



## Legislation Details (With Text)

<b>File #:</b>	2020-0316	<b>Status:</b>	Agenda Ready
<b>Type:</b>	Consent Calendar Item	<b>In control:</b>	Auditor-Controller-Treasurer-Tax Collector
<b>File created:</b>	3/19/2020	<b>Final action:</b>	
<b>On agenda:</b>	4/7/2020		
<b>Title:</b>	Waiver of Penalty and Interest Provisions for Transient Occupancy Tax, Business Improvement Area, and Commercial Cannabis Cultivation and Supply Chain Operators due to the COVID-19 emergency.		
<b>Sponsors:</b>	Auditor-Controller-Treasurer-Tax Collector		
<b>Indexes:</b>			
<b>Attachments:</b>	1. Agenda Summary, 2. Resolution -- Cannabis Tax Waiver, 3. Resolution -- TOT Waiver		

Date	Ver.	Action By	Action	Result
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**To:** Board of Supervisors of Sonoma County  
**Department or Agency Name(s):** Auditor-Controller-Treasurer-Tax Collector  
**Staff Name and Phone Number:** Jennifer Calderon: 565-3232  
**Vote Requirement:** Majority  
**Supervisory District(s):** All Districts

### Title:

Waiver of Penalty and Interest Provisions for Transient Occupancy Tax, Business Improvement Area, and Commercial Cannabis Cultivation and Supply Chain Operators due to the COVID-19 emergency.

### Recommended Action:

- Approval by the Sonoma County Board of Supervisors to waive Transient Occupancy Tax and Business Improvement Area delinquent penalties and interest for first quarter of 2020 for operators directly impacted by the COVID-19 emergency.
- Approval by the Sonoma County Board of Supervisors to waive Cannabis Business Tax delinquent penalties and interest for the third quarter of fiscal year 2019-2020, for commercial cannabis cultivation and supply chain operators directly impacted by the COVID-19 emergency.

### Executive Summary:

The upcoming quarterly payment deadline for the Transient Occupancy Tax (TOT), Business Improvement Area (BIA) Assessments and Cannabis Business Tax is April 30, 2020. Due to the wide spread impact of the COVID-19 emergency, the Auditor-Controller-Treasurer-Tax Collector (ACTTC) is requesting that the Board of Supervisors (Board) waive delinquent penalties and interest through June 30, 2020 for operators directly affected by the COVID-19 emergency and unable to remit tax payments by April 30, 2020. The ACTTC is also requesting authority to exercise his discretion to extend this waiver to September 30, 2020 in extraordinary circumstances.

### Discussion:

The recent outbreak of novel coronavirus (COVID-19) has introduced many challenges to businesses throughout the county including vacation and short-term rental operators, and commercial cannabis

cultivators and cannabis supply chain operators.

#### Transient Occupancy Tax/Business Improvement Area Assessments

We anticipate that some operators subject to TOT and/or BIA assessments will not be able to remit taxes for the first quarter of 2020 by the due date of April 30, 2020. The ACTTC is requesting that the Board waive delinquent penalties and interest through June 30, 2020 for TOT and BIA operators who are directly affected by the COVID-19 emergency and unable to remit tax payments by April 30, 2020. Additionally, the ACTTC is requesting authority to extend this waiver beyond June 30, 2020 in extraordinary circumstances. Under no circumstances will this extraordinary waiver extend beyond September 30, 2020.

All operators requesting a waiver of delinquent penalties and interest under this program will be required to sign an affidavit stating they were directly affected by COVID-19 and, as a result, were not able to remit timely tax payments. The ACTTC will accept penalty waiver requests and exercise his discretion to review and make a determination.

#### Cannabis Business Tax

We anticipate that some operators subject to cannabis tax will not be able to remit taxes for the third quarter of FY 2019-2020 by the due date of April 30, 2020. The ACTTC is requesting that the Board waive delinquent penalties and interest through June 30, 2020 for Cannabis operators who are directly affected by the COVID-19 emergency and unable to remit tax payments by April 30, 2020. Additionally, the ACTTC is requesting authority to extend this waiver beyond June 30, 2020 in extraordinary circumstances. Under no circumstances will this extraordinary waiver extend beyond September 30, 2020.

All operators requesting a waiver of delinquent penalties and interest under this program will be required to sign an affidavit stating they were directly affected by COVID-19 and, as a result, were not able to remit timely tax payments. The ACTTC will accept penalty waiver requests and exercise his discretion to review and make a determination.

#### **Prior Board Actions:**

#### **FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			

State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

**Attachments:**

- 1) Resolution to Waive Delinquent Penalties and Interest Under the Transient Occupancy Tax and Sonoma County Tourism Business Improvement Area Ordinances for the First Quarter of 2020 for Operators Directly Impacted by the COVID-19 emergency
- 2) Resolution to Waive Delinquent Penalties Under the Cannabis Business Tax Ordinance for the Third Quarter of Fiscal Year 2019-2020 for Operators Directly Impacted by the COVID-19 emergency

**Related Items "On File" with the Clerk of the Board:**