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July 23, 2018

The Honorable George Runner, Chair  
State Board of Equalization  
240 N Street  
Sacramento, CA 94814

**RE: July 24, 2018 Hearing, BOE Agenda Item L1 – Ms. Ma  
OPPOSE**

Dear Chairman Runner:

As Assessor of Stanislaus County, I want to express my strong opposition to Item L1 on the Board of Equalization's July 24 agenda.

I was very disappointed to find this item on the Board's agenda in light of the ongoing Interested Parties Process (IPP) already underway regarding complaints made by the California Alliance of Taxpayer Advocates to your Board. At your Board's request, the IPP was initiated last year and another meeting is scheduled in less than a month on August 16, 2018. It is difficult to understand what has generated Board Member Ma's sudden rush for action on proposed Rules which are problematic at best and in large part contrary to Revenue and Taxation Code Sections.

The effort by CATA seems in large part to be a solution looking for a problem. To put things in perspective, a review of the Stanislaus County Clerk's Assessment Appeal database shows 3,771 closed Commercial & Industrial appeals resolved over the past twenty years. Of that number: **55% withdrawn, 36% resolved by stipulation, 3.5 % resolved at hearing**, with the balance denied for non-appearance. Rather than indicating a system that is broken, as CATA would have you believe, those numbers reflect hard work on the part of the Assessor to resolve issues in a fair, efficient and administrative manner as intended by the law. Information requests as provided under Revenue and Taxation Code Section 441(d) are vital to this process. 441(d) requests are made in order to allow appellants/agents the opportunity to meet their burden of proof in advance of a hearing so that issues may be efficiently resolved as intended by the Legislature.

The changes proposed by CATA seem intended in large part to hamstring Assessors and make resolution of assessment issues more difficult. Their proposed changes also run counter to the efficient administration of property assessment and the principles of good government expected by the taxpayers of California. I urge you and all members to defer all action on item L1, of your July 24, 2018 agenda, in favor of the IPP process already underway. The following details my specific concerns.

| Proposed Regulation  | Law   |
|--|---|
| <p>305.1(e) An assessor's request for information pursuant to section 441 of the Revenue and Taxation Code shall be made in writing. <u>Limited to information relating to the property at issue and be issued no less than 20 days prior to a hearing before a county board of equalization or assessment appeals board.</u></p>  | <p>441(d) (1) <u>At any time, as required by the assessor for assessment purposes, every person shall make available for examination information or records regarding his or her property or any other personal property located on premises he or she owns or controls.</u></p>  |
| <p>305.1(e) <u>Information supplied by one taxpayer shall not be used by the assessor in an assessment appeals board hearing of another taxpayer.</u></p>  | <p>1609.4 <u>The assessor may introduce new evidence of full cash value of a parcel of property at the hearing and may also introduce information obtained pursuant to Section 441.</u></p> <p>408 (e)(3) <u>Except as provided in Section 408.1, an assessee, or his or her designated representative, may not be permitted to inspect or copy information and records that also relate to the property or business affairs of another, unless that disclosure is ordered by a competent court in a proceeding initiated by a taxpayer seeking to challenge the legality of the assessment of his or her property.</u></p> |
| <p>305.1(e) <u>The issuance of an assessor's request for information shall not entitle the assessor to take a deposition,</u></p>  | <p>468. <u>if any person fails to furnish any information or records required by this article upon request by the assessor, the assessor may apply to the superior court of the county for an order requiring the person who failed to furnish such information or records to appear and answer concerning his property before such court at a time and place specified in the order.</u></p>   |
| <p>305 2(b) <u>At a prehearing conference, the board shall not deny an application solely on the ground that the applicant has not responded to a request for information made under section 441 of the Revenue and Taxation Code. The board shall not continue a prehearing conference to a later date in order to compel an applicant to respond to a request for information under section 441.</u></p> | <p>1604(C)(2) (2) <u>Further, this subdivision shall not apply to applications for reductions in assessments of property where the applicant has failed to provide full and complete information as required by law or where litigation is pending directly relating to the issues involved in the application.</u></p>   |
| <p>323(c) <u>The board shall not postpone the hearing on an application solely on the ground that the applicant has not responded to a request for information made under section 441 of the Revenue and Taxation Code.</u></p>  | <p>See above 1604(C)(2)</p>   |

Sincerely,



Don H. Gaekle  
Assessor

cc: Members, California State Board of Equalization  
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