

File No. 130501

Committee Item No. 7
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Rules

Date 6/6/13

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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OTHER

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Completed by: Linda Wong

Date 6/3/13

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Administrative Code - Assessment Appeals Boards - Modify Board No. 3 Membership and
2 Function; Procedural Revisions]

3 **Ordinance amending the Administrative Code, regarding Assessment Appeals Boards,**
4 **to modify the structure of Assessment Appeals Board No. 3 to provide that the**
5 **members of Board No. 3 are different than the members of Board No. 1; that the**
6 **function of Board No. 3 is the same as Board No. 2; provide for staggered terms of**
7 **initial Board No. 3 members; remove provisions regarding Board members not meeting**
8 **current State requirements; add a public comment timing option; and making**
9 **nonsubstantive clarifying revisions.**

10
11 NOTE: Additions are *single-underline italics Times New Roman font*;
12 deletions are *strike-through italics Times New Roman font*.
13 Board amendment additions are double-underlined Arial font;
14 Board amendment deletions are ~~strikethrough Arial font~~.

15 Be it ordained by the People of the City and County of San Francisco:

16
17 Section 1. The Administrative Code is hereby amended by amending Sections 2B.3,
18 2B.6, 2B.13, 2B.14, and 2B.20, to read as follows:

19
20 **SEC. 2B.3. BOARD MEMBERSHIP AND SELECTION.**

21 (a) Assessment Appeals Board No. 1, ~~and~~ Assessment Appeals Board No. 2, ~~and~~
22 Assessment Appeals Board No. 3, shall each consist of five regular members and three alternate
23 members who shall be selected in the manner described in Subsections (b), (c) and (d). ~~In~~
24 ~~addition, the regular members of Assessment Appeals Board No. 2 shall also serve as and, except as~~
25 ~~provided in Section 2B.14(b), shall be entitled to the priorities extended to alternate members of~~

1 ~~Assessment Appeals Board No. 1. Assessment Appeals Board No. 3 shall consist of five regular~~
2 ~~members. The regular members of Assessment Appeals Board No. 1 shall serve ex-officio as the regular~~
3 ~~members of Assessment Appeals Board No. 3 concurrent with their service on Assessment Appeals~~
4 ~~Board No. 1.~~

5 (b) Pursuant to Sections 1622.1 and 1623.1 of the California Revenue and Taxation
6 Code, the Board of Supervisors hereby elects to appoint directly the regular and alternate
7 members of the Assessment Appeals Boards.

8 (c) No person shall be eligible for appointment as a regular or alternate member of
9 Assessment Appeals Board No. 1, ~~or~~ Assessment Appeals Board No. 2, or Assessment Appeals
10 Board No. 3, unless he or she meets the eligibility criteria set forth in Section 1624.05 of the
11 California Revenue and Taxation Code. ~~This Subsection (c) shall not apply to any individual who~~
12 ~~was a regular or alternate member of the Assessment Appeals Boards on or before September 1, 1998~~
13 ~~and who is reappointed to his or her same seat.~~

14 (d) No person may concurrently hold a seat on ~~Assessment Appeals Board No. 1 and a~~
15 ~~seat on Assessment Appeals Board No. 2.~~ more than one of the three Assessment Appeals Boards
16 (Assessment Appeals Board No. 1, Assessment Appeals Board No. 2, Assessment Appeals Board No. 3).

17 (e) Subject to Sections 1623(d) and (e) of the California Revenue and Taxation Code,
18 the terms of regular and alternate members of the Assessment Appeals Boards shall be three
19 years, expiring at 12:01 a.m. on the first Monday in September of the third year.

20
21
22 **SEC. 2B.6. BOARD COMPOSITION AND BOARD QUORUM.**

23 (a) The Assessment Appeals Board shall hold joint meetings from time to time for the
24 purpose of proposing rules and regulations to the Board of Supervisors to govern the
25 operation of the Assessment Appeals Boards. Such joint meetings shall be held before the

1 five regular members of Assessment Appeals Board No. 1, ~~and~~ the five regular members of
2 Assessment Appeals Board No. 2, ~~and the five regular members of Assessment Appeals Board~~
3 ~~No. 3.~~ The attendance by three regular members of Assessment Appeals Board No. 1, ~~and~~
4 three regular members of Assessment Appeals Board No. 2, ~~and three regular members of~~
5 ~~Assessment Appeals Board No. 3~~ shall constitute a quorum for such meetings.

