

Tuesday, July 24, 2018

The Board met at its offices at 450 N Street, Sacramento, at 9:37 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 Ms. Ma.

### **ADMINISTRATIVE SESSION**

#### **ADMINISTRATIVE MATTERS, CONSENT**

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Ms. Harkey, seconded by Ms. Ma 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 7.1](#)).

Lois Campbell, Senior Specialist Property Appraiser, County-Assessed Properties Division, Property Tax Department

Action: Approve the Board Meeting Minutes of June 26, 2018.

Action: Acknowledge receipt of report on time extension for Napa and Siskiyou Counties to complete and submit the 2018-19 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155 ([Exhibit 7.2](#)).

Exhibits to these minutes are incorporated by reference.

### **OTHER ADMINISTRATIVE MATTERS**

#### **Executive Director's Report**

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

Dean R. Kinnee, Executive Director, presented the 2019 Board Workload Plan for approval. The plan consists of the 2019 Board meeting calendar, annual property tax calendars, and significant dates considered in setting Board meeting dates ([Exhibit 7.3](#)).

Action: Upon 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 approved the 2019 Board Workload Plan as presented by staff.

Tuesday, July 24, 2018

**Property Tax Deputy Director's Report**

David Yeung, Chief, State-Assessed Properties Division, Property Tax Department, provided a report on training and certification programs administered by the Board ([Exhibit 7.4](#)).

Mark Durham, Chief, Legislative, Research & Statistics Division, provided an overview of the private railroad car tax program ([Exhibit 7.5](#)).

Mark Durham, Chief, Legislative, Research & Statistics Division, reported that the 2018-19 private railroad car tax rate is set at 1.149 percent in accordance with the computation under the provisions of Revenue and Taxation Code, section 11403 ([Exhibit 7.6](#)).

Mike Harris, Manager, State-Assessed Properties Division, Property Tax Department, provided the staff recommendation for the lien date 2018 assessment of private railroad cars under the provisions of the Private Railroad Car Tax Law ([Exhibit 7.7](#)).

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 2018 private railroad car roll as recommended by staff.

Richard Reisinger, Chief, State-Assessed Properties Division, Property Tax Department, provided an overview of unitary and nonunitary property classifications ([Exhibit 7.8](#)).

Richard Reisinger, Chief, State-Assessed Properties Division, Property Tax Department, provided the staff recommendation on the allocations of the unitary values adopted by the Board in May 2018, plus adjustments based on prior Board action and staff-recommended nonunitary values ([Exhibit 7.9](#)).

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 2018 state-assessed property roll as recommended by staff.

**BOARD MEMBER REQUESTED MATTERS****Proposed Changes to Regulations 302, 305, 305.1, 305.2 and 323 (Ms. Ma)**

Ms. Ma made introductory remarks regarding the discussion of, and proposed changes to Regulations 302, *The Board's Function and Jurisdiction*; 305, *Application*; 305.1, *Exchange of Information*; 305.2, *Prehearing Conference*; and 323, *Postponement and Continuances* ([Exhibit 7.10](#)).

Tuesday, July 24, 2018

Speakers: Charles W. Leonhardt, Plumas County Assessor, and President, California Assessors Association ([Exhibit 7.11](#))  
 Lawrence E. Stone, Santa Clara County Assessor  
 Marcy Berkman, Santa Clara County Counsel  
 Paul Dictos, Fresno County Assessor/Recorder  
 Christina Wynn, Sacramento County Assessor  
 Richard N. Benson, Marin County Assessor/Recorder/Clerk ([Exhibit 7.12](#))  
 Diane Brown, Butte County Assessor  
 Don H. Gaekle, Stanislaus County Assessor  
 Jesse Salinas, Yolo County Assessor/Recorder/Clerk  
 George Renkei, Assistant Assessor, Los Angeles County Assessor's Office  
 Edward Yen, Senior Deputy, Los Angeles County Counsel  
 Leslie K. Davis, Calaveras County Assessor  
 Dawn Duran, Administrator, San Francisco Assessment Appeals Board  
 Tom Parker, Los Angeles County Counsel on behalf of the Assessment Appeals Board  
 Dorothy Johnson, Legislative Representative, CA State Association of Counties  
 Samantha Corbin, California Tax Reform Association  
 Marc A. Aprea, Principal, Aprea & Micheli, on behalf of California Alliance of Taxpayer Advocates (CATA)  
 Mark Ong, Managing Director, Independent Tax Representatives  
 Cris K. O'Neill, Attorney, Greenberg, Taurig, LLP  
 Troy Van Dongen, Chair, Marin County Assessment Appeals Board

The Board recessed at 12:29 p.m. and reconvened at 12:36 p.m. with Mr. Runner, Ms. Ma, Ms. Harkey and Ms. Stowers present.

Action: Ms. Harkey moved to instruct the Chief Counsel to start the preliminary analysis on the proposed changes to Rules 302, 305, 305.1, 305.2 and 323 as presented by California Alliance of Taxpayer Advocates (CATA), for Board consideration of whether to engage in the regulatory process. The motion was seconded by Mr. Runner. Ms. Ma offered an amendment that would change the 10-day period to 90 days. The amended motion was seconded by Mr. Runner. Ms. Harkey withdrew her motion.

Upon motion of Ms. Harkey, seconded by Mr. Runner and duly carried, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers voting no, Mr. Horton absent, the Board directed the Executive Director to instruct the Chief Counsel to start the preliminary analysis on the proposed changes to Rules 302, 305, 305.1, 305.2 and 323 as presented by CATA, with the exception of changing the date from 10 days to 90 days, for Board consideration of whether to engage in the regulatory process.

The Board recessed at 1:18 p.m. and reconvened at 1:19 p.m. with Mr. Runner, Ms. Ma, Ms. Harkey and Ms. Stowers present.

Tuesday, July 24, 2018

**Proposed Changes to Legislation Regarding Meeting Requirements (Ms. Harkey)**

Ms. Harkey made introductory remarks regarding the need for discussion regarding legislation to change the monthly Board meeting requirement to a quarterly meeting requirement ([Exhibit 7.13](#)).

Action: Upon motion of Ms. Harkey, seconded by Ms. Stowers and unanimously carried, Mr. Runner, Ms. Ma, Ms. Harkey and Ms. Stowers voting yes, Mr. Horton absent, the Board approved Ms. Harkey's recommendation to support legislation to amend Government Code section 15609 to require regular meetings to be held at least quarterly, rather than monthly, in Sacramento, instead of places within the state, as recommended by Ms. Harkey.

**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 1:25 p.m. and reconvened immediately. The Board adjourned at 1:27 p.m. in memory of Member Fiona Ma's mother Sophia Ma, talented artist, teacher, wife, mother and grandmother.

*The foregoing minutes are adopted by the Board on August 21, 2018.*

Note: The following matter was removed from the calendar prior to the meeting: BOE Legal Opinion on Assessment Appeals – Exchange of Information, Revenue and Taxation Code section 1606; whether an assessor's office must provide opinion of value to taxpayer before an assessment appeals board hearing (Mr. Horton).