

Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector
County of Placer



To: The Honorable Board of Supervisors
From: Jenine Windeshausen, Treasurer-Tax Collector
Date: July 6, 2021
Subject: Waiver of Fees for Delinquent/Defaulted Property Tax Bills Approved for Covid-19 Related Property Tax Penalty Cancellation

Action Requested:

Adopt a resolution waiving lien recording fees for unsecured property taxes, which qualify for cancellation of penalties due to Covid-19.

Background / Summary:

California Revenue and Taxation Code Section 2922 authorizes the Tax Collector to collect actual costs of collection incurred by the County up to the time the delinquency is paid. This includes the cost to record liens and lien releases.

Unsecured property taxes are assessed on boats, airplanes, and certain business property. Unsecured property tax bills are mailed in late July. Pursuant to California Revenue and Taxation Code 2922, the delinquency date for unsecured property tax bills is August 31st. Unsecured property tax bills must be paid on or before August 31st of each year (or the following business day if the deadline falls on a weekend or holiday) to avoid penalties. A 10% penalty applies after the delinquent date and default penalties accrue at the rate of 1.5% per month about 60 days after the delinquency date. Liens may be filed against property owners any time after the end of September. However, property owners must be provided a “Notice of Intent to Lien” at least 10 days prior to filing a lien.

The cost to record the Notice of Intent to Lien, the Lien and a Release of Lien is as follows:

Office Collecting Fee	Fee	Fee Amt
Tax Collector	Filing Notice of Intent to Lien	\$9.00
Tax Collector	Recording of Lien	\$73.00
Clerk-Recorder	Recording of Release of Lien	\$20.00

The amount of these lien related County fees is added to the total amount due to fully pay the property tax redemption amount and must be received before the Release of Lien can be recorded.

In July of 2020, unsecured bills were mailed for the 2020-21 Fiscal Year. Notices of Intent to Lien were sent to property owners in mid-September who had not paid their unsecured bill. The Notices of Intent to Lien contained language notifying delinquent taxpayers that

penalty relief was available for Covid-19 related delinquencies and how to get more information.

While the Tax Collector has the authority to cancel the 10% delinquency amount and the 1.5% default penalties, the Tax Collector does not have the authority to waive the Board approved fees. Therefore, a taxpayer who has a valid property tax penalty waiver related to Covid-19 must still pay \$102 in recording related fees.

It is the recommendation of the Treasurer-Tax Collector and the Clerk-Recorder that for assessees who have applied for and been approved for the cancellation of penalties due to circumstances related to the Covid-19 pandemic, the Board approve the waiver of the fees stated above.

Fiscal Impact:

Minimal fiscal impact. Each unpaid unsecured property tax bill includes \$102.00 in fees associated with the lien process. Currently, there have been 15 approved requests for cancellation of penalties due to the Covid-19 pandemic. The total waiver for these property tax bills is \$300 for the Clerk-Recorder and \$1,230 for the Treasurer-Tax Collector. There are currently approximately 770 unpaid liens outstanding. Although not likely, if all outstanding liens qualified for Covid-19 cancellation of property tax penalties, the impact to the Clerk-Recorder would be approximately \$15,400 and approximately \$63,140 for the Treasurer-Tax Collector. It is expected that sufficient year-end fund balance will be generated to cover the waiver of fees related to delinquent/defaulted unsecured property tax penalty cancellations.

Attachments:

Resolution Authorizing the Waiver of Fees for Delinquent/Defaulted Property Tax Bills Approved for Covid-19 Related Property Tax Penalty Cancellation

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Waiver of Fees for Delinquent/Defaulted Property Tax Bills
Approved for Covid-19 Related Property Tax Penalty
Cancelation

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held July 6, 2021, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, individuals and businesses have experienced inordinate negative impacts due to the Covid-19 pandemic; and

WHEREAS, these negative impacts have resulted in the inability of individuals and businesses to pay their unsecured property taxes in a timely manner, resulting in property tax penalties and County fees for recording notices, liens and lien releases; and

WHEREAS, the Tax Collector has the authority to cancel property tax penalties for property owners who have been negatively impacted by Covid-19; and

WHEREAS, the Board of Supervisors has the authority to order the waiver of Board approved fees; and

WHEREAS, the Board of Supervisors waiver of fees would result in \$102 of relief for each delinquent or defaulted property tax bill that is subject to cancellation of penalties by the Tax Collector as a result of Covid-19.

NOW THEREFORE, BE IT RESOLVED AND ORDERED, by the Board of Supervisors, County of Placer, State of California, that subject to the cancellation of penalties by the Tax Collector for Covid-19 related reasons, the following County fees are waived:

Office Collecting Fee	Fee	Fee Amt
Tax Collector	Filing Notice of Intent to Lien	\$9.00
Tax Collector	Recording of Lien	\$73.00
Clerk-Recorder	Recording of Release of Lien	\$20.00

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