

Tuesday, October 19, 2021

The Board met at 10:04 a.m., via teleconference (Gov. Code, § 11133), with Mr. Vazquez, Chairman, Mr. Schaefer, Vice Chair, Mr. Gaines, Ms. Cohen and Ms. Yee present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Vazquez.

ANNOUNCEMENTS

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

At the invitation of Mr. Vazquez, Mr. Gaines recognized the passing of General Colin Powell, the former U.S. Secretary of State, Chairman of the Joint Chiefs of Staff, and recipient of many prestigious awards, including two Presidential Medals of Freedom.

PROPERTY TAX MATTERS, CONSENT

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

Petitions for Reassessment of Unitary Value

GenOn California South LP – Ormond Beach (1115), SAU21-005
2021, \$219,900,000.00 Unitary Value, \$20,000,000.00 Penalty
Action: Reduce the 2021 unitary value to \$175,400,000.00 as recommended by staff.

Indigo Generation, LLC (1141), SAU21-029
2021, \$23,000,000.00 Unitary Value
Action: Reduce the 2021 unitary value to \$21,200,000.00 as recommended by staff.

Larkspur Energy, LLC (1142), SAU21-033
2021, \$18,900,000.00 Unitary Value
Action: Reduce the 2021 unitary value to \$17,600,000.00 as recommended by staff.

U.S. TelePacific Corp. (7757), SAU21-032
2021, \$122,900,000.00 Unitary Value
Action: Reduce the 2021 unitary value to \$110,000,000.00 as recommended by staff.

Extenet Systems (California) LLC (8093), SAU21-016
2021, \$251,600,000.00 Unitary Value
Action: Reduce the 2021 unitary value to \$244,100,000.00 as recommended by staff.

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Petitions for Penalty Abatement on Unitary Value

Arizona Public Service Company (0191), SAU21-003
2021, \$167,000.00 Penalty

Action: Approve the penalty abatement on 2021 unitary value as recommended by staff.

Volcano Telephone Company (0327), SAU21-008
2021, \$3,650,000.00 Penalty

Action: Approve the penalty abatement on 2021 unitary value as recommended by staff.

GenOn California South LP- Ellwood (1117), SAU21-006
2021, \$398,000.00 Penalty

Action: Approve the penalty abatement on 2021 unitary value as recommended by staff.

NTT America, Inc. (7732), SAU21-020
2021, \$2,320,000.00 Penalty

Action: Approve the penalty abatement on 2021 unitary value as recommended by staff.

Backbone Communications, Inc. (8031), SAU21-002
2021, \$2,030.00 Penalty

Action: Approve the penalty abatement on 2021 unitary value as recommended by staff.

PC Landing Corp. (8116), SAU21-019
2021, \$948,000.00 Penalty

Action: Approve the penalty abatement on 2021 unitary value as recommended by staff.

Ridge Communications, Inc. (8212), SAU21-001
2021, \$44,500.00 Penalty

Action: Approve the penalty abatement on 2021 unitary value as recommended by staff.

**PROPERTY TAX MATTERS, OTHER—NOT SUBJECT TO CONTRIBUTION
DISCLOSURE STATUTE****Board Roll Changes****2021 Private Railroad Car Roll**

Action: Upon motion of Ms. Yee, seconded by Mr. Vazquez and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Yee voting yes, the Board approved corrections to the 2021 Board Roll of Private Railroad Cars as recommended by staff ([Exhibit 10.1](#)).

2021 State-Assessed Property Roll

Action: Upon motion of Ms. Yee, seconded by Mr. Vazquez and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Yee voting yes, the Board approved corrections to the 2021 Board Roll of State-Assessed Property as recommended by staff (see [Exhibit 10.1](#)).

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Exhibits to these minutes are incorporated by reference.

Ms. Yee left the teleconference and Ms. Stowers entered on behalf of Ms. Yee in accordance with Government Code section 7.9.

