

Property Tax Postponement Program

October 28, 2016



State Controller's Office

Lindsey Ross, Manager

PTP Program Materials

- County Guide
 - Application
 - Remittance Advice
 - Notice of Lien
 - Notice of Change form

County Guide – Section 1: Program Overview

- **Eligibility**
To qualify, claimants must prove:
 - Senior (at least 62), blind, or disabled
 - Own and occupy as principal place of residence
 - At least 40% equity in the property (NEW)
 - Total household income not to exceed \$35,500 (RTC 20503, 20585) (NEW)
 - No reverse mortgage (NEW)
 - No longer accepting mobile/floating homes (RTC 20583, & others) (NEW)

County Guide – Section 1: Program Overview

- **Collection Triggers**
 - No longer principal residence
 - Claimant dies (and no approved surviving spouse)
 - Transfers title
 - Defaults on a senior lien
 - SCO learns postponement was granted in error
 - Refinances (NEW)
 - Participates in a reverse mortgage (NEW)

County Guide – Section 1: Program Overview

- **Fund Management**
 - Under the current law, the program must fund itself through collections. (GC 16180)
 - The fund supports postponements and the costs of administering the program.
 - SCO will manage the fund to determine the spending limit for the program in the given fiscal year.
 - Limited funds and approval on first come, first served basis.

County Guide – Section 1: Program Overview

- **Annual Program Timeline**

July	Determine dollar amount available for postponements in upcoming cycle (based on previous FY's collections)
July-August	County reconciliation
September 1	Application release
October 1	Application filing period begins
November-June	Payments to counties
February 10	Application filing period ends
June/July	Year in Review: SCO provides stats and counties provide feedback

County Guide – Section 2: Application Review, Approval, and Payment

- **Application Review**
 - Counties shall waive fees for approved PTP claims if application is filed by February 10.
 - Upon receipt, all applications (Appendix I) will be sent an acknowledgment letter.
 - Incomplete applications will have 30 days to submit missing information.
 - Denied applications will be notified to pay county and advised that they may submit an appeal.
 - Approved applications
 - Applicants will receive a letter notification
 - Counties will receive periodic updates by e-mail

County Guide – Section 2: Application Review, Approval, and Payment

- **Processing Payments**
 - SCO will make EFT payments every 4-6 weeks beginning in December.
 - Warrant payments will be issued if:
 - requested by county.
 - claimant's property is used for rental/business and must make prorated payment.
 - Lump sum amount of all postponements for approved claimants within county during that period.
 - Remittance advice file (Appendix II) will be sent to County Tax Collector's PTP contact via e-mail.
 - Notify SCO of any discrepancies.

County Guide – Section 3: Lien for Postponed Property Taxes

- **Notice of Lien (NOL)**
 - SCO will send the NOL (Appendix III) to the County Recorder at the time of the EFT payment.
 - County Recorder will record NOL within 14 days and SCO will send a copy to the County Tax Collector upon recordation.
- **Release of Lien (ROL)**
 - SCO will execute ROL and direct County Recorder to record the release upon PTP account balance being paid in full.
 - SCO will notify County Tax Collector and Assessor to remove PTP lien information from county records.

County Guide – Section 4: Notification of Property Change

- RTC 3375 requires the county tax collector and assessor to notify the Controller within 60 days of processing:
 - A declaration of default
 - A change of ownership
 - Death
- These notifications are crucial to the survival of the program since it is funded by collections.

County Guide – Section 5: County Reconciliation

- The SCO will annually notify County Tax Collectors of properties that possess valid PTP liens.
- Counties will review and verify the following information:
 - PTP lien is identified on county record
 - County APN/parcel number
 - Property owner(s) on record
 - Situs address of the property
 - Whether property has become tax-defaulted
 - Whether claimant is deceased

County Guide – Section 6: Tax Defaulted Land Sales

- The minimum bid amount must include PTP balance, effective Sept. 28, 2014. (RTC 3698.5, 3698.7, 3793.1)
- The SCO can provide projected balances several months out as needed.
- Counties should remit proceeds to the SCO as soon as practicable.

Questions?

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