

CACTTC 2023 Legislative Platform



The 2023 CACTTC PROPOSED Legislative Platform
To Be Considered on October 5, 2022

CACTTC 2023 Legislative Platform

The proposed 2023 Platform includes four proposals approved by the Legislative Committee and three proposals subject to further discussion of the Legislative Committee

Proposals Approved by the Legislative Committee

Proposal 1 will authorize outside legal representation to be approved by the Board of Supervisors to assist the elected Treasurer-Tax Collector in the performance of his or her duties in any case where the County Counsel/County Attorney or District Attorney would have a conflict of interest in representing the Treasurer-Tax Collector.

Proposal 2 will modernize Government Code 27000.7(5). The current statute is outdated and references an association and credentials that no longer exist. The Certified Cash Manager (CCM) professional designation has been merged into the Certified Treasury Professional (CTP) certification. Proposal 2 makes changes to reflect current certification.

Proposal 3 would allow County Treasurers to keep authority, once delegated, to invest or reinvest funds without having to request authority annually. Part of the Treasurer's responsibilities is to be the holder of the funds deposited; therefore, investing or reinvesting should fall under that responsibility.

Proposal 4 would confirm and clarify that non US-backed securities are permissible investments, which CDIAC Issue Brief No 16.05: Securitized Investments concludes are authorized by interpretation of legislative intent.

Proposal 5 would dedicate funds for the modernization needs of the Treasurer-Tax Collector from several revenue streams such as excess proceeds, unclaimed checks, unanticipated revenues, part of delinquent costs, and part of redemption fees.

Proposal 6 will create a process in the transfer of title of mobile homes to reduce county debt upfront and help sellers not be responsible for unpaid purchaser bills when the title has been released.

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Subject: Outside Counsel for Elected Treasurer-Tax Collectors

Submitter: San Mateo and Tehama Counties

1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:

Treasurer-Tax Collectors do not currently have authorization through Government Code to request outside legal counsel when a conflict of interest exists in representation. Currently, Government Code 31000.6 speaks to such a situation but only authorizes outside legal representation for the Assessor, Auditor-Controller, and Sheriff.

2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?

The proposal will add Treasurer-Tax Collector to Government Code 31000.6 as follows:

(a) Upon request of the assessor, auditor-controller, sheriff **or elected treasurer-tax collector** of the county, the board of supervisors shall contract with and employ legal counsel to assist the assessor, auditor-controller, sheriff **or elected treasurer-tax collector** in the performance of his or her duties in any case where the county counsel, **county attorney** or district attorney would have a conflict of interest in representing the assessor, auditor-controller, sheriff **or elected treasurer-tax collector**. Treasurer-Tax Collector would also need to be included in sections (b), (d), (e) and (g).

County attorney has also been included as this is the classification of county counsel in San Mateo and perhaps other counties and should also be included in sections (b), (c) and (e).

3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)

It will authorize outside legal representation to be approved by the Board of Supervisors to assist the Treasurer-Tax Collector in the performance of his or her duties in any case where the County Counsel/County Attorney or District Attorney would have a conflict of interest in representing the Treasurer-Tax Collector.

4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.

San Mateo has been impacted. I would assume such situations have occurred in other counties, but I am unsure how many.

I believe we should be proactive in ensuring Government Code provides such authorization in the event a conflict occurs, and outside counsel is required, as opposed to not having such authorization and potentially incurring a personal

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financial loss due to a conflict of interest that exists with County Counsel that didn't work to the benefit of the Treasurer-Tax Collector.

5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.

My department was involved in a lawsuit that had negative financial implications. The lawsuit was a claim made in retaliation over a poor performance evaluation. Many members of the County Counsel's office were known to be good friends of the accuser and as such, chose to not represent me in the case.

Instead, they suggested a firm with whom they work very closely and maintain a contract for such situations with, I believe, some level of influence. In the end, the County chose to settle instead of moving forward with a trial and financially awarded the accuser. I believe it would have been a very different outcome if I had the authority to suggest my own Counsel. There have also been legal questions that have risen in the course of School Bond issuances that when questioned, County Counsel sided with the Schools so as not to create issues between the schools and the BOS. In these situations, it is a conflict that County Counsel supports the schools and the Treasurer-Tax Collector.

6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?

