

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE CALIFORNIA STATE BOARD OF EQUALIZATION
450 N STREET
SACRAMENTO, CALIFORNIA
STATE BOARD OF EQUALIZATION MEETING

REPORTER'S TRANSCRIPT
MAY 24, 2022

REPORTED BY: Jillian M. Sumner
CSR NO. 13619

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES

For the Board of Equalization:	Honorable Malia M. Cohen Chair
	Honorable Mike Schaefer Vice Chair
	Honorable Ted Gaines First District
	Honorable Antonio Vazquez Third District
For the Board of Equalization Staff:	Yvette Stowers Executive Director
	Brenda Fleming Former Executive Director
	Laura Soohoo Assistant to the Executive Director
	Henry Nanjo Chief Counsel Legal Department
	Jack McCool Chief State-Assessed Properties Division
	David Yeung Deputy Director Property Tax Department
	Lisa Renati Chief Deputy Director Executive Director's Office
	Glenna Schultz Principal Property Appraiser County-Assessed Properties Division

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES CONTINUED:

Holly Cooper
Principal Property Appraiser
County-Assessed Properties
Division

Michelle Cruz
Manager
State-Assessed Properties
Division

Lauren Keach
Manager
Welfare Exemption Section
Property Tax Department

Dustin Weatherby
Chief
Legislative, Research &
Statistics Division

Margie Wing
Senior Specialist Property
Appraiser
Taxpayers' Rights Advocate
Office

Lisa Thompson
Chief
Taxpayer Rights Advocate's
Office

Cathy Taylor
Chief
Board Proceedings Division

Guest Speakers: Ebony Jeffries
Master of Public Administration
Student Consultant Team Member
USC

Sarah Clair
Master of Public Administration
Student Consultant Team Member
USC

Public Comments: Vaughn McGuire

	<u>INDEX</u>	<u>PAGE NO</u>
1		
2		
3	Introductions	1
4	Item AA	11
5	Motion	24
6	Motion	35
7	Item BB	36
8	Item CC	37
9	Motion	53
10	Motion	59
11	Motion	60
12	Motion	67
13	Motion	70
14	Item L2a	71
15	Item J1	96
16	Motion	97
17	Item J2	98
18	Motion	99
19	Item K1a	100
20	Item K1b	115
21	Item K1c	119
22	Item K1d	126
23	Item K3a	129
24	Item K3b	162
25	Motion	164

1	<u>INDEX CONTINUED</u>	<u>PAGE NO</u>
2	Item K4a	165
3	Item K5a	177
4	Item M1	200
5	Item M2a	215
6	Item N	217
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE BOARD OF EQUALIZATION
BOARD MEETING
MAY 24, 2022

---oOo---

MS. COHEN: Good morning, ladies and gentlemen.

We are ready to call the Board Meeting to order.

Ms. Cichetti, please call the roll.

MS. CICHETTI: Good morning.

Chair Cohen.

MS. COHEN: Present.

MS. CICHETTI: Vice Chair Schaefer.

MR. SCHAEFER: Present.

MS. CICHETTI: Member Gaines.

MR. GAINES: Present.

MS. CICHETTI: Member Vazquez.

MR. VAZQUEZ: Present.

MS. CICHETTI: Controller Yee.

MS. YEE: Here.

MS. CICHETTI: A quorum is present, and the Board Meeting is called to order.

We will start with the Pledge of Allegiance.

MS. COHEN: Ladies and gentlemen, please rise with me if you're physically able, and put your

1 right hand over your heart and repeat after me.

2 (Whereupon the Pledge of Allegiance was
3 recited.)

4 MS. COHEN: All right. Thank you.

5 All right. Colleagues, I have a few opening
6 remarks before we take up our first order of
7 business.

8 I want to recognize that May is Asian
9 American and Pacific Islander Heritage Month. And
10 let's take a moment to acknowledge and celebrate the
11 diversity, the diverse heritage of California's Asian
12 American and Pacific Islander community, also
13 lovingly and affectionately known as API, the API
14 community.

15 I don't know if you knew this, but there are
16 more than 22 million people that make up the API
17 community nationwide, which is becoming the fastest
18 growing immigrant population in the United States.

19 Approximately one-third of the API community
20 lives in California, which makes up 16 percent of the
21 population.

22 The API community is ethnically and
23 linguistically diverse. And this month we celebrate
24 their countless contributions to America's culture,
25 to her history, as well as to society.

1 We must also recognize past injustices and
2 the ongoing discrimination targeting API communities.

3 This month and every month it is our
4 collective responsibility to confront racism and
5 remain vigilant in our fight for justice and safety
6 for API communities.

7 I also want to point out that there are over
8 600,000 API-owned businesses here in the state of
9 California, which contribute to the fact that
10 California is the 5th largest economy in the world
11 with more than 4.2 million small businesses.

12 May also is Small Business Awareness Month.
13 And innovative entrepreneurs and small businesses are
14 crucial to the economic fabric of our great state.

15 And, unfortunately, the pandemic has
16 devastated small businesses, and disproportionately
17 impacted small businesses owned by people of color.

18 A nationwide analysis from the
19 Small Business Administration indicated that Black,
20 Asian and Latino demographic groups experience the
21 steepest declines in the number of people who were
22 self-employed and worked between April 2019 and
23 April 2020.

24 So let's continue to work together to
25 support small businesses, and make sure that we have

1 access to resources and capital.

2 I want -- I want our small business
3 community to know that the California State Board of
4 Equalization is here to support them.

5 And as state leaders, we must renew our
6 commitment to supporting California's small
7 businesses.

8 And I'd like to open up the dais to any
9 other Members that would like to acknowledge API
10 Heritage Month or Small Business Awareness Month.

11 Mr. Vazquez, is that you?

12 MR. VAZQUEZ: Yes.

13 MS. COHEN: All right.

14 MR. VAZQUEZ: No, I'm glad you brought it
15 up. And not to repeat the facts --

16 AT&T OPERATOR: Hi. Is it Aaron?

17 Hi. It's Brad here.

18 MS. TAYLOR: That's our AT&T operator.

19 MS. COHEN: AT&T operator, please mute
20 yourself.

21 Thank you.

22 Go ahead, Mr. Vazquez.

23 MR. VAZQUEZ: Yes.

24 Once again, I'm glad that you brought up and
25 mentioned the facts, especially in the growing

1 businesses.

2 You know, I didn't realize how many small
3 businesses are operated by the Asian Pacific
4 community. Not only -- well, I know it's real heavy
5 in my county of LA, but throughout the state of
6 California

7 So I am glad that you took the time to
8 recognize them.

9 And for those that are listening and viewing
10 our presentation this morning, by all means, if
11 there's anything any one of our Board Members can do
12 to assist.

13 I know given the pandemic, I'm constantly
14 hearing from small businesses that they're
15 struggling. Especially those that are not fortunate
16 enough to own the properties they do business in.

17 As we see these adjustments coming forward
18 after this pandemic, I think many of them are going
19 to have a real tough time surviving, making ends meet
20 moving forward.

21 So shout out to them. And whatever we can
22 do as a Board to assist, by all means, reach out to
23 us.

24 Thank you.

25 MS. COHEN: Thank you.

1 Colleagues, any other opening remarks?

2 MR. GAINES: If I could.

3 MS. COHEN: Yes, please.

4 MR. GAINES: Yeah.

5 Thank you.

6 I had the opportunity to attend the APAPA
7 reception and dinner, which recognizes the Asian
8 community and South Asian communities.

9 And I'm trying to get them more engaged in
10 government in the State of California.

11 So it's very encouraging to see that
12 happening before our eyes in terms of engagement.
13 And how important it is for governance in the state
14 of California.

15 And in addition to that, I had an
16 opportunity to go to the Family Business Association
17 seminar. I guess it's their annual conference. But
18 just talking about the importance of family
19 businesses in the state and certainly small
20 businesses, so critical.

21 And thank you for Chair Co -- Chair Cohen,
22 for recognizing that.

23 MS. COHEN: Absolutely.

24 MR. SCHAEFER: I had a couple observations.

25 We think of small businesses as start-ups,

1 but there are small businesses that were big
2 businesses. And then, I mean, they were big
3 businesses until COVID came along, and now they're
4 small businesses.

5 I'm thinking, like, in the restaurant
6 business and many other places.

7 I'm very proud to have been involved in
8 campaigns with three line-breaking Asians for public
9 office. Election of Tom Hom, a Chinese gentleman in
10 San Diego City Council in 1963, was the first Asian
11 or any minority elected to public office in
12 San Diego.

13 And he went on to become a member of the
14 Assembly here. And he's alive and well today at 95,
15 and we stay in touch.

16 Senator Min in Orange County was
17 record-breaking Korean elected. As was David Ryu,
18 the first Korean ever elected to the City Council of
19 Los Angeles.

20 And I have been involved with campaigns of
21 all these people, and they all make California proud.
22 So I'm so proud to be part of this great company.

23 Thank you.

24 MS. COHEN: Great. Thank you.

25 MS. YEE: Thank you, Madam Chair, for

1 acknowledging the significance of the month of May.

2 I did just want to point out that certainly
3 here in California we recognize the importance of
4 small businesses throughout the state, and just want
5 to applaud the Governor for all the small-business
6 assistance that he's been providing through the
7 Office of Small Business Advocate, and many other
8 state agencies that have been instrumental in trying
9 to help businesses weather the pandemic, as well as
10 the Federal Administration through the Small Business
11 Administration.

12 And just as we continue to watch the support
13 to the business community, that there will be new
14 products and services that will continue to be made
15 available to them.

16 So I think each of us will be sharing that
17 with our constituents, respectively, as those
18 developments happen.

19 And then also with respect to API Heritage
20 Month, I just wanted to publicly state certainly my
21 personal gratitude for all who reached out to the
22 community during this very difficult time with COVID
23 and the rise in anti-API incidents through hateful
24 acts.

25 And I believe it's only through standing in

1 solidarity and allyship, and really just calling it
2 out, and not being a bystander, that we will conquer
3 hate in all its forms and discrimination.

4 So just true appreciation to my colleagues
5 here, and to all the other communities who stood with
6 us.

7 MS. COHEN: Thank you.

8 Okay. Well, I have one more announcement.
9 We are taking an agenda item out of order today. We
10 will hear Item L2a after Item Cc.

11 Thank you.

12 And, Ms. Cichetti, will you please announce
13 our first order of business.

14 MS. CICHETTI: Our first order of business
15 is an announcement regarding public safety in the
16 Board Room procedures.

17 Good morning, Chair Cohen and Members.

18 I'd like to remind the audience to silence
19 your cell phones and any other wireless devices.

20 The current COVID-19 guidelines and
21 procedures for the Board of Equalization require that
22 all BOE employees must wear a mask while inside any
23 BOE facility or while attending any BOE event.

24 You may remove your mask when you are
25 presenting before the Board as a speaker when sitting

1 at the table.

2 Masks and hand sanitizer are available to
3 all and can be found in the back of the auditorium.

4 To speak before the Board in person, please
5 complete and submit to the clerk a Public Comment
6 Appearance sheet, located at the entrance of the
7 auditorium.

8 If you wish to speak before the Board by
9 telephone, please dial the phone number and access
10 code provided on our Public Agenda Notice, and follow
11 the instructions of the AT&T moderator.

12 After the presentation of an item on the
13 agenda has concluded, we will identify any public
14 comment requests that have been received by our
15 Board Proceedings' staff in the auditorium, then we
16 will identify any public comments with the AT&T
17 operator, then we will read any public comments
18 received in writing in advance of today's meeting.

19 You may approach the table when your name is
20 called upon to make a public comment.

21 If you intend to make a public comment today
22 using the AT&T operator, we recommend dialing into
23 the meeting on the teleconference line, as the audio
24 broadcast on our website experiences a one-to-three
25 minute delay.

1 When giving a public comment, please limit
2 your remarks to three minutes.

3 Thank you for your patience and
4 understanding.

5 MS. COHEN: Thank you very much.

6 Ms. Cichetti, the first item on our agenda,
7 could you call the first order of business.

8 MS. CICHETTI: Yes.

9

10 **ITEM AA**

11

12 MS. CICHETTI: The first order of business
13 will be Item AA, Adoption and Special Presentation of
14 Retirement Resolution: Retirement of Brenda Fleming
15 and Laura Soohoo.

16 This item --

17 MS. COHEN: All right. Thank you.

18 At this time, I'd like to invite Ms. Fleming
19 to come up to the front, and colleagues.

20 Actually, Ms. Cichetti, could you read
21 the -- could you read into the record the
22 accommodation?

23 MS. CICHETTI: It's an honor for me to do
24 this.

25 MS. COHEN: Thank you.

1 MS. CICHETTI: Yes.

2 Brenda J. Fleming on her retirement.

3 Whereas, Brenda J. Fleming, Executive
4 Director of the State Board of Equalization, will
5 retire on June 30th, 2022 after 35 years of
6 distinguished service to the State of California and
7 the State Board of Equalization.

8 And, whereas, Brenda began her career as a
9 technology consultant, and in 1987, her public
10 service started with the California State Assembly,
11 where, as a result of her diligent work, demonstrated
12 ability, and management skills, she was appointed as
13 the Director of the Assembly Computer Services in the
14 early 1990s.

15 And, whereas, in 1993, Brenda joined the
16 Office of Legislative Counsel's Legislative Data
17 Center, and throughout her 18-year tenure, served in
18 various management and leadership roles, and was
19 appointed as Deputy Director in 1999.

20 And, whereas, Brenda was appointed by the
21 Board in 2011 as the State Board of Equalization's
22 Chief Information Officer, responsible for the BOE's
23 Technology Services Department.

24 She led large-scale initiatives that
25 transformed the BOE's information technology systems,

1 such as establishing the Open Data Portal to increase
2 transparency, and by successfully securing the
3 contract that ultimately led to the creation of the
4 new Centralized Revenue Opportunity System.

5 This system is now responsible for the
6 efficient and effective collection of numerous taxes
7 and fees that generate over 70 billion annually for
8 the State of California.

9 And, whereas, in 2017, in recognition of her
10 notable contributions, management skills, and
11 outstanding leadership, she was appointed as
12 Chief Deputy Director, where she was responsible for
13 the day-to-day operations of the agency at a time
14 where the State Board of Equalization went through an
15 unprecedented restructure in its 138-year history.

16 And, whereas, in January 2019 the Board
17 unanimously appointed her to serve as the 18th
18 Executive Director of the State Board of Equalization
19 due to her exceptional and proven leadership,
20 dedication, skills, sound judgment, tact and poise.

21 She assisted the Board by providing valuable
22 counsel, and in navigating their roles, as it was the
23 first time since 1882 that all district-elected
24 Board Members were new to the State Board of
25 Equalization.

1 Concurrently, she led the rebuilding,
2 revitalizing, and modernizing of the agency through
3 the establishment of the BOE Strategic Plan 2020 to
4 2025.

5 Her legacy includes the revitalization of
6 the BOE's workforce through the appointments of key
7 staff, successfully restoring the agency's delegated
8 hiring authority, delivering gold-standard services
9 on behalf of the State of California by modernizing
10 our core tax administrative functions and businesses
11 processes, and building the next generation of
12 property tax leaders.

13 And, whereas, throughout her many years of
14 service, Brenda has earned respect and admiration of
15 the Board, the Legislature, county assessors, key
16 stakeholders, and all the BOE employees.

17 She inspired excellence to those who she led
18 and worked with, serving as a positive role model and
19 mentor to many.

20 Her integrity in outstanding service to the
21 people of California attest to the high level of her
22 ability and dedication to serving the people of the
23 state.

24 Therefore, be it resolved, that we, the
25 Members of the Board, do hereby extend to

1 Brenda J. Fleming our sincere and grateful
2 appreciation for her dedicated service to the
3 State Board of Equalization and to the State of
4 California.

5 Our congratulations on her well-earned
6 retirement, and our best wishes to her and her family
7 for continued success, happiness, and good health in
8 the years to come.

9 MS. COHEN: Thank you.

10 So on behalf of the Board and the entire BOE
11 family, thank you for 37 years of service to the
12 State of California.

13 And we consider it an honor and a privilege
14 to appoint you as the 18th Executive Director of this
15 amazing and hardworking organization.

16 We will forever be grateful for your
17 guidance as a newly-elected Board.

18 It is my hope that you will enjoy your
19 retirement.

20 I also extend to your family our sincere
21 gratitude for sharing you with us and the State of
22 California for the last 37 years.

23 Thank you very much.

24 And I'd like to give the Members an
25 opportunity to say some brief remarks.

1 MS. FLEMING: Thank you.

2 Thank you all for your comments.

3 MS. COHEN: Member -- Controller Yee.

4 MS. YEE: Thank you, Madam Chair.

5 Thank you very much, Ms. Fleming, for just
6 really an outstanding career with the State of
7 California.

8 And I want to just note that your
9 appointment as the 18th Executive Director of this
10 organization came with many challenges.

11 And I would say that probably the one
12 attribute that you exemplify that will stand out as
13 we think back around that time, particularly when
14 this Board was first elected as my colleagues, is
15 your grace in terms of just how you led this
16 organization with a lot of uncertainty surrounding
17 you. How you continued to strengthen the
18 relationships that we have with our control agencies.
19 And also never losing sight of the mission of this
20 organization in terms of serving the taxpayers of the
21 State of California.

22 So I hope this is a time that you can have
23 returned back to you. It was a sacrifice, and these
24 positions require a lot of sacrifice. And I know
25 that it has for you, what that's meant to you and

1 your family.

2 And certainly during the time of the COVID
3 pandemic has not been easy. So I have tremendous
4 gratitude for what you've been able to do for this
5 organization.

6 Even prior to becoming the Executive
7 Director, your contributions, particularly in the
8 whole IT arena and technology arena. Those are
9 legacies that will continue with the State of
10 California.

11 And I really just hope that this is a time
12 that you can completely sever yourself, and not have
13 to think about being attached to your phone. But
14 your accessibility throughout this whole time has
15 been stellar as well.

16 So thank you, and just all best wishes for a
17 really healthy retirement to you and your family.

18 MS. FLEMING: Thank you, Controller.

19 MS. COHEN: Vice Chair.

20 MR. SCHAEFER: Yes.

21 I appreciate the fact that you go to any
22 length and be anywhere to get the job done.

23 Just a week ago you were down at my office
24 in San Diego. And that's about as far as you can
25 travel, you know, in your work.

1 I offered you lifetime passes to the
2 San Diego Zoo. I've got four of them every day. I
3 must remind you that's my life, not your life. So
4 you better hurry.

5 And it's really charming to have somebody of
6 your experience and energy to help us do our job
7 better.

8 Thank you.

9 MS. FLEMING: Thank you.

10 Thank you for your kind words.

11 MR. VAZQUEZ: I'd like to just also chime in
12 and, like was mentioned by my colleagues already, I
13 think you just stepped up at a time -- at least for
14 all of us, you know, when we first came on board, all
15 four of us were new. And I think you did an
16 outstanding job to guide us and to mentor us.

17 And I know, at least when I was the Chair,
18 you were very helpful and instrumental in guiding me
19 and making sure that we were doing everything as
20 correct as possible, given the changes and the
21 restriction for BOE.

22 And I guess for me, as I think back of
23 what -- if I had to describe, I guess, the three most
24 important things that you delivered to me, and I
25 think to this Board, was really communication,

1 communication, and communication.

2 You were so good about making sure that we
3 were kept in communication, not only as the
4 leadership, but then even just as a regular Board
5 Member. And I really appreciated that.

6 And I know during the pandemic it was very
7 difficult for, not only us as a Board, you know,
8 trying to meet through this virtual technology, which
9 many of us, I know myself, are not real techies.

10 And I know you, coming from that school and
11 work experience really was -- it was really helpful.

12 And moving forward, I'm hoping -- and I know
13 you've already expressed this, but I'm hoping that
14 you have some -- decide -- or at least your family
15 convinces you to turn off your phone a little bit.

16 Because I know you're still saying that you
17 want to stay in contact with us. But I'm hoping you
18 have the opportunity to really enjoy your dad. You
19 mentioned that, you know, you want to spend a little
20 more time with your dad, and of course with your
21 husband, and just your family.

22 Because I know when you take these
23 commitments, while these are full-time jobs, in many
24 cases, it's like 24/7. So I know the burden it takes
25 on your loved ones as well.

1 But I'm looking forward to at least having a
2 phone conversation with you down the road, and
3 hopefully hear some of the great things that's
4 happening within your family.

5 MS. FLEMING: Thank you for that.

6 MR. VAZQUEZ: But thank you for your
7 service, and all the time and the mentoring you
8 provided to me as a Member. We really appreciate it.

9 MS. FLEMING: Thank you for your kind words.
10 Thank you.

11 MS. COHEN: Senator Gaines.

12 MR. GAINES: Yeah.

13 Brenda, thank you so much for -- I mean, you
14 were so helpful for us as Board Members in terms of
15 this transition with BOE 2.0, right?

16 And so -- and you were the thread that kind
17 of kept everything connected from the old BOE to the
18 new BOE.

19 And, of course, as was mentioned, all four
20 of us were newly elected. And so I wanted to thank
21 you for your leadership through that transition time,
22 which was very challenging.

23 But look how things have turned out. How
24 well the BOE is operating. And that we've got
25 talented people, and all the different segments of

1 the BOE.

2 I just want to give you credit for
3 assembling a great team around you, and also for your
4 leadership, and for your patience through these very
5 difficult times.

6 And also perseverance, because a lot of
7 highs and lows over the last three-and-a-half years
8 that we've been here.

9 So thank you for your service for
10 government. I mean, almost 40 years. And your
11 expertise.

12 I just wish you the best in retirement. And
13 I know you enjoy doing things with your husband. So
14 hopefully he's getting healthier by the day, and
15 you'll have wonderful golden years of your
16 retirement.

17 Thank you.

18 MS. COHEN: Ms. Fleming, the floor is
19 yours.

20 MS. FLEMING: Thank you.

21 Thank you, Members.

22 I am so moved and touched by your kind
23 words. I am not an emotional person, but I am just
24 so filled with joy and such gratitude for what you've
25 done and the relationship that I've had with you

1 collectively and individually.

2 And if I may -- I don't want to be
3 disrespectful -- but I want to turn and acknowledge
4 for those that are here, if you can hear me.

5 Thank you all. It has been a great pleasure
6 to serve you, to work alongside you. And it has been
7 one of the greatest joys of my life.

8 So whenever God calls you to have an
9 opportunity to do service for Him, one steps up. It
10 is easier to obey and to accept that calling, because
11 then when you're following what the Lord is asking
12 you to do, at that point, He takes care of everything
13 else.

14 So while you all are giving me kind words
15 and great gratitude for the things that I've done, I
16 can't take credit for that. I am just a servant.

17 And it's been my pleasure to serve as a
18 Christian person working with you as a human, and as
19 a citizen of California, and as an employee of the
20 BOE, and this great State of California.

21 And so I thank you all, because it's been a
22 great joy to have served, for lots of personal
23 relationships here.

24 So thank you for those that were here back
25 in the legislative days and in all aspects of what

1 we're doing. It's been a great pleasure.

2 Members, again, I thank you for the
3 opportunity to serve you. It's been a great joy and
4 great pleasure. So thank you.

5 And I do look forward to spending time with
6 my family and to the next chapter of service.

7 I'm retiring from State service, but
8 certainly not retiring from continuing to be active
9 and participate in other areas. So I look forward to
10 what's next.

11 So thank you all. I'm very moved.

12 Thank you.

13 (Whereupon there was a standing ovation.)

14 MS. COHEN: Thank you.

15 Okay. Colleagues, I'd like to entertain a
16 motion on this resolution.

17 MR. VAZQUEZ: So moved.

18 MR. COHEN: The motion is moved by
19 Member Vazquez.

20 Is there -- a second by Mr. Schaefer.

21 Ms. Cichetti, please call the roll.

22 MS. CICHETTI: Chair Cohen.

23 MS. COHEN: Aye.

24 MS. CICHETTI: Vice Chair Schaefer.

25 MR. SCHAEFER: Aye.

1 MS. CICHETTI: Member Gaines.
2 MR. GAINES: Aye.
3 MS. CICHETTI: Member Vazquez.
4 MR. VAZQUEZ: Aye.
5 MS. CICHETTI: Controller Yee.
6 MS. YEE: Aye.
7 MS. CICHETTI: The motion passes.
8 MS. COHEN: All right. That motion is
9 unanimous.
10 Now, Colleagues, if you will join me, we're
11 going to take a quick picture with Ms. Fleming and
12 the resolution.
13 Thank you.
14 MS. CICHETTI: I'd like to call a recess at
15 this time.
16 MS. COHEN: Thank you.
17 (Whereupon the group photograph was taken.)
18 MS. COHEN: Wonderful to see you this
19 morning.
20 So before we get started, I want to
21 recognize Controller Yee.
22 She's got some -- she's asked to make this
23 special presentation to you today.
24 Controller.
25 MS. YEE: Thank you, Madam Chair.

1 You know, I think when we celebrated
2 Ms. Fleming just now, and as our 18th Executive
3 Director, it is not lost on us that -- for the
4 success that each of us has, that it really is highly
5 reliant on the support and the caliber of people who
6 are there working with you.

7 And I want to just take this special moment
8 to acknowledge Laura on this occasion of her coming
9 retirement.

10 I've known Laura all the years that I've
11 been a part of this organization. And I can say that
12 I just have such a kinship to her, because, you know,
13 she's one of these relatively quiet members of the
14 team here at the Board of Equalization, who just has
15 withstood the test of time because of what she gives
16 every day in terms of her public service to the
17 people of California.

18 And it is not lost on me that as we
19 acknowledge Brenda Fleming as our 18th Executive
20 Director, Ms. Stowers, our 19th Executive Director
21 here at the Board, but Laura has served over a third
22 of them in terms of the trust and confidence that
23 Executive Directors have had in her skills and her
24 knowledge of the organization.

25 And also just her amazing, amazing insights

1 and hone of experience, yes. But also about just
2 always what's right in terms of our mission of this
3 organization.

4 She is someone who is trusted. She has been
5 truly resourceful at every -- at every turn, with
6 every position that she's held here. And I think
7 certainly serving as Executive Assistant to any
8 Executive Director or Special Assistant to any
9 Executive Director, her discretion and
10 professionalism is really unparalleled.

11 And she's taken that really throughout every
12 position that she's held in this organization.

13 She has worked in almost every aspect of
14 this organization, including starting as an office
15 assistant in the Sales and Use Tax Department, and
16 even for a short period served as our
17 serjeant-at-arms here in the board room.

