

AMENDED IN ASSEMBLY APRIL 27, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1952

**Introduced by Assembly Member Gordon
(Principal coauthor: Assembly Member Patterson)**

February 12, 2016

An act to amend ~~Section 16180~~, *Sections* 16182, 16183, 16184, 16186.5, 16200, 16202, and 27282 ~~of of, and to amend, repeal, and add Section 16180 of~~, the Government Code, and to amend Sections 2514, 2781, 20503, 20505, 20585, 20586, 20621, 20627, 20640.3, and 20641 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1952, as amended, Gordon. Property tax postponement.

(1) Existing law authorizes the Controller, upon approval of a claim for the postponement of ad valorem property taxes, to directly pay a county tax collector for the property taxes owed by the claimant, as provided. Existing law establishes the Senior Citizens and Disabled Citizens Property Tax Postponement Fund and continuously appropriates moneys in the fund to the Controller for specified purposes, including disbursements relating to the postponement of property taxes pursuant to the Property Tax Postponement Law. Existing law requires the Controller to, on June 30, 2018, and on June 30 each year thereafter, transfer any moneys in the fund in excess of \$15,000,000 to the General Fund.

This bill would instead require the ~~Controller~~ *Controller, until January 1, 2019*, to transfer any moneys in the fund in excess of ~~\$15,000,000, \$20,000,000~~ as specified above, not otherwise needed to pay claims

approved by the Controller for the postponement of property taxes to the General Fund. *The bill would revert this threshold back to \$15,000,000 as of January 1, 2019.* The bill would ~~also authorize~~ *also, until January 1, 2019, require* the Director of Finance to, upon determination by the Controller that there are insufficient moneys in the fund to pay all approved claims for the postponement of property taxes and receipt of written notification from the Controller, authorize expenditures from the General Fund in an amount necessary to pay those claims not sooner than 30 days after notification in writing of the necessity of those expenditures to the chairpersons of the fiscal committees of each house of the Legislature and of the Joint Legislative Budget Committee. By authorizing the expenditure of additional general fund monies for the purpose of the property tax postponement program, this bill would make an appropriation.

(2) Existing law requires that all sums paid for the postponement of property taxes be secured by a lien in favor of the state. In the case of a lien on real property for this purpose, existing law requires, among other things, the recorder for the county in which the real property is subject to the lien to provide a copy of the notice of lien to the county tax collector.

This bill would additionally require the county recorder to provide a copy of the notice of lien to the county assessor.

(3) Existing law requires the Controller to reduce the amount of the obligation secured by the lien against the real property by the amount of any payments received for that purpose and by specified amounts paid by the Franchise Tax Board or by certain other authorized amounts.

This bill would require that payments received for the reduction of the obligation be applied first to any interest due on the loan, 2nd to the principal property tax amount, and finally, if there is any remaining balance, to administrative fees.

(4) Existing law authorizes recordation of certain documents, including a release, discharge, or subordination of a lien for postponed property taxes, without acknowledgment, certificate of acknowledgment, or further proof.

This bill would delete the reference to the subordination of a lien for postponed property taxes from the above-described list of documents that may be recorded without acknowledgment, certificate of acknowledgment, or further proof.

(5) Existing law requires, with respect to a claimant whose property taxes are paid by a lender from an impound, trust, or other specified

type of account, the tax collector to notify the auditor of the claimant's name and address, and the duplicate amount of money the Controller transferred to the tax collector via an electronic fund transfer. Existing law requires the county auditor, treasurer, or disbursing officer to send a check, in the amount of money based on the electronic transfer by the Controller, to the Controller within 60 days of the replicated payment.

This bill would require the county tax collector to notify the auditor, as described above, upon receipt of the electronic fund transfer by the Controller. The bill would require the tax collector to enter the fact that taxes on the property have been postponed in appropriate columns on the roll and, in the case of the secured roll, authorize entry of this information in that portion of the roll which has been designated for tax default information. The bill would require the county auditor, treasurer, or disbursing officer to refund a replicated payment to the claimant, instead of the Controller.

