

Tuesday, February 23, 2021

The Board met at 10:00 a.m., via teleconference (Governor's Exec. Order No. N 29-20 (March 17, 2020)), with Mr. Vazquez, Chairman, Mr. Schaefer, Vice Chair, Mr. Gaines and Ms. Cohen 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 Mr. Vazquez.

ANNOUNCEMENTS

Mr. Vazquez provided guidelines for teleconference Member participation. Catherine P. Taylor, Chief, Board Proceedings and Support Services Division, provided guidelines for teleconference invited speakers and public participation.

Ms. Cohen acknowledged the bravery and contributions of the following individuals in recognition of Black History Month: Harriet Tubman, Thurgood Marshall, Mary Fields (aka, Stagecoach Mary), Charles Hamilton Houston, Ruby Nell Bridges Hall, Claudette Colvin, and Bessie Coleman. Ms. Cohen also acknowledged the following individuals who were killed in the 1963 Birmingham, Alabama 16th Street Baptist Church bombing: Addie Mae Collins, Carole Roberson, Carol Denise McNair, and Cynthia Wesley. Members joined Ms. Cohen, in recognition of Black History Month, with additional comments.

PUBLIC HEARINGS

Property Taxes – State Assessee's Presentations on Capitalization Rates and Other Factors Affecting Values

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, made introductory remarks regarding 1) state assessee's presentations on capitalization rates and other factors and procedures affecting fiscal year 2021-22 property values of California public utilities, railroads, and pipelines; and, 2) private railroad car assessee's presentations on factors and procedures affecting fiscal year 2021-22 taxable values of private railroad cars.

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

LEGAL APPEALS PROPERTY TAX MATTERS, ADJUDICATORY

Section 40 Decisions

Lodi Gas Storage, LLC (0198), 1064098
2020, \$56,800,000.00 Board Determined Unitary Value

Wild Goose Storage, LLC (0195), 1064099
2020, \$98,400,000.00 Board Determined Unitary Value

Considered by the Board: November 17, 2020 Summary Decision (Rev. & Tax. Code, § 40)
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

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Action: Upon motion of Mr. Schaefer, seconded by Ms. Stowers and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board adopted the written summary decision as presented by staff.

Southern California Edison Company (0148), 1064117
2020, \$28,485,345,150.00 Board Determined Unitary Value
Considered by the Board: December 16, 2020 Summary Decision (Rev. & Tax. Code, § 40)
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Speaker: Allison Morgan, Representing AT&T

Action: Upon motion of Mr. Schaefer, seconded by Ms. Stowers and unanimously carried, Mr. Vazquez, Mr. Schaefer and Ms. Stowers voting yes, Mr. Gaines abstaining, Ms. Cohen not participating, the Board adopted the written summary decision as presented by staff.

PROPERTY TAX MATTERS, OTHER—NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

Audits

AT&T Mobility LLC (2606)
2017 to 2020, \$191,000,000.00 Excessive Assessment, \$2,370,000.00 Penalty, \$1,422,000.00
In-lieu Interest

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

Anza Electric Cooperative, Inc., dba ConnectAnza (8195)
2018 to 2019, \$1,500,000.00 Escaped Assessment, \$248,400.00 In-lieu Interest
Action: Upon motion of Mr. Gaines, seconded by Ms. Cohen and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines and Ms. Cohen voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board adopted the audit adjustments as recommended by staff.

CHIEF COUNSEL MATTERS: PROPERTY TAX

Board Consideration of Findings and Decisions

GATX Corporation (0503), 1064217
2020, \$7,463,433.00 Board Determined Nonunitary Value
Action: Upon motion of Ms. Stowers, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board approved the Findings and Decision as recommended by staff.

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ADMINISTRATIVE SESSION

Administrative Matters, Consent

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

Action: Approve the Board Meeting Minutes of January 14-15, 2021.

Executive Director's Report

Brenda Fleming, Executive Director, provided a report regarding the status of pending and upcoming organizational issues.

Brenda Fleming, Executive Director, reported out on options for establishing Board workgroups, with associated guidelines and procedures, for Board Members to engage in significant policy discussions without requiring the full use of agency resources needed for regularly scheduled Board meetings.

Brenda Fleming, Executive Director, reported out on the value and feasibility of establishing a BOE Advisory Council to provide insight to the Executive Director and the Board from an external stakeholder perspective on the various programs and operations of the agency.

Lisa Renati, Chief Deputy Director, provided a report on the status of operational priorities and agency projects.

