GAINES: Through the Chair, if I could.

5 MR. VAZQUEZ: Yes.

6 MR. GAINES: That's what kind of spurred the
7 question. Because you had mentioned it in the briefing
8 that I had. So I was just curious. We haven't
9 implemented that yet. It looks like --

10 MS. STOWERS: I think it's a discussion we're
11 going to have later on this afternoon.

12 MR. GAINES: Yeah. Thank you.

13 MR. VAZQUEZ: And really it's my
14 understanding, just for the Members in moving forward,
15 we've always pretty much -- we try to stick to the
16 agenda. Because we do publish in advance that people
17 know the schedule. And I assume people plan their
18 schedules around that.

19 But it does come up sometimes where you might
20 have somebody, you know, for whatever reasons might have
21 an emergency and needs to leave. And I think we should
22 be flexible on that. But I haven't heard that today.

23 So if people are comfortable, we will just
24 continue with the agenda.

25 Ms. Stowers, are you -- I think you're

1 finished?

2 MS. STOWERS: I'm comfortable with that as
3 well, sir, moving forward.

4 MR. VAZQUEZ: Okay.

5 MS. STOWERS: I don't know if -- what's the
6 next item?

7 MR. VAZQUEZ: Ms. Cichetti.

8 MS. CICHETTI: Are we ready?

9 Okay. Thank you, Ms. Renati.

10

11

ITEM K2

12

13 MS. CICHETTI: The next item on the agenda is
14 K2, Executive Director's Report; K2a, Taxpayers' Rights
15 Advocate Annual Report: Presentation of the 2021-22
16 Taxpayers' Rights Advocate's Annual Report highlighting
17 the office's accomplishments, taxpayer service
18 improvements, and examples of cases illustrating
19 services provided, update on activities of the TRA
20 office.

21 This matter is being presented by
22 Ms. Thompson.

23 MS. THOMPSON: Good morning, Chair Vazquez and
24 Honorable Board Members.

25 I'm Lisa Thompson, Chief of the Taxpayers'

1 Rights Advocate Office, and I am pleased to present to
2 you the 2021-22 Taxpayers' Rights Annual Report for
3 property taxes and the alcoholic beverage tax.

4 As part of my presentation, I will describe
5 the contents of the TRA annual report, and then provide
6 an operational update as to the status of projects and
7 activities of our office.

8 The annual report is issued in accordance with
9 the Morgan Taxpayers' Bill of Rights, under the
10 provisions of Revenue and Taxation Code Section 5904.

11 And the report highlights the TRA office's
12 accomplishments, examples of cases illustrating the
13 services that we provide to taxpayers, and issues that
14 our office works on to resolve, and also describes our
15 office's involvement in educational projects to help
16 taxpayers.

17 As part of the report, we include various
18 statistics on completed cases that the TRA office worked
19 on through the year. And it reports several pie charts
20 identifying percentages, percentages for completed
21 cases. It includes percentages for completed cases for
22 each of the four Board Member districts, the percentage
23 of completed cases for the valuation versus
24 administrative category, as well as topics within those
25 categories.

1 For fiscal year 2021-22, our office completed
2 work on 569 cases. All were in the area of property
3 taxes.

4 Of the completed cases, 25 percent were in
5 District One, Board Member Gaines' district; 32 percent
6 were in District Two, Board Member Lieber's district;
7 19 percent were in District Three, Board Member Vazquez'
8 district; and 24 from District Four, Board Member
9 Schaefer's district.

10 Seventy-five percent of those cases were in
11 the valuation category, which pertains to topics such as
12 decline in value, changes in ownership, new
13 construction, exclusions from reassessment, exemptions,
14 assessment appeals, and general property taxation.

15 Twenty-five percent of the cases were in the
16 administrative category, which includes topics such as
17 creating and mailing of tax bills, refunds and
18 penalties.

19 As to topic areas within the valuation
20 categories, the report provides a breakdown into eight
21 different topic areas.

22 The largest percentage of those cases involved
23 exclusions from reassessment at 34 percent, followed by
24 change in ownership at 18 percent, with exemptions at
25 10 percent.

1 As to the topic area within the administrative
2 category, the report provides a breakdown into six topic
3 areas.

4 The largest percentage this year of cases
5 involved delinquent or defaulted taxes at 37 percent;
6 followed by access to data, another category, at 25;
7 with a next highest percentage of special assessments at
8 16 percent.

9 In addition to contacts from taxpayers that
10 our office sets up as cases that we work on, our office
11 also receives contacts from taxpayers that are seeking
12 assistance in areas that don't pertain to our agency.

13 In those cases, we assist the taxpayers by
14 directing them to the appropriate state or county
15 agency.

16 The number of requestors that we direct
17 elsewhere as a result of them contacting our office
18 through our website e-mail intake form on our website
19 were 72 this year.

20 The TRA annual report also describes how the
21 public becomes aware of our office and our services that
22 we provide to taxpayers to assist them.

23 One is through an agency publications that
24 provides TRA office contact information, such as CDTFA
25 Publication 145, which identifies our agency's TRA

1 office, as well as other state agencies' TRA office, and
2 the IRS advocate.

3 Our agency's website is also a resource for
4 taxpayers, where taxpayers become aware of the TRA
5 office. At the bottom of every page on our agency's
6 website, taxpayers can access the TRA office.

7 County assessors' offices also refer taxpayers
8 to our offices, as well as your Board Members' offices
9 also direct taxpayers to our office, or they forward
10 information to us to assist them on your behalf.

11 Other State agency's Taxpayer Rights Advocates
12 also, such as Franchise Tax Board, or the California
13 Department of Tax and Fee Administration, also refer
14 taxpayers to us if their area is in need for property
15 taxes or the alcoholic beverage tax.

16 Additionally, our Office's Communications
17 Department issues social media posts so taxpayers are
18 aware of the TRA office.

19 And I thank Peter Kim for doing that on
20 different platforms.

21 Taxpayers can contact us by completing a web
22 intake form that's available on our website. And they
23 can also contact us by phone.

24 The website intake form is very easy for
25 taxpayers to use, provides all the needed contact

1 information that we need, asks taxpayers to kind of
2 describe the nature of their concerns, so we can kind of
3 prepare a little bit before we make the call to do a
4 little bit of research.

5 The two primary functions of the TRA office
6 are to ensure fair and equitable treatment for taxpayers
7 in the assessment of collection, and the collection of
8 property taxes, and to recommend changes in policies,
9 procedures and laws to improve and ease taxpayer
10 compliance.

11 The annual report contains examples of cases
12 our office works on to illustrate to taxpayers how their
13 problems are resolved.

14 Our role typically involves review and
15 explanation of processes and laws, contact with county
16 assessors or tax collectors' offices to help resolve the
17 problem or concern that the taxpayer has with that local
18 department.

19 Oftentimes, a taxpayer just needs to have kind
20 of assistance in understanding how they were treated,
21 and whether that complies with the law. So they receive
22 confirmation of that.

23 We are basically an independent party that
24 they can use for us to review their -- the circumstances
25 of their concerns to ensure that they were treated

1 fairly according to the property tax law.

2 There are several examples included in the
3 annual report illustrating the types of cases received,
4 and how we assisted those taxpayers.

5 In this year's annual report, we highlighted
6 one transfer for persons aged 55 and older, one
7 involving a disabled veteran's exemption, and we also
8 included a case concerning a parent-child exclusion.

9 So before the statutory changes were made to
10 base year value transfers and intergenerational
11 exclusions resulting from the passage of Proposition 19,
12 a constitutional amendment approved by the voters in
13 November of 2020, with implementing legislation signed
14 into law by the Governor in September of 2021.

15 Our office annual report pointed out the
16 impact of that amendment as part of our case examples.
17 And so you'll see those on two of those examples.

18 Many of the cases that our office worked on
19 during fiscal year 2021-22 involved exclusions from
20 reassessment, specifically transfers between parents and
21 children and base year value transfers for seniors.

22 With respect to exclusions from -- between
23 parents and children, the annual report highlighted an
24 example of a transfer between a parent and child where a
25 taxpayer had transferred 50 percent in a property to her

1 son with the transfer recorded on February 16th, 2021.

2 The taxpayer contacted our office because they
3 were concerned that the assessor's office asked them to
4 complete form BOE-19-P, instead of using the claim form
5 they submitted, seeking exemption under the law that was
6 in effect before Proposition 19's intergenerational
7 transfer provisions.

8 Because it was a rental property, the
9 taxpayers were concerned that completing an application
10 on claim form for Proposition 19 would result in a
11 denial of the exclusion.

12 So we coordinated with the assessor's office,
13 directing them to our agency's Letter To Assessors
14 guidance addressing the one-day extension to perform an
15 act due to the February 15th, 2021 state holiday, and
16 that the notary date may be the evidence -- may be
17 considered evidence of the transfer date, rather than
18 the recording date.

19 The assessor's office agreed and accepted the
20 notary date, and evaluated the claim for the
21 parent-child transfer that the taxpayer made, as they
22 wanted.

23 Upon closer review of the transaction, it
24 turned out to be that the February 15th, 2021 transfer
25 was not a change in ownership for property tax purposes,

1 since the mother remained on title with the son.

2 So the property wouldn't have been reassessed;
3 therefore, there was no exclusion to claim.

4 We helped the taxpayer understand reassessment
5 consequences if there were later transfers of interest
6 in that property.

7 With respect to the base year value transfers
8 for seniors, we highlighted two examples; one for a base
9 year value transfer for a property they purchased in the
10 same county, and one where the replacement property was
11 purchased in a different county.

12 One case that I would like to highlight in
13 this year's annual report concerns the base year value
14 transfer where the property was a duplex.

15 The taxpayer was concerned about the amount of
16 transfer. Our office helped the taxpayer understand
17 that in the case of a multifamily or multidwelling
18 property, each unit is considered to be a separate
19 original property.

20 So -- such that the base year value
21 attributable to the unit that the original property
22 was -- that was the taxpayer's primary residence, is
23 what transfers to the replacement residence. It's not
24 both units.

25 The unit of the duplex that was a separate

1 residential unit that was rented out would not be part
2 of the value that transfers to the replacement.

3 Also, because the replacement was of higher
4 value, our office explained that in determining new
5 taxable value of the replacement, the market value
6 difference between the original and replacement would be
7 added to the transferred factored base year value from
8 the original to arrive at the new taxable value of the
9 replacement residence.

10 With respect to exemptions, the annual report
11 also includes an example of a disabled veteran's
12 exemption.

13 A taxpayer who was a disabled veteran
14 contacted our office seeking assistance with concerns
15 about the amount of exemption he received.

16 He felt the property tax bill he received only
17 included a partial exemption, and was less than the
18 amount he had received on his previous home.

19 He also received two supplemental property tax
20 bills shortly after the other bill that showed no
21 exemption.

22 He had also applied for a base year value
23 transfer to that property.

24 Our office reviewed various property tax
25 bills, and then contacted the assessor's office to

1 obtain information about the assessment and the status
2 of the claim for exemption, as well as the base year
3 value transfer claim.

4 After completing our analysis, we helped the
5 taxpayer understand that the first bill he received was
6 reflective of the January 1 lien date assessment, prior
7 to the time that he actually owned the property. And
8 that the previous tenant, or the previous owner, had
9 also been a disabled veteran. So he was receiving that
10 exemption.

11 We also explained that the assessor's office
12 expedited the processing of both claims, and both
13 exemption and exclusion had been granted with
14 information transmitted to the county auditor's office
15 to determine the effect on property taxes and issue
16 refunds on those overpaid taxes.

17 Because the assessor's office told us that
18 they were unable to apply the full disable veteran's
19 exemption since the taxpayer only owned a portion of the
20 new property, since he included his two daughters on
21 title when he purchased that property, we helped the
22 taxpayer understand that the exemption amount would only
23 be up to one-third of the property's assessed value.

24 We also helped him understand that simply
25 removing his daughters from title would cause

1 reassessment of two-thirds of the property; thereby,
2 losing the property tax base transferred from his
3 previous home.

4 So we do kind of look forward to let them know
5 there could be consequences if you decide to, you know,
6 go different avenues.

7 This year's annual report also identifies that
8 the TRA office is involved in issue resolution as a
9 result of certain contacts from taxpayers raised that
10 contact our office, or that come before this Board and
11 contact with the annual Bill of Rights Hearing, we
12 become aware of issues that taxpayers or their
13 representatives have, which developed into a project to
14 resolve the issue that results in changes being
15 implemented.

16 This year's annual report identifies the solar
17 energy new construction exclusion, which was initiated
18 by our agency's Property Tax Department in part due to
19 contacts made to the Taxpayers' Rights Advocate Office
20 by a taxpayer representative.

21 The project was initiated to address issues
22 that emerged since the release of the agency's
23 guidelines for active solar energy new construction
24 exclusion. And as part of that project, a proposed new
25 property recording form was distributed as a part one of

1 the phase of that project.

2 Work was suspended by the Property Tax
3 Department on that project as a result of the passage of
4 Proposition 19, and the substantial workload associated
5 with that implementation.

6 The next part of the Taxpayers' Rights
7 Advocate annual report contains a section on taxpayer
8 service improvements.

9 And that section has four parts; one is
10 educating the public; two, educating the public about
11 Proposition 19; and, three, ease of access to
12 information and forms review.

13 As to education to the public, this section
14 discusses the Taxpayer Rights Advocate Office's role in
15 taxpayer education through publication of information
16 report, information sheets.

17 And for work that began in 2018, after
18 discussions with the California Assessors' Association
19 concerning providing education, which were written in
20 simple, nontechnical terms for the issuance of such
21 topics as various exemptions and exclusions.

22 The annual report identifies the completion of
23 six information sheets in fiscal year 2021-22,
24 specifically from July '21 through June 2022.

25 They address exclusions from transfers between

1 parents and children, transfers between grandparents and
2 grandchildren, and base year value transfers for persons
3 aged 55 or over, and for disabled persons.

4 The information sheets addresses transfers
5 under current law of Proposition 19, with separate
6 information sheets addressing transfers occurring under
7 prior law, since taxpayers may still be applying for
8 such transfers, and county assessors are still
9 processing those transfers.

10 The information sheets are clear on what
11 period they apply to. So the taxpayer will know which
12 apply to current law versus prior law based on the
13 transfer dates.

14 The TRA annual report also identifies two
15 other information sheets that were drafted during fiscal
16 year 2021, but posted in August 2022, shortly after the
17 end of the fiscal year.

18 They were on the base year value transfers for
19 disabled persons, similar to other information sheets.
20 Two were issued as a set; one to address current law,
21 Proposition 19; and one for prior law.

22 The Taxpayers' Rights Advocate Office is
23 committed to making improvements to taxpayer education,
24 and also to provide information in simple, nontechnical
25 terms that they're able to understand.

1 Our office values the importance of having
2 information sheets available as a resource to taxpayers
3 that they can read about the main requirements, the
4 specific purpose of law, how they can apply for the
5 exemption or exclusion, and also provide helpful hints
6 about that topic.

7 I will also be discussing recent work with our
8 information sheets as the second part of my presentation
9 and future updates.

10 The second part of the taxpayer service
11 improvement is on educating the public about
12 Proposition 19. It addresses publication of a
13 Proposition 19 fact sheet in collaboration with our
14 agency's Communications Officer, Mr. Peter Kim, as part
15 of the Proposition 19 implementation and action plan for
16 education and outreach.

17 The fact sheet was first published in February
18 of 2021, and then updated in April 2022, following the
19 passage of implementing legislation for Proposition 19,
20 and issuance of our agency's guidance on implementing
21 legislation.

22 The fact sheet was issued to provide taxpayers
23 with simple, straightforward information concerning
24 Proposition 19, designed with the taxpayer specifically
25 in mind.

1 The fact sheet provides information on the
2 requirements, its benefits and situational examples of
3 how Proposition 19 works, and how to apply for it.

4 The third part of the taxpayer service
5 improvement section is on ease of access to information.

6 This area discusses the TRA office's
7 commitment to ensuring that the public has access to
8 information when they need it. And we do this through
9 examining our agency's website with the taxpayer in
10 mind. And then we coordinate with our agency's Property
11 Tax Department and Communications Officer to update
12 information on the website to ensure sufficient
13 information is available on various topics and can be
14 easily accessed.

15 As described in the annual report, our agency
16 developed a web page dedicated to Proposition 19 through
17 the constitutional amendment that was passed. And we
18 continue to post information through the end of this
19 year's fiscal report, and continued on beyond this
20 year's annual report.

21 During the time period of the TRA annual
22 report, eight LTAs were issued concerning
23 Proposition 19. And the 2021 TRA annual report
24 indicates our office reviewed material issued by our
25 agencies through this fiscal year, and believe our

1 agency was proactive and timely in posting information
2 concerning Proposition 19 and various aspects of its
3 implementation.

4 The fourth part of the taxpayer service
5 improvement section is on forms review.

6 This area discusses the TRA office's role in
7 periodically reviewing property statements and other
8 property tax reporting forms prescribed by our agency to
9 determine if forms and instruction promote or discourage
10 taxpayer compliance.

11 This is done as part of the responsibilities
12 under the Morgan Property Taxpayer Bill of Rights,
13 specifically Section 5906 of Revenue and Taxation Code.

14 As a result of working with taxpayers, the TRA
15 office becomes aware of changes that are needed to a
16 form, either the form itself or to instructions of a
17 form.

18 The 2021-22 report indicates that following
19 the passage of Senate Bill 539, which implemented the
20 provisions of Proposition 19, our agency, in
21 consultation with the California Assessors' Association,
22 revised nine Board-prescribed forms to make them
23 consistent with the provisions of Revenue and Taxation
24 Code Section 63.2 and 69.9.

25 Our office reviewed these forms during the

1 revision process and provided suggestion changes.

2 The forms were adopted by our elected Board
3 Members at the Board Meeting held on May 24th, 2022,
4 followed by the forms being distributed to assessors in
5 early July via Letters To Assessors.

6 The Taxpayers' Rights Advocate Office believes
7 the forms have been revised to accurately reflect
8 property tax law that benefits California taxpayers in
9 that they are user-friendly.

10 The last part of the annual report are the
11 appendixes. And those include the Morgan Property
12 Taxpayer Bill of Rights provisions that pertain to
13 property taxes. And appendix two contains the
14 California Taxpayer Bill of Rights provisions specific
15 to the alcoholic beverage tax.

16 This TRA annual report is posted to our
17 website, and can be accessed under the Taxpayers'
18 Rights Advocate area.

19 In accordance with the Morgan Taxpayer Bill of
20 Rights, this annual report will provide a basis for the
21 upcoming Taxpayer Bill of Rights Hearing that will be
22 held in August of this year.

23 We -- with respect to the alcoholic beverage
24 tax, Section 32463 provides that the Board shall conduct
25 an annual hearing where industry representatives and

1 individual taxpayers may present their proposals on
2 changes to the alcoholic beverage tax, which may further
3 improve voluntary compliance and relationship between
4 taxpayers and the government.

5 With respect to the Morgan Property Taxpayer
6 Bills of Rights, the annual -- the Revenue and Taxation
7 Code section which provides that the annual hearing will
8 take place is Revenue and Taxation 5906. And it states
9 that the Board shall conduct a public hearing soliciting
10 input from assessors, other local agency
11 representatives, and taxpayers to address the advocate's
12 annual report, and to identify a means to correct any
13 problems identified in that report.

14 So in advance of the Taxpayer Bill of Rights
15 Hearing, we will be working with the Communications
16 Officer to provide various outreach efforts to make the
17 public aware of the hearing.

18 We also coordinate with assessors' offices and
19 Tax Collector's office, you know, on various means. So
20 as that happens, I will update the Board Members on that
21 as part of my monthly update.

22 The -- generally, I had indicated that August
23 is traditionally when the Bill of Rights hearing is.
24 Of course the TRA office will confirm the specific date
25 and time of the Taxpayers Bill of Rights Hearing with

1 our agency's Executive Director, Ms. Yvette Stowers, and
2 also Board Chair, Mr. Anthony Vazquez.

