Los Angeles County – Tax-Defaulted Properties of Vulnerable Seniors and Dependent Adults Task Force

Session #707
COUNTY OF LOS ANGELES
WORKFORCE DEVELOPMENT,
AGING AND COMMUNITY
SERVICES

(WDACS)
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Training Objectives:

Learn about the following:

- The problem of Tax-Defaulted Properties and subsequent Tax Sales of properties belonging to Seniors and Dependent Adults who suffer from cognitive or mental health impairment

- Los Angeles County’s solution for the prevention of Tax Sales of properties belonging to vulnerable adults: Taskforce Background/Development/Implementation

- LA County Lessons Learned: Collaboration/Impact to APS Operations/Areas of Improvement

- Recommendations to State and County Departments
What is a Tax Lien Sale?

- All states have laws that authorize local governments to sell property through a tax lien foreclosure process if the owner fails to pay property taxes.

- These laws place a lien on the property for the amount of past due taxes.
What are the consequences for not paying property taxes?

- If the taxes remain unpaid, municipalities auction the lien or the property to private purchasers and investors.

- Owners typically have a right to redeem their property prior to foreclosure by paying the tax sale purchaser the purchase price plus interest, penalties, and other costs within the time period allowed by local statute. The failure to redeem leads to foreclosure.

- In the 2012 report from the National Consumer Law Center, entitled “The Other Foreclosure Crisis” the NCLC concluded that state and local reforms where necessary to help seniors and other homeowners save their homes from foreclosures related to tax lien sales.
Increased availability, funding, and promotion of Tax Relief Programs such as Tax Postponement/Deferral, tax abatement/exemption

Increased ability of Pre- and Post-Sale Payment Plans

Increased/enhanced notification of tax delinquency and tax sale of properties owned by vulnerable homeowners as well as redemption rights
L.A. County retools tax bills

Los Angeles County's 2003 property tax bills, which will be mailed late this week, feature an important change meant to clearly warn owners of delinquencies that could result in the seizure and sale of their homes.

The newly designed bills notify property owners — in bold print against a bright pink background — of back taxes owed. Additionally, the stub that is presented to cashiers by owners who pay their taxes in person clearly shows any delinquency. Cashiers can then remind the taxpayers of their overdue payments and penalties.

These changes and other reforms passed by the Los Angeles Board of Supervisors in March were prompted by the plight of an 85-year-old Inglewood man whose home was sold by the county after he unknowingly failed to pay a $546 tax bill that had been sent to his address in the previous owner's name. Terrell Dotson has since returned to his home but only after receiving help from the tax collector, a county supervisor and others.

Taxpayers typically become delinquent either because they fail to receive their tax bills or because they hold off payment while disputing a bill, said Donna Doss, assistant treasurer and tax collector for Los Angeles County.

Some property owners fail to pay "supplemental" tax bills that arrive during the year. These reflect the difference between the previously assessed value of one's property and the current assessed value. The bills are an additional, not a substitute, tax bill.

Homeowners should receive property tax bills by early November; if not, call the county tax collector and request a substitute bill. This year's payments must be postmarked by Dec. 10 and April 12.

"State law says you're responsible for paying the bills on time," Doss said. "Even if you're not in receipt of the bill."

If only Beth Weitz had known that. The 68-year-old owner of a two-bedroom condo in West Los Angeles failed to receive her property tax bill in October 1998, two months after moving into her home. The bill was mailed to the previous owners at their new address, she said, but they failed to forward the bill. New to the process of paying property taxes that year, Weitz received and promptly paid her property tax bills, unaware that she was accruing penalties for the missed payment.

"Imagine my surprise when I just received a pink notice saying I owe $5,023 in back taxes and penalties," she agreed to pay the amount owed and will keep her home.

"I certainly hope that Los Angeles County property owners, especially the elderly and those needing assistance, receive adequate notice of delinquencies," Doss said.

To help ensure that Los Angeles County property owners, especially the elderly and those needing assistance, receive adequate notice of delinquencies, the treasurer and tax collector's office has put these additional reforms in place:

* Elderly homeowners and those with special needs now have the option to designate a third party, such as a friend or relative, to receive delinquency notices on their behalf and be notified about the pending sale of a property.
* Owner-occupied properties will not be sold until the owner has been notified in person by a representative of the county's Department of Community and Senior Services and the Department of Consumer Affairs.
* Property owners who fall behind in tax payments can avoid losing their homes if they pay the entire delinquent bill or make a down payment of 20% on what is owed and then pay 20% of the back taxes each year until the debt is resolved.

Under the new system, property owners will be informed of delinquencies multiple times and in several ways, in addition to fine-print notices accompanying bills.

"It's our goal to collect taxes," Doss said, "not to see people lose their homes."

Easing the pain of a taxing day

If your property tax bill has not arrived by Nov. 5, call your county tax collector and request a substitute bill. You must return it, along with your payment, by Dec. 10. Penalties accrue after that date, and failure to receive a bill does not excuse nonpayment.

For questions about tax bills that do not arrive, substitute tax bills, property assessments and other issues related to property tax, call the treasurer-tax collector's office.

