

AMENDED IN SENATE MAY 6, 2014
AMENDED IN SENATE APRIL 23, 2014
AMENDED IN SENATE APRIL 10, 2014

SENATE BILL

No. 1214

Introduced by Senator Anderson

February 20, 2014

An act to amend Sections ~~16181 and 16211~~ 16181, 16210, 16211, 16211.5, of, to repeal ~~Section 16213~~ Sections 16212, 16213, and 16214 of, and to repeal and add Section 16180 of, the Government Code, and to amend Sections 2515, 3375, 20583, 20584, 20621, 20622, 20645.5, and 20645.6 of, to amend and repeal Section 20623 of, ~~and~~ to add Section 3376 to, *and to repeal and add Sections 2514 and 20602 of*, the Revenue and Taxation Code, relating to state government, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1214, as amended, Anderson. State Controller: property tax postponement.

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

certain repaid property tax postponement payments to be paid into an impound account and transferred, as specified, to the General Fund.

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 these provisions on January 1, 2017.

The bill would create in the State Treasury a Senior Citizens and Disabled Citizens Property Tax Postponement Fund and would require the fund to be an interest bearing fund. The bill would require that repaid property tax postponement payments be ~~transferred from the impound account to, or be directly deposited into,~~ into the newly created fund. The bill would also require any remaining impound account funds as of January 1, 2015, to be transferred into the newly created fund. The bill would continuously appropriate these funds to the Controller for purposes of administering the property tax postponement program, as specified.

Existing law requires a tax collector to notify the Controller, as directed, of all property subject to a recorded notice of lien for postponed property taxes that becomes tax defaulted subsequent to the date of entry on the secured roll of specified information or becomes subject to collection procedures.

This bill would, instead, require a tax collector or assessor, as applicable, to notify the Controller, within 60 days, as directed, of all property subject to such a recorded notice that becomes tax defaulted subsequent to the date of entry on the secured roll of specified information, or where the claimant has transferred ownership of residential dwelling or there has been a change of mailing address, or the claimant has been determined to be deceased.

Existing law requires the Controller to maintain a record of all properties against which a notice of lien for postponed property taxes has been recorded, and upon written request of any person or entity, as specified, issue a written statement of lien status, as provided. Existing law authorizes the Controller to establish a reasonable fee, not to exceed \$10, for the provision of the statement of lien status.

This bill would increase the limitation on the amount of the fee the Controller is authorized to establish for providing the statement of lien status from \$10 to \$30.

Existing law requires that the owners equity interest in the residential dwelling be at least 20% of the full value of the property in order to be eligible to participate in the postponement program.

This bill would increase the equity requirement to at least 40%. *The bill would make conforming changes to related provisions.*

Existing law requires a claim for postponement to be filed after May 15 of the calendar year in which the postponement is claimed, 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 fiscal year in which postponement is claimed, and on or before April 10 of that fiscal year.

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. The 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 the delinquent taxes only if the amount is sufficient to pay delinquent penalties, costs, fees, and interest. The 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. The bill would require the Controller to provide a specified notification to the claimant and a copy of the notification to the tax collector. *The bill would require the Controller, upon approval of a claim, to make payments directly to a county tax collector for the property taxes owed on behalf of a qualified claimant. The bill would revise existing*

provisions relating to certificates of eligibility and warrants to conform to the electronic funds transfer provisions.

The bill would also require the Controller, upon written request of the tax collector, to provide the tax collector with information that is required for the preparation and enforcement of the sale of tax-defaulted property, and would require the tax collector or his or her designee to certify, under penalty of perjury, that the information is requested for these purposes. The 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, the bill would expand the crime of perjury, thereby imposing a state-mandated local program.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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, which 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

1 Senior Citizens and Disabled Citizens Property Tax Postponement
2 Law (Chapter 2 (commencing with Section 20581) of Part 10.5 of
3 Division 2 of the Revenue and Taxation Code).

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

6 (c) Any loan repayments relating to the Senior Citizens and
7 Disabled Citizens Property Tax Postponement Law ~~that are not~~
8 ~~deposited into an impound account, as described in Section 16210~~
9 ~~or 16211.5~~, shall be deposited into the Senior Citizens and Disabled
10 Citizens Property Tax Postponement Fund.

