

AMENDED IN ASSEMBLY AUGUST 5, 2013

SENATE BILL

No. 825

**Introduced by Committee on Governance and Finance (Senators
Wolk (Chair), Beall, DeSaulnier, Emmerson, Hernandez, Knight,
and Liu)**

March 20, 2013

An act to amend Sections 6157 and 6159 of the Government Code, and to amend Sections 75.12, 606, 2611.6, 2615.6, and 3716 of the Revenue and Taxation Code, relating to government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 825, as amended, Committee on Governance and Finance. Government finance.

(1) Existing law requires a public agency to accept payment for designated obligations by personal check, as specified, and authorizes the public agency to impose a charge not to exceed the agency's actual costs if the check is returned unpaid. Existing law also authorizes a public agency to accept a credit card, debit card, or electronic funds transfer, in payment of these designated obligations subject to approval by the governing body of the agency or other appropriate entity, as specified.

This bill would ~~also authorize~~ *require* a public agency to accept a corporate check, cashier's check, money order, or other draft ~~methods~~ *method* for payment of these designated obligations and to impose a charge for any type of returned check or other authorized payment method that is not honored, in an amount that does not exceed the agency's actual processing and collections costs. ~~This~~ *The* bill would authorize the amount of the charge to be added to, and become part of, the underlying obligation, as specified.

(2) Existing property tax law requires a supplemental assessment to be made when property undergoes a change in ownership or has had new construction completed after the period in which the property was assessed in an assessment year. For purposes of these provisions, existing property tax law presumes that new construction is completed on the date of completion, unless the owner does not intend to occupy or use the property, in which case the owner is required to notify the county assessor, as specified. Existing property tax law excludes from this notice requirement, and presumes that a supplemental assessment is not required for, an owner of property that meets specified conditions. Existing property tax law requires the owner of property who notifies the assessor that he or she does not intend to occupy or use the property to notify the assessor if certain events occur, as specified.

This bill would *additionally* require the owner of property, who is excluded from the notice requirement described above and whose property meets specified conditions, to ~~also~~ notify the assessor if ~~certain~~ *those* events occur. By requiring county assessors to process this additional notification from property owners, this bill would impose a state-mandated local program.

(3) Existing property tax law requires, for any tract of land situated in 2 or more revenue districts, that the portion of the land in each district be separately assessed. Existing law also provides, as an exception to that requirement, that where the owner of 2 or more contiguous parcels comprising the multiple district tract is identical and the full value of any parcel is less than \$25,000, that parcel may for assessment purposes be combined with the contiguous parcel with the greatest assessed valuation.

This bill would revise the threshold for the purpose of that exception from \$25,000 to \$50,000.

(4) Existing property tax law requires that each county tax bill, or a statement accompanying that bill, include specified information.

This bill would additionally require that each county tax bill, or a statement accompanying that bill, include information specifying that relief from penalties, if an informal or formal assessment review is requested, shall ~~applies~~ *apply* only to the difference between the county assessor's final determination of value and the value on the assessment roll, as specified.

By imposing a new duty upon local tax officials with respect to information required to be included in each county tax bill, this bill would create a state-mandated local program.

(5) Existing property tax law generally authorizes a county tax collector to sell tax-defaulted property 5 years or more, or 3 years or more in the case of nonresidential commercial property, after that property has become tax defaulted. Existing property tax law requires the tax collector to report specified information regarding the sale to the assessor within 10 days after the sale.

This bill would extend the period of time the tax collector has to report specified information regarding the sale to the assessor from 10 days to 30 days after the sale.

(6) Existing law requires, when the county sends to any person an annual tax bill, that the bill be accompanied by a notice regarding property tax assistance and postponement for senior citizens, as specified. Existing law requires the text of this notice to be prepared by the Franchise Tax Board.

This bill would provide that the notification requirement regarding property tax assistance and postponement programs for senior citizens shall be inoperative for any property tax year for which funding for these programs is not provided in state law.

~~(6)~~

(7)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.

