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AMENDED IN ASSEMBLY MARCH 24, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2231

Introduced by Assembly Members Gordon, Levine, and Patterson

February 20, 2014

An act to amend Sections 16181, 16182, *16183*, 16184, 16186, 16190, 16200, 16210, 16211, and 16211.5 of, to repeal Sections 16185, 16212, 16213, and 16214 of, and to repeal and add Section 16180 of, the Government Code, and to amend Sections 2514, 2515, 3375, 3691, 3698.5, 3698.7, 3793.1, 4673.1, 20503, 20583, 20584, *20585*, 20602, 20621, 20622, 20639.10, 20639.11, 20639.12, 20645.5, and 20645.6 of, to amend and repeal Section 20623 of, to repeal Section 20583.1 of, to add Section 3376 to, the Revenue and Taxation Code, relating to state government, and making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

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, if household income, as defined, did not exceed specified amounts. That law authorized the Controller, upon approval of the claim, to either make a payment directly to specified entities, or to issue the claimant a certificate of eligibility that constituted a written promise of the state to pay the amount specified on the certificate, as provided. That law required these payments to be made out of specified funds appropriated to the Controller, and also required certain repaid property tax postponement payments to be paid into an impound account and transferred, as specified, to the General Fund. That law also required all sums paid by the Controller for postponed property taxes to be secured by a lien in favor of the State of California.

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

This bill would make inoperative the prohibition against a person filing a claim for postponement and the Controller from accepting applications for postponement under the program as of July 1, 2016, and would repeal this prohibition on January 1, 2017. This bill would authorize a claim for postponement to be filed after September 1 of the fiscal year in which the postponement is claimed and on or before April 10 of that fiscal year, as specified.

This bill would *limit the household income amount of a claimant to \$35,000 and 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, and make conforming changes to related provisions.

The Senior Citizens Mobilehome Property Tax Postponement Law provides for all amounts postponed in the case of a mobilehome to be due if the claimant dies, unless the surviving spouse or other person eligible to postpone continues to occupy the mobilehome.

This bill would limit this exception to the circumstance in which the surviving spouse who was previously approved continues to occupy the mobilehome.

This bill would create in the State Treasury a Senior Citizens and Disabled Citizens Property Tax Postponement Fund *and would require the fund to be interest-bearing at a specified rate*. 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 require the Controller to transfer any moneys in the fund in excess of specified amounts to the General Fund each year.* The bill would require any impound account funds remaining ~~on January 1, 2015,~~ *upon the enactment of this bill* to be transferred to the 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 establish a fee to implement these provisions, not to exceed \$10.

This bill would authorize the Controller to charge a fee not exceeding \$30.

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

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

Existing law requires that the owner's equity interest in the residential dwelling be at least 20% of the full value of the property at the time the claimant files an initial postponement claim in order to be eligible to participate in the postponement program.

This bill would increase the equity requirement to at least 40% for each postponement claim.

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 the tax collector or the assessor to notify the Controller if assessment records applicable to property for which taxes have been postponed reveal a change in ownership within 60 days of processing that change, and require that the county tax collector or assessor notify the Controller within 60 days of all property subject to a "Notice of Lien for Postponed Property Taxes" and processed for notice of becoming tax defaulted or of the claimant for that property, if residential, transferring ownership or changing his or her mailing address, or having been determined to be deceased.

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 bill would require the notice of lien to be recorded within 14 days of the transfer of funds and notice of lien to the county by the Controller. The bill would impose additional requirements in the case of liens upon mobilehome loans established prior to February 20, 2009, and specify procedures to be followed by the Controller if the obligation secured by the lien is paid in full or otherwise discharged.

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. The bill would require the tax collector or assessor, in the case of a tax-defaulted property sale, to include the outstanding balance

of the property tax postponement loan in the minimum bid. The bill would require that, in the event that the property fails to receive the minimum bid and the minimum bid is reduced, all moneys paid to the Controller's office and county tax collector be a proportionate allocation of the total moneys owed. The bill would also 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 law authorizes a tax collector, 5 years or more after a nonresidential commercial property has become tax defaulted, to sell the property, as specified.

This bill would authorize a county to adopt conditions and procedures to delay the sale of property that it deems may be eligible to file a property tax postponement claim, as specified, and to cancel any delinquent penalties, costs, fees, and interest associated with these properties.

Existing law requires the price at which certain tax-defaulted property may be offered for sale to be the total amount necessary to redeem the property, plus costs.

This bill would require the outstanding balance, *as defined*, of any property tax postponement loan to also be included in the price described above.

Existing law requires, after certain other amounts have been satisfied, the proceeds from the sale of tax-defaulted property to be distributed to taxing agencies in specified proportions to each assessment fund with the remaining balance to each tax fund.

This bill would require the proceeds remaining after the distributions described above to be distributed to the State Controller for the outstanding balance of any property tax postponement loan.

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.

This bill would declare that it is to take effect immediately as an urgency statute.

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. The fund shall be an interest-bearing fund. Subject to
8 subdivision (b) and notwithstanding Section 13340, the fund is
9 continuously appropriated to the Controller, commencing January
10 1, 2015, for purposes of administering this chapter, including, but
11 not limited to, necessary administrative costs and disbursements
12 relating to the postponement of property taxes pursuant to the
13 Senior Citizens and Disabled Citizens Property Tax Postponement
14 Law (Chapter 2 (commencing with Section 20581) of Part 10.5 of
15 Division 2 of the Revenue and Taxation Code).

16 (b) The Controller shall ~~transfer any moneys in the fund in~~
17 ~~excess of ten million dollars (\$10,000,000) to the General Fund.~~
18 *do both of the following:*

19 (1) *On June 30, 2017, transfer any moneys in the fund in excess*
20 *of twenty million dollars (\$20,000,000) to the General Fund.*

21 (2) *On June 30, 2018, and on June 30 each year thereafter,*
22 *transfer any moneys in the fund in excess of fifteen million dollars*
23 *(\$15,000,000) to the General Fund.*

1 (c) ~~Any~~ *On or after January 1, 2015, any* loan repayments
2 relating to the Senior Citizens and Disabled Citizens Property Tax
3 Postponement Law shall be deposited into the Senior Citizens and
4 Disabled Citizens Property Tax Postponement Fund.

