

AMENDED IN ASSEMBLY JANUARY 4, 2010
AMENDED IN ASSEMBLY SEPTEMBER 3, 2009
CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1029

Introduced by Assembly Member Blumenfield

February 27, 2009

~~An act to add Section 2923.57 to the Civil Code, relating to mortgages.~~ *An act to amend Sections 16182, 16183, 16200, 16202, and 16211 of, to repeal Sections 16211.5, 16213, and 16214 of, and to repeal and add Section 16180 of, the Government Code, and to amend Sections 2505, 2514, 2515, 20503, 20505, 20582, 20583, 20583.1, 20585, 20586, 20621, 20622, 20639.1, 20639.6, 20639.8, 20639.9, 20639.11, 20640.1, 20640.3, 20640.4, 20640.6, 20640.8, 20640.9, 20640.11, 20641, 20643 of, to add Sections 20584.1, 20587, 20588, 20589, 20590, 20591, and 20648 to, to repeal Section 20623 and Chapter 3 (commencing with Section 20625) of Part 10.5 of Division 2 of, and to repeal and add Section 20602 of, the Revenue and Taxation Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1029, as amended, Blumenfield. ~~Mortgages: foreclosure: tax deferral program participants.~~ *Taxation: property tax postponement.*

The Senior Citizens and Disabled Citizens Property Tax Postponement Law, until February 20, 2009, authorized a claimant, as defined, to file with the Controller a claim to postpone the payment of ad valorem property taxes, where household income, as defined, did not exceed specified amounts. Existing law authorized the Controller, upon approval of the claim, to either make payments 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 claim, as provided. That law required these payments to be made out of amounts appropriated by the Controller, as specified.

This bill would revise and recast the provisions of the Senior Citizens and Disabled Citizens Property Tax Postponement Law to, among other things, delete the Controller's authority to either make payments directly to specified entities or to issue the claimant a certificate of eligibility, and would instead require the Controller to issue a property tax postponement payment on behalf of the claimant upon receipt of a specified verification from the county tax collector. This bill would authorize the Controller, upon appropriation by the Legislature, to use moneys in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, which this bill would create, to make property tax postponement payments. This bill would require all sums paid by the Controller to be secured by a lien of first priority. This bill would require the Controller to prescribe a maximum annual postponement loan amount, and would change the rate of interest for any deferrals made on or after January 1, 2010, as provided. This bill would also make conforming changes to related provisions.

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 repeal that provision.

This bill would, for the 2009–10 and 2010–11 fiscal years, authorize the tax collector to cancel any delinquent penalties and interest owed by the claimant for those fiscal years if a postponement claim is filed timely, as specified.

The Senior Citizens Tenant-Stockholder Property Tax Postponement Law authorizes a tenant-stockholder claimant, as defined, to file with the Controller a claim to postpone the payment of ad valorem property taxes, as provided.

This bill would repeal that law and make conforming changes to related provisions.

~~Existing law, until January 1, 2013, and as applied to residential mortgage loans for owner-occupied residences made from January 1, 2003, to December 31, 2007, inclusive, requires a mortgagee, trustee, beneficiary, or authorized agent to wait 30 days after contact is made with the borrower, or 30 days after satisfying due diligence requirements~~

to contact the borrower, as specified, before filing a notice of default, in order to assess the borrower's financial situation and to explore options to avoid foreclosure.

This bill would prohibit a mortgagee, trustee, or other person authorized to take sale from filing a notice of default based on the failure to pay property taxes prior to 90 days after contacting the trustor or mortgagor, either in person or by telephone, to ascertain if the trustor or mortgagor was a participant in the property tax deferral program established pursuant to the Senior Citizens and Disabled Citizens Property Tax Postponement Law. The bill would provide that if the trustor or mortgagor was participating in the property tax deferral program on or before February 19, 2009, and the trustor or mortgagor, within a specified period, provides a copy of the certificate of eligibility issued by the Controller to this effect, the mortgagee, trustee, or other person authorized to take sale is prohibited from filing a notice of default based on the failure to pay property taxes for 5 years from the date of first contacting the mortgagor or trustor.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

1 SECTION 1. Section 16180 of the Government Code is
2 repealed.

3 16180. ~~Out of the amount appropriated to the Controller by~~
4 ~~Section 16100, the sum of twelve million seven hundred thousand~~
5 ~~dollars (\$12,700,000) for the 1977-78 fiscal year and each fiscal~~
6 ~~year thereafter is hereby made available to the Controller to pay~~
7 ~~the face amount of all certificates of eligibility for the~~
8 ~~postponement of property taxes submitted to the Controller which~~
9 ~~are signed and countersigned in the manner specified in Sections~~
10 ~~20602, 20603, 20639.6, 20640.6, and 20640.7 of the Revenue and~~
11 ~~Taxation Code.~~

12 SEC. 2. Section 16180 is added to the Government Code, to
13 read:

14 16180. (a) *The Senior Citizens and Disabled Citizens Property*
15 *Tax Postponement Fund is hereby created in the State Treasury.*
16 *Upon appropriation by the Legislature, the Controller shall use*
17 *moneys in the fund in accordance with this chapter.*

1 (b) All expenses incurred in carrying out the provisions of this
 2 chapter and Chapter 2 (commencing with Section 20581), Chapter
 3 3.3 (commencing with Section 20639), and Chapter 3.5
 4 (commencing with Section 20640) of Part 10.5 of Division 2 of the
 5 Revenue and Taxation Code shall be payable solely from the fund.
 6 No liability or obligation shall be imposed upon the state, and
 7 none shall be incurred by the Controller, beyond those authorized
 8 by this chapter or Chapter 2 (commencing with Section 20581),
 9 Chapter 3.3 (commencing with Section 20639), and Chapter 3.5
 10 (commencing with Section 20640) of Part 10.5 of Division 2 of the
 11 Revenue and Taxation Code.

12 (c) The Controller may use moneys in the fund for both of the
 13 following purposes:

14 (1) To make property tax payments on behalf of claimants
 15 pursuant to this chapter and Chapter 2 of Part 10.5 of Division 2
 16 of the Revenue and Taxation Code.

17 (2) To pay costs incurred in administering the program or the
 18 fund.

19 (d) The Controller shall regularly review the balance of the
 20 fund and recommend transfers to the General Fund of any surplus
 21 moneys unnecessary for the operation of the program or the fund.

22 SEC. 3. Section 16182 of the Government Code is amended to
 23 read:

24 16182. (a) All sums paid by the Controller under the
 25 provisions of this chapter, together with interest thereon, shall be
 26 secured by a lien of first priority in favor of the State of California
 27 upon the real property or a mobilehome for which property taxes
 28 have been postponed, or both. *This lien shall have the same priority*
 29 *as a county property tax lien pursuant to Section 2192.1 of the*
 30 *Revenue and Taxation Code.* In the case of a residential dwelling
 31 which is part of a larger parcel taxed as a unit, such as a duplex,
 32 farm, or multipurpose or multidwelling building, the lien shall be
 33 against the entire tax parcel.

34 (b) In the case of real property:

35 (1) The lien shall be evidenced by a notice of lien for postponed
 36 property taxes executed by the Controller, or the authorized
 37 delegate of the Controller, and shall secure all sums paid or owing
 38 pursuant to this chapter, including amounts paid subsequent to the
 39 initial payment of postponed taxes on the real property described
 40 in the notice of lien.

1 (2) The notice of lien may bear the facsimile signature of the
2 Controller. Each signature shall be that of the person who shall be
3 in the office at the time of execution of the notice of lien; provided,
4 however, that such notice of lien shall be valid and binding
5 notwithstanding any such person having ceased to hold the office
6 of Controller before the date of recordation.

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

10 (A) The names of all record owners of the real property for
11 which the Controller has advanced funds for the payment of real
12 property taxes.

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

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

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

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

23 (6) After the notice of lien has been duly recorded and indexed,
24 it shall be returned by the county recorder to the office of the
25 Controller. The recorder shall provide the county tax collector with
26 a copy of the notice of lien which has been recorded by the
27 Controller.

28 (7) From the time of recordation of a notice of lien for
29 postponed property taxes, a lien shall attach to the real property
30 described therein and shall have the priority of a judgment lien for
31 all amounts secured thereby, except that the lien shall remain in
32 effect until either of the following occurs:

33 (A) It is released by the Controller in the manner prescribed
34 by Section 16186.

35 (B) The foreclosure or sale of an obligation secured by a lien
36 which is senior in priority to the lien of the State of California.

37 (c) In the case of mobilehomes:

38 (1) The lien shall be evidenced by a notice of lien for postponed
39 property taxes executed by the Controller, or the authorized

1 delegate of the Controller, and shall secure all sums paid or owing
2 pursuant to this chapter.

3 (2) The notice of lien may bear the facsimile signature of the
4 Controller. The signature shall be that of the person who is in the
5 office at the time of execution of the notice of lien. However, the
6 notice of lien is valid and binding notwithstanding the person
7 having ceased to hold the office of Controller before the date of
8 filing.

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

12 (A) The name or names of the registered owner or owners,
13 legal owner or owners, if different than the registered owner or
14 owners and the names, if any, of all junior lienholders.

15 (B) The identification number of the notice of lien which has
16 been assigned the lien by the Controller.

17 (4) The notice of lien shall be transmitted to the Department
18 of Housing and Community Development at its office in
19 Sacramento, California.

20 (5) Upon receipt of the notice of lien for postponed property
21 taxes from the Controller, the Department of Housing and
22 Community Development shall amend the permanent title record
23 of the mobilehome to reflect that the property taxes on the
24 mobilehome are subject to postponement.

25 (6) The Department of Housing and Community Development
26 shall provide the Controller with an acknowledgement of receipt
27 and amendment of the permanent title record.

28 (7) From the time the Department of Housing and Community
29 Development receives the notice of lien from the Controller, the
30 department shall impose a moratorium on any other amendments
31 to the permanent title record of the mobilehome for purposes of
32 transferring any ownership interest or transferring or creating any
33 security interest in the mobilehome, until released by the Controller
34 in the manner prescribed by Section 16186 or an authorization for
35 the amendments is given by the Controller in writing.

