BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTES

HONORABLE MICHELLE STEEL, COMMITTEE CHAIR
450 N STREET, SACRAMENTO

JULY 13, 2010 - 10:00 A.M.

ACTION ITEM

Agenda Item No: 1

Title:

Adoption of form BOE-502-A, *Preliminary Change of Ownership Report*, and form BOE-502-AH, *Change in Ownership Statement*

Issue:

What forms should the State Board of Equalization (Board) adopt as a *Preliminary Change of Ownership Report* (PCOR) and *Change in Ownership Statement* (COS) for property taxation purposes?

Committee Discussion:

Committee Chair Steel opened the Committee meeting by introducing the agenda item and asked staff to give a report on the issue.

Dean Kinnee, Chief, County-Assessed Properties Division, gave the Committee an overview of the extensive interested parties process that the proposed PCOR and COS had gone through, including working with the California Assessors' Association, California Escrow Association, California Land Title Association, Independent Escrow Companies, Consulting Escrow Companies, legislative advocates for these groups, and other interested parties.

Mr. Kinnee discussed the comments received in a July 8, 2010 letter from Honorable Lawrence E. Stone, Santa Clara County Assessor, regarding a proposed addition to the PCOR and COS to define a *contractual assessment*. Mr. Kinnee indicated that subsequent to the July 8 letter, Board staff and the Santa Clara County Assessor's Office discussed and developed a definition acceptable to the two parties. Mr. Kinnee recommended that the Committee approve the PCOR and COS as presented in Issue Paper 10-007 to include the following definition for *contractual assessment*:

> "An assessment used to finance property-specific improvements that constitutes a lien against the real property."

Honorable Joel Butler, Yolo County Assessor, addressed the Committee in support of the concept of adding a definition of *contractual assessment* to the PCOR and COS. Mr. Butler expressed support for the definition proposed by Board staff.

Member Yee thanked the staff for their work on the PCOR and COS and urged staff to revisit the issue of contractual assessments if the definition of the term adopted by the Board does not help to abate confusion for taxpayers completing the forms.

Committee Action:

Member Alby made a motion to adopt the PCOR and COS as presented in Issue Paper 10-007 with an added definition of *contractual assessment* as proposed by Board staff. The motion was seconded by Member Horton. Without objection, the motion passed.

Agenda Item No: 2

Title:

Adoption of form BOE-64, *Claim for Seismic Safety Construction Exclusion from Assessment*

Issue:

What form should the Board adopt to implement the provisions of Senate Bill 111 (Stats. 2008, ch. 336) which revised the seismic safety construction exclusion from property taxation?

Committee Discussion:

Committee Chair Steel introduced the agenda item and asked staff to give a report on the issue.

Dean Kinnee, Chief, County-Assessed Properties Division, explained to the Committee that a constitutional amendment (Proposition 13) on the June 8, 2010 ballot amended article XIII A of the California Constitution relative to a new construction exclusion for seismic retrofitting. Senate Bill 111 provided the implementing statute to take affect on June 9, 2010, subsequent to the passage of Proposition 13. The new statutory provisions require a claim form be adopted by the Board for use by taxpayers requesting the new construction exclusion. Board staff worked with the California Assessors' Association Forms Subcommittee to draft the proposed claim form.

Committee Action:

Member Yee made a motion to adopt proposed form BOE-64, *Claim for Seismic Safety Construction Exclusion from Assessment*, as presented in Issue Paper 10-006. The motion was seconded by Member Horton. Without objection, the motion passed.

Approved: _____
Michelle Steel, Committee Chair

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Ramon J. Hirsig, Executive Director

BOARD APPROVED

At the July 15, 2010 Board Meeting

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Diane Olson, Chief
Board Proceedings Division