18 And there's no job that is not something
19 that Laura is willing to step into, because the need
20 is there.

21 And what I just wanted to say to you, Laura,
22 before we actually read the resolution into the
23 record is you really do exemplify the highest in
24 professionalism in public service.

25 I have never, ever seen anyone question your

1 judgment, question just who you are in terms of how
2 you present yourself to anyone in this organization
3 at any level of this organization.

4 You have also really made the Board of
5 Equalization shine in terms of just some of the
6 activities that this Board has been known for,
7 particularly our food drives and how we were not just
8 about serving the taxpayers of California, but also
9 about serving our local community here in the
10 Sacramento region.

11 And, lastly, I will say this about Laura,
12 and that is, you know, someone who has been in public
13 service for a long time.

14 You know, I look at just where our rising
15 stars are, and, generally, they're the people that
16 really don't make a lot of noise.

17 And I can just say, Laura, you have been a
18 star of this organization.

19 I see a lot of nodding heads behind you who
20 acknowledge what I'm saying, because they know it to
21 be true.

22 But also, as you retire from this
23 organization and retire from State service, please
24 know how much we appreciate you, how much your
25 service has meant in terms of the success of this

1 organization.

2 And I personally just want to thank you for
3 being such a model of what public service is and can
4 be. And you have exemplified that it truly is the
5 highest honor with what you bring to your work every
6 single day that you have been here.

7 So congratulations, and really I extend my
8 all -- all best wishes for a happy and healthy
9 retirement.

10 MS. COHEN: Thank you.

11 Thank you.

12 And also I'd like to, at this time, join the
13 entire Board and the BOE family in extending our
14 congratulations to you for your 24 years of service
15 for the State of California.

16 Thank you for everything. You've supported
17 approximately five Executive Directors. I know
18 that's no easy feat. And as a result, have been
19 extremely instrumental in keeping the ship steady.

20 You've done it with style and grace, and
21 every now and then, a treat.

22 I want to thank you for the parting gift.
23 She gave us cookies. Which was very sweet and
24 thoughtful of her. I think it speaks to who you are.
25 You are leaving us and bringing us a gift. And that

1 deserves recognition.

2 And we wish you all the best in your
3 retirement. And thank you sincerely for your
4 dedication of service.

5 Let me turn to my colleagues to see if
6 there's any other comments.

7 Vice Chair Schaefer.

8 MR. SCHAEFER: Well, you know, a way to a
9 man's heart is through his stomach. Cookies hit
10 home.

11 So it's nice to have you always with us.
12 And whenever I come to Sacramento or whenever I'm
13 online, you're there. And that's important.

14 Thank you.

15 MS. COHEN: Thank you.

16 Mr. Vazquez.

17 MR. VAZQUEZ: Yes.

18 As I'm listening to my colleagues, and
19 especially the Controller, who seems to have quite a
20 bit of history with you, to me, it just shows what
21 type of service you provided to us, not only to this
22 organization, but to our taxpayers in the State of
23 California. And I just wanted to say I really
24 appreciate that.

25 And, for me, it's no surprise that you've

1 been promoted all these years so frequently over the
2 years. And now you've been promoted to the highest
3 honor, you know, to be retired. And looking forward
4 and hoping you take advantage of it.

5 Please don't answer our calls as we call.
6 Because I understand that you control the key to many
7 things here in this office.

8 Thank you for your service.

9 MS. SOHO: Thank you.

10 MS. COHEN: Mr. Gaines.

11 MR. GAINES: Yes.

12 Ms. Soho, I want to thank you for your many
13 years of service to the Board of Equalization. And I
14 hope that you have a wonderful retirement.

15 I want to thank you for the gift that you
16 gave us here, which is a true indication of an
17 individual with a servant's heart, because we're
18 recognizing you for your retirement.

19 So thank you for the cookies that you
20 brought up here to the dais. And I just wish the
21 best for you and a great retirement.

22 Thank you.

23 MS. SOHO: Thank you.

24 MS. COHEN: Okay.

25 So what I'd like to do at this moment is

1 give you an opportunity to say a few remarks, and we
2 will come down and take a picture.

3 MS. YEE: We should probably --

4 MR. VAZQUEZ: Did you want to read into the
5 record --

6 MS. COHEN: Oh, yes.

7 Ms. Cichetti, if you don't mind, could you
8 please read the resolution into the record.

9 MS. CICHETTI: I'd be happy to.

10 MS. COHEN: And then we'll hear from
11 Ms. Soohoo.

12 MS. CICHETTI: Again, yes. I'd be honored.
13 Laura A. Soho on her retirement.

14 Whereas, Laura A. SooHoo, Assistant to the
15 Executive Director of the State Board of
16 Equalization, will retire on July 24, 2022, after
17 more than 24 years of outstanding and meritorious
18 service to the State of California and the California
19 State Board of Equalization.

20 And, whereas, Laura began her career with
21 the California State Board of Equalization on
22 September 1, 1998, as an Office Assistant in the
23 Refund Section of the Sales and Use Tax Department,
24 then quickly advanced to the position of
25 Office Technician for the Chief of the Policy,

1 Planning, and Standards Division of the Property Tax
2 Department on March 1, 1999.

3 And, whereas, in recognition of her diligent
4 work and demonstrated ability, she was promoted to
5 the position of Executive Secretary II in the
6 Appeals Division of the Legal Department on
7 November 1, 2000, and immediately thereafter, was
8 promoted to the Staff Services Analyst with the
9 Policy, Planning, and Standards Division of the
10 Property Tax Department on December 26, 2000.

11 Whereas, as a reflection of her exemplary
12 work ethic and dedication, on July 15, 2004, she was
13 promoted to an Associate Governmental Program Analyst
14 in the Policy, Planning, and Standards Division of
15 the Property Tax Department.

16 On April 10, 2006, she transferred to the
17 Policy, Planning, and Evaluation Division in the
18 Administration Department, where she continued as an
19 Associate Government Program Analyst and worked on
20 the State Board of Equalization Administrative
21 Manual, assisted with career fairs, and supported the
22 Superior Accomplishment Awards Program for the
23 agency.

24 On January 1, 2009, as a result of her -- of
25 the reorganization, she joined the Executive Services

1 Section as an Associate Governmental Program Analyst
2 in the External Affairs Department, where she worked
3 on special projects for then Executive Director,
4 Ramon J. Hirsig.

5 And, whereas, due to her outstanding
6 professionalism, expertise, exceptional insight and
7 discretion, she was appointed as the Assistant to the
8 Executive Director on April 1, 2011.

9 She has the distinction of serving six
10 Executive Directors of the State Board of
11 Equalization over the past 11 years; Kristine Cazadd,
12 Cynthia Bridges, David J. Gau, Dean R. Kinnee,
13 Brenda J. Fleming, and Yvette M. Stowers.

14 She anticipated every need of each
15 Executive Director she served, ensured that all
16 Executive Directors she assisted were prepared, and
17 led the Executive Office administrative staff with
18 grace and care.

19 And, whereas, throughout her many years of
20 service, Laura has earned the respect and admiration
21 of her coworkers and peers.

22 Laura's contributions include significant
23 involvement in agency-wide activities, including
24 serving as the Chair for the Bring Your Kids to Work
25 Day Program in 2001, the Co-Chair of the Food Drive

1 in 2007, the Sergeant-at-Arms for the State Board of
2 Equalization meetings from 2001-2005.

3 Her integrity and outstanding service to the
4 people of California attest to the high level of her
5 dedication and skill in serving the people
6 of the state.

7 Therefore, be it resolved, that we, the
8 Members of the Board, do hereby extend to
9 Laura A. SooHoo our sincere and grateful appreciation
10 for her dedicated service to the California State
11 Board of Equalization and to the State of
12 California.

13 Our congratulations on her well-earned
14 retirement, and our best wishes to her and her family
15 for continued success, happiness, and good health in
16 the years to come.

17 MS. COHEN: Thank you.

18 MS. SOOHOO: Good morning, Chair Cohen and
19 Honorable Members.

20 Thank you so much for recognizing me today.

21 And, Controller Yee, thank you very much for
22 those kind words. I really appreciate it.

23 It's truly been a pleasure working for the
24 BOE for all these years.

25 I would like to thank Brenda Fleming for her

1 wonderful leadership and friendship, and also for
2 Ms. Stowers for being our new Executive Director.
3 That's really going to be good.

4 I will miss working with everyone, and just
5 thank you very much. Appreciate it.

6 MS. COHEN: That's it? Okay.

7 Well, we're going to take a short recess.
8 We're going to come down and take a picture with you,
9 and we'll get started again.

10 We're in recess.

11 MS. CICHETTI: Thank you.

12 (Whereupon a group photograph was taken.)

13 MS. COHEN: All right.

14 Let's come out of recess.

15 It's 10:53.

16 I'd like to accept a motion -- entertain a
17 motion for the resolution.

18 MR. SCHAEFER: So moved.

19 MS. COHEN: Motion made by Vice Chair
20 Schaefer.

21 And second by --

22 MS. YEE: I'll second.

23 MS. COHEN: By Controller Yee.

24 MS. YEE: Mm-hm.

25 MS. COHEN: Please call the roll.

1 MS. CICHETTI: Chair Cohen.
2 UNIDENTIFIED PERSON: Yeah. Go ahead.
3 MS. COHEN: Aye.
4 MS. CICHETTI: Vice Chair Schaefer.
5 MR. SCHAEFER: Aye.
6 MS. CICHETTI: Member Gaines.
7 MR. GAINES: Aye.
8 MS. CICHETTI: Member Vazquez.
9 UNIDENTIFIED PERSON: I should transfer this
10 line with the others, correct?
11 MR. VAZQUEZ: Aye.
12 MS. CICHETTI: Controller Yee.
13 MS. YEE: Aye.
14 MS. COHEN: Thank you very much.
15 This motion passes unanimously.
16 Congratulations, Ms. Soohoo.
17 Ms. Cichetti, could you call the next item,
18 please.
19 **ITEM BB**
20
21 MS. CICHETTI: Our next item is BB, Board
22 Member Annual Photograph.
23 MS. COHEN: Okay. Let's go into recess for
24 our Board Member Annual Photo. Okay.
25 (Whereupon a group photograph was taken.)

1 MS. COHEN: Okay. I've been advised that we
2 can go ahead and begin, and the AT&T operator will
3 catch up.

4 So we will reconvene at 11:08 a.m.

5 Ms. Cichetti, could you please call the next
6 item.

7 **ITEM CC**

8
9 MS. CICHETTI: Our next item is CC,
10 State-Assessed Properties Value Setting.

11 The Board sets unitary values of
12 state-assessed properties annually, on or before
13 May 31st, pursuant to constitutional and statutory
14 law.

15 Contribution disclosure forms are not
16 required pursuant to Government Code Section 15626.

17 This is a constitutional function.

18 MS. COHEN: All right.

19 Thank you very much.

20 This is a constitutional function.

21 I want to say good morning.

22 Is Mr. McCool here? Is he online?

23 MR. MCCOOL: Good morning, Chair Cohen.

24 MS. COHEN: All right.

25 Good morning, Mr. McCool.

1 Before we begin with the value setting of
2 the five different industry types, I ask that you
3 briefly review the value-setting process and provide
4 us with any last-minute updates.

5 MR. McCOOL: Thank you, Chair Cohen.

6 Chair Cohen and Members of the Board, my
7 name is Jack McCool, Chief of the State-Assessed
8 Properties Division.

9 Before I provide a brief review of the
10 process, I would just like to take a moment to
11 personally thank the entire State-Assessed Properties
12 Division staff for all of their hard work and
13 dedication.

14 All of our units have been working at full
15 capacity to complete their work during the busy
16 season. And I just want to tell staff that their
17 hard work and long hours are very much appreciated.

18 With that, Chair Cohen and Honorable
19 Members, before you this morning is the value setting
20 workbook that was previously provided.

21 The workbook is arranged into five industry
22 groups in the following order: electric generation,
23 energy companies, pipelines, railroads, and
24 telecommunications.

25 I will read the name of the first industry

1 group and ask the Board to adopt staff's recommended
2 values.

3 After the Board completes its vote for the
4 first industry, I will introduce the next industry
5 group. And we will continue with that pattern until
6 the Board has taken action on all industries and
7 assessees.

8 If there are any -- if there are any Member
9 requests to not participate on a particular assessee,
10 I will make note of that, and ask the participating
11 Members for a vote on those assessees after we have
12 finished the final industry group.

13 Thank you, Chair Cohen.

14 MS. COHEN: Thank you.

15 MR. McCOOL: And at your direction, I am
16 prepared to proceed.

17 MS. COHEN: Okay. Great.

18 Just a minute.

19 So, Members, is there anyone abstaining --

20 MR. GAINES: Madam Chair.

21 MS. COHEN: -- or not participating in any
22 specific company?

23 MR. GAINES: Yes.

24 Thank you, Madam Chair.

25 MS. COHEN: Okay.

1 MR. GAINES: Due to a financial interest, I
2 will not participate with respect to PacifiCorp,
3 which is Item 106; Sierra Pacific Power, which is
4 Item 146; Kern River Gas Transmission Company,
5 Item 188; and the BNSF Railway Company, Item 804.

6 Thank you.

7 MS. COHEN: All right. Thank you very much.

8 All right. Mr. McCool.

9 MR. SCHAEFER: I have --

10 MS. COHEN: Oh, I'm sorry. I didn't see
11 that.

12 MR. SCHAEFER: I have a \$100 interest in
13 Frontier Communications. And I don't know if that
14 rises to the level of exclusion or not.

15 But since there is a doubt, I will exclude
16 myself on that section.

17 MS. COHEN: All right.

18 Thank you very much.

19 Mr. McCool, could you please proceed.

20 MR. McCOOL: Thank you, Chair Cohen.

21 The first industry group is the Electric
22 Generation Facilities.

23 Chair Cohen and Honorable Members, I ask for
24 your adoption of staff-recommended values for the
25 Electric Generation Industry.

1 MS. COHEN: All right.

2 Colleagues, any discussion?

3 Madam Controller, any comments?

4 MS. YEE: Not at this time.

5 I -- thanks, Madam Chair, but I just wanted
6 to be sure we were doing -- and this could be for the
7 future -- but as we adopt these values, because many
8 of these actually are sustained without any appeal
9 through the end of the calendar year each year, is
10 maybe have a little bit more color and texture as to
11 the values in a discussion forthcoming in future
12 value setting.

13 I'm thinking about the public and just kind
14 of what they're getting out of these hearings. And
15 they're not getting a lot of information if they
16 don't have the workbook or any of the background
17 information.

18 And there's a lot of change happening in
19 some of these industry groups that I think warrant a
20 little bit more of a public, if not discussion among
21 the Members, just at least a presentation by the
22 staff with respect to whether some of these companies
23 are being more active in terms of the energy
24 transition to more significant increases in their
25 capital expenditures as a result of, you know,

1 regulatory actions.

2 But I think some of that color and context
3 would be very helpful for the public in the future.

4 MS. COHEN: So are you -- do you want
5 Mr. McCool to go into any more detail?

6 MS. YEE: I don't know if he's prepared to,
7 but probably not at this time.

8 I'm just kind of more -- I mean, I always
9 put myself in the shoes of the public about what
10 they're seeing in these hearings. And it's
11 essentially a vote without a lot of context.

12 So if he's prepared to do that, that's fine.
13 But if not, I don't want to put him on the spot
14 either.

15 MS. COHEN: All right. Thank you.

16 I'm sure Mr. McCool is pretty prepared.
17 He's always prepared.

18 MR. MCCOOL: Well, I will say,
19 Controller Yee, that we did attempt to provide some
20 additional information for both the Members as well
21 as the public in our March industry trends
22 presentation this past year.

23 It was our intention to provide some of the
24 highlights of the trends that each industry is
25 facing, including the increased capital expenditures

1 that you mentioned for the gas and electric industry.

2 I don't have any prepared remarks to provide
3 further information on the industries today. It's
4 certainly something that we can review what we've
5 presented in March.

6 And if there's, you know, additional gaps or
7 topics that the Board would like for us to present
8 either at the future March or April meeting, or even
9 immediately prior to the value setting in May, that's
10 certainly something that we can put together in the
11 future.

12 MS. YEE: Yeah.

13 No, thank you, Mr. McCool.

14 And I appreciate the context in March.

15 I think what we find ourselves here in May
16 is actually adopting the unitary values.

17 And so you've -- and this is where I know
18 you and your team are always a little bit -- it's a
19 very tight timeframe. So I appreciate that in terms
20 of getting this information before us.

21 But I also -- I'll just give you an example.
22 I never want to read a headline about the value that
23 we adopted, in terms of, you know, particularly, if
24 we're adjusting, making any kind of an adjustment
25 downward from the previous year, there's a lot of

1 misconstruing with respect to what we're doing here.
2 And we're adopting a unitary value. This is not the
3 tax itself.

4 So, I mean, just something as simple as, you
5 know, what that reflects in terms of the actual, you
6 know, tax liability, you know, would be helpful.

7 Anyway, it's not to belabored here, but you
8 get what I'm saying. I think we just want to connect
9 the dots a little bit more for the public.

10 MR. McCOOL: Absolutely.

11 And I think one of our challenges, of
12 course, is discussing the information that we
13 consider to be confidential --

14 MS. YEE: Right. Right.

15 MR. McCOOL: -- prior to the adoption.

16 Of course, as you all know, as soon as the
17 Board adopts the values, we will publish the
18 individual unitary values for each assessee.

19 So I think it's always a little challenging
20 from our side to provide some numbers before
21 adoption.

22 I'm a little reluctant to provide some of
23 the numbers as far as for, you know, what the
24 estimated tax would be.

25 MS. YEE: No --

1 MR. McCOOL: We have -- we have calculated
2 that, but, you know, I'm a little reluctant to share
3 that prior to adoption.

4 MS. YEE: Yeah, that's not what I'm
5 asking.

6 MR. McCOOL: Okay.

7 MS. YEE: I'm just saying there's a -- no.

8 MR. McCOOL: Okay.

9 MS. YEE: But in terms of how we are looking
10 at these differently year after year, I think is
11 important. Particularly as these industries are
12 undergoing significant change.

13 I'm not even asking for numbers at that
14 point. But once we do adopt the values, I think we
15 do have to be clear about what those values mean.

16 Because there's always -- because these
17 numbers are big in terms of value. That's not the
18 tax. So just being very clear about what it is that
19 we've done.

20 But I think -- and you provided this
21 beginning of March. But I've been carrying it
22 forward in terms of what we're adopting today.

23 And, particularly, when there's such
24 heightened attention on particularly the
25 investor-owned utilities and what they are doing, I

1 think just might warrant a little bit more
2 observation in terms of what you -- what you found
3 that led to the -- to the proposed value.

4 MS. COHEN: And, Mr. McCool, before we got
5 started, I did ask if you could review the value
6 setting process.

7 MR. McCOOL: Okay.

8 MS. COHEN: And I think that that will also
9 help frame the discussion for members of the public
10 on what it is exactly we're doing, and why we're
11 doing it.

12 MR. McCOOL: Sure.

13 Thank you, Chair Cohen.

14 So each year, the companies that are under
15 the state-assessment jurisdiction must file an annual
16 property statement by March 1st of each year.

17 We have constitutional authority -- sorry --
18 statutory authority to extend the deadline. And in
19 most cases, we do grant those extensions.

20 Throughout March and April our unitary
21 auditor appraiser staff will spend time using those
22 property statements provided by the assessees, in
23 conjunction with discussions that we've had with many
24 of their representatives, to compile what we call the
25 unitary appraisals. That will result in a staff

1 recommendation for the Board's consideration.

2 All of our appraisals go through several
3 levels of review. And that review is typically
4 completed in early May.

5 At that point, we begin compiling the
6 materials that are presented to the Board Members,
7 which includes our recommended values, as well as the
8 approaches to value, and the weightings that we
9 attributed to each approach to value.

10 In addition to that, we provide the Members
11 with narrative appraisals for most of the larger
12 assessees.

13 The narrative appraisals will provide our
14 rationale for how we reconciled the value indicators
15 for those assessees, and will typically discuss some
16 high-level issues that were considered during the
17 appraisal process.

18 I will note that overall our values are --
19 the recommended values are about seven percent higher
20 compared to the prior year.

21 Our gas and electric, or our energy
22 industry, as it is called, is by far the largest
23 industry group in state assessed. And they had a
24 significant increase in value as an industry as a
25 whole this year.

1 That can largely be attributed to the
2 increases in capital expenditures that these
3 companies continue to make.

4 Simply put, they're replacing older, very
5 depreciated property with new property that has
6 little-to-no depreciation yet.

7 And from our discussions with those industry
8 groups, we are expecting that continued trend of
9 replacing aging infrastructure with new property to
10 continue.

11 I will note that our electric generation
12 industry as a whole was the only industry that
13 experienced a decline in values from our
14 recommendation today compared to last year.

15 That's fairly typical for the electric
16 generation industry as a whole. They are
17 limited-life facilities. So as the -- as they drop
18 one year off and get closer to the end of their
19 service life, the value does tend to decline over
20 time.

21 Our railroad industry did experience an
22 increase in value overall compared to last year.
23 That's probably mostly attributed to a rebound from
24 effects of COVID-19 in prior year, and also just the
25 general demand for shipping in general. And that

1 equated to an increase in value for most of our
2 income-generating railroads this year.

3 Most of the other industries experienced
4 somewhere between a four-to-five percent increase in
5 overall values.

6 That's probably mostly attributable to the
7 increase costs overall to replacing properties.

8 I know some of our trend factors that we
9 use, which derive from market sources, were higher
10 this year compared to last year.

11 And that had a direct impact on the overall
12 values for our cost approach assessees, which from
13 prior presentations of the Board, make up the bulk of
14 our state assessees using the cost approach.

15 And then just one final note I can think of,
16 I know our penalties for late filings this year were
17 down significantly compared to the prior year. Which
18 just reflects, in general, fewer late filing -- fewer
19 late filings from our assessees this year compared to
20 prior years.

21 MS. COHEN: Thank you very much.

22 Let me see if my colleagues -- I think
23 Senator Gaines had something he wanted to add to the
24 record.

25 MR. GAINES: Yes, if I could.

1 Just thought it'd be helpful in terms of
2 overview of the entities that were responsible.

3 MS. COHEN: Senator Gaines, can you speak
4 into the mic so we can hear you.

5 MR. GAINES: My mic's on, is that right?

6 MS. COHEN: Bring it closer to your mouth,
7 because the ladies that are transcribing are having
8 trouble.

9 MR. VAZQUEZ: It might not be on.

10 MR. GAINES: Can you hear me?

11 MS. COHEN: Click the base of your -- there.

12 MR. VAZQUEZ: There you go.

13 MR. GAINES: I apologize. I'm hitting the
14 wrong mic button here.

15 So I was wondering if, Mr. McCool, if you
16 could just help us in terms of kind of an overview of
17 the valuations that you were -- you have calculated.

18 How many of them?

19 I know you've got categories here. So we
20 see gas and electric, 100 to 199.

21 But, cumulatively, if we go through each of
22 these different groups, local exchange, pipelines,
23 railroads, electrical generation, interexchange,
24 wireless; how many entities are we determining value
25 for in this binder that you've provided us?

1 MR. McCOOL: Thank you for the question,
2 Member Gaines.

3 This year we have a total of 339
4 state-assessed companies before you for your -- for
5 the Board's consideration this year.

6 MR. GAINES: Great. Wonderful.

7 And thank you for the overview on gas and
8 electric.

9 But I think Controller Yee, I liked her
10 suggestion in terms of explaining what we're doing
11 and what our responsibilities are.

12 And in particular -- and I'm not saying at
13 this meeting, because I don't think we're prepared
14 for it. But maybe you could help us in terms of
15 what's happening from a trending standpoint.

16 So for instance, if we're looking at gas and
17 electric, and we're seeing declining values in
18 certain areas, and increasing values in other areas,
19 is that an indication that, you know, we're looking
20 at depreciating the nuclear facility in the state of
21 California, and we're increasing -- a lot of capital
22 is being spent on solar, for instance?

23 Is that something you could provide to us in
24 a public hearing just to provide an overview for our
25 constituents?

1 MR. McCOOL: Thank you for the question,
2 Member Gaines.

3 I'm not sure that the reporting that we
4 receive would allow us to break down increases versus
5 decreases in specific property categories within a
6 specific company, or even as an industry-wide.
7 That's something I have to take a closer look at.

8 I don't believe we necessarily have -- we
9 may have a level of detail, but it may require a
10 little bit more work or analysis from our staff to
11 compile that in a format that I could present.

12 MR. GAINES: Okay.

13 I think that -- I'd like to hear from my
14 colleagues, too. I know from my perspective, that
15 would be helpful. So we can just have a sense of,
16 you know, what sort of infrastructure is being put in
17 place.

18 Because we're seeing the valuation of those
19 items, right?

20 MR. McCOOL: Mm-hm.

21 MR. GAINES: So it would be nice to know,
22 are we building more pipeline in the state of
23 California, or is it pretty static? And ways to
24 determine the value of existing pipeline.

25 Same thing for railroads, certainly for

1 what's happening with electricity and gas.

2 MS. COHEN: Thank you, Mr. McCool.

3 MR. GAINES: Thank you.

4 MS. COHEN: Thank you, Senator Gaines.

5 I just want to, first of all, recognize some
6 of the comments that the Controller has made.

7 I think that's incredibly important for us
8 to be transparent, and this unitary value setting
9 exercise that we do on an annual basis is a core
10 function as our -- of our role on the Board of
11 Equalization.

12 So what I'd like to do is to recommend to
13 Director Stowers that we -- that we consider the
14 Controller's comments, and build upon Mr. McCool's
15 comments today by highlighting industry-specific
16 issues and challenges for -- and incorporate it into
17 our annual presentation about the unitary value
18 setting.

19 Thank you. I appreciate that.

20 All right. Mr. McCool, so you're looking
21 for a motion.

22 So what I'd like to do is entertain a motion
23 to move the staff recommendation for the value
24 setting for the electric gentrification facilities.

25 Is there a second to this motion?

1 MS. YEE: I'll second the motion.
2 MS. COHEN: All right.
3 Second made by Controller Yee.
4 May we call -- may we have a vote?
5 MS. CICHETTI: Yes.
6 Oh, we need to get to AT&T, yes.
7 MS. COHEN: Oh, that's right.
8 May -- may -- may I ask -- may I make a
9 suggestion?
10 Why don't we go through everything, and then
11 we'll go -- we'll take public comment on the entirety
12 of each and every motion, if that's okay.
13 MS. YEE: Yeah.
14 MS. COHEN: I think that's a -- I think
15 that's acceptable, Mr. Nanjo.
16 We'll go through --
17 MR. NANJO: Yes, that should be fine,
18 Chair Cohen and Board Members.
19 MS. COHEN: Okay. Great.
20 So we've already got a motion made. We've
21 got a second.
22 Let's go ahead and go to the second item for
23 consideration, Mr. McCool.
24 MR. MCCOOL: Chair Cohen, just to clarify,
25 are you going to vote for the electric generation, or

1 should I just continue to do all?

