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BEFORE THE CALIFORNIA STATE BOARD OF EQUALIZATION
450 N STREET
SACRAMENTO, CALIFORNIA
STATE BOARD OF EQUALIZATION

MAY 29TH, 2024

CALIFORNIA STATE BOARD OF EQUALIZATION
BOARD MEETING

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ITEMS 6, 7, 14, 15, 16 AND 17

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REPORTED BY: Jillian M. Sumner, CSR NO. 13619

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APPEARANCES

For the Board of
Equalization:

Honorable Sally J. Lieber
Chair

Honorable Ted Gaines
Vice Chair

Honorable Antonio Vazquez
Third District

Honorable Mike Schaefer
Fourth District

Hasib Emran
Appearing for Malia M. Cohen
State Controller
(per Government Code
Section 7.9)

Malia M. Cohen
State Controller

For the Board of
Equalization Staff:

Yvette Stowers
Executive Director

Lisa Renati
Chief Deputy Director

Lauren Keach
Chief
Property Tax Department
County-Assessed Properties Division

Glenna Schultz
Principal Property Appraiser
Assessment Services and
Training Unit

Jack McCool
Chief
State-Assessed Properties Division

Michelle Cruz
Manager
Unitary Valuation and Auditing Unit

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APPEARANCES CONTINUED

For the Board of
Equalization Staff:

Tara Williams
Supervisor
Unitary Valuation and Auditing Unit

Lucy Vang
Supervisor
Unitary Valuation and Auditing Unit

Mary Cichetti
Clerk
Board Proceedings and
Support Services

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STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO
MAY 29TH, 2024

---o0o---
ITEM 6
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MS. LIEBER: We'll go on now to Item 6, the Guidelines for Appraiser Certification and Training, which is also presented by Ms. Keach and Ms. Glenna Schultz.

MS. KEACH: Yes. Thank you.

Good morning again, Chair Lieber and Honorable Board Members.

For the record again, I'm Lauren Keach, Chief of the County-Assessed Properties Division.

And with me again to present this next item is Glenna Schultz, Principal Property Appraiser of the Assessment Services and Training and Certification Units.

We bring before you today the Board's consideration and adoption of the updated guidelines for appraiser certification and training.

Ms. Schultz will give a brief description of

1 the process and the revisions that have been made, and
2 will be able to answer any questions that you have.

3 If you are ready, I will turn it over to
4 Ms. Schultz to give her presentation.

5 MS. LIEBER: Please.

6 MS. SCHULTZ: Good morning, Chair Lieber and
7 Honorable Board Members.

8 Again, I'm Glenna Schultz, Principal Property
9 Appraiser in the County-Assessed Properties Division.

10 Pursuant to Government Code Section 15606.7
11 and Revenue and Taxation Code Sections 670, 671, the BOE
12 provides training to --- or provides training -- excuse
13 me -- or approves training for assessors and their
14 staffs.

15 These guidelines ensure that county assessors
16 and their staffs have sufficient information to assist
17 them in retaining and maintaining appraiser and
18 assessment analyst certifications.

19 BOE staff worked with the California
20 Assessors' Association on the revision of these
21 guidelines, and the CAA reviewed the revised version.
22 Attached to this month's agenda is a memo outlining the
23 major changes.

24 These updated guidelines are being presented
25 to the Board for approval and adoption.

1 MS. LIEBER: Thank you so much.

2 Are there questions on this?

3 Mr. Vazquez.

4 MR. VAZQUEZ: First of all, thank you once
5 again for this, Property Tax staff, and I know the
6 county assessors, and all the work that you've been
7 doing with this.

8 Just for the outstanding work that was put
9 into these guidelines, it's clear that everyone involved
10 made significant efforts to address some of the
11 challenges that were before the Workforce Planning Group
12 these past few years. And the guidelines added to the
13 assessment analyst are excellent. So I just want to
14 give kudos to you folks.

15 But I have three simple clarification
16 questions. The first one is, it looks like you address
17 the educational qualifications issue by allowing an
18 applicant to submit a description of job duties document
19 on page 10.

20 Is that allowed for advanced appraisers and
21 auditor appraisers also?

22 MS. SCHULTZ: Yes. I had to think that
23 through.

24 MR. VAZQUEZ: Okay. All right.

25 And then the second one is, I saw some

1 information about the cross-training from appraiser to
2 auditor. Is this an area that may be more fully
3 developed in the future as I looked at it?

4 MS. SCHULTZ: I believe we are looking into
5 that as well. Because I know the CAA has concerns in
6 that area as well.

7 MR. VAZQUEZ: Right. Appreciate it.

8 And then my third one is, in the section on
9 evaluation activities by noncertified staff, seems like
10 something -- something like a newly-added, and very
11 helpful, as it clarifies tasks that can perform without
12 engaging in any value judgment.

13 Is this new or just fully developed that we
14 had previously had before?

15 MS. SCHULTZ: We're just elaborating upon what
16 we've already had.

17 MR. VAZQUEZ: Appreciate it. Thank you.

18 MS. LIEBER: Members, any other questions?

19 Okay. Seeing none.

20 We do not have written comments or any speaker
21 cards for the auditorium, so we'll go to our AT&T
22 moderator.

23 Moderator, would you please let us know if
24 there's anyone on the line who would like to make a
25 public comment on Item 6.

1 AT&T MODERATOR: To comment on Item 6, for
2 those on the phone, press one, then zero, please, on
3 your phone's keypad.

4 Once again, that's one, zero for comments on
5 Item 6.

6 Madam Chair, no callers have queued up.

7 MS. LIEBER: Thank you.

8 Well, we'll bring it back to the Board.

9 And I would just like to express my thanks for
10 the detailed pathways and work on this. I think it's
11 really going to move us forward in terms of staffing.
12 And so I very much appreciate everything that's gone
13 into this.

14 Any other comments?

15 And if not, I don't think that we took a
16 motion on this yet.

17 So the suggested motion is to approve the
18 guidelines for appraiser and assessment analyst
19 certification and training.

20 Mr. Vazquez --

21 MR. VAZQUEZ: So moved.

22 MR. GAINES: Second.

23 MS. LIEBER: -- moves, and seconded by
24 Vice Chair Gaines.

25 And do I need to repeat the motion or you've

1 got it?

2 MS. CICHETTI: Nope, we've got it.

3 MS. LIEBER: Okay. Fantastic.

4 And, Ms. Cichetti, if you would please call
5 the roll.

6 MS. CICHETTI: Perfect. Thank you.

7 Chair Lieber.

8 MS. LIEBER: Aye.

9 MS. CICHETTI: Vice Chair Gaines.

10 MR. GAINES: Aye.

11 MS. CICHETTI: Member Vazquez.

12 MR. VAZQUEZ: Aye.

13 MS. CICHETTI: Member Schaefer.

14 MR. SCHAEFER: Aye.

15 MS. CICHETTI: Deputy Controller Emran.

16 MR. EMRAN: Aye.

17 MS. LIEBER: Thank you.

18 Motion passes unanimously.

19 And, again, thank you to staff and the
20 Assessors' Association for working on this. We're
21 really tapping into them quite a bit, so thank you.

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ITEM 7

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MS. LIEBER: We'll go on now to our next item,
Item 7 is our Executive Director's Report.

And this is presented by Ms. Stowers.

MS. STOWERS: Good morning.

Good morning, Chair Lieber and Honorable
Members.

I am Yvette Stowers, Executive Director.

Members, for today's report, I would like to
make an announcement on our new location for our future
Board Meetings, provide an update of legislation of
interest to the Board, provide highlights of the
2024-2025 Governor's May revised budget as it pertains
to BOE, and provide an update on my report on an
internal assessment of the agency.

First, let's talk about our new meeting
location. This has been very anticipated. It's been a
long search. But, as you know, June 25th/26th will be
our last meeting date here at 450 N Street.

MR. VAZQUEZ: Sad.

MS. STOWERS: CDTFA is in the process of
vacating the building and relocating to the

1 newly-constructed May Lee State Office Complex at
2 651 Bannon Street in Sacramento.

3 The final closing of this location is expected
4 by June 30th, 2024. The building will be closed for
5 major rehabilitation, with no access to this auditorium.

6 After searching extensively for a new BOE
7 meeting site, the May Lee State Office Complex was
8 identified as the best choice.

9 As such, beginning with July 23rd/24th BOE
10 meeting, we'll be meeting at that location, the May Lee
11 State Office Complex.

12 The complex is a state-of-the-art facility
13 with an auditorium capacity of 300 participants, and it
14 has onsite structure above garage -- above-grade parking
15 that includes 90 electric vehicle charging stations and
16 capacity for more.

17 Arrangements have been made for Members to
18 tour the complex, and the tentative date is set for late
19 June. I will be reaching out to your offices to confirm
20 your availability and scheduling the tours.

21 MS. LIEBER: I think we might have a question.

22 MR. GAINES: Yeah, if I could.

23 Could you repeat the address?

24 MS. STOWERS: Sure. 651 Bannon Street,

25 B-a-n-n-o-n Street.

1 MR. GAINES: Great. Thank you.

2 MS. STOWERS: Sacramento. Cross street,
3 Richards Boulevard.

4 MR. GAINES: Yeah. Right. Thank you.

5 MR. SCHAEFER: That's the same as the May Lee
6 State Office Complex.

7 MS. STOWERS: It's the same complex, yes.

8 Dave kind of stole my thunder when we talked
9 about it, but --

10 MR. SCHAEFER: Is our auditorium smaller or
11 bigger? I seem to think we have a little more space
12 than we need here.

13 MS. STOWERS: It is bigger, and that was a
14 concern. Because, you know, we thought we wouldn't need
15 so much space.

16 We looked at other sites even within that
17 building complex where they're going to have meetings,
18 but it was not appropriately set for our Board Meetings,
19 so we said no to that.

20 The way that auditorium is set up with the
21 lighting, we will stage it so that even if we only have
22 50 people here -- hopefully we'll have more -- but it
23 won't be that bad.

24 MR. SCHAEFER: Well, I was hoping we'd have
25 standing-room only.

1 MS. STOWERS: Well, that's the goal.
2 That's -- you know, going off script, but there's going
3 to be five State agencies there. And I see -- I know I
4 already told the team that we're going to invite them to
5 our meeting. We've got the Department of Real Estate
6 there, Housing and Community Development there. Several
7 other large agencies. So we're going to do our best.

8 And it's open to the public. So I'm hoping to
9 really market our meetings now and get more
10 participation.

11 MR. GAINES: Clarification.

12 Could you just expand a little bit in terms of
13 what's happening on Richards Boulevard, and kind of
14 some -- there's some -- yeah -- revitalization going on.

15 MS. STOWERS: Richards Boulevard is being
16 revitalized right now. There's -- they're building this
17 complex, which is almost done. They're also building --
18 I want to say, affordable housing. Not low-income
19 housing, but affordable housing.

20 There's limited restaurants right now, but the
21 goal is for them to come back into that area.

22 There's some people who are unsheltered, and
23 they are really offering them shelter in the surrounding
24 areas. Not right where we're going to be for our
25 meetings, but there is housing being made available for

1 them.

2 MR. VAZQUEZ: Like transition.

3 MS. STOWERS: So it's an up-and-coming
4 neighborhood.

5 MR. GAINES: Well, if you think of what's
6 happening in the railyards.

7 MS. STOWERS: Mm-hm.

8 MR. GAINES: Right? Potential professional
9 soccer. I mean, we already have the republic, but we're
10 talking about --

11 MS. STOWERS: Mm-hm.

12 MR. GAINES: -- getting to the next level up.
13 A lot of opportunity there in the future in
14 terms of housing and economic development.

15 MS. STOWERS: Exactly.

16 MR. GAINES: So, yeah.

17 MS. LIEBER: And, Mr. Emran, did you have a
18 question as well?

19 MR. EMRAN: Yes. Just a point of
20 clarification.

21 This is the permanent home for the BOE now, or
22 is this place going to -- this auditorium here going to
23 be refurbished, and we're going to move back in at some
24 point in this term?

25 MS. STOWERS: Nothing's permanent.

1 Whether -- when this place is refurbished, I
2 guess we can ask to move back in. It's up -- this is a
3 DGS building. And so it's up to DGS if they're going to
4 put another tenant in here, or they're going to be in
5 here. It's up -- we would have to get their permission.

6 The May Lee Complex we have reserved for 2024.
7 And let's see how it works. If -- if we're not happy,
8 then we will go looking for other places.

9 MR. GAINES: Sure.

10 MS. STOWERS: But, again, it was very slim
11 pickings. We really tried to find something that was on
12 the Capitol Mall corridor is what our goal was, and we
13 just couldn't.

14 Another thought was to build something out at
15 our headquarters.

16 MR. GAINES: Yeah.

17 MS. STOWERS: Which would take you further
18 away from the Capitol, but it would be our site.

19 MR. GAINES: Yes.

20 MS. LIEBER: Vice Chair, did you have a
21 question?

22 MR. GAINES: Yeah.

23 So if we looked at Opus -- is that the right
24 name? But, anyway, where you're housed now is on the
25 other side of the river, so this is closer to the city

1 center.