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

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

- 1 SECTION 1. Section 6157 of the Government Code is amended
- 2 to read:
- 3 6157. (a) The state, and each city, whether general law or
- 4 chartered, county, and district, each subdivision, department, board,
- 5 commission, body, or agency of the foregoing, shall accept personal
- 6 checks, in addition to any other authorized form of payment, drawn
- 7 in its favor or in favor of a designated official thereof, in payment
- 8 for any license, permit, or fee, or in payment of any obligation
- 9 owing to the public agency or trust deposit, if the person issuing

1 the check furnishes to the person authorized to receive payment
2 satisfactory proof of residence in this state and if the personal
3 check is drawn on a banking institution located in this state.

4 (b) If any personal check, corporate check, cashier's check,
5 money order, or other draft method offered in payment pursuant
6 to this section is returned without payment, for any reason, a
7 reasonable charge for the returned ~~check~~, *check*, not to exceed the
8 actual costs incurred by the public agency, may be imposed to
9 recover the public agency's processing and collection costs. This
10 charge may be added to, and become part of, any underlying
11 obligation other than an obligation which constitutes a lien on real
12 property, and a different method of payment for that payment and
13 future payments by this person may be prescribed.

14 (c) The acceptance of a personal check, corporate check,
15 cashier's check, money order, or other draft method pursuant to
16 this section constitutes payment of the obligation owed to the payee
17 public agency to the extent of the amount of the check as of the
18 date of acceptance when, but not before, the check is duly paid.

19 (d) The provisions in subdivision (b) prohibiting a returned
20 check charge being added to, and becoming a part of, an obligation
21 which constitutes a lien on real property do not apply to obligations
22 under the Veterans' Farm and Home Purchase Act of 1974 (Article
23 3.1 (commencing with Section 987.50) of Chapter 6 of Division
24 4 of the Military and Veterans Code).

25 SEC. 2. Section 6159 of the Government Code is amended to
26 read:

27 6159. (a) The following definitions apply for purposes of this
28 section:

29 (1) "Credit card" means any card, plate, coupon book, or other
30 credit device existing for the purpose of being used from time to
31 time upon presentation to obtain money, property, labor, or services
32 on credit.

33 (2) "Card issuer" means any person, or his or her agent, who
34 issues a credit card and purchases credit card drafts.

35 (3) "Cardholder" means any person to whom a credit card is
36 issued or any person who has agreed with the card issuer to pay
37 obligations arising from the issuance of a credit card to another
38 person.

1 (4) “Debit card” means a card or other means of access to a
2 debit card cardholder’s account that may be used to initiate
3 electronic funds transfers from that account.

4 (5) “Draft purchaser” means any person who purchases credit
5 card drafts.

6 (6) “Electronic funds transfer” means any method by which a
7 person permits electronic access to, and transfer of, money held
8 in an account by that person.

9 (b) Subject to subdivisions (c) and (d), a court, city, county, city
10 and county, or other public agency may authorize the acceptance
11 of a credit card, debit card, or electronic funds transfer for any of
12 the following:

13 (1) The payment for the deposit of bail for any offense not
14 declared to be a felony or for any court-ordered fee, fine, forfeiture,
15 penalty, assessment, or restitution. Use of a card or electronic funds
16 transfer pursuant to this paragraph may include a requirement that
17 the defendant be charged any administrative fee charged by the
18 company issuing the card or processing the account for the cost
19 of the transaction.

20 (2) The payment of a filing fee or other court fee.

21 (3) The payment of any towage or storage costs for a vehicle
22 that has been removed from a highway, or from public or private
23 property, as a result of parking violations.

24 (4) The payment of child, family, or spousal support, including
25 reimbursement of public assistance, related fees, costs, or penalties,
26 with the authorization of the cardholder or accountholder.

27 (5) The payment for services rendered by any city, county, city
28 and county, or other public agency.

29 (6) The payment of any fee, charge, or tax due a city, county,
30 city and county, or other public agency.

31 (7) The payment of any moneys payable to the sheriff pursuant
32 to a levy under a writ of attachment or writ of execution. If the use
33 of a card or electronic funds transfer pursuant to this paragraph
34 includes any administrative fee charged by the company issuing
35 the card or processing the account for the cost of the transaction,
36 that fee shall be paid by the person who pays the money to the
37 sheriff pursuant to the levy.

38 (8) The payment of a donation, gift, bequest, or devise made to
39 or in favor of a county, or to or in favor of the board of supervisors
40 of a county, pursuant to Section 25355.