6 (b) Except as provided in Subsection (a), each Assessment Appeals Board shall act
7 separately and only as three-member panels designated by the Clerk in the manner described
8 in Subsection (d). The attendance by two members of any designated Assessment Appeals
9 Board three-member panel shall constitute a quorum for the transaction of business.

10 (c) Except as provided by Title 18 California Code of Regulations Rule 310, no act of
11 the joint Boards or a three-member panel of a Board shall be valid or binding unless approved
12 by a majority of all the members of the applicable body.

13 (d) Subject to California Revenue and Taxation Code Section 1622.5 and Title 18 ~~of~~
14 ~~the~~ California Code of Regulations Rule 311, the Clerk shall designate three-member panels
15 to transact the business of the Assessment Appeals Boards, as set forth in Subsection (b),
16 using a rotating system designed to assure that all members with the same priority level, as
17 described in this ~~subsection~~ Subsection 2B.6(d), have an equal opportunity over time to
18 participate as panelists.

19 ~~(1) This Subsection (d)(1) shall govern the panel selection for any application for~~
20 ~~reduction that concerns:~~

21 ~~(A) Real property located all or in a part within Assessor's Blocks 1 through 876,~~
22 ~~inclusive, or Assessor's Blocks 3701 through 3899, inclusive, except not including residential real~~
23 ~~property on the secured roll consisting of four units or less that is located all or in a part within those~~
24 ~~Blocks;~~

25 ~~(B) A possessory interest; or~~

1 ~~(C) Property on the secured or unsecured roll assessed at \$50,000,000.00 or more.~~

2 ~~The Clerk shall assign any application covered by Sections 2B.6(d)(1)(A) through (C) to~~
3 ~~either Assessment Appeals Board No. 1 or Assessment Appeals Board No. 3. For cases governed by~~
4 ~~this Subsection (d)(1) that are assigned to Assessment Appeals Board No. 1, the Clerk shall designate~~
5 ~~three panelists from among the members in the following priority order: (a) the regular members of~~
6 ~~Assessment Appeals Board No. 1 who meet the eligibility criteria set forth in Section 1624.05 of the~~
7 ~~California Revenue and Taxation Code; (b) the regular members of Assessment Appeals Board No. 1~~
8 ~~who do not meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and~~
9 ~~Taxation Code; (c) the alternate members of Assessment Appeals Board No. 1 (including the regular~~
10 ~~members of Assessment Appeals Board No. 2) who meet the eligibility criteria set forth in Section~~
11 ~~1624.05 of the California Revenue and Taxation Code; (d) the alternate members of Board No. 1~~
12 ~~(including the regular members of Assessment Appeals Board No. 2) who do not meet the eligibility~~
13 ~~criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; and (e) the alternate~~
14 ~~members of Assessment Appeals Board No. 2 who meet the eligibility criteria in Section 1624.05 of the~~
15 ~~California Revenue and Taxation Code. For cases governed by this Subsection (d)(1) that are assigned~~
16 ~~to Assessment Appeals Board No. 3, the Clerk shall assign three panelists from among the members in~~
17 ~~the following priority order: (a) the regular members of Assessment Appeals Board No. 3 who meet the~~
18 ~~eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; (b) the~~
19 ~~regular members of Assessment Appeals Board No. 3 who do not meet the eligibility criteria set forth in~~
20 ~~Section 1624.05 of the California Revenue and Taxation Code; (c) the alternate members of Assessment~~
21 ~~Appeals Board No. 1 (including the regular members of Assessment Appeals Board No. 2) who meet~~
22 ~~the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; (d) the~~
23 ~~alternate members of Board No. 1 (including the regular members of Assessment Appeals Board No. 2)~~
24 ~~who do not meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and~~
25

1 ~~Taxation Code; and (e) the alternate members of Assessment Appeals Board No. 2 who meet the~~
2 ~~eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code.~~

3 (2-1) For any application for reduction or other matter to be heard by Assessment
4 Appeals Board No. 1 ~~that is not governed by Subsection (d)(1)~~, the Clerk shall designate three
5 panelists from among the members in the following priority order: ~~(aA)~~ the regular members of
6 Assessment Appeals Board No. 1; ~~(bB)~~ the alternate members of Assessment Appeals Board
7 No. 1; ~~(including the regular members of Assessment Appeals Board No. 2); and (cC)~~ the alternate
8 members of Assessment Appeals Board No. 2; (D) the regular members of Assessment Appeals
9 Board No. 2; (E) the alternate members of Assessment Appeals Board No. 3; and (F) the regular
10 members of Assessment Appeals Board No. 3.

