

**Assessment Appeals Process**  
**Interested Parties Meeting**  
*Confidentiality of Taxpayer Information*

October 31, 2018

**Summary**

Staff of the State Board of Equalization (staff) met with interested parties to continue discussions related to local assessment appeals. Specifically, this meeting covered the issue of confidentiality of taxpayer information, and the development of guidance about how assessors can best honor their duty to taxpayers who provide information with the promise that it be kept confidential.

**Issue**

At issue is how an assessor can, in an assessment appeal hearing, make use of information that is needed for developing a fair valuation of an appellant's property, but which has been provided by third-party taxpayers on the condition that the assessor keep such information confidential.

Assessors routinely use such information internally to support their assessed values; however, defending those values in assessment appeals hearings, which are open to the public, raises the question of how taxpayer confidentiality can be maintained while still allowing the appellant to effectively cross examine the assessor's valuation.

**Discussion**

The discussion focused on identifying (1) categories of information that an assessor can readily disclose without breaching the duty of confidentiality and (2) ways of "masking" information that, if exposed in its entirety, could have the effect of publicly identifying the specific properties to which the information relates, thus piercing the veil of confidentiality the assessor is duty-bound to protect.

In general, the parties agreed that most physical property characteristics (e.g., square footage, building condition, type of construction) could probably be disclosed without breaching the duty of confidentiality, while financial data (e.g., rental income, operating income and expenses) should be masked in some way. To bring practical clarity to these matters, the parties agreed to provide staff specific examples, in writing, of (1) items or categories of data they believe can be used in a public hearing and (2) identifying information that must be redacted by the assessor before using it in a public hearing.

**Conclusion**

The parties agreed to provide their written submissions to staff by Friday, November 30, 2018. Staff will collate the responses into a matrix or other document that can then be used to continue the discussion about the nature of the guidance to be developed.