

## Senate Bill No. 825

### CHAPTER 607

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.

[Approved by Governor October 5, 2013. Filed with  
Secretary of State October 5, 2013.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 825, 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 require a public agency to accept a corporate check, cashier's check, money order, or other draft 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. 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 notify the assessor if 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 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.

(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.

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

SECTION 1. Section 6157 of the Government Code is amended to read:

6157. (a) The state, and each city, whether general law or chartered, county, and district, each subdivision, department, board, commission, body, or agency of the foregoing, shall accept personal checks, in addition to any other authorized form of payment, drawn in its favor or in favor of a designated official thereof, in payment for any license, permit, or fee, or in payment of any obligation owing to the public agency or trust deposit, if the person issuing the check furnishes to the person authorized to receive payment satisfactory proof of residence in this state and if the personal check is drawn on a banking institution located in this state.

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

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

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

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

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

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

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

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

(4) "Debit card" means a card or other means of access to a debit card cardholder's account that may be used to initiate electronic funds transfers from that account.

(5) "Draft purchaser" means any person who purchases credit card drafts.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) If any credit or debit card draft is not paid following due presentment to a card issuer or draft purchaser or is charged back to the court, city, county, city and county, or other public agency for any reason, any record of payment made by the court, city, or other public agency honoring the credit or debit card shall be void. If any electronic funds transfer request is not completed with transfer to the agency requesting the transfer or is charged back to the agency for any reason, any record of payment made by the agency processing the electronic funds transfer shall be void. Any receipt issued in acknowledgment of payment shall also be void. The obligation of the cardholder or accountholder shall continue as an outstanding obligation as if no payment had been attempted.

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

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

(i) Fees or discounts provided for under paragraph (3) of subdivision (d) shall be deducted or accounted for prior to any statutory or other distribution of funds received from the card issuer, funds processor, or draft purchaser

to the extent not recovered from the cardholder or accountholder pursuant to subdivision (h).

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

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

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

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

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

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

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

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

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

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

(b) For the purposes of this section:

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

(2) Property shall not be considered occupied or used by the owner or with the owner's consent if the occupancy or use is incidental to an offer for a change of ownership, including, but not limited to, use of the property as a model home.

(c) The board, after consultation with the California Assessors' Association, shall adopt rules and regulations defining the date of completion of new construction in accordance with this section. The rules and regulations

shall not define the date of completion in a manner that the date of completion of all new construction is postponed until the following lien date.

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

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

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

(2) The property is leased or rented.

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

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

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

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

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

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

(c) Where the owner of two or more contiguous parcels comprising the tract is identical, and the tract of land is being used for a single-family residence and constitutes 45,000 square feet or less, the smallest parcel may be combined with the largest contiguous parcel.

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

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

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

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

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

- (d) The amount of any special taxes and special assessments levied.
- (e) The amount of any tax rate reduction pursuant to Section 96.8, with the notation: “Tax reduction by (name of jurisdiction).”
- (f) The amount of any exemptions. Exemptions reimbursable by the state shall be shown separately.
- (g) The total taxes due and payable on the property covered by the bill.
- (h) Instructions on tendering payment, including the name and mailing address of the tax collector.
- (i) The billing of any special purpose parcel tax as required by paragraph (2) of subdivision (b) of Section 53087.4 of the Government Code, or any successor to that paragraph.
- (j) Information specifying all of the following:
  - (1) That if the taxpayer disagrees with the assessed value as shown on the tax bill, the taxpayer has the right to an informal assessment review by contacting the assessor’s office.
  - (2) That if the taxpayer and the assessor are unable to agree on a proper assessed value pursuant to an informal assessment review, the taxpayer has the right to file an application for reduction in assessment for the following year with the county board of equalization or the assessment appeals board, as applicable, and the time period during which the application will be accepted.
  - (3) The address of the clerk of the county board of equalization or the assessment appeals board, as applicable, at which forms for an application for reduction in assessment may be obtained.
  - (4) That if an informal or formal assessment review is requested, relief from penalties shall apply only to the difference between the county assessor’s final determination of value and the value on the assessment roll for the fiscal year covered.

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

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

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

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



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

- (a) The name of the purchaser.
- (b) The date the property was sold.
- (c) The amount for which the property was sold.
- (d) The description of the property conveyed.

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