California State
Board *of* Equalization

# 2024-25 ANNUAL REPORT



San Diego Coastline



Salesforce Tower, San Francisco

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# LETTER *from the* EXECUTIVE DIRECTOR

The Honorable Gavin Newsom
Governor of California
April 2026



Dear Governor Newsom:

On behalf of the Board, the Executive Management Team, and our dedicated employees, I am pleased to present this 2024-25 Annual Report of the California State Board of Equalization (BOE) for the fiscal year (FY) ending June 30, 2025.

The BOE is committed to fulfilling its constitutional and statutory duties and is focused on our mission: to serve the public through fair, effective, and efficient tax administration in support of state and local governments. This work is fundamental to strengthening communities and ensuring reliable funding for essential state and local government services.

The BOE oversees the assessment practices for the 58 County Assessors, who are charged with valuing over 13 million assessments each year. In FY 2024-25, the net statewide assessed value was $9.1 trillion, resulting in $100 billion of property tax levies.

In 2025, the BOE set the values of state-assessed properties, primarily privately-owned public utilities and railroads, at $165 billion for the 2025 lien year for FY 2025-26. This was a $12.3 billion increase over 2024 lien year values. State-assessed properties produced $2.8 billion in local property tax revenues for the state's 58 counties in 2024-25.

Overall, property tax levies administered and overseen by the BOE contributed $53.5 billion to schools and $46.5 billion to local governments, underscoring the BOE's critical role in maintaining stable funding for essential public services statewide.

The BOE is also responsible for administering the Alcoholic Beverage Tax Program, which produced $415 million, and co-administering the Tax on Insurers Program, which added $3.5 billion to the state.

We are honored to serve the State of California and remain steadfast in our commitment to ensuring the effective administration of essential revenues for state and local governments.

Sincerely,

Yvette M. Stowers
Executive Director

# THE BOARD




Created in 1879 by a constitutional amendment, the California State Board of Equalization (BOE) was initially responsible for ensuring that county property tax assessment practices were equal and uniform throughout California.

Today, the BOE administers three tax programs that produce revenue essential to our state. The Board hears appeals from public utility assessments and serves a significant role in the assessment and administration of property taxes by issuing rules and regulations, establishing the tax values of railroads and certain privately held public utilities, and overseeing the assessment practices of the state's 58 County Assessors.

Public Board meetings provide taxpayers and other interested parties with direct access to the Board's decision-making process, allowing them to observe deliberations, engage with Board Members, and participate in the development of rules and regulations. The Board convenes monthly in Sacramento, with meetings held in person and live-streamed statewide, ensuring transparency and opportunities for public comment as the Board carries out its official duties and remains directly accountable to the people of California.

The Board consists of five Members who serve concurrent four-year terms. One Member is elected from each of California's four equalization districts. The State Controller, elected at large, serves as the Board's fifth Member. Each of the four elected Board Members represents approximately 10 million constituents in their respective districts.

The BOE's Executive Director, appointed by the Board, is responsible for the employees and carrying out the BOE's mission, goals, and directives.

This *Annual Report* represents the BOE's services and accomplishments for FY 2024-25. The elected Board is comprised of Board Members—Ted Gaines, First District; Sally J. Lieber, Second District; Antonio Vazquez, Third District; Mike Schaefer, Fourth District; and Malia M. Cohen, State Controller. The Board is committed to fulfilling its constitutional duties and contributing to California's success.

# MISSION, VISION, *and* CORE ORGANIZATIONAL VALUES

## MISSION

Our mission is to serve Californians through fair, effective, and efficient tax administration in support of state and local governments.

## VISION

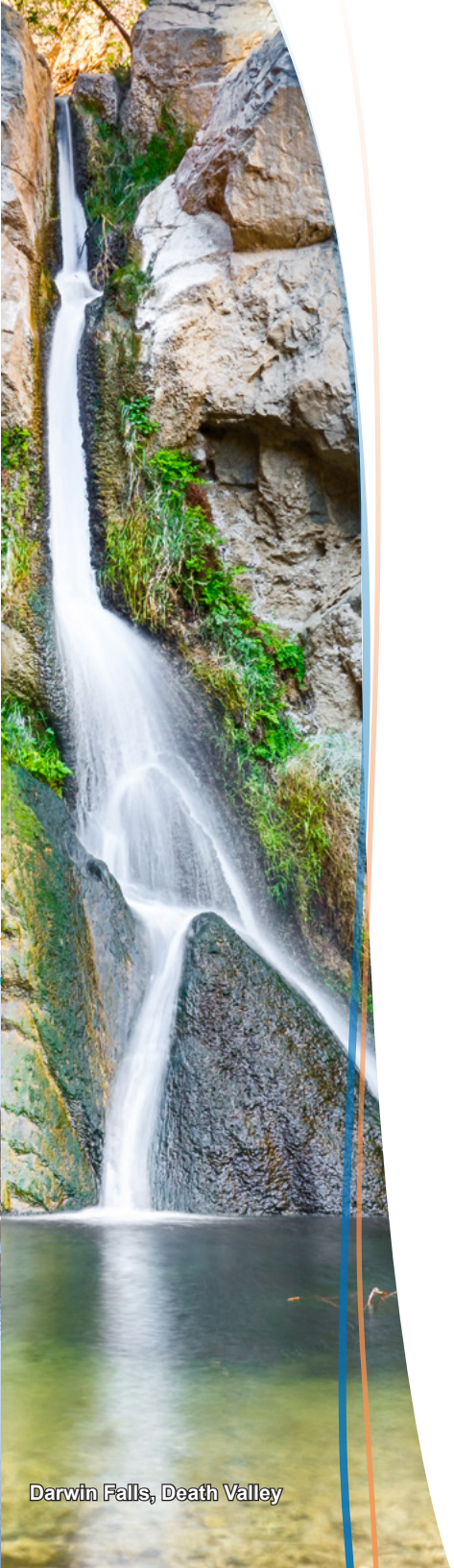
To rebuild, revitalize, and modernize the BOE, to enrich its employees, and strengthen its organizational capabilities to deliver gold-standard services.

## CORE ORGANIZATIONAL VALUES

- Perform public service with integrity
- Put people first
- Commit to excellence
- Keep getting better



Lake Merritt, Oakland



Darwin Falls, Death Valley

# PROFILE *of the* BOE

## BOE PROGRAMS

### Property Tax Programs

#### Introduction to Property Taxes

Property taxes are one of the primary sources of revenue for California's counties, cities, schools, and special districts. While the State does not rely on property taxes as a source of revenue, incorrect real property assessments have revenue implications for the state. State law annually guarantees California schools a minimum amount of funding, and the State is responsible for backfilling shortfalls in education funding under Proposition 98.