I do not believe any State agency would be impacted.

4. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?

I would like to think it will not engender opposition. If such code authorizes this option for the Assessor, Auditor-Controller and Sheriff, why not the Treasurer-Tax Collector? There needs to be inclusion in this area, not exclusion. We receive a good share of legal complaints from taxpayers and corporations and have had a few issues with County departments, and although County Counsel is very good at handling most of them, there are times when it is appropriate to hire outside counsel when a conflict of interest exists under Rule 1.7 of the State Bar of California.

8. HAS THIS BILL BEEN TRIED BEFORE?

I do not believe it has been tried before by the Treasurer-Tax Collectors. It was, however, presented by the Auditor-Controller's in 2017-18 through AB 3068 to add them into GC 31000.6, which was a hard-fought and successful effort.

9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL? (HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES AND TAXPAYERS?)

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1. Such authority should be extended across the board to all elected officials as we all face legal challenges and have experienced the negative impacts created when a conflict of interest exists.
2. There is no justification for excluding us from such authorization.
3. It is in the best interest of the taxpayers to ensure legal representation yields the best possible outcome at all times. When such representation is questionable, such as when a conflict of interest exists, it is the taxpayer who ultimately assumes the financial loss, and this goes against the oath Treasurer-Tax Collectors have taken to protect public funds.

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Subject: Cash Management Certification

Submitter: San Joaquin County

1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:

Government Code 27000.7(5) is outdated and references an association and credentials that no longer exist. The Certified Cash Manager (CCM) professional designation has been merged into the Certified Treasury Professional (CTP) certification.

2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?

I recommend deleting it.

27000.7.

(a) No person shall be eligible for election or appointment to the office of county treasurer, county tax collector, or county treasurer-tax collector of any county unless that person meets at least one of the following criteria:

(1) The person has served in a senior financial management position in a county, city, or other public agency dealing with similar financial responsibilities for a continuous period of not less than three years, including, but not limited to, treasurer, tax collector, auditor, auditor-controller, or the chief deputy or an assistant in those offices.

(2) The person possesses a valid baccalaureate, masters, or doctoral degree from an accredited college or university in any of the following major fields of study: business administration, public administration, economics, finance, accounting, or a related field, with a minimum of 16 college semester units, or their equivalent, in accounting, auditing, or finance.

(3) The person possesses a valid certificate issued by the California Board of Accountancy pursuant to Chapter 1 (commencing with Section 5000) of Division 3 of the Business and Professions Code, showing that person to be, and a permit authorizing that person to practice as, a certified public accountant.

(4) The person possesses a valid charter issued by the Institute of Chartered Financial Analysts showing the person to be designated a Chartered Financial Analyst, with a minimum of 16 college semester units, or their equivalent, in accounting, auditing, or finance.

~~(5) The person possesses a valid certificate issued by the Treasury Management Association showing the person to be designated a Certified Cash Manager, with a minimum of 16 college semester units, or their equivalent, in accounting, auditing, or finance.~~

3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)

It will clean up and update Government Code 27000.7.

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4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.

None of which I am aware of.

5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.

No.

6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?

None of which I am aware of.

7. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?

No.

8. HAS THIS BILL BEEN TRIED BEFORE?

No.

9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL? (HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES AND TAXPAYERS?)

The bill will:

1. Cleans up language in the government code.
2. It avoids any potential confusion regarding the qualifications for becoming a TTC.
3. Shows that the legislator is proactive on legislation.

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Subject: Investment Authority Delegation

Submitter: Madera and Tehama Counties

1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:

Since 1997, the County Treasurer has been the sole holder of all funds deposited in the County and is the only division of County Government that has the capacity, experience, and knowledge of investing or reinvesting county depositor funds, whether service is contracted out or managed completed within the county treasurer's office. Therefore, GOV Code 53607 should not only delegate the authority to the County Treasurer, that delegation should remain in place unless and until the Board revokes that authority.

2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?

27000.1.

Subject to Section 53607, the board of supervisors may, by ordinance, delegate to the county treasurer the authority to invest or reinvest the funds of the county and the funds of other depositors in the county treasury, pursuant to Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5. The county treasurer shall thereafter assume full responsibility for those transactions until the board of supervisors either revokes its delegation of authority, by ordinance, ~~or decides not to renew the delegation~~, as provided in Section 53607. Nothing in this section shall limit the county treasurer's authority pursuant to Section 53635 or 53684.