5 (d) Any funds remaining ~~on January 1, 2015,~~ *upon the effective*
6 *date of this section* in an impound account formerly provided for
7 pursuant to this chapter, shall be transferred to the *Senior Citizens*
8 *and Disabled Citizens Property Tax Postponement Fund.*

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

11 16181. (a) The Controller shall maintain a record of all
12 properties against which a notice of lien for postponed property
13 taxes has been recorded. The record shall include, but not be
14 limited to, the names of each claimant, a description of the real
15 property against which the lien is recorded, the identification
16 number of the notice of lien assigned by the Controller, and the
17 amount of the lien.

18 (b) Upon written request of any person or entity, or the agent
19 of either, having a legal or equitable interest in real property that
20 is subject to a lien for postponed taxes, the Controller shall within
21 10 working days following receipt of the request issue a written
22 statement showing the amount of the obligation secured by the
23 lien as of the date of the statement and any other information as
24 will reasonably enable the person or entity, or the agent of either,
25 to determine the amount to be paid the Controller in order to obtain
26 a certificate of release or discharge of the lien for postponed taxes.

27 (c) The Controller shall adopt regulations necessary to
28 implement the provisions of this chapter and may establish a
29 reasonable fee, not to exceed thirty dollars (\$30), for the provision
30 of the statement of lien status provided for herein.

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

33 16182. (a) All sums paid by the Controller under the provisions
34 of this chapter, together with interest thereon, shall be secured by
35 a lien in favor of the State of California when funds are transferred
36 to the county by the Controller upon the real property for which
37 property taxes have been postponed. In the case of a residential
38 dwelling which is part of a larger parcel taxed as a unit, such as a
39 duplex, farm, or multipurpose or multidwelling building, the lien
40 shall be against the entire tax parcel.

1 (b) In the case of real property:

2 (1) The lien shall be evidenced by a notice of lien for postponed
3 property taxes executed by the Controller, or the authorized
4 delegate of the Controller, and shall secure all sums paid or owing
5 pursuant to this chapter, including amounts paid subsequent to the
6 initial payment of postponed taxes on the real property described
7 in the notice of lien.

8 (2) The notice of lien may bear the facsimile signature of the
9 Controller. Each signature shall be that of the person who shall be
10 in the office at the time of execution of the notice of lien; provided,
11 however, that such notice of lien shall be valid and binding
12 notwithstanding any such person having ceased to hold the office
13 of Controller before the date of recordation.

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

17 (A) The names of all record owners of the real property for
18 which the Controller has advanced funds for the payment of real
19 property taxes.

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

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

24 (4) Within 14 business days of the transfer of funds and the
25 notice of lien to the county by the Controller, the notice of lien
26 shall be recorded in the office of the county recorder for the county
27 in which the real property subject to the lien is located.

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

31 (6) After the notice of lien has been duly recorded and indexed,
32 it shall be returned by the county recorder to the office of the
33 Controller. The recorder shall provide the county tax collector with
34 a copy of the notice of lien which has been recorded by the
35 Controller.

36 (7) From the time of recordation of a notice of lien for postponed
37 property taxes, a lien shall attach to the real property described
38 therein and shall have the priority of a judgment lien for all
39 amounts secured thereby, except that the lien shall remain in effect

1 until it is released by the Controller in the manner prescribed by
2 Section 16186.

3 (c) In the case of mobilehome loans established prior to February
4 20, 2009, all of the following shall apply:

5 (1) The lien shall be evidenced by a notice of lien for postponed
6 property taxes excused by the Controller, or the authorized delegate
7 of the Controller, and shall secure all sums paid owing pursuant
8 to this chapter.

9 (2) From the time that the Department of Housing and
10 Community Development receives the notice of lien from the
11 Controller, the department shall impose a moratorium on any other
12 amendments to the permanent title record of the mobilehome unit
13 until released by the Controller in the manner prescribed by Section
14 16186, or an authorization for the amendments is given by the
15 Controller in writing.

16 (3) From the time of filing a notice of lien, a lien shall attach to
17 the mobilehome for which eligibility for the postponement of
18 property taxes has been granted.

19 *SEC. 5. Section 16183 of the Government Code is amended to*
20 *read:*

21 16183. (a) (1) From the time a payment is made pursuant to
22 Section 16180, the amount of that payment shall bear interest at a
23 rate (not compounded), determined as follows:

24 (1) ~~For the period ending June 30, 1984, Beginning July 1, 2016,~~
25 the rate of interest shall be 7 percent per annum.

26 (2) The Controller shall establish an adjusted rate of interest for
27 the purpose of this subdivision not later than July 15th of any year
28 if the effective annual yield of the Pooled Money Investment
29 Account for the prior fiscal year is at least a full percentage point
30 more or less than the interest rate which is then in effect. The
31 adjusted rate of interest shall be equal per annum to the effective
32 annual yield earned in the prior fiscal year by the Pooled Money
33 Investment Account rounded to the nearest full percent, and shall
34 become effective for new deferrals, beginning on July 1, 1984,
35 and on July 1 of each immediately succeeding ~~year~~ *year, until June*
36 *30, 2016.*

37 (3) The rate of interest provided pursuant to this subdivision for
38 the first fiscal year commencing after payment is made pursuant
39 to Section 16180 shall apply for that fiscal year and each fiscal
40 year thereafter until these postponed property taxes are repaid.

1 (b) The interest provided for in subdivision (a) shall be applied
2 beginning the first day of the month following the month in which
3 that payment is made and continuing on the first day of each month
4 thereafter until that amount is paid. In the event that any payments
5 are applied, in any month, to reduce the amount paid pursuant to
6 Section 16180, the interest provided for herein shall be applied to
7 the balance of that amount beginning on the first day of the
8 following month.

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

11 (d) For the purpose of this section, the time a payment is made
12 shall be deemed to be the time a certificate of eligibility is
13 countersigned by the tax collector or the delinquency date of the
14 respective tax installment, whichever is later.

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

20 ~~SEC. 5.~~

21 *SEC. 6.* Section 16184 of the Government Code is amended
22 to read:

23 16184. The Controller shall reduce the amount of the obligation
24 secured by the lien against the real property by the amount of any
25 payments received for that purpose and by notification of any
26 amounts paid by the Franchise Tax Board pursuant to Section
27 20564 or by any amounts authorized pursuant to subdivision (f)
28 of Section 20621 of the Revenue and Taxation Code. The
29 Controller shall also increase the amount of the obligation secured
30 by the lien by the amount of any subsequent payments made
31 pursuant to Section 16180 with respect to the real property and to
32 reflect the accumulation of interest. All such increases and
33 decreases shall be entered in the record described in Section 16181.

