

MADERA COUNTY ASSESSMENT APPEALS BOARD
LOCAL RULES OF PROCEDURE
ORDER NO. C-5

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LOCAL RULES OF PROCEDURE OF THE ASSESSMENT APPEALS BOARD
COUNTY OF MADERA, STATE OF CALIFORNIA
(EFFECTIVE AUGUST 1, 2019)
ORDER NO. C-5

1. Applicability of rules; Governing law.

These Local Rules are enacted pursuant to Section 2.96.110 of the Madera County Code. They shall supplement the rules of procedure contained in Chapter 2.96 of the Madera County Code (the “MCC”), Revenue and Taxation Code § 1601 et seq. and Title 18 of the California Code of Regulations (Property Tax Rules), and shall apply to all meetings and hearings of the Assessment Appeals Board of the County of Madera, including prehearing conferences and any hearings before hearing officers pursuant to Revenue and Taxation Code §1636 et seq., should hearing officers be appointed.

2. Definitions.

The definitions below shall govern the construction of the terms as used in these rules:

- a. “County” means the County of Madera.
- b. “Board” or “AAB” means the Assessment Appeals Board of the County of Madera.
- c. “Assessor” means the Madera County Assessor’s Office.
- d. “Auditor” means the Madera County Auditor’s Office.
- e. “Legal Advisor” means the attorney who advises and represents the Board.
- f. “Chair” is the chair of the Board.
- g. “Clerk” is the Clerk of the Board of Supervisors, sitting as Clerk of the Assessment Appeals Board.
- h. “Applicant” means the person affected who has filed an application for changed assessment.
- i. “Party” means the applicant or the Assessor, and shall also include authorized representatives of the applicant or the Assessor, including attorneys and appraisers.
- j. “Person” means an individual human being, a partnership, Limited Liability Company, corporation, association, or other entity.
- k. “Evidence” shall include documents, recordings, and oral testimony intended to provide factual support for proving a position.
- l. “Continuance” is the postponement of a hearing or other proceeding to a subsequent day or time.

- m. "Complex appeals" are those hearings in which the property that is the subject of the appeal is assessed at Thirty Million Dollars (\$30,000,000) or more in any year under appeal.

3. Functions and jurisdiction.

The functions of the Board are:

- a. To determine the taxable value of each property for which an application for equalization is made and by reducing or increasing the individual assessment on the local assessment roll;
- b. To determine whether or not property has been subject to change of ownership and to hear and decide issues with respect to penalties, pursuant to Section 1605.5 of the Revenue and Taxation Code;
- c. To review, equalize, and adjust penal escaped assessments on the assessment roll except escaped assessments made pursuant to Revenue and Taxation Code Section 531.1 where an exemption was improperly granted;
- d. To exercise the powers specified in Section 1603 of the Revenue and Taxation Code;
- e. To determine its own jurisdiction in accordance with applicable law.

The Board acts in a quasi-judicial capacity, and may act only on the basis of relevant evidence presented at a hearing. Unless provided for by law, 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. The Board has no legislative power.

4. Procedure for receiving applications for changed assessment; review for completeness.

- a. The Clerk verifies that applicable hearing fees have been paid by the Applicant as required by Section 3.05.030 of Madera County Code.
- b. All applications for changed assessment shall be collected by the Clerk, assigned appeal numbers, and presented to the Assessor for review as to whether the applications are complete.
- c. If the Assessor finds that an application does not contain all of the information required by Title 18, section 305(c)(1) of the California Code of Regulations, the Assessor shall notify the Clerk in writing as to why the application is incomplete.
- d. Upon receipt of written notification from the Assessor that an application is incomplete, the Clerk shall give prompt written notice to the applicant and, where applicable, the applicant's agent, which lists the error on the application.

- e. All disputes regarding the validity of an application shall be presented to the Board in open session. Hearing on these disputes may be conducted before the hearing as to the validity or correctness of the assessment itself. A hearing on any dispute regarding the validity of an application shall not be considered a hearing on the merits, a request for postponement or continuance, or a tolling or waiver of the two-year limitation period provided for in Revenue and Taxation Code section 1604.

