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No. 2018/012

February 9, 2018

TO COUNTY ASSESSORS:

MULTICOUNTY ASSESSMENT APPEALS BOARD

Section 16 of article XIII of the California Constitution establishes in each county an independent body to hear property assessment related disputes between the county assessor and property taxpayers, commonly referred to as the appeals board. Either the county board of supervisors performs this duty directly meeting as the "county board of equalization" or the county creates a separate "assessment appeals board" with members of the board of supervisors appointing persons to serve. In 17 counties, the boards of supervisors serve as the appeals board. In the remaining counties, the county board of supervisors appoints persons to serve.

Effective January 1, 2018, county boards of supervisors of two or more counties may enter into an agreement to establish a multijurisdictional assessment appeals board to equalize the valuation of taxable property within each participating county. To implement these provisions, Senate Bill 447 (Stats. 2017, ch. 132) adds sections 1750 – 1756 to the Revenue and Taxation Code¹ (copy enclosed). These provisions are effective until January 1, 2028, unless the Legislature extends this deadline.

Establishment

A multicounty assessment appeals board is established by the enactment of an ordinance by each participating county. The ordinance must be operative for at least four years. While a multicounty assessment appeals board exists, the county board of supervisors of a participating county cannot operate as a county board of equalization.

Organization

A multicounty assessment appeals board must have a minimum of three members, comprised of at least one appointed representative from each participating county. The board of supervisors of each participating county appoints one or more representatives to serve as either members or alternates. The lengths of the members' terms must be staggered so that no more than two members' terms expire at the same time.

Members must have at least five years of professional experience in California as a CPA or public accountant, licensed real estate broker, attorney, or property appraiser accredited by either a nationally recognized professional organization or the Office of Real Estate Appraisers, or a

¹ All statutory references are to the Revenue and Taxation Code, unless otherwise provided.

person may be appointed if the nominating member of the board of supervisors has reason to believe the person possesses competent property appraisal and taxation knowledge.² Elected members of the boards of supervisors are ineligible to serve. Former assessor's office employees cannot serve within three years after leaving employment with the assessor's office.³

The training requirements that apply to single-county appeals board members apply to multicounty assessment appeals board members.⁴ All new members must complete a training course prior to the commencement of his or her term on the board or as soon as reasonably possible within one year thereafter. The training includes an overview of the assessment process, elements in the conduct of assessment appeal hearings, and important developments in case and statutory law and administrative rules. The training course will be conducted by either the State Board of Equalization or by the county at the county's option.

A member of an assessment appeals board who does not timely complete the required training shall complete that training within 60 days of the date of the notice by the clerk advising the member that his or her failure to complete the training constitutes resignation by operation of law. If the member fails to comply within 60 days of the notice by the clerk, the member shall be deemed to have resigned his or her position on the board. A board member may continue to retain his or her position on the board in order to complete all appeal hearings to which the member is assigned and that commenced prior to the date of resignation.

A participating county may remove its appointed representative for cause by enactment of a resolution, adopted by a majority vote of the board of supervisors.

Hearings

The participating counties may adopt a set of rules and regulations for the multicounty assessment appeals board. If the participating counties do not adopt a set of rules and regulations, the appeals board must operate according to Property Tax Rules 301 – 326,⁵ as those rules read on January 1, 2017.

Assessment appeal applications are filed with the clerk of the county board of supervisors where the property is located. The county clerk of the county where the appeal originated is the lead clerk for purposes of scheduling a hearing on an appeal before the multicounty assessment board and coordinating with the county clerks of each participating county, unless the participating counties appoint a single county clerk to serve as the lead clerk for the multicounty assessment appeals board.

Any legal action filed by an assessee or the county assessor challenging the multicounty assessment appeals board's decision must be filed in the superior court where the property that is the subject of the appeal is located.

² Sections 1624 and 1753.1(c).

³ Section 1624.1.

⁴ Sections 1624.01, 1624.02, and 1753.1(c).

⁵ California Code of Regulations, title 18, division 1, chapter 3, article 1.

Admission and Withdrawal

A county may be added as a participating county by enactment of a resolution by a majority of the current participating counties and the subsequent enactment of an ordinance by the new participating county.

A participating county may withdraw from the multicounty assessment appeals board by enactment of an ordinance terminating its membership. A county seeking to withdraw from the multicounty assessment appeals board must provide, by resolution, two years' advance notice to the participating counties to allow for the disposal of all matters scheduled or pending before the board. Any matters filed before the two-year notice period ends that have not been heard and decided on the effective date of the termination shall automatically be referred to and be heard for final determination by the local board of equalization or successor board in the county from which the appeal was filed.

