



August 20, 2018

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

RE: California Board of Equalization Meeting, August 21, 2018, Agenda Item G1.

Chair Runner and Honorable Members of the State Board of Equalization:

I write in my capacity as San Francisco Assessor to express my continuing concerns with regard to the petition for rules changes to the assessment appeals process. I take this opportunity to further articulate my concerns around specific proposals within the rules changes being considered by the California Board of Equalization.

I believe that proposed § 305.1(e) severely limits and harms the Assessor's ability to value and defend property values. To determine market value as required by Proposition 13, Assessors use data from similar commercial properties on prevailing market rents, expenses, construction costs, capitalization rates, etc. The proposed change would now require Assessors get written permission before being able to use this data. This rule would create a significant barrier to information and it adds unnecessary and onerous bureaucratic expenses – many of San Francisco's large commercial properties are owned by multi-national corporations or legal entities, which may not be headquartered or located in the area. Adopting this rule change is contrary to existing state law and court rulings that uphold Assessors ability to use this information, provided that Assessors maintain confidentiality as required by law. The proposal also forbids Assessors from requiring taxpayers to submit information under penalty of perjury, which weakens Assessors' access to accurate taxpayer information.

Of further concern, § 302, 305.2(b), 323(c), and 323(d) collectively limit the tools Assessment Appeals Boards have to effectively and efficiently administer appeals prehearings and hearings. Holding prehearing conferences to facilitate the exchange of information and to ensure certainty for cases that will move forward saves public resources, as both the AAB and Assessors' office do not divert time to prepare for no-show cases and cancellations. Prehearing conferences also reduce postponements because information is shared in advance of hearings which saves taxpayers time from multiple appearances. In San Francisco, pre-hearing conferences helped reduce actual cases needing formal hearing by 70%, a significant resource saving and streamlined taxpayer experience.

Together, these rules changes create untenable limitations on the abilities of Assessors and Assessment Appeals Boards to effectively and efficiently carry out their mandated duties. The public at large depends on its government to put in place measures which allow for the expeditious and fair administration of our State's property tax laws. Considering these concerns and the best interests of the public at large, I again urge the Board to reject proposed rule changes: § 305.1(e), 302, 305.2(b), 323(c) and 323(d).

Thank you,

A handwritten signature in cursive script that reads "Carmen Chu".

Carmen Chu
San Francisco Assessor-Recorder

cc:

Honorable Fiona Ma, 2nd District
Honorable Jerome E. Horton, 3rd District
Honorable Diane L. Harkey, 4th District
Honorable Betty T. Yee, Controller
Dean Kinnee, BOE Executive Director
David Yeung, Property Tax Division

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SAN FRANCISCO FIRE FIGHTERS
- Local 798 -

1139 MISSION STREET, SAN FRANCISCO, CA 94103-1514
TELEPHONE (415) 621-7103 • FAX (415) 621-1578
WWW.SFFDLOCAL798.ORG

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RE: California Board of Equalization Meeting, August 21, 2018, Agenda Item G1.

Chair Runner and Honorable Members of the State Board of Equalization:

Firefighters Local 798 opposes the proposal currently before the State Board of Equalization to amend rules around property tax assessment appeals. Our mission is to protect the lives and property of the people of San Francisco and these proposed rules changes undermine the local revenue required to safely and effectively do so.

In San Francisco, over 90% of the Fire Department budget comes from the General Fund, of which the single greatest source of revenue is property taxes. The stakes in San Francisco are high in terms of assessment appeals, with revenue at risk reaching almost half a billion dollars at its highest point in the past 10 years, more than the entire budget of our department this year.

The proposed rules changes being considered by the BOE restrict Assessors' ability to collect information and remove tools to effectively administer appeals hearings. These rules changes will have repercussions for county revenues statewide at a time when resources are urgently needed by fire departments battling wildfires and endeavoring to provide a decent livelihood to emergency responders in an increasingly unaffordable state. Thus, we urge you to reject the proposed rule changes. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'T O'Connor', is written over a horizontal line.

