

**Tuesday, October 18, 2022**

The Board met at 450 N Street, Sacramento, at 9:15 a.m., with Ms. Cohen, Chair, Mr. Schaefer, Vice Chair, Mr. Gaines, and Mr. Vazquez present, Mr. Epolite 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**

Opening remarks were made by all the Members. Mary Cichetti, Clerk, Board Proceedings, provided guidelines for public participation and other Boardroom procedures.

**PROPERTY TAX MATTERS, CONSENT**

With respect to the Property Tax Matters, Consent Agenda, upon a single motion of Mr. Vazquez, seconded by Mr. Schaefer and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, and Mr. Vazquez voting yes, Mr. Epolite not participating in accordance with Government Code, section 7.9, the Board made the following orders:

**Unitary Land Escaped Assessments**

Southern California Edison Company (0148), EAU22-002  
2020, \$904,750.00 Escaped Assessment, \$90,475.00 Penalty, \$135,713.00 In-lieu Interest

Action: Approve the unitary land escaped assessments as recommended by staff.

**Petitions for Reassessment of Unitary Value**

Pacific Bell Telephone Company (0279), SAU22-010  
2022, \$4,844,700,000.00 Unitary Value

Action: Reduce the 2022 unitary value to \$4,534,400,000.00 as recommended by staff.

Torrance Valley Pipeline Company (0409), SAU22-004  
2022, \$284,300,000.00 Unitary Value

Action: Reduce the 2022 unitary value to \$255,600,000.00 as recommended by staff.

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Sprint Spectrum LP (2720), SAU22-001

2022, \$184,994,970.00 Unitary Value

Action: Reduce the 2022 unitary value to \$129,300,000.00 as recommended by staff.

### **Petitions for Penalty Abatement on Unitary Value**

Foresthill Telephone Co., (0235), SAU22-002

2022, \$1,520,000.00 Penalty

Action: Approve the penalty abatement on 2022 unitary value as recommended by staff.

Kerman Telephone Co., (0246) SAU22-003

2022, \$2,530,000.00 Penalty

Action: Approve the penalty abatement on 2022 unitary value as recommended by staff.

Blythe Energy, Inc., (1136), SAU22-008

2022, \$11,300,000.00 Penalty

Action: Approve the penalty abatement on 2022 unitary value as recommended by staff.

Purple Communications, Inc., (7999), SAU22-013

2022, \$2,320,000.00 Unitary Value, \$232,000.00 Penalty

Action: Reduce the 2022 unitary value to \$1,790,000.00 and approve the penalty abatement on 2022 unitary value as recommended by staff.

## **CHIEF COUNSEL MATTERS: OTHER CHIEF COUNSEL MATTERS**

### **Board Governance Review**

Henry D. Nanjo, Chief Counsel, and Julia Himovitz, Tax Counsel IV, made introductory remarks and reviewed the provisions of the Board Governance Policy. Staff were available to answer questions regarding the review.

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### **ADMINISTRATIVE SESSION**

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

Action: Adopt the Board Meeting Minutes of September 27-28, 2022 ([Exhibit 10.1](#)).

Exhibits to these minutes are incorporated by reference.

On behalf of the Board, Ms. Mary Cichetti read into the record and presented a retirement resolution to Patricia Lumsden, Chief, County-Assessed Properties Division (CAPD), extending the Board's sincere and grateful appreciation for her dedicated service to the State Board of Equalization and to the State of California.

Action: Upon motion of Mr. Vazquez, seconded by Mr. Gaines and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite voting yes, the Board adopted a retirement resolution extending its sincere and grateful appreciation to Patricia Lumsden for her dedicated service to the State Board of Equalization and to the State of California ([Exhibit 10.2](#)).

Patricia Lumsden, Chief, County-Assessed Properties Division, Property Tax Department

Members and Yvette M. Stowers, Executive Director, made complimentary remarks and provided their individual congratulations to Ms. Lumsden.

The Board recessed at 10:00 a.m. and reconvened at 10:08 a.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite present.

Yvette M. Stowers, Executive Director, reported the status of pending and upcoming organizational issues.

