

EXECUTIVE ORDER _____

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS on March 20, 2020, I proclaimed a shelter in place order for all of the State; and

WHEREAS public health officials expect that 56% of Californians could contract the COVID19 virus; and,

WHEREAS despite sustained efforts, the virus remains a threat, and further effort to control the spread of the virus to reduce and minimize the risk of infection and otherwise mitigate the effects of COVID-19 are needed; and

WHEREAS the economic impacts of COVID-19 have been significant, and will undermine Californians' financial health and physical well-being; and

WHEREAS many Californians are experiencing substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs related to COVID-19, hindering their ability to keep up with their rents, mortgages, utility bills, and other life necessities; and

WHEREAS people of color and women will be the hardest hit during an economic recession given persistent discrimination in the housing and job markets; and

WHEREAS because economic insecurity can exacerbate vulnerability to COVID-19, California must take measures to preserve family finances and increase emergency savings for all Californians in order to protect public health; and

WHEREAS federal and state policymakers are working to develop new programs to put much-needed cash into the hands of every American; and

WHEREAS California's Earned Income Tax Credit is a critical poverty-fighting measure that can bolster the economic stability of low-income Californians by replenishing household savings exhausted by the COVID-19 emergency; and

WHEREAS the ongoing collection of government-imposed debt is in direct contravention to efforts to build up savings and promote economic resiliency; and

WHEREAS the state Franchise Tax Board garnishes wages, levies bank accounts, and intercepts tax refunds to collect on debt owed to local and state entities;

WHEREAS many low-income Californians face on average over \$5,100 in credit card debt, \$28,950 in student loan debt, \$334,000 in mortgage debt, \$18,000 in auto loan debt, \$13,600 in court debt, and a significant portion of debt that may be owed to state and local entities; and

WHEREAS women and people of color bear a disproportionate brunt of economic sanctions imposed by state and local government; and

WHEREAS government collection protocols are used to collect public benefit overpayments, some of which were a result of caseworker error and while California has taken steps to reduce this debt load with recent legislation, decades of prior debt remains on the books; and

WHEREAS to the extent that the debt is associated with California's traffic and non-traffic infractions and the financial penalties and legal consequences of failure to appear in court when a fine has not been paid are significant; and disproportionately affect low-income Californians; and

WHEREAS debt owed to government for child protective services and child support has been found to undermine not only the economic viability of low-income Californians but also to undermine the ability of parents to support their children; and,

WHEREAS Black and Brown Californians are disproportionately surveilled, stopped, ticketed, arrested, detained, convicted and charged associated fees and fines in our criminal and juvenile systems ; and

WHEREAS collection of fines and fees are minimal because most people cannot afford to pay them; and

WHEREAS counties and courts improperly charge people who cannot pay and net little revenue, or spend significant resources determining that the majority of people cannot pay and net even less; and

WHEREAS outstanding fees and fines in the criminal and juvenile system have been shown to increase recidivism and harm public safety; and

WHEREAS in 2017 the State Legislature ended the imposition of all fees to families of youth in the juvenile system; and

WHEREAS all but 22 counties have stopped collecting juvenile fees from hundreds of thousands of vulnerable California families; and

WHEREAS four counties have voluntarily ended collection on criminal fees and state legislation has been introduced to extend this relief for all Californians; and

WHEREAS the financial impact of government-imposed debt on low-income Californians is significant, and even more so with the increased economic insecurity that COVID-19 poses to all Californians; and

WHEREAS low-income households depend on a much greater percentage of their income just to meet their basic needs for food, shelter, and other necessities; are

less likely to have savings they can turn to during this period; and will be less able meet their basic survival needs as a result of the COVID-19 outbreak; and

WHEREAS continued assessment and collection of debts imposed by state and local agencies and courts during this crisis will exacerbate the economic hardship and instability experienced by the most vulnerable members our community;

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The Franchise Tax Board suspend all tax intercepts, bank levies, and wage garnishments for all outstanding government-imposed debt for no less than 120 days or until the second full month following the public health emergency, whichever is later, and use its authority to release liability for payment of government-imposed debt where possible.
2. The Franchise Tax Board immediately cease accrual of interest and the imposition of other sanctions on outstanding government-imposed debt for no less than 120 days or until the second full month following the public health emergency, whichever is later.
3. Counties and courts immediately recall past referrals and stop making new referrals of outstanding government-imposed debt to the Franchise Tax Board for no less than 120 days or until the second full month following the public health emergency, whichever is later.
4. Counties and courts immediately suspend the collection of all government-imposed debt for no less than 120 days or until the second full month following the public health emergency, whichever is later, including collection by local collection agencies and third-party agencies.
5. Counties and courts immediately stop assessing any new payments or government-imposed debt, and to cease accrual of interest and the imposition of other sanctions on outstanding government-imposed debt for no less than 120 days or until the second full month following the public health emergency, whichever is later.
6. I commit to not signing any legislation that would add additional monetary burdens, increase existing dollar amounts, or raise statutory limits on existing authorized monetary burdens, such as fines and fees imposed through the juvenile and criminal justice systems.