County of El Dorado

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Legislation Details (With Text)

File #:	21-0309	**Version:** 1		
Type:	Agenda Item		**Status:**	Approved
File created:	2/18/2021		**In control:**	Board of Supervisors
On agenda:	3/9/2021		**Final action:**	3/9/2021

Title: Treasurer-Tax Collector recommending the Board approve and authorize the Chair to sign the attached letter to Senator McGuire supporting Senate Bill 219 which codifies county tax collector's ability to cancel late payment penalties for taxpayers who have experienced financial hardship due to a shelter-in-placer order.

FUNDING: N/A

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - SB 219 Letter of Support, 2. B - CSAC Letter of Support, 3. C - Support Letter Chambers, 4. Executed Letter of Support

Date	Ver.	Action By	Action	Result
3/9/2021	1	Board of Supervisors	Approved	Pass

Treasurer-Tax Collector recommending the Board approve and authorize the Chair to sign the attached letter to Senator McGuire supporting Senate Bill 219 which codifies county tax collector's ability to cancel late payment penalties for taxpayers who have experienced financial hardship due to a shelter-in-placer order.

FUNDING: N/A

DISCUSSION / BACKGROUND

Existing California property tax law requires the county tax collector to collect all property taxes and provides for the payment of taxes on the secured roll in two installments which are due and payable on November 1 and February 1, respectively. Under the existing law, the first installment becomes delinquent if unpaid on December 10, and the second installment becomes delinquent on April 10, at which point a delinquent penalty of 10 percent attaches to the applicable installment.

Existing property tax law authorizes a county tax collector to cancel late penalties only under very specific circumstances, which are outlined in the law, when the failure to make a timely payment is due to circumstances beyond the taxpayer's control. For instance, the taxpayer may have been seriously ill and hospitalized and unable to make timely payment.

This bill would additionally authorize the tax collector to cancel any penalty, costs, or other charges resulting from tax delinquency upon a finding that failure to make a timely payment is due to a documented hardship, as determined by the tax collector, arising from a shelter-in-place order, if the principal payment of tax due is paid no later than June 30 of the fiscal year in which the payment first became delinquent.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions. Additionally, the bill will declare that it is to take effect immediately as an urgency statute.

ALTERNATIVES
The Board could choose not to approve the letter.

PRIOR BOARD ACTION
N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT
The California State Association of Counties, Urban Counties of California and the Rural County Representatives of California have submitted a joint letter of support. (Attachment B)

CAO RECOMMENDATION / COMMENTS
Approve as recommended.

FINANCIAL IMPACT
This legislation ensures the collection of the majority of annual property taxes while alleviating potential disruption of vital services in the County by providing targeted relief to the taxpayers who have been financially impacted by the stay-at-home orders. Any loss of revenue due to the Treasurer/Tax-Collector waiving late fees is expected to be immaterial and is likely outweighed by the property owner being able to pay their entire amount excluding late fees.

CLERK OF THE BOARD FOLLOW UP ACTIONS
N/A

STRATEGIC PLAN COMPONENT
Good Governance

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