34 ~~SEC. 6.~~

35 *SEC. 7.* Section 16185 of the Government Code is repealed.

36 ~~SEC. 7.~~

37 *SEC. 8.* Section 16186 of the Government Code is amended
38 to read:

39 16186. (a) If at any time the amount of the obligation secured
40 by the lien for postponed property taxes is paid in full or otherwise

1 discharged, the Controller, or the authorized delegate of the
2 Controller, shall in the case of real property:

3 (1) Execute and cause to be recorded in the office of the county
4 recorder of the county wherein the real property described in the
5 lien is located, a release of the lien conclusively evidencing the
6 satisfaction of all amounts secured by the lien. The cost of
7 recording the release of the lien shall be added to and become part
8 of the obligation secured by the lien being released.

9 (2) Direct the tax collector to remove from the secured roll, the
10 information required to be entered thereon by paragraph (1) of
11 subdivision (a) of Section 2514 of the Revenue and Taxation Code
12 with respect to the property described in the lien.

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

17 (b) If at any time the amount of the obligation secured by the
18 lien for postponed property taxes is paid in full or otherwise
19 discharged, the Controller, or the authorized delegate of the
20 Controller, shall, in the case of mobilehome loans established prior
21 to February 20, 2009:

22 (1) Direct the tax collector to remove from the secured roll the
23 information required to be entered thereon by paragraph (1) of
24 subdivision (a) of Section 2514 of the Revenue and Taxation Code.

25 (2) Transmit a Release of Lien to the owner of the mobilehome,
26 or the owner's heirs or assigns. The owner, or the owner's heirs
27 or assigns, shall transmit the Release of Lien, and a fee of six
28 dollars (\$6), to the Department of Housing and Community
29 Development. Upon receipt of the Release of Lien and the fee, the
30 department shall terminate the restriction on the permanent title
31 record as provided in Section 16182.

32 ~~SEC. 8:~~

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

35 16190. All amounts owing pursuant to Article 1 (commencing
36 with Section 16180) of this chapter shall become due if any of the
37 following occurs:

38 (a) The claimant, who is either the sole owner or sole possessory
39 interestholder of the residential dwelling, as defined in Section
40 20583 or Section 20640 of the Revenue and Taxation Code, or a

1 coowner or copossessory interestholder with a person other than
2 a spouse or other individual eligible to postpone property taxes
3 pursuant to Chapter 2 (commencing with Section 20581), Chapter
4 3.3 (commencing with Section 20639), or Chapter 3.5
5 (commencing with Section 20640) of Part 10.5 of Division 2 of
6 such code, ceases to occupy the premises as his residential
7 dwelling, dies, or sells, conveys, or disposes of the property, or
8 allows any tax or special assessment on the premises described in
9 Section 20583 of such code to become delinquent. If the sole owner
10 or possessory interestholder claimant dies and his or her surviving
11 spouse inherits the premises and continues to own and occupy it
12 as his or her principal place of residence, then the lien amount does
13 not become due and payable unless taxes or special assessments
14 described in the preceding sentence become delinquent, or such
15 surviving spouse dies, or sells, conveys, or disposes of the interest
16 in the property.

17 (b) The claimant, who is a coowner or copossessory
18 interestholder of the residential dwelling, as defined in Section
19 20583 or Section 20640.2 of the Revenue and Taxation Code, with
20 a spouse or another individual eligible to postpone property taxes
21 pursuant to Chapter 2 (commencing with Section 20581), Chapter
22 3.3 (commencing with Section 20639), or Chapter 3.5
23 (commencing with Section 20640) of Part 10.5 of Division 2 of
24 such code, dies, and the surviving spouse or other surviving eligible
25 individual allows any tax or special assessment on the premises
26 described in Section 20583 of such code to become delinquent or
27 such surviving spouse or other individual ceases to occupy the
28 premises as a residential dwelling, dies, or conveys, or disposes
29 of the interest in the property.

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

34 (d) Postponement was erroneously allowed because eligibility
35 requirements were not met.

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

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

1 ~~SEC. 9.~~

2 *SEC. 10.* Section 16200 of the Government Code is amended
3 to read:

4 16200. In the event that the Controller receives the notice
5 described in Section 16187 of this code or Section 3375 of the
6 Revenue and Taxation Code, the Controller may take any of the
7 following actions which will best serve the interests of the state:

8 (a) Notify by United States mail the tax collector or other party
9 that such notice has been received and that the Controller must be
10 given at least 20 days prior notice of the date that the property will
11 be sold at auction. If the Controller elects to proceed under this
12 subdivision, the Controller may use funds appropriated by Section
13 16100 to bid on the property at the auction up to the amount
14 secured by the state's lien on the property and any lien on such
15 property having priority over the state's lien. All additional
16 amounts paid pursuant to this subdivision shall be added to the
17 amount secured by the lien on such property provided for in Article
18 1 (commencing with Section 16180) of this chapter.

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

22 ~~SEC. 10.~~

23 *SEC. 11.* Section 16210 of the Government Code is amended
24 to read:

25 16210. In the event that the amount secured by the state's lien
26 provided for in Article 1 (commencing with Section 16180) is paid
27 by reason of the sale or condemnation of the property on which
28 the lien attaches, the funds so received shall be placed in the Senior
29 Citizens and Disabled Citizens Property Tax Postponement Fund.

30 ~~SEC. 11.~~

31 *SEC. 12.* Section 16211 of the Government Code is amended
32 to read:

33 16211. The claimant under Chapter 2 (commencing with
34 Section 20581), Chapter 3 (commencing with Section 20625), or
35 Chapter 3.5 (commencing with Section 20640) of Part 10.5 of
36 Division 2 of the Revenue and Taxation Code whose residential
37 dwelling was sold or condemned shall not draw upon the amount
38 in the Senior Citizens and Disabled Citizens Property Tax
39 Postponement Fund.