3 Again, however, historically, it is in August.
4 And prior to that, a Letter To Assessors will be
5 distributed in that.

6 So what is important to keep in mind is that
7 we work through with taxpayers throughout the year to
8 resolve their problems. So many issues have already
9 been resolved before the annual Bill of Rights Hearing.

10 But at the hearing, taxpayers, industry
11 representatives, and other parties can comment on areas
12 of that -- in that annual report.

13 They can also comment on items that our office
14 may be working with them on, or any areas of concern
15 regarding property taxes or other programs we administer
16 in that regard.

17 So before moving on to my next part of the
18 update, I just would like to take this opportunity to
19 thank my staff in the TRA office for all of their work
20 that they do throughout the year.

21 We are only successful due to their hard work
22 and dedication. And I really appreciate their service
23 and their contributions that they make to public
24 service.

25 So that concludes my presentation of the TRA

1 office annual report. I'm available to answer any
2 questions, or I can wait until my next presentation.

3 MR. SCHAEFER: I have a question.

4 MR. VAZQUEZ: Yes. We have a question here
5 from Member Schaefer.

6 MR. SCHAEFER: Yes.

7 Ms. Thompson, I've grown up in a world of
8 phone books that always had attractive covers. And
9 there was always some indication of what the picture was
10 about.

11 I don't recognize three of these four pictures
12 here. Being a Berkeley grad, I, of course, recognize
13 the UC campus, but can you tell me what we're looking at
14 No. 1, 3 and 4 here?

15 MS. THOMPSON: So what we do is -- so we
16 actually let -- we let the CDTFAs Forms and Publications
17 sections be creative in their choice of pictures. I've
18 always liked their pictures.

19 The only -- the suggestion that I make or, I
20 guess, criteria is that we have one picture from each of
21 the districts. And so that is all of them.

22 Last year I think it was more of a little
23 beach theme.

24 But -- yeah. So I don't know if that's the
25 library.

1 MR. GAINES: No. 1 I think might be the Placer
2 County Courthouse, I think. It looks like.

3 MR. SCHAEFER: What is the city hall that's in
4 fourth? That's a very attractive building.

5 MS. THOMPSON: Yeah, I don't know. I'll have
6 to get back to you.

7 MR. SCHAEFER: Could that be San Diego?

8 MS. THOMPSON: It's in each of your districts.
9 So you don't recognize them?

10 MR. VAZQUEZ: I recognize one of them.

11 MS. THOMPSON: So I'm happy to -- I'm happy to
12 look into it. But I can't tell you.

13 MR. GAINES: This is city hall. This says
14 city hall.

15 MR. SCHAEFER: Well, it says city hall, but I
16 don't know where.

17 Well, I -- I, like Mr. Kim, whenever --

18 MS. THOMPSON: I tell you what, I'll have each
19 of you guess at what it is, and you can e-mail me. And
20 then I'll look and I'll find out exactly what they are.

21 MR. SCHAEFER: I would like to know that any
22 publication we put out that has a photograph in it, that
23 there's information of what we're looking at.

24 MS. THOMPSON: Sure. I'll try to do that.

25 MS. STOWERS: She will look into it. But

1 these are standard pictures that all State agencies are
2 using. But she will respond.

3 MS. THOMPSON: Yeah, I will.

4 MS. STOWERS: We will give you a response.

5 MS. THOMPSON: I'm happy to do that.

6 MS. STOWERS: But it's a great cover.

7 MS. THOMPSON: It's a great cover, isn't it?

8 MR. SCHAEFER: Well, I appreciate the
9 UC Berkeley campus picture.

10 MS. THOMPSON: And what about the pie charts?

11 MS. STOWERS: The information is outstanding.
12 Thank you, Ms. Thompson.

13 MS. THOMPSON: Thank you. I'll work on
14 pictures next time.

15 MR. GAINES: May I comment?

16 MR. VAZQUEZ: Yes, Member Gaines.

17 MR. GAINES: Wonderful.

18 Thank you, Ms. Thompson. The report is
19 beautiful. I haven't had a chance to look through it.

20 MS. THOMPSON: Thank you, Mr. Gaines.

21 It's really nicely laid out. A lot of good
22 information. Very helpful.

23 And thank you for the breakdown also on a per
24 district basis in terms of number of cases that you've
25 dealt with individually.

1 And I don't know if this is the appropriate
2 report for it, but it'd be nice -- and we talked about
3 it in our hearings, in terms of how many hits are we
4 getting on the website.

5 And I know that we've talked about the number
6 of hits for Prop. 19. But it would be nice to have
7 that. For at least for me, it would be nice to see how
8 many hits per year in reference to Prop. 19.

9 And then separate from that, how many hits are
10 we getting on our website for any other question that's
11 related to the BOE?

12 And just monitor that from year to year, so
13 that we know, you know, hopefully that gives us some
14 indication of how many people are making the inquiries.

15 And I think the website is good. It's been
16 revamped. So it seems to me that it's pretty easy to
17 use.

18 But that's something that I think would be
19 helpful. I don't know if it goes here or not, but I'm
20 just throwing it out there.

21 MS. STOWERS: Duly noted.

22 Basically data analytics on people that come
23 into our website. Is it just general information? Is
24 it TRA information? Is it Prop. 19 information? Is it
25 career opportunities?

1 MR. GAINES: Yeah.

2 MS. STOWERS: I'm not a techie, but I'm sure
3 we can track that information.

4 MR. GAINES: I'll let you figure out where to
5 put it. But I just think that would be helpful.

6 The report is very thorough, and I appreciate
7 it. Thank you.

8 MS. STOWERS: We will look into how we can
9 gather that data and report out to you -- report out to
10 the entire Board --

11 MR. GAINES: Right.

12 MS. STOWERS: -- on, let's say, every six
13 months. I think six months is better than quarterly.

14 MR. GAINES: That's great.

15 Thank you, Lisa. I appreciate it.

16 MS. THOMPSON: Thank you.

17 MR. VAZQUEZ: Vice Chair Lieber.

18 MS. LIEBER: Thank you.

19 Well, as a Stanford alum, I have to say that
20 Stanford has a very attractive tower as well that would
21 look fantastic on a report.

22 MS. THOMPSON: Write this down. Stanford
23 tower. Okay.

24 MS. LIEBER: And although I do recognize that
25 Berkeley is within our state government, so that's

1 probably why it took pride of place there on the top.

2 But I have to say that the TRA office and
3 process to me is one of the most important things that
4 we have going.

5 And I think, especially over the last several
6 years, our constituents are not necessarily as into
7 property tax land as we all are here at this meeting.

8 And I really hard-pressed, you know, just
9 living daily life in California. And, you know, in the
10 examples that you gave, the one of the veteran who had
11 his daughters on the title and things, and I hope that
12 we can really amp up the exposure of those kinds of
13 issues that are irreversible for folks.

14 And maybe that works into our web search
15 engine optimization, if that's still used, and kind of
16 pointing people who are looking at buying a home in
17 California to understand those kinds of things that are
18 not very reversible like that.

19 And then my kudos on all the information
20 sheets. Those are incredibly important for folks in the
21 community in accessing that.

22 And I'm definitely going to be working to keep
23 the District Two numbers very strong in terms of the
24 number of cases coming in.

25 And I know that you and your staff do a great

1 job in closing them, and really offering that as a
2 resource to people in the community. Because I think
3 that, in a large part, people base their decisions on
4 their own life needs, and may not be thinking about the
5 downstream impacts.

6 In most of our districts, with the housing
7 shortage, it's also what's available. And there's a lot
8 of pressure on folks when they're at that point of
9 moving their home. So I'll be definitely putting that
10 out to my constituents.

11 And very much appreciate what I heard about
12 the exchanges back and forth with the assessors and
13 getting the information from them, and offering the
14 information about what's happening with the cases to
15 them.

16 Especially in the rural counties who may not
17 receive every one-off kind of a case. I think that
18 information exchange is incredibly important. So thank
19 you so much for detailing that.

20 MS. THOMPSON: Thank you.

21 MR. VAZQUEZ: Deputy Controller, yes.

22 MR. EMRAN: Thank you, Ms. Thompson, for your
23 excellent report. That was very comprehensive and
24 detailed.

25 And you're doing some incredibly important

1 work in this area. And I want to applaud you and your
2 team for your efforts in finding resolutions in what are
3 often complex property tax matters.

4 I just had a few questions in terms of, like,
5 the communication and outreach efforts.

6 Oftentimes the TRA is the first point of
7 contact for a taxpayer when they are reaching out to the
8 Board of Equalization. So do you believe that there
9 should be some type of media blitz or publicity campaign
10 to inform the public about the services available
11 through the TRA?

12 MS. THOMPSON: Yeah, and we do that.

13 So our Communications Officer, we're very
14 involved with him as far as outreach kind of efforts.
15 We, you know, notify advisory council members,
16 stakeholders.

17 He just actually had a social media post about
18 the TRA annual report, as well as the information sheet
19 that was just published. That will be part of my second
20 report, so I won't tell you what it is.

21 But it was just posted on different social
22 media platforms. So he does do that regularly.

23 MR. EMRAN: That's great.

24 MS. STOWERS: May I say something? Because I
25 appreciate you saying that the TRA is often the first

1 point of contact.

2 But, in reality, it's you Board Members. Your
3 constituents are reaching out to you with their concerns
4 as it relates to property tax.

5 So they contact you, your office does their
6 best to resolve, and then you funnel it to the TRA.
7 Because you are our ambassadors.

8 MS. THOMPSON: Yeah. And we appreciate you
9 forwarding taxpayers to us, and we enjoy helping them.
10 Find it very fulfilling.

11 MR. SCHAEFER: I have a comment.

12 MR. GAINES: Could I interject?

13 MR. VAZQUEZ: There's a couple other -- are
14 you finished, Deputy?

15 MR. EMRAN: I have a few more questions.

16 But, please, Senator.

17 MS. STOWERS: I'm sorry, Deputy Controller.

18 MR. GAINES: I just -- just on that subject.

19 MR. VAZQUEZ: You want to do a follow-up?

20 MR. GAINES: Yeah.

21 MR. VAZQUEZ: Go ahead. Go ahead.

22 Member Gaines.

23 MR. GAINES: Because I -- I think it is
24 incumbent on us as the elected Members of the Board to
25 make sure that we're communicating with our

1 constituents, whether that's at a rotary club or any
2 sort of public function where we have an opportunity to
3 talk about, you know, what is the BOE, what do we do,
4 and how can we help you.

5 So I think you're right. It's really on us.
6 And then we've got constituent service person or
7 persons, depending on how your office is set up, in
8 order to help those constituents out.

9 And then sometimes they get directed to the
10 Taxpayers' Rights Advocate too, yeah.

11 Thank you.

12 MS. STOWERS: Thank you.

13 MR. EMRAN: Thank you.

14 MR. VAZQUEZ: Go ahead, Deputy Controller.

15 MR. EMRAN: I appreciate that, Chairman.

16 In regards to my second question, just the
17 relationship the TRA has with county assessors, what
18 does the outreach look like and, for example, we all
19 praise this annual report, I was wondering if each
20 county assessor office is also getting a copy of this
21 report.

22 MS. THOMPSON: They don't get hard copies of
23 the report. So we post it to our website, so they are
24 aware of it.

25 What we do is, in advance of the Taxpayers'

1 Bill of Rights Hearing, we distribute posters and fliers
2 to all 58 assessors' offices, as well as tax collectors
3 and clerks of the boards. And they post those fliers
4 and maintain copies of the poster -- of the little
5 fliers for taxpayers to have in their offices.

6 So we traditionally do that early June, maybe.
7 I think early June. So -- and they distribute them. So
8 they -- they also kind of advertise and make the public
9 aware of those annual reports, the availability. So the
10 posters will actually identify the annual report.

11 And then also what we do is we communicate
12 with assessors throughout the year by my attendance at
13 the California Assessors' Association and their regional
14 conferences every year.

15 So unless there's some -- some unusual reason
16 that I am not able to attend, that I do attend those
17 meetings.

18 So I also communicate with them as part of my
19 update at a conference. I would advise them of any
20 information sheets that we issued through the year, and
21 just to kind of give them an update. Although they're
22 aware of it anyway, because we issued them via Letters
23 To Assessors.

24 So we do communicate with -- I communicate
25 with them. Not just my staff and myself when we're, you

1 know, interacting with their own staffs in resolving a
2 taxpayer problem, I also work with them on outreach
3 efforts as far as to keep them informed about, like, the
4 Bill of Rights Hearing, and the availability of, you
5 know, their taxpayers to come.

6 And they help us advertise it, absolutely.
7 Many, many assessors actually have links to -- on their
8 website to the Taxpayers' Rights Advocate Office, you
9 know, our BOE agency website.

10 MR. EMRAN: Thank you, Ms. Thompson, for that
11 detailed answer. Kind of goes to my next question.

12 Is the TRA using opportunities to present at
13 California assessor conferences, or other types of tax
14 gatherings on this -- the cases that you're handling the
15 resolutions, and kind of all the details --

16 MS. THOMPSON: I don't go over so much of the
17 cases at their -- their report.

18 So like as part of the Assessors' Association,
19 they have committee meetings, Legislative Committee and
20 then Standards Committee. So traditionally then I would
21 present like at, not every meeting, but, like, if I have
22 something to discuss as far as updates for the
23 information sheets, then I would identify that to them.

24 They might also bring it up under education.
25 That's kind of a little bit different.

1 But, ultimately, I mean, that is why we
2 started these information sheets. Just after I took the
3 position of the advocate for this agency, I discussed an
4 idea I had about providing information. I think we
5 called them fact sheets at that point. But they've kind
6 of changed into information sheets.

7 But they -- because they do think it's
8 beneficial to have that for taxpayers. And that's -- I
9 mean, that's part of one of the Taxpayer Bill of Rights
10 statutes, you know, that we can assist tax -- assist
11 assessors in their efforts to educate taxpayers.

12 And that's kind of why this started, and we've
13 continued that. We just started with, you know,
14 exclusions and exemptions. And we did that shortly
15 after that when we discussed it in 2018. And then along
16 came Proposition 19, and it affected all of our existing
17 information sheets. So we had to go back to the drawing
18 board and do it again.

19 So we do plan on having more information
20 sheets that we work and collaborate with assessors to
21 make sure we are going in the right direction.

22 MR. EMRAN: Thank you, Ms. Thompson.

23 I do appreciate you utilizing your time and
24 heading out to those conferences, and being on the road
25 and speaking with assessors and taxpayers about the

1 issues that are facing the BOE and taxpayers in general.

2 My very last question is in regards to
3 property tax deadlines and how the TRAs leveraging
4 channels of communication, specifically, like, social
5 media, to let the public know about property tax
6 deadlines coming up, or those that may have passed, and
7 maybe other forms of communication that you can speak
8 of.

9 MS. THOMPSON: That wouldn't really be our
10 area. But I know that the Property Tax Department
11 issues a calendar. So I'm not sure about the -- the
12 various social media posts in that regard.

13 MS. STOWERS: Since this is -- actually
14 payment of property tax is outside of BOE scope. But
15 our Communications Officer does an excellent job of
16 having little gentle reminders out there for all tax
17 deadlines, property tax deadlines most importantly.

18 MR. EMRAN: I appreciate that.

19 The Controller's Office just extended a
20 deadline for unclaimed property. So I would be happy to
21 work with the BOE in kind of getting that message out.

22 MS. STOWERS: We have not been -- I'm sorry to
23 cut you off, sir. Go ahead.

24 MR. EMRAN: Please, please go ahead.

25 MS. STOWERS: We have not traditionally

1 tracked or communicated about unclaimed property,
2 because it's not -- it's going to sound weird.

3 MS. THOMPSON: It's not our jurisdiction.

4 MS. STOWERS: But we do follow your site when
5 it comes to property tax postponement.

6 But we can look into how we can share your
7 information on unclaimed property. Let me look into it
8 and --

9 MR. EMRAN: Yeah. Property tax postponement,
10 unclaimed property. Just anything that has to do with
11 property tax or property in general. I understand it's
12 a little bit of a dicey area for you.

13 MS. STOWERS: It's a little dicey area, but
14 we'll look into it.

15 MR. EMRAN: Just saying in terms of
16 communication.

17 MS. STOWERS: Property tax postponement deals
18 with real property.

19 Unclaimed property could be cash, checks,
20 bank accounts, stocks, bonds. So that's why it's a
21 little different.

22 But more than happy to work in partnership
23 with the State Controller's Office to communicate your
24 programs.

25 MR. EMRAN: I mean, I think that would be

1 great just in terms of a taxpayer reaching out and
2 getting all the information they need, rather than being
3 put in the wringer.

4 And I appreciate that, Ms. Thompson. Thank
5 you for your report.

6 MS. THOMPSON: Thank you.

7 MR. VAZQUEZ: Member Schaefer.

8 MR. SCHAEFER: Thank you, Chair.

9 I have a very short list of questions. In
10 fact, it's just one.

11 I see that you cleared 32 percent of the cases
12 in Member Lieber's district, and she's very proud of
13 that. You've only cleared 24 percent in Member
14 Schaefer's district. I'm really more concerned about
15 the 76 percent that you have not cleared.

16 I just wondered when these will be cleared,
17 what happens, how I can speed it up.

18 I have an opening in my office. I will hire
19 somebody to work with you on this if we can get my
20 clearance rate up to, I'd like to be at 90 percent.

21 MS. THOMPSON: Oh --

22 MR. SCHAEFER: How can you help me do a better
23 job, or I help you do a better job?

24 MS. THOMPSON: Oh, okay. Well, the percent is
25 by Board Member district. That just means, like, so of

1 the total number of cases that we completed, it's like
2 100 percent. And so we allocated them to each of the
3 districts based on the counties that they -- that it
4 dealt with.

5 MR. SCHAEFER: Oh.

6 MS. THOMPSON: That's what that means.

7 So we're done with 100 percent of your cases
8 that we completed last year. Absolutely.

9 MR. SCHAEFER: Oh, you are? Well, that's very
10 good. All right.

11 MS. THOMPSON: And everyone's.

12 MR. SCHAEFER: Well, then I join Member Lieber
13 in commending you on that.

14 Thank you.

15 MS. THOMPSON: You're welcome.

16 MR. VAZQUEZ: Thank you.

17 Did you have a second part?

18 MS. THOMPSON: I do.

19 MS. STOWERS: Before she goes, I was just
20 reminded by Legal that we do promote the unclaimed
21 property on the BOE's website.

22 MR. EMRAN: I'm very happy to hear that.

23 Thank you.

24 MS. STOWERS: And we will -- if there's any
25 changes in law, I think there has been, we will work

1 with you to see what we can do to make sure that the
2 public is aware of that extremely valuable resource.

3 MR. EMRAN: Sounds good. Thank you.

4 MR. VAZQUEZ: Moving forward, Ms. Thompson, if
5 we can summarize that?

6 Because I'm looking at these hungry bodies on
7 my left here.

8 MS. THOMPSON: Yeah. I have the shortened
9 version of this one. It's not my standard update.

10 MR. SCHAEFER: Our lunch started three minutes
11 ago.

12 MS. THOMPSON: So, Members, at this time, I'd
13 like to provide you with an update on the activities of
14 the TRA office to keep you informed.

15 First, I'm pleased to report some statistics
16 on the number of taxpayer cases completed by the TRA
17 office last month, which is reported in the memorandum,
18 which is attached to PAN.

19 In January 2023, we completed 36 cases; 5 were
20 in Member Gaine's district, District One; 9 in Board
21 Member Lieber's district, District Two; 8 in
22 Board Member Vazquez's district, District Three; and
23 14 in Member Schaefer's district, District Four.

24 Of the 36 cases, 8 were in the administrative
25 category, and 28 in the valuation category.

1 I'm not going -- I'll not describe what the
2 categories are.

3 With respect to the administrative category
4 and its 8 in total, 2 pertain to access to data, 2
5 pertain to delinquent or defaulted taxes, 1 involved
6 penalties, and 3 other issues.

