

Tuesday, April 24, 2018

The Board met at its offices at 450 N Street, Sacramento, at 9:35 a.m., with Mr. Runner, Chairman, Ms. Ma, Vice Chairwoman and Ms. Harkey present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code section 7.9.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Runner.

PUBLIC HEARING

Property Taxes – State Assesseees’ Presentations on the Valuation of State-Assessed Properties

Mike Harris, Manager, State-Assessed Properties Division, Property Tax Department, made introductory remarks regarding state assesseees’ presentations on the valuation of state-assessed properties. Mr. Harris read into the record a written public comment provided by Peter W. Michaels, Law Offices of Peter Michaels, representing State Assessed Gas/Electric, Intercounty Pipeline, Telephone, and Railroad Companies ([Exhibit 4.1](#)).

Speakers were invited to address the Board, but there were none.

Exhibits to these minutes are incorporated by reference.

OTHER TAX PROGRAM NONAPPEARANCE MATTERS-NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

PROPERTY TAX MATTERS

Audit

Citizens Telecommunications Company of California, Inc. (284)

2014 to 2017, \$15,600,000.00 Excessive Assessment, \$835,553.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

Frontier Communications of America, Inc. (7512)

2014 to 2017, \$13,750,000.00 Escaped Assessment, \$1,400,000.00 Penalties, \$840,000.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

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NTT America, Inc. (7732)

2014 to 2017, \$32,700,000.00 Escaped Assessment, \$3,270,000.00 Penalties, \$7,830,000.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

PAETEC Communications, Inc. (7814)

2014 to 2017, \$1,010,000.00 Escaped Assessment, \$101,000.00 Penalties, \$263,100.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

McLeodUSA Telecommunications Services, Inc. (7914)

2014 to 2017, \$201,000.00 Escaped Assessment, \$20,100.00 Penalties, \$31,050.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

Satcom Direct Government, Inc. (7948)

2014 to 2017, \$7,680,000.00 Escaped Assessment, \$768,000.00 Penalties, \$1,508,400.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

China Telecom (Americas) Corporation (8015)

2015 to 2017, \$1,600,000.00 Escaped Assessment, \$160,000.00 Penalties, \$240,000.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

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Exenet Systems (California), LLC (8093)

2015 to 2017, \$37,300,000.00 Escaped Assessment, \$1,390,000.00 Penalties, \$4,344,000.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

Affiniti, LLC (8094)

2014 to 2016, \$894,000.00 Excessive Assessment, \$13,000.00 Penalties, \$19,500.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

GoDaddy.com dba Callcatchers (8113)

2014 to 2017, \$904,000.00 Escaped Assessment, \$90,400.00 Penalties, \$178,080.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

PC Landing Corp. (8116)

2014 to 2017, \$20,120,000.00 Escaped Assessment, \$2,012,000.00 Penalties, \$4,744,200.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

Bandwidth.com CLEC, LLC (8122)

2014 to 2017, \$325,000.00 Excessive Assessment

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

Pacific Lightwave, Inc. (8131)

2014 to 2017, \$83,000.00 Escaped Assessment, \$8,300.00 Penalties, \$15,780.00 In-lieu Interest

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board adopted the audit adjustments as recommended by staff.

Tuesday, April 24, 2018

Board Roll Changes

2014, 2015, 2016 and 2017 State-Assessed Property Rolls

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Mr. Horton absent, the Board approved corrections to the 2014, 2015, 2016 and 2017 Board Rolls of State-Assessed Property as recommended by staff ([Exhibit 4.2](#)).

ADMINISTRATIVE SESSION**ADMINISTRATIVE MATTERS, CONSENT**

With respect to the Administrative Matters Consent Agenda, upon a single motion of Ms. Stowers, seconded by Ms. Harkey and unanimously carried, Mr. Runner, Ms. Ma, Ms. Harkey and Ms. Stowers voting yes, Mr. Horton absent, the Board made the following orders:

Action: Adopt the following resolution, extending its sincere and grateful appreciation to the retiree for her dedicated service to the State Board of Equalization and to the State of California, their congratulations on the retiree's well-earned retirement, and best wishes to her and her family for continued success, happiness and good health in the years to come ([Exhibit 4.3](#)).

Paula Montez, Associate Property Auditor Appraiser, County-Assessed Properties Division, Property Tax Department

Action: Acknowledged receipt of report on time extensions for El Dorado, Los Angeles, and Trinity Counties to complete and submit the 2018-19 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155 ([Exhibit 4.4](#)).

With respect to the Administrative Matters Consent Agenda, upon a single motion of Ms. Stowers, seconded by Ms. Ma and unanimously carried, Mr. Runner, Ms. Ma and Ms. Stowers voting yes, Ms. Harkey abstaining, Mr. Horton absent, the Board made the following order:

Action: Approve the Board Meeting Minutes of March 27, 2018.

OTHER ADMINISTRATIVE MATTERS**Executive Director's Report**

Dean R. Kinnee, Executive Director, provided a report regarding the status of pending and upcoming organizational issues.

Tuesday, April 24, 2018

CLOSED SESSION

Mr. Runner made the announcement that there would not be a Closed Session as there were no items to discuss.

The Board adjourned at 9:50 a.m.

The foregoing minutes are adopted by the Board on May 30, 2018.