36 (d) From the time of filing a notice of lien, a lien shall attach
37 to the mobilehome for which eligibility for the postponement of
38 property taxes has been granted.

39 (e) Notwithstanding any other provision in this section, any
40 action required of a local agency by this section in order to give

1 effect to the Senior Citizens Mobilehome Property Tax
2 Postponement Law (Chapter 3.3 (commencing with Section 20639)
3 of Part 10.5 of Division 2 of the Revenue and Taxation Code, and
4 that has been determined by the Commission on State Mandates
5 to be a reimbursable mandate, shall be optional.

6 *SEC. 4. Section 16183 of the Government Code is amended to*
7 *read:*

8 16183. (a) ~~(1)~~—From the time a payment is made pursuant to
9 Section 16180, the amount of that payment shall bear interest at a
10 rate (not compounded), determined as follows:

11 (1) For the period ending June 30, 1984, the rate of interest
12 shall be 7 percent per annum.

13 (2) The Controller shall establish an adjusted rate of interest
14 for the purpose of this subdivision not later than July 15th of any
15 year if the effective annual yield of the Pooled Money Investment
16 Account for the prior fiscal year is at least a full percentage point
17 more or less than the interest rate which is then in effect. The
18 adjusted rate of interest shall be equal per annum to the effective
19 annual yield earned in the prior fiscal year by the Pooled Money
20 Investment Account rounded to the nearest full percent *plus no*
21 *less than 4 percent and no greater than 7 percent*, and shall become
22 effective for new deferrals, beginning on ~~July 1, 1984~~ *January 1,*
23 *2010*, and on ~~July~~ *January* 1 of each immediately succeeding year.

24 (3) ~~The~~ *For deferrals made prior to January 1, 2010,* the rate
25 of interest provided pursuant to this subdivision for the first fiscal
26 year commencing after payment is made pursuant to Section 16180
27 shall apply for that fiscal year and each fiscal year thereafter until
28 these postponed property taxes are repaid.

29 (4) *For deferrals made on or after January 1, 2010, the rate of*
30 *interest shall be adjusted annually, pursuant to paragraph (2).*

31 (b) The interest provided for in subdivision (a) shall be applied
32 beginning the first day of the month following the month in which
33 that payment is made and continuing on the first day of each month
34 thereafter until that amount is paid. In the event that any payments
35 are applied, in any month, to reduce the amount paid pursuant to
36 Section 16180, the interest provided for herein shall be applied to
37 the balance of that amount beginning on the first day of the
38 following month.

39 (c) In computing interest in accordance with this section,
40 fractions of a cent shall be disregarded.

1 (d) For the purpose of this section, the time a payment is made
2 shall be deemed to be the ~~time a certificate of eligibility is~~
3 ~~countersigned by the tax collector or the delinquency date of the~~
4 ~~respective tax installment, whichever is later~~ *date the Controller*
5 *issues the property tax postponement payment.*

6 (e) The Controller shall include on forms supplied to claimants
7 pursuant to Sections 20621, 20630.5, 20639.9, 20640.9, and 20641
8 of the Revenue and Taxation Code, a statement of the interest rate
9 which shall apply to amounts postponed for the fiscal year to which
10 the form applies.

11 (f) *The Controller shall assess an annual fee of seventy-five*
12 *dollars (\$75) to all claimant accounts for which property taxes*
13 *are deferred on or after January 1, 2010.*

14 *SEC. 5. Section 16200 of the Government Code is amended to*
15 *read:*

16 16200. In the event that the Controller receives the notice
17 described in Section 16187 of this code or Section 3375 of the
18 Revenue and Taxation Code, the Controller may take any of the
19 following actions which will best serve the interests of the state:

20 ~~(a) Out of the amount appropriated by Section 16100, the~~ *The*
21 *Controller may pay the amount of any delinquent taxes, interest,*
22 *or penalties on the property or the amount of any other obligation*
23 *secured by a lien or encumbrance on the property and add such*
24 *amount to the amount secured by the lien on such property*
25 *provided for in Article 1 (commencing with Section 16180) of this*
26 *chapter.*

27 (b) Notify by United States mail the tax collector or other party
28 that such notice has been received and that the Controller must be
29 given at least 20 days prior notice of the date that the property will
30 be sold at auction. If the Controller elects to proceed under this
31 subdivision, the Controller may ~~use funds appropriated by Section~~
32 ~~16100 to~~ bid on the property at the auction up to the amount
33 secured by the state's lien on the property and any lien on such
34 property having priority over the state's lien. All additional
35 amounts paid pursuant to this subdivision shall be added to the
36 amount secured by the lien on such property provided for in Article
37 1 (commencing with Section 16180) of this chapter.

38 (c) Acknowledge by United States mail that the notice required
39 by Section 16187 of this code or Section 3375 of the Revenue and
40 Taxation Code has been received.

1 (d) *The Controller may pay any costs incurred pursuant to this*
2 *section from any funds available for program expenditures.*

3 *SEC. 6. Section 16202 of the Government Code is amended to*
4 *read:*

5 16202. (a) Notwithstanding any other provision of law, in the
6 event that the state acquires an interest in real property pursuant
7 to subdivision (b) of Section 16200, the Controller may, in addition
8 to the options provided in Section 16201, take any other action
9 with respect to that real property interest as will best serve the
10 interest of the state. These actions may include, but shall not be
11 limited to, the sale, lease, or retention of any interest so acquired.
12 The Controller may contract with licensed real estate brokers,
13 maintenance and repair contractors, security contractors, appraisers,
14 property managers, insurance brokers, and any other experts or
15 specialists as may be necessary to protect or preserve the state's
16 interest in that property. The Controller may pay the costs incurred
17 pursuant to those contracts ~~out of the amount appropriated by~~
18 ~~Section 16100, or from any appropriation in lieu thereof.~~

19 (b) The sale of those interests may be made on the basis of
20 conventional financing arrangements including the securing of
21 payment through the use of promissory notes, deeds of trust, and
22 other accepted methods of deferred payment.

23 (c) *The Controller may pay any costs incurred pursuant to this*
24 *section from any funds available for program expenditures.*

25 *SEC. 7. Section 16211 of the Government Code is amended to*
26 *read:*

27 16211. The claimant under Chapter 2 (commencing with
28 Section 20581), ~~Chapter 3 (commencing with Section 20625),~~
29 Chapter 3.3 (commencing with Section 20639, or Chapter 3.5
30 (commencing with Section 20640) of Part 10.5 of Division 2 of
31 the Revenue and Taxation Code whose residential dwelling was
32 sold or condemned may draw upon the amount in the account to
33 purchase a new residential dwelling, and the amount so drawn
34 shall be secured by a new lien against the new residential dwelling
35 from the time the Controller records the new lien against the new
36 residential dwelling as provided for under Section 16182.

37 In the case of real property, the Controller shall subordinate the
38 new lien to the lien of the note and deed of trust of the purchase
39 money obligations used in the acquisition of the new residential
40 dwelling, provided the claimant has an equity of at least 20 percent

1 of the full value of the property, as required by paragraph (1) of
 2 subdivision (b) of Section 20583 of the Revenue and Taxation
 3 Code, prior to recordation of that subordination. The lien shall
 4 have priority over all subsequent liens, except as provided in
 5 Section 2192.1 of the Revenue and Taxation Code.

6 *SEC. 8. Section 16211.5 of the Government Code is repealed.*

7 ~~16211.5. (a) In the event that the real property securing the~~
 8 ~~state's lien provided for in Article 1 (commencing with Section~~
 9 ~~16180) is the residential dwelling of a claimant under Chapter 2~~
 10 ~~(commencing with Section 20581) of Part 10.5 of Division 2 of~~
 11 ~~the Revenue and Taxation Code and is voluntarily sold, the funds~~
 12 ~~derived from the voluntary sale of the residential dwelling shall~~
 13 ~~be placed in an impound account for a period of six months. In~~
 14 ~~connection with the establishment of such account, the Controller~~
 15 ~~shall release the state's lien in the manner prescribed by Section~~
 16 ~~16186.~~

17 ~~(b) The claimant under Chapter 2 (commencing with Section~~
 18 ~~20581) of Part 10.5 of Division 2 of the Revenue and Taxation~~
 19 ~~Code whose residential dwelling was voluntarily sold may draw~~
 20 ~~upon the amount in the account to purchase a new residential~~
 21 ~~dwelling, and the amount so drawn shall be secured by a new lien~~
 22 ~~against the new residential dwelling from the time the Controller~~
 23 ~~records the new lien against the new residential dwelling as~~
 24 ~~provided for under Section 16182.~~

25 ~~The Controller shall subordinate such new lien to the note and~~
 26 ~~deed of trust of the purchase money obligations used in the~~
 27 ~~acquisition of the new residential dwelling, provided the claimant~~
 28 ~~has an equity of at least 20 percent of the full value of the property,~~
 29 ~~as required by paragraph (1) of subdivision (b) of Section 20583~~
 30 ~~of the Revenue and Taxation Code, prior to recordation of such~~
 31 ~~subordination. Such lien shall have priority over all subsequent~~
 32 ~~liens, except as provided in Section 2192.1 of the Revenue and~~
 33 ~~Taxation Code.~~

34 *SEC. 9. Section 16213 of the Government Code is repealed.*

35 ~~16213. At the end of the six-month period specified in Section~~
 36 ~~16210 or the six-month period specified in Section 16211.5, all~~
 37 ~~funds remaining in an impound account shall be transferred to the~~
 38 ~~General Fund.~~

39 *SEC. 10. Section 16214 of the Government Code is repealed.*

1 ~~16214. All moneys in an impound account created pursuant to~~
2 ~~this article are continually appropriated to the Controller for the~~
3 ~~purposes of this article.~~

4 *SEC. 11. Section 2505 of the Revenue and Taxation Code is*
5 *amended to read:*

6 2505. (a) Except as provided in subdivision (b), the tax
7 collector or treasurer for any city or county may in his or her
8 discretion accept negotiable paper in payment of any tax, or
9 assessment, or on a redemption.