7 With respect to the valuation category and its
8 8 in total, 2 pertain to the actual enrollment of
9 values, 1 involved appraisal methodology, 3 cases
10 involved change in ownership, 16 involved exclusions
11 from reassessment, 5 involved exemptions, and 1 involved
12 new construction.

13 To provide a further breakdown of those
14 exclusion and exemption topics, with respect to the
15 16 cases involving exclusions from reassessment,
16 9 pertain to the parent-child exclusion, 6 pertain to
17 base year value transfers for persons aged 55 and over,
18 and 1 pertain to base year value transfers for disabled
19 persons.

20 One of the nine cases involved the
21 parent-child exclusion occurred during the time of
22 current law, Proposition 19, and eight pertained to
23 prior law.

24 Four of the seven cases for base year value
25 transfers occurred during current law of Proposition 19,

1 and the remaining three cases pertained to transfers
2 occurred under prior law.

3 For the 6 -- excuse me -- for the 5 exemption
4 cases, 1 pertained to disabled veteran's exemption,
5 1 home owner's exemption, and, 3, the welfare exemption.

6 As to taxpayer education, I'm pleased to
7 inform you that our office has issued a new information
8 sheet. It was posted earlier this week.

9 And the information sheet covers various
10 property tax assistance programs to seniors in the areas
11 of exemptions from a property's assessed value, the
12 property tax postponement program offered through the
13 State Controller's Office, payment plans for outstanding
14 property taxes that a taxpayer can enter into with the
15 county tax collector's office, and also the transfer of
16 a factored base year value to a replacement property.

17 The information sheet also provides general
18 information on California property taxation and directs
19 taxpayers to our agency's Publication 29 on California
20 tax -- California property tax and overview.

21 We believe this information sheet will be
22 helpful for many taxpayers. And it is posted to our
23 website under the TRA office, under the "Taxpayer
24 Education" section. There are now a total of
25 8 information sheets.

1 So at future Board Meetings, I'll provide you
2 with an update to keep you informed. And this concludes
3 my update on the activities of the TRA office.

4 MR. VAZQUEZ: Thank you.

5 Seeing no hands, I think -- does this conclude
6 your --

7 MS. THOMPSON: That's it.

8 MR. VAZQUEZ: Ms. Cichetti, we don't need to
9 go out to the public on this one?

10 MS. CICHETTI: We do not. This is just her
11 report.

12 MR. VAZQUEZ: And I'm just looking at the
13 time. So it looks like we're right up to our lunch hour
14 or break, right?

15 MS. CICHETTI: Correct.

16 MR. SCHAEFER: Chair, if there's anybody out
17 in the audience who wants a copy of this, do you have
18 some for them?

19 MS. THOMPSON: I have a few if somebody would
20 like it.

21 MR. SCHAEFER: Thank you.

22 MR. VAZQUEZ: Thank you.

23 With that, I noticed on our schedule I had it
24 down for 60 minutes. Do we need the 60, or is 45
25 sufficient?

1 MS. STOWERS: Sir, we need the 60.

2 MR. VAZQUEZ: Oh, you need the -- okay. I
3 guess there's --

4 MR. EMRAN: I had the Controller's schedule
5 blocked out for the vote on the F item.

6 MR. VAZQUEZ: At what time?

7 MR. EMRAN: She had a 30-minute block, 1:00 to
8 1:30. I'd be happy to reach out to her to see if maybe
9 she can push it to the tail end of that.

10 MS. STOWERS: That would be perfect,
11 Mr. Emran. I have staff that's been here since
12 7:00 a.m., so they really need to get their 30-minute
13 lunch.

14 MS. EMRAN: At least 1:30. Will that be okay?

15 MS. STOWERS: 1:30 is fine. It's 12:30 now,
16 12:35.

17 MR. VAZQUEZ: 12:37, yeah.

18 MR. SCHAEFER: Could I ask Ms. Stowers why we
19 need one hour for lunch?

20 MS. STOWERS: I have staff who's been working
21 since 7:00 a.m., and they need to have lunch. They
22 don't have the privilege of having someone pick up their
23 lunch for them. It takes time.

24 MR. VAZQUEZ: So they got to get out.

25 MR. SCHAEFER: Oh. We've been working since

1 6:30 this morning, you know that.

2 MR. VAZQUEZ: I know. But we're on 24/7
3 clocks, so it's okay. No, I'm sensitive. That's fine.

4 MR. SCHAEFER: I sent him some e-mails at 6:30
5 this morning, and he responded 6:31.

6 MS. STOWERS: You guys are different.

7 MR. VAZQUEZ: So 1:30 would be sufficient?

8 MR. EMRAN: I think that would be --

9 MS. STOWERS: I think we can work with 1:30.
10 If we can recess now, and I'm sure they're
11 ready for a break.

12 MR. VAZQUEZ: I know it.

13 MS. STOWERS: And we have lunch plans, ladies
14 and gentlemen.

15 MR. VAZQUEZ: All right. So we'll recess now,
16 and we'll reconvene at 1:30.

17 Thank you.

18 (Whereupon the lunch break was taken.)

19 (Whereupon Controller Cohen was present.)

20

21 **ITEM F1**

22

23 MS. CICHETTI: So we're going to go back to
24 the vote for Item F1, Audits, for Items Flc, F1d and
25 Fle.

1 Report on the status of pending and upcoming projects,
2 activities, and departmental issues, including Letters
3 To Assessors, Appraisal Training and Certification, and
4 State-Assessed Property.

5 This item will be presented by Mr. Yeung.

6 MR. YEUNG: Thank you and good afternoon,
7 Chair Vazquez, Vice Chair Lieber, Honorable Members of
8 the Board.

9 My name is David Yeung, and, for the record,
10 I'm the Deputy Director of the Property Tax Department.

11 With me, I have my team, Ms. Glenna Schultz,
12 which will present the County-Assessed Properties
13 Division updates, and Mr. McCool, who will present the
14 State-Assesseed Properties update.

15 But I will first start with a brief update as
16 to our efforts in promulgating the two Prop. 19 rules.

17 So the two Prop. 19 rules, as you will recall,
18 is Rule 462.520 for the intergenerational transfer, and
19 462.540, which is the base year transfers.

20 We were successful in getting the extension
21 under those emergency rules. So those emergency rules
22 will be effective until March 19th of this year. That
23 will give us a little bit of time to complete making
24 those two rules permanent.

25 As you will recall, we were asked to republish

1 those two rules for public comment. That was completed.

2 The last day to submit written comments was
3 actually yesterday. So we typically give them an extra
4 day or two in case somebody actually mailed comments in
5 for us to review.

6 With that, we will address any comments that
7 we will receive, and will hopefully complete the process
8 of turning those two rules from temporary to basically a
9 permanent rule.

10 So that is my update as to projects going on
11 with the Property Tax Department.

12 I'm available for any questions you may have.
13 If not, I will turn it over to Ms. Schultz for the next
14 two presentations.

15 MR. VAZQUEZ: Seeing no hands, I guess we can
16 continue.

17 MR. YEUNG: Thank you very much.

18 Ms. Schultz, are you available for Letters To
19 Assessors?

20 MS. SCHULTZ: Good afternoon, Chair Vazquez
21 and Honorable Board Members.

22 I'm Glenna Schultz, Principal Property
23 Appraiser in the County-Assessed Properties Division.

24 Today I will provide you with a brief report
25 on Letters To Assessors.

1 Attached to this month's agenda is a memo on
2 Letters To Assessors, which provides a list of the LTAs
3 that have been issued since our last Board Meeting.

4 In addition, the memo provides a link to the
5 BOE's website, where a list of all LTAs can be found
6 that have been issued to date.

7 As of the date of the attached memo, BOE staff
8 has issued a total of eight LTAs for calendar year 2023.
9 Those eight LTAs are summarized as follows:

10 An LTA to issue an assessment sampling survey
11 report for Imperial County; an LTA to issue the 2022
12 salary and benefit survey report; an LTA to announce the
13 vessel valuation factors for lien date 2023; an LTA to
14 issue the property tax forms list; an LTA to issue an
15 assessment practices survey report for Kings County; an
16 LTA to issue a 15-day notice to amend Property Tax
17 Rule 462.540; an LTA to issue a 15-day notice to amend
18 Property Tax Rule 462.520; and an LTA to issue the
19 California standard flight times table.

20 This concludes my report on Letters To
21 Assessors. I'm available to answer any questions you
22 may have.

23 MR. VAZQUEZ: Any questions?

24 MS. CICHETTI: I just want to make sure, for
25 the record, Ms. Cohen, I believe, is still on the line.

1 MS. COHEN: That's correct. But I am dropping
2 off now. So good afternoon and goodbye, everyone.

3 Keep up the good work.

4 MR. VAZQUEZ: Thank you.

5 MS. CICHETTI: Thank you.

6 (Whereupon Controller Cohen left the Board
7 Meeting.)

8 MR. VAZQUEZ: I was going to ask her if she
9 had a question, but I guess not.

10 So we can continue I guess.

11 MS. SCHULTZ: I will now provide a brief
12 report on the BOE's Appraisal Training and Certification
13 Program.

14 For fiscal year 2022-23 we have scheduled
15 33 classes, both in person and virtual.

16 In addition to these classes, we have
17 scheduled three workshops; one on mineral property,
18 one, geothermal property, and one on taxable possessory
19 interests.

20 To date, we have completed 23 of the 33
21 classes, and the workshop on mineral property.

22 Since the last Board Meeting we have taught
23 four more classes.

24 We also continue to offer our existing online
25 training courses available through American River

1 College and California State University Sacramento, as
2 well as our online courses available on the BOE's
3 website, plus our self-study training sessions, also
4 available on the BOE's website.

5 With this combination of different types of
6 teaching formats being offered and utilizing more staff
7 from other sources, we anticipate being able to far
8 surpass the number of courses offered and the number of
9 students taught in recent years.

10 This concludes my report on the training and
11 certification, and I am available to answer any
12 questions you may have.

13 MR. VAZQUEZ: Seeing no hands, I guess we can
14 continue.

15 MS. SCHULTZ: Thank you.

16 MR. YEUNG: Thank you.

17 Mr. McCool.

18 MR. McCOOL: Thank you.

19 Good afternoon again, Chair Vazquez and
20 Honorable Members of the Board.

21 My name is Jack McCool, Chief of the
22 State-Assessed Properties Division. And today I will
23 provide a brief update on the status of ongoing work in
24 our division.

25 Staff are continuing to prepare for the

1 upcoming appraisal season. We have recently published
2 our annual condition percent good factors, and the
3 remaining economic life table to the agency's open data
4 portal.

5 We are still working on the replacement cost
6 new factors, and we hope to have those published on the
7 data portal soon.

8 And as I've mentioned in previous months,
9 utilization of the open data portal is a new approach
10 for our group, and we're excited about adding to that
11 going forward.

12 We are also focussing a lot of attention on
13 the annual capitalization rate study, which we're on
14 track to complete in early-to-mid March.

15 Finally, we're already starting to receive
16 some of the annual state-assessed properties statements,
17 which are due on March 1st. And staff are busy working
18 on those.

19 That of course means that we will be very busy
20 the next few months working on unitary state-assessed
21 appraisals.

22 That concludes my report on the status of
23 ongoing work in our division for this month. And I'm
24 available to answer any questions.

25 Thank you.

1 MR. VAZQUEZ: Seeing no hands, I have just one
2 quick one, Mr. McCool.

3 MR. McCOOL: Sure.

4 MR. VAZQUEZ: On your update, I'm glad to hear
5 that we're providing data that's not only useful, but
6 usable as well.

7 Providing the data that is compatible with
8 external users, in my opinion, will certainly speed up
9 some of the processes that we make, and hopefully a
10 little more accurate.

11 Can we make all data, not just some, in
12 compatible format that assesses can use?

13 MR. McCOOL: So we are actually in the early
14 stages of trying to convert all of our public-facing
15 data into data that we can transport or upload into the
16 open data portal.

17 We've selected some of our annual factors to
18 start with. And we have a little bit of a lead time
19 creating the data sets templates for the open data
20 portal. That's proven to be more time-consuming than we
21 initially thought.

22 But as we go forward, once those templates are
23 created with our partners and the Technology Services
24 Division, it should be much easier for us to upload our
25 data annually into the data portal.

1 So, yes, as we go on, we look to expand the
2 amount of data that we can have on the open data portal.

3 MR. VAZQUEZ: Appreciate it. Thank you.

4 And I think that's all I have.

5 I don't see any other hands, so you may
6 continue.

7 MR. YEUNG: That concludes our report.

8 So thank you.

9 MR. VAZQUEZ: Ms. Cichetti.

10

11

ITEM K5

12

13 MS. CICHETTI: The next item on the agenda is
14 Executive Director's Report, K5; Legislative, Research
15 and Statistics Division Chief's Report; K5a, Legislative
16 Issues: Update on administrative and program-related
17 legislative bills impacting the BOE.

18 This item will be presented by Ms. Renati.

19 MS. RENATI: Good afternoon.

20 Lisa Renati, Chief Deputy Director.

21 Today I'll provide a report on our
22 Legislative, Research and Statistics Division.

23 The last day to submit bills was Friday,
24 February 17th. And we are tracking and monitoring bills
25 that could impact the BOE's tax programs or our

1 administration.

2 Attached to today's agenda is a listing of
3 these bills that we captured as of Friday morning. So
4 there may be more that are not on that list.

5 Staff are currently working on in-depth
6 analyses for these items. And once complete, the
7 analyses will be provided to you and posted on our
8 website.

9 Additionally, we continue to track the three
10 agency legislative proposals approved by the Board in
11 November of 2022.

12 These include two proposals affecting the
13 alcoholic beverage tax to increase the efficiency
14 administration of the program with no fiscal impact, and
15 another technical proposal affecting our property tax
16 program, which clarifies changes made by Prop. 19 and
17 SB-539.

18 This concludes my report, and I'm happy to
19 answer any questions you may have.

20 MR. VAZQUEZ: Thank you, Ms. Renati.

21 I know you're filling in some big shoes here.

22 MS. RENATI: Really big issues.

23 MR. VAZQUEZ: So I'm going to go real easy on
24 you here.

25 MS. RENATI: Okay.

1 MR. VAZQUEZ: But I did notice, you know, I
2 guess it's, out of the 13 -- well, the ones you listed
3 for us and you provided us, out of the, I guess,
4 13 property tax-related bills on the legislative
5 calendar, at least 7, maybe even 9 deal directly with
6 exemptions.

7 So it's clear that property tax exemptions are
8 receiving significant attention in the Legislature,
9 which I think is good.

10 MS. RENATI: Yes.

11 MR. VAZQUEZ: And moving forward, there was --
12 the ones that I really want to get an analysis, but I
13 think it's maybe a little premature, because you just
14 received this yourself, but I just wanted to give you a
15 heads up, is SB 320, AB 84 and AB 362.

16 Looking forward to the bill analysis on those,
17 you know, when you find some time to do this.

18 MS. RENATI: I'll try to get those done soon.

19 MR. VAZQUEZ: I'd appreciate it.

20 I don't know if anybody else has any other --
21 Member Schaefer, go ahead.

22 MR. SCHAEFER: Yes.

23 Ms. Renati, since Mr. Weatherby left us,
24 you've taken over his chores. And I guess you've been
25 involved with them before that.

1 Are we going to be needing to replace him, or
2 can you -- we look forward to you being our guru on this
3 topic.

4 MS. RENATI: We're actively recruiting for the
5 vacant position. It's currently posted on the
6 CalCareers website, with a final filing date I think of
7 March 2nd.

8 So anyone that's interested in applying should
9 do so and join the merit hiring process.

10 MR. SCHAEFER: Well, I appreciate all of
11 you --

12 MR. GAINES: You cannot apply, Mike.

13 MR. VAZQUEZ: Too old.

14 MR. SCHAEFER: I would rattle too many cages.

15 MR. VAZQUEZ: Thank you.

16 I think that's it. Unless there's other -- I
17 don't see any other hands.

18 MS. RENATI: Thank you.

19 MS. LIEBER: Mr. Chair.

20 MR. VAZQUEZ: Ms. Cichetti -- oh, my
21 Vice Chair Lieber, yes.

22 MR. LIEBER: I was wondering if you could
23 repeat the numbers of the bills that you're particularly
24 interested in.

25 MR. VAZQUEZ: Oh, sure.

1 MS. LIEBER: I think some of our careful
2 listeners would be appreciative of getting those again.

3 MR. VAZQUEZ: Yes. It's SB 320, AB 84, and
4 AB 362.

5 And the -- just so I guess people know,
6 since, you're right, the listeners -- SB 320 was
7 introduced by Skinner, AB 84 was by Ward, and AB 362, I
8 believe, was by Lee.

9 MS. LIEBER: Thank you.

10 MR. VAZQUEZ: So for those that might be
11 following.

12 And I had some real specific questions on
13 them, but I'll hold them until we get back our analyses.

14 Thank you for that.

15 With that, Ms. Cichetti, if we can continue.

16

17 **ITEM L**

18

19 MS. CICHETTI: Yes, we can.

20 We're up to Item L, Board Member Requested
21 Matters. We're up to Item L1, New Matters; L1a, Agenda
22 Structure Update.

23 Discuss the Board Meeting Agenda template, and
24 the procedures for Board modification and approval.

25 MR. VAZQUEZ: Yes. Members --

1 MS. CICHETTI: Mr. Vazquez, before we go
2 further, I apologize. I looked at my notes, and I
3 failed to go to public comment for all the Executive
4 Director reports.

5 MR. VAZQUEZ: Okay. Let's do that.

6 MS. CICHETTI: And so before we proceed to the
7 L items, I'd like to make a correction.

8 I'd like to, at this time, make, for the
9 record, that we have nobody in the Board room, and I
10 have no written comments for the Executive Director
11 reports.

12 We're going to go to the AT&T moderator at
13 this time to see if we have anyone on the line.

14 AT&T moderator, can you please tell us if
15 there's anyone on the line who would like to make a
16 public comment regarding the Executive Director's
17 reports.

18 AT&T MODERATOR: This is a reminder, for
19 comment by phone, press one, zero on your phone's
20 keypad, please.

21 And we have no listeners that have queued up.

22 MS. CICHETTI: I appreciate that. Thank you.
23 Then we'll go to the L items.

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ITEM L1a

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MS. CICHETTI: So L1a is the Agenda Structure Update.

MR. VAZQUEZ: Thank you.

Members, I would like to postpone this matter to next month.

(Inaudible talking.)

MR. VAZQUEZ: Oh, is somebody talking?

Are we good? Okay.

MR. SCHAEFER: Somebody was rumbling.

MS. CICHETTI: I thought I heard someone myself.

MR. VAZQUEZ: Is that AT&T or something?

MS. TAYLOR: Yeah, it's AT&T.

MR. VAZQUEZ: We can hear you, AT&T.

I would like to collaborate moving forward with our Executive Director, and propose for some consideration, as we look to possibly modify the agenda, and possibly look at the Board Reference Manual.

So -- and this item to be considered, hopefully, I think by next month. And I'm looking at my Executive Director, if that's sufficient time.

MS. STOWERS: That's fine, sir. The pleasure of the Board.

1 But I will say that when we do prepare the
2 agenda each month, we do look and work through the Board
3 Reference Manual and the Board workload and calendar
4 that the Board approved in September of last year,
5 including every constitutional and statutory item that
6 we need to address.

7 But I'm more than happy to work with your
8 office for any further clarification on changing the
9 agenda format.

10 MR. VAZQUEZ: Appreciate it.

11 Yes, Vice Chair Lieber.

12 MS. LIEBER: Thank you, Chair.

13 I looked through the proposed format that was
14 attached to the item. And I very much appreciate how
15 much more readable it is and digestible and
16 understandable.

