

Tuesday, January 24, 2017

The Board met at its offices at 450 N Street, Sacramento, at 1:33 p.m., with Ms. Ma, Chairwoman, Ms. Harkey, Vice Chair, Mr. Runner and Mr. Horton present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code section 7.9.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by John Walker, Staff Information System Analyst, Technology Services Department.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARINGS

Gino Maa and Marian Chou, 937050
2007, \$1,910.95 Claim for Refund
2008, \$1,792.50 Claim for Refund
2009, \$121.66 Claim for Refund

For Appellants:

Gino Maa, Taxpayer

For Franchise Tax Board:

Andy Amara, Tax Counsel

Marguerite Mosnier, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether appellants' claims for refund are barred by the statute of limitations pursuant to Revenue and Taxation Code (R&TC) section 19306.

Action: Upon motion of Ms. Harkey, seconded by Ms. Stowers and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board sustained the action of the Franchise Tax Board.

Ameristar Casinos, Inc. & Subs., 605227, 841016

2003, \$24,825.00 Assessment
2004, \$69,390.00 Assessment
2005, \$107,962.00 Assessment
2007, \$31,019.00 Assessment
2008, \$57,310.00 Assessment

For Appellant:

Scot Grierson, Representative

Tom Bertino, Representative

For Franchise Tax Board:

Jenna Lewis, Tax Counsel

Shane Hofeling, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether appellant is entitled to a deduction for various "wagering taxes" paid to other states for the years at issue.

Action: Ms. Harkey moved to reverse the action of the Franchise Tax Board. The motion was seconded by Mr. Runner but failed to carry, Ms. Harkey and Mr. Runner voting yes, Ms. Ma, Mr. Horton and Ms. Stowers voting no.

Upon motion of Ms. Stowers, seconded by Mr. Horton and duly carried, Ms. Ma, Mr. Horton and Ms. Stowers voting yes, Ms. Harkey and Mr. Runner voting no, the Board sustained the action of the Franchise Tax Board.

Tuesday, January 24, 2017

SALES AND USE TAX APPEALS HEARINGS

Prok Electric Company, 807759, 824668, 850189 (UT)

2/24/12 Purchase Date, \$3,024.00 Tax, \$00.00 Penalty

For Taxpayer/Claimant:

Elijah Prok, Representative

Elena Prok, Witness

For Business Tax and Fee Department:

Pamela Mash, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether petitioner's purchase of the vehicle is subject to use tax.

Action: Upon motion of Ms. Stowers, seconded by Mr. Horton and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board ordered that no further adjustments be made in the administrative protest and that the claims for refund be partially granted as recommended by the Appeals Division.

**FINAL ACTION ON SALES AND USE TAX APPEALS HEARING HELD
JANUARY 24, 2017**

Public Motors Orange County, LLC, 569627 (EA)

04/01/05 to 03/31/08, \$550,738.26 Tax, \$55,073.83 Negligence Penalty

For Petitioner:

Waived Appearance

For Business Tax and Fee Department:

Scott Lambert, Hearing Representative

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issues: Whether any further adjustments to the amount of unreported taxable sales are warranted.

Whether any further adjustments to the amount of unreported purchases of consumable supplies subject to use tax are warranted.

Whether any further adjustments to the amount of unreported purchases of capital assets subject to use tax are warranted.

Whether petitioner was negligent.

Action: Upon motion of Ms. Harkey, seconded by Mr. Horton and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board ordered that the negligence penalty be deleted, and that the petition otherwise be redetermined as recommended by the Appeals Division.

The Board recessed at 3:34 p.m.

The foregoing minutes are adopted by the Board on February 22, 2017.

Note: The following matters were removed from the calendar prior to the meeting: *Brenda A. Valencia Ruezga, 892153, 936054; Adan Magana, 634697; and, Braulio C. Godinez Lucachin, 728209.*

Wednesday, January 25, 2017

The Board met at its offices at 450 N Street, Sacramento, at 9:05 a.m., with Ms. Ma, Chairwoman, Ms. Harkey, Vice Chair, Mr. Runner and Mr. Horton present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code section 7.9.