10 (b) The tax collector of a county shall accept a ~~certificate of~~
11 ~~eligibility property tax postponement payment from the Controller~~
12 ~~issued pursuant to Section 20602~~ to pay all or any part of any ad
13 valorem property tax, special assessment, or other charge or user
14 fee appearing on the county tax bill. The tax collector, treasurer,
15 or other official charged with the duty of collecting taxes for a
16 chartered city which levies and collects its own property taxes
17 shall accept a ~~certificate of eligibility property tax postponement~~
18 ~~payment from the Controller issued pursuant to Section 20602~~ to
19 pay all or any part of any ad valorem property tax, special
20 assessment, or other charge or user fee appearing on the tax bill
21 of such city. A ~~certificate for partial property tax postponement~~
22 ~~payment~~ shall not be accepted unless accompanied by an amount
23 sufficient to fully pay the remaining ad valorem property taxes,
24 special assessment, or other charge or fee appearing on the
25 respective tax bill installment.

26 (c) Except as provided in Chapter 2 (commencing with Section
27 20581), Chapter 3.3 (commencing with Section 20639), Chapter
28 3.5 (commencing with Section 20640), or Chapter 4 (commencing
29 with Section 20641) of Part 10.5 of Division 2, a ~~certificate of~~
30 ~~eligibility property tax postponement payment from the Controller~~
31 ~~issued pursuant to Section 20602~~ shall not be used to pay any
32 delinquent taxes, assessments, penalties, costs, fees, or interest, or
33 any redemption charges.

34 (d) ~~For the 1978-79 fiscal year and thereafter, except as to~~
35 ~~those amounts which can be paid by a certificate pursuant to~~
36 ~~subdivision (c), the tax collector shall not accept a certificate of~~
37 ~~eligibility to pay all or part of any installment if tendered after the~~
38 ~~delinquency date thereof, unless accompanied by an amount~~
39 ~~sufficient to fully pay any delinquent taxes, assessments, costs,~~

1 penalties, interest, fees or other charges resulting from the
 2 delinquency or delinquencies.

3 (e) ~~In no event shall a certificate of eligibility be accepted later~~
 4 ~~than the expiration date designated thereon.~~

5 *SEC. 12. Section 2514 of the Revenue and Taxation Code is*
 6 *amended to read:*

7 2514. (a) Upon receipt of a certificate of eligibility described
 8 ~~in property tax postponement payment from the Controller issued~~
 9 ~~pursuant to Section 20602, Section 20639.6, or Section 20640.6~~
 10 ~~signed by the claimant, the claimant's spouse, or authorized agent~~
 11 ~~appointed under regulations adopted by the Controller pursuant to~~
 12 ~~Section 20603 or Section 20640.7, the tax collector shall ascertain~~
 13 ~~whether the amount of money entered on the certificate by such~~
 14 ~~claimant or agent of the property tax postponement payment from~~
 15 ~~the Controller, when added to other amounts available for such~~
 16 ~~purpose, are sufficient to pay the amount due and owing.~~

17 If such is the case, the tax collector or his or her designee shall
 18 ~~countersign the certificate process the property tax postponement~~
 19 ~~payment from the Controller and mark the tax paid. Once signed~~
 20 ~~and countersigned, a certificate of eligibility shall be deemed a~~
 21 ~~negotiable instrument for purposes of all laws of this state, as~~
 22 ~~specified in subdivision (d) of Section 20602. Upon acceptance~~
 23 ~~of such a certificate the property tax postponement payment from~~
 24 ~~the Controller:~~

25 (1) The tax collector shall enter the fact that taxes on the
 26 property have been postponed in appropriate columns on the roll.
 27 In the case of the secured roll, this information may be entered in
 28 that portion of the roll ~~which~~ *that* has been designated for tax
 29 default information required by Section 3439.

30 (2) In the case of a ~~certificate of eligibility property tax~~
 31 ~~postponement payment~~ issued pursuant to Section 20602, the tax
 32 collector shall determine if the property ~~described in the certificate~~
 33 ~~of eligibility~~ is subject to a *property tax postponement* lien recorded
 34 pursuant to Section 16182 of the Government Code. If the property
 35 is not subject to such a lien, the tax collector shall enter the ~~amount~~
 36 ~~paid by use of the certificate, the date of such payment, the~~
 37 ~~Controller's identification number shown on the certificate of~~
 38 ~~eligibility, the address of the property covered by the certificate,~~
 39 ~~and the name of the claimant as shown on the certificate, the county~~
 40 ~~code, and the assessor's parcel number~~ on a "notice of lien for

1 postponed property taxes” form which shall be provided by the
2 Controller. The tax collector shall thereafter forward ~~such~~ *the*
3 notice of lien form to the assessor.

4 (3) With respect to a claimant whose property taxes are paid
5 by a lender from an impound, trust, or other type of account
6 described in Section 2954 of the Civil Code, the tax collector shall
7 notify the auditor of the claimant’s name and address, and the
8 amount of ~~money entered on the certificate~~ *the property tax*
9 *postponement payment*.

10 The auditor, treasurer, or disbursing officer shall send a check
11 in the amount of ~~money entered on the certificate to said~~ *the*
12 *property tax postponement payment to the* claimant within 30 days
13 following the date on which the installment is paid by the lender
14 or the ~~certificate of eligibility~~ *property tax postponement payment*
15 is received from the ~~claimant~~ *Controller*, whichever is later.

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

19 (c) Notwithstanding any other provision in this section, any
20 action required of a local agency by this section in order to give
21 effect to the Senior Citizens Mobilehome Property Tax
22 Postponement Law (Chapter 3.3 (commencing with Section 20639)
23 of Part 10.5 of Division 2, and that has been determined by the
24 Commission on State Mandates to be a reimbursable mandate,
25 shall be optional.

26 *SEC. 13. Section 2515 of the Revenue and Taxation Code is*
27 *amended to read:*

28 2515. (a) Upon receipt of a “notice of lien for postponed
29 property taxes” from the tax collector, the assessor shall
30 immediately:

31 (1) Enter, on the notice of lien, a description of the real property
32 for which the taxes have been paid ~~by use of a certificate of~~
33 ~~eligibility~~ *by the Controller* pursuant to Section 2514. Such
34 description shall be a “metes and bounds,” “lot-block-tract,” or
35 ~~such~~ *any* other description as is determined by the Controller to
36 sufficiently describe the real property for the purpose of securing
37 the state’s lien.

38 (2) Enter on the notice of lien, the names of all record owners
39 of the property described under subdivision (a) of this section, as
40 disclosed by the assessor’s records.

1 (3) Upon entry of the information required by subdivisions (a)
 2 and (b) ~~of this section~~ on the notice of lien, the assessor shall
 3 immediately forward the notice of lien to the county recorder.

4 (4) Enter on the assessment records applicable to ~~such the~~ *the*
 5 property, the fact that the taxes on the property have been
 6 postponed and the Controller’s identification number, and shall,
 7 when ~~such the~~ record reveals a change in the ownership status of
 8 the property subsequent to the date of entry of the postponement
 9 information thereon, notify the Controller of ~~such the~~ change in
 10 the ownership status in the manner prescribed by the Controller.

11 (b) From the time of recordation of the notice of lien pursuant
 12 to Section 16182 of the Government Code, the lien for postponed
 13 property taxes shall be deemed to impart constructive notice of
 14 the contents thereof to subsequent purchasers, mortgagees, lessees
 15 and other lienors.

16 *SEC. 14. Section 20503 of the Revenue and Taxation Code is*
 17 *amended to read:*

18 20503. (a) “Income” means adjusted gross income as defined
 19 in Section 17072 plus all of the following cash items:

- 20 (1) Public assistance and relief.
- 21 (2) Nontaxable amount of pensions and annuities.
- 22 (3) Social security benefits (except Medicare).
- 23 (4) Railroad retirement benefits.
- 24 (5) Unemployment insurance payments.
- 25 (6) Veterans’ benefits.
- 26 (7) Exempt interest received from any source.
- 27 (8) Gifts and inheritances in excess of three hundred dollars
 28 (\$300), other than transfers between members of the household.
 29 Gifts and inheritances include noncash items.
- 30 (9) Amounts contributed on behalf of the contributor to a
 31 tax-sheltered retirement plan or deferred compensation plan.
- 32 (10) Temporary workers’ compensation payments.
- 33 (11) Sick leave payments.
- 34 (12) Nontaxable military compensation as defined in Section
 35 112 of the Internal Revenue Code.
- 36 (13) Nontaxable scholarship and fellowship grants as defined
 37 in Section 117 of the Internal Revenue Code.
- 38 (14) Nontaxable gain from the sale of a residence as defined
 39 in Section 121 of the Internal Revenue Code.

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

9 (16) If an alternative minimum tax is required to be paid
10 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
11 10, the amount of alternative minimum taxable income (whether
12 or not cash) in excess of the regular taxable income.

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

15 (b) For purposes of this chapter, total income shall be
16 determined for the calendar year (or approved fiscal year ending
17 within that calendar year) which ends within the fiscal year for
18 which assistance is claimed.

19 ~~(e) For purposes of Chapter 2 (commencing with Section~~
20 ~~20581), Chapter 3 (commencing with Section 20625), and Chapter~~
21 ~~3.5 (commencing with Section 20640), total income shall be~~
22 ~~determined for the calendar year ending immediately prior to the~~
23 ~~commencement of the fiscal year for which postponement is~~
24 ~~claimed.~~

25 *SEC. 15. Section 20505 of the Revenue and Taxation Code is*
26 *amended to read:*

27 20505. ~~“Claimant”~~ *For purposes of this chapter, “claimant”*
28 *means an individual who—*

29 ~~(a) For purposes of this chapter~~ *who* was either (1) 62 years of
30 age or older on the last day of the calendar year or approved fiscal
31 year designated in subdivision (b) ~~or (e)~~ of Section 20503;
32 ~~whichever is applicable~~, or (2) blind or disabled, as defined in
33 Section 12050 of the Welfare and Institutions Code on the last day
34 of the calendar year or approved fiscal year designated in
35 subdivision (b) of Section 20503, who was a member of the
36 household, and who was either: (1) the owner and occupier of a
37 residential dwelling on the last day of the year designated in
38 subdivision (b) ~~or (e)~~ of Section 20503, or (2) the renter of a rented
39 residence on or before the last day of the year designated in
40 subdivision (b) of Section 20503. An individual who qualifies as

1 an owner-claimant may not qualify as a renter-claimant for the
2 same year.