53607.

The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked ~~or expires~~, and shall make a monthly report of those transactions to the legislative body.

3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)

The proposed changes would allow County Treasurers to keep authority, once delegated, to invest or reinvest funds without having to request authority annually. Part of the Treasurer's responsibilities is to be the holder of the funds deposited therefore investing or reinvesting should fall under that responsibility.

4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.

Every County Treasurer is required to go to the Board annually to receive delegation to invest or reinvest funds for the County. Counties have taken the initiative to ask their

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Board for this delegation to automatically renew unless delegation is otherwise revoked.

5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.

No.

6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?

Unknown.

7. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?

No.

8. HAS THIS BILL BEEN TRIED BEFORE?

No.

9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL? (HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES AND TAXPAYERS?)

1. Treasurers can eliminate having to go to the Board for annual approval. If the Treasurer does not receive this approval, it could reduce the potential revenue the Treasurer is unable to produce. It can also save staff time and resources.

2. The Treasurer files reports to the Auditor, Board of Supervisors, Pool Participants, and investment information is posted on the County's website; therefore all funds invested and reinvested are transparent.

3. The Treasurer's books are audited frequently, and if a discrepancy was discovered, it could be recommended to the Board to revoke the Treasurer's authority. In the last 25 years, financial statement activity between the Auditor and Treasurer-Tax Collector has improved, therefore, this annual approval may no longer be needed.

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Subject: Authorized Investments

Submitter: Santa Clara County

1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:

Existing law authorizes the legislative body of a local agency, as specified, that has money in a sinking fund or in its treasury not required for immediate needs to invest the money as it deems wise or expedient in certain securities and financial instruments. In this regard, existing law authorizes investment in a mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond that has a maximum of five years' maturity and has a minimum credit rating of "AA" or its equivalent or better by an NRSRO. Purchases of these securities are limited to 20% of the agency's surplus monies.

California Assembly Bill 1770 (2017-18) Chapter 271 September 6, 2018, made substantive changes to California Government Code Section 53601(o) that clarified investment credit rating minimum requirements and maximum maturity requirements for those security types authorized under the subsection. The five-year maximum investment maturity and minimum investment credit rating requirements are applicable to the entire list of security types enumerated in the subsection because it is implied that all of these security types are non-direct US Government or non-governmental agency issued. Direct government issued, or government agency issued security types (GSE's) are authorized under California Government Code Sections 53601(b) and 53601(f). (see CDIAC Issue Brief No 16.05: Securitized Investments).

This proposal seeks to add further clarification in the code that GC Section 53601(o) applies ONLY to those securities that are *privately issued*. (vs. direct US Government issued authorized under GC Section 53601(b) or Government Agency issued securities (GSE's) authorized under GC Section 53601(f))

2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?

(o) A **non-US Government and or Agency issued**, mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus monies that may be invested pursuant to this section.

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3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)

Even with the clarity provided California Assembly Bill 1770 (2017-18) Chapter 271 September 6, 2018, a local agency seeking to purchase agency (government backed) structured finance securities continue to be confronted with some degree of ambiguity over whether 53601(f) or 53601(o), each with differing risk constraints, is the most appropriate governing authority. This is most acutely true when assessing mortgage-backed securities, a bond structure explicitly cited in 53601(o) but not mentioned in 53601(f). Even though inclusion in 53601(o) of certain risk constraints strongly indicates a legislative intent of limiting applicability to non- US Government or non-governmental agency issued securities, paragraph (o) does not explicitly state such. These constraints include a five-year maximum investment maturity and minimum investment credit rating requirements. Furthermore, it is important to note that CDIAC Issue Brief No 16.05: Securitized Investments affirms this interpretation of legislative intent.

4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.

The extent of the impact is unclear because of the challenge of measuring opportunity costs. For those local agencies who have attempted to simultaneously meet the requirements of both 53601(f) and(o), they have found security selection constrained, particularly for US Government or governmental agency issued securities, and sometimes have been unable to purchase high quality securities perfectly appropriate for public deposits. Given that the Agency debenture market has shrunk drastically since the great recession of 2009, having limitations placed on viable alternatives have both asset quality and yield implications. This problem can be resolved by providing stronger clarification and distinction that 53601(o) pertains to non-US Government or non-governmental agency issued securities.