1 ~~SEC. 12.~~

2 *SEC. 13.* Section 16211.5 of the Government Code is amended
3 to read:

4 16211.5. (a) In the event that the real property securing the
5 state’s lien provided for in Article 1 (commencing with Section
6 16180) is the residential dwelling of a claimant under Chapter 2
7 (commencing with Section 20581) of Part 10.5 of Division 2 of
8 the Revenue and Taxation Code and is voluntarily sold, the funds
9 derived from the voluntary sale of the residential dwelling shall
10 be placed in the Senior Citizens and Disabled Citizens Property
11 Tax Postponement Fund. At that time, the Controller shall release
12 the state’s lien in the manner prescribed by Section 16186.

13 (b) The claimant under Chapter 2 (commencing with Section
14 20581) of Part 10.5 of Division 2 of the Revenue and Taxation
15 Code whose residential dwelling was voluntarily sold shall not
16 draw upon the amount in the Senior Citizens and Disabled Citizens
17 Property Tax Postponement Fund.

18 ~~SEC. 13.~~

19 *SEC. 14.* Section 16212 of the Government Code is repealed.

20 ~~SEC. 14.~~

21 *SEC. 15.* Section 16213 of the Government Code is repealed.

22 ~~SEC. 15.~~

23 *SEC. 16.* Section 16214 of the Government Code is repealed.

24 ~~SEC. 16.~~

25 *SEC. 17.* Section 2514 of the Revenue and Taxation Code is
26 amended to read:

27 2514. (a) With respect to a claimant whose property taxes are
28 paid by a lender from an impound, trust, or other type of account
29 described in Section 2954 of the Civil Code, the tax collector shall
30 notify the auditor of the claimant’s name and address, and the
31 duplicate amount of money the Controller transferred to the tax
32 collector via an electronic fund transfer.

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

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

1 ~~SEC. 17.~~

2 *SEC. 18.* Section 2515 of the Revenue and Taxation Code is
3 amended to read:

4 2515. (a) Upon expeditiously processing a “notice of lien for
5 postponed property taxes” from the tax collector, the tax collector
6 or the assessor, whichever is applicable, shall immediately:

7 (1) Enter, on the notice of lien, a description of the real property
8 for which the taxes have been paid by use of a certificate of
9 eligibility pursuant to Section 2514. Such description shall be a
10 “metes and bounds,” “lot-block-tract,” or such other description
11 as is determined by the Controller to sufficiently describe the real
12 property for the purpose of securing the state’s lien.

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

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

19 (4) Enter on the assessment records applicable to the property,
20 the fact that the taxes on the property have been postponed and
21 the Controller’s identification number, and shall, if such record
22 reveals a change in the ownership status of the property subsequent
23 to the date of entry of the postponement information thereon, notify
24 the Controller within 60 days of processing the change in the
25 ownership status in the manner prescribed by the Controller.

26 (b) From the time of recordation of the notice of lien pursuant
27 to Section 16182 of the Government Code, the lien for postponed
28 property taxes shall be deemed to impart constructive notice of
29 the contents thereof to subsequent purchasers, mortgagees, lessees,
30 and other lienors.

31 ~~SEC. 18.~~

32 *SEC. 19.* Section 3375 of the Revenue and Taxation Code is
33 amended to read:

34 3375. The county tax collector or assessor, whichever is
35 applicable, shall notify the Controller within 60 days, in the manner
36 as the Controller shall direct, of all property subject to a “Notice
37 of Lien for Postponed Property Taxes” recorded pursuant to Section
38 16182 of the Government Code and for which notice of any of the
39 following has been expeditiously processed:

1 (a) Becomes tax defaulted subsequent to the date of entry on
2 the secured roll of the information required by subdivision (a) of
3 Section 2514; or

4 (b) The claimant of which transfers ownership or changes his
5 or her mailing address, and the property is a residential property;
6 or

7 (c) The claimant of which has been determined to be deceased.
8 ~~SEC. 19.~~

9 *SEC. 20.* Section 3376 is added to the Revenue and Taxation
10 Code, to read:

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

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

20 (c) Any information provided to the tax collector pursuant
21 subdivision (a) is not a public record and is not open to public
22 inspection.

23 (d) In the event of a tax-defaulted property sale, the tax collector
24 or assessor shall include the outstanding balance of the property
25 tax postponement loan in the minimum bid. Should the property
26 fail to receive the minimum bid, and the minimum bid is reduced,
27 all moneys paid to the Controller's office and county tax collector
28 shall be a proportionate allocation of the total moneys owed.

29 ~~SEC. 20.~~

30 *SEC. 21.* Section 3691 of the Revenue and Taxation Code is
31 amended to read:

32 3691. (a) (1) (A) Five years or more, or three years or more
33 in the case of nonresidential commercial property, after the property
34 has become tax defaulted, the tax collector shall have the power
35 to sell and shall attempt to sell in accordance with Section 3692
36 all or any portion of tax-defaulted property that has not been
37 redeemed, without regard to the boundaries of the parcels, as
38 provided in this chapter, unless by other provisions of law the
39 property is not subject to sale. Any person, regardless of any prior
40 or existing lien on, claim to, or interest in, the property, may

1 purchase at the sale. In the case of tax-defaulted property that has
2 been damaged by a disaster in an area declared to be a disaster
3 area by local, state, or federal officials and whose damage has not
4 been substantially repaired, the five-year period set forth in this
5 subdivision shall be tolled until five years have elapsed from the
6 date the damage to the property was incurred.

7 (B) A county may elect, by an ordinance or resolution adopted
8 by a majority vote of its entire governing body, to adopt conditions
9 and procedures for the delay of sale of properties as described in
10 subparagraph (A) that it finds may be eligible to file a property
11 tax postponement claim with the State Controller prior to January
12 1, 2017, and may cancel any delinquent penalties, costs, fees, and
13 interest associated with these properties.

14 (C) A county may elect, by an ordinance or resolution adopted
15 by a majority vote of its entire governing body, to have the
16 five-year time period described in subparagraph (A) apply to
17 tax-defaulted nonresidential commercial property.

18 (D) For purposes of this subdivision, “nonresidential commercial
19 property” means all property except the following:

20 (i) A constructed single-family or multifamily unit that is
21 intended to be used primarily as a permanent residence, is used
22 primarily as a permanent residence, or that is zoned as a residence,
23 and the land on which that unit is constructed.

24 (ii) Real property that is used and zoned for producing
25 commercial agricultural commodities.

