



2020 Year-End Report

CATA Members:

As reported in our 2020 Mid-Year Update, the first seven months of 2020 were perhaps the most activity by CATA since the organization was first formed a decade ago and the last five months of 2020 proved to be no different. Below is a full summary of the many advocacy efforts in which CATA was involved in 2020, including several public policy achievements that benefit taxpayers.

CATA-Sponsored Amendments to SBE Property Tax Rules Become Effective

2020 started with the State Board of Equalization (SBE) announcing that CATA-sponsored amendments to Property Tax Rules 302, 305, 305.1, 305.2 and 323 became effective on January 1, 2020 (LTA No. 2019/051). Those amendments, which promote fairness to taxpayers in property tax hearing procedures, were the result of CATA's efforts in 2018 and 2019.

SBE Approves CATA-Proposed Request for Information Form and CATA-Requested Changes to Assessment Appeals Manual

At its meeting on May 27, the SBE adopted a new "Request for Information" form which standardizes Rev. & Tax. Code Section 441(d) requests from Assessors statewide. Much of the language in the new form was requested by CATA in order to limit overbroad and overreaching Section 441(d) requests issued by some Assessors. At the same meeting, the SBE amended its *Assessment Appeals Manual* to incorporate language that CATA had proposed to clarify standards for the granting of postponements and continuances by Assessment Appeals Boards. The SBE's actions were the culmination of CATA's advocacy efforts in 2018 and 2019.

SBE Adopts CATA's Proposals for COVID-19 Property Tax Relief

In February, CATA's Standards Committee met under the leadership of Chair Sean Keegan to develop a list of areas on which CATA planned to focus during 2020. However, by mid-March these plans were put aside to address the growing number of issues raised by COVID-19's impact on California's property tax system.

CATA was one of the first taxpayer organizations to address the COVID-19 situation. With the assistance of Marc Aprea, CATA's Board Members and Officers drafted a proposed letter to the Governor requesting mid-year decline-in-value relief. However, before the letter could be issued that effort was eclipsed by more immediate concerns with the April 10 property tax payment deadline and requests to the Governor to postpone the payment date.

Soon after that, the SBE announced plans to establish a Property Tax Relief Task Force to address issues caused by COVID-19. The SBE's Chair, Antonio Vazquez, asked CATA to participate in the Task Force's efforts. Again, CATA's Board and Officers, as well as several Committee Chairs, jumped into action by developing potential solutions for the short-term, medium-term, and long-term problems facing property taxpayers. As discussed below, CATA's proposals became the basis for the five areas of property tax relief that the SBE has considered. At a meeting on April 21, CATA's Treasurer Nick Fogle and Board Members Cris O'Neill and Wes Nichols presented several ideas to the SBE for consideration. The presentation was overseen by CATA's President, Paul Waldman. After hearing presentations from CATA, the California Assessors Association, and the California Association of Clerks and Election Officials ("CACEO"), among others, the SBE set up five work groups to address the following areas:

- (1) May 7 deadline for filing Business Personal Property Statements
- (2) 2-year deadline under Rev. & Tax. Code Section 1604(c), and the 60-day deadline for filing appeals on supplemental and escape assessments
- (3) Disaster relief (M&C claims) under Rev. & Tax. Code Section 170
- (4) Decline-in-value relief, including moving the January 1, 2020 lien date
- (5) Electronic signatures on Business Personal Property Statements and other forms

CATA representatives participated in the April 23 meetings of these work groups: Group (1) – Sean Keegan; Group (2) – Cris O'Neill and Wes Nichols; Group (3) – Peter Kotschedoff; Group (4) – Cris O'Neill, Wes Nichols, Paul Waldman and Peter Kotschedoff; Group (5) – Sean Keegan. Marc Aprea participated in all five work group meetings. After these meetings, CATA's representatives prepared position papers on each issue, and at the Task Force's meeting on April 29 CATA's representatives presented the following proposals:

- (1) Extend BPP Statement filing deadline beyond May 7 and waive late-filing penalty
- (2) Extend Section 1604(c) 2-year statute, and extend 60-day appeal filing deadline
- (3) Remain neutral on Section 170 disaster relief (M&C claims)
- (4) Allow declines-in-value based on post-COVID-19 market data
- (5) Permit forms to be signed electronically in lieu of “wet” signatures

The SBE subsequently met on May 13 and June 9 to consider the proposals that CATA and other organizations had presented. CATA’s representatives testified at both of those SBE meetings. We are pleased to report that SBE adopted Letters to Assessors accepting CATA’s proposals (1) and (5) above, and that CATA’s proposal (2) was also adopted by the SBE. The SBE has not taken a position on Section 170 disaster relief.

