CALIFORNIA
STATE BOARD
OF EQUALIZATION

BOARD MEMBERS
(Names updated 2016)

SEN. GEORGE RUNNER (RET.)
First District
Lancaster

FIONA MA, CPA
Second District
San Francisco

JEROME E. HORTON
Third District
Los Angeles County

DIANE L. HARKEY
Fourth District
Orange County

BETTY T. YEE
State Controller

DAVID J. GAU
Executive Director

Summary of Constitutional and Statutory Authorities

October 2012

Publication No. 72

State Board of Equalization

SUMMARY OF CONSTITUTIONAL AND STATUTORY AUTHORITIES

This document summarizes the constitutional, statutory, and administrative bases for Board responsibilities.

October 2012
Office of the Executive Director

SUMMARY OF CONSTITUTIONAL AND STATUTORY AUTHORITIES

Table of Contents

SUBJECT — PAGE

I. Board Members 1

II. Board Administrative Matters 6

III. Major Board Functions 8

A. *Administrative* 8

The Board is the sole administrative agency for the following programs:

1. County Assessment Standards 8
2. State-Assessed Property 8
3. Private Railroad Car Tax 9
4. Timber Yield Tax 9
5. Sales and Use Tax 9
6. Bradley-Burns Uniform Local Sales and Use Tax 9
7. District Transactions and Use Tax and Additional Local Taxes 9
8. Use Fuel Tax 9
9. Diesel Fuel Tax 9
10. Cigarette and Tobacco Products Tax 9
11. Energy Resources Surcharge 10
12. Emergency Telephone Users Surcharge 10
13. California Cigarette and Tobacco Products Licensing Act of 2003 10

The Board is one of several agencies charged with administration of the following programs:

14. Alcoholic Beverage Tax 10
15. Hazardous Substances Tax 10
16. Integrated Waste Management Fee 10
17. Covered Electronic Waste Recycling Fee 11
18. Underground Storage Tank Maintenance Fee 11
19. Water Rights Fees 11
20. Motor Vehicle Fuel Tax 11
21. Insurance Tax 11
22. Oil Spill Response, Prevention, and Administration Fees 12
23. California Tire Fee 12
24. Occupational Lead Poisoning Prevention Fee 12
25. Childhood Lead Poisoning Prevention Fee 12
26. Marine Invasive Species Fee 12
27. Natural Gas Surcharge 13
28. Tax Appellate Program (Administration of Franchise and Income Tax) 13
29. Review of Assessment of Publicly Owned Property Program 13

B. *Rulemaking* 13

I. BOARD MEMBERS

Subject	Authority
The Board of Equalization consists of five voting members: The Controller and four members elected for four-year terms at gubernatorial elections. The State shall be divided into four Board of Equalization districts with the voters of each district electing one member. No member may serve more than two terms.	*Cal. Const. art. XIII, § 17*
The term of office of a Board Member shall commence on the Monday after January 1 following election.	*Cal. Const. art. II, § 20*
A vacancy occurs if a member of the Board is not or ceases to be an inhabitant of the district for which he or she is chosen unless a change in district boundaries is made by the Legislature.	*Gov. Code § 15602*
Each Board Member is required to devote his or her entire time to the services of the State in performing the duties imposed upon the Board and its members by the Constitution and statutes of this State.	*Gov. Code § 15603*
Each member of the Board shall investigate the administration, enforcement, and operation within the district from which the member is elected of all laws administered and enforced by the Board. Each member may appoint a deputy, exempt from civil service, to assist the member in the performance of these duties. (*Note:* This section has not been interpreted by the courts or by the Attorney General. It was construed in two opinions of the Legislative Counsel to the Subcommittees of the Assembly Interim Committee on Government Organization of the 1955 General Session of the California Legislature. In the first opinion, issued July 28, 1954, Appendix VI-C, p. A-39 of the Report of the Committee, "The Need for a Department of Revenue in California," the Legislative Counsel stated that "the territorial jurisdiction of the powers vested in each member of the Board by Section 15623 extends only within the district from which they are elected, but a member may have authority to engage in such investigations in other areas of the State delegated to them by action of the board." In the second opinion, issued January 2, 1955, Appendix VI-D, p. A-40, of the Report of the Committee, the Legislative Counsel stated that Section 15623 does not vest in the State Controller any authority similar to that which it gives to the other members of the Board, but that the provisions of Sections 15610, 15611, 15612, 15613, and 15618 of the Government Code give the State Controller investigative authority which is generally comparable in extent to that which the elected members have under Section 15623.)	*Gov. Code § 15623*
The Controller may designate any deputy of his or her office to act in his or her place and stead on any state board, commission, committee, or governing board of a state agency with respect to the exercise of *statutory* powers and duties of any of those bodies. The deputy, while sitting on a board, commission, committee, or governing board of a state agency may exercise the same powers that the Controller may exercise as if he or she were personally present. The Controller so designating a deputy shall be responsible for the acts of the deputy in the same manner and to the same extent that the Controller is responsible for the acts of the deputy performing their official duties as deputy to the Controller. The Deputy Controller may not participate in state assessee and private railroad car tax valuations or reassessments, reviews of assessment of publicly owned property, or petitions for redetermination or claims for refund filed under the Insurance Tax Law, Motor Vehicle Fuel Tax Law, or Alcoholic Beverage Tax Law. The Deputy	*Gov. Code § 79*

