

The Need for a Kings County Assessor Appeals Board

February 2024

Summary

The Kings County Civil Grand Jury investigated what happens when there is a disagreement as to the property value assessment made by the Kings County Assessor's Office. Kings County is a small, rural county and is one of 10 counties in California where the Board of Supervisors sits as the county Board of Equalization. The Kings County Board of Supervisors is also, by default, the appeals board for the County of Kings regarding property assessment disputes.

At this date, there is no legal requirement from the State of California for a member of a county's board of supervisors to have any official training regarding assessment disputes. However, the board of supervisors of any county may, by ordinance, create the board of supervisors of any county may, by ordinance, create an assessment appeals board for the county to equalize the valuation of taxable property within the county for the purpose of taxation. An assessment appeals board created by ordinance does have requirements for training and experience per California state law.

Operationally there are various bodies that may act as an appeals board. This may be handled through one or more assessment appeals boards created by ordinance, one or more hearing officers, or by a county's board of supervisors (if the population is under 200,000).

Only ten of the 58 counties in California continue to have their board of supervisors acting as the appeals board. Even small counties are finding it beneficial to create an independent assessment appeals board. Mistakes in collecting all appropriate funds (a county's property tax roll) have a significant impact on the ability of a county to provide necessary services to its citizens and employees.

Background

The California Legislature, in the Revenue Act of 1857, designated each county board of supervisors to serve as the county board of equalization. The current language of the California State Constitution, Article XIII, Section 16, states that the county board of supervisors, or one or more assessment appeals boards created by the county board of supervisors shall constitute the county board of equalization for that county.

California has 58 counties. Each county has a constitutionally elected assessor who sets the value of property. This includes all residential, business, and agricultural properties, boats, aircraft, and apartment houses. The assessment of a person's or entity's property value determines the amount of property taxes they are charged to pay. Property taxes, or the tax roll, is the county's income which is used to fund services for the citizens and payroll for the employees of Kings County. If there is a disagreement between a property owner and the Assessor's Office as to value, a property owner may appeal that value to a local assessment appeals board.

The function of an appeals board is to determine matters of property tax assessment such as the full value of property when in dispute. An appeals board acts as a quasi-judicial body when discharging its duties, it makes decisions as to the value of property and to the fairness of the assessment. This constitutes an independent and conclusive judgment.

Operationally, the law allows various bodies to act as the appeals board in taxpayer disputes. This includes as follows:

- 1) The Kings County Board of Supervisors are able to create by ordinance one or more assessment appeals boards. Per the California Legislature, mandatory training of new members of a created assessment appeals board must include, an overview of the assessment process, elements in the conduct of assessment appeal hearings, and important developments in case and statutory law and administrative rules. The training is to be conducted by either the State Board of Equalization or by the county, at the county's option.
- 2) The Kings County Board of Supervisors could appoint an Assessment Appeals Hearing Officer or Officers. Those persons would be required to have the education, experience, and state mandated training to handle appeals cases. A Hearing Officer Program where all assessment appeals board commissioners act as hearing officers, would only be available for appeals on single-family dwellings, condominiums, cooperatives, or multiple family dwellings of 4 units or less. Hearing fees would not apply to applications heard under the Hearing Officer Program. The proceedings are less formal than an appeals board hearing. One commissioner acting as a hearing officer would hear testimony and evaluate the evidence from both parties.
- 3) The Kings County Board of Supervisors can continue the current practice, maintaining their role as the Board of Equalization, and hearing assessment appeals as an appeals board. The Kings County Board of Supervisors could, by ordinance or other rule-making means, mandate the same training for themselves that is required of an assessment appeals board member under the law.

Any of the above options would reassure the citizens of Kings County that people with expertise are making the important decisions having to do with assessments of property value that affect Kings County tax rolls. In choosing an option other than maintaining the status quo, the Kings County Board of Supervisors would lighten their workload, which would allow the supervisors to spend more time on other issues that are of great importance to Kings County and its citizens.

