



SALLY J. LIEBER

VICE CHAIR

CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: January 8, 2025

To: Ted Gaines, Chair, Board Member, First District
Antonio Vazquez, Board Member, Third District
Mike Schaefer, Board Member, Fourth District
Malia M. Cohen, State Controller

From: Sally J. Lieber, Vice Chair, Board Member, Second District

Re: Scheduling an Informational Hearing on the Importance of California's Property Tax System in Addressing the Disproportional Impact of Poverty Reflected in Income Inequality, Geographic Disparities, and Financial Outcomes for Californians.

I am writing to request the scheduling of a brief Informational Hearing on "The Importance of California's Property Tax System in Addressing the Disproportional Impact of Poverty in California," to focus on how differing property tax resources available to counties impacts income inequality, geographic disparities, and financial outcomes, and the impact of land use and tax policies on housing and access to opportunity throughout California.

I am requesting to hold this hearing on April 30, 2025, 10-12 AM. I am mindful that there may be an additional hearing held that day but am requesting just two hours for this topic.

The mission of the Board of Equalization is to serve Californians through fair, effective, and efficient tax administration in support of state and local governments. In 2023, property taxes generated \$91.3 billion in critical revenue to support local government, including schools, counties, cities, and special districts. These revenues support front line activities that help keep us safe and provide opportunities for improvement and advancement in the lives of millions of our residents who are pursuing the California Dream.

Despite the dedicated work of our partners in education and in local governments, the California Dream remains a distant and often unobtainable vision for millions in our state. The corrosive impacts of income inequality harm our most vulnerable residents. In 2023, over 31% of Californians received incomes categorized as poor or near poor.

Increasingly, working Californians and longtime residents of modest means are forced to leave higher cost areas in our state for lower cost, less resourced areas. This has resulted in Californians increasingly living in areas of concentrated poverty, where lower amounts of property tax resources are spread more thinly and the ecosystem of community organizations that help steer families to empowering services is lesser as well.

Just as resources available to local governments to ensure safety net programs vary greatly, services, often supported by property taxes, vary dramatically and have differing impacts expressed by region, race, demographics, gender, age, physical ability, and employment conditions.

Poverty rates vary across county and legislative districts by 26.1% to 6.1%. A 2023 study by the Public Policy Institute found "Safety net programs reduce poverty most in inland areas; without them, poverty would be 14.4 points higher in the Central Valley and Sierra region but only 4.4 points higher in the Bay Area." ¹ Areas of concentrated poverty are also marked by younger populations and more quickly growing populations than the rest of the State. ²


As custodians our California's property tax system the Board has an obligation to ensure the continuity of revenues that support services for our most vulnerable residents, and to provide advice to the Legislature on how our tax policies serve Californians.

Accordingly, I am requesting that the Board schedule an information hearing on the morning of April 30, 2025, on "The Importance of California's Property Tax System in Addressing the Disproportional Impact of Poverty."

This Board of Equalization informational hearing would complement, but not duplicate, a special hearing held by the Franchise Tax Board on December 10, 2024, on "Work, Assets, and the Safety Net" that examined the significance of California's personal and corporate income tax system regarding poverty and income inequality.

As policy makers at the federal, state, and local government level face daunting life and death decisions impacting our most vulnerable residents, there is a growing need to provide the most robust information possible to document the critical importance of California's property tax system in maintaining a reasonably robust safety net and addressing the consequences that result from our current tax policies.

Sincerely,



Sally J. Lieber, Vice Chair, Second District

cc: Matt Cox, Chief Deputy, Office of Chair Ted Gaines
Douglas Winslow, Chief Deputy, Office of Vice Chair Sally Lieber
Deborah Bautista-Zavala, Chief Deputy, Office of Member Antonio Vazquez
Cody Petterson, Chief Deputy, Office of Member Mike Schaefer
Hasib Emran, Deputy State Controller
Yvette Stowers, Executive Director

¹ See: "[Poverty in California -- Fact Sheet 2023](#)," Public Policy Institute of California

² <https://www.sfchronicle.com/california/article/fresno-population-2023-18969597.php>

and <https://dof.ca.gov/forecasting/demographics/projections/>