SALES AND USE TAX APPEALS HEARINGS

Body Wise International, LLC, 552589 (EA)

04/01/05 to 12/31/09, \$62,862.00 Tax, \$00.00 Penalty

For Petitioner: Jesse McClellan, Attorney
Lucian Khan, Attorney

For Business Tax and Fee Department: Scott Claremon, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether excess tax reimbursement that petitioner collected on sales in interstate or foreign commerce must be paid to the Board.

Action: Upon motion of Mr. Runner, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board ordered that the hearing be continued to a later date, granting the petitioner 30 days to file supporting documents, the Department 30 days—with flexibility—to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.

The Board recessed at 9:47 a.m. and reconvened at 11:47 a.m. with Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers present.

Green Apple, Inc., 669807 (BH)

10/01/08 to 09/30/11, \$20,373.76 Tax

The Cravery Northern CA, Inc., 669808 (BH)

09/21/09 to 12/31/10, \$17,406.60 Tax

For Petitioners: Janice Wong, Taxpayer

For Business Tax and Fee Department: Scott Lambert, Hearing Representative

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether relief is warranted based on petitioners' claim that the understatements are the result of petitioners' reliance on incorrect oral and written advice from the Board.

Jarrett Noble, Tax Counsel, Appeals Division, Legal Department, advised of the revised recommendation of the Appeals Division to reduce the measure of tax by \$11,556.00 for Green Apple Inc., 669807.

Action: Upon motion of Mr. Runner, seconded by Ms. Harkey and duly carried, Ms. Ma, Ms. Harkey and Mr. Runner voting yes, Mr. Horton voting no, Ms. Stowers abstaining, the Board ordered that the petition be granted and the tax be redetermined accordingly.

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CHIEF COUNSEL MATTERS**RULEMAKING****Section 100 Changes**

Regulations 1532, *Teleproduction or Other Postproduction Service Equipment*, Regulation 1533.1, *Farm Equipment and Machinery*, Regulation 1533.2, *Diesel Fuel Used in Farming Activities or Food Processing*, Regulation 1534, *Timber Harvesting Equipment and Machinery*, Regulation 1535, *Racehorse Breeding Stock*, and Regulation 1598, *Motor Vehicle and Aircraft Fuels*

Bradley Heller, Tax Counsel, Tax and Fee Programs Division, Legal Department, made introductory remarks regarding staff's request for authorization to make Rule 100 changes to amend the specified regulations to make them consistent with the expiration of the one-quarter percent tax imposed by section 36 of Article XIII of the California Constitution ([Exhibit 1.1](#)).

Action: Upon motion of Mr. Runner, seconded by Mr. Horton and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board approved authorization to make Rule 100 changes to Regulations 1532, 1533.1, 1533.2, 1534, 1535 and 1598 as recommended by staff.

Exhibits to these minutes are incorporated by reference.

LEGAL APPEALS MATTERS, CONSENT

The Board deferred consideration of the following matter: *Public Motors Los Angeles, LLC, 564308*.

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Ms. Harkey, seconded by Mr. Runner and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board made the following orders:

Ledang, LLC, 775670 (GH)

01/01/09 to 12/31/11, \$72,749.87 Tax, \$28,070.96 Penalty for Failure to Remit Collected Tax

Action: Redetermine as recommended by the Appeals Division.

Yadollah Missaghian, 786913 (DF)

10/01/09 to 06/30/12, \$77,883.54 Tax, \$00.00 Penalty

Action: Redetermine as recommended by the Appeals Division.

Mogo BBQ, Inc., 740760 (GH)

02/01/11 to 06/30/12, \$108,047.24 Tax, \$10,804.75 Negligence Penalty

Samuel Chi Hwan Pak, 740769 (GH)

01/14/10 to 01/31/11, \$47,393.32 Tax, \$4,739.33 Negligence Penalty

Action: Redetermine as recommended by the Appeals Division.

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Mansoor Rahmani, 811134 (CH)

06/01/08 to 11/14/11, \$102,702.31 Tax, \$10,270.24 Negligence Penalty, \$10,270.24 Finality Penalty

Action: Redetermine as recommended by the Appeals Division.

Martel Toler, 857844 (BH)

04/01/10 to 06/30/12, \$51,477.96 Tax, \$7,855.94 Late Payment Penalty, \$674.00 Late Filing Penalty

Action: Redetermine as recommended by the Appeals Division.