The Kings County Board of Supervisors has many administrative, legislative, quasi-judicial duties and responsibilities prescribed to it by the California State Constitution and Statutes. Each member of the Kings County Board of Supervisors also has different interests, so each member currently sits on a variety of boards and commissions; Supervisor Fagundes-5, Supervisor Neves-15, Supervisor Robinson-7, Supervisor Valle-3, and Supervisor Verboon-8 (as chair he has an extra 3 committees for a total of 11). (*See Appendix A*)

At this time, there is no state requirement for a board of supervisors acting as an appeals board to have any formal training. The Kings County Board of Supervisors rely on their years of experience and their service to Kings County when making decisions regarding valuations of

property and assessment appeals decisions. Given the growth of Kings County, and the complexity of the issues related to valuation, now is the time to consider other options for addressing assessment appeals.

Arguments can be made that because assessment values determine property taxes which generate local revenue, appeals boards run by a county's board of supervisors are inherently biased toward protecting the county's fiscal interests and cannot be truly independent in their decisions. On the flip side, it could be said that an appeals board which is comprised of the county's board of supervisors might be biased toward keeping their constituents happy and, therefore, biased toward giving taxpayers a favorable outcome.

Any mistakes that are made in assessments or collection of appropriate funds (a county's property tax roll equals income) have a significant impact on the ability of a county to provide necessary services to its citizens and payroll to its employees.

In Kings County, the Clerk of the Board of Supervisors is responsible for managing and operating the Board of Supervisors Office. The Clerk also serves as the clerk of the County Assessment Appeals Board, a position that has the responsibility (when dealing with Assessments/Appeals) to process appeals applications, provide legal noticing, prepare the agendas, attend meetings, prepare the minutes of the proceedings, process stipulations and withdrawals, determines the validity of applications, respond to inquiries, and ensure compliance with the Revenue and Taxation Code. More detailed information and rules for filing an appeal to an assessment may be found on the Kings County website:

<https://www.countyofkings.com/departments/board-of-supervisors/board-of-equalization-assessment-appeals>.

Methodology

Interviews were held with staff from the Kings County Board of Supervisors, and the Assessor/Clerk/Recorders Office.

Background information was obtained from:

- 1) The California State Board of Equalization, Assessment Appeals Manual (May 2003 and reprinted January 2015)
- 2) California State Board of Equalization Property Tax www.cdtfa.ca.gov/proptax.htm
- 3) California Revenue and Taxation Code Division 1 Part 3 Chapter 1 Article 1.5 Section 1624
- 4) California State Board of Equalization Residential Property Assessment Appeals Publication 30 February 2020
- 5) Senate Bill 934, Senate Bill 1234
- 6) California Counties
https://www.google.com/search?q=en.wikipedia.org%2Fwiki%2Fcategory%3Acalifornia_counties&rlz=1C1GCEA
- 7) Board of Equalization
www.boe.ca.gov/dataportal/dataset.htm?url=ProptaxAppealsboardshearingOfficers,Grid

- 8) Kings County Board of Supervisors [www.countyofkings](http://www.countyofkings.gov) board-of-supervisors/board-of-equalization-assessment-appeals and board committee assignments
- 9) Difference between hearing officer and board hearing. <https://sfgov.org>

Discussion

The California Constitution establishes a board of equalization in each county. The board of equalization equalizes the values of locally assessed property by adjusting individual assessments. The function and procedure of a local board of equalization is stated in the Revenue and Taxation Code sections 1601 through 1645.5 and Title 18 section 15606 of the Public Revenues, California Code of Regulations sections 301 through 326. (See *Appendix B*).

In 2002 there were 19 Counties where the board of supervisors also performed the duties of the county board of equalization. As of 2022, there are only 10 counties where the board of supervisors acts as the assessment appeals board. Kings County is one of them.

