



**STATE BOARD OF EQUALIZATION
STAFF LEGISLATIVE BILL ANALYSIS**

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| Date Amended: | 06/07/04 | Bill No: | SB 1831 |
| Tax: | Property | Author: | Committee on Revenue & Taxation |
| Board Position: | | Related Bills: | |

BILL SUMMARY

This bill would, in part, make technical and housekeeping improvements to laws related to the eligibility requirements for assessment appeals board membership.

SUMMARY OF AMENDMENTS

The amendments since the prior analysis delete proposed language to Section 1624.1 which would have added language identical to that currently in Section 1624.02 which exempts from the current qualification requirements any member of an assessment appeals board who was serving on the board prior to the enactment of the qualification requirements added in 1999.

ANALYSIS

Current Law

In counties that have assessment appeals boards, the county board of supervisors follows a statutory procedure of appointing individuals to serve as board members. Members of assessment appeals boards are selected by one of two statutorily prescribed methods:

- Under Revenue and Taxation Code Section 1622, the members of a county board of supervisors nominate individuals to the board and the presiding judge of the superior court of the county selects by lot three members from among those persons nominated; or,
- Under Revenue and Taxation Code Section 1622.1, individuals are appointed directly to a board by the majority vote of the board of supervisors.

Every county that has an assessment appeals board has adopted the direct appointment method pursuant to Section 1622.1.

Revenue and Taxation Code Section 1624.05 provides that in counties with a population of 200,000 or more, a person is not eligible for nomination unless he or she meets one of the following criteria: has a minimum of five years professional experience in this state as a certified public accountant or public accountant, a licensed real estate broker, an attorney, a property appraiser accredited by a nationally recognized professional organization, or a property appraiser certified by the Office of Real Estate Appraisers.

The eligibility requirements are less stringent in counties with a population of less than 200,000. Section 1624 expands the specific eligibility requirements noted above to allow "a person who the nominating member of the board of supervisors has reason to believe is possessed of competent knowledge of property appraisal and taxation." The population estimate to use for purposes of this section is the Department of Finance estimate prepared pursuant to Government Code Section 13073.5.

This staff analysis is provided to address various administrative, cost, revenue and policy issues: it is not to be construed to reflect or suggest the Board's formal position.

Section 1624.1 provides that individuals who worked in an assessor's office are not eligible for appointment to an assessment appeals board within three years of leaving that employment.

This bill also includes a variety of provisions making corrective and clarifying changes to tax collection laws that are sponsored by the California Association of County Treasurers and Tax Collectors. Those amendments are not discussed in this analysis as they are under the purview of the State Controller's Office.

Proposed Law

This bill would amend Section 1623.1 to cross-reference the eligibility requirements for an appeals board member with the provision of law used by counties to appoint assessment appeals board members.

This bill would amend Sections 1624 and 1624.05 to specifically add a property appraiser certified by the Board of Equalization to the list of eligible property appraisers and provide that documentation of qualifying experience of members is to be filed with the clerk of the board.

This bill would also amend Section 1624 to specify that the population estimate to use in determining the population of a county is the Department of Finance estimate prepared pursuant to Government Code Section 13073.5.

In General

Section 16 of Article XIII of the California Constitution provides for the creation in each county or city and county of either a board of equalization or assessment appeals boards to equalize property assessed by the county assessor. County boards of equalization consist of the county board of supervisors sitting as an appeals board. Assessment appeals boards are comprised of persons appointed pursuant to specified provisions of the Revenue and Taxation Code.

Under current law, the elected county board of supervisors may sit as the "county board of equalization" or it may create one or more assessment appeals boards to function as the county board of equalization. There are 20 counties¹ in California where the elected board of supervisors also sits as the county board of equalization. In the remaining 38 counties, assessment appeals board members are appointed directly by majority vote of the board of supervisors. Appointments last for a term of three years and members may be reappointed an unlimited number of terms. The three-year terms are staggered to ensure a board will not be comprised of members with no prior experience. An assessment appeals board may be comprised of either three or five members. In the case of a five-member assessment appeals board, individual appeals are heard by a three-member panel.

Background

Related Bills. Senate Bill 1234 (Schiff, Stats. 1999, Ch. 942) tightened the assessment appeals board eligibility requirements for counties with populations in excess of 200,000. Prior to Senate Bill 1234, counties with populations of less than 1,000,000 could have a person appointed to serve on an assessment appeals board if that person possessed "competent knowledge of property appraisal and taxation" in the view of the member of the

¹ Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Imperial, Inyo, Kings, Lake, Madera, Mendocino, Modoc, Napa, Plumas, San Benito, Sierra, Tehama, Trinity, and Tuolumne.

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board of supervisors who was nominating the person. That is no longer an option for the majority of counties that have assessment appeals boards.

SB 1234 also added a property appraiser certified by the Office of Real Estate Appraisers to the list of persons eligible for nomination to an assessment appeals board. (§1624, §1624.05) The Board of Equalization previously considered these appraisers to be eligible under existing law. Thus, this provision was declaratory of existing law.

COMMENTS

1. **Sponsor and Purpose.** The California Association of Clerks and Election Officials is sponsoring this measure as a technical and housekeeping measure. It would (1) add cross-references between related sections of code, (2) expressly include a property appraiser certified by the Board of Equalization as fulfilling the minimum five years' professional experience that qualifies one to be eligible for nomination to the appeals board and (3) specify the population study to use in determining whether a county has a population of less than 200,000. These provisions would add clarity and specificity to the code as well as make the code more user-friendly.
2. **Amendment.** The June 7 amendment deletes the addition of subdivision (b) to Section 1624.1 as suggested in the prior legislative analysis of this bill as introduced. This subdivision was deleted since it refers to provisions unrelated to the remainder of Section 1624.1.

COST ESTIMATE

With respect to property taxes, the Board would incur insignificant costs in informing and advising local county assessors, the public, and staff of the law changes and updating a variety of publications. These costs are estimated to be under \$10,000.

REVENUE ESTIMATE

This bill has no revenue impact.

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