

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 24, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2231

Introduced by Assembly Members Gordon, Levine, and Patterson

February 20, 2014

An act to amend Sections *16181*, 16182, *16184*, 16186, 16190, 16200, 16210, 16211, ~~16211.5~~, and ~~16213~~ and *16211.5* of, to repeal Sections 16185, 16212, *16213*, and 16214 of, and to repeal and add Section 16180 of, the Government Code, and to amend Sections 2514, 3375, 20503, 20583, 20584, 20602, 20621, 20622, 20645.5, and 20645.6 of, to amend and repeal Section 20623 of, to repeal Section 20583.1 of, to add Section 3376 to, and to repeal Chapter 3.3 (commencing with Section 20639) of Part 10.5 of Division 2 of, the Revenue and Taxation Code, relating to state government, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2231, as amended, Gordon. State Controller: property tax postponement.

The Senior Citizens and Disabled Citizens Property Tax Postponement Law, until February 20, 2009, authorized a claimant, as defined, to file a claim with the Controller to postpone the payment of ad valorem property taxes, ~~where if~~ household income, as defined, did not exceed specified amounts. That law authorized the Controller, upon approval of the claim, to either make a payment directly to specified entities, or to issue the claimant a certificate of eligibility that constituted a written promise of the state to pay the amount specified on the certificate, as

provided. That law required these payments to be made out of specified funds appropriated to the Controller, and also required certain repaid property tax postponement payments to be paid into an impound account and transferred, as specified, to the General Fund. That law also required all sums paid by the Controller for postponed property taxes to be secured by a lien in favor of the State of California.

Existing law, on and after February 20, 2009, prohibits a person from filing a claim for postponement, and prohibits the Controller from accepting applications for postponement, under the Senior Citizens and Disabled Citizens Property Tax Postponement Law.

This bill would make inoperative the prohibition against a person filing a claim for postponement and the Controller from accepting applications for postponement under the program as of July 1, 2015, and would repeal these provisions on January 1, 2016. This bill would exclude losses and nonexpenses from “income” for purposes of these provisions. This bill would also exclude mobilehomes and houseboats from the scope of these provisions, would repeal the related Senior Citizens Mobilehome Property Tax Postponement Law, and make conforming changes to related provisions.

This bill would create in the State Treasury a Senior Citizens and Disabled Citizens Property Tax Postponement Fund. This bill would delete the requirement that funds be placed in an impound account and would, instead, require that repaid property tax postponement payments be directly deposited into the newly created fund. The bill would continuously appropriate these funds to the Controller for purposes of administering the property tax postponement program, as specified.

Existing law authorizes the Controller to subordinate the lien for postponed property taxes—~~where~~ *if* the Controller determines subordination is appropriate.

This bill would eliminate that authorization *and make other conforming changes*.

Existing law requires that the owners equity interest in the residential dwelling be at least 20% of the full value of the property in order to be eligible to participate in the postponement program.

This bill would increase the equity requirement to at least 40%.

Existing law requires the repayment of postponed taxes in specified circumstances.

This bill would, in addition, require repayment if the claimant refinances the dwelling or has elected to participate in a revenue mortgage program for the dwelling. The bill would require that the

county tax collector notify the Controller within 60 days of all property subject to a “Notice of Lien for Postponed Property Taxes” becoming tax defaulted or subject to collection procedures, as specified.

Existing law requires a claim for postponement to be filed after May 15 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before December 10 of that fiscal year.

This bill would instead require a claim for postponement to be filed after September 1 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before April 10 of that fiscal year.

Existing law makes optional certain duties of local agencies related to recordation of the tax lien.

This bill would delete that provision, thereby imposing a state-mandated local program.

Existing law requires, if a postponement claim, as specified, is filed timely but before the delinquency date of the first or 2nd installment of property taxes, that any delinquent penalties and interest for the fiscal year be canceled unless the failure to perfect the claim was due to willful neglect on the part of the claimant or representative, in which case the certificates of eligibility for the fiscal year can be used to pay delinquent taxes only if accompanied by sufficient amounts to pay the delinquent interest and penalties.

