



**SOURCE:** Board Action

## SUMMARY

Amends Government Code (GC) section 15620, to authorize the State Board of Equalization (Board) to extend any deadlines for reports that must be filed with the Board by up to 60 days in the event of public calamity.

## EXISTING LAW

GC section 15620 authorizes the Board to extend any deadlines for reports that must be filed with the Board up to 30 days. The code states:

“By order entered upon its minutes and for good cause shown, the board may extend for not exceeding 30 days the time fixed for filing any report required by it.”

GC section [15620](#) relates to filing extensions for reports filed with the Board and authorizes the Board to extend report filing deadlines by 30 days if good cause is shown by the filer and if the deadline extension action is entered into the Board’s meeting minutes for consideration.

**State Assesseees.** GC section 15620 was enacted in 1917. Today, it generally relates to property statements state assesseees must file each March 1.<sup>1</sup> The only reference to GC section 15620 in the Revenue and Taxation Code (RTC) relates to state assessee property statements.<sup>2</sup>

**Assessor-Related Acts.** The RTC Code provides that the time fixed for the performance of any assessor- or appeals board-required act therein may be extended by the BOE Members or its Executive Director for not more than 30 days, or, in case of public calamity, 40 days. If the Executive Director extends the deadline, which is the general administrative practice, the law requires that they inform the BOE Members at its next regular meeting.<sup>3</sup>

## CODE SECTIONS TO AMEND

Government Code section 15620.

## IDENTIFICATION OF PROBLEM

During the COVID-19 pandemic and the related restrictions from the Governor’s stay-at-home orders, the ability of County Assessors, Assessment Appeals Boards, and taxpayers to meet certain property tax deadlines was a primary concern. Based on existing laws, the Board was limited in the relief it could provide. Accordingly, the Board and its stakeholders were dependent on the Governor issuing Executive

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<sup>1</sup> RTC section [826](#).

<sup>2</sup> RTC section [830.1](#).

<sup>3</sup> RTC section [155](#).

Orders (EOs) to grant relief. Property tax laws provide the Board authority to extend certain deadlines, but limits who may be granted an extension and the amount of time granted. This authorization includes GC section 15620, which authorizes the Board to extend any deadlines for reports that must be filed with the Board up to 30 days, but makes no provision for extra time in case of a public calamity.

### **PROPOSED SOLUTION**

Amends GC section 15620 to grant the Board the authority to extend report deadline extensions by up to 60 days in the case of public calamity.

### **JUSTIFICATION**

A. Briefly describe the ramifications of not acting.

Without action, the Board will not have the flexibility to extend deadlines in the case of public calamities which may result in significant hardships on report filers. As a result, the Board and filers will be dependent upon action taken by the Governor through the issuance of EOs.

B. State the reasons why the BOE should have the responsibility for this program and why it should not be placed at another level of government (if applicable).

The BOE has direct authorization to extend report deadline extensions for reports filed with the Board by 30 days if certain criteria are met.

C. Note whether a similar proposal has been submitted in the past and the outcome.

A similar proposal has not been submitted in the past.

### **PROGRAM BACKGROUND/LEGISLATIVE HISTORY**

GC section [15620](#) authorizes the Board to extend any deadlines for reports that must be filed with the Board up to 30 days. GC section 15620 was added in 1951 without subsequent amendments (Stats. 1951, chapter 655). Previously, its substance was contained in Political Code 3667(c) added in 1917 without subsequent amendments (Stats. 1917, Ch. 214). In *Hobart Estate Co. v. Waters* (1934) 220 Cal. 669, the court stated that “while the language of the section is somewhat ambiguous, a reading of the sections preceding leads to the conclusion that all reports required by the board upon which it must base its actions and conclusions, are included within the meaning of section 3667c of the Political Code.”<sup>4</sup>

Currently, state assesses are required to submit property statements to the BOE pertaining to state assessed property, which the BOE uses to determine accurate values for tax purposes. A property statement may include financial schedules, schedules of leased equipment, a tangible personal property list, filings to the California Public Utilities Commission and the Securities Exchange Commission and any other information the BOE requests. BOE uses these statements to calculate the unitary value of state-

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<sup>4</sup> Board of Equalization legislative analysis, SB 668 (2017).

assessed taxpayers. Taxpayers who fail to provide this information, in whole or in part, by March 1<sup>st</sup> may request a 30-day extension or are subject to a penalty.<sup>5</sup>

In 1986, the Legislature adopted several changes to improve property tax administration, including shifting the lien date from April to March (AB 2890, Hannigan). As part of the changes, the Legislature added RTC [section 830.1](#) and amended the code in 2001 (SB 1181, Revenue and Taxation Committee), which allows the BOE to extend the due date for parts of property statements for:

- Parts of property statements relating to the development of the unit value of operating property by up to 45 days;
- Parts of property statements not relating to the development of the unit value of operating property, that lists or describes specific operating property, by up to 30 days;
- Parts of property statements that list or describe specific nonunitary property, can also be granted an extension of up to 30 days;
- If an extension is granted per one of these requests, an additional 15-day extension may be granted upon the showing of extraordinary circumstances which prevent the filing of the statement within the first extension.<sup>6</sup>

**Senate Bill 668** (McGuire, 2017) proposed amending GC section 15620 by authorizing the Board to extend deadlines by 40 days instead of the current 30 days. The bill was then amended on May 2, 2017 to fully repeal GC section 15620. The author's stated purpose to repealing GC section 15620 was, "Current law contains two different sections, one in the Government Code and the other in the Revenue and Taxation Code, for BOE to use when considering whether to grant a taxpayer an extension for good cause. While the two sections don't conflict, they are duplicative. The Revenue and Taxation Code section is much more specific, and located next to other parts of the law relative to statewide assessment, while the Government Code section is in parts of law relating to BOE's general powers and duties. SB 668 simply strikes the duplicative and obsolete Government Code section, ensuring that only one law is in place for BOE to use to grant extensions for these taxpayers."<sup>7</sup>

SB 668 was gutted-and-amended on June 11, 2018 into a bill relating to commercial feed violations and no longer sought to repeal GC section 15620.

## ARGUMENTS PRO AND CON

### Pros

- Authorizes the Board flexibility to extend report deadlines during times of a public calamity.

### Cons

- The BOE minute order action originates from 1917. The "report" referenced in the Government Code includes "property statements" state assessees (certain public utilities) must file by March 1. BOE staff use these statements to develop value indicators. At the May board meeting, the

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<sup>5</sup> RTC section 830.1

<sup>6</sup> Senate Governance and Finance Committee Analysis, SB 668 (2017).

<sup>7</sup> Ibid.

BOE Members vote to set the assessed value of state assessee property by formally adopting values reflected in board meeting minutes. Extension beyond May 1 may result in property tax values not being set in a timely fashion.

**PROBABLE SUPPORT AND OPPOSITION**

Unknown.

**OTHER EXTERNAL PARTIES THAT MAY BE AFFECTED**

State assessees who must file property statements with the Board.

**FISCAL IMPACT (If known)**

A. Identify any computer or desktop programs that would be affected by this proposal.

No impact.

B. Identify additional staffing and workload required to carry out the proposal.

The bill would result in minor and absorbable costs to update publications.

**DRAFT LANGUAGE**

*Section 15620 of the Government Code is amended to read:*

By order entered upon its minutes and for good cause shown, the board may extend for not exceeding 30 days, **or in case of public calamity, 60 days**, the time fixed for filing any report required by it.