2 The picture you sent us, I thought that looked
3 like actually a very nice meeting room. I mean, it's
4 all brand --

5 MS. STOWERS: It's all brand new. Yeah.

6 MR. GAINES: -- new. Has plenty of seating
7 capacity.

8 One question I did have is they had it set up
9 for like a -- like a panel discussion with some nice
10 chairs and things like that. Are we going to be able to
11 set it up and situate it? It looks more like a dais --

12 MS. STOWERS: Yes.

13 MR. GAINES: -- in terms of a table --

14 MS. STOWERS: Yes, they are portable daises.
15 So it's designed to sit ten, and there's five of you
16 guys. So we have more than enough space.

17 MR. GAINES: Yeah. Okay. Good.

18 MS. LIEBER: Before we go to Mr. Schaefer, I
19 just wanted to say that the photo that we got sent, that
20 looked more like a panel discussion, if you -- it was a
21 little bit subtle in the photo, but if you look right
22 behind it, there's a -- there's a nice wooden dais.

23 MR. GAINES: Oh, okay.

24 MS. LIEBER: That's -- that's very beautiful.

25 And so it lends itself to the different kinds of uses.

1 And I think, although we're habituated to this
2 place, we'll probably get there, and it will be so
3 beautiful and useful, that they're going to have a hard
4 time getting us out of there.

5 So, Mr. Schaefer.

6 MR. SCHAEFER: Well, I just wanted to say that
7 I'm sure Mr. Gaines would not object, that Mr. Vazquez
8 and I would like to have at least one meeting a year in
9 either Los Angeles or San Diego, so we could expose
10 ourselves to the media there, and some of the political
11 activists who would like to come see us easily.

12 And San Diego and Los Angeles are
13 under-representative in the -- I mean, their
14 representative quality, but they're under-attended. And
15 so if we could sort of do that once a year, I would
16 appreciate it, and I'm sure Tony would too.

17 MS. STOWERS: Thank you, sir.

18 MS. LIEBER: Okay. Thank you.

19 And I've seen some little movements from our
20 legal counsel, Mr. Norm Scott. And I think --

21 MS. STOWERS: He passed me.

22 MS. LIEBER: -- the subtext of that is wanting
23 us to get back on to the Executive Director making her
24 report, so that we don't get too far astray.

25 MS. STOWERS: Right. Right. Well, I actually

1 want to make a correction as well regarding this
2 location here.

3 We don't have any information confirming that
4 this building will actually remain.

5 Let's see now, we talked about the new
6 location, Bannon Street named after May Lee.

7 In my notes, I wanted to make it grand that
8 Member Schaefer and this Board invited Ms. Lee to us and
9 had a nice presentation with her. So that was very nice
10 when we honored her.

11 Unfortunately, she passed away in 2023 at the
12 age of 102. She was just about to have her 103rd
13 birthday.

14 Finally, as far as this location, Members,
15 information about our change in our meeting location
16 will be placed on our website under "Board Meetings" to
17 keep our stakeholders informed.

18 Additionally, we will be issuing a flier
19 announcing the new meeting location, and of course
20 utilize social media to let everyone know where we're
21 at.

22 MR. SCHAEFER: Ms. Stowers, May Lee was having
23 her 100th birthday. And as I promised her, I sent her a
24 check for \$100. And she sent it back to me saying,
25 because of COVID, they cancelled the birthday party. So

1 she was returning \$100 check, but I could send her \$101
2 next year. I thought that was nice.

3 MS. STOWERS: Nice. Nice.

4 MS. LIEBER: Thank you.

5 MS. STOWERS: Okay.

6 MS. LIEBER: So we'll keep on going.

7 MS. STOWERS: That concludes my comments on
8 the meeting location.

9 Any more questions?

10 MS. LIEBER: Mr. Emran, did you have a
11 question?

12 MR. EMRAN: I just want to thank you,
13 Executive Director. I know it was a lot of hard work.
14 This 450 N Street has been going through its trials and
15 tribulations this past couple years. So I think it's
16 exciting. And I'm really, really looking forward to it.

17 And just along with what Senator Gaines was
18 saying, staying on that Capitol corridor. We've had
19 this convenient location to bring Senators and State
20 Assembly Members and Constitutional Officers, they were
21 able to take a walk to 450 N Street to come meet with us
22 and talk about the work they're doing.

23 And I think it can continue at the May Lee
24 Office Complex. And it will be nice to be the inaugural
25 tenants there to serve as a host in that capacity as

1 well. So looking forward to it.

2 And thank you again for your whole team's hard
3 work on this.

4 MS. STOWERS: Thank you, sir.

5 MR. SCHAEFER: I had a question about the
6 California Tax Policy Oversight Board. And that's one
7 of your items.

8 MS. STOWERS: I'm coming -- I'm gonna get
9 ready to go there.

10 MS. LIEBER: We'll let her present on it
11 first, and then we'll get there.

12 MR. SCHAEFER: Oh, okay. Thank you.

13 MS. STOWERS: Okay. All right. Great.

14 Okay. So my next item I would like to talk
15 about is the status of several bills that the Board took
16 a position on.

17 The first bill I would like to discuss is
18 Senate Bill 1436, introduced by Senator Ben Allen, on
19 the creation of the California Tax Policy Oversight
20 Board.

21 This bill proposed establishing the California
22 Tax Oversight Board, consisting of the Controller, the
23 Director of Finance, the Chairperson of State Board of
24 Equalization, the Treasurer, and the Secretary of
25 Government Operation Agency.

1 The purpose was to work collaboratively to
2 promote clarity and communication, and consider
3 recommendations regarding input brought by the tax
4 agencies, taxpayers, or other state and local entities.

5 This bill would require the Policy Oversight
6 Board to provide transparent open and accessible forums,
7 meeting at least two times each year, and will require
8 the Policy Oversight Board to report on findings after
9 each hearing, together, recommendations to all
10 participants, tax agencies and the Governor.

11 The bill would also require the Board to issue
12 an annual report to the Governor, the Legislative
13 Analyst's Office and to the Legislature.

14 The Board voted to support this legislation,
15 and a position letter was submitted on your behalf.

16 Unfortunately, this bill was held on the
17 Senate Appropriation Committee suspense file on May
18 16th, 2024.

19 Any questions on the Tax Policy Oversight
20 Board?

21 MS. LIEBER: Mr. Schaefer.

22 MR. SCHAEFER: So what is the status of it
23 now?

24 MS. STOWERS: It did not make it out of
25 committee.

1 MR. SCHAEFER: Thank you.

2 MS. STOWERS: It was held in suspense.

3 MS. LIEBER: Mr. Vazquez.

4 MR. VAZQUEZ: Yes.

5 Thank you for that report.

6 I just wanted to officially go on and
7 appreciate and recognize Senator Ben Allen for his work
8 on, you mentioned, SB 1436.

9 Although it's been held, I think, you know, I
10 learned a lot from this. And I wanted to thank my
11 colleagues also for your support on this.

12 Because at the two hearings, especially the
13 second hearing we went to, I was surprised, and it was
14 kind of welcoming to hear from some of the legislators
15 who thought that we didn't have enough teeth in it.

16 Here we were worried about putting too much
17 out there. There seems to be a different appetite among
18 the legislators. So I'm hoping next year, as we move
19 into the next season, we take that into consideration as
20 we move forward.

21 And I think what hurt is this one is obviously
22 the budget. You know, right now, everything -- anything
23 that has any kind of a cost, even though I believe this
24 was minimal, was -- it's not going anywhere these days.
25 Because, you know, the deficit is so big right now for

1 the state.

2 But I also wanted to recognize and praise our
3 Chair Lieber for AB 2238, the Low bill.

4 Because -- oh, you're going to get into it?
5 I'm sorry.

6 MS. LIEBER: It's -- it's coming.

7 MR. VAZQUEZ: Because you mentioned it
8 earlier, and I didn't know if you were done with it.

9 I'll wait. I'll hold off.

10 MS. STOWERS: Yeah. I just took a break,
11 because -- just because.

12 MS. LIEBER: It's coming.

13 MR. VAZQUEZ: You know, going back to the
14 senator, just give my senator a shout out. They just
15 had a new baby. They just had a baby girl in the last
16 week. So -- because he wanted to come by and thank us
17 as well, but he's on paternity leave.

18 MS. LIEBER: That's -- that's great.

19 And, yeah, I think next year is going to have
20 advantage of being a fresh new two-year session. And
21 although it will be a tough budget year next year as
22 well, there will be a little bit more capacity being at
23 the beginning of a session.

24 So please carry on.

25 MS. STOWERS: The next bill, AB 2238, the

1 Franchise Tax Board Membership Bill, introduced by
2 Assemblymember Evan Low. Under this bill, existing law
3 established in Government Operations Agency, the
4 Franchise Tax Board, consisting of the Controller, the
5 Director of Finance, and the Chair of the State Board of
6 Equalization, existing law prescribed various powers and
7 duties to the Franchise Tax Board, including, among
8 other things, the administration of state personal
9 income tax and corporate franchise tax.

10 As amended on May 20th, 2024, this bill,
11 beginning July 1st, 2025, will add the Lieutenant
12 Governor and the Treasurer as members of the Franchise
13 Tax Board.

14 This bill would also designate the Controller
15 to serve as the Chair of the Franchise Tax Board.

16 On May 21st, 2024, the Chair, on behalf of the
17 Board, submitted a letter to the Assemblymember Low,
18 stating that the BOE is neutral and no longer opposes
19 AB 2238 as amended, and extended the Board's
20 appreciation for the author's willingness to collaborate
21 with the BOE to address the Board's concerns in previous
22 versions of this bill.

23 This bill will pass -- this bill passed out of
24 Assembly, 50 to 11, and ordered to the Senate floor, May
25 22nd, 2024.

1 I do have one more bill. Okay. The final
2 bill is AB 2353, pertaining to property tax payments and
3 the Welfare Exemption, introduced by Assemblymember
4 Chris Ward.

5 This bill proposed to allow affordable housing
6 developers to withhold property tax, otherwise due to
7 county tax collector, once a Welfare Exemption
8 application has been submitted to the qualified property
9 tax -- has been submitted.

10 The Board voted to support this legislation,
11 and the Chair submitted a position letter on the Board's
12 behalf. This bill also passed out of the Assembly,
13 72 to 0, and ordered to the Senate floor on May 22nd,
14 2022.

15 That concludes the bills that I will be
16 covering today.

17 Chief of Legislation and Research, Mr. Ted
18 Angelo, will be presenting on other bills of interest
19 later on today.

20 Any questions on the last two bills?

21 MS. LIEBER: Mr. Vazquez.

22 MR. VAZQUEZ: Yes. I'll save my comments on
23 the Ward bill, because I understand Mr. Angelo is
24 probably going to bring it up again in his presentation,
25 unless I'm mistaken here.

1 MS. STOWERS: You can do it now, and
2 Mr. Angelo can come help me out.

3 MR. VAZQUEZ: Okay. Well, while he's coming
4 up, let me first start by recognizing and praising our
5 Chair also for the letter that was sent on AB 2238.

6 Because I know there was a lot of confusion at
7 the beginning. Because at the hearing I went to, it was
8 pretty clear to me from the leadership and the members,
9 that they were in agreement to work with the Chair.

10 But then I saw the -- what was being
11 presented, and actually to the credit of a couple of the
12 members in that committee, who text me and said, you
13 know, "I'm looking at this bill, and they haven't
14 amended it, and it shows CDTFA on it. Should I be
15 supporting it?"

16 I said, "No, this thing needs to be amended."

17 So luckily it was tabled. And I guess they
18 took it -- took into consideration the letter and the
19 discussion the Chair had with the committee.

20 And it was refreshing to hear that they moved
21 forward and they removed CDTFA. Because there was seen
22 to be a consensus that it should be an elected person on
23 that Board.

24 And they decided on Lieutenant Governor, which
25 I think is a good choice. And let's see where it goes

1 from here.

2 So I just want kudos to our Chair, and also to
3 staff here.

4 The other issue I was going to bring up that
5 you touched on was the Ward bill. And I'm -- and since
6 you're sitting up here, Mr. Angelo, I was wondering,
7 this is the one that deals with whether a property
8 goes -- is under Chapter 8 and Chapter 7; am I correct,
9 or is that a different one?

10 MS. STOWERS: That's a --

11 MR. ANGELO: That's a different one.

12 MR. VAZQUEZ: All right. Then I'll wait. I'm
13 sorry. I jumped ahead.

14 You will be discussing that one later?

15 MR. ANGELO: Yeah.

16 MR. VAZQUEZ: Okay.

17 MS. STOWERS: Okay.

18 MR. VAZQUEZ: Sorry to call you up.

19 MR. ANGELO: That's all right.

20 MS. STOWERS: Let's see now. We talked about
21 the bills.

22 MR. GAINES: I've got a question.

23 MS. LIEBER: Yes. Excuse me.

24 Vice Chair.

25 MR. GAINES: Yeah. Because we're not going to

1 hear anymore on 2253 at this point; is that right?

2 MS. STOWERS: I can talk some more, if you
3 would like.

4 MR. GAINES: No, you don't have to. I'm just
5 asking a question.

6 But I did want to -- I also want to thank
7 Senator Ben Allen for his efforts. Because I think
8 that's good government. And so I think we all agree.
9 And I think there's an opportunity there. So I'm
10 hopeful that it will come up in the next session, and
11 we'll be able to get that figured out.