11 (d) Any impound account funds remaining as of January 1,
12 2015, shall be transferred into the Senior Citizens and Disabled
13 Citizens Property Tax Postponement Fund.

14 SEC. 3. Section 16181 of the Government Code is amended
15 to read:

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

23 (b) The Controller shall maintain a record of all properties
24 against which the Department of Housing and Community
25 Development has been notified to withhold the transfer of title.
26 The record shall include, but not be limited to, the names of each
27 claimant, a description of the mobilehome against which a lien is
28 charged, and the amount of the lien.

29 (c) Upon written request of any person or entity, or the agent
30 of either, having a legal or equitable interest in real property or a
31 mobilehome which is subject to a lien for postponed taxes, the
32 Controller shall within 10 working days following receipt of the
33 request issue a written statement showing the amount of the
34 obligation secured by the lien as of the date of such statement and
35 such other information as will reasonably enable the person or
36 entity, or the agent of either, to determine the amount to be paid
37 the Controller in order to obtain a certificate of release or discharge
38 of the lien for postponed taxes.

39 (d) The Controller shall adopt regulations necessary to
40 implement the provisions of this chapter and may establish a

1 reasonable fee, not to exceed thirty dollars (\$30), for the provision
2 of the statement of lien status provided for herein.

3 *SEC. 4. Section 16210 of the Government Code is amended to*
4 *read:*

5 16210. ~~In the event that~~ *If* the amount secured by the state's
6 lien provided for in Article 1 (commencing with Section 16180)
7 is paid by reason of the sale or condemnation of the property on
8 which the lien attaches, the funds so received shall be placed in
9 an impound account for a period of six months. ~~In connection with~~
10 ~~the establishment of such an account, the Controller shall release~~
11 ~~the state's lien in the manner prescribed by Section 16186.~~ *the*
12 *Senior Citizens and Disabled Citizens Property Tax Postponement*
13 *Fund.*

14 ~~SEC. 4.~~

15 *SEC. 5. Section 16211 of the Government Code is amended*
16 *to read:*

17 16211. (a) The claimant under Chapter 2 (commencing with
18 Section 20581), Chapter 3 (commencing with Section 20625),
19 Chapter 3.3 (commencing with Section 20639, or Chapter 3.5
20 (commencing with Section 20640)) of Part 10.5 of Division 2 of
21 the Revenue and Taxation Code whose residential dwelling was
22 sold or condemned may draw upon the amount in the account to
23 purchase a new residential dwelling, and the amount so drawn
24 shall be secured by a new lien against the new residential dwelling
25 from the time the Controller records the new lien against the new
26 residential dwelling as provided for under Section 16182.

27 (b) In the case of real property, the Controller shall subordinate
28 the new lien to the lien of the note and deed of trust of the purchase
29 money obligations used in the acquisition of the new residential
30 dwelling, provided the claimant has an equity of at least 40 percent
31 of the full value of the property, as required by paragraph (1) of
32 subdivision (b) of Section 20583 of the Revenue and Taxation
33 Code, prior to recordation of that subordination. The lien shall
34 have priority over all subsequent liens, except as provided in
35 Section 2192.1 of the Revenue and Taxation Code.

36 *SEC. 6. Section 16211.5 of the Government Code is amended*
37 *to read:*

38 16211.5. (a) ~~In the event that~~ *If* the real property securing the
39 state's lien provided for in Article 1 (commencing with Section
40 16180) is the residential dwelling of a claimant under Chapter 2

1 (commencing with Section 20581) of Part 10.5 of Division 2 of
2 the Revenue and Taxation Code and is voluntarily sold, the funds
3 derived from the voluntary sale of the residential dwelling shall
4 be placed in an impound account for a period of six months. In
5 connection with the establishment of such account, *the Senior*
6 *Citizens and Disabled Citizens Property Tax Postponement Fund.*
7 *At that time,* the Controller shall release the state's lien in the
8 manner prescribed by Section 16186.