This bill would instead require, if a postponement claim is filed timely before the delinquency date of the 2nd installment of property taxes on the secured roll, that any delinquent penalties, costs, fees, and interest accrued for the fiscal year be canceled. This bill would instead require, in the event of willful neglect to perfect the claim, that an electronic funds transfer for that current fiscal year be used to pay only the delinquent taxes. This bill would authorize the tax collector, if the payment amount sufficient to pay all of the delinquent penalties, costs, fees, and interest is not received by the tax collector within 30 days from the date of the electronic funds transfer, to return the electronic funds transfer to the Controller to deny the postponement claim. This bill would require the Controller to provide a specified notification to the claimant and a copy of the notification to the tax collector.

This bill would also require the Controller, upon written request of the tax collector, to provide the tax collector with information that is required for the preparation and enforcement of the sale of tax-defaulted property, and would require the tax collector or his or her designee to certify, under penalty of perjury, that the information is requested for

these purposes. This bill would also provide that any information provided to the tax collector is not a public record and is not open to public inspection. By requiring the tax collector to make a certification under penalty of perjury, this bill would expand the crime of perjury thereby imposing a state-mandated local program.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16180 of the Government Code is
2 repealed.
3 SEC. 2. Section 16180 is added to the Government Code, to
4 read:
5 16180. (a) There is hereby created in the State Treasury a
6 Senior Citizens and Disabled Citizens Property Tax Postponement
7 Fund. Subject to subdivision (b) and notwithstanding Section
8 13340, the fund is continuously appropriated to the Controller,
9 commencing January 1, 2015, for purposes of administering this
10 chapter, including, but not limited to, necessary administrative
11 costs and disbursements relating to the postponement of property
12 taxes pursuant to the Senior Citizens and Disabled Citizens
13 Property Tax Postponement Law (Chapter 2 (commencing with
14 Section 20581) of Part 10.5 of Division 2 of the Revenue and
15 Taxation Code).

(b) The Controller shall transfer any moneys in the fund in excess of ten million dollars (\$10,000,000) to the General Fund.

(c) Any loan repayments relating to the Senior Citizens and Disabled Citizens Property Tax Postponement Law shall be deposited into the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

SEC. 3. Section 16181 of the Government Code is amended to read:

16181. (a) The Controller shall maintain a record of all properties against which a notice of lien for postponed property taxes has been recorded. The record shall include, but not be limited to, the names of each claimant, a description of the real property against which the lien is recorded, the identification number of the notice of lien assigned by the Controller, and the amount of the lien.

~~(b) The Controller shall maintain a record of all properties against which the Department of Housing and Community Development has been notified to withhold the transfer of title. The record shall include, but not be limited to, the names of each claimant, a description of the mobilehome against which a lien is charged, and the amount of the lien.~~

~~(e)~~
(b) Upon written request of any person or entity, or the agent of either, having a legal or equitable interest in real property ~~or a mobilehome which~~ that is subject to a lien for postponed taxes, the Controller shall within 10 working days following receipt of the request issue a written statement showing the amount of the obligation secured by the lien as of the date of ~~such~~ the statement and ~~such~~ any other information as will reasonably enable the person or entity, or the agent of either, to determine the amount to be paid the Controller in order to obtain a certificate of release or discharge of the lien for postponed taxes.

~~(d)~~
(c) The Controller shall adopt regulations necessary to implement the provisions of this chapter and may establish a reasonable fee, not to exceed ten dollars (\$10), for the provision of the statement of lien status provided for herein.

~~SEC. 3.~~

SEC. 4. Section 16182 of the Government Code is amended to read:

1 16182. (a) All sums paid by the Controller under the provisions
2 of this chapter, together with interest thereon, shall be secured by
3 a lien in favor of the State of California when funds are transferred
4 to the county by the Controller upon the real property for which
5 property taxes have been postponed. In the case of a residential
6 dwelling which is part of a larger parcel taxed as a unit, such as a
7 duplex, farm, or multipurpose or multidwelling building, the lien
8 shall be against the entire tax parcel.

9 (b) In the case of real property:

10 (1) The lien shall be evidenced by a notice of lien for postponed
11 property taxes executed by the Controller, or the authorized
12 delegate of the Controller, and shall secure all sums paid or owing
13 pursuant to this chapter, including amounts paid subsequent to the
14 initial payment of postponed taxes on the real property described
15 in the notice of lien.

16 (2) The notice of lien may bear the facsimile signature of the
17 Controller. Each signature shall be that of the person who shall be
18 in the office at the time of execution of the notice of lien; provided,
19 however, that such notice of lien shall be valid and binding
20 notwithstanding any such person having ceased to hold the office
21 of Controller before the date of recordation.

