

Alfred Carlson –Santa Clara

1978 - 1994

1. Describe your career before becoming assessor.

I was born in San Jose in 1931, as a native son I grew up picking prunes at age seven and never was without a summer job the rest of my school years. We were the only source of farm labor in those days and the schools didn't open in the fall until the prune harvest was complete. I attended Lincoln High School and in the Agriculture program. I got my first taste of holding office when I became president of the Future Farmers of America. After High School I enrolled in Cal Poly San Luis Obispo as an animal husbandry major and graduated with a B S degree in 1953. I stayed out of the Korean War by getting student deferments, but was called to active duty after graduation to serve my two years. I went over seas to Hawaii to serve my war time experience. After the service I got a job as a crop and livestock appraiser for the Bank of America, from here I took a job with the Santa Clara County Assessors office.

2. Give the milestones of your Assessor career, year elected/appointed, reelection dates, date of retirement.

I joined the Assessors office in 1960 as an appraiser I moved through the ranks and became the assistant chief appraiser in 1973. I was promoted to Assistant Assessor in 1977 and was elected Assessor in 1978. I was reelected for four terms and retired in January 1, 1995.

3. Describe your career, if any, after retiring.

After living in Santa Clara County for 64 years, I moved to Santa Cruz County and became a resident of the City of Capitola. I am a member of the City of Capitola Finance committee and also a board member of the Santa Cruz Harbor Group. I have a boat in the harbor and spent much of my time fishing with friends. My wife Marian and I have 6 children and seven grandchildren, attending, birthdays, gradations, and family get together fills much of our time. We also try to plan one world wide trip per year, and attend the local events.

4. What was your relationship with your predecessor?

Dwight Matheisen, hired me and promoted me to become Assistant Assessor and supported me for my run for Assessor in 1978. Dwight is a good friend and was a professional, knowledgeable and caring Assessor to work with.

5. What was your relationship with your successor?

When I retired I endorsed Larry Stone to take over my job, we both ran against the same opponent Ernie Konnyu, who had run and had been elected as a Republican Candidate at both the State and Federal level in the past. The Assessor is a nonpartisan office, but the Republican Party wanted to use it as a stepping stone for higher office, but Larry and I have kept them out.

6. Why did you run for assessor?

I was the Assistant Assessor and if I wouldn't have run I would have been out of a job. My opponent Mr. Konnyu campaigned on the theory that I and my assistant, Mr. Loren Leavitt were the cause of Proposition 13 as we raised the assessment in Santa Clara County. He publicly stated he would fire both of us as his first priority when he took over the office

7. What do you consider your greatest accomplishments?

I assumed office in 1978 after the passage of proposition 13 and my first job was to implement Proposition 13 in Santa Clara County. This was a major change in the California tax system. This moved California from an equalized assessed value system where all properties were assessed and taxed on an equalized value. Proposition 13 changed California to an Acquisition Value System, where the new value was based on the sale price or the cost of new construction. 1976 was set as the base year value and the value could not increase more than 2% per year unless there was a transfer of ownership or new construction. We desperately needed to upgrade our computer system to deal with this major change in the valuation system. We had been controlled by the counties central data processing department. They were hog tied by internal rules and bureaucracy, we needed a responsive system that we had control of. We installed an H P system within our office and built our own data processing staff. One of my biggest successes was my ability to build camaraderie and loyalty of my staff. I did this by supporting them and working with them on a one to one basis and rewarding them by always promoting from within so they know the harder they worked and the more they achieved they would be rewarded in the form of promotion and recognition.

When I became assessor there were no women appraisers in the office and when I retired 50% of the staff were women and many were division chiefs.

I was one of the first Assessors to strongly support the Land Conservation Act of 1966 in California {Williamson Bill} I put nearly 50% of the land in Santa Clara County in the program. I feel I had a lot to do with saving the open space in our county. When I go to the farm functions today they thank me and still remember me as savor of their farm land.

The Court cases:

1. Carlson v. Assessment Appeals Board I (1985) 167 Cal.App.3d 1004, which said that private deed restrictions did not reduce the fair market value of property for tax purposes.

2. Dennis v. County of Santa Clara (1989) 215 Cal.App.3d 1019, which held that the Assessor is not bound by the purchase price in setting taxable value.

3 Alfred E. Carlson as Assessor v Assessment Appeals Board defendant Walton Distribution, the court ruled the only rights to be appraised are the "fee simple unencumbered"

4 Roberta Schoderbek v Alfred E. Carlson this case challenged the way we assessed property after proposition 13.

5 Raich Construction Co. v. Santa Clara County.

This was the case where contractors were registering their heavy equipment with DMV and thereby claimed a property tax exemption. Remember they had two Attorney General and one Legislative Counsel opinions supporting their position. The Court ruled that while the Attorney General opinion was persuasive it was NOT controlling. After this case the legislature put size and weight restrictions on vehicles that could be registered with DMV.

6 Hewlett - Packard v. County of Santa Clara

In this case HP was improperly awarded a tax refund on the reassessment of property originally under-assessed. Court held that you had the statutory right to recapture all amounts which escaped taxation and thus could reassess under-assessed property and County had the statutory right to recapture all amounts which escaped taxation and thus could reassess under-assessed property.

7 City of Palo Alto v. Santa Clara County

This was where Palo Alto leased some property from a non-tax exempt lessor and agreed to pay the taxes for the lessor. Palo Alto then claimed a refund for their portion of the taxes. Trial Court (heard in Alameda County) ruled in our favor and affirmed on appeal. The Court of Appeal took the view that the assessment procedure used has a sound, practical basis, and that any attempt, in assessing property, to segregate and subtract the value of possessory interests leased by tax-exempt entities from nontax-exempt property owners or lessors would lead to a chaotic assessment practice. On appeal City of Santa Clara filed an amicus on behalf of Palo Alto. Remember they had a dump or something.

