



TAX COLLECTOR

Excellent and responsive fiscal leadership.

April 21, 2020

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Board of Supervisors
County of Marin
3501 Civic Center Drive
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SUBJECT: Delegation of authority to Director of Finance per Revenue and Taxation code section 2611.1 and Govt. Code section 25259.5

Dear Board Members:

RECOMMENDATION:

Approve resolution for delegation of authority to Director of Finance per Revenue and Taxation Code section 2611.1 and Govt Code section 25259.5 for discharge from accountability of COVID-19 related property tax penalties and cost. Applications for Penalty Waiver must be filed by May 15, 2020 and the related property taxes must be paid on or before June 10, 2020.

BACKGROUND:

Marin residents and local businesses are experiencing economic issues arising from the impacts of COVID-19 that have directly affected their ability to pay property taxes that first became delinquent during the term of the COVID-19 shelter in place order. These conditions have presented an immediate need for the Director of Finance to respond equitably and uniformly to requests for relief of property tax penalties and cost incurred during the shelter in place order.

The Director of Finance currently has the limited authority to cancel property tax penalties and cost on a case by case basis, pursuant to California Revenue and Taxation Code Section 4985.2 (RTC4985.2). This provision is routinely utilized in tax collection offices across the state, however, its application has historically excluded cause and circumstances related to economic hardships.

Regrettably, public health and safety impacts and restrictions originating from the COVID-19 shelter in place order have induced widespread economic hardships within our community that are beyond the control of many taxpayers. As such, we are recommending a targeted approach for mitigating COVID-19 related property tax penalties and cost that relies on other specific provisions in law to address these unique circumstances.

Pursuant to Revenue and Taxation Code Section 2611.1, the Board of Supervisors has the authority to approve an application from the Director of Finance to discharge from accountability the collection of tax penalties and cost. Additionally, that same section allows the Director of Finance to use the provisions of Government Code (GC) sections 25257, 25258, 25259 and 25259.5 to request discharge from accountability for the collection of tax penalties and cost; finally, pursuant to GC 25259.5 the Board of Supervisors has the ability to delegate to the Director of Finance the authority to approve applications to discharge from accountability the

collection of tax penalties and cost without the requirement to submit an application directly to the Board of Supervisors.

SUMMARY:

By invoking the discharge of accountability provisions outlined above, the Board of Supervisors will authorize the Director of Finance to establish a departmental process for granting discharge from accountability for the collection of tax penalties and cost related to property taxes that first became delinquent during the term of the COVID-19 shelter in place order.

Through this process the Department of Finance can directly respond to requests for relief of property tax penalties and cost for reasons relating to COVID-19, including economic hardship, without creating undue procedural hurdles for taxpayers who are already facing unprecedented challenges.

The Board's delegation of this authority to the Director of Finance under Government Code section 25259.5 is limited to the discharge from accountability for the collection of tax penalties and cost related to property taxes that first became delinquent during the term of the COVID-19 shelter in place order and providing the related property taxes are paid on or before June 10, 2020.

FISCAL IMPACT:

The County of Marin is considered as fully "Teetered" county for the purposes of local property tax distribution. This means that the county distributes 100% of the current secured property tax charge, regardless of the amount that has been collected during the current year. Uncollected secured taxes are then carried by the County as a receivable and the county retains the tax default redemption penalties collected from the delinquent abstract. Authorizing the discharge of accountability for tax penalties and cost will result in a small revenue loss to the County, but overall property tax revenues will still be within the Adopted budget.

Please let me know if you have any questions or concerns.

REVIEWED BY:	<input checked="" type="checkbox"/> Department of Finance	<input type="checkbox"/> N/A
	<input checked="" type="checkbox"/> County Counsel	<input type="checkbox"/> N/A
	<input type="checkbox"/> Human Resources	<input checked="" type="checkbox"/> N/A
	<input checked="" type="checkbox"/> County Administrator	<input type="checkbox"/> N/A

Respectfully submitted,



Roy Given, CPA
Director of Finance
County of Marin

cc: Mina Martinovich, Assistant Director of Finance
Sandra Kacharos, Department of Finance
Stephen Raab, County Counsel