

Wednesday, December 13, 2022

The Board convened at 450 N Street, Sacramento, at 10:02 a.m., with Ms. Cohen, Chair, Mr. Schaefer, Vice Chair, 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

Mary Cichetti, Clerk, Board Proceedings, provided guidelines for public participation and other Boardroom procedures.

ADMINISTRATIVE SESSION

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

ACTION: Adopt the administrative consent calendar including the Board Meeting Minutes of November 17, 2022, and publication of the 2023 revisions of Assessors' Handbook, Section 531, *Residential Building Costs* ([Exhibit 12.1](#)), Section 534 *Rural Building Costs* ([Exhibit 12.2](#)), and Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors* ([Exhibit 12.3](#)), as recommended by staff.

Exhibits to these minutes are incorporated by reference.

Mr. Gaines entered the Boardroom.

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

ACTION: Upon motion of Mr. Vazquez, seconded by Ms. Cohen and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite voting yes, the Board directed the Executive Director to provide a copy of the Legislative Analyst's Office (LAO) report to Members by email by the close of business, and to report on the Governor's budget at the January Board Meeting.

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Lisa Renati, Chief Deputy Director, reported the status of operational priorities and the status of agency projects related to the implementation and action plan for Proposition 19 ([Exhibit 12.4](#)).

Speaker: Janine Kilroy

Mr. Epolite left the Boardroom and Ms. Yee entered.

PROPERTY TAX HEARING

Petition for Reassessment of Unitary Value

Southern California Edison Company (0148), SAU22-006
2022, \$34,274,700,000 Unitary Value

For Petitioner:

Andrea Wood, Taxpayer
Karl Matthews, Taxpayer
David Lee, Taxpayer
Mardiros H. Dakessian, Attorney
Charles Moll, Attorney

For Property Tax Department:

David Lujan, Tax Counsel
Jack McCool, Chief, State-Assessed Properties
Division
Michelle Cruz, Principal Property Appraiser
Daniel Jenkinson, Senior Specialist Property
Auditor Appraiser

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

Issues:

Whether Petitioner Has Shown that the State-Assessed Properties Division (SAPD or Respondent) Has Failed to Reconcile the Historical Cost Less Depreciation (HCLD) Value Indicator and the Capitalized Earning Ability (CEA) Indicator of Value.

Whether Petitioner Has Shown that Respondent Erred in Placing 75 Percent Reliance on the HCLD Value Indicator and 25 Percent Reliance on the CEA Indicator of Value.

Whether Petitioner Has Shown that Respondent Must Adjust the Board-Adopted Value for SCE's Liabilities for the 2017/2018 Wildfires and Mudslides.

Whether Petitioner Has Shown that Respondent Improperly Assessed \$1.6 Billion of Wildfire Mitigation Capital Expenditures.

Whether Petitioner Has Shown that Respondent Erred in its Treatment of Wildfire Insurance Fund-Related Contributions.

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ACTION: Upon motion of Ms. Cohen, seconded by Ms. Yee and duly carried, Ms. Cohen, Mr. Schaefer, Mr. Vazquez, and Ms. Yee voting yes, Mr. Gaines voting no, the Board ordered that the petition be denied as recommended by the Appeals Attorney.

The Board recessed at 12:02 p.m. and reconvened at 12:12 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Vazquez, and Ms. Yee present.

**LEGAL APPEALS PROPERTY TAX NONAPPEARANCE MATTERS,
ADJUDICATORY**

Petitions for Reassessment of Unitary Value

Dynegy Moss Landing, LLC (1103), SAU22-011

2022, \$289,800,000.00 Unitary Value

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

ACTION: Upon motion of Mr. Vazquez, seconded by Ms. Yee and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Vazquez, and Ms. Yee voting yes, Mr. Gaines absent, the Board ordered that the petition be denied as recommended by the Appeals Attorney.

SFPP, L.P. (0461), SAU22-015

2022, \$419,400,000.00 Unitary Value

Contribution Disclosures pursuant to Government Code, section 15626: None were disclosed. The Members noted that their records disclosed no contributions from this taxpayer, their agent, or participants.

ACTION: Upon motion of Mr. Vazquez, seconded by Ms. Yee and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Vazquez, and Ms. Yee voting yes, Mr. Gaines absent, the Board ordered that the petition be denied as recommended by the Appeals Attorney.

