



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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Executive Director

April 1, 2014

The Honorable Hannah-Beth Jackson
California State Senator
State Capitol, Room 5080
Sacramento, CA 95814

Dear Senator Jackson:

The Members of the Board of Equalization recently reviewed your Senate Bill 1203 which, in part, retroactively provides that a payment in lieu of taxes (PILOT) agreement does not make a low-income housing project ineligible for the property tax welfare exemption.

The Board of Equalization (BOE) supports the provision ensuring that affordable housing is not subject to escape assessments now or in the future, if these assessments are the result of having entered into a PILOT agreement with a local government. The BOE **also supports the cancellation of existing escape assessments** that have not yet been paid. As an agency, the BOE has no position on PILOT agreements generally, as this is a matter outside BOE jurisdiction.

Escape assessments put projects at risk. In one county, four projects have been issued escape assessments. Many more developments potentially face similar retroactive property tax exemption revocation. Unanticipated escape assessments put low-income projects at risk due to insufficient funds available to pay newly billed or future taxes.

If you have any questions or need additional information regarding this bill, please contact our Legislative Counsel, Michele Pielsticker, at (916) 322-2376.

Sincerely,

Cynthia Bridges
Executive Director

CB:ah

- cc: The Honorable Lois Wolk, Chair
- The Honorable Stephen T. Knight, Vice Chair
- The Honorable Jim Beall
- The Honorable Mark DeSaulnier
- The Honorable Ed Hernandez
- The Honorable Carol Liu
- The Honorable Andy Vidak
- Mr. Colin Grinnell, Staff Director, Governance and Finance Committee
- Ms. Myriam Bouaziz, Consultant, Governance and Finance Committee
- Mr. Scott Chavez, Senate Republican Office of Policy