CALIFORNIA COUNTY POPULATIONS UNDER 200,000

As of 2002

As of 2022

County	Population	BOS		Population	BOS
Alpine	1,220	Yes		14,958	Yes
Amador	35,450	Yes		41,259	Yes
Calaveras	41,000	Yes		46,221	No
Colusa	19,150	Yes		21,917	No
Del Norte	28,250	Yes		28,100	Yes
Glenn	26,900	Yes		28,805	No
Imperial	149,000	Yes		179,851	No
Inyo	18,200	Yes		18,970	Yes
Kings	134,500	Yes		153,443	Yes
Lake	59,100	Yes		68,766	No
Mendocino	87,400	Yes		91,305	No
Modoc	9,550	Yes		8,661	Yes
Napa	125,800	Yes		136,207	No
Plumas	32,000	Yes		19,915	Yes
San Benito	54,500	Yes		66,677	Yes
Sierra	3,610	Yes		3,283	No
Tehama	56,700	Yes		65,498	Yes
Trinity	13,100	Yes		16,060	No
Tuolumne	55,200	Yes		55,810	Yes

In the remaining 48 counties the board of supervisors has chosen to create one or more assessment appeals boards. This shows a tendency for even small rural counties to find value in creating an assessment appeals board. The members serve three-year terms and there is no limit to the number of terms that they may serve. In counties with a population of less than 200,000 residents, the board of supervisors can appoint anyone believed to possess “competent knowledge of property appraisal and taxation” per California Revenue and Tax Code section 1624 which may be found in *Appendix C*.

Any new members of an assessment appeals board must complete a course of training conducted by either the State Board of Equalization or by the county at the county option. Training must include, but not be limited to, an overview of the assessment process, elements in the conduct of assessment appeal hearings, and important developments in case and statutory law and administrative rules. The state required training for a member of an assessment appeals board is to be monitored and logged by the clerk of the board of supervisors of each county.

As stated above, the same requirement of training does not apply to an appeals board staffed by a county’s board of supervisors. Currently only one of the five members of the Kings County Board of Supervisors has completed any official training in assessment appeals. The other four members have stated that they have no training except for what knowledge they have gained over their tenure as members of the Board of Supervisors.

Kings County has a tax roll of over 14.9 billion dollars in general fund monies. Because there are a lot of tax dollars at stake, most assessment appeals cases involve highly valued commercial property. In Kings County, the filing period for assessment appeals is July 1st to September 15th of each year, with a hearing deposit of \$200.00 per application (exceptions apply).

The following is the tax roll of Kings County as provided to the Grand Jury by the Assessor/Clerk/Recorders Office.

CITY COUNTY RECAP				
ALL KINGS COUNTY				
2023-2024 Assessment Roll				
	2022-2023	2023-2024	Change	% Change
Land	3,772,904,178	4,084,385,591	311,481,413	8.26%
Improvements	9,014,582,740	9,747,016,885	732,434,145	8.13%
Personal Property	928,003,780	1,083,703,281	155,699,501	16.78%
Total Tangible	\$ 13,715,490,698	\$ 14,915,105,757	\$ 1,199,615,059	8.75%
Exemptions				
Church-Welfare-Other	621,533,905	648,161,754	26,627,849	4.28%
Sub Total (without Utility Roll)	\$ 13,093,956,793	\$ 14,266,944,003	\$ 1,172,987,210	8.96%
Exemptions-Reimbursable				
Homeowners	97,548,499	94,430,515	(3,117,984)	-3.20%
Net Total Tangible (without utility roll)	\$ 12,996,408,294	\$ 14,172,513,488	\$ 1,176,105,194	9.05%

The following table shows the number of appeals applications, hearings held and the escaped assessments (a correction to a property’s assessed value that was not added to the prior year’s Annual Secured Property Tax Bill) in Kings County over the last five years. This information was provided to the Grand Jury by the Clerk of the Board.