26 (2) When a part of a tax-defaulted parcel is sold, the balance
27 continues subject to redemption and shall be separately valued for
28 the purpose of redemption in the manner provided by Chapter 2
29 (commencing with Section 4131) of Part 7.

30 (3) The tax collector shall provide notice of an intended sale
31 under this subdivision in the manner prescribed by Sections 3704
32 and 3704.5 and any other applicable statute. If the intended sale
33 is of nonresidential commercial property that has been tax-defaulted
34 for fewer than five years, all of the following apply:

35 (A) On or before the notice date, the tax collector shall also
36 mail, in the manner specified in paragraph (1) of subdivision (c)
37 of Section 2924b of the Civil Code, notice containing any
38 information contained in the publication required under Sections
39 3704 and 3704.5 to, as applicable, all of the following:

- 1 (i) The parties specified in paragraph (2) of subdivision (c) of
 2 Section 2924b of the Civil Code.
- 3 (ii) Each taxing agency specified in paragraph (3) of subdivision
 4 (c) of Section 2924b of the Civil Code.
- 5 (iii) Any beneficiary of a deed of trust or a mortgagee of any
 6 mortgage recorded against the nonresidential commercial property,
 7 and any assignee or vendee of these beneficiaries or mortgagees.
- 8 (B) For purposes of this paragraph:
- 9 (i) “Notice date” means a date not less than 45 days nor more
 10 than 120 days before an intended sale or not less than 45 days nor
 11 more than 120 days before the date upon which the property may
 12 be sold.
- 13 (ii) “Recording date of the notice of default” as used in
 14 subdivision (c) of Section 2924b of the Civil Code means a date
 15 that is 30 days before the notice date.
- 16 (iii) “Deed of trust or mortgage being foreclosed” as used in
 17 subdivision (c) of Section 2924b of the Civil Code means the
 18 defaulted tax lien.
- 19 (b) (1) (A) Three years or more after the property has become
 20 tax defaulted and a request has been made by a city, county, city
 21 and county, or nonprofit organization pursuant to Section 3692.4,
 22 or a request has been made by a person or entity that has recorded
 23 a nuisance abatement lien on that property, to offer that property
 24 at the next scheduled tax sale, the tax collector shall have the power
 25 to sell and may sell all or any portion of tax-defaulted property
 26 that has not been redeemed, without regard to the boundaries of
 27 parcels, as provided in this chapter at the next scheduled tax sale,
 28 unless by other provisions of law the property is not subject to
 29 sale. Any person, regardless of any prior or existing lien on, claim
 30 to, or interest in, the property, may purchase at the sale.
- 31 (B) When a part of a tax-defaulted parcel is sold, the balance
 32 continues subject to redemption and shall be separately valued for
 33 the purpose of redemption in the manner provided by Chapter 2
 34 (commencing with Section 4131) of Part 7.
- 35 (2) Before the tax collector sells vacant residential developed
 36 property pursuant to this subdivision, actual notice, by certified
 37 mail, shall be provided to the property owner, if the property
 38 owner’s identity can be determined from the county assessor’s or
 39 county recorder’s records. The tax collector’s power of sale shall

1 not be affected by the failure of the property owner to receive
2 notice.

3 (3) Before the tax collector sells vacant residential developed
4 property pursuant to this subdivision, notice of the sale shall be
5 given in the manner specified by Section 3704.7.

6 (c) The amendments made to this section by the act adding this
7 subdivision apply to property that becomes tax defaulted on or
8 after January 1, 2005.

9 ~~SEC. 21.~~

10 *SEC. 22.* Section 3698.5 of the Revenue and Taxation Code is
11 amended to read:

12 3698.5. (a) Except as provided in Section 3698.7, the minimum
13 price at which property may be offered for sale pursuant to this
14 chapter shall be an amount not less than the total amount necessary
15 to redeem, plus costs and the outstanding balance of any property
16 tax postponement loan. For purposes of this subdivision:

17 (1) The “total amount necessary to redeem” is the sum of the
18 following:

19 (A) The amount of defaulted taxes.

20 (B) Delinquent penalties and costs.

21 (C) Redemption penalties.

22 (D) A redemption fee.

23 (2) “Costs” are those amounts described in subdivision (c) of
24 Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections
25 4672, 4672.1, 4672.2, 4673, and subdivision (b) of Section 4673.1.

26 (3) *The “outstanding balance of any property tax postponement
27 loan” is the sum of the following:*

28 (A) *The tax payments made by the State Controller’s Office on
29 behalf of the claimant in the Property Tax Postponement Program.*

30 (B) *Accrued interest pursuant to Section 16183 of the
31 Government Code, subject to Sections 20644 and 20644.5.*

32 (C) *Other associated fees and penalties as deemed appropriate
33 by law.*

34 (D) *Less any payments already made on the property tax
35 postponement loan.*

36 (b) This section shall not apply to property or interests that
37 qualify for sale in accordance with the provisions of subdivisions
38 (b) and (c) of Section 3692.

39 (c) Where property or property interests have been offered for
40 sale at least once and no acceptable bids therefor have been

1 received at the minimum price determined pursuant to subdivision
 2 (a), the tax collector may, in his or her discretion and with the
 3 approval of the board of supervisors, offer that same property or
 4 those interests at the same or next scheduled sale at a minimum
 5 price that the tax collector deems appropriate in light of the most
 6 current assessed valuation of that property or those interests, or
 7 any unique circumstance with respect to that property or those
 8 interests.

9 ~~SEC. 22.~~

10 *SEC. 23.* Section 3698.7 of the Revenue and Taxation Code is
 11 amended to read:

12 3698.7. (a) With respect to property for which a property tax
 13 welfare exemption has been granted and that has become tax
 14 defaulted, the minimum price at which the property may be offered
 15 for sale pursuant to this chapter shall be the higher of the following:

16 (1) Fifty percent of the fair market value of the property. For
 17 the purposes of this paragraph, “fair market value” means the
 18 amount as defined in Section 110 as determined pursuant to an
 19 appraisal of the property by the county assessor within one year
 20 immediately preceding the date of the public auction. From the
 21 proceeds of the sale, there shall be distributed to the county general
 22 fund an amount to reimburse the county for the cost of appraising
 23 the property. The value of the property as determined by the
 24 assessor pursuant to an appraisal shall be conclusively presumed
 25 to be the fair market value of the property for the purpose of
 26 determining the minimum price at which the property may be
 27 offered for sale.