* Los Angeles County: (213) 974-3211
* Orange County: (714) 534-3411
* Ventura County: (805) 654-7344
* San Bernardino County: (909) 387-8318
* Riverside County: (909) 951-9588

Related information is available online:

* Los Angeles County register-recorder/county clerk's office contains copies of deeds and other recorded documents, http://rc.losangeles.ca.us/
* County assessor assesses real estate and personal property (businesses, boats and airplanes) throughout the county, www.lacountyassessor.com
* Auditor-controller receives the assessments from the assessor and applies the appropriate tax rate to determine the actual amount of property tax owed, http://auditor.co.la.ca.us/
* Treasurer-tax collector mails property tax bills, collects and deposits the money in the county treasury, http://ttax.co.la.ca.us/main.htm

Source: Los Angeles County assessor's office.
In 2003, a senior’s home was sold at auction and rendered homeless due to non-payment of property taxes.
BOARD OF SUPERVISOR'S MOTION  FEBRUARY 25, 2003

To help ensure that Los Angeles County property owners, especially the elderly and those needing assistance, receive adequate notice of delinquencies and assistance, the Treasurer and Tax Collector's Office SHALL do the following:

- Each August, homeowners who are in arrears will receive a separate tax bill that lists all the years for which they have a delinquency.

- Elderly homeowners and those with special needs now have the option to designate a third party, such as a friend or relative, to receive delinquency notices on their behalf and to be notified about the pending sale of a property.

- Owner-occupied properties will not be sold until the owner has been notified in person by a county representative and has been advised of assistance and payment plans available.
Based on this senior’s loss, the LA County Board of Supervisors directed Treasurer and Tax Collector (TTC), Department of Consumer and Business Affairs (DCBA) and WDACS/APS to develop a process ensuring assistance for seniors and adults with special needs.
Los Angeles County – Tax-Defaulted Properties of Vulnerable Seniors and Dependent Adults Task Force

TASK FORCE PARTNERS

WDACS
WORKFORCE DEVELOPMENT
AGING & COMMUNITY SERVICES

WDACS / APS

TTC

DCBA

COUNTY OF LOS ANGELES
EXTRAORDINARY TAX COLLECTION

LOS ANGELES COUNTY
CONSUMER & BUSINESS AFFAIRS
1.800.593.8222
In March 2003, planning discussions began between the three departments.

LOS ANGELES COUNTY TASK FORCE: OBJECTIVES

To improve notification process to all homeowners whose properties are subject to tax sale.

To provide information, direct assistance to all identified homeowners.

To provide counseling services to special needs individuals and screen for cognitive impairment.
Los Angeles County – Tax-Defaulted Properties of Vulnerable Seniors and Dependent Adults Task Force

LOS ANGELES COUNTY TASK FORCE: PROCESS/WORKFLOW
THE ROLE OF THE TASK FORCE:
TREASURER & TAX COLLECTOR STAFF

- Identify and disseminate Parcels to WDACS/APS and DCBA staff.
- Establish timeline for contacts and completion dates.
- Monitor Task Force activities.
THE ROLE OF THE LOS ANGELES COUNTY TASK FORCE:

DCBA Investigators and WDAC/APS Social Workers

- Conduct a Face-to-Face interview
- Provide current tax bill and other information
- Provide counseling services and resources
THE ROLE OF DCBA:

DCBA Investigators

Assess and evaluate the owner’s ability to comprehend information provided and consequences of inaction.

Evaluate for possible consumer fraud issues

Evaluate for possible referral to Adult Protective Services
THE ROLE OF WDACS/APS:

WDACS/APS Social Workers

Assess and evaluate for possible cognitive impairment issues
Assess and evaluate for Elder/Dependent Adult Abuse
Assess for ongoing service needs
Complete documentation of all activities and forward to TTC.

Determination by APS/DCBA staff to request that property be removed from auction due to the owner’s possible impairment.
THE ROLE OF TTC:

Treasurer and Tax Collector Staff

- Receive and review all documentation
- Consult with WDACS/APS and DCBA staff for clarification
- Remove parcels from auction based on info provided by taskforce
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<thead>
<tr>
<th>LA COUNTY TASK FORCE DATA</th>
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<tbody>
<tr>
<td># of Parcels Per Auction</td>
<td>350</td>
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<tr>
<td>% of Properties Redeemed</td>
<td>90%</td>
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<tr>
<td>Average # of Properties Removed from Auction: Elderly and Dependent Adults</td>
<td>10-15</td>
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<tr>
<td>Average # of Staff Hours - APS</td>
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<td>Average # of APS Staff on Project</td>
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<tr>
<td>Avg. # of Hours per Parcel</td>
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92% of the parcels were removed or redeemed from auction due to the activities provided by the TTC Task Force.

12 Properties belonging to elderly or dependent adult homeowners were removed from auction resulting in all cases open to Adult Protective Services for further intervention.
LA COUNTY TASK FORCE LESSONS LEARNED AND RECOMMENDATION

- Implement a Task Force in your jurisdiction
- Staff/Time Commitment
- Seek Funding
- Collaboration
- Staff Training
- Outreach and Education
Los Angeles County
Productivity and Quality Commission
Top Ten Award Winner
2009
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QUESTIONS

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