

**Wednesday, February 23, 2022**

The Board met at 10:05 a.m., via teleconference (Governor's Executive Order N-01-22, issued January 5, 2022), with Ms. Cohen, Chair, Mr. Schaefer, Vice Chair, Mr. Gaines, and Mr. Vazquez 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.

### **ANNOUNCEMENTS**

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

Members made opening remarks and joined Ms. Cohen in recognition of Black History Month with additional comments.

### **SPECIAL PRESENTATION**

#### **Board Discussion on Emerging Issues Affecting Unitary Value Setting: Value Indicators and the Reconciliation Process**

Ms. Cohen made introductory remarks and introduced Jack McCool, Chief, State-Assessed Properties Division, Property Tax Department, who provided a presentation for Board discussion on emerging issues affecting unitary value setting: value indicators and the reconciliation process ([Exhibit 2.1](#)).

Exhibits to these minutes are incorporated by reference.

### **PUBLIC HEARINGS**

#### **Property Taxes – 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 2022-23 property values of California public utilities, railroads, and pipelines; and 2) private railroad car assessee's presentations on factors and procedures affecting fiscal year 2022-23 taxable values of private railroad cars.

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

Wednesday, February 23, 2022

**LEGAL APPEALS PROPERTY TAX MATTERS, ADJUDICATORY****Section 40 Decisions**

Southern California Edison Company (0148), SAU21-007

2021, \$31,125,300,000.00 Unitary Value

Considered by the Board: December 14, 2021, Summary Decision (Rev. &amp; Tax. Code, § 40)

Contribution Disclosures pursuant to Government Code, section 15626: None were disclosed.

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

Russell City Energy Company, LLC (1151), SAU21-028

2021, \$364,400,000.00 Unitary Value

Considered by the Board: December 14, 2021, Summary Decision (Rev. &amp; Tax. Code, § 40)

Contribution Disclosures pursuant to Government Code, section 15626: No contribution disclosure forms were filed.

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

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

CBTS Technology Solutions LLC (2470)

2018 to 2021, \$313,200.00 Escaped Assessment, \$31,320.00 Penalties, \$61,443.00 In-lieu Interest

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

Network Innovations, Inc. (8154)

2020 to 2021, \$246,500.00 Escaped Assessment, \$24,650.00 Penalties, \$14,790.00 In-lieu Interest

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

Wednesday, February 23, 2022

CallFire, Inc. (8220)

2021, \$87,000.00 Escaped Assessment, \$8,700.00 Penalties, \$5,220.00 In-lieu Interest

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

### Board Roll Changes

2021 Private Railroad Car Roll

Action: Upon motion of Mr. Vazquez, seconded by Mr. Gaines and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, and Mr. Vazquez voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board approved the following corrections to the 2021 Board Roll of Private Railroad Cars as recommended by staff:

2021 557 Halliburton Energy Services, Inc.,  
Decrease assessment by \$16,131 and tax by \$186.47.

### ADMINISTRATIVE SESSION

#### Administrative Matters, Consent

The Board recessed at 11:29 a.m. and reconvened at 11:38 a.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

Members and Brenda Fleming, Executive Director, made complimentary remarks and provided their individual congratulations to the retirees and their families.

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

Action: Adopt the Board Meeting Minutes of January 25-26, 2022.

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

Action: Adopt the following resolutions, extending its sincere and grateful appreciation to the retirees for their dedicated service to the State Board of Equalization and to the State of California, their congratulations on each retiree's well-earned retirement, and best wishes to them and their families for continued success, happiness, and good health in the years to come ([Exhibit 2.2](#)).

Wednesday, February 23, 2022

Andrew (Andy) B. Austin, Supervising Property Appraiser, County-Assessed Properties Division, Property Tax Department  
Barry W. Frazier, Business Taxes Specialist II, County-Assessed Properties Division, Property Tax Department

### **Executive Director's Report**

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

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

Lisa Renati, Chief Deputy Director, made introductory remarks 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 2.3](#)).

David Yeung, Deputy Director, 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.

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.

### **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 2.4](#)), and Appraisal Training and Certification.

The Board recessed at 12:34 p.m. and reconvened at 1:12 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

**Wednesday, February 23, 2022**

Patricia Lumsden, Chief, County-Assessed Properties Division, Property Tax Department, provided a report on 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, Principal Property Appraiser, Legal Entity Ownership Program and Welfare Exemption Section, County-Assessed Properties Division, Property Tax Department, provided the status of the Welfare Exemption Process Improvement Project.

### **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 2.5](#)).

### **Taxpayers' Rights Advocate Office's Report**

Lisa Thompson, Taxpayers' Rights Advocate, presented the 2020-21 Taxpayers' Rights Advocate's Annual Report highlighting the office's accomplishments, involvement in projects, current issues, and examples of cases illustrating services provided ([Exhibit 2.6](#)).

