

EXECUTIVE ORDER N-61-20

Property Tax Penalty Relief

# EXECUTIVE ORDER N-61-20

## Background

- Each county has a property tax roll, annually updated by the county assessor to show the location and taxable value of all property subject to property tax.
- Land, buildings, crops, business property, boats, and airplanes represent the majority of the property tax roll.
- Taxable value is set as of the January 1 lien date.
- The property tax roll has separate elements including:
  - Secured roll - real property like land and buildings where unpaid debt becomes a lien on the property.
  - Unsecured roll – items like business property, planes, and boats where unpaid debt results in a summary judgment against the owner.
  - Supplemental roll - captures the difference in taxable value of property that sells after the January 1 lien date.

# EXECUTIVE ORDER N-61-20

## Due dates and late payment penalties

- Secured Roll - Due in two installments on November 1 and February 1. Payments submitted after December 10 and April 10, respectively, receive a 10 percent penalty.
- Unsecured Roll – Due on August 31. Payments submitted after that date are subject to a 10 percent penalty plus a penalty of 1.5 percent per month. **In addition:**
  - Anyone owning at least \$100,000 in taxable unsecured property must file a personal property statement with the assessor by April 1. Failure to file by May 7 results in a 10 percent penalty.
- Supplemental Roll – Payable in two installments based on when the property was purchased. Failure to pay timely results in a 10 percent penalty.

# EXECUTIVE ORDER N-61-20

## Problem

- Statute provides counties no discretion to waive penalties for late payments, unless the late payment is due to the county's failure to send the property tax bill on time.
- Because of Covid, many property owners will find it difficult to pay their tax bills timely.

## Solution – Executive Order N-61-20

- Issued by Governor on May 6, 2020.
- **Until May 6, 2021**, authorizes suspension of (1) late payment penalties for property tax payments that were not already past-due on March 4, 2020 (when the Covid crisis became widespread), and (2) penalties for late filing of personal property statements.
- Applies only to primary residences and to property owned by small businesses.
- Does not apply to property taxes paid through a mortgage impound account.
- To receive relief, taxpayers must file a request with the county. The county has discretion to approve or deny the request.