SENATE COMMITTEE ON REVENUE AND TAXATION
Senator Jerry McNerney, Chair
2025 - 2026 Regular

Bill No:	AB 2172	**Hearing Date:**	6/24/26
Author:	Gipson	**Tax Levy:**	No
Version:	6/11/26 Amended	**Fiscal:**	Yes
Consultant:	Grinnell		

PROPERTY TAXATION: COUNTY ASSESSMENT APPEALS BOARDS: ASSESSMENT APPEALS COMMISSIONERS

Enacts an alternative process for counties with a population of more than 500,000 to consider assessment appeals by providing for the appointment of "assessment appeals commissioners," to hear all assessment appeals.

Background

Section One of Article XIII of the California Constitution provides that all property is taxable and shall be assessed at the same percentage of fair market value, unless explicitly exempted by the Constitution or federal law. Section 14 of Article XIII additionally requires that all property taxed by a local government be assessed in the county, city, and district in which it's situated. Section 16 of Article XIII of the California Constitution provides for the establishment of local boards of equalization, which have the duty of equalizing the value of the local roll by adjusting individual assessments. Section 16 also directs the Legislature to provide for the number and qualifications of assessment appeals board (AAB) members, as well as the manner of selecting and removing them, and their terms.

Assessment appeals. Taxpayers seeking to appeal an assessor's valuation of locally-assessed property generally contact the assessor to request a change in value, but if unsuccessful, can file an appeal (which can include a claim for refund) with the county. In nine California counties, boards of supervisors hear appeals directly, while all the others have created one or more AABs to perform the quasi-judicial role of holding a hearing to determine the value of the taxpayer's property.

AAB members are either appointed by the board of supervisors or by lot by the presiding judge of the superior court of the county from a list of persons nominated by the members of the county board of supervisors. Members serve a three-year term or complete a vacated, unexpired term. Currently, state law does not set the number of terms a member may serve; however, many counties have ordinances that do.

In addition to completing a training program, AAB members must possess five years of professional experience in California as a *certified* public accountant or public accountant, licensed real estate broker, attorney, or property appraiser. However, in counties with a population of less than 200,000, someone "possessed of competent knowledge of property appraisal and taxation," can be appointed without professional experience.

In the process of determining the value of property, an AAB is generally limited to the evidence presented by the assessor and taxpayer. An AAB may request the assessor or taxpayer to provide specific evidence and examine the assessor and taxpayer on evidence they present. An AAB's decision is final and may not be reheard by the board even if requested by the assessor or taxpayer. Furthermore, an AAB may not reconsider or rehear its own decision on an application unless a court orders it to do so. On appeal, a court's review of a board's findings of factual issues is limited to a determination of whether or not its findings were supported by substantial evidence presented at the appeals hearing[1]; courts do make determinations as to whether AABs correctly apply the law.

If an AAB fails to make a final determination on an application for reduction in assessment within two years of the timely filing of the application, the taxpayer's opinion of value as reflected on the application must be enrolled on the assessment roll for the years covered by the application, until a final determination is made. However, this rarely occurs, as AABs can generally continue a hearing to a later date, and taxpayers can also request continuances.

Assessment hearing officers. Since 1970, counties can appoint assessment hearing officers, either directly or by contract, with the state Office of Administrative Hearings for the services of an administrative law judge. Hearings by a hearing officer are subject to the same statutes and regulations that apply to appeals boards. At the conclusion of the hearing, the hearing officer prepares a report and recommendation for the appeals board, which is binding unless the board of supervisors enacts an ordinance providing that the recommendation is not binding. Hearing officers must meet the same qualifications as AAB members, except in specified circumstances. Nine counties, including the County of Los Angeles (LA), currently utilize hearing officers.

Los Angeles County. As the largest county in the state, Los Angeles 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 Los Angeles County. Historically, the County has had a backlog of assessment appeals that need adjudicating, approximately 37,910 as of April 1, 2026. The County closed 21% of its assessment appeals in 2025-26 as of April 1, 2026, a rate that declined from 53% in 2022-23. Many cases from previous years have been continued so the county has not had to enroll a taxpayer's opinion of value due to the two-year deadline.

In recent years, the Legislature has enacted measures to assist the County reduce its backlog: AB 3373 (Committee on Revenue and Taxation, 2020) removed the limitation on the number of AABs a county may create. Los Angeles County implemented the measure, which helped reduce its backlog. AB 1203 (Burke, 2021) expanded the professional experiences a person may have to qualify 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.