5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.

We believe Pool income is being unnecessarily limited from not being able to fully utilize a very high quality, duration appropriate security sector. Currently, Santa Clara County Investment Policy uses 53601(o) as the basis for its asset allocation restricting the amount of asset-backed and mortgage-backed securities. The current outstanding is approximately split evenly between both sectors. As of this date, the County's investment pool has already reached its basket threshold limitation of 20 percent. If our investment policy had not relied on 53601(o), this would have allowed the pool to add a meager 3 percent to its asset backed security allocation as of June 30, 2022. At current yield levels, an expanded allocation to this sector would have generated an additional \$17.0 million to pool income over the life of the purchased securities.

6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?

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None is expected.

7. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?

Opposition is not anticipated because this is a very simple clarification and CDIAC has already endorsed the distinction.

8. HAS THIS BILL BEEN TRIED BEFORE?

No.

9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL? (HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES AND TAXPAYERS?)

Taxpayers are disadvantaged when stewards entrusted with public monies are constrained in their ability to make good decisions when unnecessary and unintended ambiguity exists, constraining the purchase of high-quality risk adjusted securities.

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Subject: Tax Collection Modernization Fund

Submitter: Madera County

1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:

Treasurer-Tax Collector's budgets are fully dependent on their local County general fund to support their budgetary needs and operational costs. Board of Supervisors or Auditor Controllers may not find the need to fund any modernization needs of the Treasurer-Tax Collector as these departments typically do not work with the public in the same capacity as the Tax Collector. In addition, Treasurer-Tax Collectors are dependent on Code 54985, which does not clearly define recoverable costs related to tax collection. Adding verbiage to the R&T Code can create transparency for recoverable costs.

2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?

R&T Code 2602:

The Tax Collector shall collect all property taxes.

The Treasurer-Tax Collector may have a non-discretionary trust fund to develop, modernize, and maintain department services, where funding can be received from the following sources of cost recovery:

- 1) **Fees established by GOV 54985**
- 2) **Proceeds unclaimed pursuant to R&T 4674 and R&T 2961**
- 3) **Revenues received in addition to amounts prescribed in R&T 2621, R&T 4102**
- 4) **Unclaimed warrants pursuant to GOV 50050-50057 or R&T 5096-5107**
- 5) **Proceeds unclaimed pursuant to R&T 2961**
- 6) **Unanticipated Revenue paid to the Treasurer-Tax Collector**

(a) All monies deposited in the non-discretionary trust may be at the discretion or approval of the board of supervisors to be used for modernization purposes. Modernization needs can include, technological upgrades, tax collection software automated administrative system processing and operational equipment, safety and security enhancements, and capital improvements.

(b) Any funds in the Treasurer-Tax Collector Non-Discretionary Modernization Trust Fund that are unencumbered at the end of the fiscal year may be reappropriated to the Treasurer-Tax Collector Non-Discretionary Modernization Fund.

(c) Monies deposited in the established non-discretionary modernization trust fund may be disbursed for purposes of this section.

(d) Monies deposited to the established non-discretionary modernization trust fund may be administered by the Treasurer-Tax Collector.

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3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)

This proposal would allow a County Board of Supervisors to dedicate funds for the modernization needs of the Treasurer-Tax Collector from several revenue streams such as fees, excess proceeds, unclaimed checks, unanticipated revenues, part of delinquent costs, and part of redemption fees. This proposal would allow the Treasurer-Tax Collector to better serve their constituents by providing a dedicated funding source to pay for much needed and long overdue modernization enhancements and capital improvements.

Several Codes across the California legislature have been adopted to serve these purposes that other County departments are benefiting from: PEN 853.7a, CORP 1502, GOV 77209, EDC 17074.10, ELEC 19250, HSC 44126, WAT 144, PRC 30701, VEH 9250.1, SHC 2704.095 etc.

4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.

Unknown.

5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.

Yes. The Treasurer-Tax Collector's department has not been able to improve efficiency. Such modernization needs can be very costly and include(s) but are not limited to technological upgrades, enhancements to existing property tax systems and software, tax collection equipment such as check scanners and remittance processors, maintenance costs, compliance requirements, vault upgrades, security enhancements, and office reconfigurations to serve the needs of the public better, just to name a few.