Tom O'Connor - President San Francisco Fire Fighters Local 798

cc:

Honorable Fiona Ma, 2nd District
Honorable Jerome E. Horton, 3rd District
Honorable Diane L. Harkey, 4th District
Honorable Betty T. Yee, Controller
Dean Kinnee, BOE Executive Director
David Yeung, Property Tax Division



UESF

United Educators of San Francisco
AFT/CTE, AFL-CIO • NEA/CTA

2310 Mason Street • San Francisco, CA 94133 • 415 956-8373 • Fax 415 956-8374 • www.uesf.org

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Honorable George Runner, Chair
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RE: California Board of Equalization Meeting, August 21, 2018, Agenda Item G1.

Chair Runner and Honorable Members of the State Board of Equalization:

On behalf of the thousands of teachers and paraeducators of the San Francisco Unified School District, I write to express concerns regarding the petition to amend Property Tax Rules around the assessment appeals process. In San Francisco, 35% of our county's property tax revenue funds public education. Every dollar of this funding is vital to optimizing learning for students and creating the conditions for the success of our teaching force.

Of particular concern within the proposed changes are the restrictions imposed on the Assessor's ability to collect information. By limiting the ability to use 3rd party information to provide comparable value data, the BOE is effectively removing the Assessor's ability to base assessments on fair and accurate information. Considering that San Francisco's average annual revenue at risk in appeals is over \$250 million, the Assessor needs more avenues to gather accurate information, not fewer.

The State Board of Equalization's responsibility is to protect the public interest. Making rules changes that jeopardize funding for public education across California is not in the public interest. United Educators of San Francisco urges the BOE to reject these proposed rules changes.

Sincerely,

Susan Solomon
President

cc:

Honorable Fiona Ma, 2nd District
Honorable Jerome E. Horton, 3rd District
Honorable Diane L. Harkey, 4th District
Honorable Betty T. Yee, Controller
Dean Kinnee, BOE Executive Director
David Yeung, Property Tax Division



LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

LOCAL UNION NO. 261

August 20, 2018

RAMON HERNANDEZ
Business Manager

DAVID DE LA TORRE
Secretary-Treasurer

JESUS VILLALOBOS
President

JAVIER FLORES
Vice President

VINCE COURTNEY
Recording Secretary

OSCAR DE LA TORRE
Executive Board

JOSE DE LA MORA
Executive Board

SAN FRANCISCO
3271 18th Street
San Francisco, CA 94110
Phone: (415) 826-4550
Fax: (415) 826-1948

SAN MATEO COUNTY
300 7th Avenue
San Mateo, CA 94401
Phone: (650) 344-7168
Fax: (650) 344-5357

MARIN COUNTY
4174 Redwood Highway
San Rafael, CA 94913
Phone: (415) 492-0936
Fax: (415) 492-8233

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Sacramento, CA 94814

RE: California Board of Equalization Meeting, August 21, 2018, Agenda Item G1.

Chair Runner and Honorable Members of the State Board of Equalization:

Laborers' Local 261 is comprised of construction and general laborers across Northern California. It has come to our attention that the California Board of Equalization is currently considering detrimental amendments to Property Tax Rules around the assessment appeals process.

Particularly alarming within these rules changes are the restrictions to an Assessor's ability to collect and use information and the removal of tools for the Appeals Boards to obtain information helpful in adjudicating hearings. If adopted, the proposed rules changes will have a significant negative impact on local property tax revenues which are essential to providing municipal services and quality public education.

Laborers from Local 261 help to build and maintain the communities we call home which comprise our tax base. As proud members of these communities, we benefit from public services and our children are educated in California public schools. We urge the Board of Equalization to maintain an even playing field for assessment appeals, and to not impose rule changes that jeopardize the local revenues which our communities need. Thank you for your thoughtful consideration of this matter.

Sincerely,

VINCE COURTNEY
Recording Secretary/Field Representative/Political Captain

- cc: Honorable Fiona Ma, 2nd District
- Honorable Jerome E. Horton, 3rd District
- Honorable Diane L. Harkey, 4th District
- Honorable Betty T. Yee, Controller
- Dean Kinnee, BOE Executive Director
- David Yeung, Property Tax Division
- Ramon Hernandez, 261 Business Manager
- Theresa Foglio, City Representative
- City Committee