2 MS. COHEN: What I'd like to -- I would like
3 you to do them all, and we will take it all as one
4 vote, one -- one public comment section.

5 MR. McCool: Okay. If that --

6 MS. COHEN: Mr. McCool, hold on, please.

7 MR. NANJO: Chair Cohen, Members,
8 Honorable Members of the Board, if I could assist
9 here, because we do have some Members who are
10 recusing themselves for certain votes, I'd recommend
11 we take them by group, as Mr. McCool suggested.

12 However, if the Board wants to hear public
13 comment at the end, they can do that. The challenge
14 is you have to have public comment before you do the
15 vote.

16 MS. COHEN: Understood. Understood.

17 MR. NANJO: So in this context, you're
18 probably better off just doing public comment, vote,
19 public comment, vote, public comment, vote.

20 MS. COHEN: All right. Thank you very much.

21 So, Mr. McCool, I don't know if you got all
22 of what Mr. Nanjo was saying.

23 MR. McCool: Yes.

24 MS. COHEN: What we're going to do is we're
25 going to go to public comment, and then we'll take up

1 our vote. And then we'll hear the -- the next
2 session.

3 MS. CICHETTI: All right.

4 We have not received a request to make an
5 in-person comment, or received a written -- or
6 received any written comments for this item.

7 We can go to the AT&T moderator for public
8 comment.

9 AT&T moderator, please let us know if
10 there's anyone on the line who would like to make a
11 public comment regarding this matter.

12 AT&T MODERATOR: Thank you.

13 And if so, please press one, zero at this
14 time.

15 And currently nobody in queue.

16 MS. COHEN: Thank you very much.

17 All right. So a motion has been made, a
18 motion has been second.

19 Let's go ahead and call the roll call
20 vote.

21 MS. CICHETTI: Chair Cohen.

22 MS. COHEN: Aye.

23 MS. CICHETTI: Vice Chair Schaefer.

24 MR. SCHAEFER: Aye.

25 MS. CICHETTI: Member Gaines.

1 MS. COHEN: Please skip him. We'll come
2 back to him.

3 MS. CICHETTI: Member Vazquez.

4 MR. VAZQUEZ: Aye.

5 MS. CICHETTI: Controller Yee.

6 MS. YEE: Aye.

7 MS. CICHETTI: Member Gaines.

8 MR. GAINES: Aye.

9 MS. CICHETTI: The motion passes.

10 MS. COHEN: The motion is unanimous.

11 Thank you very much.

12 Mr. McCool.

13 MR. McCOOL: Thank you, Chair Cohen.

14 Our next group is the energy companies.

15 I will note Member Gaines' nonparticipation
16 in three of the energy companies, which we can take
17 at the end.

18 Those three are PacifiCorp, No. 106;
19 Sierra Pacific Power, No. 146; and Kern River Gas
20 Transmission Company, No. 188.

21 I ask for the Board's adoption of staff's
22 recommended value for the industry -- for the energy
23 industry, minus those three that Member Gaines is not
24 participating on.

25 MS. COHEN: All right. Thank you.

1 MR. McCOOL: Thank you.

2 MS. COHEN: Any discussion or any
3 clarification?

4 No?

5 Okay. I'd like to entertain a motion to
6 move adoption of the staff recommendation for the
7 value setting for energy companies.

8 Is there a second?

9 MS. YEE: Second.

10 MS. COHEN: Second by Controller Yee.
11 Please call the roll.

12 I'm sorry, let's call public comment.

13 MS. CICHETTI: We have not received a
14 request to make an in-person comment or received a
15 written comment for this item.

16 We can go to the AT&T moderator for public
17 comment.

18 AT&T moderator, please let us know if there
19 is anyone on the line who would like to make a public
20 comment for this matter.

21 AT&T MODERATOR: Thank you.

22 And if you do -- if you would like to,
23 please press one, zero at this time.

24 Again, it's one, zero.

25 And currently nobody in queue.

1 MS. COHEN: Nobody in queue.
2 Thank you very much.
3 Just a second, please.
4 Let's go ahead and call the roll.
5 MS. CICHETTI: The Members have made a
6 motion to accept the energy company values as
7 presented, except for No. 106, PacifiCorp; 146,
8 Sierra Pacific Power; and 188, Kern Rive Gas
9 Transmission Company.
10 Chair Cohen.
11 MS. COHEN: Aye, please.
12 MS. CICHETTI: Vice Chair Schaefer.
13 MR. SCHAEFER: Aye.
14 MS. CICHETTI: Member Gaines.
15 MR. GAINES: Aye.
16 MS. CICHETTI: Member Vazquez.
17 MR. VAZQUEZ: Aye.
18 MS. CICHETTI: Controller Yee.
19 MS. YEE: Aye.
20 MS. CICHETTI: This motion passes.
21 MS. COHEN: Thank you very much.
22 Mr. McCOOL: Thank you, Chair Cohen.
23 Our next group is the pipeline industry.
24 I ask the Board's adoption of
25 staff-recommended values for the pipeline industry.

1 Thank you.

2 MS. COHEN: Colleagues, is there any
3 discussion? Members?

4 No?

5 Okay. I'll make a motion to -- I'd like to
6 entertain a motion to move the adoption of the staff
7 recommendation for the value setting of the pipeline
8 companies.

9 Is there a second?

10 MS. YEE: Second.

11 MS. COHEN: Second by Controller Yee.
12 Let's take public comment.

13 MS. CICHETTI: We have not received a
14 request to make an in-person comment, or received any
15 written comments on this item.

16 We can go to the AT&T moderator for
17 public.

18 AT&T moderator, please let us know if there
19 is anyone on the line who would like to make a public
20 comment for this item.

21 AT&T MODERATOR: Thank you.

22 And, again, it is one, zero.

23 And nobody in queue at this time.

24 MS. COHEN: Nobody in queue.

25 All right. Thank you very much.

1 Please call the roll.

2 MS. CICHETTI: The motion is to adopt the

3 pipeline companies value as presented.

4 Chair Cohen.

5 MS. COHEN: Aye.

6 MS. CICHETTI: Vice Chair Schaefer.

7 MR. SCHAEFER: Aye.

8 MS. CICHETTI: Member Gaines.

9 MR. GAINES: Aye.

10 MS. CICHETTI: Member Vazquez.

11 MR. VAZQUEZ: Aye.

12 MS. CICHETTI: Controller Yee.

13 MS. YEE: Aye.

14 MS. CICHETTI: The motion passes.

15 MS. COHEN: Thank you very much.

16 The motion passes unanimous.

17 Mr. McCool, the fourth one.

18 MR. McCOOL: Thank you, Chair Cohen.

19 Our next group is the railroad industry.

20 I ask for your adoption of staff's

21 recommended values to the railroad industry, noting

22 the nonparticipation of one company for

23 Member Gaines. That company is BNSF Railway Company,

24 No. 804.

25 MS. COHEN: All right. Thank you very much.

1 Seeing there's no discussion, let's -- I'll
2 entertain a motion to move adoption of the staff
3 recommendation for the value setting for railroad
4 companies.

5 Is there a second?

6 MS. YEE: Second.

7 MS. COHEN: Seconded by Controller Yee.

8 Let's go to public comment.

9 MS. CICHETTI: We have not received a
10 request to make an in-person comment, or received any
11 written comments on this item.

12 We can go to the AT&T moderator for public
13 comment.

14 AT&T moderator, please let us know if there
15 is anyone on the line who would like to make a public
16 comment regarding this item.

17 AT&T MODERATOR: Thank you.

18 Again, it's one, zero at this time.

19 Currently none in queue.

20 MS. CICHETTI: This motion is to adopt the
21 railroad company values, with an exception of 804,
22 BNSF, Railway Companies.

23 Chair Cohen.

24 MS. COHEN: Aye.

25 MS. CICHETTI: Vice Chair Schaefer.

1 MR. SCHAEFER: Aye.
2 MS. CICHETTI: Member Gaines.
3 MR. GAINES: Aye.
4 MS. CICHETTI: Member Vazquez.
5 MR. VAZQUEZ: Aye.
6 MS. CICHETTI: Controller Yee.
7 MS. YEE: Aye.
8 MS. CICHETTI: Motion passes.
9 MS. COHEN: Thank you.
10 That motion is unan -- that motion passes.
11 Mr. Vazquez.
12 MR. VAZQUEZ: Just for the record, I noticed
13 when you open and you make the motion, you say you're
14 entertaining a motion.
15 So I don't know if, for the record, is a
16 that clear? Is that legal? I don't know.
17 Shouldn't we be making the motion as opposed
18 to entertaining? Because if you're entertaining a
19 motion, one of us should say, "So moved," right?
20 Is that correct?
21 MR. NANJO: That's -- that's technically
22 correct, but --
23 MR. VAZQUEZ: Does it matter? If it doesn't
24 matter, I'm okay with it.
25 MR. NANJO: She's making the motion as well,

1 because she's calling for a second. And you wouldn't
2 call for a second unless you make a motion. So --

3 MR. VAZQUEZ: I'm good. I just didn't want
4 it to come back to us later.

5 MR. NANJO: No.

6 Thank you for the clarification.

7 Thank you.

8 MS. COHEN: Thank you very much.

9 I want to thank Mr. McCool and the entire
10 staff that you lead, the staff of the State-Assessed
11 Properties Division, for your diligent work.

12 This is not easy. I know it's very, very
13 tedious. All the appraisals, the reports, the
14 analysis that are before this Board for our
15 consideration, you guys have expertly pulled
16 together.

17 And I also want to acknowledge that this is
18 the third year that you have done it. And been done
19 in a very challenging COVID-19 work environment. And
20 I think that we're getting it down.

21 We know how to execute our core functions.
22 And I want you to know how much I have a deep
23 appreciation and acknowledgment for the work that's
24 being done during these very unique circumstances.
25 So unique that they may become our new reality.

1 So I'm sure my Board Members and colleagues
2 join in expressing their appreciation for your hard
3 work, and just want to always publicly acknowledge
4 that.

5 Thank you so much. I appreciate it.

6 MR. McCOOL: Thank you very much. I very
7 much appreciate that.

8 MS. COHEN: All right.

9 Could you please call the next item.

10 MS. CICHETTI: It's our fifth and last --

11 MR. McCOOL: I'm sorry.

12 Chair Cohen.

13 MS. COHEN: Yes.

14 MR. McCOOL: Our final -- our final industry
15 group is the telecommunications industry.

16 I ask for the Board's adoption of
17 staff-recommended values for the telecommunications
18 industry.

19 MS. COHEN: My apologies.

20 Yes, I'd like to make a motion to move --

21 MR. NANJO: Sorry, Chair Cohen, to
22 interrupt.

23 Mr. McCool, I believe Member Schaefer
24 mentioned that he wanted to recuse himself from
25 Frontier Communications, which is one of the entities

1 in this group.

2 MR. McCOOL: Okay. Thank you, Mr. Nanjo.

3 MR. NANJO: Thank you, Madam Chair.

4 MR. McCOOL: Members, the final industry
5 group is telecommunications.

6 I ask for the Board's adoption of staff
7 recommended values for the telecommunication
8 industry, with the exception of No. 201, Frontier.

9 MS. COHEN: Thank you.

10 Is there any discussion?

11 MR. SCHAEFER: Does \$100 valuation make it
12 relevant? I thought that was under the radar.

13 MR. NANJO: If -- if your investment totals
14 \$100, Member Schaefer, you do not need to recuse
15 yourself.

16 You made a comment that you wanted to not
17 participate, so I just wanted to make sure that that
18 was acknowledged.

19 MR. SCHAEFER: Well, I'll withdraw my
20 objection given the de minimis nature of my
21 investment.

22 MS. COHEN: Okay. So for the record, he
23 will be participating in this vote.

24 MR. NANJO: Yes.

25 Jack, you may want to restate it and restate

1 the motion that it's for the entire telecommunication
2 group.

3 Thank you for the clarification,
4 Member Schaefer.

5 And thank you, Chair Cohen.

6 MS. COHEN: Okay.

7 Mr. McCool.

8 MR. McCOOL: Thank you.

9 I ask for the Board's adoption of staff
10 recommended values for the entire telecommunications
11 industry.

12 Thank you.

13 MS. COHEN: Thank you.

14 Let's -- a motion to move adoption of the
15 staff recommendation for the value setting for the
16 entirety of the telecommunication company.

17 Is there a second?

18 MS. YEE: I'll Second.

19 MS. COHEN: Thank you.

20 Second by Controller Yee.

21 Let's go to public comment.

22 MS. CICHETTI: We have not received a
23 request to make an in-person comment or received a
24 written comment on this item.

25 We can go to the AT&T moderator for public

1 comment.

2 AT&T moderator, please let us know if there
3 is anyone on the line who would like to make a public
4 comment regarding this matter.

5 AT&T MODERATOR: Thank you.

6 And if so, please press one, zero at this
7 time.

8 And currently nobody in queue.

9 MS. COHEN: All right. Thank you.

10 Thank you very much.

11 Ms. Cichetti, could you please call the
12 roll.

13 MS. CICHETTI: The motion is to adopt all of
14 the value settings for the telecommunication
15 companies.

16 Chair Cohen.

17 MS. COHEN: Aye.

18 MS. CICHETTI: Vice Chair Schaefer.

19 MR. SCHAEFER: Aye.

20 MS. CICHETTI: Member Gaines.

21 MR. GAINES: Aye.

22 MS. CICHETTI: Member Vazquez.

23 MR. VAZQUEZ: Aye.

24 MS. CICHETTI: Controller Yee.

25 MS. YEE: Aye.

1 MS. CICHETTI: The motion passes.

2 MS. COHEN: Excellent.

3 Thank you very much.

4 Okay, Mr. McCool, please pass on my

5 gratitude to your staff.

6 MR. McCOOL: Thank you.

7 We have one more vote to do.

8 MS. COHEN: Okay.

9 MR. McCOOL: Chair Cohen, finally, Members,

10 as Member Gaines has declared nonparticipation in

11 four companies, I ask for the Board's adoption of

12 staff's recommended values for those four assessees.

13 To review, the four assessees are:

14 PacifiCorp, No. 106; Sierra Pacific Power,

15 No. 146; Kern River Gas Transmission Company,

16 No. 188; and BNSF Railway Company, No. 804.

17 Thank you.

18 MS. COHEN: Thank you very much.

19 All right. I will entertain a motion on the

20 staff recommendation on the four assessees that were

21 read into the record.

22 Is there a second?

23 MS. YEE: Second.

24 MS. COHEN: Thank you.

25 Seconded by Controller Yee.

1 Let's take public comment.

2 MS. CICHETTI: We have not received a
3 request to make an in-person comment, or received any
4 written comments for this item.

5 AT&T moderator, please let us know if there
6 is anyone on the line who would like to make a public
7 comment regarding this matter.

8 AT&T MODERATOR: If you need to make a
9 public comment, again, please press one, zero.

10 And currently nobody in queue.

11 MS. CICHETTI: This is a motion to accept
12 the values for the four items; No. 106, PacifiCorp;
13 No. 146, Sierra Pacific Power; No. 188, Kern River
14 Gas Transmission Company; and No. 804, BNSF
15 Railway Company.

16 Chair Cohen.

17 MS. COHEN: Aye.

18 MS. CICHETTI: Vice Chair Schaefer.

19 MR. SCHAEFER: Aye.

20 MS. CICHETTI: Member Gaines not
21 participating.

22 Member Vazquez.

23 MR. VAZQUEZ: Aye.

24 MS. CICHETTI: Controller Yee.

25 MS. YEE: Aye.

1 MS. CICHETTI: Motion passes.

2 MS. COHEN: Thank you.

3 Thank you.

4 MR. McCOOL: Thank you.

5 MS. COHEN: All right.

6 Ms. Cichetti.

7

8 **ITEM L2a**

9

10 MS. CICHETTI: The next item is L2a,
11 University of Southern California (USC) Sol Price
12 School of Public Policy Collaborative Project
13 Presentation.

14 Discussion and possible Board action on a
15 report out from the University of Southern California
16 (USC) Sol Price School of Public Policy student team
17 regarding their assessment and recommendations to the
18 Board on productivity, implementing a key component
19 of the Goal 4 (Agency-Wide Branding Campaign) of the
20 Board Members' Strategic Plan.

21 Specifically, the student team will present
22 their key findings and recommend three-year branding
23 strategy and implementation plan.

24 MS. COHEN: All right. Thank --

25 MS. CICHETTI: This item is presented by

1 Mr. Gaines and Vice Chair Schaefer.

2 MS. COHEN: Thank you very much.

3 Before we go, I want to recognize
4 Controller Yee.

5 MS. YEE: Thank you, Madam Chair and
6 Members, for always the flexibility in the schedule
7 to be able to participate in the state assessee
8 valuation votes.

9 At this time, I did want to just take a
10 moment to -- before we get to this item -- to
11 introduce Deputy Controller for Tax Policy,
12 Anthony Epolite, who will be taking this chair in my
13 stead for this item and moving forward.

14 Mr. Epolite has a long history with the
15 Board of Equalization, and in some ways he's
16 returning home with this appointment.

17 But definitely with the specialization in
18 property tax policy.

19 And I think, Anthony, you also have a CPA
20 license, don't you?

21 Yes, so CPA and an attorney. So you've got
22 them all.

23 Anyway, I wanted to welcome him, and he will
24 be joining all of you on the dais.

25 Thank you very much.

1 MS. COHEN: Thank you, Mr. Epolite.
2 Please come join us right here.
3 MR. EPOLITE: Thank you.
4 MS. COHEN: Right here in the hot seat.
5 MR. VAZQUEZ: You got to fill these big
6 shoes up here.
7 MS. COHEN: Thank you, Controller.
8 MS. YEE: Thank you very much.
9 MS. COHEN: Have a good day.
10 MS. YEE: Thanks, everyone.
11 MS. COHEN: Okay. As Mr. Epolite takes his
12 seat, I want to just recognize the students that are
13 going to be presenting today.
14 Welcome. Welcome to the chamber.
15 Welcome online. It's good to see you.
16 And the floor is yours. You may begin with
17 opening remarks.
18 MS. JEFFRIES: Hopefully you can hear me
19 correctly.
20 So good morning, Chair Cohen and Members of
21 the Board.
22 My name is Ebony Jeffries, and I want to
23 start by thanking you for allowing us to come and
24 present to you with myself, along with my colleague,
25 Sarah Clair, who is online.

1 We are presenting to you on enhancing brand
2 awareness at the California State Board of
3 Equalization.

4 So our goal today is to provide you with a
5 high-level overview of our semester-long capstone
6 project at the USC Price School.

7 And then at the end of our presentation,
8 we'll open it up for questions and comments.

9 So we started our project by first
10 acknowledging what the BOE does. From there, we
11 looked at what the BOE -- or what people think the
12 BOE does versus what the BOE actually does, following
13 the constitutional amendments of the Taxpayer
14 Transparency Act.

15 And then I'll pass it to Sarah, who will
16 continue for us.

17 MS. CLAIR: Great. Thank you, Ebony.

18 So we --

19 MS. COHEN: I'm sorry, we lost your sound.

20 MS. CLAIR: I think we're good now.

21 MS. COHEN: Okay.

22 MS. CLAIR: We decided to narrow our project
23 down to an opportunity statement.

24 And that opportunity statement was the Board
25 of Equalization had the opportunity to identify

1 strategies to ensure effective communication and
2 outreach, and branding with internal and external
3 stakeholders.

4 And to achieve this opportunity, the team
5 focused on two goals. The first goal was to increase
6 communication with internal and external
7 stakeholders.

8 And the method we used was interviews with
9 the BOE senior leadership and the BOE districts.

10 The second goal we decided upon was to
11 identify possible branding strategies with high
12 potential or successful implementation.

13 And the method for this one was to identify
14 and analyze branding and rebranding efforts of four
15 public agencies.

16 The four public agencies we chose were
17 Covered California, the California Lottery, the
18 California DMV, and California Office of Tourism.

19 Next, we will discuss the first -- sorry.

20 Next, we will discuss the interview
21 findings. And so these are from the interviews with
22 the BOE senior leadership and the BOE Members' staff.

23 And we ended up finding a lot of great
24 things that the BOE is doing. But we would like to
25 focus on what we can do to improve.

1 And so the interview findings actually
2 showed us that there are perceptions that
3 Bagley-Keene limits communications between districts;
4 there is a lack of adequate staffing; titles, roles
5 and responsibilities vary across districts; there is
6 also a lack of funding; and there is a lack of clear
7 framework on the range of messaging based on
8 audience.

9 For example, messaging that is non-expert
10 versus messaging that is technical.

11 MS. JEFFRIES: And before we continue, I
12 want to take a pause to give Board Member Gaines and
13 Board Member Schaefer a chance to talk.

14 I was just told you had an introduction for
15 us, and we just jumped right in.

16 MR. GAINES: Well, I thought maybe we could
17 do something at the end. But I could go ahead and
18 make a couple comments here.

19 MS. COHEN: Absolutely.

20 MR. GAINES: And then Mr. Schaefer also.

21 But I just wanted to let you know I'm very
22 proud of the work that's being done here among the
23 Board, providing guidance to assessors, administering
24 state-assessed properties, insuring due process and
25 protecting taxpayers in remote appeal hearings, and

1 all the other activities that we undertake at the
2 BOE.

3 I've also spoken often of the efforts of our
4 Taxpayers' Rights Advocate. I think the work that
5 the office does is critical for people around the
6 state, our constituents.

7 They may even be busier as Prop. 19 issues
8 remain unresolved, and more and more families are
9 affected by that new law.

10 The more taxpayers we can help, the better.
11 To do that, we need to ensure that people understand
12 the BOE's role, and how our work ensures taxpayer
13 fairness throughout the state.

14 And I wanted to commend Peter Kim, who has
15 been outstanding communicating to the public. And
16 who has helped tremendously increasing the people's
17 awareness of the understanding of the Board.

18 Recently, we had an opportunity to
19 collaborate with you, Ebony, and Sarah, with the USC
20 Price School of Public Policy in an academic project
21 to gain their insight on how the BOE can take
22 advantage of these additional opportunities, as we're
23 learning right now.

24 So different Board staff met several times
25 with you, and you were just going over some of those

1 comments.

2 So I look forward to hearing the rest of the
3 presentation. And thank you for all the work you've
4 put into it. And we're excited about the ideas that
5 you're bringing us, and we can collaborate as a Board
6 and figure out how to move forward.

7 Thank you.

8 MS. JEFFRIES: Thank you.

9 MS. COHEN: Thank you.

10 MR. SCHAEFER: Well, in addition to our
11 taxpayer advocate within the Board, many of our -- a
12 lot of assessors have their own taxpayer advocate
13 system too. So we are overworking ourselves to
14 ensure taxpayers have somebody to talk to.

15 I'm a little skeptical when you start off
16 telling us what the public thinks we do, and then
17 what we actually do.

18 That's interesting. But I sort of think the
19 public doesn't have a clue what we do.

20 I'm always being asked, "What do you do?"
21 And I'm sort of feeling like I should ask them, "What
22 do you think we do?" And I would expect they say,
23 "We don't have a clue."

24 We are the only such entity in the
25 United States that is elected. So they should have

1 more of an interest than somebody in Arizona or
2 Nevada might have.

3 And that's just part of the bureaucracy over
4 there. Here we're part of the elected leadership.

5 I would also like to tell you that I
6 personally knew Sol Price. He was a fellow lawyer
7 practicing as I was in the 1960s.

8 He took \$50 million from his estate in 19 --
9 in 20 -- 2011, which is about 12 years ago, or 11
10 years ago to fund the USC Price School of Public
11 Policy.

12 And among the other things he did is he
13 founded something called FedMart, which only federal
14 employees could shop in back in the '40s or '50s.

15 And then he founded the Price Club, which
16 became very famous, and that became Coscto.

17 And so he's been a busy man doing his life.
18 And his law partners are friends of mine, too. And
19 they were movers and shakers.

20 MS. COHEN: Mr. Schaefer.

21 Mr. Schaefer, come on.

22 MR. SCHAEFER: Oh.

23 Well, I'm very happy that you've come to us
24 today, because I've heard of the good work you're
25 doing. And I can hardly wait to see what you have to

1 tell us.

2 Thank you.

3 MS. COHEN: Perfect. All right.

4 MS. JEFFRIES: Thank you for the historical
5 context. We appreciate that.

6 And we hope that we can continue his legacy
7 through our work that we're doing as recent
8 graduates.

9 So I'll keep us moving, because I know you
10 guys have a jam-packed agenda and probably want to
11 eat lunch.

12 So we started by looking at the four public
13 agencies that Sarah mentioned that have undergone
14 similar rebranding or branding processes.

15 And we recognize that the BOE is very unique
16 in its structure and its operations. But we tried to
17 look at agencies that we can learn from.

18 So first we looked at Covered California.
19 And Covered California is a new agency that resulted
20 from federal legislation.

21 The agency partners with certified insurance
22 agents, contractors, and staff to connect
23 Californians with medical insurance, vision and
24 dental insurance.

25 Overall, a key finding from the agency was

1 their ability to centralize communication efforts,
2 such as tool kits, brochures, marketing materials,
3 while also allowing agents to adapt the communication
4 products to their local context.

5 Next, we looked at the California Lottery,
6 who repositioned after negative media attention, to
7 build trust and confidence amongst the public and
8 stakeholders.

9 The agency utilized a top-down approach to
10 centralized messaging, while allowing stakeholders
11 and retailers to tailor the information to their
12 communities.

13 They also utilized a digital tool kit to
14 provide stakeholders with monthly marketing materials
15 in realtime as they are updated.

16 MS. CLAIR: The next two case studies we are
17 planning to discuss are the DMV and the California
18 Office of Tourism.

19 So first I will discuss the DMV. And
20 beginning in the summer 2019, there were major
21 changes to the California DMV, because of their push
22 for individuals to obtain Real IDs.

23 But then in March of 2020, stay-at-home
24 orders were in place, and the DMV began promoting
25 their improved online services.

1 And these services included things like
2 change of address or renewing a license.

3 And on the DMV website they also highlight
4 user-friendly quicklinks in each section for easy
5 navigation to common topics or forms.

6 And, lastly, there is a feedback button on
7 the site to offer feedback about the website itself
8 or individual DMV branches.

9 And next is the California Commission on
10 Travel and Tourism. And the California Office of
11 Tourism is a public agency that partners with private
12 companies to form a nonprofit organization called
13 Visit California.