22 (3) The form and contents of the notice of lien for postponed
23 property taxes shall be prescribed by the Controller and shall
24 include, but not be limited to, the following:

25 (A) The names of all record owners of the real property for
26 which the Controller has advanced funds for the payment of real
27 property taxes.

28 (B) A description of the real property for which real property
29 taxes have been paid.

30 (C) The identification number of the notice of lien which has
31 been assigned the lien by the Controller.

32 (4) The notice of lien shall be recorded in the office of the
33 county recorder for the county in which the real property subject
34 to the lien is located.

35 (5) The recorded notice of lien shall be indexed in the Grantor
36 Index to the names of all record owners of the real property and
37 in the Grantee Index to the Controller of the State of California.

38 (6) After the notice of lien has been duly recorded and indexed,
39 it shall be returned by the county recorder to the office of the
40 Controller. The recorder shall provide the county tax collector with

1 a copy of the notice of lien which has been recorded by the
2 Controller.

3 (7) From the time of recordation of a notice of lien for postponed
4 property taxes, a lien shall attach to the real property described
5 therein and shall have the priority of a judgment lien for all
6 amounts secured thereby, except that the lien shall remain in effect
7 until it is released by the Controller in the manner prescribed by
8 Section 16186.

9 *SEC. 5. Section 16184 of the Government Code is amended to*
10 *read:*

11 16184. The Controller shall reduce the amount of the obligation
12 secured by the lien against the real property ~~or mobilehome~~ by the
13 amount of any payments received for that purpose and by
14 notification of any amounts paid by the Franchise Tax Board
15 pursuant to Section 20564 or by any amounts authorized pursuant
16 to subdivision (f) of Section 20621 of the Revenue and Taxation
17 Code. The Controller shall also increase the amount of the
18 obligation secured by ~~such~~ the lien by the amount of any
19 subsequent payments made pursuant to Section 16180 with respect
20 to the real property and to reflect the accumulation of interest. All
21 such increases and decreases shall be entered in the record
22 described in Section 16181.

23 ~~SEC. 4.~~

24 *SEC. 6. Section 16185 of the Government Code is repealed.*

25 ~~SEC. 5.~~

26 *SEC. 7. Section 16186 of the Government Code is amended*
27 *to read:*

28 16186. If at any time the amount of the obligation secured by
29 the lien for postponed property taxes is paid in full or otherwise
30 discharged, the Controller, or the authorized delegate of the
31 Controller, shall in the case of real property:

32 (a) Execute and cause to be recorded in the office of the county
33 recorder of the county wherein the real property described in the
34 lien is located, a release of the lien conclusively evidencing the
35 satisfaction of all amounts secured by the lien. The cost of
36 recording the release of the lien shall be added to and become part
37 of the obligation secured by the lien being released.

38 (b) Direct the tax collector to remove from the secured roll, the
39 information required to be entered thereon by paragraph (1) of

1 subdivision (a) of Section 2514 of the Revenue and Taxation Code
2 with respect to the property described in the lien.

3 (c) Direct the assessor to remove from the assessment records
4 applicable to the property described in the lien, the information
5 required to be entered on such records by Section 2515 of the
6 Revenue and Taxation Code.

7 ~~SEC. 6.~~

8 *SEC. 8.* Section 16190 of the Government Code is amended
9 to read:

10 16190. All amounts owing pursuant to Article 1 (commencing
11 with Section 16180) of this chapter shall become due if any of the
12 following occurs:

13 (a) The claimant, who is either the sole owner or sole possessory
14 interest holder of the residential dwelling, as defined in Section
15 20583 or Section 20640 of the Revenue and Taxation Code, or a
16 coowner or copossessory interest holder with a person other than
17 a spouse or other individual eligible to postpone property taxes
18 pursuant to Chapter 2 (commencing with Section 20581), Chapter
19 3.3 (commencing with Section 20639), or Chapter 3.5
20 (commencing with Section 20640) of Part 10.5 of Division 2 of
21 such code, ceases to occupy the premises as his residential
22 dwelling, dies, or sells, conveys, or disposes of the property, or
23 allows any tax or special assessment on the premises described in
24 Section 20583 of such code to become delinquent. If the sole owner
25 or possessory interest holder claimant dies and his or her surviving
26 spouse inherits the premises and continues to own and occupy it
27 as his or her principal place of residence, then the lien amount does
28 not become due and payable unless taxes or special assessments
29 described in the preceding sentence become delinquent, or such
30 surviving spouse dies, or sells, conveys or disposes of the interest
31 in the property.