Subject	Authority
Controller may participate in the adoption and issuance of written findings and decisions on reassessments, petitions, or claims previously heard and decided by the State Controller.	
Board Members and a deputy and an employee selected by each Board Member are exempt from civil service.	*Cal. Const. art. VII, § 4(c)*
The Board may appoint an Executive Director and may employ such expert and clerical assistants as it deems necessary.	*Gov. Code § 15604*
Each Board Member elected by district may request that the Governor convert one civil service position of the Board to an exempt position to serve as an administrative assistant.	*Gov. Code § 15605.5*
The Board shall hold regular meetings at Sacramento each month and special meetings at such times and places as the chair directs.	*Gov. Code § 15609*
The Board shall: (a) Prescribe rules for its own government and transaction of its business. (Note: This section provides the legal authority for the Board's election of a chair and vice-chair and for the chair's appointment of Board committee chairs.) (b) Keep a record of all its proceedings. (c) Prescribe rules and regulations to govern local boards of equalization and assessors, including uniform procedures for the consideration and adoption of written findings of fact by local boards of equalization. (d) Prescribe and enforce use of forms for assessment of property for taxation. (e) Prepare and issue instructions to assessors designed to promote uniformity in the assessment of property. (f) (c), (d), and (e) include, but are not limited to, rules, regulations, instructions, and forms relating to classifications of kinds of property and equalization procedures. (g) Prescribe rules and regulations to govern local boards of equalization when equalizing and assessors when assessing with respect to the assessment and equalization of possessory interests. (h) Bring an action in a court of competent jurisdiction to compel an assessor or any city or county tax official to comply with any provision of law governing the assessment or taxation of property.	*Gov. Code § 15606*
The chair of the State Board of Equalization is a member of the Franchise Tax Board.	*Gov. Code § 15700*
The Board may confer in this state or elsewhere, as a Board, individually or through its staff, with officers or employees of the state or other states, their political subdivisions, or the United States, or with any other person who may be of assistance in its work.	*Gov. Code § 15610*
The Board may visit as a Board or by its individual members, or may send its Executive Director or duly appointed representative to, the cities and counties to investigate property values and collect information to enable it to equalize assessments and levy taxes.	*Gov. Code § 15611*

Subject	Authority
The Board may inspect as a Board or individually or by its appointed representative the work of any local officers relating to assessment of property and collection of taxes. It may require such officers to produce records and give testimony.	*Gov. Code § 15612*
The Board may issue subpoenas for attendance of witnesses or production of records before it, its executive director, any of its members, or any representative designated by it.	*Gov. Code § 15613*
The Board shall report annually to the Governor. The report shall show: (a) The assessed value of state-assessed and locally assessed real and personal property in each county and the assessed value of state-assessed and locally assessed property in each incorporated city or town. (b) Information concerning other taxes which it administers. (c) Further information and suggestions as it deems proper.	*Gov. Code § 15616*
The Board may require persons having knowledge of the business of any person subject to assessment by it or having custody of records of such persons to testify and bring such records before it or any of its members.	*Gov. Code § 15617*
The Board may examine as a Board, individually, or through its staff the records of all persons required to report to it or having knowledge of the affairs of those required to report.	*Gov. Code § 15618*
Members or former members of the Board or any agent employed by it are prohibited from making known information obtained regarding the business affairs of companies reporting to the Board, except the Governor may cause such information to be made public.	*Gov. Code § 15619*
The Board may extend for a period not to exceed 30 days the time for filing any report required by the Board.	*Gov. Code § 15620*
The Board may establish a uniform policy for the acceptance of remittance, claim for credit or refund, document, return, or other information in cases where the cancellation mark stamped upon the envelope containing the remittance, claim for credit or refund, document, return, or other information shows a date after the date specified in law.	*Gov. Code § 15620.5*
The Board may hold a closed session: (1) to confer with, or receive advice from, its legal counsel regarding pending litigation; (2) to consider the appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee (unless the employee requests a public hearing); (3) when considering matters pertaining to the appointment or removal of the Executive Director; and (4) for the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law. (Open Meeting Act.) Settlement proceedings shall be conducted in closed session.	*Gov. Code § 11126(a),(e),(f); Rev. & Tax. Code §§ 7093.5, 9271, 30459.1, 32471, 40211, 41171, 43522, 45867, 46622, 50156.11, 55332, 60636*