3 ~~(b) (1) For purposes of Chapter 2 (commencing with Section~~
4 ~~20581), Chapter 3 (commencing with Section 20625), Chapter 3.3~~
5 ~~(commencing with Section 20639), and Chapter 3.5 (commencing~~
6 ~~with Section 20640) was a member of the household and either an~~
7 ~~owner-occupant, or a tenant stockholder occupant, or a possessory~~
8 ~~interestholder occupant, or a mobilehome owner-occupant, as the~~
9 ~~case may be, of the residential dwelling as to which postponement~~
10 ~~is claimed on the last day of the year designated in subdivision (b)~~
11 ~~or (c) of Section 20503, and who was 62 years of age or older by~~
12 ~~December 31 of the fiscal year for which postponement is claimed.~~

13 ~~(2) For purposes of Chapter 2 (commencing with Section~~
14 ~~20581), Chapter 3 (commencing with Section 20625), Chapter 3.3~~
15 ~~(commencing with Section 20639), and Chapter 3.5 (commencing~~
16 ~~with Section 20640) was a member of the household and an~~
17 ~~owner-occupant of the residential dwelling as to which~~
18 ~~postponement is claimed on the last day of the year designated in~~
19 ~~subdivision (c) of Section 20503, and who was blind or disabled,~~
20 ~~as defined in Section 12050 of the Welfare and Institutions Code,~~
21 ~~at the time of application or on December 10 of the fiscal year for~~
22 ~~which postponement is claimed, whichever is earlier.~~

23 ~~(c) Where amounts have been postponed for any given fiscal~~
24 ~~year and the claimant continues to own and occupy the residential~~
25 ~~dwelling on December 31 of the calendar year in which the fiscal~~
26 ~~year begins, and the claimant sells the dwelling and buys a new~~
27 ~~residential dwelling in this state on or before December 31 of the~~
28 ~~following fiscal year and the new dwelling is the claimant's~~
29 ~~principal place of residence, then in that event, the claimant shall~~
30 ~~be deemed to be a qualified claimant for the purpose of this section.~~
31 ~~These regulations shall become effective immediately upon filing~~
32 ~~with the Secretary of State.~~

33 *SEC. 16. Section 20582 of the Revenue and Taxation Code is*
34 *amended to read:*

35 20582. Unless the context otherwise requires, the definitions
36 given in Chapter 1 (commencing with Section 20501) of this part
37 and in this article shall govern the construction of this chapter *this*
38 *chapter shall govern the construction of Chapter 2 (commencing*
39 *with Section 20581), Chapter 3.3 (commencing with Section*

1 20639), Chapter 3.5 (commencing with Section 20640), and
2 Chapter 4 (commencing with Section 20641).

3 SEC. 17. Section 20583 of the Revenue and Taxation Code is
4 amended to read:

5 20583. (a) “Residential dwelling” means a dwelling occupied
6 as the principal place of residence of the claimant, and so much
7 of the land surrounding it as is reasonably necessary for use of the
8 dwelling as a home, owned by (1) the claimant, (2) the claimant
9 and the claimant’s spouse, ~~or by~~ (3) the claimant and parents,
10 children (natural or adopted), or grandchildren of either the
11 claimant or the claimant’s spouse, or (4) the claimant and the
12 spouse of any parent, child (natural or adopted), or grandchild of
13 either the claimant or the claimant’s spouse, or (5) the claimant
14 and ~~either~~ another individual eligible for postponement under this
15 chapter ~~or an individual described in subdivision (a), (b), or (c) of~~
16 ~~Section 20511~~ and located in this state. It shall include
17 condominiums and mobilehomes that are assessed as realty for
18 local property tax purposes. It also includes part of a multidwelling
19 or multipurpose building and a part of the land upon which it is
20 built. In the case of a mobilehome not assessed as real property
21 that is located on land owned by the claimant, “residential
22 dwelling” includes the land on which the mobilehome is situated
23 and so much of the land surrounding it as reasonably necessary
24 for use of the mobilehome as a home. *It shall also include a*
25 *dwelling unit that is a mobilehome owned by a claimant subject*
26 *to property taxation pursuant to Part 13 (commencing with Section*
27 *5800) of Division 1 and located on land that is owned or rented*
28 *by the claimant.*

29 (b) As used in this chapter in reference to ownership interests
30 in residential dwellings, “owned” includes (1) the interest of a
31 vendee in possession under a land sale contract provided that the
32 contract or memorandum thereof is recorded and only from the
33 date of recordation of the contract or memorandum thereof in the
34 office of the county recorder where the residential dwelling is
35 located, (2) the interest of the holder of a life estate provided that
36 the instrument creating the life estate is recorded and only from
37 the date of recordation of the instrument creating the life estate in
38 the office of the county recorder where the residential dwelling is
39 located, but “owned” does not include the interest of the holder of
40 any remainder interest or the holder of a reversionary interest in

1 the residential dwelling, (3) the interest of a joint tenant or a tenant
2 in common in the residential dwelling or the interest of a tenant
3 where title is held in tenancy by the entirety or a community
4 property interest where title is held as community property, and
5 (4) the interest in the residential dwelling in which the title is held
6 in trust, as described in subdivision (d) of Section 62, provided
7 that the Controller determines that the state's interest is adequately
8 protected.

9 (c) For purposes of this chapter, the registered owner of a
10 mobilehome shall be deemed to be the owner of the mobilehome.

11 (d) Except as provided in subdivision (c), ~~and Chapter 3~~
12 ~~(commencing with Section 20625)~~, ownership must be evidenced
13 by an instrument duly recorded in the office of the county where
14 the residential dwelling is located.

15 (e) "Residential dwelling" does not include any of the
16 following:

17 (1) Any residential dwelling in which the owners do not have
18 an equity of at least 20 percent of the full value of the property as
19 determined for purposes of property taxation or at least 20 percent
20 of the fair market value as determined by the Controller and where
21 the Controller determines that the state's interest is adequately
22 protected. The 20-percent equity requirement shall be met at the
23 time the claimant or authorized agent files an initial postponement
24 claim and tenders to the tax collector the initial certificate of
25 eligibility described in Sections 20602, 20639.6, and 20640.6.
26 *Controller determines that the owners do not have sufficient equity*
27 *to adequately protect the state's interest in the eventual repayment*
28 *of all property tax postponement loans at the time that those loans*
29 *become due and payable; or in which the Controller determines*
30 *that the owners, at the time of initial postponement, do not have*
31 *an equity of at least 20 percent of the home's fair market value as*
32 *determined by the Controller. Each year that a claim for*
33 *postponement is filed, the Controller shall make a determination*
34 *that the state's interest is adequately protected. The Controller*
35 *may deny additional postponement after the initial postponement*
36 *if the Controller determines that the state's interest is not*
37 *adequately protected.*

38 (2) Any residential dwelling in which the claimant's interest
39 is held pursuant to a contract of sale or under a life estate, unless
40 the claimant obtains the written consent of the vendor under the

1 contract of sale, or the holder of the reversionary interest upon
2 termination of the life estate, for the postponement of taxes and
3 the creation of a lien on the real property in favor of the state for
4 amounts postponed pursuant to this act.

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

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

10 ~~(f) Notwithstanding subdivision (e) of Section 20584,~~
11 ~~houseboats and floating homes, as defined by Section 20583.1, on~~
12 ~~which property taxes are delinquent at the time the application for~~
13 ~~postponement under this chapter is made, shall not be eligible for~~
14 ~~postponement.~~

15 *SEC. 18. Section 20583.1 of the Revenue and Taxation Code*
16 *is amended to read:*

17 20583.1. For purposes of Section 20583, "residential dwelling"
18 ~~includes~~ shall not include houseboats and floating homes.

19 *SEC. 19. Section 20584.1 is added to the Revenue and Taxation*
20 *Code, to read:*

21 20584.1. *The Controller shall prescribe a maximum annual*
22 *postponement loan amount.*

23 *SEC. 20. Section 20585 of the Revenue and Taxation Code is*
24 *amended to read:*

25 20585. Postponement shall not be allowed under this chapter
26 ~~or Chapter 3 (commencing with Section 20625), Chapter 3.3~~
27 (commencing with Section 20639), or Chapter 3.5 (commencing
28 with Section 20640) if household income exceeds either of the
29 following amounts:

30 (a) For the 1976 calendar year or for any approved fiscal year
31 commencing within that calendar year, household income shall
32 not exceed twenty thousand dollars (\$20,000).

33 (b) For all subsequent calendar years and approved fiscal years,
34 postponement shall not be allowed under this chapter, ~~Chapter 3~~
35 ~~(commencing with Section 20625), Chapter 3.3 (commencing with~~
36 ~~Section 20639), or Chapter 3.5 (commencing with Section 20640)~~
37 if household income exceeds an amount determined as follows:

38 (1) On or before March 1 of each year, the California
39 Department of Industrial Relations shall transmit to the Controller
40 the percentages of increase in the California Consumer Price Index

1 for all Urban Consumers and in the California Consumer Price
 2 Index for Urban Wage Earners and Clerical Workers of December
 3 of the prior calendar year over December of the preceding calendar
 4 year.

5 (2) The Controller shall compute an inflation adjustment factor
 6 by adding 100 percent to the larger of the California Consumer
 7 Price Index percentage increases furnished pursuant to paragraph
 8 (1).