Yvette M. Stowers, Executive Director, highlighted some important upcoming dates.

Members and Yvette M. Stowers, Executive Director, expressed their condolences about the passing of Rose Marie Kinnee, former Board of Equalization employee.

Lisa Renati, Chief Deputy Director, reported the status of operational priorities.

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Lisa Renati, Chief Deputy Director, reported the status of agency projects related to the implementation and action plan for Proposition 19 ([Exhibit 10.3](#)).

Lisa Renati, Chief Deputy Director, provided a quarterly report on the status of the BOE budget for Fiscal Year 2021/2022 and Fiscal Year 2022/2023.

Laurel Williams, Technical Advisor for Special Taxes, provided a quarterly report regarding the Special Taxes workload, including approximate revenues and numbers of accounts in each program.

Peter Kim, Chief Communications Officer, provided a quarterly report on BOE communications ([Exhibit 10.4](#)).

Lisa Thompson, Taxpayers' Rights Advocate, provided an update on workload of the Taxpayers' Rights Advocate Office and reported on Proposition 19 education and outreach ([Exhibit 10.5](#)).

Ernest J. Dronenburg, Jr., San Diego County Assessor, was invited to address the Board and provide clarity regarding the assessors' role when there is a decline in property values.

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

David Yeung, Deputy Director, Property Tax Department, reported the status of pending and upcoming projects, activities, and departmental issues, including the Property Tax Department's Proposition 19 implementation actions and guidance.

On behalf of the Property Tax Department, David Yeung, Deputy Director, recognized Patricia Lumsden for her valuable contribution over the last 14 years in the Property Tax Department.

Patricia Lumsden, Chief, County-Assessed Properties Division, reported the status of Letters to Assessors ([Exhibit 10.6](#)), Appraisal Training and Certification, and Assessment Practices Surveys.

Jack McCool, Chief, State-Assessed Properties Division (SAPD), reported the status of pending and upcoming projects and activities for the Division.

Dustin Weatherby, Chief, Legislative, Research & Statistics Division, reported an update on administrative and program related legislative bills impacting the BOE ([Exhibit 10.7](#)).

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**PUBLIC POLICY HEARINGS**

Ms. Cohen invited persons 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.

Ms. Cohen invited persons to address the Board regarding the impact of public calamities on property tax administration: county boards of equalization/assessment appeals boards (AAB) remote hearings, but none provided comment.

**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 comment.

Mary Cichetti, Clerk, Board Proceedings, read into the record written comments from the following individual.

Cathy Brusseau ([Exhibit 10.8](#))

The Board recessed at 12:20 p.m. in memory of Rose Marie Kinnee, former Board of Equalization employee and valued member of the Board of Equalization family.

*The foregoing minutes are adopted by the Board on November 17, 2022.*

Wednesday, October 19, 2022

The Board met at 450 N Street, Sacramento, at 9:13 a.m., with Ms. Cohen, Chair, Mr. Schaefer, Vice Chair, Mr. Gaines, and Mr. Vazquez present, Mr. Epolite present on behalf of Ms. Yee in accordance with Government Code, section 7.9.

## BOARD MEMBER REQUESTED MATTERS (CONTINUED)

### Board Member Initiatives

Board Member Strategic Plan Updates, Mr. Vazquez provided a report regarding quarterly reports on priorities, actions and progress related to the goals of the Board Member Strategic Plan ([Exhibit 10.9](#)).

### Board Work Group Reports

Property Tax Abatement, Ms. Cohen and Mr. Vazquez provided reports regarding the Property Tax Abatement Work Group.

Action: Upon motion of Mr. Vazquez, seconded by Mr. Schaefer and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite voting yes, the Board agreed to continue the Property Tax Abatement Work Group to address the following three items and any items other members may have: 1) Determine how much a property tax abatement or exemption matters for certain housing types, examining what will make or break certain projects and how long it is needed? 2) create a spreadsheet or map on types of abatements; and 3) keep State Board of Equalization (BOE) at the table to make sure that all assessments of affordable housing are uniform and accurate, and all abatements are simple and streamlined.

Mary Cichetti, Clerk, Board Proceedings, read into the record written comments from the following individual.

