

Tuesday, July 30, 2019

The Board met at its offices at 450 N Street, Sacramento, at 10:05 a.m., with Ms. Cohen, Chair, Mr. Vazquez, Vice Chair, Mr. Gaines and Mr. Schaefer 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 Ms. Cohen.

SPECIAL PRESENTATION

Presentation of Retirement Resolution to Errol Tankiamco

On behalf of the Board, Ms. Cohen read into the record and presented a retirement resolution to Errol Tankiamco, Research Analyst II (GIS), Tax Area Services Section, Property Tax Department, extending the Board's sincere and grateful appreciation for his dedicated service to the State Board of Equalization and to the State of California. Members made complimentary remarks and provided their individual congratulations to Mr. Tankiamco and to his family. Mr. Tankiamco thanked the Members for their kind words and for the opportunity to serve the State of California and its citizens.

Ms. Stowers recognized Samantha Warren, who is interning with the State Controller's Office. Ms. Cohen recognized Marcus Grimes, Hasib Emran, and Teevyah Raju, who are interning with her office.

PUBLIC HEARINGS

Proposed Revision of Property Tax Rule 370, *Random Selection of Counties for Representative Sampling*, and Adoption of Property Tax Rule 370.5, *Random Selection of Counties for Survey or Representative Sampling for Calendar Years 2016-2020*

Henry D. Nanjo, Chief Counsel, introduced Richard Moon, Tax Counsel, Legal Department, who made introductory remarks regarding the adoption of amendments and new rule to clarify the five-year change in the assessment practices survey cycle pursuant to Government Code section 15643 ([Exhibit 7.1](#)).

Speakers were invited to address the Board, but there were none.

Action: Upon motion of Ms. Stowers, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Vazquez, Mr. Gaines, Mr. Schaefer and Ms. Stowers voting yes, the Board adopted the amendments to Rule 370 and new Rule 370.5 as published.

Exhibits to these minutes are incorporated by reference.

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ADMINISTRATIVE SESSION**Administrative Matters, Consent**

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Ms. Stowers, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Vazquez, Mr. Gaines, Mr. Schaefer and Ms. Stowers voting yes, the Board made the following orders:

Action: Adopt the following resolution, extending its sincere and grateful appreciation to the retiree for his dedicated service to the State Board of Equalization and to the State of California, their congratulations on the retiree's well-earned retirement, and best wishes to him and his family for continued success, happiness and good health in the years to come ([Exhibit 7.2](#)).

Errol Tankiamco, Lead Research Data Analyst II, Tax Area Services Section, State-Assessed Properties Division, Property Tax Department, Sacramento

Action: Approve the Board Meeting Minutes of June 25, 2019.

Legislative, Research & Statistics Division Chief's Report

Mark Durham, Chief, Legislative, Research & Statistics Division, provided an update on legislative bills impacting the BOE, both administrative and program related ([Exhibit 7.3](#)).

Executive Director's Report

Brenda Fleming, Executive Director, provided a report regarding the status of pending and upcoming organizational issues including updates on: Office Relocation; Statewide Informational Hearings; and, Organizational Priorities ([Exhibit 7.4](#)).

Brenda Fleming, Executive Director, introduced Vivek Viswanathan, Chief Deputy Director, Budget, Department of Finance, who provided an overview of the Governor's Budget (Budget Act of 2019).

The Board recessed at 12:04 p.m. and reconvened at 12:58 p.m. with Ms. Cohen, Mr. Vazquez, Mr. Gaines, Mr. Schaefer and Ms. Stowers present.

Property Tax Deputy Director's Report

Mark Durham, Chief, Legislative, Research & Statistics Division, reported that the 2019-20 private railroad car tax rate is set at 1.151 percent in accordance with the computation under the provisions of Revenue and Taxation Code, section 11403 ([Exhibit 7.5](#)).

David Yeung, Deputy Director, Property Tax Department, introduced Jack McCool, Supervising Property Appraiser, State-Assessed Properties Division, Property Tax Department, who provided the staff recommendation for the lien date 2019 assessment of private railroad cars under the provisions of the Private Railroad Car Tax Law ([Exhibit 7.6](#)).