If you have any questions regarding multicounty assessment appeals boards, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David Yeung

David Yeung, Chief
County-Assessed Properties Division
Property Tax Department

DY:gs
Enclosure

Chapter 1.5 of Part 3 of Division 1 of the Revenue and Taxation Code, as added by Senate Bill 447 (Stats. 2017, ch. 132), effective January 1, 2018:

Article 1. Findings and Declarations

1750. The Legislature finds and declares all of the following:

(a) Section 16 of Article XIII of the California Constitution provides that the county board of supervisors, or one or more assessment appeals boards created by the county board of supervisors, constitutes the county board of equalization for a county.

(b) However, two or more county boards of supervisors may, under Section 16, jointly create one or more assessment appeals boards to serve as the county board of equalization for each of the participating counties.

(c) Section 16 additionally requires the Legislature to provide for the procedure by which two or more county boards of supervisors may jointly create one or more assessment appeals boards.

Article 2. Definitions

1751. For the purposes of this chapter, the following definitions shall apply:

(a) "Multijurisdictional assessment appeals board" or "board" means a board established by two or more counties pursuant to this chapter meeting as an assessment appeals board on behalf of the participating counties.

(b) "Participating county" means a county that has entered into an agreement, by enactment of an ordinance pursuant to Section 1752.1, to create a multijurisdictional assessment appeals board for the purpose of equalizing the valuation of assessed property.

Article 3. Establishment and Procedure

1752. (a) The boards of supervisors of two or more counties may establish a multijurisdictional assessment appeals board pursuant to this chapter to equalize the valuation of taxable property within each participating county.

(b) A board of supervisors of a participating county, or any assessment appeals board created by a board of supervisors of a participating county, shall not constitute the county board of equalization during the period in which a multijurisdictional assessment appeals board exists pursuant to this chapter.

1752.1. A multijurisdictional assessment appeals board shall be established by enactment of an ordinance, which shall be operative for not less than four years, by each participating county.

1752.2. The participating counties may adopt a set of rules and regulations for the multijurisdictional assessment appeals board. If the participating counties do not adopt a set of rules and regulations, the board shall operate pursuant to Article 1 (commencing with Section 301) of Chapter 3 of Division 1 of Title 18 of the California Code of Regulations, as those provisions read on January 1, 2017.

1752.3. Unless otherwise specified in this chapter, the multijurisdictional assessment appeals board shall operate in accordance with Article 1 (commencing with Section 1601), Article 1.5 (commencing with Section 1620), Article 1.7 (commencing with Section 1636), and Article 1.9 (commencing with Section 1642) of Chapter 1, as those provisions relate to the functions of assessment appeals boards.

Article 4. Organization

1753. The multijurisdictional assessment appeals board shall include a minimum of three members, comprised of at least one appointed representative from each participating county. The board of supervisors of each participating county shall appoint one or more representatives to serve on the multijurisdictional assessment appeals board as either members or alternates.

1753.1. (a) A member of the multijurisdictional assessment appeals board shall serve for a term determined by the participating counties, subject to subdivision (b).

(b) The lengths of the terms of members of the multijurisdictional assessment appeals board shall be structured so that not more than two members' terms expire concurrently.

(c) Members of the multijurisdictional assessment appeals board shall meet all eligibility requirements set forth in Section 1624 and all training requirements set forth in Sections 1624.01 and 1624.02, as those sections read on January 1, 2017.

(d) A participating county may remove its appointed representative for cause by enactment of a resolution, adopted by a majority vote of the board of supervisors.

1753.2. Members of the board of supervisors are ineligible to serve as members or alternates to the multijurisdictional assessment appeals board.

1753.3. Any legal action filed by the county assessor or an assessee challenging the board's determination shall be filed in the superior court with jurisdiction where the property that is the subject of the appeal is located.

Article 5. Lead Clerk

1754. (a) The county clerk of the county where the appeal originated shall be designated as the lead clerk for the purposes of scheduling a hearing on an appeal before the board and coordinating with the county clerks of each participating county, unless the participating counties appoint a single county clerk to serve as the lead clerk for the multijurisdictional assessment appeals board.

(b) If the participating counties appoint a single county clerk to serve as the lead clerk for the multijurisdictional assessment appeals board, the agreement between the participating counties shall provide for the allocation of costs and reimbursements associated with the activities of the board among the participating counties.

Article 6. Admission and Withdrawal

1755. A county may be added as a participating county by enactment of a resolution by a majority of the current participating counties and subsequent enactment of an ordinance by the new participating county.

1755.1. (a) A participating county may withdraw from the multijurisdictional assessment appeals board by enactment of an ordinance terminating its membership.

(b) A participating county seeking to withdraw from the multijurisdictional assessment appeals board shall, by resolution, provide two years' advance notice to the participating counties prior to withdrawal to allow for the disposal of all matters scheduled or pending before the board. Any matters filed before the two-year notice period ends that have not been heard and decided on the effective date of the termination shall automatically be referred to and be heard for final determination by the local board of equalization or successor board in the county from which the appeal was filed.

Article 7. Repeal Date

1756. This chapter shall remain in effect only until January 1, 2028, and as of that date is repealed.