17 And I really strongly support the -- moving
18 the public comment on items that are not on the agenda
19 up to the beginning. I think that's standard for just
20 about every deliberative body in California.

21 And I think it really gives taxpayers who
22 would want to comment on matters, and they aren't sure
23 when during the year it might come up, or they just need
24 to make their view heard that they can do it at the
25 beginning and not have to monitor a full day of

1 activities, and kind of stay tethered to the computer
2 and the phone and whatnot.

3 So I'd like to move towards a new format as
4 expeditiously as we can, just in terms of readability
5 and standardization and clarity for the members of the
6 public that are digesting the agenda.

7 MR. SCHAEFER: I would second that, if it's a
8 motion moving forward.

9 I think it's criminal to have somebody have to
10 wait all day to find out when they can be heard. They
11 come here for one isolated item. We come here for the
12 whole calendar. And we can sit for the whole calendar.
13 But it's unfair to them.

14 And I would like to see when we finish the
15 Pledge of Allegiance, we just get them on and off, and
16 out of our way, so we can go forward without any further
17 inconvenience to the taxpayers.

18 MS. STOWERS: Thank you, Vice Chair Lieber.

19 Member Schaefer, that is one of our goals was
20 to move that up earlier on the agenda. I believe it was
21 after roll-call and the approval of the prior Board
22 minutes, following Robert's Rules of Order.

23 And we did, as part of our goal to modernize
24 the BOE in our strategic plan, we did take a look at
25 other public bodies and how they structure their agenda,

1 and was basically following their format.

2 I recognize that this is a change, and change
3 for some may be a challenge. Especially for those of us
4 who've been around for quite some time. I've been
5 dealing with the Board agenda since 2007-2008, and this
6 is change. But it's a good change.

7 So I appreciate the support, and hope that we
8 could move forward at modernizing our agenda format.

9 MS. LIEBER: Through the Chair, if I may.

10 MR. VAZQUEZ: Yes, go ahead.

11 MS. LIEBER: I just wanted to answer
12 Mr. Schaefer's question about is this a motion; well, it
13 can't be, because it's not noticed as an action item.

14 MR. SCHAEFER: Sure.

15 MS. LIEBER: But I think that we can be more
16 effective and appear as effective as we are if we kind
17 of modernize it a little bit.

18 I think sometimes it's very hard for folks to
19 understand maybe why is it starting with Item K, or
20 whatnot, and it becomes kind of, well, you know, why is
21 it not "1, 2, 3, 4, 5, 6."

22 MR. SCHAEFER: Ms. Lieber, I don't think we
23 need a formal motion on a lot of these things, because I
24 think they're housekeeping, and they're discretion of
25 whoever is making up the calendar.

1 And I can't see Mr. Nanjo or anyone else
2 raising an objection to the informality of such things
3 as in what order do we call the calendar, you know.

4 MS. STOWERS: Actually, with all due respect
5 to the Chairman, I think he was asking us to put it
6 over. But it is actually on the agenda as an action
7 item.

8 MR. NANJO: Yeah.

9 So, Members, Honorable Members, Chairman
10 Vazquez, Vice Chair Lieber, Honorable Members of the
11 Board.

12 Henry Nanjo again.

13 Yes, Ms. Stowers is correct. The L items are
14 listed for possible action, so you could take an action
15 on it.

16 Just to review for the Board Members,
17 procedurally what happened is this is an item that was
18 placed on the agenda by Chairman Vazquez. And as it is
19 his item, it is his discretion to put it over or not.

20 But the Board can have a discussion. The
21 Board can attempt to change Chairman Vazquez' mind.
22 Those are all fair items.

23 But that -- procedurally, what's happened is
24 it was agendized. It is agendized for possible action.
25 But because it is the Chairman's item, he has elected to

1 put it over.

2 Hope that clarifies things.

3 MR. VAZQUEZ: I think so.

4 Member Gaines, go ahead.

5 MR. GAINES: If I could just make a couple of
6 comments.

7 MR. VAZQUEZ: Sure.

8 MR. GAINES: Just in general about the agenda.

9 So will we be able to craft the agenda in such
10 a way that when we know we're going to have individuals
11 speak on a particular issue, that that would be either
12 at the front of the meeting, or we would have an
13 estimated time of when we'd get to that part of the
14 agenda to discuss it?

15 MS. STOWERS: It depends on the actual topic.

16 If it's something that we have to decide as
17 our constitutional function or statutory, that would
18 be the first part of the agenda. That's our
19 recommendation is to start with the order, and roll
20 call, and do those items next. And then the operational
21 reports, my report, and all my staff report would
22 follow.

23 MR. GAINES: Okay.

24 MS. STOWERS: If there's a public policy
25 hearing that we are going to have, we will have the

1 flexibility of putting it up front.

2 MR. GAINES: Okay.

3 MS. STOWERS: If it's a Board Member item,
4 we'll have the flexibility.

5 What I'm proposing is what Vice Chair Lieber
6 said is to move away from "A, B, C, D and E," and just
7 have the description of the item.

8 If we know we're going to have a public policy
9 hearing, let's say we're going to have it on
10 Proposition 19. We know it. We plan for it. It's on
11 the agenda. And we set it at a time that's best suited
12 for the public, the Members, and your speakers.

13 MR. GAINES: That's great. Yeah, I love those
14 ideas.

15 And, Tony, do you think we need a little time
16 to refine it before we make a decision?

17 MR. VAZQUEZ: I would -- that's what I'm --
18 because we've had some conversations. But we really
19 haven't been able to resolve a couple of the issues that
20 we're kind of discussing now.

21 MR. GAINES: Okay. All right.

22 MR. VAZQUEZ: And hearing your feedback, I
23 think, has been helpful.

24 MR. GAINES: Okay.

25 MR. VAZQUEZ: Because I think you're actually

1 weighing in and helping, at least myself.

2 And now when I regroup with the Executive
3 Director, hopefully we'll come back with something that
4 we all can agree on here.

5 And I think the public comment is one key, one
6 that we were looking at already. The other one we
7 always -- and it actually happens sometimes when you're
8 sitting in these meetings, when you see an elected
9 official, you usually try to be respectful of their time
10 and allow for that.

11 MR. SCHAEFER: We tried that this morning.

12 MR. VAZQUEZ: We did. And he seemed to be
13 open. He was flexible, or at least he said he was.

14 MR. SCHAEFER: He said he could be back. I
15 tried to get him on now, because I'd like to hear what
16 he has to say. Any of our assessors, whatever they say
17 is important.

18 MR. VAZQUEZ: Yes. And he's still -- he's in
19 the queue, and he's listening in here to come back. So
20 hopefully that will happen.

21 MR. GAINES: Yeah. Well --

22 MR. VAZQUEZ: No, I think we should be
23 flexible on that.

24 MR. GAINES: Yeah. I'd just follow the
25 Chair's lead in terms of how you want to handle that,

1 and go from there.

2 MS. STOWERS: I think we could work on it that
3 we could be more flexible, sir.

4 MR. VAZQUEZ: Yes.

5 MS. STOWERS: And our agenda, and to reflect
6 our workload. So I look forward to working with your
7 office.

8 I do like the idea of having our agenda
9 identify as "1, 2, 3, 4 and 5" as items, and knowing
10 that these items are being placed on the agenda.

11 What we do behind the scenes is based on our
12 workload and what you guys approved in September. We
13 have a template that we are following.

14 So nothing, I promise you, nothing will be
15 overlooked. We are a date-driven agency. So every note
16 what we have to do.

17 We know from this point from now to June I
18 will have a report on assessors asking for an extension
19 of time.

20 We know in May that we're going to set the
21 value for the state assesseees. We know in February we
22 had our opportunity for the public to comment. And
23 we're gonna do it again in July.

24 We know in November, December, we're going to
25 possibly have hearings, petitions.

1 We know our cycle, and we follow it. Board
2 Proceedings, excellent.

3 MR. GAINES: I appreciate that, Executive
4 Director Stowers. Thank you.

5 MR. NANJO: So, Chairman Vazquez --

6 MR. VAZQUEZ: Yes.

7 MR. NANJO: -- Vice Chair Lieber, Members of
8 the Board, you do have the flexibility, if you want to,
9 for next month, either from next month on, or just for
10 next month, if you want to move the N item out of order
11 to the beginning of the agenda, that's the "Public
12 Comment on Matters Not on the Agenda," you could do
13 that.

14 Obviously, to Executive Director's Stowers'
15 point, it's kind of odd, because you have N before A.
16 But other than that, it is your agenda to do what you
17 wish. So that is something that you could do if you
18 wish to.

19 MR. VAZQUEZ: And it sounds like there's a
20 consensus on that. So we can do that, and we'll work
21 with numeration.

22 MS. STOWERS: Let's work on how we -- how we
23 deal with it, and make it easy for everyone to follow
24 without talking --

25 MR. VAZQUEZ: User-friendly as much as

1 possible.

2 MS. STOWERS: User-friendly. That's all we
3 want is a very user-friendly agenda, to be as
4 transparent as possible.

5 MR. GAINES: That's great.

6 Appreciate Chair Vazquez for bringing this
7 issue up.

8 MR. VAZQUEZ: Thank you all.

9 MR. GAINES: It'll be nice and simpler.

10 MR. VAZQUEZ: Ms. Cichetti, I think we're
11 ready to go.

12

13 **ITEM L2**

14

15 MS. CICHETTI: The next item on the agenda is
16 L, Board Member Requested Matters; L2, Board Member
17 Initiatives; L2a is Proposal for Public Policy Hearing
18 on an Assessment Appeals Board Training Course to be
19 Offered Through the County Counsels' Association of
20 California.

21 Schedule a public policy hearing regarding a
22 training course on Assessment Appeals Board property tax
23 rules and procedures to be offered voluntarily through
24 the County Counsels' Association of California.

25 MR. VAZQUEZ: Yes.

1 Members, as I stated in my revised
2 February 17th memo to you, this is a proposal to approve
3 the offer submitted by Mr. Thomas Parker, county of Los
4 Angeles Senior Deputy County Counsel, on February 15th
5 to assist in drafting the AAB county counsel training
6 course covering Property Tax Rules 301-326.

7 As Mr. Parker states in his remarks that you
8 were sent, and then we'll read into the record, he has
9 been authorized by the county to proceed with the
10 development of a training course based on timeline that
11 is reasonable for his work -- his work schedule.

12 And he will submit the draft to the Executive
13 Director on completion.

14 I will collaborate with Ms. Stowers and Legal
15 and Property Tax Department to schedule their review of
16 the materials and determine a timetable.

17 I will then ask the Board to set a hearing
18 date to allow public discussion with stakeholders prior
19 to any approval.

20 Regarding the use of the course by the County
21 Counsels' Association, Mr. Parker is authorized by them
22 to confirm three things:

23 No. 1, at any county counsel training course
24 produced by the Board will be made available to county
25 tax attorneys for their review and reference.

1 Two, that the association will not direct or
2 require that it be used at a specific event, but the
3 individuals involved in setting up the conference events
4 may decide to use it at various times or not as they
5 determine.

6 And No. 3, the association will not claim it
7 as their own, but it will remain as the Board's course.

8 At this time, I ask Ms. Cichetti if
9 Mr. Parker's statement could be read into the record and
10 be available.

11 MS. CICHETTI: Yes, I'd be happy to.

12 From Mr. Parker:

13 My name is Thomas Parker. I am a Senior
14 Deputy County Counsel for Los Angeles County, and
15 Counsel to the Los Angeles County Assessment Appeals
16 Board, LA AAB.

17 I have practiced property tax law since 1994.

18 I apologize that I cannot appear in person or
19 by telephone before your Board today. I am out of the
20 office on personal family matters from 17 to 22,
21 February, 2023.

22 Regarding the item on the possible development
23 of AAB counsel training on the State Board of
24 Equalization AAB-related procedural rules 301 to 326, I
25 offer the following comments for the State Board's

1 consideration:

2 One, I am authorized by the statewide County
3 Counsels' Association to say that an AAB counsel
4 training produced by the SBOE will be made available to
5 county tax attorneys for their review and reference as
6 they may choose to use.

7 The association does not and will not adopt
8 such training as their own.

9 Additionally, each association study group for
10 the different areas of municipal law sets its own
11 agendas for the association's conferences.

12 The individuals creating the agendas for each
13 study group will vary over time.

14 It is not possible for the association
15 leadership to direct that any particular topic be
16 presented at any conference.

17 Two, I appear before the State Board today
18 only representing myself. I offer no recommendation to
19 the State Board either for or against the production of
20 such proposed training, neither does my employer, the
21 County of Los Angeles, offer any position for or against
22 the idea.

23 Three, I am volunteering to assist with a
24 production of draft AAB counsel training materials
25 regarding Rules 301 to 326 for review by your Board's

1 legal staff, and your Board's ultimate review if your
2 Board chooses to go forward with this proposed project
3 at any point in time.

4 Four, I am also not offering any view or
5 recommendation regarding the timing of the production of
6 AAB counsel training material regarding Rules 301 to
7 326, should your Board decide to authorize the effort
8 beyond suggesting a reasonable time period that allows
9 me to also carry out my Los Angeles County Counsel
10 assignments as they arise.

11 Thank you for your consideration of these
12 comments and remarks.

13 Thomas R. Parker.

14 MR. VAZQUEZ: Thank you.

15 Members, do we have any comments or questions?

16 Yes, Vice Chair Lieber.

17 MS. LIEBER: Thank you, Chair.

18 It seems like this would be a very beneficial
19 thing, given that it needs to be happening for
20 individuals who are a member of an AAB.

21 Would this have staffing impacts for the BOE
22 to be developing this?

23 MS. STOWERS: Thank you, Vice Chair Lieber,
24 for that question.

25 Let me start with a little background.

1 The issue of providing training for county
2 counsel has been raised for at least a year or two. I
3 believe most recently the assessors in your district
4 expressed the desire. And we met with the assessors.
5 And staff was basically asked, "What type of training do
6 you think county counsel would like to have?"

7 And we said we do have training that we are --
8 that we provide for the new members, AAB members. And
9 could we look at that training and tailer that training
10 to what counsel would like to have. Because, yes, it
11 will create a staffing issue.

12 We -- up until Mr. Parker offer, we did not
13 have any idea of what type of training that county
14 counsel wanted. Now county counsel is basically saying,
15 just look at the procedure rules, Property Tax Rules 301
16 to 326.

17 We have -- those are rules. They wrote them.
18 They're in our Assessment Appeals Board Manual. So it's
19 not going to be -- it's not going to take a lot, but it
20 will require some effort as far as staffing.

21 Very grateful and very supportive of
22 Mr. Parker's offer to go through and highlight the
23 different rules that he viewed would be beneficial for
24 county counsel.

25 And based on his workload, once he has that

1 outline training available, I will work with my Legal
2 team and look at it and just make sure that it's in line
3 with what we already have available.

4 But this is -- this is a step in the right
5 direction. But I am -- I'm always concerned about
6 staffing and staff capacity.

7 And initially when I saw what he was talking
8 about, my staff told me they -- with the timeframe that
9 we were first looking at, they didn't have the capacity
10 to turn it around in 30 days.

11 But it now seems like this is going to be --
12 it's going to take Mr. Parker some time. So then once
13 he does his, then we would look at it. We will review
14 it. We will work on getting it back on our calendar for
15 the Board to -- to review. So it's feasible.

16 MR. VAZQUEZ: Deputy Controller.

17 MR. EMRAN: Thank you, Executive Director
18 Stowers.

19 I appreciate the passion and rolling up your
20 sleeves and getting ready to get to work on this issue.

21 Chair Vazquez, I applaud the work you're doing
22 in county counsel training, and I appreciate Mr. Parker
23 coming in on this issue.

24 Since Controller Cohen's tenure as Chair, the
25 Controller is working with Second District assessors,

1 and will be presenting a comprehensive county counsel
2 training proposal, as well as an initiative that may
3 provide legal counsel support to our county assessors.

4 I look forward to putting this on the agenda
5 at a future date. And I'll make sure to keep the
6 Chair's office in the loop.

7 Thank you.

8 MS. STOWERS: Thank you. Thank you.

9 Just a side note, there's no statute that
10 requires us to provide training to county counsel. So
11 if that's the direction that we're going to look for is
12 to provide them -- mandate training for them, then we
13 need legislation, and we need staffing. If that's the
14 direction or desire of the Board and the counties.

15 MR. GAINES: Question through the Chair.

16 MR. VAZQUEZ: Yes, Member Gaines.

17 MR. GAINES: Just in terms of clarity on that
18 particular statement.

19 So what exactly are we providing? What is our
20 commitment?

21 MS. STOWERS: Our commitment right now is not
22 to county counsel at all. We are mandated by -- and I
23 don't have the statute in front of me. But we are
24 mandated by -- well, new members to the Assessment
25 Appeals Board, they are required to go through training.

1 MR. GAINES: Okay.

2 MS. STOWERS: And the training goes over rules
3 and procedures. And they can take the training that we
4 provide. And it's a self-study course, and it's
5 basically going through our assessment appeals manual
6 and all the rules that Mr. Parker is talking about, that
7 manual itself is online. It's about 500 pages.

8 And then we have some questions, test
9 questions that you can answer. And then you get a pass
10 or fail grade.

11 But they are not mandated to take our
12 training. Their county can send them to another type of
13 training.

14 MR. GAINES: Okay.

15 MS. STOWERS: And then they should have
16 training, and they should do the training course before
17 they sit on their appeals board. But it's the clerk of
18 the board of the supervising county that regulates
19 whether or not they completed their training.

20 We -- the Board of Equalization, we do not
21 have any oversight over county counsel. They are
22 independent of us. So we have to be really clear and
23 careful about what we're saying.

24 And that's why Mr. Parker is saying he's
25 volunteering to do it, but they're not really committing

1 that they're going to have their county counsel go
2 through it. It will just be another tool in their
3 toolkit when they're advising their board members. Just
4 like your staff and their tools and their toolkit when
5 they're advising you.

6 MR. GAINES: So we're providing advice for a
7 training program that would be administered by county
8 counsels? Are we helping them with their curriculum?

9 MS. STOWERS: Yeah, we're helping them with
10 their curriculum. We will look at what they have.
11 We'll confirm that what Mr. Parker is saying is in line
12 with our property tax rules, our procedure rules. We
13 have rules on how to conduct an assessment appeals
14 hearing.

15 MR. GAINES: Okay.

16 MS. STOWERS: We have rules on evidence. We
17 have rules on third-party information.

18 MR. GAINES: Okay.

19 MS. STOWERS: So we would look and make sure
20 that what Mr. Parker is saying is correct based on our
21 existing rules.

22 MR. GAINES: Okay. Okay. Is there any way
23 that we can at some point take a look at that workbook?
24 You said it's a self-study program?

25 MS. STOWERS: It's a self study. It's our

1 book. We -- the last time we updated that manual was in
2 2015. And what we've done since then, when we have a
3 change in the property tax rule, we just annotate it in
4 the manual.

5 So you could be reading and -- we recently
6 changed -- I'm going to go with Property Tax Rule 305.
7 And so instead of having a whole new chapter on 305
8 where we talk about it, we annotate it, and you link,
9 and you can read 305.

10 MR. GAINES: Okay.

11 MS. STOWERS: And, Mr. Yeung, am I accurate on
12 this please?

13 MR. YEUNG: Yes, you are. You are.

14 MS. STOWERS: Okay. Good.

15 MR. GAINES: So I'm just trying to figure out
16 in terms of county counsel, are they -- because a
17 500-page workbook, I mean, that's a lot of work for
18 someone who is volunteering to serve on an Assessment
19 Appeals Board, if I'm understanding this clearly.

20 So are county counsel coming up with something
21 that's more streamlined and a little quicker process?

22 MS. STOWERS: I think so.

23 When I saw Mr. Parker's outline, it was still
24 very intense.

25 MR. GAINES: Okay.

1 MS. STOWERS: But the fact that he is just
2 talking about Property Tax Rule 301 to 326, and there
3 are some pretty heavy rules.

