

February 23, 2021

The Honorable Mike McGuire
California State Senate
State Capitol, Room 408
Sacramento, CA 95814

Re: SUPPORT - SB 219 (McGuire): Property taxation: delinquent penalties and costs: cancellation: public health orders.

Dear Senator McGuire:

The County of San Benito is pleased to support your bill, SB 219 (McGuire). This bill seeks to codify the tax collector's ability to cancel penalty for taxpayers who have had pandemic related financial hardships during this shelter-in-place order. As urgency legislation, this bill will provide the needed authority now as well as in any future situations.

Property taxes make up the majority of discretionary revenue available to San Benito County and are traditionally very predictable in nature. While numerous taxpayers have continued to make property tax payments timely and without incident, the onset of this pandemic found many other property owners struggling. This situation has been further exacerbated as the pandemic continues much longer than anyone had anticipated. Tax collectors currently do not have statutory authority to cancel tax penalties for late payments due solely to economic hardship. While the Governor's Executive Order N-61-20 has provided temporary and targeted relief to some taxpayers, it is set to expire in about three months well before resolution of the pandemic and economic crisis.

San Benito County, as well as our cities, schools, and special districts, rely on property tax payments to fund near-term obligations including vital programs, operations, payroll and debt service payments. Any sizable disruption to this cash flow could be catastrophic for the solvent functioning of the county and our local agencies.

SB 219 will improve existing statute in by providing a new tool that can be used should circumstances either continue to persist into the next fiscal year, or, , another similar circumstance occurs in the future. SB 219 represents the needed statutory improvement to ensure that our local governments can be positioned and prepared to function in an uninterrupted fashion during a crisis, and yet be flexible enough to help individuals in their time of hardship.

On behalf of Board of Supervisors of San Benito County, we are pleased to write in **SUPPORT** of **SB 219**, and we thank you for your authorship of this needed legislation. SB 219 will provide a critical new tool to county tax collectors by amending the statute to relieve the requirement that tax collectors assess penalties on taxpayers who have been unable to pay their taxes timely due to an economic hardship caused by a shelter-at-home order.

Sincerely,