

Issue Paper Number 20-001

- Board Meeting
 Other



Revisions to the *Assessment Appeals Manual* and a New Form for Requesting Information from Taxpayers

I. Issue

Should the State Board of Equalization (BOE) adopt and authorize publication of (1) revisions to the *Assessment Appeals Manual* and (2) a new form to be used by County Assessors in requesting information relevant to the assessment of taxable property?

II. Alternative 1 - Staff Recommendation

Staff recommends that the BOE adopt both (1) revisions to the *Assessment Appeals Manual* relating to postponements and continuances, as shown in Attachment A, and (2) a new form, BOE-441d, *Request for Information*, for use by County Assessors to request information from taxpayers, as shown in Attachment B.

III. Other Alternative(s) Considered

None.

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IV. Background

California's 58 County Assessors are charged with assessing all property subject to local property taxation. After an assessment is made, a taxpayer may request a hearing before the county assessment appeals board by filing an application for reduction in assessment.

The Government Code imposes on the BOE certain oversight responsibilities with respect to County Assessors and county assessment appeals boards. Relevant to this issue paper, section 15606, subdivision (d), requires the BOE to prescribe and enforce the use of all forms for the assessment of property for taxation; and subdivision (e) requires that the BOE issue to County Assessors instructions such as those set forth in its *Assessment Appeals Manual*.

In 2017, staff initiated a project to address issues about the county assessment appeals process. Those issues, first raised by taxpayer advocacy groups, were about fair and consistent treatment of taxpayers across the state's 58 counties.

Meetings of interested parties began in December 2017. County Assessors, county counsels, clerks of boards of supervisors, and representatives of taxpayer advocacy groups were involved in the discussions. In 2018, a set of amendments to the BOE's property tax rules governing assessment appeals was adopted by the Board. Those amendments became effective January 1, 2020.

The Board determined, however, that certain issues could not be resolved through amendments to the property tax rules and were instead best addressed through the BOE's informal guidance and its authority with respect to assessment forms. Thus, in 2018 and 2019, the parties collaborated to (1) work out language about postponements and continuances to be added to the BOE's *Assessment Appeals Manual*, and (2) create a form for use by County Assessors to request information from taxpayers.

V. Discussion

Assessment Appeals Manual—Postponements and Continuances

According to taxpayer advocates, some County Assessors had been granted indefinite postponements and continuances of assessment appeal hearings. Advocates were concerned that taxpayers' due process rights were being impaired by unnecessary delays.

To address this issue, the parties agreed upon revised language in the *Assessment Appeals Manual* about postponements and continuances. The language, shown in Attachment A, would replace existing language in the manual on postponements and continuances, as stated currently on pages 97 and 98.

In general, the revised language provides a more expansive discussion of the conditions under which postponements and continuances should be granted and strikes a balance between the due process rights of taxpayers and the resource limitations and time constraints of assessment appeals boards.

Form for Requesting Taxpayer Information

The parties agreed on the language and format of the new form, shown as Attachment B, as a discovery tool to be used by County Assessors to obtain the information they need to properly perform their duties.

In general, the new form makes clear to taxpayers the consequences of failing to comply with a request for information.

VI. Alternative 1 - Staff Recommendation

Staff recommends that the BOE adopt both (1) revisions to the *Assessment Appeals Manual* relating to postponements and continuances, as shown in Attachment A, and (2) a new form, BOE-441d, *Request for Information*, for use by County Assessors to request information from taxpayers, as shown in Attachment B.

A. Description of Alternative 1

The revised language for postponements and continuances, shown in Attachment A, would replace the existing language in the *Assessment Appeals Manual* as stated currently on pages 97 and 98. The revised language (1) provides a more expansive discussion of the conditions under which postponements and continuances should be granted, and (2) strikes a balance between the due process rights of taxpayers and the resource limitations and time constraints of assessment appeals boards.

The new form, shown in Attachment B, would be a new discovery tool to be used by County Assessors to obtain the information they need to properly perform their duties. The new form also makes clear to taxpayers the consequences of failing to comply with a request for information.

Pros of Alternative 1

Adoption of the revisions to the *Assessment Appeals Manual* and the new form for requesting information from taxpayers better informs taxpayers of their due process rights while recognizing the needs of County Assessors and assessment appeals boards to properly perform their duties.

B. Cons of Alternative 1

None.

C. Statutory or Regulatory Change for Alternative 1

None.

E. Operational Impact of Alternative 1

None.

F. Administrative Impact of Alternative 1

1. Cost Impact

Development of both the *Assessment Appeals Manual* and assessment forms is within the scope of the statutory duties of the County-Assessed Properties Division and will be absorbed by existing staff.

2. Revenue Impact

None.

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G. Taxpayer/Customer Impact of Alternative 1

Adoption of the revisions to the *Assessment Appeals Manual* and the new form for requesting information from taxpayers would better inform taxpayers of their due process rights while recognizing the needs of County Assessors and assessment appeals boards to properly perform their duties and promoting uniformity in assessment practices across the state.

H. Critical Time Frames of Alternative 1

None.

VII. Other Alternatives

A. Description of Alternative

None.

Preparer/Reviewer Information

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