De-Identifying Confidential Data

When the county assessor presents detailed information on the methodology employed to arrive at a value during an appeals hearing, such information may have been derived from confidential data submitted by assessees. If all the information is disclosed at a hearing, confidentiality would not be maintained. In such cases, enough information must be redacted or masked to protect the assessee's confidential data.[1]

The purpose of redacting or masking confidential data is to *de-identify* the data so that what remains cannot be linked to the identity of the owner or of the specific property from which the data was derived. Assessors and appeals boards, however, often must strive to balance complete anonymity of the data with the usefulness of the data in a hearing.

Thus, the data cannot be so stripped of context that reasonable inferences about its relevance can no longer be drawn by either the assessee or the appeals board. At the same time, a property might be so distinctive that data normally considered disclosable may have to be hidden so as not to risk identifying the property. In all cases, the appeals boards will decide whether to accept de-identified data, and, if accepted, how much weight to give such data.[2] If the appeals board accepts the de-identified data, an assessee may cross-examine the assessor's appraiser to challenge its reliability.

The tables on the following pages provide examples of the kinds of data that an assessor may be required to de-identify in a hearing to protect an assessee's confidentiality. As noted, depending on the circumstances data may be (1) disclosed in its entirety, (2) hidden in its entirety, or (3) partially masked or redacted.

Note that these are only examples. The determination of whether any specific data point should be de-identified, and to what extent, must be made on a case-by-case basis first by the assessor. The ultimate decision, however, as to what information will be allowed and in what form, as well as the weight any particular piece of de-identified information is given is within the purview of the appeals board. If an applicant believes they are not being fully afforded their due process rights to examine witnesses and documents, they may seek a court order for disclosure of the confidential information as contemplated by section 408, subdivision (e)(3).

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[1] See *Trailer Train Co. v. State Board of Equalization (Trailer Train)* (1986) 180 Cal. App. 3d 565.

[2] See, AAM, p. 79 and 103.

TABLE 1
LEASE DATA
(For establishing market rent)

Attributes that may be shared[1]	Show	
Effective Rental Rate	Actual Information	
Term	Actual Information	
Market Area/Neighborhood	Actual Information	
Use Type/Property Type	Actual Information	
Expense Model	Actual Information	
Source of Data	Actual Information	
Landlord TI contribution $	Actual Information	
Tenant TI contribution $	Actual Information	
Renewal Options	Actual Information	
Escalation Clauses	Actual Information	
Free Rent/Concessions	Actual Information	
Attributes that should be partially redacted[2]	**Show**	**Examples**
Signing Date	By Quarter	Q1-2018
Commencement Date	By Quarter	Q1-2018
Which Floor in Building	Range of Values	Floors 5-10
Year Built/Effective Age	Range of Values	2000-2010
Rentable SF	Range of Values	5,000-10,000 SF
Attributes that should not be shared[3]	**Hide**	
Street Address	Actual Information	
APN	Actual Information	
Tenant Name	Actual Information	
Owner Name	Actual Information	

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[1] Items general enough in nature so that identification of the property generally would not be possible.

[2] Items that, if actual information were used, could lead to identification of the property.

[3] Items so specific that they would identify the property either directly or indirectly.

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TABLE 2

CAP RATE DATA

(From internally derived data)

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Use Type/Property Type	Actual Information	
Cap Rate	Actual Information	
Market Area/Neighborhood	Actual Information	
Source of Data	Actual Information	
Year Built	Range of Values	2000-2010
Rentable SF	Range of Values	5000-10,000 SF
Sales Price	Range of Values	$1M-$5M
Sales Date	Range of Values	2016-17
Owner	Actual Information	
Street Address	Actual Information	
APN	Actual Information	
Income	Actual Information	
Expenses	Actual Information	
NOI & NOI/SF	Actual Information	

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[3] Items so specific that they would identify the property either directly or indirectly.

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TABLE 3
CONSTRUCTION COST DATA
(For extraction of typical $/SF costs, or extraction of entrepreneurial profit after sale)

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Attributes that may be shared[1]	Show	
$/SF Hard Costs	Actual Information	
$/SF Soft Costs	Actual Information	
Entrepreneurial Profit	Actual Information	
Construction Class	Actual Information	
Market Area/Neighborhood	Actual Information	
Source of Data	Actual Information	
Attributes that should be partially redacted[2]	**Show**	**Examples**
Year Built	Range of Values	2000-2010
Gross SF	Range of Values	5,000-10,000 SF
Use Type	Generic Type	Industrial, Retail, Office
Sales Price	Range of Values	$1M-$5M
Sales Date	Range of Values	2016-17
Attributes that should not be shared[3]	**Hide**	
Owner	Actual Information	
Street Address	Actual Information	
APN	Actual Information	

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[1] Items general enough in nature so that identification of the property generally would not be possible.
[2] Items that, if actual information were used, could lead to identification of the property.
[3] Items so specific that they would identify the property either directly or indirectly.