

ASSEMBLY THIRD READING
AB 2172 (Gipson)
As Amended April 23, 2026
Majority vote

SUMMARY

Authorizes certain counties to establish a one-member assessment appeals board (AAB)

Major Provisions

- 1) Authorizes, as an alternative to existing processes governing AAB member appointment, the county board of supervisors of a county containing a population of 500,000 or more to, by ordinance, provide that all property tax assessment appeals in the county be heard and decided by a single-member appeals board, the single member of which shall be known as an assessment appeals commissioner (AAC).
- 2) Provides that this authorization for an alternative process is operative beginning January 1, 2027, and until January 1, 2032.
- 3) Requires that the AAC meet the qualifications of an AAB under existing law, demonstrate the ability to conduct fair and impartial hearings and to prepare written findings of fact and conclusions of law, and be one of the following:
 - a) A certified public accountant with experience in the appraisal or valuation of real property or business personal property;
 - b) A licensed real estate broker with a Graduate Realtor Institute designation, certified as a commercial investment member, a real estate broker manager, or a residential specialist, or any comparable designation evidencing specialization in commercial or investment real estate;
 - c) A real property appraiser holding the Member Appraisal Institute designation or a comparable designation evidencing experience in the valuation of complex income-producing property;
 - d) A personal property appraiser holding an Accredited Senior Appraiser designation from the American Society of Appraisers or a comparable designation;
 - e) An attorney with experience in the valuation of complex, income-producing, and business property; or,
 - f) An individual with experience comparable to that described above, as determined by the appointing authority.
- 4) Requires a county to establish a process by which the appellant may object to the appeal being heard and decided by an AAC.
- 5) Requires a county to ensure the appeal is heard and decided by a three- or five-member AAB if the county receives an objection by the appellant to adjudication by an AAC.

- 6) Authorizes a county to appoint one or more alternate AACs who meet the qualifications under this bill, and who must serve in the absence or disqualification of the regular AAC.
- 7) Provides that this bill shall not be construed to limit the authority of a county to establish multiple AABs, regardless of composition, or to appoint alternate members pursuant to existing law.
- 8) Requires the State Board of Equalization (BOE) to adopt rules and guidelines necessary to ensure consistent hearing procedures, public access, and decision-making standards for AACs appointed pursuant to this bill.
- 9) Prohibits an AAC from hearing any new appeals after December 31, 2031, but allows a commissioner to continue hearing and deciding appeals received after January 1, 2027, but on or before December 31, 2031, following December 31, 2031.
- 10) Makes inoperative, and repeals, this bill's provisions as of January 1, 2034.
- 11) Reinstates existing law on January 1, 2034.

COMMENTS

AABs: The California Constitution requires that each county establish a board of equalization to equalize local assessments. County boards of supervisors or AABs may serve as the county board of equalization. Thus, an AAB exercises:

[...] judicial functions, and its decisions as to the value of the property and the fairness of the assessment so far as amount is concerned constitutes an independent and conclusive judgment of the tribunal created by law for the determination of that question, which abrogates and takes the place of the judgement of the assessor upon that question. (*Los Angeles Gas and Electric Co. v. County of Los Angeles* (1912) 162 Cal. 164.)

In other words, an AAB is a quasi-judicial body. An AAB's decision is final and may not be reheard by the board, even at the request of the assessor or taxpayer. The determination of value by an AAB may only be reviewed by a subsequent court if the determination was fraudulent, arbitrary, involved an abuse of discretion, or the AAB failed to follow standards prescribed by the Legislature. AABs have no jurisdiction to grant or deny exemptions; to decide disputes involving tax rates, local government budgets, tax bills, or tax policy; and have no authority to consider a taxpayer's ability to pay in making their determinations.