28 (2) The total amount necessary to redeem, plus costs and the
 29 outstanding balance of any property tax postponement loan. For
 30 purposes of this paragraph:

31 (A) The “total amount necessary to redeem” is the sum of the
 32 following:

- 33 (i) The amount of defaulted taxes.
- 34 (ii) Delinquent penalties and costs.
- 35 (iii) Redemption penalties.
- 36 (iv) A redemption fee.

37 (B) “Costs” are those amounts described in subdivision (c) of
 38 Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections
 39 4672, 4672.1, 4672.2, and 4673, and subdivision (b) of Section
 40 4673.1.

1 (3) *The “outstanding balance of any property tax postponement*
2 *loan” is the sum of the following:*

3 (A) *The tax payments made by the State Controller’s Office on*
4 *behalf of the claimant in the Property Tax Postponement Program.*

5 (B) *Accrued interest pursuant to Section 16183 of the*
6 *Government Code, subject to Sections 20644 and 20644.5.*

7 (C) *Other associated fees and penalties as deemed appropriate*
8 *by law.*

9 (D) *Less any payments already made on the property tax*
10 *postponement loan.*

11 (b) This section shall not apply to property or interests that
12 qualify for sale in accordance with the provisions of subdivisions
13 (b) and (c) of Section 3692.

14 (c) Where property or property interests have been offered for
15 sale at least once and no acceptable bids therefor have been
16 received, at the minimum price determined pursuant to subdivision
17 (a), the tax collector may, in his or her discretion and with the
18 approval of the board of supervisors, offer that same property or
19 those interests at the same or next scheduled sale at a minimum
20 price that the tax collector deems appropriate in light of the most
21 current assessed valuation of that property or those interests, or
22 any unique circumstance with respect to that property or those
23 interests.

24 ~~SEC. 23.~~

25 *SEC. 24.* Section 3793.1 of the Revenue and Taxation Code is
26 amended to read:

27 3793.1. (a) The sales price of any property sold under this
28 article shall include, at a minimum, the amounts of all of the
29 following:

30 (1) All defaulted taxes and assessments, and all associated
31 penalties and costs.

32 (2) Redemption penalties and fees incurred through the month
33 of the sale.

34 (3) All costs of the sale.

35 (4) The outstanding balance of any property tax postponement
36 loan.

37 (b) If the property or property interests have been offered for
38 sale under the provisions of Chapter 7 (commencing with Section
39 3691) at least once and no acceptable bids therefor have been
40 received, the tax collector may, in his or her discretion and with

1 the approval of the board of supervisors, offer that property or
2 those interests at a minimum price that the tax collector deems
3 appropriate.

4 (c) The board of supervisors may permit a nonprofit organization
5 to purchase property or property interests by way of installment
6 payments.

7 (d) For purposes of this section, the “outstanding balance of
8 any property tax postponement loan” is the sum of the following:

9 (1) The tax payments made by the State Controller’s Office on
10 behalf of the claimant in the Property Tax Postponement Program.

11 (2) Accrued interest pursuant to Section 16183 of the
12 Government Code, subject to Sections 20644 and 20644.5.

13 (3) Other associated fees and penalties as deemed appropriate
14 by law.

15 (4) Less any payments already made on the property tax
16 postponement loan.

17 ~~SEC. 24.~~

18 SEC. 25. Section 4673.1 of the Revenue and Taxation Code is
19 amended to read:

20 4673.1. After satisfaction of the amount specified in Sections
21 4672, 4672.1, and 4673, the proceeds shall be distributed as
22 follows:

23 (a) An amount of the proceeds up to but no greater than the
24 amount required, at the time of sale, to redeem the property from
25 tax default, the outstanding balance of any property tax
26 postponement loan, and the sale to any taxing agency entitled to
27 share in the proceeds shall be distributed as follows:

28 (1) A pro rata share shall be distributed to each assessment fund
29 in an amount bearing the same proportion as the assessment due
30 each fund bears to the total amount of taxes and assessments
31 necessary to redeem the property at the time of sale.

32 (2) After distributing the proceeds according to paragraph (1),
33 a pro rata share shall be distributed to each tax fund in an amount
34 bearing the same proportion to the balance remaining as the tax
35 rate for each fund bears to the total tax rate applicable to the
36 property for the fiscal year preceding that in which the property
37 was sold.

38 (3) The remaining balance of the proceeds to be distributed
39 under this section after distributing the proceeds according to

1 paragraphs (1) and (2) shall be distributed to the state controller
2 for the outstanding balance of any property tax postponement loan.

3 (b) After satisfaction of the amounts specified in subdivision
4 (a), an amount of the proceeds necessary to satisfy current taxes
5 and assessments and applicable penalties and costs thereon for the
6 fiscal year in which the tax sale is held shall be distributed as
7 provided in Chapter 1a (commencing with Section 4653) of this
8 part. Current taxes and assessments referred to herein include taxes
9 and assessments which would have been levied on the property if
10 the property were not tax-deeded to any taxing agency and remains
11 subject to sale by, or redemption from, the taxing agency.

12 (c) *For purposes of this section, the “outstanding balance of*
13 *any property tax postponement loan” is the sum of the following:*

14 (1) *The tax payments made by the State Controller’s Office on*
15 *behalf of the claimant in the Property Tax Postponement Program.*

16 (2) *Accrued interest pursuant to Section 16183 of the*
17 *Government Code, subject to Sections 20644 and 20644.5.*

18 (3) *Other associated fees and penalties as deemed appropriate*
19 *by law.*

20 (4) *Less any payments already made on the property tax*
21 *postponement loan.*

22 ~~SEC. 25.~~

23 *SEC. 26.* Section 20503 of the Revenue and Taxation Code is
24 amended to read:

25 20503. (a) “Income” means adjusted gross income as defined
26 in Section 17072 plus all of the following cash items:

27 (1) Public assistance and relief.

28 (2) Nontaxable amount of pensions and annuities.

29 (3) Social security benefits (except Medicare).

30 (4) Railroad retirement benefits.

31 (5) Unemployment insurance payments.

32 (6) Veterans’ benefits.

33 (7) Exempt interest received from any source.

34 (8) Gifts and inheritances in excess of three hundred dollars
35 (\$300), other than transfers between members of the household.
36 Gifts and inheritances include noncash items.

