

Tuesday, August 21, 2018

The Board met at its offices at 450 N Street, Sacramento, at 11:07 a.m., with Mr. Runner, Chairman, Ms. Ma, Vice Chairwoman, Mr. Horton 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 HEARINGS

#### Taxpayers' Bill of Rights Hearings

Lisa Thompson, Chief, Taxpayer Rights Advocates Office, made introductory remarks regarding the Taxpayers' Bill of Rights Hearings. The public hearing is held in accordance with the provisions of Revenue and Taxation Code section 5906 and section 32463. Individuals have the opportunity to provide comments on any problems identified in the 2016-2017 Taxpayers' Rights Advocate Annual Report relating to property taxes, or on items currently being worked on by the advocate's office. In reference to the alcoholic beverage tax, individuals may present their ideas and recommendations regarding legislation which may further improve voluntary compliance and the relationship between taxpayers and government. Individuals may present their concerns regarding the quality of agency services, and other issues related to the Board's administration of its tax programs, including state and county property taxes, alcoholic beverage tax, and tax on insurers ([Exhibit 8.1](#)).

Speakers: Stacy Smith, Taxpayer  
Lori Gill, Taxpayer ([Exhibit 8.2](#))  
Tim Phillis, Taxpayer ([Exhibit 8.3](#))  
Howard Kato, President, T & M Kato Farms, Inc.  
Thomas Crandall, Taxpayer ([Exhibit 8.4](#))  
Charles W. Leonhardt, Plumas County Assessor, and President, California  
Assessors Association

Mark Sutter, Senior Specialist Property Appraiser, Taxpayer Rights Advocates Office, read into the record a written submission from Shawn Karl Mooney ([Exhibit 8.5](#)).

Exhibits to these minutes are incorporated by reference.

Ms. Stowers acknowledged breast cancer survivors and congratulated them on their fight to beat the disease. She then acknowledged those currently fighting the disease and encouraged them to stay strong and believe that they too will be successful in their fight.

The Board recessed at 12:31 p.m. and reconvened at 1:35 p.m. with Mr. Runner, Ms. Ma, Mr. Horton, Ms. Harkey and Ms. Stowers present.

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## BOARD MEMBER REQUESTED MATTERS

### **Recommendation for Board support of a letter expressing the legislative intent behind the language in AB 327, Sales and Use Tax: Exemption: Pawnbrokers (Ms. Ma)**

Ms. Ma made introductory remarks regarding her recommendation for Board support of a letter expressing the legislative intent behind the language in AB 327, Sales and Use Tax: Exemption: Pawnbrokers ([Exhibit 8.6](#)).

Speaker: Bill Duplissea, Cline & Duplissea, and Lobbyist, California Pawnbrokers Association

Action: The Board deferred consideration of the matter, pending a letter of support for the Board's consideration, to be prepared by the speaker in conjunction with Ms. Ma.

## CHIEF COUNSEL MATTERS

### RULEMAKING

#### **Revisit Petition to amend Property Tax Rules 302, 305, 305.1, 305.2 and 323**

Henry D. Nanjo, Chief Counsel, made introductory remarks regarding a petition to amend Property Tax Rules 302, *The Board's Function and Jurisdiction*; 305, *Application*; 305.1, *Exchange of Information*; 305.2, *Prehearing Conference*; and, 323, *Postponement and Continuances*, in light of the August 8, 2018 letter of California Alliance of Taxpayer Advocates (CATA) ([Exhibit 8.7](#)).

Speakers: Marc A. Aprea, Principal, Aprea & Micheli, on behalf of CATA  
Charles W. Leonhardt, Plumas County Assessor, and President, California Assessors Association  
Ernest J. Dronenburg, Jr., San Diego County Assessor/Recorder/Clerk  
Troy Van Dongen, Chair, Marin County Assessment Appeals Board  
Edward Yen, Senior Deputy, Los Angeles County Counsel on behalf of the Los Angeles County Assessor's Office  
John McKibben, Chair, BOE Rules Workgroup, California Association of Clerks & Election Officials  
Marie A. LaSala, Attorney, Law Office of Marie A. LaSala

Action: The Board postponed the matter to the September Board Meeting to allow legal analysis per the July Board Meeting.

The Board recessed at 3:08 p.m. and reconvened at 3:18 p.m. with Mr. Runner, Mr. Horton, Ms. Harkey and Ms. Stowers present.

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**BOARD MEMBER REQUESTED MATTERS (CONTINUED)****BOE Legal Opinion on Assessment Appeals – *Exchange of Information*, Revenue and Taxation Code section 1606 (Mr. Horton)**

Mr. Horton made introductory remarks regarding his request for a 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 ([Exhibit 8.8](#)).

Speakers: Sean P. Keegan, EVP & Principal, Property Tax Assistance Co., Inc. (PTA)  
Albert P. Zamarripa, Vice President, Property Tax Assistance Co., Inc.

Action: The Board deferred consideration of the matter, pending a Letter to Assessors for the Board's consideration, to be prepared by staff in conjunction with Chief Counsel when appropriate.

**OTHER TAX PROGRAM NONAPPEARANCE MATTERS—NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE****PROPERTY TAX MATTERS****Board Roll Changes**

2016, 2017 and 2018 State-Assessed Property Rolls

Action: Upon motion of Mr. Horton, seconded by Ms. Harkey and unanimously carried, Mr. Runner, Mr. Horton and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, Ms. Ma absent, the Board approved corrections to the 2016, 2017 and 2018 Board Rolls of State-Assessed Property as recommended by staff ([Exhibit 8.9](#)).

**ADMINISTRATIVE SESSION****ADMINISTRATIVE MATTERS, CONSENT**

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

Action: Approve the Board Meeting Minutes of July 24, 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.

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Dean R. Kinnee, Executive Director, introduced Mark Durham, Chief, Legislative, Research & Statistics Division, who provided a report regarding the 2019/20 Budget Change Concepts.

Dean R. Kinnee, Executive Director, made introductory remarks regarding discussion of, and background on the Annual Meeting of the State Board of Equalization and County Assessors, in preparation for issuance of summons/invitation in September.

Dean R. Kinnee, Executive Director, introduced Lisa Thompson, Chief, Taxpayer Rights Advocates Office, who provided a report regarding the Taxpayers' Rights Advocate – Taxpayer Education Plan ([Exhibit 8.10](#)).

### **Property Tax Deputy Director's Report**

David Yeung, Chief, County-Assessed Properties Division, Property Tax Department, provided an overview of the Assessors' Handbook process, including the new Section 260, *General Exemptions* ([Exhibit 8.11](#)).

### **ANNOUNCEMENT OF CLOSED SESSION**

The Board recessed at 4:46 p.m. and reconvened immediately in closed session with Mr. Runner, Ms. Harkey and Ms. Stowers present.

### **CLOSED SESSION**

The Board met to discuss personnel matters (Gov. Code § 11126(a)(1)).

The Board recessed at 4:54 p.m. and reconvened immediately in open session with Mr. Runner, Ms. Harkey and Ms. Stowers present.

The Board adjourned at 4:55 p.m.

*The foregoing minutes are adopted by the Board on September 25, 2018.*