12 And then I wanted to thank our Chair Lieber
13 very much, and Member Vazquez, for your efforts on 2238.
14 Because that was very challenging. And through your
15 efforts, you were able to develop a solution that took
16 care of the issue, the whole challenge.

17 So I just wanted to thank you for those
18 efforts, and the success on getting it moved out of the
19 Legislature. So thank you.

20 MS. LIEBER: Thank you.

21 And I just wanted to also acknowledge Mr. Low
22 for being so willing to work with us. We had him
23 cornered at every public event that he went to, and in
24 the building as well.

25 And then the Chair of Assembly Rev. and Tax,

1 Assemblywoman Jacqui Irwin I think was very helpful, and
2 very helpful in recognizing the unique and essential
3 role that the BOE plays.

4 And so it was very good to see that, upon
5 arriving at that committee, immediately the notion of
6 taking the BOE off the of the Franchise Tax Board in
7 terms of -- which would have meant removing elected
8 representation and removing representation with direct
9 accountability for taxation, did not move forward as a
10 part of that bill. So I think that that was tremendous
11 progress there.

12 So, Mr. Emran.

13 MR. EMRAN: Thank you, Madam Chair.

14 I just also want to thank all the colleagues
15 here for banning together on AB 2238.

16 The Controller, as Chair of the Franchise Tax
17 Board, she thought it was very, very important to keep
18 the Board of Equalization on. She fought tooth and nail
19 in regards to this. She said it was a hard stop to not
20 have the Board of Equalization on.

21 And now as legislation is going through the
22 process, I think it's quite powerful to have four
23 constitutional officers on the Franchise Tax Board.
24 It's the second largest tax department in the country
25 behind the Federal IRS, collects over \$150 billion in

1 tax, personal income tax. It runs like a well-oiled
2 machine.

3 So as the bill goes through its process and
4 hopefully is signed by the Governor, I think the
5 Controller is excited to welcome the two new members
6 onto the Franchise Tax Board to have the Department of
7 Finance to have the Board of Equalization where it
8 belongs, and continue to serve the taxpayers of
9 California in the highest regards.

10 So really, really looking forward to it. And
11 I just want to also thank Assemblymember Low and
12 Treasurer Ma for working with us throughout this
13 process.

14 Thank you so much.

15 MS. LIEBER: Thank you.

16 Mr. Schaefer.

17 MR. SCHAEFER: I have one question on this.

18 It's one thing having four constitutional
19 officers on the Franchise Tax Board. Do we know that
20 they would be attending personally or via a deputy? The
21 deputies do a wonderful job, but if you're going to have
22 some members personally and some appearing by deputy,
23 that's a little bit awkward. I would like to see that
24 we are able to get all of our constitutional members to
25 go to that meeting either virtually or in person.

1 MS. STOWERS: Well, I can't speak to that. I
2 just know what -- all the amendments adding those two
3 on, that there will be on that board. Whether or not
4 they would have the ability to have a designee, I do not
5 know that.

6 But they meet four times a year here in
7 Sacramento. And I'm pretty sure that those two new
8 members will be looking forward to attending in person
9 themselves.

10 MR. SCHAEFER: Sure. Well, that's good.
11 Thank you.

12 MS. STOWERS: Mm-hm.

13 MS. LIEBER: Okay. Other --

14 MR. GAINES: Can I close?

15 MS. LIEBER: Yes, Vice Chair.

16 MR. GAINES: Just a closing remark, because
17 I -- and, I'm sorry, I didn't recognize Controller Cohen
18 in her efforts really across the board in terms of
19 support of the Board of Equalization. And it's very
20 much appreciated. And so I didn't want to move on to
21 the next subject without mentioning that.

22 Thank you.

23 MR. EMRAN: Thank you.

24 Thank you, Senator.

25 MS. STOWERS: Okay. Now I'm going to talk

1 about the budget. Okay.

2 MS. LIEBER: Just a little introjection here.
3 I know we need to take a ten-minute break. And did you
4 want to hold on the budget until we take that break
5 for -- especially for our captioning crew and others?

6 So if it's okay, we'll go ahead and take the
7 ten-minute break now at 11:20, and come back at 11:30.

8 MS. STOWERS: Sounds good.

9 MS. CICHETTI: Thank you.

10 (Whereupon a break was taken.)

11 MS. LIEBER: Thank you very much. We will
12 reconvene now at 11:32 and continue with our Executive
13 Director's Report. And I think she was just about to go
14 into the budget.

15 MS. STOWERS: Thank you, Chair Lieber.

16 Yes.

17 Yvette Stowers.

18 I was going to talk about the budget, the
19 Governor's May revise. I asked Ms. Renati to join me on
20 this part of my presentation, if that's okay.

21 MS. LIEBER: Please. Yeah.

22 MS. STOWERS: Okay. All right.

23 The May -- the Governor released his May
24 budget for 2024/25 fiscal year on May 10th.

25 The May revision addresses anticipated

1 shortfalls in both 2024/25 and 2025/26.

2 According to the Governor's revised
3 projections, the anticipated budget shortfall for
4 2024/25 is \$27.6 billion, which is a slightly higher
5 shortfall of 28.4 billion for 2025/2026.

6 The May revisions include significant spending
7 cuts to government operations, reductions to programs,
8 and pause for new investments.

9 Despite these necessary cuts, reductions and
10 pauses, the May revisions maintains current service
11 levels for key healthcare, social services, and other
12 critical programs.

13 To address the projected budget shortfall and
14 multiyear operating deficits, the Governor proposes one
15 time and ongoing general funds solutions to achieve a
16 balanced budget in 2024/25 and 2025/2026. And
17 significantly reduces the projective for operation
18 deficits over multiyear forecasts.

19 AB 106 adopted the Governor's budget proposals
20 to reduce department budgets in 2024 by 1.5 billion.
21 The May revise proposed making the reduction payment --
22 making the reductions permanent.

23 The Department of Finance will work with the
24 agencies and departments in the fall on the appropriate
25 budget reduction starting in 24/25, and will eliminate

1 approximately 10,000 positions starting in 25/26 and
2 ongoing.

3 Additionally, reduction to state operation of
4 about 7.95 percent will begin in 2025 to nearly all
5 departments and budget.

6 At this time, it is unclear exactly what
7 impact it would have on the BOE. However, we will
8 continue to monitor, work with the Department of
9 Finance, and keep you updated.

10 Ms. Renati, would you like to say anything on
11 the budget?

12 MS. RENATI: Yes. I was going to talk about
13 it during my other -- but here we go.

14 Lisa Renati, Chief Deputy Director.

15 We're currently engaged in proactive efforts
16 to ensure that we wrap up our year-end budget tasks.
17 And this includes making sure that we account for all of
18 our expense-item purchases, give the invoices, give all
19 of -- you know, any type of receipts that we have, so
20 they can be accounted for.

21 And really one of the biggest tasks right now
22 is making sure one of our largest expenses are accounted
23 for, and those are our expense claims for -- we have our
24 auditors who travel throughout the state and to perform
25 their work. And we need to make sure we get all those

1 receipts in on time and processed. So we're really
2 pushing to get those in so that we can be vital in
3 safeguarding our funding for our agency.

4 When they -- we anticipate when they look at
5 our past years, you know, expenditure reports, and they
6 have to make a cut, they will make cuts based on the
7 numbers in those reports. And those reports are only as
8 good as those receipts that we have accounted for. So
9 we're really making sure that we have all of our
10 expenses accounted for.

11 MS. STOWERS: And that includes Board Member
12 offices as well. We send you guys a monthly
13 appropriation report. And we always tell you, you know,
14 if we don't have the expenses in, like your travel, it's
15 not accurate.

16 And although your travel, your flight, your
17 hotel, your car is generally state paid, we still need
18 to have those invoices in, so that we can have accurate
19 accounting.

20 MS. LIEBER: Okay. Questions?

21 Mr. Emran.

22 MR. EMRAN: Thank you, Madam Chair.

23 I just want to thank the Executive Director
24 leadership here, Ms. Renati and Ms. Stowers as well.

25 And I know we're in times of a little bit of

1 belt tightening, right? And I think the Board of
2 Equalization has always been an exemplary agency when it
3 comes to being as efficient as possible.

4 And then also on the other end, that the core
5 duties of this Board of Equalization, I think, is so, so
6 important now, stepping up, we're one of the big three
7 in terms of property tax revenue. And as long as we're
8 doing our job, I think -- I think we're going to see
9 this deficit through to brighter days.

10 But for now, just really, really buckling up
11 and being the most lean, efficient Board of Equalization
12 we can be.

13 Thank you.

14 MS. STOWERS: Thank you, sir.

15 MS. LIEBER: Thank you.

16 Mr. Vazquez.

17 MR. VAZQUEZ: Just a quick comment and
18 question.

19 You mentioned, Ms. Renati, I think you were
20 talking about just positions, you know, making sure we
21 have everything committed, and we don't lose it.

22 And I know when I had a vacancy on the legal
23 side, it took like two years to fill these things.
24 Because we don't have an HR Department internally.

25 Is there something we can do on that?

1 Because I'd hate to see any of the offices
2 being penalized because of a vacancy, but not so much
3 because they're not working to try to fill it, but the
4 process. And it just takes so long.

5 Because it's out of your control in many
6 cases. You're at the mercy of this, I guess I want to
7 say, exterior department's approval to move it.

8 MS. STOWERS: No, we -- no.

9 MS. RENATI: Do you want to answer?

10 MS. STOWERS: Go ahead.

11 MR. VAZQUEZ: Am I correct, or am I --

12 MS. RENATI: I'd like to answer it, if I can.

13 MS. STOWERS: Yes, please go right ahead.

14 MS. RENATI: My boss, taking over for her.

15 But the -- you know, our HR, we have, in the
16 last seven years of our agency, we did build up a
17 Support Services Unit.

18 MR. VAZQUEZ: Oh, okay.

19 MS. RENATI: And our Support Services Unit
20 does have, on top of all the other things they do, they
21 have a dedicated person for HR. We have a dedicated
22 person for budgets and contracts and for facilities. So
23 our HR person is really the liaison with our service
24 provider.

25 At the same time, and in the past, where we

1 had delays in our processing of our HR, was because we
2 didn't have our delegation back. The State Personnel
3 Board had removed our delegation at the same time as the
4 restructuring. So we have our delegation back.

5 And so now that we have our delegation back,
6 and we have our Support Services team, we can get people
7 hired fairly quickly. It's all -- where the time takes
8 is the time for the hiring manager to score the
9 applications, the hiring manager to set up the
10 interviews and make the selection.

11 Once we get the selection made, it goes back
12 into -- back to the department and our service provider,
13 and then the approvals happen very quickly. They have
14 to go through and do checks and balances, make sure
15 we're following all rules. But we're not finding that
16 many delays any longer.

17 MR. VAZQUEZ: Oh, I appreciate to hear that.
18 Because I know it was a problem, I guess I'm going back
19 three, four years here.

20 MS. STOWERS: Mm-hm.

21 MS. RENATI: Yeah.

22 MR. VAZQUEZ: Okay.

23 MS. LIEBER: I would just comment that I
24 appreciate all the budget information that we're
25 getting.

1 As grim of reading as it is, I think that it's
2 just a situation for us to navigate, and to be very,
3 very sensitive to where the Legislature and the Governor
4 are.

5 And, you know, I think it's about two-thirds
6 of the State Assembly are brand new members.

7 MR. VAZQUEZ: Yeah.

8 MS. LIEBER: So have not gone through the real
9 crucible of a very ugly budget situation before.

10 And as Mr. Emran mentioned, you know,
11 asserting our role as an agency that brings in revenue
12 for pre-K through 16-plus education and local
13 government, and really vital services, I think is
14 important.

15 So we'll continue to watch that process as it
16 unfolds in the Legislature.

17 MS. STOWERS: Thank you, ma'am.

18 Yes, our role is very important.

19 And I wanted to comment, if I may.

20 MS. LIEBER: Please.

21 MS. STOWERS: You know, of course the state
22 has a budget deficit. And thanks to Chair Lieber, you
23 know, we were concerned about how is that going to
24 affect local government.

25 So I actually sent a letter as Executive

1 Director to all the board of supervisors, acknowledging
2 the important role that property tax is, and encouraging
3 them to fully fund the county assessors.

4 MS. LIEBER: Mm-hm.

5 MS. STOWERS: The county assessors were very
6 pleased with the letter, and so were some board of
7 supervisors. We've gotten a lot of feed -- a lot of
8 positive feedback. A lot of thank yous.

9 MS. LIEBER: Good.

10 MS. STOWERS: And then some assignments.

11 MS. LIEBER: Good.

12 MS. STOWERS: Okay. That's all I have on the
13 budget. I have one more item to report on.

14 MS. LIEBER: Please.

15 MS. STOWERS: If that's -- if I may.

16 MS. LIEBER: Please.

17 MS. STOWERS: Okay. Members, if you may
18 recall, back in March, I committed to providing the
19 Board with a formal written assessment of the agency.
20 And that will outline the many achievements realized
21 from our rebuilding and revitalizing efforts.

