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

APRIL 26TH, 2023
CALIFORNIA STATE BOARD OF EQUALIZATION
BOARD MEETING

REPORTED BY: Jillian M. Sumner, CSR NO. 13619
Dianne Coughlin, CSR NO. 10418

1 APPEARANCES

2 For the Board of
3 Equalization:

Honorable Antonio Vazquez
Chair

4 Honorable Sally J. Lieber
5 Vice Chair

6 Honorable Ted Gaines
First District

7 Honorable Mike Schaefer
8 Fourth District

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

12 For the Board of
13 Equalization Staff:

14 Yvette Stowers
15 Executive Director

16 Henry Nanjo
17 Chief Counsel
Legal Department

18 Jack McCool
19 Chief
State-Assessed Properties Division

20 David Yeung
21 Deputy Director
Property Tax Department

22 Lisa Renati
23 Chief Deputy Director

24 Margie Wing
25 Senior Specialist
Taxpayers' Rights Advocate Office

Peter Kim
Chief Communications Officer

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APPEARANCES CONTINUED

Laurel Williams
Technical Advisor
Special Taxes

Lisa Thompson
Chief
Taxpayers' Rights Advocate Office

Mary Cichetti
Clerk
Board Proceedings Division

Guest Speakers: Brielle Salazar
Regional Housing Trust Manager
San Gabriel Valley Housing Trust

Jeffrey Prang
Assessor
Los Angeles County

Kelly Seyarto
Senator
California Senate District 32

Jim Rooney
Assessor
Amador County

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1 STATE BOARD OF EQUALIZATION
2 450 N STREET, SACRAMENTO
3 APRIL 26, 2023

4 ---oOo---

5 MS. CICHETTI: Good morning, everyone.

6 I'll call roll now.

7 Chairman Vazquez.

8 MR. VAZQUEZ: Present.

9 MS. CICHETTI: Vice Chair Lieber.

10 MS. LIEBER: Here.

11 MS. CICHETTI: Member Gaines.

12 MR. GAINES: Here.

13 MS. CICHETTI: Member Schaefer.

14 MR. SCHAEFER: Here.

15 MS. CICHETTI: Deputy Controller Emran.

16 MR. EMRAN: Here.

17 MR. VAZQUEZ: We do have a quorum, and the
18 meeting will officially begin.

19 Let me begin with our Pledge of Allegiance.

20 If we can get everyone to stand, please, those
21 that can.

22 (Pledge of Allegiance recited.)

23 MR. VAZQUEZ: With that, let me have

24 Ms. Cichetti, I know you have some announcements you
25 need to make first before we start.

1 MS. CICHETTI: Yes, I do, our
2 order-of-business announcements.

3 Our first order of business is the
4 informational announcement.

5 First, I would like to remind the audience to
6 silence your cell phones and any other wireless devices.

7 Second, public comment is taken on each item.
8 The public will be invited to comment during the matters
9 before the Board.

10 If there are any members of the public wishing
11 to speak before the Board on any agenda item in person,
12 we ask that you complete and submit to the sergeant of
13 arms a Public Comment Appearance Sheet located at the
14 entrance of the auditorium.

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

19 If you intend to make a public comment today
20 using the AT&T Moderator, we recommend dialing in to the
21 meeting on the teleconference line prior to the
22 beginning of agenda item you wish to make a comment. We
23 recommend this because the audio broadcast on our
24 website experiences a one to three-minute delay between
25 the live-stream and the live event.

1 When giving a public comment, please limit
2 your remarks to three minutes.

3 The order that the Board identifies public
4 comments at the conclusion of an agenda item is (1) the
5 clerk will first identify any public comment requests
6 that have been received by the Board proceeding staff in
7 the auditorium, then (2) we will identify any public
8 comments with the AT&T Moderator, and lastly (3) we will
9 read into the record any public comments received in
10 writing in advance of today's meeting.

11 This concludes the informational announcement.

12 Thank you.

13 MR. VAZQUEZ: Thank you.

14 Let me just turn to my colleagues.

15 Are there any opening remarks before we begin
16 this meeting today?

17 Yes, Member Gaines.

18

19 **OPENING REMARKS**

20

21 MR. GAINES: I've got a number of remarks
22 here, if I could. I'll keep it quick.

23 But I just wanted to let you know I passed out
24 an article that was in USA Today related to housing, and
25 the value of housing. That's been a priority of this

1 Board, and so I just thought that you would want to take
2 a look at it.

3 But the title is "Why it pays to buy a house:
4 Homeowners become 40 times wealthier than renters in the
5 past decade," so it just tells you -- it basically kind
6 of lays out the opportunity for developing wealth
7 through home ownership, and it breaks it down by
8 different demographic groups and by different races,
9 too, in terms of the amount of equity that they acquire
10 over time.

11 So I think it gives us an opportunity to
12 continue that laser focus on housing, and how important
13 it is, because you don't want to end up at the end of
14 your -- towards your later years in life and just rely
15 on Social Security. You've got this nest egg. If you
16 have the ability even to buy a home that doesn't
17 appreciate one penny, if it's paid off, you have an
18 asset, so I just wanted to highlight that.

19 And then secondly, I wanted to make sure that
20 folks are really aware of river safety because we have
21 so much snow in the Sierras this year, 800-plus inches
22 depending on what part of the state. I think Mammoth
23 had over 800 inches. I think Sugar Bowl had close to
24 that up here farther north.

25 But it was good for the ski industry. They've

1 had a lot of struggles, in particular with the Caldor
2 fire that wiped out Sierra at Tahoe, the resort, and
3 they were down tremendously over last two years, so I'm
4 glad that they had a better year.

5 We've got to be careful with children because
6 the runoff is not only going to be massive, it's going
7 to be for a long time. They are thinking that the
8 runoff could occur all the way through September, which
9 is unusual.

10 And we always have drownings every year.
11 Every year we have some drownings along our rivers, so
12 it's going to be all that more important to make sure
13 that children and adults that don't know how to swim
14 have a life preserver on.

15 And then finally, I can't help but comment
16 about the Sacramento Kings, and we've got this great
17 rivalry with the Warriors, and it's 2-2, and game five
18 is tonight, so I'm very excited about that. Go Kings.
19 I've got my purple tie on here today, and I know we have
20 a couple Warrior fans here so we may -- and Laker fans,
21 so we may hear from them.

22 But thank you.

23 MR. VAZQUEZ: I appreciate you wearing your
24 purple Laker tie.

25 But also, there is a belated birthday. You

1 had a birthday just yesterday. Happy birthday.

2 MR. GAINES: Yes, I did. Thank you. It was a
3 great celebration with family and friends, so thank you.

4 MR. VAZQUEZ: Thank you, and thank you for the
5 information. I am going to take a look at this, yeah,
6 because that's one of the things that -- as a matter of
7 fact, I just had a meeting with some of the realtors
8 yesterday on home ownership, because in some communities
9 you are finding a lot of folks, they want the
10 opportunity to buy as opposed to renting for the rest of
11 their life, and it's a bit of a challenge, especially in
12 California.

13 I believe Member Schaefer has some remarks.

14 MR. SCHAEFER: Yes.

15 Chair Vazquez, now that the Board has freed me
16 from my three years as Vice Chair, I can be my own man.

17 I have decided to show you how we cowboys
18 dress from down south. I am going to speak later about
19 maybe having an occasional meeting down there so you can
20 meet our population. We have very famous cowboys like
21 John Wayne, and then new guys like me.

22 I also wanted to say we are celebrating Carol
23 Burnett's birthday today. We don't mention what
24 birthday for a lady, but she is an icon.

25 And we are all in mourning today for the loss

1 of Harry Belafonte. I never met Harry Belafonte, but I
2 was personal friends with the Smothers Brothers, and he
3 did a lot of work with the Smothers Brothers.

4 I remember one program where the camera
5 goes -- and Tommy says, "I'm Tom," and Dick Smothers
6 says, "I'm Dick," and then Belafonte pops up and says,
7 "I'm Harry," so Tom, Dick, and Harry.

8 Tom, Dick, and Harry is synonymous with the
9 common man, and that's who we all represent. And you
10 know the saying, "I don't want every Tom, Dick, and
11 Harry to get into my phone calls" or whatever, so I
12 think that's really appropriate.

13 I got up at 2:00 this morning and went on my
14 little internet and watched the Tom, Dick, and Harry
15 singing songs about peace and about liberty. They had a
16 great group and friendship over many, many, many years,
17 and we lost him yesterday at age 96, one of the great
18 entertainers.

19 And in fact, he was the first recording artist
20 to have a single, of any race, of over a million
21 records. He came out of a poor family in Harlem and
22 went right to the top, and did so much not just for
23 America, but for the world, and I want to pause for a
24 moment for Harry Belafonte.

25 Thank you.

1 MR. VAZQUEZ: Thank you.

2 And with that, let me turn to my Vice Chair.
3 I believe she has some opening remarks.

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

5 I just wanted to recognize that -- the
6 recognition of Armenian Genocide Day during this week,
7 and I know that all of us here have a very powerful and
8 engaged population of the Armenian community within our
9 districts, and I think that as we look at the lessons
10 learned from the Holocaust, the Armenian genocide, the
11 internment of Japanese-Americans in our own country, and
12 other conflicts that have gone on, there are many
13 lessons not just for the current time, but also for the
14 future when we'll have a more complicated political
15 landscape internationally due to climate change and
16 climate refugees who are already on the move around the
17 globe, and conflicts that are spurred on by climate
18 destruction.

19 So we have a pretty big to-do list in terms of
20 humanity, and a lot to work through, and I think that in
21 California our diversity is our strength, and we are
22 very lucky to have a diverse population here, and to
23 really be, I hope, a good example for the world
24 community to look to.

25 MR. VAZQUEZ: Thank you.

1 I understand our Deputy Controller also has
2 some opening remarks.

3 MR. EMRAN: Thank you, Chairman, and good
4 morning to everyone here and those of you viewing
5 online.

6 I would be remiss to not mention the
7 celebration of Earth Day, which was recognized over the
8 weekend. Many are calling it "Earth Week" now "2023."

9 And it was 53 years ago that millions of
10 people gathered to celebrate the first Earth Day, the
11 challenge with polluted cities, contaminated rivers, a
12 dwindling wildlife population. Ordinary citizens came
13 together and gave birth to a new movement, mobilizing in
14 our streets, parks, and college campuses, standing up,
15 speaking out, and fighting for change in a bold
16 commitment to leave a healthier planet for the next
17 generation and beyond.

18 The first Earth Day helped shape the way we
19 interact with the natural world around us, which
20 inspired the creation of the Environmental Protection
21 Agency, and the passage of landmark legislation,
22 including the Clean Air Act, Clean Water Act, and
23 Endangered Species Act.

24 Today as our planet faces new changes, we must
25 recapture that incredible spirit, and continue to build

1 on the progress made in over a half century since as we
2 confirm one of the greatest tests of our time, the
3 climate change crisis.

4 The climate change crisis, the effects are
5 already prevalent. Firefighters are fighting longer
6 wildfire seasons. Farmers are bearing the loss of
7 valuable crops. Sea levels are steadily rising. And
8 our children and most vulnerable populations, those
9 meant from low-income communities and communities of
10 color, often bear the brunt of pollution, and
11 unfortunately experience a wide range climate-related
12 health effects.

13 I understand that no one state or country can
14 solve this crisis alone, but here in California we have
15 taken up the call to action, becoming a global leader.

16 While in combatting the climate change crisis
17 while strengthening our economy, the efforts to achieve
18 carbon neutrality expand on clean transportation, and
19 implement nature-based climate solutions that are well
20 underway.

21 In this past decade alone California has
22 planted more than 20 million trees, conserved more than
23 891,000 acres of land, and invested in climate resilient
24 infrastructure.

25 So as caretakers of our planet, the decisions

1 we make today and in the years ahead will have a
2 profound impact on humankind and the world we leave
3 behind. We must each do our part. Let's ensure that we
4 do not pass a world beyond repair to our children and
5 grandchildren.

6 So to all communities across California, the
7 United States, and the world, let's come together as one
8 people who share one beautiful planet, and let us
9 recommit ourselves to creating a healthier, more
10 sustainable and greener Earth for all.

11 Thank you, Chairman. I yield back.

12 MR. VAZQUEZ: Thank you, and thank you for
13 that reminder.

14 I was reminded, when you mentioned that, I had
15 the opportunity to actually go up here to Yosemite in
16 the early '90s as a council member where we started --
17 actually our little government commission here in
18 Sacramento. We kicked off the first -- they called it
19 the "Ahwahnee Principles." Now I guess the Ahwahnee has
20 changed the name. But it was real enlightening.

21 And you are right. California always been on
22 the cutting edge.

23 And in that same year we had an opportunity to
24 go out to Toronto where they kicked off I guess the
25 beginning of this world summit to talk about global

1 warming.

2 And then that kind of kicked off the one that
3 took place in Brazil, Rio de Janeiro, which now you are
4 trying to get the most -- especially the high-powered
5 developed countries, because without them engaging, you
6 know, we could do a great job, but you are right, it's
7 such a global issue. We could do the best, but if the
8 others are not participating, you are kind of spinning
9 your wheels, so we have to be reminded of that.

10 Thank you all for your opening remarks.

11 With that, let me turn it back to Ms. Cichetti
12 and call the first item of the day.

13 MS. CICHETTI: All rightie.

14

15 **ITEM 1**

16

17 MS. CICHETTI: The first item on today's
18 agenda is Item 1, Public Comment on Matters Not on the
19 Agenda.

20 Persons who wish to address the State Board of
21 Equalization regarding items not on the agenda may do so
22 under this item.

23 Please note that the Board cannot take action
24 on items not on the agenda. However, the Board can
25 schedule issues raised by the public consideration for

1 future meetings.

2 When giving your public comment, please limit
3 your remarks to three minutes. The clerk will notify
4 the Chair when the time has expired.

5 All rightie.

6 First, I'll let you know that on this item I
7 do not have anyone in the audience who would like to
8 make a public comment, so I am going to go out to the
9 AT&T Moderator.

10 AT&T Moderator, can you please let us know if
11 there is anyone on the line who would like to make a
12 comment on this item.

13 AT&T MODERATOR: Sure. Thank you, Madam Vice
14 Chair.

15 If you would like to provide public comment,
16 please press 1-0 at this time.

17 And we have a comment from Carol Attia.

18 Please go ahead.

19 MS. ATTIA: Thank you very much.

20 I am talking about Proposition 19 and SCA 4.

21 Proposition 19, euphemistically known as the
22 "Death Tax," was a deceptive and poorly authored
23 proposition that reversed 35 years of fair and
24 reasonable taxation of real property.

25 Since 1975 Californians have been able to

1 transfer their real property, which is their place of
2 residence, to their children or grandchildren without
3 triggering a change of ownership.

4 After a very narrow victory, based largely on
5 the deceptively written bill, the exclusion of change of
6 ownership was removed. Now the only way inheritors can
7 keep the same tax base is to move into the inherited
8 property within one year of the parent's or
9 grandparent's death.

10 Twenty years ago I was fortunate enough to
11 have inherited the house I grew up in from my parents.
12 Because it was already 44 years old, I spent a
13 substantial amount of money upgrading it before renting
14 it.

15 Because the property tax is reasonable, I am
16 able to keep the rent well below market rate, my tenants
17 are happy, and there is minimal turnover.

18 If the property tax were to go up, I would
19 probably have to double or triple the rent, and I'm sure
20 the young people living there would leave.

21 California -- I looked this up -- has more
22 homelessness than any other state in the country. What
23 a terrible dishonor for our state.

24 Raising the tax rate on real property will
25 only increase homelessness, as property owners will be

1 forced to raise their rents, and tenants of moderate
2 means will have to move. Increased homelessness may
3 also lead to higher crime rates.

4 Please vote to move SCA 4 to the ballot in
5 2024 to return sanity and equity to this beautiful
6 state.

7 Respectfully submitted, Carol Attia, 775 Oaks
8 Boulevard, San Leandro, California, 94577.

9 Thank you very much for letting me speak.

10 MR. VAZQUEZ: Thank you for your comments.

11 MS. CICHETTI: Moderator?

12 AT&T MODERATOR: We have no further -- I
13 apologize.

14 We have no further comments at this time.

15 MS. CICHETTI: Thank you.

16 I want to make a statement here.

17 We have received some written comments on
18 SCA 4, but we are going to hear them later on in the
19 afternoon. I will read them into the record later on
20 when we are actually taking up that item.

21 So I just wanted to make sure that you knew
22 that we have written comments, and anyone who submitted
23 a written comment, we will identify them during the
24 correct item, to let you know.

25 MR. VAZQUEZ: Thank you.

ITEM 2

MS. CICHETTI: All rightie. So we are going to go to the next item on the agenda, the Consent Agenda, Item 2, Adoption of the March 22, 2023 Board Meeting Minutes.

The meeting minutes for the March 22nd, 2023 Board meeting were attached to the Public Agenda Notice for your consideration and adoption.

MR. VAZQUEZ: Is there any comments? Questions? Concerns?

Seeing and hearing none, I'd like to entertain a motion to approve.

MS. LIEBER: So moved.

MR. VAZQUEZ: It's been moved by our Vice Chair.

MR. GAINES: Second.

MR. VAZQUEZ: And seconded by Mr. Gaines.

We don't have any written comments on this, do we?

MS. CICHETTI: No. I was just going to say, we have no one in the audience at this moment, and no written comments, but we are going to go out to the AT&T Moderator.

AT&T Moderator, do we have anyone on the line

1 who would like to make a public comment regarding this
2 item?

3 AT&T MODERATOR: If you would like to make a
4 public, comment please press 1 and then 0 at this time.

5 And we do have a comment from Robert Garcia.

6 Please go ahead.

7 MR. GARCIA: Hello. This is in regards to
8 Proposition 19.

9 Just recently my mother had passed, and so
10 this chain of events has really done a number to the
11 family.

12 There is just a lot of things that
13 Proposition 19 did, and I think that a lot of it was
14 misinformation. They said it was for wildfires, to
15 fight wildfires, and people voted for these things, and
16 it just seemed like very unfair and bad timing for all
17 of this to happen when everybody is still out here
18 dealing with, you know, COVID-19.

19 You know, around that time I have attended
20 numerous funerals, especially my mother's. And everyone
21 has their own issues with their own homes, right? Not
22 to mention the disabled, right? People that are not
23 informed. The elderly. People who are going through
24 their own struggles, and at the same time have to deal
25 with things like this.

1 You know, like I said, every home has their
2 own situations that we have to deal with. You have
3 unresponsive co-owners, right? You know, family members
4 that are also going through their own stuff, who are
5 also either hospitalized or have not been able to get to
6 their lawyers, or even have the money to pay for lawyers
7 to go forward with any of this stuff.

8 You know, there are situations where there are
9 unmaintained units where you cannot just go ahead and
10 put people in them because there's either mold or there
11 is siding, there are things that are not up to par.

12 And then there's rent control, right? People
13 have been paying pennies on the dollar, to where now we
14 have to go ahead and pay these high taxes like the lady
15 before me mentioned, right?

16 So it's not sustainable. Proposition 19 is
17 not sustainable. Especially, you know, for people that
18 live here in San Francisco, you know, because with the
19 rent control and different things, it just doesn't work.

20 And not to mention that there is a bit of
21 discrimination going here, because why is it that only
22 veterans, disabled veterans, are able to claim an
23 exception, right? I have a disabled sister, right? So
24 there is discrimination that's going on here.

25 And there is people that still were not, you

1 know, that were not informed, or just barely getting the
2 information just now because they are totally, you
3 know -- like I said, they are either elderly, disabled,
4 you know, and have no means of getting this information,
5 you know, and it goes on and on.

6 MS. CICHETTI: Mr. Garcia, your time has
7 expired. Excuse me, Mr. Garcia. Your time has expired.
8 Thank you very much for your comment.

9 MR. NANJO: And Chairman Vazquez and Vice
10 Chair Lieber, this speaker appears to be talking on the
11 wrong item. I think he was just late getting on Public
12 Comments Not on the Agenda, so with your permission
13 Board members will go ahead and treat it as kind of a
14 late Public Comment on Matters Not on the Agenda.

15 MR. VAZQUEZ: I'm good with that. I was going
16 to mention, I figured he probably was sitting on the
17 line and didn't realize --

18 MR. NANJO: Yeah, there is the delay, so I
19 think that's a reasonable way to consider it.

20 With that, we'll go on to Item No. 2, continue
21 with Item No. 2.

22 Thank you, Board members.

23 MR. VAZQUEZ: Thank you.

24 With that, I don't think there is any other
25 comments on this.

1 MS. CICHETTI: Well, let's find out.

2 AT&T Moderator, is there anyone else on the
3 line who wants to make a comment on this item, on the
4 minutes?

5 AT&T MODERATOR: We do have another comment.
6 We have one from Lori Shakuni.

7 Please go ahead.

8 MS. SHAKUNI: Good morning, Honorable Board.

9 I want to follow up on Mr. Garcia's comment on
10 matters not on the agenda.

11 MS. CICHETTI: Ms. Shakuni -- okay. We will
12 let you continue. I apologize.

13 MS. SHAKUNI: Thank you very much.

14 It is related to the SCA-4 issue that is on
15 the agenda, but since, for continuity, for Mr. Garcia, I
16 would like to just further elaborate on the Matters Not
17 on the Agenda category, because it relates to the
18 penalties and the way that the Prop 19 law is
19 structured.

20 So I was really glad to hear that the Board
21 started with, you know, the Tom, Dick, and Harry and
22 honoring Harry Belafonte, because I was really glad to
23 hear that the Board is there for the ordinary man, and I
24 know that you don't want to cause impositions on people
25 who are elderly and who are low income.

1 And I want to speak as a lawyer. I am
2 Mr. Garcia's lawyer, but I've also represented
3 Californians primarily in the Bay Area, but I started in
4 Oakland, and I was representing really, really poor
5 homeowners after the Loma Prieta earthquake, and I saw
6 firsthand how property tax requirements can really pose
7 a burden on people who do not have as much access to the
8 legal system.

9 For elderly people and for low-income minority
10 people, these laws that are passed can catch people off
11 guard, because I personally witnessed one woman almost
12 losing her home because of property tax issues because
13 she wasn't represented and she wasn't paying attention.

14 But I want to point out one specific thing
15 that is not specifically on the agenda, but it's a
16 strict deadline for the one-year filing of the
17 homeowner's exemption. And so this is one of the things
18 that Mr. Garcia was alluding to, because now
19 prospectively you could get the property tax relief if
20 you don't file within the one-year period, but the
21 requirement for like the back taxes having to be filed
22 if you miss the one-year deadline will really catch
23 people off guard, and will pose a big problem to people,
24 because for people who are responsible citizens and
25 bought homes a long time ago, and the property tax has

1 really gone up, when the inheritors finally figure out
2 that they have to file something saying that they've
3 moved in within one year, the back taxes could really
4 accrue.

5 And so what I want to address that's not on
6 the agenda is the penalty period for not filing within
7 one year from the time that somebody passes. I propose
8 that --

9 MS. CICHETTI: Ms. Shakuni, your time has
10 expired. Your three-minute time has expired.

11 Thank you for your comment.

12 MS. SHAKUNI: Thank you.

13 MS. CICHETTI: AT&T Moderator, could you let
14 us know if there is anyone on the line who would like to
15 make a public comment on item 2?

16 AT&T MODERATOR: We do have another public
17 comment. We have one from Gina Tse-Louie.

18 Please go ahead.

19 MS. TSE-LOUIE: Hi, there. If you can hear
20 me, I'm going to add on to what the last speaker said,
21 that the probate takes about 18 months on average to
22 settle, so I feel bad for these people.

23 And I'm going to SCA 4, the public comment
24 period.

25 What I want to say is, if we can't pay, we

1 can't stay. So for Californians, we must support SCA 4.
2 If we don't want wards of the state, we must reinstate
3 58, Proposition 13 for children and grandchildren.

4 Anyone interested, please follow us at the
5 website forcalifornians.com, and that's f-o-r, and
6 Californians with an s, dot com.

7 Please call in May 10th to the Senate
8 Governance & Finance Committee, or go to Sacramento to
9 show support. So you can find all this information at
10 forcalifornians.com.

11 Thank you.

12 MR. VAZQUEZ: Thank you.

13 MS. CICHETTI: All rightie.

14 AT&T Moderator, could you let us know if there
15 is anyone on the line who would like to make a public
16 comment regarding item 2?

17 AT&T MODERATOR: We have no further comments
18 at this time.

19 MS. CICHETTI: Thank you.

20 All rightie. So let's see here.

21 We have a motion by Ms. Lieber, seconded by
22 Mr. Gaines, to move and adopt the minutes from March
23 22nd, 2023 Board meeting as presented.

24 All rightie. We are going to go to the next
25 item.

1 MR. VAZQUEZ: Are we going to take the --
2 MS. CICHETTI: Excuse me. Yes, I guess we do.
3 I apologize. I just want to move along here.
4 Mr. Vazquez.
5 MR. VAZQUEZ: Aye.
6 MS. CICHETTI: Vice Chair Lieber.
7 MS. LIEBER: Aye.
8 MS. CICHETTI: Member Gaines.
9 MR. GAINES: Aye.
10 MS. CICHETTI: Member Schaefer.
11 MR. SCHAEFER: Aye.
12 MS. CICHETTI: Deputy Controller Emran.
13 MR. EMRAN: Aye.
14 MR. VAZQUEZ: So that's unanimous. With that,
15 we can move forward.
16 MS. LIEBER: Mr. Chair, just a question for
17 staff and a point of clarification.
18 The time when the item that contains SCA 4 is
19 estimated to come up is 3:00 today. Is that --
20 MS. CICHETTI: But we are actually taking that
21 item out of order.
22 The Chair's office has scheduled the speakers
23 at 1:00, so as soon as we return from lunch at 1:00 we
24 will begin the three bills that you want to present as
25 the Board, and SCA 4 is one of those items, so I believe

1 we could estimate sometime in the afternoon.

2 MS. LIEBER: So as we may have other folks who
3 are just tuning in now, SCA-4 would not come up as an
4 item until at least 1:00?

5 MS. CICHETTI: At least 1:00 this afternoon,
6 correct.

7 MS. LIEBER: Thank you.

8 MR. VAZQUEZ: Good point. We are trying to be
9 flexible because many of these speakers are in session.

10 MR. GAINES: Can I just comment?

11 MR. VAZQUEZ: Go ahead, Member Gaines.

12 MR. GAINES: Thank you for that clarification,
13 Member Lieber, so let the constituents know when they
14 have an opportunity to speak.

15 I just want to speak in general to the
16 comments, and I think we are all sympathetic to the
17 challenges with Prop 19, and looking forward to
18 addressing the issue in more depth later in our agenda,
19 but I thought the comments made by Mr. Garcia and others
20 were really appropriate, and things that we need to
21 hear, and we heard a lot of this early on after the bill
22 passed.

23 But it's still creating problems. Every time
24 there is a death in the family there is another
25 challenge, and I think that the authors probably didn't

1 realize what the impact would be across the demographic,
2 you know, from people -- they only ask if they have
3 maybe a house, and now we are impacting that, and it
4 goes up through the socioeconomic spectrum. But I don't
5 think they anticipated how many people were hurting that
6 are just trying to --

7 MR. NANJO: Sorry to interrupt, Member Gaines,
8 but be careful. This is a Public Comment on Matters Not
9 on the Agenda, so technically the Board shouldn't be
10 addressing this.

11 And I would like to remind you, as you know,
12 if you would like to put this as a future agenda item,
13 that would be an appropriate place to make comments on
14 it.

15 MR. GAINES: Okay, great. Thank you.

16 MR. NANJO: Thank you.

17 MR. VAZQUEZ: Thank you.

18 With that, Ms. Cichetti, go on to the next
19 item.

20 **ITEM 3**

21

22 MS. CICHETTI: The next item on the agenda is
23 Tax Program Matters, Item 3. Public Hearing for
24 Property Tax State Assessee's Presentations on the
25 Valuation of State-Assessed Properties.

1 The Board will hear state assessees'
2 presentation(s) on the valuation of state-assessed
3 properties.

4 This item will be presented by Mr. McCool.

5 MR. MCCOOL: Thank you.

6 Good morning, Chair Vazquez, and Honorable
7 Members of the Board. My name is Jack McCool, chief of
8 the State-Assessed Property Division.

9 I am here to introduce the state assessees'
10 presentations on the valuation of state-assessed
11 properties.

12 Under Property Tax Rule 903, the Board
13 provides state assessees with the opportunity to make
14 public presentations regarding the valuation of their
15 unitary property.

16 Today is the second of two opportunities,
17 following the other opportunity at the February meeting,
18 where state assessees may come before the Board and make
19 presentations regarding matters affecting their annual
20 valuation. These presentations are informational, and
21 do not require any Board action.

22 I am not aware of any state assessees that are
23 planning on making a presentation today. However, I
24 will note that the State-Assessed Properties Division
25 staff have met with the state assessees already this

1 year -- met with several state assessees already this
2 year to discuss specific matters related to their
3 valuations, and we will continue to make ourselves
4 available to any state assessee that would like to meet
5 with us.

6 That concludes my presentation for this item.

7 Thank you.

8 MR. VAZQUEZ: Thank you.

9 You mentioned in your opening remarks -- and I
10 don't see anybody -- but we don't have any assessed
11 state assessees present, which I think speaks volumes to
12 your work and staff, because I understand that you were
13 able to reach out and hear those that did want to come
14 forward.

15 MR. MCCOOL: Yes.

16 MR. VAZQUEZ: Appreciate that.

17 Any comments? I know there is no action on
18 this one, but it's more of an information item.

19 MR. GAINES: Yeah. I just to would echo your
20 comments, that if we are able to effectively speak to
21 these applicants and they don't have to appear in a
22 public hearing to resolve the issue, that speaks well, I
23 think, of what you are doing, Mr. McCool, and your team,
24 so thank you.

25 MR. MCCOOL: Thank you.

1 MS. CICHETTI: All rightie. We'll identify
2 that there is no persons in the audience who wanted to
3 come forward to make a public comment on this item.

4 We are going to go out to the AT&T Moderator.

5 AT&T Moderator, can you please let us know if
6 there is anyone on the line who would like to make a
7 public comment regarding item 3?

8 AT&T MODERATOR: If you would like to make a
9 public item regarding item 3, please press 1 and then 0
10 at this time.

11 And we have no comments.

12 MS. CICHETTI: Thank you.

13 And I have no written comments on this item,
14 so we are going to move forward --

15 MR. VAZQUEZ: Move forward.

16 MS. CICHETTI: -- to the next item.

17

18 **ITEM 4**

19

20 MS. CICHETTI: Our next item is Tax Program
21 Matters, Item 4, Property Tax Program Nonappearance
22 Matters: Land Escaped Assessment Changes.

23 MR. VAZQUEZ: I think it's Item 5, right?

24 MS. CICHETTI: Item 4 is the Land-Escaped
25 Assessment Changes. Adopt escaped assessments of

1 property of state assessees as recommended by staff.

2 T-Mobile West, LLC doing business as T-Mobile 2748.

3 Mr. McCool will present the item for your
4 consideration.

5 These matters are constitutional functions,
6 therefore Deputy Controller Emran may not participate,
7 in accordance with Government Code section 7.9.

