



September 6, 2013

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Board of Equalization
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Transmitted via e-mail at joann.richmond@boe.ca.gov

Ms. Richmond,

Property Tax Rule 474, *Petroleum Refining Properties*, is on the State Board of Equalization's agenda (Item J1) for September 10 as an action item. Board staff will be requesting approval from the Board to repeal and initiate the rulemaking process to readopt Rule 474. On August 5, 2013, the California Supreme Court held in *WSPA v. BOE* that Rule 474 is invalid.

CalTax respectfully requests that the Board deny the request to initiate the rulemaking process, and, instead refer the item to an interested parties' process.

CalTax wishes to ensure that Board staff provide an adequate assessment of Rule 474's economic impact during the formal rulemaking process; and to ensure that the staff make a reasoned estimate of all cost impacts of the rule on affected parties. This would include addressing the need for evidence from assessors showing that refineries, including fixtures, are commonly sold in the marketplace as a unit. Therefore, to address these issues, CalTax believes that one of the first steps should be a meeting with interested parties.

Thank you for disseminating this letter to the board members, executive director and chief counsel.

Sincerely,

President, California Taxpayers Association

cc: The Honorable Jerome Horton, Chair
The Honorable Michelle Steel, Vice Chair
The Honorable Betty Yee, Member
The Honorable George Runner, Member
The Honorable John Chiang, State Controller
Marcy Jo Mandel, Deputy State Controller
Cynthia Bridges, Executive Director
Randy Ferris, Chief Counsel