22 I just want to provide you with an update that
23 this report is still being prepared. And thanks to your
24 leadership, the agency is rebuilt and revitalized. And,
25 yes, we are going to have some hard times coming up, but

1 I think we're in a good position to weather the storm.

2 But with respect to the report, I expect to
3 have that report as promised, the third quarter of this
4 year. And with that report, hopefully that report would
5 help you guys in setting your goals, your strategic
6 goals for '24/'26.

7 That concludes my items for Item 7.

8 Any questions?

9 MS. LIEBER: Thank you.

10 Any further comments?

11 Mr. Emran.

12 MR. EMRAN: Thank you for that, Ms. Stowers.

13 I had one question about some of the events
14 coming up.

15 I know we talked about August. The CAA's
16 meeting in Palisades, correct? Do you have a specific
17 date?

18 MS. STOWERS: I do not have the specific date
19 for the conference. I will say this, for our side --
20 I'll find out for you, first of all.

21 MR. EMRAN: Please.

22 MS. STOWERS: But for our side, we're limiting
23 our conference participation to key staff.

24 MR. EMRAN: Understood.

25 MS. STOWERS: Yeah. So it will be property

1 tax staff for that one. And they've had another
2 conference, and they actually had it virtual. So I
3 participated virtually, and so did Mr. Yeung.

4 We're just trying to be good stewards of the
5 taxpayers' dollars.

6 MR. EMRAN: I appreciate that.

7 I know summer is kicking off too, so there's
8 going to be a plethora of events and engagements that
9 either yourself or us as the Board of Equalization
10 Members can also be involved in, whether it be in
11 Sacramento or their respective districts, too.

12 MS. STOWERS: Mm-hm. Yeah.

13 MR. EMRAN: So just keep us abreast.

14 And I really, really appreciate it. Thank
15 you.

16 MS. STOWERS: Once I get the date, I'll send
17 it to you.

18 MS. LIEBER: Thank you.

19 Mr. Yeung is suggesting the date might be --

20 MS. STOWERS: August 5th through the 8th.

21 MR. EMRAN: Thanks for the quick, quick
22 response.

23 MS. LIEBER: Okay. Thank you. August 5th
24 through 8th is the assessors --

25 MS. STOWERS: Northern California Assessors'

1 Association Conference.

2 MS. LIEBER: Northern California Assessors.
3 Apologies to Southern California.

4 MS. STOWERS: Yeah.

5 MS. LIEBER: Very much appreciate that. And
6 more information will be forthcoming.

7

8 ---o0o---

9 **ITEM 14**

10 ---o0o---

11

12 MS. LIEBER: And we will begin Tax Program
13 Matters, Item 14, State-Assessed Property Valuation.

14 The Board sets unitary values of
15 state-assessed properties annually on or before
16 May 31st, pursuant to constitutional and statutory law.

17 This item is a constitutional function.
18 Contribution disclosure forms are not required pursuant
19 to Government Code 15626.

20 And this item will be presented by Mr. McCool,
21 Ms. Cruz, Ms. Williams and Ms. Vang.

22 Mr. McCool.

23 MR. McCOOL: Thank you.

24 Good afternoon, Chair Lieber, Controller
25 Cohen, and Honorable Members of the Board.

1 My name is Jack McCool, Chief of the
2 State-Assessed Properties Division.

3 With me today are Michelle Cruz, Manager of
4 our Unitary Valuation and Auditing Unit, as well as
5 Ms. Tara Williams and Lucy Vang, Supervisors in our
6 Unitary Valuation and Auditing Unit.

7 We are here to present the annual unitary
8 value setting for the Board's consideration.

9 Chair Lieber, before I begin, I would just
10 like to take a moment to personally thank the entire
11 State-Assessed Properties Division for all their hard
12 work and dedication.

13 All of our units have been working at full
14 capacity to complete their work during the busy season,
15 and I just want to tell the staff that their hard work
16 and long hours are very much appreciated.

17 Members, the item before you today is the
18 annual unitary value setting. As you know, this is one
19 of BOE's core functions.

20 Before we begin with the value setting, I
21 would like to provide a brief overview of the process,
22 and provide the public with some context on what value
23 setting is.

24 California State Constitution grants BOE the
25 responsibility to assess property owned or used by

1 certain public utilities, regulated railroads, and other
2 specified companies operating in California, enabling
3 counties to use those values to collect local property
4 tax.

5 Property values on the state-assessed roll are
6 allocated by the BOE to the counties where the
7 properties are located. Each county collects taxes
8 based upon the allocated values.

9 To meet this responsibility, the
10 State-Assessed Properties Division has three primary
11 steps to complete in the process.

12 The first, which is before the Board this
13 afternoon, is to determine the total value of each state
14 assessee's unitary property.

15 Unitary property is property used in the
16 primary function of an assessee. In contrast,
17 non-unitary property is property owned by the assessee,
18 but not used in the assessee's primary function, most
19 often vacant land that an assessee no longer has use
20 for.

21 Both the unitary and non-unitary property of a
22 state assessee is subject to Board assessment.

23 Non-unitary values are not part of today's
24 agenda item, but instead will be part of the final roll.

25 After the Board adopts each company's total

1 unitary value today, SAPD will begin working on the
2 second step in the process, which is to determine how
3 much of each company's total unitary value should be
4 allocated to each county. Work on allocation will be
5 completed by mid June.

6 The final step in the process is to present
7 the Board of -- is to present the Board roll of
8 state-assessed property to the Board for adoption at the
9 July meeting.

10 The final roll will include today's unitary
11 values allocated to each county, any adjustments to a
12 company's value due to previous Board actions such as
13 appeals, audits and land escapes.

14 The final roll in July will also include all
15 non-unitary values.

16 Today's unitary value setting is the
17 culmination of several months of work by the SAPD staff
18 to determine how much each state assessee's unitary
19 property is worth.

20 Value indicators and a staff-recommended value
21 have been determined for each state assessee, and those
22 have gone through several levels of review.

23 Once the unitary values have been completed
24 and fully reviewed, SAPD staff prepare and then transmit
25 to each Board Member a detailed binder containing

1 appraisal data reports for each state assessee, as well
2 as several spreadsheets summarizing the current year's
3 values, and how those values compare to 2023's values.

4 We also provide a summary for why each value
5 indicator is typically used for each industry group.
6 Additionally, and separate from their appraisal data
7 report binder, SAPD provides a unitary value setting
8 workbook, which lists each state assessee and their 2024
9 recommended value by industry group.

10 It is important for the public to understand
11 that the material SAPD provides to the Board for the
12 Members to use in their analysis of the unitary values,
13 and the staff-recommended values themselves, are
14 considered confidential under Revenue and Taxation Code
15 Section 833, and Government Code Section 15619.

16 As a result, the staff-recommended unitary
17 values are not made public prior to adoption of the
18 values, and staff will be limited in what we can discuss
19 when the Members ask questions. Generally speaking,
20 SAPD staff will only be able to provide general
21 responses to any questions.

22 With all that being said, a quick summary of
23 this year's values. This year's unitary values are
24 about 6.2 percent higher than compared to 2023's unitary
25 values after appeals.

1 That is consistent with increases we have seen
2 in recent years. As a matter of fact, last year's
3 values were about 7.26 percent higher than the year
4 before that.

5 The gas and electric industry is by far the
6 largest industry in terms of assessed value, accounting
7 for over 70 percent of the total unitary value.

8 This year the gas and electric industry, as a
9 group, increased by about 6.97 percent overall compared
10 to the prior year.

11 That is a little less than the 8 percent
12 increases we saw the last two years.

13 This industry continues to see increased
14 growth due to significant amounts of new property being
15 added.

16 Most of these utilities are replacing older
17 property that is severely depreciated, with new property
18 that has experienced little-to-no depreciation yet.

19 In addition, the large investor-owned
20 utilities continue to spend significantly on improving
21 the durability of their systems against the risk of
22 wildfires.

23 From our discussions with representatives from
24 these companies, these trends are expected to continue
25 in the coming years.

1 The pipeline industry has been fairly
2 unchanged the last few years. This year, as a group,
3 the industry was down about 1.78 percent, which follows
4 a one-and-a-half percent increase last year.

5 The throughputs we have been seeing in the
6 annual reporting are generally on the increase, but
7 costs have also been increasing as well. So we really
8 have not seen too much change in values for the
9 assessees in this industry as a group.

10 The railroad unitary values have been
11 increasing the last few years, driven largely by
12 post-COVID surges in demand for shipping.

13 Two years ago the railroad values increased
14 about 10 percent. Last year, they were up an additional
15 6 percent. But this year, from what we are hearing from
16 the railroads, shipping demand has slowed, and that,
17 coupled with rising costs tied to inflation, resulted in
18 basically no change in the overall industry value total
19 for the railroads. This year's industry total was only
20 0.29 percent higher than last year.

21 The electric generation industry was about
22 5.4 percent higher this year. This after a 3.6 percent
23 decrease last year. Most of the change can be
24 attributed to power plants that signed new contracts to
25 provide power.

1 Values for the power plants tend to decrease
2 as the term of their contracts to provide power
3 drawdown. So when a facility is able to sign a new
4 contract, that extends the expected future income
5 stream, resulting in increasing values. Which largely
6 explains this year's increase.

7 That brings us to our telecommunications
8 industries. Overall, the three telecom subindustries
9 together saw a 5.4 percent increase in value compared to
10 last year.

11 We primarily use the replacement cost approach
12 indicator for most of the telecommunications assessees.
13 Which means we are trying to determine how much it would
14 cost today to replace their property.

15 Since inflation has driven up the cost for
16 just about everything, the market data we collect
17 annually to determine the trend factors for telecom
18 property have also gone up, which accounts for the
19 industry's increase in unitary values overall.

20 In closing, there are 321 state assessees this
21 year with a unitary value. Once the Board sets the
22 unitary values, SAPD will mail a notice of unitary value
23 to each state assessee, which will report the value
24 adopted by the Board, as well as information on how to
25 file an appeal.

1 The deadline to file an appeal of unitary
2 value is July 20th.

3 MR. SCHAEFER: How many assessors were there?

4 MR. McCOOL: 321.

5 And, Members, if there are no questions, we
6 can begin with this year's value setting.

7 MS. LIEBER: Let me see if there are any
8 initial questions.

9 And, if not, our first industry is the gas and
10 electric companies.

11 MR. McCOOL: Mm-hm.

12 MS. LIEBER: Before we begin the presentation
13 from Mr. McCool and Ms. Cruz, is there any specific
14 company in this group that anyone wishes to take up
15 separately?

16 MR. GAINES: Thank you.

17 MS. LIEBER: Mr. Gaines.

18 MR. GAINES: Yeah, if I could.

19 Due to a financial interest, I will not be
20 able to participate with respect to Pacific Corp., which
21 is Item No. 106; Sierra Pacific Power, which is
22 Item 146; and Kern River Gas Transmission Company,
23 No. 188; and BNSF Railroad Company, No. 804.

24 MS. LIEBER: Thank you.

25 Anyone else? Anyone?

1 Okay. We will -- thank you, Mr. Gaines.

2 We'll take up the bulk of the gas and electric
3 companies in the first vote, and then take a second vote
4 to cover the three companies in which Vice Chair will
5 not be participating.

6 So, Mr. McCool and Ms. Cruz, you may proceed.

7 MR. GAINES: Thank you. Looks like four
8 companies, just for clarification.

9 MS. LIEBER: Oh, okay. Just to clarify, I had
10 No. 106, No. 146, and No. 188. Did I miss one?

11 MR. GAINES: And there's also 804.

12 MS. LIEBER: Okay.

13 MS. CICHETTI: That's in a different group.
14 It's in the railroad group.

15 MR. GAINES: Oh, it is. I'm sorry. Okay.

16 MS. CICHETTI: Right now we're doing gas and
17 electric.

18 MR. GAINES: Thank you.

19 MS. LIEBER: Yeah. So we'll separate out each
20 of them within groups.

21 MR. GAINES: Thank you.

22 MS. LIEBER: Yes, thank you.

23 MR. SCHAEFER: Sally, what was the third one?

24 MS. LIEBER: Yeah. The fourth one was 804.
25 But that's in the railroad's group, so we're not quite

1 there yet.

2 MR. SCHAEFER: And the third one was what?

3 MS. LIEBER: No. 188, Kern River Gas
4 Transmission Company.

5 MR. SCHAEFER: Okay. Thank you.

6 MS. LIEBER: Thank you.

7 So, Mr. McCool and Ms. Cruz, please.

8 MS. CRUZ: Okay. Chair Lieber and Honorable
9 Members, SAPD will now present the 2024 unitary values
10 for your consideration.

11 We will introduce each of the five industry
12 groups in the following order: Gas and electric,
13 pipelines, railroads, electric generation, and
14 telecommunications.

15 We will read each -- we will read the name of
16 each industry group one at a time, and ask the Board to
17 adopt staff's recommended values.

18 After the Board completes its vote for the
19 first industry, we will introduce the next industry
20 group, and will continue with that pattern until the
21 Board has taken action on all industries and assessees.

22 If any Member requests not to participate on a
23 particular assessee, we will make note of that, and ask
24 the participating Member for a vote on those assessees
25 after we have finished the vote for the rest of the

1 particular industry.

2 Chair Lieber, if you are ready, we can
3 introduce the first industry group.

4 MS. LIEBER: Yes, please.

5 MS. CRUZ: The first industry group is gas and
6 electric industry.

7 Chair Lieber and Honorable Members, I ask for
8 your adoption of staff-recommended values for the gas
9 and electric industry.