4 MR. GAINES: Okay.

5 MS. STOWERS: But Mr. Parker realized the
6 importance of those rules, and he's willing to make them
7 more accessible to his colleagues.

8 MR. GAINES: Okay. In his curriculum that
9 they're developing?

10 MS. STOWERS: Yeah.

11 MR. GAINES: Okay. Thank you.

12 MR. VAZQUEZ: Vice Chair Ms. Lieber.

13 MS. LIEBER: Now, are the Rules 301 to 326
14 already included in the training that's for the
15 individuals who are joining an AAB?

16 MS. STOWERS: Yes, they're already part of our
17 material.

18 Mr. Yeung.

19 MR. YEUNG: Yes, that's correct.

20 Our materials are set up around our assessment
21 appeals manual. It's available online. It's not quite
22 500 pages, but it is a lengthy volume of writing and
23 guidance.

24 MS. LIEBER: And so would this be basically
25 opening up that training for members of county counsel,

1 or would it be creating an entirely new track?

2 I'm more accustomed to, you know, in their
3 individual topics, I guess the Bar Association, or
4 someone who creates those, and you see that you can get
5 continuing legal education points for attending
6 variation things. So this would be an entirely new
7 process.

8 MR. YEUNG: I don't presume to speak for
9 Mr. Parker, but the material and the outline that he's
10 at least floated to us earlier, it focuses mainly on
11 just those rules. And those rules are a part of our
12 already existing training. So there is a little bit of
13 a parallel there.

14 MS. STOWERS: Which they are welcome to -- to
15 utilize.

16 MR. NANJO: Chairman Vazquez, Vice Chair
17 Lieber, Members of the Board, to provide a little bit of
18 information to Vice Chair Lieber on your question, we,
19 the BOE, are not a State Bar-authorized MCLE provider.
20 So if we were to give courses, the county counsels would
21 not get MCLE or continuing legal education credit for
22 that.

23 Which is why in my discussions with
24 Mr. Parker, I suggested that if -- obviously that's a
25 big incentive to county counsel to get their mandatory

1 continuing legal education.

2 It would have to be a course that was given by
3 the County Counsels' Association or sponsored by a
4 certified MCLE provider.

5 That being said, we could assist potentially
6 on teaching those courses. But that discussion has not
7 occurred.

8 So one of the things that's an open question
9 is once these materials are developed, who actually is
10 going to be teaching these courses?

11 MS. LIEBER: And if I may follow up with
12 another question.

13 MR. VAZQUEZ: Sure. Go ahead.

14 MS. LIEBER: So what's being envisioned in our
15 agenda today is that this would get bounced back on us
16 to make a decision about the curriculum in March.

17 MS. STOWERS: I think not.

18 I think what's being envisioned now, and
19 excuse me, sir, if I'm speaking out of turn.

20 Right now we're now saying Mr. Parker will go
21 ahead and design the training material. He will present
22 it to us. We will review it for correctness, and then
23 we would put it back on our calendar for the Board's
24 Members to review and approve.

25 MR. VAZQUEZ: And we would also include the

1 stakeholders. Because we had a pretty lengthy
2 discussion about this about a little over a year ago.

3 MS. STOWERS: Right.

4 MR. VAZQUEZ: Because right now he's acting
5 really as an individual.

6 MS. STOWERS: He's acting as an individual.

7 So you want to have -- when you say
8 "stakeholders," are you talking all county counsel, are
9 you talking assessors, are you talking tax consultants
10 and agents?

11 MR. VAZQUEZ: Well, I think the folks that we
12 had -- remember when we did the hearing? I think it was
13 a little over a year ago. And this is where it kind of
14 grew out of it.

15 And I think we need just to be transparent. I
16 think we need to get back. Because they might come up
17 with -- they might be tweaking this or saying, wait a
18 minute, this is going too far, or whatever.

19 MS. STOWERS: So are you talking about
20 reconvening a work group?

21 MR. VAZQUEZ: Yes.

22 MS. STOWERS: Okay.

23 MR. VAZQUEZ: Yeah.

24 MS. STOWERS: Okay.

25 MR. VAZQUEZ: So we're talking some time here

1 involved.

2 MS. STOWERS: I mean, that -- that seems to be
3 the best way.

4 MR. VAZQUEZ: Right. That's what I was
5 envisioning.

6 MS. STOWERS: Let's get the material as
7 your -- as a Board work member, you guys can reconvene
8 what's called a -- at that time I think it was called
9 the Remote Hearing Work Group.

10 MR. VAZQUEZ: I believe so.

11 MS. STOWERS: But you may want to --

12 MR. VAZQUEZ: Change that.

13 MS. STOWERS: -- consider something else.
14 It's your call.

15 And from there, we can engage the public.

16 But I think I've said enough.

17 MR. VAZQUEZ: You know, you're right. Because
18 I think when we first received this document, I believe
19 it was somebody -- I don't know if it was Legal
20 Department or something that looked at it, and it
21 was -- it was probably about 500 pages at that point.

22 And now I think he realized he's kind of
23 zeroed in on these three areas now. And that still
24 might be a bit of a task.

25 MR. NANJO: Chairman Vazquez, I think suffice

1 it to say at this point, from what I understand, the
2 ball is in Mr. Parker's court.

3 MR. VAZQUEZ: Yes.

4 And if there's a consensus up here, I was just
5 going to propose that maybe we could move it, and
6 officially put it back to him to produce this document.

7 Then we would -- it would come back to staff
8 and ourselves, and then if we think it's something
9 that's reasonable and doable, I would suggest that we
10 then go back to our stakeholders that were part of that
11 original discussion and see if there's a buy-in.

12 And, of course, you know, staff, you'd be
13 weighing in in terms of what the practicality of it.
14 If this is something that's doable, given your staff
15 levels.

16 MS. STOWERS: Definitely. We will definitely
17 weigh in and make sure of that. You know, Rule 301 to
18 326 is a lot. They're extensive. So we will definitely
19 make sure that it's interpretation is accurate.

20 And I have all the confidence in Mr. Parker
21 and his legal knowledge that it will be accurate.

22 Stakeholders.

23 MR. VAZQUEZ: Yes, Vice Chair Lieber.

24 MR. LIEBER: I'd be very comfortable with a
25 kind of step-wise approach, where we say that we're, you

1 know, appreciative of Mr. Parker putting his content
2 together, and his knowledge. And we can take a look at
3 it, and then, you know, maybe come back to see if we're
4 able to invest in the time and a fall stakeholder
5 process, or if the Controller has a process, we can hear
6 about that.

7 So kind of take it as a step-wise situation.
8 I'd be comfortable with being a new person up here, and
9 not having had the benefit of being at the hearing back,
10 you know, a year ago, I think that would be a beneficial
11 course of action.

12 MS. STOWERS: Sounds like a two-pronged
13 approach. Mr. Parker, Controller Cohen working --

14 MR. VAZQUEZ: So am I hearing a motion that we
15 allow him to draft, I guess, his training course that
16 then would be submitted to our Legal and Property Tax
17 Department for this future hearing?

18 MS. STOWERS: Let me state the motion for --
19 let me state the motion just so that we're not running
20 afoul with any other rule that we have.

21 MR. VAZQUEZ: Please. Please do so.

22 MS. STOWERS: Let's -- may I say that we allow
23 Mr. Parker to draft the training material, and submit to
24 me. And I will work -- you direct your Executive
25 Director to review it, and develop a timeline on when we

1 can present it back to the Board Members for approval.

2 And that way that keeps us on track of what
3 our mandates are.

4 MR. VAZQUEZ: So do we have -- so is that --
5 that sounds like Vice Chair Lieber is going to move
6 that, and I will second that.

7 And if there's no other comments or questions,
8 I guess we officially could take a -- do we need to go
9 out to the public first so we can --

10 MS. CICHETTI: Yes, we do.

11 MR. VAZQUEZ: Let's go see. Because there
12 might be people listening on this one.

13 MS. CICHETTI: Don't have anybody in the
14 audience, and I have no public comments on this, so
15 we're going to go to the AT&T moderator.

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

19 AT&T MODERATOR: Folks on the phone, to
20 comment on this item, press one, zero at this time
21 please.

22 And none of the callers have queued up.

23 MS. CICHETTI: Thank you.

24 MR. VAZQUEZ: Thank you.

25 Then with that, why don't we go ahead and take

1 a roll-call vote on this, Ms. Cichetti.

2 MS. CICHETTI: Sure.

3 Chair Vazquez.

4 MR. VAZQUEZ: Aye.

5 MS. CICHETTI: Vice Chair Lieber.

6 MS. LIEBER: Aye.

7 MS. CICHETTI: Member Gaines.

8 MR. GAINES: Aye.

9 MS. CICHETTI: Member Schaefer.

10 MR. SCHAEFER: Aye.

11 MS. CICHETTI: Deputy Controller Emran.

12 MR. EMRAN: Aye.

13 MR. VAZQUEZ: So that's unanimous.

14 So then it will come back to staff, and you'll
15 present it to us.

16 MS. STOWERS: Yes.

17 MR. VAZQUEZ: Thank you, folks.

18 And with that, Ms. Cichetti, if you would call
19 our next item.

20

21 **ITEM L2b**

22

23 MS. CICHETTI: Next item on the agenda is L2,

24 Board Member Initiatives; L2b, Proposal to Reconvene:

25 Property Tax Workforce Planning Board Work Group.

1 Establish a schedule to reconvene the
2 Workforce Planning Work Group with the California
3 Assessors' Association and County Assessors from large,
4 medium, and small counties to continue efforts to
5 develop educational opportunities, recruitment and
6 training, solutions for County Assessors' offices and
7 the BOE, in building a pipeline of skilled talent needed
8 now and in future years.

9 MR. VAZQUEZ: Thank you.

10 With that, I know we have a speaker here.
11 Should we take them up first? And this is our -- and
12 it's actually, Member Gaines, do you want to introduce
13 your assessor here?

14 MR. GAINES: Yeah.

15 I just wanted to introduce Jon DeVille, who is
16 our new County Assessor in El Dorado County. And I
17 appreciate his willingness to come forward and speak on
18 this issue in reference to the Workforce Planning Work
19 Group.

20 Thank you.

21 MR. DeVILLE: Good afternoon --

22 MR. VAZQUEZ: Welcome.

23 MR. DeVILLE: -- Chair Vazquez and other
24 Honorable Members of the Board.

25 For the record, my name is Jon DeVille. I'm

1 the El Dorado County Assessor. I'm here to speak in
2 support of the Workforce Work Group initiative.

3 Like many other assessors' offices throughout
4 the state, El Dorado County faces challenges with
5 recruiting, retention, training, and staying competitive
6 in regards to salary compensation.

7 El Dorado County is a small-to-mid-sized
8 county, the roll value of roughly 40 billion, and we're
9 considered a rural county.

10 We've had a number of recent retirements, lost
11 staff to other counties, and have had staff leave
12 property tax administration altogether.

13 Recruiting qualified staff has been difficult.
14 Like many other assessors' offices throughout the state,
15 not being able to effectively replace experienced staff
16 that had years of institutional knowledge, impacts our
17 ability to conduct fair and accurate assessments
18 efficiently.

19 Putting the Workforce Work Group into action
20 and successfully meeting the objectives of the program
21 could strongly benefit assessors' offices throughout the
22 state, and will put us in a better place to fairly and
23 accurately assess property and serve the public.

24 Here's what El Dorado County and other many --
25 many other small counties don't have right now:

1 We don't have a comprehensive training program
2 for new appraisers and auditor-appraisers.

3 I estimate it takes roughly 80 to 160 hours of
4 intense training to get a new appraiser ready to conduct
5 an appraisal on their own.

6 And like other larger counties, small counties
7 don't have dedicated training staff. We have to pull
8 our senior appraisers, our supervising appraiser to
9 train the staff. And that causes delays.

10 And I think a training solution that we could
11 share as a resource throughout the state where assessors
12 offices could train staff through this solution, I think
13 we could save time training folks. And then we could
14 keep those people that are doing the training and
15 causing delays on their desk.

16 Secondly, we don't have a viable pool of
17 qualified appraisers that we can recruit from.

18 In our South Lake Tahoe office, it's been
19 over -- it took over five months to fill a vacancy for
20 an appraiser. And luckily that person likes skiing, or
21 else -- and he was willing to move up to South Lake
22 Tahoe, or else we probably couldn't -- we'd still have a
23 vacancy up there.

24 So being able to work with the California
25 community colleges to develop a program where we could

1 broaden our pool to recruit from, I think would be very
2 helpful.

3 And then lastly, competitive -- having
4 competitive salaries that we can offer to employees, I
5 think is a really important.

6 We lose staff to other counties. The
7 Appraiser I classification in El Dorado County is nine
8 percent behind Placer County. That causes struggles.

9 Sac County has many classifications that we're
10 behind as well.

11 So if the Workforce Work Group could work on
12 making things more -- making salaries more competitive,
13 providing information to us assessors to go back to
14 their boards to -- to raise salaries, I think would be
15 important.

16 I think the Workforce Group is something that
17 should be supported. And I welcome any pathways that
18 would assist assessors' offices with the recruiting,
19 retaining staff, training, and making salaries more
20 competitive for property tax professionals.

21 MR. GAINES: Thank you.

22 MR. VAZQUEZ: Thank you.

23 Let me just kind of bring us back. Because I
24 was just -- as I was looking to my right, our Vice Chair
25 Lieber wasn't part of this discussion earlier. So I'm

1 going to just kind of refresh and go back to what some
2 of the discussions we had. I guess it was over -- I
3 want to say it was two years ago when we first started
4 this thing.

5 And it's -- for those that were involved with
6 it -- sorry about the repetitiveness. But just to bring
7 up our Vice Chair.

8 You know, when we started this discussion, it
9 was sometime, like I said, I think it was in October, I
10 think, of 2020. And we identified this problem,
11 which -- and it varies between the rural, and then, of
12 course, the urban counties.

13 And Member Gaines and myself, we were trying
14 to get this program going with some of the community
15 colleges. And that was a bit of a challenge.

16 So we are still working with possibly a pilot
17 program that could happen out of LA. And one of our
18 next speakers will probably address that, Jeff Prang, in
19 LA. Because there seems to be an appetite, at least
20 there.

21 And I know up here, what you just mentioned,
22 it's kind of difficult to attract folks in some of the
23 rural areas. And that's what we're up against.

24 But I think if there's an appetite and
25 willingness from this Board, I think we might want to

1 reconvene that group and continue this conversation.

2 And even if it, like I said, goes back to a
3 pilot -- in the pilot form in one of the urban counties,
4 and then hopefully then taking it to the rural areas,
5 and see if there's a way that we could somehow attract
6 or entice folks to get involved in some of these more ag
7 counties.

8 Because the problem doesn't seem to be going
9 away. It's actually getting worse I'm hearing. And in
10 the larger counties, it's really bad, as you'll hear a
11 little bit later from my assessor in LA.

12 So I'm thinking that -- and I don't know if
13 it's being a little too aggressive. And I'm looking at
14 Ms. Stowers here to maybe -- if we can try to bring
15 this -- I don't know if we can bring this back in March
16 or April.

17 I'm just thinking of in terms of our timetable
18 here and our workload here.

19 MS. STOWERS: Thank you, Chair Vazquez.

20 I think if you're going to reconvene your Work
21 Group, and you want to have your large, medium and small
22 counties involved, we need to reach out to them and
23 consider their calendar and their schedule.

24 MR. VAZQUEZ: Right.

25 MS. STOWERS: Because they are working --

1 MR. VAZQUEZ: They're on deadlines, I'm sure,
2 right now.

3 MS. STOWERS: They're working on closing the
4 road right now.

5 MR. VAZQUEZ: Yeah.

6 MS. STOWERS: So I'm not sure of their
7 availability.

8 But also, if I may.

9 MR. VAZQUEZ: Yes.

10 MS. STOWERS: Is Assessor Prang going to
11 speak?

12 MR. VAZQUEZ: Is he in the queue, or is he
13 coming up? I think he's coming up next, But I'm not
14 sure. Right now I don't know what time --

15 MS. STOWERS: There he is.

16 MR. VAZQUEZ: Oh, here he is.

17 MR. PRANG: I'm here.

18 MR. VAZQUEZ: Why don't you -- you know what,
19 let me let you go ahead. Because you were part of our
20 original discussions.

21 And I know we've had some conversations with
22 you and the LA community colleges. And if you could
23 just kind of give us an update, if there is an update.
24 And even if it isn't an update, just to kind of bring us
25 up to speed.

1 Because we do have a new Member here, our
2 Vice Chair Lieber, who isn't part of that discussion or
3 didn't have the opportunity to participate back in 2020.

4 MR. PRANG: I will give you a very quick
5 overview just --

6 MR. VAZQUEZ: Thanks.

7 MR. PRANG: -- to refresh the new Member.

8 LA County is the largest assessment agency in
9 the United States. We have about 2.5 million parcels
10 and business assessments, which, last year, were valued
11 at just under two trillion dollars.

12 We are the only county in California which has
13 its own comprehensive and fully-developed training
14 program. It is roughly a five-to-six month classroom
15 training program, as well as another six months of field
16 training. And this is all done in a classroom setting.

17 At a typical year, we would lose anywhere
18 between 25 to 35 appraisers due to attrition, primarily
19 through retirement.

20 Historically, we could reasonably manage one
21 or two classes of appraiser trainings of around
22 30 students each. So if we just did one class a year,
23 we are barely keeping up with our attrition.

24 We started to seek other solutions to try to
25 recruit, onboard and train new appraisers, primarily due

1 to what could have been a crisis back in 2020 when
2 there's a ballot measure that would have required us to
3 nearly double the number of our appraisers had that
4 measure passed. And it was virtually impossible for us
5 to do that inhouse. And we thought that a reasonable
6 strategy would be to work with local colleges to move
7 some of the training out of the government and into the
8 community colleges.

9 We decided after that ballot measure failed,
10 that this was still a prudent approach -- [inaudible] --
11 throughout Los Angeles County, particularly the
12 Los Angeles Community College District. And we have two
13 programs initiated, and one underway. The primary
14 program is dealing with appraiser trainees.

15 Right now we are hiring our appraisers, but we
16 are moving them to West Los Angeles College to do a
17 couple of the approaches to value for these students.

18 Long term, our hope is that the community
19 college will be able to provide training to anybody who
20 wants to take it. That training will meet with our
21 standards. And our standards are vetted by the Board of
22 Equalization.

23 So, theoretically, somebody could take the
24 appropriate classes at West LA College, and when they're
25 done, they should be able to sit for the final

1 examination, and then be able to be certified as a real
2 estate appraiser by the Board of Equalization.

3 That's one program. We also are expanding a
4 position with our department called appraiser assistant.
5 This one requires two years of education instead of four
6 years.

7 We are working with Rio Hondo College. And
8 they are providing training to prospective appraiser
9 assistants. The people who go through that program do
10 not have assurance of a job at the end. Hopefully we'll
11 have more people that we can draw from them, there will
12 be positions available.

13 And then there's a third position in our
14 department called ownership technician. These are
15 people who read deeds and building permits to determine
16 whether a re-assessable event has occurred. And we're
17 getting ready to launch -- they also go through a
18 year-long training program.

19 And we are looking to initiate a program at
20 the Mt. San Antonio College to train ownership
21 technicians.

22 I invited onto this call today Dara Smith, who
23 is a Director of Operations, as well as Jacqui Irwin,
24 who is our Chief Appraiser for our Training Unit, should
25 you have some questions that exceed my personal

1 knowledge and expertise.

2 But that's -- so far, we are right now putting
3 our second class of appraisers through the program at
4 West LA College, as well as a second cohort through
5 Rio Hondo. So, thus far, it's been very successful, and
6 we are looking to expand this program.