9 (b) The claimant under Chapter 2 (commencing with Section
10 20581) of Part 10.5 of Division 2 of the Revenue and Taxation
11 Code whose residential dwelling was voluntarily sold ~~may shall~~
12 ~~not~~ draw upon the amount in the ~~account to purchase a new~~
13 ~~residential dwelling, and the amount so drawn shall be secured by~~
14 ~~a new lien against the new residential dwelling from the time the~~
15 ~~Controller records the new lien against the new residential dwelling~~
16 ~~as provided for under Section 16182.~~

17 ~~The Controller shall subordinate such new lien to the note and~~
18 ~~deed of trust of the purchase money obligations used in the~~
19 ~~acquisition of the new residential dwelling, provided the claimant~~
20 ~~has an equity of at least 20 percent of the full value of the property,~~
21 ~~as required by paragraph (1) of subdivision (b) of Section 20583~~
22 ~~of the Revenue and Taxation Code, prior to recordation of such~~
23 ~~subordination. Such lien shall have priority over all subsequent~~
24 ~~liens, except as provided in Section 2192.1 of the Revenue and~~
25 ~~Taxation Code. *Senior Citizens and Disabled Citizens Property*~~
26 ~~*Tax Postponement Fund.*~~

27 *SEC. 7. Section 16212 of the Government Code is repealed.*

28 ~~16212. An amount drawn pursuant to Section 16211 or 16211.5~~
29 ~~shall be treated as an amount paid pursuant to Section 16180 for~~
30 ~~all purposes of this chapter.~~

31 ~~SEC. 5.~~

32 *SEC. 8. Section 16213 of the Government Code is repealed.*

33 *SEC. 9. Section 16214 of the Government Code is repealed.*

34 ~~16214. All moneys in an impound account created pursuant to~~
35 ~~this article are continually appropriated to the Controller for the~~
36 ~~purposes of this article.~~

37 *SEC. 10. Section 2514 of the Revenue and Taxation Code is*
38 *repealed.*

39 ~~2514. (a) Upon receipt of a certificate of eligibility described~~
40 ~~in Section 20602, Section 20639.6, or Section 20640.6 signed by~~

1 the claimant, the claimant's spouse, or authorized agent appointed
2 under regulations adopted by the Controller pursuant to Section
3 20603 or Section 20640.7, the tax collector shall ascertain whether
4 the amount of money entered on the certificate by such claimant
5 or agent, when added to other amounts available for such purpose,
6 are sufficient to pay the amount due and owing.

7 If such is the case, the tax collector or his or her designee shall
8 countersign the certificate and mark the tax paid. Once signed and
9 countersigned, a certificate of eligibility shall be deemed a
10 negotiable instrument for purposes of all laws of this state, as
11 specified in subdivision (d) of Section 20602. Upon acceptance
12 of such a certificate:

13 (1) The tax collector shall enter the fact that taxes on the
14 property have been postponed in appropriate columns on the roll.
15 In the case of the secured roll, this information may be entered in
16 that portion of the roll which has been designated for tax default
17 information required by Section 3439.

18 (2) In the case of a certificate of eligibility issued pursuant to
19 Section 20602, the tax collector shall determine if the property
20 described in the certificate of eligibility is subject to a lien recorded
21 pursuant to Section 16182 of the Government Code. If the property
22 is not subject to such a lien, the tax collector shall enter the amount
23 paid by use of the certificate, the date of such payment, the
24 Controller's identification number shown on the certificate of
25 eligibility, the address of the property covered by the certificate,
26 and the name of the claimant as shown on the certificate on a
27 "notice of lien for postponed property taxes" form which shall be
28 provided by the Controller. The tax collector shall thereafter
29 forward such notice of lien form to the assessor.

30 (3) With respect to a claimant whose property taxes are paid by
31 a lender from an impound, trust, or other type of account described
32 in Section 2954 of the Civil Code, the tax collector shall notify
33 the auditor of the claimant's name and address, and the amount of
34 money entered on the certificate.

35 The auditor, treasurer, or disbursing officer shall send a check
36 in the amount of money entered on the certificate to said claimant
37 within 30 days following the date on which the installment is paid
38 by the lender or the certificate of eligibility is received from the
39 claimant, whichever is later.