8 Mr. McCool.

9 MR. MCCOOL: Thank you.

10 Good morning again, Chair Vazquez and
11 Honorable Members.

12 My name is Jack McCool, State-Assessed
13 Properties Division.

14 I am here this morning to present a change to
15 the land-escaped assessments the Board adopted at last
16 month's meeting.

17 Last month the Board adopted land-escaped
18 assessments for several state assessees including
19 T-Mobile West, LLC.

20 Our normal process for adding property that
21 has escaped or missed assessment is to provide each
22 assessee with a 30-day notice of our intention to add
23 the escaped values to our next assessment roll unless
24 they can provide information that the assessment is not
25 warranted.

1 In this matter T-Mobile did not provide any
2 information during that 30-day window. However, after
3 the 30-day window, but shortly before the March Board
4 meeting, the assessee did provide staff with information
5 contesting the need for an escape assessment for two of
6 the three years adopted by the Board.

7 Our staff verified the information, and we
8 agree that there should not have been an escaped
9 assessment for those two years. This agenda item would
10 make this correction by removing the 2020 and 2021
11 land-escaped assessments for T-Mobile, Assessee No.
12 2748, adopted by the Board at the March 22nd, 2023 Board
13 meeting.

14 I am available to answer any questions, and I
15 ask for your adoption of this item.

16 Thank you.

17 MR. VAZQUEZ: Seeing no hands on this issue, I
18 just want to thank you, and specifically for being real
19 proactive on this measure and moving it forward, and if
20 there is no comments or questions, I'd like to move the
21 staff's recommendation.

22 MS. LIEBER: Second.

23 MR. VAZQUEZ: It's been moved and seconded.

24 Do we have any written comments on this?

25 MS. CICHETTI: I was going to say we have no

1 one in the audience. Just make a record of that. We
2 have no one here who wants to make a public comment
3 regarding this item.

4 Let's go to the AT&T Moderator.

5 AT&T Moderator, could you let us know if there
6 is anyone on the line who would like to make a public
7 comment regarding Item 4?

8 AT&T MODERATOR: If you would like to make a
9 public comment regarding Item 4, please press 1-0 at
10 this time.

11 We do have one person queuing up. It will be
12 one moment, please, while we gather their name.

13 And we have a comment from Ariella Darlington.
14 Please go ahead.

15 MS. DARLINGTON: Hi. Thank you so much for
16 letting me have the opportunity to ask a question. This
17 question is for Mr. McCool actually.

18 I was wondering if I was somebody who was
19 interested in obtaining more information about some
20 questions I had and the information I found about
21 property taxes and my neighbor, I was wondering if -- he
22 asked me to contact him so I could maybe follow up with
23 him about it. I don't know if I can give my number,
24 but --

25 MR. MCCOOL: Yes. Thank you for the question.

1 PUBLIC COMMENT: Okay.

2 MR. MCCOOL: My best recommendation would be
3 to access our BOE website, boe.ca.gov. We have a list
4 of contact information for property tax questions
5 available on our website. Unfortunately I don't
6 remember our main-line phone number at the moment, but
7 that can also be found on our website as well.

8 MS. DARLINGTON: Perfect. I'll explore that
9 further. Thank you so much.

10 MR. MCCOOL: Thank you.

11 MR. VAZQUEZ: Do we have anybody else?

12 MS. CICHETTI: AT&T Moderator --

13 AT&T MODERATOR: We have no further comments.

14 MS. CICHETTI: Okay, perfect. Thank you.
15 We have no written comments regarding this
16 item.

17 So let's see here. We have Mr. Vazquez making
18 the motion, Ms. Lieber is seconding. The motion is to
19 adopt the land-escaped assessment changes as presented
20 by the staff.

21 Chair Vazquez.

22 MR. VAZQUEZ: Aye.

23 MS. CICHETTI: Vice Chair Lieber.

24 MS. LIEBER: Aye.

25 MS. CICHETTI: Member Gaines.

1 MR. GAINES: Aye.

2 MS. CICHETTI: Member Schaefer.

3 MR. SCHAEFFER: Aye.

4 MR. VAZQUEZ: Thank you. That's unanimous of
5 those present that are allowed to vote on this.

6 MS. CICHETTI: Perfect. We'll go to the next
7 item then.

8 MR. VAZQUEZ: Yes.

9

10 **ITEM 5**

11

12 MS. CICHETTI: The next item is Tax Program
13 Matters, Item 5, Property Tax Program Nonappearance
14 Matters: Board Roll Changes. Adopt changes to values
15 of state-assessed properties as recommended by staff.

16 a. 2022 Board Roll of State-Assessed
17 Property.

18 b. 2021 and 2022 Board Roll of Private
19 Railroad Cars.

20 Mr. McCool will present these items for your
21 consideration. These matters are constitutional
22 functions, therefore Deputy Controller Emran may not
23 participate in accordance with Government Code section
24 7.9.

25 Mr. McCool.

1 MR. MCCOOL: Thank you.

2 Good morning once again, Chair Vazquez and
3 Honorable Members. Jack McCool, State-Assessed Property
4 Division.

5 Revenue and Taxation Code 4876 allows for
6 correction of errors on the state-assessed roll, while
7 section 11426 allows for correction of assessment errors
8 on the Private Railroad Car Roll.

9 I'm here to present roll changes for two state
10 assesseees and one private railroad car assessee for the
11 Board's consideration.

12 The first state assessee roll change is to
13 correct a staff error on the assessee's 2022 unitary
14 appraisal. In this matter the assessee contacted our
15 staff to report an error they identified in the
16 appraisal. Our staff has since verified, and we are in
17 agreement with the assessee that an error occurred and
18 should be corrected.

19 The second state assessee roll change is a
20 result of a staff error during our allocation process.
21 In this matter the value of the company's unitary
22 property was allocated to the wrong county. This roll
23 change would simply correct that error.

24 The private railroad car change is to correct
25 an assessee reporting error. In this matter the

1 assessee contacted our office after realizing they had
2 incorrectly included rail cars leased to a different
3 entity on their own property statement reporting for
4 years 2021 and 2022. The assessee provided revised
5 reporting statements, which our staff has reviewed, and
6 this roll change would correct the assessee's reporting
7 errors.

8 I'm available to answer any questions, and I
9 ask for your adoption on these items.

10 Thank you.

11 MR. VAZQUEZ: I think Vice Chair might have --
12 I don't know if it's a question or a motion.

13 MS. LIEBER: I would like to make a motion
14 that we adopt the changes to the values of
15 state-assessed properties as staff has recommended.

16 MR. GAINES: Second.

17 MR. VAZQUEZ: It's been moved by our Vice
18 Chair and seconded by Member Gaines.

19 We don't have any written comments on this, do
20 we?

21 MS. CICHETTI: Let see here. We have no
22 written comments, we no one in the audience, but let's
23 go out to the moderator right now.

24 AT&T Moderator, do we have anyone on the line
25 that would like to make a public comment regarding Item

1 5?

2 AT&T MODERATOR: If I would like to make a
3 public comment regarding Item 5, please press 1-0 at
4 this time.

5 And we have no comments.

6 MS. CICHETTI: All right.

7 We have Ms. Lieber is making the motion, with
8 Mr. Gaines seconding. The motion is to adopt the Board
9 roll changes as presented by staff.

10 Chairman Vazquez.

11 MR. VAZQUEZ: Aye.

12 MS. CICHETTI: Vice Chair Lieber.

13 MS. LIEBER: Aye.

14 MS. CICHETTI: Member Gaines.

15 MR. GAINES: Aye.

16 MS. CICHETTI: Member Schaefer.

17 MR. SCHAEFER: Aye.

18 MR. VAZQUEZ: So that's unanimous of those
19 present who are allowed to vote.

20 With that, I believe you might be finished.

21 MR. MCCOOL: Thank you.

22 MR. VAZQUEZ: Thank you.

23 Next, Ms. Cichetti? What is the next item?

24

25

//

ITEM 6

MS. CICHETTI: The next item is Executive Director Reports. Item 6, the Executive Director's Report: Report on the status of pending and upcoming organizational issues.

This matter is being presented by Ms. Stowers.

MS. STOWERS: Good morning.

MR. VAZQUEZ: Good morning.

MS. STOWERS: Good morning.

I'm Yvette Stowers, your Executive Director.

Members, for today's report, I will provide an update on the 2023 Spring Bay Area Assessors' Association Management Conference, status on planning for the 2023 annual meeting of the Board and county assessors, and an introduction of a new team member to the Executive Office.

Starting with the conference. As we all know, the conference is being held this week. Mr. Yeung, from the Property Tax Department, was in attendance yesterday, so were various Board Members, and their staff, and myself.

This conference provides an excellent opportunity for more collaboration and opportunity to discuss emerging issues.

1 One of the issues that we discussed in our
2 side conversation was Proposition 8. That's when
3 property owners are seeing a decline in their value, and
4 they may reach out to the assessors and ask for the
5 property to be revalued at a lower value. And that's a
6 temporary reduction.

7 I believe that's something we should put on
8 our agenda and invite the assessors to talk about it.

9 Also, they had a very good agenda, at least
10 for the day that I was there, and today as well. Some
11 of the topics included the keynote speaker from Sonoma
12 County Winegrowers, who really focussed on how they are
13 changing the farming industry, and being sustainable,
14 and climate change, and indirectly referenced Prop. 19.
15 Because the goal is to keep these family farms from
16 generation to generation.

17 Prop. 19 is probably something that we want to
18 have another conversation about.

19 We also had -- they also had a speaker who
20 does -- his company accumulates a lot of information on
21 different land values on a national level.

22 What I found really interesting was that he
23 talked about how when it comes to corporate spaces,
24 office spaces, retail spaces, and multifamily, how that
25 is changing. You know, a lot of that is obviously due

1 to COVID-19, and, you know, we are now more of a
2 remote-type of a business. So there's a lot of vacant
3 office spaces.

4 And he also talked about these retail malls.
5 Unless you are like an a -- AA mall, your likelihood of
6 sustaining is not very good.

7 But they do have a lot of excess land,
8 especially their parking lots, that can be repurposed
9 into some housing.

10 And then the retail mall, being more of a
11 mixed use. You still have your mall, but for a smaller
12 space, smaller scale, and then having other businesses
13 with that.

14 So that's something that I'm sure the
15 assessors and all of us will be looking at in the
16 future.

17 Okay. That's the conference.

18 So, as you know, we do have a statewide
19 oversight over California property tax system. And as
20 part of that oversight, I'm happy to report that it's
21 time to start planning for our annual meeting with the
22 county assessors.

23 We're currently looking at meeting with the
24 assessors at the second date of the September Board
25 Meeting in Sacramento. So that will be September 27th.

1 Just need to finalize the detail with the county
2 assessors, but most likely that will be the date, with
3 the Chair's approval. And we will present back to the
4 Board at the May meeting to finalize the date, and then
5 we would send out the invitation to the assessors.

6 My next item is something that I'm very happy
7 to talk about, is to say I finally have an Executive
8 Assistant. It's been awhile since the Executive
9 Assistant decided to retire, so we had to go through the
10 hiring process. And it took some time, but I'm pleased
11 to announce that Ms. Jessica Hayes has joined the
12 Executive Office.

13 Jessica, can you please stand.

14 That's Jessica. I want you guys to put a face
15 to the name. You've probably already -- I know some of
16 you have already received e-mails from her, whether it
17 was to you directly or to your staff. But she's here,
18 and I'm just so happy to have her.

19 She comes from the State Controller's office.
20 She has extensive experience supporting other
21 Controllers and Deputy Controllers, including Mr. Emran.
22 And he's probably upset with me for stealing her. But
23 she also supported me back in the day, too, so --

24 Finally, with today being Administrative
25 Professional Day, I would like to recognize and

1 celebrate the great work of all of the administrative
2 professionals.

3 And for me, and for everyone in the BOE, it's
4 just not those who have the title of administrative
5 assistant, it is those who are behind the scenes, and
6 supporting the organization, and making sure that we are
7 carrying out our constitutional and statutory functions.

8 So let's start with Jessica.

9 Thank you.

10 I also want to acknowledge Yvette Butler, not
11 Stowers, but Butler, who is assigned to the Executive
12 Office. She's an analyst, but she really filled in the
13 gap where we went through this recruitment process.

14 So thank you, Yvette, for all of your support
15 and work over this time period.

16 Now let's go to our Legal Department.

17 There's Marie Agheli and Kevin Ignacio. They
18 support our Legal Department. We have our attorneys,
19 who are great, but these two individuals are making sure
20 that the Legal Department stays on task.

21 And then for my Taxpayers' Rights Advocate
22 Office, we see Lisa all the time, but there's someone
23 behind the scenes. You would think that Lisa needs
24 support, but she does from Anita.

25 So, Anita, thank you very much.

1 From our Board Proceedings and Support
2 Services, the outstanding individuals are Michelle B.,
3 Janae Christopher, Charlie, Amy, Dennis, Melinda,
4 Rose, Indhu, Jill, Aaron -- Aaron, I see you. He's
5 behind the door. And Dianne.

6 For my State-Assessed Property Division, the
7 superstars are Stephanie -- and Stephanie's been around
8 a long time.

9 I miss seeing you, Stephanie.

10 John, Collin, Jeneatte and Jeneatte.

11 From the County-Assessed Properties Division,
12 the outstanding superstars are Joyce, Denny, Luis,
13 Crystal, Carla, Sunny, Michelle, Autumn, Keiko, and
14 Jennifer.

15 Lot of names. They have a significant role,
16 whether they are reviewing and processing the request
17 for extensions to complete the rolls, or they're the
18 individuals who are upfront for the surveys, they play a
19 critical role in keeping the system moving forward.

20 So, Members, join me in welcoming Jessica to
21 the BOE, and celebrating all of BOE's outstanding
22 administrative professionals.

23 That concludes my report for Item 6. I'm
24 available to answer any questions you may have.

25 MR. VAZQUEZ: Well, thank you for those

1 introductions. We've had the opportunity to meet some.
2 Especially the ones that are here in the Board room at
3 most of our meetings. I want to thank them for all
4 their support, and then those that we don't see.

5 And welcome Jessica to the team.

6

7 **ITEM 7**

8

9 MS. CICHETTI: We're going to go to the next
10 item.

11 The next item on the agenda is the
12 Executive Director's Report, Item 7: Extension of Time
13 to Complete Local Assessment Roll.

14 Presented by Ms. Stowers.

15 MS. STOWERS: Members, Revenue and Taxation
16 Code 616 requires the county assessors to annually
17 complete their local assessment rolls by July 1st.

18 Section 155 provides the Board, or its
19 Executive Director, the opportunity to extend the
20 timeline by 30 days. The time may also be extended by
21 an additional 10 days in the case of calamity.

22 Section 155 also requires the Executive
23 Director to inform the Board of any such extensions at
24 its next regular meeting.

25 This report is to inform you that the

1 Mendocino County assessor has requested and been granted
2 a 30-day extension for completing their 2023 local
3 assessment roll.

4 Members, that concludes my report for Item 7,
5 and I'm available to answer any questions that you may
6 have.

7 MR. VAZQUEZ: Thank you.

8 Seeing no hands or comments.

9 Oh, Mr. Gaines. Go ahead.

10 MS. CICHETTI: Mr. Gaines.

11 MR. GAINES: I'm just reviewing our annual
12 report.

13 MS. CICHETTI: That's the next one.

14 MR. GAINES: Okay. Great. Thanks.

15 MS. CICHETTI: All right. Let me introduce it
16 then.

17

18 **ITEM 8**

19

20 MS. CICHETTI: The next item is the Executive
21 Director's Report, Item 8: BOE Annual Report Overview.

22 Presented by Ms. Stowers.

23 MS. STOWERS: Okay. The Annual Report, here
24 we go.

25 Members, as you know, we recently published

1 the fiscal year 2021/2022 Annual Report. Today I will
2 provide a brief overview of this report, and also be
3 available to answer any questions that you may have.

4 Members, I do believe you all received at
5 least one or two copies of the annual report, and that
6 report is also available on our website, BOE,
7 www.BOE.CA.gov.

8 Going to slide two, the BOE reports annually
9 to the governor, as required by Government Code
10 Section 15616. The report provides a lot of data on
11 what we have done as far as assess values and
12 exemptions. This data is also available on our open
13 data portal.

14 The data includes, like I said, values of
15 state-assessed properties, and value for local-assessed
16 real and personal property. And this is for each county
17 in each incorporated city or town.

18 In addition, the report is available -- the
19 report is available on our portal, provides various data
20 sets about the alcoholic beverage tax, and the tax on
21 insurers that we coadminister.

22 Okay. Let's get into the numbers. Since I'm
23 an accountant, right into the numbers.

24 Slide three.

25 On this slide, you will see a bar graph

1 illustrating the growth of the net-assessed value of
2 state and county-assessed property.

3 For 2021 -- the 2021/22, the total assessed
4 value net of exemption was 7.8 trillion, which includes
5 7.6 trillion for county-assessed properties, and
6 133.9 billion for state-assessed properties.

7 County-assessed property, county assessors;
8 state-assessed property, Jack and team.

9 This is an increase -- just if you're curious,
10 looking from 2013 to 2022, this is an increase of
11 3.2 trillion.

12 Going to slide four.

13 On this slide, as seen here, and also on
14 page 13 of the Annual Report, is a table of qualifying
15 exemptions for the 2022/23 roll year.

16 The largest exemption amount is for charitable
17 non-profits of 144.5 billion. And the lowest is -- the
18 lowest is for the low-value property category of
19 102 million. The total overall is 315 billion.

20 Before we go to the next slide, are there any
21 questions on this one, or would you guys prefer to wait
22 till the end?

23 MR. VAZQUEZ: Just one -- well, now that you
24 bring it up, just one real quick on that.

25 As you're mentioning, you know, the qualifying

1 exemption here on number four, which approximately, you
2 know, I was wondering what -- approximately what the
3 percentage of the 144 billion is in charitable nonprofit
4 exemptions for low-income housing; do we know that?

5 MS. STOWERS: That's a very good question,
6 Chair Vazquez.

7 Unfortunately, we can't really give you an
8 estimate on that, as we discussed.

9 Previously, when that's all of -- all the
10 exemptions were charitable, which would include
11 low-income housing. As of right now, the assessors are
12 not required to report out that detailed information.

13 And although some may be tracking it
14 internally -- like, I know at least two counties are
15 tracking it, all the 58 are not.

16 And to ask them to track it and then report
17 back to us would basically require a law change. And it
18 would definitely require them to make changes within
19 their system, technology change.

20 So I understand the need to want to see it so
21 that we can have more accountability on what this low
22 income -- Welfare Exemption for low-income housing is
23 doing, so that as different laws are introduced, we can
24 say the fact. But, unfortunately, we just don't have
25 it.

1 MR. VAZQUEZ: Is it something that could
2 happen in the future?

3 MS. STOWERS: I think if some legislator
4 wanted to introduce legislation, or if this Board wanted
5 to sponsor legislation, it could happen in the future.

6 But understanding that it will require more of
7 a mandate on the counties, meaning that -- mandate
8 means state mandate, meaning the state will have to pay
9 for it.

10 MR. VAZQUEZ: Not an unfunded mandate, right?

11 MS. STOWERS: Yes.

12 MR. VAQUEZ: Thank you.

13 MS. STOWERS: You're welcome, sir.

14 Okay. Slide five. This slide is also on
15 page 15 of the report.

16 And this is a table summarizing the general
17 county property tax revenue.

18 For fiscal year 2021-22, A total of
19 83.1 billion and total local property tax revenue was
20 generated.

21 This is an additional 3.2 billion, or a four
22 percent increase in property tax revenue from last year.

23 Schools received approximately 44.6 billion in
24 local government -- billion. Local government, such as
25 counties, receive approximately 11.7 billion; and cities

1 receive approximately 10.4 billion; and others, such as
2 special districts, receive 16.3 billion.

3 I'll pause here, and say this revenue, when
4 people say, well -- and that's something that bugged me
5 yesterday -- what do the assessors do? What does BOE
6 do?

7 This is what we do. This is revenue right
8 here. This revenue going to local government. The
9 assessors are in charge with determining the value, but
10 our role is oversight to make sure that it's fair and
11 equitable. So this is what we do.

12 Moving on. Slide six.

13 Property tax dollar breakdown. This relates
14 to the previous slide. This is a simple illustration
15 breaking down the property tax dollar.

16 Approximately 53.7 cents of every dollar goes
17 to schools; 14.1 cents of every dollar goes to counties;
18 and 12.5 cents of every dollar goes to cities; and 19.7
19 cents goes to other local governments, such as special
20 districts.

21 Slide seven. This is our revenue summary, and
22 it's also on page 16 of the report.

23 This table summarized the total revenue
24 related to BOE tax programs compared to the prior year.
25 The table also indicates whether the revenue -- also

1 indicate where the revenue goes to the state general
2 fund.

3 You will notice that all five programs have
4 since had an increase from year to year between 4 to 12
5 percent. So that's county-assessed property tax
6 revenue, tax on insurer, state-assessed property tax,
7 alcoholic beverage tax, and private railroad car tax.

8 Slide eight: Supporting our communities.

9 This graph illustrates how the BOE support our
10 communities. For fiscal year 2021-22, we are proud to
11 report that a total of 88.6 billion in fiscal
12 contribution supports state and local governments;
13 3.3 billion goes to the state general fund, with revenue
14 from tax on insurer at 2.9 billion; the alcoholic
15 beverage tax at 429 million, and the private railroad
16 car tax at 9.8 million.

17 85.3 billion goes to our local government,
18 with 83.1 billion from county-assessed property taxes,
19 and 2.2 billion from state-assessed property taxes.

20 Okay. Going onto -- we got to leave the
21 numbers. We got to go to slide nine and talk about
22 county-assessed properties.

23 Again, as you know, property tax is one of the
24 primary sources for revenue for the counties, cities and
25 special districts.

1 While the state does not rely on property
2 taxes as a source of revenue, there are revenue
3 implications for the state if there are any incorrect
4 assessments on real property.

5 State law guarantees California schools a
6 minimum funding, and the state is responsible for
7 backfilling shortfalls in education funding under
8 Prop. 98.

9 That is why the BOE role in overseeing the
10 assessment practices of the state's 58 county assessors
11 who are charged with establishing value is so important.
12 Each of the BOE's constitutional and statutory duties
13 are critical to promoting a consistent and uniform
14 property tax system throughout the state.

15 In fiscal year 2021-22, the BOE, in our
16 oversight role, accomplished the following:

17 The BOE conducted and issued 11 assessment
18 practice surveys, our compliance audits of the county
19 assessors practices and procedures.

20 The BOE provided guidance to county assessors
21 in the form of rules. We did four property tax rules,
22 and reissued 95 advisory letters to county assessors,
23 and we updated three of our handbooks.

24 We prescribed property tax forms to county
25 assessors. By the way, all of the forms that the county

1 uses are prescribed by the BOE. And in fiscal year
2 2021-22, BOE amended three of the prescribed forms.

3 We provided training and certified individuals
4 performing the duties of appraisers and assessment
5 analysts for property tax purposes, including the
6 newly-elected county assessors.

7 Yesterday, at least three assessors,
8 newly-elected county assessors, acknowledged taking a
9 training course and receiving their certificates.

10 Bravo to them.

11 BOE trained approximately 1,800 students
12 through our 23 BOE-hosting courses. And also our course
13 is available by website, and other courses through our
14 local colleges and universities.

15 We also issued 257 permanent advanced
16 appraiser certifications, and 18 permanent and advanced
17 analyst certifications.

18 BOE acts as an advisory agency on property tax
19 assessments, and in fiscal year 2021-22, the BOE
20 answered approximately 12,381 calls, and 6,204 inquiries
21 by letters, fax and e-mail.

22 When it comes to answering calls, we don't
23 really brag enough about this, but our level of access,
24 meaning that someone picked up the phone and said, "BOE,
25 how may I help you?" I'm not going to say it's

1 100 percent, but let's go with 99. We are there. We
2 are responsive. Whoever picks up the phone will either
3 answer their question or get them to the right person,
4 unlike other agencies.

5 To continue, the BOE coadministers the Welfare
6 Exemption with the county assessors. In fiscal year
7 2021-22 the BOE issued 714 organizational clearance
8 certificates and 364 supplemental clearance
9 certificates.

10 The BOE also reviewed one thousand -- 7,508
11 verification filings on organizations holding an OOC to
12 ensure that they continue to qualify for the Welfare
13 Exemption.

14 So basically what we're saying is, although we
15 issued a certificate, our process is to periodically go
16 back and make sure they still qualify. And there are
17 times when the entity does not qualify, and we have to
18 go through the steps of them providing us the data to
19 confirm that they are still conducting business as a
20 nonprofit.

21 And if they don't do it, then we do revoke.
22 They have appeal rights, and we work with them to get
23 them back in line.

24 The BOE also administered the Legal Entity
25 Ownership Program, also known as LEOP.

1 And this is really interesting. This is where
2 you have your corporations, your LLCs, and the other
3 entities that owns real property. And the way the law
4 works, you can change ownership within that legal
5 entity, and it's not really considered a change in
6 ownership in property, unless that entity has more than
7 51 percent.

8 So what we do, we verify whether there's been
9 more than 50 percent change in ownership. And if that's
10 a change, then we notify the county where the property
11 is located, and the county goes back, and they can
12 reassess the property due to a change of ownership.

13 The BOE also acts as a clearinghouse for
14 various claims for property tax relief under Prop. 3,
15 19, 58, 610, and 193.

16 The BOE monitors duplicate claims granted
17 under the homeowners and disability -- Disabled
18 Veterans' Exemption.

19 In fiscal year of 2021-22, the BOE provided
20 critical guidance in drafting Prop. 19 legislation and
21 answering 6,440 calls and 1,590 e-mail inquiries related
22 to Prop. 19.

23 Slide 11.

24 As you know, Members, the BOE is required to
25 hold an annual meeting with the county assessors every

1 year. That's a picture from last year. And as I
2 mentioned earlier, we're working on our meeting for
3 September of this year.

4 In addition to the Board's annual meeting with
5 the assessors, the BOE meets regularly throughout the
6 year with the county assessors to discuss issues on
7 administration of assessment of taxation law regarding
8 property tax to ensure that we have our statewide
9 uniformity. We work together.

10 Slide twelve, state-assessed properties.

11 The BOE State-Assessed Property Division
12 directly assessed certain public utilities, railroads,
13 intercompany pipelines, which are not subject to
14 Prop. 13.

15 The Board in 2022 adopted 136.3 billion in
16 assessed property values of 339 companies, from which
17 schools, local communities are expected to receive
18 2.12 billion in property tax revenue.

19 That's a lot of revenue for our schools. And
20 it's not just railroads. It's companies, their ongoing
21 concerns, utilities, electricity, gas, telephone
22 companies. So it's not some obsolete entity.

23 The BOE completed 11 property tax audits, and
24 physically inspected and valued 9,835 state-assessed
25 land parcels.

1 The BOE also processed 642 statement of land
2 changes. And the BOE Property Division maintained maps
3 of more than 9,700 revenue district boundaries that
4 encompassed 61,000 tax rate areas.

5 Finally, the BOE processed 361 jurisdictional
6 boundary changes in fiscal year 2021-22, resulting in
7 over 430,000 in revenue to the state general fund.

8 Slide thirteen.

9 In addition to the highlights I have shown
10 today, the annual report also includes portions of
11 profiles of programs we administer, information on BOE's
12 governance and responsibility, recently enacted
13 legislation and court cases.

14 This concludes my report.

15 Members, do you have any questions?

16 MR. VAZQUEZ: Looks like we have several
17 questions right here.

18 MS. STOWERS: I think so.

19 MR. VAZQUEZ: I'll start with just one, and
20 then I'll wait for the others. Because I have a couple
21 here.

22 But going back to, I guess it was page 6,
23 where you're mentioning the whole breakdown of the
24 dollar. I was wondering, it looks like there was a
25 slight decline in how much we're giving to the schools.

1 If you go back to 2021 and then compare it to 21-22.

2 MS. STOWERS: Actually that's just us
3 accountants doing a different rounding.

4 MR. VAZQUEZ: Okay.

5 MS. STOWERS: Last year we rounded up.

6 MR. VAZQUEZ: Is that fuzzy math?

7 MS. STOWERS: It's not fuzzy. It's number
8 people. Instead of doing -- like this year, we did --
9 we took the percentage to 53.7. Last year, we took the
10 seven, and we rounded up to the nearest whole, 54.

11 MR. VAZQUEZ: Oh, that's right.

12 MS. STOWERS: So there really was no change in
13 what was allocated to the schools. They still receive
14 the same amount.

15 MR. VAZQUEZ: Same amount.

16 MS. STOWERS: Yeah. Yeah.

17 MR. VAZQUEZ: Let me start with Member Gaines.

18 And I know we have Member Schaefer, and then
19 I'll go to my right. I think there's a couple on my
20 right as well.

21 MR. GAINES: That's great.

22 Thank you for the presentation. It was very
23 thorough. And I like the -- I like what we have printed
24 here, too, in terms of it's got all the key data in it
25 for our constituents to look at if they ever had a

1 question about the BOE.

2 But you had made some comments about change in
3 ownership that are less than 50 percent. And -- so
4 there's no tax impact. I'm trying to think of a
5 situation where you might have parents owning the home
6 and adding on a child.

7 MS. STOWERS: It's different for individuals
8 versus corporations.

9 MR. GAINES: Okay.

10 MS. STOWERS: So what I was talking about, the
11 LEOP, legal entity, it's when they -- when the ownership
12 within that legal entity changes.

13 MR. GAINES: Okay.

14 MS. STOWERS: So there's where -- and it's a
15 policy issue. I mean, if you think back, it's been --
16 we haven't -- I haven't heard that conversation
17 recently. But, you know, when you have these entities
18 that are change in ownership, but not to say that you
19 change control, so they don't have to have their
20 property reevaluated.

21 MR. GAINES: Right.

22 MS. STOWERS: As compared to an individual --

23 MR. GAINES: Yes.

24 MS. STOWERS: -- who may put a family member
25 on.

1 Let's say I want to put my nephew on. That
2 would result in a change in ownership, and my base year
3 value will change. Now I'm going to have to pay a
4 higher property tax. So from a policy perspective, is
5 that equitable?

6 MR. GAINES: Right. I've had constituents ask
7 me since Prop. 19 passed.

8 MS. STOWERS: And so what we do we is we --

9 MR. GAINES: For the home situation is where
10 I'm getting questions.

11 MS. STOWERS: We focus -- the legal entity
12 organization, our program focuses on the legal entity.
13 So we are looking to see if there's been a change in
14 control.

15 And if there is a change in control, we notify
16 the county assessor where the property is located that
17 there's just been a change of control.

18 MR. GAINES: You've got to monitor it. I see.

19 Okay. Wonderful.

20 I have one other if I could. Because you had
21 mentioned about -- at the conference with the assessors,
22 there was some discussion of Prop. 8 with regard to
23 value in reduction. Is that -- how imminent is that?
24 Do you see that happening in some of these areas? And
25 what areas do you see it happening in?

1 MS. STOWERS: Well, the conversation that
2 we're having, that we had yesterday is definitely
3 happening in San Diego County and LA County.

4 And they talked about, it's a short time
5 period right now due to how in January, the market was
6 really high, and now has gone back down, is kind of
7 readjusting itself. So I would say it's probably
8 statewide when you think about our market.