Subject	Authority
The Board shall designate a clerk or other officer or employee to attend each closed session and keep and enter in a minute book a record of the topics discussed as the chair directs.	*Gov. Code § 11126.1*
The Board shall: (a) establish the position of Taxpayers' Rights Advocate, who shall report directly to the Executive Director and be responsible for facilitating resolution of taxpayer complaints and problems. (b) develop and implement a taxpayer education and information program directed at newly registered taxpayers, identified taxpayer or industry groups, and board audit and compliance staff. (c) annually perform a systematic identification of areas of recurrent taxpayer noncompliance, including an annual hearing before the Board, and shall report its findings in its annual report. (d) prepare and publish brief but comprehensive statements in simple and non-technical language which explain procedures, remedies, and the rights and obligations of the Board and taxpayers. (e) develop and implement a program to evaluate individual employee's or officer's performance with respect to their contact with taxpayers and report to the legislature on its implementation in the Annual Report.	*Rev. & Tax. Code §§ 5900–5911, 7080–7099.1, 8260–8277, 9260–9278, 21001–21028, 30458–30459.8 32460–32476, 40200–40216, 41160–41176, 43511–43527 45856–45872, 46611–46627, 50156–50156.18, 55321–55337, 60621–60636*
Elected state officers who assume office in December or January are required to file financial disclosure statements annually. An assuming office statement is not required.	*Gov. Code §§ 87200–87208*
Elected state officers are required to file campaign statements semiannually, and each candidate for elective state office is required to file campaign statements in connection with the election. Board Members shall provide Board staff with a copy of each campaign statement at the time each statement is filed.	*Gov. Code §§ 84200–84216,15626*
Members of the Board and the employees thereof shall not engage in any gainful profession, trade, business, or occupation whatsoever for any person, firm or corporation, or be so engaged in their own behalf, which profession, trade, business, or occupation is incompatible or involves a conflict of interest with their property tax duties as members and employees of the Board. Conflict of interest includes receipt of compensation or gifts from private persons or firms for advice or other services relating to the taxation or assessment of property. Violation of the conflict of interest prohibitions by a member of the Board constitutes malfeasance in office.	*Gov. Code § 15625*
A Board Member shall not make, participate in making, or influence the decision in any adjudicatory proceeding pending before the Board if the Member has received a contribution of $250 or more from a party, participant, or agent to the proceeding within the preceding 12 months. The Board Member shall disclose the disqualifying contribution on the record. (The Kopp Act.)	*Gov. Code § 15626*
Members of the Board and employees thereof shall not be financially interested in any contract made by them in their official capacity.	*Gov. Code § 1090*

