



Betty T. Yee

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CA Controller Calls for Major BOE Reform

SACRAMENTO — In response to the California Department of Finance (DOF) evaluation of the State Board of Equalization (BOE) released Thursday, State Controller Betty T. Yee today called for major reform of the organization.

“In order to rebuild taxpayer trust, meaningful reform is essential. I urge the Legislature and the Governor to strip the board members of all statutory functions and permanently move these duties and assigned staff to a separate new department under the Governor. BOE should be relieved of their tax administration, audit, and compliance functions so they can focus on their appellate duties. This change would address the prevalent misuse of resources and better serve taxpayers,” said Controller Yee, the state’s chief fiscal officer.

In November 2015, the Controller’s [review](#) of BOE showed the agency had misallocated \$47.8 million in sales tax revenue, among other widespread accounting and administrative control deficiencies. The review’s recommended reforms have not been fully implemented.

Following the Controller’s review, DOF’s [evaluation](#) raised additional concerns about the challenges staff face in carrying out the mission of the BOE. DOF summarizes, “...board member practices have intervened in administrative activities and created inconsistencies in operations, breakdowns in centralized processes, and in certain instances result in activities contrary to state law and budgetary and legislative directives.”

BOE was established by a state constitutional amendment in 1879 to ensure uniformity of property tax assessments throughout California. Today, the board collects the retail sales and use tax, property taxes, and special taxes, as well as handling appeals of tax cases.

The State Controller serves an ex-officio member of BOE. Prior to her election as State Controller, Yee served for 10 years as a member of BOE.

As the chief fiscal officer of California, Controller Yee is responsible for accountability and disbursement of the state’s financial resources. The Controller also safeguards many types of property until claimed by the rightful owners, and has independent auditing authority over government agencies that spend state funds. She is a member of numerous financing authorities, and fiscal and financial oversight entities including the Franchise Tax Board. She also serves on the boards for the nation’s two largest public pension funds. Elected in 2014, Controller Yee is the tenth woman elected to a statewide office in California’s history. Follow the Controller on Twitter at [@CAController](#) and on Facebook at [California State Controller’s Office](#).

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