10 MS. CICHETTI: Less the ones that Mr. --

11 MS. CRUZ: Oh, sorry.

12 Less 106 --

13 MR. McCOOL: Pacific Corp.

14 MS. CRUZ: Pacific Corp.

15 MR. McCOOL: No. 146, Sierra Pacific Power;
16 and No. 188, Kern River Gas Transmission Company.

17 MS. LIEBER: Okay. Members, do you have any
18 questions on this group?

19 MR. SCHAEFER: I do.

20 MS. LIEBER: Mr. Schaefer.

21 MR. SCHAEFER: You're asking us to adopt the
22 2024 staff recommendation value, you don't say anything
23 about the penalty? Those are yet to be discussed, or
24 have those been waived?

25 MR. McCOOL: Any --

1 MR. SCHAEFER: I'm prepared to approve the
2 values that are explained.

3 MR. McCOOL: All penalties that we were
4 required to apply per statute are included in the values
5 that are before the Board today.

6 MR. SCHAEFER: Well, I'd like to ask for each
7 of these penalties. Has there been any evidence of good
8 faith? I'm prepare to give them some compromise or
9 relief or waiver.

10 We always like to do that if we have any
11 showing of good ways or circumstances sort of negating
12 bad intentions.

13 MR. McCOOL: Of course. And generally
14 speaking, our staff is supportive of those
15 considerations. And, unfortunately, the statutes
16 require us to apply the penalties when there's a late
17 filing.

18 So what we do recommend when we feel there is
19 good cause, we do recommend that they file a petition.
20 And we will -- our staff recommendation to the Board
21 would be in agreement to abate those penalties.

22 So we will likely see a handful or so
23 assessees later present us with their reasons for filing
24 late. We will have to evaluate those petitions. But
25 generally speaking, we are supportive of abating those

1 penalties during the petition process.

2 MR. SCHAEFER: So my concern is premature.

3 MR. McCOOL: Perhaps.

4 Unfortunately, there's no discretion on our
5 part whether we apply the penalties or not. It's all
6 required by statute.

7 MR. SCHAEFER: All right. Thank you.

8 MR. McCOOL: Of course.

9 MS. LIEBER: Okay. Thank you.

10 Any other questions, Members?

11 Seeing none, would anyone like to make a
12 motion on the gas and electric companies valuation,
13 excluding SPE No. 106; SPE No. 146; and SPE No. 188?

14 MR. GAINES: So moved.

15 MS. COHEN: Second.

16 MS. LIEBER: Moved by Mr. Gaines.

17 MS. COHEN: Second.

18 MS. LIEBER: And seconded by our Controller.

19 And we will go to public comment for this
20 group. And we do not have any written comments, nor
21 comment request cards from the auditorium.

22 So we'll go to our AT&T moderator.

23 Moderator, would you please let us know if
24 there's anyone on the line who would like to make a
25 public comment on the first group of gas and electric

1 companies.

2 AT&T MODERATOR: If there is anyone on the
3 line who would like to provide public comment at this
4 time, please press one, then zero.

5 Madam Chair, there are no comments.

6 MS. COHEN: I have a question.

7 MS. LIEBER: Thank you, moderator.

8 Question from our Controller.

9 MS. COHEN: Yeah. Thank you.

10 Mr. McCool, quick question for you.

11 Good afternoon, by the way.

12 MR. McCOOL: Good afternoon.

13 MS. COHEN: Have there been any increases in
14 gas and electric valuations? If so --

15 MR. McCOOL: Yes.

16 MS. COHEN: -- maybe you can explain to us
17 what the costs were.

18 MR. McCOOL: Yeah. Generally speaking, it is
19 the fact that there's a lot of older property that
20 exists in these utility systems. And when we're doing
21 our valuations, part of the valuation depreciation comes
22 into a -- is a large factor in the historical cost less
23 depreciation approach to value, which is the approach we
24 primarily rely on for closely rate-regulated utilities.

25 So as the older property that has a low value,

1 because of the amount of depreciation and experience, as
2 that property is removed from their systems and replaced
3 with new property that was purchased recently at today's
4 costs, and has very little depreciation, that is the
5 primary driver for the value increases.

6 MS. COHEN: Thank you.

7 MR. McCOOL: Of course.

8 MS. LIEBER: Okay.

9 Anyone else?

10 If not, we have had a motion by Vice Chair
11 Gaines, and second from Controller Cohen on the first
12 group.

13 And, Ms. Cichetti, if you would please call
14 the roll.

15 MS. CICHETTI: Yes.

16 Chair Lieber.

17 MS. LIEBER: Aye.

18 MS. CICHETTI: Vice Chair Gaines.

19 MR. GAINES: Aye.

20 MS. CICHETTI: Member Vazquez.

21 MR. VAZQUEZ: Aye.

22 MS. CICHETTI: Member Schaefer.

23 MR. SCHAEFER: Aye.

24 MS. CICHETTI: Controller Cohen.

25 MS. COHEN: Aye.

1 MS. LIEBER: Okay, Members, that group passes
2 unanimately.

3 And we'll allow Mr. Gaines to leave the dais
4 now at this time.

5 Thank you.

6 And as he does, we'll take up the three gas
7 and electric companies that were noted by Mr. Gaines
8 where Mr. Gaines was not participating, Numbers 106, 146
9 and 188.

10 Did staff have anything further to add on
11 those?

12 No?

13 MR. McCOOL: No.

14 MS. LIEBER: Okay. Thank you.

15 Is there a motion to adopt on these three
16 entities?

17 MR. VAZQUEZ: So moved.

18 MS. LIEBER: Mr. Vazquez moves.

19 MS. COHEN: Second.

20 MS. LIEBER: Controller Cohen seconds.

21 And we have no written comments, nor speaker
22 cards from the auditorium, so we'll go to our AT&T
23 moderator.

24 Moderator, could you tell us if there's anyone
25 on the line who would like to make a public comment on

1 the second group of gas and electric companies under
2 Item 14?

3 AT&T MODERATOR: If you would like to provide
4 public comment, please press one, zero at this time.

5 That command again, one, then zero.

6 Madam Chair, there are no comments.

7 MS. LIEBER: Thank you.

8 Members, is there any further discussion on
9 these?

10 If not, Mr. Vazquez has moved, and the
11 Controller has seconded.

12 Ms. Cichetti, if you would please call the
13 roll.

14 MS. CICHETTI: Okay.

15 Chair Lieber.

16 MS. LIEBER: Aye.

17 MS. CICHETTI: We have Mr. Gaines as not
18 participating.

19 Member Vazquez.

20 MR. VAZQUEZ: Aye.

21 MS. CICHETTI: Member Schaefer.

22 MR. SCHAEFER: Aye.

23 MS. CICHETTI: Controller Cohen.

24 MS. COHEN: Aye.

25 MS. LIEBER: Okay. The item passes with

1 Mr. Gaines abstaining.

2 And we'll welcome Mr. Gaines back to the dais
3 now.

4 The second industry is pipeline companies.

5 And before we begin the presentation by
6 Mr. McCool and staff, is -- Board Members, is there any
7 specific company in this group that anyone wishes to
8 take up separately?

9 And seeing none, we'll go ahead and ask
10 Mr. McCool and Ms. Williams to proceed.

11 MS. WILLIAMS: Okay. Our next group is the
12 pipeline industry.

13 I ask for the Board's adoption of the staff's
14 recommended values for the pipeline industry.

15 MS. LIEBER: Okay. Thank you.

16 Members, are there any questions for staff?

17 And if not, we'd love to take a motion for the
18 pipeline companies valuations.

19 MR. VAZQUEZ: So moved.

20 MS. COHEN: Second.

21 MS. LIEBER: Moved by Mr. Vazquez, and
22 seconded by Controller Cohen.

23 We have no written comments, nor speaker
24 cards. We'll go to our AT&T moderator.

25 Moderator, could you tell us if there is

1 anyone on the line who would like to make a public
2 comment on the pipeline companies segment of Item 14?

3 AT&T MODERATOR: If you would like to provide
4 public comment, please press one, zero at this time.

5 Madam Chair, there are no comments.

6 MS. LIEBER: Members, any further discussion?

7 Seeing none, Mr. Vazquez has moved, and
8 Controller Cohen has seconded, the adoption of the
9 valuations for pipeline companies.

10 Ms. Cichetti.

11 MS. CICHETTI: All right.

12 Calling roll.

13 Chair Lieber.

14 MS. LIEBER: Aye.

15 MS. CICHETTI: Vice Chair Gaines.

16 MR. GAINES: Aye.

17 MS. CICHETTI: Member Vazquez.

18 MR. VAZQUEZ: Aye.

19 MS. CICHETTI: Member Schaefer.

20 MR. SCHAEFER: Aye.

21 MS. CICHETTI: Controller Cohen.

22 MS. COHEN: Aye.

23 MS. LIEBER: Okay. And the motion passes
24 unanimately.

25 The third industry -- and thank you to staff

1 for that brief presentation.

2 The third industry is railroad companies.

3 Members, is there any specific company in this
4 group that any Board Member wishes to take up
5 separately?

6 MR. GAINES: Yes. Thank you.

7 MS. LIEBER: Mr. Gaines.

8 MR. GAINES: Thank you.

9 Yeah. Due to a financial interest, I will not
10 participate with respect to BNSF Railway Company,
11 Item 804.

12 MS. LIEBER: Thank you, Mr. Gaines.

13 We'll take up the bulk of the railroad
14 companies in the first vote, and then take another vote
15 to cover the one identified as not participating for
16 Mr. Gaines, and that is No. 804 for BNSF.

17 MR. GAINES: Thank you.

18 MS. LIEBER: Mr. McCool and Ms. Williams.

19 MS. WILLIAMS: Our next group is the railroad
20 industry.

21 I ask for your adoption of the staff's
22 recommended values for the railroad industry.

23 MR. McCOOL: And just to note,
24 staff-recommended values, less No. 804, BNSF Railway
25 Company.

1 Thank you.

2 MS. LIEBER: Yes. Thank you.

3 Members, any questions on the balance of the
4 entities?

5 Seeing none, Controller Cohen, would you like
6 to make the motion on this one?

7 MS. COHEN: I'll make a motion to accept
8 staff's recommendation.

9 MS. LIEBER: Okay. Thank you.

10 MR. GAINES: Second.

11 MS. LIEBER: And seconded by Mr. Gaines.

12 And the public comments for this portion of
13 the item, we do not have written comments, nor anyone in
14 the auditorium who wishes to make a public comment. So
15 we'll go to our AT&T moderator.

16 AT&T moderator, would you please tell us if
17 there's anyone on the line who would like to make a
18 public comment on railroad companies as part of Item 14,
19 excluding BNSF Railway Company.

20 AT&T MODERATOR: If you would like to provide
21 public comment, please press one, zero at this time.

22 Madam Chair, there are no comments.

23 MS. LIEBER: Okay. Thank you.

24 And we have a motion from Controller Cohen,
25 and a second from Vice Chair Gaines to adopt the railway

1 values, excluding No. 804.

2 And so, Ms. Cichetti, if you would please call
3 the roll.

4 MS. CICHETTI: Okay.

5 Chair Lieber.

6 MS. LIEBER: Aye.

7 MS. CICHETTI: Vice Chair Gaines.

8 MR. GAINES: Aye.

9 MS. CICHETTI: Member Vazquez.

10 MR. VAZQUEZ: Aye.

11 MS. CICHETTI: Member Schaefer.

12 MR. SCHAEFER: Aye.

13 MS. CICHETTI: Controller Cohen.

14 MS. COHEN: Aye.

15 MS. LIEBER: Thank you, Members. That passes
16 unanimously.

17 And we will allow Mr. Gaines to depart us once
18 more.

19 And is there any further information that we
20 need to know about BNSF valuation?

21 I don't think so. Thank you so much.

22 And so, Members, I'm prepared to accept a
23 motion on the BNSF valuation.

24 MR. VAZQUEZ: So moved.

25 MS. LIEBER: Mr. Vazquez.

1 MS. COHEN: Second.

2 MS. LIEBER: And seconded by the Controller.

3 We'll go to public comment. We do not have

4 any written comments, nor any speaker cards from the

5 auditorium. So we'll go to our AT&T moderator.

6 Moderator, would you please let us know if

7 there's anyone on the line hoping to make public

8 comments on the railway companies valuation for BNSF

9 Railway under Item 14.

10 AT&T MODERATOR: If you would like to provide

11 public comment, please press one, zero at this time.

12 Madam Chair, there are no comments.

13 MS. LIEBER: Thank you.

14 We'll bring it back.

15 And we have a motion from Mr. Vazquez, second

16 from Controller Cohen to adopt the valuation for BNSF

17 Railway.

18 And we'll go ahead and have Ms. Cichetti call

19 the roll.

20 MS. CICHETTI: Chair Lieber.

21 MS. LIEBER: Aye.

22 MS. CICHETTI: Vice Chair Gaines is not

23 participating.