8 Armstrong v. San Mateo and Barrett v. Santa Clara

This was the case that said you couldn't increase the 1975, 76, and 77 assessments by 2% because Prop 13 had been adopted in 1978. This was the case we lost in the trial court after both Gann and Jarvis both testified. Remember, Jarvis in speaking about how LA County had gotten around Prop 13, said they found the N_____r in the wood pile. Anyhow, the case was reversed on appeal and it was a multi-million dollar windfall for all counties.

A B 80 in 1966, was the biggest change in property tax law in one year in the history of California, there was an extra session of the legislature to implement AB 80 which was to correct the loopholes in the property tax laws that allow the tax scandals of 1965 to happen. A B 80 added section 670 through section 673 on Appraiser and Auditor-Appraisers qualifications so you had to take a test and take courses to keep your certification. AB 80 also authorized County Assessment Appeals Boards along with many other major changes to the Tax and Revenue Code.

8. What did you wish you could have done differently?

I don't believe in looking back, I did the best job I could at the time, and have no regrets.

9. What do you remember most fondly about your time in office?

I grew up in the office working there for 32 years and being the elected assessor for of 16 of the years.

We I joined the office in 1960 it was like joining a family, we worked hard and we played hard, we had barbecues, after work parties, baseball games, this all changed somewhat after the staff became unionized and we had a strike in 1975, but I tried to continue the camaraderie and loyalty the my predecessor Dwight Mathiesen had built. It worked well for me as our office was recognized as having the most professional knowledgeable staffs in the State of California.

10. Were there any parts of your career that you wish had not happened?

If this question is in regards to my career as assessor, I have no regrets.

11. What was your relationship with the CAA?

I was the past president of the Bay Area Assessor's Association, sever as the chairman of the Legislative Committee for several years. I was a very active member for 16 years serving on many of the committees and hosting the state assessors conference in Santa Clara County.

12. What is your recollection of the Assessor Scandals of the 1960s?

I was in the office when the Scandal story broke in 1965. The story came out when the assessors were having their state conference at a hotel in Palo Alto. The story broke because of two tax consultants in Oakland. One got involved with the others wife, so his partner got even by letting the authorities take his files out of the office. The tax consultants were paying bribes to the Assessor's in San Francisco, Alameda and San Diego to adjust personal property assessments. Russ Wolden of San Francisco and Donald Feragen of Alameda County were tried, convicted and served time in prison. John McQuilken of San Diego County committed suicide before his trial. There are very few Assessors today that understand what happened, let this be a lesson as it could happen again. The Assessor at that time let the tax consultants get to close to them. The Palo Alto conference looked like Roman Holiday, with parties hosted by the oil companies called "The Oil Can" with all the food and drink you could consume. The tax consultants provided food, booze, entertainment and some cases trips on boats, trains, and the use of resorts for vacations. The CCA should not forget this lesson and put safe guards in to prevent history from repeating it self.

13. Describe the pressure and stress of the Assessor's job prior to the passage of Proposition 13?

Prior to Proposition 13 our job was to equalize values on all properties based on current market value. The State Board of Equalization would sample each county every 3 or 4 years, if you weren't with in the state wide average, then the State could adjust the tax rate by a law called the "collier factor" to make up for the low valuation. This adjustment did happen one time in Santa Clara County while I was employed in the office. To make sure this didn't happen again our office with the leadership of Loren Leavitt started a computer program call "Computer Assisted Appraisals" where we could analyze sales by neighborhoods and adjust the values each year to reflect the current market value. The years before Prop.13 we were adding double digit roll increases. This would have not been a problem if the Board of Supervisors, school districts, cites, and special districts would have lowered their tax rate accordingly. All these agencies held the tax rate thus getting double digit tax increases. When the taxpayer complained, these agencies said, " we didn't do it, as we didn't increase our tax rate, you need to blame the assessor he the one that caused you tax increase". These agencies did this year after year until they killed the goose that laid the golden egg. I will never forget being at the counter in 1977 when senior citizen could not pay their taxes and had to choose between buying food and paying their utility bills and paying their taxes. These greedy tax and spend agencies got what they deserved in the passage of proposition 13

How did you feel about Proposition 13 now?

We still need it to protect the senior citizens, the middle class and the poor.

14. Were you involved in State or County politics, other than the Assessor's Office?
Were there other offices you ran for while in office as Assessor?

I was the Assistant Assessor and had never run for office before. I started as a Real Estate Appraiser for Bank Of America, before coming to the Assessors office. I continued my career as a Real Estate Appraiser, by attending classes earning the professional designation of MAI in the Appraisal Institute and going on to get community college teaching credential and taught night classes at the local colleges. The Assessor position is a nonpartisan elected office, but unfortunately most people that run for the office today in most large counties are career politicians with partisan affiliations and using the office to increase their retirement benefits after a long political career or as a stepping stone for higher office. I will probably be the last person in Santa Clara County to ever rise through the ranks to become the Assessor.

15. What kind of person do you think it takes to make a good County Assessor?
Should an Assessor be required to have an appraisal or real estate background?

The person should have a Real Estate background with good management skills and

complete knowledge of the tax laws and the assessor's constitutional mandates. The assessor should also have leadership skills to inspire the staff and the charisma to become a leader in the CAA.

16. Please add anything that we may have missed in the interview that you think would be interesting.

I am more than willing to share my experience of 32 years in the Santa Clara Counties Assessors office, over lunch.