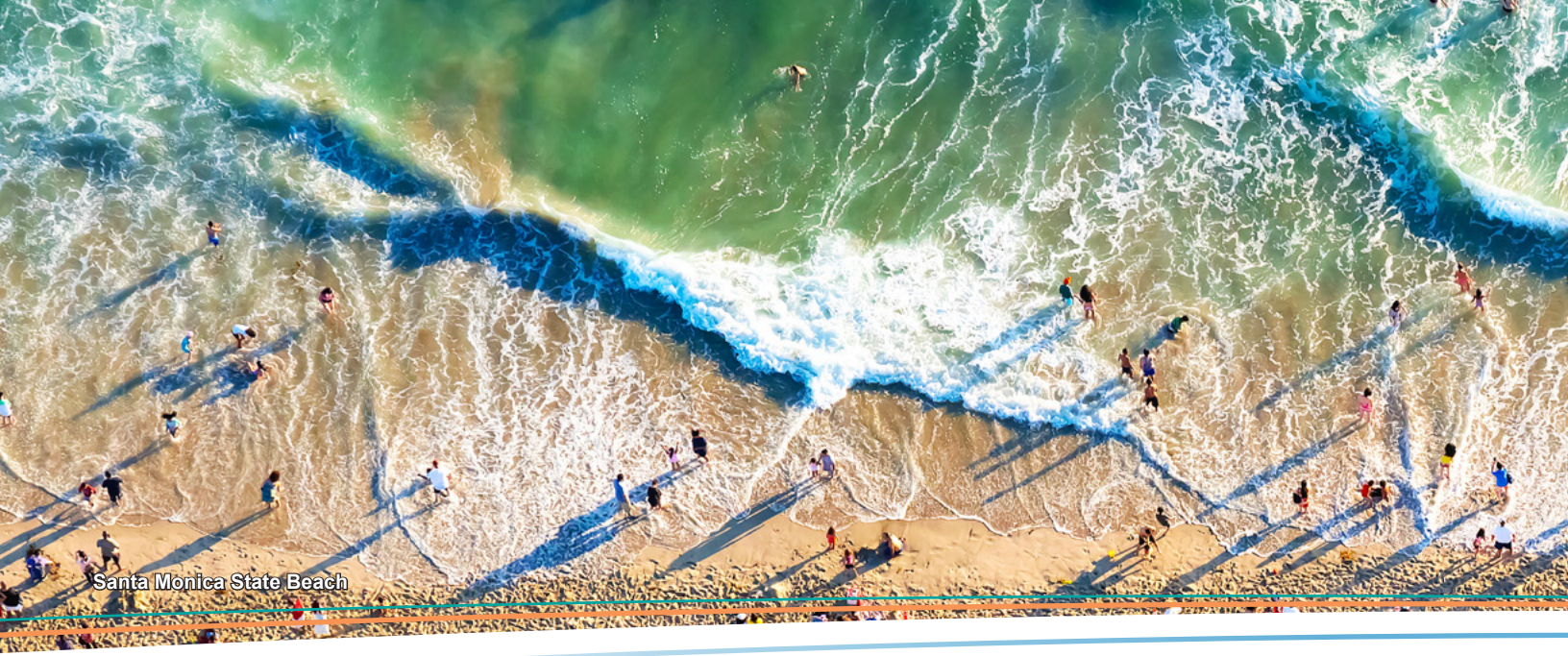
#### General Property Taxes

Proposition 13, passed by California voters in 1978, imposed a property tax rate of one percent of the property's full cash value, with limited exceptions. In addition, it allows reappraisal of real property at current fair market value only when there is a change in ownership or upon completion of new construction.

When a reappraisal occurs because of a change in ownership or the completion of new construction, the County Assessor sets a new *base year value* for the property that underwent the change in ownership or that was newly constructed. Thereafter, Proposition 13 generally limits annual increases in the base year value to a maximum of two percent, depending on the most recent year's percentage change in the California Consumer Price Index. The application of the increase to the base year value each year is referred to as the adjusted base year value or factored base year value.

However, where a property's current market value has declined below its base year value adjusted for inflation, the current market value becomes the property's temporary assessed value until the adjusted base year value exceeds its current market value. The temporary assessed value is commonly referred to as a *Proposition 8* value, so named for the November 1978 constitutional amendment that allowed for such temporary reductions in assessed value.

When a property has received a Proposition 8 value, increases in assessed value year-over-year are no longer limited to two percent but instead may be made in whatever amount is needed to either: (a) establish a new, higher Proposition 8 value, or (b) restore the adjusted base year value. In all cases, the assessed value must be the lower of the current market value or the adjusted base year value.


Santa Monica State Beach

## County-Assessed Properties

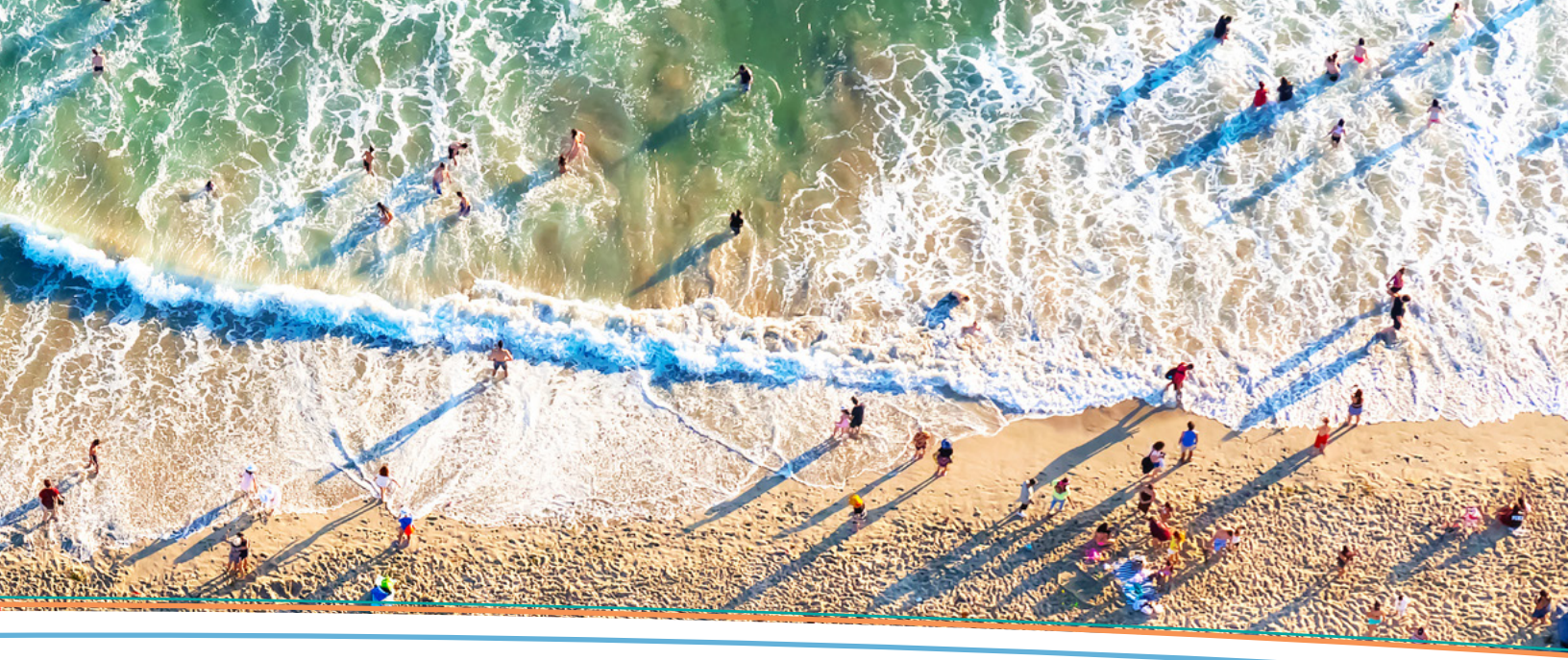
The BOE oversees the assessment practices of the state's 58 County Assessors, who are charged with establishing values for over 13 million assessments each year. Each of the BOE's constitutional and statutory duties is critical to promoting a consistent and uniform property tax system throughout the state. The BOE's duties include:

