

2024 MINUTES OF THE STATE BOARD OF EQUALIZATION

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Wednesday, February 21, 2024

The Board convened at 450 N Street, Sacramento, at 10:10 a.m., with Ms. Lieber, Chair, Mr. Vazquez, and Mr. Schaefer present, Mr. Emran present on behalf of Ms. Cohen, in accordance with Government Code, section 7.9. A quorum was established.

The Pledge of Allegiance was led by Mr. Schaefer.

Mary Cichetti, Clerk, Board Proceedings, provided guidelines for public participation and other Boardroom procedures.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Ms. Lieber invited persons who wish to address the Board regarding items not on the agenda to come forward, but none provided comment.

TAX PROGRAM MATTERS

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, made introductory remarks regarding the public hearing for property tax state assessee's presentations on capitalization rates and other factors affecting values. State assessee's and their representatives were invited to make presentations on capitalization rates and other factors and procedures affecting fiscal year 2024-25 property values of California public utilities, railroads, and pipelines. Private railroad car assessee's and their representatives were also invited to make presentations on factors and procedures affecting fiscal year 2024-25 taxable values of private railroad cars.

No presentation or comments were received.

Mr. Gaines entered the Boardroom.

Sarah J. Wilkman, Appeals Attorney, requested approval to publish the Summary Decision under Revenue and Taxation Code section 40 for the *Southern California Edison Company (0148)*, SAU23-010, petition for reassessment of the 2023 unitary value, which was determined by the Board on December 12, 2023.

MOTION: Mr. Vazquez made a motion to adopt and publish the written Summary Decision under Revenue and Taxation Code section 40 for *Southern California Edison Company (0148)*. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

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Sarah J. Wilkman, Appeals Attorney, requested approval to publish the Summary Decision under Revenue and Taxation Code section 40 for the *Liberty Utilities, (Calpeco Electric), LLC (0163) SAU23-018*, petition for reassessment of the 2023 unitary value, which was determined by the Board on December 12, 2023.

MOTION: Mr. Vazquez made a motion to adopt and publish the written Summary Decision under Revenue and Taxation Code section 40 for *Liberty Utilities, (Calpeco Electric), LLC (0163)*. The motion was seconded by Mr. Schaefer. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

Sarah J. Wilkman, Appeals Attorney, requested approval to publish the Summary Decision under Revenue and Taxation Code section 40 for the *Crown Castle Fiber, LLC (8169), SAU23-020*, petition for reassessment of the 2023 unitary value, which was determined by the Board on December 12, 2023.

MOTION: Mr. Gaines made a motion to adopt and publish the written Summary Decision under Revenue and Taxation Code section 40 for *Crown Castle Fiber, LLC (8169)*. The motion was seconded by Mr. Emran. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

CONSENT AGENDA

MOTION: Mr. Emran made a motion to adopt the consent agenda including the Board Meeting Minutes of January 23, 2024, and the retirement resolution of Anthony Gerard Rowell, as presented. The motion was seconded by Mr. Vazquez. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

On behalf of the Board, Mary Cichetti, Clerk, Board Proceedings, read into the record a retirement resolution to Anthony Gerard Rowell, Research Data Analyst II, Tax Area Services Section, Property Tax Department, extending the Board's sincere and grateful appreciation for his dedicated service to the State Board of Equalization and to the State of California. Ricard Schwarting, Manager, Tax Area Services Section, made complimentary remarks and congratulated Mr. Rowell on his well-earned retirement. Members made complimentary remarks and provided their individual congratulations to Mr. Rowell.

The Board recessed at 10:44 a.m. and reconvened at 10:52 a.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

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BOARD MEMBER MATTERS

Mr. Vazquez presented and led a discussion on the draft “Blueprint of Property Tax Incentives for Affordable Housing” from the October 19, 2023, Board Work Group on Affordable Housing: Statewide Informational Hearing on Modernizing California’s Property Tax System Part IV ([Exhibit 2.1](#)). Ms. Lieber stated that the matter will be scheduled for the April 2024 Board Meeting for further discussion. (The matter was discussed later in the day.)

Exhibits to these minutes are incorporated by reference.

TAX PROGRAM MATTERS (CONTINUED)

Mr. Emran left the Boardroom and Ms. Cohen entered via teleconference.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested approval to change values of state-assessed properties discovered on audit as follows:

San Diego & Imperial Valley Railroad Co. Inc. (0865): Audit adjustments of \$5,094,303 Escaped Assessment, \$509,430 Penalty, \$891,423 Assessment In-lieu of Interest, for 2020 to 2023.

MOTION: Mr. Vazquez made a motion to adopt the audit adjustments as recommended by staff. The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested approval to change values of state-assessed properties discovered on audit as follows:

Best Buy Health, Inc. (2784): Audit adjustments of \$4,400,000 Excessive Assessment, for 2020 to 2023.

MOTION: Mr. Vazquez made a motion to adopt the audit adjustments as recommended by staff. The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, requested approval to change values of state-assessed properties discovered on audit as follows:

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Global Tel*Link Corporation (7988): Audit adjustments of \$12,820,000 Escaped Assessment, \$1,322,000 Penalty, \$1,606,800 Assessment In-lieu of Interest, for 2020 to 2023.

MOTION: Mr. Vazquez made a motion to adopt the audit adjustments as recommended by staff. The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Ms. Cohen voted yes.

Ms. Cohen left the teleconference and Mr. Emran entered the Boardroom.

