

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 16182, 16186, 16190, 16200, 16210, 16211, 16211.5, and 16213 of, to repeal Sections 16185, 16212, 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 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 the Controller determines subordination is appropriate.

This bill would eliminate that authorization.

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.

~~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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

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

1 chapter, including, but not limited to, necessary administrative
2 costs and disbursements relating to the postponement of property
3 taxes pursuant to the Senior Citizens and Disabled Citizens
4 Property Tax Postponement Law (Chapter 2 (commencing with
5 Section 20581) of Part 10.5 of Division 2 of the Revenue and
6 Taxation Code).

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

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

13 SEC. 3. Section 16182 of the Government Code is amended
14 to read:

15 16182. (a) All sums paid by the Controller under the provisions
16 of this chapter, together with interest thereon, shall be secured by
17 a lien in favor of the State of California when funds are transferred
18 to the county by the Controller upon the real property for which
19 property taxes have been postponed. In the case of a residential
20 dwelling which is part of a larger parcel taxed as a unit, such as a
21 duplex, farm, or multipurpose or multidwelling building, the lien
22 shall be against the entire tax parcel.

23 (b) In the case of real property:

24 (1) The lien shall be evidenced by a notice of lien for postponed
25 property taxes executed by the Controller, or the authorized
26 delegate of the Controller, and shall secure all sums paid or owing
27 pursuant to this chapter, including amounts paid subsequent to the
28 initial payment of postponed taxes on the real property described
29 in the notice of lien.

30 (2) The notice of lien may bear the facsimile signature of the
31 Controller. Each signature shall be that of the person who shall be
32 in the office at the time of execution of the notice of lien; provided,
33 however, that such notice of lien shall be valid and binding
34 notwithstanding any such person having ceased to hold the office
35 of Controller before the date of recordation.

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

1 (A) The names of all record owners of the real property for
2 which the Controller has advanced funds for the payment of real
3 property taxes.

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

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

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

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

14 (6) After the notice of lien has been duly recorded and indexed,
15 it shall be returned by the county recorder to the office of the
16 Controller. The recorder shall provide the county tax collector with
17 a copy of the notice of lien which has been recorded by the
18 Controller.

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

25 SEC. 4. Section 16185 of the Government Code is repealed.

26 SEC. 5. 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. Section 16190 of the Government Code is amended
8 to read:

9 16190. All amounts owing pursuant to Article 1 (commencing
10 with Section 16180) of this chapter shall become due if any of the
11 following occurs:

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

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

1 spouse or other individual ceases to occupy the premises as a
2 residential dwelling, dies, or conveys, or disposes of the interest
3 in the property.

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

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

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

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

13 SEC. 7. Section 16200 of the Government Code is amended
14 to read:

15 16200. In the event that the Controller receives the notice
16 described in Section 16187 of this code or Section 3375 of the
17 Revenue and Taxation Code, the Controller may take any of the
18 following actions which will best serve the interests of the state:

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

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

33 SEC. 8. Section 16210 of the Government Code is amended
34 to read:

35 16210. In the event that the amount secured by the state’s lien
36 provided for in Article 1 (commencing with Section 16180) is paid
37 by reason of the sale or condemnation of the property on which
38 the lien attaches, the funds so received shall be placed in the Senior
39 Citizens and Disabled Citizens Property Tax Postponement Fund.

1 SEC. 9. Section 16211 of the Government Code is amended
2 to read:

3 16211. The claimant under Chapter 2 (commencing with
4 Section 20581), Chapter 3 (commencing with Section 20625), or
5 Chapter 3.5 (commencing with Section 20640) of Part 10.5 of
6 Division 2 of the Revenue and Taxation Code whose residential
7 dwelling was sold or condemned may draw upon the amount in
8 the account to purchase a new residential dwelling, and the amount
9 so drawn shall be secured by a new lien against the new residential
10 dwelling from the time the Controller records the new lien against
11 the new residential dwelling as provided for under Section 16182.