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

4 ~~(e) Notwithstanding any other provision in this section, any~~
5 ~~action required of a local agency by this section in order to give~~
6 ~~effect to the Senior Citizens Mobilehome Property Tax~~
7 ~~Postponement Law (Chapter 3.3 (commencing with Section 20639)~~
8 ~~of Part 10.5 of Division 2, and that has been determined by the~~
9 ~~Commission on State Mandates to be a reimbursable mandate,~~
10 ~~shall be optional.~~

11 *SEC. 11. Section 2514 is added to the Revenue and Taxation*
12 *Code, to read:*

13 *2514. (a) With respect to a claimant whose property taxes are*
14 *paid by a lender from an impound, trust, or other type of account*
15 *described in Section 2954 of the Civil Code, the tax collector shall*
16 *notify the auditor of the claimant's name and address, and the*
17 *duplicate amount of money the Controller transferred to the tax*
18 *collector via an electronic funds transfer. The county auditor,*
19 *treasurer, or disbursing officer shall send a check in the amount*
20 *of money based on the electronic funds transfer by the Controller,*
21 *to the Controller, within 60 days following the date on which the*
22 *installment is paid by the lender.*

23 *(b) The procedures established by this chapter shall not be*
24 *construed to require a lender to alter the manner in which a lender*
25 *makes payment of the property taxes of the claimant.*

26 *SEC. 12. Section 2515 of the Revenue and Taxation Code is*
27 *amended to read:*

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

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

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

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

5 (4) Enter on the assessment records applicable to ~~such the~~ *the*
 6 property, the fact that the taxes on the property have been
 7 postponed and the Controller’s identification number, ~~and shall,~~
 8 *and*, when ~~such the~~ record reveals a change in the ownership status
 9 of the property subsequent to the date of entry of the postponement
 10 information thereon, ~~shall notify the Controller~~ *Controller, within*
 11 *60 days of receiving notification, of such that* change in the
 12 ownership status in the manner prescribed by the Controller.

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

18 ~~SEC. 6.~~

19 *SEC. 13.* Section 3375 of the Revenue and Taxation Code is
 20 amended to read:

21 3375. The tax collector *or assessor, whichever is applicable,*
 22 shall notify the Controller, *within 60 days,* in the manner as the
 23 Controller shall direct, of all property subject to a ~~“Notice of Lien~~
 24 ~~for Postponed Property Taxes”~~ *“notice of lien for postponed*
 25 *property taxes”* recorded pursuant to Section 16182 of the
 26 Government Code that becomes tax defaulted subsequent to the
 27 date of entry on the secured roll of the information required by
 28 subdivision (a) of Section ~~2514.~~ *2514, or where the claimant has*
 29 *transferred ownership of the residential dwelling or there has been*
 30 *a change of mailing address, or the claimant has been determined*
 31 *as deceased.*

32 ~~SEC. 7.~~

33 *SEC. 14.* Section 3376 is added to the Revenue and Taxation
 34 Code, to read:

35 3376. (a) Upon request of the tax collector, the Controller shall
 36 provide to the tax collector information that is required for the
 37 preparation and enforcement of the sale of property under this part.
 38 This information may include social security numbers.

39 (b) The tax collector or his or her designee shall certify, under
 40 penalty of perjury, to the Controller, that the information requested

1 pursuant to subdivision (a) is required for the purposes specified
2 in subdivision (a).

3 (c) Any information provided to the tax collector pursuant to
4 this subdivision is not a public record and is not open to public
5 inspection.

6 *SEC. 15. Section 20583 of the Revenue and Taxation Code is*
7 *amended to read:*

8 20583. (a) “Residential dwelling” means a dwelling occupied
9 as the principal place of residence of the claimant, and so much
10 of the land surrounding it as is reasonably necessary for use of the
11 dwelling as a home, owned by the claimant, the claimant and
12 spouse, or by the claimant and either another individual eligible
13 for postponement under this chapter or an individual described in
14 subdivision (a), (b), or (c) of Section 20511 and located in this
15 state. It shall include condominiums and mobilehomes that are
16 assessed as realty for local property tax purposes. It also includes
17 part of a multidwelling or multipurpose building and a part of the
18 land upon which it is built. In the case of a mobilehome not
19 assessed as real property that is located on land owned by the
20 claimant, “residential dwelling” includes the land on which the
21 mobilehome is situated and so much of the land surrounding it as
22 reasonably necessary for use of the mobilehome as a home.

