

Tuesday, October 11, 2016

The Board met at the Monterey Plaza Hotel and Spa, Cypress Ballroom, 400 Cannery Row, Monterey, at 1:41 p.m., with Ms. Ma, Chairwoman, and Ms. Harkey, Vice Chair, present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code section 7.9. Mr. Saba Shatara was present and observing on behalf of Mr. Horton.

ANNUAL BOARD MEETING WITH COUNTY ASSESSORS

Ms. Ma opened the annual meeting of the Board and county assessors required under section 15607 of the Government Code to discuss administrative issues related to assessment and taxation laws and to promote uniformity in tax procedural matters throughout the State of California. Ms. Ma thanked the California Assessors' Association (CAA) Planning Committee and others for putting together the meeting, and welcomed everyone in attendance.

Greetings and Introductory Remarks by each Board Member

Ms. Ma stated that last year, she and Ms. Harkey had good breakout sessions with their county assessors, and they wish to continue the dialogue this year. They received the county assessors' feedback on potential changes to the county assessors' manual and legislation. She stated that David Yeung, Chief, County-Assessed Properties Division, Property Tax Department, will be working on those changes to make the county assessors' jobs easier. Ms. Ma stated that as BOE Chairwoman, she welcomes questions regarding the status quo, rather than doing things the same as they have been done in the past, to improve the BOE moving forward.

Ms. Harkey thanked everyone for their attendance. She made complementary remarks regarding Ms. Ma's leadership as BOE Chairwoman and the improvements she and Ms. Ma, as well as the other Members, have made to the process of the agenda, Board meetings, and the new executive team, which was hired almost immediately. She discussed other areas for possible improvements for the county assessors: policies and procedures in the audit area, appeals process, etc. Ms. Harkey stated that it was a pleasure to meet with the county assessors and that she looks forward to continuing her work with them.

Mr. Shatara, Tax Counsel, Third District Board Member's Office, stated that Mr. Horton is a fan of the Board/Assessors' meetings, and on his behalf extended Mr. Horton's apologies for missing it this year. He noted that this is the first Board/Assessors' meeting Mr. Horton missed in seven years. He thanked Kristen Spears, President, CAA, for organizing the meeting. Mr. Shatara shared Mr. Horton's extreme interest in helping county assessors accomplish their goals within their respective counties, as well as ensuring uniformity in tax assessments throughout the state. He encouraged county assessors to engage his office early and often, to file ideas and thoughts on the regulatory process, and to see his office as a resource. Mr. Shatara extended Mr. Horton's feelings that these are extraordinary times and discussed some concepts that Mr. Horton is studying for possible solutions.

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Ms. Stowers conveyed greetings from State Controller Betty T. Yee. She stated that, in addition to paying the state's bills, Ms. Yee is championing the need for comprehensive tax reform. On behalf of Ms. Yee, Ms. Stowers encouraged county assessors to consider California's outdated tax structure, and encouraged everyone to focus on a stable revenue source, the ability for local jurisdictions to control and raise revenue, a tax structure that will encourage business growth and help those who are in most need. She discussed a report from the Controller's meeting with the council of economic advisors, and encouraged everyone to take part in restructuring California's tax system.

Ms. Ma stated for the record that Michele C. Brown, Tax Counsel, First District Board Member's Office, is present and will be participating in the breakout sessions on behalf of Mr. Runner. Ms. Ma introduced David Gau, who was recently appointed to the position of Executive Director by the Board, effective April 1, 2016. She recognized her staff in attendance and thanked the county assessors for their service.

Assessors Address Conferees

Honorable Kristen Spears, President, CAA, and Placer County Assessor, welcomed Board Members, county assessors and other attendees to Monterey. She discussed her goal to improve communication in 2016, as well as some of her accomplishments: improvements to the CAA website, increased communication, information sharing among CAA members, and information sharing between CAA and Board Members, including assessment procedures and laws for the public good. Ms. Spears shared that the county assessors value the breakout sessions with Board Members and county assessors, and applauded the Board for expanding those sessions this year. Ms. Spears expressed her appreciation to the Board Members for their willingness to meet and engage the county assessors, and for supporting the outstanding contributions of BOE staff members, who are appreciated by county assessors for their countless hours of cooperative work.