BOARD MEMBER MATTERS (CONTINUED)

The matter of the “Blueprint of Property Tax Incentives for Affordable Housing” from the October 19, 2023, Board Work Group on Affordable Housing: Statewide Informational Hearing on Modernizing California’s Property Tax System Part IV (see [Exhibit 2.1](#)), was reopened to received public comments from the following speaker:

Mark Stivers, Director of Legislative & Regulatory
Advocacy for California Housing Partnership

EXECUTIVE DIRECTOR’S REPORTS

Yvette M. Stowers, Executive Director, reported on the status of pending and upcoming organizational issues. Ms. Stowers announced the appointment of Norm Scott to the position of Acting Chief Counsel.

Yvette M. Stowers, Executive Director, presented the Assessment Appeals Training Survey Results, in response to the Board’s decision for the Executive Director to work with the California Assessors’ Association (CAA) to determine the current availability of assessment appeals training in each of the 58 counties and to provide the survey results received from County Assessors ([Exhibit 2.2](#)). The Board received public comments from the following speakers:

Marc A. Aprea, Principal, Aprea & Company, on
behalf of California Alliance of Taxpayer Advocates
(CATA)

Hon. Vincent Kehoe, Mariposa County Assessor-
Recorder

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The Board recessed at 12:20 p.m. and reconvened at 1:27 p.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

Margie Wing, Senior Specialist Property Appraiser, Taxpayers' Rights Advocate (TRA) Office, presented the 2022-23 Taxpayers' Rights Advocate's Annual Report highlighting the office's accomplishments, taxpayer service improvements, and examples of cases illustrating services provided ([Exhibit 2.3](#)). Ms. Wing also provided an update on the workload of the TRA Office ([Exhibit 2.4](#)).

Ted Angelo, Chief, Legislative, Research & Statistics Division, presented a legislative proposal to amend Revenue and Taxation Code section 155.20, that would extend the \$50,000 limit that a county board of supervisors may exempt from property tax under a "low value" ordinance to apply to any possessory interest ([Exhibit 2.5](#)).

MOTION: Mr. Vazquez made a motion to support the amendment to Revenue and Taxation Code section 155.20 to extend the \$50,000 "low value" exemption ordinance limit that a county board of supervisors may apply to any taxable possessory interest. The motion was seconded by Mr. Gaines. The motion passed. Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran voted yes.

Yvette M. Stowers, Executive Director, reported that the County of Trinity has received a time extension to complete and submit their 2024 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155.

Lisa Renati, Chief Deputy Director, reported on the status of operational priorities.

David Yeung, Deputy Director, Property Tax Department, reported on the status of pending and upcoming projects, activities, and departmental issues.

Lauren Keach, Chief, County-Assessed Properties Division, reported on the status of Letters to Assessors ([Exhibit 2.6](#)), and the Appraisal Training and Certification Program.

Jack McCool, Chief, State-Assessed Properties Division, reported on the status of pending and upcoming projects and activities for the Division.

Ted Angelo, Chief, Legislative, Research & Statistics Division, provided an update on administrative and program related legislative bills impacting the BOE.

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The Board recessed at 2:48 p.m. and reconvened at 3:00 p.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 3:05 p.m. and reconvened immediately in closed session with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present to discuss pending litigation (Gov. Code, § 11126(e)).

ANNOUNCEMENT OF OPEN SESSION

The Board reconvened at 3:31 p.m. in open session with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

The Board recessed at 3:35 p.m. in memory of four young individuals, ages 32 to 37, who perished of a drug overdose in South Lake Tahoe.

The foregoing minutes are adopted by the Board on March 19, 2024.

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Thursday, February 22, 2024

The Board reconvened at 450 N Street, Sacramento, at 10:04 a.m., with Ms. Lieber, Chair, Mr. Gaines, Vice Chair, Mr. Vazquez, and Mr. Schaefer present, Mr. Emran present on behalf of Ms. Cohen, in accordance with Government Code, section 7.9.

INFORMATIONAL HEARING: CALIFORNIA'S INSURANCE MARKET

Mr. Gaines made introductory remarks regarding the Informational Hearing on California's Insurance Market for discussion of Proposition 103, constituent issues in the Legislature, price increases, and withdrawals from the market. Mr. Gaines introduced Michael Martinez, Chief Deputy Commissioner, who provided a presentation on behalf of Hon. Ricardo Lara, Insurance Commissioner, California Department of Insurance ([Exhibit 2.7](#)). The Board received comments from the following speaker:

Hon. Ben Allen, Senator, California State Senate
District 24

Exhibits to these minutes are incorporated by reference.

Mr. Gaines introduced Cornelious Burke, Vice President of Government Affairs, California Building Industry Association (CBIA), who discussed California insurance rates and their effect on housing and affordable housing development.

Mr. Gaines introduced Victoria Roach, President, California FAIR Plan, who provided an overview of California's Last Resort FAIR Plan Insurance ([Exhibit 2.8](#)).

Mr. Gaines introduced Bill Evans, Past President, Placer County Association of Realtors (PCAR), who discussed the California insurance crisis as it relates to the California real estate market.

Ms. Lieber announced the cancellation of the February 22, 2024, meeting of the Board Work Group on Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption.

The Board recessed at 12:19 p.m. and reconvened at 12:35 p.m. with Ms. Lieber, Mr. Gaines, Mr. Vazquez, Mr. Schaefer, and Mr. Emran present.

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Mr. Gaines introduced Rex Frazier, President, Insurance Federation of California, who discussed the health of the California private insurance market ([Exhibit 2.9](#)).

Mr. Gaines introduced Tina Keele, Community Associations Institute California Legislative Action Committee (CAI CLAC), who discussed the effect of rising insurance rates on homeowner associations.

Mr. Gaines invited persons who wish to address the Board regarding the Informational Hearing on California's Insurance Market to come forward, but none provided comment.

CLOSING

The Board adjourned at 2:22 p.m.

The foregoing minutes are adopted by the Board on March 19, 2024.