23 (b) As used in this chapter in reference to ownership interests
24 in residential dwellings, “owned” includes (1) the interest of a
25 vendee in possession under a land sale contract provided that the
26 contract or memorandum thereof is recorded and only from the
27 date of recordation of the contract or memorandum thereof in the
28 office of the county recorder where the residential dwelling is
29 located, (2) the interest of the holder of a life estate provided that
30 the instrument creating the life estate is recorded and only from
31 the date of recordation of the instrument creating the life estate in
32 the office of the county recorder where the residential dwelling is
33 located, but “owned” does not include the interest of the holder of
34 any remainder interest or the holder of a reversionary interest in
35 the residential dwelling, (3) the interest of a joint tenant or a tenant
36 in common in the residential dwelling or the interest of a tenant
37 where title is held in tenancy by the entirety or a community
38 property interest where title is held as community property, and
39 (4) the interest in the residential dwelling in which the title is held
40 in trust, as described in subdivision (d) of Section 62, provided

1 that the Controller determines that the state’s interest is adequately
2 protected.

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

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

9 (e) “Residential dwelling” does not include any of the following:

10 (1) Any residential dwelling in which the owners do not have
11 an equity of at least ~~20~~ 40 percent of the full value of the property
12 as determined for purposes of property taxation or at least ~~20~~ 40
13 percent of the fair market value as determined by the Controller
14 and where the Controller determines that the state’s interest is
15 adequately protected. The ~~20-percent~~ 40-percent equity requirement
16 shall be met at the time the claimant or authorized agent files an
17 initial postponement claim and tenders to the tax collector the
18 initial certificate of eligibility described in Sections 20602,
19 20639.6, and 20640.6.

20 (2) Any residential dwelling in which the claimant’s interest is
21 held pursuant to a contract of sale or under a life estate, unless the
22 claimant obtains the written consent of the vendor under the
23 contract of sale, or the holder of the reversionary interest upon
24 termination of the life estate, for the postponement of taxes and
25 the creation of a lien on the real property in favor of the state for
26 amounts postponed pursuant to this act.

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

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

32 (f) Notwithstanding subdivision (c) of Section 20584, houseboats
33 and floating homes, as defined by Section 20583.1, on which
34 property taxes are delinquent at the time the application for
35 postponement under this chapter is made, shall not be eligible for
36 postponement.

37 ~~SEC. 8.~~

38 *SEC. 16.* Section 20584 of the Revenue and Taxation Code is
39 amended to read:

1 20584. (a) “Property taxes” means all ad valorem property
2 taxes, special assessments, and other charges or user fees that are
3 attributable to the residential dwelling on the county tax bill and
4 the ad valorem property taxes, special assessments, or other charges
5 or user fees appearing on the tax bill of any chartered city that
6 levies and collects its own property taxes.

7 (b) Whenever a residential dwelling is an integral part of a larger
8 tax unit, such as a duplex, farm or a multipurpose building,
9 “property taxes” shall be the percentage of the total property taxes
10 as the value of the residential dwelling is of the value of the total
11 tax unit.

12 (c) “Property taxes” includes any property taxes for current
13 fiscal years for which the claim is made and excludes delinquent
14 taxes for prior fiscal years.

15 *SEC. 17. Section 20602 of the Revenue and Taxation Code is*
16 *repealed.*

17 ~~20602. (a) Upon approval of a claim described in Section~~
18 ~~20601, the Controller may do either of the following:~~

19 ~~(1) Make payments directly to a lender, mortgage company,~~
20 ~~escrow company, or county tax collector for the property taxes~~
21 ~~owed on behalf of a qualified claimant. Payments may, upon~~
22 ~~appropriation by the Legislature, be made out of the amounts~~
23 ~~otherwise appropriated pursuant to Section 16100 of the~~
24 ~~Government Code that are secured by a lien and obligation as~~
25 ~~specified by Article 1 (commencing with Section 16180) of Chapter~~
26 ~~5 of Division 4 of the Government Code.~~