9 (3) In 1978, the Franchise Tax Board shall multiply twenty
 10 thousand dollars (\$20,000) by the inflation adjustment factor to
 11 determine the maximum allowable gross household income for
 12 the 1977 calendar year and for approved fiscal years commencing
 13 within that calendar year. In 1979 and subsequent calendar years
 14 through and including 1983, the Controller shall multiply the
 15 maximum allowable household income determined for the
 16 preceding calendar year by the inflation adjustment factor to
 17 determine the maximum allowable household income for the
 18 applicable calendar year and approved fiscal years commencing
 19 within that calendar year. In determining the maximum allowable
 20 household income pursuant to this section, the Controller shall
 21 round that amount to the nearest hundred dollar amount.

22 (c) For calendar year 1984 and subsequent calendar years and
 23 for approved fiscal years commencing within those years,
 24 postponement shall not be allowed under this chapter, ~~Chapter 3~~
 25 ~~(commencing with Section 20626)~~, Chapter 3.3 (commencing with
 26 Section 20639), or Chapter 3.5 (commencing with Section 20640),
 27 if household income exceeds an amount determined as follows:

28 (1) For claimants who filed and qualified in the calendar year
 29 1983 and for whom postponement has been allowed for each
 30 subsequent calendar year up to and including the calendar year
 31 2007, thirty-four thousand dollars (\$34,000). For these same
 32 claimants, for the calendar year 2008 or for any approved fiscal
 33 year commencing within that calendar year, household income
 34 shall not exceed thirty-five thousand five hundred dollars
 35 (\$35,500).

36 (2) For all other claimants, for calendar years up to and
 37 including 2006, household income shall not exceed twenty-four
 38 thousand dollars (\$24,000). For these same claimants, for the 2007
 39 calendar year or for any approved fiscal year commencing within
 40 that calendar year, household income shall not exceed thirty-one

1 thousand five hundred dollars (\$31,500). For these same claimants,
2 for the 2008 calendar year or for any approved fiscal year
3 commencing within that calendar year, household income shall
4 not exceed thirty-five thousand five hundred dollars (\$35,500).

5 (3) (A) For all claimants for the calendar year 2009 or for any
6 approved fiscal year commencing within that calendar year,
7 postponement shall not be allowed under this chapter, ~~Chapter 3~~
8 ~~(commencing with Section 20626)~~; Chapter 3.3 (commencing with
9 Section 20639), or Chapter 3.5 (commencing with Section 20640),
10 if household income exceeds ~~thirty-nine~~ *thirty-five* thousand *five*
11 *hundred* dollars ~~(\$39,000)~~ (\$35,500).

12 (B) For the 2010 calendar year and each subsequent calendar
13 year, and for any approved fiscal year commencing within that
14 calendar year, the household income amount specified in
15 subparagraph (A) shall be adjusted for inflation, in accordance
16 with an inflation factor determined pursuant to paragraphs (1) and
17 (2) of subdivision (b).

18 *SEC. 21. Section 20586 of the Revenue and Taxation Code is*
19 *amended to read:*

20 20586. For the purposes of Chapter 2 (commencing with
21 Section 20581), ~~Chapter 3 (commencing with Section 20625)~~,
22 Chapter 3.3 (commencing with Section 20639), and Chapter 3.5
23 (commencing with Section 20640), only one claimant per
24 household each year shall be entitled to postponement. When two
25 or more individuals in a household are qualified as claimants, they
26 may determine who the claimant shall be. Such decision is
27 irrevocable. If the individuals are unable to agree, the matter shall
28 be determined by the Controller and his decision shall be final.

29 *SEC. 22. Section 20587 is added to the Revenue and Taxation*
30 *Code, to read:*

31 20587. (a) *For the purposes of this chapter “income” means*
32 *adjusted gross income as defined in Section 17072 plus all of the*
33 *following cash items:*

- 34 (1) *Public assistance and relief.*
- 35 (2) *Nontaxable amount of pensions and annuities.*
- 36 (3) *Social security benefits (except Medicare).*
- 37 (4) *Railroad retirement benefits.*
- 38 (5) *Unemployment insurance payments.*
- 39 (6) *Veterans’ benefits.*
- 40 (7) *Exempt interest received from any source.*

- 1 (8) *Gifts and inheritances in excess of three hundred dollars*
- 2 *(\$300), other than transfers between members of the household.*
- 3 *Gifts and inheritances include noncash items.*
- 4 (9) *Amounts contributed on behalf of the contributor to a*
- 5 *tax-sheltered retirement plan or deferred compensation plan.*
- 6 (10) *Temporary workers' compensation payments.*
- 7 (11) *Sick leave payments.*
- 8 (12) *Nontaxable military compensation as defined in Section*
- 9 *112 of the Internal Revenue Code.*
- 10 (13) *Nontaxable scholarship and fellowship grants as defined*
- 11 *in Section 117 of the Internal Revenue Code.*
- 12 (14) *Nontaxable gain from the sale of a residence as defined in*
- 13 *Section 121 of the Internal Revenue Code.*
- 14 (15) *Life insurance proceeds to the extent that the proceeds*
- 15 *exceed the expenses incurred for the last illness and funeral of the*
- 16 *deceased spouse of the claimant. "Expenses incurred for the last*
- 17 *illness" includes unreimbursed expenses paid or incurred during*
- 18 *the income calendar year and any expenses paid or incurred*
- 19 *thereafter up until the date the claim is filed. For purposes of this*
- 20 *paragraph, funeral expenses shall not exceed five thousand dollars*
- 21 *(\$5,000).*
- 22 (16) *If an alternative minimum tax is required to be paid*
- 23 *pursuant to Chapter 2.1 (commencing with Section 17062) of Part*
- 24 *10, the amount of alternative minimum taxable income (whether*
- 25 *or not cash) in excess of the regular taxable income.*
- 26 (17) *Annual winnings from the California Lottery in excess of*
- 27 *six hundred dollars (\$600) for the current year.*
- 28 (b) *The total household income shall not include amounts*
- 29 *deducted for a net business loss, net rental loss, net capital loss,*
- 30 *or other net losses, amounts deducted for depreciation, or other*
- 31 *noncash expenses.*
- 32 (c) *For purposes of Chapter 2 (commencing with Section 20581)*
- 33 *and Chapter 3.5 (commencing with Section 20640), total income*
- 34 *shall be determined for the calendar year ending immediately prior*
- 35 *to the commencement of the fiscal year for which postponement*
- 36 *is claimed.*
- 37 SEC. 23. *Section 20588 is added to the Revenue and Taxation*
- 38 *Code, to read:*
- 39 20588. *"Household income" means all income received by all*
- 40 *persons of a household while members of the household. In the*

1 case of a nonresident claimant, “household income” also includes
2 all income of the claimant during the year without regard to source.

3 SEC. 24. Section 20589 is added to the Revenue and Taxation
4 Code, to read:

5 20589. (a) “Claimant” means an individual who is either of
6 the following:

7 (1) For purposes of this chapter was either (1) 62 years of age
8 or older on the last day of the calendar year or approved fiscal
9 year designated in subdivision (b) or Section 20587, or (2) blind
10 or disabled, as defined in Section 12050 of the Welfare and
11 Institutions Code on the last day of the calendar year or approved
12 fiscal year designated in subdivision (b) of Section 20587, who
13 was a member of the household, and who was (1) the owner and
14 occupier of a residential dwelling on the last day of the year
15 designated in subdivision (b) or (c) of Section 20503, or (2) the
16 renter of a rented residence on or before the last day of the year
17 designated in subdivision (b) of Section 20503. An individual who
18 qualifies as an owner-claimant may not qualify as a
19 renter-claimant for the same year.

20 (2) (A) For purposes of this chapter, Chapter 3.3 (commencing
21 with Section 20639), and Chapter 3.5 (commencing with Section
22 20640) was a member of the household and either an
23 owner-occupant, or a possessory interestholder occupant, or a
24 mobilehome owner-occupant, as the case may be, of the residential
25 dwelling as to which postponement is claimed and who was 62
26 years of age or older by December 31 of the fiscal year for which
27 postponement is claimed.

28 (B) For purposes of this chapter, Chapter 3.3 (commencing
29 with Section 20639), and Chapter 3.5 (commencing with Section
30 20640) was a member of the household and an owner-occupant
31 of the residential dwelling as to which postponement is claimed
32 and who was blind or disabled, as defined in Section 12050 of the
33 Welfare and Institutions Code, at the time of application or on
34 December 10 of the fiscal year for which postponement is claimed,
35 whichever is earlier.

36 (b) Where amounts have been postponed for any given fiscal
37 year and the claimant continues to own and occupy the residential
38 dwelling on December 31 of the calendar year in which the fiscal
39 year begins, and the claimant sells the dwelling and buys a new
40 residential dwelling in this state on or before December 31 of the

1 following fiscal year and the new dwelling is the claimant's
 2 principal place of residence, then in that event, the claimant shall
 3 be deemed to be a qualified claimant for the purpose of this section.
 4 These regulations shall become effective immediately upon filing
 5 with the Secretary of State.

6 SEC. 25. Section 20590 is added to the Revenue and Taxation
 7 Code, to read:

8 20590. "Household" includes the claimant and all other
 9 persons, except bona fide renters, minors, or students (as defined
 10 by Section 151(c)(4) of the Internal Revenue Code), whose
 11 principal place of residence is the residential dwelling of the
 12 claimant.

13 SEC. 26. Section 20591 is added to the Revenue and Taxation
 14 Code, to read:

15 20591. (a) A claimant shall not lose his or her eligibility for
 16 property tax postponement if he or she is temporarily confined to
 17 a hospital or medical institution for medical reasons where the
 18 residential dwelling was the principal place of residence of the
 19 claimant immediately prior to the confinement.

20 (b) For purposes of this section, "medical institution" means
 21 a facility operated by, or licensed by, the United States, one of the
 22 several states, a political subdivision of a state, the State
 23 Department of Health, or exempt from such licensure pursuant to
 24 subdivision (c) of Section 1312 of the Health and Safety Code.