37 (9) Amounts contributed on behalf of the contributor to a
38 tax-sheltered retirement plan or deferred compensation plan.

39 (10) Temporary workers’ compensation payments.

40 (11) Sick leave payments.

1 (12) Nontaxable military compensation as defined in Section
2 112 of the Internal Revenue Code.

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

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

7 (15) Life insurance proceeds to the extent that the proceeds
8 exceed the expenses incurred for the last illness and funeral of the
9 deceased spouse of the claimant. “Expenses incurred for the last
10 illness” includes unreimbursed expenses paid or incurred during
11 the income calendar year and any expenses paid or incurred
12 thereafter up until the date the claim is filed. For purposes of this
13 paragraph, funeral expenses shall not exceed five thousand dollars
14 (\$5,000).

15 (16) If an alternative minimum tax is required to be paid
16 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
17 10, the amount of alternative minimum taxable income (whether
18 or not cash) in excess of the regular taxable income.

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

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

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

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

34 ~~SEC. 26.~~

35 *SEC. 27.* Section 20583 of the Revenue and Taxation Code is
36 amended to read:

37 20583. (a) “Residential dwelling” means a dwelling occupied
38 as the principal place of residence of the claimant, and so much
39 of the land surrounding it as is reasonably necessary for use of the
40 dwelling as a home, owned by the claimant, the claimant and

1 spouse, or by the claimant and either another individual eligible
2 for postponement under this chapter or an individual described in
3 subdivision (a), (b), or (c) of Section 20511 and located in this
4 state. It shall include condominiums that are assessed as realty for
5 local property tax purposes. It also includes part of a multidwelling
6 or multipurpose building and a part of the land upon which it is
7 built.

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

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

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

33 (1) Any residential dwelling in which the owners do not have
34 an equity of at least 40 percent of the full value of the property as
35 determined for purposes of property taxation or at least 40 percent
36 of the fair market value as determined by the Controller and where
37 the Controller determines that the state’s interest is adequately
38 protected. The 40-percent equity requirement shall be met each
39 time the claimant or authorized agent files a postponement claim.

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

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

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

13 ~~SEC. 27.~~

14 *SEC. 28.* Section 20583.1 of the Revenue and Taxation Code
15 is repealed.

16 ~~SEC. 28.~~

17 *SEC. 29.* Section 20584 of the Revenue and Taxation Code is
18 amended to read:

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

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

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

33 *SEC. 30.* Section 20585 of the Revenue and Taxation Code is
34 amended to read:

35 20585. Postponement shall not be allowed under this chapter
36 or Chapter 3 (commencing with Section 20625), Chapter 3.3
37 (commencing with Section 20639), or Chapter 3.5 (commencing
38 with Section 20640) if household income exceeds ~~either of the~~
39 ~~following amounts:~~ *thirty five thousand five hundred dollars*
40 *(\$35,500).*

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

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

9 ~~(1) On or before March 1 of each year, the California~~
10 ~~Department of Industrial Relations shall transmit to the Controller~~
11 ~~the percentages of increase in the California Consumer Price Index~~
12 ~~for all Urban Consumers and in the California Consumer Price~~
13 ~~Index for Urban Wage Earners and Clerical Workers of December~~
14 ~~of the prior calendar year over December of the preceding calendar~~
15 ~~year.~~

16 ~~(2) The Controller shall compute an inflation adjustment factor~~
17 ~~by adding 100 percent to the larger of the California Consumer~~
18 ~~Price Index percentage increases furnished pursuant to paragraph~~
19 ~~(1).~~

20 ~~(3) In 1978, the Franchise Tax Board shall multiply twenty~~
21 ~~thousand dollars (\$20,000) by the inflation adjustment factor to~~
22 ~~determine the maximum allowable gross household income for~~
23 ~~the 1977 calendar year and for approved fiscal years commencing~~
24 ~~within that calendar year. In 1979 and subsequent calendar years~~
25 ~~through and including 1983, the Controller shall multiply the~~
26 ~~maximum allowable household income determined for the~~
27 ~~preceding calendar year by the inflation adjustment factor to~~
28 ~~determine the maximum allowable household income for the~~
29 ~~applicable calendar year and approved fiscal years commencing~~
30 ~~within that calendar year. In determining the maximum allowable~~
31 ~~household income pursuant to this section, the Controller shall~~
32 ~~round that amount to the nearest hundred dollar amount.~~

33 ~~(e) For calendar year 1984 and subsequent calendar years and~~
34 ~~for approved fiscal years commencing within those years,~~
35 ~~postponement shall not be allowed under this chapter, Chapter 3~~
36 ~~(commencing with Section 20626), Chapter 3.3 (commencing with~~
37 ~~Section 20639), or Chapter 3.5 (commencing with Section 20640),~~
38 ~~if household income exceeds an amount determined as follows:~~

39 ~~(1) For claimants who filed and qualified in the calendar year~~
40 ~~1983 and for whom postponement has been allowed for each~~

1 subsequent calendar year up to and including the calendar year
2 2007, thirty-four thousand dollars (\$34,000). For these same
3 claimants, for the calendar year 2008 or for any approved fiscal
4 year commencing within that calendar year, household income
5 shall not exceed thirty-five thousand five hundred dollars
6 (\$35,500).

7 (2) For all other claimants, for calendar years up to and including
8 2006, household income shall not exceed twenty-four thousand
9 dollars (\$24,000). For these same claimants, for the 2007 calendar
10 year or for any approved fiscal year commencing within that
11 calendar year, household income shall not exceed thirty-one
12 thousand five hundred dollars (\$31,500). For these same claimants,
13 for the 2008 calendar year or for any approved fiscal year
14 commencing within that calendar year, household income shall
15 not exceed thirty-five thousand five hundred dollars (\$35,500).

16 (3) (A) For all claimants for the calendar year 2009 or for any
17 approved fiscal year commencing within that calendar year,
18 postponement shall not be allowed under this chapter, Chapter 3
19 (commencing with Section 20626), Chapter 3.3 (commencing with
20 Section 20639), or Chapter 3.5 (commencing with Section 20640);
21 if household income exceeds thirty-nine thousand dollars
22 (\$39,000).