27 ~~(2) Issue to the claimant a certificate of eligibility, which shall~~
28 ~~consist of two parts, both of which shall contain the name of the~~
29 ~~claimant, the address of the residential dwelling on which the~~
30 ~~claimant has applied for property tax postponement, and that other~~
31 ~~information and in that form as the Controller shall prescribe. In~~
32 ~~the event that that residential dwelling is located in a chartered~~
33 ~~city which levies and collects its own taxes, the Controller shall~~
34 ~~issue a duplicate certificate of eligibility to pay all or any part of~~
35 ~~the property taxes appearing on that city’s tax bill. Each part of a~~
36 ~~certificate of eligibility shall be payable in an unspecified amount~~
37 ~~and shall contain statements to identify the property tax installment~~
38 ~~to which it may be applied.~~

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

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

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

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

28 ~~(e) The Controller shall issue certificates of eligibility claims~~
29 ~~approved on or before September 30 between October 15 and~~
30 ~~November 1 of the fiscal year for which postponement is claimed.~~
31 ~~Certificates for claims approved after September 30 shall be issued~~
32 ~~at such times as the Controller determines will best implement the~~
33 ~~purpose of this chapter.~~

34 ~~(f) The Controller shall prescribe the manner in which a claimant~~
35 ~~eligible under this chapter, who has been issued a certificate of~~
36 ~~eligibility which is lost or destroyed prior to being filed with the~~
37 ~~local agency pursuant to subdivision (b) may obtain a duplicate~~
38 ~~copy of said certificate as a replacement. (Under such conditions~~
39 ~~as may be prescribed by the Controller, a duplicate copy shall be~~

1 ~~deemed as having been filed with the local agency as of the date~~
2 ~~a claimant requests issuance of such duplicate copy.)~~

3 *SEC. 18. Section 20602 is added to the Revenue and Taxation*
4 *Code, to read:*

5 *20602. Upon approval of a claim described in Section 20601,*
6 *the Controller shall make payments directly to a county tax*
7 *collector for the property taxes owed on behalf of a qualified*
8 *claimant. Upon appropriation by the Legislature, payments may*
9 *be made out of the amounts otherwise appropriated pursuant to*
10 *Section 16100 of the Government Code that are secured by a*
11 *secured tax lien and obligation as specified by Article 1*
12 *(commencing with Section 16180) of Chapter 5 of Division 4 of*
13 *the Government Code.*

14 *SEC. 19. Section 20621 of the Revenue and Taxation Code is*
15 *amended to read:*

16 *20621. Each claimant applying for postponement under Article*
17 *2 (commencing with Section 20601) shall file a claim under penalty*
18 *of perjury with the Controller on a form supplied by the Controller.*
19 *The claim shall contain all of the following:*

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

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

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

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

28 (e) The county assessor’s parcel number applicable to the
29 property for which the claimant is applying for the postponement
30 of property taxes.

31 (f) (1) Documentation evidencing the current existence of any
32 abstract of judgment, federal tax lien, or state tax lien filed or
33 recorded against the applicant, and any recorded mortgage or deed
34 of trust that affects the subject residential dwelling, for the purpose
35 of determining that the claimant possesses a ~~20-percent~~ *40-percent*
36 equity in the subject residential dwelling as required by paragraph
37 (1) of subdivision (b) of Section 20583.

38 (2) Actual costs, not in excess of fifty dollars (\$50), paid by the
39 claimant to obtain the documentation shall, in the event the
40 Controller issues a certificate of eligibility, reduce the amount of

1 the lien for the year, but not the face amount of the payment
2 prescribed in Section 16180 of the Government Code.

3 (g) Other information required by the Controller to establish
4 eligibility.

5 ~~SEC. 9.~~

6 *SEC. 20.* Section 20622 of the Revenue and Taxation Code is
7 amended to read:

8 20622. The claim for postponement shall be filed after
9 September 1 of the fiscal year in which postponement is claimed,
10 and on or before April 10 of that fiscal year; if April 10 falls on
11 Saturday, Sunday, or a legal holiday, the date is extended to the
12 next business day.