CHIEF COUNSEL MATTERS: RULEMAKING

Regulations (Property Tax Rules) 370 and 370.5, Section 100 Changes

Sonya Yim, Tax Counsel, Legal Department, made introductory remarks regarding staff's request for authorization to make Section 100 changes to update Property Tax Rules 370, *Random Selection of Counties for Representative Sampling for Calendar Years Other than 2016 Through 2020*, and 370.5, *Random Selection of Counties for Survey or Representative Sampling for Calendar Years 2016 Through 2020*, to reflect recent statutory changes to Government Code, section 15643 ([Exhibit 10.2](#)).

Action: Upon motion of Ms. Stowers, seconded by Ms. Cohen and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board approved authorization to make Section 100 changes to Property Tax Rules 370 and 370.5 as recommended by staff.

ADMINISTRATIVE SESSION

Administrative Matters, Consent

With respect to the Administrative Matters, Consent Agenda, upon a single 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 September 21-22, 2021.

Executive Director's Report

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

Lisa Renati, Chief Deputy Director, and her staff provided reports on the status of agency projects, and legislative developments related to the implementation and action plan for Proposition 19 ([Exhibit 10.3](#)).

Patricia Lumsden, Chief, County-Assessed Properties Division, Property Tax Department, provided an update on the Property Tax Department's Proposition 19 implementation actions, including updates on guidance.

Henry D. Nanjo, Chief Counsel, provided an update on the Legal Department's Proposition 19 implementation actions, including updates on rulemaking.

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Dustin Weatherby, Chief, Legislative, Research & Statistics Division, provided an update on legislation related to the implementation of Proposition 19.

Peter Kim, Chief Communications Officer, provided an update on the Communications Department's Proposition 19 implementation actions.

Lisa Thompson, Taxpayers' Rights Advocate, provided updates on the Taxpayers' Rights Advocate Office's Proposition 19 implementation actions, and Education and Outreach Proposition 19 implementation actions.

Chief Counsel's Report

Henry D. Nanjo, Chief Counsel, provided a quarterly report on the Legal Department's workload.

Legislative, Research & Statistics Division Chief's Report

Dustin Weatherby, Chief, Legislative, Research & Statistics Division, provided an update on administrative and program related legislative bills impacting the BOE ([Exhibit 10.4](#)).

Taxpayers' Rights Advocate Office's Report

Lisa Thompson, Taxpayers' Rights Advocate, provided an update on activities of the Taxpayers' Rights Advocate Office.

The Board recessed at 12:01 p.m. and reconvened at 1:07 p.m. with Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers present.

ANNUAL BOARD MEETING WITH COUNTY ASSESSORS

Greetings and Introductory Remarks by each Board Member

Mr. Vazquez opened the annual meeting of the Board and County Assessors required under section 15607 of the Government Code and delivered opening remarks regarding the critical housing problem and affordable housing legislation. Mr. Vazquez welcomed the County Assessors to the meeting on behalf of the Board ([Exhibit 10.5](#)).

At the invitation of Mr. Vazquez, Members provided greetings and opening remarks, and thanked their colleagues and County Assessors for their good work.

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Opening Remarks by California Assessors' Association – Recap of 2021 and Priorities for 2022

Panelists: Hon. Ernest J. Dronenburg, Jr., President, California Assessors' Association (CAA); and San Diego County Assessor-Recorder-Clerk
Hon. Leslie Morgan, President-Elect, CAA; and Shasta County Assessor-Recorder

Board Member Input and Next Steps for Addressing 2022 Priorities

Mr. Vazquez invited David Yeung, Deputy Director, Property Tax Department, to deliver a report regarding the welfare and low-income housing exemption improvement project, its objectives, status, and timeline ([Exhibit 10.6](#)).

Group Photograph of County Assessors

The group photograph of the Board Members and County Assessors was taken.

CLOSING

Mr. Vazquez thanked the Members and County Assessors for their participation.

