

Memorandum

To: Honorable Antonio Vazquez, Chairman
Honorable Mike Schaefer, Vice Chair
Honorable Ted Gaines, First District
Honorable Malia M. Cohen, Second District
Honorable Betty T. Yee, State Controller

Date: June 18, 2021

From: David Yeung, Deputy Director
Property Tax Department

Subject: ***Program Deadlines Impacted by the COVID-19 Emergency***

At the April 27, 2021 Board meeting, the Board directed the Executive Director to review the impact of COVID-19 on the ability of parties to meet existing constitutional and statutory property tax deadlines, and provide recommendations for the Board's consideration.

During the COVID-19 pandemic, and restrictions related to stay-at-home orders, a primary concern was the ability of County Assessors, Assessment Appeals Boards, and taxpayers to meet certain property tax deadlines. In sum, it was discovered that although some property tax deadlines would be difficult for various parties to meet, the scope of the Board's authority constrained its ability to provide relief by extending certain property tax deadlines.

Current Authority

There are two statutes that provide the Board authority to extend property tax deadlines. However, the COVID-19 pandemic has shown that in certain circumstances, both statutes possess limitations that hinder the Board's ability to act quickly and require either legislation or an Executive Order to resolve, which can be uncertain and time consuming.

Government Code section 15620 – Authorizes the Board to extend any deadlines for reports that must be filed with the Board up to 30 days.

Limitations:

- Only allows for a deadline to be extended up to 30 days.

Revenue & Taxation Code section 155 – Authorizes the Board or the Executive Director to extend the deadline for any act by the County Assessor or county board up to 30 days (40 days in case of public calamity).

Limitations:

- Only allows for applicable deadlines to be extended up to 40 days.
- Does not apply to deadlines that must be met by taxpayers.

Below are two specific examples of statutory deadlines that were impacted during COVID-19 and the temporary actions required to address the impact:

- Revenue & Taxation Code section 441 – Taxpayers filing of their business personal property statements.
 - Limitation: Revenue & Taxation Code section 155 does not extend to taxpayer deadlines; therefore, the Board was not able to extend the filing deadline.
 - Temporary Emergency Remedy: The Board held public meetings, and in collaboration with the California Assessors' Association (CAA), worked with the Governor's Office on an Executive Order (N-61-20) to delay the deadline for which penalties would be imposed due to late filing. This order only applied to year 2020 and does not apply to year 2021 or later.
- Revenue & Taxation Code section 1604(c) – Provides for a 2-year deadline within which an Assessment Appeals Board (AAB) must render a final decision.
 - Limitation: Discussions at the Board meetings revealed that a 40-day extension under Revenue & Taxation Code section 155 would not be sufficient time to assist AABs to fully comply with section 1604(c).
 - Temporary Emergency Remedy: The Board, in collaboration with the CAA, worked with the Governor's Office on an Executive Order (N-72-20) extending the 2-year deadline until January 31, 2021. Subsequently, the Legislature passed Assembly Bill 107, which extended the deadline further, until March 31, 2021. Both the legislation and the Executive Order were temporary and do not apply beyond March 31, 2021.

These examples revealed the need for direct and more flexible authority during state emergency conditions, that allows the Board to act timely to relieve the burdens on all parties – taxpayers, AABs, and County Assessors.

Path Forward Options for the Board's Consideration

The lessons learned during COVID-19 show that action is needed in order for the Board to be prepared to provide relief when another emergency occurs. Legislative amendments to existing statutes would provide the Board with the authority, flexibility, and agility to address future emergency situations.

Potential amendments:

- Revenue & Taxation Code section 155 – Extending the statute to include taxpayer deadlines, in addition to County Assessor and county board deadlines.
- Government Code section 15620 – Lengthening the extension period to 40 days to mirror Revenue & Taxation Code section 155.

Additional items to consider:

- Providing authority for situations where the Governor has declared an emergency (such as with COVID-19).
- Consider including a requirement or provision that a county and/or taxpayer must request a specific extension.

Recommended by:

/s/ David Yeung

David Yeung, Deputy Director
Property Tax Department

Approved:

/s/ Brenda Fleming

Brenda Fleming, Executive Director

BOARD APPROVED on: _____

Catherine Taylor, Chief
Board Proceedings Division