Subject	Authority
Members of the Board and employees thereof shall not engage in any employment, activity, or enterprise from which the officer or employee receives compensation or in which the officer or employee has a financial interest and which is sponsored and/or funded by any state agency through or by a state contract unless the employment, activity, or enterprise is required as a condition of the Member's or employee's regular state employment. Board Members and employees are also prohibited from contracting on their own behalf as independent contractors with any state agency to provide services or goods.	*Pub. Contract Code § 10410*
No elected state officer shall use his or her official position to influence any governmental decision before the Board, if he or she has reason to know that the decision will have a direct and significant financial impact on a lobbyist employer or on any person, distinguishable from the public generally, from whom the officer has received any compensation within the preceding 12 months.	*Gov. Code § 87102.8*
Members of the Board and the employees thereof are prohibited from making, participating in making, or using their official position to influence any governmental decision directly relating to any contract where they know or have reason to know that any party to the contract is a person with whom they, or an immediate family member, has engaged in any business transaction on terms not available to members of the public, regarding any investment or interest in real property, or the rendering of goods or services totaling in value $1,000 or more within 12 months prior to the time the official action is to be performed.	*Gov. Code § 87450*
A transportation company may not grant free passes or discounts to anyone holding office in this state.	*Cal. Const. art. XII, § 7*
An annual salary shall be paid to each Member of the Board as set by statute. The annual compensation shall be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase provided by this section shall be comparable to, but shall not exceed, the percentage of the general salary increases provided for state employees during that fiscal year.	*Gov. Code § 11552*
Members of the Board are subject to recall. A petition for recall must be signed by electors equal in number to 20% of the last vote for that office.	*Cal. Const. art. II, § 14(b)*
Members of the Board are subject to impeachment for misconduct in office.	*Cal. Const. art. IV, § 18*
Whenever there is a vacancy on the Board, the Governor shall nominate a person to fill the vacancy who shall take office upon confirmation by the Senate and the Assembly and shall hold office for the balance of the unexpired term. In the event the nominee is neither confirmed nor refused confirmation by both the Senate and the Assembly within 90 days of the submission of the nomination, the nominee shall take office as if he or she had been confirmed. If the 90 day period ends during a recess of the Legislature, the period shall be extended until the sixth day following the day on which the Legislature reconvenes. Events causing a vacancy are listed in Government Code section 1770.	*Cal. Const. art. V, § 5; Gov. Code § 1775*
After a vacancy has occurred on the Board and prior to the time the vacancy is filled, the chief deputy of the former Board Member shall discharge all of the constitutional and statutory duties of the office. (Attorney General Opinion 96-1106, December 31, 1996.)	*Gov. Code § 1775*

II. BOARD ADMINISTRATIVE MATTERS

Subject	Authority
The Executive Director of the Board shall keep an accurate record of the Board's proceedings. When required by the chair of the Board, the Executive Director shall collect data in the various counties relating to the assessment of property in the county. The Executive Director will annually prepare the report of the Board and forward it to the Governor and will perform all other acts required by law or the Board. The Executive Director is authorized to certify oaths in any county in the State.	*Gov. Code § 15605*
The Board may settle civil business tax or fee matters in dispute that have not been considered previously by the Board Members.	*Rev. & Tax. Code §§ 7093.5, 9271, 30459.1, 32471, 40211, 41171, 43522, 45867, 46622, 50156.11, 55332, 60636*
The Board may consider an offer in compromise for liabilities that were generated from a business that has been discontinued or transferred, where the taxpayer making the offer no longer has a controlling interest or association with the transferred business or has a controlling interest or association with a similar type of business as the transferred or discontinued business. Effective January 1, 2009 through January 1, 2013, the Board may also consider an OIC for open and active businesses that have not received reimbursement from the taxes, fees, or surcharges owed, successors of businesses that may have inherited tax liabilities from their predecessors; and consumers, who are not required to hold a seller's permit, but incurred a use tax liability.	*Rev. & Tax. Code §§ 7093.6, 9278, 50156.18*
The Board may hire or lease any property for its use subject to approval by the Director of the Department of General Services.	*Gov. Code § 15621*
The Board may sell copies of revenue laws compilations, maps, and other documents.	*Gov. Code § 15622*
The Board is required to adopt regulations to establish procedures and guidelines to access public records.	*Gov. Code §§ 6253, 15652*
The Executive Director of the Board shall be a member of the Multistate Tax Commission in fiscal year periods beginning in odd numbered calendar years.	*Rev. & Tax. Code §§ 38001–38021*
The Public Records Act requires all state and local agencies to disclose records not otherwise confidential to the public upon request.	*Gov. Code §§ 6250–6270*
Each state body shall provide a copy of the Bagley-Keene Open Meeting Act to each member of the state body upon his or her appointment to membership or assumption of office.	*Gov. Code §§ 11120–11132*
No record shall be destroyed or otherwise disposed of by any agency of this state, unless it is determined by the Director of the Department of General Services that the record has no further administrative, legal, or fiscal value and the Secretary of State has determined that the record is inappropriate for preservation in the State Archives.	*Gov. Code § 14755*