1 (c) A court desiring to authorize the use of a credit card, debit
2 card, or electronic funds transfer pursuant to subdivision (b) shall
3 obtain the approval of the Judicial Council. A city desiring to
4 authorize the use of a credit card, debit card, or electronic funds
5 transfer pursuant to subdivision (b) shall obtain the approval of its
6 city council. Any other public agency desiring to authorize the use
7 of a credit card, debit card, or electronic funds transfer pursuant
8 to subdivision (b) shall obtain the approval of the governing body
9 that has fiscal responsibility for that agency.

10 (d) After approval is obtained, a contract may be executed with
11 one or more credit card issuers, debit card issuers, electronic funds
12 transfer processors, or draft purchasers. The contract shall provide
13 for the following matters:

14 (1) The respective rights and duties of the court, city, county,
15 city and county, or other public agency and card issuer, funds
16 processor, or draft purchaser regarding the presentment,
17 acceptability, and payment of credit and debit card drafts and
18 electronic funds transfer requests.

19 (2) The establishment of a reasonable means by which to
20 facilitate payment settlements.

21 (3) The payment to the card issuer, funds processor, or draft
22 purchaser of a reasonable fee or discount.

23 (4) Any other matters appropriately included in contracts with
24 respect to the purchase of credit and debit card drafts and
25 processing of electronic funds transfer requests as may be agreed
26 upon by the parties to the contract.

27 (e) The honoring of a credit card, debit card, or electronic funds
28 transfer pursuant to subdivision (b) hereof constitutes payment of
29 the amount owing to the court, city, county, city and county, or
30 other public agency as of the date the credit or debit card is honored
31 or the electronic funds transfer is processed, provided the credit
32 or debit card draft is paid following its due presentment to a card
33 issuer or draft purchaser or the electronic funds transfer is
34 completed with transfer to the agency requesting the transfer.

35 (f) If any credit or debit card draft is not paid following due
36 presentment to a card issuer or draft purchaser or is charged back
37 to the court, city, county, city and county, or other public agency
38 for any reason, any record of payment made by the court, city, or
39 other public agency honoring the credit or debit card shall be void.
40 If any electronic funds transfer request is not completed with

1 transfer to the agency requesting the transfer or is charged back
2 to the agency for any reason, any record of payment made by the
3 agency processing the electronic funds transfer shall be void. Any
4 receipt issued in acknowledgment of payment shall also be void.
5 The obligation of the cardholder or accountholder shall continue
6 as an outstanding obligation as if no payment had been attempted.

7 (g) If a credit card, debit card draft, electronic *funds* transfer,
8 or other payment offered in payment is returned without payment,
9 for any reason, a reasonable charge for the charge back or return,
10 not to exceed the actual costs incurred by the public agency, may
11 be imposed to recover the public agency's processing and
12 collection costs. This charge may be added to, and become part
13 of, any underlying obligation other than an obligation which
14 constitutes a lien on real property, and a different method of
15 payment for that payment and future payments by this person may
16 be prescribed.

17 (h) Notwithstanding Title 1.3 (commencing with Section 1747)
18 of Part 4 of Division 3 of the Civil Code, a court, city, county, city
19 and county, or any other public agency may impose a fee for the
20 use of a credit or debit card or electronic funds transfer, not to
21 exceed the costs incurred by the agency in providing for payment
22 by credit or debit card or electronic funds transfer. These costs
23 may include, but shall not be limited to, the payment of fees or
24 discounts as specified in paragraph (3) of subdivision (d). Any fee
25 imposed by a court pursuant to this subdivision shall be approved
26 by the Judicial Council. Any fee imposed by any other public
27 agency pursuant to this subdivision for the use of a credit or debit
28 card or electronic funds transfer shall be approved by the governing
29 body responsible for the fiscal decisions of the public agency.

30 (i) Fees or discounts provided for under paragraph (3) of
31 subdivision (d) shall be deducted or accounted for prior to any
32 statutory or other distribution of funds received from the card
33 issuer, funds processor, or draft purchaser to the extent not
34 recovered from the cardholder or accountholder pursuant to
35 subdivision (h).