The Board recessed at 2:49 p.m.

The foregoing minutes are adopted by the Board on November 18, 2021.

Wednesday, October 20, 2021

The Board met at 10:09 a.m., via teleconference (Gov. Code, § 11133), 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 Taylor, Chief, Board Proceedings and Support Services Division, provided guidelines for teleconference invited speakers and public participation.

Mr. Gaines recognized the passing of a member of his community, Deputy Austin Ramsey, a military veteran who served as an Army Ranger in the 75th Ranger Regiment and recently as a Deputy in the El Dorado County Sheriff's Office.

ADMINISTRATIVE SESSION (CONTINUED)

Executive Director's Report (Continued)

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

Brenda Fleming, Executive Director, provided a status update regarding proposed Constitutional and statutory draft amendments which would extend specific property tax deadlines intended to provide relief for taxpayers impacted by the COVID-19 pandemic and other state emergencies ([Exhibit 10.7](#)).

Speakers: Hon. Ernest J. Dronenburg, Jr., President, California Assessors' Association (CAA); and San Diego County Assessor-Recorder-Clerk John McKibben, Committee Chair, California Association of Clerks and Election Officials (CACEO) ([Exhibit 10.8](#))
Thomas R. Parker, Deputy County Counsel, Los Angeles County Counsel Office, on behalf of the Los Angeles County Assessment Appeals Board
Richard J. Ayoob, on behalf of the California Alliance of Taxpayer Advocates (CATA); and Partner at Ajalat, Polley, Ayoob, Matarese & Broege ([Exhibit 10.9](#))

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 directed the Executive Director to: 1) provide revised language for both the proposed Constitutional amendment and Government Code section 15620; 2) begin an accelerated interested parties process that includes all stakeholders, including those that the Board has not had an opportunity to consult previously, to have further discussion on revised proposed language for Revenue and Taxation Code, section 155; and 3) report out on the above-mentioned assignments at the November meeting.

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Brenda Fleming, Executive Director, made introductory remarks regarding follow-up discussion and action on the Board Work Groups' Charter, to formalize the Work Groups' forums ([Exhibit 10.10](#)).

Action: Upon motion of Ms. Stowers, seconded by Ms. Cohen and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board agreed to review Ms. Cohen's Proposed Board of Equalization Work Group Charter and be prepared to discuss, make changes, if necessary, and potentially adopt the Work Group Charter at the November meeting.

Exhibits to these minutes are incorporated by reference.

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.

Patricia Lumsden, Chief, County-Assessed Properties Division, Property Tax Department, provided reports on: Letters to Assessors ([Exhibit 10.11](#)); Appraisal Training and Certification; and Assessment Practices Surveys.

Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, provided a report on the status of pending and upcoming projects and activities.

Lauren Keach, Manager, Welfare Exemption Section, Property Tax Department, reported on the status of the agency's Welfare Exemption Process Improvement Project ([Exhibit 10.12](#)).

PUBLIC POLICY HEARINGS

Proposition 19 Implementation

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*.

The Board recessed at 12:10 p.m. and reconvened at 12:41 p.m. with Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers present.

Update: Impact of Public Calamities on Property Tax Administration: County Boards of Equalization / Assessment Appeals Boards (AAB) Remote Hearings

Mr. Vazquez and Ms. Cohen made introductory remarks and reopened the discussion regarding procedural and due process issues in remote hearings to ensure continuity of business in the pandemic and other calamities, protect the rights of all parties, provide guidance, and seek additional authorities or actions if required.

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Report on communications received regarding remote AAB Hearings

Speaker: Brenda Fleming, Executive Director, California State Board of Equalization

Follow-up Report on Surveys of Responses Received from AABs Regarding Remote AAB Hearings and Request to Clarify LTA No. 2021/002

Speaker: John McKibben, Committee Chair, CACEO ([Exhibit 10.13](#)).