7 MR. VAZQUEZ: Thank you, Assessor Prang.

8 From a large county perspective, what is your
9 greatest challenge moving forward here?

10 MR. PRANG: So from a large county
11 perspective, the time it takes -- and I'm sure you
12 experienced this as well at the state level, but it
13 takes about nine months to recruit, vet, onboard to get
14 a new employee started.

15 So we're -- as fast as we are working to bring
16 in new employees, people are leaving, retiring. So it's
17 kind of one step forward, one step back.

18 Hopefully this community college program will
19 help us to have a pool of pre-trained applicants that
20 will ensure that we can fill those vacancies faster and
21 reduce the amount of time that we have to train them.

22 MR. VAZQUEZ: Thank you.

23 Member Gaines, do you have any questions for
24 him?

25 MR. GAINES: Yeah.

1 Thank you very much. I was just remembering
2 when I met you, Assessor Prang, down in LA. And you
3 gave me an overview. I think this was around 2019 or so
4 after I was elected.

5 But you gave an overview of your operation,
6 which was very impressive. But you spoke then of the
7 challenges that you were having with getting enough
8 staffing.

9 And then, of course, we added the pandemic,
10 which created all sorts of challenges. So I'm really
11 happy that the issue is coming back forward today.

12 But there were discussions even up here with
13 trying to have that curriculum that you're discussing,
14 describing here, available through the Los Rios
15 Community College District. We also spoke to Sierra
16 College at the time.

17 So it would be nice if we could continue those
18 discussions. Because you've rolled it out in LA. And I
19 think it's a great template. I know that we've
20 discussed this in earlier meetings. So I'm happy that
21 this is coming forward.

22 I did have a question for you in reference to
23 a private sector appraiser.

24 MR. PRANG: Sure.

25 MR. GAINES: With the real estate market

1 slowing down, which is, I mean, unfortunate in terms of
2 jobs for folks, but does that present an opportunity for
3 private sector appraisers to help fill some of your
4 positions?

5 MR. PRANG: I don't think so.

6 And, forgive me, I can't cite any evidence
7 right now. But I have read that private industry
8 appraisers, that the vet field is also struggling, and
9 that they've had a significant reduction in the number
10 of appraisers that are going into that field.

11 There is a difference in how government
12 appraisers do their job for enrolling property on the
13 tax rolls to how a private appraiser does it. They're
14 not necessarily trained the same way.

15 It would be a -- that would be a difficult
16 transition. And, frankly, I don't believe there are
17 sufficient numbers of private appraisers to -- even if
18 they -- we could come into some type of program, I don't
19 think there's enough of them to do the job.

20 MR. GAINES: Yeah. Okay.

21 Is the -- would the training period be any
22 shorter for someone that was a private sector appraiser,
23 or would they just have to start over?

24 MR. PRANG: We -- well, it depends on the
25 standards of the individual agency.

1 For us, whether you have -- we do have people
2 apply for jobs in our office who have experience as a
3 private industry appraiser. But we put them through the
4 same exact training as though they have no experience.

5 MR. GAINES: Okay. All right.

6 MR. PRANG: They have to learn our system.
7 They have to learn how we do things.

8 MR. GAINES: Sure.

9 MR. PRANG: And one thing I did neglect to say
10 during my presentation, though, is that this program
11 that we're creating, right now all of our appraisers'
12 trainees are going through these programs online. So
13 these are the programs we're establishing, are
14 eventually probably programs that could be accessed by
15 other counties.

16 MR. GAINES: Wonderful. That's great.

17 And I think we could -- I mean, if we can look
18 at the model in terms of opportunities through the
19 community college system, each of us in our districts
20 could have this curriculum taught. That would help
21 provide more staffing for county assessors, and maybe
22 even the BOE.

23 So -- yeah. Thank you so much.

24 MR. PRANG: My pleasure.

25 MR. VAZQUEZ: Members, any -- oh, yes,

1 Deputy Controller.

2 MR. EMRAN: Thank you, Assessor Prang,
3 Assessor DeVille. I appreciate your time coming onto
4 this forum to address these issues.

5 Recruitment and retention, training and
6 continuing education, and compensation are issues which
7 continue to dominate conversations regarding property
8 tax administration needs.

9 This is true at the BOE, and also at local
10 county assessors' offices.

11 These items were first brought to light at the
12 California Assessors' Association Conference, and at the
13 BOE's San Diego Hearing on modernizing the property tax
14 system, as well as the meeting with the county assessors
15 and their offices.

16 The BOE has a role in providing training and
17 continuing education. County assessors have requested
18 that there needs to be more training available, and
19 noted the need to review.

20 We embarked upon this work by creating the
21 Workforce Planning Work Group that the Chairman has
22 noted, focused on the following items:

23 Conducting a staff classification analysis and
24 compensation survey of those positions most impacted by
25 recruitment, retention, and retirement challenges,

1 developing a robust training and professional
2 development program, creating a role for Board Members
3 to engage with the Legislature, colleges, universities
4 and others to develop -- to ensure California's property
5 tax systems remain a priority with commitments to invest
6 in its workforce.

7 Fast forward to 2023, the Second District
8 assessors believe there's still a need to continue this
9 work and develop a comprehensive training initiative.

10 Second District assessors also pointed out the
11 need to review minimum qualifications for appraisers set
12 by the BOE, and determine whether alternative options
13 should exist for meeting the minimum qualifications.

14 I passed out this memorandum to the
15 Board Members and to the Executive Director, which
16 includes a charge document. And this charge document
17 clearly delineated the workforce development challenges
18 expressed by our stakeholders at our September 2019
19 information hearing on modernization of the California
20 property tax systems.

21 These same issues and challenges were further
22 confirmed at our Property Tax Workforce Planning Work
23 Group meeting in September of 2020.

24 So prior to reconvening the Work Group, I
25 strongly encourage us to consider directing the

1 Executive Director to conduct a survey referenced in the
2 charge document. By doing so, it will provide the
3 foundational information needed to complete the
4 important work the Board set out to accomplish in this
5 area.

6 And that survey will include reviewing and
7 examining information and data from local county
8 assessors on their workforce capacity needs.

9 I'm asking for data on the following items:

10 Recruitment needs in local county assessors'
11 offices for entry-level, mid-level and senior staff.

12 Retention numbers. For example, the number of
13 staff who have retired or left the offices for the
14 private sector.

15 Compensation information. Focusing on
16 entry-level, mid-level, and senior staff. Especially
17 appraisers to address the following:

18 No. 1, compensation for those most likely to
19 be recruited as new employees.

20 Compensation for mid-career professionals most
21 likely to be recruited to other governmental offices or
22 the private sector.

23 No. 3, compensation for staff within five
24 years of discretionary retirement age.

25 Office training and program needs, including

1 initial training, and continuing education for
2 professionals working on appraisals.

3 Budgetary constraints, which impact addressing
4 identified workforce challenges.

5 Existing backlogs and appraisal, changes in
6 ownership or assessment appeals, and the number of staff
7 required to reduce or eliminate these backlogs and
8 innovative strategies being employed to proactively
9 address these issues.

10 Thank you.

11 MR. VAZQUEZ: Thank you.

12 Any other comments or questions?

13 MS. STOWERS: May I speak from the agency's
14 perspective?

15 MR. VAZQUEZ: Yes. I'd love to hear it.

16 MS. STOWERS: First of all, Assessor, your
17 issues are our issues.

18 Recruitment, retention, training, we've done
19 an excellent job in filling our vacancies. But we're
20 now at the point where we're training now, and we're
21 getting them up to speed. And it is about a year plan.

22 They -- we can hire more and more appraisers.
23 And Mr. Yeung will tell me, "Yvette, I can't take
24 anymore. I need to develop what I have first." So it
25 takes time.

1 With respect to compensation; unfortunately,
2 we can't speak to your budget. But I can talk about the
3 State. And good news/bad news. We are having a
4 downturn. And what that means when you -- for State
5 employers is that people like the appraisers will be
6 looking for work, because they want more stability.

7 So we're seeing an up-check, an upkeep, an
8 increase in people wanting to come work for the State.
9 So that's the good news/bad news.

10 Good news, can we get them all trained? I
11 don't know.

12 Can we keep them in five years? We certainly
13 hope so.

14 We are doing a study. We talked about this.
15 I believe it was in 2019 or 2020 when Prop. 15 was
16 pending. So everybody realized that we needed to
17 increase our workforce and grow our own.

18 And although the Work Group stopped, we, at
19 the agency, we continued. So we have done things like
20 we have increased our recruitment.

21 We spent a lot of time at the college
22 campuses, whether they're the junior colleges or the
23 four year. And we're letting people know those with
24 degrees in economics, those with degrees in accounting,
25 those with degrees in English. We let them know what a

1 great opportunity they could have by coming over to the
2 BOE, and we will take them on, and we will train them in
3 the appraisal field.

4 We try to have more courses done through the
5 community colleges. But, unfortunately, the community
6 colleges are telling us this is just not a field where
7 people want to pursue.

8 We can do all we can. Trust me, I've tried.
9 I've told a lot of people, "Don't get your broker's
10 license; do appraisal instead." But they go a different
11 direction.

12 So we are working, and we have made a lot of
13 progress. I just wanted to make that clear.

14 We filled our vacancies. We have a succession
15 plan. We do partner with our community colleges and our
16 state colleges.

17 We are doing a classification study. And for
18 us, as an agency, we have a problem with our salaries,
19 and our different positions. So we're still -- and that
20 study should be done really, really soon.

21 And we have increased the number of courses
22 that we teach as -- which we are mandated to do, that we
23 provide to the assessors and our staff. As you guys
24 know, we now have 30. That's a major increase.

25 And then as far as the charging document,

1 Deputy Controller, we tried the survey during the Work
2 Group, and it's really up to the assessors to respond to
3 some of those questions. Because it's a voluntary
4 survey.

5 And when we did that survey, we get very
6 little participation. So I don't know how useful it
7 would be to ask them again. But if that's the desire of
8 the Board, we will.

9 But I would think that we might just want to
10 reconvene the Work Group and get a -- and start fresh.
11 Get a better understanding of where everybody is at, and
12 the needs of everyone, and go from there.

13 Besides, we've got 12 new assessors.

14 MR. VAZQUEZ: Yes.

15 MS. STOWERS: And a new Member.

16 MR. VAZQUEZ: No, that -- that was gonna be my
17 motion.

18 Well, I'm sorry. Go ahead, Vice Chair Lieber.

19 MS. LIEBER: Thank you, Chair.

20 And in the conversations with the community
21 colleges, that -- that would also be my first impulse.
22 Because I think that they have the ability to reach out
23 to a lot of audience who are career-oriented, and
24 they're -- they're looking for what the pathways and the
25 opportunities are.

1 But would you also be looking at other
2 partnership opportunities?

3 I know that many people are going to the
4 online educational resources that are out there. And I
5 know that the community colleges are kind of charged
6 with doing everything for everyone all the time for as
7 long as it takes.

8 But I'm wondering if there are other
9 partnership opportunities that could be fruitful as
10 well.

11 MS. STOWERS: That's a good question, ma'am.

12 And probably so. There's a lot of online
13 training, a lot of vocational training, new career, you
14 can already have a degree in something, but you want to
15 try something different.

16 So -- yeah. Online is an excellent way of
17 looking at it to expand our outreach.

18 MS. LIEBER: Well, I just think this is a
19 critically important issue, and getting that supply in
20 is a huge challenge.

21 So whatever ways we can make that happen and
22 amplify that from where we are.

23 And I commend the Controller for all of her
24 efforts over the past couple years to get this started.

25 And sounds like it really got interrupted a

1 lot with everything else by COVID.

2 And the Chair and Mr. Gaines for bringing this
3 back up to us.

4 I do think it's really critically important
5 for the urban counties, as Mr. Prang represents, you
6 know, kind of -- I think the issue is oftentimes the
7 cost of housing for people who are getting into the
8 career. And then for the rural counties, it's really
9 how to train individuals that are already there, or
10 people who can see themselves living there.

11 And -- but I think the supply issue is
12 critically important.

13 MR. VAZQUEZ: Thank you.

14 And I was just looking over -- and I think you
15 just hit it on the nail, Ms. Stowers.

16 I think it's probably appropriate to -- if
17 there's the appetite, and sounds like there is, maybe to
18 move this, and to -- let's reconvene the group.

19 Because there's been, I think you said 12 new
20 assessors statewide. And then we have a new Member,
21 plus a new Deputy Controller here working with us.

22 And kind of let's reassess the position, and
23 take a look at what's been going on.

24 I know with my assessor, Jeff Prang, and then
25 Member Gaines reminded me that he also had a pilot, I

1 believe is in one of the community colleges in your
2 district, right?

3 MR. GAINES: Well, we were talking to them.

4 MR. VAZQUEZ: We were talking to them.

5 MR. GAINES: I know you were talking to the
6 chancellor of community colleges. And my hope would be
7 that we could fire that discussion up and --

8 MR. VAZQUEZ: Bring it back.

9 MR. GAINES: -- talk to each Member, and see
10 if we can identify community colleges within our
11 districts. That would then kind of be the next step for
12 implementation statewide.

13 MR. VAZQUEZ: So let me -- let me take a stab
14 at this. Let's see who -- oh, I'm sorry.
15 Controller.

16 MR. EMRAN: Chairman, thank you.

17 I just wanted to respond to your comments
18 about the survey.

19 The Controller or our office never received
20 any copy of a survey, even if there was minimal returns.

21 I do believe that collecting information and
22 data points would be beneficial to this Board and the
23 Controller's Office. And collecting data and having a
24 best approach, rather than jumping into it headfirst.

25 I do understand the Work Group was paused by

1 the pandemic, and the split roll that came about. But
2 it would be best -- it would be best to release that
3 survey, have this participation.

4 The Controller is willing to work with the
5 California Assessors' Association. This information is
6 critical. To collect that data, and then reconvene that
7 Work Group at the appropriate time.

8 MS. STOWERS: Thank you, sir.

9 The survey was presented to the entire Board
10 verbally when the assessors reported out on those
11 questions. They came before this body. So I could
12 re-pull up the minutes, if you'd like. But they did
13 report out individually on those data points.

14 But with that being said, seems like everyone
15 would like to reconvene the Work Group, which I think is
16 the best approach.

17 And I'll remind you of your Work Group
18 charter. Which -- I've been up here all day. I --

19 Mr. Nanjo, if you could kind of walk us
20 through the Work Group charter and what it takes to
21 start again.

22 MR. NANJO: Thank you, Executive Director
23 Stowers.

24 So, again, reminding the Board Members. And
25 I'm doing this from memory. So please give me a little

1 bit of flexibility here.

2 But, essentially, the Work Group charter
3 requires that a charter be produced as to what the goals
4 of the Work Group are.

5 Thank you. There we go.

6 So, again, to produce a charter that basically
7 describes what its duties are, what it's charged to do.

8 And the Work Group policy also will set forth
9 policies to make sure that the Work Group structure is
10 consistent with the Board's constitutional and statutory
11 responsibilities; guide the Board in establishing the
12 Work Group; identify a Chair for the Work Group, and who
13 will participate in the Work Group, whether it's one or
14 two Members, or the full Board.

15 In addition, the Board Member or Chair will
16 state the specific purpose, who will serve on the Work
17 Group, as I said, and then once approved by the Board,
18 each Board Member will serve as a full Member and
19 participant of the Work Group.

20 The Work Group Chair and Cochair shall perform
21 these duties only to conduct and carry out the assigned
22 purpose of the Work Group, and shall not interfere or
23 assume the role of the Board Chair or Vice Chair.

24 The Work Group Chair and Cochair shall
25 establish the Work Group meeting plan, agenda,

1 supporting materials, and the list of and invitations to
2 those invited or scheduled presenters and participants,
3 the location and facility, and also be in charge of
4 preparing the meeting minutes.

5 The Chair of the Board, or designated team
6 member, will review the meeting plan for the legal --
7 excuse me.

8 The Chair of the Board and the Executive
9 Director or designated team member will review the
10 meeting plan for legal and technical purposes, and
11 transmit it to Board Proceedings as appropriate.

12 The Work Group Chair and Cochair are
13 responsible for conducting the Work Group meeting and
14 drafting the Work Group reports so that the information
15 is available to the full Board and to the public at a
16 regularly date-specific Board Meeting.

17 There are also notice requirements for the
18 Work Group meeting that essentially will comply with the
19 Public Agenda Notice and Bagley-Keene Open Meetings Act.

20 And, again, this information is found in this
21 Board's Governance Policy. This was added in Item H.

22 I think actually it was you, Chair Vazquez,
23 who added in this section, which is the Board Work Group
24 Policy and Charter.

25 MS. STOWERS: With that, I think --

1 MR. VAZQUEZ: But aren't we just continuing
2 this Work Group, right? We already have it going, no?

3 MS. STOWERS: Well, I -- semantics. We did
4 stop the Work Group. But I do believe that the memo
5 that you have attached to the PAN is sufficient, because
6 you lay out the purpose of the group.

7 MR. VAZQUEZ: I was hoping we could just --

8 MS. STOWERS: So that being said, I think you
9 laid out the purpose of the group. And if you want
10 to -- if you're saying you're just gonna reconvene, are
11 you saying that yourself and Member Gaines will be the
12 Cochairs?

13 MR. NANJO: So along those lines, if you're
14 reconvening the Work Group, that's fine. Those things
15 have been completed.

16 You would still need a Work Group meeting
17 plan, agenda, supporting material, list of invitations.
18 Those things. So those are the kind of items moving
19 forward.

20 Also, list of available dates and what have
21 you. And as the Board may remember, the initial --
22 original concept of the Work Group is the Board Work
23 Group is primarily handling it using the Board Member's
24 own staff.

25 MR. VAZQUEZ: Yes.

1 So I'm comfortable, and I'm seeing nods --

2 MR. GAINES: Yes.

3 MR. VAZQUEZ: -- from my -- Member Gaines,
4 just to continue what we started. And maybe we can just
5 get together with our Executive Director in terms of the
6 scheduling.

7 Because I don't know if it's something we
8 could do like in March or April. It might have to be
9 out -- we might be looking at maybe more of an April,
10 adding a day to our meeting, right? Because March looks
11 like it's already impacted.

12 MS. STOWERS: March is pretty busy. I would
13 probably say April or May. I think one of the first
14 steps --

15 MR. VAZQUEZ: Just add a day.

16 MS. STOWERS: -- we need to speak with the
17 assessors. Because I'm assuming you want --

18 MR. VAZQUEZ: Yes.

19 MS. STOWERS: -- representation on this Work
20 Group. You want them to come and speak.

21 So I think that's the first step, is to get an
22 idea with the assessors in your district. And I believe
23 you had that in your memo.

24 MR. VAZQUEZ: We did.

25 MS. STOWERS: To have a discussion with your

1 assessors on their availability.

2 I would gladly reach out to the President of
3 the CAA. She's not here today, but she -- they are
4 listening.

5 MR. VAZQUEZ: Yes.

6 MS. STOWERS: And getting an idea of what
7 their thoughts are on it.

8 MR. VAZQUEZ: So let me take a stab at it.

9 What if I move that we approve this proposal
10 basically to reconvene our Workforce Planning Group.

11 And I had originally listed March. Maybe I'll
12 just -- I'll say April now. Probably be more realistic.

13 MS. STOWERS: For the second day of the April
14 Board Meeting?

15 MR. VAZQUEZ: Second day of the April meeting.

16 MR. GAINES: I'll second it.

17 MR. EMRAN: Chairman, could I make a comment
18 before the motion moves, please?

19 MR. VAZQUEZ: Yes. Go ahead.

20 MR. EMRAN: I'm all for the Work Group. I do
21 believe, however, there needs to be more outreach and
22 data input as we reconvene.

23 And I'll be looking forward to working with
24 the Chairman and Executive Director to kind of get that
25 data and outreach going, so we can really, this time

1 around, be able to fully implement this Work Group and
2 get the most out of it.