14 And due to the complex structure, the agency
15 provides communication, best practices for its
16 partners.

17 Like the other case study findings
18 discussed, the agency provides communication,
19 guidance and instruction, such as tool kits and
20 templates. And the communication style used with the
21 public is accessible and easy to understand.

22 MS. JEFFRIES: So overall, we agree with
23 Board Member Gaines, the BOE has already started the
24 heavy task of communicating with internal and
25 external stakeholders on BOE 2.0. And we really

1 wanted to support the work that you're already doing.

2 So through the interviews and the case study
3 analysis, we found that communication, messaging,
4 brand awareness, this is all an ongoing process that
5 never ends, and strategic planning is also an ongoing
6 process that moves beyond a checklist or a to-do
7 list. It's a way to bring the long-term vision of
8 the BOE to life on an everyday basis.

9 So with that, we have a few recommendations
10 to enhance the great work you're already doing.

11 Our first recommendation is the use of a
12 digital tool kit and a shared drive, such as
13 Google Drive, to centralize messaging and provide
14 guidance with tailorable strategies.

15 This allows the agency staff to serve as a
16 resource and a hub for branding and communication
17 messaging.

18 Using a digital tool kit, districts
19 throughout the state can have realtime access to
20 messaging materials. This also creates room for
21 districts to share samples of media they have created
22 in accordance with agency messaging.

23 By focusing on centralizing the messaging
24 with tailored strategies, layers of confusion can be
25 removed when it comes to the communication duties of

1 the agency and districts.

2 The second recommendation is to standardize
3 roles. The interview showed a desire to simplify the
4 organizational structure and standardize job titles
5 throughout the districts.

6 We've looked at this kind of as a
7 two-pronged approach. So the first part is a staff
8 logistics meeting to discuss communication strategies
9 between districts. And these would be routine
10 meetings that happen preferably after the
11 Board Meetings.

12 And this would include agency staff, as well
13 as a district representative, to leverage resources
14 and gather communication messaging.

15 The second part of this approach is to
16 standardize job titles. And we understand this is a
17 lengthy job. This is a lengthy process.

18 So in the meantime, we recommend an online
19 district directory that includes names, job title,
20 job description, and contact information to help
21 districts establish better lines of communication for
22 logistical purposes.

23 And, lastly, we recognize the need to have
24 nonexpert messaging. Controller Yee mentioned this
25 earlier in some of her remarks in regard to the

1 public conversation.

2 So we recommend that the Teams standardize
3 easy-to-understand talking points and resources for
4 nonexpert audiences.

5 This would create digestible talking points
6 and resources that explain the complexity of tax
7 programs based on the constituent group, especially
8 nonexpert audiences.

9 By focusing on nonexpert messaging in
10 everyday educational materials, Board Members, agency
11 staff and district staff can ensure equitable
12 distribution of messaging throughout the state.

13 And so with that, on behalf of my four
14 colleagues whose names you see on this screen, I'd
15 like to thank you for the opportunity to share our
16 high-level analysis with you.

17 We've learned so much about the complexity
18 of the tax program, and the complexity of the work
19 that you all do.

20 And I'd like to open it up for questions and
21 comments.

22 MS. COHEN: I have a question for you.

23 Can you describe to me, what was the scope
24 that was presented to you and your team for this
25 project?

1 What were you specifically looking to
2 target?

3 MS. JEFFRIES: So we were provided with the
4 strategic plan for the BOE.

5 And we're focusing on the implementation of
6 the work that you all are doing now, and how we can
7 help you better boost that implementation.

8 MS. COHEN: So the implementation of the
9 strategic plan. It wasn't about branding of the
10 Board of Equalization?

11 MS. JEFFRIES: Yes.

12 Well, the strategic plan mentioned the ways
13 in which you all are doing your branding as -- we
14 referred to it with the staff as BOE 2.0. So that
15 phrase kind of sticks in my head.

16 But thinking about some of the ways in which
17 you guys can boost the strategies that were outlined
18 in the strategic plan.

19 MS. COHEN: Thank you.

20 Colleagues, do you have any other questions?

21 Mr. Gaines?

22 MR. GAINES: Yeah.

23 Just an example, I think, of what we can
24 continue to do in terms of getting messaging out to
25 our constituents throughout the state is we've got --

1 and I believe this came from Peter Kim, is that
2 right, Matt?

3 Lisa Thompson?

4 Yeah. So I wanted to recognize Lisa for
5 this effort.

6 So what we're trying to do is we have our
7 Taxpayer Bill of Rights Hearing 2022 coming up
8 Tuesday, August 30th, 450 N Street. Right here.

9 So an opportunity to have taxpayers come
10 forward and express problems or challenges or issues
11 that they may need to be addressed.

12 And I think this is just one example. It's
13 something that we've done historically. But a
14 question is, how do we get the message of the things
15 that we do here on a daily basis out to our
16 constituents, and engage them, and let them know of
17 the services that we have available to them?

18 So that there's better understanding of,
19 No. 1, what does the BOE do, and, No. 2, what can the
20 BOE do to help you as a constituent.

21 And so I want to thank you for all your
22 efforts. And we'll continue to work on this as a
23 Board.

24 Appreciate it.

25 MS. COHEN: Yes.

1 MR. SCHAEFER: I appreciate any outreach we
2 can do to the public to tell them what we're
3 offering.

4 Like this Taxpayer Rights public hearing
5 coming up, hopefully Mr. Kim's office will make it
6 something on the Internet, and we have put notices at
7 post offices. We're not going to be having a parade
8 or anything, but I'm afraid we're all being a little
9 too silent.

10 And it's work like you're doing to see just
11 where we are that is so helpful.

12 And, again, I'm excited to see any academic
13 inquiry into the job we're doing. That does nothing
14 but benefit the public.

15 MS. COHEN: Thank you.

16 Any questions on this end?

17 MR. VAZQUEZ: Yes.

18 First of all, thank you for that thorough
19 report.

20 For me, it kind of points out very clearly
21 the opportunities we have to better educate the
22 public about what our services are and what we do.

23 And you mentioned several times that strong
24 internal communication is needed, which means that
25 we, as district members, and our staff who interact

1 with the local communities, are basically like the
2 boots on the ground, communication folks, which I
3 agree with.

4 And I would just want to -- with that
5 recommendation, what is the cost of moving forward
6 based on that recommendation that you stated here?

7 MS. JEFFRIES: So we didn't specifically
8 look at cost.

9 One of the things that we did think about
10 are, for example, during the pandemic, we heard from
11 some of your staff that they were able to come
12 together virtually and create town halls and outreach
13 with the public.

14 And we really kept that in mind, also when
15 looking at the other public agencies.

16 We understand that the BOE budget has
17 changed over time, even from the time that you all
18 started in your positions to now. It's a completely
19 different agency, and we recognize that.

20 And that's, I think, why we figured working
21 together can help save on some of those costs. But
22 we didn't specifically break down the numbers.

23 MR. VAZQUEZ: Appreciate it.

24 And then I'd just like --

25 MS. CLAIR: I'd like --

1 MR. VAZQUEZ: I'm sorry, did you have
2 something else?

3 MS. CLAIR: I'd like to add a little bit
4 into that.

5 MR. VAZQUEZ: Oh, sure.

6 MS. CLAIR: Our report also covers our
7 limitations that we understood when we started our
8 research. So it might be in there a little bit as
9 well.

10 MR. VAZQUEZ: Thank you.

11 And then my second question was have you
12 been successful in meeting these types of challenges
13 with other counties or districts?

14 MS. JEFFRIES: Well, you guys are our
15 special clients. So we haven't worked with anyone
16 else besides your agency, and our respective agencies
17 that we work at during our day jobs.

18 But we haven't specifically worked with
19 other entities.

20 MR. VAZQUEZ: As a fellow Trojan, fight on.
21 Thank you for your service.

22 MS. JEFFRIES: We love to see other Trojans.
23 So thank you.

24 MS. COHEN: I just wanted to thank you for
25 your presentation and the thoughtful approach that

1 you've made in presenting your information.

2 I'd like to call up your professor,
3 Ms. Louis.

4 And as you come up, I want you to just begin
5 to think about -- the original request that this body
6 had was a different scope than what was presented
7 today.

8 We discussed about the marketing, and coming
9 up with the marketing and the branding for the Board
10 of Equalization.

11 So I'm a little bit surprised to see --
12 welcome the recommendations, but surprised that it's
13 not quite what we discussed, and what we passed here.

14 So can you explain where that disconnect was
15 and what happened?

16 MS. LOUIS: Yes.

17 And thank you, everybody, for the
18 opportunity for our students to present to you today.

19 I think it's a really great professional
20 opportunity for them for learning, but also to let
21 you know what happens in graduate programs of this
22 type. So thank you for that.

23 So what happened was, as we discussed the
24 preliminary scope, we agreed to a certain kind of set
25 of things we thought we were going to do.

1 As we continued to proceed through the
2 project, I think different sorts of priorities
3 emerged in conversation with both the then ED, and
4 then some of the staff folks that we talked with.

5 So as all these projects kind of happened,
6 this is not unusual that project scopes change
7 through time.

8 So I think what we did was we tried to --
9 with the amount of time we had, which was very
10 limited, we tried to figure out what would be the
11 best use of information for the BOE given the changes
12 that are occurring, but also given the limited --
13 what we've been hearing over and over, the limited
14 resources available for implementing large-scale
15 marketing campaigns.

16 So I think what you see is sort of a middle
17 ground between trying to do something large, and
18 trying to do, sort of, incremental things.

19 This gives you, I think, some ideas about
20 how to leverage some of the lessons that you've
21 learned over the last two years during the pandemic,
22 but also some ideas from some of the other sister
23 agencies in the California State, kind of,
24 infrastructure that I think a lot of people have been
25 doing different things.

1 And I think what they've brought to you are
2 some of those lessons that have been learned by these
3 other agencies to bring to bear on what the BOE can
4 do next.

5 MS. COHEN: Thank you very much. I
6 appreciate that.

7 In the future, to the new
8 Executive Director, when things and scopes and
9 everything start to change, could you bring it to
10 this body's attention?

11 Because that was not my understanding about
12 what was going to be presented or what was asked.
13 And I just was --

14 MS. STOWERS: Absolutely.

15 MS. COHEN: -- unaware that there were any
16 kind of challenges or anything like that that
17 apparently arose that changed the scope.

18 I appreciate it. Thank you very much.

19 And to the students, you guys have done an
20 outstanding job.

21 One of the key things in life that I have
22 learned is that you do have to be flexible and be
23 able to rise to the occasion.

24 You presented the information very
25 succinctly, very easily. And I believe that the

1 recommendations that you've presented to us are
2 actually implementable and within budget.

3 So your work is not -- was not -- is not
4 being done in vain, and we appreciate it. And we
5 will work to get this done.

6 Would you agree?

7 MR. GAINES: Absolutely.

8 And just in commenting in reference to the
9 scope itself, actually, what I really liked about the
10 proposal is that, given limited resources that we
11 have at the BOE, I like the idea that they look at
12 their approach for which we can communicate with our
13 constituents without having a big-budget item that we
14 would have to then justify and address.

15 If you look at some of the other entities
16 they looked at, they have almost limitless budgets,
17 right?

18 So if you look at Covered California, I hear
19 advertising all the time about that. California
20 Lottery advertising all the time. DMV clearly has a
21 budget. The Commission on Travel and Tourism,
22 incredible ads. Incredible. I want to travel all
23 over California when I see one of those ads.

24 But the BOE, I mean, we've got a limited
25 budget. So we've got to figure out, how do we

1 communicate with our constituents, given that --
2 maybe it's implementation of a lot more town hall
3 meetings, right?

4 With an ability for people to come online
5 and watch the hearing online if they can't make it to
6 the Community Center in Folsom where I have my town
7 hall.

8 So in that respect, I think you've got to
9 keep it in context in terms of our limitations that
10 we have as a Board. And I appreciate the adjustments
11 that were made.

12 And if they were not clarified with you,
13 Chair Cohen, so I apologize for that.

14 But I think it is successful. And I
15 appreciate what you've presented to us today.

16 MS. COHEN: Thank you for the staff that
17 also participated.

18 And certainly Melissa in my office was also
19 instrumental in bringing this presentation to us.

20 I appreciate your work.

21 Thank you very much.

22 All right. Do we need to take public
23 comment on this presentation?

24 No, it's an informational item.

25 Thank you.

```
1 |         Let's continue moving forward.
```

2 MS. CICHETTI: Did you want to take our
3 lunch break at this time?

4 MS. COHEN: Oh, yeah. That's a great idea.
5 It's 12:09.

6 Ladies and gentlemen, let's go ahead and we
7 will take a 30-minute lunch break.

8	Thank you.
---	------------

9 | (Whereupon a break for lunch was taken.)

10 MS. COHEN: Good afternoon, ladies and
11 gentlemen.

12 We will now reconvene.

13	It is 12:45 p.m.
----	------------------

14 Ms. Cichetti, please call the next item.

16 ITEM J1

18 MS. CICHETTI: The next item is J1,
19 Administrative Consent Agenda; Approval of the Board
20 Meeting Minutes for April 26th, 2022.

21 The minutes for April 26th, 2022 meetings
22 were attached to the Public Agenda Notice for your
23 consideration.

24 MS. COHEN: Thank you.

25 | Colleagues, Members, are there any

1 corrections to the minutes?

2 All right. Seeing none, let's take public
3 comment.

4 Public comment.

5 MS. CICHETTI: Yes.

6 We have not received a request in person --
7 for any in-person speaker, and no written comments.

8 But let's go to the AT&T moderator.

9 AT&T moderator, please let us know if there
10 is anyone on the line who would like to make a public
11 comment regarding this item.

12 AT&T MODERATOR: If you wish to make a
13 public comment, please press one, then zero at this
14 time.

15 Press one, then zero.

16 Madam Chair, it appears there's no one that
17 expressed -- signaled that they wish to comment.

18 MS. COHEN: Thank you very much.

19 Members, would anyone like to make a motion
20 on this item?

21 MR. VAZQUEZ: So moved.

22 MS. COHEN: All right. Motion made by
23 Commissioner -- by Vazquez.

24 MR. SCHAEFER: Second.

25 MS. COHEN: Second by Schaefer.

1 Please call the roll.

2 MS. CICHETTI: The motion is to accept the
3 Board Meeting minutes for April 26th, 2022.

4 Chair Cohen.

5 MS. COHEN: Aye.

6 MS. CICHETTI: Vice Chair Schaefer.

7 MR. SCHAEFER: Aye.

8 MS. CICHETTI: Member Gaines.

9 MR. GAINES: Aye.

10 MS. CICHETTI: Member Vazquez.

11 MR. VAZQUEZ: Aye.

12 MS. CICHETTI: Deputy Controller Epolite.

13 MR. EPOLITE: Aye.

14 MS. CICHETTI: Motion passes.

15 MS. COHEN: Unanimously.

16 Thank you very much, Ms. Cichetti.

17 Please call the next item.

18

19 **ITEM J2**

20

21 MS. CICHETTI: The next item is J2, Adoption
22 of Property Tax Forms.

23 MS. COHEN: Thank you, Ms. Cichetti.

24 Members, would anyone like to discuss or
25 comment on this item?

1 Seeing none, is there a motion on this item?
2 Yes, sir?
3 MR. VAZQUEZ: So moved the revise, I guess
4 it's a revise, Proposition 19 forms and revised forms
5 for 2023 lien date.
6 MS. COHEN: That's correct. That's correct.
7 All right. A second [sic] has been made by
8 Mr. Vazquez.
9 Is there a second?
10 MR. GAINES: Second.
11 MS. COHEN: Second by Mr. Schaefer -- excuse
12 me -- by Mr. -- yes, by Mr. Gaines. Mr. Gaines.
13 All right. Ms. Cichetti, let's go to pubic
14 comment.
15 MS. CICHETTI: We have not received a
16 request for any in-person speaker, and no written
17 comments, but we'll go to the AT&T moderator.
18 AT&T moderator, do we have anyone on the
19 line who would like to make a public comment
20 regarding this item?
21 AT&T MODERATOR: Thank you.
22 Please press one, and then zero at this time
23 if you'd like to make a comment.
24 Currently none in queue.
25 MS. COHEN: Thank you very much.

1 Ms. Cichetti, a motion has been made and
2 second. May I have a roll call vote, please.

3 MS. CICHETTI: Motion is to adopt the
4 property tax forms as presented.

5 Chair Cohen.

6 MS. COHEN: Aye.

7 MS. CICHETTI: Vice Chair Schaefer.

8 MR. SCHAEFER: Aye.

9 MS. CICHETTI: Member Gaines.

10 MR. GAINES: Aye.

11 MS. CICHETTI: Member Vazquez.

12 MR. VAZQUEZ: Aye.

13 MS. CICHETTI: Deputy Controller Epolite.

14 MR. EPOLITE: Aye.

15 MS. COHEN: Thank you.

16 MS. CICHETTI: Motion passes.

17 MS. COHEN: Unanimously.

18 Thank you, Members.

19 Ms. Cichetti, please call the next item.

20

21 **ITEM K1a**

22

23 MS. CICHETTI: The next item is K1a,
24 Executive Director's Report: Organizational Update.

25 Report on the status of pending and upcoming

1 organizational priorities.

2 This matter will be presented by
3 Ms. Stowers.

4 MS. COHEN: Wonderful.

5 Thank you, Ms. Stowers.

6 Make yourself comfortable, and you are
7 welcome to proceed.

8 MS. STOWERS: Good afternoon.

9 Good afternoon, Chair Cohen and Honorable
10 Members.

11 I'm Yvette Stowers, your Executive Director.

12 For today I will report -- I will cover two
13 items; a brief update on the Google translation
14 feasibility, and I will cover some upcoming meetings
15 of note.

16 Members, as you recall, the Board directed
17 the Executive Director at its February 23rd meeting
18 to determine the feasibility of implementing Google
19 translation on the BOE website, and on the Board
20 Member pages as well.

21 Specifically, the Board requested an
22 analysis of the pros and cons of using the
23 translation, focusing on cost, risk, issues, and any
24 other implementation factors.

25 The Communication Department has been tasked

1 with this assignment. Since then, staff has been
2 working closely with our service provider, The
3 California Department of Tax and Fee Administration
4 Web Service Unit.

5 While we initially anticipated the
6 implementation of Google to be fairly quick and easy,
7 while doing our due diligence, we encountered some
8 challenges.

9 We are working with Google Translate, our
10 representative there, and CDTFA to resolve the
11 challenges.

12 In addition, we looked at the cost for the
13 paid service as opposed to the free. The paid
14 service is a bit above our budget at this time.

15 And the free version, the one that we were
16 looking to implement, we all know that it is
17 scheduled to leave, or no longer be free, in the
18 future. So that's why we took a look at the paid.

19 The paid budget, the cost to do the paid one
20 is around 300,000 to 400,000 upfront costs, and an
21 annual cost of \$100,000.

22 MS. COHEN: Repeat that one more time.

23 MS. STOWERS: Yes.

24 To implement the paid one, the start-up cost
25 is 300,000 to 400,000, and the annual cost would be

1 \$100,000.

2 Although that function is -- although that
3 is a very high ticket, the paid version is more
4 accurate in translation than the free version.

5 MS. COHEN: And you said the free version is
6 no longer going to be free?

7 MS. STOWERS: Google has confirmed that
8 they've provided it to the State agencies and
9 nonprofits in May of 2020 due to the COVID-19 to help
10 with the communication, but it is their plan to no
11 longer offer it for free.

12 MS. COHEN: What will it be -- what will the
13 new cost be?

14 MS. STOWERS: It will be the 300 to the
15 400,000.

16 MS. COHEN: Oh, the one you presented.

17 MS. STOWERS: Yes.

18 MS. COHEN: So there's no sliding scale.

19 MS. STOWERS: There's no sliding scale.

20 One of the things we wanted to do was see if
21 we can partner with another State agency or statewide
22 contract to reduce the cost. At this time, there is
23 no statewide contract.

24 MS. COHEN: Okay.

25 MS. STOWERS: With that being said, we are

1 looking at other ways to provide our services in
2 different languages, starting with the Proposition 19
3 fact sheet.

4 Staff is currently having that translated
5 into Spanish. And it would be available on our
6 website, and be available for print whenever you need
7 it.

8 It is our goal to do the same for all the
9 Taxpayers' Rights Advocate information sheets. They
10 have them in Spanish, and then have all of these
11 items placed into Chinese as well.

12 MS. COHEN: I have a question.

13 MS. STOWERS: Yes, ma'am.

14 MS. COHEN: About the subscription service
15 for Google Translate.

16 What is Google planning to do with all the
17 nonprofits that are currently using the free version
18 of the service?

19 MS. STOWERS: We did not ask them that.

20 I wouldn't think it was appropriate for me
21 to ask them their business plan.

22 MS. COHEN: Well, the reason I ask is are
23 they going to boot them off? Are they going to
24 require them to pay?

25 If we are able to get in under this plan,

1 although it's leaving, maybe we'll be grandfathered
2 in. That's just along the lines that I'm thinking.
3 Because we're already on this free service. If there
4 is, you know -- what's their plan?

5 MS. STOWERS: What's their plan once they
6 say they are no longer are free?

7 MS. COHEN: Right.

8 I'm sure they have thousands, tens of
9 thousands of nonprofit organizations that are
10 utilizing it. Campaigns utilize it. You know, there
11 are other smaller agencies that are utilizing
12 businesses. So what happens to all of them?

13 I'm curious to know what that transition
14 plan would be.

15 Just want to make sure we're taking
16 advantage of all of the free offerings as long as
17 it's available.

18 Do you know when that program or service
19 will be --

20 MS. STOWERS: They have not given us an
21 exact date.

22 MS. COHEN: Okay.

23 MS. STOWERS: They just said they aren't --

24 MS. COHEN: They're phasing it out.

25 MS. STOWERS: They're phasing it out.

1 MS. COHEN: Okay. All right.
2 Thank you.
3 Go ahead.
4 MS. STOWERS: If I may, also, knowing that
5 it is being phased out, we are also looking at other
6 options that will allow our rep site to be translated
7 to a different language. And it's not Google-driven,
8 it's another software application.
9 I'm speaking -- the State Controller's
10 office just recently made a change. And you click on
11 language, and it asks would you like to interact on
12 our website in a different language, and you follow,
13 and click yes, and they walk you through changing
14 your browser.
15 And so that's another option for us, which
16 would be free.
17 MS. COHEN: Perfect.
18 Because I was going to ask if there's
19 alternative software out there, as opposed to the
20 brand name of Google.
21 That's good.
22 So you're still exploring this?
23 MS. STOWERS: Still exploring it. Realizing
24 that it's very important to have our website
25 available to those who do not -- English is a second

1 language.

2 MS COHEN: Okay.

3 MS. STOWERS: And that's, for us, the
4 ultimate goal, our website and the Members' website,
5 and our forms and publications, to the extent that we
6 can get them translated.

7 MS. COHEN: Great.

8 Thank you.

9 MS. STOWERS: I think Member Schaefer --

10 MS. COHEN: Yes, Mr. Schaefer.

11 MR. SCHAEFER: I think we can both agree
12 it's important that somebody wanting to communicate
13 with us be able to do so in an alternative language.

14 But it's also important, I think, that we
15 not expect to have dozens or hundreds. And maybe
16 there is nobody, or maybe there is one.

17 I mean, my position is that I'd rather just
18 not provide this until we have some requests.

19 And I've always found out in households in
20 speaking foreign language, the grandparents speak the
21 mother tongue, but the rest of the family who has
22 gone to USA schools are very fluent in English.

23 And I would think any inquire that house
24 would want to make to us would probably be
25 coordinated by the college kids that are, you know,

1 in the household.

2 I'm just scared to death that we may be
3 financing something when there's little or no demand
4 existing.

5 I go to what's sent out to me as a voter, or
6 as a welfare recipient if I was in Los Angeles, and
7 it will have 20 different languages. And there will
8 be a dozen different languages that I never heard of.
9 And I'm a pretty intelligent person.

10 And so I think we're -- want to be
11 politically correct, and I want to be politically
12 correct, too. But unless the government is standing
13 there with a gun saying, "You've got to do it this
14 way. Congress has mandated. And there's \$1,000 an
15 hour fine if you don't," I would just like to wait
16 and see if we have some proof that we do have at
17 least dozens, if not hundreds, before we prepare for
18 something to serve 40 million people.

19 MS. STOWERS: Thank you.

20 MS. COHEN: Thank you. I appreciate that.

21 Mr. Schaefer, you've said that many times on
22 the record, and I really have never addressed it.
23 But I want to acknowledge that.

24 Today is May. May is Asian American Pacific
25 Islander Heritage Month. And in my opening remarks,

1 I noted that more than 22 million make up the API
2 community nationwide. Which is becoming the fastest
3 growing immigrant population in the U.S.

4 Approximately one-third of the API community
5 lives in California.

6 Now, I'm not suggesting that they all do not
7 speak English, but I am suggesting that there's a
8 majority.

9 Are you familiar with the browning -- the
10 term of "The Browning of the State of California"?

11 That means there are more and more people of
12 color that are coming to this country, that are
13 coming to this state. And it is a privilege to be
14 able to speak English as a first language.

15 MR. SCHAEFER: Yes.

16 MS. COHEN: We serve the people. We serve
17 all people. Now, whether it's one person or
18 thousands of people that need help, our job is not to
19 determine what is -- what is a good investment and
20 not investment.

21 We need to make sure the information we have
22 is accessible to everyone. And that is our job to
23 make sure that our work is ethnically and
24 linguistically just as diverse as the people that we
25 serve.

1 So, please, there are hundreds of thousands,
2 millions of people who would benefit from this. I
3 believe that if we build it, they will come. We're
4 not going to sit and wait for them to come and beg us
5 to put a translate button on this website. But we
6 are going to be -- take the initiative.

7 And we're not the first to do that. You
8 might recall the Governor's office has a button now.
9 Now we have the Controller's office has a button.
10 There's one more, CDTFA I believe.

11 MS. STOWERS: I think the Department of
12 Motor Vehicles has one.

13 MS. COHEN: Department of Motor Vehicles.
14 These are major operations.

15 Let's not wait. We need to show leadership,
16 and get in here and lead.

17 So, Ms. Stowers, I appreciate the work. I
18 know it's been very difficult and slow coming, but
19 this is what progress is about.

20 And we do need to move with some -- continue
21 to move with urgency, so we are not leaving people,
22 communities of color behind.