Public Motors Los Angeles, LLC, 564308 (EA)

01/01/06 to 12/31/08, \$1,198,480.62 Tax, \$119,848.12 Negligence Penalty

Action: The Board took no action.

Kashmir Tax & Business Services, 523182 (KH)

04/01/05 to 12/31/05, \$167,269.18 Tax, \$16,726.91 Negligence Penalty

Action: Redetermine as recommended by the Appeals Division.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT

With respect to the Corporate Franchise and Personal Income Tax Matters Consent Agenda, upon a single motion of Mr. Runner, seconded by Ms. Stowers and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board made the following orders:

Dinesh Sawhney and Rashmi Sawhney, 878210

2006, \$65,139.00 Tax, \$16,284.75 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board.

Robert S. Rosenthal, 919584

2013, \$802.06 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

108 North First, LLC, 922435

2011, \$434.24 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Anchorage Venture Fund V, LLLP, 924193

2012, \$8,208.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Thomas H. Bugbee and Dora Z. Bugbee, 912933

2010, \$51.00 Assessment, \$135.00 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board as modified by its concessions on appeal.

Mark Burke, 922297

2009, \$2,979.16 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

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Pamela Chyba, 850273

2009, \$2,818.00 Tax

Action: Sustain the action of the Franchise Tax Board.

Kenneth M. Dow and Melissa J. Dow, 924023

2012, \$421.25 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

John A. Erickson, 920395

2010, \$211.00 Tax

Action: Sustain the action of the Franchise Tax Board.

Sandra W. Manzano, 915472

2013, \$1,335.00 Tax

Action: Sustain the action of the Franchise Tax Board.

Michael A. Mills, 879379

2010, \$997.00 Tax, \$199.40 Accuracy-Related Penalty

Action: Sustain the action of the Franchise Tax Board.

William Nemecek and Sandra Nemecek, 924058

2013, \$327.02 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

James C. Seley and Carlene R. Seley, 920222

2013, \$3,836.47 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

LEGAL APPEALS MATTER, ADJUDICATORY

Alan Levitz, 718640 (KH)

04/01/08 to 04/10/09, \$42,406.72 Claim for Refund

Considered by the Board: September 16, 2015

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Harkey, seconded by Mr. Runner and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board ordered that the petition for rehearing be denied.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY

Allen Road JK Investment, LLC, 867230

2008, \$800.00 Tax, \$200.00 Late Payment Penalty

2009, \$800.00 Tax, \$200.00 Late Payment Penalty

2010, \$800.00 Tax, \$200.00 Late Payment Penalty

2011, \$800.00 Tax, \$168.00 Late Payment Penalty

2012, \$800.00 Tax, \$120.00 Late Payment Penalty

2013, \$800.00 Tax, \$128.00 Late Payment Penalty

Considered by the Board: August 30, 2016

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Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Stowers, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board adopted a decision denying the petition for rehearing.

Ilona Foyer, 569037

2001, \$24,296.00 Tax, \$4,859.00 Accuracy-Related Penalty, \$1,542.74 Post-Amnesty Penalty

2002, \$13,731.00 Tax, \$2,746.00 Accuracy-Related Penalty, \$798.67 Post-Amnesty Penalty

Considered by the Board: June 24, 2014

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Stowers, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board adopted a decision modifying the action of the Franchise Tax Board, as modified by its concessions on appeal, and based on adjustments made by the Board.

Robert H. Lowe and Sheryl L. Berkoff, 571973

2005, \$714,686.00 Assessment, \$178,671.50 Failure to Furnish Information Penalty

Considered by the Board: September 27, 2016 Summary Decision (Rev. & Tax. Code, § 40)

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Harkey, seconded by Mr. Horton and duly carried, Ms. Ma, Ms. Harkey, Mr. Runner and Mr. Horton voting yes, Ms. Stowers voting no, the Board adopted the written summary decision as presented by staff.¹

TAX PROGRAM NONAPPEARANCE MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

PROPERTY TAX MATTERS

Audits

Greatcall, Inc. (2784)

2016, \$1,090,000.00 Excessive Assessment

2015, \$720,000.00 Escaped Assessment, \$72,000.00 Penalties, \$108,000.00 In-lieu Interest

2014, \$650,000.00 Escaped Assessment, \$65,000.00 Penalties, \$156,000.00 In-lieu Interest

2013, \$520,000.00 Escaped Assessment, \$52,000.00 Penalties, \$171,600.00 In-lieu Interest

Action: Upon motion of Mr. Runner, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board adopted the audit adjustments as recommended by staff.