9 MR. GAINES: Okay. And is that on the
10 commercial side or on the housing side?

11 MS. STOWERS: On both.

12 MR. GAINES: On both. Okay.

13 MS. STOWERS: But really on the housing,
14 residential housing.

15 MR. GAINES: Yeah.

16 MS. STOWERS: And we have information on our
17 website about Prop. 8. Most county assessors also have
18 information. Some are very proactive about going out
19 and looking at the property and reevaluating it and
20 dropping it down when necessary.

21 And then others, based on their resources,
22 they rely on the property owner to ask about it.

23 MR. GAINES: Sure. Seems like it's also a
24 problem with office buildings in urban areas --

25 MS. STOWERS: Yes.

1 MR. GAINES: -- where you need 50 percent
2 vacant.

3 MS. STOWERS: Well, they're vacant. But I
4 don't know if it's really a problem right now. Because
5 a lot of those office buildings were in a lease,
6 four-year lease or five-year lease or eight-year lease.

7 MR. GAINES: Sure. Yeah. So they're locked
8 in in terms of revenue. Do you see those being
9 revalued, though, through Prop. 8, or --

10 MS. STOWERS: I have not seen them be revalued
11 through Prop. 8.

12 MR. GAINES: So assessors are probably looking
13 at the revenues coming in; if the revenues are solid,
14 they're not making --

15 MS. STOWERS: If it's necessary, they would --

16 MR. GAINES: -- adjustments.

17 MS. STOWERS: Yeah.

18 MR. GAINES: Yeah. Okay. Great.

19 Thank you. Well done.

20 MR. VAZQUEZ: Member Schaefer.

21 MR. SCHAEFER: Yes. Thank you.

22 Ms. Stowers, I'm very happy to see this
23 report. I have a number of procedural comments on it.

24 I'd like you to have a few words of
25 identifying the photographs. Because I don't know

1 really if -- I want to be sure that District 4 is
2 represented. And I'm sure it is. But I'm not sure if
3 it's a poppy field, if we have any of those. I'm not
4 sure just which one is mine. I know the one with the
5 Delta Queen on it is here. And so if you could add that
6 next year, I'd appreciate it.

7 I'm very pleased with the timing of it. I own
8 stock in a number of companies, and we always get our
9 annual reports almost for everybody in April. And I've
10 been disappointed sometimes that our taxpayers' advocate
11 report comes out a couple months later. So I'm happy to
12 see this in April when I'm all psyched up to go over
13 annual reports.

14 I think the photograph you have of the Board
15 Members is great. I've always been sorry I didn't have
16 anything with Betty Yee's picture on it, or a picture of
17 how I look when I'm Vice Chair all dressed up. It's
18 really nice to have.

19 On page 3 you talk about our version includes
20 enriching our employees. I'm not sure how we do that.
21 I hope we're paying them the best salary possible to
22 retain all our talented people. I assume we have coffee
23 and tea in the morning for them if they need it.

24 What do we mean by enriching our employees?

25 MS. STOWERS: We enrich our employees by, one,

1 making sure they have a good place to work, that it's a
2 friendly place to work. That we pay them -- what we pay
3 them is government. It's state. So their salaries are
4 their salaries. But we motivate them. We train them.
5 We encourage them to move forward. We acknowledge their
6 accomplishments. We celebrate them.

7 MR. SCHAEFER: Well, I know we're doing a good
8 job, and a lot of it has to do with you.

9 MS. STOWERS: Thank you, sir.

10 MR. SCHAEFER: I had another question.

11 I was fascinated by the legal report. Could
12 you tell me the status of that case that is highlighted?
13 Did it go onto review? Was it all over with?

14 MS. STOWERS: Is it in the annual report?

15 MR. SCHAEFER: -- County of Riverside.

16 MS. STOWERS: I don't have that.

17 Henry.

18 MR. SCHAEFER: That's on page 21.

19 MS. STOWERS: I don't have the actual report
20 in front of me.

21 So, Henry, can you please help me?

22 It's in the annual report.

23 One second, sir.

24 MR. NANJO: Yeah. This is -- Member Schaefer,
25 this is an appellate decision that came down. It was

1 published. And it is a final decision. So it's
2 something that the legal community can rely upon.

3 MR. SCHAEFER: Well, it interests me, because
4 I've always felt our sovereign nations were untouchable.
5 And it looks to me there is a possessory tax that is
6 sustained.

7 MR. NANJO: Yes, that's correct.

8 Basically, it's a little bit more complicated
9 than that. It really depends on whether or not the
10 tribe is acting as a market participant, or whether
11 they're acting in their sovereign capacity.

12 The case was very good about going over the
13 issues and the factors that decide that.

14 MR. SCHAEFER: Well, I don't really know the
15 tribes. I had a sister that was postmaster at Impala,
16 which was an Indian reservation. And I'm a Blackjack
17 player, you'd think they'd be interested in me.

18 But I'd keep an eye on it, because they do an
19 outstanding job of creating employment and being good
20 citizens of whatever community they operate in.

21 Thank you.

22 MR. NANJO: Absolutely. Thank you for the
23 question.

24 MR. VAZQUEZ: I think we have Vice Chair, and
25 then we also have our Controller.

1 Go ahead.

2 MS. LIEBER: Just briefly, when we were
3 talking about the staffing for the agency yesterday at
4 the CAA conference, I really noted how many wonderful
5 comments I got about staff at all levels throughout the
6 agency.

7 I've been going through and trying to meet one
8 on one with my 19 assessors that are in my district, and
9 every single one that we've been able to meet with or
10 talk with has really commented on the excellence of
11 staff. So that's something that really stands out for
12 me.

13 And then when you mentioned Prop. 8 and the
14 possibility that we could have a future agenda item with
15 representatives from CAA speaking about how the
16 implementation of that is going, and what the impact is
17 for the taxpayers, I would really be interested in
18 having that as a future item, and finding out more about
19 how it's going, and are there differences between
20 counties that have staffing that are able to relate to
21 that.

22 And also the intersections between that and
23 some of the other considerations that the taxpayers can
24 avail themselves of, such as the disabled veteran
25 status. I think that would really behoove us to learn a

1 little bit more about that. So as we're doing our
2 outreach to constituents, we'll be as knowledgeable as
3 possible on that score.

4 Thank you.

5 MS. STOWERS: Thank you, Vice Chair Lieber.

6 I will reach out to the Chair's office and see
7 about both of these topics, and when they have time on
8 their schedule to come forward.

9 MR. VAZQUEZ: No, you're right. I had the
10 opportunity when I was there on Monday to speak to some
11 of the assessors. I have the luxury of just having the
12 one, so it wasn't that tough.

13 But I think our Deputy Controller has a couple
14 of questions for you.

15 MR. EMRAN: Thank you, Chairman.

16 And to Executive Director Stowers, I applaud
17 you and your team for this very important and
18 comprehensive annual report. I know it takes a lot of
19 work. And I'm sure the governor's office will be
20 pleased with such a meaningful and impactful report.

21 I want to make a few highlights.

22 On page 8, supporting our communities, the
23 BOE's positive impact on local schools and governments,
24 of course, but also on state government, adding the
25 administrative programs that we coadminister, adding

1 over \$3 billion to the general fund and keeping this
2 great state running is very impressive.

3 And also on page 6 with the dollar bill graph,
4 over half of the money going towards our schools. Which
5 is so important to the future generations of children.
6 Especially when it comes to closing the achievement gap,
7 improving math and reading proficiencies, and making
8 sure that no child in California is left behind.

9 I did have a few questions. You mentioned
10 there's a positive growth of four percent from year to
11 year. Could you kind of speak to some of the factors
12 that has led to this increase?

13 MS. STOWERS: With respect to the property
14 values?

15 MR. EMRAN: Correct.

16 MS. STOWERS: Well, property values are going
17 up, supply and demand. It's basic. More demand, less
18 supply, values go up, prices go up.

19 MR. EMRAN: Okay. Thank you for that.

20 And then the feds are increasing interest
21 rates in 2022 at record pace with no cuts expected in
22 2023. There's been talks about a possible economic
23 recession. Job losses have occurred, especially here in
24 California with the tech sector.

25 What impact, if any, will this have on

1 property tax values, and possible future revenue here in
2 the state of California?

3 MS. STOWERS: With the higher interest rates,
4 those who are trying to get into the market of buying,
5 they're having a difficult time. They may have up to 20
6 percent down payment, but due to the high rates, they
7 won't be able to afford the mortgage. So that's going
8 to have a negative impact on those that are trying to
9 buy.

10 But those who are fortunate to buy, again, is
11 still going to result in higher property tax values.
12 So it's a double-edged sword, I would say.

13 MR. EMRAN: Thank you, Chairman.

14 MR. VAZQUEZ: Thank you.

15 And thank you all for your comments. You
16 answered some of my questions.

17 Except one last one I have, on page 12, when
18 you were going through the state-assessed properties, I
19 noticed we maintain maps for more than, what is it,
20 9,700 revenue district boundaries? And that encompasses
21 I guess, roughly, about 61,163 tax rate areas. I was
22 wondering how that compares to maybe ten years ago.

23 MS. STOWERS: Right.

24 MR. VAZQUEZ: Has it really jumped, or do we
25 have that?

1 MS. STOWERS: We don't -- we don't track like
2 that.

3 I did take a look, going back to the day that
4 we do have. So we're not really tracking it that way.
5 However, I can say in 2018-2019, we had fewer maps that
6 we had to maintain. We had less districts.

7 But it changes, ongoing. So this is an
8 ongoing workload for us to maintain the maps. It's
9 something that, you know, that we have to do.

10 And if we have to maintain the maps to know
11 where the districts are, because that is how the revenue
12 is being allocated to the various counties. So it's
13 really important for us to maintain it.

14 MR. VAZQUEZ: I kind of figured that.

15 I was wondering, I know when I was at the
16 conference on Monday, I was talking to my assessor,
17 Jeff Prang, and he was showing me this huge map they
18 have. I guess he was one of the vendors.

19 MS. STOWERS: You know, I meant to go over
20 there. He had the map of Bruce Beach in Santa Monica.

21 MR. VAZQUEZ: Yes.

22 MS. STOWERS: I wanted to see that.

23 MR. VAZQUEZ: No, it's pretty impressive. And
24 he actually -- he didn't have it with him, but I guess
25 he said it's a huge book.

1 He says he has some of the maps, the original
2 maps going back to the original land grants of
3 California. Going back to Pio Pico when he was the
4 governor.

5 So I'm going to reconnect with him on that.
6 It's really interesting, some of the stuff. And I
7 didn't know if you had a chance to talk with him, but it
8 looks like you --

9 MS. STOWERS: Yeah, it was on my list. But we
10 have a lot of maps at our building on 160, and
11 hardcopies, and maps. They cannot be --

12 MR. VAZQUEZ: Date back -- these go back to
13 like 1800.

14 MS. STOWERS: And we can't digitize those.
15 That's another one of my little plugs --

16 MR. VAZQUEZ: Yeah, that's what they were
17 doing. I think that's their service.

18 MS. STOWERS: It's another reason we need to
19 stay at 160 Promenade.

20 So let me just be quiet. I've been in this
21 seat for a year now, so I feel a little bit more
22 empowered.

23 MR. VAZQUEZ: Good stuff. Thank you.

24 MS. STOWERS: That concludes my report.

25 MR. VAZQUEZ: We don't have any written

1 comments on this one, do we?

2 MS. CICHETTI: We don't take this until the
3 end of all the Executive Director's reports.

4 MR. VAZQUEZ: Oh, we're going to go back.
5 Okay.

6 So with that, Ms. Cichetti, I guess we can
7 move onto the next item.

8

9 **ITEM 9**

10

11 MS. CICHETTI: The next item is Item 9,
12 Operational Priorities and Quarterly Budget Report
13 presented by Ms. Renati.

14 MS. RENATI: Good morning, Chairman Vazquez,
15 Vice Chair Lieber, and Honorable Members. I am Lisa
16 Renati. I am Chief Deputy Director of BOE.

17 Today I'll report on some of the agency's
18 operational priorities.

19 The first item is our strategic efforts on
20 BOE's workforce planning. We continue to fill our
21 vacant positions, and since our last meeting we have
22 filled six positions. Four are new employees, new to
23 BOE, and two are promotions of internal candidates.

24 The majority of our remaining vacancies are in
25 active recruitment, and we continue to make meaningful

1 progress in our goal to accomplish more efficient and
2 timely recruiting processes to reduce our vacancies.

3 The management team also continues to perform
4 multiple activities to develop our workforce and
5 implement succession planning. Just as we have spent a
6 lot of time and energy to recruit people onboard, we
7 must also ensure that our staff and managers have the
8 tools and training and mentoring they need to perform
9 and grow in their roles.

10 And at BOE we are very lucky. We have many
11 brilliant and highly technical property tax experts on
12 staff. This level of expertise does not happen
13 overnight. It takes time, it takes experience, and our
14 workforce planning efforts, you know, begin with
15 onboarding our new employees, and assessing their
16 strengths and competencies, their challenges, and
17 providing training and the building blocks for them to
18 reach their capacity.

19 At the same time our succession planning that
20 we are working on continues to ensure continuity of
21 knowledge and mitigate the risks related to knowledge
22 loss when we do have people retiring.

23 The next item is our -- my Quarterly Budget
24 Report. I'd like to -- the BOE's budget is funded by
25 the General Fund. Our current working appropriation for

1 the agency provides 193.6 positions for the support and
2 operation of BOE's tax programs.

3 The majority of our budget is for personnel
4 services. That's our staff salaries and benefits. And
5 our remaining amounts are for operating expenses.
6 Typical items for expenses are our facility lease
7 payments, our travel, litigation, utilities, telecom,
8 new equipment, and training.

9 Based on our recent expenditure reports
10 available for the period of March -- July '22 through
11 March '23, we are projected to spend over 86 percent of
12 the amounts appropriated to the BOE.

13 For comparison purposes, in 2022 we were only
14 projected to spend 81 percent of our budget for the same
15 period.

16 So this comparison demonstrates our continued
17 commitment to filling our vacancies, to fulfill our
18 property tax duties, and I should also mention we still
19 have three more months in the fiscal year, so as we
20 continue to fill those vacant positions we'll get closer
21 to the total appropriated amounts.

22 And this concludes my report on the agency's
23 day-to-day operations, and I'm available to answer
24 questions.

25 MR. VAZQUEZ: Member Gaines.

1 MR. GAINES: Yeah, thank you for the report.

2 I think it's very encouraging that we are
3 continuing to hire new people from the outside, but also
4 promotion from within, so it's really nice to hear that
5 the percentage is getting higher and higher as we
6 progress, so thank you.

7 MS. RENATI: Thank you.

8 MR. VAZQUEZ: Along those lines, I know you've
9 been doing a real bang-up job on just filling these
10 vacancies, and I know with that comes obviously the
11 other challenges to bring everybody up to speed, because
12 at the end of the day it's obviously going to be an
13 asset and a resource as we are working and servicing our
14 taxpayers, right, because you'll have more bodies to
15 assist, and I was wondering how that's going in terms of
16 the training, and in some cases maybe retraining, folks.

17 MS. RENATI: So thank you for your question.

18 In our property tax department we have
19 multiple positions, and most of those positions -- in
20 fact, all the positions -- require specific education
21 and experience requirements just to apply for the job,
22 and even with those qualifications it takes us about a
23 year or a year and a half to get the person up to speed
24 to where they don't need supervision while they do their
25 duties.

1 Then it takes about five years for that person
2 to really become proficient in what they are -- in the
3 specific duties which they were hired. Of course at
4 that time we provide them with more challenging work,
5 and then the cycle starts again.

6 So to become a property tax expert is really
7 to realize that the road never ends to learning. So
8 every day -- I mean, Dave and I talk all the time that
9 we learn something new every day, and Dave is one of our
10 premier experts.

11 So yes, we do provide that training and
12 retraining and rebuilding.

13 MR. VAZQUEZ: Sounds good.

14 Seeing no other hands, I guess you can
15 continue.

16 MS. RENATI: I believe that concludes this
17 portion.

18 Ms. Mary, I'll pass it back to you.

19 MS. CICHETTI: You were going to do your
20 budget items?

21 We have an opportunity now. We could break
22 for lunch early because we are close to our 12:00 time
23 that we are going to take lunch from 12:00 to 1:00 so
24 that we could accommodate your speakers.

25 MR. VAZQUEZ: So we can get back.

1 MS. CICHETTI: And so we can get back in time
2 and we can get going on that.

3 So if we start another item, I believe it will
4 be too long.

5 MR. VAZQUEZ: That's what I was going to ask
6 you. The next one is a little bit too long?

7 MS. CICHETTI: You know what? We probably
8 could take one. We could take one yes, we can.

9 Our next item we do have --

10 MR. VAZQUEZ: I see him standing there. He is
11 ready to go.

12 MR. KIM: I hope it's not too long.

13 MS. CICHETTI: Well, you know --

14 MR. VAZQUEZ: Mr. Kim is pretty efficient and
15 quick.

16 MS. CICHETTI: So we will take another item up
17 before we break for lunch.

18

19 **ITEM 10**

20

21 MS. CICHETTI: This item is Item No. 10,
22 Communication Chef's Quarterly Report presented by
23 Mr. Kim.

24 MR. KIM: Thank you.

25 Good morning, Chairman Vazquez and Honorable

1 Members. I'm Peter Kim, BOE's Chief Communications
2 Officer.

3 Today I'll provide a brief overview of some
4 major highlights and accomplishments in the first
5 quarter of 2023.

6 As outlined in the memo attached to the
7 agenda, I will provide some notable updates that were
8 made to the BOE website, and a review of recently
9 updated publications.

10 I will conclude with some highlights of
11 current projects I'm working on.

12 Members, as you know, the BOE website is a
13 critical tool in communicating and providing essential
14 and up-to-date information to stakeholders and the
15 general public.

16 In the last quarter the Proposition 19 web
17 page -- specifically, the Guidance Issued and the
18 Related Legislation tabs -- were updated to include
19 several letters to assessors and two bills related to
20 Proposition 19.

21 The chart of the \$1 million Intergenerational
22 Transfer Exclusion Amount Adjustments was also added to
23 the Additional Resources tab.

24 Since the web page was launched on November
25 10, 2020, there have been approximately 466,951 unique

1 external page views through March 31st, 2023.

2 Through the Board's leadership, a translate
3 button to offer translation to non or limited English
4 speaking individuals has been available since June 10th
5 of 2022. The web page offers six language options;
6 Spanish, traditional and simplified Chinese, Filipino or
7 Tagalog, Vietnamese, and Korean. There have been
8 approximately 2,564 unique external page views since
9 March 31st, 2023.

10 Now I'll provide a brief update on some new
11 and updated publications the department facilitated in
12 the last quarter. This includes the following:

13 A new Legislative Bulletin - Property Tax
14 Legislation for 2022; update to the California State
15 Board of Equalization Governance Policy; update to the
16 Introduction to the California State Board of
17 Equalization -- and I've left some copies at the dais
18 for you to review -- the new Taxpayers' Rights
19 Advocate's Fiscal Year 2021-2022 Annual Report; and
20 finally a new Information Sheet on Property Tax
21 Assistance Programs For Seniors.

22 Finally, in March the BOE launched our new
23 internet site "My BOE." Over time BOE's legacy internet
24 sites became antiquated, and for more than a year the
25 Communications Department worked on this new internet

1 site.

2 The launch of "My BOE" is a significant
3 milestone in rebuilding, revitalizing, and modernizing
4 the agency. It will become a necessary tool in helping
5 BOE employees execute their professional duties and
6 responsibilities successfully while communicating as one
7 agency.

8 Before I conclude, I wanted to provide a brief
9 look forward.

10 In the second quarter, the department recently
11 released the Fiscal Year 2021-2022 Annual Report as
12 presented by the executive director earlier today, and
13 will continue to promote the report in the coming weeks.

14 Additionally, with the updated Annual Report,
15 we will now begin working on updating the State Board of
16 Equalization Fact Sheet Publication 1.

17 Finally, with this year's Taxpayers' Bill of
18 Rights hearing scheduled for August, we will begin
19 working with the Taxpayers' Rights Advocate Office to
20 promote the hearing.

21 Members, this concludes my report, and I'm
22 available to answer any questions you may have.

23 Thank you.

24 MR. VAZQUEZ: Thank you, and thank you and
25 your staff. I know when I was at the conference talking

1 to somebody they said -- I think ven some of the
2 participants that weren't necessarily assessors, they
3 were some of the sponsors, were all impressed with our
4 website and the improvements, and especially on the
5 translation piece. It's so user-friendly.

6 And I know, in looking at it, I assume it's
7 going to be a real good asset. As Ms. Renati was
8 talking about, new employees, I guess there is that area
9 where it's kind of like welcome new employees link in
10 there where it kind of walks them through and helps them
11 in terms of identifying and understanding the BOE, not
12 only their department, but others as well, and other
13 services that we provide, so I really appreciate that.

14 Let me turn to our Controller, Deputy
15 Controller Emran.

16 MR. EMRAN: Thank you, Chairman.

17 And Mr. Kim, I'm really pleased with your
18 report. I think communication at the BOE is one of the
19 most important tools that we can use to get the
20 information out, and I know you've probably been busy
21 these past couple months, so thank you for gathering
22 that report.

23 I also wanted to thank you. I met with you
24 earlier this week, and you were able to add the Armenian
25 language on the translate button in a relatively quick

1 manner, and it just speaks volumes to the hundreds of
2 thousands of Armenians that call California home, and to
3 our engagement with that process.

4 As to Controller Cohen's administration, we
5 are kind of winding down on the first hundred days.
6 I've taken it upon myself to continue to expand on our
7 own translate button, and looking at French and
8 Portuguese and Arabic and Farsi to be inclusive as
9 possible in such a diverse state, and I'll keep you
10 updated on that project, and I hope we can partnership
11 and continue to collaborate.

12 Thank you.

13 MR. KIM: Thank you.

14 MR. VAZQUEZ: Thank you.

15 Member Schaefer, go ahead.

16 MEMBER SCHAEFFER: Thank you.

17 Mr. Kim, you heard my comments to Yvette, and
18 that applies to all your good work, too.

19 I just had a couple of minor questions.

20 The picture here of the beach scene, is that
21 La Jolla Beach down where I live, or is that -- I'm
22 trying to find District 4. Is District 4 the flag?

23 MR. KIM: Sir, actually, I made it a point to
24 ensure that all four Equalization districts are
25 represented in our publications.

1 I believe one of the pictures in the cover
2 there is part of District 4. I apologize, I don't have
3 it in front of me. I should have --

4 MR. SCHAEFER: I would think it's one of the
5 beach here, because I live on the beach.

6 MR. KIM: Oh, okay, great.

7 MR. SCHAEFER: I don't recognize it as my
8 particular beach, but we have a lot of beaches in
9 San Diego.

10 MR. KIM: A lot of beautiful beaches.

11 MR. SCHAEFER: The other comment you have over
12 here is "Public Meetings. The Board meets monthly in
13 Sacramento."

14 That's accurate. That's not a statement of
15 advocacy, though, because the general rule, they are
16 only required to meet a quarter of the time in
17 Sacramento, and it's on my bucket list to have a meeting
18 down south one of these days.

19 But this is accurate. I just want be to sure
20 you are not promoting a cause, you are just reporting.

21 MR. KIM: That's correct. We just report on
22 facts, and so as more updates are necessary to the
23 publication, we'll definitely do that.

24 MR. SCHAEFER: You are doing a very fine job.

25 MR. KIM: Thank you.

1 MR. VAZQUEZ: Member Gaines, I believe you had
2 your hand up.

3 MR. GAINES: Yeah, thank you.

4 Chair Vazquez asked about making sure that we
5 have multiple language options for our constituents.

6 I think, as you mentioned -- I'm just trying
7 to get the numbers right -- that as of March 23rd there
8 were 2,564 views in different languages?

9 Is that the right --

10 MR. KIM: Yeah. So thank you for the
11 question, Member Gaines.

12 The number that I reported in my memo is a
13 reflection of the total unique external page views of
14 our translate page that has all of the language links to
15 the translation.

16 MR. GAINES: Okay.

17 MR. KIM: Unfortunately, we are unable to
18 assess what number of languages or how many people are
19 using for what language specifically.

20 MEMBER GAINES: Yeah.

21 MR. KIM: So the only data that I could
22 provide is for those that actually do visit the
23 translate page, and to assume that they are using the
24 translate functions.

25 MR. GAINES: Sure. Is that as of -- is that

1 from January 1 to March 23rd?

2 MR. KIM: That's actually from the launch of
3 the page, which was June 10th of 2022 --

4 MR. GAINES: Okay.

5 MR. KIM: -- up until March 31st of 2023.

6 MR. GAINES: Okay. All right.

7 And is it prominent enough? If someone came
8 on our website, they would know that they could look for
9 information in a different language?

10 MR. KIM: I believe it's prominent. It's on
11 the upper right-hand corner, and it's available on every
12 page that folks visit on our page, so it is definitely
13 accessible for this that do need it.

14 MR. GAINES: Wonderful. Very good. Thank
15 you. Good job.

16 MR. KIM: Thank you.

17 MR. VAZQUEZ: Thank you. I think there is no
18 other hands up, so thank you for your presentation.

19 MR. KIM: Thank you very much.

20 MR. VAZQUEZ: Ms. Cichetti, do we have any
21 written comments on this one?

22 MS. CICHETTI: No, but we usually take all the
23 comments for the executive directors' reports at the
24 end.

25 Thank you, Mr. Kim.

1 MR. VAZQUEZ: Thank you.

2 What's the next item?

3 MS. CICHETTI: Taxpayers' Rights Advocate.

4 She can give a quick report. Why don't we do that.

5 Let's try it.

6 **ITEM 11**

7

8 MS. CICHETTI: The next item is Item 11,
9 "Taxpayers' Rights Advocate Office's Report. Update on
10 activities of the Taxpayers' Rights Advocate Office."

11 This matter is being presented by Ms. Wing.

12 MR. VAZQUEZ: Welcome.

13 MS. WING: Thank you.

14 Good almost-afternoon, Chair Vazquez and
15 Honorable Board Members.

16 I am Margie Wing, senior specialist in the
17 Taxpayers' Rights Advocate Office. I am here today to
18 provide you with an update on the activities of the
19 Taxpayers' Rights Advocate Office to keep you informed.

20 Ms. Thompson, chief of the TRA office, was
21 unable to attend the Board meeting today because she is
22 at the assessor's office -- assessor's conference --
23 soliciting input on topics for the taxpayer education at
24 its committee meeting.

25 I'm pleased to report some statistics in the

1 number of taxpayer cases completed by the Taxpayers'
2 Rights Advocate Office in March, and provide some
3 insights on the types of those cases.

4 Attached to the Public Agenda Notice is a
5 memorandum from our office reporting information on the
6 number of completed cases.

7 The figures are provided by Board member
8 district, by category -- that is, administrative versus
9 valuation -- and by topic area within those categories.

10 In March 2023 we completed 46 cases. Yes, 46.

11 15 were in Board Member Gaines District 1.

12 12 were in Board Member Lieber's District 2.

13 5 were in Board Member Vazquez's District 3.

14 14 were in Board Member Schaefer's District 4.

15 Of the 46 cases completed, 8 were from the
16 administrative category, and 38 were from the valuation
17 category.

18 The administrative category includes topics
19 such as creating and mailing tax bills, refunds, penalty
20 cancellation, defaulted taxes, access to data, special
21 assessments, or direct levies on the property tax bill.

22 The valuation category includes topics such as
23 change in ownership, declines in value, appraisal
24 methodology, exclusions, exemptions, new construction,
25 actual enrollment of values, general property taxation,

1 and assessment appeals.

2 With respect to the administrative category
3 and its 8 cases in total, 5 pertained to delinquent or
4 defaulted property taxes, 1 involved penalties, and the
5 2 remaining involved other matters such as property
6 taxes in general.

7 With respect to the valuation category and its
8 38 cases in total, 6 cases involved actual enrollment of
9 values, 1 involved appraisal methodology, 1 pertained to
10 assessment appeals, 5 cases involved change in
11 ownership, 3 involved decline in value, 15 cases
12 pertained to exclusions from reassessment, 4 cases
13 involved general property taxation, and 3 pertained to
14 new construction.

15 To provide some additional insight on the
16 specific type of exclusion and exemption cases, this is
17 a further breakdown:

18 For the 15 cases involving exclusions from
19 reassessment, 5 pertained to the parent-child exclusion
20 or grandparent-child -- grandparent-grandchild
21 exclusion, and 10 pertained to the base year value
22 transfers for persons age 55 and over.

23 8 of the 15 exclusion cases occurred under
24 Proposition 19, since the change-in-ownership events
25 occurred on or after the February 16, 2021 effective

1 date for intergenerational transfer exclusion
2 provisions, and the April 1, 2021 effective date for
3 Proposition 19 base year value transfer exclusion
4 provisions. The remaining 7 exclusion cases pertained
5 to transfers that occurred under prior law.

6 To provide additional insight on the nature of
7 the cases that our office works on to assist taxpayers,
8 I'd offer some additional information on a case our
9 office worked on last month in March, and how we helped
10 resolve it for the taxpayer.

11 This case involved a taxpayer that had
12 received a lien for unsecured property taxes on a boat.
13 The taxpayer said that he moved the boat out of
14 California, but had not notified the Department of Motor
15 Vehicles, and that he did not receive the assessor's
16 vessel property statement or the tax bill for the boat
17 in the year following the move because they were mailed
18 to an old address, and he had also moved.

19 The vessel property statement does have a
20 specific box in it to check to indicate that the vessel
21 was permanently removed from the county, so the assessor
22 did not know this.

23 To assist this taxpayer, our office provided
24 information to the taxpayer about the assessment of
25 boats for California property tax purposes, and that

1 they are assessed to the owner as of the January 1 lien
2 date.

3 We helped the taxpayer understand that if the
4 boat had been moved to a different state before the
5 January 1 lien date, the taxpayer could provide evidence
6 to the assessor's office that it had been moved to a
7 different state despite the DMV or the assessor not
8 being notified.

9 We suggested the taxpayer provide boat
10 registration information from the other state to show it
11 was registered there.

12 We explained that the assessor could cancel
13 the assessment if the boat was not in California on the
14 lien date, and if cancelled, a roll correction could be
15 done with information transmitted to the county
16 auditor's office to determine the effect on property
17 taxes and issue a refund for overpaid taxes.

18 We encouraged the taxpayer to ensure that the
19 DMV was aware that the boat was no longer located at the
20 taxpayer's former residence or in California. And the
21 DMV shares information on boats with the assessor's
22 office in each of the counties.

23 Finally, we explained that the taxpayer's
24 off -- I'm sorry -- that the tax collector's office is
25 required by law to add penalties for not paying property

1 taxes timely, with a late payment of 10 percent, and the
2 addition of interest after taxes have become delinquent.

3 At future Board meetings our office will
4 provide further updates on the activities of the TRA
5 office to keep you informed.

6 Members, that concludes my update, and I am
7 available to answer any questions.

8 MR. VAZQUEZ: Thank you.

9 I have just one quick one, if nobody else has
10 a question, and it's more on Prop 19.

11 I notice when you list all these cases, do we
12 know, roughly know, what the percentage of those are
13 centered around Prop 19?