Subject	Authority
Every agency shall adopt and promulgate a conflict of interest code for designated employees.	*Gov. Code § 87300*
The Information Practices Act requires each state agency to provide for access and correction of an individual's records maintained by the agency. The Information Practices Act also limits the maintenance and dissemination of personal information about individuals by the agency and makes the intentional disclosure of medical, psychiatric, or psychological information in violation of the disclosure provisions a misdemeanor if the wrongful disclosure results in economic loss or personal injury to the individual to whom the information pertains.	*Civ. Code §§ 1798–1798.78*
Each agency shall provide over-the-counter information and services directly to the public during customary lunch hours of 11:30 a.m. to 1:30 p.m., if there are four or more full-time employees at the office.	*Gov. Code § 7595*
Each agency shall establish a procedure requiring incoming telephone calls on any public line to be answered within ten rings during regular business hours.	*Gov. Code § 11022*
Each agency shall file with the Joint Committee on Rules a copy of any publication that the agency has published or distributed if more than 1,000 copies of the publication have been distributed in the proceeding 12 months.	*Gov. Code § 11099*
All state agencies are required to accept payments made by credit card or a payment device unless an exemption has been obtained.	*Gov. Code §§ 6160–6165*
Each agency, on or after July 1, 2001, unless otherwise authorized by the Department of Information Technology pursuant to Executive Order D-3-99, shall provide a plain-language form for individuals to register complaints or comments regarding the performance of the agency.	*Gov. Code §§ 8330–8332*
Each state agency shall offer at least semiannually, and certain state officials and employees shall attend once every two years, an orientation course on the relevant ethics statutes and regulations that govern the official conduct of the state officials and employees.	*Gov. Code §§ 11146–11146.4*
State agencies that have an Internet website and that collect personal information of the user accessing the website are required to notify the user of specific information, including the fact that the personal information is being collected and the purpose for which the collected information will be used. The agency shall notify the user that he or she has the option of having his or her personal information discarded without reuse or distribution. This provision does not apply to electronically collected personal information on or relating to individuals who are users serving in a business capacity, such as business owners, officers, or principals of that business.	*Civ. Code § 1798.16; Gov. Code §§ 6254.20, 11015.5*
Each agency shall establish a permanent privacy policy consistent with the Information Practices Act.	*Civ. Code § 1798 et seq.; Gov. Code § 11019.9*
No state or local agency shall post the home address or telephone number of specified elected or appointed officials, including state constitutional officers, on the Internet without first obtaining the written permission of the official.	*Gov. Code § 6254.21*

III. MAJOR BOARD FUNCTIONS

Subject	Authority
A. Administrative	
The Board is the sole administrative agency for the following programs:	
1. County Assessment Standards	
Ensures equity and uniformity relative to the assessment of all properties assessed by the 58 county assessors. Provides county assessors, their staffs, and others involved with the assessing function with consultation and services to aid them in the legal distribution of the property tax burden equitably among property owners. Establishes standards and the effective administration of legally conforming practices in all property assessments by individual assessor's office. Major program elements are:	
a. Assessment Services.	*(Gov. Code §§ 15606-15608, Rev. & Tax Code §§ 401.5, 423, 1153, 5364)*
b. County Assessment Practices Surveys.	*Cal. Const. art. XIII, § 18; Rev. & Tax. Code §§ 75.60, 155, 407, 408, 601, 602, 615, 618, 987, 1252, 1366, 1650, 1716, 1817; Gov. Code §§ 15606–15608, 15611, 15640–15646*
c. Property Tax Forms and Rules.	*Rev. & Tax. Code §§ 251, 452, 672, 1254, 1603, 5781, 5840 Rev. & Tax. Code §§ 670, 671, 673*
d. Certification and Training.	*Rev. & Tax. Code §§ 214–214.15, 218.5, 254.5*
e. Exemptions.	*Gov. Code § 15624*
f. Contract Auditing Services.	*Rev. & Tax. Code §§ 480.1, 480.2, 480.4*
g. Legal Entity Ownership.	
2. State-Assessed Property	
The Board is required to estimate the market value and assess annually intercounty pipelines, exclusive of land and rights-of-way, and all of the taxable properties owned or used by railroads and certain public utilities.	*Cal. Const. art. XIII, § 19; Rev. & Tax. Code §§ 100.9, 721–868, 4876–4880, 5011–5014, 5148; 23154; Gov. Code §§ 54900–54916.5*