25 SEC. 27. Section 20602 of the Revenue and Taxation Code is
 26 repealed.

27 ~~20602. (a) Upon approval of a claim described in Section~~
 28 ~~20601, the Controller may do either of the following:~~

29 ~~(1) Make payments directly to a lender, mortgage company,~~
 30 ~~escrow company, or county tax collector for the property taxes~~
 31 ~~owed on behalf of a qualified claimant. Payments may, upon~~
 32 ~~appropriation by the Legislature, be made out of the amounts~~
 33 ~~otherwise appropriated pursuant to Section 16100 of the~~
 34 ~~Government Code that are secured by a lien and obligation as~~
 35 ~~specified by Article 1 (commencing with Section 16180) of Chapter~~
 36 ~~5 of Division 4 of the Government Code.~~

37 ~~(2) Issue to the claimant a certificate of eligibility, which shall~~
 38 ~~consist of two parts, both of which shall contain the name of the~~
 39 ~~claimant, the address of the residential dwelling on which the~~
 40 ~~claimant has applied for property tax postponement, and that other~~

1 information and in that form as the Controller shall prescribe. In
2 the event that that residential dwelling is located in a chartered
3 city which levies and collects its own taxes, the Controller shall
4 issue a duplicate certificate of eligibility to pay all or any part of
5 the property taxes appearing on that city's tax bill. Each part of a
6 certificate of eligibility shall be payable in an unspecified amount
7 and shall contain statements to identify the property tax installment
8 to which it may be applied.

9 (b) ~~The Controller shall prescribe the form of the certificates~~
10 ~~of eligibility to pay all delinquent taxes and assessments authorized~~
11 ~~by this chapter.~~

12 ~~Upon or accompanying each certificate shall be a brief statement~~
13 ~~explaining that (1) those taxpayers whose property taxes are paid~~
14 ~~by a lender via an impound, trust or other similar account should~~
15 ~~enter the total amount of each installment on their respective~~
16 ~~certificates and mail both certificates to the tax collector at the~~
17 ~~same time, and (2) those taxpayers will receive a refund check~~
18 ~~from the county or city in the amount they entered on each~~
19 ~~certificate, within 30 days following the date on which the~~
20 ~~installment is paid by the lender or the certificate of eligibility is~~
21 ~~received by the tax collector, whichever is later, and (3) the intent~~
22 ~~of this procedure is to make sure the taxes on the claimant's~~
23 ~~dwelling are not paid twice.~~

24 (c) ~~When a certificate of eligibility has been signed by the~~
25 ~~claimant, his or her spouse, or authorized agent and countersigned~~
26 ~~by the person authorized to collect property taxes or assessments~~
27 ~~for the local agency, such certificate shall constitute a written~~
28 ~~promise on the part of the State of California to pay the sum of~~
29 ~~money specified therein and such signed and countersigned~~
30 ~~certificate shall be deemed a negotiable instrument for the sole~~
31 ~~purpose of the payment of property taxes owing in the name of~~
32 ~~the claimant or his or her spouse for purposes of all laws of this~~
33 ~~state.~~

34 (d) ~~A certificate of eligibility shall be valid for the duration~~
35 ~~prescribed thereon by the Controller.~~

36 (e) ~~The Controller shall issue certificates of eligibility claims~~
37 ~~approved on or before September 30 between October 15 and~~
38 ~~November 1 of the fiscal year for which postponement is claimed.~~
39 ~~Certificates for claims approved after September 30 shall be issued~~

1 at such times as the Controller determines will best implement the
 2 purpose of this chapter.

3 ~~(f) The Controller shall prescribe the manner in which a
 4 claimant eligible under this chapter, who has been issued a
 5 certificate of eligibility which is lost or destroyed prior to being
 6 filed with the local agency pursuant to subdivision (b) may obtain
 7 a duplicate copy of said certificate as a replacement. (Under such
 8 conditions as may be prescribed by the Controller, a duplicate copy
 9 shall be deemed as having been filed with the local agency as of
 10 the date a claimant requests issuance of such duplicate copy.)~~

11 SEC. 27. Section 20602 is added to the Revenue and Taxation
 12 Code, to read:

13 20602. (a) Upon approval of a claim described in Section
 14 20601, the county tax collector shall provide verification that the
 15 “notice of lien for postponed property taxes” has been filed in a
 16 manner prescribed by the Controller.

17 (b) Upon receipt of the verification required by subdivision (a),
 18 the Controller shall issue a property tax postponement payment
 19 on behalf of a qualified claimant in a manner prescribed by the
 20 Controller.

21 (c) The Controller shall be indemnified from any losses that
 22 result from the inaccurate filing of the “notice of lien for postponed
 23 property taxes” by the county tax collector, assessor, or county
 24 recorder.

25 SEC. 28. *Section 20621 of the Revenue and Taxation Code is*
 26 *amended to read:*

27 20621. Each claimant applying for postponement under Article
 28 2 (commencing with Section 20601) shall file a claim under penalty
 29 of perjury with the Controller on a form supplied by the Controller.
 30 The claim shall contain all of the following:

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

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

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

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

1 (e) The county assessor's parcel number applicable to the
2 property for which the claimant is applying for the postponement
3 of property taxes.

4 (f) ~~(f)~~ Documentation evidencing the current existence of any
5 abstract of judgment, federal tax lien, or state tax lien filed or
6 recorded against the applicant, and any recorded mortgage or deed
7 of trust that affects the subject residential dwelling, for the purpose
8 of determining that the claimant possesses a 20-percent equity in
9 the subject residential dwelling as required by paragraph (1) of
10 subdivision ~~(b)~~ (e) of Section 20583.

11 ~~(2)~~ Actual costs, not in excess of fifty dollars (\$50), paid by
12 the claimant to obtain the documentation shall, in the event the
13 Controller issues a certificate of eligibility, reduce the amount of
14 the lien for the year, but not the face amount of the payment
15 prescribed in Section 16180 of the Government Code.

16 (g) Authorization for the Controller to pay the claimant's
17 property taxes, if approved, and promising repayment of the loan
18 as provided by Section 16190 of the Government Code.

19 ~~(g)~~

20 (h) Other information required by the Controller to establish
21 eligibility.

22 SEC. 29. Section 20622 of the Revenue and Taxation Code is
23 amended to read:

24 20622. (a) The claim for postponement shall be filed after
25 ~~May 15~~ July 1 of the calendar year in which the fiscal year for
26 which postponement is claimed begins, and on or before ~~December~~
27 ~~10~~ September 30 of that fiscal year; ~~if December 10th.~~ If September
28 30 falls on Saturday, Sunday, or a legal holiday, the date is
29 extended to the next business day. Any claim for postponement
30 filed after September 30, and on or before June 30, may be
31 considered for good cause.

32 (b) Any claims for postponement for the 2009–10 fiscal year
33 shall be filed after the effective date of the act adding this section
34 and on or before April 9, 2010.

35 SEC. 30. Section 20623 of the Revenue and Taxation Code is
36 repealed.

37 ~~20623.~~ No person shall file a claim for postponement under
38 this chapter on or after the effective date of the act adding this
39 section, and the Controller shall not accept applications for
40 postponement under this chapter on or after that date.

1 *SEC. 31. Chapter 3 (commencing with Section 20625) of Part*
 2 *10.5 of Division 2 of the Revenue and Taxation Code is repealed.*

3 *SEC. 32. Section 20639.1 of the Revenue and Taxation Code*
 4 *is amended to read:*

5 20639.1. (a) Unless the context otherwise requires or unless
 6 otherwise provided in this chapter, the definitions given in ~~Chapter~~
 7 ~~1 (commencing with Section 20501) and~~ Chapter 2 (commencing
 8 with Section 20581) shall govern the construction of this chapter.

9 (b) Unless the context otherwise dictates or unless otherwise
 10 provided in this chapter, the provisions of Chapter 1 (commencing
 11 with Section 101) and Chapter 2 (commencing with Section 155)
 12 of Part 1 of Division 1 of this code, Section 2931c of the Civil
 13 Code, Chapter 4.5 (commencing with Section 14735) of Part 5.5
 14 of Division 3 of Title 2 of the Government Code, Chapter 6
 15 (commencing with Section 16180) of Part 1 of Division 4 of Title
 16 2 of the Government Code, Division 13 (commencing with Section
 17 17000) of the Health and Safety Code, and Division 9
 18 (commencing with Section 9101) of the Commercial Code shall
 19 be applicable to property tax postponements made pursuant to this
 20 chapter.

21 *SEC. 33. Section 20639.6 of the Revenue and Taxation Code*
 22 *is amended to read:*

23 20639.6. (a) Upon receipt of the information described in
 24 Section 20639.9, the Controller shall determine whether the state’s
 25 interest would be adequately protected if postponement is granted,
 26 and, if so, the Controller shall issue ~~to the claimant a certificate of~~
 27 ~~eligibility containing the name of the claimant, address of the~~
 28 ~~residential dwelling on which the claimant has applied for property~~
 29 ~~tax postponement, and such other information and in such form~~
 30 ~~as the Controller shall prescribe. In the event that the residential~~
 31 ~~dwelling is located in a chartered city which levies and collects its~~
 32 ~~own taxes, the Controller shall issue a duplicate certificate of~~
 33 ~~eligibility to pay all or any part of property taxes appearing on the~~
 34 ~~city’s tax bill a property tax postponement payment as provided~~
 35 ~~by Section 20602.~~

36 (b) ~~The Controller shall forward to the Department of Housing~~
 37 ~~and Community Development a notice of lien notifying the~~
 38 ~~department that the mobilehome described in the statement has~~
 39 ~~been approved for property tax postponement. The notice shall be~~
 40 ~~in the form and contain the information prescribed by the Controller~~

1 *secure a lien against the mobilehome that is sufficient to secure*
2 *the state's interest in loan repayment.*

3 ~~(e) The department, upon receipt of the notice, shall amend the~~
4 ~~permanent title record of the mobilehome to record the fact that~~
5 ~~postponement has been approved.~~

6 ~~(d) The Controller shall prescribe the form of certificates of~~
7 ~~eligibility to pay all taxes and assessments authorized by this~~
8 ~~chapter.~~