32 (b) The claimant, who is a coowner or copossessory interest
33 holder of the residential dwelling, as defined in Section 20583 or
34 Section 20640.2 of the Revenue and Taxation Code, with a spouse
35 or another individual eligible to postpone property taxes pursuant
36 to Chapter 2 (commencing with Section 20581), Chapter 3.3
37 (commencing with Section 20639), or Chapter 3.5 (commencing
38 with Section 20640) of Part 10.5 of Division 2 of such code, dies,
39 and the surviving spouse or other surviving eligible individual
40 allows any tax or special assessment on the premises described in

1 Section 20583 of such code to become delinquent or such surviving
2 spouse or other individual ceases to occupy the premises as a
3 residential dwelling, dies, or conveys, or disposes of the interest
4 in the property.

5 (c) The failure of the claimant to perform those acts the claimant
6 is required to perform where such performance is secured, or will
7 be secured in the event of nonperformance, by a lien which is
8 senior to that of the lien provided by Section 16182.

9 (d) Postponement was erroneously allowed because eligibility
10 requirements were not met.

11 (e) The claimant is refinancing the residential dwelling.

12 (f) The claimant has elected to participate in a reverse mortgage
13 program for the residential dwelling.

14 ~~SEC. 7:~~

15 *SEC. 9.* Section 16200 of the Government Code is amended
16 to read:

17 16200. In the event that the Controller receives the notice
18 described in Section 16187 of this code or Section 3375 of the
19 Revenue and Taxation Code, the Controller may take any of the
20 following actions which will best serve the interests of the state:

21 (a) Notify by United States mail the tax collector or other party
22 that such notice has been received and that the Controller must be
23 given at least 20 days prior notice of the date that the property will
24 be sold at auction. If the Controller elects to proceed under this
25 subdivision, the Controller may use funds appropriated by Section
26 16100 to bid on the property at the auction up to the amount
27 secured by the state's lien on the property and any lien on such
28 property having priority over the state's lien. All additional
29 amounts paid pursuant to this subdivision shall be added to the
30 amount secured by the lien on such property provided for in Article
31 1 (commencing with Section 16180) of this chapter.

32 (b) Acknowledge by United States mail that the notice required
33 by Section 16187 of this code or Section 3375 of the Revenue and
34 Taxation Code has been received.

35 ~~SEC. 8:~~

36 *SEC. 10.* Section 16210 of the Government Code is amended
37 to read:

38 16210. In the event that the amount secured by the state's lien
39 provided for in Article 1 (commencing with Section 16180) is paid
40 by reason of the sale or condemnation of the property on which

1 the lien attaches, the funds so received shall be placed in the Senior
2 Citizens and Disabled Citizens Property Tax Postponement Fund.

3 ~~SEC. 9:~~

4 *SEC. 11.* Section 16211 of the Government Code is amended
5 to read:

6 16211. The claimant under Chapter 2 (commencing with
7 Section 20581), Chapter 3 (commencing with Section 20625), or
8 Chapter 3.5 (commencing with Section 20640) of Part 10.5 of
9 Division 2 of the Revenue and Taxation Code whose residential
10 dwelling was sold or condemned ~~may shall not~~ draw upon the
11 amount in the account to purchase a new residential dwelling, and
12 ~~the amount so drawn shall be secured by a new lien against the~~
13 ~~new residential dwelling from the time the Controller records the~~
14 ~~new lien against the new residential dwelling as provided for under~~
15 ~~Section 16182: Senior Citizens and Disabled Citizens Property~~
16 ~~Tax Postponement Fund.~~

17 ~~In the case of real property, the Controller shall subordinate the~~
18 ~~new lien to the lien of the note and deed of trust of the purchase~~
19 ~~money obligations used in the acquisition of the new residential~~
20 ~~dwelling, provided the claimant has an equity of at least 40 percent~~
21 ~~of the full value of the property, as required by paragraph (1) of~~
22 ~~subdivision (b) of Section 20583 of the Revenue and Taxation~~
23 ~~Code, prior to recordation of that subordination. The lien shall~~
24 ~~have priority over all subsequent liens, except as provided in~~
25 ~~Section 2192.1 of the Revenue and Taxation Code.~~