36 (j) The Judicial Council may enter into a master agreement with
37 one or more credit or debit card issuers, funds processors, or draft
38 purchasers for the acceptance and payment of credit or debit card
39 drafts and electronic funds transfer requests received by the courts.
40 Any court may join in any of these master agreements or may enter

1 into a separate agreement with a credit or debit card issuer, funds
 2 processor, or draft purchaser.

3 SEC. 3. Section 75.12 of the Revenue and Taxation Code is
 4 amended to read:

5 75.12. (a) For the purposes of this chapter, new construction
 6 shall be deemed completed on the earliest of the following dates:

7 (1) (A) The date upon which the new construction is available
 8 for use by the owner, unless the owner does not intend to occupy
 9 or use the property. The owner shall notify the assessor prior to,
 10 or within 30 days of, the date of commencement of construction
 11 that he or she does not intend to occupy or use the property. If the
 12 owner does not notify the assessor as provided in this subdivision,
 13 the date shall be conclusively presumed to be the date of
 14 completion.

15 (B) Notwithstanding subparagraph (A), an owner is not required
 16 to provide the notice described in subparagraph (A) and it is
 17 ~~irrebuttably~~ *rebuttably* presumed that a supplemental assessment
 18 is not required on property described in clauses (i) to (iii), inclusive,
 19 if the owner’s property meets all of the following conditions:

20 (i) The property is subdivided into five or more parcels in
 21 accordance with the Subdivision Map Act (Division 2
 22 commencing with Section 66410) of Title 7 of the Government
 23 Code), or any successor to that law.

24 (ii) A map describing the parcels has been recorded.

25 (iii) Zoning regulations that are applicable to the parcels or
 26 building permits for the parcels require that, except for parcels
 27 dedicated for public use, single-family residences will be
 28 constructed on the parcels.

29 (2) If the owner does not intend to occupy or use the property,
 30 the date the property is occupied or used with the owner’s consent.

31 (3) If the property cannot be functionally used or occupied on
 32 the date it is available for use considering the type of property and
 33 any special facts and circumstances affecting use or occupancy,
 34 the date the property can be functionally used or occupied.

35 (b) For the purposes of this section:

36 (1) “Occupy or use” means the occupancy or use by the owner,
 37 including the rental or lease of the property, except as provided in
 38 paragraph (2).

39 (2) Property shall not be considered occupied or used by the
 40 owner or with the owner’s consent if the occupancy or use is

1 incidental to an offer for a change of ownership, including, but not
2 limited to, use of the property as a model home.

3 (c) The board, after consultation with the California Assessors
4 Assessors' Association, shall adopt rules and regulations defining
5 the date of completion of new construction in accordance with this
6 section. The rules and regulations shall not define the date of
7 completion in a manner that the date of completion of all new
8 construction is postponed until the following lien date.

9 (d) Nothing in this section shall preclude the reassessment of
10 that property on the assessment roll for January 1 following the
11 date of completion.

12 (e) The owner of any property who notifies the assessor pursuant
13 to subparagraph (A) of paragraph (1) of subdivision (a) that he or
14 she does not intend to occupy or use the property and the owner
15 of any property that meets all of the conditions under subparagraph
16 (B) of paragraph (1) of subdivision (a) shall notify the assessor
17 within 45 days of the earliest date that any of the following occur:

18 (1) The property changes ownership pursuant to an unrecorded
19 contract of sale.

20 (2) The property is leased or rented.

21 (3) The property is occupied or used by the owner for any
22 purpose other than provided in subdivision (b).

23 (4) The property is occupied or used with the owner's consent
24 for any purpose other than provided in subdivision (b).

25 (f) The failure to provide the assessor the notice required by
26 subdivision (e), whether requested or not, shall result in a penalty
27 in the amount specified in Section 482.

28 SEC. 4. Section 606 of the Revenue and Taxation Code is
29 amended to read:

30 606. (a) Except as provided in subdivisions (b) and (c), when
31 any tract of land is situated in two or more revenue districts, the
32 part in each district shall be separately assessed.

33 (b) Where the owner of two or more contiguous parcels
34 comprising the tract is identical, and the full value of any parcel
35 is less than fifty thousand dollars (\$50,000), that parcel may be
36 combined with the contiguous parcel with the greatest assessed
37 valuation.