11 ~~(3) For any matter to be heard by Assessment Appeals Board No. 3 that is not governed~~
12 ~~by Subsection (d)(1), the Clerk shall designate three panelists from among the members in the~~
13 ~~following priority order: (a) the regular members of Assessment Appeals Board No. 3; (b) the alternate~~
14 ~~members of Assessment Appeals Board No. 1 (including the regular members of Assessment Appeals~~
15 ~~Board No. 2); and (c) the alternate members of Assessment Appeals Board No. 2.~~

16 (4-2) For any application for reduction to be heard by Assessment Appeals
17 Board No. 2, the Clerk shall designate three panelists from among the members in the
18 following priority order: ~~(aA)~~ the regular members of Assessment Appeals Board No. 2;
19 ~~(bB)~~ the alternate members of Assessment Appeals Board No. 2; ~~(cC)~~ the alternate members
20 of Assessment Appeals Board No. ~~1-3~~; ~~and (dD)~~ the regular members of Assessment Appeals
21 Board No. ~~1-3~~; (E) the alternate members of Assessment Appeals Board No. 1; and (F) the regular
22 members of Assessment Appeals Board No. 1.

23 (3) For any application for reduction to be heard by Assessment Appeals Board No. 3,
24 the Clerk shall designate three panelists from among the members in the following priority order:
25 (A) the regular members of Assessment Appeals Board No. 3; (B) the alternate members of Assessment

1 Appeals Board No. 3; (C) the alternate members of Assessment Appeals Board No. 2; (D) the regular
2 members of Assessment Appeals Board No. 2; (E) the alternate members of Assessment Appeals Board
3 No. 1; and (F) the regular members of Assessment Appeals Board No. 1.

4
5
6 **SEC. 2B.13. DUTIES AND OPERATIONS.**

7 (a) Assessment Appeals Board No. 1 ~~and Assessment Appeals Board No. 3~~ shall have
8 jurisdiction to hear applications for reduction affecting any property on the secured or
9 unsecured rolls without limitation.

10 (b) In addition to the general jurisdiction of Board No. 1 as specified in Subsection (a), the
11 Clerk shall exclusively assign to Assessment Appeals Board No. 1 any application for reduction that
12 involves:

13 (1) Real property located all or in a part within Assessor's Blocks 1 through 876,
14 inclusive, or Assessor's Blocks 3701 through 3899, inclusive, except not including residential real
15 property on the secured roll consisting of four units or less that is located all or in a part within those
16 Blocks;

17 (2) A possessory interest; or

18 (3) Property on the secured or unsecured roll assessed at \$50,000,000.00 or more.

19 (~~b-c~~) Assessment Appeals Board No. 2 ~~and Assessment Appeals Board No. 3~~ shall have
20 jurisdiction to hear applications for reduction only for property on the secured or unsecured
21 rolls assessed at less than \$50,000,000.00, excluding applications involving possessory
22 interests or real property located all or in part within Assessor's Blocks 1 through 876,
23 inclusive, or Assessor's Blocks 3701 through 3899, inclusive. Except that, Assessment
24 Appeals Board No. 2 shall have jurisdiction to hear applications for reduction for residential
25 real property consisting of four units or less that is assessed at less than \$50,000,000.00 and

1 located all or in part within Assessor's Blocks 1 through 876, inclusive, or Assessor's Blocks
2 3701 through 3899, inclusive.

3
4
5 **SEC. 2B.14. HEARING OFFICERS.**

6 (a) Pursuant to California Revenue and Taxation Code Division 1, Part 3, Chapter 1, Article
7 1.7 (commencing with Section 1636)~~of Chapter 1, Part 3, Division 1 of the California Revenue and~~
8 ~~Taxation Code~~, all regular and alternate members appointed to Assessment Appeals Board
9 No. 1, ~~and~~ Assessment Appeals Board No. 2, ~~and Assessment Appeals Board No. 3~~, are deemed
10 concurrently appointed as assessment hearing officers. As provided by law and regulation,
11 assessment hearing officers may conduct hearings on applications for reduction filed with the
12 Assessment Appeals Boards and make recommendations to an Assessment Appeals Board
13 concerning such applications.