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

21 SEC. 10. Section 16211.5 of the Government Code is amended
22 to read:

23 16211.5. (a) In the event that the real property securing the
24 state's lien provided for in Article 1 (commencing with Section
25 16180) is the residential dwelling of a claimant under Chapter 2
26 (commencing with Section 20581) of Part 10.5 of Division 2 of
27 the Revenue and Taxation Code and is voluntarily sold, the funds
28 derived from the voluntary sale of the residential dwelling shall
29 be placed in the Senior Citizens and Disabled Citizens Property
30 Tax Postponement Fund. At that time, the Controller shall release
31 the state's lien in the manner prescribed by Section 16186.

32 (b) The claimant under Chapter 2 (commencing with Section
33 20581) of Part 10.5 of Division 2 of the Revenue and Taxation
34 Code whose residential dwelling was voluntarily sold shall not
35 draw upon the amount in the Senior Citizens and Disabled Citizens
36 Property Tax Postponement Fund.

37 SEC. 11. Section 16212 of the Government Code is repealed.

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

1 16213. At the end of the six-month period specified in Section
 2 16210 or the six-month period specified in Section 16211.5, all
 3 funds remaining in an impound account shall be transferred to the
 4 Senior Citizens and Disabled Citizens Property Tax Postponement
 5 Fund, established pursuant to Section 16180.

6 SEC. 13. Section 16214 of the Government Code is repealed.

7 SEC. 14. Section 2514 of the Revenue and Taxation Code is
 8 amended to read:

9 2514. (a) With respect to a claimant whose property taxes are
 10 paid by a lender from an impound, trust, or other type of account
 11 described in Section 2954 of the Civil Code, the tax collector shall
 12 notify the auditor of the claimant’s name and address, and the
 13 duplicate amount of money the Controller transferred to the tax
 14 collector via an electronic fund transfer.

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

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

22 SEC. 15. Section 3375 of the Revenue and Taxation Code is
 23 amended to read:

24 3375. The county tax collector shall notify the Controller within
 25 60 days, in ~~such~~ *the* manner as the Controller shall direct, of all
 26 property subject to a “Notice of Lien for Postponed Property
 27 Taxes” recorded pursuant to Section 16182 of the Government
 28 Code, ~~which:~~ *that becomes tax defaulted subsequent to the date*
 29 *of entry on the secured roll of the information required by*
 30 *subdivision (a) of Section 2514.*

31 ~~(a) Becomes tax defaulted subsequent to the date of entry on~~
 32 ~~the secured roll of the information required by paragraph (1) of~~
 33 ~~subdivision (a) of Section 2514; or~~

34 ~~(b) Becomes subject to those collection procedures that are~~
 35 ~~available for collection of delinquent taxes or assessments on the~~
 36 ~~unsecured roll.~~

37 SEC. 16. Section 3376 is added to the Revenue and Taxation
 38 Code, to read:

39 3376. (a) Upon request of the tax collector, the Controller
 40 shall provide to the tax collector information that is required for

1 *the preparation and enforcement of the sale of property under Part*
2 *6 (commencing with Section 3351) of Division 1. This information*
3 *may include social security numbers.*

4 *(b) The tax collector or his or her designee shall certify, under*
5 *penalty of perjury, to the Controller, that the information requested*
6 *pursuant to subdivision (a) is required for the purposes specified*
7 *in subdivision (a).*

8 *(c) Any information provided to the tax collector pursuant to*
9 *this subdivision is not a public record and is not open to public*
10 *inspection.*

11 ~~SEC. 16.~~

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

14 20503. (a) “Income” means adjusted gross income as defined
15 in Section 17072 plus all of the following cash items:

- 16 (1) Public assistance and relief.
- 17 (2) Nontaxable amount of pensions and annuities.
- 18 (3) Social security benefits (except Medicare).
- 19 (4) Railroad retirement benefits.
- 20 (5) Unemployment insurance payments.
- 21 (6) Veterans’ benefits.
- 22 (7) Exempt interest received from any source.
- 23 (8) Gifts and inheritances in excess of three hundred dollars
24 (\$300), other than transfers between members of the household.
25 Gifts and inheritances include noncash items.
- 26 (9) Amounts contributed on behalf of the contributor to a
27 tax-sheltered retirement plan or deferred compensation plan.
- 28 (10) Temporary workers’ compensation payments.
- 29 (11) Sick leave payments.
- 30 (12) Nontaxable military compensation as defined in Section
31 112 of the Internal Revenue Code.
- 32 (13) Nontaxable scholarship and fellowship grants as defined
33 in Section 117 of the Internal Revenue Code.
- 34 (14) Nontaxable gain from the sale of a residence as defined in
35 Section 121 of the Internal Revenue Code.
- 36 (15) Life insurance proceeds to the extent that the proceeds
37 exceed the expenses incurred for the last illness and funeral of the
38 deceased spouse of the claimant. “Expenses incurred for the last
39 illness” includes unreimbursed expenses paid or incurred during
40 the income calendar year and any expenses paid or incurred

1 thereafter up until the date the claim is filed. For purposes of this
2 paragraph, funeral expenses shall not exceed five thousand dollars
3 (\$5,000).

4 (16) If an alternative minimum tax is required to be paid
5 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
6 10, the amount of alternative minimum taxable income (whether
7 or not cash) in excess of the regular taxable income.

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

10 (b) For purposes of this chapter, total income shall be determined
11 for the calendar year (or approved fiscal year ending within that
12 calendar year) which ends within the fiscal year for which
13 assistance is claimed.

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

17 (d) For purposes of Chapter 2 (commencing with Section
18 20581), Chapter 3 (commencing with Section 20625), and Chapter
19 3.5 (commencing with Section 20640), total income shall be
20 determined for the calendar year ending immediately prior to the
21 commencement of the fiscal year for which postponement is
22 claimed.

23 ~~SEC. 17.~~

24 *SEC. 18.* Section 20583 of the Revenue and Taxation Code is
25 amended to read:

26 20583. (a) “Residential dwelling” means a dwelling occupied
27 as the principal place of residence of the claimant, and so much
28 of the land surrounding it as is reasonably necessary for use of the
29 dwelling as a home, owned by the claimant, the claimant and
30 spouse, or by the claimant and either another individual eligible
31 for postponement under this chapter or an individual described in
32 subdivision (a), (b), or (c) of Section 20511 and located in this
33 state. It shall include condominiums that are assessed as realty for
34 local property tax purposes. It also includes part of a multidwelling
35 or multipurpose building and a part of the land upon which it is
36 built.

37 (b) As used in this chapter in reference to ownership interests
38 in residential dwellings, “owned” includes (1) the interest of a
39 vendee in possession under a land sale contract provided that the
40 contract or memorandum thereof is recorded and only from the

1 date of recordation of the contract or memorandum thereof in the
2 office of the county recorder where the residential dwelling is
3 located, (2) the interest of the holder of a life estate provided that
4 the instrument creating the life estate is recorded and only from
5 the date of recordation of the instrument creating the life estate in
6 the office of the county recorder where the residential dwelling is
7 located, but “owned” does not include the interest of the holder of
8 any remainder interest or the holder of a reversionary interest in
9 the residential dwelling, (3) the interest of a joint tenant or a tenant
10 in common in the residential dwelling or the interest of a tenant
11 where title is held in tenancy by the entirety or a community
12 property interest where title is held as community property, and
13 (4) the interest in the residential dwelling in which the title is held
14 in trust, as described in subdivision (d) of Section 62, provided
15 that the Controller determines that the state’s interest is adequately
16 protected.

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

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

22 (1) Any residential dwelling in which the owners do not have
23 an equity of at least 40 percent of the full value of the property as
24 determined for purposes of property taxation or at least 40 percent
25 of the fair market value as determined by the Controller and where
26 the Controller determines that the state’s interest is adequately
27 protected. The 40-percent equity requirement shall be met at the
28 time the claimant or authorized agent files an initial postponement
29 claim and tenders to the tax collector the initial certificate of
30 eligibility described in Sections 20602, 20639.6, and 20640.6.