3 Thank you.

4 MR. VAZQUEZ: I appreciate that.

5 And I got a second here from Member Gaines.

6 So do we need to go out to AT&T?

7 MS. CICHETTI: Yes.

8 We have no one in the audience who wanted to
9 make a comment, and we have nothing in writing.

10 AT&T moderator, can you please tell us if
11 there's anyone on the line who would like to make a
12 public comment regarding this item?

13 AT&T MODERATOR: Ladies and gentlemen on the
14 phone, to comment by phone, please press one, zero at
15 this time on your phone's keypad.

16 And we have no respondents in queue.

17 MS. CICHETTI: Thank you.

18 I'm going to call the roll.

19 MR. VAZQUEZ: Yes, please.

20 MS. CICHETTI: Chair Vazquez.

21 MR. VAZQUEZ: Aye.

22 MS. CICHETTI: Vice Chair Lieber.

23 MS. LIEBER: Aye.

24 MS. CICHETTI: Member Gaines.

25 MR. GAINES: Aye.

1 MS. CICHETTI: Member Schaefer.
2 MR. SCHAEFER: Aye.
3 MS. CICHETTI: Deputy Controller Emran.
4 MR. EMRAN: Aye.
5 MR. VAZQUEZ: Thank you.
6 And with that, I think that concludes this.
7 And I guess -- I don't see my Assessor Prang.
8 So it looks like he lost connection here.
9 And thank you, Assessor.
10 MR. GAINES: Thank you, Jon DeVille.
11 Appreciate your --
12 MR. DeVILLE: Thank you for the opportunity.
13 MR. GAINES: Appreciate your support.
14 Thank you.
15 MR. VAZQUEZ: Looking forward to working with
16 you on this.
17 MR. DeVILLE: Definitely.
18 MS. CICHETTI: Ready for the next item?
19 MR. VAZQUEZ: Ms. Cichetti, let's go on to the
20 next one.
21 MS. CICHETTI: Let's go on.
22
23 **ITEM L2c**
24
25 MS. CICHETTI: The next item is L2, Board

1 Member Initiatives; Item L2c, Proposal to Reconvene:
2 Property Tax Abatement Board Work Group on Affordable
3 Housing.

4 Develop a schedule for continuing the Property
5 Tax Abatement Board Work Group, specifically to drill
6 down with County Assessors, city and county housing
7 agencies and stakeholders to identify gaps and develop
8 recommendations for practical ways to streamline the
9 welfare exemption processes, both at the state and local
10 levels, as a means of accelerating critically needed,
11 low-income housing.

12 MR. VAZQUEZ: Thank you.

13 Members, this proposal is to continue the
14 Property Tax Abatement Work Group Hearings, tentatively,
15 starting on March 24, 2023.

16 But not -- but if not, then in April the 25th
17 to invite speakers and develop recommendations,
18 specifically on streamlining the BOE and the county
19 assessors' welfare exemption approval process for
20 low-income housing.

21 This is not designed to overstep the issues
22 that will be addressed in the future Work Group report
23 when the Deputy Controller informs us that the report is
24 ready for distribution and discussion. We will also
25 schedule a hearing for that purpose.

1 I am proposing now to schedule a Work Group
2 hearing specifically to address streamlining efforts
3 to -- of BOE and the county assessors.

4 The Property Tax Department, under Mr. Yeung's
5 direction, developed a streamlining plan for the BOE,
6 and much has been done.

7 I think now is the time to collaborate closely
8 with the assessors, our coadministrators, as well as our
9 property owners, who often misunderstand the law and the
10 required steps.

11 One testimony after another during the July,
12 August and September hearings, including testimony from
13 past mayor of Los Angeles, Mr. Garcetti, and speakers
14 from New York City, emphasize that the exemption is a
15 critical factor that makes this project financially
16 feasible. And that streamlining our processes for all
17 is the best thing we can do to incentivize low-income
18 housing projects.

19 The new mayor of Los Angeles, Karen Bass, and
20 her directive of the December 12, 2022 is taking
21 aggressive steps to accelerate the lower -- lower the
22 cost of building affordable housing and shelters by
23 requiring city departments to cease processing
24 bottlenecks, and complete all reviews within 60 days
25 with the Los Angeles County Board of Supervisors

1 partnering in this joint effort.

2 Many legislators are also concerned about the
3 application of welfare and low-income housing property,
4 with seven to nine of the thirteen property tax bills
5 related to it.

6 Before Ms. Cichetti introduces our next
7 speaker to discuss the need for streamlining approvals
8 for low-income housing, I would like to ask our
9 Deputy Controller, who is sitting next to me here, if he
10 would like to add or -- add any comments that maybe our
11 Controller might have shared with him.

12 MR. EMRAN: Thank you, Chair Vazquez, for that
13 presentation and your proposed action.

14 However, I am recommending that
15 Controller Cohen continue to lead this work in
16 partnership with you.

17 As you are aware, Controller Cohen indicated
18 at the last Board Meeting when she addressed this Board,
19 that she believes -- she remains committed to continuing
20 the Property Tax Abatement Work Group convening that she
21 initiated.

22 Chairman, I believe she also did have this
23 discussion with you personally. In fact, as previously
24 reported to the Board, and I recently discussed with
25 your team, is her intention to convene the next Property

1 Tax Abatement Work Group meeting in March or April of
2 2023. At that time, we'll release the report, as
3 discussed with your team.

4 That is more than appropriate to follow up on
5 the recommendations highlighted. And the report,
6 specifically the recommendation of Los Angeles mayor,
7 outgoing mayor, Mayor Garcetti, and the many others
8 during the Property Tax Abatement Work Group meetings,
9 relate to streamlining welfare exemption process.

10 The Controller believes it's a perfect time to
11 receive an update from the agency on the impact of the
12 process -- process engaged in by the agency on their
13 welfare exemption process.

14 If you recall, Controller Cohen joined you in
15 asking the agency to review their current process with
16 the intent to streamline the timeframe for which
17 exemptions are completed.

18 Respectfully, Chair Vazquez and Members on
19 this Board, I believe it's only appropriate to support
20 Controller Cohen's continued leadership in this area.

21 And to the Chairman, we will continue to work
22 with your office. In fact, I reached out to your team
23 and calendared a standing meeting on this issue through
24 June of 2023. And it is a request of the Controller,
25 and I would appreciate seeing this through.

1 Thank you.

2 MR. VAZQUEZ: Thank you.

3 Ms. Cichetti, do we have -- is Jeff Prang
4 still on the line?

5 MS. CICHETTI: He is no longer on the line at
6 this time, no. He has left the Teams call.

7 MR. VAZQUEZ: Because I -- I see he wanted to
8 weigh in on this. But if he's no longer on it, and it
9 sounds like -- I'm sorry. I was hearing some back --
10 oh, is he back?

11 MS. STOWERS: She's calling.

12 MS. CICHETTI: I'm asking my staff who is
13 monitoring the web page.

14 MS. STOWERS: May I say something?

15 MS. CICHETTI: He has not returned.

16 MR. VAZQUEZ: Yes, go ahead. While we're
17 waiting.

18 MS. STOWERS: With respect to the welfare
19 exemption and the part that we administer, Mr. Emran is
20 absolutely right, we did improve that process. It took
21 us a year-and-a-half. We reported out on a monthly
22 basis.

23 And we looked at the application, the claims
24 and the forms, our website, our instructions, and it
25 resulted in improvement of having our part of the job

1 done by 300 percent.

2 And I'm sorry, all the notes I had with me
3 today that I don't have in front of me. But you may
4 recall it was the last time we reported it, it was in
5 October of 2022 when Ms. Lumsden was here. And she said
6 this is -- we're done. We've done all that we can at
7 this time. And it was substantial.

8 So I just wanted to make that clear that we
9 did spend a lot of time on that. But, you know, we can
10 only approve the organization. It's the assessor that
11 approves the use of the property.

12 MR. VAZQUEZ: Thank you.

13 Member Gaines, go ahead.

14 MR. GAINES: Yeah.

15 I just wanted to comment because, we -- I
16 know, as a Board Member, that was an issue that seemed
17 to come up on a fairly consistent basis with
18 constituents who are trying to get welfare exemption
19 applications processed.

20 And you have been giving us monthly updates.
21 And I know that changes have been made. And maybe we
22 need a little more time to reflect on that and see if
23 it's working.

24 I don't think I've had a complaint since the
25 changes were made. So that's encouraging.

1 MS. STOWERS: Good. That's good news.

2 MR. GAINES: But I think that's something we
3 need to keep an eye on.

4 So thank you.

5 MS. STOWERS: I think we even changed our --
6 we're having -- a fact sheet is pending at your request,
7 Chair Vazquez.

8 MR. VAZQUEZ: And while we're waiting for my
9 Controller, I think, Vice Chair Lieber, you had a
10 question.

11 MS. LIEBER: Thank you, Mr. Chair.

12 Well, really, I am eager to see the report
13 from the Controller, and to harvest her good work that
14 comes in through that process.

15 And I'd really like to see this body also
16 continue with a Work Group within the BOE on a
17 going-forward basis.

18 And so I wonder if, to allow the time for her
19 work to come out and be amplified, and for the other
20 data points that are out there to come in, I wonder if
21 it might be better to have the Work Group be, say, in
22 June, to get the full benefit of that work that's
23 already been started and done.

24 MR. EMRAN: Can I respond, Chairman?

25 MR. VAZQUEZ: Sure. Go ahead,

1 Deputy Controller.

2 MR. EMRAN: Thank you, Member Lieber.

3 I'm in agreement with you. This Work Group
4 took months and months to plan, alongside the Work Group
5 actually being months and months of taking place.

6 The report itself is very comprehensive. It
7 has a very detailed recommendation and outlines of every
8 stakeholder that participated and has taken into
9 account.

10 I'm looking forward to releasing that report
11 and working with the Chairman's office in getting this
12 done.

13 And in regards to the welfare exemption
14 process, I understand that you, Executive Director, have
15 said that you've tried everything you can. It is still
16 imperative to give us updates, and this body updates on
17 this process, and what it looks like moving forward.

18 Thank you.

19 MS. STOWERS: We did update you guys. We
20 update you monthly on the process, monthly.

21 I don't want to be defiant. But monthly, they
22 came up here, and they gave an update on that project.
23 And then reported out that it was now completed, and
24 went over each and every step that that team did.

25 MR. GAINES: Through the Chair, if I could.

1 MS. STOWERS: Yes.

2 MR. VAZQUEZ: Member Gaines, go ahead.

3 MR. GAINES: Because I think you're talking
4 about moving forward. That's the way I interpreted
5 that.

6 Monthly updates from this date forward; is
7 that what you're asking for?

8 MS. STOWERS: You want a monthly update, you
9 want us to tell you how many welfare exemptions we
10 approved on a monthly basis?

11 MR. EMRAN: What I want, and this body, when
12 we were hearing the testimony from, for example, Los
13 Angeles Mayor -- outgoing Mayor Garcetti and others,
14 they were talking about the streamline process and
15 needing guidance on -- statewide guidance to each county
16 assessor on how to better streamline that welfare
17 exemption process so it continues to be a work in
18 progress.

19 And I'm not going to tell you -- if you want
20 to do it every month or not. But it's just something
21 that this Board should be continually updated on. And
22 it's something that we do as a priority. And it's
23 something that remains a high-level priority to the
24 Board of Equalization, especially when you're trying to
25 address the affordable housing crisis we're facing here

1 in California.

2 MS. STOWERS: I get that. I think there might
3 be some misunderstanding --

4 MR. VAZQUEZ: I think that's what it is.

5 MS. STOWERS: -- on how the welfare exemption
6 process works.

7 So if you want us to come back and provide
8 additional overview education on welfare exemption,
9 we'll gladly do it for you.

10 But I think -- I know we've done it. And I
11 know we made improvements to our process.

12 MR. GAINES: Oh, yeah. I agree.

13 MS. STOWERS: And I know that we're getting
14 our work done.

15 Now, what happens on the back end, I can't
16 speak to the assessors. But I don't think the assessors
17 are telling us that they need instructions on how to
18 determine if a piece of property qualifies for the
19 welfare exemption.

20 MR. GAINES: Yeah.

21 I just -- from my perspective, I just want to
22 make sure that we're doing -- we're fulfilling our role
23 as the BOE. Because we don't control the assessors and
24 that process, right?

25 But I want to make sure we're getting our job

1 done, and there's not a bottleneck in terms of moving
2 the application through.

3 MS. STOWERS: Absolutely. Absolutely. We'll
4 make sure that we don't have -- we're not the cause of a
5 delay.

6 MR. GAINES: That's correct.

7 MS. STOWERS: Yes.

8 MR. GAINES: Thank you.

9 MS. STOWERS: And that's something you need --
10 I know we're not the cause, because that's something
11 that's always on the surveys, the assessment surveys
12 that we do.

13 If an assessor gives out the exemption, and
14 they haven't gotten a clearance from us first, that's a
15 ding on their report.

16 MR. GAINES: Yeah.

17 Through the Chair -- I'm sorry.

18 MR. VAZQUEZ: Go ahead.

19 MR. GAINES: But it could be that we get a
20 call from a constituent, we have the BOE follow up on
21 it, and there's a hiccup at the county.

22 MS. STOWERS: Yes. Absolutely. There's a
23 hiccup on the county side.

24 MR. GAINES: So we need to make sure we
25 differentiate between those.

1 MS. STOWERS: And we do help them when they
2 call. We say, "Well, what's missing on the county
3 side?" And the county will say whatever the reason and
4 why.

5 I'm not saying that we're perfect, but on our
6 side, we made our improvements, and we will continue to
7 make improvements.

8 MR. GAINES: Right. Thank you.

9 MR. VAZQUEZ: And I see our Legal attorney
10 here wanting to weigh in here.

11 Go ahead, Mr. Nanjo.

12 MR. NANJO: Thank you, Chair Vazquez.

13 If I could maybe assist a little bit in
14 clarifying.

15 Deputy Controller Emran, I think there might
16 be a little bit of confusion. Because as Executive
17 Director Stowers explained, there are two parts to the
18 welfare exemption process.

19 One is the part that BOE does, and the other
20 part is the county's part that the assessor's office
21 works with.

22 We've made all the improvements that we can on
23 our side of the fence. To the extent that there are
24 challenges on the county side, that's where the
25 Board Members can reach out to their county assessors

1 and find out if there is something we can do to assist
2 them.

3 But it is challenging. And I think that was
4 Deputy -- excuse me -- Executive Director Stowers,
5 former Deputy Controller, current Executive Director
6 Stowers' point is that process, although we'd be glad to
7 assist the assessors or the counties, is really a county
8 process. So that's something they have to work through.

9 In an overly-simplified manner, they can try
10 to do the same effort that we at the BOE did to try to
11 improve the process. But it's not like we can help
12 them, because their process is a different issue than
13 what we do. It's two sides of the same coin, if we
14 will.

15 MR. EMRAN: Thank you, Mr. Nanjo, for trying
16 to clear this up.

17 Simply just asking for a report out. I do
18 believe that the Board of Equalization, with it's
19 streamline process regarding the welfare exemption, is
20 one of the most significant actions we can take to solve
21 this housing crisis here in California.

22 I believe it's 2.53 million homes by 2030,
23 which we are far behind. So anything we can do as an
24 agency and on this Board to get more information to the
25 public and to our assessors and taxpayers would be

1 great.

2 Thank you.

3 MR. NANJO: Yeah. Absolutely.

4 And I think to the extent that Controller
5 Cohen and the Board Members can reach out to the
6 assessors and assist us in finding out if there's
7 anything more we can do to assist them, that would be
8 very helpful to us as well.

9 Thank you.

10 MR. VAZQUEZ: Vice Chair, I think I saw a hand
11 up here.

12 MS. LIEBER: Thank you.

13 I'll weigh into this.

14 MR. VAZQUEZ: Why not?

15 MS. LIEBER: Why not?

16 So it seems like if we revisited this in June,
17 and it would be fortuitous to continue the Property Tax
18 Abatement Work Group, we could hear the report that the
19 State Controller has put the effort into preparing, and
20 then perhaps we could also hear from others who are
21 affordable housing providers about if they see certain
22 legislative fixes that are need to be able to facilitate
23 this.

24 Because it really sounds like, as an agency,
25 the work has been done here to get the process, you

1 know, on track, and to be benefitting the cause overall.

2 But I wonder if that might be a way to do it,
3 is to continue the Work Group, and to have an item, say,
4 tentatively in June to hear the results of the
5 Controller's work, and to go forward from there.

6 MR. VAZQUEZ: I was going to suggest that.
7 This will give me an opportunity to circle back with our
8 Deputy Controller, as well as the Controller, between
9 now and then as well.

10 MR. EMRAN: That would be appreciated. Thank
11 you.

12 MR. VAZQUEZ: Not a problem.

13 MR. GAINES: Can I just weigh in through the
14 Chair?

15 MR. VAZQUEZ: Yes. Go ahead, Member Gaines.

16 MR. GAINES: Yeah.

17 I really appreciate Member Lieber's
18 suggestions and agree with them.

19 And I think to the degree that they can be
20 focussed on the fix. How do we fix it? Whether that's
21 regulatory or legislatively. But we need to pinpoint
22 that and address it, and see if we can solve it.

23 Thank you.

24 MR. VAZQUEZ: Okay. So we'll hold off on that
25 until -- looks like no earlier than June at this point.

1 Because it sounds like that's the time they're going to
2 need for the report to be finalized; is that correct,
3 Deputy Controller?

4 MR. EMRAN: That's correct. The original goal
5 is the first quarter of 2023. So I promise it's near
6 completion.

7 Thank you.

8 MR. VAZQUEZ: Thank you.

9 Vice Chair -- go ahead, Vice Chair.

10 MS. LIEBER: Do we need a motion to continue
11 the --

12 MR. VAZQUEZ: I believe we do.

13 MS. LIEBER: -- Work Group and to tentatively
14 bring back an item in June?

15 MR. VAZQUEZ: It sounds like you have on in
16 your --

17 MS. LIEBER: I'll move that.

18 MR. EMRAN: Second, please.

19 MR. VAZQUEZ: It's been moved and second.

20 Ms. Cichetti, do we need to go out to AT&T?

21 MS. CICHETTI: Yes, we do.

22 I have no one inside the auditorium who wants
23 to make a public comment. I have nothing in writing as
24 well on this item.

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

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

4 AT&T MODERATOR: For people on the phone line,
5 if you wish to make a comment, please press one, then
6 zero. An operator will gather your name and give you
7 further instructions.

8 Again, for people on the phone line, it's one,
9 then zero at this time.

10 And no one from the phone lines has queued up.
11 Please go ahead.

12 MR. VAZQUEZ: Thank you.

13 With that, let's go ahead and get a roll call.

14 MS. CICHETTI: Before we go forward, I just
15 found out there is somebody in the -

16 MR. VAZQUEZ: Oh, there is somebody?

17 MS. CICHETTI: Mr. Parrish has come forward.

18 MR. VAZQUEZ: Oh, yes. Come on up. I know
19 he's been patiently waiting here.

20 MR. PARRISH: I didn't want to burn up my
21 other time on my other issue. But I wanted to talk to
22 this specifically to show you my observations.

23 MR. VAZQUEZ: Welcome. Introduce yourself,
24 because everyone knows you as the famous assessor.

25 MS. CICHETTI: Before we go forward, making a

1 public comment in the auditorium, you're limited to
2 three minutes.

3 MR. PARRISH: That's right.

4 MS. CICHETTI: I just want to make sure.

5 MR. PARRISH: I'll do it very fast.

6 The problem, as I see it, is that what happens
7 is that the developers, you know, they hire an attorney
8 to help them. And so the attorneys, unfortunately, like
9 to run the clock. Nobody wants to hear this, but it's
10 God's honest truth.

11 I, in my office, I'm concerned about people
12 that are stressed. And I take calls from the public,
13 even people that call me a gangster and a communist and
14 whatever. I take calls from everybody. And then what I
15 hear is they're frustrated.