Speaker: Anonymous ([Exhibit 10.10](#))

The Board recessed at 9:35 a.m. and reconvened at 10:06 a.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite present.

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## **ANNUAL BOARD MEETING WITH COUNTY ASSESSORS**

### **Greetings and Introductory Remarks by each Board Member and Executive Director**

Ms. Cohen opened the annual meeting of the Board and County Assessors required under section 15607 of the Government Code and delivered opening remarks regarding the Board of Equalization's and California Assessors' Association (CAA) Accomplishments and Priorities. Ms. Cohen welcomed the County Assessors to the meeting on behalf of the Board.

Ms. Cohen thanked Leslie Morgan, outgoing President, CAA, for her leadership, work and engagement over the last year. Ms. Cohen recognized Kristine Lee, incoming President-Elect, CAA.

At the invitation of Ms. Cohen, Members and Executive Director, Yvette M. Stowers, provided greetings and opening remarks, and thanked their colleagues and County Assessors for their good work.

### **Opening Remarks by California Assessors' Association – Overview of the Board of Equalization's and California Assessors' Association Accomplishments and Priorities**

Panelists: Honorable Malia M. Cohen, Chair, State Board of Equalization  
Honorable Leslie Morgan, President, CAA; and Shasta County Assessor-Recorder  
Honorable Kristine Lee, President-Elect, CAA; and King's County Assessor/Clerk/Recorder

On behalf of the CAA Association, Leslie, Morgan, President, recognized the relationships built with the BOE staff; acknowledged the retirement of Patricia Lumsden and the passing of Rose Marie Kinnee.

### **Group Photograph of Board Members and County Assessors**

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

The Board recessed at 10:45 a.m. and reconvened at 11:05 a.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite present.

On behalf of the Board, Ms. Cohen read into the record and presented a retirement resolution to Honorable Ernest J. Dronenburg, Jr. The Members joined Ms. Cohen in a photograph with Mr. Dronenburg.

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**Roundtable Discussions: The Board and County Assessors engaged in a dialogue about solutions to lingering issues in California property tax administration.**

Panelists: Honorable Leslie Morgan, President, CAA; and Shasta County Assessor-Recorder  
Honorable John Tuteur, Napa County Assessor  
Honorable Robert Menvielle, Imperial County Assessor  
Honorable Phong La, Alameda County Assessor  
Honorable Kristine Lee, President-Elect, CAA; and King's County Assessor/Clerk/Recorder  
David Yeung, Deputy Director, Property Tax Department, BOE

**PUBLIC COMMENT**

Gina Rodriquez, Ryan LLC

**Acknowledgements and Recognition**

On behalf of the Board, Ms. Cohen acknowledged and thanked the retiring County Assessors for their great contributions and service; Honorable Diane Brown, Butte County Assessor, Honorable Leslie Davis, Calaveras County Assessor, Honorable Karl Weiland, El Dorado County Assessor, Honorable Mari Wilson, Humboldt County Assessor, Honorable Jon Lifquist, Kern County Assessor, Honorable Brian Glover, Madera County Assessor, Honorable Stephen Vagnini, Monterey County Assessor, Honorable Sue Horne, Nevada County Assessor, Honorable Sean Saldavia, Santa Cruz County Assessor, Honorable Marc Tonnesen, Solano County Assessor and Honorable Dan Goodwin, Ventura County Assessor.

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

Ms. Cohen invited the Members to make comments and ask questions of the panelists.

The Board recessed at 12:27 p.m. and reconvened at 3:47 p.m. with Ms. Cohen, Mr. Schaefer and Mr. Gaines present.

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**Closing Remarks and Adjournment**

Panelists: Honorable Malia M. Cohen, Chair, State Board of Equalization  
Honorable Leslie Morgan, President, CAA; and Shasta County  
Assessor-Recorder  
Yvette M. Stowers, Executive Director

The Members thanked the County Assessors and staff for their participation and great work. The Members agreed to report out the discussions held during the break-out sessions at the November meeting.

The Board adjourned at 3:51 p.m.

*The foregoing minutes are adopted by the Board on November 17, 2022.*