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.

NOTE: Additions are single-underline italics Times New Roman font; deletions are strike-through italics Times New Roman font. Board amendment additions are double-underlined Arial font; Board amendment deletions are strikethrough Arial font.

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

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

SEC. 2B.3. BOARD MEMBERSHIP AND SELECTION.

(a) Assessment Appeals Board No. 1, Assessment Appeals Board No. 2, and Assessment Appeals Board No. 3, shall each consist of five regular members and three alternate members who shall be selected in the manner described in Subsections (b), (c) and (d). In addition, the regular members of Assessment Appeals Board No. 2 shall also serve as and, except as provided in Section 2B.14(b), shall be entitled to the priorities extended to alternate members of
Assessment Appeals Board No. 1. Assessment Appeals Board No. 3 shall consist of five regular members. The regular members of Assessment Appeals Board No. 1 shall serve ex officio as the regular members of Assessment Appeals Board No. 3 concurrent with their service on Assessment Appeals Board No. 1.

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

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

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

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

SEC. 2B.6. BOARD COMPOSITION AND BOARD QUORUM.

(a) The Assessment Appeals Board shall hold joint meetings from time to time for the purpose of proposing rules and regulations to the Board of Supervisors to govern the operation of the Assessment Appeals Boards. Such joint meetings shall be held before the
five regular members of Assessment Appeals Board No. 1, and the five regular members of Assessment Appeals Board No. 2, and the five regular members of Assessment Appeals Board No. 3. The attendance by three regular members of Assessment Appeals Board No. 1, and three regular members of Assessment Appeals Board No. 2, and three regular members of Assessment Appeals Board No. 3 shall constitute a quorum for such meetings.

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

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

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

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

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

(B) A possessory interest; or
(C) Property on the secured or unsecured roll assessed at $50,000,000.00 or more.

The Clerk shall assign any application covered by Sections 2B.6(d)(1)(A) through (C) to either Assessment Appeals Board No. 1 or Assessment Appeals Board No. 3. For cases governed by this Subsection (d)(1) that are assigned to Assessment Appeals Board No. 1, the Clerk shall designate three panelists from among the members in the following priority order: (a) the regular members of Assessment Appeals Board No. 1 who meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; (b) the regular members of Assessment Appeals Board No. 1 who do not meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; (c) the alternate members of Assessment Appeals Board No. 1 (including the regular members of Assessment Appeals Board No. 2) who meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; (d) the alternate members of Board No. 1 (including the regular members of Assessment Appeals Board No. 2) who do not meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; and (e) the alternate members of Assessment Appeals Board No. 2 who meet the eligibility criteria in Section 1624.05 of the California Revenue and Taxation Code. For cases governed by this Subsection (d)(1) that are assigned to Assessment Appeals Board No. 3, the Clerk shall assign three panelists from among the members in the following priority order: (a) the regular members of Assessment Appeals Board No. 3 who meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; (b) the regular members of Assessment Appeals Board No. 3 who do not meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; (c) the alternate members of Assessment Appeals Board No. 1 (including the regular members of Assessment Appeals Board No. 2) who meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code; (d) the alternate members of Board No. 1 (including the regular members of Assessment Appeals Board No. 2) who do not meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and
Taxation Code; and (e) the alternate members of Assessment Appeals Board No. 2 who meet the eligibility criteria set forth in Section 1624.05 of the California Revenue and Taxation Code.

(2-1) For any application for reduction or other matter to be heard by Assessment Appeals Board No. 1 that is not governed by Subsection (d)(1), the Clerk shall designate three panelists from among the members in the following priority order: (a) the regular members of Assessment Appeals Board No. 1; (b) the alternate members of Assessment Appeals Board No. 1 (including the regular members of Assessment Appeals Board No. 2); and (c) the alternate members of Assessment Appeals Board No. 2; (D) the regular members of Assessment Appeals Board No. 2; (E) the alternate members of Assessment Appeals Board No. 3; and (F) the regular members of Assessment Appeals Board No. 3.

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

(4-2) For any application for reduction to be heard by Assessment Appeals Board No. 2, the Clerk shall designate three panelists from among the members in the following priority order: (a) the regular members of Assessment Appeals Board No. 2; (b) the alternate members of Assessment Appeals Board No. 2; (c) the alternate members of Assessment Appeals Board No. 1; and (d) the regular members of Assessment Appeals Board No. 1; (E) the alternate members of Assessment Appeals Board No. 3; and (F) the regular members of Assessment Appeals Board No. 3.

(3) For any application for reduction to be heard by Assessment Appeals Board No. 3, the Clerk shall designate three panelists from among the members in the following priority order:

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

SEC. 2B.13. DUTIES AND OPERATIONS.

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

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

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

(2) A possessory interest; or

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

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

SEC. 2B.14. HEARING OFFICERS.

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

(b) The Clerk shall designate members to act as hearing officers for particular applications using a rotating system designed to assure that all members with the same priority level, as described in this subsection, have an equal opportunity over time to participate as hearing officers. The Clerk shall designate hearing officers in the following priority order: (1) the regular members of Assessment Appeals Board No. 3; (2) the alternate members of Assessment Appeals Board No. 3; (3) the alternate members of Assessment Appeals Board No. 2; (4) the regular members of Assessment Appeals Board No. 1 who are not also regular members of Assessment Appeals Board No. 2; (5) the regular members of Assessment Appeals Board No. 2; and (6) the regular members of Assessment Appeals Board No. 1.

(c) In their capacity as assessment hearing officers, the officers shall serve at the pleasure of and by contract with the Board of Supervisors. For their work performed as
assessment hearing officers, the officers shall be compensated at the same rate provided in
Section 2B.5 of this Chapter for Assessment Appeals Board members.

SEC. 2B.20. HEARING PROCEDURES.
Each Assessment Appeals Board created pursuant to this Chapter shall:
(a) In addition to complying with notice and procedural requirements of the Revenue
and Taxation Code and the California Code of Regulations, provide notice of all meetings,
including deliberations, and post agendas as if Assessment Appeals Boards were subject to
the Brown Act and the Sunshine Ordinance. The agendas shall list each application including
the address of the property, the purpose of the hearing, the current assessment, and
applicant's opinion of value.
(b) Allow public comment on each assessment appeal to be heard by an Assessment
Appeals Board. Public comment shall be received either when an Assessment Appeals Board
convenes to hear one or more assessment appeals, or at the time of each appeal is called for
hearing. The agenda for each meeting of an Assessment Appeals Board shall bear the
following notice:

Under the California Constitution and applicable statutes, hearings of
assessment appeals boards are judicial proceedings. The decisions of
assessment appeals boards must be based exclusively on properly admitted
evidence. Assessment appeals boards may not base any factual
determinations necessary for their decisions on anything other than the
aforementioned evidence. Information presented through public comment
unless properly admitted into evidence in compliance with the Revenue and
Taxation Code and of the Property Tax Rules of the State Board of
Equalization is not evidence upon which assessment appeals boards may
base findings.

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

Section 2. This section is uncodified.

Terms of Initial Appointees to Board No. 3.

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

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

(b) The Alternate Member first selected shall serve for a term of three years beginning on the
first Monday in September 2013; the second member selected shall serve for a term of two years
beginning on such date; and the third member selected shall serve for a term of one year beginning on
such date.
Section 3. This section is uncodified.

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

Section 4. This section is uncodified.

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

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 

Marie Corlett Blits 
Deputy City Attorney