The State Constitution did not delineate the composition of AABs and largely defers to the Legislature regarding the application of the constitutional requirement. In implementing this requirement, the Legislature has established a series of procedures by which counties may nominate and appoint AAB members. The Legislature has stipulated that AABs be three- or five-member boards. Existing law specifies the terms for which these members may serve, appointment of alternative members, and the minimum qualifications for a person to be eligible to serve as a member, among other administrative procedures. Importantly, the Legislature has required that a county determine within two years of an application for the reduction in assessment whether the opinion of value claimed by the applicant is valid. Absent this determination, the law presumes that the applicant's opinion is correct. In effect, this creates a

two-year deadline where a county must make a determination or the full value of the property defaults to the applicant's opinion of value.

Assessment appeals in Los Angeles (LA) County: As the largest county in the state, LA experiences the highest volume of assessment appeals. Of the nearly 30,000 appeals statewide over the 2023-24 fiscal year, nearly 9,000 were filed in LA County. In turn, LA County is experiencing a backlog of assessment appeals that need adjudicating; this is not a new phenomenon. The Legislature has acted to alleviate this backlog by providing greater flexibility in AAB procedures. In 2020, this Committee authored AB 3373 (Committee on Revenue and Taxation), Chapter 57, Statutes of 2020, which removed the limitation on the number of AABs a county may create. The next year, the Legislature passed AB 1203 (Burke), Chapter 418, Statutes of 2021, which expanded the type of professional experience a person may have to be eligible for nomination to an AAB and authorized LA County to reduce, from three years to one year, the intervening period that a person who was an employee of the assessor's office must wait before being eligible as a nominee to an AAB. Despite these actions, LA County remains burdened by a backlog of appeals - a backlog that is likely to increase as victims of the recent January 2025 fires in LA County file for reductions in assessment to reflect the damaged values of their properties.

This bill: This bill would authorize an additional option for counties with a population of 500,000 or more when establishing bodies to adjudicate assessment appeals. Specifically, this bill would allow large counties to establish a one-member AAB, known as an "AAC". An AAC would have the same authority, and be subject to the same restrictions as a standard AAB but would have additional minimum qualifications for a person nominated as an AAC.

According to the Author

The author has submitted the following statement in support of this bill:

AB 2172 gives counties a practical, time-limited tool to reduce delays in the property tax appeals process by allowing a single, qualified commissioner to hear complex cases. Multi-day appeals involving properties like hotels, stadiums, and possessory interests are often difficult to schedule under the current multi-member system, leading to backlogs. This bill streamlines hearings, improves efficiency, and speeds resolution while preserving due process by allowing taxpayers to request a traditional multi-member board.

Arguments in Support

The California Assessors Association, writing in support of a previous, but substantially similar, version of this bill, states, in part:

From an administrative standpoint, this measure offers counties an important tool to address increasing workloads. Single-member hearings can reduce scheduling delays, improve efficiency, and allow for more timely resolution of appeals – particularly in counties where backlogs can impact both taxpayers and local agencies.

[This] bill also maintains important taxpayer protections. Commissioners must meet defined qualifications, and hearings remain subject to oversight and procedural standards established by the BOE, including requirements for transparency, public access, and written findings. The inclusion of a sunset date ensures the Legislature has an opportunity to evaluate the effectiveness of this approach before considering any extension.

Arguments in Opposition

None on file

FISCAL COMMENTS

The Assembly Appropriations Committee, in its analysis of this bill, estimates the following fiscal impact:

- 1) Minor and absorbable costs to the BOE to adopt single-member AAB rules and guidelines.
- 2) Although this bill requires an AAB to follow certain procedures, this bill does not create a state-mandated local program because a county must comply with these requirements only if the county establishes a single-member AAB, and this bill does not require (only authorizes) a county to have such a program. Thus, a county does not need to follow this bill's requirements if the county does not utilize a single-member AAB.

VOTES**ASM REVENUE AND TAXATION: 7-0-0**

YES: Gipson, Sanchez, Carrillo, DeMaio, McKinnor, Quirk-Silva, Michelle Rodriguez

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Bauer-Kahan, Calderon, Caloza, Ellis, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

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