



LEAGUE  
OF CALIFORNIA  
CITIES



GSDA



association of california  
school administrators

January 22, 2021

The Honorable Gavin Newsom  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

The Honorable Anthony Rendon  
Speaker, California State Assembly  
State Capitol, Room 219  
Sacramento, CA 95814

The Honorable Toni Atkins  
President Pro Tem, California State Senate  
State Capitol, Room 205  
Sacramento, CA 95814

Honorable Members, California State Legislature  
State Capitol  
Sacramento, CA 95814

**RE: Retaining the April 10, 2021 Property Tax Deadline**

Dear Governor Newsom, President *Pro Tem* Atkins, Speaker Rendon, and Members of the Legislature:

California's local agencies are working diligently to maintain essential services and infrastructure during this ongoing and unprecedented public health emergency. Our organizations, representing all levels of local government in the State, are once again urging you to retain the April 10, 2021 deadline for property tax payments.

You are in receipt of a letter from California business interests that includes several requests for economic relief; a request to move the April 10, 2021 payment deadline is included in that letter to you. We urge you to reject that request, for a second time. In Executive Order N-61-20, you have provided counties with the authority needed to forgive any penalties and interest associated with a taxpayer's hardship to pay timely, and that includes small businesses who need extra time to pay without being penalized. That executive order is being implemented smoothly and is working as intended. There is simply no reason to move the deadline for all taxpayers, as requested by many in the business community.

Counties, cities, schools, and special districts rely on the cash flow from property taxes in April to meet all their expenditure needs up until the December installment. Summer months are times where local agencies require liquidity for capital projects, bond payments, etc. Disruptions to that liquidity have immediate and dire consequences.

When EO N-61-20 was issued, it was clear that the Governor and Legislators understood completely how critical upholding the payment deadline was for the continuity of local governments. After 10 months of navigating this pandemic and managing budgets to ensure reimbursable expenditures could be paid timely, even if reimbursement could be weeks or months away, it is truly unfathomable to contemplate such a massive disruption in local funding. Further, bonded indebtedness secured by real property relies on the payment dates identified in statute. If those funds are not collected timely, a technical default

could occur, jeopardizing future bond structures and potentially triggering demand notices on the debt holders.

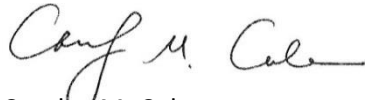
While we certainly appreciate and sympathize with the many businesses struggling to stay viable in this crisis, local agencies cannot simply close their doors and cease offering their services. Schools must continue to function, even in distance learning; counties must continue to provide for public health and safety, cities and special districts must continue to deliver services. We cannot simply close up, and we cannot skip payroll or debt obligations. Your partnership in upholding the deadline, while providing authority for targeted and individual relief, has been effective in getting help to those who need it but keeps government functioning and solvent. For these reasons, we ask for your continued partnership regarding property tax payment deadlines.

Thank you.

Respectfully,



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Executive Director  
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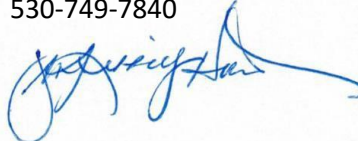
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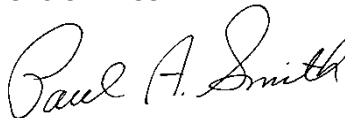
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Cc: The Honorable Betty Yee, State Controller  
The Honorable Toni Atkins, Senate President pro Tempore  
The Honorable Anthony Rendon, Assembly Speaker  
The Honorable Holly Mitchell, Chair, Senate Committee on Budget and Fiscal Review  
The Honorable Phil Ting, Chair, Assembly Committee on the Budget  
The Honorable Antonio Vazquez, Chair, Board of Equalization  
The Honorable Mike Schaefer, Vice-Chair, Board of Equalization  
The Honorable Malia M. Cohen, Board of Equalization  
The Honorable Ted Gaines, Board of Equalization  
Keely Bosler, Director, Department of Finance  
Nicolas Maduros, Director, Department of Tax and Fee Administration