



COUNTY OF SAN DIEGO

ERNEST J. DRONENBURG, JR.
ASSESSOR/RECORDER/COUNTY CLERK

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ASSESSOR'S OFFICE
1600 PACIFIC HIGHWAY, SUITE 103
SAN DIEGO, CA 92101-2480
(619) 236-3771 • FAX (619) 557-4056

RECORDER/COUNTY CLERK'S OFFICE
1600 PACIFIC HIGHWAY, SUITE 260
P.O. BOX 121750, SAN DIEGO, CA 92112-1750
(619) 237-0502 • FAX (619) 557-4155

November 30, 2018

David Yeung, Chief
Angie Berry
County Assessed Properties Division
Board of Equalization
450 N Street, MIC 73
Sacramento, CA 95814

RE: Assessment Appeals Process – Use of Confidential Information

Dear Mr. Yeung and Ms. Berry:

The use of confidential information is key to Assessors employing the fairest appraisal process. We do not require information be confidential, but confidentiality is used as a tool to acquire additional data for taxpayers to receive the fairest appraisal.

Assessors are charged with the public trust of safeguarding confidential business trade secret information and data from disclosure. We balance that interest with the taxpayer's legal right to know exactly how an assessed value was determined.

Taxpayer's receive additional independent oversight to protect the integrity of our process by the Assessment Appeals Board (AAB), the threat of penalties from perjury, and the courts. The AAB members can review un-redacted information to ensure fairness and accuracy of information used in the appraisal while upholding taxpayer confidentiality. The Assessor staff present the data under penalty of perjury. Lastly, taxpayers have the right to seek a court review of the information to protect their interest if they believe the Assessor's office has acted in bad faith. These tools help safeguard the use of confidential information while ensuring fair treatment and taxation of the taxpayer.

Response to Board of Equalization staff questions:

- 1) What items or categories of data do applicants and Assessors require to determine whether or particular information that is deemed confidential by the other party is valid for use as a comparable to the property that is the subject of the appeal?**

Information requested by the Assessor's office of the applicant would not be confidential if used in an appeal of subject. Information obtained by the Assessor from a third party to either verify market lease rates of the subject or to calculate capitalization rates may be confidential depending on how the Assessor obtained the information. An example would be, if the Assessor obtained information from a public

source then we would not have to maintain confidentiality, but if the data was obtained from Assessor records or surveys we would have the duty to keep the information confidential unless permission was granted from the third party that provided us the data.

- a) **Can ranges of values or general categories (e.g., a range of square footage vs, an exact square footage, classifications by Standard Industrial Classification code vs. specific use, etc.) be acceptable?**

The Assessor's office asks the applicant for detailed construction cost of a particular building to determine items that could increase assessment in order to determine the fair market value. Valuing the building based on building type based on general categories may be feasible, but you can then miss out on value if in fact the building uses above-quality materials.

- 2) **What identifying information must the applicant or assessor redact or mask to ensure that they do not breach their duty (whatever the source of that duty (e.g., statute, ethics rules, etc.) to hold information confidential?**

As stated above, any information obtained by the Assessor, whether through the assessor files, or surveys must be kept confidential in order not to identify the owner, company, Assessor's number or street address if not publically published or with the permission of the impacted party. These rules do not apply to the applicant. All information provided by the applicant should theoretically be approved. An example would be any fee appraisals presented by the applicant should be accompanied by the author of the appraisal for verification.

Use of confidential information is paramount to ensuring fair taxation. We suggest looking at methods to increase disclosure without diminishing the use of data that is in the best interest of the taxpayer and the public.

Sincerely,



ERNEST J. DRONENBURG, JR.
ASSESSOR / RECORDER / COUNTY CLERK

CC: Chuck Leonhardt, President, California Assessors' Association