23 MR. SCHAEFER: Ms. Cohen, I appreciate if
24 you build it, they will come, the movie. And I -- I
25 endorse that.

1 And if DMV, everybody is forced to deal with
2 DMV. You've got to have a license, and dada dada.
3 And they are probably the agency that needs it the
4 most. And I'm all for that.

5 I just want -- I want to know that at least
6 one soul is coming to the Board of Equalization that
7 we can assist.

8 And if it's just, you know, a handful of
9 people instead of millions, that's okay.

10 MS. COHEN: Thank you.

11 MR. SCHAEFER: It's just --

12 MS. COHEN: We need to keep moving.

13 MS. STOWERS: Thank you, Madam Chair.

14 I will continue to report on this and look
15 for a --

16 MR. GAINES: If I could, Chair.

17 MS. STOWERS: -- less expensive product.

18 MS. COHEN: Excuse me. Hold on a minute.

19 Mr. Gaines wants to speak.

20 MR. GAINES: Thank you.

21 I want to thank you for the research that
22 you're doing.

23 And I would just -- I think you're already
24 headed there, but I'm happy you're looking at some
25 alternatives that would be cost effective given our

1 budget limitations. So it sounds like there are some
2 alternatives.

3 MS. STOWERS: Yes.

4 MR. GAINES: With that, maybe an opportunity
5 to negotiate with Google also.

6 MS. STOWERS: Yes.

7 MR. GAINES: Right?

8 And see if we can get the right -- the right
9 program at the right price.

10 I think it is a great service to have that
11 available online. I mean, it's getting less and less
12 expensive every year in terms of technology and our
13 ability to communicate in various languages, and make
14 sure people are getting the information that they
15 need.

16 So thank you. Appreciate it.

17 MS. STOWERS: Thank you.

18 Now, Members, I'd like to share some
19 important dates that are coming up.

20 June 2nd is the California Taxpayers'
21 Association annual meeting. And that will kick off
22 the breakfast with the Board Members. It's an
23 in-person meeting.

24 And I believe their president has personally
25 invited you all to attend and be a panel speaker.

1 I will also be there with several
2 operational team members.

3 June 8th is the Los Angeles Chapter of Tax
4 Executive Institute. They are hosting their
5 Tax Administrator Night. This is an event with
6 corporate tax directors there.

7 I will be attending that event and
8 representing the Board of Equalization.

9 MS. COHEN: Okay.

10 MS. STOWERS: August 1st is the
11 Northern California Assessors' Association 2022
12 Regional Conference.

13 I'm in the process -- I believe you guys
14 were invited, and I'm in the process of drafting an
15 e-mail to you guys with the logistics as far as the
16 conference cost.

17 And then, of course, October 19th is the
18 annual -- our annual meeting with the assessors.

19 That's all I have for my two items.

20 Any questions?

21 MS. COHEN: I do.

22 I wanted to go back to -- to the
23 Google Translate. I wasn't sure if I was clear in
24 just providing a little bit of direction.

25 I still want to continue to move down. Even

1 if we have Google in the interment as an interim
2 service, a free service, I think we should be jumping
3 on this.

4 We've been talking about this all year now.
5 And we are -- what month is this? May?

6 MS. STOWERS: I have followed you that --

7 MS. COHEN: Okay.

8 MS. STOWERS: -- to get -- somehow get it on
9 our website as soon as possible.

10 MS. COHEN: Thank you.

11 MR. GAINES: Question, if I could?
12 Just expanding on that.

13 MS. COHEN: Yes.

14 MR. GAINES: Great idea.
15 Can we get some sort of clarity in terms of
16 how long they would provide the service for free?

17 MS. STOWERS: I will ask for that, too.

18 MR. GAINES: Yeah.

19 MS. STOWERS: How long will it be free,
20 what's the plan when you're phasing out, are you
21 going to remove us, or are we grandfathered in.

22 MR. GAINES: Great. Thank you.

23 MS. COHEN: All right. Thank you.

24 Let's keep moving.

25 MS. STOWERS: Okay.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MS. COHEN: Thank you.

ITEM K1b

MS. CICHETTI: The next item is K1d,
Executive Director's Report: Proposition 19
Implementation Project.

Report on --
I apologize.

K1b, Executive Director's Report: Extension
of Time to Complete Local Assessment Roll.

Report on Time Extension for the Counties of
Mariposa, Mendocino, and Trinity to complete and
submit the 2022 Local Assessment Roll, pursuant to
Revenue and Taxation Code Section 155.

This matter will be presented by
Ms. Stowers.

MS. STOWERS: Thank you.

Members, Revenue and Taxation Code 616
requires the county assessors to annually complete
the local assessment rolls by July 1st.

Section 155 provides the Board, or its
Executive Director, may extend by 30 days the
deadline for any official act by the assessors.

In the case of public calamity, the deadline

1 may be extended by 40 days.

2 Section 155 also requires that the
3 Executive Director inform the Board of any such
4 extension at its next regular meeting.

5 This report is to inform you that Mariposa,
6 Mendocino, and Trinity County assessors have
7 requested and have been granted an extension for
8 30 days to complete their '22 Local Assessment Rolls.

9 That concludes my presentation for
10 assessment rolls.

11 Do you have any questions, Members?

12 MS. COHEN: I don't have any questions.

13 I wanted to comment a little bit about --
14 thank you for your report -- about the horrific loss
15 of more than 20 homes in Laguna Niguel in the
16 Coastal Fire.

17 California's official drought action website
18 is actually stating that this year California has the
19 driest January, February and March ever recorded, and
20 that warm days melt the snow faster than what is
21 expect.

22 And then on April 1st, this important source
23 of water was down 38 percent of the average. And
24 it's sadly dropping daily.

25 In mid May extreme drought was expanded from

1 covering 40 percent of the state to 60 percent of the
2 state.

3 And so the reason I'm bringing this up is
4 because the extreme drought conditions no doubt help
5 fuel the Laguna Niguel fire.

6 And what's most worrying is that it is
7 highly likely that other destructive fires will erupt
8 in California this summer and this fall.

9 And given that reality, I believe that the
10 Board of Equalization, as an agency, certainly has a
11 standard operating procedures for responding to
12 natural disasters, including wildfires.

13 MS. STOWERS: Yes, we do.

14 MS. COHEN: Yes. Are you able to expand?

15 MS. STOWERS: Originally it was the natural
16 disaster, first we partnered with the assessors in
17 that area.

18 We were partnered with them, and then to
19 communicate with the property owners on the type of
20 relief they have that's available to them as far as
21 extension file -- getting confused on my taxes --
22 additional time to take care of their property tax
23 liability.

24 MS. COHEN: Right. Right.

25 MS. STOWERS: And when it happens, we update

1 our website to inform the public. And within our
2 website, it links them over to their county.

3 MS. COHEN: May I jump in?

4 MS. STOWERS: Mm-hm.

5 MS. COHEN: Because I also want to note that
6 the response, statewide response is cooperative. And
7 agency-wide cooperating with other agencies across
8 the entire state to deal with disasters such as the
9 wildfires, and then subsequently, landslides.

10 MS. STOWERS: Exactly.

11 MS. COHEN: All of which have something to
12 do with property damage.

13 And so given that the -- that we're under
14 this terrible threat, I would like to ask for the
15 Board of Equalization to come back to us with a
16 report just of their standard operating procedures
17 for dealing with mass -- mass public disasters like
18 the wildfires, including assistance that we may be
19 able to provide to taxpayers impacted by this public
20 calamity.

21 MS. STOWERS: Yes, ma'am. I understand
22 that.

23 MS. COHEN: Thank you, ladies.

24 I appreciate that.

25 All right. I turn the meeting back over to

1 you.

2 MS. STOWERS: Okay. Well, I think that
3 concludes my presentation.

4 But when Ms. Renati speaks, she will kind of
5 piggy-back on that when it comes to continuation of
6 business.

7 MS. COHEN: Thank you. Thank you very
8 much.

9 **ITEM K1c**

10
11 MS. CICHETTI: The next item is K1c,
12 Report on the Status of Operational Priorities.

13 This matter is going to be presented by
14 Ms. Renati.

15 MS. COHEN: Okay.

16 MS. RENATI: Thank you.

17 Good afternoon, Chairman Cohen and
18 Honorable Members.

19 Today I'll report on some of the agency's
20 operational priorities and projects.

21 As you're aware, the Governor's proposed
22 budget for fiscal year 2022-23, released in January,
23 allocated \$32.5 million and 193 positions for the
24 BOE.

25 In the recent May revision, there are no

1 changes to our budget, and our allocation remains the
2 same.

3 Since our last meeting, we have filled four
4 positions. One was a promotion of an internal
5 candidate, and the three others were new hires to the
6 Board of Equalization.

7 Currently we have 72 percent of our
8 vacancies in active recruitment, and we are
9 continuing to work on this important effort.

10 The next item, as you got a hint about, was
11 our business continuity plan.

12 So annually we review and update our plans.
13 We're prepared to immediately implement the agency's
14 critical functions following a disaster or other
15 interruption to our operations.

16 This could include a natural disaster like a
17 fire, or flood, or earthquake. But it can also be a
18 network failure or a pandemic.

19 In order to limit any potential issues which
20 would adversely affect California and the people we
21 serve, the BOE maintains a comprehensive business
22 continuity plan for all mission-critical functions.

23 The executive management team thoroughly
24 reviewed our mission critical work, our current work
25 processes, our business redemption plans, and related

1 information, and our updated plan was recently
2 submitted to the Governor's office of emergency
3 services.

4 So we are ready and prepared should there be
5 another issue to deal with.

6 And the last item is -- regards our updated
7 telework policy. At our last meeting, I -- we
8 introduced that our agency had implemented a new
9 policy, which allows our staff to work up to three
10 days a week at home using this new hybrid model.

11 That is in full implementation starting
12 May 1st, and we have no issues to report.

13 Members, this concludes my operational
14 priorities report.

15 I'm available to answer any questions you
16 may have.

17 MS. COHEN: Thank you.

18 Colleagues, do we have any questions for
19 Ms. Renati?

20 MR. GAINES: I do, if I could.

21 MS. COHEN: I knew it.

22 MR. GAINES: Can you hear me?

23 Okay. Good.

24 Thank you for giving us an update on the
25 hybrid policy that we have, giving employees an

1 opportunity to work out of the home, but also coming
2 into the office a couple days a week.

3 And I remember you had indicated to me
4 earlier that that program was working well and
5 efficiently. So that's very encouraging to hear.

6 And then I was also wondering, can you
7 highlight the number of positions we've already
8 filled in the last couple of years?

9 I think -- I thought it was in the '60's.
10 Somewhere in there.

11 MS. RENATI: I can calculate that really
12 quickly.

13 MR. GAINES: Okay.

14 MS. RENATI: It was -- it's about 69 or 68
15 positions since then.

16 MR. GAINES: Yes. Yes.

17 And we have folks that are retiring.

18 MS. RENATI: Unfortunately.

19 MR. GAINES: Baby boomers.

20 And, yeah, they're getting at that point
21 where they deserve retirement.

22 Thank you. I just wanted to highlight the
23 fact in how much -- how busy you've been in replacing
24 positions at the BOE. So keep up the good work.

25 MS. RENATI: Staff deserves all the credit.

1 They work every week on filling vacancies. We report
2 on them.

3 MR. GAINES: Thank you. Appreciate that.

4 MS. COHEN: I have a quick question.

5 Can you share with us how many employees do
6 not have the opportunity to work from home?

7 MS. RENATI: We allow 100 percent of our
8 employees to work from home.

9 MS. COHEN: Thank you.

10 Mr. Vazquez.

11 MR. VAZQUEZ: Just real quick.

12 Thank you for that report, Ms. Renati.

13 I just had two quick questions for you.

14 One of them is kind of piggy-backing on what
15 Member Gaines talked about, the work policy.

16 It's my understanding it kind of mirrors the
17 State's policy; is that correct?

18 MS. RENATI: The State did come out with a
19 policy encouraging all agencies to embrace telework.

20 Prior to the pandemic, it was rare instances
21 that our agency allowed telework for our Property Tax
22 Department.

23 And since the pandemic, we realized that our
24 people could do work from home and be productive. So
25 we are following the State's plan of allowing

1 telework.

2 We have allowed up to three days at home,
3 which is only two days a week in the office. Which I
4 believe is the norm. But don't quote me on it,
5 because I haven't surveyed every agency.

6 MR. VAZQUEZ: That kind of leads into the
7 second part of this.

8 Is it much different than it was before
9 COVID-19, our telework policy?

10 MS. RENATI: Our policy is different in the
11 fact that we had to determine which positions were
12 eligible for telework.

13 Before, it was more up to the supervisors,
14 the managers to decide. And with our plan, the
15 policy was changed to allow it to every member of
16 staff.

17 In the past, for instance, a receptionist
18 could only be -- had to be in the office. And now we
19 found they can take phone calls from home.

20 MR. VAZQUEZ: And given -- and the last
21 question is just given, you know, that we've just
22 gone through this pandemic, and obviously there's
23 been some tweaking and changes and pivoting on what
24 we're doing now, what could you -- what would you say
25 has been like one of the biggest lessons learned?

1 MS. RENATI: I think the biggest lesson
2 learned is that we could have people work at home and
3 still be productive.

4 But we still, of course, recognize the
5 benefit of coming together and having in-person
6 discussions and meetings.

7 You do have a -- you know, meetings in
8 person, you get a little more done in some ways in
9 comradery than you do when you're all on a video
10 screen. But that we can have people be productive at
11 home.

12 MR. VAZQUEZ: You kind of hit on it.

13 I've heard from some people are saying in
14 some cases they're probably more productive. And I
15 don't know if that's true, but I was just
16 wondering --

17 MS. RENATI: I think it would depend on the
18 person, you know. We're all humans. Some of us are
19 better at it than others.

20 MR. VAZQUEZ: Thank you.

21 MS. COHEN: Mr. Epolite.

22 MR. EPOLITE: This policy is consistent with
23 the telework policy at the Franchise Tax Board.

24 MR. VAZQUEZ: Oh, it is?

25 MS. COHEN: Okay. Thank you.

1 Is there anything else?

2 MS. RENATI: No. This portion is done.

3 MS. COHEN: Okay. Great. Thank you.

4 Let's call the next item.

5

6 **ITEM K1d**

7

8 MS. CICHETTI: The next item is K1d,

9 Executive Director's Report: Proposition 19

10 Implementation Project.

11 This matter will be presented by

12 Ms. Renati.

13 MS. COHEN: Thank you.

14 MS. RENATI: Again, I am Lisa Renati,

15 Chief Deputy Director.

16 Today I will provide an update on our

17 Proposition 19 Implementation Project.

18 A high-level implementation plan is attached

19 to today's agenda.

20 I'm happy to report that the status of BOE'S

21 implementation of Prop. 19 is green.

22 As you know, our Prop. 19 implementation
23 plan project has been in place for about 18 months.

24 Staff continues to ensure taxpayers and
25 stakeholders have the information they need, and

1 continue to look for ways to improve our ability to
2 provide information as needed.

3 As you are aware, the BOE has a dedicated
4 webpage regarding Prop. 19, which can be accessed
5 through our home page.

6 As of yesterday, the Prop. 19 webpage has
7 received approximately 326,400 unique external page
8 views since we launched the page in November of 2020.

9 Of note, this also includes an additional
10 11,000 unique external page views since my last
11 report in April.

12 This concludes my presentation on this
13 topic.

14 I'm available to answer any questions you
15 may have.

16 MS. COHEN: Thank you.

17 I'm going to ask that -- colleagues, any
18 comments?

19 MR. VAZQUEZ: Just one quick one.

20 MS. COHEN: Okay. Go ahead.

21 MR. VAZQUEZ: You know, based on this chart,
22 as I'm looking at it in your report, do you see
23 any -- I guess looking at Prop. 19 really,
24 statistics, do you see any trends developing that we
25 should be aware of moving forward?

1 MS. RENATI: The only trend I would see is
2 that we need to continually revisit the information,
3 our forms, the information to make sure it's up to
4 date, and make sure it's readily understood by
5 everyone. That we're not -- make it into everyday
6 language rather than using highly technical language.

7 MR. VAZQUEZ: That's nice.

8 MS. RENATI: And that's what I think --
9 that's what I believe the staff are doing. We work
10 on it every day.

11 MR. VAZQUEZ: Thank you.

12 MS. COHEN: Ms. Cichetti, before we call the
13 next item, could you please find out if we have any
14 public comment on the Executive Director's reports.

15 MS. CICHETTI: We have not received a
16 request for any in-person speaker, and no written
17 comments, but we'll go to the AT&T moderator

18 AT&T moderator, do we have anyone on the
19 line who would like to make a public comment
20 regarding this matter?

21 AT&T MODERATOR: Thank you very much.

22 And if so, please press one, zero at this
23 time.

24 Again, it's one, zero.

25 And we have nobody in queue at this time.

1 MS. COHEN: Let's continue.

2

3 **ITEM K3a**

4

5 MS. CICHETTI: The next item is K3a,
6 Property Tax Deputy Director's Report: Operational
7 Updates and Proposition 19 Implementation Actions and
8 Guidance.

9 Report on the status of pending upcoming
10 projects, activities and departmental issues.

11 This item will be presented by Mr. Yeung.

12 MR. YEUNG: Thank you, Mary.

13 Good afternoon, Chair Cohen and Honorable
14 Members of the Board.

15 David Yeung here, Deputy Director of the
16 Property Tax Department.

17 Today I will give you a report on the
18 operations, activities and projects in the
19 Property Tax Department.

20 I will start out with the Prop. 19
21 implementation, and then followed by the property tax
22 team for each one of their respective areas.

23 So with Prop. 19, the implementation so far,
24 I will cover four main items. The top of which is
25 our Property Tax Rules 462.520 and 462.540. Each one

1 of those rules respectively covers the
2 intergenerational transfers and the base year
3 transfers.

4 As you recall, we went ahead and promulgated
5 rules when Prop. 19 first passed. We have now -- we
6 are now in the process of amending those rules to
7 comport with Senate Bill 539, and implementing
8 statutes of Revenue and Taxation Code 63.2 and 69.6.

9 So that draft language was released by an
10 LTA in March. Initially, comments and feedback from
11 interested parties was due April 29th.

12 We have since received a request from the
13 California Assessor's Association for additional time
14 to provide their comments and their feedback. So
15 we -- which we allowed them to do so.

16 Once we receive those, we will review their
17 comments, their feedback, and incorporate it if
18 necessary into our new draft rule.

19 Our goal is to bring it before the Board for
20 consideration and action in next month's meeting. So
21 in June, that should be brought back before the Board
22 for action. And that is for emergency rulemaking
23 authority under -- granted under SB-539.

24 So the next item I wanted to bring up is
25 staff has updated seven forms connected with

1 Prop. 19, which the Board has adopted earlier today.

2 So those seven forms deal with the
3 application and the benefits for intergenerational
4 and base year transfers.

5 So those actually will become effective --
6 will become effective right away, and we send to the
7 assessors for their use.

8 The third item is staff continues to handle
9 inquiries from stakeholders, taxpayers, assessors,
10 other industry interested parties. We still get a
11 fair volume of calls from -- from stakeholders with
12 questions on Prop. 19. So staff is handling those
13 quickly and efficiently.

14 And the last item I wanted to bring up is
15 our webpage. As Ms. Renati has already mentioned, we
16 do have a dedicated webpage to it. It has basically
17 a whole chronology of all the guidance that we issued
18 and additional resources.

19 So we have updated aspects of that webpage
20 to comport with the -- with SB-539.

21 So work continues on that. I suspect that
22 that will be an ongoing project for a little while
23 longer as we go through this whole implementation.

24 This should be my report for Prop. 19
25 implementation.

1 I'm available for any questions you may
2 have.

3 MS. COHEN: Great work.

4 Yes, Mr. Vazquez.

5 MR. VAZQUEZ: Thank you for your report.

6 And I'm real happy to find out that I guess
7 we were able to address many of the concerns that the
8 assessors had.

9 And I guess my question is more, can you
10 kind of summarize what types of concerns that they
11 had that we were able to address?

12 MR. YEUNG: Yes, of course.

13 So our property tax rules basically cover a
14 couple of main items.

15 The main items are the administrative end of
16 it, what the application, the filing, that type of
17 process will really entail. I believe there were
18 some questions on that issue.

19 We drafted the rules so that hopefully they
20 will answer most of those that we can. And we
21 included more examples in there as to exactly what
22 fits and what does not fit, examples and calculation.

23 And then there were two main things that
24 were -- that were put into the new statutes. One had
25 to do with the farms, family farms for

1 intergenerational transfers. Those were included in
2 our rules. And the other one for base year
3 transfers. We also covered a couple items on the
4 base year transfers, too.

5 So we're wanting to make sure all
6 stakeholders had a chance to have their comments put
7 in and for us to consider it.

8 MR. VAZQUEZ: Thank you.

9 MS. COHEN: Great.

10 Mr. Schaefer.

11 MR. SCHAEFER: Do you ever get a phone call
12 from a taxpayer that does not speak English?

13 And how do you deal with that?

14 MR. YEUNG: Personally, I have not yet.

15 I can't speak for the staff.

16 I'm sure there are some folks that may have
17 challenge with -- with English as the main language
18 to communicate.

19 If that is so, our -- our normal recourse
20 would be to go find an interpreter from CDTFA. They
21 usually are our service providers in that -- in that
22 arena.

23 MR. SCHAEFER: Sure.

24 I guess we may not have it within the
25 agency, but we have contractors locally.

1 MR. YEUNG: Correct.

2 MR. SCHAEFER: Of course.

3 I do find many nonspeaking Armenian and

4 Asian languages.

5 Thank you.

6 MR. YEUNG: Of course.

7 MS. COHEN: All right.

8 MR. GAINES: If I could.

9 MS. COHEN: Yes.

10 MR. GAINES: Great. Thank you.

11 I just wanted to see if you could clarify on

12 Prop. 19 base year value.

13 So we have the wildfire in Laguna Niguel.

14 So wouldn't that allow a base year value as a result,

15 where if you were moving, you could move from that

16 location to anywhere else in the state, and take that

17 base year value with you for the tax base?

18 Am I interpreting it right?

19 MR. YEUNG: You are absolutely interpreting

20 that correct, yes.

21 MR. GAINES: All right.

22 MR. YEUNG: The base year transfer does

23 cover disaster relief.

24 MR. GAINES: Okay.

25 And those -- there are not any benefits on

1 the other side in terms of -- I call it the death
2 tax. But we have that reappraisal property that goes
3 to a child or a grandchild, those benefits are not
4 extended to these categories of being disabled,
5 wildfire, or age 55; it's just for the base year
6 value?

7 MR. YEUNG: Correct.

8 MR. GAINES: Correct.

9 MR. YEUNG: Yes. Yeah.

10 Two separate -- two separate programs. Two
11 separate statutes, and two separate administration --

12 MR. GAINES: I remember we had some feedback
13 from constituents on the disabled aspect.

14 MR. YEUNG: Right.

15 MR. GAINES: So I just wanted to clarify
16 that for me and the public.

17 Thank you.

18 MR. YEUNG: Of course.

19 MS. COHEN: Mr. Vazquez.

20 MR. VAZQUEZ: One last question.

21 And you may address it later, so if you
22 are --

23 MR. YEUNG: Okay.

24 MR. VAZQUEZ: Stop me, and I'll wait.

25 But on the -- and it's kind of related to

1 Prop. 19.

2 But on ADUs, are we going to be discussing
3 those -- are you going to be discussing those a
4 little later?

5 Because I had a question about it, but I'll
6 wait if -- if --

7 MR. YEUNG: I had not planned on discussing
8 ADUs. But if you have a question, I'd -- I'd be more
9 than happy --

10 MR. VAZQUEZ: Yeah.

11 It just happened to come up. And Member
12 Gaines reminded me when I was listening to his
13 comment.

14 I was at a resource fair with my assessor,
15 Jeff Prang, over the weekend. And we got a question
16 from one of the fellows in the audience.

17 And he -- apparently he's building a ADU
18 unit. But as it turns out, I guess he's getting
19 close to retirement.

20 So the way the law is written now, it's our
21 understanding -- and I'm not sure if we gave him the
22 right information. But if he travels, now that he's
23 retiring, technically, he may not be -- that might
24 not be his principal residence if he, let's say,
25 spends a year in Europe or something and then comes

1 back.

2 Because the way the ADU unit ordinance is
3 written is that you have to live on the property; is
4 that correct?

5 MR. YEUNG: For the base year transfers and
6 for the parent-child, it has to be your primary
7 residence. So it does affect --

8 MR. VAZQUEZ: And how do you define, I
9 guess, primary residence, is what I'm saying?

10 MR. YEUNG: The primary residence is --
11 there are -- there are certain codes that define what
12 a primary residence is. It's the vigil place you
13 intend to return to after you go somewhere.

14 MR. VAZQUEZ: So even if you're absent for
15 like a year?

16 MR. YEUNG: I --

17 MR. VAZQUEZ: He was asking. And I don't
18 know -- I'm not sure if I gave him the right
19 information.

20 MR. YEUNG: Yeah.

21 So if you're absent a year, that -- because
22 it gets a little murkier if you're gone for an
23 extended period of time.

24 There are certain things the assessor will
25 ask you for in order to determine it is truly your

1 primary place of residence.

2 Usually they ask for your voter
3 registration, where your car is registered, where you
4 file your taxes, how you declare it on your income
5 tax returns.

6 So there's a couple things they look at. So
7 just the length of time is not solely determinative
8 as to whether you're a primary place of residence or
9 not.

10 MR. VAZQUEZ: Thanks.

11 MS. COHEN: All right.

12 Thank you for your presentation.

13 MR. YEUNG: Of course.

14 MS. COHEN: Ms. Cichetti.

15 MS. CICHETTI: Ready to go to the next
16 subitem?

17 MS. COHEN: Please.

18 MS. CICHETTI: Next subitem is Letters to
19 Assessor, presented by Ms. Schultz.

20 MS. SCHULTZ: Good afternoon, Chair Cohen
21 and Honorable Board Members.

22 I am Glenna Schultz, Principal Property
23 Appraiser over the BOE's Assessment Services Unit,
24 and the Training and Certification Unit.

25 Today I will provide you with a brief report

1 on Letters to Assessors.

2 Attached to the agenda this month is a memo
3 on Letters to Assessors, which provides a list of the
4 LTAs that have been issued since our last Board
5 Meeting.

6 In addition, it provides a link to the BOE's
7 website where a list of all LTAs can be found that
8 have been issued to date.

9 As of the date of the attached memo, BOE
10 staff have issued a total of 19 LTAs for calendar
11 year 2022, and three of those LTAs have been issued
12 since our last Board Meeting.