14 MS. WING: I don't have a percentage, but we
15 can get you the percentage.

16 Mostly, like I said, most of those that we did
17 last month were on exclusions. Whether they were
18 Prop 19, we did not differentiate between that and the
19 old prior laws of 58 and 60 -- Prop 60, 90, and 58,
20 yeah.

21 MR. VAZQUEZ: That's been my guess. I was
22 curious.

23 MS. WING: Most of them were under Prop 19 in
24 our cases, but not broken down by percentage.

25 MR. VAZQUEZ: Thank you.

1 MR. GAINES: Could I add on to that?

2 MR. VAZQUEZ: Yes. Member Gaines, go ahead.

3 MR. GAINES: I think that's a great idea.

4 Can we get that in the future?

5 MR. VAZQUEZ: We could probably get that down

6 the road.

7 MS. WING: So you want a percentage of cases

8 on Prop 19 versus the other -- the old law?

9 MR. VAZQUEZ: Yes. I'm just curious to see

10 how many are coming, if we're seeing a huge increase all

11 of a sudden, right, because of Prop 19.

12 MR. GAINES: All right. Thank you.

13 MR. VAZQUEZ: Yes. Member Schaefer.

14 MR. SCHAEFER: That's a very fine report,

15 Ms. Wing, and I appreciate the fact that you give us all

16 the basic facts, and not really get into the subsequent

17 hearings in detail because that is available elsewhere

18 if anybody wants it. I think your office is becoming

19 more and more efficient, and I appreciate that.

20 MS. WING: Thank you.

21 Any other questions?

22 MR. VAZQUEZ: I think you did a great job.

23 MS. WING: Thank you.

24 MR. VAZQUEZ: Thank you.

25 I think we are right about noon now, so we

1 take -- I guess we'll take an hour. We need an hour
2 break, right? We'll take an hour lunch, and we'll be
3 back in time for the speakers that we have on hold.

4 MS. CICHETTI: So we all agree we are taking a
5 one-hour lunch, and will return at 1:00.

6 MR. VAZQUEZ: Unless I'm hearing others -- I'm
7 getting signals.

8 MS. CICHETTI: We are taking a one-hour lunch.

9 MR. VAZQUEZ: So it's exactly noon, so be back
10 at 1:00.

11 (Whereupon the lunch recess was taken.)

12 MR. VAZQUEZ: Let's reconvene our meeting at
13 1:05.

14 Ms. Cichetti.

15 MS. CICHETTI: My first announcement is that
16 I'm going to be taking Item 16 out of order to
17 accommodate some speakers that we have.

18

19 **ITEM 16**

20

21 MS. CICHETTI: So Item 16 is Board Member
22 Matters and Initiatives: Item 16, presentation, overview
23 and discussion on the 2023 Property Tax and Related
24 Affordable Housing Legislation.

25 Perspective on current property tax and

1 related affordable housing legislation potentially
2 affecting property tax assessments, valuation,
3 exemptions, and related processes, for discussion and
4 possible action.

5 This item is being presented by Mr. Vazquez.

6 MR. VAZQUEZ: Thank you.

7 Members, we have a number of speakers on the
8 three bills, SB 20, which is Senator Rubio; SB 734,
9 which is also Senator Rubio, and SCA 4, which is -- I
10 hope I'm not butchering this -- Seyarto and -- the
11 Senator.

12 And some of the speakers have specified
13 certain time slots due to their schedules, so we will
14 make adjustments accordingly.

15 Also, rather than voting on each bill at one
16 time -- although it's brought to my attention we might
17 have to pull one out. But we will try to handle those
18 we can together, and then if we need to set one out,
19 we'll set one out.

20 So with that, Ms. Cichetti, if you would
21 please introduce our first speaker.

22 MS. CICHETTI: Thank you, Chairman.

23 Just a reminder for you and the Board Members,
24 per the request of the legislators who are speaking
25 today, we have confirmed time certain increments for

1 Ms. Brielle Salazar, Regional Housing Trust Manager,
2 San Gabriel Valley Housing Trust from 1:00 to 1:20;
3 Honorable Prang, the assessor in Los Angeles County,
4 from 1:20 to 1:30; and Honorable Kelly Seyarto, Senator,
5 from 1:30 to 1:40; and Honorable Jim Rooney, assessor in
6 Amador County, from 1:40 to 1:50.

7 In order to respect the commitments made to
8 them, we will call upon other speakers afterwards, if we
9 should have any. And we'll ensure that everyone has an
10 opportunity to address each item.

11 So the first item on the agenda is SB 20,
12 Rubio, joint power agreements, regional housing trusts.

13 Would you like to introduce this, Mr. Vazquez?

14 MR. VAZQUEZ: Yes.

15 Members, SB 20 would authorize two or more
16 cities in the state to enter into a joint powers
17 agreement to create a regional housing trust fund,
18 housing to assist the homeless population and persons of
19 extreme low and very low and low income in their
20 jurisdictions.

21 The bill is based on the successful experience
22 of the San Gabriel Valley Regional Housing Trust in Los
23 Angeles County and 33 different cities that it governs
24 by Board of Directors authorized to fund the planning
25 and construction of housing, receive public and private

1 financing and funds and issue bonds.

2 Ms. Cichetti, if you would please introduce
3 our first speaker.

4 MS. CICHETTI: Our first speaker is
5 Ms. Brielle Salazar, Regional Housing Trust Manager,
6 San Gabriel Valley Housing Trust.

7 She will be presenting via Teams.

8 And here she is.

9 MR. VAZQUEZ: Oh, there she is.
10 Welcome. I think you might be muted, though.
11 Try speaking now. Let's see.

12 MS. SALAZAR: Are you able to hear me?

13 MR. VAZQUEZ: Now I can hear you.

14 MS. SALAZAR: Okay. Wonderful.

15 Okay. Well, thanks so much for having me.
16 I'm going to share my screen right now so I can share a
17 few slides with you.

18 And just really honored to be here today to
19 talk about our experience at the San Gabriel Valley
20 Housing Trust.

21 We were formed in February of 2020 by SB 751,
22 which was authored by Senator Susan Rubio. And we are a
23 joint powers authority, and we currently have 22 member
24 cities.

25 The trust is able to receive and leverage the

1 public and private financing. And as you mentioned,
2 issue bonds. And we collect member and affiliate member
3 fees to help cover annual operating expenses.

4 This is our Board of Directors. We have a
5 9-member Board of Directors. Seven are locally-elected
6 public officials, and two are housing and homelessness
7 experts, which is defined as five or more years of
8 regional experience in housing and homelessness.

9 This is an overview of the funding we've
10 received to date. So one of the great things about
11 forming a housing trust is you can access state funds,
12 which are not directly available to cities through the
13 local housing trust fund program, and our trust has been
14 fortunate to receive those funds the past three years.

15 That source -- the application for that source
16 is due in a couple weeks. So we're hoping to make that
17 four years.

18 Also been able to receive state earmark
19 support, and also federal funding through the community
20 project funding grant cycle. And these have supported
21 the programs that I'm going to share in the next couple
22 of slides.

23 So the trust accepts applications for funding
24 on a rolling basis. We maintain a pipeline. Currently,
25 we have 440 units across 9 projects that are on that

1 pipeline. And developers, along with cities, can apply
2 for funding by accessing the application on our website.

3 And funding is made available based on the
4 requirements of funding sources we have available, and
5 also readiness to proceed for those projects.

6 These are the projects we've funded so far.
7 So in three years we've been fortunate to fund 690 units
8 of affordable housing.

9 And you can see on the left the breakdown
10 between the state sources and also the federal sources
11 that have helped to support these projects. And it
12 really shows the benefit of a regional effort, how we've
13 been able to fund projects in several different cities
14 throughout the San Gabriel Valley.

15 With an average investment of less than
16 \$30,000 per unit, the funding that the trust is putting
17 in is really helping those projects get across the
18 finish line.

19 These are some of the renderings of projects
20 that the trust has funded. Really excited to share that
21 the first project to complete construction, West Mission
22 in Pomona, will have its grand opening next month.
23 That's the photo you see on the bottom left of the
24 screen.

25 We're really proud to demonstrate how

1 affordable housing can really benefit communities in how
2 nice all of these buildings look.

3 And then to continue to have funding, we
4 developed a revolving loan fund, which will provide
5 short-term capital for acquisition, predevelopment and
6 construction.

7 And this fund will recycle every three to five
8 years. So that \$7.8 million investment will be able to
9 be lent to projects, repaid and lent to future projects.
10 It's a very exciting opportunity to have funding in
11 perpetuity.

12 So far we've been able to fund two projects
13 with this fund, which has enabled us to also support
14 single-family for-sale housing. And we anticipate
15 additional RLF loans at our May Board Meeting.

16 On the other side of things, we're also doing
17 homeless housing. The trust has opened three tiny home,
18 non-congregate interim shelters; two in the city of
19 Baldwin Park, one for individuals, and one for families.
20 Which is the first family tiny home site in the state,
21 as well as Operation Stay Safe, a tiny homes site for
22 higher-acuity clients in the city of Montebello.

23 To help cities also interested in developing
24 interim housing, the trust also provides technical
25 assistance to determine if sites are feasible, and to

1 provide plans for cities, and help them get this through
2 the council process, and then project manage the project
3 through completion.

4 In other technical assistance, we also
5 completed a surplus land inventory to take a look at
6 parcels available in the San Gabriel Valley that might
7 be suitable for development.

8 Also performed a land trust study to help
9 reduce the cost to develop projects by separating the
10 cost of the land from the cost of the development.

11 Performed a bond setting. We have not issued
12 bonds to date, but the study will help us look at that
13 avenue.

14 And then we also have our affordable housing
15 incubator, which provides technical assistance to
16 developers around cities across multiple disciplines,
17 including financial analysis, grant writing, and land
18 use.

19 And all of that comes together to really
20 support projects from inception through completion. So
21 from the technical assistance at the beginning, through
22 the predevelopment phase, and all the way through
23 permanent.

24 And we are just so glad to have this resource
25 available to San Gabriel Valley, and hope SB 20 can

1 bring this resource to other communities.

2 Thank you for your time.

3 MR. VAZQUEZ: Thank you. And thank you for
4 joining us on such short notice.

5 I was just curious, as we're moving forward,
6 especially with joint powers in other cities throughout
7 the state, what are some of your thoughts, especially
8 for the smaller ones, in terms of JPA that are looking
9 to start these housing trust funds?

10 MS. SALAZAR: I think the JPA model has really
11 been a great resource.

12 We also had the benefit here of the housing
13 trust is staffed by our Council of Governments, which is
14 also a JPA. But this has enabled, especially smaller
15 cities, to access resources from a larger agency.

16 And we've seen a few more of these pop up
17 recently. Our neighbors in Pasadena, Burbank and
18 Glendale just formed a trust.

19 So it's exciting. We hope this means that
20 more trusts will form, it will be an easier avenue for
21 direct funding to these types of entities to help cities
22 meet their housing numbers.

23 MR. VAZQUEZ: And how does SB 20 aid these new
24 potential trust funds of cities you're looking at?

25 MS. SALAZAR: Yeah. SB 20 streamlines the

1 formation of these entities. So instead of each group
2 that's wishing to form a trust having to go to the state
3 directly with legislation, this streamlines that process
4 so it will be easier for cities to form these entities
5 and housing trusts, and get started more quickly to
6 deliver affordable housing.

7 MR. VAZQUEZ: Thank you.

8 Members, do we have other questions for --
9 yes, Member Gaines.

10 MR. GAINES: If I could.

11 I was just talking to a sheriff deputy in the
12 region here, and he'd indicated there were some problems
13 with -- he was specifically talking about the homeless
14 issue, and providing housing where, at least up in this
15 area, we've taken some hotels and converted them into
16 affordable housing.

17 And he says their big problem there, in his
18 opinion, was maintaining them and making sure that
19 they -- he said in five years, some of them are so
20 destructured that they might even have to tear them down.

21 So I'm just wondering what measures are being
22 taken through your trust just to make sure there's
23 proper -- the right property management in terms of the
24 assets that you manage.

25 MS. SALAZAR: Sure. We haven't hit the

1 five-year mark yet, but our longest running shelter has
2 been opened for two years, and we have been involved
3 throughout the whole process.

4 So we helped procure the shelters, the
5 provider. And we've been hosting weekly meetings with
6 our provider throughout the term of those contracts.

7 And I think that's another benefit to regional
8 entities. It's more support for the cities that are
9 hosting a site. It's access to additional resources.
10 And there are some really great service providers out
11 there that can help with those boots-on-the-ground
12 resources that are needed to run shelters.

13 And I think, in our experience, it's been
14 particularly helpful to do things on this type of scale.
15 So instead of having the county or larger resource be
16 the one behind operating a shelter, to have it on this
17 more local scale has been really beneficial in terms of
18 having control of the site, and also to enact local
19 preference, and to make sure that the residents of the
20 community where the shelters are located are benefitting
21 from that resource.

22 MR. GAINES: Great. That's wonderful.

23 And then I was always curious, did you say
24 there's 22 cities involved with the San Gabriel Valley
25 Housing -- Regional Housing Trust?

1 MS. SALAZAR: Yes, there are.

2 There's 31 cities in the region. So far 22
3 have joined, and we hope to get all 31.

4 MR. GAINES: And so how do you -- because they
5 all have -- I would imagine they all have housing needs
6 in terms of affordable housing. So how do you allocate
7 assets on a per-city basis?

8 The projects that -- I think I saw five or six
9 on the projects that you were showing, five or six
10 cities. So is there a process so that that allocation
11 is distributed to account for all cities within the
12 trust, involving the trust?

13 MS. SALAZAR: Currently we've been allocating
14 funding on a readiness to proceed criteria. So projects
15 that are ready to go within 12 months.

16 So you did see -- I think there's multiple
17 projects in Claremont, Pomona, and Alhambra, because
18 those cities just had a couple of projects in the
19 pipeline.

20 But something that we're excited about is to
21 be able to support those cities that haven't gotten to
22 that stage yet. So that's where the technical
23 assistance is really important for cities that don't
24 have projects, and then the revolving loan funds for
25 those cities that have maybe identified a project but

1 aren't quite at the construction and permanent financing
2 stage.

3 So at this point it's sort of sorted itself
4 out where we've been able to fund just the most
5 ready-to-go projects. But our board has also discussed
6 if we get to a point where we're oversubscribed, making
7 sure there's a regional equity component in future
8 allocations.

9 MR. GAINES: So a smaller city that may not
10 have the resources, it sounds like you're there to kind
11 of help them through that process?

12 MS. SALAZAR: Yes.

13 MR. GAINES: Great.

14 Thank you. I appreciate it.

15 MR. VAZQUEZ: Any other questions?

16 Seeing no others, thank you for your time,
17 Ms. Salazar.

18 And, Ms. Cichetti, go ahead and introduce the
19 next legislative item.

20 MS. CICHETTI: Sure. It's SB 734, Rubio,
21 property tax possessory interest.

22 MR. VAZQUEZ: Yes.

23 Members, SB 734 by Senator Rubio would create
24 a new statute stating that under the possessory interest
25 definition, a residential unit of a publicly-owned

1 housing project leased to a low-income household or
2 person does not create an independent possessory or use
3 of land or improvements by the tenant, which means it is
4 not taxable.

5 This bill would memorialize in statute the
6 BOE's legal opinions that have held this position for
7 27 years.

8 Ms. Cichetti, if you would please introduce
9 our next speaker on this.

10 MS. CICHETTI: Our next speaker is
11 Honorable Los Angeles County Assessor, Jeffrey Prang.

12 MR. PRANG: One moment. I'm sorry, we're
13 having technical problems.

14 Can you hear me?

15 MR. VAZQUEZ: We can hear you. We can't see
16 you, but we can hear you.

17 MR. PRANG: I can't hear you.

18 MR. VAZQUEZ: Can you hear me?

19 MR. PRANG: I don't know if you can hear me.
20 I can't hear you.

21 MR. VAZQUEZ: Oh, shoot.

22 MR. PRANG: But I do have a -- can you hear me
23 now?

24 MR. VAZQUEZ: I can hear you; can you hear us?

25 MR. PRANG: Yes, I can. I'm sorry that Teams

1 doesn't work, phones don't work. We're trying to put
2 this together with chewing gum and masking tape.

3 MR. VAZQUEZ: Well, we can hear you, so go
4 ahead.

5 MR. PRANG: Thank you, Mr. Chairman and
6 Members of the Board. I appreciate the opportunity to
7 discuss this important issue with you today.

8 So the work of the Board of Equalization is
9 really instrumental to assessors, and I really
10 appreciate your willingness to support our work as we
11 navigate new challenges, such as the growing concern
12 over possessory interest as it relates to affordable
13 housing development.

14 As the state responds to the housing crisis,
15 there's a growing trend of private investors working
16 with local governments to purchase multifamily housing
17 developments under the mistaken belief that these
18 properties gained a property tax exemption, and that
19 because of that exemption, minimal rent reductions will
20 be made for qualifying middle-income households.

21 Contrary to the belief, these properties are
22 actually subject to a type of property tax called a
23 possessory interest tax, which leaves the tenants of
24 these buildings with the burden of paying a property tax
25 bill, an unforeseen cost that none of the tenants or the

1 developers were prepared for.

2 Senate Bill 737 is the first step in
3 addressing some of the impacts of the possessory
4 interest issues for assessors, and to begin
5 memorializing the advice that the Board of Equalization
6 has been providing assessors for over a decade.

7 The BOE has issued opinions for the last
8 27 years stating that no possessory interest tax should
9 be assessed on government-owned units and leased to
10 low-income tenants.

11 These opinions are based primarily on Welfare
12 Exemption case law and declarations of legislative
13 intent in state housing policy.

14 Assessors question these because there is no
15 explicit legislative confirmation, even though some
16 assessors have followed the Board's advice.

17 This bill would use the Board's -- the advice
18 of the Board of Equalization to address problems
19 associated with possessory interest and our requirements
20 to assess individual units.

21 By doing so, SB 734 would establish norms and
22 regulations that assessors across the state can rely
23 upon, while continuing to provide mechanisms for local
24 municipalities to address the housing crisis through
25 low-income housing projects.

1 With 734, we do two things: One, we clearly
2 state that a tenancy in a residential unit of a
3 publicly-owned housing project by a low-income household
4 does not create an independent possession or -- of the
5 land of improvements by tenants, and, therefore, does
6 not meet the definition of a possessory interest in
7 Section 107.

8 Secondly, we codify the Board's longstanding
9 advice that the possessory interest held by low-income
10 tenants and government-owned properties are not
11 sufficiently independent, and authorize assessors to
12 design and implement a fair and efficient system that
13 enables them to refrain from taxing possessory interest
14 held by low-income tenants in a publicly-owned property.

15 So in summary, this legislation is consistent
16 with and declaratory of existing law and the overall
17 goals of assessors and state policymakers, and I urge
18 the Board to take action to ensure that assessors have
19 consistent guidelines to follow as more projects emerge.

20 MR. VAZQUEZ: Thank you.

21 First of all, thank you for your presentation,
22 and also for the willingness to allow us to interrupt
23 you. I know you're attending the assessors' conference,
24 because I saw you there on Monday. And I just wanted to
25 thank you for that.

1 And also, moving forward, as I'm looking at
2 this bill, is there something that we can do to assist,
3 besides supporting the bill moving forward, that would
4 help the assessors on specifically this item?

5 MR. PRANG: Well, this bill will take care of
6 one small piece of the challenge we are having with this
7 type of joint powers authority-owned housing. It will
8 help us reach primary intended target of affordable
9 housing, that's those who qualify for low income.

10 Although a lot of these projects, as you know,
11 also apply to median and moderate-income tenants, there
12 are still a number of problems that a possessory
13 interest tax poses to the financial viability of these
14 type of projects.

15 So I think it would be very helpful for
16 assessors to continue working with the Board to see if
17 we can draft the regulatory policy or legislative
18 proposals that might remove barriers from coming up with
19 new creative housing policies.

20 MR. VAZQUEZ: Thank you.

21 Any other questions from any of the Members?

22 Seeing no hands, appreciate your time on this.
23 And we will -- I think we have a few more speakers now.

24 Let me pass it back to Ms. Cichetti.

25 MS. CICHETTI: We have no other speakers for

1 this item, for this one item.

2 MR. VAZQUEZ: For this one, okay.

3 MS. CICHETTI: So if you would like, we could
4 move on to the --

5 MR. VAZQUEZ: I think Vice Chair Lieber has a
6 question first.

7 MS. LIEBER: I just wanted to state something
8 related to my understanding of SB 20 and SB 734. And
9 that would be that this would cover JPAs that are for
10 the purpose of housing for extremely low, very low, and
11 low income only. And I know that that has been a
12 concern in some of the communities that I represent
13 about median income being part of the JPAs.

14 And so extending these considerations, it
15 sounds like the folks that I've talked to, including
16 assessors, are fine in terms of the extremely low,
17 very low and low income.

18 And so I'm hoping that if we do take a
19 position of support, that we can indicate that in our
20 letter, that our support is based on that status of
21 these JPAs, and that purpose of the JPAs.

22 Because there is a concern about an imbalance
23 in the public funds if it's applied to JPAs for other
24 purposes. So I -- when we get to the point of doing a
25 letter to the author, I hope that we can include that as

1 an important point.

2 MR. VAZQUEZ: Appreciate it.

3 MS. CICHETTI: Before we go further, I just
4 want to confirm that it is Mr. Prang who is on the line.

5 MR. PRANG: That's correct. I'm using
6 somebody else's phone.

7 MS. CICHETTI: Yeah, that's fine. We must
8 have missed your introduction. I apologize.

9 MR. VAZQUEZ: I recognize his voice.

10 MS. CICHETTI: Okay. Yeah. Sorry, I did not.

11 MR. VAZQUEZ: Thanks for checking, though.

12 MS. CICHETTI: I just wanted to make sure for
13 the record that it was him who was speaking.

14 So we would normally go to the next item,
15 since we have no more speakers. So if you'd like to, we
16 can.

17 MR. VAZQUEZ: Yes.

18 MS. CICHETTI: All right.

19 The next item is SCA 4, Seyarto, Property Tax:
20 Principal Residence.

21 And we do have a speaker who is in the
22 audience. It's Honorable Kelly Seyarto, Senator,
23 California Senate District 32.

24 MR. VAZQUEZ: Welcome. Come on up.

25 You have your choice.

1 MR. SEYARTO: People just keep calling me, and
2 telling me where to go.

3 MR. VAZQUEZ: See, we take care of our
4 speakers here.

5 MR. SEYARTO: I'm delighted to be able to be
6 here in person today. They did give me a small break
7 between committee assignments.

8 MR. VAZQUEZ: Appreciate it.

9 MR. SEYARTO: And I appreciate you giving me
10 the opportunity to talk a little bit about my SCA 4.

11 Would you like me to proceed?

12 MR. VAZQUEZ: Please.

13 MR. SEYARTO: Okay.

14 So as you know, we had Prop. 19 about three
15 years ago. And Prop. 19 was the Home Protection for
16 Seniors, Severely Disabled, Families, and Victims of
17 Wildfire and Natural Disasters Act.

18 In practice, what it did was reversed some of
19 the protections offered to families from Prop. 13. And
20 so -- and that has to do with intergenerational
21 transfers of property.

22 So these protections made sure that families
23 could pass on their properties and businesses to their
24 children and grandchildren, and retain their Prop. 13
25 tax base.

1 It also gave a lot of generations,
2 especially in socioeconomically disadvantaged areas, the
3 ability to do the wealth building that the Legislature
4 is talking about all the time.

5 Wealth building is done through -- pretty much
6 the most effective way is through property ownership.
7 And a lot of times in some of our socioeconomically
8 challenged areas, the only way to do that is when, one,
9 the grandparents are able to secure a home, and then
10 they move in their kid, the one that's going to take
11 care of them, who then moves in their kids eventually.
12 And so their property is passed along from generation to
13 generation.

14 And in some cases, if they're able to add a
15 rental property or something, that property becomes the
16 main source of monthly income for the family and their
17 generations.

18 And so they're really trying to do their part
19 in ensuring what dads and moms are supposed to do, which
20 is ensure the welfare of the family.

21 And SCA 4 simply takes the issue of Prop. 19
22 back to the voters for them to decide if this is what
23 they really wanted to do. And it allows them to focus
24 on just this issue, instead of just reading this
25 headline and thinking that they're helping seniors and

1 disabled and families and stopping the wildfires.

2 Prop. 19 also was a two-topic proposition.

3 The first half was what is said in this, and then the
4 second half was how they were going to think -- how they
5 thought they would get there.

6 And how they thought they were going to get
7 there is have this massive windfall from a change in the
8 way we do intergenerational transfers, and that never --
9 that has not happened.

10 So not a dime has gone to wildfires. Not a
11 dime has gone to anything. And one of the reasons for
12 that is because this is such a difficult thing for the
13 county tax assessors to be able to program into their
14 programs.

15 Because you can't really tell, you know, when
16 somebody dies, whether their child is going to live
17 there. Because that helps part of it. But how long
18 that's going to last. Because, supposedly, when they
19 move out, then it gets reassessed, and they get the
20 higher property tax load.

21 There is a million-dollar cap. But I think
22 everybody knows, if you go on anything east -- or west,
23 I'm sorry, of Riverside in California, every property is
24 about a million dollars. And so they get to that cap
25 awfully quick.

1 What that triggers is an increase in property
2 taxes that a lot of them can't afford, because their
3 income stream is not -- does not have the ability to
4 absorb that.

5 So all of this wealth building, this planning
6 that people have put in, goes by the wayside.

7 So what this does is simply put that part of
8 it back on the ballot, so that people can focus on this
9 and decide if that's really what they wanted to do.

10 MR. VAZQUEZ: Thank you.

11 I know we had some questions here.

12 Do you want to start, or did you have a
13 question?

14 Member Gaines, go ahead.

15 MR. GAINES: I wanted to thank you,
16 Senator Seyarto, for bringing this forward.

17 It is critical. It's been a challenge as the
18 Board of Equalization. Because we've had to implement
19 Prop. 19. And I don't think we anticipated what the
20 impact would be in terms of the transfer of wealth on
21 people, like in cases of first generation wealth, or
22 also this aspect of the obligation of family to take
23 care of parents.

24 And it's very common that the children move
25 in, they care for the parents, and then the home goes to

1 the children, and they decide what to do with it at that
2 stage.

3 But I just want to thank you for bringing it
4 forward.

5 MR. SEYARTO: Thank you.

6 Other questions?

7 MR. VAZQUEZ: Yes, Vice Chair Lieber.

8 MS. LIEBER: Well, I appreciate you being
9 here. And I appreciate you going full bore into the
10 situation that was presented by a previous cadre of the
11 Legislature.

12 And we had a large number of calls under our
13 public comment earlier in the meeting, and I anticipate
14 that we will as we progress through this item fully.
15 And I'm very keen to be able to direct people where they
16 can most effectively engage.

17 And my understanding is that the first policy
18 committee that this will go to is on May 10th to
19 Governance and Finance Committee of the Senate.

20 And so my understanding would be that if
21 individuals or organizations have substantive letters,
22 that they should get them to the Senate Governance and
23 Finance Committee, say, by May 5th or so to be able to
24 be included in the analysis.

25 And has this bill -- is it double referred at

1 this point in time?

2 MR. SEYARTO: Well, I am sure it will go from
3 Governance Finance. I can check with my staff real fast
4 to see if they did. And it will go to elections also as
5 well.

6 MS. LIEBER: Okay. And then (inaudible).

7 MR. SEYARTO: Yes.

8 MS. LIEBER: So I just want to make sure that
9 for the folks who will be making comments to us that,
10 you know, we are one body. We are the implementers of
11 Prop. 19. So I guess part of our decisions will be, as
12 the implementing body, do we want to also join you in
13 this particular pool?

14 But I want to make sure that individuals
15 understand that a very important date for them is May
16 the 10th, at the Senate Committee, where there will be a
17 vote on the bill.

18 And then if individuals wanted to subscribe to
19 changes in the bill, your office could direct them on
20 how to get online and make that subscription, so that
21 they're held completely up to date and those kinds of
22 things.

23 So that's simply what I have to say. I have a
24 lot of comments for later, but I'll hold it at that.
25 Just making sure that we, you know, fully apprise people

1 of the opportunity to be the most effective in inserting
2 their comments.

3 MR. SEYARTO: Yes. And I appreciate that,
4 because there's nothing worse than 1,000 people
5 bombarding an office that has no say in what the hearing
6 is going to do. They need to be talking to the
7 committee members of the Governance Finance Committee on
8 May 10th. And as I know -- I was told I think it's the
9 only thing on that agenda that day.

10 MS. LIEBER: Okay. Great.

11 And that's a really good point. And we did
12 have that at our previous meeting under public comment
13 is that there were taxpayers who were saying, "Well,
14 I've contacted my representative, but my representative
15 says that they're going to be far down the line."

16 But really, when individuals comment to the
17 first committee, then they are getting onto that train.

18 MR. SEYARTO: Yes. Absolutely.

19 MR. VAZQUEZ: I had a quick question.

20 I know I had an opportunity to speak to some
21 folks, I guess, different advocates that are -- some
22 that were in support and some that were against. And
23 they raised one question, and I was -- I guess I wanted
24 to ask you, as you're doing your research, and it's
25 probably a question for our Legal team, but you may know

1 the answer as well, is it your understanding that under
2 the old -- before Prop. 19, I guess, was passed, that an
3 individual who, let's say, is sitting on five properties
4 and happens to have five kids that they want to will
5 those over to, that they can actually will one to each
6 individual without a tax burden?

7 MR. SEYARTO: I don't believe that's how the
8 law is written. The law is written the principal
9 residence.

10 MR. VAZQUEZ: That's what I thought. But just
11 for one, isn't it?

12 MR. SEYARTO: Yes. The principal residence --

13 MR. VAZQUEZ: With or without Prop. 19.

14 MR. SEYARTO: -- of the parent.

15 MR. VAZQUEZ: Right.

16 MR. SEYARTO: With the current Prop. 19 in
17 place, the principal resident of the -- residence of the
18 parent is the only one that can be -- if the child moves
19 into that, they can assume it until they move out. And
20 then it's immediately undone.

21 MR. VAZQUEZ: Reassessed.

22 MR. SEYARTO: Yes.

23 MR. VAZQUEZ: Now that's under the current
24 law.

25 MR. SEYARTO: Right.

1 MR. VAZQUEZ: Prior to this one passing,
2 Prop. 19, what was a parent allowed to do? Were they
3 able to do multiple homes to multiple --

4 MR. SEYARTO: If you had rental properties,
5 you could transfer it under Prop. 13 to, just like you
6 would transfer your principal residence. So it's like a
7 business. Same thing with a business. And that's where
8 a lot of people -- my wife is a tax person. So she sits
9 on the front lines of surprised taxpayers.

10 And so you see this where they thought they
11 were going to be inheriting a business with a building,
12 and the building turns into such an expensive albatross
13 that they can't perform the business anymore, and
14 they're out. And so it addresses those the way that
15 Prop. 13 used to address those.

16 MR. VAZQUEZ: Thank you. That's what I
17 thought.

18 Vice Chair Lieber.

19 MR. SEYARTO: And I'm going to throw a
20 disclaimer in that, I'm probably one of the few people
21 that are not attorneys in the Legislature.