¹ The Board rescinded this action at its January 26, 2017 meeting.

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Locus Telecommunications, Inc. (8017)

2016, \$21,000.00 Escaped Assessment, \$2,100.00 Penalties, \$1,260.00 In-lieu Interest

2015, \$125,000.00 Excessive Assessment

2014, \$123,000.00 Excessive Assessment

2013, \$51,000.00 Excessive Assessment

Action: Upon motion of Mr. Runner, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board adopted the audit adjustments as recommended by staff.

Advanced Technology Distributors, Inc. (8153)

2015, \$12,200.00 Excessive Assessment

2014, \$15,800.00 Excessive Assessment

2013, \$81,700.00 Excessive Assessment, \$26,271.00 In-lieu Interest

Action: Upon motion of Mr. Runner, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner and Mr. Horton voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board adopted the audit adjustments as recommended by staff.

OFFER-IN-COMPROMISE RECOMMENDATIONS

Action: Upon motion of Mr. Runner, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board approved the Offer in Compromise Recommendations of *Sana Diaz*, *Darwin E. Diaz*; *Maria Gonzsalez*; *Imperial Palace AJ, Inc.*; *Frederick R. Marken*, *Grilla Bites, Inc.*; and, *Zahra Tavakol*; as recommended by staff.

ADMINISTRATIVE SESSION

ADMINISTRATIVE MATTERS, CONSENT

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Mr. Runner, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board made the following orders:

Action: Adopt the following resolutions, extending its sincere and grateful appreciation to the retirees for their dedicated service to the State Board of Equalization and to the State of California, their congratulations on each retiree's well-earned retirement, and best wishes to them and their families for continued success, happiness and good health in the years to come ([Exhibit 1.2](#)).

Julie Bruss, Business Taxes Specialist II, Internal Audit Division, Headquarters

Erin M. Little, Business Taxes Specialist III, Field Operations Department, El Segundo District Office

Maria R. Malinao, Associate Tax Auditor, San Jose District Office

Janet L. Morgan, Tax Technician III, Field Operations Department, Riverside District Office

Audrey A. Torres, Office Technician (Typing), Field Operations Department, Van Nuys District Office

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Action: Approve the Board Meeting Minutes of November 29-30, 2016 and December 14, 2016.

Action: Approve proposed revisions to Audit Manual chapters: 1, 4, 8, 9, 12 and 14, and Compliance Policy and Procedures Manual chapters 2, 3, 5, 6, 7 and 8 as recommended by staff ([Exhibit 1.3](#)).

ADOPTION OF BOARD COMMITTEE REPORTS AND APPROVAL OF COMMITTEE ACTIONS

Legislative Committee (12/14/16)

Action: Upon motion of Mr. Runner, seconded by Ms. Stowers and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board approved the Legislative Committee report and the actions therein as reflected by the committee members' votes ([Exhibit 1.4](#)).

Legislative Committee (01/25/17)

Action: The Board deferred the matter to later in the day.

Customer Services and Administrative Efficiency Committee (01/25/17)

Action: The Board deferred the matter to later in the day.

Property Tax Committee (12/14/16)

Action: Upon motion of Ms. Stowers, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board approved the Property Tax Committee report and the actions therein as reflected by the committee members' votes ([Exhibit 1.5](#)).

Property Tax Committee (01/25/17)

Action: The Board deferred the matter to later in the day.

OTHER ADMINISTRATIVE MATTERS

Executive Director's Report

David Gau, Executive Director, requested approval of the BOE Employee Recognition Award Program nominees.

Action: Upon motion of Mr. Horton, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board approved the BOE Employee Recognition Award Program nominees.

Administration Deputy Director's Report

Chris Holtz, Chief, Business Management Division, Administration Department, provided an update regarding the Governor's 2017-18 Budget and the status of BOE budget change proposals.

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Technology Deputy Director's Report

Chris Caietti, Chief Technology Officer, provided a report regarding the progress on the CROS project to replace BOE's two current legacy technology tax administration systems.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 1:09 p.m. and reconvened immediately in closed session with Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers present.