- Conducting assessment practices surveys or compliance audits of County Assessors' practices and procedures to determine whether they comply with all statutory and regulatory provisions by utilizing proper appraisal practices. In FY 2024-25, the BOE issued eight survey reports for the counties of Butte, Colusa, Contra Costa, Fresno, Lassen, Mariposa, San Bernardino, and Solano.

- Providing guidance to County Assessors to promote uniformity and consistency in assessment practices throughout the state in the form of Property Tax Rules, Letters to Assessors, County Assessors Only Letters, and Assessors' Handbooks. In FY 2024-25, the BOE promulgated one rule, issued 42 advisory letters to County Assessors, and updated three Assessors' Handbooks.

- Prescribing property tax forms that are used by all County Assessors statewide. The BOE has 121 prescribed forms. In FY 2024-25, the BOE amended 103 of these forms.

- Providing training and certifying individuals performing the duties of an appraiser or an assessment analyst for property tax purposes, including newly elected County Assessors. In FY 2024-25, the BOE trained approximately 2,466 students through 35 BOE-hosted courses, web-based self-study courses, and additional courses at local colleges and universities. The BOE also issued 285 Permanent and Advanced Appraiser Certifications and 20 Permanent and Advanced Assessment Analyst Certifications.



- Acting as a clearinghouse for various claims for property tax relief under Propositions 3, 19, 58, 60, 110, and 193. Exclusions within these propositions have statutory restrictions, such as dollar limits or once-in-a-lifetime eligibility.
- Monitoring duplicate claims granted under the Homeowners' and Disabled Veterans' Exemptions.
- Acting as an advisory agency on property tax assessment. In FY 2024-25, the BOE answered approximately 9,833 calls and 9,747 inquiries by letter, fax, and email.
- Co-administering the Welfare Exemption with County Assessors. In FY 2024-25, the BOE issued 909 Organizational Clearance Certificates and 344 Supplemental Clearance Certificates. The BOE also reviewed 2,365 verification filings of organizations holding Organizational Clearance Certificates to ensure continued eligibility for the Welfare Exemption.
- Administering certain property tax programs, such as the Legal Entity Ownership Program, which aims to discover any changes in control and ownership of legal entities (such as corporations or LLCs) that hold California real property and inform County Assessors of the need to reappraise real property held by these entities. In FY 2024-25, the BOE identified 863 changes in control and ownership of legal entities, leading to the reassessment of 13,355 reported parcels of those entities.
- Meeting regularly with County Assessors to discuss issues on the administration of assessment and taxation laws, and ways to promote statewide uniformity.
- Publishing educational materials and information for taxpayers and stakeholders to assist with understanding property tax laws and increase awareness of property tax savings that may be available.

On November 3, 2020, California voters approved Proposition 19, *The Home Protection for Seniors, Severely Disabled, Families and Victims of Wildfire or Natural Disasters Act*, which brought significant changes to how certain property tax assessments are treated. Since then, the BOE has continued its statewide role in the implementation process. To assist taxpayers, stakeholders, and County Assessors, the BOE established a Proposition 19 webpage, *www.boe.ca.gov/prop19*, to serve as a one-stop shop for information. In FY 2024-25, the County-Assessed Properties Division also answered approximately 3,069 calls and 1,206 email inquiries related to Proposition 19.

## State-Assessed Properties

In accordance with Article XIII, section 19, of the California Constitution, the BOE assesses certain public utilities and other specified properties and allocates the assessed values among the counties where the properties are physically located.

