



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Counsel



**Date:** April 16, 2015

**Board Meeting Date:** May 19, 2015

**Special Notice / Hearing:** None

**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** John C. Beiers, County Counsel

**Subject:** Resolution Requesting State Board of Equalization (“SBE”) Permit San Mateo County Assessor to Examine SBE Records.

**RECOMMENDATION:**

Adopt a resolution requesting that the State Board of Equalization permit the San Mateo County Assessor to examine the State Board of Equalization records.

**BACKGROUND:**

The SBE is responsible for annually assessing public utilities such as telephone, gas and power companies pursuant to California Constitution Article XIII, Section 19. A “Master Settlement Agreement” entered into by the counties and state and public utilities to settle lawsuits set a formula for valuation of public utilities by the SBE for fiscal years 1992-93 through 1999-2000. Amendments by the SBE to its Unitary Valuations Methods handbook suggested that beginning with fiscal year 2000-01, the SBE may modify its valuation methodology and may reduce utility valuations below fair market value. Such a reduction would reduce the amount of property taxes allocated to counties and other public entities.

Revenue and Taxation Code section 833 permits the Assessor or auditor of a County to examine any and all records of the SBE when requested by resolution of a County Board of Supervisors. Examination of SBE records will allow the County to monitor the SBE value-setting process and to examine the valuation indicators for each utility industry. Examination will also allow the County to review SBE staff’s recommended values for utilities. The collection of data may also be useful to the Assessor in valuing utility property that is transferred to the local roll.

**DISCUSSION:**

Since the 2000-01 amendments to the handbook, the Assessor and County Counsel have formed a Statewide Taxation Liaison Committee to work with officials of other counties that share similar concerns over the SBE valuation process and to participate in examining the books and records of the SBE. Document examination is performed jointly by officials from various counties on a coordinated basis. The next meeting will occur on May 20, 2015. This resolution is necessary to allow Assessor's counsel to participate in the SBE records examination.

**FISCAL IMPACT:**

None