

News Release



Controller of the State of California - Kathleen Connell

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For Immediate Release

CONTROLLER REMINDS HOMEOWNERS OF THE APPROACHING PROPERTY TAX POSTPONEMENT DEADLINE

Program Provides Low-Interest Loans to Qualified Seniors and Disabled

Persons

SACRAMENTO, October 6, 1998 -- State Controller Kathleen Connell issued a reminder today to senior and blind or disabled homeowners that December 10 is the filing deadline for the state's Property Tax Postponement Program, which allows qualified homeowners to postpone or defer payment of all or part of their property taxes.

The Property Tax Postponement Program provides low-interest loans to qualified low-income senior or disabled homeowners for the payment of their residential property taxes. The loans do not have to be repaid until the homeowner either: dies, sells or transfers title to the home, or vacates the property -- leaving no spouse or another qualified participant who continues to reside in the home.

"Property tax postponement has proved to be a blessing for thousands of seniors and homeowners with disabilities who don't have available funds to pay property taxes," said Controller Connell, whose office administers the program. "Funds provided from this program can make a significant contribution to the quality of life for many homeowners. In many cases, these loans can literally be the deciding factor between residents living comfortably in their homes or going without much-needed services."

To be eligible this year, a person must be 62 or older by December 31, 1998 or be blind or disabled at the time of filing (for a continuous period of at least one year) *and* have had a total household income for 1997 of less than \$24,000 (\$34,000 for those who filed and qualified for tax postponement in 1983); have a 20 percent equity in one's home at the time of filing; and have owned and occupied one's home or mobile home since December 31 of last year.

This year's loan interest rate is five percent, unchanged from last year. Each year's interest rate is based on the prior year's annual yield on the state's short-term investments in the state's Pooled Money Investment Fund. Loans may be paid back at any time a participant chooses, but immediate repayment must be made if future property taxes or senior liens become delinquent. *Therefore, it is important to note, individuals participating in this program must submit their application for every year of postponement.*

It is estimated that more than 900,000 California homeowners with annual household incomes of \$24,000 or less are eligible for the benefits of property tax postponement. However, last year approximately 11,000 persons participated in the program.

Recognizing that the tax postponement deadline occurs during the middle of the holiday season, Connell said: "This year we want qualified homeowners to have plenty of time to contact our office and take advantage of this beneficial program. It is our goal to make sure that property taxes are not an insurmountable financial burden on low-income seniors and other Californians living on a fixed-income." Property taxes are due on November 1 and become delinquent if not paid by December 10.

Application forms are conveniently available at county tax collector's offices, public libraries, senior centers and volunteer taxpayer assistance centers throughout the state, or residents may call the State Controller's Office **toll-free at 1-800-952-5661**. Forms must be filed by December 10. Information may also be found on the Controller's Web site at www.sco.ca.gov or interested persons may write to: State Controller Kathleen Connell, Property Tax Postponement Program, P.O. Box 942850, Sacramento, CA 94250-5880 to request information.

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