Subject	Authority
3. *Private Railroad Car Tax* The Board is required to make annual assessments of privately-owned railroad cars operating within the state and levy and collect the tax. The tax is retained by the state and is in lieu of all local ad valorem property taxes on such railroad cars.	*Cal. Const. art. XIII, § 19; Rev. & Tax. Code §§ 11201–11702*
4. *Timber Yield Tax* The Board administers the Timber Yield Tax Law by collecting revenue for the Timber Tax Fund; providing local government with data for the valuation of timberland; establishing timber value areas and the immediate harvest values for species of timber within those areas; developing a standard method of timber measurement and conversion factors where the standard cannot be used; and controlling and auditing the reporting and self-assessment of the yield tax liability.	*Rev. & Tax. Code §§ 434.2, 434.5, 38101–38908; Pub. Resources Code § 4654*
5. *Sales and Use Tax* The Board administers the Sales and Use Tax Law to provide General Fund revenue for the state.	*Rev. & Tax. Code §§ 6001–7176*
6. *Bradley-Burns Uniform Local Sales and Use Tax* The Board administers the Bradley-Burns Uniform City and County Sales and Use Tax Ordinances to provide General Fund revenue for cities and counties.	*Rev. & Tax. Code §§ 7200–7226*
7. *District Transactions and Use Tax and Additional Local Taxes* The Board administers the transactions (sales) and use tax ordinances adopted by taxing districts (which are usually coterminous with county boundaries).	*Rev. & Tax. Code §§ 7251–7279.6, 7285–7290*
8. *Use Fuel Tax* The Use Fuel Tax is imposed on the use of fuels, other than motor vehicle fuel or diesel fuel, on the highways of this state. An annual flat rate amount may be paid for vehicles using LPG, LNG or CNG. Permits are held by users and vendors. Pursuant to the International Fuel Tax Agreement (IFTA), the Board registers interstate truckers whose base state is California. The Board processes the returns these truckers file, on which they report fuel use in all the states they traveled in during the reporting period. Revenues from the tax are used to construct and maintain public roads and mass transit systems.	*Cal. Const. art. XIX, §§ 1–9; Rev. & Tax. Code §§ 8601–9355, 9401–9433*
9. *Diesel Fuel Tax* The Diesel Fuel Tax is imposed on each gallon of diesel fuel sold at the terminal rack level or imported into the state. The Diesel Fuel Tax Law includes the interstate users tax, which is due from each interstate user who uses diesel fuel in a qualified motor vehicle in this state. Revenues from the tax are used to construct and maintain public roads and mass transit systems. Pursuant to the International Fuel Tax Agreement (IFTA), the Board registers interstate truckers whose base state is California. The Board processes the returns these truckers file, on which they report fuel use in all the states they traveled in during the reporting period. Revenues from the tax are used to construct and maintain public roads and mass transit systems.	*Cal. Const. art. XIX, §§ 1–9; Rev. & Tax. Code §§ 9401–9433, 60001–60708*
10. *Cigarette and Tobacco Products Tax* Taxes and surtaxes are imposed on the distribution in this state of cigarettes and tobacco products including cigars, chewing tobacco, pipe tobacco, and snuff. The taxes are reported and remitted to the Board	*Cal. Const. art. XIII B, § 12; Rev. & Tax. Code §§ 30001–30482*

by distributors licensed by the Board. The cigarette taxes are paid through the purchase of stamps which must be affixed to each pack of cigarettes prior to distribution. The taxes provide General Fund revenue for the state and also fund environmental conservation, fire prevention, early childhood development, and health programs.

11. *Energy Resources Surcharge* — *Rev. & Tax. Code §§ 40001–40216*

A surcharge is imposed on the consumption of electrical energy purchased from an electric utility. The surcharge is collected, and reported and remitted to the Board by electric utilities making sales of electrical energy to consumers in this state. The revenue is used for ongoing energy programs and projects, including the Energy Resources Conservation and Development Commission.

12. *Emergency Telephone Users Surcharge* — *Rev. & Tax. Code §§ 41001–41176*

A surcharge is imposed on amounts paid by service users for intrastate telephone communication services. The surcharge is collected, and reported and remitted to the Board by service suppliers who supply intrastate telephone communication services in this state. The surcharge funds local implementation of the 911 emergency telephone system.

13. *California Cigarette and Tobacco Products Licensing Act of 2003* — *Bus. & Prof. Code §§ 22970–22995*

The Board administers a statewide licensing program for all retailers, wholesalers, and distributors of cigarettes and tobacco products and all manufacturers and importers of cigarettes.

The Board is one of several agencies charged with administration of the following programs:

14. *Alcoholic Beverage Tax* — *Cal. Const. art. XX, § 22; Rev. & Tax. Code §§ 32001–32557*

A tax and surtax are imposed on beer, wine, and distilled spirits sold in this state. The taxes on beer and wine are reported and remitted by manufacturers, wine growers, importers, and sellers, all of whom must be licensed with the Alcoholic Beverage Control Board. The taxes on distilled spirits are reported and remitted by manufacturers or their agents, rectifiers, wholesalers, and sellers, all of whom must be licensed by the Alcoholic Beverage Control Board.