22 MR. VAZQUEZ: That's rare. I know it's rare.

23 MR. SEYARTO: As I understand it, that's how
24 it works. And in my experience, I've seen that process.
25 And the cost basis of the home gets redone. But this is

1 separate from the property tax value.

2 MR. VAZQUEZ: Appreciate the disclaimer.

3 Thank you.

4 Vice Chair, and then I know Member Gaines has
5 one.

6 MS. LIEBER: I appreciate the disclaimer as
7 well, because I used to be the only non-attorney sitting
8 on a judiciary committee.

9 MR. SEYARTO: Yes, that's always fun, huh?

10 MS. LIEBER: But both my parents were
11 attorneys, and I survived. So there's something to
12 that.

13 And a question that I have gotten from the
14 assessors that I've talked with is would your bill be --
15 how would it deal with individual taxpayers that have an
16 estate that has already gone through the process during
17 the years that Prop. 19 has been effective?

18 MR. SEYARTO: Right. In other words, is there
19 retroactivity back to the beginning of Prop. 19?

20 And I think that's something that needs to be
21 included into the ballot, is ask some people, "Should we
22 go back and do that?"

23 You know, because there's -- from a legal
24 perspective, I believe they act on what they had at the
25 time, which kind of is messed up if you're in that two

1 or three year window where this was in effect. Because
2 that is the law in effect right now. And then going
3 forward from there.

4 So it would be a matter of whether the
5 Legislature had any appetite for going back and undoing
6 that part, and then trying to figure that out, which can
7 be also kind of difficult.

8 MS. LIEBER: Yeah. And I guess I've heard
9 both from some of our assessors that it would be a
10 complete nightmare going backwards. And others saying
11 that they've already kept a list in case it has to go
12 backwards.

13 But, you know, for me, that's the difficulty
14 of ensuring that you have the most stable policy
15 possible, because people were making perhaps
16 nonreversible decisions based on what the situation was
17 at that time.

18 MR. SEYARTO: Right. And those decisions had
19 to be made due to death, which is kind of stressful.
20 And I absolutely sympathize with them, and I wish we had
21 been able to catch this much earlier and been able to
22 try to address it.

23 I'm not going to say I'm going to be
24 successful in addressing it. Take this two-thirds vote,
25 both houses to get through and get back on the ballot.

1 But there does seem to be a lot of momentum on
2 both sides. I have bipartisan support through some of
3 this. So we'll see how much that manifests itself in
4 the future votes in our committee.

5 MS. LIEBER: Thank you.

6 MR. VAZQUEZ: Thank you.

7 Member Gaines, go ahead.

8 MR. GAINES: Yeah.

9 I just wanted you to be aware that we set up a
10 special tab on our website for Prop. 19. And we just
11 got an update this morning, I think it was 466,000
12 inquiries since we set that up on our website.

13 So there's a lot of interest, and a lot of
14 questions. And we've received a lot of complaints ever
15 since it passed, as people realize they've got a totally
16 different situation than they anticipated.

17 MR. SEYARTO: Well, we will try to address
18 that for you.

19 MR. GAINES: Thank you.

20 MR. VAZQUEZ: I appreciate it.

21 Other questions?

22 Seeing no other questions --

23 I know some of us have questions for our Legal
24 team, but we'll ask those later.

25 I appreciate your time. And I know your --

1 you have a real busy schedule, and for the opportunity
2 to come in person.

3 MR. SEYARTO: Well, I really appreciate you
4 guys giving me the opportunity to talk about this. It's
5 probably one of the most important legislative efforts
6 that I have done so far, being in the Assembly the first
7 two years, and now on the Senate. And it's very
8 important to a lot of people, especially in areas where
9 I used to work down in LA and south central LA area.
10 And because I recognize what they've done to be
11 successful, and what they need to continue to do, and
12 we're taking that away from them.

13 MR. VAZQUEZ: No, I appreciate it. I get a
14 lot of those calls back in LA.

15 MR. SEYARTO: I can imagine.

16 Thank you so much.

17 MR. VAZQUEZ: Thank you.

18 Ms. Cichetti.

19 MS. CICHETTI: Our next speaker is the
20 Honorable Amador County Assessor Jim Rooney.

21 Let's see if he's on -- do we have someone on
22 Teams? No.

23 So Mr. Rooney is not currently on Teams at
24 this time, and he was slated to be our next speaker.

25 Did you want to go back to the questions that

1 you had earlier that we waited for to ask?

2 MR. VAZQUEZ: Yes. If there is -- we have
3 nobody else. I just didn't want to hold somebody up
4 that might be waiting. We don't have anybody else?

5 MS. CICHETTI: We have no one else.

6 MR. VAZQUEZ: Rooney was the only one waiting?

7 Okay. Let me ask my questions, and then see
8 if by some chance he comes back on.

9 I don't know if it's -- maybe it's for
10 Mr. Nanjo or somebody on your Legal team there.

11 MR. NANJO: Between Mr. Yeung and myself, we
12 should be able to answer your questions.

13 MR. VAZQUEZ: It was brought to my attention
14 these last couple days when I was talking to folks,
15 especially as it centers around this particular SC -- I
16 guess it's SCA 4, and somebody brought up to my
17 attention that before Prop. 19 -- and I think I saw your
18 head nodding back there -- that you couldn't will over
19 more than one property -- if you owned, let's say, four
20 or five, and you happened to have four or five kids, to
21 each individual without -- you could will it to them,
22 but that they would be -- only one of them would be
23 exempt, not all four or five.

24 MR. YEUNG: Yeah, you are correct.

25 So prior to Prop 19, Prop 58 and 193 were in

1 effect, so they have the same requirement for the
2 primary residence.

3 If you were to do it in a will, you would have
4 to designate one as the primary residence, but the
5 difference is that under Prop 58 and 193, the old way,
6 you actually had another provision in there. You had a
7 million dollars of assessed value of other property, so
8 whether that other property is a secondary home, a
9 vacation home, or a small business with a building, that
10 would qualify under the other property.

11 And then you can -- it's base year. You have
12 up to a million dollars in base year to also qualify for
13 that 58 and 193 provisions, so you could under the old
14 way.

15 Under new 19 there is no other property. It's
16 just your primary residence, and it has to be the
17 primary residence of both the transferor and the
18 transferee, so it does remove some of those benefits
19 from the old way.

20 MR. VAZQUEZ: So, but it's only for the
21 million, which would only cover -- let's say like you
22 are setting up five. So one of them is a primary. So
23 you get that one.

24 MR. YEUNG: Yes.

25 MR. VAZQUEZ: And the million would cover

1 potentially a second property.

2 MR. YEUNG: It could.

3 MR. VAZQUEZ: What about the other three?

4 MR. YEUNG: It depends on what your base year
5 value is on the other three.

6 So let's -- hypothetically you have one
7 primary residence. Before, under the old rules, there
8 was no limit. If it was your primary residence, and
9 it's going to be your primary residence, and you are
10 going to transfer it to qualified heir, they will get
11 that base year value without -- without a value cap, so
12 you are not touching your million.

13 You have -- you have four more homes. The
14 next one, its base year value is 200,000. So you can
15 use 200,000, give that to the next heir. They would get
16 the base year value associated with that property. Now
17 you've used up 20 percent of your one million dollars.

18 So your next one is a really nice home. Its
19 base year value is \$700,000. So now you've used 200,000
20 plus 700,000, that's 900,000. You have now 100,000 left
21 of your other property that you can transfer.

22 On your next property you want to transfer,
23 let's say it's equivalent to the second one. It's
24 200,000 in the base year. You only get half. You've
25 only used -- you've used now your full million dollars.

1 So there is \$200,000. You can apply \$100,000 to it.
2 You used half of it, and the other half gets reassessed.

3 And the very last property, you've used up
4 your full million dollars. You have nothing here. That
5 one, when you transfer it over, will get reassessed.

6 MR. VAZQUEZ: Will get reassessed.

7 MR. YEUNG: Yes.

8 MR. VAZQUEZ: So they were correct, I guess,
9 when they were saying it. Because I was thinking that
10 you were able to do -- if you had four or five kids,
11 each one would get one, but not necessarily. It depends
12 on the value. Once you exhaust a million, you could
13 exhaust it on the second property, right?

14 MR. YEUNG: Right.

15 MR. VAZQUEZ: And then you are out of luck, or
16 your kids would be out of luck for the other three,
17 correct?

18 MR. YEUNG: Correct. So if you -- if the
19 properties are all -- let's say you, by some very happy
20 circumstance, all of these fit under a million dollars,
21 then you can transfer all of them, but usually not.

22 MR. VAZQUEZ: That's not going to happen.

23 MR. YEUNG: It's a little of tough. It
24 depends on the area.

25 Part of the Board's function is we actually

1 act as a clearing house. We track how much of that
2 \$1 million exclusion that you use. We have been
3 tracking it since the inception of parent-child Prop 58
4 and 193. We still maintain it because there's still
5 transactions that have happened when that law was still
6 in effect that just have not been reported or worked by
7 the county assessors, so we still do that.

8 MR. VAZQUEZ: So how far back do you go?

9 MR. YEUNG: We go back to the beginning of
10 Prop 58 that was already -- there was that requirement
11 in there. I believe we have records all the way back to
12 the very beginning of that -- of that prop.

13 MR. VAZQUEZ: Wow. Okay.

14 I know you answered my question. That was the
15 one -- because when he posed that, I wasn't sure, I
16 wasn't clear, and I couldn't answer it.

17 So as long as you hit the cap -- so like you
18 said, which is kind of a challenge, especially looking
19 at some of these high-end areas, you probably hit it
20 maybe in the first or second property after the one.

21 MR. NANJO: As Dave mentioned, it kind of
22 depends on what the base year value is.

23 So if the family has owned the houses for
24 quite some time, chances are they are probably going to
25 do better than if the properties were recently acquired,

1 for lack of a better term.

2 MR. VAZQUEZ: Oh. So let's say they, like you
3 said, if they owned it for 30 years, obviously the base
4 year value is a lot lower, correct?

5 MR. NANJO: Sure.

6 MR. VAZQUEZ: Okay. I'm good. Thank you.

7 MR. NANJO: Great. Thank you.

8

9

10

11 Any other questions?

12 MR. VAZQUEZ: You want to -- you want to
13 see -- let's see if Mr. Rooney is back.

14 MS. CICHETTI: I don't have him on Teams. We
15 are monitoring it. He has not joined on the Teams yet.
16 I will be notified as soon as he does, but I don't see
17 anything.

18 MR. VAZQUEZ: Why don't we -- can we hold this
19 item? Why don't we just hold it in case he gets back on
20 a little but later, and we can go back to our agenda.

21 MS. CICHETTI: We have a couple of issues we
22 could do.

23 MR. VAZQUEZ: Yes.

24 MS. CICHETTI: On this item we have quite a
25 few written comments that have to be read into the

1 record.

2 MR. VAZQUEZ: Let's do that.

3 MS. CICHETTI: We haven't had -- we usually
4 take the written comments after we've heard public
5 comments.

6 So we could do that, but you guys haven't
7 taken a motion or anything, or if you are not going to
8 do that, we could just take public comment based on the
9 speakers.

10 So I think we need to kind of make a decision.
11 Are you guys going to take a motion on these, or do you
12 just want to take public comment on people because of
13 the presenters?

14 MR. VAZQUEZ: Well, let me -- I think I have a
15 reading on the Board, but let me throw it out and see
16 what the members feel.

17 It sounds like there is a consensus,
18 especially on the first two bills, and then when we get
19 to SCA-4, I think we might want to separate that one out
20 for right now, if we could do that.

21 And I see a hand over here on my right from
22 our Controller.

23 DEPUTY CONTROLLER EMRAN: Chairman, thank you.

24 I just want to also commend you and your staff
25 for bringing these important pieces of legislation

1 forward.

2 At this time the Controller has not taken an
3 official position on these three pieces of legislation,
4 nor have I had a chance to brief them for our
5 legislative team, so I will be abstaining on her behalf.

6 Thank you.

7 MR. VAZQUEZ: I appreciate that.

8 MS. LIEBER: Mr. Chair.

9 MR. VAZQUEZ: Yes, Vice Chair Lieber. I'm
10 sorry. Go ahead.

11 MS. LIEBER: I had a question.

12 Was the speaker that we were still
13 anticipating to speak on AB 362 or AB 1492, or were
14 they --

15 MS. CICHETTI: SB-4. SBA-4.

16 MS. LIEBER: SCA-4.

17 MS. CICHETTI: SCA-4.

18 MS. LIEBER: So will we be taking up 362 and
19 1492?

20 MR. VAZQUEZ: That was my recommendation. I
21 think there was a consensus there.

22 MS. LIEBER: I think if we take public comment
23 just on SB 20 and SB 734 that there are probably
24 people -- a significant number of people who are waiting
25 to comment on SCA-4, and they will be trying to comment,

1 so I'd like to suggest that we take all the public
2 comment at once --

3 MR. VAZQUEZ: Sure.

4 MS. LIEBER: -- just for efficiency sake.

5 So maybe we should keep on going through 362
6 and 1492 if that's --

7 MS. CICHETTI: Those items were stricken from
8 the agenda, those other two items that you had -- I have
9 my agenda handy here. Let me take a look at it really
10 quickly -- that were removed from the agenda for
11 discussion.

12 So those other two legislative items were
13 not -- AB 362 and AB 1492 were removed from the agenda,
14 so of course we cannot discuss them.

15 MS. LIEBER: Okay. That makes it a lot
16 clearer. Then we don't have to worry about that.

17 MS. CICHETTI: So if you would like to take
18 public comment based on the speakers at this time, or
19 did you want to take a motion?

20 MR. VAZQUEZ: Well, I was suggesting that
21 maybe we take -- you know what? Let me make a motion on
22 the first two and see if that goes anywhere, which was
23 the SB -- I guess it was 20 --

24 MS. CICHETTI: Yup.

25 MR. VAZQUEZ: -- and SB 734.

1 I'd like to move those in support now, because
2 I guess we're still waiting, and I have a second from my
3 vice chair.

4 Is there any comments or questions on any of
5 those?

6 Seeing and hearing none, Ms. Cichetti, do we
7 have any written comments on those two, I guess?

8 MS. CICHETTI: No, we do not have any written
9 comments.

10 MR. VAZQUEZ: Why don't we check with AT&T,
11 and then we'll move forward on those two.

12 MS. CICHETTI: So we don't have anyone in the
13 audience who wanted to come make a comment on those two.

14 We will go to the AT&T Moderator now then.

15 AT&T Moderator, could you let us know if there
16 is anyone on the line who would like to make a public
17 comment regarding SB 20 and SB 734.

18 AT&T MODERATOR: If you would like to make a
19 public comment, please press 1 then 0 at this time.

20 And we do have a few comments in queue.

21 First we'll go to Carol Attia.

22 Please go ahead.

23 MS. ATTIA: Yes. I'm speaking on SCA-4.

24 Is this the appropriate time?

25 MR. VAZQUEZ: No, not right now. We'll come

1 back to that. Right now we're just dealing with --

2 MS. ATTIA: Okay. Thank you. I'll wait.

3 MR. VAZQUEZ: Thank you.

4 MS. CICHETTI: All right. AT&T --

5 AT&T MODERATOR: Next we'll go to -- sorry?

6 MS. CICHETTI: I was just going to allow to

7 you go to the next one.

8 AT&T MODERATOR: Thank you. Next we'll go to

9 Suzanne Carlos.

10 Suzanne Carlos, your line is open.

11 MS. CARLOS: Thank you. My comments are in

12 with regard to SCA-4, so this might not be the

13 appropriate time to speak.

14 MR. VAZQUEZ: Yes. We'll get back to you.

15 Thank you.

16 MS. CARLOS: Thank you.

17 AT&T MODERATOR: And next we'll go to Trisha

18 Crane.

19 Trisha Crane, your line is open.

20 MS. CRANE: Hi. Thank you so much.

21 I am an advocate for both homeowners and

22 renters in my Santa Monica community. On their behalf

23 of both communities of Santa Monicans we're asking for

24 you to support SCA-4.

25 MS. CICHETTI: Excuse me. We are not

1 taking --

2 MR. VAZQUEZ: Trisha, we'll come right back to
3 that one. We singled that one out for right now.

4 MS. CRANE: Sorry for the misunderstanding.

5 MR. VAZQUEZ: Okay. Well, we'll come back to
6 you, though. Thanks.

7 AT&T MODERATOR: And we have a comment from
8 Rob Schaezalein.

9 Go ahead.

10 MR. SCHAEZALEIN: Yes. I guess I'm also in
11 the queue for SCA-4 as well, so you probably want to put
12 me back on hold.

13 MR. VAZQUEZ: Yes.

14 MS. CICHETTI: Thank you.

15 AT&T MODERATOR: And we have no further
16 comments at this time.

17 MS. CICHETTI: Thank you.

18 And we have no written comments on items SB 20
19 and SB 734, so we have -- Chair Vazquez has made a
20 motion, and Vice Chair Lieber has seconded, that the
21 Board members support SB 20 and SB 734 as published
22 today.

23 MR. VAZQUEZ: Yes.

24 MS. CICHETTI: All rightie. So I will take
25 roll.

1 MS. STOWERS: Chair Vazquez, before you pass
2 this for a vote, I just want to make sure that we have
3 clarification that should this pass, as we draft the
4 support letter, Vice Chair Lieber, can you restate some
5 of your concerns that you would like to be included in
6 the letter?

7 MS. LIEBER: Well, as drafted currently, the
8 bills include the extremely low income, very low income,
9 and low income categories, so I'd like to cast our
10 support for that at this time, rather than if median
11 income is added into it. I think there is a consensus
12 for the extremely low, very low, low income.

13 MS. STOWERS: I think I understand, and we'll
14 be able to put that letter together.

15 MS. CICHETTI: Yes.

16 MS. STOWERS: Thank you.

17 MR. VAZQUEZ: Thank you.

18 MS. CICHETTI: All rightie. We'll take the
19 roll then.

20 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: Abstain.

5 MS. CICHETTI: Thank you.

6 MR. VAZQUEZ: All right. So we do have a

7 majority there, and we'll go forward with this.

8 Now let's go ahead and go back to SCA-4.

9 And we don't have any -- well, Mr. Rooney, was

10 he going to speak on?

11 MS. CICHETTI: I don't believe he is coming.

12 MR. VAZQUEZ: Was he going to speak on SCA-4,

13 or was he --

14 MS. CICHETTI: He was a --

15 MR. VAZQUEZ: Oh, he was. I believe he was.

16 And, well, let me just bring that back up to

17 the members.

18 I know there is some concerns here now, and I

19 have no problem putting it off if we need to so we can

20 get these answers, and I know -- Vice Chair, let me let

21 you go ahead.

22 MS. LIEBER: I would strongly prefer that we

23 let it go to its very first policy hearing so that some

24 of the questions that we have are fleshed out.

25 I think we've seen, from our own experience,

1 as Mr. Gaines pointed out, almost a half a million
2 inquiries over the web, and I think that we all see the
3 interest in policy being fair, clear, stable,
4 consistent, and I'm really interested to see what this
5 committee does on May 10th. I will definitely be there
6 for that hearing.

7 And I think that it needs to be addressed,
8 whether it's perspective, retroactive. I know that some
9 of the advocacy community who were taking various sides
10 had committed in some way to create funding in the
11 budget of last year for the special districts, in terms
12 of fire needs, and then that did not happen.

13 And so the questions that are out there for
14 me, I would really appreciate it if we can let this
15 ventilate until our next meeting, and then take it up
16 from there.

17 MR. VAZQUEZ: No, I appreciate it.

18 And having gone through Prop. 19 in 2018,
19 and actually the beginnings of it, and then in 2020, I
20 know the original document that was out totally changed
21 by the time it hit the floor. So I have no problem.

22 And then I understand also, our Deputy
23 Controller mentioned that he needs a little bit of time
24 to also talk to the Controller. And I'd like to have
25 all of us have that opportunity, once we hear from,

1 especially these hearings, and with our respective other
2 colleagues, as it moves and potentially changes, that we
3 get hopefully close to the finished product or the final
4 product before we take a position.

5 Because I know many of us have been working
6 real hard on 19, and I want to make sure this thing does
7 the right thing. I'd hate to see us support something,
8 and then all the sudden it forms into something totally
9 different, and we're on record. Right?

10 MR. GAINES: Yeah. I mean as --

11 MR. VAZQUEZ: Member Gaines, I know you've
12 gone through this.

13 MR. GAINES: Yeah.

14 Based on how it's described, I'm supportive of
15 it. But I think your concerns are valid, and we can get
16 a better indication through the hearing. And then we
17 can always proceed forward in endorsing you at that
18 point.

19 MR. VAZQUEZ: Exactly. Okay. Great.

20 MR. VAZQUEZ: So with that, I guess,
21 Mr. Nanjo, do we have to formally table it, or what do
22 we here to do it keep it alive, but not let it die, I
23 guess?

24 What would you suggest we do?

25 MR. NANJO: Chairman Vazquez, I think you can

1 close it out for this one, and then just have it open as
2 added to the agenda for next month or whenever you want
3 to discuss it again or hold another session on it.

4 That being said, I believe our leg group is
5 going to kind of follow this along as well, so we'll be
6 giving you reports on that through our normal channels.

7 MR. VAZQUEZ: And I know we have people on the
8 line that want to speak on this.

9 Is it - I guess are we --

10 MR. NANJO: Yeah, it's appropriate to let
11 them have their say, and also any written commentary
12 should be read into the record.

13 MR. VAZQUEZ: Into the record.

14 Vice Chair Lieber.

15 MS. LIEBER: Quick question. It's of the
16 utmost importance to me that people be apprised of their
17 opportunities to speak and to hear what's said at the
18 legislative committees.

19 Is there any way that we can add to our
20 Proposition 19 page or --

21 MR. VAZQUEZ: Website.

22 MS. LIEBER: -- or indicate in some way that
23 there are hearings on this?

24 I don't know if that would be appropriate
25 since the bill is not passed law now at this point, so I

1 just want to see, are there any ways that we can get
2 that information to people?

3 MS. STOWERS: We cannot link the hearing.

4 We could probably say something like we
5 already have on our Prop 19 sheet. You know,
6 Legislation. I do believe we have a tab that references
7 pending legislation for Prop 19, so we could take some
8 steps to make sure, if it's not already there, that
9 SCA-4 is referenced.

10 MS. LIEBER: And they do have that opportunity
11 to subscribe to the bill so that they get changes,
12 because people may hear there's a bill, but they don't
13 know the number, and they are phoning various offices
14 asking has anything changed, you know.

15 MR. KIM: Yes. This is Peter Kim, BOE
16 Communication Officer. Thank you for that question.

17 From my understanding right now on our Prop 19
18 web page we do have the two bills related to Prop 19 on
19 there with the BOE analysis.

20 As the members know, with the California
21 Legislative Info Website, you could actually get
22 tracking of any specific bill you'd like, and it does
23 give you notice of when the next hearing is set, so
24 constituents already have that opportunity through the
25 legislature.

1 MR. GAINES: Can we get that information,
2 though, as to where they would need to go to get that?
3 I mean, if there is a website address or something of
4 that sort?

5 MR. KIM: It's actually listed on our tab as
6 well, on our Prop 19 tab. On the bottom it says, "For
7 further information, click on the California Legislative
8 Information Site" --

9 MR. GAINES: Okay.

10 MR. KIM: -- and then that's where they could
11 go.

12 In addition to clicking on the bill number
13 itself, which would go actually to SCA-4, and then in
14 the tabs that they have there, there is a track function
15 where they could enter their e-mail address and get
16 updates as it goes.

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

18 MR. KIM: Thank you.

19 MR. GAINES: One more question, though --

20 MR. VAZQUEZ: Sure. Go ahead.

21 MR. GAINES: For clarity if I could.

22 Can we -- on SCA-4, could we put this on the
23 agenda so this is a routine matter for next month?

24 MR. VAZQUEZ: I'm glad to, because the hearing
25 is on the 10th, and we'll be meeting after that.

1 MR. GAINES: Yeah. Right.

2 MR. VAZQUEZ: So hopefully, unless they move
3 it, we should have some good updates.

4 MR. GAINES: Very well. Thank you.

5 MR. NANJO: Thank you, Chairman Vazquez.
6 Thank you, Vice Chair Lieber and members.

7 MR. VAZQUEZ: Do we start with reading into
8 the record first, or the public comment?

9 MS. CICHETTI: Public comment.

10 MR. VAZQUEZ: Let's do the public comment
11 because I know we have people waiting.

12 MS. CICHETTI: Yeah. All rightie.

13 So we are going to make an acknowledgment that
14 there is no one in the audience who wants to come
15 forward to make a public comment on SCA-4, so we are
16 going to go to the AT&T Moderator.

17 AT&T Moderator, can you please let us know if
18 there is anyone on the line who would like make a public
19 comment regarding Item 16 with reference to SCA-4.

20 AT&T MODERATOR: If you would like to provide
21 public comment regarding SCA-4, please press 1-0 at this
22 time.

23 And first we will go to Meagan Subers.
24 Please go ahead.

25 MS. SUBERS: Thank you, Chair Vazquez and BOE

1 board members. I really appreciate the conversation
2 this afternoon.

3 My name is Meagan Subers. I'm speaking on
4 behalf of the California Professional Firefighters to
5 communicate our opposition to SCA-4.

6 The California Professional Firefighters
7 represents more than 34,000 career fire-fighting and
8 emergency medical services personnel statewide.

9 This measure repeals portion of Prop 19 which
10 was adopted by the voters in 2020 and was supported by
11 the CPS.

12 As you know, Proposition 19 enacted several
13 reforms to California's property tax law. First, it
14 expanded provisions to protect homeowners and vulnerable
15 groups such as seniors, wildfire victims severely
16 disabled by expanding the ability for homeowners to
17 exercise the base year value transfer from one county to
18 another.

19 It also included the second provision to
20 revise the property tax reassessment requirement on
21 inherited properties. These important changes adjust
22 how properties that are transferred between parent or
23 grandparent and their children or grandchildren will be
24 reassessed, and reforming the intergenerational transfer
25 policies were subject to significant discussion in the

1 legislature, and were subject to a 2017 LAO report which
2 suggested the legislature may want to revisit the
3 inheritance exclusion.

4 Under Prop 19 the revenue generated by these
5 provisions is dedicated to local governments and the
6 critical services they provide, including fire and other
7 public safety services.

8 The LAO performed another analysis of Prop 19
9 and found that some of the provisions of the property --
10 that the propositions decreased property tax, others
11 increased them, which on balance is likely to create a
12 net positive on property tax collection.

13 Property tax revenue is vital to support local
14 services, including fire-fighting, emergency medical
15 services, and education, and for these reasons CPS is
16 respectfully opposed to SCA-4.

17 Thank you for the opportunity to share our
18 perspective with you today.

19 MR. VAZQUEZ: Thank you.

20 AT&T MODERATOR: Next we'll go to Jen Kilroy.

21 MS. CICHETTI: Before we go, AT&T Operator,
22 can you hold on one second, please.

23 AT&T MODERATOR: Sure.

24 MS. CICHETTI: I just wanted to make sure the
25 chairman, Mr. Vazquez, know that there are 17 people in

1 the queue to do, and I have about 20 items to read into
2 the record.

3 Did you want to change the time per person, or
4 do you want to still continue to keep it at three
5 minutes?

6 You want to reduce it to --

7 MR. VAZQUEZ: Are we -- I guess -- I'm looking
8 at our attorney. Do we have the power -- I don't want
9 to cut people off.

10 Do we have that right, when there is that many
11 speakers, to limit it to a minute or minute and a half,
12 or I don't know.

13 What's the rule on this?

14 MR. NANJO: Yes. So Chairman Vazquez, as part
15 of your authority as chair, you do have the authority to
16 limit speakers to a lesser amount of time, so you can do
17 either two minutes or a minute and a half, whatever is
18 your pleasure.

19 MR. SCHAEFER: Ninety seconds.

20 MR. VAZQUEZ: Why don't we do a minute and a
21 half, because I know people have been waiting.

22 And at the end of the day, for those that are
23 on the -- in the queue, we are going to take this up
24 next month as well, so they will have another
25 opportunity at it, right, depending on what happens.

1 MR. NANJO: That is correct, and they are
2 always free to submit written record -- written comments
3 as well.

4 MR. VAZQUEZ: Okay. Thank you if. People are
5 comfortable with that, we'll go with a minute and a
6 half.

7 MR. GAINES: Quick question if I could.

8 MR. VAZQUEZ: Member Gaines, go ahead. I'm
9 sorry.

10 MR. GAINES: What are your thoughts about
11 asking questions? So we have callers coming in. Can we
12 ask questions, too?

13 MR. VAZQUEZ: I don't think we can legally
14 give a dialogue, but we could ask maybe staff.

15 Are you referring to staff or to the speakers?

16 MR. GAINES: The callers. Respond to the
17 callers.

18 MR. NANJO: Because this is an agendized item,
19 you can ask clarifying questions to the callers, but
20 given the number of callers and comments that you have,
21 be careful because you could burn up a lot of time doing
22 that obviously.

23 MR. GAINES: Okay.

24 MR. NANJO: Thank you.

25 MR. GAINES: Could I ask a question?

1 MR. VAZQUEZ: Sure. Go ahead.

2 MR. GAINES: I don't know if Meagan is still
3 on the line with California Professional Firefighters.

4 MR. VAZQUEZ: Go ahead and see if she picks it
5 up.

6 MR. GAINES: Meagan, are you there?

7 MS. CICHETTI: We have to ask the -- AT&T
8 Moderator, is the last caller still on the line, to be
9 able to open up her line?

10 AT&T MODERATOR: I am going to try to locate
11 the line. Just one moment, please.

12 MS. CICHETTI: Thank you.

13 MR. GAINES: That's AT&T. That's the operator
14 that is organizing the calls.

15 AT&T MODERATOR: It looks like she
16 disconnected.

17 MR. GAINES: Okay.

18 MR. VAZQUEZ: She may be listening. Maybe if
19 she comes back on --

20 MR. GAINES: Just one thing that I would like
21 clarification on would be, is that position steadfast,
22 or is there any room for negotiation?

23 MR. VAZQUEZ: With the firefighters, you mean?

24 MR. GAINES: With the firefighters, given the
25 many challenges we're having with our constituents.

1 So I'll just leave that question out there,
2 and maybe we can get a response at some point.
3 All right. Thank you.
4 MR. VAZQUEZ: Thanks.
5 MS. CICHETTI: All right.
6 MR. VAZQUEZ: Okay. Let's go to our next
7 speaker.
8 MS. CICHETTI: I just want to make a statement
9 then.
10 From this point forward we're allowing the
11 call-in public comments to be one minute, 30 seconds.
12 We also ask that everyone please state their
13 name, and please speak slowly and clearly so that you
14 can be recorded by the hearing reporter.
15 Thank you.
16 MR. VAZQUEZ: Very good.
17 MS. CICHETTI: So AT&T Moderator, could you
18 start to begin the people on the queue.
19 AT&T MODERATOR: Yes.
20 Next we will go to Jen Kilroy.
21 Please go ahead.
22 MS. KILROY: Hi. Thank you. Can you hear me?
23 MR. VAZQUEZ: Yes, we can hear you.
24 MS. KILROY: Okay, great.
25 So I joined the annual meeting last summer in

1 person up in Sacramento. It was a great experience to
2 meet some of you folks and talk about the Proposition 19
3 impact.

