



MIKE SCHAEFER
MEMBER
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: August 7, 2026

To: Sally Lieber, Chair
Ted Gaines, Vice Chair
Antonio Vazquez, Board Member, Third District
Malia M. Cohen, State Controller

From: Mike Schaefer, Board Member, Fourth District

Re: August 26, 2026, Board Meeting Item – Proposal for Informational Hearing at the November 20, 2026 Board Meeting on AI (Artificial Intelligence) in Property Tax Assessment, including current trends, opportunities, impediments, and risks

The implementation of AI (Artificial Intelligence) is rapidly changing the nature of work in a wide variety of private industries and public services. Many elements of appraisal and property tax assessment appear to lend themselves to improvement through the integration of AI. Many assessors in California are already attempting to incorporate AI into their assessment process, with mixed results.

This memorandum proposes an Informational Hearing at the Board's November meeting to explore current trends, opportunities, impediments, and risks. The hearing would include testimony from representatives of county assessors, AI service providers, taxpayer advocates, and labor. I estimate the hearing would involve 4-5 speakers, followed by Board questions and comments, and require no more than 2 hours to complete.

AI has already been adopted by multiple county assessors and the time is ripe for the BOE, as the California's property tax assessment oversight agency, to assess the current state of adoption and to identify areas of practice and law that may require clarification and improvement

At this critical point of inflection, it is important that our agency obtain accurate information about the growing field and ask incisive questions about the present and future of AI in assessment. Are existing data collection and infrastructure adequate to make AI adoption effective and productive? Does AI investment provide sufficient cost-savings or additional productivity to justify public investment at this time? Can counties effectively roll out AI policies and programs without state or federal assistance? Does AI provide analysis that is accurate, reliable, reproducible, and explicable? What are the implications of AI usage for the transparency and fairness of assessments? What risks may AI pose for privacy and data integrity? What are the

implications of AI adoption for the employment, workload, and workload of appraisal and assessment staff?

We are at a critical moment to reflect on and prepare for the widespread usage of AI in property appraisal and tax assessment. I encourage my colleagues to join me in scheduling this important informational hearing.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Schaefer", with a stylized flourish at the end.

Mike Schaefer, Member

Board of Equalization, 4th District

Mr. Cody Petterson, Chief Deputy, Office of Member Mike Schaefer

Mr. Douglas Winslow, Chief Deputy, Office of Chair Sally J. Lieber

Mr. Matt Cox, Chief Deputy, Office of Vice Chair Ted Gaines

Mr. Juan Flores, Chief Deputy, Office of Member Antonio Vazquez

Mr. Hasib Emran, Deputy State Controller

Ms. Yvette Stowers, Executive Director