13 Those LTAs are summarized as follows:

14 Two LTAs to issue assessment practices
15 survey reports for Stanislaus County and Amador
16 County; an LTA which provides the annual increases
17 for the exception amounts, and the household income
18 limit for the Disabled Veteran's Exemption to be used
19 for the coming 2023 lien date.

20 This concludes my report on Letters to
21 Assessors.

22 I'm available to answer any questions you
23 may have.

24 MS. COHEN: Thank you very much.

25 Let me see if my colleagues have any

1 questions.

2 Nope. I think this was a straightforward
3 presentation.

4 Thank you.

5 MS. CICHETTI: The next subitem is Appraisal
6 Training and Certification, presented by Ms. Schultz.

7 MS. SCHULTZ: I will now provide a brief
8 report on the BOE's appraisal training and
9 certification program.

10 Since our last Board Meeting we have taught
11 one more virtual class of our most requested class
12 courses.

13 MS. COHEN: Can you tell me what your most
14 requested course is? Can you please remind me?

15 That's okay.

16 Mr. Yeung.

17 MS. SCHULTZ: I don't have a list available.

18 MR. YEUNG: Yes, I would be more than happy
19 to.

20 MS. COHEN: What is the most requested?

21 MR. YEUNG: The most requested courses are
22 our beginning course. It's course one. That's
23 usually the basic training it takes to pass the
24 certification.

25 We have a course three, which is our basic

1 appraisal, and our course 5, which is our beginning
2 income course.

3 So those three form the core of our most
4 requested. There are others, too, that -- that are
5 frequently requested, but those are the core.

6 MS. COHEN: Thank you.

7 MR. YEUNG: Of course.

8 MS. SCHULTZ: So far during calendar year
9 2022 we have taught a total of 9 virtual classes and
10 trained a total of 271 students.

11 BOE staff sent out the annual training needs
12 questionnaire to all 58 county assessors' training
13 coordinators last month in order to provide the BOE
14 with their training needs for the coming 2022-23
15 fiscal year.

16 After reviewing the results, BOE staff have
17 been working to set the upcoming 2022-23 fiscal year
18 training schedule, which will include some
19 in-person-taught classes, as well as some
20 virtually-taught classes, as part of our process
21 improvement plan.

22 We have also reached out to those county
23 assessors' staff who have previously been certified
24 to teach courses for the BOE, to see if they were
25 available to teach additional in-person courses for

1 staff, not only in their own counties, but also for
2 staff from other counties.

3 In addition to these classes, we plan on
4 hosting two three-hour workshops; one on mineral
5 property, and one on taxable possessable interests.

6 These workshops will be hosted via Teams and
7 should be able to accommodate several hundred
8 students.

9 We will also continue to offer our existing
10 online training courses available through American
11 River College and California State University
12 Sacramento, as well as our online courses available
13 on the BOE's website, plus our self-study training
14 sessions also available on the BOE's website.

15 With this combination of different types of
16 teaching formats being offered and utilizing more
17 staff from other resources, we anticipate being able
18 to far surpass the number of courses offered and the
19 number of students taught in recent years.

20 This concludes my report on training and
21 certification.

22 I'm available to answer any questions you
23 may have.

24 MR. GAINES: I've got a question.

25 MS. COHEN: Please.

1 MR. GAINES: Tony, did you want to go?
2 MR. VAZQUEZ: Go ahead.
3 Mine is more of a comment, so go ahead.
4 MR. GAINES: Okay. Good.
5 I just wanted to clarify, you mentioned
6 American River Community College and CSUS, you're
7 providing classes.
8 Are those in person, or have they expanded
9 those classes so you can watch them via Zoom or
10 something of that sort?
11 MS. SCHULTZ: Both those courses are offered
12 through the University. American River College is
13 part of their regular curriculum.
14 MR. GAINES: Okay.
15 MS. SCHULTZ: It is a virtual class, but it
16 is taught by a member of the BOE.
17 The course through Sac State is through
18 their continuing education, and it is online only.
19 It is not taught by an instructor.
20 MR. GAINES: Oh, okay.
21 Are those numbers increasing? I'm just
22 curious as to the online nature.
23 MS. SCHULTZ: I do not have those numbers
24 available to me.
25 MR. GAINES: Yeah. Okay. All right.

1 Is that something we can find out?

2 Because I know that we're -- we're tracking
3 how many people are taking the classes.

4 I'm just curious, in this particular area,
5 are we seeing a similar increase of students?

6 MR. YEUNG: We will gather that data and
7 report it back to the Board.

8 MR. GAINES: Okay.

9 MR. YEUNG: So the -- just as a little bit
10 of history, the online course for the American River
11 Community College, that was developed in -- about 12,
12 15 years ago.

13 We were looking for a venue in which to
14 offer a class, that type of class, to assessors'
15 offices without them having to physically be here.

16 MR. GAINES: Okay.

17 MR. YEUNG: So it cut down on their travel.

18 So we were able to do that. We developed a
19 course. It is now a fully -- it is in the
20 American River College's system. It's their course.
21 It's in their curriculum. You pay registry fees
22 through them. You register through them, and you
23 actually take it through their platform.

24 MR. GAINES: Okay.

25 MR. YEUNG: The Sac State is actually, as

1 Glenna said, it's our course.

2 We had other assessors ask if there was a
3 more flexible way to do so instead of waiting for a
4 semester to begin and having their folks enroll.

5 So we actually developed -- we put that same
6 class into the Sac State system off of their
7 platform.

8 It is our class that is free. There is no
9 tuition. And that starts every month. Every month
10 it starts a new class.

11 MR. GAINES: Great.

12 MR. YEUNG: So folks that are just hired and
13 need to be certified in order to do ad valorem tax
14 work, they're able to take that class.

15 It's free. It's asynchronous. They can do
16 it at their own pace. And they don't have to wait
17 for open enrollment. They don't have to wait to make
18 sure there's room for them to be able to get the
19 class.

20 So it's just an offering that we're trying
21 to meet the demand for this class in order to get
22 their certification.

23 MR. GAINES: That's great. I'm glad that
24 you're doing that.

25 MR. YEUNG: Yeah.

1 MR. GAINES: And making that so readily
2 available.

3 I was just trying to get a handle on, as a
4 result of the pandemic, did that create a surge in
5 students wanting to be taught online?

6 MR. YEUNG: That's a very interesting
7 question. I will take a look at it.

8 In general, over the last two years of the
9 pandemic, community colleges have actually seen a
10 little bit of decrease in their enrollment. So I --
11 but that's California-wide. I will get you the
12 specifics on our course itself.

13 MR. GAINES: The surge ended when the
14 pandemic did?

15 MR. YEUNG: Pardon?

16 MR. GAINES: Did the surge end when the
17 pandemic ended?

18 MR. YEUNG: I'm hoping it does. I'm hoping
19 it does.

20 MR. GAINES: Yeah.

21 Thank you.

22 MR. YEUNG: Of course.

23 MR. VAZQUEZ: Thank you for your report.

24 Mine is more of a comment.

25 I was -- just wanted to thank all the

1 assessors that I understand participated and
2 assisted, especially with these offline -- or online
3 courses throughout the state.

4 I know my assessor, Jeff Prang, provided
5 some assistance and some expertise with some of his
6 staff. And I just wanted to give a little shout out
7 to these folks.

8 Thank you.

9 MR. YEUNG: Thank you.

10 MS. SCHULTZ: Thank you.

11 MS. COHEN: Mr. Schaefer.

12 MR. SCHAEFER: I had a question for
13 Mr. Yeung.

14 You know, when we go to the theater and
15 there is a substitute in one of the leading roles,
16 they say that Joe Jones is substituting for
17 Marge Smith, you know.

18 I asked at the prebriefing -- I think this
19 lady does a great job -- but I was expecting
20 Ms. Lumsden. And it was explained that she might be
21 traveling, and there might be a substitution, but the
22 agenda would be updated.

23 Well, if it was updated, that wasn't what I
24 was given today. But maybe I'm not looking at the
25 right place.

1 And if it wasn't updated, I would like to
2 see an update in the day-of-the-meeting agenda when a
3 major speaker is replaced by another major speaker.
4 Both of whom are doing a great job.

5 But I'm just looking at anyone like me that
6 may have somebody they're looking to hear, and they
7 don't -- we don't know what's going on.

8 Thank you.

9 MR. YEUNG: Noted. We will make sure we
10 coordinate with Board Proceedings.

11 MS. COHEN: Okay. Thank you.

12 Let's keep moving.

13 MS. CICHETTI: The next subitem is
14 Assessment Practices Surveys, presented by
15 Ms. Cooper.

16 MS. COHEN: Welcome, Ms. Cooper.

17 MS. COOPER: Thank you.

18 Good afternoon, Chair Cohen and Honorable
19 Board Members.

20 I am Holly Cooper, Principal Property
21 Appraiser of the BOE's Assessment Practices Survey
22 Unit.

23 Today I will be giving you a brief report on
24 the assessment practices surveys.

25 For calendar year 2022 we have issued a

1 total of five assessment practices survey reports via
2 Letters to Assessors for the following counties:

3 Santa Barbara and Alameda County in
4 District 2; Sierra, Stanislaus and Amador County in
5 District 1.

6 In addition to these five counties, we are
7 actively working on completing surveys and/or samples
8 for 11 other counties; six in District 1, three in
9 District 2, one in District 3, and one in District 4.

10 These surveys and/or samples are in various
11 stages of production.

12 Once completed, a copy of the report is
13 provided to each of the Board Members and their
14 office for preview before it is issued and posted to
15 our website via an LTA.

16 As part of our process improvement plan, we
17 have begun implementing a hybrid plan for the coming
18 2022-23 fiscal year where staff have begun traveling
19 again to conduct their surveys in person while
20 continuing to collect some information remotely as
21 deemed appropriate.

22 We have found that some information is
23 collected more efficiently and less impactful to the
24 assessor when being collected remotely.

25 We plan to work closely with each assessor

1 and their staff to determine the best way to conduct
2 each survey, and how to collect the necessary
3 information in the least impactful way.

4 As we begin the implementation process of
5 this hybrid plan, we will monitor the results of the
6 plan closely, so we can adjust the plan as needed, as
7 we continue to look for ways to improve our program
8 by making it more efficient and more meaningful.

9 This concludes my report on assessment
10 practices surveys.

11 I am available to answer any questions you
12 may have.

13 Thank you.

14 MS. COHEN: Colleagues?

15 Ms. Vazquez.

16 MR. VAZQUEZ: Just a quick comment.

17 First of all, I just wanted to thank you for
18 your report.

19 And I know there was a lot of work that went
20 into it that you and your staff collaborated on. And
21 I just wanted to thank you for the great work you've
22 done on this one. I know it's been a challenge.

23 MS. COOPER: Thank you. I appreciate that.

24 MS. COHEN: Thank you.

25 MS. COOPER: Thank you.

1 MS. CICHETTI: All right.

2 Our next subitem is State-Assessed Property,
3 presented by Ms. Cruz.

4 MS. CRUZ: Good afternoon, Chair Cohen and
5 Honorable Members.

6 My name is Michelle Cruz, Manager of the
7 State-Assessed Properties Division.

8 Today I will provide information on the
9 status of ongoing work in our division.

10 Now that the Board has set the unitary
11 values for the 339 state-assessed companies, SAPD
12 will now turn our attention to allocating those total
13 values to the 58 counties in preparation for the
14 State-Assessed Board Roll that will come before the
15 Board in July.

16 The objective of our allocation of unitary
17 values is to attribute to each county the amount of
18 assessed value that is related as closely as possible
19 to the value of each assessee's unitary property in
20 each county.

21 All of our state assessees will receive a
22 report of how their unitary values are allocated to
23 each county in mid June.

24 The other area of focus for our division is
25 the private railroad car appraisals.

1 The PRC property statements are due annually
2 on April 30th, and staff are now busy diligently
3 working to complete the appraisals timely.

4 Similar to our state-assessed appraisals,
5 the PRC appraisals will go through a series of
6 reviews prior to coming before the Board in July for
7 adoption of the private railroad car roll.

8 Thank you, Members.

9 That concludes my report for this month.

10 I am available to answer any questions.

11 MS. COHEN: Okay.

12 Any questions?

13 MR. GAINES: No, thank you.

14 MS. COHEN: Thank you.

15 MS. CICHETTI: The next subitem is Welfare
16 Exemption Process Improvement Project, which will be
17 presented by Ms. Keach.

18 MS. KEACH: Good afternoon, Chair Cohen and
19 Honorable Members of the Board.

20 My name is Lauren Keach, and I'm the Manager
21 of the Welfare Exemption Section of the Property Tax
22 Department.

23 Today I will be presenting on the
24 improvements we're making at the Board of
25 Equalization to the Welfare Exemption Application

1 Process, and provide you with an update on the
2 Supplemental Clearance Certificate Process
3 Improvement Project.

4 Our purpose for the project is to streamline
5 the process of issuing an SCC for claimants seeking
6 to exempt low-income rental housing from property
7 taxation.

8 The project encompasses a comprehensive
9 review and update to our procedures of the
10 application process, the claims process, and the
11 approval process.

12 Each component has involved discussions and
13 has considered feedback we have received from
14 taxpayers.

15 And during our review of each process, we
16 identified opportunities for improvement and ways to
17 increase efficiency when processing SCC claims.

18 We began with an examination of the
19 application process to create a more clear and
20 user-friendly application process for claimants,
21 which has been completed. And we will continue to
22 monitor to ensure the success of this component of
23 the project.

24 Upon completion of the application process,
25 we moved onto our examination of the claim's process

1 with the goal of simplifying and modernizing our
2 procedures to increase efficiency in our internal
3 processing of claims.

4 As a result, we have modernized and improved
5 our internal processing procedure.

6 Since we have completed our modernization of
7 the claims process, we have progressed to our final
8 process of this project, as we are currently working
9 on our examination of the approval process.

10 We began by analyzing the steps required to
11 grant an SCC in accordance with our procedures to
12 identify necessary improvements.

13 Our analysis revealed an opportunity to
14 provide a solution for claimants to submit
15 supplemental claim documents electronically to
16 relieve the inconvenience and delays caused by
17 mailing, and in turn, increase efficiency in the
18 approval process.

19 This modernization to our procedure
20 considered direct feedback and suggestions that we
21 have received from taxpayers regarding the burdens of
22 mailing claims and supporting documents.

23 Lastly, this project will also include an
24 analysis and update of our available resources for
25 taxpayers.

1 This will benefit taxpayers by providing
2 more useful information on our website regarding the
3 application process, as well as the filing
4 requirements.

5 We also plan to expand our FAQs on our
6 website and provide more questions and answers
7 specifically related to SCCs.

8 Affordable housing is an important matter to
9 the BOE, and we are working diligently to ensure the
10 success of our program in serving organizations that
11 qualify for property tax relief.

12 I'm glad to report that we are making good
13 progress and have made impactful improvements and
14 significant modernizations in our efforts to
15 streamline the SCC process.

16 As we move forward and are nearing
17 completion of this project, we will continue to
18 provide updates and information to allow for
19 visibility into the process and ensure that the
20 Board Members are kept informed.

21 Members, this concludes my presentation.

22 I'm available to answer any questions you
23 may have.

24 MS. COHEN: Thank you for the presentation.

25 I think it was pretty self-explanatory.

1 Mr. Vazquez.

2 MR. VAZQUEZ: Great report.

3 You hit on something on the affordable
4 housing piece.

5 And I just had a conversation with some
6 folks back home on -- we've been really pushing hard,
7 and several of the Members here I know have been
8 doing in their districts, respectively, to try to
9 encourage, especially the for-profit developers to
10 start looking at developing affordable housing.

11 But one of the things -- one of the
12 questions they brought up, which made some sense, and
13 I wasn't sure if something -- if it's just a rule
14 change, or do we need to go on legislation.

15 And that is that -- when a developer that's
16 been in the practice of doing -- market rate housing,
17 for example, is now looking at trying to help meet
18 the demand for the affordable side in California.

19 They're saying they're getting dinged
20 because the prop -- let's say they take over a
21 building, or even a hotel, for example, and they
22 built affordable housing. But it's not a nonprofit.
23 It's a for-profit developer.

24 They're assessed as if it was market-rate
25 housing, even though they may be charging, let's

1 say, just an example, 4 or \$500 rent, as opposed to
2 maybe 2 or 3,000 that they could be charging at
3 market rate.

4 But they're being assessed as if it was
5 market rate. Is there something that we can do to
6 accommodate that or --

7 MR. YEUNG: If I may. If I may respond.

8 It is an emerging issue.

9 There are more for-profits now entering the
10 affordable housing market.

11 We have some tools already in our -- in our
12 basket, so to speak, in order to address some of it.
13 It's not necessarily under Rev. and Taxation
14 Code 214. That's the Welfare Exemption, which is
15 what our report is on.

16 There may be some other -- there may be some
17 other programs that may fit. One that comes to mind
18 is Revenue and Taxation Code 236, which is a -- it
19 provides a similar type of exemption for -- for
20 affordable housing. But it's not exactly the same
21 as 214.

22 So it's a broader conversation. We have
23 some tools. But it's -- it's not nearly enough to
24 cover all aspects at this point.

25 MR. VAZQUEZ: Well, it's funny you

1 mentioned -- I was trying to see if I could find the
2 number.

3 They were saying it was possibly under
4 Government Code Section 110, 110.1 that could be
5 adjusted. I don't know if that's true.

6 MR. YEUNG: 110 and 110.1 deal with what
7 they consider fair market value. It defines what
8 fair market value is for property tax purposes.

9 There are 110, 110.1, perhaps if they are
10 looking into how they're being assessed, probably
11 402.1 would be a little bit more fruitful. That
12 deals with fair market value for taxation purposes,
13 but as restricted.

14 So if you're restricted to low income
15 housing, there may be a provision in there that
16 covers it.

17 So I'd be more than happy to explore any of
18 that.

19 MR. VAZQUEZ: Yeah. They have their legal
20 folks. And I told them to give me as much
21 information as they can.

22 I'll pass it on and see if there's something
23 we can do through a rule change or something, without
24 getting into the whole legislative process.

25 Because I know that's timing, and it could

1 take years, right?

2 MR. YEUNG: Yes, it's a long process.

3 MR. VAZQUEZ: Thank you.

4 MS. COHEN: Any other questions?

5 Yes, Mr. Gaines.

6 MR. GAINES: If I could.

7 Yeah. Great. Yeah.

8 I just wanted to thank Ms. Keach for working
9 on this Exemption Process Improvement Project.

10 MS. KEACH: You're welcome.

11 MR. GAINES: And I was just wondering if
12 maybe you could give us a little overview in terms of
13 the benefits to our constituents.

14 So from a constituent standpoint that's
15 filling out an application, what will happen that
16 will improve the process from their perspective?

17 MS. KEACH: Well, I think the goal of this
18 project is really considering their perspective and
19 getting them timely certificates.

20 So reducing delays in processing times is a
21 big goal of this project that we are making progress
22 on, as well as simplifying it on their end.

23 Having more clear information and
24 instructions from the beginning as provided on our
25 form and on the website, so that it's more of a clear

1 process for them going into it. And then they get
2 their forms or certificates in a timely manner.

3 So that's our goal.

4 MR. GAINES: Okay. So would those be
5 downloadable forms?

6 MS. KEACH: They are downloadable from our
7 website, yes.

8 MR. GAINES: Yeah. Okay. Very good.
9 Thank you.

10 MS. KEACH: Thank you for that question.

11 MR. VAZQUEZ: One last one.

12 And this is going back to you, Ms. Keach.

13 You know, when you're talking about as
14 you're, I guess, modifying and updating these forms,
15 the assessor forms on the exemption, is that
16 something we're looking to possibly update soon?

17 MS. KEACH: So we're processing our forms
18 that we issue, the organizational and supplemental
19 certificates, Supplemental Clearance Certificates.
20 Which is a different form than the form that's
21 actually filed with the county assessor's office.

22 So at this time, this project is
23 specifically related to the Supplemental Clearance
24 Certificate form that we issue.

25 MR. VAZQUEZ: But down the road, you think

1 we're going to get to that, or maybe that's more of a
2 question --

3 MR. YEUNG: If I may chime in.

4 MR. VAZQUEZ: Sure.

5 MR. YEUNG: It's a form -- that form you
6 speak of for the actual application, as you all know,
7 the Welfare Exemption, it's co-administered. We do
8 the entity, the assessors do the real property.

9 MR. VAZQUEZ: Right.

10 MR. YEUNG: The form in which they submit to
11 the assessors to exempt that piece of real property,
12 that's also a Board-prescribed form. It is amongst
13 the many that we look at annually and provide
14 updates. We look at them continuously on a yearly
15 basis.

16 So if there's any improvements, anything
17 they need to do on that, we would be more than happy
18 to take a look at it and -- and amend.

19 MR. VAZQUEZ: Thank you.

20 MS. KEACH: Thank you.

21 MS. COHEN: Okay. Thank you, Ms. Keach.

22 MS. KEACH: Thank you very much.

23 MR. YEUNG: Thank you, Laura.

24

25 //

1
2 **ITEM K3b**
3

4 MS. CICHETTI: The next item on the agenda
5 is K3b, 4-R Act Equalization Ratio for Fiscal Year
6 2022-23.

7 Adoption of the 4-R Act Equalization Ratio
8 for the current fiscal year ensures that rail
9 transportation property is assessed at the same
10 percentage of market value as all other
11 commercial/industry property.

12 This item is presented by Mr. McCool.

13 MR. McCOOL: Good afternoon, Chair Cohen and
14 Honorable Members of the Board.

15 I'm Jack McCool, Chief of the State-Assessed
16 Properties Division.

17 The item before you is the 4-R Act
18 Equalization Ratio. The four Rs stand for Railroad
19 Revitalization and Regulatory Reform Act, which was
20 enacted by Congress in 1976.

21 Revenue and Taxation Code Section 1817
22 requires the Board to annually conduct a study to
23 determine the statewide and county-by-county ratio of
24 assessed value to fair market value of commercial and
25 industrial real property.

1 The Legislative, Research and Statistics
2 staff conducted this year's study using the 2020-2021
3 property roll, and it yielded an estimated statewide
4 ratio of 56.05 percent.

5 This is a decrease of 2.74 percentage points
6 from last year's ratio.

7 Staff recommends that the Board assess rail
8 transportation property at 56.05 percent of the
9 market value for the 2022 roll.

10 I'm available to answer any questions that
11 you may have, and ask for your adoption of this
12 year's ratio.

13 Thank you.

14 MS. COHEN: All right.

15 Colleagues, do you have any questions?

16 Because if you don't, we can go ahead and go
17 to public comment.

18 We'll go to public comment.

19 MS. CICHETTI: We have not received a
20 request for any in-person speaker, and no written
21 comments on this item, but we will go to the AT&T
22 moderator.

23 AT&T moderator, do we have anyone on the
24 line who would like to make a public comment
25 regarding this item?

1 AT&T MODERATOR: And if so, please press
2 one, and then zero at this time.
3 And currently nobody in queue.
4 MS. COHEN: Okay. Great.
5 I'd like to make a motion to adopt the staff
6 recommendation on setting the 2022-2023 4-R Act
7 Equalization Ratio.
8 Is there a second?
9 MR. VAZQUEZ: Second.
10 MS. COHEN: Second by Vazquez.
11 Let's do a roll call vote.
12 MS. CICHETTI: The motion is to adopt the
13 22-23 4-R Act Equalization Ratio as presented by
14 staff.
15 Chair Cohen.
16 MS. COHEN: Aye.
17 MS. CICHETTI: Vice Chair Schaefer.
18 MR. SCHAEFER: Aye.
19 MS. CICHETTI: Member Gaines.
20 MR. GAINES: Aye.
21 MS. CICHETTI: Member Vazquez.
22 MR. VAZQUEZ: Aye.
23 MS. CICHETTI: Deputy Controller Epolite.
24 MR. EPOLITE: Aye.
25 MS. CICHETTI: Motion passes.

1 MS. COHEN: Great.

2 Thank you very much.

3 Please call the next items.

4

5 **ITEM K4a**

6

7 MS. CICHETTI: The next item is K4a,
8 Legislative, Research and Statistics Division's Chief
9 Report: Legislative Issues; Update on the
10 administrative and program-related legislative bills
11 impacting the BOE.

12 This item will be presented by
13 Mr. Weatherby.

14 MR. WEATHERBY: Good afternoon, Chair Cohen
15 and Vice Chair Schaefer and Honorable Members of the
16 Board.

17 This is Dustin Weatherby, Chief of the
18 Legislative, Research and Statistics Division.

19 Board Members, prior to reading the PAN
20 attachment, I am going to highlight a few of the
21 upcoming legislative deadlines.

22 So the Legislature just passed their fiscal
23 committee deadline for bills introduced in the House
24 on Friday May 20th, and now approach this week's
25 House of Origin deadline for bills introduced in

1 their House on May 27th.

2 Bills that do not meet these deadlines will
3 no longer be in consideration for the legislative
4 year.

5 So I will now move on to the PAN attachment,
6 which includes a summary legislation affecting the
7 Board of Equalization that is still pending in the
8 Legislature.

9 The first bill I want to highlight is
10 Senate Bill 440 by Senator Dodd.

11 SB-440 was amended on May 18th to include
12 the Board-sponsor of legislative proposal to expand
13 the definition of disaster to include infectious
14 disease, which would authorize the Board to provide a
15 three-month deadline extension for reports or payment
16 of tax under the alcoholic beverage tax program for
17 situations similar to the COVID-19 pandemic.

18 As you may recall, the BOE was unable to
19 provide a three-month deadline extension to taxpayers
20 since the current definition of disaster was
21 interpreted to not include a situation like
22 COVID-19.

23 As a result, the BOE relied upon
24 government-issued executive orders for deadline
25 extensions.

1 This bill will provide the BOE narrow
2 administrative flexibility and nimbleness to assist
3 taxpayers in these circumstances.

4 The bill is currently set for hearing in
5 Assembly Revenue and Taxation Committee on June 6th.
6 And I will continue to update the Board as necessary
7 on the progress of the bill.

8 The second bill is Senate Bill 1494 by the
9 Senate Governance Finance Committee, which contains
10 one of the Board-sponsored legislative proposals to
11 amend Revenue and Taxation Code Section 97.68
12 relating to a sales tax augmentation fund to correct
13 references of Board of Equalization to the California
14 Department of Tax and Fee Administration.

15 The bill passed the Senate unanimously on
16 April 28th, and is currently pending in the
17 Assembly Revenue and Taxation Code -- Committee.

18 The next bill is Assembly Bill 1206 by
19 Assemblymember Bennett, which will require that a
20 rental unit continue to be treated as occupied by
21 lower-income households when the income of those
22 occupants increases up to 140 percent of the area's
23 median income, if the owner is a community land trust
24 whose land is leased to low-income households for the
25 fiscal years 22-23 through 27-28.