13 ~~SEC. 10.~~

14 *SEC. 21.* Section 20623 of the Revenue and Taxation Code is
15 amended to read:

16 20623. (a) No person shall file a claim for postponement under
17 this chapter on or after ~~the effective date of the act adding this~~
18 ~~section, February 20, 2009~~, and the Controller shall not accept
19 applications for postponement under this chapter on or after that
20 date.

21 (b) This section shall become inoperative on July 1, 2016, and
22 as of January 1, 2017, is repealed, unless a later enacted statute
23 that is enacted before January 1, 2017, deletes or extends the dates
24 on which it becomes inoperative and is repealed.

25 ~~SEC. 11.~~

26 *SEC. 22.* Section 20645.5 of the Revenue and Taxation Code
27 is amended to read:

28 20645.5. (a) If a postponement claim under Chapter 2
29 (commencing with Section 20581), Chapter 3.3 (commencing with
30 Section 20639), or Chapter 3.5 (commencing with Section 20640)
31 is filed timely before the delinquency date of the second installment
32 of property taxes on the secured roll, then any delinquent penalties,
33 costs, fees, and interest accrued for that fiscal year shall be canceled
34 unless the failure to perfect the claim was due to willful neglect
35 on the part of the claimant or representative.

36 (b) In the event of willful neglect, an electronic funds transfer
37 for that current fiscal year can be used to pay delinquent taxes only
38 if accompanied by sufficient amounts to pay all of the delinquent
39 penalties, costs, fees, and interest. If an amount sufficient to pay
40 all of the delinquent penalties, costs, fees, and interest is not

1 received by the tax collector within 30 days from the date of the
2 electronic funds transfer, the tax collector may return the electronic
3 funds transfer to the Controller to deny the postponement claim.

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

6 (2) In the event of willful neglect, in addition to the information
7 required pursuant to paragraph (1), the Controller shall also notify
8 the claimant in writing and provide a copy of the notification to
9 the tax collector, that a payment amount sufficient to pay all of
10 the delinquent penalties, costs, fees, and interest must be received
11 by the tax collector within 30 days from the date of the electronic
12 funds transfer, and that if this payment is not received by the tax
13 collector, the tax collector may return the electronic funds transfer
14 to the Controller to deny the postponement claim.

15 ~~SEC. 12.~~

16 *SEC. 23.* Section 20645.6 of the Revenue and Taxation Code
17 is amended to read:

18 20645.6. (a) If the Controller denies a postponement claim
19 under Chapter 2 (commencing with Section 20581), Chapter 3
20 (commencing with Section 20625), Chapter 3.3 (commencing with
21 Section 20639), or Chapter 3.5 (commencing with Section 20640),
22 and the denial is reversed after appeal pursuant to Section 20645.1,
23 the Controller shall electronically transfer funds to the county, if
24 the taxes for the fiscal year have been paid, for the amount of the
25 taxes. If the taxes for the fiscal year are delinquent, any resulting
26 penalties or interest shall be canceled.

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

30 ~~SEC. 13.~~

31 *SEC. 24.* The Legislature finds and declares that Section 6 of
32 this act, which adds Section 3376 to the Revenue and Taxation
33 Code, imposes a limitation on the public's right of access to the
34 meetings of public bodies or the writings of public officials and
35 agencies within the meaning of Section 3 of Article I of the
36 California Constitution. Pursuant to that constitutional provision,
37 the Legislature makes the following findings to demonstrate the
38 interest protected by this limitation and the need for protecting
39 that interest:

1 In order to protect those persons subject to enforcement of Part
2 6 (commencing with Section 3351) of Division 1 of the Revenue
3 and Taxation Code against the risk of identity theft, it is in the
4 state's interest to limit public access to information.

5 ~~SEC. 14.~~

6 *SEC. 25.* No reimbursement is required by this act pursuant to
7 Section 6 of Article XIII B of the California Constitution because
8 the only costs that may be incurred by a local agency or school
9 district will be incurred because this act creates a new crime or
10 infraction, eliminates a crime or infraction, or changes the penalty
11 for a crime or infraction, within the meaning of Section 17556 of
12 the Government Code, or changes the definition of a crime within
13 the meaning of Section 6 of Article XIII B of the California
14 Constitution.