Property Tax Deputy Director's Report

David Yeung, Deputy Director, Property Tax Department, provided a report on the status of pending and upcoming projects, activities, and departmental issues.

The Board recessed at 11:09 a.m. and reconvened at 11:15 a.m. with Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers present.

David Yeung, Deputy Director, Property Tax Department, provided an overview of proposed legislation to extend the sunset date for Revenue and Taxation Code, section 401.10 (section 401.10), relating to valuation of intercounty pipeline rights-of-way for property tax purposes.

Action: Upon motion of Ms. Stowers, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board gave direction through the Executive Director to take on a long-term project to reevaluate the numbers provided in section 401.10 relating to valuation of intercounty pipeline rights-of-way for property tax purposes, and to confirm that the numbers are still meeting the needs.

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Taxpayers' Rights Advocate Office's Report

Lisa Thompson, Taxpayers' Rights Advocate, presented the 2019-20 Taxpayers' Rights Advocate's Annual Report highlighting the office's accomplishments, involvement in projects, current issues, and examples of cases illustrating services provided ([Exhibit 2.9](#)).

Action: Upon motion of Mr. Gaines, seconded by Ms. Cohen and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board approved supporting the 2019-20 Taxpayers' Rights Advocate's Annual Report.

Exhibits to these minutes are incorporated by reference.

Legislative, Research & Statistics Division Chief's Report

Lisa Renati, Chief Deputy Director, provided an update on legislative bills impacting the BOE, both administrative and program related ([Exhibit 2.10](#)).

Lisa Renati, Chief Deputy Director, provided staff's recommendation to support proposed legislation to extend the sunset date for section 401.10, relating to valuation of intercounty pipeline rights-of-way for property tax purposes.

Action: Upon motion of Ms. Stowers, seconded by Mr. Gaines and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines and Ms. Stowers voting yes, Ms. Cohen not participating due to technical issue, the Board approved the legislative proposal to be supported by the Board of Equalization to extend the sunset date for section 401.10, relating to valuation of intercounty pipeline rights-of-way for property tax purposes. (The Board reopened this vote later in the day.)

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Catherine P. Taylor, Chief, Board Proceedings and Support Services Division, read into the record written comments from the following individuals. Note that some comments may pertain to other items on the agenda.

Anonymous ([Exhibit 2.11](#))

Terry Burns ([Exhibit 2.12](#))

ADMINISTRATIVE SESSION (CONTINUED)**Legislative, Research & Statistics Division Chief's Report (Continued)**

Action: Upon motion of Mr. Schaefer, seconded by Ms. Cohen and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board reopened its previous vote to approve the legislative proposal to be supported by the Board of Equalization to extend the sunset date for section 401.10, relating to valuation of intercounty pipeline rights-of-way for property tax purposes.

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Upon motion of Ms. Stowers, seconded by Mr. Gaines and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board approved the legislative proposal to be supported by the Board of Equalization to extend the sunset date for section 401.10, relating to valuation of intercounty pipeline rights-of-way for property tax purposes.

CLOSING

The Board recessed at 12:14 p.m.

The foregoing minutes are adopted by the Board on March 23, 2021.

Wednesday, February 24, 2021

The Board met at 10:00 a.m., via teleconference (Governor's Exec. Order No. N 29-20 (March 17, 2020)), with Mr. Vazquez, Chairman, Mr. Schaefer, Vice Chair, Mr. Gaines and Ms. Cohen present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code section 7.9.

ANNOUNCEMENTS

Mr. Vazquez provided guidelines for teleconference Member participation. Catherine P. Taylor, Chief, Board Proceedings and Support Services Division, provided guidelines for teleconference invited speakers and public participation.

PUBLIC POLICY HEARINGS

Mr. Vazquez made introductory remarks regarding the implementation of Proposition 19, *The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act of 2020*, for discussion and possible actions. Mr. Vazquez thanked Lead Author, Hon. Robert Hertzberg, Senate Majority Leader, and Principal Coauthors, Hons. Ben Allen and Mike McGuire, Senators, for their work on Senate Bill 539 (SB 539) ([Exhibit 2.13](#)).

Exhibits to these minutes are incorporated by reference.

Proposition 19 Implementation (Mr. Vazquez)

Brenda Fleming, Executive Director, provided an update regarding the implementation of Proposition 19, *The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act of 2020*, for discussion and possible actions.