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Action: Upon motion of Mr. Schaefer, seconded by Mr. Gaines and unanimously carried, Ms. Cohen, Mr. Vazquez, Mr. Gaines and Mr. Schaefer voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board adopted the 2019 private railroad car roll as recommended by staff.

David Yeung, Deputy Director, Property Tax Department, introduced Jack McCool, Supervising Property Appraiser, State-Assessed Properties Division, Property Tax Department, who provided the staff recommendation on the allocations of the unitary values adopted by the Board in May 2019, plus adjustments based on prior Board action and staff-recommended nonunitary values ([Exhibit 7.7](#)).

Action: Upon motion of Mr. Schaefer, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Vazquez, Mr. Gaines and Mr. Schaefer voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board adopted the 2019 state-assessed property roll as recommended by staff.

David Yeung, Deputy Director, Property Tax Department, introduced Diane Yasui, Manager, County-Assessed Properties Division, Property Tax Department, who provided Part 2 of a report regarding the Assessment Practices Survey Program, which included information on the findings and trends from assessment practices surveys ([Exhibit 7.8](#)).

David Yeung, Deputy Director, Property Tax Department, provided a presentation regarding BOE's white paper on Opportunity Zones ([Exhibit 7.9](#)).

The Board recessed at 2:50 p.m. and reconvened at 3:15 p.m. with Ms. Cohen, Mr. Vazquez, Mr. Gaines, Mr. Schaefer and Ms. Stowers present.

Executive Director's Report (Continued)

Brenda Fleming, Executive Director, provided a report regarding statewide hearings logistics, for discussion and possible action.

Action: Mr. Vazquez moved that the Board authorize Ms. Cohen and Mr. Vazquez to work with staff to provide, at its August meeting, a cost analysis and proposal for holding statewide informational hearings in Northern California, Southern California and the San Diego area. Ms. Stowers offered an amendment to include the impact that such hearings would have on staff resources and workload. Mr. Gaines offered an amendment to include labor allocations for such hearings. The motion and amended motions failed for lack of a second.

Upon motion of Ms. Stowers, seconded by Mr. Gaines and unanimously carried, Ms. Cohen, Mr. Vazquez, Mr. Gaines, Mr. Schaefer and Ms. Stowers voting yes, the Board authorized Ms. Cohen and Mr. Vazquez to work together to develop a plan on proceeding with a fact-finding meeting that includes the costs, locations, timeframes, and staff allocations of statewide informational hearings, and report those findings to the Board.

The Board recessed at 4:04 p.m. and reconvened at 4:16 p.m. with Ms. Cohen, Mr. Vazquez, Mr. Gaines, Mr. Schaefer and Ms. Stowers present.

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Chief Counsel's Report

Henry D. Nanjo, Chief Counsel, provided a report regarding Legal Opinions and other workload of the Legal Department over the last six months ([Exhibit 7.10](#)).

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Ms. Cohen invited persons who wish to address the Board regarding items not on the agenda to come forward, but there were none in person.

Mark Sutter, Senior Specialist Property Appraiser, Taxpayers' Rights Advocate Office, read into the record written comments from Shawn Karl Mooney as an ADA accommodation ([Exhibit 7.11](#)).

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 4:47 p.m. and reconvened immediately in closed session with Ms. Cohen, Mr. Vazquez, Mr. Gaines, Mr. Schaefer and Ms. Stowers present.

CLOSED SESSION

The Board met to discuss personnel matters (Gov. Code § 11126(a)(1)).

ANNOUNCEMENT OF OPEN SESSION

The Board reconvened at 5:32 p.m. in open session with Ms. Cohen, Mr. Vazquez, Mr. Gaines, Mr. Schaefer and Ms. Stowers present.

Henry D. Nanjo, Chief Counsel, announced that the Board had a general discussion of the value of the Executive Director during closed session.

CLOSING

The Board adjourned at 5:33 p.m.

The foregoing minutes are adopted by the Board on August 27, 2019.