9 ~~Upon or accompanying the certificates shall be a brief statement~~
10 ~~explaining that, those taxpayers whose property taxes are paid by~~
11 ~~a lender via an impound, trust, or other similar account shall enter~~
12 ~~the total amount of each installment on the certificates and mail~~
13 ~~the certificates to the tax collector and that they will receive a~~
14 ~~refund check from the county or city in the amount they entered~~
15 ~~on the certificate, within 30 days following the date on which the~~
16 ~~installment is paid by the lender or the certificate of eligibility is~~
17 ~~received by the tax collector, whichever is later.~~

18 ~~(e) When a certificate of eligibility has been signed by the~~
19 ~~claimant, the claimant's spouse, or authorized agent and~~
20 ~~countersigned by the person authorized to collect property taxes~~
21 ~~or assessments or the local agency, the certificate shall constitute~~
22 ~~a written promise on the part of the State of California to pay the~~
23 ~~sum of money specified therein and the signed and countersigned~~
24 ~~certificate shall be deemed a negotiable instrument for the sole~~
25 ~~purpose of the payment of property taxes owing in the name of~~
26 ~~the claimant or the claimant's spouse for purposes of all laws of~~
27 ~~this state.~~

28 ~~(f) A certificate of eligibility shall be valid for the duration~~
29 ~~prescribed thereon by the Controller.~~

30 ~~(g) The Controller shall issue certificates of eligibility at the~~
31 ~~times the Controller determines shall best implement the purpose~~
32 ~~of this chapter.~~

33 ~~(h) The Controller shall prescribe the manner in which a~~
34 ~~claimant eligible under this chapter, who has been issued a~~
35 ~~certificate of eligibility which is lost or destroyed prior to being~~
36 ~~filed with the local agency may obtain a duplicate copy of the~~
37 ~~certificate as a replacement. Under the conditions which may be~~
38 ~~prescribed by the Controller, a duplicate copy shall be deemed as~~
39 ~~having been filed with the local agency as of the date a claimant~~
40 ~~requests issuance of the duplicate copy.~~

1 SEC. 34. Section 20639.8 of the Revenue and Taxation Code
2 is amended to read:

3 20639.8. The claim for postponement shall be filed ~~after May~~
4 ~~15 of the calendar year in which the fiscal year for which~~
5 ~~postponement is claimed begins, and on or before December 10~~
6 ~~of such fiscal year pursuant to Section 20622.~~

7 SEC. 35. Section 20639.9 of the Revenue and Taxation Code
8 is amended to read:

9 20639.9. Each claimant applying for postponement under this
10 chapter shall file a claim ~~under penalty of perjury with the~~
11 ~~Controller on a form supplied by the Controller. The claim shall~~
12 ~~contain all of the following information as provided by Section~~
13 ~~20621. A claim filed under this chapter shall also include both of~~
14 ~~the following:~~

15 ~~(a) Evidence acceptable to the Controller that the person is a~~
16 ~~senior citizen claimant.~~

17 ~~(b) A statement showing the household income for the period~~
18 ~~set forth in Section 20503.~~

19 ~~(c) A statement describing the residential dwelling in the~~
20 ~~manner the Controller may prescribe.~~

21 ~~(d) The name of the county in which the residential dwelling~~
22 ~~is located and the address of the residential dwelling.~~

23 ~~(e) The county assessor's parcel number applicable to the~~
24 ~~property for which the claimant is applying for the postponement~~
25 ~~of property taxes.~~

26 ~~(f)~~

27 ~~(a) A copy of the Certificate of Title issued by the Department~~
28 ~~of Housing and Community Development or the certificate of~~
29 ~~ownership issued by the Department of Motor Vehicles.~~

30 ~~(g)~~

31 ~~(b) A copy of the registration card issued by the Department~~
32 ~~of Housing and Community Development or the Department of~~
33 ~~Motor Vehicles.~~

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

36 SEC. 36. Section 20639.11 of the Revenue and Taxation Code
37 is amended to read:

38 20639.11. All amounts postponed pursuant to this chapter shall
39 ~~be become due if any of the following occurs; and payable as~~
40 ~~provided by Section 16190 of the Government Code.~~

1 ~~(a) The claimant ceases to occupy the residential dwelling as~~
2 ~~the principal place of residence, sells or otherwise disposes of his~~
3 ~~or her mobilehome.~~

4 ~~(b) The claimant dies. However, if the surviving spouse or~~
5 ~~another person eligible to postpone pursuant to this chapter~~
6 ~~continues to occupy the mobilehome, then the postponed amounts~~
7 ~~shall not be due unless such person dies or ceases to occupy the~~
8 ~~residential dwelling.~~

9 ~~(c) The failure of a claimant to perform those acts required by~~
10 ~~the legal owner or junior lienholder.~~

11 ~~(d) The claimant allows any subsequent taxes to remain unpaid~~
12 ~~or to be transferred to the unsecured roll.~~

13 ~~(e) Postponement was erroneously allowed because eligibility~~
14 ~~requirements were not met.~~

15 *SEC. 37. Section 20640.1 of the Revenue and Taxation Code*
16 *is amended to read:*

17 20640.1. (a) Unless the context otherwise requires or unless
18 otherwise provided in this chapter, the definitions given in ~~Chapter~~
19 ~~1 (commencing with Section 20501) and Chapter 2 (commencing~~
20 ~~with Section 20581) shall govern the construction of this chapter.~~

21 (b) Unless the context otherwise dictates or unless otherwise
22 provided in this chapter, the provisions of ~~Chapter 1 and Chapter~~
23 ~~2 of this code (commencing with Section 20581), Civil Code~~
24 ~~Section 2924b, Civil Code Section 2931c, Chapter 4.5~~
25 ~~(commencing with Section 14735) of Part 5.5 of Division 3 of~~
26 ~~Title 2 of the Government Code, Chapter 6 (commencing with~~
27 ~~Section 16180) of Part 1 of Division 4 of Title 2 of the Government~~
28 ~~Code shall be applicable to property tax postponements made~~
29 ~~pursuant to this chapter.~~

30 *SEC. 38. Section 20640.3 of the Revenue and Taxation Code*
31 *is amended to read:*

32 20640.3. A claimant is an individual who *does both of the*
33 *following:*

34 (a) Holds a right to a possessory interest pursuant to a validly
35 recorded instrument conveying such possessory interest for a term
36 of years no less than 45 years beyond the last day of the calendar
37 year ending immediately prior to the fiscal year for which taxes
38 are initially postponed.

1 (b) Occupies as a principal place of residence the residential
2 dwelling affixed to such possessory interest real property on the
3 last day of the year designated in Section 20503(c) ~~of this code~~;

4 (c) ~~Is 62 years of age or older on or before December 31 of the~~
5 ~~fiscal year for which postponement is claimed~~ *Satisfies the*
6 *requirements specified in paragraph (1) or (2) of subdivision (a)*
7 *of Section 20589.*

8 *SEC. 39. Section 20640.4 of the Revenue and Taxation Code*
9 *is amended to read:*

10 20640.4. (a) Subject to the limitations provided in ~~Chapter 1~~
11 ~~(commencing with Section 20501)~~, Chapter 2 (commencing with
12 Section 20581); or this chapter, a claimant may file with the
13 Controller, a claim for postponement of a sum equal to, but not
14 exceeding the amount of property taxes, for the fiscal year for
15 which the claim is made.

16 (b) Upon verification of the eligibility requirements set forth
17 in Section 20640.9 the Controller shall mail the claimant a Notice
18 of Election to Postpone which shall be in the form and contain
19 such information as the Controller may prescribe. Accompanying
20 the notice shall be a statement explaining that in order for the
21 claimant to postpone all or part of the property taxes, the Notice
22 of Election to Postpone must be mailed to the Controller with a
23 copy of the instrument creating the possessory interest, said copy
24 to be certified by the county recorder of the county in which such
25 real property is located. Where a memorandum of lease has been
26 recorded in lieu of such instrument, a certified copy of said
27 memorandum shall accompany the copy of the instrument creating
28 the possessory interest.

29 (c) (1) Except as provided in this section, any possessory
30 interest or improvement on which property taxes are delinquent
31 at the time the application for postponement under this chapter is
32 made or on which any other property tax or special assessment
33 imposed by a special district or other tax code area are delinquent
34 at the time the application for postponement under this chapter is
35 made shall not be eligible for postponement.

36 (2) For 1978–79 and thereafter, any taxes or assessments which
37 became delinquent after the claimant was 62 and before a lien is
38 established pursuant to Section 16182 of the Government Code
39 shall not disqualify an otherwise eligible claimant for postponement
40 under this chapter. An application to postpone taxes for 1978–79

1 or thereafter also constitutes an application for postponement of
2 all such delinquent taxes and assessments, together with any
3 penalties, interest, fees, or other charges resulting from such
4 delinquency and such amounts shall, unless otherwise paid by the
5 claimant, be paid out of the amount appropriated by Section 16100
6 of the Government Code and shall be added to and become part
7 of the obligation secured by the lien provided by Section 16182
8 of the Government Code.

9 (d) The Controller shall mail to claimant for due execution the
10 appropriate security instrument for claimant's form of lease,
11 including the consent to assignment required by Section
12 20640.5(b).