1 The Board voted at the February Board
2 Meeting to support AB-1206. The bill passed the
3 Assembly on January 31st, and will be heard in the
4 Senate Governance and Finance Committee on June 1st.

5 Assembly Bill 1733, by Assemblymember Quirk,
6 which will provide the flexibility for State agencies
7 to hold meetings via teleconferencing, has been
8 double-referred to the Assembly Governmental
9 Organization Committee, and the Business and
10 Professions Committee.

11 The bill is unlikely to pass by the House of
12 Origin deadline this Friday.

13 Board Members, I will now conclude with an
14 update on Proposition 19.

15 No bills have been introduced or amended
16 relating to the implementation of the Proposition 19.
17 The only measure still pending is Assembly
18 Constitutional Amendment 9, by Assemblymember
19 Kevin Kiley, which seeks to repeal several provisions
20 of Proposition 19 regarding intergenerational base
21 year transfer exemptions, instead reinstates the
22 prior rule.

23 The bill has not been referred to the
24 committee, and the last day to place a measure on the
25 November 2022 ballot is June 30th.

1 Additionally, initiative 21-0015, the
2 Proposition 19 initiative filed by the Howard Jarvis
3 Taxpayers Association has officially failed after not
4 enough signatures were gathered to place initiative
5 on the November 2022 ballot.

6 The initiative would have, among other
7 things, repealed the intergenerational transfer
8 exclusion, and would have increased the \$1 million
9 exclusion amount.

10 This will conclude my presentation on this
11 item, and I'm available to answer any questions you
12 may have.

13 MS. COHEN: Mr. Vazquez.

14 MR. VAZQUEZ: Yes.

15 First, thanks for the update.

16 And I just had a question with regards to
17 SB-1456. I guess it's Senator Stern's bill.

18 On removing the \$20 million cap for welfare
19 exempt, low-income rental housing, does this mean
20 that if the bill goes through that, a nonprofit
21 organization that owns and operates a low income
22 housing -- low-income rental housing property and
23 does not receive any government financing or
24 low-income housing tax credits would be able to get
25 the Welfare Exemption for the entire property, even

1 if it's assessed at more than 20 million?

2 MR. WEATHERBY: Thank you for that question,
3 Board Member Vazquez.

4 So the entity would still have to meet the
5 requirements for the exemption on -- firsthand. And
6 if they have any property that exceeds the current
7 \$20 million recessed value cap, that would -- this
8 removal of the cap would allow them to receive the
9 exemption beyond that assessed value amount.

10 MR. VAZQUEZ: And then I had another
11 question regarding AB-1933, I believe it is. It's
12 the Friedman Bill.

13 And on low-income housing for first-time
14 homebuyers, the BOE analysis states that the
15 April 20th amendments removed eligibility for the
16 Welfare Exemption if the units were sold to
17 moderate-income home buyers. Which means that the
18 exemption will apply only to nonprofit organizations
19 who sell only to a first-time low-income
20 homebuyers.

21 Why does our analysis say that although the
22 revenue impact is not predictable, there may be a
23 revenue gain over the years?

24 MR. WEATHERBY: So the BOE was contacted by
25 the bill's sponsor, the Heritage Housing Partners.

1 And they provided the BOE with some data on housing
2 developments they have done exclusively in
3 Los Angeles County.

4 They provided the time of construction, the
5 amount of assessed value of the property, and the
6 assessed value of the property after it was
7 rehabilitated and ultimately sold to first-time home
8 buyers.

9 As you know, over time, with Proposition 13,
10 if a unit is sold for, let's say, \$300,000, that
11 creates the one percent rate. So a \$3,000 tax bill.
12 And over time, that can increase with inflation of up
13 to two percent annually.

14 So over time, as long as those units are
15 continually sold or bought, that's going to
16 continually increase the amount of property tax that
17 the county will receive over time.

18 So while it may be \$3,000 in the first year,
19 it could be \$3,100 in the second year, and so on and
20 so forth.

21 So currently with the Welfare Exemption for
22 rental units, if a nonprofit rents that unit, it's
23 not creating that additional tax revenue, because the
24 renter doesn't pay any Proposition 13 property tax.

25 Whereas, when a new homeowner is created,

1 that's a new taxpayer. And if you create four units
2 out of a building that only had one unit prior,
3 that's essentially creating three units.

4 So over time, the exemption that would have
5 been granted during the course of construction could
6 be offset by those annual revenue gains.

7 MR. VAZQUEZ: On an annual basis.

8 MR. WEATHERBY: On -- a year.

9 MR. VAZQUEZ: Thank you.

10 MS. COHEN: Any questions or comments on
11 this end?

12 Thank you.

13 MR. WEATHERBY: Thank you.

14 MR. GAINES: Could I ask one?

15 MS. COHEN: Oh, sure.

16 MR. GAINES: Yeah.

17 And maybe it's speculative.

18 But can you speak to the effort on the
19 initiative to recreate exemption for the
20 intergenerational transfer of property?

21 You said that it had failed. So is it going
22 to be extended?

23 Yeah, that's Howard Jarvis Taxpayer
24 Association that was working on it.

25 Is there any effort to gather signatures for

1 the 2024 election cycle?

2 MR. WEATHERBY: That I am unsure of,
3 Board Member.

4 MR. GAINES: Yeah. Okay.

5 MR. WEATHERBY: Their signature deadline
6 just passed, and they reached the 25 percent
7 threshold. How many they were able to collect, I'm
8 not quite sure.

9 Whether they're going to move forward with a
10 potential initiative in 2024, I haven't heard any
11 news on that front

12 MR. GAINES: Yeah. Okay.

13 Very well. Thank you.

14 MR. VAZQUEZ: Just a quick question, if I
15 can, Madam Chair.

16 MS. COHEN: Go ahead.

17 MR. VAZQUEZ: Along those lines.

18 Well, I guess, are they still counting those
19 signatures?

20 Because somebody was mentioning to me
21 that -- I know the goal was like 400,000 or
22 something. But I heard they turned in possibly
23 200,000. And if they are a valid 200,000 signatures,
24 doesn't that entitle them to a hearing?

25 MR. WEATHERBY: So the amount of signatures

1 that this particular initiative would've required was
2 something like 997,000.

3 And from my understanding, they didn't even
4 reach that threshold. So the amount of signatures
5 they would have submitted, I don't think would have
6 allowed them an opportunity to get the hearing,
7 because they wouldn't have met the minimum
8 threshold.

9 MR. VAZQUEZ: Well, is -- is the minimum
10 200,000?

11 That's what I heard. I wasn't sure if that
12 was it.

13 MR. WEATHERBY: No. So the threshold to
14 qualify the actual initiative was 997,000.

15 MR. VAZQUEZ: No. No. That's to get it on
16 the ballot, though, isn't it?

17 MR. WEATHERBY: Yes.

18 MR. VAZQUEZ: But I thought for a hearing
19 it's a lot less.

20 MR. WEATHERBY: That could be. I'm
21 unfamiliar with that elections code.

22 But from my understanding, what was reported
23 is they still didn't have enough signatures to even
24 qualify the initiative.

25 So I don't know why they would want to do a

1 hearing if they didn't have the necessary signatures
2 to get on the ballot for this year.

3 MS. COHEN: If I'm not mistaken, I think
4 that Howard Jarvis sent out a press release saying
5 that they didn't reach the threshold. And it's
6 probably on their website.

7 MR. VAZQUEZ: Even for a hearing?

8 MS. COHEN: Yeah. Well, I don't know. It
9 didn't specify for a hearing or not.

10 MR. VAZQUEZ: Well, I know they didn't reach
11 the threshold for -- to get it on the ballot.

12 But I didn't even know this, but somebody
13 mentioned to me that even though, like you said, it
14 was 900,000, if you turned in 200,000 good ones, it
15 entitles you, the group, to have a hearing.

16 And you may -- you may know, Senator, on the
17 Senate floor. I didn't know that. I never heard
18 that.

19 MR. GAINES: Yeah. I'm not sure on that
20 threshold for the number of votes.

21 MR. VAZQUEZ: Okay.

22 MR. GAINES: I know there's a 30-day clause
23 upon gathering the signatures where the Legislature
24 can take a look at it.

25 MR. VAZQUEZ: As a possible public hearing?

1 MR. GAINES: Yeah.

2 Because maybe it could be amended or

3 adjusted. So that's kind of new in the last few

4 years.

5 MR. SCHAEFER: I haven't heard of it.

6 MS. COHEN: Okay. Let's keep going.

7 MR. GAINES: Thank you.

8 MS. COHEN: Thank you.

9 MS. CICHETTI: Before we go, we need to go

10 to the AT&T operator to see if we have any public

11 comments on this item.

12 We have not received a request for any

13 in-person speaker, and no written comments. But we

14 can go to the AT&T moderator.

15 AT&T moderator, please let us know if there

16 is anyone on the line who would like to make a public

17 comment regarding this item.

18 AT&T MODERATOR: Yes, thank you.

19 If so, please press one, zero at this

20 time.

21 And currently nobody in queue.

22 MS. COHEN: All right.

23 Please go to the next item.

24

25 //

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

This matter is being presented by
Ms. Thompson.

I'm Lisa Thompson, Chief of the Taxpayer Rights Advocate's Office.

First, I would like to share with you some statistics on the number of cases that our office completed in April, and also to share with you some information about those cases to provide some insight on them.

177

1 Executive Director reporting the number of completed
2 and resolved cases by the TRA office.

3 That is given by Board Member district,
4 which distinguishes the cases between administrative
5 versus valuation category, and by category -- excuse
6 me -- by topic within those categories.

7 In April 2022 we completed 24 cases, seven
8 were in Board Member Gaines's district, District 1;
9 seven in Member Cohen's district, District 2; four in
10 Member Vazquez's district, District 3; and six were
11 in Board Member Schaefer's district, District 4.

12 Of the 24 completed cases, seven were in the
13 administrative category, and seventeen were from the
14 valuation category.

15 The administrative category includes topics,
16 such as creating and mailing tax bills, refunds,
17 penalty cancellations, access to data, special
18 assessments, and direct levies on the property tax
19 bill.

20 The valuation category includes topics such
21 as change in ownership, declines in value, appraisal
22 methodology, exemptions, new construction, actual
23 enrollment of value, general property taxation, and
24 assessment appeals.

25 With respect to the administrative category

1 and its seven cases in total, three pertain to access
2 to data, two involve delinquent or defaulted property
3 taxes, one pertained to penalties, and one involved
4 refunds.

5 With respect to the valuation category and
6 it's seventeen in total, two pertained to assessment
7 appeals, three involved change in ownership, two
8 pertained to enrollment of values, five cases
9 addressed exclusions for reassessment, three cases
10 involved exemptions, and two cases involved general
11 property taxation.

12 To provide some additional insight on the
13 specific types of exclusion and exemption cases, I
14 will offer this further breakdown:

15 For the five cases involving exclusions from
16 reassessment, three pertained to base year value
17 transfer exclusions for persons aged 55 and over, one
18 involved base year value transfer for disaster
19 relief, and one pertained to the parent-child
20 exclusion.

21 Three of these four base year value transfer
22 exclusion cases occurred before the April 1st, 2021
23 effective date for Proposition 19's base year value
24 transfer provisions.

25 And the one parent-child exclusion fell

1 under the provisions of prior law, Proposition 15 --
2 excuse me -- 58, since the transfer occurred before
3 February 16th, 2021.

4 That's only one of these five exclusion
5 cases fell under the purview of Proposition 19. And
6 that was the base year value transfer for someone
7 aged 55 and over.

8 For the three exemption cases, two pertained
9 to the Welfare Exemption, and one for the Disabled
10 Veteran's Exemption.

11 To provide some additional insight on the
12 nature of the cases that our office works with and to
13 help taxpayers, I would like to offer some additional
14 information on a case that our office worked on, and
15 how we assisted the taxpayer.

16 An example of this case that our office
17 helped to resolve involved the taxpayer and his
18 request for a base year value transfer from one
19 county to another.

20 And due to the timing of this taxpayer's
21 purchase and sale, it fell under prior law before
22 Proposition 19. However, the situation can still
23 apply today.

24 The taxpayer was concerned because he was
25 denied base year value transfer from one county to

1 another. And he was concerned that he was paying
2 more property taxes than he was paying on his
3 original property.

4 The assessor denied the base year value
5 transfer because the assessed value of his
6 replacement home was already lower than the factored
7 base year value of his original home.

8 Had the base year value transfer request
9 been granted, both the assessed value and the
10 property taxes of the replacement home would have
11 actually been higher than his original home.

12 Additionally, had the assessor's office
13 accepted the base year value transfer, then they
14 would have been assessing the replacement property at
15 more than market value, which would not comply with
16 the law.

17 We provided information to the taxpayer on
18 the base year value transfer provisions of
19 Proposition 90 and Revenue and Taxation Code
20 Section 69.5, and explained that what is transferred
21 with a base year value is actually the factored base
22 year value of the original home, and is not the
23 actual amount that is paid on the property tax bill
24 that transfers.

25 We explained that the assessor was correct

1 in denying the base year value transfer, and that if
2 the assessor had accepted it, then the assessed value
3 would have been much higher, as well as his -- the
4 amount he would have paid on his property tax bill.

5 In addition to analyzing the assessed value
6 of the properties, the original and the replacement,
7 we examined the property tax bill for each of those
8 properties.

9 When we examined his property tax bill for
10 the replacement property, we discovered that there
11 was a substantial amount of special assessments that
12 were on there. Those are non-ad valorem property
13 taxes, beyond the tax rate.

14 And so we explained to the taxpayer that
15 special assessments, although collected on the
16 property tax bill, are not ad valorem taxes, and
17 instead, they result from voter-approved initiatives.

18 So we explained that to the taxpayer.
19 Helped him understand that if there was an exemption
20 available for that special assessment from either as
21 a person aged 55 -- 65 -- excuse me -- and over, or
22 low income, that that would be part of what was voted
23 in for that initiative, and that he could reach out
24 to the city or county agency based on the phone
25 number on the tax bill for that special assessment.

1 So that is how we assisted that -- that
2 taxpayer in understanding that.

3 So the next item that I would like to report
4 on to the Members is work associated with
5 Proposition 19 education and outreach.

6 And with respect to education specific to
7 each of the areas within Proposition 19, the TRA
8 office will issue an information sheet on each of
9 those.

10 The TRA office has completed work on two of
11 the information sheet topics, anyway, parent-child
12 exclusion and grandparent-child exclusion under
13 Proposition 19, current law.

14 And we have also updated our existing
15 information sheets on the parent-child and
16 grandparent-child exclusion under prior law.

17 Because those occurrences are still
18 happening, we will have two of each of the
19 information sheets available.

20 Those information sheets have been sent to
21 our forms and publications section for publication,
22 and they should be out shortly.

23 I would advise the Members, as they are
24 published, as well as the California Assessors'
25 Association, so assessors are aware of them so that

1 they can advise their constituents and link to our
2 pages.

3 Additionally, the TRA office has drafted new
4 information sheets on the base year value transfer
5 provisions for persons aged 55 and older, and
6 disabled persons under Proposition 19, as well as
7 revised the existing sheets for prior law.

8 And these information sheets are currently
9 in the internal review process, and will be sent to
10 forms and publications shortly.

11 The next item I would like to update the
12 Members on is work associated to prepare for the
13 upcoming Taxpayers Bill of Rights Hearing scheduled
14 for August 30th, 2022.

15 Posters and flyers publicizing the events
16 have been printed, and we will be sending them to
17 county agencies involved in the property tax system
18 at the beginning of June.

19 And this year, the -- you actually all have
20 posters and flyers, so you can see them. And please,
21 you know, feel free to pass them on.

22 The poster has a QR code on it this year
23 that people can hold their cell phone up and link to
24 our agency's website, so they can readily see the
25 information about the hearing.

1 It is similar to what some restaurants have
2 to access menus.

3 The Communications Officer and I, Peter Kim,
4 are also working together to promote the upcoming
5 hearing, and prepare some sort of tool kit for
6 Members to further the outreach for the hearing.

7 And I will be updating the Members at future
8 meetings about those items.

9 To increase exposure, we included additional
10 information on the main TRA Bill of Rights website,
11 enabling taxpayers to more readily access the page
12 where they can subscribe to receive e-mail
13 notifications.

14 It is a list serve, and it will be used this
15 year to send e-mail notifications to taxpayers about
16 the hearing and provide specific details so they know
17 how to participate, or what -- what to view on the
18 hearing later this year.

19 Again, future meetings, I will update the
20 Members on the progress for all of this.

21 And that concludes my update.

22 I'm available for any questions.

23 MS. COHEN: Thank you.

24 I wanted to ask, I know you've been doing
25 this a long time. Are there any lessons learned that

1 you have seen, maybe, we'll say the last three years
2 that we've been working together, that you're
3 applying to this year?

4 MS. THOMPSON: I think we always strive to
5 kind of get the word out as much as we can on the
6 Taxpayers Bill of Rights Hearing. So we are always
7 exploring different avenues.

8 We have an Advisory Council that was started
9 last year. And so we will be providing information
10 to each of those Advisory Council members and asking
11 that they do additional outreach.

12 We've also added different taxpayer
13 organizations that I reach out to, to ask that they
14 notify their membership over the course of the years.

15 So, yeah, we're always striving to do that.
16 We've done public service announcements and things of
17 that nature.

18 At the next meeting, in the next couple of
19 months, you know, we'll be gearing up more towards
20 additional publicity for that meeting. So I'll be
21 updating the Members on that.

22 MS. COHEN: Thank you.

23 Any questions on this?

24 Yes, Mr. Schaefer.

25 MR. SCHAEFER: I have a question, but I'd

1 like to direct it to Mr. Nanjo.

2 We see quality work by our taxpayer
3 advocate. But we see more of her than we do of most
4 anybody else.

5 And I would like to ask what is required by
6 our adopted rules or legislation as to what is told
7 to us by the taxpayer advocate?

8 One of her favorite sayings is, I would like
9 to update the taxpayers on this or that.

10 The first period of time she was here today,
11 we have a number of completed cases, number of
12 resolved, number of closed, evaluation cases. And
13 she went through these as to the number of issues
14 before her. And I thought that that was very helpful
15 to see how busy she was.

16 But then she went into another era I'd like
17 to update on. Well, is that because she wants to put
18 some frosting on the cake after we've had the
19 essentials?

20 She does a good job at it. But we're not
21 sitting in an appellate mode here. We're not subject
22 to having somebody who may not be happy with what
23 she's telling us to ask us to review it.

24 I don't know if we have jurisdiction to
25 review it or appeal it. I think we're just hearing

1 that she's been doing a good job, and how many cases
2 she's been working on.

3 And if she's not required to give such an
4 extensive report, I would like to know, as a legal
5 matter, that maybe the first 15 or 20 minutes that
6 she gives us a report, we are legally informed.

7 And if people want to know which of these
8 17 cases or 24 cases that they may be interested in,
9 they go to our website, or they go some place.

10 It's like you can go to the court clerk's
11 office in the superior court if you want to look at
12 the details on any of these cases.

13 I don't think the presiding judge is going
14 to want to be informed on the details of these cases.
15 I think the presiding judge is going to be informed
16 if we're doing 300 cases a month, or what we're doing
17 if we're working judges.

18 And I'm sitting here, and I think I'm more
19 of a -- less of a judge and more of an administrative
20 judge wanting to know how hard she's working. And we
21 get that within the first 10 or 15 minutes.

22 But then we start getting a legal education
23 on these details of the cases that we can't do
24 anything about, other than say we're doing important
25 work. But we know that.

1 So I would like Chief Counsel to advise our
2 Ms. Stowers, who can speak for our taxpayer advocate,
3 and decide that she's got to tell us both how hard
4 she's working, and then tell us what all the cases
5 are about.

6 I would rather be able to go online and
7 figure out all the details if I'm bored and have more
8 time. But all of us up here have so much to read,
9 you know, and are trying to make our input here more
10 related to what the Constitution and the charter and
11 the rules and the Legislature has said we got to do.

12 Because if I want to do the stuff more than
13 we got to do, I want to go out to these hearings and
14 answer questions and provide my services there.

15 I had said something like this before.

16 MS. STOWERS: Thank you, Vice Chair.

17 I know you addressed your question to
18 Chief Counsel. But I believe it's more appropriate
19 for me to respond.

20 Ms. Thompson is the Taxpayers' Rights
21 Advocate. She is the first-line person dealing with
22 property tax owners and their issues.

23 She is providing you guys with an update on
24 the issues, because it's very important that you guys
25 hear what's going. And it's also important for the

1 public to know what we're doing.

2 So that's why she gave you the stats as a
3 starting --

4 MR. SCHAEFER: Ms. Stowers, the public can
5 get it all if they go to the website and --

6 MS. STOWERS: No, sir, they cannot.

7 The key here is the stuff she's doing is
8 confidential. So she's not going to put on the
9 website, John Doe taxpayer came to the office and had
10 ABC as a question, and this is how I resolved it.

11 She is giving you guys a verbal update, but
12 she's not identifying the taxpayer.

13 MR. SCHAEFER: Everything she said today is
14 not anymore a secret.

15 MS. STOWERS: Exactly.

16 But she's providing an update to the
17 Board Members, because the collective body has asked
18 for information on our operations. And that's what
19 she's attempting to do.

20 I understand that it can be a little heavy,
21 especially when it's coming towards the end of the
22 day.

23 We tried to make some adjustments already as
24 far as the short memo. And perhaps we can make other
25 adjustments. Because it is important information,

1 and I believe you all would like to hear it. So
2 maybe we change the order of when we do it.

3 MS. COHEN: Okay.

4 Mr. -- Mr. Schaefer, you made -- I think
5 you've made your point.

6 You don't want to hear it. I get it.

7 But this is an incredibly important venue.
8 Because it's not just about us receiving information,
9 but it's for the larger public.

10 And what's interesting is I'm on the other
11 side, I want to hear more. I want to hear as much
12 detail as possible, so that we are -- maybe the
13 second most informed.

14 You being -- you and your staff being the
15 most informed as to what kind of guidance and work
16 that we need to continue to do for taxpayers.

17 I think that there's significant work
18 occurring in this organization, and that we've worked
19 really hard to bring it forward. And this is just
20 another venue.

21 The website is one way. But, remember, not
22 everyone has Internet access. In Mr. Gaines'
23 district in particular, there's -- Internet access is
24 not accessible for everyone. And so we need to be
25 careful about some of the assumptions that we're

1 making.

2 And I think Ms. Stowers has offered a
3 healthy medium, a happy medium about reorganizing it.

4 And I'm happy to talk to you a little bit
5 more about that, and work with your staff,
6 Mr. Schaefer, on what that would actually look like.

7 But I want to make sure that we affirm
8 Ms. Thompson's work, that it's important.

9 And I want to give you an opportunity.
10 Would you like to share some of your thoughts or
11 answer Mr. Schaefer's questions?

12 I know he kind of went to your superiors and
13 really didn't give you an opportunity. But if you
14 would like to speak on it, you're welcome. And you
15 don't have to if you don't want to.

16 MS. THOMPSON: Yeah.

17 I think maybe it would be helpful to
18 clarify.

19 We use the term "completed cases," because
20 that's how we refer to them, as a case. Because we
21 are helping taxpayers. They come to us with a
22 problem that they're having, and we assist them in
23 resolving that.

24 I'm not an attorney, our staff are not an
25 attorney. And it is not like we're going before a

1 judge of any kind, or that I'm an arbitrator and can
2 demand, say, an assessor's office do a particular
3 task.

4 Our function is to work with the taxpayer,
5 understand the situation, and then help facilitate
6 resolution of that, whether that be through helping
7 them understand the law better and why they were
8 treated the way they were by the assessor's office or
9 tax collector's office, or whether that be by us
10 contacting either the tax collector's office, or the
11 assessor's office, you know, to try to come to --
12 come to a solution -- to arrive at a solution for
13 them.

14 So it's not an attorney. It's not us --
15 we're not an appeal body that says, you know, this is
16 your value. We don't arrive at values. We do those
17 things. So maybe the case term was --

18 MS. COHEN: I want to make sure we don't get
19 caught up in semantics. I mean --

20 MS. THOMPSON: And we don't have it on our
21 website. Nothing on our website.

22 MR. SCHAEFER: Madam Chair.

23 MS. COHEN: Yes, sir.

24 MR. SCHAEFER: I'd like to say I'm all for
25 more information, too.

1 I would be pleased if you would take these
2 24 completed cases and write 50 to 100 words about
3 each one, and it might add another two or three pages
4 to the agenda. Maybe only a page or two if you just
5 write the little basics. I can read it, you know,
6 when I'm not in session and having to listen.

7 And I can say, "Hey, Case No. 2424 looks
8 interesting." I can go online, and go to your office
9 and read the whole thing if I want.

10 MS. THOMPSON: That's really confidential
11 information I think.

12 MR. SCHAEFER: I'm all for more education,
13 but I -- I just don't want to be getting more than
14 I'm required to get.

15 If we're trying to do it for the whole
16 public, I'd say great, if we know the public is
17 interested in looking at that.

18 But I would think what the public's
19 interested in is seeing how busy you are. And you do
20 a great job with that.

21 And I would like to know a little bit more
22 about the individual cases, because I'm not making
23 notes when you're talking.

24 But, again, there's nothing I can do about
25 the cases. I'm not a judge.

1 MS. COHEN: Thank you.

2 Ms. --

3 MS. THOMPSON: That is true, thank you.

4 But I will comment, though, if you don't
5 mind.

6 So that information is very confidential.

7 I mean, a couple of things, among taxpayers,
8 we're looking at appraisal records. We're looking at
9 the confidential information the taxpayer approaches
10 to us.

11 So, you know, we don't disclose the names of
12 the taxpayers that come to our office. The exception
13 would be like at the August Bill of Rights Hearing,
14 when there are public presenters. They do identify
15 their names when they come before this Board, and so
16 it's attached to the public comments.

17 And, you know, those would be identified.
18 But I do describe for you in a meeting how, you know,
19 we responded to each of those taxpayers.

20 MR. SCHAEFER: If you had a place on the
21 form where the taxpayer could say, I waive my rights
22 of confidentiality, then -- because a lot of
23 taxpayers don't really care. Nobody is going to make
24 a movie out of their issue, you know.

25 MS. COHEN: Okay.

1 Let's see what Mr. Gaines has to say.

2 MR. GAINES: Well, thank you.

3 I want to thank you for this breakdown in
4 this report.

5 Because I was asking for more information in
6 writing that we could have, and you've done that. So
7 I really appreciate that.