Speakers: Hon. Ernest J. Dronenburg, Jr., President, California Assessors' Association (CAA); and San Diego County Assessor-Recorder-Clerk Joseph Pennino

CHIEF COUNSEL MATTERS: RULEMAKING

Guidance and Rulemaking

Richard Moon, Tax Counsel, Legal Department, provided an overview of the plan to develop guidance and rulemaking to implement Proposition 19, which included: staff's request for proposed adoption and authorization for publication of new Property Tax Rule 462.520, *Exclusion from Change in Ownership – Intergenerational Transfers*, as a regular regulation or as an emergency regulation, if authorized by the Legislature; and, a report on staff's plan for the regular rulemaking process and emergency rulemaking process, if authorized by the Legislature, to implement and administer Proposition 19's intergenerational transfer exclusion and base year value transfers exclusion provisions.

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Speakers: Hon. Ernest J. Dronenburg, Jr., President, CAA; and San Diego County Assessor-Recorder-Clerk
Hon. Jeffrey Prang, Legislative Chair, CAA; and Los Angeles County Assessor

ADMINISTRATIVE SESSION (CONTINUED)

Executive Director's Report (Continued)

Lisa Renati, Chief Deputy Director, and her staff provided reports as follows on the status of operational priorities and agency projects including requesting board authorization for further actions related to legislative developments for Proposition 19 implementation. Ms. Renati provided an overview of the implementation and action plan.

Patricia Lumsden, Chief, County-Assessed Properties Division, Property Tax Department, provided a report on the Property Tax Department's implementation actions, including updates on guidance.

Henry D. Nanjo, Chief Counsel, provided a report on the Legal Department's implementation actions, including updates on rulemaking.

Peter Kim, Chief Communications Officer, provided a report on the Communications Office's implementation actions.

Lisa Thompson, Taxpayers' Rights Advocate, provided reports on the Taxpayers' Rights Advocate' Office implementation actions, and Education and Outreach implementation actions.

Speaker: Joseph Pennino

CHIEF COUNSEL MATTERS: RULEMAKING (CONTINUED)

Guidance and Rulemaking (Continued)

Action: Upon motion of Ms. Stowers, seconded by Mr. Gaines and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board authorized staff to move forward with the rulemaking processes and timelines as recommended by staff in today's presentation, including the following items and other steps as needed: prepare Property Tax Rules to address intergenerational transfers and base year value transfers; amend existing Property Tax Rules as needed; if and when SB 539 is enacted, come back to the Board for approval of the emergency rules related to intergenerational transfers and base year value transfers; complete the public comment period for intergenerational transfers; complete the public comment period for base year value transfers; come back to the Board in April for approval to have the Office of Administrative Law (OAL) publish a Notice of Proposed Action (NOPA) for the intergenerational transfers; come back to the Board in May for approval to have the OAL publish a NOPA for the base year value transfers; provide the Property Tax Rules for

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intergenerational transfers in July for Board adoption; and, provide the Property Tax Rules for base year value transfers in August for Board adoption.

Upon motion of Ms. Stowers, seconded by Mr. Gaines and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board amended its prior action, approving Chief Counsel's request for flexibility on the proposed rulemaking timeline.

ADMINISTRATIVE SESSION (CONTINUED)

Legislative, Research & Statistics Division Chief's Report (Continued)

Brenda Fleming, Executive Director, provided an update on proposed legislation related to the implementation of Proposition 19, SB 539, and the next steps in the process, and the recommended action for the Board (see [Exhibit 2.13](#)).

Speaker: Hon. Ernest J. Dronenburg, Jr., President, CAA; and San Diego County Assessor-Recorder-Clerk

Action: Upon motion of Mr. Gaines, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board authorized the Executive Director to work with Mr. Vazquez to send a letter on behalf of the Board, under Mr. Vazquez's signature and addressed to Legislative leadership, in support of SB 539.

CLOSING

Mr. Vazquez thanked Brenda Fleming, Executive Director, Richard Moon, Tax Counsel, Legal Department, Lisa Renati, Chief Deputy Director, and the entire BOE staff, and County Assessors, and team members, for their quick work in moving forward legislation and guidance for the effective Proposition 19 implementation.

The Board adjourned at 12:02 p.m. in recognition of Black History Month and in honor of civil rights leaders, past and present, and countless Americans from all walks of life who continue to work for prompting awareness and positive change to help create fairness and equity for all black Americans.

The foregoing minutes are adopted by the Board on March 23, 2021.