16 So what I have done to solve the problem,
17 well, first, I'll tell you, I used to be an executive of
18 ABC. I owned my own business. I was American City.
19 I've been an assessor for eight years. And I've asked
20 employees, "What is it that motivates you?" You'll
21 never guess what the answer is: more money.

22 So what I do is I pay them overtime, which is
23 50 percent more, to get these things done. As you know,
24 I finish the roll every time ahead of time. I've never
25 asked for an extension ever. And I used to have

1 300 employees when I took over, and now I have, what,
2 256.

3 So I pay overtime. Because employees are
4 motivated by getting some money. So that's what you got
5 to do to procure the problem.

6 And the attorneys are causing the most problem
7 by running the clock. That's my --

8 And, by the way, I love the Executive Director
9 and her efforts, since she's done a tremendous job to
10 speed things up. That's for darn sure.

11 Thank you for allowing me to speak.

12 MR. VAZQUEZ: Thank you.

13 MS. CICHETTI: As I understand, we have
14 another -- yes, another speaker.

15 MR. VAZQUEZ: Come on up. That's the camera.
16 Go ahead.

17 MR. BALLARD: Mr. Vazquez, thank you for
18 receiving me as the public.

19 And congratulations all on your new election
20 and new terms at the Board of Equalization.

21 Thank you very much.

22 MR. SCHAEFER: Identify yourself.

23 MR. BALLARD: This is Paul Ballard calling --
24 this is Paul Ballard here live in Sacramento.

25 And I've spoken here two or three times on a

1 particular issue out of Orange County and some other of
2 the assessor's office regarding myself as a trustee, APN
3 numbers, the loss of our parents home, the transfer of
4 the home.

5 But the first thing I wanted to say is I heard
6 you guys in discussion talk that you were going to
7 potentially have the public comments at the beginning
8 versus the end.

9 And as a public person, both that would be so
10 much better for myself as the public, because then we
11 could plan our days, freeing up your days to end your
12 sessions when you need to, versus everybody sitting
13 around.

14 So I think it would be a very wise thing to do
15 if you guys could agree on doing some kind of a change
16 like that internally.

17 The other aspect regarding my particular
18 situation and the ones affecting tens of thousands of
19 people in Orange County, and potentially hundreds of
20 thousands of non-deed held properties in the state of
21 California, I've been trying to work here now with
22 Mike Schaefer's staff with a letter of request to the
23 Orange County assessor's office.

24 And that's where I'm at right now, is to come
25 up with a letter asking for some certain documentation

1 and clarification on instructions of publication of
2 APNs.

3 If you recall, one of the aspects is, when I
4 went down to actually pay taxes at the tax collector's
5 office, you cannot, because they don't have the APN on
6 this particular type of stock-held home is not available
7 through the tax collector's office. And there's other
8 aspects involved.

9 I know we're all busy, and I want to let you
10 go. But I wanted to be able to come up here and say my
11 piece.

12 But I appreciate Mr. Schaefer in getting to
13 work with his staff on this particular issue. It's very
14 important for seniors and their heirs.

15 Thank you.

16 MR. VAZQUEZ: Thank you.

17 Ms. Cichetti, I think we have that motion.

18 MS. CICHETTI: We do.

19 MR. VAZQUEZ: We probably should vote on it.
20 Because it looks like we're moving into public comment.

21 MS. CICHETTI: All right.

22 So we have no one else in the audience. We've
23 already gone to the AT&T moderator, and I have nothing
24 in writing. So I'm going to call roll.

25 MR. VAZQUEZ: Please.

1 MS. CICHETTI: Chair Vazquez.
2 MR. VAZQUEZ: Aye.
3 MS. CICHETTI: Vice Chair Lieber.
4 MS. LIEBER: Aye.
5 MS. CICHETTI: Member Gaines.
6 MR. GAINES: Aye.
7 MS. CICHETTI: Member Schaefer.
8 MR. SCHAEFER: Aye.
9 MS. CICHETTI: Deputy Controller Emran.
10 MR. EMRAN: Aye.
11 MR. VAZQUEZ: So that's unanimous.
12 Now, Ms. Cichetti, please call the next item.

13
14

ITEM N

15

16 MS. CICHETTI: The next item on our agenda is
17 Item N, Public Comment on Matters Not on the Agenda.

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

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

25 When giving your public comment, please limit

1 your remarks to three minutes. The clerk will notify
2 the Chairman when the time has expired.

3 So first what we do, our standard is, is we go
4 to anyone who is in the audience.

5 So we are going to take Mr. Parrish first as a
6 presenter.

7 MR. VAZQUEZ: Welcome back, Assessor Parrish.

8 MR. PARRISH: Well, I want to thank you for
9 your time, Honorable Chairman and Members.

10 I am here again to give you an update on the
11 possessory interest and my process that's happening. So
12 I will try to be brief, because I have limited time.

13 So I wanted to go over the latest information.
14 And I will present you with the data. But I've done an
15 analysis here, so -- on the ten joint powers projects
16 that we have in Orange County.

17 As we have parallel Waterford, we want to let
18 you know that the gross rent was nine 9,657,000. Also,
19 the bond payments, which is their mortgage, as it were,
20 is 7,046,000. And, of course, the free cash flow that
21 they have on this particular project is \$2,610,843.

22 And we put in the possessory interest that
23 we've sent them the bill, which they have not yet paid.

24 The assessor -- after the possessory interest
25 tax, they're still making a profit of 1,464,000.

1 I will do the next one. Waterford, Cameo,
2 Garrison. That starts out with 99 percent occupancy.
3 Gross rents of 9,204,000. Payment on the bonds,
4 6,396,000.

5 The free cash flow is \$4,896,000. And if they
6 pay their possessory interest, they would still have a
7 profit of \$3,658,000.

8 Jefferson Waterford is 99 percent full. Gross
9 rents are 9,204,000. The payment on the bonds is
10 6,573,000. The free cash flow is 4,896,000. And the
11 profit after paying their possessory interest, if they
12 do it, which we were certain they will, 3,658,000.

13 I could go through the whole thing, but my
14 time is limited. I will give you an analysis of this.

15 There's one property of the ten, there's only
16 one property that has a loss. And that's the Center
17 City and the Manette.

18 It's 98 percent full, but they had an
19 operating loss of \$644,000. And if they paid their
20 taxes, they would have a loss of one million
21 four-nine-four.

22 All of the others are positive, like Elaine.
23 Elaine, which is a catalyst of property. That would
24 have a free cash flow of 2.369 million.

25 Allure would have 3.6 -- instead of two, it's

1 3,639,000.

2 Breakwater, which is a catalyst property,
3 3,415,000. And the mix, 259,000.

4 MS. CICHETTI: Time has expired.

5 MR. PARRISH: Thank you.

6 So they're doing fine. And I would ask you to
7 oppose Senate Bill 320 if you can. Not to erode the
8 constitutional possessory interest that we're allowed
9 to -- to assess.

10 Thank you.

11 MR. VAZQUEZ: Thank you.

12 MR. GAINES: Could I get a clarification from
13 Mr. Parrish?

14 MR. VAZQUEZ: Oh, we have a question for you,
15 Mr Parrish.

16 MR. GAINES: So, No. 1, could you give me the
17 bill number again?

18 MR. PARRISH: Yes, 320.

19 Now, what 320 says, they say -- I'm glad you
20 give me a little bit of time to talk about 320. Because
21 320 says that the assessors shall not assess the tenants
22 in the project.

23 Originally, it tried to wipe out the
24 possessory interest and the whole project. But now
25 they're saying, "Well, they just want to protect the

1 tenants."

2 And we would never go after the tenants for
3 such a small amount of possessory interest. Because a
4 tenant might live two or three months in an apartment
5 complex. They may live five months. They may have a
6 term of ten months. They may have 12 months, 18 months,
7 maybe as long as 24 months. Our minimum bill is \$10,000
8 of value.

9 MR. GAINES: Okay. You're in opposition --

10 MR. NANJO: Member Gaines.

11 MR. PARRISH: I'm opposing it, yeah. I'm in
12 opposition of 320.

13 Because, first of all, nobody would ever do
14 it. Most every -- our bill is like -- other counties
15 have more minimum bills --

16 MR. NANJO: I'm sorry, Chairman Vazquez.

17 All due respect, Assessor Parrish.

18 MR. PARRISH: Sure.

19 MR. NANJO: Apologies. But this matter is not
20 on the agenda. It's not appropriate to have an extended
21 discussion.

22 MR. PARRISH: Oh, sure. Yeah. Well, I was
23 asked a question.

24 MR. NANJO: Yeah. And it's really not
25 appropriate to ask questions. So if I could ask the

1 Board Members to --

2 MR. GAINES: Wait a second. You gave us a
3 review earlier today on bills that are moving through
4 the Legislature that impact the BOE, Senate Bill 320 by
5 Skinner. So I don't know why it wouldn't be appropriate
6 for me to ask the assessor's point of view on that bill.

7 MR. NANJO: Because we've already passed that
8 issue. We are on N, Public Comment on Matters Not on
9 the Agenda. So on these items, it is not appropriate to
10 have discussion.

11 MR. GAINES: I don't understand that, but I
12 will stop talking at this point.

13 Thank you.

14 MR. NANJO: I would invite you to contact
15 Assessor Parrish separately.

16 MR. GAINES: Okay.

17 MR. NANJO: Since his address and contact
18 information are well known.

19 MR. GAINES: Okay. Thank you.

20 MR. NANJO: Thank you.

21 MR. PARRISH: Thank you for your time.

22 MR. SCHAEFER: Could I move we take it out of
23 order?

24 MR. NANJO: The matter has already been done.
25 You would have to recall the matter if you were

1 interested in bringing that up.

2 But, again, that was a report on legislation.
3 I would also remind you that Ms. Renati reported that we
4 are working on our legislative analysis, and once
5 that -- once you have received that, that might be a
6 good time to have that discussion.

7 MR. VAZQUEZ: Yeah. And then at that point,
8 we should get into a deeper dive.

9 MR. GAINES: Thank you.

10 MR. VAZQUEZ: But thank you for bringing it
11 up.

12 MR. PARRISH: I'm happy to come and visit you
13 again.

14 You know, I must say, off the record, I enjoy
15 so much. I came here early. It reminded me of my eight
16 years on the State Board.

17 I just enjoy watching you and reminiscing
18 about how much I loved being a State Board of
19 Equalization Member. Even after the cut in pay, I would
20 be happy to be back on the Board. But I'm --

21 MR. VAZQUEZ: Appreciate that.

22 MR. PARRISH: I love what you do. You've got
23 some wonderful people here. Especially the Executive
24 Director, who's done so much work.

25 And it's a great honor to just be here. In

1 fact, I feel like I should come here every month.

2 MR. VAZQUEZ: We need you to go talk to the
3 legislators.

4 MR. PARRISH: And, you know, we should be
5 reunited with our former authority on the sales tax.
6 That's really your forte. It was wonderful. I would
7 drive up two or three times every month smoking a cigar
8 thinking about the cases.

9 I really enjoyed what I did, and I can't tell
10 you how much I enjoyed just sitting here. I'm going to
11 be here more often, if you don't mind it.

12 Thank you all. You're all wonderful, every
13 one of you.

14 MS. CICHETTI: All right.

15 MR. VAZQUEZ: Ms. Cichetti, I'm sorry, go
16 ahead.

17 MS. CICHETTI: The next person we have who
18 have completed a public comment appearance sheet is
19 Michael Hannah.

20 MR. HANNAH: Thank you for your time.

21 I am with the Orange County Assessor
22 Department. And I just have a quick comment on joint
23 power authorities that are being created with cities.

24 The joint power authorities are being created
25 by four profit real estate developers, in conjunction

1 with various cities across the state.

2 These entities provide very little public
3 benefit, yet create that heavily benefit the for-profit
4 developers who create and run them.

5 The cities who have a voice in this process
6 lose only 12 percent of the property tax revenue from
7 these creations.

8 The other 88 percent, entities that do not
9 have a voice in this process, include the state of
10 California in the form of backfill to the schools,
11 first responders, counties and special districts.

12 The real estate developers that control the
13 JPAs make millions of dollars in upfront fees. They
14 also get administrative fees and millions of dollars in
15 private bonds.

16 In Orange County alone, we estimate the
17 administrators of the 10 projects will receive fees and
18 bonds of approximately \$138 million dollars.

19 They are taking current housing off the market
20 with no new inventory created. This does nothing to
21 alleviate any housing shortage. If anything, it
22 exacerbates it by removing current housing available to
23 certain people.

24 The modest discounts given on rents do not
25 justify the millions of dollars in property tax revenues

1 lost. There is no oversight that would ensure the real
2 estate developers rent to low-income residents. And
3 since covering bond debt is the first priority,
4 large-scale low-income rentals will likely never be
5 achieved.

6 Our office has carefully reviewed the
7 applicable property tax laws and determined that the
8 real estate developer administrators have long-term
9 taxable possessory interest on these properties, and we
10 are assessing them accordingly.

11 We hope for your support in these complex
12 issues. Thank you very much.

13 MR. VAZQUEZ: Thank you.

14 Ms. Cichetti, who's next?

15 MS. CICHETTI: Next on our agenda today is
16 Gary Hunter, AVP Tax, AT&T.

17 MR. VAZQUEZ: Welcome.

18 MR. HUNTER: Good afternoon.

19 Chair Vazquez and Honorable Members of the
20 Board, my name is Gary Hunter, and I'm an Assistant Vice
21 President of Tax for AT&T.

22 I appreciate the opportunity to speak to you
23 today about an important matter affecting state-assessed
24 utilities, and the ratepayers statewide.

25 Due to a flaw in the law, utilities are being

1 taxed at a property tax rate much higher than the rate
2 on similarly situated locally-assessed property.

3 We know a few things for sure. This problem
4 exists in 46 of the 58 counties. The rate
5 discrimination against utilities is getting worse, with
6 no signs of reversing.

7 If you refer to this chart here on the right,
8 it shows the countywide average tax rate in Santa Clara
9 County compared to the utility tax rate through time.
10 Today, state-assessed property is being taxed at over
11 double the rate applied to other property.

12 Roughly 80 percent of the excess property tax
13 is being paid because the rate discrimination falls on
14 rate-regulated utilities that recover those taxes from
15 the ratepayers. As the second chart shows today's
16 amounts of nearly \$500 million dollars annually.

17 Moreover, in six short years, the total excess
18 taxes on state-assessed utilities is expected to climb
19 one-and-a-half billion dollars annually. This is a
20 heavy and unnecessary burden for ratepayers already
21 struggling to make ends meet.

22 We know fixing a problem does not come at the
23 expense of local government. This issue does not
24 involve a portion of one percent tax rate, nor does it
25 involve property taxes used for day-to-day operations of

1 schools.

2 The current rate discrimination violates the
3 State Constitution, which entitles us the same tax rate
4 as locally assessed property. No more, no less.

5 AT&T's position is the same as your Board's
6 interpretation of this Constitution for almost 40 years.

7 AT&T is asking for the Board's help to resolve
8 this situation. The Board administers the property tax
9 systems, and the Board's expertise is recognized and
10 respected by policymakers.

11 The absence of the Board's involvement could
12 be perceived as agreeing to the status quo, a result
13 most unfair to the utilities and the customers they
14 serve.

15 We ask for the Board's help in bringing this
16 issue forward, so it may be resolved once and for all.

17 Thank you again for the opportunity to speak
18 today. And I'm prepared to answer any questions you may
19 have.

20 MR. VAZQUEZ: Thank you.

21 MR. HUNTER: Thank you.

22 MR. VAZQUEZ: Ms. Cichetti.

23 MS. CICHETTI: All right. So we've done
24 the --

25 MR. VAZQUEZ: Is that everybody on the public?

1 MS. CICHETTI: We're going to go to the AT&T
2 moderator. I have no written comments.

3 AT&T moderator, can you please let us know if
4 we have anyone on the line who would like to make a
5 public comment at this time.

6 AT&T MODERATOR: All right.

7 Again, from the phone lines, if you wish to
8 make a comment, it's one, then zero on your touchtone
9 phone. An operator will take your name and give you
10 further instructions.

11 Again, for the phone line, it's one, then zero
12 to make a public comment.

13 And no one has queued up on the phone lines at
14 this time. Please go ahead.

15 MS. CICHETTI: Thank you. The next item, are
16 we ready?

17 MR. VAZQUEZ: Yes, go ahead.

18 MS. CICHETTI: The next item on the agenda is
19 Closed Session.

20 The Board will recess and go into Closed
21 Session to discuss pending litigation matters:

22 County of Santa Clara v. Santa Clara Superior
23 Court; AT&T Mobility LLC, et al.; Real Parties in
24 Interest, Sixth District Court of Appeal; underlying
25 case: AT&T Mobility LLC, et al. v. County of Santa

1 Clara, et al., Santa Clara County Superior Court.

2 MR. VAZQUEZ: So we'll go ahead and take a
3 recess, and then we'll come --

4 MS. CICHETTI: We're going to recess, that's
5 correct.

6 MR. VAZQUEZ: And then we'll come back and
7 close out the meeting.

8 Because I know there's some adjournments, and
9 we'll save those until the end.

10 MS. CICHETTI: Till the end, that's correct.

11 MR. VAZQUEZ: So we don't have an estimated
12 time on this thing, do we?

13 MS. CICHETTI: On your closed session?
14 Estimated time I believe is 30 minutes.

15 MR. VAZQUEZ: Okay. So it's 3:48. So
16 hopefully we'll be back before then.

17 MS. CICHETTI: Before then, yes.

18 MR. VAZQUEZ: We'll take a recess at 3:48.

19 MS. CICHETTI: There you go.

20 So you all can go to the Dronenburg room.

21 (Whereupon Closed Session was held.)

22 MR. VAZQUEZ: We're gonna go ahead and
23 reconvene.

24 Ms. Cichetti, if you would just --

25 MS. CICHETTI: Okay. Yes.

1 My understanding is the Board Members have met
2 in Closed Session and discussed litigation matters, and
3 no action was taken.

4 So the next item on the agenda is the last
5 item for the day, Closing Remarks.

6 MR. VAZQUEZ: Yes.

7 I would just like to adjourn this meeting in
8 memory of Bishop David O'Connell, who was killed
9 actually at his home on Saturday.

10 He was a native of County Court Ireland, who
11 spent most of his four decades as a priest administering
12 in LA inner city.

13 Following his ordination in the Archdiocese of
14 Los Angeles, in 1979 he served as an associate pastor,
15 then a pastor, and several parishes in South LA.

16 He administered the communities dealing with
17 gang violence, poverty, and worked to restore trust
18 between residents and law enforcement in the wake of the
19 '92 uprising in LA.

20 Working with immigrants was also a top
21 priority for Bishop O'Connell. And he served as
22 Chairman of the Southern California Immigration Task
23 Force, which helped coordinate the local churches
24 response to the recent influx of migrants to
25 Central America.

1 Bishop O'Connell has been lauded as someone
2 who walked among the people, reaching out not only to
3 immigrants, but to gang members, and homelessness and
4 transients and others in need.

5 He was known as a low-key priest, with a
6 down-to-earth demeanor, who seemed most at ease with
7 working with people he served so many years in South LA.

8 We all agree we will now adjourn this
9 Board Meeting in his honor.

10 And if there's no other adjournments, I would
11 say we were -- we stand adjourned at 4:14.

12 Our next meeting will be Tuesday, March,
13 the 21st up here in Sacramento.

14 MS. CICHETTI: That's correct.

15 MR. VAZQUEZ: Thank you, and safe travels
16 everybody.

17 (Whereupon the Board Meeting concluded.)

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REPORTER'S CERTIFICATE

State of California)
) ss
County of Sacramento)

I, Jillian Sumner, Hearing Reporter for the California State Board of Equalization, certify that on February 22, 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 248 constitute a complete and accurate transcription of the shorthand writing.

Dated: May 9, 2023



JILLIAN SUMNER, CSR #13619
Hearing Reporter