5. Exchange of Information.

- a. When the assessed value of the property involved, before deduction of any exemption accorded the property is \$100,000 or less, the applicant may file a written request for an exchange of information with the Assessor; and when the assessed value before deduction of any exemption exceeds \$100,000, either the Applicant or the Assessor may request such an exchange. The request may be filed with the Clerk at the time of filing the application, or may be submitted to the other party and the Clerk at any time prior to thirty (30) days before the commencement of the hearing. For purposes of determining the date upon which the exchange was deemed initiated, the date of postmark, as affixed by the United States Postal Service, or the date certified by a bona fide private courier service on the envelope or package containing the information shall control. The request shall be submitted to the other Party, with a copy to the Clerk. The request shall contain the basis of the requesting party's opinion of value for each valuation date at issue and the following data:

- i. COMPARABLE SALES DATA - If the opinion of value is to be supported with evidence of comparable sales, the properties sold shall be described by the assessor's parcel number, street address or legal description sufficient to identify them. With regard to each property sold, there shall be presented: the approximate date of the sale, not to exceed ninety (90) days after the date of valuation, the price paid, the terms of the sale, if known, and the zoning of the property.
- ii. INCOME DATA - If the opinion of value is to be supported with evidence based on an income study, there shall be presented: the gross income, the allowable expenses, the capitalization method (direct capitalization or discounted cash flow analysis) and rate or rates employed.
- iii. COST DATA - If the opinion of value is to be supported with evidence of replacement cost, there shall be presented:
 - A. With regard to improvements to real property: the date of construction, type of construction and replacement cost of construction.
 - B. With regard to machinery and equipment: the date of installation, installed cost and any history of extraordinary use.
 - C. With regard to both improvements and machinery and equipment: facts relating to depreciation, including any functional or economic obsolescence and remaining economic life.

- b. The information exchanged shall provide reasonable notice to the other party concerning the subject matter of the evidence or testimony to be presented at the hearing. There is no requirement that the details of the evidence or testimony to be introduced must be exchanged.
 - c. If a party requesting an exchange of data by subpart (a) of this Rule has submitted the data required within the time specified, the other party shall submit a response to the initiating party and the clerk at least 15 days prior to the hearing. The response shall be supported with the same type of data required of the requesting party. When the Assessor is the respondent, he or she shall submit the response to the address shown on the application or on the request for exchange for information, whichever is filed later. The initiating party and the other party shall provide adequate methods of submission to ensure to the best of their ability that the exchange of information process is completed at least 10 days prior to the hearing.
 - d. Whenever information has been exchanged pursuant to this section, the parties may introduce evidence only on matters pertaining to the information so exchanged unless the other party consents to introduction of other evidence. However, at the hearing, each party may introduce new material relating to the information received from the other party. If a party introduces such new material at the hearing, the other party, upon request, shall be granted a continuance for a reasonable period of time.
 - e. If one party initiates a request for information and the other party does not comply within the time specified in subsection B, the Board may grant a postponement for reasonable period of time. The postponement shall extend the time for responding to the request. If the Board finds willful noncompliance on the part of the noncomplying party, the hearing will be convened as originally scheduled and the noncomplying party may comment on evidence presented by the other party but shall not be permitted to introduce other evidence unless the other party consents to such introduction.
6. Completion of discovery and exchange of information.
The applicant and the assessor shall complete any and all discovery and exchange of information authorized by law prior to the equalization hearing. Any objections to requests for disclosure made to the other party under Revenue and Taxation Sections 408, 441-470, or 1606, or complaints of unreasonable or unlawful difficulties encountered by either party in obtaining information believed to be necessary to proceed to hearing, may be brought to the attention of the Madera County AAB by means of a written request for pre-hearing conference. Upon good cause shown, the Madera AAB shall make findings concerning the failure of a party to respond to requests for information and the impacts of such failures on the requirements to timely hear the appeals under the provisions of Revenue and Taxation Code Section 1604 (c). Continuances for the conduct of discovery or for the pursuit of court action to enforce discovery demands or subpoenas shall be granted by the Board only upon a showing of good cause. To expedite the hearing and to carry out its equalization duties, the Board may in its discretion order compliance with discovery demands and subpoenas.

7. Order to produce information and sanctions.

Upon its own motion or upon written request of the Applicant or the Assessor and a showing of good cause, the Board may order the Applicant or the Assessor to produce before it that oral or documentary evidence which is determined by the Board to be relevant and necessary to a determination of the full cash value of the subject property. Failure on the part of the Applicant or the Assessor to comply with such order may result in the imposition by the Board of one or more of the sanctions authorized by Government Code Provisions, Provisions Relating to The State Board of Equalization Section 15613, if the Board deems such an order necessary to carry out its equalization duties and to expedite the hearing.

8. Prehearing Conference.

- a. A prehearing conference may be set by the Clerk at the request of the Applicant or the Applicant's agent, the Assessor, or at the direction of the Board. The purpose of a prehearing conference is to resolve issues such as, but not limited to, clarifying and defining the issues, determining the status of exchange of information requests, stipulating to matters on which agreement has been reached, combining applications into a single hearing, bifurcating the hearing issues, and scheduling a date for a hearing officer or the board to consider evidence on the merits of the application.
- b. The Clerk shall set the matter for a prehearing conference and notify the Applicant or the Applicant's agent and the Assessor of the time and date of the conference. Notice of the time, date, and place of the conference shall be given not less than 30 days prior to the conference, unless the Assessor and the Applicant stipulate orally or in writing to a shorter notice period.
- c. The Applicant and/or Assessor may bring their respective counsel and appraisers to participate in the conference.