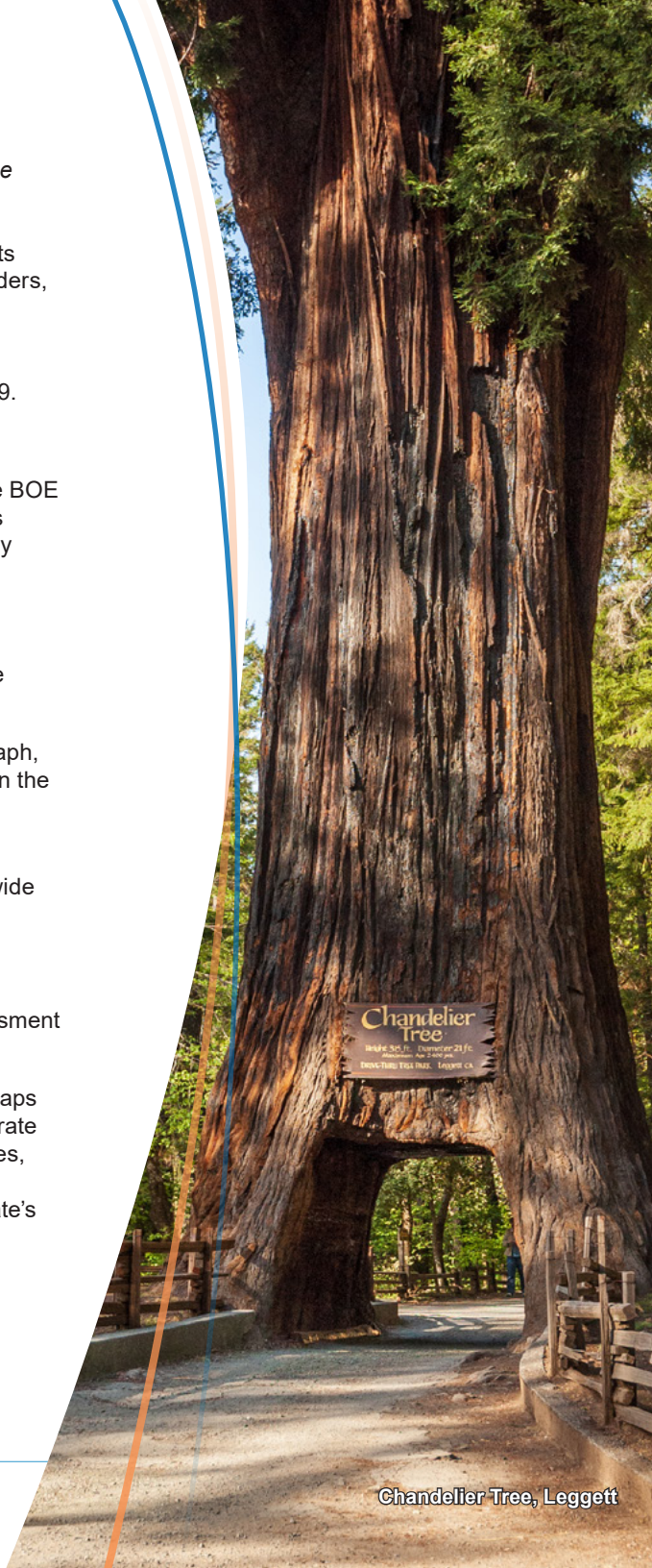
State-assessed properties include:

- Pipelines, flumes, canals, ditches, and aqueducts lying within two or more counties.
- Property (except franchises) owned or used by regulated railway, telegraph, or telephone companies, railroad car companies operating on railways in the state, and companies transmitting or selling gas or electricity.

In 2025, the Board adopted $165 billion in assessed property values of 322 companies within California, of which schools and local communities statewide are expected to receive approximately $2.8 billion in property tax revenue.

In FY 2024-25, the BOE completed 23 property tax audits and physically inspected and valued 9,967 state-assessed land parcels. In addition, 239 *Statement of Land Changes* were processed, and the corresponding assessment jurisdiction changes were transmitted to the 58 County Assessors.

The BOE's Tax Area Services Section (TASS) also continued to maintain maps of more than 9,700 revenue district boundaries that encompass 62,028 tax rate areas, helping to ensure the proper allocation of local tax revenue to counties, cities, and special tax districts. For FY 2024-25, TASS processed over 219 jurisdictional boundary changes, resulting in $311,332 in revenue for the state's General Fund.



Chandelier Tree, Leggett

### Private Railroad Car Tax

Private railcar owners pay the Private Railroad Car Tax on railcars operated in California. The Private Railroad Car Tax is an in-lieu property tax on railroad cars owned by non-railroad companies and operated upon California railroads. Railroad company-owned cars are included in the unitary value of railroads adopted by the Board each May. The tax paid is based on values established by the Board and the number of days the cars were physically in the state. This is the only property tax administered and collected by the state. For FY 2024-25, the BOE collected $12.0 million for the state's General Fund.

## Special Taxes Programs

The BOE is constitutionally responsible for the Alcoholic Beverage Tax and the Tax on Insurers.

### Alcoholic Beverage Tax

The Alcoholic Beverage Tax is a per-gallon excise tax collected on the sale, distribution, or importation of alcoholic beverages in California. Revenues from the tax are deposited into the Alcohol Beverage Control Fund and are withdrawn for use by the state's General Fund or used to pay refunds under this program.

As part of an interagency agreement, the California Department of Tax and Fee Administration (CDTFA) collects the tax and administers some of the program's functions on behalf of the BOE. The BOE[1] hears all appeals for claims for refund and petitions for redetermination. For FY 2024-25, the Alcoholic Beverage Tax generated $415 million for the state's General Fund.

### Tax on Insurers

The Tax on Insurers Program is jointly administered by the BOE, the California Department of Insurance, and the State Controller's Office (SCO).

Insurance companies that have received authority from the California Department of Insurance to transact insurance business in California are called "admitted insurers" and may be subject to as many as three insurance taxes.

All insurance companies are subject to a tax on gross premiums. In addition, one of the schedules in the gross premiums tax return is used for the computation of retaliatory tax, which is the second tax an insurance company may owe. A retaliatory tax is owed when an out-of-state insurance company's domicile state (home state) imposes higher taxes on a California-domiciled insurer for the same business. The third insurance tax on insurance companies is the ocean marine tax. Surplus Line Brokers, who are licensed brokers that sell policies for non-admitted (non-licensed) insurance companies, also pay a tax.

As part of an interagency agreement with the BOE, CDTFA issues deficiency assessments, refunds, and receives appeals on behalf of the BOE. The BOE hears all appeals for claims for refund and petitions for redetermination. For FY 2024-25, the Tax on Insurers generated $3.5 billion for the state's General Fund.

[1] The BOE does not, directly or indirectly, use the total amount of revenue collected or assessed from the Alcoholic Beverage Tax to evaluate individual officers or employees, or to impose or suggest quotas or goals other than quotas or goals related to accounts receivables.

## Responsibilities

The primary responsibilities of the BOE are to:

- Administer agency programs.
- Act as an appellate body for the review of certain property tax determinations.
- Adopt rules and regulations clarifying the laws it administers.
- Determine the assessed value of railroads and specified privately-held public utilities, including gas, electric, and telephone companies.
- Oversee the property tax assessment practices of County Assessors.
- Assess and collect the Private Railroad Car Tax.
- Hear all appeals for claims for refund and petitions for redetermination for the Alcoholic Beverage Tax and the Tax on Insurers.

In carrying out these responsibilities, the BOE:

- Prescribes Property Tax Rules and issues advice to guide property owners, County Assessors, and County Assessment Appeals Boards.
- Considers appeals from taxpayers on state-assessed property values and denials or revocations of Welfare Exemption Organizational and Supplemental Clearance Certificates.
- Hears appeals from local governments of assessments made by County Assessors on lands, water rights, and certain improvements on properties owned by the local governments but located outside their boundaries.
- Develops and publishes capitalization rates to be used in valuing state-assessed utilities.
- Classifies unitary and nonunitary properties of public utilities and determines the property values of each assessee for local property taxation.