Honorable Richard N. Benson, President-Elect, CAA, and Marin County Assessor/Recorder/Clerk, stated that he is honored and humbled to be here. Mr. Benson made favorable remarks regarding his 30 years with CAA, his experiences with the Board Members and BOE staff, and he noted their dedication, commitment and professionalism. He discussed the principles that guide the Board Members, BOE staff and county assessors alike: equal taxation, uniformity and equalization. He discussed new opportunities and challenges: succession planning and stewardship, the loss of institutional knowledge and experience, the need to capitalize on training, knowledge transfer, development of tools, and to provide resources that will leave no county behind. He also discussed the coming years' issues of uncertainty that he believes will be more significant than in previous years: health, life expectancy and Proposition 13. Mr. Benson stated that he looks forward to a robust collaboration and dialogue, and he recommended capturing the institutional knowledge of common resources of the BOE and county assessors.

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Honorable Leslie Morgan, Chair, Education Committee, CAA, and Shasta County Assessor/Recorder, discussed the Education Committee's enhancement, which highlighted the need for continual education for all staff in the ever-changing world; and, the creation of the audit exam. She discussed the success of the integrated training certification and tracking system, noting that staff was able to address the needs of the smaller counties, as well as the larger counties. Ms. Morgan provided statistics relative to roundtable sessions that are presenting a more uniform training process throughout the state. She made complementary remarks regarding California Assessors' Administrative Services Association (CAASA), and the support she received as Chair of the Education Committee for CAA.

Honorable Don Gaekle, Chair, Standards Committee, CAA, and Stanislaus County Assessor, made complementary remarks regarding Leslie K. Davis, Calaveras County Assessor, and the introduction she provided him relative to the duties of Standards Committee Chair. He acknowledged BOE Property Tax Department staff: Dean Kinnee, Deputy Director, David Yeung, Chief, and Sherrie Kinkle, Supervisor, County-Assessed Properties Division. He acknowledged the good work of the standards subcommittees' assessor liaisons. He thanked all of the subcommittees and added a special thanks to the Exemptions Committee for its work on legislation. He discussed the work that resulted from recent court cases: *Jewish Community Centers Development Corporation v. County of Los Angeles* (2016) (243 Cal.App.4th 700) regarding the welfare claim process; *Jon Virgil Ellis v. County of Calaveras* (2016) (245 Cal.App.4th 64) regarding base year value and percent complete construction on lien date; and, *Seibold v. County of Los Angeles* (2016) (2d Civil No. B253701, L.A.S.C. No. SC107640) regarding possessory interest. He also discussed Williamson Act valuations relative to Proposition 64, legalize cannabis for recreational use.

Ms. Spears expressed her appreciation for the good work of Honorable Tom Bordonaro, Chair, Legislative Committee, CAA, and San Luis Obispo County Assessor. She stated for the record that while Mr. Bordonaro could not attend today's meeting, some of his committee members will provide coverage during the breakout sessions.

Closing Remarks

Ms. Ma discussed some areas that staff members are working on, including increased availability of training courses and actively updating forms and publications. She encouraged county assessors to bring their suggestions to the Board. She discussed Proposition 64 and the cannabis banking issues relative to safety and security. She recommended resuming the possessory interest ad hoc committee.

Ms. Harkey thanked everyone for their updates. She discussed Proposition 64 and the cannabis banking issues relative to safety and security, how to monitor the tracking system, and readiness to implement policies. She also discussed the CROS Project and encouraged county assessors to bring forth any issues they might have with the Board relative to computerization in general. She discussed conformity, transparency, getting responses sooner, and taxpayer appeals.

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Ms. Stowers discussed: the property tax postponement program, which is managed by the State Controller's office; AB 1952, which didn't pass, and similar legislation proposed by Ms. Yee for the coming year; and, Proposition 64 and the cannabis banking issues relative to safety and security.

Ms. Ma and Ms. Harkey discussed further Proposition 64, as well as medicinal cannabis, and the related banking issues of safety and security.

Mr. Shatara echoed Members' comments relative to the importance of uniformity and conformity. He reiterated Mr. Horton's commitment to facilitating the changes that will help county assessors. Mr. Shatara will convey the county assessors' feedback to Mr. Horton.

Ms. Ma invited county assessors to inform Members of any law changes, forms, or other issues that they would like distributed via newsletters of the individual Members.

The Board adjourned at 2:25 p.m.

The foregoing minutes are adopted by the Board on November 29, 2016.