14 (b) The Clerk shall designate members to act as hearing officers for particular
15 applications using a rotating system designed to assure that all members with the same
16 priority level, as described in this ~~subsection~~ Subsection 2B.14(b), have an equal opportunity over
17 time to participate as hearing officers. The Clerk shall designate hearing officers in the
18 following priority order: (1) the regular members of Assessment Appeals Board No. 3; (2) the
19 alternate members of Assessment Appeals Board No. 3; (3) the alternate members of Assessment
20 Appeals Board No. 2; (~~24~~) the alternate members of Assessment Appeals Board No. 1 ~~who are~~
21 ~~not also regular members of Assessment Appeals Board No. 2~~; (~~35~~) the regular members of
22 Assessment Appeals Board No. 2; and (~~46~~) the regular members of Assessment Appeals
23 Board No. 1.

24 (c) In their capacity as assessment hearing officers, the officers shall serve at the
25 pleasure of and by contract with the Board of Supervisors. For their work performed as

1 assessment hearing officers, the officers shall be compensated at the same rate provided in
2 Section 2B.5 of this Chapter for Assessment Appeals Board members.

3
4
5 **SEC. 2B.20. HEARING PROCEDURES.**

6 Each ~~a~~Assessment Appeals Board created pursuant to this Chapter shall:

7 (a) In addition to complying with notice and procedural requirements of the Revenue
8 and Taxation Code and the California Code of Regulations, provide notice of all meetings,
9 including deliberations, and post agendas as if Assessment Appeals Boards were subject to
10 the Brown Act and the Sunshine Ordinance. The agendas shall list each application including
11 the address of the property, the purpose of the hearing, the current assessment, and
12 applicant's opinion of value.

13 (b) Allow public comment on each assessment appeal to be heard by an Assessment
14 Appeals Board. Public comment shall be received either when an Assessment Appeals Board
15 convenes to hear one or more assessment appeals, or at the time ~~an~~each appeal is called for
16 hearing. The agenda for each meeting of an Assessment Appeals Board shall bear the
17 following notice:

18 Under the California Constitution and applicable statutes, hearings of
19 assessment appeals boards are judicial proceedings. The decisions of
20 assessment appeals boards must be based exclusively on properly admitted
21 evidence. Assessment appeals boards may not base any factual
22 determinations necessary for their decisions on anything other than the
23 aforementioned evidence. Information presented through public comment
24 unless properly admitted into evidence in compliance with the Revenue and
25 Taxation Code and of the Property Tax Rules of the State ~~b~~Board of

1 Equalization is not evidence upon which assessment appeals boards may
2 base findings.

3 (c) Conduct all hearings, deliberations, and other business including closed sessions
4 as authorized by law, at duly noticed meetings, with notice afforded to all members of the
5 Board; and ~~Take~~ decisions only through the actions of members present at such meetings.
6

7
8 Section 2. This section is uncodified.

9 Terms of Initial Appointees to Board No. 3.

10 Following adoption of this Ordinance, consistent with California Revenue and Taxation Code
11 section 1622.1(b), the terms of the initially appointed five regular Members and three Alternate
12 Members to Board No. 3 shall be staggered, as follows:

13 (a) The Member first selected shall serve for a term of three years beginning on the first
14 Monday in September 2013; the second member selected shall serve for a term of two years beginning
15 on such date; the third member selected shall serve for a term of one year beginning on such date; the
16 fourth member shall serve for a term of three years beginning on such date; and the fifth member shall
17 serve for a term of two years beginning on such date.

18 (b) The Alternate Member first selected shall serve for a term of three years beginning on the
19 first Monday in September 2013; the second member selected shall serve for a term of two years
20 beginning on such date; and the third member selected shall serve for a term of one year beginning on
21 such date.

22
23 //

24 //

25 //

1 Section 3. This section is uncodified.

2 Effective Date. This ordinance shall become effective 30 days from the date of
3 passage.

4
5
6 Section 4. This section is uncodified.