4 I have just three kind of general points to
5 make.

6 I think today's dialogue about Proposition 19
7 illustrates beautifully that even our government
8 representatives are not totally versed on the wicked
9 impacts that this proposition is going to have. And I'm
10 totally empathetic. You have very well busy jobs.
11 There are oodles of bills to track. But the magnitude
12 of this impact is going to be catastrophic, in my eyes.
13 I think it will change the fabric of this great state
14 far for the worse, and 95 percent of people in the state
15 have no idea it's coming or it's here.

16 I was a signature-gatherer when we were trying
17 to get this put back on the ballot. Very troubling to
18 me was, A, the deceit that was used by the groups
19 backing this proposition were incredibly deceptive.
20 They played on the, you know, heart strings of disabled
21 people and fire victims, without being forthright of
22 what was being given up, the fact that you were making a
23 major trade of something that was in place for 35 years
24 in our state.

25 And ironically, the putting forth of this bill

1 will actually impact, or has already, quite a few
2 disabled people that were banking on getting their
3 family home.

4 MS. CICHETTI: All rightie. Excuse me.

5 Ms. Gilroy, time is expired.

6 MS. KILROY: Oh, can I have 30 more seconds,
7 please?

8 I just think the attorney general should
9 police this. We shouldn't have to set this stuff.

10 My biggest concern is the rental market, the
11 mom-and-pop, that serve as school teachers, that serve
12 as garbage collectors. All of those affordable housing
13 units are being wiped out by this. Nobody is talking
14 about that. Nobody is looking at that.

15 So thank you very much.

16 MR. VAZQUEZ: Thank you.

17 Next.

18 MS. CICHETTI: Mm-hmm.

19 MR. VAZQUEZ: I know it's going to be tough
20 for people to hold it down to a minute and a half.

21 AT&T MODERATOR: Next we'll go to Karen
22 Deloumi.

23 Please go ahead.

24 MS. DELOUMI: Yes. Can you hear me okay?

25 MR. VAZQUEZ: Yes. Go ahead.

1 MS. DELOUMI: Okay.

2 I am for SCA-4. I have a disabled relative.
3 I am a mom-and-pop with rentals, and so we get hit -- my
4 family gets hit once I am no longer here.

5 This thing was very deceptive. Even the
6 person who did the changes last minute referred to, oh,
7 "I guess there's some collateral damage."

8 It was so badly thought out the way it was
9 able to overturn something that normally takes
10 two-thirds of a vote. I mean, it just boils my blood
11 that this thing even passed without the right amount of
12 thought.

13 I could go on and on. I think it's a very sad
14 day for California if this thing does not get
15 overturned. And our community needs people of all
16 levels, and basically you are pushing them out. And as
17 someone who rents to people who are on assistance, you
18 are basically going to be paying twice.

19 I have to either raise the rent, or the people
20 who get housing decide they don't want to pay the higher
21 rent, well, I can't rent to them anymore.

22 So we lose on the whole state having to do
23 with affordable housing in so many ways, and my disabled
24 relatives --

25 MS. CICHETTI: Ms. Deloumi, your time is

1 expired. Excuse me, Ms. Deloumi, your time is expired.

2 Thank you.

3 AT&T MODERATOR: Next we'll go to Jennifer
4 Kennedy.

5 Please go ahead.

6 MS. KENNEDY: Hi there. This is Jennifer
7 Kennedy. I am an attorney in Pasadena, in Southern
8 California.

9 I've been an advocate against Prop 19 since
10 the 2020 election, and I am so glad -- thank you so much
11 to Senator Seyarto and the co-authors for introducing
12 this SCA-4.

13 I agree with every adjective used so far
14 including "wicked," "catastrophic," "devastating,"
15 "wipe-out," because that's what Prop 19 has been to our
16 35 years of protection that we had extending Prop 13
17 protections to transfers of property between parents and
18 children.

19 And the campaign, again, for Prop 19 was so
20 deceptive. It had so many moving parts, and it misled
21 the California voters, and so I really would love to see
22 SCA-4 be approved.

23 I do hope on May 10th that the Governance and
24 Finance Committee actually allows it to be heard,
25 because you might remember Senator Pat Bates had

1 introduced SB 668 to create a grace period to Prop 19,
2 and back then, in 2021, that committee held the bill.
3 They didn't even allow it to have a hearing to create a
4 grace period. So my fingers are crossed that they
5 actually give this a hearing.

6 I fully support the repeal of this horrible,
7 pathetic excuse for a parent-child transfer exclusion
8 that Prop 19 dreamed up, and I sincerely hope that we
9 can see the reinstatement of Prop 98 and those
10 protections for property transfers. That's what
11 our California families deserve to create generational
12 wealth.

13 MS. CICHETTI: Ms. Kennedy, your time has
14 expired. Thank you.

15 MS. KENNEDY: Thank you so much.

16 MR. VAZQUEZ: Thank you.

17 AT&T MODERATOR: Next we will go to Mary
18 Elisa.

19 Please go ahead.

20 MS. ELISA: This is Mary Elisa speaking on
21 behalf of the Mission Street Neighbors in San Francisco.
22 We support SCA-4.

23 And now that I've heard some of the details,
24 I'm kind of appalled, in a way, that what we are hearing
25 about the huge number of inquiries, the fact that I

1 guess there's been no money that's actually gone to the
2 recipients, or if there has been, it would be really
3 good to have that in the next report at the next meeting
4 that you hold.

5 And I guess I just do want to thank you for
6 having this information, and letting us know how to
7 respond to this in writing when we file our position
8 papers. That's a really good thing to know. And I
9 guess if I were going to buy property for my kids, I
10 would definitely not want it to be in this state.

11 Thank you.

12 MR. VAZQUEZ: Thank you.

13 AT&T MODERATOR: And next we will go to Rob
14 Shaezalein.

15 Please go ahead.

16 MR. SCHAEZALEIN: Thank you. Thank you for
17 the opportunity.

18 My name is Rob Shaezalein, and I am a
19 third-generation San Franciscan, and was fortunate
20 enough to have parents that could help me buy my first
21 house in 1992 where I still live.

22 But my parents were not occupiers of the
23 house, and we went in on it 50-50, so now when my mom
24 passed away in 2022, I am going to take a huge
25 catastrophic increase in my property taxes.

1 We also own a small business that was owned by
2 the family. The same thing is going to happen.

3 We are not high-income earners. We are just
4 moderate-income people, and this is going to be
5 devastating, just financially devastating to people like
6 us who don't fit that little thing where you are given
7 exemption.

8 I feel like this is Prop 13 being repealed
9 completely because it is going to really impact us
10 financially, and I hope that there is a chance that this
11 can be fully repealed, because we don't qualify for any
12 of the exemptions because we -- my mom didn't live there
13 when she passed away, so we are stuck holding the bag.

14 Thank you very much for letting me have a
15 chance to voice my opinion.

16 MR. VAZQUEZ: Thank you.

17 AT&T MODERATOR: And next we'll hear from
18 Rachel Rehmet.

19 Please go ahead.

20 MS. REHMET: I am a native Californian. I
21 live with my family of origin, so this has been my home
22 for about 50 years.

23 My career is an artist. I am low income, and
24 I bring great joy to others with my work.

25 One of the main reasons I can be an artist is

1 because I live at home. To help financially in the
2 future, my mother had advised that I could rent out a
3 room in the house.

4 With Prop 19, that option is gone. Up until
5 my mother's death, the taxes will be so high I may have
6 to sell my house. What would I be able to afford in
7 California? I may have to move out of state, leaving
8 the only home I've ever known.

9 My mother has just had a heart attack, and I
10 know that our time is limited, and I'm terrified that I
11 will lose my home.

12 I'm asking for my protections back. Please
13 support SCA-4. If I can't pay, I can't stay.

14 Thank you.

15 MR. VAZQUEZ: Thank you.

16 AT&T MODERATOR: And next we'll hear from
17 Trisha Crane.

18 Please go ahead.

19 MS. CRANE: Hi, there.

20 As an advocate for both homeowners and renters
21 in my Santa Monica community, I'm asking for you to
22 support SCA-4 if not now, then when you have heard the
23 legislature weigh in.

24 We are in the midst of a housing affordability
25 crisis, and it would do great harm to allow Prop 19 to

1 stand where we will have an opportunity hopefully to fix
2 it.

3 The most affordable housing is the housing you
4 and your family live in, and that's a good thing.

5 SCA-4 will leave the Prop 19 affordability
6 provision in place, which I think a lot of people were
7 sold on when it was marketed, but it will repair the
8 damage caused by Prop 19 for families and our children
9 and grandchildren.

10 We had a meeting in which LA County Assessor
11 Jeff Crane described it as a "dumpster fire," and he
12 said it won only by deception.

13 He told our community group that it has failed
14 to generate the revenues promised to firefighters and
15 local government.

16 So SCA-4 will provide stability for homeowners
17 and renters, renters who will be displaced because
18 apartment building owners will be forced to sell their
19 properties to avoid high taxes arising from Prop 19.

20 So as an advocate for all people, please
21 protect all of us and support SCA-4 when the time comes.

22 Thank you for your service, and thank you for
23 hearing us.

24 MR. VAZQUEZ: Thank you.

25 AT&T MODERATOR: And next we'll hear from

1 Sharon Kramer.

2 Please go ahead.

3 MS. KRAMER: Thank you for taking my comments.

4 I'll try to keep them brief.

5 Can you hear me?

6 MR. VAZQUEZ: Yes. Go ahead.

7 MS. KRAMER: Thank you.

8 I am asking for your support for SCA-4, and I
9 am in a full agreement with all the comments that have
10 been stated because I understand them and I've been on
11 this whole road.

12 My family, like hundreds of thousands of other
13 Californians, has been negatively impacted by the
14 changes that were included in Prop 19.

15 After caring for my elderly mother with
16 dementia for seven years in our family home, our modest
17 family home, my mother passed away just two months after
18 the hastily and poorly written Prop 19 was implemented.
19 And do you know -- only two months after that was when
20 it was enacted.

21 So we all had to scramble and work to just
22 understand that new law, all the while, during the
23 pandemic, when every county and state offices and most
24 businesses were completely closed, parents were locked
25 away in convalescent homes, and we were left distressed.

1 So many radical changes hit us at that time,
2 and it was wrong to have this one implemented as it was.
3 It was completely wrong.

4 All of our family homes were put in jeopardy.
5 And I worked very, very hard. And so it may not be
6 retroactive --

7 MS. CICHETTI: Ms. Kramer, your time has
8 expired.

9 MS. KRAMER: I'm calling on behalf of all of
10 Californians.

11 MS. CICHETTI: Thank you.

12 AT&T MODERATOR: Next we'll hear from Alice
13 Kwei.

14 Please go ahead.

15 MS. KWEI: Yes. Can you hear me okay?

16 MR. VAZQUEZ: Yes. Go ahead.

17 MS. KWEI: Okay.

18 My name is Alice Kwei, and Board members,
19 thank you for the opportunity to hear us out.

20 I'd like to express my very strong support for
21 SCA-4. Since Prop 19 went into effect, I have seen huge
22 negative impacts to people across California. People,
23 right after their parents pass, they get hit with this
24 huge property tax bill, and this impacts especially the
25 seniors, and those with no earning capability. And even

1 those with moderate income, they cannot afford the huge
2 property tax bill, and they are forced to move out of
3 their property and sell the property.

4 And not only houses -- people with houses are
5 impacted, but I believe family businesses are also
6 impacted.

7 Myself, I was a new immigrant to California
8 over four decades ago, and my family has worked very,
9 very hard to stay here in California. Mother is already
10 91 years old. We love to stay in California. We want
11 our children to stay in California, so I'm urging you to
12 please, please support SCA-4.

13 Thank you very much.

14 MR. VAZQUEZ: Thank you.

15 AT&T MODERATOR: And next we'll hear from
16 Ollie Ludwig.

17 Please go ahead.

18 MR. GAINES: Question or clarification, if I
19 could, just briefly.

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

21 MR. GAINES: If we could have Ms. Cichetti --
22 could you maybe give them 15 seconds' warning prior
23 to -- I know in some cases you've done that, but if we
24 could just consistently do that so they can wrap up.

25 MR. VAZQUEZ: So they can wrap up.

1 MR. GAINES: I hate to have someone cut off in
2 the middle of a sentence.

3 MS. CICHETTI: Sure.

4 MR. GAINES: Thank you.

5 MR. LUDWIG: Can you guys hear me?

6 MR. VAZQUEZ: Yes. Go ahead.

7 MR. LUDWIG: Okay, thank you.

8 I wanted to say thank you for the opportunity
9 speak to Chair Vazquez and the Board members.

10 I'm calling in support of SCA-4. My mother
11 died 13 days after the deadline, but be that as it may,
12 she had always imagined that she would rent to a student
13 who could barely afford life and was trying to get
14 ahead, and we always wanted to honor that.

15 Now, I don't want to dwell too much on my own
16 sob story. I would have moved instantly back to
17 California to have fallen within that one-year deadline,
18 but I work in Valley Forge, Pennsylvania for Vanguard
19 Group, the wonderful asset management company which is
20 all about, you know, giving the middle class an
21 opportunity, and it's that middle class question that I
22 really want to emphasize before I conclude.

23 That's what's at stake here, is the state of
24 the middle class in the Golden State. I love the Golden
25 State. Even though I don't live there, I dream about it

1 every day.

2 What is going to be left if this law remains,
3 the law that Prop 19 engendered, is going to be a very
4 wealthy class and a very poor class, and it will gut the
5 middle class.

6 And I don't want to emphasize my sob story
7 about how Prop 19 changed everything. I want to
8 emphasize that the middle class in California is what
9 the magic of the Golden State is all about.

10 MS. CICHETTI: Fifteen-second warning,
11 Mr. Ludwig.

12 MR. LUDWIG: Take that away -- thank you.

13 MR. VAZQUEZ: Thank you.

14 MR. LUDWIG: Take the middle class away from
15 California, and that's it. Game over.

16 So SCA-4 is a good chance for a do-over
17 because COVID-19 and the crazy election of 2020, people
18 weren't paying attention to the salient issues, and this
19 will give them a chance to do so.

20 Thank you.

21 AT&T MODERATOR: And next we'll hear from
22 Roberta Dax Rundinow now.

23 Please go ahead.

24 MS. DAX RUNDINOW: Thank you very much.

25 I actually read Proposition 19 and voted

1 against it, but unfortunately not many people read past
2 the wildfire benefit, to seniors.

3 So I'm in Los Angeles. I'm also in Lake
4 Arrowhead. Lake Arrowhead, people there don't know
5 either. It's a resort community, second homes,
6 generationally passed from generation to generation.

7 They don't know it's coming. It will be
8 devastating to small communities like that that have
9 enjoyed their family homes, and if there is, you know,
10 more than one child, that's not the primary home
11 obviously.

12 So this is really -- it was devious. And
13 hearing about the million-dollar value from Proposition
14 58/193, you know our real estate values in California
15 have gone through the roof. Maybe the million dollars
16 needs to be adjusted there as well.

17 I'm a housing provider, mom-and-pop. I have a
18 couple of them, and I provide good service. When I'm
19 gone and that market value takes over again, my son that
20 I worked so hard to pass this on, he will have to sell
21 it, and who knows who will buy it.

22 But please support SCA-4. It needs your
23 support. It needs the entire legislature's support to
24 help California --

25 MS. CICHETTI: Fifteen-second warning.

1 THE WITNESS: People don't know what's coming,
2 and that's a heartbreak.

3 Thank you so much.

4 MR. VAZQUEZ: Thank you.

5 AT&T MODERATOR: Next we'll hear from Inge
6 Daumer.

7 Please go ahead.

8 MS. DAUMER: Thank you very much.

9 I am a native Californian, and now I am a
10 senior, and the only reason I have a roof over my head
11 is because of my grandfather. I have been here in the
12 house that he purchased the year I was born all this
13 time.

14 And when I inherited in the seventies, thank
15 God it's been here for me. I don't know how to tell you
16 what it's meant, and the fact that I have it, and a roof
17 over my head now.

18 I am just appalled at what happened. I went
19 out and tabled and had petitions signed and whatever to
20 try and inform the public on a really devious ballot
21 measure that was -- I was also the first fire -- female
22 firefighter back in my twenties, and I'm certainly not
23 there, and I, as a firefighter, wouldn't have supported
24 this stupid bill.

25 So I really encourage you -- my little city --

1 my little city is -- the gentrification that has
2 happened, people come in from out of the area --

3 MS. CICHETTI: Fifteen-second warning.

4 MS. DAUMER: -- and buy up -- buy up a
5 property for a million. And yes, the middle class or
6 the lower poor people are gutted by this bill.

7 So please support SCA-4. Please.

8 MR. VAZQUEZ: Thank you.

9 MS. DAUMER: Thank you.

10 AT&T MODERATOR: And next we'll hear from Evan
11 Kriss.

12 Please go ahead.

13 MR. KRISS: Yes. I'm writing in strong
14 support of SCA-4. I believe that Proposition 19 was a
15 really -- it was a very, very poorly written bill in
16 which, you know, most people, when they are looking at
17 the countless propositions on the California ballot,
18 don't always have time to read them all thoroughly. I,
19 on the other hand, do, and a lot of people call me to
20 ask me what they mean.

21 And the way Prop 19 was worded, it sounded
22 great. Hey, yeah, help the wildfires. You know, we
23 want more funds for that. Help seniors and disabled
24 people. And they did not read the part about Prop 19 --
25 in Prop 19 where it affected property values.

1 I am also a proud member of the Howard Jarvis
2 Taxpayers Association, and I asked them, how much of
3 that money, that wildfire relegated money actually went
4 to, you know, working in helping with the wildfire
5 situation? They told me none to date.

6 I would like to know where the hell that money
7 is. Why is it -- what is it being used for? And why
8 are you taking homes away from people?

9 I moved in with my mother ten years ago. We
10 bought the house in 1972. I'm in Northern California.
11 I moved in with her ten years ago --

12 MS. CICHETTI: Fifteen-minute --
13 fifteen-second warning.

14 MR. KRISS: -- and I stayed with her for those
15 ten years taking care of her until she passed in 2022,
16 and then I was slammed with a tax bill five times what
17 she had to pay.

18 This is wrong. Please address this situation.
19 Restore Prop 58. Restore Prop 13. Repeal the death tax
20 penalty in Prop 13, and in the Prop 19 that overrode the
21 Prop 13 benefits.

22 Thank you.

23 MR. VAZQUEZ: Thank you.

24 AT&T MODERATOR: Next we'll hear from Vaughn
25 McGuire.

1 Please go ahead.

2 MR. McGUIRE: Hi, everybody. Vaughn McGuire.

3 First I'd like to thank Senator Seyarto and
4 any other co-sponsors supports.

5 Regardless of how this shakes out, I'm really
6 grateful to see somebody standing up for the middle
7 class in California, and also very grateful for Howard
8 Jarvis, the taxpayer association.

9 In our case Prop 19 literally unwound 42
10 years' worth of very careful planning on my mother's
11 behalf. I was born permanently disabled, which, you
12 know, you can put in the negative column.

13 In the positive column, though, I had a mom
14 that was very conscientious of her son's needs, and
15 when I was -- I'm 54 now. When I was 12 years old, my
16 mom realized my son may not be able to work for very
17 long. His body has too many issues.

18 And when I was 12 years old, she bought a
19 duplex with the idea that if we ever actually got it
20 paid off, that I would have income when she was gone.

21 And you know, my mom did not make a lot of
22 money. She was a nurse back when nurses didn't make
23 very much, but still managed to do this. Eventually got
24 the mortgage paid off.

25 And when I was 44 years old, so 10 years ago,

1 my body just blew apart and I couldn't work anymore, and
2 on the last 10 years I've been relying on the income
3 stream from that property for me to pay my rent.

4 MS. CICHETTI: Fifteen-second warning.

5 MR. McGUIRE: Thank you very much.

6 Prop 19 passed. Now I will eventually be
7 taxed on the building when she's gone. Not only that,
8 we have two low-rent tenants that are under rent control
9 that will also likely be forced out.

10 So it will take away my income stream, unwind
11 44 years of planning, and likely displace two low-rent
12 tenants. I don't see how this is helping the state of
13 California whatsoever.

14 Thank you again.

15 MR. VAZQUEZ: Thank you.

16 AT&T MODERATOR: Next we'll go to Carol Attia.
17 Please go ahead.

18 MS. ATTIA: Well, I would like to thank all
19 the speakers, and echo their sentiments.

20 I'm a senior. Twenty years ago I was
21 fortunate enough to have inherited the house I grew up
22 in from my parents.

23 Because the house was already 44 years old, I
24 spent a substantial amount of money upgrading it before
25 renting it.

1 The property tax is reasonable, which is what
2 I inherited from my parents, and I'm able to keep the
3 rent below market rate. My tenants are happy, and
4 there's minimal turnover.

5 If the property tax were to go up, I would
6 have to double or triple the rent, and I'm sure the
7 young people living there would leave.

8 California has the dishonor of being -- having
9 more homeless inhabitants than any other state in the
10 country. Raising the tax on real property will only
11 increase homelessness, and property owners will be
12 forced to raise the rents, and tenants of moderate means
13 like the people who just spoke will have to move.
14 Increased homelessness will lead to increased crime.

15 Please, please vote to move SCA-4 to the
16 ballot, and we all appreciate your time and your
17 listening.

18 Thank you.

19 MR. VAZQUEZ: Thank you.

20 AT&T MODERATOR: And next we'll go to Sed
21 Young.

22 Please go ahead.

23 MS. YOUNG: Thank you so much.

24 I just want to give a shout out to Vice Chair
25 Sally Lieber, who I voted for. And thank you for all

1 your great questions.

2 I did support SCA 4. Prop. 19 had sneaky
3 ballot language. And I'm embarrassed that the
4 California Association of Realtors gave a major lobbying
5 donation to get this thing passed.

6 I am a Realtor, but I voted against this bill.
7 But only because I saw this in the long ballot language
8 booklet. The short ballot language that fits on the,
9 you know, paper ballot was abbreviated so much it left
10 out the whole part about taxing upon death of
11 multi-generation property.

12 So I have clients who live in east Palo Alto.
13 They're unsophisticated multi-generation Tongan family.
14 And the mother needed to refi, but she had bad credit.
15 So the daughter wanted to go on title. And the only
16 lender who would loan to them to make the loan wanted to
17 do a purchase money loan, and not a refi. So that
18 triggered a possible reassessment.

19 But we went down to the San Mateo County tax
20 recorder's office, and they hate this thing. They --

21 MS. CICHETTI: Fifteen-second warning.

22 MS. YOUNG: It's so much extra paperwork, and
23 they have to explain it to people. And it was
24 heartbreaking. And I still don't know if she'll
25 probably lose the house when she dies. She's older than

1 I am.

2 But I just hope that they'll work this thing
3 out, and not harm immigrant families that don't
4 understand what they're signing, and don't understand
5 what they voted for.

6 Thank you.

7 MR. VAZQUEZ: Thank you.

8 AT&T MODERATOR: And we have no further
9 comments at this time.

10 MS. CICHETTI: Thank you, Moderator. I
11 appreciate that.

12 I will at this time, then, read the written
13 comments that we've received.

14 The first one is from Carol.

15 "Please support SCA 4. This is critical to me
16 and my family and extended family. I grew up here,
17 raised my children here, and without your support, we
18 will all likely be moving away.

19 I am very sad about the current Prop. 19
20 dilemma disaster. Please help fix the issue. With your
21 support, we can make this a beautiful place to stay and
22 raise our future families.

23 Thank you."

24 The next one is from Debbie Ozaki.

25 Please support SCA 4. This is important to

1 many families."

2 The next public comment is from AMC.

3 "Please support SCA 4 to restore parent-child,
4 grandparent-grandchild, in event my parents death
5 property tax exclusion, most families who benefit from
6 the parent-child property tax exclusion, which Prop 19
7 repealed, are not wealthy. They are family homes,
8 mom-and-pop landlords, small businesses and farms.

9 A lot of these homes, rentals, and businesses,
10 and farms, which have been in families for generations
11 are lost, forced to sell, due to the fact that they
12 cannot sustain the massive property tax increases.

13 So what happens then? Children are forced to
14 sell the family home, gentrification, rental properties
15 are bought, and rents increase due to massive property
16 tax bills. Family farms are brought up by big corporate
17 farmers or developers who build whatever, and no more
18 small businesses.

19 Prop. 19 was intentionally misleading. And
20 "The Big Lebowski," touted by Realtors, who poured out a
21 lot of money into campaigning for passage for Prop. 19
22 was not accurate.

23 Most wealthy have their properties and
24 businesses in LLCs, with no member owning more than
25 50 percent, which equates to no property tax assessment

1 upon sale.

2 Please support SCA 4."

3 The next one is from Michelle Mojas.

4 "Please support SCA 4. So many families are
5 getting forced out of their homes and out of the area.

6 As a realtor, the majority of homes lately
7 have been due to trust sales. Many of the buyers are
8 purchasing homes as investments, not as primary homes,
9 many times leaving them vacant as second homes.

10 We are becoming a state only for the wealthy.
11 Prop. 19 restrictions and reassessment rate of base tax
12 plus 1 million doesn't even come close to the value of
13 Bay Area homes. This is especially true in Silicon
14 Valley area between San Francisco and San Jose.

15 It's a shame to me to see so many families
16 having to move out of the area and apart from family.

17 Please repeal the death tax."

18 The next one is from Lannon Tanchum.

19 "Please support SCA 4. Very important to me
20 and my family to return property tax rights to prior to
21 Prop. 19.

22 Lannon Tanchum, Rancho Palos Verdes, 90275."

23 The next one is from Christine LeQuang.

24 "Please support SCA 4."

25 The next one is from Mrs. Lilly Lim.

1 "To the Board of Equalization, please support
2 SCA 4, a big bipartisan measure to fix Prop. 19, which
3 narrowly passed on the 2020 ballot.

4 Prop. 19's death tax should also be known as
5 an elder scam and disabled abuse law, because it duped
6 many seniors with deceptive advertising with 45-plus
7 billion from the California Association of Realtors that
8 promoted helping seniors and the disabled to move three
9 times, help fire victims and help firefighters, now
10 known as political sweeteners to fool voters.

11 If Prop. 19 was presented honestly to voters
12 with the question, 'Do you seniors want to have all
13 properties that you have left to your heirs be
14 reassessed to current market value with unaffordable
15 high property tax, or be able to move three times during
16 your senior year?

17 That Prop. 19 would not have passed. Timing
18 was wrong too. November 2020 ballot was when there was
19 the worldwide COVID-19 pandemic, and people were
20 distracted with health issues and family adjustment, to
21 the closing of schools and work from home.

22 Prop. 19 is so deceptive with multiple tax law
23 changes that people still are not aware of the harm of
24 Prop. 19 until the elderly homeowners pass away.

25 Not only have to deal with death in the

1 family, the heirs will be shocked with the risk of
2 losing the family home and business due to the
3 unaffordable property tax that could escalate from
4 10,000 per year to 50,000 plus per year for a basic home
5 in major cities in California.

6 Another elder abuse Prop. 19 is that many
7 seniors are having a very difficult time to try to
8 influence and inform the politicians to fix Prop. 19,
9 because most elderly seniors are low tech, and do not
10 know how to use social media. Many also do not use
11 smart phones, and no Internet at home.

12 Please support Senate Constitutional
13 Amendment 4 in order to have a place on the 2024 ballot
14 to give citizens, especially the elderly, a fair chance
15 to know what they are voting for.

16 SCA 4 link.

17 Your help is much appreciated.

18 Respectfully, Mrs. Lilly Lim, a retired
19 elderly senior in the Santa Clara County."

20 The next one is from Denise LeeMonday.

21 "SCA 4 will fix the negative ramifications of
22 what Prop. 19 had -- has caused, and would save families
23 from losing their properties due to the skyrocketing tax
24 bills.

25 Politicians and special interest groups, i.e.,

1 California Realtors Association, since they've wanted
2 people to be forced to sell in a limited housing
3 inventory environment, deceive voters with Prop. 19's
4 ballot language.

5 Prop. 19 was a deceptive tax increase that
6 politicians snuck past voters, and it never would have
7 passed if voters knew what they were voting on.

8 For mom-and-pop landlords who have kept rents
9 below market -- and lots of them do -- when they die and
10 properties are passed to their heirs, property taxes
11 would go up.

12 Who pays? Tenants or heirs would sell the
13 rental properties. And guess who would purchase these
14 properties? Large investment groups, thereby raising
15 rents, treating tenants 100 percent like business as
16 usual. Mom-and-pop landlords are personable and have
17 good relationships and empathy for their tenants.

18 In addition, Prop. 19 was supposed to assist
19 California fire victims, so that they would relocate to
20 other parts of California, maintaining their low
21 property tax bracket.

22 This problem is, their homeowner's insurance
23 only cover for rebuild, not the land on it. So how
24 would these fire victims, i.e., Shasta County, be able
25 to utilize the insurance reimbursement, and purchase

1 another home anywhere in California?

2 It would be slim choices, if any."

3 The next one is from Kathy Chin.

4 "Repeal the death tax. Please support SCA-4.

5 Very important to me and my family.

6 Thank you."

7 From Frank Chin.

8 "Repeal the death tax. Please support SCA-4.

9 Very important to me and my family.

10 Thank you."

11 Inge Lorentzen Daumer.

12 "I wholeheartedly request your support and

13 backing for this restorative legislation.

14 As a senior on a fixed income, I would not
15 have a roof over my head today if this provision had not
16 been in effect when I inherited from my grandparents so
17 many years ago.

18 I do not want my only son to have to lose this
19 generational home, because he cannot afford the market
20 value assessment upon my death.

21 Far better if he could provide a reasonable
22 rental for much-needed affordable housing, while being
23 able to fix all the remedial needs and repairs I have
24 not been able to afford.

25 This house is all I have. Please support

1 SCA 4.

2 Thank you."

3 Ms. Suzanne Carlos.

4 "Dear Board Members, my name is Suzanne, and I
5 live in San Jose, California.

6 I am 70 years old of age, single, and a
7 retired school teacher.

8 My father immigrated to the US from Greece
9 when he was a teenager. He worked hard driving a taxi
10 in San Francisco. Providing for his family was his top
11 priority.

12 It was my father's wish that I inherit our
13 home after my mother passes. She is now 99 years of
14 age. He wanted to make sure I had security when I
15 retired. I believed I had nothing to worry about.
16 Prop. 19 has become my worst nightmare. I beg you to
17 support SCA 4."

18 The next one is from "anonymous."

19 "We must repeal Prop. 19. Recently introduced
20 bipartisan Senate Constitutional Amendment 4 will
21 reinstate the property tax law that was in place since
22 1986, yet, was narrowly overturned by the narrowest of
23 margins in 2020 during the pandemic via Prop. 19.

24 The advertising to voters only focussed on a
25 few of the changes, like allowing people 55 plus to move

1 up to three times anywhere in the state of California,
2 while having the ability to keep the same assessed
3 property tax on new property purchased.

4 However, the same communication was not
5 transparent and conveniently omitted the very important
6 point that almost all property would be reassessed at
7 current market value upon the transfer of said property
8 from parent to child upon death.