15. *Hazardous Substances Tax* — *Rev. & Tax. Code §§ 43001–43651; Health & Saf. Code §§ 25174–25174.11, 25205.1–25205.23*

The Board, in cooperation with the Department of Toxic Substances Control, administers the Hazardous Substances Tax. Funds are deposited into the Hazardous Waste Control Account and the Toxic Substances Control Account in the General Fund. Fees are collected for the generation and disposal of hazardous waste and the operation of a hazardous waste facility, from corporations that engage in activities related to hazardous materials, and, under certain circumstances, for the processing of applications by the Department. The funds are used to support the Department's regulation of the management of hazardous waste and to pay for the clean-up of contaminated sites.

16. *Integrated Waste Management Fee* — *Rev. & Tax. Code §§ 45001–45984, Pub. Resources Code §§ 48000–48008*

The Board, in cooperation with the Integrated Waste Management Board, administers this fee to provide revenue for the Integrated Waste Management Account in the Integrated Waste Management Fund. The quarterly fee is collected from operators of solid waste

disposal facilities, based on the amount of solid waste disposed at their facilities. The funds are used to clean up solid waste landfills; to support state and local landfill permit enforcement programs and to provide grants to local agencies for household hazardous waste collection programs; and to fund the activities of the Integrated Waste Management Board.

17. Covered Electronic Waste Recycling Fee

Pub. Resources Code §§ 42460–42485; Rev. & Tax. Code §§ 55001–55381

The Board is required to collect the covered electronic waste recycling fee pursuant to the Fee Collection Procedures Law. On or after January 1, 2005, a covered electronic waste recycling fee will be imposed on the consumer and collected by the retailer at the time of the retail sale or lease of certain new or refurbished televisions, computer monitors, laptop computers, and other devices. The term "covered electronic device" is defined by statute and regulations of the Department of Toxic Substances Control. Amounts collected are required to be deposited in the Electronic Waste and Recovery and Recycling Account in the Integrated Waste Management Fund.

18. Underground Storage Tank Maintenance Fee

Rev. & Tax. Code §§ 50101–50162; Health & Saf. Code §§ 25299.10–25299.51

The Board, in cooperation with the State Water Resources Control Board, administers this fee to provide revenue for the Underground Storage Tank Cleanup Fund in the General Fund. The quarterly fee is collected from the owner of an underground storage tank based on the number of gallons of petroleum placed in the tank during the quarter. The fund is used to supplement existing commercial insurance coverage and to pay for the cleanup of leaking underground storage tanks where coverage is not available.

19. Water Rights Fees

Wat. Code §§ 1525–1560; Rev. & Tax. Code §§ 55001–55381

The Board, in cooperation with the State Water Resources Control Board, collects pursuant to the Fee Collection Procedures Law annual fees on water rights and other amounts as referred by the State Water Control Board to provide revenue to fund the Water Rights Division of the State Water Resources Control Board. The amount and due date of the fees are established by regulations adopted by the State Water Resources Control Board.

20. Motor Vehicle Fuel Tax

Cal. Const. art. XIX, §§ 1–9; Rev. & Tax. Code §§ 7301–8526

The Board, in cooperation with the State Controller, administers this tax imposed on the supplier of motor vehicle fuel upon removal at the refinery or terminal rack in this state or upon the entry of motor vehicle fuel into this state for sale, consumption, use, or warehousing. Revenues from the tax are used to construct and maintain public roads and mass transit systems.

21. Insurance Tax

Cal. Const. art. XIII, § 28; Rev. & Tax. Code §§ 12001–13170; Ins. Code §§ 132, 685–685.4, 995.5, 1530, 1531, 1774–1780, 10089.44, 12976, 12976.5

The Insurance Tax, which is administered jointly by the Board, the State Controller, and the Insurance Commissioner, is measured by gross premiums received by insurance companies upon their business done in this state. (Surplus line brokers also pay a gross premiums tax. Ocean marine insurance companies pay tax on underwriting profits and title insurance companies pay tax on "all income" as defined, rather than paying tax on gross premiums.) The insurance tax is levied against insurance companies in lieu of all other taxes with certain limited exceptions. An additional tax is assessed against an out-of-state insurance company if the tax burden in its home state is higher than the California tax burden. The Board issues

initial assessments against insurance companies based on the data they report on their insurance tax returns. The Board also issues deficiency assessments for underpayments of taxes in accordance with recommendations from the Insurance Commissioner, hears taxpayer appeals, and makes decisions to grant or deny petitions for redetermination and claims for refund.