23 (B) For the 2010 calendar year and each subsequent calendar
24 year, and for any approved fiscal year commencing within that
25 calendar year, the household income amount specified in
26 subparagraph (A) shall be adjusted for inflation, in accordance
27 with an inflation factor determined pursuant to paragraphs (1) and
28 (2) of subdivision (b).

29 ~~SEC. 29.~~

30 *SEC. 31.* Section 20602 of the Revenue and Taxation Code is
31 amended to read:

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

1 ~~SEC. 30.~~

2 *SEC. 32.* 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. 31.~~

33 *SEC. 33.* 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 fiscal year in which the postponement is
37 claimed and on or before April 10 of that fiscal year; if April 10th
38 falls on Saturday, Sunday, or a legal holiday, the date is extended
39 to the next business day.

1 ~~SEC. 32.~~

2 *SEC. 34.* 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, 2016, and
9 as of January 1, 2017, is repealed.

10 ~~SEC. 33.~~

11 *SEC. 35.* Section 20639.10 of the Revenue and Taxation Code
12 is amended to read:

13 20639.10. The Controller shall maintain a record of all persons
14 who have received postponement amounts pursuant to this chapter.
15 That record shall include the name and address of the claimant,
16 the name and address of the legal owner of the mobilehome, the
17 name and address of any other party whose consent is required by
18 this chapter, and any other information deemed necessary by the
19 Controller for administration purposes.

20 ~~SEC. 34.~~

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

23 20639.11. All amounts postponed pursuant to this chapter shall
24 be due if any of the following occurs:

25 (a) The claimant ceases to occupy the residential dwelling as
26 the principal place of residence, sells, or otherwise disposes of his
27 or her mobilehome.

28 (b) The claimant dies. However, if the surviving spouse was
29 previously approved pursuant to this chapter continues to occupy
30 the mobilehome, then the postponed amounts shall not be due
31 unless that person dies or ceases to occupy the residential dwelling.

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

34 (d) The claimant allows any subsequent taxes to remain unpaid
35 or to be transferred to the unsecured roll.

36 (e) Postponement was erroneously allowed because eligibility
37 requirements were not met.

38 ~~SEC. 35.~~

39 *SEC. 37.* Section 20639.12 of the Revenue and Taxation Code
40 is amended to read:

1 20639.12. If the Controller determines that amounts postponed
2 under this chapter have become due and payable, the Controller
3 may take any or all of the following actions:

4 (a) Demand payment of that amount from the claimant, the
5 estate of any decedent claimant, or any person who was a cotenant
6 with the claimant pursuant to the registration card.

7 (b) Direct the Department of General Services to seize and sell
8 any property pledged by the claimant as security for postponement.

9 (c) Request the Attorney General to bring an action to recover
10 amounts postponed under this chapter by the claimant.

11 (d) Utilize any or all of the other enforcement and foreclosure
12 provisions set forth in Article 3 (commencing with Section 16200)
13 of Chapter 6 of Part 1 of Division 4 of Title 2 of the Government
14 Code, as may be applicable.

15 ~~SEC. 36.~~

16 *SEC. 38.* Section 20645.5 of the Revenue and Taxation Code
17 is amended to read:

18 20645.5. (a) If a postponement claim under Chapter 2
19 (commencing with Section 20581), Chapter 3.3 (commencing with
20 Section 20639), or Chapter 3.5 (commencing with Section 20640)
21 is filed timely before the delinquency date of the second installment
22 of property taxes on the secured roll, then any delinquent penalties,
23 costs, fees, and interest accrued for that fiscal year shall be canceled
24 unless the failure to perfect the claim was due to willful neglect
25 on the part of the claimant or representative.

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

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

36 (2) In the event of willful neglect, in addition to the information
37 required pursuant to paragraph (1), the Controller shall also notify
38 the claimant in writing and provide a copy of the notification to
39 the tax collector, that a payment amount sufficient to pay all of
40 the delinquent penalties, costs, fees, and interest must be received

1 by the tax collector within 30 days from the date of the electronic
2 funds transfer, and that if this payment is not received by the tax
3 collector, the tax collector may return the electronic funds transfer
4 to the Controller to deny the postponement claim.

5 ~~SEC. 37.~~

6 *SEC. 39.* Section 20645.6 of the Revenue and Taxation Code
7 is amended to read:

8 20645.6. (a) If the Controller denies a postponement claim
9 under Chapter 2 (commencing with Section 20581), Chapter 3
10 (commencing with Section 20625), Chapter 3.3 (commencing with
11 Section 20639), or Chapter 3.5 (commencing with Section 20640),
12 and the denial is reversed after appeal pursuant to Section 20645.1,
13 the Controller shall electronically transfer funds to the county, if
14 the taxes for the fiscal year have been paid, for the amount of the
15 taxes. If the taxes for the fiscal year are delinquent, any resulting
16 penalties or interest shall be canceled.

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

20 ~~SEC. 38.~~

21 *SEC. 40.* The Legislature finds and declares that Section 16 of
22 this act, which adds Section 3376 to the Revenue and Taxation
23 Code, imposes a limitation on the public's right of access to the
24 meetings of public bodies or the writings of public officials and
25 agencies within the meaning of Section 3 of Article I of the
26 California Constitution. Pursuant to that constitutional provision,
27 the Legislature makes the following findings to demonstrate the
28 interest protected by this limitation and the need for protecting
29 that interest:

30 In order to protect those persons subject to enforcement of Part
31 6 (commencing with Section 3351) of Division 1 of the Revenue
32 and Taxation Code against the risk of identity theft, it is in the
33 state's interest to limit public access to information.

34 ~~SEC. 39.~~

35 *SEC. 41.* No reimbursement is required by this act pursuant to
36 Section 6 of Article XIII B of the California Constitution for certain
37 costs that may be incurred by a local agency or school district
38 because, in that regard, this act creates a new crime or infraction,
39 eliminates a crime or infraction, or changes the penalty for a crime
40 or infraction, within the meaning of Section 17556 of the

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

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

9 ~~SEC. 40.~~

10 *SEC. 42.* This act is an urgency statute necessary for the
11 immediate preservation of the public peace, health, or safety within
12 the meaning of Article IV of the Constitution and shall go into
13 immediate effect. The facts constituting the necessity are:

14 In order to avoid the imminent sale of tax-defaulted dwellings
15 of vulnerable Californians, it is necessary that this act take effect
16 immediately.