31 (2) Any residential dwelling in which the claimant’s interest is
32 held pursuant to a contract of sale or under a life estate, unless the
33 claimant obtains the written consent of the vendor under the
34 contract of sale, or the holder of the reversionary interest upon
35 termination of the life estate, for the postponement of taxes and
36 the creation of a lien on the real property in favor of the state for
37 amounts postponed pursuant to this act.

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

1 (4) Any residential dwelling in which the claimant’s interest is
2 held as a possessory interest, except as provided in Chapter 3.5
3 (commencing with Section 20640).

4 ~~SEC. 18.~~

5 *SEC. 19.* Section 20583.1 of the Revenue and Taxation Code
6 is repealed.

7 ~~SEC. 19.~~

8 *SEC. 20.* Section 20584 of the Revenue and Taxation Code is
9 amended to read:

10 20584. (a) “Property taxes” means all ad valorem property
11 taxes, special assessments, and other charges or user fees which
12 are attributable to the residential dwelling on the county tax bill
13 and the ad valorem property taxes, special assessments, or other
14 charges or user fees appearing on the tax bill of any chartered city
15 which levies and collects its own property taxes.

16 (b) Whenever a residential dwelling is an integral part of a larger
17 tax unit, such as a duplex, farm or a multipurpose building,
18 “property taxes” shall be the percentage of the total property taxes
19 as the value of the residential dwelling is of the value of the total
20 tax unit.

21 (c) “Property taxes” means property taxes for current fiscal
22 years for which the claim is made and excludes delinquent taxes
23 for prior fiscal years ~~that become delinquent after the claimant was~~
24 ~~62 years of age or after the claimant became blind or disabled as~~
25 ~~defined in Section 12050 of the Welfare and Institutions Code.~~

26 ~~SEC. 20.~~

27 *SEC. 21.* Section 20602 of the Revenue and Taxation Code is
28 amended to read:

29 20602. Upon approval of a claim described in Section 20601,
30 the Controller shall make payments directly to a county tax
31 collector for the property taxes owed on behalf of a qualified
32 claimant. Payments may, upon appropriation by the Legislature,
33 be made out of the amounts otherwise appropriated pursuant to
34 Section 16100 of the Government Code that are secured by a
35 secured tax lien and obligation as specified by Article 1
36 (commencing with Section 16180) of Chapter 5 of Division 4 of
37 the Government Code.
38

1 ~~SEC. 21.~~

2 *SEC. 22.* Section 20621 of the Revenue and Taxation Code is
3 amended to read:

4 20621. Each claimant applying for postponement under Article
5 2 (commencing with Section 20601) shall file a claim under penalty
6 of perjury with the Controller on a form supplied by the Controller.
7 The claim shall contain all of the following:

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

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

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

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

16 (e) The county assessor’s parcel number applicable to the
17 property for which the claimant is applying for the postponement
18 of property taxes.

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

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

30 (g) Other information required by the Controller to establish
31 eligibility.

32 ~~SEC. 22.~~

33 *SEC. 23.* Section 20622 of the Revenue and Taxation Code is
34 amended to read:

35 20622. The claim for postponement shall be filed after
36 September 1 of the calendar year in which the fiscal year for which
37 postponement is claimed begins, and on or before April 10 of that
38 fiscal year; if April 10th falls on Saturday, Sunday, or a legal
39 holiday, the date is extended to the next business day.

1 ~~SEC. 23.~~

2 *SEC. 24.* Section 20623 of the Revenue and Taxation Code is
3 amended to read:

4 20623. (a) No person shall file a claim for postponement under
5 this chapter on or after the effective date of the act adding this
6 section, and the Controller shall not accept applications for
7 postponement under this chapter on or after that date.

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

12 ~~SEC. 24.~~

13 *SEC. 25.* Chapter 3.3 (commencing with Section 20639) of
14 Part 10.5 of Division 2 of the Revenue and Taxation Code is
15 repealed.