CLOSED SESSION

The Board met to discuss settlements (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11) and personnel matters (Gov. Code § 11126(a)).

The Board recessed at 1:11 p.m. and reconvened immediately in open session with Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers present.

ADMINISTRATIVE SESSION

ADOPTION OF BOARD COMMITTEE REPORTS AND APPROVAL OF COMMITTEE ACTIONS

Legislative Committee (01/25/17)

Action: Upon motion of Mr. Horton, seconded by Mr. Runner and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board approved the Legislative Committee report and the actions therein as reflected by the committee members' votes ([Exhibit 1.6](#)).

Customer Services and Administrative Efficiency Committee (01/25/17)

Action: The Board deferred the matter to the February 2017 Culver City meeting.

Property Tax Committee (01/25/17)

Action: Upon motion of Ms. Stowers, seconded by Ms. Harkey and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board approved the Property Tax Committee report and the actions therein as reflected by the committee members' votes ([Exhibit 1.7](#)).

The Board recessed at 1:14 p.m.

The foregoing minutes are adopted by the Board on February 22, 2017.

Note: The following matters were removed from the calendar prior to the meeting: *Max Rogers, 639424; Premier Events, Inc., 566436; and, Petition to adopt Property Tax Rule 475, Certificated Aircraft.*

Thursday, January 26, 2017

The Board met at its offices at 450 N Street, Sacramento, at 11:16 a.m., with Ms. Ma, Chairwoman, Ms. Harkey, Vice Chair, Mr. Runner and Mr. Horton present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code section 7.9.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY

Robert H. Lowe and Sheryl L. Berkoff, 571973 (continued from 1/25/17)
2005, \$714,686.00 Assessment, \$178,671.50 Failure to Furnish Information Penalty
Considered by the Board: February 23, 2016 Summary Decision (Rev. & Tax. Code, § 40)
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Mr. Horton, seconded by Ms. Stowers and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board ordered that its previous motion of January 25, 2017, to adopt the written summary decision as presented by staff, be rescinded.

Upon motion of Ms. Harkey, seconded by Mr. Runner and duly carried, Ms. Ma, Ms. Harkey and Mr. Runner voting yes, Mr. Horton and Ms. Stowers voting no, the Board adopted the written summary decision as presented by staff.

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.

Greetings and Introductory Remarks by each Board Member

Ms. Ma noted that this meeting is being held in conjunction with the California Assessors' Association's (CAA's) annual kick-off meeting in Sacramento. Holding the Board's meeting in January allows planning for the most immediate future and any important issues.

Ms. Harkey expressed appreciation for saving on travel expenses by holding this meeting in Sacramento. Ms. Harkey stated that it is always a pleasure to meet with all of the county assessors.

Mr. Runner expressed appreciation for the convenience that the date and location of this meeting offers for schedules.

Mr. Horton thanked all for attending and noted that he looks forward to the assessors' comments.

Ms. Stowers conveyed greetings from State Controller Betty T. Yee, and thanks for the county assessors' dedicated public service. She stated Ms. Yee understands the many challenges each county assessor faces and she supports their steadfast, positive commitment to resolve all issues.

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Assessors Address Conferees

Honorable Richard N. Benson, President, CAA, and Marin County Assessor/Recorder/Clerk, discussed the importance of a good reputation of individuals of the CAA and BOE, and expressed appreciation for the Board Members and BOE staff for their dedication, commitment and professionalism. Mr. Benson listed the important points that he had brought to the Board in October 2016: stewardship, succession planning, common principles of equal taxation, public trust, and training. Mr. Benson recommended that the CAA and BOE recapture the institutional knowledge of their common resources to improve assessment programs. He also listed the following items to explore and improve: compliance, uniformity, ethics, standards, technology, computer resources and more. He also discussed innovation and creativity.