## Meetings

Monthly public Board meetings offer taxpayers and other interested parties the opportunity to participate in the formulation of rules and regulations adopted by the Board and to interact with the Members as they carry out their official duties.

Each year, the Board also holds a Taxpayers' Bill of Rights hearing that allows taxpayers to make comments on matters identified in the *Taxpayers' Rights Advocate's Annual Report* or BOE-administered laws and programs.

Additionally, the Board is required by law to hold a meeting with County Assessors at least once a year to discuss issues related to the administration of assessment and taxation laws, and ways to promote statewide uniformity.



**2025 Annual Meeting with County Assessors**

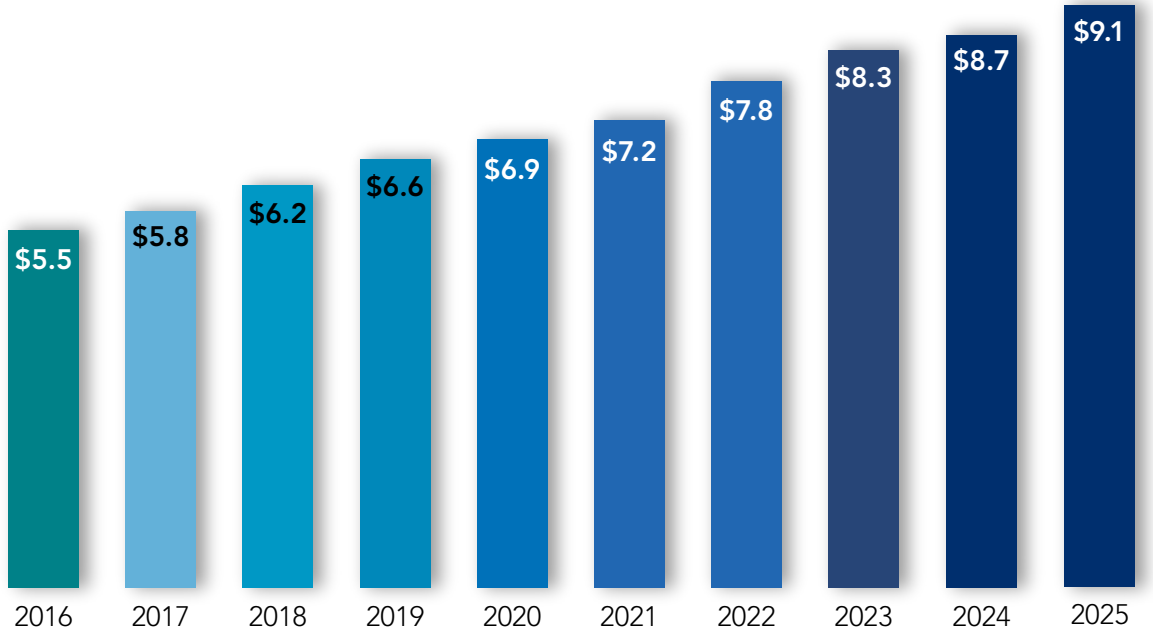


El Capitan, Yosemite National Park

# STATE- *and* COUNTY-ASSESSED VALUES

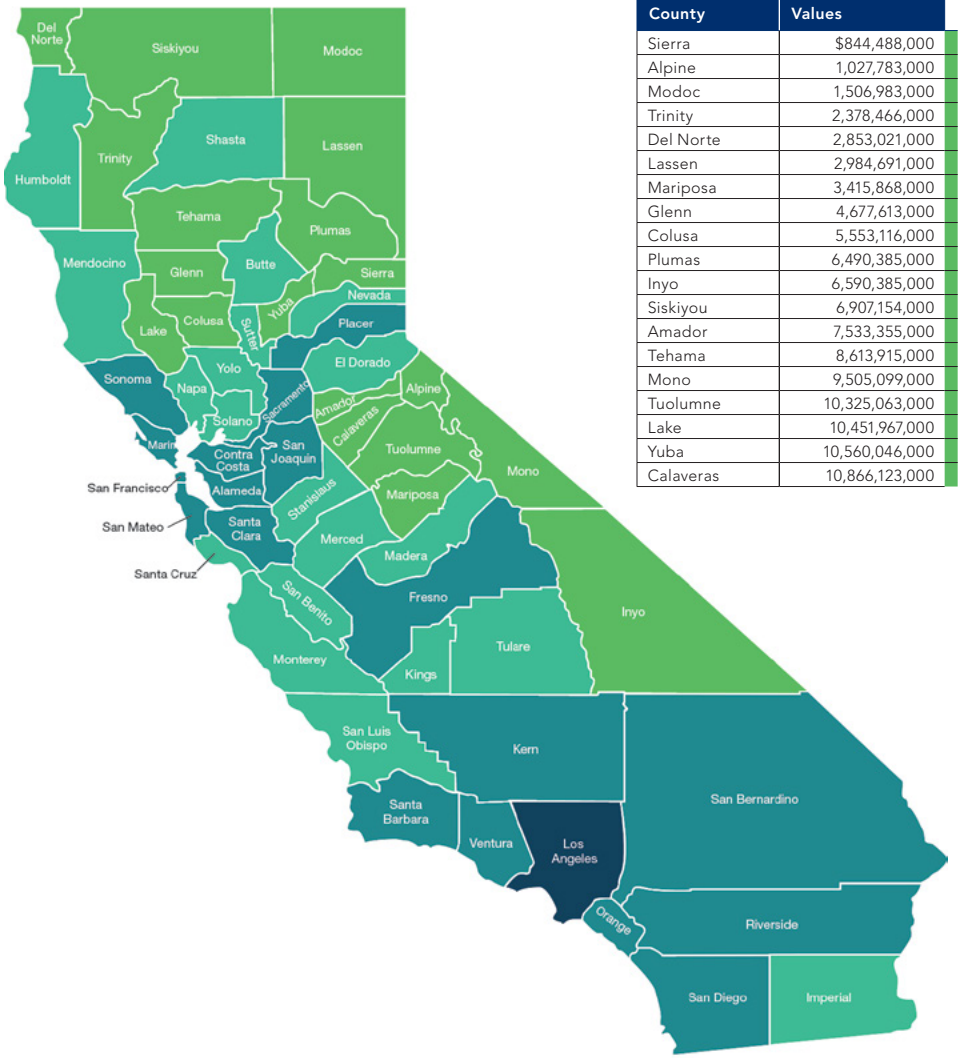
The BOE oversees the assessment practices of the state's 58 County Assessors, who are charged with establishing values for over 13 million assessments each year. Assessed value, net of all exemptions, for the 2025 lien year for FY 2025-26 was $9.1 trillion, which includes $9.0 trillion in county-assessed properties and $165 billion in state-assessed properties.