9. Hearing.

The Board shall meet as necessary to equalize assessments on the local tax assessment roll, and shall continue in session for that purpose from time to time until the business of equalization is disposed of. All hearings before the Board shall be open and conducted in the manner provided in these Local Rules.

10. Exhibits.

- a. The parties shall serially pre-mark for identification each item of documentary evidence to be introduced, with the Applicant's exhibits numbered "1", "2," and so on, and the Assessor's exhibits to be lettered "A," "B," and so on. All documents submitted in an exchange of information under Revenue and Taxation Code section 1606 shall be marked for identification before the exchange. All other documents shall be marked before the hearing.
- b. Each party shall submit to the Clerk the original exhibit(s) and four (4) copies of each pre-marked exhibit, with the Clerk to distribute three (3) copies to the Board members, and one copy to the Legal Advisor. For documents submitted in

an exchange of information under Revenue and Taxation Code section 1606, each party shall send a copy of the documents directly to the other party, in addition to the original document(s) and four (4) copies to the Clerk; in all other circumstances, the parties shall provide the original and five (5) copies of each document to the Clerk.

- c. No exhibit shall be delivered to the members of the Board, or considered as part of the record, before it is marked for identification or introduced into evidence at the hearing. A majority of the Board members may vote to waive this provision in any appeal, if deemed appropriate.

11. Rules of evidence.

- a. Only relevant evidence is admissible. Any relevant evidence may be admitted if it is the sort of evidence on which reasonable persons are accustomed to rely.
- b. The hearing shall not be conducted according to technical rules of evidence. The Board shall not recognize objections on the grounds of hearsay, best or secondary evidence, opinion, calling for speculation, assuming facts not in evidence, calling for narrative answers, and authentication.
- c. Failure to timely object to evidence introduced shall be a waiver of the objection.
- d. The Chair shall make the final determination as to admissibility of evidence.

12. Transcripts and recording.

All hearings shall be recorded electronically by the Clerk, and the recording shall be the official record of the proceedings and be made available for listening and copying on request of any party. If a party provides a court reporter for the hearing, the Board may order that the reporter's transcript serve as the official record in lieu of the Clerk's recording, and the party that provided the court reporter shall provide the transcript to the Board at that party's own expense.

13. Conduct of hearing; time limits.

The hearing shall be ordered as follows:

- a. The Clerk shall swear in all witnesses at the start of the hearing.
- b. Both parties shall have the option of presenting an opening statement not to exceed five minutes each. The party with the burden of proof shall present its opening statement first, but cannot split its time to precede and follow the opposing party's statement.
- c. When the opening statements are finished, the party with the burden of proof shall call its witnesses and introduce evidence. When the party with the burden of proof has finished presenting its witnesses and evidence, the opposing party may present its witnesses and evidence in the same manner. All witnesses shall be available for cross-examination at a minimum, but may also be subject to further questioning (redirect and re-cross examination) in the party's discretion. Members of the Board may ask questions at any time.

- d. The Chair shall exercise such control over the questioning of the witness so as to ensure rapid and distinct questioning that elicits truth and protects the witness from undue harassment or embarrassment.
- e. When a witness is excused, he or she may be recalled only once for rebuttal of the opposing party's evidence.
- f. After both sides have finished calling witnesses, both parties may present rebuttal.
- g. After rebuttal is complete, each party may provide a closing argument, not to exceed ten minutes. The party with the burden of proof may split its ten minutes to open and close the period of closing argument. Once closing argument is complete, the Board may announce its decision at the conclusion of the hearing, or take the matter under submission. Deliberation may be conducted in closed session at a later date until a decision of value is reached.
- h. Each side shall have a maximum of three (3) hours to present its witnesses and evidence, including rebuttal testimony, opening statement, and closing argument. Either party may file a written motion with the Clerk no later than fourteen (14) days in advance of the hearing to request an additional hour per party, but no additional time may be granted except by unanimous vote of the Board at the start of the hearing. This time limit shall apply to appeals in which all items of real and personal property are assessed at less than thirty million dollars (\$30,000,000) per appeal in any year under appeal. All other appeals shall be subject to Rule 13.
- i. Requests for written findings of fact shall be submitted before the end of the hearing, or else shall be deemed waived. If requested, applicable fees required by Section 13.05.030 of the MCC must be paid before the close of the hearing.