7 In enacting this Ordinance, the Board intends to amend only those words, phrases,
8 paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams, or any
9 other constituent part of the Administrative Code that are explicitly shown in this Ordinance as
10 additions, deletions, Board amendment additions, and Board amendment deletions in
11 accordance with the "Note" that appears under the official title of the Ordinance.

12
13
14
15 APPROVED AS TO FORM:
16 DENNIS J. HERRERA, City Attorney

17 By:


18 Marie Corlett Blits
19 Deputy City Attorney

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21
22
23
24
25

LEGISLATIVE DIGEST

[Administrative Code - Assessment Appeals Boards - Modify Board No. 3 Membership and Function; Procedural Revisions]

Ordinance amending the Administrative Code, regarding Assessment Appeals Boards, to modify the structure of Assessment Appeals Board No. 3 to provide that the members of Board No. 3 are different than the members of Board No. 1; that the function of Board No. 3 is the same as Board No. 2; provide for staggered terms of initial Board No. 3 members; remove provisions regarding Board members not meeting current State requirements; add a public comment timing option; and making nonsubstantive clarifying revisions.

Existing Law

Existing Administrative Code Chapter 2B "Assessment Appeals Boards" provides for Assessment Appeals Board No. 1, Assessment Appeals Board No. 2, and Assessment Appeals Board No. 3. The Members of Board No. 1 and Board No. 3 are the same group of people; the Members of Board No. 2 are a different group of people. Each Member is appointed for a three-year term, and the terms are staggered.

These Boards sit in three-person panels to hear and decide applications for reduction in assessed value (also known as property tax appeals), pursuant to state and local law. Board No. 1 and Board No. 3 primarily hear appeals regarding large commercial properties; Board No. 2 primarily hears appeals regarding residential and small commercial properties. Individual Assessment Appeals Board Members can also sit as Hearing Officers, to hear certain appeals from residential properties (four units or less).

Amendments to Current Law

The amendments would modify the membership structure of Board No. 3 so that its Members would be a different group of people than Board No. 1 (or Board No. 2); and initial appointments would be staggered. The amendments would also modify the function of Board No. 3 to be the same as Board No. 2, hearing appeals regarding residential and small commercial properties (instead of hearing the same type of appeals as Board No. 1).

The amendments would also remove provisions in Chapter 2B that are no longer needed, regarding Assessment Appeals Board Members who do not meet current state requirements for appointment, as there are no longer any such Members. (When state requirements for appointment were changed a few years ago, then-existing Assessment Appeals Board Members who did not meet those additional requirements were allowed to continue in place.)

FILE NO.

Background Information

With the proposed modified structure for Board No. 3, the Assessment Appeals Board (AAB) will gain more flexibility in scheduling hearings for the several thousand applications filed each year: the AAB reports nearly 6000 property tax appeals filed just for fiscal year 2012-2013, and an ongoing backlog of applications waiting for hearing, most of which pertain to residential properties. With the new Board No. 3 Members, the AAB plans to offer evening hearings for specified residential properties (four units or less), to make the process more accessible and to lessen the wait time for such hearings, which will help accelerate the refund process for taxpayers due refunds.

Historical Note: Board No. 3 was originally created to have the same five regular Members and three alternate Members as Board No. 1 and the same function as Board No. 1 (primarily hearing appeals regarding large commercial properties), so that two separate three-person panels could simultaneously convene (in two separate rooms) to hear the types of appeals heard by Board No. 1. State law has since changed, making it clear that two distinct panels of Board No. 1 Members may simultaneously convene to hear appeals, so that the original structure of Board No. 3 is no longer needed.

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Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
Time stamp
or meeting date
2013 APR 23 PM 2:26
AK

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

Clerk of the Board of Supervisors

Subject:

Administrative Code - Assessment Appeals Boards: Modify Board No. 3 Membership and Function; Procedural Revisions

The text is listed below or attached:

Ordinance amending the Administrative Code regarding Assessment Appeals Boards to modify the structure of Assessment Appeals Board No. 3, to provide that the Members of Board No. 3 are different than the Members of Board No. 1, and that the function of Board No. 3 is the same as Board No. 2; provide for staggered terms of initial Board No. 3 Members; remove provisions regarding Board Members not meeting current state requirements; add a public comment timing option; and make nonsubstantive clarifying revisions.

Signature of Sponsoring Supervisor: _____

For Clerk's Use Only:

130501