**Ten-Year Summary**
**Net-Assessed Value of County- and State-Assessed Property**
***(in trillions)***



# TOTAL NET-ASSESSED VALUES FOR THE 2025 LIEN YEAR FOR FY 2025-26

The annual assessment roll is based on the value of all property as of the January 1, 2025, lien date. The statewide map of the 58 counties includes both county-assessed and state-assessed property values, net exemptions.




| County | Net-Assessed Values |
|---|---|
| Sierra | $844,488,000 |
| Alpine | 1,027,783,000 |
| Modoc | 1,506,983,000 |
| Trinity | 2,378,466,000 |
| Del Norte | 2,853,021,000 |
| Lassen | 2,984,691,000 |
| Mariposa | 3,415,868,000 |
| Glenn | 4,677,613,000 |
| Colusa | 5,553,116,000 |
| Plumas | 6,490,385,000 |
| Inyo | 6,590,385,000 |
| Siskiyou | 6,907,154,000 |
| Amador | 7,533,355,000 |
| Tehama | 8,613,915,000 |
| Mono | 9,505,099,000 |
| Tuolumne | 10,325,063,000 |
| Lake | 10,451,967,000 |
| Yuba | 10,560,046,000 |
| Calaveras | 10,866,123,000 |

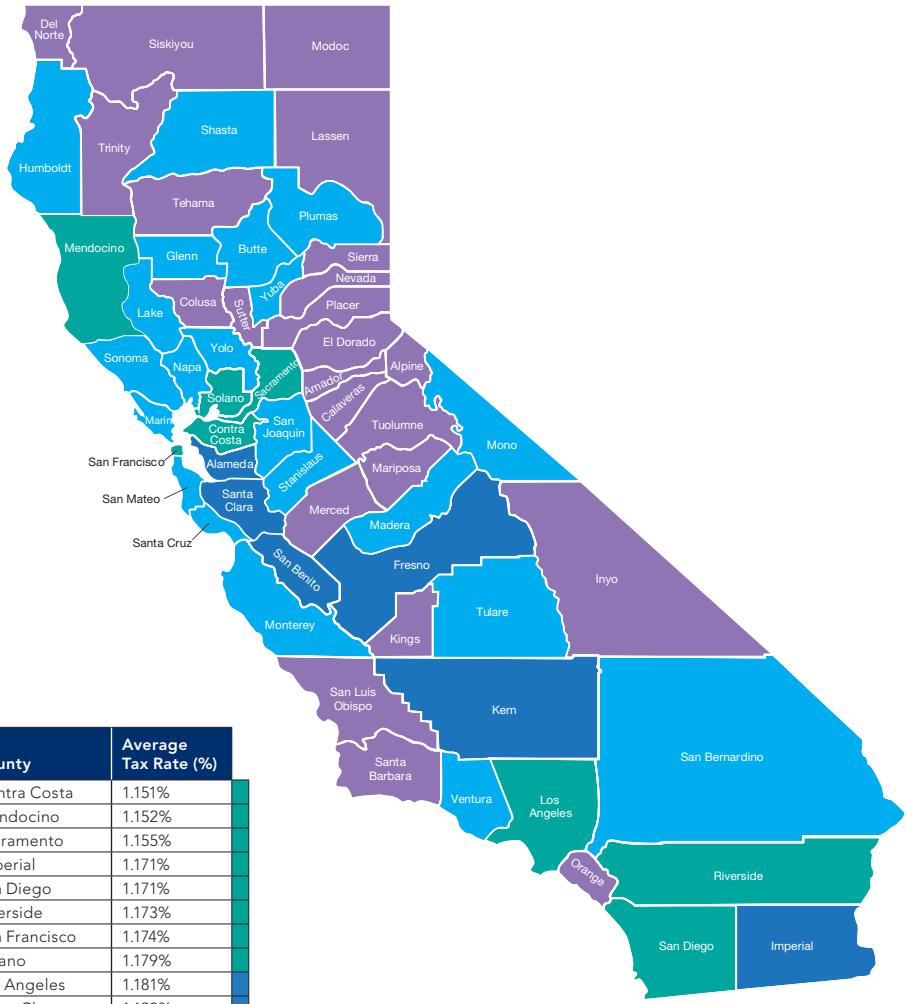
| County | Net-Assessed Values |
|---|---|
| Sutter | $14,364,440,000 |
| San Benito | 14,473,090,000 |
| Mendocino | 15,863,426,000 |
| Kings | 17,041,459,000 |
| Humboldt | 19,000,902,000 |
| Imperial | 19,003,695,000 |
| Madera | 23,131,311,000 |
| Shasta | 26,956,718,000 |
| Nevada | 28,838,616,000 |
| Butte | 31,688,331,000 |
| Merced | 37,666,292,000 |
| Yolo | 40,733,726,000 |
| El Dorado | 47,989,241,000 |
| Tulare | 55,334,899,000 |
| Napa | 58,135,441,000 |
| Santa Cruz | 65,174,404,000 |
| Stanislaus | 73,253,201,000 |
| Solano | 79,277,042,000 |
| San Luis Obispo | 79,374,945,000 |
| Monterey | 98,080,632,000 |
| Marin | 111,262,953,000 |
| Placer | 119,306,196,000 |
| Santa Barbara | 122,283,178,000 |
| Fresno | 123,296,958,000 |
| San Joaquin | 127,171,601,000 |
| Sonoma | 128,873,200,000 |
| Kern | 129,704,772,000 |
| Ventura | 190,193,512,000 |
| Sacramento | 246,341,251,000 |
| Contra Costa | 294,815,556,000 |
| San Mateo | 344,389,874,000 |
| San Francisco | 358,245,237,000 |
| San Bernardino | 372,491,618,000 |
| Alameda | 441,186,123,000 |
| Riverside | 457,853,069,000 |
| Santa Clara | 730,311,763,000 |
| San Diego | 792,609,785,000 |
| Orange | 860,079,659,000 |
| Los Angeles | 2,206,799,494,000 |
| **Total** | **$9,115,683,131,000** |

*Note*: Detail may not compute to total due to rounding.