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

## **BOARD MEMBER REQUESTED MATTERS: NEW MATTERS**

### **Assembly Bill 1206: "Housing Justice Tax Equity Act" (Ms. Cohen/Mr. Vazquez)**

Ms. Cohen and Mr. Vazquez made introductory remarks regarding the Board of Equalization officially supporting Assembly Bill 1206 which raises the property tax exemption threshold for Community Land Trust Properties to match the federal requirement of 140 percent average median income ([Exhibit 2.7](#)).

Speaker: Christina Outfield, Attorney and Legislative Advocate representing the California Community Land Trust (CLT) Network and sister California Community Land Trust Action Organization

Action: Upon motion of Ms. Cohen, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board directed the Executive Director to draft a letter of support for AB 1206.

The Board recessed at 2:42 p.m. and reconvened at 2:47 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

Wednesday, February 23, 2022

### **Board Member and Board of Equalization Website Translation (Ms. Cohen)**

Ms. Cohen made introductory remarks regarding installing in the interim a Google Translation icon and associated disclaimer to the Board Member and Board of Equalization websites to ensure taxpayer accessibility in various languages ([Exhibit 2.8](#)).

Mr. Gaines left the teleconference.

Action: Upon motion of Mr. Vazquez, seconded by Ms. Cohen and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Vazquez, and Ms. Stowers voting yes, Mr. Gaines absent, the Board directed the Executive Director to review the cost and effectiveness of a translation functionality and associated disclaimer. (Additional action was taken later in the day.)

## **PUBLIC POLICY HEARINGS**

### **Proposition 19 Implementation**

Ms. Cohen invited persons who wish to address the Board regarding the implementation of Proposition 19, *The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act of 2020*, but none provided comment.

Mr. Gaines returned to the teleconference.

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

#### ***Lessons Learned Presentations***

Ms. Cohen and Mr. Vazquez made introductory remarks regarding the lessons learned presentation and Work Group participants' feedback that ranged from scheduling to technology driven issues ([Exhibit 2.9](#)).

Speakers: Edward Yen, Assistant Executive Officer, Technology, Planning and Operations, Executive Office of the Los Angeles County Board of Supervisors ([Exhibit 2.10](#))  
 Jennifer Tran, Acting Deputy Executive Officer, Los Angeles County Assessment Appeals Board  
 Alina Kasparian, Acting Assistant Chief, Los Angeles County Assessment Appeals Board  
 Ann Moore, Chief Deputy Clerk, San Diego County Board of Supervisors  
 Cris K. O'Neill, Shareholder, Greenberg-Traurig, on behalf of California Alliance of Taxpayer Advocates (CATA)

Wednesday, February 23, 2022

The Board recessed at 3:46 p.m. and reconvened at 3:56 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

Speakers: Cris K. O’Neill, Shareholder, Greenberg-Traurig, on behalf of CATA  
Scott Donald, Vice President, Marvin F. Poer and Company, on behalf of CATA

**BOARD MEMBER REQUESTED MATTERS: BOARD MEMBER INITIATIVES**

**Board Member Strategic Plan (Ms. Cohen/Mr. Vazquez)**

Action: Upon motion of Ms. Cohen, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board postponed the matter to its March meeting.

**PUBLIC POLICY HEARINGS CONTINUED**

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

***Follow-up on Non-Consensus Items Needing Additional Guidance Regarding Remote AAB Hearings***

Action: Upon motion of Ms. Cohen, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board postponed the matter to its March meeting.

**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 none provided public comment.

**ANNOUNCEMENT OF CLOSED SESSION**

The Board recessed at 4:12 p.m. and reconvened immediately in closed session.

**CLOSED SESSION**

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

Wednesday, February 23, 2022

### **ANNOUNCEMENT OF OPEN SESSION**

The Board reconvened at 5:19 p.m. in open session with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers present.

Action: Upon motion of Ms. Cohen, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, and Mr. Vazquez voting yes, Ms. Stowers not participating, the Board decided to not disclose what was discussed in closed session.

Ms. Cohen stated for the record that the matters discussed in closed session may be scheduled for an additional Board Meeting date in two to three weeks.

### **BOARD MEMBER REQUESTED MATTERS: NEW MATTERS (CONTINUED)**

#### **Board Member and Board of Equalization Website Translation (Ms. Cohen) (Continued)**

Action: Upon motion of Ms. Cohen, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board reopened the vote to direct the Executive Director to review the cost and effectiveness of a translation functionality and associated disclaimer.

The Board's Clerk recalled the roll on the vote so that Mr. Gaines could join the vote as follows: Upon motion of Mr. Vazquez, seconded by Ms. Cohen and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Ms. Stowers voting yes, the Board directed the Executive Director to review the cost and effectiveness of a translation functionality and associated disclaimer.

### **CLOSING**

Ms. Cohen stated for the record that the Board concluded its business for this meeting, and that meeting day Thursday, February 24, 2022, is therefore cancelled.

The Board adjourned at 5:25 p.m. in memory of: Stockton Fire Captain Vidal "Max" Fortuna; and those whose lives were lost to the COVID-19 pandemic and to their families and loved ones.

*The foregoing minutes are adopted by the Board on March 29, 2022.*