13 *SEC. 40. Section 20640.6 of the Revenue and Taxation Code*
14 *is amended to read:*

15 20640.6. (a) Upon receipt of the information described in
16 Section 20640.4 and Section 20640.5, the State Controller shall
17 determine whether the state's interest would be adequately
18 protected if postponement is granted, and if so, shall issue to the
19 claimant a certificate of eligibility containing the name of claimant,
20 address of the residential dwelling on which the claimant has
21 applied for property tax postponement, and any other information
22 and in the form as the State Controller shall prescribe. In the event
23 that the residential dwelling is located in a chartered city which
24 levies and collects its own taxes, the Controller shall issue a
25 duplicate certificate of eligibility to pay all or any part of property
26 taxes appearing on the city's tax bill *a property tax postponement*
27 *payment as provided by Section 20602.*

28 (b) The Controller shall ~~cause to be recorded with the county~~
29 ~~recorder of the county in which the real property is located, a copy~~
30 ~~of any instrument creating a security interest, which shall include~~
31 ~~applicable consent forms, in favor of the state. The instrument~~
32 ~~shall contain a legal description of the real property subject to the~~
33 ~~possessory interest; and, if the legal description of the possessory~~
34 ~~interest describes an area less than the entire property ownership,~~
35 ~~the notice or document shall also contain a reference to the record~~
36 ~~of the acquisition instrument to the entire parcel from which the~~
37 ~~possessory interest was created. The priority of the security interest~~
38 ~~shall be as of the date of recordation~~ *secure a lien against the*
39 *possessory interest that is sufficient to secure the state's interest*
40 *in loan repayment.*

1 (e) ~~The Controller shall prescribe the form of certificates of~~
2 ~~eligibility to pay all delinquent taxes and assessments authorized~~
3 ~~by this chapter.~~

4 ~~Upon or accompanying each certificate shall be a brief statement~~
5 ~~explaining that (1) those taxpayers whose property taxes are paid~~
6 ~~by a lender via an impound, trust or other similar account should~~
7 ~~enter the total amount of each installment on the certificates and~~
8 ~~mail the certificates to the tax collector and (2) those taxpayers~~
9 ~~will receive a refund check from the county or city in the amount~~
10 ~~they entered on the certificate, within 30 days following the date~~
11 ~~on which the installment is paid by the lender or the certificate of~~
12 ~~eligibility is received by the tax collector, whichever is later.~~

13 (d) ~~When a certificate of eligibility has been signed by the~~
14 ~~claimant, his or her spouse, or authorized agent and countersigned~~
15 ~~by the person authorized to collect property taxes or assessments~~
16 ~~for the local agency, the certificate shall constitute a written~~
17 ~~promise on the part of the State of California to pay the sum of~~
18 ~~money specified therein and the signed and countersigned~~
19 ~~certificate shall be deemed a negotiable instrument for the sole~~
20 ~~purpose of the payment of property taxes owing in the name of~~
21 ~~the claimant or his or her spouse for purposes of all laws of this~~
22 ~~state.~~

23 (e) ~~A certificate of eligibility shall be valid for the duration~~
24 ~~prescribed thereon by the Controller.~~

25 (f) ~~The Controller shall issue certificates of eligibility at such~~
26 ~~times as the Controller determines will best implement the purpose~~
27 ~~of this chapter.~~

28 (g) ~~The Controller shall prescribe the manner in which a~~
29 ~~claimant eligible under this chapter, who has been issued a~~
30 ~~certificate of eligibility which is lost or destroyed prior to being~~
31 ~~filed with the local agency may obtain a duplicate copy of the~~
32 ~~certificate as a replacement. (Under conditions as may be~~
33 ~~prescribed by the Controller, a duplicate copy shall be deemed as~~
34 ~~having been filed with the local agency as of the date a claimant~~
35 ~~requests issuance of a duplicate copy.)~~

36 *SEC. 41. Section 20640.8 of the Revenue and Taxation Code*
37 *is amended to read:*

38 20640.8. The claim for postponement shall be filed ~~after May~~
39 ~~15 of the calendar year in which the fiscal year for which~~
40 ~~postponement is claimed begins, and on or before December 10~~

1 of such fiscal year. If December 10th falls on Saturday, Sunday
2 or a legal holiday, the date is extended to the next business day
3 pursuant to Section 20622.

4 SEC. 42. Section 20640.9 of the Revenue and Taxation Code
5 is amended to read:

6 20640.9. Each claimant applying for postponement under this
7 chapter shall file a claim under penalty of perjury with the
8 Controller on a form supplied by the Controller. The claim shall
9 contain: pursuant to Section 20621.

10 (a) Evidence acceptable to the Controller that the person was
11 a "senior citizen claimant."

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

14 (c) A statement describing the residential dwelling in such
15 manner as the Controller may prescribe.

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

18 (e) The county assessor's parcel number applicable to the
19 property for which the claimant is applying for the postponement
20 of property taxes.

21 (f) Other information required by the State Controller to
22 establish eligibility.

23 SEC. 43. Section 20640.11 of the Revenue and Taxation Code
24 is amended to read:

25 20640.11. All amounts postponed pursuant to this chapter shall
26 be due if any of the following occurs: *become due and payable as*
27 *provided by Section 16190 of the Government Code.*

28 (a) The claimant ceases to occupy the residential dwelling as
29 the principal place of residence, sells or otherwise disposes of his
30 possessory interest, or the possessory interest agreement expires
31 by its terms.

32 (b) The claimant dies. However, if the surviving spouse or
33 another person eligible to postpone pursuant to this chapter
34 continues to occupy the residential dwelling, then the postponed
35 amounts shall not be due unless such person dies, or ceases to
36 occupy the residential dwelling.

37 (c) The failure of the claimant, the fee title owner, or any owner
38 of a prior recorded possessory interest to perform those acts
39 required by a security interest holder which is senior to the state's
40 security interest for postponed amounts.

1 (d) ~~Postponement was erroneously allowed because eligibility~~
2 ~~requirements were not met.~~

3 *SEC. 44. Section 20641 of the Revenue and Taxation Code is*
4 *amended to read:*

5 20641. Forms filed pursuant to this part shall not be under oath
6 but shall contain, or be verified by, a written declaration that they
7 are made under the penalty of perjury. All forms filed pursuant to
8 Chapter 1 (commencing with Section 20501) shall require such
9 information as the Franchise Tax Board may from time to time
10 prescribe, and shall be filed with the Franchise Tax Board. The
11 Franchise Tax Board shall prepare blank forms for the claimant
12 and shall distribute them throughout the state and furnish them
13 upon application. All forms filed pursuant to Chapter 2
14 (commencing with Section 20581), ~~Chapter 3 (commencing with~~
15 ~~Section 20625)~~, Chapter 3.3 (commencing with Section 20639),
16 or Chapter 3.5 (commencing with Section 20640), shall require
17 such information as the Controller may from time to time prescribe,
18 shall be filed with the Controller, and the Controller shall prepare
19 such blank forms for the claimant and shall distribute them
20 throughout the state and furnish them upon application.

21 *SEC. 45. Section 20643 of the Revenue and Taxation Code is*
22 *amended to read:*

23 20643. If any claimant fails or refuses to furnish any
24 information requested in writing by the Franchise Tax Board,
25 pursuant to this part, Chapter 1 (commencing with Section 20501),
26 or by the Controller, pursuant to Chapter 2 (commencing with
27 Section 20581), ~~Chapter 3 (commencing with Section 20625)~~,
28 Chapter 3.3 (commencing with Section 20639), or Chapter 3.5
29 (commencing with Section 20640) or files a fraudulent claim, the
30 assistance or postponement authorized by this part shall be
31 disallowed.

32 *SEC. 46. Section 20648 is added to the Revenue and Taxation*
33 *Code, to read:*

34 20648. *For the 2009–10 and 2010–11 fiscal years, if a*
35 *postponement claim is filed timely under Chapter 2 (commencing*
36 *with Section 20581), Chapter 3.3 (commencing with Section*
37 *20639), or Chapter 3.5 (commencing with Section 20640), the tax*
38 *collector may cancel any delinquent penalties and interest owed*
39 *by the claimant for those fiscal years.*

1 SECTION 1. ~~The Legislature finds and declares all of the~~
2 ~~following:~~

3 ~~(a) Since 1977, the Senior Citizens and Disabled Citizens~~
4 ~~Property Tax Postponement Law has helped eligible elderly and~~
5 ~~disabled residents on fixed incomes remain in their homes by~~
6 ~~deferring payment of property taxes until the house is sold or~~
7 ~~ownership otherwise transferred.~~

8 ~~(b) Suspension of the Senior Citizens and Disabled Citizens~~
9 ~~Property Tax Postponement Law in February 2009 has exposed~~
10 ~~participants to possible default on property taxes in December~~
11 ~~2009 and thereafter, and has heightened fears of home foreclosures.~~

12 ~~(c) While counties may not force the sale of a home to collect~~
13 ~~on delinquent property taxes for five years, no similar delay applies~~
14 ~~to lenders that would protect the elderly and disabled who would~~
15 ~~have participated in the property tax deferral program established~~
16 ~~pursuant to the Senior Citizens and Disabled Citizens Property~~
17 ~~Tax Postponement Law had it not been suspended.~~

18 SEC. 2. ~~Section 2923.57 is added to the Civil Code, to read:~~

19 ~~2923.57. (a) This section shall apply only to a default on a~~
20 ~~mortgage or deed of trust for the failure to pay property taxes.~~

21 ~~(b) A mortgagee, trustee, or other person authorized to take sale~~
22 ~~shall not file a notice of default based on the failure to pay property~~
23 ~~taxes prior to 90 days after contacting the trustor or mortgagor,~~
24 ~~either in person or by telephone, to ascertain if the trustor or~~
25 ~~mortgagor was a participant in the property tax deferral program~~
26 ~~established pursuant to the Senior Citizens and Disabled Citizens~~
27 ~~Property Tax Postponement Law, Chapter 2 (commencing with~~
28 ~~Section 20581) of Part 10.5 of Division 2 of the Revenue and~~
29 ~~Taxation Code.~~

30 ~~(c) If, within the 90-day period described in subdivision (a), the~~
31 ~~mortgagee, trustee, or other person authorized to take sale is~~
32 ~~informed that the trustor or mortgagor was participating in the~~
33 ~~property tax deferral program on or before February 19, 2009, and~~
34 ~~the trustor or mortgagor provides a copy of the certificate of~~
35 ~~eligibility issued by the Controller that evidences this, the~~
36 ~~mortgagee, trustee, or other person authorized to take sale shall~~
37 ~~not file a notice of default based on the failure to pay property~~

- 1 ~~taxes for five years from the date of first contacting the mortgagor~~
- 2 ~~or trustor.~~

O