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W.P. Code: SPG124.SK

PARAMTERS AND GUIDELINES  
Senior Citizen Property Tax Postponement  
(Chapter 1242, Statutes of 1977 and Chapter 43, Statutes of 1978)

Please Note! New Filing Deadline!

As of November 18, 1981, reimbursement claims for the 1980-81 and prior eligible fiscal years (as defined in the attached parameters and guidelines) shall not be accepted by the Board or State Controller after January 28, 1982.

Claims for the 1981-82 fiscal year shall be submitted to the Board by January 28, 1982, in order for the claimant to recieve full reimbursement. If such claims are submitted after January 28, 1982 and before and including October 31, 1982 shall be reduced by twenty percent (20%) of the claimed amount. The Board and the State Controller shall not accept claims for the 1981-82 fiscal year after October 31, 1982.

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Introduction

In enacting the Senior Citizens Tax Postponement Program (Chapter 1242, Statutes of 1977, the Legislature allowed the State Controller to provide property tax relief for eligible senior citizens. Under the program, senior citizens may defer payment of property taxes to local governments by requesting that the State Controller pay the amount deferred to the local government. The State Controller recovers its payments by placing a lien against the property, which must be paid prior to the sale of the property.

In order to ensure repayment to the state, county officials--including the Assessor, Tax Collector, and Recorder--are required to file certificates of eligibility with the State Controller that establish liens and obtain payment of deferred taxes, record tax postponement information, and provide that information to interested parties. In addition, county officials are required to notify the State Controller immediately of any changes in the ownership of all properties upon which tax postponement liens have been granted. Subsequent legislation (Chapter 43, Statutes of 1978) broadened the eligibility requirements for senior citizens and made minor technical changes that did not alter the impact of the Senior Citizen Tax Postponement Program upon county authorities.

These parameters and Guidelines resulted from the **Board's** finding on June 20, 1979, that counties incurred "costs mandated by the **state**" as a result of implementing Chapter 1242, Statutes of 1977 and Chapter 43, Statutes of 1978. The Board acted in response to a "**claim** of first impression" filed by the City and County of San Francisco on March 30, 1979.

The Board will award reimbursement for Senior Citizen Tax Postponement Program costs under the authority of subsection (c) of Section 2253. Although Section 19 of Chapter 1242, Statutes of 1977 (effective October 1, 1977) did provide for reimbursement of state mandated costs, this section was repealed by Section 47 of Chapter 43, Statutes of 1978 (effective March 16, 1978). Since the mandated cost claim provisions were repealed before the State Controller would have been required to report claims (October 1, 1978), no claims for reimbursement of costs incurred between October 1, 1977, and March 16, 1978, were accepted.

Eligible Claimants

Only counties (including the City and County of San Francisco) are eligible to file for reimbursement of state mandated Senior Citizen Tax Postponement Program costs.

Period of Reimbursement

All state mandated costs incurred on or after January 1, 1978, may be reimbursed. Only actual, not estimated costs may be claimed. Claims must be submitted at the end of the fiscal year in which costs were incurred, and only one fiscal year may be included in each claim. No claims for 1977-78 fiscal year costs will be accepted after November 19, 1980, pursuant to the Board's action on Item 487 of the 1980-81 Budget Act. If total costs claimed are less than \$200, no reimbursement shall be allowed (Revenue and Taxation Code Section 2253).

The first claim submitted will report costs incurred from January 1, 1978, to June 30, 1978; the second will cover July 1, 1978, to June 30, 1979.

## Reimbursable Costs

Under Revenue and Taxation Code Section 2207, "costs mandated by the state" mean any additional costs resulting from "an increased level of service or new program". Because the Senior Citizen Tax Postponement Program established an alternative method for paying taxes, it is a new program.