9 Why?

10 Prop. 19 was almost exclusively backed by one
11 special interest group, California Association of
12 Realtors. Follow the money. CAR/Realtors benefit from
13 every sale. CAR/Realtors benefit if a senior sells one
14 property and purchases a new home. CAR/Realtors also
15 benefit from grieving families who are forced to sell
16 their home due to the outrageous and unaffordable
17 property taxes.

18 Every family has a different story, but the
19 common theme is that longtime Californians have no
20 choice but to sell the family home, the home they
21 currently reside in, and/or intend to move into.

22 These same families are leaving California, as
23 it's too costly to remain. They are being forced to
24 leave their support structure, i.e., family, friends,
25 medical team, their livelihood. Small family

1 businesses, having been passed from generation to
2 generation, must make the untenable decision to close
3 and sell the business. Rent is loose too, as if the
4 children must sell the property, the renters will be
5 forced to move.

6 We can do better. We can count on the BOE to
7 help influence the Legislature to vote yes on SCA 4.

8 Thank you and kind regards."

9 Next one is from Cynthia Kepple.

10 "If SCA 4 is not passed when I inherit my
11 parents' house, I will be forced to sell the house I
12 grew up in, and the house my parents have lived in since
13 1967.

14 My parents worked hard and paid many years of
15 mortgage payments and property taxes on the house. They
16 want me to have the house, but I will not be able to pay
17 the dramatically increased property tax, and I will have
18 to sell it.

19 I had hoped to pass it onto my son when I die,
20 so the house could stay in the family, and to increase
21 my standard of living. Unless SCA 4 passes, I will not
22 be able to keep the house and pass the house onto my
23 son.

24 I wholeheartedly support SCA 4, because it
25 will protect California families from being taxed out of

1 the property their parents worked so hard to acquire and
2 transfer to them.

3 I would like to urge all California Senators
4 and Assembly Members to consider being a coauthor of the
5 amendment and support SCA 4 by voting to pass the vital
6 amendment.

7 Cynthia Kepple, San Jose, 95128."

8 The next one, the Bingham Family.

9 "SCA 4. We ask that you please support SCA 4.
10 This is very important to our family. We have an only
11 child with disabilities that prevent him from being a
12 high-wage earner. Upon our death, SCA 4 will allow us
13 to pass our property to our son who is the 4th
14 generation to live on our land, without an increase tax
15 assessment that will definitely be unaffordable to him.

16 We thank you for your consideration of this
17 request."

18 Jane Van Tamelen.

19 "Please support SCA 4. Very important to me
20 and my family. It's destroying people's lives."

21 Duane DeZeeuw.

22 "Please support SCA 4. Very important to me
23 and my family.

24 I had a parent who passed away on March 24th,
25 2021. With her passing occurring after the

1 implementation of Prop. 19, the property tax on the
2 property her children inherit increased over \$10,000
3 annually. Our mother's desire was for her children to
4 keep the property within the family. With such a steep
5 increase in property tax, this is not financially
6 feasible. Please support SCA 4."

7 The next one is from Anita.

8 "State Constitutional Amendment 4.

9 Fix the part of Prop. 19 that is causing
10 people to be taxed out of their property when a parent
11 dies."

12 Shari Emling.

13 "Dear Members of the Board, unfortunately one
14 disastrous consequence of Prop. 19 was not clearly
15 disclosed during the campaign and vote.

16 The massive property tax increase when you're
17 heirs inherit your home, apartment building, ranch,
18 etc., is now being experienced, and it is causing
19 massive concern and destruction.

20 Heirs cannot afford a multiple-times tax bill,
21 and are most probably forced to sell a long-held family
22 property.

23 Businesses have such massive tax increases to
24 heirs, that their heirs have to often shut the business
25 down.

1 If one inherits an apartment building, the tax
2 increase is prohibitive. The new owner must sell.
3 Then the rents go up several times over as the new rents
4 increase to cover the new tax increase. Many renters
5 will be forced to leave the area, because they cannot
6 afford the huge increases in rents. The only solution
7 is to pass SCA 4, which would nullify this one aspect of
8 Prop. 19.

9 The actually helpful aspects of Prop. 19
10 assist to those in the military, the tax property tax
11 breaks if a senior citizen chooses to move, as they can
12 maintain their personal tax level to the next home they
13 purchase.

14 Please support SCA 4. Your constituents are
15 depending on you."

16 The next one is from Antoinette Crichton.

17 "I strongly urge the State BOE to support SCA
18 4 and help almost all homeowners in California."

19 The next one is from Diana Snyder.

20 "Dear Board, I respectfully request that the
21 Board actively support SCA 4, which would address the
22 problems of Prop. 19. SCA 4 would save family homes
23 from having to be sold.

24 Thank you.

25 Diana Snyder, Castro Valley, California."

1 And the last one. Anonymous.

2 "BOE Members are currently tasked with
3 enforcing requirements under 2020's Prop. 19 that work
4 against minority communities.

5 Here are a few ways Prop. 19 hurts minorities:

6 One, the reassessments are unaffordable for
7 all but those with huge bank accounts. My own family
8 will receive up to three property tax bills in a
9 16-month time-span as a result of my father's dying last
10 year.

11 Consider that the group who makes up the
12 majority of the working class is minorities. Their
13 wages as a group has been stagnant for the past
14 40 years. It's scary to think how many of these
15 families will be forced to sell family properties as a
16 result of the reassessments.

17 Two, right now the prevailing attitude seems
18 to be that the owning rental property is somehow bad and
19 deserving of a 100-percent reassessment. However, if a
20 family is determined to keep its property, the tax
21 increase would be passed down to the renter.

22 Not surprisingly, demographics show Blacks and
23 Hispanics are more likely to be renters than any other
24 groups.

25 Three, the stringent requirements under

1 Prop. 19 are also a problem for minorities.

2 Currently, you have to move into a parent's
3 primary home within a year of their death to qualify for
4 the approximately one million tax break.

5 If you are a child of a first-generation
6 immigrant who outdid their -- outdid your parents,
7 returning to the family home probably isn't practical.
8 The house might be too small or in a lesser
9 neighborhood. Consequently, you are denied a tax break
10 that will add up to hundreds of thousands of dollars
11 over the long term.

12 Laws that work against minorities are known as
13 structural racism.

14 Four, demographic data shows that minorities
15 are more likely to relocate farther away from home to
16 advance in their education and careers, granting a tax
17 break if they return back to the family home is simply
18 not fair to the groups.

19 The BOE should publicly express its support of
20 SCA 4, an amendment that will repeal parent-child
21 transfer laws associated with Prop. 19.

22 Thank you."

23 MR. VAZQUEZ: Thank you.

24 With that, Members, we will go ahead and close
25 this item out, and move onto our next item.

1 Ms. Cichetti.

2 MR. GAINES: Chair -- Chair Vazquez.

3 MR. VAZQUEZ: Oh, I'm sorry. Yes, go ahead.

4 MR. GAINES: I was just wondering, in light of
5 the testimony, if there might be an opportunity for us
6 to reflect on that?

7 MR. VAZQUEZ: Sure.

8 MR. GAINES: And look at making a motion in
9 support of this.

10 My concern is that, yes, the legislation can
11 change, and we should monitor that. But if this thing
12 dies on May 10th, then it's all over. We could, you
13 know, if the Board's willing, we could support the
14 legislation, and at least it would hopefully give it
15 some momentum as it moves to its first committee
16 hearing.

17 MR. VAZQUEZ: The only reservation I have is
18 that I know my Vice Chair mentioned that she had still
19 some more meetings with folks.

20 And also I wasn't aware that our Deputy -- or
21 our Controller hasn't had a chance to really weigh in on
22 this. So I was just trying to be respectful of that.
23 That's all.

24 But I feel your concerns. I think I'm with
25 you on that.

1 MR. GAINES: Yeah.

2 MR. VAZQUEZ: But I'm hoping it doesn't die on
3 May 10th, and it's still alive, and bring it back next
4 agenda or next meeting.

5 MR. GAINES: Okay. All right.

6 I just felt -- I mean --

7 MR. VAZQUEZ: I hear ya.

8 MR. GAINES: Listening to this testimony
9 brings it all back. And I just -- there's a lot of
10 hurting people that are really hurting out there. And
11 I'd like to do at least what we could in support of it.

12 But I've got to be respectful of my other
13 Members, and so --

14 MR. VAZQUEZ: No, I appreciate it.
15 Member Schaefer.

16 MR. SCHAEFER: I fully support what Ted had to
17 say.

18 And I want to point out that it's hearings
19 just like we're having today that make it essential that
20 we have elected Members up here to listen. If it
21 weren't for us, you'd have a bunch of governor's
22 appointees who don't run for office and are not as
23 sensitive as we are.

24 So this is just the type of hearing that
25 speaks up for the importance of having the BOE as we

1 know it.

2 MR. VAZQUEZ: Well noted. Okay.

3 MR. GAINES: All right. So I'll go ahead and
4 wait, unless you think we've got support.

5 MR. VAZQUEZ: I appreciate it.

6 MR. GAINES: Yeah. Okay.

7 MR. VAZQUEZ: Just to give the opportunity
8 for, at least to give the Members.

9 MR. GAINES: All right. Very well. Thank
10 you.

11 MR. VAZQUEZ: Okay.

12 With that, we will officially close this item.
13 And it will be -- for those listening, it will be on our
14 agenda, and on our May agenda as well.

15 Thank you.

16 And with that, we have, Ms. Cichetti, if you
17 would go --

18 MS. CICHETTI: Well, I don't know, do we want
19 to take a break for staff here for 15 minutes before we
20 continue on the agenda, or do we want to just move
21 forward?

22 MR. VAZQUEZ: How are we doing over there?

23 HEARING REPORTER DIANNE: We can move forward.

24 MR. VAZQUEZ: We can move forward? Okay.

25 MS. LIEBER: I think it might be beneficial

1 even for the Members to clear their head. This has been
2 a very weighty, and, for me, very emotional topic. And
3 we've taken on a lot to respond to.

4 And I know that when the subject comes up on
5 May 10th, it's going to be the sole bill in that
6 committee.

7 But I think if we could take a brief break to
8 kind of make sure that we've on-boarded all the
9 information that we've gotten, it would be beneficial.

10 And I know that we have Mr. Yeung's item, and
11 other items that are coming up still.

12 If we could take a brief break.

13 MR. VAZQUEZ: Sure. Is 10, 15 minutes good?

14 MS. LIEBER: Ten minutes, I think would be
15 more than sufficient.

16 MR. VAZQUEZ: Okay. Go ahead and take a
17 10-minute recess, and we'll be -- let's see. I've got
18 3:13. So I guess at 3:23 we'll be back.

19 MS. CICHETTI: Thank you.

20 (Whereupon a break was taken.)

21 MR. VAZQUEZ: We'll have Ms. Cichetti, please
22 call our next item.

23

24

25 //

ITEM 12

MS. CICHETTI: The next item on the agenda is Item 12, Chief Counsel Quarterly Report: General discussion on the Legal Department's workload over the last three months.

This matter will be presented by Mr. Nanjo.

MR. NANJO: Thank you, Ms. Cichetti.

Good afternoon, Chair Vazquez and Vice Chair Lieber, Honorable Members of the Board.

Today I'm here, Chief Counsel, Henry Nanjo, presenting the Legal Department's quarterly report covering the first quarter of 2023.

First, I want to thank my team for their continued dedication and hard work throughout this year.

We continue to work on filling our remaining vacancies in 2023. We have two recruitments that we're just working on now and almost finishing up, and then there are two vacancies.

Now to the Legal Department's workload for the first quarter. As you know, Members, our 2022 state-assessed appeals season that began in the third quarter of 2022 has come to a close.

Our state-assessed appeals attorney has completed the last two Section 40 decisions, SCE and

1 SFPP. And more importantly, because those are
2 Section 40 decisions, that I have them posted to the BOE
3 website. So we have completed our obligations along
4 those lines.

5 In the area of litigation, Members, as you
6 know, we continue to provide monthly written litigation
7 reports to the Board, as well as appropriate public
8 updates to our website on the BOE's public litigation
9 roster.

10 Regarding the lawsuit with La Paloma, the
11 Court has ruled in favor of the plaintiffs. And this
12 case will be subject of the closed session held later
13 today.

14 I note that we have 19 cases in various phases
15 of litigation. I know your report says 17, but two more
16 has been added. So that's an update.

17 We were able to close one case, Swanson v.
18 Franchise Tax Board, was closed on May 1st, 2023 when
19 the Supreme Court denied the plaintiff's writ.

20 We will continue to closely monitor and handle
21 the Board's litigation cases, and will continue to keep
22 you informed and updated as to any developments, in
23 closed session or via confidential memoranda, as
24 appropriate.

25 In the area of Public Records Act and

1 disclosure requests, in the first quarter we had
2 completed 59 PRA inquiries. This work is steady and
3 ongoing.

4 We had a little bit of an unusual spike in the
5 first quarter. We usually don't see quite that many.
6 But it's nothing unusual. It was mostly related to some
7 old cases under BOE 1.0, and things of that nature.

8 We expect work in this category to continue
9 through the second quarter as public inquiries come in.

10 In the area of administration support of Board
11 Proceedings Division and Exec, you'll recall that
12 administration assignments are typically requested by
13 either the Board Proceedings Division or Exec, covering
14 various administrative or Board-related, meeting-related
15 issues.

16 In the first quarter, we had six such
17 assignments, and we continue to provide that support.

18 In the area of publications review, the Legal
19 Department completed 28 legal reviews in the first
20 quarter. These publications include items originated
21 from our Property Tax Department, Communications
22 Departments, and other agency's publications.

23 In the area of regulations, I'm happy to
24 report that our Regulations 462.520 for exclusions from
25 change in ownership, intergenerational transfers; and

1 Regulation 462.540, change in ownership, base year value
2 transfers, our permanent regulations have been adopted
3 by OAL. So our emergency regulations are now permanent.

4 That occurred in the first week of March. So
5 we are -- we completed those actions, and we anticipate
6 that we're probably, through the course of this year,
7 probably going to have to do some tweaks and a little
8 adjustment.

9 Again, we will be bringing that to the Board
10 as we develop those. We are always kind of monitoring
11 and learning things that we can clarify in our
12 regulation.

13 Currently, the staff is working on
14 Property Tax Rule 192, property tax audit selection.
15 This is to clarify and make the statutory changes to
16 that section in conformity with Revenue and Taxation
17 Code 469.

18 And we continue to look for other
19 opportunities to clarify our regulations and make sure
20 we provide good enough information to the public.

21 In the area of tax program and technical
22 advice, in the first quarter, the team responded to
23 20 e-mail inquiries, 30 phone call inquiries, and we
24 also completed 3 special projects.

25 We include -- we expect work in this category

1 to continue as the quarter -- as the year progresses.

2 And, finally, for the first quarter, in the
3 area of tax program opinions, Chief Counsel, and
4 internal memoranda, we issued a total of four legal
5 opinions and memos, which include property tax technical
6 advice opinions, internal and Board Meeting-related
7 Chief Counsel memoranda. And we expect this work to
8 continue.

9 In closing, I want to, again, extend my
10 gratitude to the team for their outstanding work in the
11 first quarter.

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

14 MR. VAZQUEZ: I have one quick one, and then
15 I'll ask my Members here.

16 On -- I guess it's on your second quarter
17 here, you list out 12 new pending special projects.

18 What are special projects?

19 MR. NANJO: That's an excellent question.
20 Thank you for that, Chairman Vazquez.

21 "Special projects" is actually probably a
22 misnomer. It probably should be "miscellaneous." It's
23 kind of those things that don't neatly fit into other
24 categories.

25 A lot of things like quick reviews, clearances

1 where we're, you know, just kind of looking over things
2 just to make sure that we don't spot out anything that
3 needs to be altered or changed.

4 MR. VAZQUEZ: Thank you.

5 Members, any other questions?

6 Seeing no hands, I think we're good.

7 MR. NANJO: Great. Thank you very much,
8 Members. Appreciate this opportunity.

9 MR. VAZQUEZ: Ms. Cichetti.

10

11 **ITEM 13**

12

13 MS. CICHETTI: All right.

14 The next item on the agenda is Item 13;
15 Property Tax Deputy Director's Report: Report on the
16 status of pending and upcoming projects, activities and
17 departmental issues.

18 This item is being presented by Mr. Yeung.

19 MR. YEUNG: Thank you, Ms. Cichetti.

20 Good afternoon, Chair Vazquez and Honorable
21 Members of the Board.

22 For the record, my name is David Yeung, and
23 I'm the Deputy Director of the Property Tax Department.

24 For today, I actually have five reports for
25 you. I will pause after each one for any questions that

1 you may have. And with your okay, I'll start out with
2 the very first one. It's a report on Letters to
3 Assessors.

4 As you all know, part of the Board's function
5 is to issue guidance to county assessors. And we do
6 that through LTAs, Letters to Assessors.

7 Since we last met, we've issued two more
8 letters. The first one is Letter No. 2013/013. That
9 letter basically announces the passage of
10 Assembly Bill 1715, which actually changes -- it amends
11 Revenue and Taxation Code 205.5 to include veterans of
12 the U.S. Space Force as they are now eligible for the
13 Disabled Veterans' Exemption.

14 So there was a change there. They recognized
15 the disabled veterans of the U.S. Space Force as
16 eligible for the Disabled Veterans' Exemption. And we
17 published an LTA announcing that.

18 And the second LTA that we put out, 014, also
19 announces the result of Shasta County's survey. So I
20 will go into a little bit more detail with that in the
21 subsequent report.

22 I'm available for any questions you may have
23 on LTAs.

24 MR. VAZQUEZ: You know, just one quick one
25 here.

1 You mentioned, I guess it's the special United
2 States Space Force --

3 MR. YEUNG: Correct.

4 MR. VAZQUEZ: -- from other branches, and it
5 seems to be coming from the Armed Forces in particular.

6 MR. YEUNG: Yeah.

7 MR. VAZQUEZ: For the Disabled Veterans'
8 Exemption, since it's U.S. Space Force veterans, I'm
9 assuming that's relatively minor; is that correct?

10 MR. YEUNG: Their -- they will be entitled to
11 the full Disabled Veterans' Exemption, both -- at the
12 regular one and the low-income one. They are now
13 fully -- they're fully eligible to apply for it.

14 Since this Space Force, I believe, was put in
15 in 2019, I'm not sure how many will be applying just
16 yet, or how many have applied. But now it is -- they
17 are now recognizing --

18 MR. VAZQUEZ: They're eligible.

19 MR. YEUNG: Yeah, they're eligible.

20 MR. VAZQUEZ: That's good. Thanks.

21 MR. YEUNG: Of course.

22 Hearing none, then I will move onto a report
23 on the Welfare Exemption Project that we started.

24 So about two years ago at the direction of the
25 Board we took a look at our Welfare Exemption. There

1 was some issues about processing time and whatnot, so we
2 took a look very specifically into the Welfare Exemption
3 for low-income housing as they affect -- as they affect
4 many of our applicants.

5 So we took a look at what it took for us to
6 get an SCC, a Supplemental Clearance Certificate. The
7 lessons that we found, that we learned along the way,
8 we're going to try to apply them towards all the Welfare
9 Exemption, and also our general OCCs, our Organizational
10 Clearance Certificate.

11 So we started about two years ago. And what
12 we did was we broke down basically the endeavor into
13 three different steps.

14 The first step was we took a look at the
15 actual application process. Then we looked at what it
16 was for us -- we reviewed our own review process. And
17 then the very last one, the last step we looked at was
18 how do we approve it, and how do we go ahead and
19 transmit their certification.

20 And then we took one more extra step. We took
21 a look at how any of those lessons learned could be
22 applied to the program in general.

23 So with that, I included a written memo. It's
24 attached to the Public Agenda Notice. It's available
25 online for all to see. And I will give you a little bit

1 of a highlight, a summary as to what we did.

2 So with the first step, the actually SCC
3 application process, one of the very first things we
4 looked at was the actual form itself. We wanted to know
5 whether, one, there was anything that was ambiguous in
6 there. We asked for information that was either not
7 vital to it, or we can get elsewhere. And we looked at
8 our instructions, and just the general user-friendliness
9 of that form.

10 We did quite a deep dive on that. We were
11 able to identify a couple areas where we could improve
12 on some of the wording, how do we ask for certain
13 things. Things that we could find elsewhere, we -- we
14 did not ask for redundancies.

15 We improved our instructions on it. So we
16 were trying to make it a little bit more user-friendly
17 for folks to use. Our process itself, the form itself
18 can be daunting. So we're trying to make it a more
19 friendly -- user-friendly.

20 And the last thing to date was we took a look
21 at -- we actually include with that basically a
22 checklist. So when you apply for it, you can see what
23 is needed, so you can actually gather your stuff before
24 you fill it out.

25 So we were able to identify a lot of areas of

1 improvements. I think we made them. We updated our
2 form. And our form has been available since January of
3 2022.

4 One of the other things that we also did was
5 while our form prior was available on our website, you
6 can go in under Welfare Exemption tab under the property
7 tax page, you can go through and you can pull up our
8 form. It was available electronically, but it wasn't
9 fillable.

10 So we actually went through, we worked with
11 our partners in CDTF, their technology division, and we
12 made that form fillable. So that it helps them --
13 instead of just printing it out, and then either
14 hand-filling it or typing it in, they were actually able
15 to work with an electronic format. So we were able to
16 get that.

17 There was some real efficiencies that we
18 realized. I think I had a couple stats on there. But
19 the upshot of it is that overall, across the board, the
20 applications came in, they were actually more -- they
21 were more complete, they were more accurate, and they
22 were actually filled out correctly.

23 So I think we -- we have across the board
24 improvements of at least 15 to 20 percent overall. So
25 that was a successful endeavor.

1 The next thing we did was we looked at our own
2 internal review process. What -- how do we handle it
3 once we get it?

4 So the first step was we actually mapped out
5 what was then our current process. We went through,
6 we talked to each person that handled, touched or
7 reviewed the forms, and we asked them, "What is your
8 process? Where do you start? Give us the breakdown
9 fundamentally as to what you do."

10 We mapped it all out, and then we actually
11 worked collaboratively across our -- from our people
12 that do the intake, all the way up to the review, we
13 have them sit down and say, "Look, if you had a clean
14 slate now, this is what you do, what would you change?
15 How would you improve the process?"

16 We went through several iterations of that.
17 We were able to come up with a more streamline process.

18 And then the last thing we did was once we
19 came up with that, we put it down in a written document,
20 we circled back around. We retrained staff all the way
21 through again. We made sure they understood that this
22 is the new improved way. This is how we're going to do
23 it, and this is where we're going to find a little bit
24 of efficiency.

25 The third thing that we did was we looked at

1 the actual -- the claims of approval process. Once
2 we've gotten the forms, the applicants filled it out,
3 we've received it. We've reviewed it. What do we do
4 when we go through and actually approve them? What do
5 we look for? What do we do?

6 One of the major things that held us up was
7 even with the approved application, we were still
8 finding that some of the stuff was missing or incorrect.

9 And so before it would take a bunch of phone
10 calls, some e-mails, more -- and sometimes even a hard
11 mail in order to get the missing documentation. We
12 worked -- we set up an electronic way in order to get --
13 to get that missing information, they can just file it,
14 send it via e-mail.

15 It improved turnaround time. We didn't have
16 to wait for a whole lot of snail mail.

17 And then the other thing that we did for the
18 actual approval process is we made it a lot more of a
19 concurrent process. Instead of having it go -- work its
20 way up serially through the reviewer, the senior, the
21 supervisor, the principal, and then the chief, after a
22 certain point it went to three people, so that we didn't
23 have to wait for each one. It just made -- after the
24 senior review, it just made a little more sense. They
25 were actually relatively cleaner at that point. So they

1 have to have concurrent review.

2 So with that implementation of that concurrent
3 review, and being able to get some information
4 electronically, we were actually able to do quite a
5 decent improvement. If you look at the -- on my report
6 on page 4 -- I believe 4, we did reduce the total number
7 of days on average it took us to review and approve a
8 claim. We actually reduced it by just a little bit over
9 three months. And right now, the number here says
10 111 days on average. Actually, it's a little bit lower
11 as of today. We've worked through a lot of our backlog.
12 And if a claim comes in, it has all the required
13 documents, there are no amendments needed to some of
14 their former documents. Our staff is able to
15 basically -- if somebody looks at it within the first
16 week, then typically it's approved within a month. So
17 about 90 days -- about 30 days or so. But that's a
18 pretty nice package, an ideal package is all filled out,
19 and everything is ready to go.

20 So with that, those were the three major areas
21 that we looked at, and the improvements that we
22 implemented.

23 We also did one extra step. We took a look at
24 what it really -- what would actually move the ball
25 forward even more going in the future. And one of the

1 things that we found was, as of right now, our
2 applicants -- our applications actually still need to
3 have a wet signature. And so we said, "Well, we really
4 need to find a way to do electronic signature."

5 And we were able to, once again, work with our
6 partners in CDTF. We've converted six of -- all six of
7 our forms into electronic format, and actually
8 electronic signature. It's already in the test
9 environment, which means they've set it all up already.

10 Our staff is working with -- with technology
11 in testing it out and making sure they're all fillable.
12 Once they're filled, there's an easy way to submit. And
13 once you submit it, it actually goes to the right
14 person, to the right queue.

15 So we're in the test phase right now. We're
16 hoping to have that implemented soon. But with that, I
17 think that should actually find even more efficiencies
18 for us.

19 Right now there are still an issue with some
20 of the applications coming in without the wet signature.
21 And so a lot of that is kind of held up waiting for that
22 being exchanged through the mail.

23 So we are very hopeful that the improvements
24 that we already implemented has gone a long way to
25 address the processing time. We've worked through much

1 of our backlog, and we are looking actively for
2 continued improvements as we go forward.

3 That should conclude my presentation for the
4 Welfare Exemptions Improvement Project.

5 MR. VAZQUEZ: I had two questions, but you
6 kind of answered them.

7 MR. YEUNG: Okay.

8 MR. VAZQUEZ: Especially on the efficiencies.
9 I think you said, you mentioned it, and I think you're
10 right, it said you went from three-to-five months to one
11 month.

12 MR. YEUNG: Yeah. Yeah.

13 MR. VAZQUEZ: So kudos.

14 And then I guess the other one you kind of hit
15 on is I noticed, you know, I know we've been talking
16 about when we get these hearings on just getting folks
17 to start going through this digital signature.

18 MR. YEUNG: Right.

19 MR. VAZQUEZ: Because that seems to be a big
20 hold up. It sounds like you're on your way with that.

21 MR. YEUNG: We're on our way with it. We're
22 actually -- I'm very, very happy. Staff has been
23 working immensely hard and diligently on this effort.
24 We have quite a few folks who go into it. Our CDTFA
25 partners have been fantastic.

1 One of the other -- one of many benefits of
2 going to the electronic signature is, as you fill out
3 the form electronically, it gives you prompts as to what
4 is required, what else needs to be submitted and
5 attached to it. So when they come in, the goal is to
6 have the package a lot more complete, so there's no
7 missing documents, and nothing that we have to actively
8 chase in order to -- in order to procure.

9 MR. VAZQUEZ: Kudos. Good.

10 Member Schaefer, I think you a had a question.

11 MR. SCHAEFER: Yes.

12 Thank you, Mr. Yeung, for a very good report.

13 I'm appalled that the rejection rate was over
14 50 percent on the application, but I think you are
15 tackling it.

16 I'm impressed that you've gone to some of the
17 troublesome areas, like electronic signatures. I find
18 them to be, you know, part of modern life.

19 MR. YEUNG: Yeah.

20 MR. SCHAEFER: We're trying to speak to the
21 electronically competent people that are making
22 applications, but sometimes some of them are not
23 electronically efficient, don't have computers, or don't
24 use them for anything but e-mails to relatives, you
25 know.

1 And, also, I'd like to know that there's a
2 phone number somebody may call if they have some
3 questions, then they can get somebody.

4 I know when I try to call around, I get
5 nothing but recordings, or that we only answer the phone
6 between 8:30 and 11:30 on alternative Tuesdays, or
7 something like that.

8 So as long as we're available to the people.
9 Because they don't have a BOE office in every city, you
10 know, to go see.

11 MR. YEUNG: No.

12 MR. SCHAEFER: And self-addressed stamped
13 envelope. I do self-addressed stamped envelopes, but I
14 find that the people that are going to send it back to
15 me have never seen the glassing window pre-printed stamp
16 envelopes that I use, and they don't recognize that as a
17 self-addressed stamped envelope. So they think I didn't
18 send them one, and they put it in an outbox for me to
19 come to the office and pick up. So there's a lot of
20 education to be doing.

21 MR. YEUNG: Yes.

22 MR. SCHAEFER: And I think you're on top of
23 it, and thank you for your good work.

24 MR. YEUNG: Thank you very much. Thank you
25 for bringing that point up.

1 Our move to electronic signature is basically
2 a way to cover as much of the application process as
3 possible, but we are definitely not phasing out the
4 hardcopy. I know there are folks that actually still do
5 that. And, if anything, this will actually allow staff
6 the time to help those folks a little bit more.

7 Because much of the -- if this actually does
8 what we've intended it to do, it will streamline this
9 process, and our time can actually help some of those
10 folks that are having a hard time, even with technology.

11 A lot of these folks that apply, their primary
12 purpose, of course, is to do charitable and good work.
13 Filling this stuff out is tough.

14 MR. SCHAEFER: I'd like the readability to be
15 that of maybe junior high school level. I don't want us
16 to get too technical, because a lot of our people are
17 not high school graduates.

18 MR. YEUNG: Right.

19 MR. VAZQUEZ: Vice Chair Lieber, go ahead.

20 MS. LIEBER: Yes.

21 I was really waiting for this item to come up.
22 And that's why before the break, I said, "Wait, we have
23 Mr. Yeung's item coming."

24 You know, I think that this is one of my
25 favorite reports ever across all my years in government.

1 And the fact of cutting the time down to just over half
2 is really amazing and great.

3 So thank you to all the staff that were
4 involved in this. And I think it's really, really
5 wonderful.

6 And, you know, there are many generous people
7 and local governments, etc., that support all these orgs
8 that are able to get the Welfare Exemption. And so the
9 fact that their resources aren't going to churn is just
10 so meaningful. Because we need these orgs to be more
11 functional than ever right now. So thank you so much.

12 This is one of those, what I call them,
13 kitchen table report, and -- where you take it out of
14 your binder and keep it right there on the table so
15 that, you know, you can kind of get the good feelings
16 going every few days. "Let me take a look at that
17 report again."

18 But I really feel that if this could be boiled
19 down to a one-page story, to get it out to the
20 Legislature to say, "We are moving. We are making it
21 easier for the non-profits that are so important to
22 housing California," I think that would be significant.

23 So thank you.

24 MR. YEUNG: Understood.

25 Thank you very much.

1 MR. VAZQUEZ: Yes, Deputy Controller. Go
2 ahead.

3 MR. EMRAN: Thank you, Chairman.

4 Mr. Yeung, on behalf of Controller Cohen, I'd
5 like to thank you for providing this report to this
6 body. It speaks to the incredible work that you've
7 done, your team, the Executive Director, this agency,
8 and these Board Members for improving this process and
9 ultimately creating a platform where the data speaks for
10 itself, right, and to improve the times and have
11 applications approved in almost record time is quite
12 incredible. And my hats off to you.