16 ~~SEC. 25.~~

17 *SEC. 26.* Section 20645.5 of the Revenue and Taxation Code
18 is amended to read:

19 20645.5. (a) If a postponement claim under Chapter 2
20 (commencing with Section 20581), Chapter 3.3 (commencing with
21 Section 20639), or Chapter 3.5 (commencing with Section 20640)
22 is filed timely ~~but~~ before *the* delinquency date of the ~~first or~~ second
23 installment of property taxes *on the secured roll*, then any
24 delinquent penalties, *costs, fees, and interest accrued for such that*
25 fiscal year shall be canceled unless the failure to perfect the claim
26 was due to willful neglect on the part of the claimant or
27 representative. ~~In~~

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

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

39 (2) *In the event of willful neglect, in addition to the information*
40 *required pursuant to paragraph (1), the Controller shall also notify*

1 *the claimant in writing and provide a copy of the notification to*
2 *the tax collector, that a payment amount sufficient to pay all of*
3 *the delinquent penalties, costs, fees, and interest must be received*
4 *by the tax collector within 30 days from the date of the electronic*
5 *funds transfer, and that if this payment is not received by the tax*
6 *collector, the tax collector may return the electronic funds transfer*
7 *to the Controller to deny the postponement claim.*

8 ~~SEC. 26.~~

9 *SEC. 27. Section 20645.6 of the Revenue and Taxation Code*
10 *is amended to read:*

11 *20645.6. (a) If the Controller denies a postponement claim*
12 *under Chapter 2 (commencing with Section 20581), Chapter 3*
13 *(commencing with Section 20625), Chapter 3.3 (commencing with*
14 *Section 20639), or Chapter 3.5 (commencing with Section 20640),*
15 *and such the denial is reversed after appeal pursuant to Section*
16 *20645.1, the Controller shall electronically transfer funds to the*
17 *county, if the taxes for the fiscal year have been paid, for the*
18 *amount of such the taxes. If the taxes for the fiscal year are*
19 *delinquent, any resulting penalties or interest shall be canceled.*

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

23 *SEC. 28. The Legislature finds and declares that Section 16*
24 *of this act, which adds Section 3376 to the Revenue and Taxation*
25 *Code, imposes a limitation on the public's right of access to the*
26 *meetings of public bodies or the writings of public officials and*
27 *agencies within the meaning of Section 3 of Article I of the*
28 *California Constitution. Pursuant to that constitutional provision,*
29 *the Legislature makes the following findings to demonstrate the*
30 *interest protected by this limitation and the need for protecting*
31 *that interest:*

32 *In order to protect those persons subject to enforcement of Part*
33 *6 (commencing with Section 3351) of Division 1 of the Revenue*
34 *and Taxation Code against the risk of identity theft, it is in the*
35 *state's interest to limit public access to information.*

36 *SEC. 29. No reimbursement is required by this act pursuant*
37 *to Section 6 of Article XIII B of the California Constitution for*
38 *certain costs that may be incurred by a local agency or school*
39 *district because, in that regard, this act creates a new crime or*
40 *infraction, eliminates a crime or infraction, or changes the penalty*

1 *for a crime or infraction, within the meaning of Section 17556 of*
2 *the Government Code, or changes the definition of a crime within*
3 *the meaning of Section 6 of Article XIII B of the California*
4 *Constitution.*

5 *However, if the Commission on State Mandates determines that*
6 *this act contains other costs mandated by the state, reimbursement*
7 *to local agencies and school districts for those costs shall be made*
8 *pursuant to Part 7 (commencing with Section 17500) of Division*
9 *4 of Title 2 of the Government Code.*

10 ~~SEC. 27. If the Commission on State Mandates determines~~
11 ~~that this act contains costs mandated by the state, reimbursement~~
12 ~~to local agencies and school districts for those costs shall be made~~
13 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
14 ~~4 of Title 2 of the Government Code.~~