	Total Applications	Number of Applications Residential	Number of Applications Commercial	Assessed Value	Number of Hearings Residential	Number of Hearings Commercial	Escaped Assessments Commercial
2019	27	2	25	524,210,659	1	1	5
2020	46	1	45	341,699,919	1	3	17
2021	38	0	38	535,835,506	0	2	1
2022	41	0	41	488,016,004	0	2	3
2023	35	0	35	603,903,240	***	***	2

*** When an application is filed, the Kings County Board of Equalization has two years to hold the hearing. Some applications have filed for a waiver so that it is possible to have additional time for all parties to research and submit information. This might lead to a hearing not being necessary.

In general, the appeals board is limited to the evidence presented by the assessor and the taxpayer. (See the Assessment Appeals Manual, May 2003-Reprinted January 2015.) An appeals board decision is final and may not be reheard by the appeals board even if requested by the assessor or taxpayer unless by order of the court. A reviewing court may only set aside an appeals board decision if it is determined to be fraudulent, arbitrary, involve an abuse of discretion, or unless the appeals board failed to follow standards prescribed by the Legislature. An appeals board’s findings on legal issues, such as the valuation method used, are subject to complete review by a court on appeal.

Findings

F1. In Kings County, the five-member Kings County Board of Supervisors acts as the Board of Equalization and, by default, the assessment appeals board.

F2. The members of the Kings County Board of Supervisors are not required by the State of California to have any official training to serve as the county’s assessment appeals board.

F3. The Kings County Board of Supervisors members sit on many boards and commissions and have many duties and responsibilities that are of great importance to the citizens of Kings County.

F4. There may be a perceived conflict of interest and/or transparency issues in a board of supervisors hearing assessment appeals.

F5. There are operational options available for the County of Kings when it comes to addressing assessment appeals. These include maintaining the status quo, creating a professional assessment appeals board, creating a hearing officer program, or mandating the same training for the Kings County Board of Supervisors sitting as the Board of Equalization that is required of a professional assessment appeals board member.

Recommendations

R1-5 The Kings County Board of Supervisors should consider their available operational choices for the County of Kings when it comes to handling assessment appeals. These include:

- A. Create a professional assessment appeals board.
- B. Create a hearing officer program.
- C. Mandate the same training for the Kings County Board of Supervisors sitting as the Board of Equalization that is required by law of an assessment appeals board member.

REQUIRED RESPONSE

Pursuant to Penal Code Section §933 (c), provided in part: “No later than 90 days after the Grand Jury Submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body and every elected county officer or agency head for which the Grand Jury had responsibility pursuant to Section §914.1 shall comment within 60 days to the presiding judge of the superior court...”

Kings County Board of Supervisors
Administration Bldg. 1
1400 Lacey Boulevard
Hanford, Ca 93230

INVITED RESPONSES

Kristine Lee
Kings County Assessor/Clerk/Recorder
1400 W. Lacey Blvd.
Hanford, Ca 93230

SEND FINAL REPORT RESPONSES TO:

Respond with Original to:

Judge Jennifer Giuliani, Presiding Judge
Kings County Superior Court
1640 Kings Court Drive
Hanford, CA 93230

Respond with Copy to:

Kings County Civil Grand Jury
P O Box 1562
Hanford, CA 93232

Appendix A

05 January 2024

2024 BOARD COMMITTEE ASSIGNMENTS

Board of Supervisors Members automatically serve on the following Governing Boards or Committees: Board of Supervisors (BOS), Housing Authority of Kings County, Kings County Public Financing Authority, Kings County Board of Equalization (BOE), Kings County In-Home Supportive Services Public Authority Board of Directors (IHSS), California Public Finance Authority and California Community Housing Agency.				
Organization	Primary Appointment		Alternate Appointment	
1. Agricultural Advisory Committee	J. Neves		D. Verboon	
2. Behavioral Health Advisory Board	J. Neves		R. Valle	
3. Cal-ID-California Identification Committee	J. Neves		R. Fagundes	
4. CalViva – Tri-County (Fresno/Kings/Madera) Health Authority	J. Neves		R. Robinson	
5. Central San Joaquin Valley Foreign Trade Zone Adv. Bd.	D. Verboon		R. Valle	
6. Child Abuse Prevention Coordinating Council			N/A	
7. Countywide Oversight Board	J. Neves		N/A	
8. CSAC - Board of Directors	R. Robinson		D. Verboon	
9. CSAC - Gov't Finance and Operation	R. Robinson		D. Verboon	
10. CSAC – Administration of Justice	R. Robinson		D. Verboon	
11. CSAC – Agricultural & Natural Resources	R. Robinson		D. Verboon	
12. CSAC – Health & Human Services	R. Robinson		D. Verboon	
13. CSAC – Housing, Land Use & Transportation	R. Robinson		D. Verboon	
14. Employee Activities Committee/BBQ	J. Neves-BBQ Only		R. Fagundes Employee Activities	
15. Exec Committee – Lake Success Reservoir Enlargement	R. Valle		Public Works Dept. Representative	
16. Exec Committee – Lake Kaweah/Terminus Enlargement	R. Valle		Public Works Dept. Representative	
17. First 5 Children & Families Commission	J. Neves		N/A	
18. Indian Gaming Local Community Benefit Comte (2)(1)	J. Neves	R. Valle	D. Verboon	
19. Independent Solid Waste Local Enforcement Hearing Panel	R. Fagundes		N/A	
20. Kings Co Abandoned Vehicle Service Authority (KCAVSA)	D. Verboon		R. Valle	
21. Kings County Assoc. of Governments (KCAG) (2)(2)	J. Neves	D. Verboon	R. Valle	R. Fagundes
22. Kings Commission on Aging Council	R. Fagundes		R. Robinson	
23. Kings Community Action Organization	R. Fagundes		D. Verboon	
24. Kings Co Community Corrections Partnership Committee AB109	D. Verboon		J. Neves	
25. Kings Co Homelessness Collaborative	J. Neves		N/A	
26. Kings Co Juvenile Reentry Taskforce	D. Verboon		N/A	
27. Kings County Public Transit Agency (KCAPTA) (2)(1)	J. Neves	D. Verboon	R. Fagundes	
28. Kings County Suggestion Program Committee	Chairman		Vice-Chairman	
29. Kings Economic Development Corporation	D. Verboon		J. Neves	
30. Kings Waste & Recycling Auth (KWRA) (2)(2)	J. Neves	R. Fagundes	D. Verboon	R. Robinson
31. Kings/Tulare Area Agency on Aging Council	R. Fagundes	R. Robinson	N/A per bylaws	
32. Local Agency Formation Commission (LAFCO) (2)(1)	J. Neves	D. Verboon	R. Valle	
33. Office of Emergency Services	J. Neves		D. Verboon	
34. Rural County Representatives of California (RCRC)	D. Verboon		R. Robinson	
35. San Joaquin Valley Unified Air Pollution Control District	R. Robinson		N/A-per SB 719	
36. San Joaquin Valley Supervisors Executive Committee	Chairman		Vice Chairman	
37. San Joaquin Valley Supervisors Legis. Liaison	R. Fagundes		D. Verboon	
38. San Joaquin Valley Joint Powers Authority	D. Verboon		City of Hanford representative	
39. San Joaquin Valley Water Coalition	D. Verboon		R. Fagundes	
40. South Fork Kings Groundwater Sustainability Agency	J. Neves		D. Verboon	
41. Workforce Development Board	R. Valle		N/A per bylaws	
42. United Way Emergency Food & Shelter Program Committee	Chairman		Vice-Chairman	