26 ~~SEC. 10:~~

27 *SEC. 12.* Section 16211.5 of the Government Code is amended
28 to read:

29 16211.5. (a) In the event that the real property securing the
30 state's lien provided for in Article 1 (commencing with Section
31 16180) is the residential dwelling of a claimant under Chapter 2
32 (commencing with Section 20581) of Part 10.5 of Division 2 of
33 the Revenue and Taxation Code and is voluntarily sold, the funds
34 derived from the voluntary sale of the residential dwelling shall
35 be placed in the Senior Citizens and Disabled Citizens Property
36 Tax Postponement Fund. At that time, the Controller shall release
37 the state's lien in the manner prescribed by Section 16186.

38 (b) The claimant under Chapter 2 (commencing with Section
39 20581) of Part 10.5 of Division 2 of the Revenue and Taxation
40 Code whose residential dwelling was voluntarily sold shall not

draw upon the amount in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

~~SEC. 11.~~

SEC. 13. Section 16212 of the Government Code is repealed.

~~SEC. 12.~~ Section 16213 of the Government Code is amended to read:

~~16213. At the end of the six-month period specified in Section 16210 or the six-month period specified in Section 16211.5, all funds remaining in an impound account shall be transferred to the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, established pursuant to Section 16180.~~

SEC. 14. Section 16213 of the Government Code is repealed.

~~16213. At the end of the six-month period specified in Section 16210 or the six-month period specified in Section 16211.5, all funds remaining in an impound account shall be transferred to the General Fund.~~

~~SEC. 13.~~

SEC. 15. Section 16214 of the Government Code is repealed.

~~SEC. 14.~~

SEC. 16. Section 2514 of the Revenue and Taxation Code is amended to read:

2514. (a) With respect to a claimant whose property taxes are paid by a lender from an impound, trust, or other type of account described in Section 2954 of the Civil Code, the tax collector shall notify the auditor of the claimant's name and address, and the duplicate amount of money the Controller transferred to the tax collector via an electronic fund transfer.

The county auditor, treasurer, or disbursing officer shall send a check in the amount of money based on the electronic transfer by the Controller, to the Controller within 60 days of the replicated payment.

(b) The procedures established by this chapter shall not be construed to require a lender to alter the manner in which a lender makes payment of the property taxes of such a claimant.

~~SEC. 15.~~

SEC. 17. Section 3375 of the Revenue and Taxation Code is amended to read:

3375. The county tax collector shall notify the Controller within 60 days, in the manner as the Controller shall direct, of all property subject to a "Notice of Lien for Postponed Property Taxes"

1 recorded pursuant to Section 16182 of the Government Code that
2 becomes tax defaulted subsequent to the date of entry on the
3 secured roll of the information required by subdivision (a) of
4 Section 2514.

5 ~~SEC. 16.~~

6 *SEC. 18.* Section 3376 is added to the Revenue and Taxation
7 Code, to read:

8 3376. (a) Upon request of the tax collector, the Controller shall
9 provide to the tax collector information that is required for the
10 preparation and enforcement of the sale of property under Part 6
11 (commencing with Section 3351) of Division 1. This information
12 may include social security numbers.

13 (b) The tax collector or his or her designee shall certify, under
14 penalty of perjury, to the Controller, that the information requested
15 pursuant to subdivision (a) is required for the purposes specified
16 in subdivision (a).

17 (c) Any information provided to the tax collector pursuant to
18 this subdivision is not a public record and is not open to public
19 inspection.

20 ~~SEC. 17.~~

21 *SEC. 19.* Section 20503 of the Revenue and Taxation Code is
22 amended to read:

23 20503. (a) "Income" means adjusted gross income as defined
24 in Section 17072 plus all of the following cash items:

- 25 (1) Public assistance and relief.
- 26 (2) Nontaxable amount of pensions and annuities.
- 27 (3) Social security benefits (except Medicare).
- 28 (4) Railroad retirement benefits.
- 29 (5) Unemployment insurance payments.
- 30 (6) Veterans' benefits.
- 31 (7) Exempt interest received from any source.
- 32 (8) Gifts and inheritances in excess of three hundred dollars
33 (\$300), other than transfers between members of the household.
34 Gifts and inheritances include noncash items.
- 35 (9) Amounts contributed on behalf of the contributor to a
36 tax-sheltered retirement plan or deferred compensation plan.
- 37 (10) Temporary workers' compensation payments.
- 38 (11) Sick leave payments.
- 39 (12) Nontaxable military compensation as defined in Section
40 112 of the Internal Revenue Code.