Honorable Ernest J. Dronenburg, Jr., Chair, Legislative Committee, CAA, and San Diego County Assessor/Recorder/Clerk, briefed the Board on bills proposed by the CAA in 2017: 1) a bill to clarify the presumption of correctness (Benson/Marin Co.); 2) a bill to clarify a court case dealing with partial construction and construction work in progress (Davis/Calaveras Co.); and, 3) a bill to include parents of adult children with disabilities to modify the home without tax consequences (Dronenburg/San Diego Co.). Mr. Dronenburg also discussed: a bill that allows the CAA to have a contribution to staff finances for projects where they've shown there could be tax savings; and, a bill, proposed by a group of realtors, that would allow homeowners to keep their base year value forever without limitations of age, time and number of transfers.

Ms. Ma invited the CAA to attend the Board's Legislative Committee meetings to provide early input on proposed legislation on an ongoing basis.

Honorable Leslie Morgan, Chair, Education Committee, CAA, and Shasta County Assessor/Recorder, provided an update on training and some training statistics. Ms. Morgan made complimentary remarks and thanked BOE Property Tax Department staff: Dean Kinnee, Deputy Director, David Yeung, Chief, Sherrie Kinkle, Supervisor, Dawn Berridge, Associate Governmental Program Analyst, Lisa Thompson, Manager, and, Glenna Schultz, Senior Specialist Property Appraiser.

Ms. Morgan discussed gas station assessment training and Ms. Ma proposed that the BOE work with the CAA to resolve the issue of identifying the ownership of underground storage tanks for purposes of administering the underground storage fee.

Honorable Carmen Chu, Chair, Standards Committee, CAA, and San Francisco City and County Assessor, thanked Ms. Ma for being present and willing to engage. Ms. Chu acknowledged Malia Cohen, Supervisor, Southeast Area of San Francisco. Ms. Chu provided topics that will be discussed in the afternoon's kickoff meeting: 1) fair valuation for aircraft; 2) preparing for the changing legislative environment (i.e., legalization of cannabis); and, 3) uniform assessment for the changing economy (i.e., short-term rentals and online platforms). Ms. Chu thanked Ernest J. Dronenburg, Jr., San Diego County Assessor/Recorder/Clerk, Jeffrey

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Prang, Los Angeles County Assessor, Lawrence E. Stone, Santa Clara County Assessor, and Ron Thomsen, Alameda County Assessor, for helping to take the lead among the CAA. She also thanked BOE staff: David Gau, David Yeung and Dean Kinnee.

Ms. Ma discussed a bill that would allow BOE and county offices to accept cash payments of taxes from cannabis businesses.

Speakers: Honorable John Tuteur, Napa County Assessor/Recorder/Clerk
Honorable Paul Dictos, Fresno County Assessor/Recorder
Honorable Claude Parrish, Orange County Assessor
Honorable Ron Thomsen, Alameda County Assessor
Honorable Lawrence E. Stone, Santa Clara County Assessor
Honorable Marc C. Tonnesen, Solano County Assessor/Recorder
Honorable Jesse Salinas, Yolo County Assessor/Recorder/Clerk
Honorable Kristen Spears, Placer County Assessor
Honorable Leslie K. Davis, Calaveras County Assessor
Honorable Karl Weiland, El Dorado County Assessor
Honorable Steve J. Bestolarides, San Joaquin County Assessor/Recorder/Clerk
Honorable Charles M. Meriam, Interim Glen County Assessor/Recorder/Clerk
Honorable Sue Horne, Nevada County Assessor
Honorable James B. Rooney, Amador County Assessor
Honorable Robert Menvielle, Imperial County Assessor
Honorable Kristine Lee, Kings County Assessor/Recorder/Clerk
Honorable Peter Aldana, Riverside County Assessor/Recorder/Clerk
Honorable Kristen DePaul, Interim Modoc County Assessor/Recorder
Honorable Daniel Schlueter, Lassen County Assessor
Honorable Diane Brown, Butte County Assessor
Honorable Arnold Gross Jr., Colusa County Assessor
Honorable Barry Beck, Mono County Assessor
Honorable Kaenan Whitman, Tuolumne County Assessor/Recorder
Honorable Jeffrey Prang, Los Angeles County Assessor
Honorable Gary Svanda, Madera County Assessor
Honorable Jon Lifquist, Kern County Assessor/Recorder
Honorable Donald O'Connor, Alpine County Assessor/Recorder
Honorable Kathleen Kelleher, Sacramento County Assessor

The Board adjourned at 11:43 a.m.

The foregoing minutes are adopted by the Board on February 22, 2017.