CATA Issues Letters Supporting and Opposing Pending Legislation

In the spring, CATA submitted letters supporting or opposing three bills pending before the California Legislature. In March, CATA submitted a lengthy letter to the California Assembly Revenue and Taxation Committee opposing AB 2330 (Nazarian) which would eliminate the SBE. In early May, CATA wrote to the same Committee in support of AB 3373 (Rev. & Tax. Comm.) which permits counties to create an unlimited number of assessment appeals boards. Lastly, in mid-May CATA sent a letter to the Senate Governance and Finance Committee in support of SB 1431 (Glazer) which sought to expand property tax disaster relief for COVID-19.

CATA Outreach to Assessors and Assessment Appeals Board Clerks

CATA has continued its outreach efforts to Assessors and the CACEO. In early April, CATA’s President Paul Waldman and Board Chair Cris O’Neill conferred with CAA leadership to discuss COVID-19 related issues. In early June, current and former Board Members Susan Orloff and Peter Kotschedoff spoke with CACEO leadership about how Los Angeles County would increase the number of Assessment Appeals Boards if AB 3373 is enacted.

CATA Supports Petition for Review to Supreme Court in HGST v. Santa Clara Case

In early June, CATA submitted a letter to the California Supreme Court in support of the taxpayer’s Petition for Review in *HGST, Inc. v. County of Santa Clara*. The Petition for Review challenged a lower appellate court ruling on the correct standard of review to be used in cases involving the methodology for valuation and assessment of complex properties.

CATA Participates in Hearings on “Modernizing” California’s Property Tax System

The SBE held a hearing on July 23 on “modernizing” California’s property tax system. CATA Member David Gangloff made a presentation to the BOE regarding the history of personal property assessments in California.

CATA Serves as the Taxpayer Representative in the SBE’s Remote Hearing Workgroup

As a response to COVID-19, by mid-2020 a handful of counties began holding remote hearings in lieu of in-person hearings. The SBE first addressed the topic at its August meeting at which CATA President Paul Waldman, Board Chair Cris O’Neall, and former Board Member Peter Kotschedoff testified, raising several issues needing SBE guidance to protect taxpayers’ rights. Thereafter, the SBE formed a formal workgroup to take up many of the issues CATA had raised. The workgroup consisted of representatives for the county assessors, assessment appeals boards, clerks, and county counsel, and CATA was asked to serve as the lone taxpayer representative. CATA responded by forming an Ad Hoc Committee on Remote Hearings, which included Committee Chair Breann Robowski, Board Chair Cris O’Neall, Board Members Wes Nichols, Nick Fogle, Albert Zamarripa, and former Board Member Peter Kotschedoff, with assistance from Marc Aprea. The SBE designated four main areas to be considered by the workgroup: (1) clarification of hearing participants rights, (2) document submission, (3) technology, and (4) BOE guidance. The workgroup meetings were conducted as part of the SBE’s September, October, November, and December monthly meetings. Through the testimony of its Committee Chair Breann Robowski, at each meeting CATA fought to ensure that remote hearings were designed to mirror in-person hearings to the extent possible and to preserve taxpayers’ due process rights to the fullest extent. We are proud to report that CATA successfully gained the consensus of the workgroup on many of its proposals, which ultimately culminated in the SBE’s Letter to Assessors No. 2021/002.

CATA Presents Suggestions to the SBE to Make the Assessment Appeals Board Process More Efficient

Given the growing backlog of assessment appeals in many counties, CATA has developed a number of suggestions to make the assessment appeals board process more efficient, including, for example, the expansion of prehearing conferences and creation of an optional meet-and-confer like process. Both suggestions are aimed at encouraging resolutions without the need for hearing, as well as improving scheduling in the event a hearing is required. These suggestions were presented to the SBE and ultimately, were grafted onto the topics considered by the workgroup on remote hearings discussed in the section above. CATA’s work on these topics are expected to continue into 2021.

CATA is a leading property taxpayer advocacy group in California. We are excited to see that CATA's advocacy efforts on behalf of property taxpayers and professionals who represent property taxpayers are bearing much fruit. And we look forward to the challenges that we will face during 2021. If you would like to get involved in CATA's advocacy efforts, or if you have questions about any of the topics discussed above, please contact any CATA Board Member or Officer for more information.