22. *Oil Spill Response, Prevention, and Administration Fees*

Rev. & Tax. Code §§ 46001–46751; Gov. Code §§ 8670.40, 8670.48

The fees, which are administered in cooperation with the Department of Fish and Game, provide revenue for the Oil Spill Prevention and Administration Fund and the Oil Spill Response Trust Fund in the State Treasury. The fees are imposed on the owners of petroleum products received at a marine terminal, as well as operators of marine terminals, pipelines, and refineries, based on the number of barrels of crude oil or petroleum products that are transported through the marine terminal or pipeline or are received at the refinery during the month. Revenue from the fees is used to reduce the occurrence of oil spills, and to help pay for costs associated with oil spills, including damage assessments and wildlife rehabilitation.

23. *California Tire Fee*

Rev. & Tax. Code §§ 55001–55381; Pub. Resources Code §§ 42860–42895

The Board, in cooperation with the Integrated Waste Management Board, administers this fee to provide revenue for the California Tire Recycling Management Fund in the State Treasury. The fee is imposed on the purchaser of new tires, including new tires sold with a new or used vehicle, and is collected, and reported and remitted to the Board, by retail sellers of new tires. The funds are used to operate a tire recycling program, to pay for cleanups related to the disposal of used whole tires, and to promote and develop alternatives to land fill disposal of tires.

24. *Occupational Lead Poisoning Prevention Fee*

Rev. & Tax. Code §§ 43001–43651; Health & Saf. Code §§ 105190, 105195

The Board, in cooperation with the Department of Health Services, administers this fee to provide revenue for the Occupational Lead Poisoning Prevention Account of the General Fund. The annual fee is imposed on employers in industries for which there is documented evidence of potential occupational lead poisoning. The funds are used to establish and maintain an occupational health program and occupational disease prevention program.

25. *Childhood Lead Poisoning Prevention Fee*

Rev. & Tax. Code §§ 43001–43651; Health & Saf. Code § 105310

The Board, in cooperation with the Department of Health Services, administers this fee to provide revenue for the Childhood Lead Poisoning Prevention Fund in the State Treasury. The fee is collected from the petroleum industry, the architectural coating industry, and businesses reporting releases of lead into the air. The funds are used to evaluate children for risk of lead poisoning, identify the sources of lead contamination, and provide case management for children with lead poisoning, and for education on lead-poisoning detection.

26. *Marine Invasive Species Fee (formerly Ballast Water Management Fee)*

Rev. & Tax. Code §§ 44000–44008, 55001–55381; Pub. Resources Code §§ 71200–71271

The Board, in cooperation with the State Lands Commission, administers this fee to provide revenue for the Marine Invasive Species Control Fund, which is a special fund maintained by the State Con-

troller and administered by the State Lands Commission. The fee is imposed on each vessel that arrives at a California port from a port or place outside California waters. The purpose of the fund is to pay for a program to move the state expeditiously toward elimination of the discharge of nonindigenous species into the waters of California or waters that may impact waters of the state.

27. Natural Gas Surcharge — *Rev. & Tax. Code §§ 55001–55381 Pub. Util. Code §§ 890–900*

A surcharge is imposed on the consumption of natural gas in this state. The surcharge is collected, reported, and remitted to the Board by public utility gas corporations for their customers, and paid, reported, and remitted directly to the Board by customers of an interstate gas pipeline. The revenue is used to fund low-income assistance programs and research and development.

28. Tax Appellate Program

The Board serves as the appellate body for disputes arising from actions of the Franchise Tax Board under the following:

a. Administration of Franchise and Income Tax Laws — *Rev. & Tax. Code §§ 18401–19802*

- ***Personal Income Tax Law*** — *Rev. & Tax. Code §§ 17001–18180*
- ***Bank and Corporation Tax Law*** — *Rev. & Tax. Code §§ 23001–25141*

b. Senior Citizens Property Tax Assistance and Postponement Law — *Rev. & Tax. Code §§ 20501–20646*

The Legislature ceased funding this program as of the 2008-09 fiscal year.

29. Review of Assessment of Publicly Owned Property Program — *Cal. Const. art XIII, § 11; Rev. & Tax. Code §§ 1840, 1841*

The Board reviews, equalizes, and adjusts appealed assessments of taxable property of counties and municipal corporations outside their jurisdictions.

B. Rulemaking

In the administration of its tax programs, the Board adopts rules and regulations; publishes law guides and tax publications; issues directives for the guidance of taxpayers, county assessors, and county assessment appeals boards; conducts surveys of the operations of county assessors' offices; prescribes property tax forms and publishes handbooks for assessors' use; and oversees assessment practices.