The Board recessed at 1:05 p.m. and reconvened at 1:50 p.m. with Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen, and Ms. Stowers present.

Follow-up Evaluation of Remote AAB Hearings – Taxpayer Representative Perspectives and Clarification of LTA No. 2021/002

Speaker: Breann E. Robowski, Chair, Ad Hoc Committee on Remote Hearings, California Alliance of Taxpayer Advocates (CATA); and Partner, Pillsbury Winthrop Shaw Pittman ([Exhibit 10.14](#)) ([Exhibit 10.15](#))

Action: Mr. Vazquez moved that the Board reschedule the remainder of the agenda for the November 16, 2021 meeting. The motion was seconded by Mr. Gaines, but failed to carry, Mr. Vazquez and Mr. Gaines voting yes, Mr. Schaefer, Ms. Cohen and Ms. Stowers voting no.

Follow-up Evaluation of Remote AAB Hearings – County Perspectives and Clarification of LTA No. 2021/002

Speakers: Alina Kasparian, Acting Chief, Assessment Appeals Division, Executive Office of the Los Angeles County Board of Supervisors
Thomas R. Parker, Deputy County Counsel, Los Angeles County Counsel Office, on behalf of the Los Angeles County Assessment Appeals Board ([Exhibit 10.16](#))
Ann Moore, Chief Deputy Clerk, San Diego County Board of Supervisors
Marcy L. Berkman, Retired Deputy County Counsel, Santa Clara County
Kyreen Gonzalez, Deputy Clerk, Sonoma County Board of Supervisors

Action: Upon motion of Ms. Cohen, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board agreed to continue the Public Policy Hearing on Remote AAB Hearings as a publicly noticed Board Working Group with the task of conducting a line-by-line review of the proposed language while making suggested changes to LTA 2021/002 and that this Work Group meet separately from the regular Board meeting.

Upon motion of Mr. Vazquez, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen and Ms. Stowers voting yes, the Board tabled the AAB sub items that were not completed to its November meeting.

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PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Mr. Vazquez invited public comment regarding items not on the agenda, but none provided public comment.

CLOSING

The Board adjourned at 4:22 p.m.

The foregoing minutes are adopted by the Board on November 18, 2021.

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BOARD WORK GROUP**Board Work Group on Wine Industry & Winegrower Excise Tax Data
(Mr. Schaefer/Ms. Cohen)**

The Wine Industry & Winegrower Excise Tax Data Board Work Group (Work Group) met at 4:23 p.m., via teleconference (Gov. Code, § 11133), with Work Group Cochair Schaefer, Work Group Cochair Cohen, Mr. Gaines and Mr. Vazquez present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code, section 7.9.

Mr. Schaefer and Ms. Cohen made introductory remarks regarding discussion of issue, options, and possible action to address concerns raised by the Wine Institute regarding access to winegrower excise tax data.

Speaker: Tim Schmelzer, Vice President, California State Relations, Wine Institute

Action: Upon motion of Ms. Cohen, seconded by Mr. Schaefer and unanimously carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, Ms. Cohen, and Ms. Stowers voting yes, the Work Group made a recommendation directing the Executive Director to report back to the Board at its November meeting on a possible administrative solution that allows disclosure of the volume of sales data and other relevant information filed by individual wineries, extracted via the wineries zip code, which would continue to preserve the individual confidentiality of the taxpayer.

Speaker: Tim Schmelzer, Vice President, California State Relations, Wine Institute

Action: Upon motion of Ms. Cohen, seconded by Mr. Schaefer and duly carried, Mr. Vazquez, Mr. Schaefer, Mr. Gaines, and Ms. Cohen voting yes, Ms. Stowers voting no, the Work Group made a recommendation to support, in concept, a legislative solution that allows the dissemination of data and information sought by the wine industry.

CLOSING

The Board Work Group adjourned at 4:52 p.m.

The foregoing minutes are adopted by the Board on November 18, 2021.