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Julie Patterson Hunter, Clerk of the Board

February 23, 2021

Honorable Senator Mike McGuire  
Chair, Senate Committee on Governance and Finance  
State Capitol, Room 408  
Sacramento, CA 95814

**Re: SB 219 (McGuire): Property taxation: delinquent penalties and costs:  
cancellation: public health orders. SUPPORT**

Dear Chair McGuire:

On behalf of the Nevada County Board of Supervisors, I writing to you in **SUPPORT** of **SB 219**. SB 219 will provide a critical new tool to county tax collectors by amending the statute to relieve the requirement that tax collectors assess penalties on taxpayers who have been unable to pay their taxes timely due to an economic hardship caused by a shelter-at-home order.

Unlike taxes collected at the point of sale, property taxes are statutorily only collected twice a year, with unbending requirements to pay by 5:00 PM on April 10 and December 10 of each year. Substantial penalties are assessed on late payments. This is to properly incentivize the timely payment of taxes. The revenues from these taxes meet the near-term obligations for schools, cities, counties, and special districts, including payroll, operations, and bond debt repayments. Any sizable disruption in that cash flow, which the auditor apportions, would have been and would be catastrophic for the solvent functioning of local government units.

Existing law does speak to the tax collector's office being closed on a deadline, and in that case, the deadline would roll forward to the next business day of which the office was opened. However, that statute generally has been relied on in the event that the 10<sup>th</sup> fell on a Saturday or Sunday; it was not contemplated to be used, and never had been used, during a pandemic. Further, to interpret that statute consistently, it would mean that the first day the shelter-at-home order was lifted, taxes would be due and payable that very day if the office were open. The prospect of a large number of taxpayers who choose to pay in person on the day of the office reopening, also the deadline (to avoid the penalties), and most likely, with very little public notice about the office reopening, would create an environment that would threaten and complicate social distancing requirements and would

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have been a logistical and safety disaster. Many people who pay in person also pay in cash, requiring closer contact with those individuals, and longer wait times indoors for all in-person payors. A different and explicit statutory tool was and is needed to cover the circumstances of a pandemic.

Governor Newsom issued Order N-61-20 to authorize Tax Collectors to provide this relief for a specified time period (through May 2021). SB 219 picks up where the executive order ends, by addressing any future payment deadlines that pass during a shelter-at-home order. This bill reflects the experience of a crisis and puts that experience into action. SB 219 represents the needed statutory improvement to ensure that our local governments can prospectively be best positioned and prepared to function in an uninterrupted fashion during a lengthy emergency, and yet be nimble enough to help individuals in their time of hardship.

For these reasons, Nevada County is pleased to **SUPPORT SB 219 (McGuire)** and sincerely thanks you for your authorship. We hope for the swift approval of this urgency measure, so that it is in place for the next fiscal year's first payment deadline, December 10, 2021.

Sincerely,



Dan Miller,  
Chair, Nevada County Board of Supervisors

Copied:

California Senator Brian Dahle  
California Assemblywomen Megan Dahle  
California State Association of Counties (CCAS)  
Rural County Representatives of California (RCRC)  
Shaw Yoder Antwih Schmelzer & Lange  
Ronda Paschal, Office of the Governor  
Gayle Miller, Department of Finance  
Erika Li, Department of Finance