1 (13) Nontaxable scholarship and fellowship grants as defined
2 in Section 117 of the Internal Revenue Code.

3 (14) Nontaxable gain from the sale of a residence as defined in
4 Section 121 of the Internal Revenue Code.

5 (15) Life insurance proceeds to the extent that the proceeds
6 exceed the expenses incurred for the last illness and funeral of the
7 deceased spouse of the claimant. “Expenses incurred for the last
8 illness” includes unreimbursed expenses paid or incurred during
9 the income calendar year and any expenses paid or incurred
10 thereafter up until the date the claim is filed. For purposes of this
11 paragraph, funeral expenses shall not exceed five thousand dollars
12 (\$5,000).

13 (16) If an alternative minimum tax is required to be paid
14 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
15 10, the amount of alternative minimum taxable income (whether
16 or not cash) in excess of the regular taxable income.

17 (17) Annual winnings from the California Lottery in excess of
18 six hundred dollars (\$600) for the current year.

19 (b) For purposes of this chapter, total income shall be determined
20 for the calendar year (or approved fiscal year ending within that
21 calendar year) which ends within the fiscal year for which
22 assistance is claimed.

23 (c) For purposes of this chapter, all losses and nonexpenses shall
24 be converted to zero for the purpose of determining whether the
25 homeowner meets the Property Tax Postponement requirement.

26 (d) For purposes of Chapter 2 (commencing with Section
27 20581), Chapter 3 (commencing with Section 20625), and Chapter
28 3.5 (commencing with Section 20640), total income shall be
29 determined for the calendar year ending immediately prior to the
30 commencement of the fiscal year for which postponement is
31 claimed.

32 ~~SEC. 18.~~

33 *SEC. 20.* Section 20583 of the Revenue and Taxation Code is
34 amended to read:

35 20583. (a) “Residential dwelling” means a dwelling occupied
36 as the principal place of residence of the claimant, and so much
37 of the land surrounding it as is reasonably necessary for use of the
38 dwelling as a home, owned by the claimant, the claimant and
39 spouse, or by the claimant and either another individual eligible
40 for postponement under this chapter or an individual described in

1 subdivision (a), (b), or (c) of Section 20511 and located in this
2 state. It shall include condominiums that are assessed as realty for
3 local property tax purposes. It also includes part of a multidwelling
4 or multipurpose building and a part of the land upon which it is
5 built.

6 (b) As used in this chapter in reference to ownership interests
7 in residential dwellings, “owned” includes (1) the interest of a
8 vendee in possession under a land sale contract provided that the
9 contract or memorandum thereof is recorded and only from the
10 date of recordation of the contract or memorandum thereof in the
11 office of the county recorder where the residential dwelling is
12 located, (2) the interest of the holder of a life estate provided that
13 the instrument creating the life estate is recorded and only from
14 the date of recordation of the instrument creating the life estate in
15 the office of the county recorder where the residential dwelling is
16 located, but “owned” does not include the interest of the holder of
17 any remainder interest or the holder of a reversionary interest in
18 the residential dwelling, (3) the interest of a joint tenant or a tenant
19 in common in the residential dwelling or the interest of a tenant
20 where title is held in tenancy by the entirety or a community
21 property interest where title is held as community property, and
22 (4) the interest in the residential dwelling in which the title is held
23 in trust, as described in subdivision (d) of Section 62, provided
24 that the Controller determines that the state’s interest is adequately
25 protected.

26 (c) Except as provided in subdivision (c), and Chapter 3
27 (commencing with Section 20625), ownership must be evidenced
28 by an instrument duly recorded in the office of the county where
29 the residential dwelling is located.

30 (d) “Residential dwelling” does not include any of the following:

31 (1) Any residential dwelling in which the owners do not have
32 an equity of at least 40 percent of the full value of the property as
33 determined for purposes of property taxation or at least 40 percent
34 of the fair market value as determined by the Controller and where
35 the Controller determines that the state’s interest is adequately
36 protected. The 40-percent equity requirement shall be met at the
37 time the claimant or authorized agent files an initial postponement
38 claim and tenders to the tax collector the initial certificate of
39 eligibility described in Sections 20602, 20639.6, and 20640.6.