# 2024-25 AVERAGE PROPERTY TAX RATE

Proposition 13, passed by California voters in 1978, limits the property tax rate to one percent of its assessed value plus the incremental rates necessary to fund locally voter-approved bonded indebtedness. In addition, Proposition 13 generally limits annual increases in the base year value to a maximum of two percent.

| County | Average Tax Rate (%) |
|---|---|
| Modoc | 1.000% |
| Sierra | 1.000% |
| Amador | 1.013% |
| Lassen | 1.018% |
| Alpine | 1.030% |
| Mariposa | 1.031% |
| Del Norte | 1.037% |
| Trinity | 1.040% |
| Siskiyou | 1.045% |
| Inyo | 1.050% |
| Nevada | 1.052% |
| Tehama | 1.055% |
| El Dorado | 1.058% |
| Orange | 1.064% |
| Placer | 1.068% |
| Santa Barbara | 1.068% |
| Kings | 1.070% |
| Merced | 1.074% |
| Tuolumne | 1.074% |
| Calaveras | 1.075% |
| Sutter | 1.089% |
| San Luis Obispo | 1.090% |
| Humboldt | 1.093% |
| Plumas | 1.095% |
| Colusa | 1.096% |
| Santa Cruz | 1.097% |
| Yuba | 1.097% |
| Monterey | 1.099% |
| Glenn | 1.100% |
| Tulare | 1.100% |
| Napa | 1.104% |
| Shasta | 1.104% |
| Mono | 1.113% |
| Butte | 1.114% |
| Yolo | 1.114% |
| Lake | 1.115% |
| Ventura | 1.116% |
| Stanislaus | 1.117% |
| Madera | 1.122% |
| San Joaquin | 1.122% |
| San Mateo | 1.123% |
| San Bernardino | 1.127% |
| Marin | 1.133% |
| Sonoma | 1.139% |




| County | Average Tax Rate (%) |
|---|---|
| Contra Costa | 1.151% |
| Mendocino | 1.152% |
| Sacramento | 1.155% |
| Imperial | 1.171% |
| San Diego | 1.171% |
| Riverside | 1.173% |
| San Francisco | 1.174% |
| Solano | 1.179% |
| Los Angeles | 1.181% |
| Santa Clara | 1.193% |
| San Benito | 1.204% |
| Fresno | 1.213% |
| Alameda | 1.220% |
| Kern | 1.248% |

## EXEMPTIONS

Several exemptions are available to qualifying nonprofits that own property, including various charitable organizations and private and nonprofit colleges. The Homeowners' Exemption typically provides a $70 reduction in property taxes for owner-occupied homes.

| Qualifying Exemptions 2024-25 | |
|---|---|
| **Exemption Type** | **Exemption Value** |
| Charitable Nonprofit | $180,859,801,249 |
| Hospitals | $45,671,943,641 |
| Nonprofit Colleges | $40,484,187,308 |
| Homeowners' Exemption* | $32,477,799,048 |
| Other Exemptions | $33,115,980,097 |
| Religious | $20,500,289,644 |
| Disabled Veterans | $16,583,569,896 |
| Private Schools | $5,981,260,621 |
| Churches | $3,858,084,229 |
| Low-Valued Property | $162,525,026 |
| **Total** | **$379,695,440,759** |

* The Homeowners' Exemption value is reimbursed by the State.
*Note*: Detail may not compute to total due to rounding.

## SUPPORTING OUR COMMUNITIES

**$103.9 Billion in Fiscal Contributions to State and Local Government**

**STATE GOVERNMENT**
$3.9 Billion

- $3.5 Billion
  Tax on Insurers
- $415 Million
  Alcoholic Beverage Tax
- $12 Million
  Private Railroad Car Tax

**LOCAL GOVERNMENT**
$100 Billion

- $97.2 Billion
  County-Assessed Property Tax
- $2.8 Billion
  State-Assessed Property Tax



Bixby Bridge, Big Sur

## REVENUE

### 2024-25 General County Property Tax Revenue

| | FY 2024-25 | FY 2023-24 | Change From 2023-24 |
|---|---|---|---|
| School Purposes | $53,502,626,000 | $51,088,649,000 | 4.7% |
| Counties | $14,119,611,000 | $13,471,219,000 | 4.8% |
| Cities | $12,156,975,000 | $11,726,745,000 | 3.7% |
| Other | $20,246,658,000 | $18,987,030,000 | 6.6% |
| **Total** | **$100,025,871,000** | **$95,273,643,000** | **5.0%** |

*Note*: Detail may not compute to total due to rounding.

## WHERE YOUR COUNTY PROPERTY TAX DOLLARS GO

All Californians benefit from property tax revenues. Property tax is allocated among local governments, with schools getting more than half the revenues.




San José City Hall

## REVENUE SUMMARY

| | Current Year | Prior Year | Percent Change | General Fund |
|---|---|---|---|---|
| County-Assessed Property Tax | $97,200,000,000 | $92,700,000,000 | 4.9% | No |
| Tax on Insurers | $3,500,000,000 | $3,200,000,000 | 9.4% | Yes |
| State-Assessed Property Tax | $2,800,000,000 | $2,600,000,000 | 7.7% | No |
| Alcoholic Beverage Tax | $415,000,000 | $418,000,000 | -0.7% | Yes |
| Private Railroad Car Tax | $12,030,000 | $10,200,000 | 17.9% | Yes |
| **Total** | **$103,927,030,000** | **$98,928,200,000** | **5.1%** | |

*Note*: Prior year figures have been updated to correct a reporting error.

# TAXPAYER ASSISTANCE

## TAXPAYERS' RIGHTS ADVOCATE ASSISTANCE

The Taxpayers' Rights Advocate (TRA) Office completed work on 406 new cases in FY 2024-25, all relating to property taxes.

The TRA Office receives contacts from taxpayers and others who are either seeking assistance with a problem or a disagreement they have with the assessment and collection of property taxes, or a concern with a program administered by the BOE. Generally, the TRA Office assists taxpayers who have been unable to resolve a matter through normal channels and seek confirmation that they were treated fairly under the law. Some taxpayers have questions or concerns that need to be addressed by another state agency, such as CDTFA, the Franchise Tax Board (FTB), or a county agency. The TRA Office staff responds by directing the taxpayer to the appropriate state or local county agency and by providing website resources.

Although primary contact is with individual taxpayers, cases also originate from contact with tax agents, attorneys, and government officials, such as the Board and the Legislature.

Most property tax cases are resolved in conjunction with local County Assessors, Tax Collectors, Auditor-Controllers, and Clerks of the Assessment Appeals Boards. Depending on the nature of the problem, multiple offices may be involved in resolving taxpayers' cases.

Please visit *www.boe.ca.gov* for more information on the TRA Office and to view the *Taxpayers' Rights Advocate Annual Report*.