14. Special rules for complex appeals.

- a. Complex appeals shall be governed by all of these rules, excepting the regular three-hour time limit of Rule 12(h).
- b. For complex appeals, the time limit shall be four (4) hours per side for all parcels and years on appeal combined, including rebuttal testimony, opening statement, and closing argument. Either party may file a written motion with the Clerk no later than fourteen (14) days in advance of the hearing to request two (2) additional hours per party, but no additional time may be granted except by unanimous vote of the Board at the start of the hearing.
- c. At the pre-hearing conference, both parties shall provide written statements to the Legal Advisor, which shall contain: estimates of time per side; appraisal issues; applications for the issuance of subpoenas, if any; and whether exchanges of information have been requested. The Legal Advisor, following the pre-hearing conference, shall forward the pre-hearing statements to the Clerk for

distribution to the Board. If a party so designates, its written statement may be considered a motion for additional time as provided in subsection b., above.

15. Continuance.

- a. The Applicant and/or the Assessor shall be allowed one postponement as a matter of right, the request for which must be made not later than 21 days before the hearing is scheduled to commence. In addition, the request for postponement may not exceed 90 days from the scheduled commencement date, except under extraordinary circumstances. If the Applicant requests a postponement as a matter of right within 120 days of the expiration of the two-year limitation period provided in section 1604 of the Revenue and Taxation Code, the postponement shall be contingent upon the Applicant's written agreement to extend and toll indefinitely the two-year period subject to termination of the agreement by 120 days written notice by the Applicant. The Assessor is not entitled to a postponement as a matter of right if the request is made within 120 days of the expiration of the two-year period, but the Board, in its discretion, may grant such a request. Any subsequent requests for a postponement must be made in writing, and good cause must be shown for the proposed postponement. A stipulation by an Applicant and the Assessor shall be deemed to constitute good cause, but shall result in extending and tolling indefinitely the two-year limitation period subject to termination of the agreement by 120 days written notice by the Applicant. Any information exchange dates remain in effect based on the originally scheduled hearing date notwithstanding the hearing postponement, except as provided in State Board Rule 305.1(d).
- b. The Clerk shall have the authority to grant all continuances which are a matter of right and all continuances based on a stipulation by the Applicant and the Assessor. Requests for continuance shall be considered as far in advance of the hearing date as practicable.
- c. At the hearing, the Board may continue a hearing to a later date. If the Applicant requests a continuance within 90 days of the expiration of the two-year period specified in section 1604 of the Revenue and Taxation Code, the Board may require a written extension signed by the applicant extending and tolling the two-year period indefinitely subject to termination of the agreement by 120 days written notice by the Applicant. The Clerk shall inform the Applicant or the Applicant's agent and the Assessor in writing of the time and place of the continued hearing, not less than 10 days prior to the new hearing date, unless the parties agree in writing or on the record to waive written notice.

16. Notice to be provided; when time begins to run.

Where notice by the Board, the Clerk, or the Legal Counsel is required by the Revenue and Taxation Code, the Property Tax Rules, or these Rules, for purposes of computing the period within which notice must be given, there shall be a rebuttable presumption that the notice was given on the date indicated on the face of the notice.

17. Rules available to public; paper copies and Internet.

Copies of these Local Rules, together with a copy of the Property Tax Rules, shall be kept on file in the Clerk's Office and made available to the public for inspection and copying during regular business hours. The Clerk shall also request that a copy of the Local Rules be posted on the County website.

18. Lack of appearance by applicant or agent; period for reconsideration.

- a. If the Applicant or his/her agent does not participate in an exchange of information pursuant to Revenue and Taxation Code section 1606, when such exchange is initiated by the Assessor, and does not appear at the prehearing conference (without first notifying the Clerk or Legal Counsel), and does not appear at the hearing or submit a timely request for postponement or continuance, the application shall be denied with prejudice and no reconsideration shall be allowed. If the Applicant or his/her agent either participates in an exchange of information or appears at the prehearing conference, but does not appear at the hearing or submit a timely request for postponement or continuance, then the application is denied without prejudice and may be appealed only as provided in subsection b., below.
- b. The Applicant or Agent shall have fifteen (15) calendar days from the date of mailing of the notification of denial due to lack of appearance to file a written request for reconsideration that shall provide evidence of good cause for the failure to appear or the failure to make a timely request for postponement. The request for reconsideration shall also contain a stipulation to waive the two-year limitation period of Revenue and Taxation Code section 1604. No request for reconsideration will be heard by the Board unless the applicant stipulates in writing to a waiver of the limitation period. The two-year limitation period shall be tolled during the period allowed herein for reconsideration. Denial of a request for reconsideration shall not revoke or nullify the stipulation to waive the limitation period. The request for reconsideration and stipulation to waive time shall be heard by the Board at a regularly scheduled hearing held the month after the denial of the application for failure to appear.
- c. If the Applicant or Agent does not timely file a request for reconsideration, the denial of the appeal shall become final and shall not be subject to further appeal or hearing before the Board. The Clerk shall then send a notice of final denial to the Applicant.