24 Member Vazquez.

25 MR. VAZQUEZ: Aye.

1 MS. CICHETTI: Member Schaefer.

2 MR. SCHAEFER: Aye.

3 MS. CICHETTI: All right.

4 Controller Cohen.

5 MS. COHEN: Aye.

6 MS. LIEBER: And motion passes unanimously
7 among all those who are participating.

8 And we'll go ahead and welcome Mr. Gaines
9 back.

10 The fourth industry that we'll be taking up is
11 electric generation facilities.

12 Members, is there any specific company in this
13 group that any Board Member wishes to take up
14 separately?

15 And seeing none, we'll go to Mr. McCool and
16 Ms. Vang for the presentation.

17 MS. VANG: Our next industry group is the
18 electric generation industry.

19 I ask for your adoption of staff's recommended
20 values for the electric generation industry.

21 MS. LIEBER: Thank you.

22 Members, do you have any questions for staff
23 on this portion?

24 If not, we're prepared to take a motion to
25 adopt the electric generation facilities valuations.

1 Mr. Gaines.

2 MR. VAZQUEZ: Oh, go ahead.

3 MS. LIEBER: Oh, we got a motion from the
4 Controller?

5 MS. COHEN: Okay.

6 MS. LIEBER: Okay. We'll take --

7 MS. COHEN: I'll make a motion to accept the
8 staff recommendation.

9 MS. LIEBER: Thank you so much.

10 MS. COHEN: Yes. Mm-hm.

11 MS. LIEBER: We'll take a second from our
12 Vice Chair, Mr. Gaines.

13 And we'll go to public comment. And we have
14 no written comments or anyone who submitted a speaker
15 card to make a public comment. So we'll go to our AT&T
16 moderator.

17 And, moderator, if you could tell us if
18 there's anyone on the line who would like to make a
19 public comment on the electric generation facilities
20 portion of Item 14.

21 AT&T MODERATOR: If you would like to provide
22 public comment, please press one, zero at this time.

23 And, Madam Chair, there are no comments.

24 MS. LIEBER: Oh, thank you.

25 And, Members, if there's no further

1 discussion, we have a motion from Controller Cohen, and
2 a second from Vice Chair Gaines to adopt the staff
3 recommendation on the electric generation facilities
4 group.

5 And, Ms. Cichetti, if you would go ahead and
6 call the roll.

7 MS. CICHETTI: Yes.

8 Chair Lieber.

9 MS. LIEBER: Aye.

10 MS. CICHETTI: Vice Chair Gaines.

11 MR. GAINES: Aye.

12 MS. CICHETTI: Member Vazquez.

13 MR. VAZQUEZ: Aye.

14 MS. CICHETTI: Member Schaefer.

15 MR. SCHAEFER: Aye.

16 MS. CICHETTI: Controller Cohen.

17 MS. COHEN: Aye.

18 MS. LIEBER: Thank you, Members. That passes
19 unanimately.

20 And we'll go into our fifth industry, which is
21 telecommunications companies.

22 Board Members, are there any specific
23 companies in this group that a Board Member wishes to
24 take up separately?

25 Seeing none, we will have a presentation from

1 Ms. Vang.

2 Thank you.

3 MS. VANG: Our last industry group is the --
4 is telecommunication.

5 I ask for the Board's adoption of
6 staff-recommended values for the telecommunication
7 industry.

8 MS. LIEBER: Thank you.

9 Any questions for staff?

10 MS. COHEN: I actually do have a question.

11 Thank you very much, Madam Chair.

12 So have there been any acquisitions between
13 the wireless companies that make up this industry that
14 have in some way affected the valuation?

15 MR. McCOOL: I would say that there -- there
16 have been -- there has been several acquisitions in the
17 last few years. I don't necessarily think any of those
18 acquisitions have affected value, per se.

19 Most recently, T-Mobile acquired Sprint, two
20 or three years ago. I can't remember exact timing.
21 This is actually the first year where T-Mobile or Sprint
22 has not been a reporting entity. So it's taken T-Mobile
23 a few years since the merger to dispose of duplicative
24 assets, for example. And whatever assets are remaining
25 were consolidated with T-Mobile's reporting for this

1 particular year.

2 But -- and I don't know if you can think of
3 anything else -- but I'm not sure how much that really
4 affected an overall value.

5 MS. VANG: I would say that in the local --
6 local -- in the long-distance industry, the value is
7 showing an increase due to fiber build-outs of some of
8 our bigger assessees.

9 MS. COHEN: Mm-hm.

10 MS. VANG: So since COVID, that's what we've
11 seen, are more fiber build-outs. And it costs more to
12 install fiber underground.

13 MR. McCOOL: Specifically related to the
14 wireless companies, there has been enough mergers and
15 acquisitions over the years that we are left with three
16 very large companies, and just a handful of smaller- to-
17 medium-sized companies.

18 And from what we understand, a lot of the
19 focus for that particular industry going forward is the
20 availability of additional spectrum for which they could
21 compete over to improve their networks and market that
22 to more customers.

23 But to the extent there's available spectrum,
24 I think that's maybe where the industry overall is
25 hitting a wall, so to speak. There's not really much

1 left that's been made available to the public.

2 MS. COHEN: You make an interesting point
3 about fiber, right, being the future. But makes me
4 wonder, what about the declining use of landlines?

5 MR. McCOOL: Mm-hm.

6 MS. COHEN: How -- does that have any affect
7 at all in the valuation?

8 MS. VANG: That does not.

9 MS. COHEN: Really?

10 MS. VANG: The industry is slightly shrinking.

11 MS. COHEN: Mm-hm.

12 MS. VANG: But the growth is becoming larger
13 due to buying out the smaller companies.

14 MS. COHEN: Mm-hm.

15 MR. McCOOL: So a lot of what we classify as
16 local telephone exchange companies have business in the
17 fiber world as well. So we will report them, and sort
18 of keep them in the local telephone category. But I
19 don't know if we have any local telephone companies that
20 aren't in the --

21 MS. COHEN: How long do you keep them in the
22 local telephone --

23 MR. McCOOL: Well, I think that --

24 MS. COHEN: -- category before they, I don't
25 know --

1 MR. McCOOL: Sure. I think --

2 MS. COHEN: -- age out or grow out?

3 MR. McCOOL: I think it has a lot more to do
4 with what the primary function of the business is.

5 So, for example, you would think of, you know,
6 Pacific Bell, for example, they're our largest local
7 telephone entity.

8 MS. COHEN: Mm-hm.

9 MR. McCOOL: But they do a lot more than just
10 provide local telephone service. And I think it's safe
11 to say, because it's -- it's known in the public world,
12 but there are efforts by Pac Bell and others to get
13 regulatory approval to no longer provide local telephone
14 service.

15 Because, generally speaking, it's a drain on
16 the overall business. So it's one of the things that we
17 monitor. There's -- there's CPUC regulatory actions,
18 and there's also Federal FCC proceedings that we try to
19 keep up -- keep tabs on.

20 And I have to say, our assessee partners are
21 generally very good about keeping us informed about --
22 about those efforts.

23 MS. COHEN: Got it.

24 MS. LIEBER: Okay. Any further questions?

25 Vice Chair.

1 MR. GAINES: If I could. Because in your
2 initial introduction, you had mentioned that values had
3 increased year-over-year. And I was wondering, is there
4 a way to translate that into additional tax revenue for
5 the Treasury?

6 MR. McCOOL: Yes. So I think overall we have
7 about a -- it's about a -- it's about a \$9 million of
8 assessed value increase this year.

9 MR. GAINES: Okay.

10 MR. McCOOL: So that would equate to -- I do
11 my decimal points. But that would equate to about a
12 \$90 million increase in --

13 MR. GAINES: Yes.

14 MR. McCOOL: -- property tax revenue.

15 MR. GAINES: Okay. Okay.

16 And then how about on the locally-assessed
17 property values? What's happening -- what's happening
18 this year?

19 MR. McCOOL: Sure. And, you know,
20 unfortunately, that's not the area of our specialty.
21 But I think, generally speaking, I think there's --
22 there's robust growth in -- in most counties as far as
23 their -- their property tax compared to the prior year.

24 MR. GAINES: Okay.

25 MR. McCOOL: I don't have knowledge of

1 specifics, but, you know, I've seen some of the news
2 releases that county assessors offices have released,
3 and I can't even think of one that went into the
4 decline. I think every one that I've seen so far --

5 MR. GAINES: Okay.

6 MR. McCOOL: -- has been similar --

7 MR. GAINES: All right. So that's one area
8 where tax revenue is actually growing a little bit. I
9 know we've got challenges with the state budget, but --

10 MR. McCOOL: Sure.

11 MR. GAINES: -- it's not happening in the
12 property arena.

13 MR. McCOOL: Not from what we're seeing, no.

14 MR. GAINES: Yeah.

15 MS. VANG: There was also inflation that also
16 affected --

17 MR. McCOOL: Mm-hm.

18 MR. GAINES: Okay.

19 MS. VANG: -- our trend factors this year.

20 MR. GAINES: Okay.

21 MR. McCOOL: Yeah.

22 MS. VANG: So the decrease was very low.

23 MR. GAINES: Yeah. I guess you could have
24 some decreases in some of these office buildings. And I
25 don't know when those hit the books. But when they, you

1 know, some of these buildings that are worth half of
2 what they used to be worth, and they're going under or
3 whatever --

4 MR. McCOOL: Yeah. I think of them, from the
5 little that I've followed, the commercial vacancy rates,
6 I don't think they've fallen quite as much as a lot of
7 predictions had, you know, thought they might.

8 MR. GAINES: Okay.

9 MR. McCOOL: But that's definitely something
10 the local assessors are keeping a very close eye on.

11 MR. GAINES: Yeah. Not reflected this year?

12 MR. McCOOL: Not to my knowledge, no.

13 MR. GAINES: Yeah. Okay. Thank you.

14 MS. LIEBER: Okay. Any other questions for
15 staff?

16 Seeing none, we're ready to accept a motion to
17 adopt the staff recommendation on the telecom companies
18 valuations.

19 Is there anybody who'd like to jump in?

20 MR. VAZQUEZ: So moved.

21 MS. LIEBER: Mr. Vazquez.

22 And a second?

23 MS. COHEN: I'd be honored to second.

24 MS. LIEBER: Okay. We'll take our Controller
25 as a second there.

1 And go to public comment for telecom companies
2 valuations. And we do not have any written comments or
3 comment cards from the auditorium. So let's go to our
4 AT&T moderator.

5 Moderator, if you would please let us know if
6 there's anyone on the line who would like to make a
7 public comment on the telecoms companies portion of
8 Item 14.

9 AT&T MODERATOR: If you would like to provide
10 public comment, please press one, then zero at this
11 time.

12 Madam Chair, there are no comments.

13 MS. LIEBER: Okay. Thank you.

14 So we'll bring it back.

15 And we have a motion from Mr. Vazquez, and a
16 second from Controller Cohen to adopt the valuations for
17 telecommunication companies.

18 And, Ms. Cichetti, if you would please call
19 the roll.

20 MS. CICHETTI: All right.

21 Chair Lieber.

22 MS. LIEBER: Aye.

23 MS. CICHETTI: Vice Chair Gaines.

24 MR. GAINES: Aye.

25 MS. CICHETTI: Member Vazquez.

1 MR. VAZQUEZ: Aye.

2 MS. CICHETTI: Member Schaefer.

3 MR. SCHAEFER: Aye.

4 MS. CICHETTI: Controller Cohen.

5 MS. COHEN: Aye.

6 MS. LIEBER: Okay, Members, the item passes
7 unanimately.

8

9 ---o0o---

10 **ITEM 15**

11 ---o0o---

12

13 MS. LIEBER: And we will go on now to Item 15,
14 which is the audit of Neutral Tandem - California, LLC.

15 And thank you to all the staff that were here
16 for all of the background work that goes into something
17 like this. Thank you so much.

18 MR. McCOOL: Thank you.

19 MS. LIEBER: I know that it's a lot, and it
20 has a lot of importance to us.

21 So Item 15 is a constitutional function.
22 Contribution disclosure forms are not required pursuant
23 to Government Code 15626.

24 And this item will be presented by Mr. McCool.

25 MR. McCOOL: Thank you again, Chair Lieber,

1 Controller Cohen and Honorable Members.

2 Jack McCool, State-Assessed Properties
3 Division.

4 The State-Assessed Properties Division
5 performs routine audits of state assessees under the
6 authority of California Revenue and Taxation Code
7 Section 828 and Government Code Section 15618.

8 Purpose of a property tax audit is to
9 determine the accuracy, completeness and reliability of
10 the financial data furnished by state assessees and used
11 by the Board in the valuation process.

12 Audits also include an internal review of the
13 methods, calculations and assumptions used by the
14 State-Assessed Properties Division.

15 Before you today for your consideration are
16 two property tax audits completed by State-Assessed
17 Properties Division staff.

18 The assessees have been presented with a copy
19 of the audit report and provided an opportunity to
20 provide additional information in response to the audit
21 report.

22 Upon adoption of each audit, the assessee will
23 receive official notice of their value change, and are
24 provided 50 days in which they may file an appeal.

25 The first audit for the Board's consideration

1 is for Neutral Tandem - California, LLC.

2 Neutral Tandem did provide additional
3 information during the 30-day audit period, or --
4 sorry -- the 30-day notice period. And SAPD staff did
5 incorporate that information into our revised audit
6 report. The assessee has stated they are in agreement
7 with the revised audit report.