Appendix B

Section 15606 of the Government Code, Title 18, Public Revenues, California Code of Regulations states that the functions of an appeals board are as follows:

- 1) To lower, sustain, or increase upon application, or to increase after giving notice when no application has been filed, individual assessments in order to equalize assessments on the local tax assessment roll,
- 2) To determine the full value and, where appealed, the base year value of the property that is the subject of the hearing,
- 3) To hear and decide penalty assessments, and to review, equalize, and adjust escaped assessments on that roll except escaped assessments made pursuant to Revenue and Taxations Code section 531.12,
- 4) To determine the classification of the property that is the subject of the hearing, including classifications within the general classifications of real property, improvements, and personal property. Such classifications may result in the property so classified being exempt from property taxation.
- 5) To determine the allocation of value to property that is the subject of the hearing, and
- 6) To exercise the powers specified in section 1605.5 of the Revenue and Taxation Code:
 - a. Except as provided in subsection (a)(4), the board has no jurisdiction to grant or deny exemptions or to consider allegations that claims for exemption from property taxes have been improperly denied.
 - b. The board acts in a quasi-judicial capacity and renders its decision only on the basis of proper evidence presented at the hearing.

Appendix C

Per California Revenue and Tax Code 1624 (2022)

A person is not eligible for nomination for membership to an assessment appeals board unless he or she meets one of the following criteria:

- 1) Has a minimum of five years professional experience in this state as a certified public accountant or public accountant, a licensed real estate broker, an attorney, a property appraiser accredited by a nationally recognized professional organization, or a property appraiser certified by the Office of Real Estate Appraisers, or a property appraiser certified by the State Board of Equalization.
- 2) Is a person who the nominating member of the Board of Supervisors has reason to believe is possessed of competent knowledge of property appraisal and taxation.
 - a. Documentation of qualifying experience of appeals board members shall be filed with the clerk of the board.
 - b. This section shall apply only to an assessment appeals board in a county with a population of less than 200,000.
 - c. County population estimates conducted by the Department of Finance pursuant to Section 13073.5 of the Government Code shall be used in determining the population of a county for purposes of this section.

Per California Revenue and Tax Code 1624.01 (January 1, 2001)

- (a) On and after January 1, 2001, any person newly selected for membership on, or newly appointed to be a member of, an assessment appeals board shall complete the

training described in subdivision (a) of Section 1624.02 prior to the commencement of his or her term on the board or as soon as reasonably possible within one year thereafter.

- (b) A member of an assessment appeals board who does not complete the training required by this section in the time permitted shall complete that training within 60 days of the date of the notice by the clerk advising the member that his or her failure to complete the training constitutes resignation by operation of law. If the member fails to comply within 60 days of the notice by the clerk, the member shall be deemed to have resigned his or her position on the board. Notwithstanding the provisions of this section, a board member may continue to retain his or her position on the board in order to complete all appeal hearings to which the member is assigned, and which commenced prior to the date of resignation pursuant to this subdivision.

Per California Revenue and Tax Code 1624.02

- a) Every person newly selected for membership on, or newly appointed to be a member of an assessment appeals board shall successfully complete a course of training conducted by either the State Board of Equalization or by the county at county option. Training shall include, but not limited to, an overview of the important developments in the case and statutory law and administrative rules. The curriculum with County Boards of Supervisors, administrators of assessment appeals boards, assessors, and local property taxpayer representatives. The curriculum for the course of training provided by counties shall be developed in consultation with the State assessment process, elements in the conduct of assessment appeal hearings, and Board of Equalization, assessors, and local property taxpayer representatives and subject to final approval by the State Board of Equalization. Training by the State Board of Equalization shall be conducted regionally. For purposes of this section, the term “successfully complete” shall include full-time attendance at the course of training and a person’s receiving a certificate of completion given by the entity conducting the training at the conclusion of the course of training.
- b) There shall be no charge to counties for training conducted by the State Board of Equalization pursuant to this section.