38 (c) Where the owner of two or more contiguous parcels
39 comprising the tract is identical, and the tract of land is being used
40 for a single-family residence and constitutes 45,000 square feet or

1 less, the smallest parcel may be combined with the largest
2 contiguous parcel.

3 SEC. 5. Section 2611.6 of the Revenue and Taxation Code is
4 amended to read:

5 2611.6. The following information shall be included in each
6 county tax bill, whether mailed or electronically transmitted, or in
7 a separate statement accompanying the bill:

8 (a) The full value of locally assessed property, including
9 assessments made for irrigation district purposes in accordance
10 with Section 26625.1 of the Water Code.

11 (b) The tax rate required by Article XIII A of the California
12 Constitution.

13 (c) The rate or dollar amount of taxes levied in excess of the
14 1-percent limitation to pay for voter-approved indebtedness
15 incurred before July 1, 1978, or bonded indebtedness for the
16 acquisition or improvement of real property approved by two-thirds
17 of the voters on or after June 4, 1986.

18 (d) The amount of any special taxes and special assessments
19 levied.

20 (e) The amount of any tax rate reduction pursuant to Section
21 96.8, with the notation: "Tax reduction by (name of jurisdiction)."

22 (f) The amount of any exemptions. Exemptions reimbursable
23 by the state shall be shown separately.

24 (g) The total taxes due and payable on the property covered by
25 the bill.

26 (h) Instructions on tendering payment, including the name and
27 mailing address of the tax collector.

28 (i) The billing of any special purpose parcel tax as required by
29 paragraph (2) of subdivision (b) of Section 53087.4 of the
30 Government Code, or any successor to that paragraph.

31 (j) Information specifying all of the following:

32 (1) That if the taxpayer disagrees with the assessed value as
33 shown on the tax bill, the taxpayer has the right to an informal
34 assessment review by contacting the assessor's office.

35 (2) That if the taxpayer and the assessor are unable to agree on
36 a proper assessed value pursuant to an informal assessment review,
37 the taxpayer has the right to file an application for reduction in
38 assessment for the following year with the county board of
39 equalization or the assessment appeals board, as applicable, and
40 the time period during which the application will be accepted.

1 (3) The address of the clerk of the county board of equalization
2 or the assessment appeals board, as applicable, at which forms for
3 an application for reduction in assessment may be obtained.

4 (4) That if an informal or formal assessment review is requested,
5 relief from penalties shall apply only to the difference between the
6 county assessor's final determination of value and the value on
7 the assessment roll for the fiscal year covered.

8 *SEC. 6. Section 2615.6 of the Revenue and Taxation Code is*
9 *amended to read:*

10 2615.6. (a) When the county sends to any person a tax bill, it
11 shall be accompanied by a notice regarding property tax assistance
12 and postponement for senior citizens under the
13 Gonsalves-Deukmejian-Petris Senior Citizens Property Tax
14 Assistance Law and the Senior Citizens Property Tax Postponement
15 Law. The text of this notice shall be prepared by the Franchise
16 Tax Board.

17 (b) *Subdivision (a) is inoperative for any lien date for which*
18 *funding for the Gonsalves-Deukmejian-Petris Senior Citizens*
19 *Property Tax Assistance Law (Chapter 1 (commencing with Section*
20 *20501) of Part 10.5 of Division 2), and for the Senior Citizens and*
21 *Disabled Citizens Property Tax Postponement Law (Chapter 2*
22 *(commencing with Section 20581) of Part 10.5 of Division 2), is*
23 *not provided by state law. If subdivision (a) has become inoperative*
24 *under this subdivision, subdivision (a) shall become operative*
25 *again commencing with the first lien date for which funding for*
26 *these laws is provided by state law.*

27 ~~SEC. 6.~~

28 *SEC. 7. Section 3716 of the Revenue and Taxation Code is*
29 *amended to read:*

30 3716. Within 30 days after the sale, the tax collector shall report
31 to the assessor the following:

32 (a) The name of the purchaser.

33 (b) The date the property was sold.

34 (c) The amount for which the property was sold.

35 (d) The description of the property conveyed.

36 ~~SEC. 7.~~

37 *SEC. 8. If the Commission on State Mandates determines that*
38 *this act contains costs mandated by the state, reimbursement to*
39 *local agencies and school districts for those costs shall be made*

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

O