CALNEV Pipe Line, LLC (0402), SAU22-016

2022, \$83,000,000.00 Unitary Value

Contribution Disclosures pursuant to Government Code, section 15626: None were disclosed. The Members noted that their records disclosed no contributions from this taxpayer, their agent, or participants.

ACTION: Upon motion of Mr. Vazquez, seconded by Ms. Yee and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Vazquez, and Ms. Yee voting yes, Mr. Gaines absent, the Board ordered that the petition be denied as recommended by the Appeals Attorney.

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

Board Roll Changes

2022 State-Assessed Property Roll

ACTION: Upon motion of Mr. Vazquez, seconded by Ms. Yee and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Vazquez, and Ms. Yee voting yes, Mr. Gaines absent, the Board approved corrections to the 2022 Board Roll of State-Assessed Property as recommended by staff.

2022 1117 Ellwood Power, LLC,
Increase \$433,820.00 Unitary Improvements in Tax Rate Area 008-020
due to staff processing error.

2022 1115 Ormond Beach Power, LLC,
Increase \$70,305,000.00 Unitary Improvements in Tax Rate Area
003-030 due to staff processing error.

SPECIAL PRESENTATIONS

Yvette M. Stowers, Executive Director, provided a special presentation to Chair and State Controller Elect Malia M. Cohen and State Controller Betty T. Yee, highlighting their respective careers with the State Board of Equalization.

The Board recessed at 12:38 p.m. and reconvened at 1:31 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez present, Mr. Epolite present on behalf of Ms. Yee in accordance with Government Code, section 7.9.

ADMINISTRATIVE SESSION (CONTINUED)

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 12.5](#)).

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.

Glenna Schultz, Principal Property Appraiser, County-Assessed Properties Division, reported the status of Letters to Assessors ([Exhibit 12.6](#)), and the Appraisal Training and Certification Program.

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

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Dustin Weatherby, Chief, Legislative, Research & Statistics Division, presented the 2022 Property Tax Legislative Bulletin, which is a summary of property tax legislation signed by the Governor during the 2022 legislative year ([Exhibit 12.7](#)).

BOARD MEMBER REQUESTED MATTERS

Ms. Cohen introduced Yvette M. Stowers, Executive Director, to provide a report on the agency-wide assessment conducted to determine whether the Agency has the resources and infrastructure necessary to fulfill its workload requirements, highlighting the assessment's findings and next steps.

Members commented on the priorities, actions, and progress related to the goals of the Board Member Strategic Plan.

Mr. Schaefer moved to invite the Executive Director to explore, for 2023, holding two out of three Board meetings in Southern California. The motion failed for lack of a second.

The Board recessed at 2:34 p.m. and reconvened at 2:42 p.m. with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite present.

Ms. Cohen made introductory remarks regarding the Property Tax Abatement Board Work Group and provided an overview of the Board Work Group Minutes.

Speakers: Neil Shah, Division Manager, Management Services and Roll Support,
Orange County Assessor's Office
Hon. Claude Parrish, Orange County Assessor
Jay Curtis, Orange County Assessor's Office

ACTION: Upon motion of Ms. Cohen, seconded by Mr. Vazquez and unanimously carried, Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite voting yes, the Board adopted the Property Tax Abatement Board Work Group Minutes for July 27, 2022, August 31, 2022, and September 28, 2022 as presented ([Exhibit 12.8](#)).

Ms. Cohen provided a *Term End Review: 2019-2022 Highlights*, which included an overview of the Board's accomplishments over the past four years. Mr. Vazquez also reviewed some highlights ([Exhibit 12.9](#)).

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PUBLIC POLICY HEARING

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.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 3:32 p.m. and reconvened immediately in closed session with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite present, to discuss pending litigation (Gov. Code, § 11126(e)).

ANNOUNCEMENT OF OPEN SESSION

The Board reconvened at 3:48 p.m. in open session with Ms. Cohen, Mr. Schaefer, Mr. Gaines, Mr. Vazquez, and Mr. Epolite present.

CLOSING

The Board adjourned at 4:00 p.m.

The foregoing minutes are adopted by the Board on January 24, 2023.