To make the assessment appeals process more professional and efficient, Los Angeles County Assessor Jeffrey Prang wants to allow larger counties to enact an alternative assessment appeals process where most appeals are adjudicated by a single Assessment Appeals Commissioner who must meet higher qualifications.

[1] *County of San Diego v. Assessment Appeals Bd. No. 2* (1983) 148 Cal.App.3d 548

Proposed Law

Assembly Bill 2172 enacts an alternative process for counties with a population of more than 500,000 to consider assessment appeals by providing for the appointment of "assessment appeals commissioners" (AACs) to hear any assessment appeals, with some exceptions. The bill provides that the county must adopt its provisions by ordinance, with the following requirements, including that AACs must meet the current qualifications for AAB members, demonstrate the ability to conduct fair and impartial hearings, and prepare written findings of fact and conclusions of law.

The measure requires AACs to be one of the following:

- A certified public accountant with experience in the appraisal or valuation of real property or business personal property;
- 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;
- A real property appraiser holding the Member Appraisal Institute designation or a comparable designation evidencing experience in the valuation of complex income-producing property;
- A personal property appraiser holding an Accredited Senior Appraiser designation from the American Society of Appraisers or a comparable designation;
- An attorney with experience in the valuation of complex, income-producing, and business property; or,
- An individual with experience comparable to that described above, as determined by the appointing authority.

As a default, AACs must consider all assessment appeals in counties enacting an ordinance to implement AB 2172's provisions; however, they must also create a process where the taxpayer can object, in which case the appeals will be heard and decided by a three- or five-member assessment appeals board. Counties can appoint alternate AACs who meet the same qualifications when an AAC is absent or disqualified.

The measure makes legislative findings and declarations supporting its purposes. The bill applies to appeals received between January 1, 2027, and January 1, 2032, and sunsets entirely on January 1, 2034. AB 2172 also directs 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.

State Revenue Impact

No estimate.

Comments

1. Purpose of the bill. According to the author, "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 complex 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."

2. What's different? Every non-exempt property owner in California pays a property tax, and has the right to appeal the assessor's determination of value. State law sets forth an appeal process consistent with a County's constitutional duty to equalize the local assessment roll. As the property tax is the state's only tax administered by local officials pursuant to the California Constitution and state law, this process can vary. Every county board of supervisors is the county board of equalization, and many county boards of supervisors continue to directly consider property tax appeals today, especially in less populous counties. All others have created assessment appeals boards, and even assessment hearing officers in a handful of counties. However, property appraisal is a very specific skill set, so it can be difficult to find qualified assessment appeals boards members, who are not full-time employees and are generally compensated on a per-meeting basis. AB 2172 would add a new procedure that counties can choose to implement, where individual members who must meet higher qualifications become the default method to adjudicate appeals. For counties that choose to implement the bill, it will be a fundamental change to the assessment appeals system.

3. Opt-in. As noted above, California's assessment appeals system gives counties flexibility to create AABs, choose how many AABs to create, implement assessment appeals commissioners, and even allow counties with fewer than 200,000 to adopt lower qualifications for AAB members. However, many provisions of state law are binding: taxpayers must file an application, AAB decisions are final, AABs must make findings of fact, among other requirements. AB 2172 is permissive, so only those Boards of Supervisors in counties with a population of more than 500,000 (16 of 58) enacting an ordinance are bound by its procedure. Additionally, even in a county that implements AB 2172's AACs, it must provide a process for taxpayers to instead have a three or five-member AABs consider their appeal.

4. Three-tracks. Many counties have already established assessment hearing commissioners to consider appeals when requested by the taxpayer. Those same counties can also have one or more AABs. Should counties adopt AB 2172, they can have AACs too to largely replace AABs, but the bill allows taxpayers to opt out of an AAC hearing in favor of a three or five-member AABs. Should AB 2172 be enacted, and counties elect to implement it, counties will have to reconcile the multiple potential tracks for taxpayers to appeal their assessments.

Assembly Actions

Assembly Revenue & Taxation Committee:	7-0
Assembly Appropriations Committee:	15-0
Assembly Floor:	73-0

Support and Opposition (6/18/26)

Support: Los Angeles County Assessor Jeffrey Prang (Sponsor)
California Assessors' Association
California State Board of Equalization

Opposition: None received.

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