However, the program was implemented by counties through the existing program operations of the Tax Collector, Assessor, and Recorder. Thus the actual impact of the Senior Citizen Tax Postponement Program was twofold. First, additional services were required to inform eligible applicants regarding the tax postponement option, process new applicants' "certificates of eligibility", and submit the certificates to the State Controller for reimbursement of deferred taxes. Secondly, an incremental increase in existing services was required in order to record, notice, and release the additional tax liens against real property resulting from senior citizen participation in the program. This second group of services were already required under pre-existing statutes for all liens; therefore, the Senior Citizen Tax Postponement Program resulted in both new program activities (for new participants) and an increased level of existing services (for all participants).

Initially, the legislature recognized these mandated costs and, in Section 19 of Chapter 1242, Statutes of 1977, provided that counties could report increased administrative costs to the State Controller, provided that the costs submitted did not exceed 50 cents per participant. Every October following the year of the program's inception, the State Controller was required to report these costs to the Legislature for reimbursement. As previously mentioned, the provisions of Section 19 were repealed before the first Controller's report was due. Nevertheless, the Legislature suggested, through the application of the 50 cents per participant limit, that unit cost approach to reimbursement might be equitable.

Although the Board of Control shall only reimburse actual costs incurred, a unit cost approach may be used when it finds that relatively uniform compliance practices resulting in approximately equal costs for each transaction are used by all claimants.

The following unit cost rates should be used by counties claiming reimbursement for Senior Citizen Tax Postponement Program costs:

1. Certificates of Eligibility: Counties may claim \$6.36 (1982-83 fiscal year) or \$6.74 (1983-84 fiscal year) for each Certificated of Eligibility processed. Claim only those documents deposited for payment.
2. Notices of Lien: Counties may claim \$6.36 (1982-83 fiscal year) or \$6.74 (1983-84 fiscal year) for each Notice of Lien processed exclusively for senior citizens who obtained a Senior Citizen Tax Postponement Lien on a particular parcel for the first time. Claim only those documents that have been filed and sent to the State Controller during the fiscal year claimed.
3. Release of Lien: Counties may claim \$6.36 (1982-83 fiscal year) or \$6.74 (1983-84 fiscal year) for each release of lien document that is processed in order to remove a Senior Citizen Tax Postponement lien. Claim only those documents that have been filed and sent to the State Controller during the fiscal year claimed.

Counties may use these unit cost rates to compute their reimbursement. The Board has provided a claim format (See Attachment "A") to assist counties in preparing their claims. Use of this format will speed the handling of your claim. Claimed amounts will be verified by the State Controller's Office, which maintains records of each county's senior citizen property tax postponements.

ATTACHMENT A  
Senior Citizen Tax Postponemtn Program  
(Chapter 1242, Statutes of 1977 and Chapter 43, Statutes of 1978)

CLAIM FOR REIMBURSEMENT OF STATE MANDATED COSTS

Name of County \_\_\_\_\_

Address \_\_\_\_\_

Contact Person \_\_\_\_\_ Telephone No. \_\_\_\_\_

Fiscal Year During Which Amount of  
Costs Were Incurred\* \_\_\_\_\_ Claim \_\_\_\_\_

\*No claims for 1977-78 fiscal year costs shall be accepted after November 19, 1980.

Computation of Reimbursement

1. Enter the total number of Certificates of Eligibility deposited during the fiscal year claimed. \_\_\_\_\_
2. Enter the total number of Notice of Lien documents completed for senior citizens who obtained a Senior Citizen Tax Postponement Lien on a particular parcel for the first time. \_\_\_\_\_
3. Enter the total number of Release of Lien documents completed in order to remove Senior Citizen Tax Postponements Liens. \_\_\_\_\_
4. Add lines 1, 2, and 3 and enter total. \_\_\_\_\_
5. Multiply line 4 by \$6.36(1982-83FY) or \$6.74 (1983-84 FY) and enter total here and above in the Amount of Claim space, \_\_\_\_\_

REQUIRED CERTIFICATION

The following Certification must accompany all claims:

I DO HEREBY CERTIFY:

THAT sections 1090 to 1096, inclusive, of the Government Code and other other applicable provisions of the law have been complied with; and  
THAT I am the person authroized by the local agency to file claims for funds with the State of California.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number