## APPEALS PROCESS

The Board serves as the appellate body, reviewing and deciding certain determinations of certain property taxes, Alcoholic Beverage Tax, and Tax on Insurers cases. For property taxes, the Board hears appeals from taxpayers regarding state-assessed property values, denials or revocations of Welfare Exemption Organizational and Supplemental Clearance Certificates, the Private Railroad Car Tax, and taxable property owned by local governments located outside its boundaries.

While disputes may be resolved at the department level, the Board hears appeals from petitioners who disagree with the department's decision. The Board makes the ultimate decision on all property tax appeals.

For assessments relating to FY 2024-25, the Board acted on 32 petitions filed by state-assessed companies, of which 10 were adjudicated by the Board.

For Tax on Insurers, no petitions were filed to be heard before the Board. For the Alcoholic Beverage Tax, one appeal was filed, but later withdrawn by the petitioner.

# CHANGING LEGISLATION

The following is a list of 2024 legislation that impacted programs administered by the BOE. All bills became effective January 1, 2025, unless otherwise specified.

## PROPERTY TAX

### Assembly Bill 1868 (Friedman), Chapter 553, effective January 1, 2025

*Amends Revenue and Taxation Code section 402.1*

For purposes of valuing property by the County Assessor, this new law establishes a rebuttable presumption that, at the time of purchase, the value of real property subject to a recorded contract that meets certain affordability requirements will exclude the deed of trust value.

### Assembly Bill 1879 (Gipson), Chapter 217, effective January 1, 2025

*Amends section 441 and adds section 168.1 to the Revenue and Taxation Code*

This new law requires acceptance of an electronic signature for specified property tax documents between the public and County Assessors on forms approved by the State Board of Equalization (BOE), when authorized by an Assessor, and makes corresponding updates in the Revenue and Taxation Code (RTC).

### Assembly Bill 2353 (Ward), Chapter 566, Effective January 1, 2025

*Adds Revenue and Taxation Code section 4985.05*

This new law will allow an affordable housing developer to withhold property tax otherwise due to a county tax collector once a "welfare exemption" application has been submitted to qualify the property for a low-income housing welfare exemption.

### Assembly Bill 2897 (Connolly), Chapter 580, Effective January 1, 2025

*Amends Civil Code section 2924p, Government Code section 64702, Health and Safety Code sections 50650.5, 50720.2, 50720.4, and Revenue and Taxation Code sections 214 and 402.1*

This new law amends Revenue and Taxation Code (RTC) section 402.1 to allow a wholly owned subsidiary of a Community Land Trust (CLT) to qualify as a CLT if it is solely directed and managed by the CLT. Allows a CLT to sell a dwelling or unit to a qualified owner, but not the deed-restricted land underneath it, if the CLT subjects the property to a revised 99-year lease restriction.

**Senate Bill 1527 (Committee on Revenue and Taxation), Chapter 498, effective September 22, 2024**

*Amends Revenue and Taxation Code sections 155.20 and 237*

This new law amends Revenue and Taxation Code section 155.20 to extend the $50,000 "low value" exemption ordinance limit that a county board of supervisors may apply to any taxable possessory interest.

## ALCOHOLIC BEVERAGE TAX

**Senate Bill 1528 (Committee on Revenue and Taxation), Chapter 499, effective January 1, 2025**

This statute updates several sections of the Revenue and Taxation Code (RTC) specific to the California Department of Tax and Fee Administration (CDTFA) and the State Board of Equalization (BOE) jurisdictional tax programs.

The following sections impacted RTC sections under BOE constitutional jurisdiction:

Item 1) Amends sections 32202 and 32452 of the RTC to require electronic filing of supplemental reports, including schedules, required from alcoholic beverage licensees, common and private carriers, and other persons.

Item 2) Amends RTC sections 12951 and 12977 to align the insurance tax program with other tax and fee programs administered by CDTFA on behalf of BOE with respect to the 10-day public disclosure requirement for credits, cancellations, and refunds of more than $50,000.

Item 3) Amends RTC sections 32271, 32272, 32272.1, 32273, 32291, 32306, 32312, and 32432.5 to authorize electronic service of levies under the Alcoholic Beverage Tax (ABT) program, otherwise known as serving a Notice of Determination (NOD) or Notice of Jeopardy Determination (NOJD).

## TAX ON INSURERS

**See Senate Bill 1528 above.**



Sutro Tower , San Francisco

# COURT CASES

## CALIFORNIA APPELLATE COURT DECISIONS IN FY 2024-25

***Pacific Bell Telephone Company v. County of Merced, 109 Cal.App.5th 844 (2025)***

Utility companies sought refunds claiming that the property tax rates imposed on their state-assessed property under RTC section 100 resulted in rates exceeding those constitutionally permissible under Article XIII, section 19. The Fifth District Court of Appeal affirmed the trial court's dismissal, holding that section 19 does not require utility property to be taxed at the same rate as locally assessed property. The court adopted the reasoning of County of Santa Clara v. Superior Court (2023) 87 Cal.App.5th 347, finding that Article XIII, section 19 is an enabling clause authorizing local taxation of utility property, not a limiting clause mandating rate uniformity.

***Pacific Bell Telephone Co. v. County of Placer, 111 Cal.App.5th 634 (2025)***

Utility companies sought refunds claiming that property tax rates imposed on their state-assessed property under RTC section 100 were higher than the rates applied to locally assessed property, violating Article XIII, section 19. The Third District Court of Appeal affirmed dismissal, holding that taxpayers failed to establish any standard for "comparability" of rates and agreeing with County of Santa Clara v. Superior Court, (2023) 87 Cal.App.5th 347, that neither section 19, nor ITT World Communications, Inc. v. City and County of San Francisco, (1985) 37 Cal.3d.859, mandates identical tax rates for state-assessed and locally assessed property.

***Scott v. County of Riverside, 112 Cal.App.5th 265 (2025)***

Timeshare owners challenged the county's $23 annual fee for separately assessing and billing each timeshare estate for property tax purposes. The Fourth District Court of Appeal held that the county failed to show the fee was not a tax that requires voter approval; specifically, the county did not demonstrate the actual cost of a separate assessment and instead averaged the assessor's overall budget across all assessments, arbitrarily assigning that average as the cost of a separate timeshare assessment. Accordingly, the fee did not fit the specific benefit/service exception (Article XIII C) because the County did not tie the charge to the actual cost of the incremental work attributable to separate assessments or show a reasonable cost allocation, making the fee an unapproved tax.



McWay Falls, Julia Pfeiffer Burns State Park

# STATISTICAL INDEX

The *California State Board of Equalization Annual Report* and statistical data are available online at *www.boe.ca.gov* through the BOE's Open Data Portal.

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Library Tower, Los Angeles