8 I am available to answer questions if needed,
9 and I ask for your adoption of this audit.

10 Thank you.

11 MS. LIEBER: Great. Thank you.

12 Any questions from Board Members for staff?

13 And if not, we would be prepared to take a
14 motion on this item.

15 Mr. Schaefer hasn't yet made a motion.

16 MS. COHEN: He hasn't, but we were -- before,
17 I just --

18 MS. LIEBER: Oh, questions for staff, please.

19 MS. COHEN: Yeah.

20 Thank you, Mr. McCool.

21 You know --

22 MR. McCOOL: Of course.

23 MS. COHEN: I have to express my gratitude to
24 the State Board of Equalization. I think this was one
25 of the first entities that really got me excited about

1 audits. And there's now, in my life as Controller, all
2 I do is eat, breathe, sleep audits.

3 So I wanted just to see if there's any more
4 nuggets that you can share with us about what the audit
5 found. Anything that's -- that you haven't --

6 MR. McCOOL: Sure.

7 MS. COHEN: -- already presented? Do you see
8 any -- you see any trends? Do you see any areas that we
9 should be paying attention to? Any -- anything that
10 makes you a little uncomfortable, but is still kosher?

11 MR. McCOOL: Sure. Unfortunately, you know,
12 because of the confidential nature of the material, it's
13 hard for me to discuss specifics in public.

14 MS. COHEN: Okay.

15 MR. McCOOL: I will say that for the lion's
16 share of the audits that we initiate, it is due to
17 issues that we observed during the appraisal period.

18 So, you know, if one year's ending balance
19 isn't the next year's beginning balance, that's
20 obviously --

21 MS. COHEN: That's an obvious one.

22 MR. McCOOL: Right.

23 MS. COHEN: I mean, that's like balancing your
24 checkbook 101.

25 MR. McCOOL: Right. And then, you know, we

1 might have, you know, maybe retirements or additions
2 reported.

3 MS. COHEN: Mm-hm.

4 MR. McCOOL: But there's nothing in additional
5 reporting to outline or detail what -- what accounted
6 for that.

7 MS. COHEN: Okay.

8 MR. McCOOL: Generally, we just see some of
9 these smaller-to-midsize companies who maybe don't have
10 as large of an accounting staff.

11 MS. COHEN: Mm-hm.

12 MR. McCOOL: Just the numbers aren't clean.
13 There's just a lot of inconsistencies. So it's -- it's
14 generally not a, you know, didn't understand, or, you
15 know, there -- in a lot of cases they just have unclear
16 sets of numbers. And when we go in, and we work with
17 them, and we show them the differences, usually going
18 forward, the reporting is cleaner, and we don't see the
19 issues continuing in the future.

20 MS. COHEN: I appreciate that answer.

21 MR. McCOOL: Of course.

22 MS. COHEN: Without any specificity.

23 MR. McCOOL: You know --

24 MS. COHEN: It's very skilled.

25 MR. McCOOL: There are certain things that I

1 would like to be able to discuss in public, but,
2 unfortunately, since the material is considered
3 confidential.

4 MS. COHEN: Understand.

5 MS. LIEBER: Thank you.

6 We've got a runaway phone here. So we're
7 going to reconnect that with the person.

8 MS. COHEN: Thank you, Mr. McCool, for
9 answering my question.

10 MR. McCOOL: Sure. Of course.

11 MS. COHEN: I have no other questions.

12 MR. McCOOL: For example, in general, if an
13 assessee had lease agreements that, you know, and on
14 audit, we might be able to actually read the lease
15 agreement, and that would clarify some of the
16 information in the reporting, that is something we would
17 definitely take note of and -- and make sure we review
18 those lease agreements.

19 MS. COHEN: That's interesting. We don't
20 require that they be submitted when we're conducting an
21 audit?

22 MR. McCOOL: You know, there -- there are, you
23 know, categories within the schedules themselves where
24 maybe lease amounts or lease payment amounts, that type
25 of thing, is reported.

1 MS. COHEN: Mm-hm.

2 MR. McCOOL: But generally speaking --

3 MS. COHEN: Terms are not.

4 MR. McCOOL: -- we don't have copies of the
5 actual agreements.

6 MS. COHEN: Okay. Thank you.

7 MR. McCOOL: Of course.

8 MS. COHEN: Thank you very much.
9 Thank you very much.

10 MS. LIEBER: Okay. Any other questions?
11 Mr. Vazquez.

12 MR. VAZQUEZ: Actually, just wanted to add
13 thank you to you and your staff. I know you can't
14 really get into some of this discussion.

15 MR. McCOOL: Sure.

16 MR. VAZQUEZ: But I was noticing, especially
17 the folks you had here earlier, some of the members I
18 hadn't seen up here at least present to us.

19 MR. McCOOL: Sure.

20 MR. VAZQUEZ: And just kudos to them, because
21 I know you've kept us abreast throughout this whole
22 process --

23 MR. McCOOL: Yeah.

24 MR. VAZQUEZ: -- moving forward. So I really
25 appreciate that.

1 MR. McCOOL: I'm very fortunate to have a very
2 talented team.

3 MR. VAZQUEZ: Yes.

4 MR. McCOOL: And that was part of the effort
5 today was to put some of those faces before you, the
6 folks who are doing a lot of the frontline work, and
7 making them, for lack of a better term, the machine, you
8 know, go.

9 So I get to come up here and have the
10 privilege of presenting all of our hard work to the
11 Board, and -- but those are the folks that deserve all
12 the credit.

13 MR. VAZQUEZ: Thank you.

14 MS. LIEBER: Thank you.

15 Okay. If there are no other questions,
16 Mr. Schaefer, did you wish to make the motion on this
17 one?

18 MR. SCHAEFER: Yes, I would so move.

19 Thank you.

20 MS. LIEBER: Oh, thank you so much.

21 And we'll take a second from Mr. Vazquez.

22 And we don't have written public comments, nor
23 speaker cards. So we'll go to our AT&T moderator.

24 Would you please let us know if there's anyone
25 on the line who'd like to make a public comment

1 regarding Item 15.

2 AT&T MODERATOR: If you would like to provide
3 public comment, please press one, then zero at this
4 time.

5 Madam Chair, there are no comments.

6 MS. LIEBER: Thank you.

7 We'll bring it back to the Board.

8 And Mr. Schaefer has made a motion to adopt
9 the audit results, and Mr. Vazquez has seconded.

10 And, Ms. Cichetti, if you would please call
11 the roll.

12 MS. CICHETTI: Sure.

13 Chair Lieber.

14 MS. LIEBER: Aye.

15 MS. CICHETTI: Vice Chair Gaines.

16 MR. GAINES: Aye.

17 MS. CICHETTI: Member Vazquez.

18 MR. VAZQUEZ: Aye.

19 MS. CICHETTI: Member Schaefer.

20 MR. SCHAEFER: Aye.

21 MS. CICHETTI: Controller Cohen.

22 MS. COHEN: Aye.

23 MS. LIEBER: Okay. Thank you, Members. It's
24 unanimous, and the motion passes.

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ITEM 16

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MS. LIEBER: And we'll go on to Item 16, which is another audit. This time Webpass Telecommunications, LLC.

This is also a constitutional function, and contribution forms are also not required pursuant to Government Code 15626.

This will also be presented to us by Mr. McCool.

Thank you.

MR. McCOOL: Thank you, Chair Lieber.

The next audit is for Webpass Telecommunications.

They were provided a copy of their audit report and findings. They will also have 50 days after adoption of the audit findings in which they may file an appeal. Webpass did not provide us additional information during the 30-day notice period.

I will note that in both this one and the prior audit, this is a four-year audit covering the period of 2020 through 2023.

1 I'm available to answer any questions, and I
2 ask for adoption of the audit for Webpass
3 Telecommunications.

4 Thank you.

5 MS. LIEBER: Thank you.

6 Are there any questions for Mr. McCool on this
7 item?

8 Okay. Seeing none, we'd love to entertain a
9 motion if there's someone wanting to make a motion.

10 MR. GAINES: So moved.

11 MS. COHEN: Second.

12 MS. LIEBER: Okay. Mr. Gaines moves, and
13 Controller Cohen seconds the motion to adopt the audit
14 on Item 16, Webpass Telecommunications.

15 And we do not have public comments that are
16 written, or any speaker cards from the auditorium. So
17 we'll go to our AT&T moderator.

18 Moderator, if you would please let us know if
19 there's anyone waiting to make a public comment
20 regarding Item 16.

21 AT&T MODERATOR: If you would like to provide
22 public comment, please press one, then zero.

23 And, Madam Chair, there are no comments.

24 MS. LIEBER: Thank you.

25 Members, if there's no discussion, we can move

1 towards the vote on this.

2 Vice Chair Gaines has made the motion to adopt
3 the audit results, Controller Cohen has provided the
4 second.

5 And, Ms. Cichetti, if you would please call
6 the roll.

7 MS. CICHETTI: Chair Lieber.

8 MS. LIEBER: Aye.

9 MS. CICHETTI: Vice Chair Gaines.

10 MR. GAINES: Aye.

11 MS. CICHETTI: Member Vazquez.

12 MR. VAZQUEZ: Aye.

13 MS. CICHETTI: Member Schaefer.

14 MR. SCHAEFER: Aye.

15 MS. CICHETTI: Controller Cohen.

16 MS. COHEN: Aye.

17 MS. LIEBER: Okay. Members, the item passes
18 unanimately.

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ITEM 17

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MS. LIEBER: If we might take the Controller's item, because I know that her time is at a premium.

So we'll go on next to the Board Member Matters, and go to Item 17, Rebuilding, Revitalizing and Modernizing the State Board of Equalization.

And this is a discussion and 2024 progress update of the rebuilding, revitalization and modernization of the State Board of Equalization.

Controller Cohen.

MS. COHEN: Thank you. Thank you very much.

And I just want to say that, you know, my time is no -- no more valuable or less valuable than anyone in this room. That's really important. I think that as government service, we need to remember that we are all -- that we are equal here.

And that's really what the spirit that brings me here today, just to sit back and to do a gut check and a time check on where the Board of Equalization is, where and how we find ourselves in this precarious position as to what feels like defending our existence

1 yet again.

2 And so I just wanted to take an opportunity to
3 address the Board and our public audience about some of
4 the progress that we -- and the work that we've done.
5 And, most importantly, the work that we must continue to
6 do on behalf of the 40 million taxpayers and the
7 58 county assessors.

8 So it was very good to come and be a part of
9 the state constitutional functions, Mr. McCool and his
10 team. It's been actually quite refreshing to see even
11 Mr. McCool mature into his -- into his role and his
12 position. I remember when he was just starting off at
13 the head.

14 But the Board of Equalization is very unique,
15 because it's the only elected tax board working in and
16 administering California's property tax system.

17 And people -- many people in this room know
18 this already, but the folks at home that may be
19 listening or that may review this recording in the
20 future, the property tax system is a \$95 billion
21 property tax system. And that is a significant amount
22 of money. It involves over 13 million assessments
23 valuing at approximately \$8.3 trillion.

24 And although the proceedings may come across
25 as mundane or boring, but there's a tremendous amount of

1 work that goes into preparing the assessments.

2 But, most importantly, where does that money
3 go, and to whom benefits from it? That is the crux of
4 why I think we get up and we do the work that we're
5 doing. And why we fight.

6 The BOE was established in 1879. And there
7 are some that would make the argument that says that
8 we've outlived our initial date. And I disagree with
9 that. I think that as long as government is around, we
10 need to have oversight, and we need to have fair checks
11 and balances.

12 And when you are administering a complex
13 \$95 billion property tax system, you need people that
14 are elected to serve to represent, that are held
15 accountable to taxpayers to provide that oversight, and
16 to provide that sunshine so that there isn't corruption,
17 and there isn't mismanagement of monies.

18 When we were all sworn in, with the exception
19 of you, Chair Lieber, but in 2019, I think that's what
20 makes this -- all of us unique is that we came in
21 together, we were all freshmen, and we were bright-eyed
22 and bushy-tailed, and we really had the idea to take on
23 the awesome task of restoring the stellar national
24 reputation of the Board of Equalization.

25 And you may not even know what that means, but

1 this body, in a previous lifetime, was a preeminent
2 example of how state government should administer and
3 collect a tax system.

4 And we have taken the task in 2019 to rebuild
5 the agency's administrative and programmatic
6 infrastructure. So, again, just simply to protect the
7 rights of the taxpayers.

8 Now, I know you might be thinking, here she is
9 on her soapbox and coming in to lecture or preach. But
10 a little bit, yes, I did. Because we need a swift kick
11 in the pants to get excited and get focused on what is
12 our mission and our role and our responsibility.

13 And we have a responsibility to partner with
14 those assessors to help them assess properties so that
15 they can fulfill our -- and -- and so that they can fill
16 the coffers of their respective counties.

17 The whole idea and concept of modernizing the
18 property tax system is to ensure that this \$94.7 billion
19 system is administered fairly, effectively and
20 efficiently, so that you don't need a lawyer, and you
21 don't need a lobbyist to interject on your behalf.

22 This is a system that is set up for everyone,
23 whether you live in the rural counties, or you live in
24 an urban city. It doesn't matter. You should be able
25 to ask questions and have your questions answered in a

1 consistent and thoughtful manner.

