



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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TTC.LACOUNTY.GOV

PROPERTY TAX PORTAL
LACOUNTYPROPERTYTAX.COM

January 8, 2015

TO: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: Joseph Kelly 
Treasurer and Tax Collector

**SUBJECT: SENIOR CITIZENS AND DISABLED CITIZENS PROPERTY TAX
POSTPONEMENT PROGRAM**

On September 28, 2014, the Governor signed AB 2231, which establishes a new Property Tax Program (PTP) for seniors and the disabled, effective July 1, 2016. The California Association of California Treasurers and Tax Collectors sponsored the bill. The former State program, which had been operational for decades, was suspended on February 20, 2009, due to budget cuts. There are some significant differences between the former program and the new program created by AB 2231. This report is intended to provide you with an overview of those differences; the current status of the program's implementation by the State Controller, the State agency responsible for program administration; and the outreach efforts to the property owners impacted that my office intends to undertake.

Overview of Program Differences

The Former Program

Under the former program, the State Controller paid to the Los Angeles County Treasurer and Tax Collector (TTC) the property taxes for homeowners, who were 62 years of age or older, or blind, or disabled, who owned and occupied the subject property as their principal place of residence, be it a house, condominium, mobile home, floating home or houseboat. To participate in the program, the homeowner needed to meet certain eligibility criteria related to annual income and equity in the residence.

In exchange for paying a homeowner's property taxes, the State Controller placed a priority lien on the property. This loan was secured by the property and was repaid, with interest, when the property owner died, sold the home, moved, or allowed a "senior lien" to become delinquent. The program included current year taxes and any taxes that were in default, accrued after the taxpayer qualified for the program.

The New Program

The table below highlights the significant differences in the two programs. Of these differences, the most significant is the inability for participants to include defaulted taxes, accrued after the taxpayer qualifies for the program. Additionally, mobile homes, houseboats, and floating homes are excluded from the new program, and the equity requirement has increased to 40% from 20%. Finally, this bill added that if the homeowner refinances or enters into a reverse mortgage the loan for postponement becomes due and payable.

Former Versus New Program

Eligibility	Former Program	New Program
Annual Enrollment	Yes	Yes
Must be 62 or Older, or Blind, or Disabled	Yes	Yes
Subject Property must be the Primary Residence	Yes	Yes
Single Family Residence	Yes	Yes
Condominium	Yes	Yes
Mobile Home	Yes	No
Houseboat or Floating Home	Yes	No
Equity Requirement	20%	40%
Income Requirements	\$35,500 or less annually	\$35,500 or less annually
Defaulted Taxes Included	Yes	No
Minimum bid PTP parcels Subject to Sale	State Controller filed claim under Excess Proceeds.	PTP lien payoff must be included in minimum bid.
When is a loan due?	When the property owner dies, sells the home, moves, or allows a "senior lien" to become delinquent.	When the property owner dies, sells the home, moves, allows a "senior lien" to become delinquent, refinances the property, or enters into a reverse mortgage.

At the time the former program was suspended, Los Angeles County had 2,093 parcels, inclusive of 63 mobile homes, participating in the PTP program. Our records indicate there were no houseboats or floating homes participating in the program at the time it was suspended. As of September 2014, our records show that Los Angeles County has a balance of 1,165 parcels, inclusive of 38 mobile homes, that have PTP liens that the State Controller filed before the former program was suspended. Of these 1,165 parcels, 170 are in a tax defaulted status, and 19 are Subject to the Tax Collector's Power to Sell and are eligible for sale at a public auction.

It is important to note that the bill authorizes the TTC, by board approved ordinance or resolution, to adopt procedures to delay the sale of these properties at auction, and the cancellation of any delinquent penalties, costs, fees and interest associated with those properties that are eligible to enroll as soon as the program is up and running.

Status of Program Implementation

The new program is effective July 1, 2016, and the State Controller has advised us that she will begin to accept applications beginning September 1, 2016. The State Controller was not able to implement the program prior to this due to her need to recruit and train staff. However, the State Controller's Office recently convened a workgroup with representatives from her office and several Tax Collector offices across the state to begin to develop program procedures. Due to the high relative percentage (21%) of Los Angeles County participants in the former program compared to the statewide totals, and the importance of this program to our senior and disabled homeowners, a member of our management team is representing Los Angeles County on the workgroup.

Outreach Efforts

To educate impacted groups on this program, we have published information on our website, sent out an email blast to the subscribers of our Email Notification Service, and will develop informational flyers for our public counters. The website and email blast language are attached for your reference. We are also sending letters to interested taxpayers, including the 1,165 that still have PTP liens, advising them of the new program.

Should you have any questions, please contact me directly or your staff may contact Kathy Gloster, Assistant Treasurer and Tax Collector, at (213) 974-2077 or kgloster@ttc.lacounty.gov.

JK:KG:DB:vb

Attachments

c: Assessor
Auditor-Controller
County Counsel
Department of Community and Senior Services
Department of Consumer Affairs
Registrar-Recorder/County Clerk

Website Language

On September 28, 2014, the Governor signed AB 2231 (Statutes of 2014, Chapter 703), which reinstates the State Controller's Property Tax Postponement Program (PTP). This program will allow senior citizens, blind, and disabled persons with an annual household income of \$35,500 or less to apply to defer payment of current year property taxes on their principal residence. Under this bill, applications may be filed with the State Controller's Office beginning September 1, 2016. There are some significant differences between the new and the suspended program. We have developed a chart to assist taxpayers in understanding the differences that may affect them.

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The Treasurer and Tax Collector is maintaining a list of all taxpayers who are interested in this program. If you would like to be included on the list, please email us at info@ttc.lacounty.gov with your name and contact information, and be sure to include "Postponement Program" in the subject line of your email. We will be notifying you when we have more information available.

Email Blast

LA County Treasurer and Tax Collector Email Notification Service

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