1 (2) Any residential dwelling in which the claimant's interest is
2 held pursuant to a contract of sale or under a life estate, unless the
3 claimant obtains the written consent of the vendor under the
4 contract of sale, or the holder of the reversionary interest upon
5 termination of the life estate, for the postponement of taxes and
6 the creation of a lien on the real property in favor of the state for
7 amounts postponed pursuant to this act.

8 (3) Any residential dwelling on which the claimant does not
9 receive a secured tax bill.

10 (4) Any residential dwelling in which the claimant's interest is
11 held as a possessory interest, except as provided in Chapter 3.5
12 (commencing with Section 20640).

13 ~~SEC. 19.~~

14 *SEC. 21.* Section 20583.1 of the Revenue and Taxation Code
15 is repealed.

16 ~~SEC. 20.~~

17 *SEC. 22.* Section 20584 of the Revenue and Taxation Code is
18 amended to read:

19 20584. (a) "Property taxes" means all ad valorem property
20 taxes, special assessments, and other charges or user fees which
21 are attributable to the residential dwelling on the county tax bill
22 and the ad valorem property taxes, special assessments, or other
23 charges or user fees appearing on the tax bill of any chartered city
24 which levies and collects its own property taxes.

25 (b) Whenever a residential dwelling is an integral part of a larger
26 tax unit, such as a duplex, farm or a multipurpose building,
27 "property taxes" shall be the percentage of the total property taxes
28 as the value of the residential dwelling is of the value of the total
29 tax unit.

30 (c) "Property taxes" means property taxes for current fiscal
31 years for which the claim is made and excludes delinquent taxes
32 for prior fiscal years.

33 ~~SEC. 21.~~

34 *SEC. 23.* Section 20602 of the Revenue and Taxation Code is
35 amended to read:

36 20602. Upon approval of a claim described in Section 20601,
37 the Controller shall make payments directly to a county tax
38 collector for the property taxes owed on behalf of a qualified
39 claimant. Payments may, upon appropriation by the Legislature,
40 be made out of the amounts otherwise appropriated pursuant to

1 Section 16100 of the Government Code that are secured by a
2 secured tax lien and obligation as specified by Article 1
3 (commencing with Section 16180) of Chapter 5 of Division 4 of
4 the Government Code.

5 ~~SEC. 22.~~

6 *SEC. 24.* Section 20621 of the Revenue and Taxation Code is
7 amended to read:

8 20621. Each claimant applying for postponement under Article
9 2 (commencing with Section 20601) shall file a claim under penalty
10 of perjury with the Controller on a form supplied by the Controller.
11 The claim shall contain all of the following:

12 (a) Evidence acceptable to the Controller that the person was a
13 “senior citizen claimant” or a “blind or disabled claimant.”

14 (b) A statement showing the household income for the period
15 set forth in Section 20503.

16 (c) A statement describing the residential dwelling in a manner
17 that the Controller may prescribe.

18 (d) The name of the county in which the residential dwelling is
19 located and the address of the residential dwelling.

20 (e) The county assessor’s parcel number applicable to the
21 property for which the claimant is applying for the postponement
22 of property taxes.

23 (f) (1) Documentation evidencing the current existence of any
24 abstract of judgment, federal tax lien, or state tax lien filed or
25 recorded against the applicant, and any recorded mortgage or deed
26 of trust that affects the subject residential dwelling, for the purpose
27 of determining that the claimant possesses a 40-percent equity in
28 the subject residential dwelling as required by paragraph (1) of
29 subdivision (b) of Section 20583.

30 (2) Actual costs, not in excess of fifty dollars (\$50), paid by the
31 claimant to obtain the documentation shall reduce the amount of
32 the lien for the year, but not the face amount of the payment
33 prescribed in Section 16180 of the Government Code.

34 (g) Other information required by the Controller to establish
35 eligibility.

36 ~~SEC. 23.~~

37 *SEC. 25.* Section 20622 of the Revenue and Taxation Code is
38 amended to read:

39 20622. The claim for postponement shall be filed after
40 September 1 of the calendar year in which the fiscal year for which

1 postponement is claimed begins, and on or before April 10 of that
2 fiscal year; if April 10th falls on Saturday, Sunday, or a legal
3 holiday, the date is extended to the next business day.

