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Contact: Sara Floor, Communications Manager
916-926-8769; email: sfloor@counties.org

County Coalition Responds to Governor Newsom’s Executive Order on Property Tax Penalties

SACRAMENTO – *A coalition of county leaders from the California State Association of Counties (CSAC), California Association of County Treasurers and Tax Collectors (CACTTC), the Rural County Representatives of California (RCRC) and the Urban Counties of California (UCC) issue the following statement regarding the Executive Order waiving property tax penalties related to COVID-19 hardships.*

We applaud Governor Newsom for exercising his authority in this emergency to provide additional tools for County Treasurers and Tax Collectors to assist homeowners and business property owners with their late property tax payments. The Order clarifies the authority to consider COVID-19 related financial hardship when deciding whether to cancel property tax delinquencies and other charges.

CSAC and partners requested the Governor’s action to clarify authority to cancel penalties and other charges, on a case-by-case basis, for homeowners and small businesses that were unable to pay their property taxes on time due to circumstances caused by COVID-19. Waiving penalties and charges is not without precedent, as tax collectors waived fees for property owners affected by natural disasters, such as the Camp Fire and Woolsey Fire.

This additional tool will assist COVID-19-affected taxpayers, while continuing to require that property owners who are capable of paying their property taxes on time do so. We are hopeful that this penalty relief will help those with true economic hardships, both homeowners and property owners, while ensuring that needed revenues for critical services will continue to support local services. We also appreciate the foresight to exclude mortgage impound companies from such relief, as the property

owners have already paid their taxes to that third party, so there would be no reason for those third parties not to remit the payments on time.

Property taxes are critically important to local governments. About 50 percent of local property taxes fund schools, with 15 percent of revenue funding counties, 12 percent funding cities and nearly 20 percent of property tax revenue funding special districts. This equates to direct funding for education, healthcare, hospitals, welfare services, fire protection, homelessness efforts and much more.

CSAC, CACTTC, RCRC and UCC appreciate the strong local-state partnership with Governor Newsom, the Administration and the Legislature. This partnership has proven invaluable during the response to this pandemic, and will be continue to be essential as California Counties move through recovery and reopening phases.

California State Association of Counties (CSAC) is the voice of California's 58 counties at the state and federal level.

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