



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
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No. 2014/066

December 12, 2014

TO COUNTY ASSESSORS:

PROPERTY TAX POSTPONEMENT PROGRAM

Assembly Bill 2231 (Stats. 2014, Ch. 703) was signed into law on September 28, 2014. This bill essentially reinstates the State Controller's Property Tax Postponement Program and allows the State Controller to pay property taxes to county tax collectors on behalf of qualifying individuals who are over the age of 62 or disabled. However, this reinstated program is more restrictive than the previous program as a claimant must have an annual income of \$35,500 or less and at least 40 percent equity in their home. Primary responsibility for the administration of this program rests with the State Controller. Applications may be filed with the State Controller beginning September 1, 2016.

This bill contains the language relating to the duties of the county tax collector or county assessor in regard to the operation of this program. The assessors' responsibilities are concentrated in three areas. Assembly Bill 2231 amends Revenue and Taxation Code¹ sections 2515 and 3375 and Government Code section 16186, which are described below.

Section 2515 requires a "notice of lien for postponed property taxes" to be expeditiously processed. Upon receiving such notice, an assessor shall immediately:

1. Enter on the notice of lien, a description of the real property for which the taxes have been paid by use of a certificate of eligibility pursuant to section 2514. Such description is to be a metes and bounds, lot-block-tract, or other description as determined by the State Controller to sufficiently describe the real property for the purpose of securing the state's lien.
2. Enter on the notice of lien, the names of all record owners of the property described as disclosed by the assessor's records.
3. Forward the notice of lien to the county recorder after entering the information on the notice of lien.
4. Enter on the assessment records applicable to the property, the fact that the taxes on the property have been postponed and the State Controller's identification number.
5. Notify the State Controller within 60 days of processing a change in ownership for property subject to postponed property taxes.

¹ All statutory references are to the Revenue and Taxation Code, unless otherwise provided.

Relevant to the county assessor, section 3375 requires the assessor to notify the State Controller within 60 days of all property subject to a "Notice of Lien for Postponed Property Taxes" for which any of the following has been processed:

1. Assessment records applicable to property for which taxes have been postponed reveal a change in ownership;
2. A claimant transfers ownership;
3. A claimant changes his or her mailing address; or
4. A claimant has been determined to be deceased.

Under Government Code section 16186, when the amount of the obligation secured by the lien for postponed property taxes is paid in full or otherwise discharged, the State Controller shall record a release of the lien and direct the tax collector to remove from the secured roll and the assessor to remove from the assessment records the lien information.

These duties are to be carried out in the manner to be prescribed by the State Controller in the near future. At this point, the State Controller has yet to give any definitive procedures for county tax collectors or county assessors to follow in carrying out the above mentioned duties. However, when the Board of Equalization receives more information from the State Controller, that information will be distributed by additional Letters To Assessors.

This Letter To Assessors supersedes Letter To Assessors 1978/04.

If you have any questions regarding this legislation, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David Yeung for

Dean R. Kinnee
Acting Deputy Director
Property Tax Department

DRK:mc