4 ~~SEC. 24.~~

5 *SEC. 26.* Section 20623 of the Revenue and Taxation Code is
6 amended to read:

7 20623. (a) No person shall file a claim for postponement under
8 this chapter on or after the effective date of the act adding this
9 section, and the Controller shall not accept applications for
10 postponement under this chapter on or after that date.

11 (b) This section shall become inoperative on July 1, 2015, and
12 as of January 1, 2016, is repealed, unless a later enacted statute
13 that is enacted before January 1, 2016, deletes or extends the dates
14 on which it becomes inoperative and is repealed.

15 ~~SEC. 25.~~

16 *SEC. 27.* Chapter 3.3 (commencing with Section 20639) of
17 Part 10.5 of Division 2 of the Revenue and Taxation Code is
18 repealed.

19 ~~SEC. 26.~~

20 *SEC. 28.* Section 20645.5 of the Revenue and Taxation Code
21 is amended to read:

22 20645.5. (a) If a postponement claim under Chapter 2
23 (commencing with Section 20581), Chapter 3.3 (commencing with
24 Section 20639), or Chapter 3.5 (commencing with Section 20640)
25 is filed timely before the delinquency date of the second installment
26 of property taxes on the secured roll, then any delinquent penalties,
27 costs, fees, and interest accrued for that fiscal year shall be canceled
28 unless the failure to perfect the claim was due to willful neglect
29 on the part of the claimant or representative.

30 (b) In the event of willful neglect, an electronic funds transfer
31 for that current fiscal year can be used to pay delinquent taxes only
32 if accompanied by sufficient amounts to pay all of the delinquent
33 penalties, costs, fees, and interest. If an amount sufficient to pay
34 all of the delinquent penalties, costs, fees, and interest is not
35 received by the tax collector within 30 days from the date of the
36 electronic funds transfer, the tax collector may return the electronic
37 funds transfer to the Controller to deny the postponement claim.

38 (c) (1) The Controller shall notify the claimant in writing when
39 the electronic funds transfer has been submitted to the tax collector.

(2) In the event of willful neglect, in addition to the information required pursuant to paragraph (1), the Controller shall also notify the claimant in writing and provide a copy of the notification to the tax collector, that a payment amount sufficient to pay all of the delinquent penalties, costs, fees, and interest must be received by the tax collector within 30 days from the date of the electronic funds transfer, and that if this payment is not received by the tax collector, the tax collector may return the electronic funds transfer to the Controller to deny the postponement claim.

~~SEC. 27.~~

SEC. 29. Section 20645.6 of the Revenue and Taxation Code is amended to read:

20645.6. (a) If the Controller denies a postponement claim under Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640), and the denial is reversed after appeal pursuant to Section 20645.1, the Controller shall electronically transfer funds to the county, if the taxes for the fiscal year have been paid, for the amount of the taxes. If the taxes for the fiscal year are delinquent, any resulting penalties or interest shall be canceled.

(b) The Controller shall notify the claimant in writing when an electronic funds transfer has been made pursuant to subdivision (a).

~~SEC. 28.~~

SEC. 30. The Legislature finds and declares that Section 16 of this act, which adds Section 3376 to the Revenue and Taxation Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect those persons subject to enforcement of Part 6 (commencing with Section 3351) of Division 1 of the Revenue and Taxation Code against the risk of identity theft, it is in the state's interest to limit public access to information.

1 ~~SEC. 29.~~

2 *SEC. 31.* No reimbursement is required by this act pursuant
3 to Section 6 of Article XIII B of the California Constitution for
4 certain costs that may be incurred by a local agency or school
5 district because, in that regard, this act creates a new crime or
6 infraction, eliminates a crime or infraction, or changes the penalty
7 for a crime or infraction, within the meaning of Section 17556 of
8 the Government Code, or changes the definition of a crime within
9 the meaning of Section 6 of Article XIII B of the California
10 Constitution.

11 However, if the Commission on State Mandates determines that
12 this act contains other costs mandated by the state, reimbursement
13 to local agencies and school districts for those costs shall be made
14 pursuant to Part 7 (commencing with Section 17500) of Division
15 4 of Title 2 of the Government Code.

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