6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?

None.

7. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?

No.

8. HAS THIS BILL BEEN TRIED BEFORE?

Yes.

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9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL?
(HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES
AND TAXPAYERS?)

1. A dedicated Treasurer-Tax Collector Non-Discretionary Modernization Fund would increase efficiency through improved and enhanced technology and equipment.

2. If the non-discretionary modernization fund becomes part of legislation, the funds will always be available for use. If not, the Board of Supervisors or the Auditor can eventually remove this account from the Treasurer-Tax Collector at any time, which can cause an unexpected expense to the department.

3. Being one of the departments that brings in a substantial amount of revenue to the County, establishing such a fund would help fulfill the modernization needs of the Treasurer-Tax Collector without putting a direct strain on the county general fund.

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Subject: Mobile Home Tax Clearance Certificate

Submitter: Madera County

1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:

Due to a high volume of tax delinquency and a broken process for title changes, Counties and state agencies have been unsuccessful in collecting delinquent taxes on mobile homes or may have inaccurate title information. The goal for R&T 5832 is to be able to collect on delinquencies from the correct owners concurrent with title changes.

Although pre-collection of estimated taxes is a common practice, there is nothing in the R&T code that directly states that this process should be completed while issuing the Tax Clearance. If this practice is not completed, the bill will transfer to the old owner at the end of the fiscal year due to the lien date and will therefore make the old owner now responsible for making the payment.

2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?

R&T 5832(2):

(2) Any tax clearance certificate issued shall be used to permit registration of used manufactured homes and for any other purposes that may be prescribed by the Controller. The certificate may indicate that the county tax collector finds that no local property tax is due, or ~~is likely to become due~~ **are not yet payable as described in subdivision 2(a)**, or that any applicable local property taxes have been paid or are to be paid, in a manner not requiring the withholding of registration or the transfer of registration.

2 (a) Collection of taxes which are not yet payable are computed by a certificate or statement prepared by the appropriate state or local official giving his or her estimate of those taxes or assessments where a tax clearance may not be issued until the security for payment of the taxes not yet payable has been received. by the Treasurer-Tax Collector. Estimated taxes shall be paid for all mobile home transfers requiring a tax clearance certificate. are handled in the County where the mobile home is located.

3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)

The records for mobile homes have no transparency. It is often difficult for the Tax Collector and Assessor to confirm ownership information and confirm who is financially responsible for taxes owed. The state may not also have the correct records as taxpayers do not always comply with filing the correct documentation to release or gain liability of the mobile home.

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This proposal will help eliminate those inconsistencies, as it will create a process to reduce county debt upfront and will help sellers not be responsible for unpaid purchaser bills when the title has been released.

Other property taxes collected on the secured roll, such as for lot line adjustments, are specified in GOV 66493 for subdivisions. Therefore, this proposal can have a great impact on county and state records.

4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.

Counties have taken the initiative to pre-collect taxes and apply the funds when the new tax roll exists, however, counties can only pre-collect taxes if the county is made aware that a sale has occurred. Therefore, this law should apply to all mobile home transfers.

5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.

Yes. The County is not able to recuperate funds from mobile home delinquencies as taxpayers are unresponsive or the title has changed, and current legislation records the lien on the seller and not the purchaser.

6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?

California Department of Housing and Community Development

7. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?

Unknown.

8. HAS THIS BILL BEEN TRIED BEFORE?

Unknown.

9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL? (HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES AND TAXPAYERS?)

1. Taxpayers do not want to pay the bill as they feel it is not their responsibility. Old owners should not have to call back one year after the mobile home is sold to ensure everything was paid. The tax collector will have fewer cancellations of penalties to process and fewer corrections.

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2. Taxpayers can have peace of mind that once the title is transferred, future tax bills will not “pop up” for them to pay
3. Counties will be able to collect on mobile home taxes and reduce the debt of the county.
4. Title companies will be able to better serve their constituents by providing accurate information at the time of purchasing.
5. Legislation will be more transparent if a constituent requesting a tax clearance questions the Treasurer-Tax Collector's legal right to pre-collect estimated taxes.