8 I also just wanted to comment again about
9 our Bill of Rights Hearing, and the fact you've got a
10 QR code. I just tested it out. It's working. So
11 that's good. So just keep up the good work.

12 And I think I kind of fall on the side, I'd
13 like to even have more information. But I want to be
14 careful with confidentiality, and make sure we're not
15 violating anybody's privacy.

16 So I like what you're doing, and keep it
17 up.

18 MS. THOMPSON: Thank you.

19 MR. GAINES: Thank you.

20 MS. COHEN: Mr. Vazquez.

21 MR. VAZQUEZ: Just a quick question.

22 And once again, thank you for the report. I
23 really appreciate the hard work you and your team
24 have done, especially on the outreach and the
25 educational thing that we've been talking for many

1 years now here since I've been on here. And the fact
2 that we have this coming up.

3 I just had, more of out of curiosity, how
4 many calls or mails that come through your office
5 that I guess are not processed in cases that get,
6 let's say, pitched into maybe the Legal Department or
7 referred to property and tax.

8 Do we know that?

9 MS. THOMPSON: Yeah, we have -- you know, we
10 have calls or contacts from taxpayers that we
11 refer -- redirect, I mean, to a lot of agencies.

12 I mean, we generally, probably, between
13 about 10 a month, you know, that we have that we
14 redirect to other agencies. Those are more with
15 inquiries or contacts we receive through e-mails and
16 things.

17 But we generally, you know, we coordinate
18 with the Property Tax Department if we receive, you
19 know, more of a technical inquiry, technical
20 question. And then we redirect it.

21 So I'll either forward it to management
22 there and ask that they call.

23 Generally, unless -- somebody's answering
24 the phone. My office technician, when she answers
25 the phone, she would tell them that's really a

1 question for the Property Tax Department, and give
2 them the phone number.

3 But what we do if they contact us through
4 e-mail, then I just forward it onto management, and
5 they handle it from there.

6 MR. VAZQUEZ: I appreciate it.

7 Because I know we've sent several requests
8 to your office from our office, and I haven't had
9 anybody complaint coming back. So whatever you're
10 doing seems to be working.

11 MS. THOMPSON: Yeah.

12 And we coordinate with your Chief Deputy
13 when -- after we've assisted the taxpayer, we let
14 your staff know.

15 MR. VAZQUEZ: Thank you.

16 MS. COHEN: Thank you.

17 MR. EPOLITE: Thank you for the continued
18 good work of you and your team.

19 MS. THOMPSON: Thank you.

20 MS. COHEN: All right.

21 Does that conclude your presentation?

22 MS. THOMPSON: It does.

23 MS. COHEN: I appreciate it.

24 Thank you.

25 MS. CICHETTI: Well, we need to go to the

1 public --

2 MS. COHEN: Yes.

3 MS. CICHETTI: -- to see if we have any

4 comments.

5 We have not received any requests for any

6 in-person speaker, and no written comments on this

7 item. But we'd like to go to the AT&T moderator

8 AT&T moderator, please let us know if there

9 is anyone on the line who would like to make a public

10 comment on this item.

11 AT&T MODERATOR: Yes, thank you.

12 If you would, please press one, zero at this

13 time.

14 And currently nobody in queue.

15 MS. COHEN: All right.

16 Thank you very much.

17 MS. CICHETTI: The next item is --

18 MS. COHEN: Just a second, please.

19 MR. SCHAEFER: Madam Chair, I did not at any

20 point indicate she is not doing a good job. I just

21 was wanting to know if we're getting a little more

22 information.

23 MS. COHEN: Understood.

24 MR. SCHAEFER: But I like the work she's

25 doing.

1 MS. COHEN: Understood.

2 Ms. Cichetti, please call the next item.

3

4 **ITEM M1**

5

6 MS. CICHETTI: The next item is M1, Public
7 Policy Hearings, Discussion on Implementation of
8 Prop. 19, the Home Protection for Seniors, Severely
9 Disabled, Families and Victims of Wildfire or Natural
10 Disasters Act of 2020.

11 MS. COHEN: Thank you.

12 Ms. Cichetti, do we have any comments from
13 the public who wish to speak on this item?

14 MS. CICHETTI: I have two items that were
15 received in writing that I'll read into the record,
16 though our procedure is to go out to the public
17 comment first. And then I'll read the items into the
18 record.

19 MS. COHEN: Please.

20 MS. CICHETTI: AT&T moderator, could you let
21 us know if we have anybody on the line who would like
22 to make a public comment on this item.

23 AT&T moderator, could you let us know if
24 there is anyone on the line who would like to make a
25 public comment.

1 I'm going to read the comments into the
2 record.

3 MS. COHEN: Please do.

4 Thank you.

5 MS. CICHETTI: We've received two comments
6 in writing. I'm going to read the first one.

7 M1, Proposition 19 Implementation Comment,
8 first submission from May 2022.

9 Hello. I have a concern about the provision
10 of Prop. 19 that raises the excluded amount prior to
11 a parent's death for heirs that would like to
12 eventually inhabit their parents' home.

13 From what I understand, the excluded amount
14 will adjust each year based on the movement in the
15 house price -- in the House Price Index for
16 California from the prior calendar year.

17 As it's written, every February 16th it will
18 look back at the previous year to adjust the excluded
19 amount.

20 My concern is that this does not begin to
21 happen until February 16th, 2023, which is two years
22 after Prop. 19 law became law.

23 Under this scenario, it will never adjust
24 for 2021, since it only looks back one year.

25 2021 was a significant year for price

1 appreciation in California. If I'm viewing the
2 correct report, it states that the House Price Index
3 for California rose 19.62 percent in 2021, which I
4 believe was a record increase.

5 In real terms, this could have raised an
6 excluded amount from one million to almost
7 1.2 million in just the first year, while saving
8 property taxpayers almost \$2,000 per year in the
9 future after their parents' death, if they move into
10 the family home.

11 While this may not seem like a significant
12 amount for some people, for lower-income people, I
13 would assume that this amount could be the difference
14 between hanging onto the generational home versus
15 being taxed out of it.

16 Instead of receiving a larger excluded
17 amount, they will simply have to pay property taxes
18 on an extra 19.62 percent in value.

19 As it stands, not only are families being
20 hit with the surprise of Prop. 19, but also missing
21 out on a rather significant hike on the excluded
22 amount due to the way Prop. 19 was written.

23 My first question is, am I reading this
24 correctly?

25 My second question is, was this Prop. 19's

1 intent?

2 It's hard to believe that the intent was for
3 the taxpayers to have the potential exposure to the
4 burden of Prop. 19 for 10-and-a-half months, 2021.

5 But at the same time, not have the potential
6 to benefit from the potentially high excluded amount
7 for the entire year.

8 My third question is, could this potentially
9 be amended?

10 Prop. 19 has blindsided a lot of people that
11 may have a home in their family, but not the income
12 that Prop. 19 will require to remain in the home
13 after the home is transferred from the parent to
14 child.

15 We can use all the help we can get if some
16 sort of amendment is justifiable and possible.

17 The question I ask above is referenced from
18 this statement contained in a BOE document.

19 One, on February 16th, 2023, and every other
20 February 16th, thereafter, the \$1 million amount
21 described in subdivision C1(b) of this rule shall be
22 adjusted by the same percent change in the House
23 Price Index for California for the prior calendar
24 year, as determined by the Federal Housing Finance
25 Agency.

1 I found the above-referenced comments in
2 this BOE document,
3 <http://www.boe.ca.gov/proptaxes/pdf/lta21054.pdf>.

4 Last, I have found one resulting positive
5 form Prop. 19. I now know about the BOE and the
6 Board's function. I can tell you all how assured I
7 am to know that this body exists.

8 Thank you for everything that you do.

9 Sincerely, Vaughn McGuire.

10 MS. COHEN: I have a quick question.

11 Ms. Stowers, directing it towards you.

12 Would it be appropriate to ask Mr. Yeung to
13 write or call this commenter back to answer the three
14 questions that she's laid out?

15 MS. STOWERS: Yes, we have the
16 information.

17 MS. COHEN: I believe Ms. Cichetti does have
18 the contact information.

19 Just to answer -- Mr. Yeung, are you there?

20 Mr. Yeung, if you don't mind.

21 It sounds like it would be pretty easy and
22 straightforward. The answers to the questions that
23 she's proposing are pretty standard, spelled out in
24 the legislation, as well as information on the
25 website about the implementation, how it came about,

1 and what was the intent.

2 And please direct it to her elected
3 representative in the Legislature.

4 Is there another one?

5 MS. CICHETTI: Yes, there is.

6 M1, Proposition 19 Implementation, second
7 submission from May 2022.

8 Hello. Last month I submitted a letter that
9 stated my concerns as it relates to a small-property
10 landlords that face large reassessments in areas like
11 San Francisco after our parents' death as the result
12 of Prop. 19.

13 The concern was that heirs will be taxed at
14 current levels after their parents' death, while
15 they're respective long-term tenants are paying rents
16 that look more like 2005 as a result of a stringent
17 rent control.

18 We have had the same tenants for 27 years
19 that pay roughly 50 percent market rate rent due to
20 the effect of long-term rent control in SF. However,
21 I still face a large reassessment after my mother's
22 death.

23 This scenario has already started to upend
24 pre-1986 units in San Francisco that are covered
25 under stringent rent control.

1 Not only are the heirs being taxed out of
2 business in units that have long-term low-rent
3 tenants, but the tenants are being displaced as well
4 after the point of sale.

5 Realtors have told me that the tenants are
6 losing their low-rent housing due to owner move-in
7 evictions, and potentially even Ellis Acts.

8 The Board suggested that I contact my local
9 assessor and ask why I stand to be re-assessed in the
10 future after my mother's death, since we are
11 providing affordable housing for our tenants.

12 I did this. The answer that I received is
13 that our family duplex is not coded specifically to
14 be for affordable housing, and that the low rents are
15 simply the result of the SF Rent Board only allowing
16 for small annual rental increases over a long period
17 of time.

18 The person I spoke with in the assessor's
19 office actually suggested that I reach back out to
20 the Board with an additional question, the question
21 being, how is it legal for the SF Rent Board to not
22 allow me to raise my rents after my mother's passing
23 to offset materially higher operating costs, such as
24 a large property tax reassessment?

25 She explained that an ordinance was passed

1 in SF a few years ago that prevented rent hikes due
2 to a property tax reassessment. But this was done to
3 combat new purchases of rental properties from
4 raising rents when they knowingly bought a building
5 with lower rents.

6 To contrast this, the SF Rent Board is
7 treating heirs in the same way that they were new
8 purchases of rental properties.

9 The difference being that the heirs didn't
10 knowingly enter an agreement where they were paying
11 2022 property tax rates while receiving very low
12 rents.

13 No sane person would enter in the situation
14 that some small property owners are finding
15 themselves in after their parents' death, and yet the
16 Rent Board isn't allowing them to respond to it.

17 Put differently, the SF Rent Board is
18 treating the deliberate decision of a new investor in
19 the same as they are death, which is involuntary.

20 My first question is, legally speaking, is
21 the issue I'm raising credible?

22 My second question is, is it within your
23 jurisdiction to help with something like this?

24 While I'm not excited about raising anyone's
25 rent, if I'm not allowed to share some of the burden

1 with our tenants after my mother's passing, our
2 tenants will likely be displaced after I'm taxed out.

3 For further context, I was born permanently
4 disabled, and am a renter myself. The only reason my
5 mother, 89 years old, retired nurse, ever bought this
6 property was to create an income stream for her
7 disabled son, me.

8 Last, I reached out to the SF Rent Board,
9 two city supervisors, and the mayor's office. I've
10 concluded that the city is not interested in
11 addressing the concerns that I'm raising, and that
12 any change would likely have to come from a higher
13 body, such as the Board.

14 I now understand why the assessor's office
15 suggested I bring this up directly with you.

16 Sincerely, Vaughn McGuire.

17 And that concludes the two comments that we
18 received.

19 MS. COHEN: Mr. Vaughn McGuire raises
20 several -- several challenges. Not only with the
21 legislation, raises challenges within what it's like
22 to be a small property owner in the city and county
23 of San Francisco to deal with the San Francisco Rent
24 Board.

25 Sounds like Mr. Vaughn is definitely caught

1 up in the political push/pull of the ideological
2 battle that happened in San Francisco. And,
3 unfortunately, there is no quick, easy, short, simple
4 answer or remedy to the challenge.

5 And it's also multijurisdictional approach
6 to even begin to have the discussion.

7 I would ask that you pass along the contact
8 information of Mr. Vaughn to my senior tax counsel,
9 Mr. John Thiella, so that we can begin to speak to
10 Mr. Vaughn, and have a conversation about the
11 political reality, as well as the policy reality that
12 we are all living with.

13 Are there any other comments or anything?

14 MS. CICHETTI: No other written comments
15 received.

16 MS. COHEN: Okay. Thank you very much.

17 Is there anything else on this agenda?

18 MS. CICHETTI: We have the next item.

19 MS. COHEN: Please.

20 MR. GAINES: Can I comment?

21 MS. COHEN: Oh, yes. Please.

22 I'm sorry, I didn't see your hand.

23 MR. GAINES: Yeah. Thank you.

24 I just -- in my view, speaks to why Prop. 19
25 needs to be fixed. And Howard Jarvis Taxpayers

1 Association was working toward that end. So I'm
2 hoping that they'll continue to reverse the death tax
3 that was implemented.

4 We wouldn't have received this letter if it
5 weren't for the passage of Prop. 19. And now we're
6 dealing with, I've heard, upwards of 40,000 cases a
7 year of families having a parent or grandparent pass
8 away, and creating all sorts of havoc in a variety of
9 different ways.

10 I think this is a prime example. But I've
11 heard many others from constituents in my district
12 about -- I heard one from a constituent who was a
13 real estate agent who was against Prop. 19.

14 And he said that they had a family parcel.
15 And they're trying to figure out what to do with it
16 now, because they know that it's going to be
17 reassessed, and the family won't be able to hang onto
18 it.

19 It's just like open space. It doesn't have
20 an ag use. But you're seeing a lot of cases,
21 situations where it's going to be a forced sale of
22 property that can create all sorts of problems for
23 the family, and especially those who -- you know, if
24 you look at the economic spectrum, those who were
25 pulling out of being poor and striving to get to the

1 middle class, and they finally paid off their house,
2 and they wanted to pass that on. It's a real
3 tragedy.

4 So I'm just hoping we can continue to
5 discuss it here on the Board, and look for
6 opportunities to resolve it.

7 MS. COHEN: Absolutely.

8 We will continue to discuss it.

9 Let's make sure that we keep a record.
10 Let's keep collecting all of this public comment.
11 Because I think it just strengthens the argument that
12 one might need to reevaluate what Prop. 19 is and
13 does.

14 And I'm going to ask that Mr. Thiella in my
15 office, that we make sure we pass on that letter to
16 Senator Wiener and Assemblyman Haney, so they know
17 what their constituents -- the challenges that their
18 constituents are feeling.

19 Also we might want to add to send a copy to
20 Senator Hertzberg, too.

21 MR. VAZQUEZ: We should.

22 And along those lines, I think what
23 Member Gaines just mentioned, I happened to be up
24 here last week. And the realtors have their big
25 convention up here. And I made it a point to run

1 into a few of them.

2 And I asked them, I said, were you --
3 because they were big supporters of this. I said,
4 "Were you aware of what this implication is?" And
5 several of them said, "What we passed and supported
6 at the very beginning was not the finished product."

7 MR. GAINES: Yeah.

8 MR. VAZQUEZ: You know, they weren't -- I
9 don't know what the early language was, but it wasn't
10 to penalize intergenerational wealth.

11 And it's definitely not just one home that
12 you can pass on. Because they said several of them
13 have -- a lot of these realtors have three or four
14 homes that they were hoping to pass onto their kids.
15 And now they're not going to be able to do it.

16 And they were just kind of surprised that
17 the finished product turned out the way it did.

18 And I said, well, you know, from what I
19 understand, our good Senator Hertzberg, just kind of,
20 you know, at the end of the day -- well, you probably
21 know this better, Senator, as they're trying to get
22 the votes to get it out of the floor, they're cutting
23 these deals. And at the end of the day, it just took
24 a whole different turn.

25 MS. CICHETTI: I'm going to try to go out to

1 public comment again. We had an issue with the AT&T
2 moderator before.

3 MS. COHEN: Okay. Sounds good.

4 MS. CICHETTI: AT&T moderator, can you let
5 us know if there's anyone on the line who would like
6 to make a public comment on this item.

7 AT&T MODERATOR: Certainly.

8 Thank you.

9 Again, ladies and gentlemen, please press
10 one, and then zero at this time.

11 And we do have one.

12 Give me just a moment here.

13 Again, it's one, zero.

14 If you hit one, zero a second time -- here
15 we go.

16 Give us a moment here.

17 As soon as I get a name, I'll be able to
18 open the line.

19 And we can go to the line of Vaughn McGuire.

20 Please go ahead.

21 MR. MCGUIRE: Hey there.

22 Vaughn McGuire.

23 I just wanted to thank you for all that you
24 guys do. It's very much appreciated.

25 Congratulations to the one young lady who is

1 about to retire.

2 And, also, this is a little out of turn, so
3 I hope you don't mind me mentioning it, but
4 Howard Jarvis did get 40 percent of the needed
5 signatures. Which is great for the first time out.
6 So they got over the 25 percent hurdle to have the
7 hearing.

8 However, the -- once it was realized it will
9 never be on the ballot, apparently the Legislatures
10 don't have to allow them to actually have the
11 hearing.

12 So anyway, I heard you guys talking about
13 that earlier.

14 So, again, thank you for everything.

15 MS. COHEN: Okay.

16 Thank you for your comment.

17 Is there anything else you wanted to add on
18 the record, Mr. McGuire?

19 AT&T MODERATOR: Give me a second here. I
20 released his line. I'm going to get it back here.

21 Mr. McGuire, your line is open.

22 MR. MCGUIRE: Yeah.

23 If you guys do want more public comments, I
24 know a lot of people affected by Prop. 19.

25 Is this the right place to air those

1 concerns though?

2 I'm not sure that I should even be sending
3 you these letters.

4 MS. COHEN: Yes, it's one of -- it's one of
5 several places where you can share your grievances
6 with us.

7 MR. MCGUIRE: Okay. Okay.

8 Well, thanks again. I appreciate it.

9 MS. COHEN: All right. Thank you.
10 We received your feedback.
11 Thank you.

12 Are there any other --

13 MS. CICHETTI: A couple more items.

14 MS. COHEN: I know there are more items.
15 Are there any more comments or feedback?

16 MS. CICHETTI: No.

17 MS. COHEN: Okay. Thank you.

18 Let's keep moving forward.

19

20 **ITEM M2a**

21

22 MS. CICHETTI: The next item is M2a,
23 Public Policy Hearing; Impact of Public Calamities on
24 Property Tax Administration: County Boards of
25 Equalization/Assessment Appeals Boards (AAB) Remote

1 Hearings; follow-up on nonconsensus items needing
2 additional guidance regarding remote AAB hearings.

3 There are no staff reports or external
4 speakers for this agenda item for this month's
5 meeting; however, persons who wish to address the
6 Board on this topic as a public comment may do so.

7 MS. COHEN: Okay. Let's see, are there
8 any -- are there any comments from the public who
9 wish to speak on this item?

10 MS. CICHETTI: We have not received any
11 written -- we have not received a request to present
12 anything in person, and we have not received a
13 written comment.

14 But I will go to the AT&T moderator.

15 MS. COHEN: Thank you.

16 MS. CICHETTI: AT&T moderator, please let us
17 know if there is anyone on the line who would like to
18 make a public comment regarding this matter.

19 AT&T MODERATOR: Thank you.

20 And please press one, zero if you would.

21 Again, it's one, zero.

22 And currently none in queue.

23 MS. COHEN: Great.

24 If there are no further comments -- if there
25 are no further comments from anyone, we'll close this

1 Public Policy Hearing.

2 Ms. Cichetti, please call the next item.

3

4 **ITEM N**

5

6 MS. CICHETTI: Next item is N, Public
7 Comments on Matters Not on the Agenda: Persons who
8 wish to address the Board of Equalization regarding
9 items not on the agenda.

10 Please note that the Board cannot take
11 action on items not on the agenda; however, the Board
12 can schedule issues raised by the public for
13 consideration at future meetings.

14 MS. COHEN: Ms. Cichetti, do we have any
15 public comments on this?

16 MS. CICHETTI: We have not received any
17 request for any in-person speaking, and no written
18 comments. But we'll go to the AT&T moderator.

19 AT&T moderator, please let us know if there
20 is anyone on the line who would like to make a public
21 comment on the item.

22 AT&T MODERATOR: Please press one, then zero
23 at this time.

24 And currently nobody in queue.

25 MS. COHEN: All right. Thank you.

1 Well, Ms. Cichetti and Members and staff, it
2 appears that we are at the final end of our agenda.

3 Colleagues, do you have any final remarks
4 for the day?

5 Mr. Vazquez.

6 MR. VAZQUEZ: First, I'd just like to
7 welcome our new Member from the Controller's office.

8 I guess you were already briefly introduced.
9 But I understand that you have some
10 specialties, especially in the area of the property
11 taxes.

12 So I really welcome you on board, and
13 looking forward to having some interaction. And
14 hopefully some of your thoughts and ideas as we're
15 reshaping our Board, and, you know, where we'd like
16 to see the BOE go in terms of the next level.

17 So welcome.

18 MR. EPOLITE: Thank you, Member.

19 And I look forward to working with all of
20 you over the next several months.

21 So thank you.

22 MS. COHEN: Any parting comments?

23 Mr. Vaz -- I mean, Mr. Gaines.

24 MR. GAINES: Yeah, if I could.

25 I just wanted to see if we could adjourn in

1 memory of Frank Lettini.

2 I went to his funeral yesterday, and he
3 lived the American dream. He immigrated from Italy.
4 An interesting story. He was a young child in the
5 late 1930s, and through World War II, living in
6 Italy.

7 And he was amongst a group of friends, they
8 were all five and six years old, and one of the
9 children picked up a hand grenade and pulled the pin,
10 and it killed that child that actually had the hand
11 grenade.

12 And Frank was there in that group. And he
13 was rushed off by a GI. And all of his injuries were
14 sewn up, and he survived, immigrated to the U.S.,
15 became a mechanic.

16 And then went on to join the Army, where
17 he's also a mechanic and got better training.

18 Then worked for the Niello auto dealer here
19 in town. They've been around for a long time. And
20 then broke away and started his own business.

21 Got married, had a couple of children. His
22 son now runs that business, Frank's Automotive.

23 But it was just a beautiful story about him
24 and his pathway to come to America. And being a
25 productive small business owner right here in

1 Sacramento.

2 So thank you.

3 MS. COHEN: Fantastic.

4 Thank you for sharing us that story.

5 Mr. Vazquez.

6 MR. VAZQUEZ: Just in closing, as we're
7 coming to an end today, just wanted to -- this
8 weekend is the observance of Memorial Day.

9 And just wanted to put a little shout out to
10 all the veterans, and to thank all those that fought
11 in these wars in our -- to actually protect our
12 freedom, right?

13 And hopefully everybody has a safe Memorial
14 weekend. But also to think of those individuals,
15 both men and women, that have, over the years, have
16 fought many wars to protect our freedom.

17 MS. COHEN: Great.

18 Ms. Stowers.

19 MS. STOWERS: Thank you, Chair.

20 Just a quick comment.

21 Happy anniversary.

22 MS. COHEN: Thank you.

23 MS. STOWERS: And many, many, many more
24 years of love to come.

25 MS. COHEN: I appreciate that. Thank you.

1 I appreciate that.

2 We celebrated our anniversary over the
3 weekend.

4 MR. VAZQUEZ: Congrats. Congrats.

5 MS. COHEN: Okay.

6 MR. SCHAEFER: I had something to say.

7 MS. COHEN: Okay.

8 MR. SCHAEFER: You know, I don't want to be
9 the unhappy Member. Because I am a happy person.

10 But I see on my list of documents here to
11 read is the Utility Value Setting workbook. But it
12 says confidential. That means that I can't talk
13 about it here, and I certainly can't talk about it
14 off camera.

15 Because Henry says if I'm -- more than two
16 of us are in the same room, we can't talk, you
17 know.

18 But I ask a couple simple questions. And
19 where do I say it?

20 Like on page 1 here --

21 MS. COHEN: Sir, sir, sir, we've kind of
22 passed that agenda item.

23 Why don't -- why don't we ask Henry whether
24 you and Henry can circle up after the meeting to --
25 to raise this issue.

1 MR. SCHAEFER: Did we --

2 MR. NANJO: Chair Cohen, if I could assist.

3 Member Schaefer, what I would suggest is if
4 you want to maybe schedule a conference call between
5 Jack McCool and a representative of Legal or myself,
6 we're more than happy to kind of walk you through it
7 and talk about any questions you may have.

8 MR. SCHAEFER: Well, I'm curious here that
9 there's a value to be -- that's Board-adopted, and
10 it's blank.

11 If it's been Board-adopted, are we adopting
12 it today? Did we?

13 I'm not aware that we did.

14 MR. NANJO: Yes, you adopted it earlier in
15 the meeting.

16 MS. COHEN: And we already covered that on
17 the agenda, so we're not able to go back and open it
18 up. And just want to be mindful of that.

19 MR. SCHAEFER: We have \$11 million penalty
20 on Life Energy, whoever that is.

21 MR. NANJO: So on individual --

22 MR. SCHAEFER: Did we ever discuss that? Or
23 is it any of our business?

24 MR. NANJO: Individual items, I would
25 recommend you talking to Jack or myself about it.

1 We will be more than happy to answer any
2 questions you have.

3 MS. COHEN: Thank you.

4 We will now adjourn.

5 It's 3:00 o'clock.

6 The next meeting will be scheduled for
7 June 28th and the 29th.

8 Thank you.

9 Thank you, everyone, for your service today.

10 MR. GAINES: Thank you, Malia.

11 (Whereupon the meeting concluded.)

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3 REPORTER'S CERTIFICATE
4

5 State of California)
6) ss
7 County of Sacramento)
8

9 I, Jillian Sumner, Hearing Reporter for
10 the California State Board of Equalization, certify
11 that on May 24, 2022, I recorded verbatim, in
12 shorthand, to the best of my ability, the
13 proceedings in the above-entitled hearing; that I
14 transcribed the shorthand writing into typewriting;
15 and that the preceding pages 1 through 223 constitute
16 a complete and accurate transcription of
17 the shorthand writing.
18

19 Dated: June 16, 2022
20

21 
22 -----
23 JILLIAN SUMNER, CSR #13619
24 Hearing Reporter
25