

Date of Hearing: June 28, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cecilia Aguiar-Curry, Chair
SB 653 (Moorlach) – As Amended April 19, 2017

SENATE VOTE: 39-0

SUBJECT: County tax collectors: notices: publication.

SUMMARY: Requires tax collectors to publish on their Internet Web sites any notice that tax collectors must publish in a newspaper. Specifically, **this bill:**

- 1) Requires the tax collector to publish on the tax collector's Internet Web site (website) any notice that a tax collector must publish in a newspaper, and to keep such notice available for at least the same amount of time as the notice is required to be in the newspaper.
- 2) Requires the notice to be provided by either posting a copy of the newspaper containing the notice in a format that is downloaded in PDF format, or by providing a link to the website of the newspaper containing the notice.
- 3) Defines "newspaper" for the purposes of this bill to mean a newspaper of general circulation.
- 4) Provides that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to current law governing state mandated local costs.

FISCAL EFFECT: According to the Senate Appropriations Committee, "This bill could result in a reimbursable mandate, the magnitude of which is unknown but potentially in excess of \$50,000 in a given fiscal year (General Fund)."

COMMENTS:

- 1) **Bill Summary.** This bill requires tax collectors to publish on their websites any notice that tax collectors must publish in a newspaper. The notice must remain on the website for at least the same amount of time as the notice is required to be in the newspaper, and must be provided by either posting a copy of the newspaper containing the notice in a format that is downloaded in PDF format, or by providing a link to the website of the newspaper containing the notice. This bill is sponsored by the author.
- 2) **Author's Statement.** According to the author, "Currently, under a law enacted in 1939, Treasurer-Tax Collectors must post all required notices in newspapers or, if there is no local newspaper, three public places in each township within the county. Senate Bill 653 would require Treasurer-Tax Collectors to also post the notice on their websites either by posting a link to the newspaper's online notice or posting a PDF of the newspaper notice.

"By posting the notices online, they will be more accessible and will reach more people, especially as circulation numbers of newspapers continue to decline. Senate Bill 653 would also give counties the ability to keep notices available online long after they would be published in the newspaper. With the advent and increasing use of the internet, modernizing

a nearly eighty-year-old law helps notify more people so they may resolve issues with the county."

- 3) **Background.** California law assigns to county tax collectors the duty to collect all taxes, including real and personal property taxes, school and special district taxes, and business licenses. As part of these duties, tax collectors administer the billing and collections process for property taxes, determining delinquency and default, and administering the sale of tax-defaulted property, among other obligations. Existing law requires the tax collector to post notices of specific events in a newspaper of general circulation or, if there isn't one, by posting the notice in up to three public places. Among others, tax collectors must publish notices containing information specified by law in the following circumstances:
- a) Specific information regarding due dates for payments on the secured roll, times when taxes become delinquent, penalties and costs for delinquency, that all taxes may be paid when the first installment is due, and the times and places at which payment can be made;
 - b) Sale of improvements, personal property, and possessory interests of delinquent taxpayers;
 - c) A notice of power and intent to sell all property that will be tax defaulted;
 - d) Affidavit of real property in default;
 - e) Notice of tax sale;
 - f) Joint agreements for nonprofits to buy tax defaulted property; and,
 - g) When excess proceeds from a tax sale exceed \$150.

Generally, notices must be published once per week for three successive weeks. This requirement is satisfied when the notice appears three times in a newspaper published once per week, with at least five days between the first and last publication date. Tax collectors must publish required notices, with the sole exception for cases in which the excess proceeds of a tax sale are less than the cost to publish.

- 4) **Arguments in Support.** Orange County Treasurer-Tax Collector Shari L. Freidenrich, in support, writes, "Printed newspapers used to be the primary source of information for the public. However, that is changing as the public now gets a lot of their information from the internet and from different sources other than newspapers. This includes information about events in the world, but also weather, game sites and classified ads. Therefore, being able to provide these important property tax notices directly on County websites and not just in the printed newspaper or the newspaper website, is adding transparency of this important information to the public, especially those who no longer subscribe to printed or digital newspapers, at a very minimal cost."
- 5) **Arguments in Opposition.** According to the California Association of County Treasurers and Tax Collectors, (CACTTC) "CACCTTC has sought for years to reduce the amount of newspaper publications that tax collectors are required to pay for, as it is evident that publishing in a newspaper produces no benefit to the affected taxpayers. CACTTC believes

that online notification is a far more effective way to reach taxpayers, since print newspapers have limited reach. There is absolutely no empirical evidence to suggest that newspaper publication drives delinquent taxpayers to cure their debt. If it was effective, tax collectors would not want to change the law, since their publication costs would be recovered when the delinquent taxpayer comes in to cure their debt. (This measure) does not relieve tax collectors of this wasteful mandate; it does, however, create a new mandate that not all county tax collectors can comply with easily. The bill presumes that while simultaneously paying newspapers for print notification (a cost that seems to escalate each and every year, as circulations shrink and readership dwindles), that tax collectors can also afford additional internet technology personnel for their offices. Our purpose in seeking legislation to reduce the amount of newspaper publication tax collectors to pay for is to reduce their costs, not increase them by now having to pay for two mandates."

- 6) **State Mandate.** This bill is keyed a state mandate, which means the state could be required to reimburse local agencies and school districts for implementing the bill's provisions if the Commission on State Mandates determines that the bill contains costs mandated by the state.

REGISTERED SUPPORT / OPPOSITION:

Support

Orange County Treasurer-Tax Collector Shari L. Freidenrich

Opposition

California Association of County Treasurers and Tax Collectors

Analysis Prepared by: Angela Mapp / L. GOV. / (916) 319-3958