13 I just have one question. Just in regards to
14 this improved -- new and improved Welfare Exemption and
15 proven process, how does this connect to solving
16 affordable housing crisis here in California?

17 MR. YEUNG: The affordable housing, many of
18 our issues that were brought up in the assessment realm
19 is that the time it actually takes for one of these
20 non-profits to actually build and put in place
21 affordable housing, one of the many steps that was
22 brought up along with the permitting and all the other
23 timelines that go with it is what it actually takes in
24 order to get a Welfare Exemption so they are tax
25 exempted.

1 It is a two-step process. The Board
2 administers this part of it where we look at the entity
3 itself. And there has been -- there have -- we've heard
4 and reacted to our constituents when they say this
5 process -- at least the Board's end is rather long, and
6 it does take quite a while for it to go through.

7 So that process, that's what drove the
8 improvement project. It addressed this delay in
9 planning and in the actual review process. So we took
10 great steps and strides in order to find some
11 improvements there.

12 But I do want to -- while we are very, very
13 sensitive to any undue burden that this review process
14 creates, I do have to balance that with our
15 responsibility. We are actually the gatekeepers of
16 that. And to exempt property from taxation is not a
17 light issue.

18 And part of it is the due diligence of
19 actually we need to apply in order to -- in order to
20 find that this entity is truly qualified for it.

21 So I think we found some great efficiencies.
22 I think we moved the ball forward. And I think we've
23 done so without jeopardizing that responsibility that we
24 have in order to ensure that we're qualifying the
25 applicants that truly do qualify.

1 MR. EMRAN: Thank you, Mr. Yeung.

2 I do believe, echoing your remarks, that BOE
3 has an incredible platform and huge role to play in
4 solving this affordable housing crisis.

5 Housing determines so much about a person's
6 life, how long it takes to get to work, access to fresh
7 food, and banks, and ultimately access to opportunity
8 and kids' access to opportunity.

9 The Controller Cohen understands in order to
10 build a strong economy that works for every Californian,
11 must be an investment in housing to expand supply, lower
12 cost, improve access to homeownership opportunities and
13 renters alike, all while advancing efforts to prevent
14 evictions and end the chronic homelessness that is
15 plaguing this state, so no person has to sleep on our
16 streets or under our park benches.

17 The Welfare Exemption is certainly a tool in
18 the toolbox to solve this crisis, and there's an
19 unwavering commitment from the Cohen administration to
20 house everyone everywhere from big cities, small towns,
21 rural communities, and the tribal nations, to promote
22 housing fairness and make the dream of homeownership a
23 reality for first-time and first-generation homebuyers.

24 So, Mr. Yeung, thank you again. And like the
25 Vice Chair was saying, this is one of the best reports

1 of the year. So thank you.

2 MR. YEUNG: Thank you.

3 MR. GAINES: If I could comment.

4 MR. VAZQUEZ: Member -- yes.

5 Member Gaines, go ahead.

6 MR. GAINES: Yeah.

7 Thank you so much for doing this. And I

8 agree, it's great news to see that we're trying to help

9 constituents through this process. And it has been

10 something I've received a lot of phone calls on in terms

11 of where their application is in the process. And

12 sometimes those are errors by the applicant themselves.

13 But I'm glad that we have clarified and simplified the

14 application, so that hopefully there will be fewer

15 errors.

16 Are there any fees associated with submitting

17 an application?

18 MR. YEUNG: There are no fees on our end.

19 MR. GAINES: Okay.

20 MR. YEUNG: We do not impose a fee on any

21 submission.

22 MR. GAINES: That makes it very simple.

23 MR. YEUNG: Yes.

24 MR. GAINES: Yeah. Okay. Great. Thank you.

25 MR. YEUNG: Of course. Thank you.

1 MR. VAZQUEZ: Thank you.

2 MR. YEUNG: Then with your okay, I'll move on
3 to my next report.

4 My next report will be on appraisal training
5 and certification.

6 So since we last met, staff has taught four
7 more courses. But just to go backwards just a tiny bit,
8 we had originally scheduled 33 classes for this fiscal
9 year starting in July of 2022 and ending in June of this
10 year, '23. We have taught all of those courses except
11 for one. One more is being taught actually this week.

12 And we unfortunately have to cancel one class
13 because of an instructor -- an issue -- on an issue -- a
14 medical issue with an instructor. But that class will
15 be rescheduled for this upcoming session.

16 So since we last met, we taught four more
17 classes. The first class that we taught was a Class 2A.
18 It's a replacement cost estimating class. We also
19 taught a Course 3. It's a residential appraisal
20 procedures class. A Course 5, it's an income approach
21 to value. It's a beginning income class. And
22 Course 52. It's a valuation of restricted lands. And
23 that class mostly teaches appraisal of restricted lands
24 under the Williamson Act. So it's a Williamson Act
25 class.

1 So we taught those four. The high enrollment
2 was about 24, and the lowest enrollment we have was
3 actually only five people enrolled in that class. Three
4 of them were virtual, one was in person.

5 The -- in general, our classes do -- the
6 enrollment do slow down as we get closer and closer to
7 July of every year.

8 The county assessors are doing exactly the
9 same thing that state-assessed properties are doing
10 right now, they're trying to close their roll. So their
11 ability to send folks starts to wane a bit at the end.
12 So it's something that happens every year. We build our
13 schedule with that in mind.

14 So right now we're -- with this one class that
15 we're teaching this week, it will basically be our full
16 complement of classes that we'll teach this fiscal year.

17 We've already reached out to county assessors,
18 all 58 counties. We've asked them for their needs.
19 They're basically the wish list for our next fiscal year
20 of classes.

21 When we get all that, we will go ahead and
22 build our schedule. We'll actually make that available
23 on our website, and we'll start our enrollment on that
24 as the classes are scheduled and staffed.

25 So that will be my report for training and

1 certification. I'm available for any questions you may
2 have.

3 MR. VAZQUEZ: So it sounds like there is a
4 time when, you know, when there's going to be a low on
5 these things. Is there any way of working around that?

6 MR. YEUNG: Yeah, there is. There's typically
7 two relatively lulls in the year; one is the couple
8 months preceding the July time that we're in now, and
9 the other one naturally is right around this holiday
10 season.

11 So we tend -- what we tend to do is we tend to
12 cluster our classes during -- after July till -- we're
13 probably pretty steady until almost October, and then
14 November, December if they start to wane a little bit
15 more. And then we rinse and repeat again for next year.

16 January through March, we're very, very
17 active. So we've built in two periods, the couple
18 months that we're in now, and then by the end of the
19 year, by the holiday seasons, classes tend to, interest
20 in taking those classes tend to drop a little bit too.
21 So we try to bunch them together where we can.

22 MR. VAZQUEZ: Okay. Seeing no other hands, I
23 guess we can move on.

24 MR. YEUNG: No other hands?

25 Then I will move onto my fourth report. My

1 fourth report is on -- is my quarterly report on
2 assessment practices survey.

3 So since we last met -- not last met -- the
4 last report, we've issued three assessment practices
5 surveys.

6 Just as a little bit of background, the
7 Government Code 15642, pursuant to that code, the
8 assessment practices survey shall -- shall, to the
9 extent to which the assessment practices are consistent
10 with or differs from state law and regulations, that's
11 our mandate. We go in and we take a look at how the
12 property tax is administered in that county by the
13 county assessors.

14 So there are basically two components of our
15 survey. We have what we call a qualitative survey, in
16 which we actually go in and look at their policies, and
17 then we go out and see if they've actually followed
18 those policies in their actual practice.

19 The other component of the survey program is
20 what we call our sampling component. The sampling
21 component, what we do is we take a look at their
22 assessment roll, we pull a random representative sample
23 out of their roll. On average, it's approximately about
24 300 samples.

25 Our staff goes through, we take a look at

1 whether the assessor did a couple things correctly;
2 whether they've identified changes in ownership or
3 reassessments, we've taken a look at whether they've
4 picked up new construction, and we take a look at
5 whether they've recognized declines in values or
6 Prop. 8.

7 And then we take a look at the actual value of
8 the audit roll. We do an independent review appraisal
9 on it, and we take a look at what our results are
10 compared to what they have, or, more correctly, compare
11 what they had to what we think is the ideal. So the
12 ideal ratio is 100 percent. That means they got exactly
13 what we got.

14 So with that little bit of background, I will
15 go over the three issues -- the three counties that we
16 issued a survey report for. Two of them are -- two of
17 them are sample only. So what we did was we did -- we
18 did basically the quantitative look at how their
19 counties did with the assessment ratios.

20 The first one was Imperial County. That was
21 published on January 17th of this year. Imperial County
22 was selected as a sample only. We went through and
23 pulled their samples.

24 Our staff looked at and did a review
25 appraisal. We made sure their main indicators, their

1 main actionable items, the change in ownership, the new
2 construction, and Prop. 8s were done correctly, and we
3 came up with our own independent values.

4 So for Imperial County, we came up with their
5 assessment ratio of 99.55 percent out of 100, which they
6 did really well.

7 The absolute difference in that ratio was less
8 than a percent. It was .77 percent. So that means if
9 you had a bunch of over-assessments and a bunch of
10 under-assessments they didn't cancel themselves out, so
11 if you looked at the overall difference in their
12 assessment values.

13 So with that, 99.55 for overall, and an
14 absolute difference of less than a percent, they were
15 eligible to recuperate their -- some of their
16 administrative costs.

17 So Revenue and Taxation Code 75.60 basically
18 says that they are allowed to recuperate -- they are
19 eligible to recuperate some of their administrative
20 costs to make supplemental assessments if we certify
21 them as such, and with that ratio they qualified and we
22 certified -- we were able to certify them.

23 The other county that we did a sample-only
24 survey was on Shasta County. We followed the same
25 procedures. We went through -- we got their whole

1 assessment roll. Went through, stratified their roll
2 and picked out a random representative sample
3 approximately of about 300 also, and their ratio
4 actually was even a little better than Imperial. They
5 came out at 99.76, so they were less than a quarter
6 point off what the ideal should have been.

7 Their absolute -- their absolute difference
8 was less than half a percent, .44 percent, so with those
9 results we were also able to certify them eligible to
10 recuperate their administrative costs for their
11 supplemental assessment program.

12 And then the last county I wanted to update
13 you on was Kings County. For Kings County they were
14 actually not a sample, but an actual survey survey, so
15 we did a qualitative look into -- into their
16 administration of property taxes in that department.

17 So we actually went in. We asked for their
18 policies and procedures up front. We got those and
19 reviewed them, and then we actually went into the county
20 and we took a look at some of their actual work
21 assessments, and we tried to make sure that they
22 followed the statutes, the regulations, and proper
23 appraisal protocol.

24 So we actually looked at three main areas.

25 We looked at their administration, their

1 workload.

2 We looked at their assessment of real
3 property, including changes in ownership, new
4 construction, declines in values, properties that were
5 subject to special assessment procedures such as
6 Williamson Act. We look at mineral properties.

7 Then for the assessment of personal property
8 we looked at their assessment of business equipment
9 valuation and assessment of fixtures.

10 So overall we did find recommendations in all
11 three of these areas, and we made recommendations as to
12 how to address them. But even with the recommendations,
13 they are -- we found that they were still eligible to
14 recuperate their administrative costs for supplemental
15 assessments.

16 So under the same Revenue and Taxation Code
17 75.60, there was also items where if we do not find a
18 significant assessment issue, we can still certify them.
19 And we did make some recommendations, but they were
20 still -- they were not significant assessment issues.
21 So we did certify them, and now they are also eligible
22 to recuperate those costs.

23 This should conclude my presentation on the
24 assessment practices survey. I'm available for any
25 questions anybody may have.

1 MR. VAZQUEZ: Yes. It looks like my Vice
2 Chair here, Ms. Lieber.

3 Go ahead.

4 MS. LIEBER: Well, I really appreciate hearing
5 about this and receiving the report and going out and
6 speaking with some of my assessors.

7 You know, sometimes they get taxpayers who
8 come in and have an issue, and they say, well, who
9 oversees you, and they are able to say, well, you know,
10 the Board of Equalization oversees me, and they are in
11 here doing the surveys and the sampling, and that it's
12 actually a good message for them to put out to their
13 staff, too, that there is a pressure coming in terms of
14 accountability on us to make sure that we have the right
15 practices.

16 MR. YEUNG: Right.

17 MS. LIEBER: So I think this is just great.
18 Thank you.

19 MR. YEUNG: Of course. Thank you.

20 MR. VAZQUEZ: Member Gaines, go ahead.

21 MR. GAINES: Just a clarification.

22 What is the percentage threshold for
23 certification?

24 MS. YEUNG: The assessment ratio is 95 percent
25 or better.

1 MR. GAINES: Yeah, okay.

2 MR. YEUNG: And the absolute difference can't
3 vary by more than 7.5.

4 So these results are actually stellar.

5 MR. GAINES: Yeah. Okay. That's great.

6 And then on the survey, you said that for
7 Kings County that you could go ahead and certify them.

8 MS. YEUNG: Correct.

9 MR. GAINES: But the process is different
10 because it's a survey versus a sample, and I am not
11 clear exactly, you know, how you are doing that.

12 MS. YEUNG: Yes. So we actually --

13 MR. GAINES: For that certification.

14 MS. YEUNG: Yeah. We actually have a Property
15 Tax Rule. It's Property Tax Rule 371, and that rule
16 actually goes ahead and clarifies some of the elements
17 that we look for to make sure that these topics are
18 handled correctly and there isn't a major issue.

19 So the rule clarifies the categories in which
20 we need to look, and if there aren't any major
21 assessment issues there, they are not behind on certain
22 types of reassessments or change in ownership or new
23 construction, then we can still certify them as such.

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

25 MS. YEUNG: Of course.

1 MR. VAZQUEZ: Oh, yes. Deputy Controller, go
2 ahead.

3 MR. EMRAN: Thank you, Ms. Yeung, for this
4 final report of yours, I believe.

5 I just believe the assessment practice surveys
6 ends up usually being something that is really
7 highlighted within assessors' offices sharing best
8 practices with each other, and also the Board, and
9 ultimately leads to better and more efficient government
10 processes in our institutions in general, so just my
11 hats off to you again on this report.

12 Thank you.

13 MS. YEUNG: Thank you.

14 MR. VAZQUEZ: Thank you once again. This is
15 great stuff.

16 The only question I had is, how do you
17 determine which -- what counties to do like a full
18 survey versus a sample?

19 MS. YEUNG: Of course.

20 So the scheme which we currently function
21 under, all 58 counties are divided into basically three
22 categories, so by value of their assessment roll.

23 The very top ten in value, we have to take a
24 look at -- we have to do basically both. We have to do
25 the actual survey and take a look at their policies and

1 procedures, and follow through with their practices, and
2 we also have to do the sample part of it.

3 So the top ten counties -- LA, San Diego,
4 San Francisco -- those counties we don't have an option.
5 We have to do both.

6 So the next tier is 11 through 20, counties by
7 the size of their assessment roll.

8 There is two counties per year -- there is two
9 counties per year for the top ten.

10 There is two more counties per year for the
11 second tier. The second tier, by random draw, one
12 county gets the survey, the other county gets the
13 sample. So that's for the second tier, 11 through 20.

14 And then the very last tier, 21 through 58,
15 every year we have to choose three counties that get the
16 survey. And two counties basically get the sample, and
17 depending on the year, we have several basically that
18 they get a buy. They get neither.

19 So some years there is two, and some years
20 there is three. It just happens to be the math, because
21 there is 58 counties, and we have a five-year cycle.
22 It's 60 months, so it just works out on two of those
23 years, two out of the five, three of them basically get
24 a buy.

25 So it's by random draw. Every beginning of

1 the year we actually -- by tradition, the CEAA president
2 actually chooses who gets the sample and who gets the
3 survey. It's just basically a number out of the hat,
4 basically, and the same thing for the -- for this third
5 tier.

6 CHAIR VAZQUEZ: So it's the luck of the draw.

7 MS. YEUNG: It's the luck of the draw.

8 So it depends which category you are at, and
9 then the luck of the draw.

10 MR. VAZQUEZ: Thank you.

11 MS. YEUNG: Of course.

12 Okay, if nothing else, I actually have one
13 last report.

14 MR. VAZQUEZ: Sure.

15 MR. YEUNG: That is for the state-assessed
16 properties division.

17 So as you all know, we are very, very close to
18 the end of our valuation season, our appraisals.

19 Last year we had about 339 state assessees,
20 and this year we are looking at a very similar number.

21 We are on track -- we are actually tracking
22 really well. We are on pace to finish out our appraisal
23 season. That's actually coming much quicker than I like
24 to believe.

25 So all -- basically all our work has to be

1 done probably in probably the next, at the most, two
2 weeks. That barely gives us enough time to go ahead and
3 prepare the materials to bring before the Board for
4 Board action in May.

5 So staff right now is working on our
6 appraisals and SAPD. It's -- we are probably more than
7 two-thirds of the way through, and we are on track to
8 finish out.

9 So with that, that is the main thing that we
10 are doing right now. SAPD, it's all hands on deck.
11 Actually, Mr. McCool would normally have been here to
12 give that report. He's back -- he's back at the farm
13 doing some work right now.

14 So that's it for SAPD. I'm available for any
15 questions you may have, and if not, this will conclude
16 the deputy director's report.

17 MR. VAZQUEZ: I think we are good. Thank you.

18 MR. YEUNG: Thank you.

19 MR. VAZQUEZ: Ms. Cichetti.

20 MS. CICHETTI: Ready for the next item?

21

22 **ITEM 14**

23

24 MS. CICHETTI: Item 14, Special Taxes
25 Quarterly Report. General discussion on Special Taxes

1 workload over the last three months.

2 This matter will be presented by Ms. Williams.

3 MR. VAZQUEZ: Welcome.

4 MS. WILLIAMS: Good afternoon Chairman, and
5 Members of the Board.

6 My name is Laurel Williams. I am the Board's
7 Special Taxes Technical Advisor, and today I'll be
8 giving you guys a report on our two special tax
9 programs.

10 The first report I am going to give is for the
11 Tax and Insurers Program. Currently the program has
12 2,707 active accounts, and this is up slightly from
13 2,701 accounts in January.

14 The revenues from this program were reported
15 in the Annual Report, and they were \$2.9 billion, which
16 is up slightly over 7 percent from the previous year.

17 This program continues to be highly compliant,
18 with minimal petitions and appeals, et cetera.

19 Our second program is the Alcoholic Beverage
20 Tax Program, and currently in this program there
21 are 10,625 accounts. This is down from 10,656 accounts
22 in January.

23 While there is a very slight decrease, this is
24 kind of the pattern with this program, as many of the
25 filers are annual calendar yearly filers, so they might

1 have forgotten to close out their account or something
2 like that until they received a notice from us asking
3 them about their return. And even so it's, you know,
4 it's less than 50 accounts decrease.

5 Regarding the revenues for this program,
6 fiscal year '21-'22 was 429 million, which is up
7 approximately 5 percent from the previous year.

8 Other things happening with this program were
9 earlier this year Senate Bill 518 was implemented, and
10 one of the things that Senate Bill 518 did was, for
11 wine-grower returns, it allowed those returns to be
12 released to the public. However, each account had the
13 opportunity to opt out if they wished.

14 So for the month of February, there were 94 of
15 the 164 returns opted out, and the month of March and
16 the first quarter 2023 returns, which were due on the
17 same day, 559 of the 871 returns opted out.

18 I did a quick sampling just to see if that
19 was -- if there was any pattern of who may be opting
20 out, so 16 of the 20 largest accounts -- and that was
21 based on tax dollars due. 16 of the 20 largest accounts
22 opted out, and 14 of the smallest 20 accounts opted out.
23 So it seems like a fairly mixed -- you know, everybody
24 kind of assuming got the same amount.

25 One more update for the alcohol program was

1 Publication 92 titled "Alcoholic Beverage Tax" -- it's a
2 simple two-page publication that provides an overview of
3 the program -- was updated March of 2023.

4 So with that, that concludes my report unless
5 you have any questions.

6 MR. VAZQUEZ: You mentioned some opt out.

7 MS. WILLIAMS: Yes.

8 MR. VAZQUEZ: Do we know any of the reasons
9 why?

10 MS. WILLIAMS: It is -- there is no only
11 providing part of their return production only. It is
12 the entire return, so it's kind of an all or nothing,
13 and I think many companies are choosing, possibly, like
14 privacy, especially some of the smaller ones.

15 Not included in those figures as well is there
16 are some ownership types that are automatically not
17 opted out, and those would be ones owned by sole
18 proprietors, partnerships. So the smaller ones, some of
19 them are automatically opted out as well.

20 MR. VAZQUEZ: Thank you.

21 Member Gaines, go ahead.

22 MR. GAINES: Just to follow up on that, do you
23 think some of it may just be competitive in nature, they
24 don't want their competitors to have certain information
25 about --

1 MS. WILLIAMS: Yeah. It's their entire tax
2 return, so I do think that that is a likely situation.

3 MR. GAINES: Yeah. Okay. All right. Great.
4 Thank you.

5 MR. VAZQUEZ: I think we are good.
6 Thank you.

7 MS. WILLIAMS: Thank you.

8 MS. CICHETTI: All rightie.

9

10 **ITEM 15**

11

12 MS. CICHETTI: The next item on the agenda is
13 Item No. 15, Legislative, Research & Statistics Division
14 Chief's Report.

15 a. Legislative Update.

16 Update on the administrative and program
17 related legislative bills impacting the BOE.

18 THE COURT: You've been patiently waiting, I
19 know, Ms. Renati.

20 MS. RENATI: Good afternoon. I'm Lisa Renati,
21 and hopefully this is my very last legislative report.

22 MR. VAZQUEZ: Oh, you got somebody hired?

23 MS. RENATI: Maybe. Too early to say.

24 But today I'll give a brief report on behalf
25 of the Legislative, Research & Statistics Division.

1 Attached to today's agenda is a listing of the
2 bills we are tracking and monitoring that could impact
3 BOE's tax programs or our administration.

4 Specifically, we are tracking 22 bills. These
5 include nine bills related to the welfare exemption or
6 affordable housing; two bills related to base year
7 transfers for specific wild fires that we've had in the
8 past; one bill extending the exemption for qualified
9 property used in space flights; one bill regarding
10 disclosure of alcoholic beverage tax returns for beer
11 manufacturers; one bill related to the homeowners
12 exemption for persons confined in a hospital or other
13 care facility; seven bills related to exemptions
14 available for veterans and disabled veterans; and one
15 proposed constitutional amendment for the repeal of
16 intergenerational transfers, Prop 19.

17 We have published 12 bill analyses, including
18 one for SCA-4 that's on our website, and the remainder
19 are in process.

20 As we complete bill analyses for these items,
21 we'll post the analyses on our website and provide a
22 copy to your offices for your reference.

23 Additionally, we continue to track three
24 Board-sponsored legislative proposal approved by the
25 Board back in November 2022, which are included in two

1 separate senate committee bills.

2 And this concludes my legislative update, and
3 before I move on to the next section, I was wondering if
4 you had any questions.

5 MR. VAZQUEZ: I think we are good.

6 MS. RENATI: Oh, good. Okay.

7 So the next item is -- let me get to that.
8 Apparently I have lots of pages.

9 So the next item, members, is two legislative
10 proposals for your consideration regarding the
11 administration of our alcoholic beverage tax. The
12 analyses for those two proposals are attached to today's
13 agenda.

14 In 2022 the legislature passed Senate Bill
15 518, which Ms. Williams was just talking about regarding
16 wine growers, and part of that legislation required, in
17 part, that sellers of beer, wine, or distilled spirits
18 file all their tax returns electronically.

19 Today I bring you two proposals which are
20 technical amendments to ensure conformity and
21 consistency.

22 The first is a proposal regarding common
23 carriers. An excise tax is levied on sales made in the
24 state by common carriers onboard boats, trains, and
25 airplanes, or by persons licensed to sell distilled

1 spirits onboard such boats, trains, and airplanes.

2 We propose to amend section 32202 of the
3 Revenue and Taxation Code to require electronic filing
4 of the report of sales by distilled spirits by these
5 persons.

6 The second proposal seeks to amend section
7 32452 of the Revenue and Taxation Code to require
8 electronic filing of supplemental reports, including
9 schedules required from alcoholic beverage licensees,
10 common and private carriers, and other persons.

11 The existing law requiring electronic filing
12 applies only to the tax returns used to report taxes
13 due. It does not specifically apply to the required
14 supplemental reports and schedules attached to the
15 returns containing other pertinent information and
16 reports to ensure compliance and accurate reporting.

17 Our amendment proposed to RTC code section
18 32452 include clean-up language to mandate that
19 supplemental reports must also be filed electronically,
20 and include a schedule as a type of supplemental report.

21 And with that I ask the Board to approve the
22 legislative proposals to amend sections 32202 and 32452
23 of the Revenue and Taxation Code.

24 MR. GAINES: So moved.

25 MR. VAZQUEZ: It's been moved by Member

1 Gaines.

2 MR. SCHAEFER: Second.

3 MR. VAZQUEZ: Seconded by Mr. Schaefer, Member

4 Schaefer.

5 MS. CICHETTI: All rightie. Let's go to --

6 MR. VAZQUEZ: We don't have any written

7 comments on this, do we?

8 MS. CICHETTI: We have no written comments,

9 and we do not have anyone in the audience, so let's go

10 out to the AT&T Moderator.

11 At&T, can you let us know if there is anyone

12 on the line who would like to make a public comment

13 regarding Item 15.

14 AT&T MODERATOR: If you would like to make a

15 public comment regarding Item 15, please press 1-0 at

16 this time. That command again, 1-0.

17 And we do have a comment from Jen Kilroy.

18 Please go ahead.

19 MS. KILROY: This is just a question.

20 There was a report done of a review of SCA-4.

21 Could you just repeat where we could look that up and

22 find that information?

23 Thank you.

24 MS. CICHETTI: That report is on our web page,

25 www.boe.ca.gov in the Legislative button. You could

1 search "Legislative," and you would be able to find it
2 very easily, so that's where it can be located.

3 AT&T MODERATOR: And we have no further
4 comments at this time.

5 MS. CICHETTI: Thank you. All rightie.

6 So we have a motion made by Mr. Gaines,
7 seconded by Mr. Schaefer, to authorize the staff to move
8 forward with the technical amendments to Revenue and
9 Taxation Code section 32202 and section 32452.

10 Chair Vazquez.

11 MR. VAZQUEZ: Aye.

12 MS. CICHETTI: Vice Chair Lieber.

13 MS. LIEBER: Aye.

14 MS. CICHETTI: Member Gaines.

15 MR. GAINES: Aye.

16 MS. CICHETTI: Member Schaefer.

17 MR. SCHAEFER: Aye.

18 MS. CICHETTI: Deputy Controller Emran.

19 MR. EMRAN: Aye.

20 MR. VAZQUEZ: So that's unanimous for all
21 those present.

22 Thank you.

23 MS. CICHETTI: We have one more administrative
24 thing to do. We are going to go out to the At&T
25 Moderator for all the executive directors' reports.

1 So again, we do not have anyone in the
2 audience who has asked to come forward, I have nothing
3 in writing that has been received, so we are going to go
4 out to the moderator.

5 AT&T Moderator, can you let us know if we have
6 anyone on the line who would like to make a public
7 comment regarding all of the executive directors'
8 reports.

9 AT&T MODERATOR: If you would like to provide
10 public comment on all the executive directors' reports,
11 please press 1-0 at this time.

12 We have no comments.

13 MS. CICHETTI: Thank you, Moderator.

14 All rightie. Our next item on the agenda is
15 item 17, Closed Session.

16 The Board will recess and go into closed
17 session. Pending litigation: La Paloma Generating
18 Company vs. California State Board of Equalization, et
19 al., Los Angeles County Superior Court.

20 Members will leave the boardroom and enter
21 Room 122 to convene the closed session.

22 MR. VAZQUEZ: So we will recess at 4:29.

23 We don't have an estimated time of return, do
24 we?

25 MS. CICHETTI: No, we do not have an estimated

1 time.

2 MR. VAZQUEZ: We'll return when we finish.

3 MS. CICHETTI: That's correct.

4 (Closed session; not reported.)

5 MR. VAZQUEZ: I think we are ready to
6 reconvene at 4:45.

7 MS. CICHETTI: Al rightie.

8 The Board members met in closed session and
9 discussed litigation matters.

10 So we are up to the last item on the agenda
11 today, which is closing remarks.

12

13 **CLOSING REMARKS**

14

15 MR. VAZQUEZ: Members, I would just like to
16 close out, unless anybody else has any other
17 adjournments, and actually Member Schaefer kind of
18 brought it up in his opening remarks, and that is to
19 just officially adjourn this meeting in honor and in
20 memory of Harry Belafonte.

21 MR. SCHAEFER: I think we spoke earlier, and I
22 did incorporate those remarks.

23 MR. VAZQUEZ: Yes. And I just wanted to state
24 many of us thought that he was just an entertainer,
25 which he was, but he was very active, very much a strong

1 activist.

2 And he has also been known for several of his
3 accolades on the performance side, you know, having
4 received an Emmy, a Grammy, an Oscar, and a Tony.

5 After a successful entertainment career, Cary
6 discovered -- Harry discovered what his voice could
7 really do when he used his platform for change.

8 He became a political activist during the
9 Civil Rights Movement. Harry not only participated in
10 protest marches and benefit concerts, but he helped
11 organize and raise support for them.

12 He supported the Freedom Riders, the Student
13 Non-Violent Coordinating Committee financially. Arts
14 and activists would be life and legacy.

15 He was close friends with Dr. Martin Luther
16 King, which we've honored here many times, and spoke at
17 the 1963 March on Washington.

18 Whether speaking to politicians or a Pope,
19 Belafonte was passionate about the fight for justice for
20 all. We lost another civil rights giant, but we will
21 always remember his accomplishments.

22 Thank you for all he's done, and I'd like to
23 just officially adjourn in his honor.

24 MR. SCHAEFER: And I'd like everybody to go on
25 their -- online to "Tom, Dick, or Harry." We represent

1 Tom, Dick, or Harrys. Go to "Tom, Dick or Harry
2 Belafonte" and you'll see a cute little routine.

3 MR. VAZQUEZ: Thank you.

4 We're adjourned until May -- I think it's the
5 22nd, I believe.

6 MS. CICHETTI: 23rd and 24th.

7 MR. VAZQUEZ: 23rd and 24th.

8 MS. CICHETTI: Yes.

9 MR. VAZQUEZ: At 4:48.

10 (Whereupon the Board Meeting concluded at
11 4:48 p.m.)

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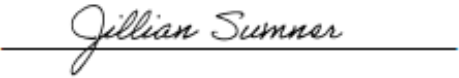
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REPORTER'S CERTIFICATE

State of California)
) ss
County of Sacramento)

I, Jillian Sumner, Hearing Reporter for the
California State Board of Equalization, certify that on
April 26, 2023, I recorded verbatim, in shorthand, with
another Hearing Reporter, to the best of my ability,
portions of the proceedings in the above-entitled
hearing; that I transcribed portions of the shorthand
writing into typewriting; and that the preceding pages 1
through 243 constitute a complete and accurate
transcription of the shorthand writing.

Dated: October 6, 2023


JILLIAN SUMNER, CSR #13619
Hearing Reporter