2 And I believe that we have been on the right
3 track. We launched this property tax modernization
4 system. If you think about it, remember during the
5 pandemic when people -- when counties were shutting down
6 because they were requiring wet signatures?

7 Well, we need to move forward and get into the
8 21st century. And that's what we're talking about when
9 we talk about modernizing this. Wet signatures should
10 be a thing of the past.

11 We buy/sell houses. We have major commerce
12 that are happening through electronic transfers. And so
13 we need to update our technology systems that allows us
14 to do that, so that we can meet and serve our
15 constituents.

16 You might recall, Mr. Vazquez, we took on the
17 awesome task of a strategic plan. A strategic plan so
18 that we are focused and deliberate on where we're
19 spending our time and our resources to help us address
20 many of the foundational items needed to -- to achieve
21 three priorities that we laid out. And I'll go into
22 those later.

23 But I want to just make sure that we are just,
24 not learning -- or that we do not forget the lessons
25 that we learned during the pandemic when we were at a

1 crisis, when people were trying to get money, trying to
2 get support, trying to get PPE, trying to pay their
3 property taxes. We were just in a really interesting
4 place that taught us a lot of lessons.

5 And in the midst of these challenges, we had a
6 very competent BOE staff that continued to deliver
7 outstanding outcomes. This property tax system never
8 faltered. It didn't waver. We were able to still
9 collect and bring in revenue that the county governments
10 needed.

11 So that's why I'm really here, just to bolster
12 us, to remind us not to get discouraged that we have an
13 awesome task that we were sworn to do. And we really
14 can't waste any more time.

15 And that I want to encourage us to recommit
16 ourselves to doing the work that we are elected to do,
17 taking no shortcuts, and paying attention, and keeping
18 ourselves to -- to the task.

19 I still want to encourage us to restore our
20 reputation, continue to build the agency's
21 administrative and programmatic infrastructure,
22 modernizing the tax system.

23 We had a goal of ensuring the constitutional
24 amendments, constitutional mandates were being
25 performed. We had a second goal of establishing and

1 meeting a workload priority that provide directions for
2 the Members, and to achieve statewide objectives in a
3 workload, in a manner that ensures that there's
4 transparency. And then also to develop an education and
5 outreach plan.

6 Do you remember the agency-wide branding
7 campaign? We had a couple hearings on that.

8 And so the part of the challenge that we
9 are -- that seems to be insurmountable, I feel like -- I
10 mean, I served four years on the BOE, and now I'm in my
11 second year as a State Controller, and I'm still
12 educating people about the State Board of Equalization.

13 And that is a task that we have -- we are
14 going to have to take on every time we open up our mouth
15 in every single setting.

16 So, Ted, that means you. Every time you're in
17 those rural counties up north.

18 MR. GAINES: Yes.

19 MS. COHEN: And people are saying, "What are
20 you doing, Ted?" And you're reporting out. You got to
21 tell them exactly --

22 MR. GAINES: Yes, I am. Yes.

23 MS. COHEN: -- and build value. Because we
24 are here to serve them.

25 MR. GAINES: You're right.

1 MS. COHEN: If they don't know it, then they
2 can't come to us.

3 One thing I think that was a shining example
4 -- well, there's two I can think of. When we were
5 dealing with Prop. 19, this body was rocking and
6 rolling, educating and getting information out there.
7 Whether we agreed or disagreed with the legislation is
8 irrelevant, kind of. But we'll talk about that later.

9 But taxpayers came in here in tears, people
10 were crying because they lost their home, and -- and --
11 or to a fire, and they were trying to rebuild, and they
12 didn't understand why their property value had
13 increased.

14 And we know, because we know that in -- how
15 property values are triggered and -- and increases. But
16 it was the Taxpayer Bill of Rights Office that was
17 outstanding in rising to the occasion and answering
18 these questions and putting out information, so that the
19 Legislature -- Legislature and the legislators know that
20 we have this convening where people can come and get
21 their questions answered.

22 I mean, that is -- that was so uplifting, and
23 we need to get back to that. I feel like we have lost
24 sight of our mission.

25 So I am going to end my lecture here. But to

1 the staff who really have also stepped in and have grown
2 into their positions, quite honestly, with no
3 predecessor to even guide you, remember, we had
4 partitions, we had hand-signed. We had to give out
5 tests. We had people retiring and moving on. I mean,
6 like, it's just been such a destabilizing last five
7 years. Executive Directors coming and going, retiring.
8 I mean, it's just been absolutely incredible.

9 But we have weathered it. And we will
10 continue to weather it. As long as we stay
11 mission-focused, and we never lose sight that we are
12 here to serve the taxpayers.

13 We must defend their ability to have oversight
14 and transparency. Because there are entities that want
15 to take it away. And they want to eliminate that, and
16 they want to squelch taxpayers' voices. And that's not
17 okay.

18 If it's just us five on the frontline, so be
19 it. But we have withstood challenges in the past, and
20 we will continue to withstand them in the future.

21 Thank you very much.

22 My name is Malia Cohen.

23 MS. LIEBER: Thank you.

24 MS. COHEN: I'm done.

25 MS. LIEBER: Thank you so much, Controller.

1 I feel it's a very energizing message, and I
2 know that it's one that our entire Board has really
3 taken in this year and deepened.

4 One of the things that we talked about earlier
5 was how much our relationship to the Legislature has
6 changed.

7 MS. COHEN: Yeah.

8 MS. LIEBER: And -- and the inclusion that
9 we're getting from the Assembly and Senate Rev. and Tax
10 Committees is -- has really been a sea change during
11 this year.

12 And, you know, as I'm out in the community,
13 and people say, "Oh, and what do you do?" And it's --
14 it's a little bit hard to, you know, kind of convey the
15 respect that I have for our professional staff, and to
16 say, you know, "We're part of this taxation community
17 that is so important to funding all of the good things
18 that we want to do, like pre-k through 16-plus public
19 education, public health, our counties, our -- our local
20 city governments, and all the services that they
21 provide."

22 MS. COHEN: Tax dollars pay for all that.

23 MS. LIEBER: Yes.

24 MS. COHEN: Higher suppression.

25 MS. LIEBER: Yeah. Our -- our taxpayers in

1 California.

2 And, you know, so often I get the comment from
3 people in the community, "Well, you should be proud of
4 working in that effort." And I really am. And I think
5 we've made considerable progress in this year.

6 And the challenges keep coming up from those
7 who would not even look at the fact of all the -- the
8 stages, painful stages that the BOE has gone through in
9 terms of change since 2017.

10 And -- and I think that we make progress
11 with -- with each year. And we are deepening the
12 relationships that we have within the Capitol, and I
13 think becoming much more effective.

14 But it's -- it's something that has to be
15 tested all the time. And I think, in a way, that's one
16 of the great things about government, is that the eyes
17 should be on every part of government to say, "Are you
18 worth having or not?" And for us to be able to show the
19 things, the value that we do provide to taxpayers of all
20 kinds throughout our state, homeowners, companies,
21 farms, etc.

22 And so I think it's a process. And this has
23 been a good recognition for us of the opportunity that
24 we each have to do more to tell the story of the Board
25 of Equalization, and the value that we deliver every

1 single day.

2 And also to be examined by those committees in
3 the State Legislature and various other venues that are
4 out there. I think it's -- it's good, and it's healthy
5 to be tested.

6 And we're looking at another very large hill
7 over the next couple years that the good and expansive
8 ideas that we have, the additional load that we're being
9 asked to carry by the State Legislature, we're going to
10 have fewer resources to do it. So we're going to have
11 to dig down and really build on our strengths that we've
12 had.

13 And I so appreciate the membership in the
14 deepest sense and the partnership that we have with the
15 State Controller, and that we have with elected
16 officials all up and down the line, especially our
17 assessors are so important. Because they're the first
18 line of communication with our constituents in
19 California.

20 And we're given this great challenge of being
21 at this position in one of the most powerful and diverse
22 states anywhere in the world, you know, matching against
23 any country. We have great power of natural resources.
24 We have great power within our population. We have
25 enormous horsepower within our diversity.

1 And so I just feel very honored. And I wake
2 up every day thinking about our staff, and thinking
3 about the great work that our staff does, and really
4 wanting to do more every single day to tell that story.

5 So thank you so much.

6 MS. COHEN: Yeah. Thank you.

7 So we have a lot of work ahead of us. We need
8 to continue to do the -- the heavy lift. This
9 organization really needs more investment, not less.
10 And I think that we can -- we can continue to push and
11 fight on.

12 Thank you very much for just giving me a few
13 minutes on the agenda. I appreciate you. Thank you.

14 MR. GAINES: Yeah. Thank you.

15 MS. LIEBER: Thank you very much.

16 MR. GAINES: Could I speak real quick? Would
17 that be all right?

18 MS. LIEBER: Yes, please.

19 Vice Chair.

20 MR. GAINES: If we have time?

21 Because I want to thank the Controller for the
22 statement that she's made.

23 And you've always been there for the BOE, and
24 we really appreciate that. And you've helped us over at
25 the Legislature. And we've had -- we've had these

1 battles, right? And we've been able to overcome them.

2 But we have the challenge of the future, and
3 we've got to make sure that people are aware of what
4 we're doing. Every time I speak I, you know, I'm
5 explaining about what we do at the Board of
6 Equalization. That we have this Taxpayer Rights
7 Advocate that any citizen can speak to if they feel like
8 they haven't been fairly treated.

9 The electronic signatures aspect, we were
10 talking about that earlier this morning. There's
11 \$10 million of grant money available for our rural
12 counties if they want that.

13 The training, we basically changed --

14 MS. COHEN: Yes. That's right.

15 MR. GAINES: -- the way we train, right?
16 Because of the pandemic. So we adapted to that.

17 Senator Ben Allen, we've had Member Vazquez
18 working closely with him on oversight, potentially, of
19 other agencies.

20 MS. COHEN: Mm-hm.

21 MR. GAINES: And I think that's a good path to
22 be looking at.

23 Assemblyman Mike Gipson's been an advocate and
24 supporter and knows the value of the BOE.

25 We had an informational hearing on insurance,

1 because that can affect your property value. If you
2 can't get insurance --

3 MS. COHEN: Yes.

4 MR. GAINES: -- your value of your home might
5 drop by 50 or \$100,000.

6 So I think we need to make sure we're -- we're
7 in the mix, and we have to make sure we continue to
8 communicate what our role is. But it is a very
9 important role.

10 And -- and we -- we've gone through the
11 vacancy issue. So we have an 11 percent vacancy rate.
12 And it was -- it was double digits higher when we came
13 in. And so to see the hard work by Yvette Stowers and
14 our team in reducing that has been really great to see.
15 And as, you know, the budgets are tightening, I'm
16 grateful that we've been able to fill a lot of those
17 positions.

18 So we'll continue to march on and work
19 forward, look forward.

20 Thank you.

21 MS. COHEN: All right. Thank you.

22 MS. LIEBER: Thank you.

23 Any further comments, Members?

24 Well, Mr. Vazquez.

25 MR. VAZQUEZ: Just one quick one.

1 And thanking the Controller, because, you
2 know, we, like you mentioned earlier, you know, it was a
3 struggle when we first came on board, all of us being
4 new.

5 But I -- I really appreciate your leadership
6 on that, and looking forward to working, as we move
7 forward on this issue. Especially as we look to
8 modernize the BOE. And, you know, whatever ideas or
9 thoughts you might have along those ways, you know,
10 please count on us. I know my staff is ready to help
11 and assist in whatever we see fit.

12 As we look at the BOE, as I look at it now,
13 you know, the 202 now, you know, we've gone through the
14 102, and now we need to move forward.

15 And I think the appetite, I think we had
16 talked about earlier today, at least with the
17 legislators is very positive and supportive. And they
18 really want to see us, not only take some more
19 authority, but to look at things that this body, and
20 especially the staff that we have, to take it to the
21 next level.

22 And really appreciate whatever thoughts and
23 ideas you have moving forward. And, you know, it may
24 call for maybe another, you know -- we did our little
25 retreat way back in the day, and we kind of laid out all

1 our benchmarks and certain things we were able to
2 accomplish. Other things are still kind of pending.
3 And we maybe need to revisit that, and look at what
4 needs to move us to the next level.

5 MS. LIEBER: Mm-hm.

6 MR. VAZQUEZ: And appreciate it.

7 MS. LIEBER: Yeah. Absolutely.

8 Mr. Schaefer.

9 MR. SCHAEFER: Yes.

10 I just want to mention, I've seen a lot of
11 progress with the BOE in the last year or two. And I
12 have dinner or lunch with my assessors, and they're all
13 so pleased to have an elected official that they can
14 talk to and raise problems with, and not just be stuck
15 with another bureaucrat.

16 And so I just find that we're very popular
17 with the people that count. And I just want to tell you
18 that.

19 MS. COHEN: Thank you.

20 MS. LIEBER: That's fantastic.

21 Well, thank you so much, Controller, for this
22 very good message for us.

23 And to our staff who are doing so much, and
24 who are themselves fully modernized, even if all of our
25 state processees are not, and really helping to lead

1 the, and work with the assessors in delivering the best
2 services possible for our constituents.

3 So thank you so much.

4 (Whereupon Item 17 concluded.)

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