(6) Existing law requires, for purposes of the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Assistance Law, that all losses and nonexpenses be converted to zero for the purpose of determining whether the homeowner meets the Property Tax Postponement requirement.

This bill would instead require that all losses and nonexpenses be converted to zero, as specified above, for the purposes of the Property Tax Postponement Law.

(7) Existing law requires that a claimant for property tax postponement, generally, be an individual who is a member of the household, is either an owner-occupant, tenant stockholder occupant, or possessory interestholder occupant of the residential dwelling as to which postponement is claimed, and is either 62 years of age or older, blind, or disabled. With respect to blind and disabled claimants, existing law requires that the claimant be blind or disabled, as specified, at the time of application or on December 10 of the fiscal year for which postponement is claimed, whichever is earlier.

This bill would instead require, for blind and disabled claimants, that the claimant be blind or disabled at the time of application or on February 10 of the fiscal year for which postponement is claimed, whichever is earlier.

(8) This bill would make various technical changes related to the property tax postponement program, including updating statutory references to the Senior Citizens and Disabled Citizens Property Tax

Postponement Fund and deleting obsolete references to certificates of eligibility and postponement for mobilehomes.

(9) By changing the duties of local officials with respect to the administration of the property tax postponement program, this bill would impose a state-mandated local program.

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

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

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, as
 2 amended by Section 1 of Chapter 391 of the Statutes of 2015, is
 3 amended to read:

4 16180. (a) There is hereby created in the State Treasury a
 5 Senior Citizens and Disabled Citizens Property Tax Postponement
 6 Fund. The fund shall be an interest-bearing fund. Subject to
 7 subdivision (b) and notwithstanding Section 13340, the fund is
 8 continuously appropriated to the Controller, commencing January
 9 1, 2015, for purposes of administering this chapter, including, but
 10 not limited to, necessary administrative costs and disbursements
 11 relating to the postponement of property taxes pursuant to the
 12 Property Tax Postponement Law (Chapter 2 (commencing with
 13 Section 20581), Chapter 3 (commencing with Section 20625), and
 14 Chapter 3.5 (commencing with Section 20640) of Part 10.5 of
 15 Division 2 of the Revenue and Taxation Code).

16 (b) The Controller shall do both of the following:

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

19 (2) On June 30, 2018, and on June 30 each year thereafter,
 20 transfer any moneys in the fund in excess of ~~fifteen million dollars~~
 21 ~~(\$15,000,000)~~ *twenty million dollars (\$20,000,000)* not otherwise
 22 needed to pay claims approved by the Controller for the
 23 postponement of property taxes pursuant to the Property Tax

1 Postponement Law (Chapter 2 (commencing with Section 20581),
2 Chapter 3 (commencing with Section 20625), and Chapter 3.5
3 (commencing with Section 20640) of Part 10.5 of Division 2 of
4 the Revenue and Taxation Code) to the General Fund.

5 (c) On or after January 1, 2015, any loan repayments relating
6 to the Senior Citizens and Disabled Citizens Property Tax
7 Postponement Law shall be deposited into the Senior Citizens and
8 Disabled Citizens Property Tax Postponement Fund.

9 (d) Any funds remaining upon the effective date of this section
10 in an impound account formerly provided for pursuant to this
11 chapter, shall be transferred to the Senior Citizens and Disabled
12 Citizens Property Tax Postponement Fund.

13 (e) If the Controller determines that there are insufficient moneys
14 in the fund to pay all approved claims for the postponement of
15 property taxes, the Director of Finance, upon receiving notification
16 from the Controller, ~~may~~ shall authorize expenditures from the
17 General Fund in an amount necessary to pay those claims not
18 sooner than 30 days after providing written notification of the
19 necessity of authorizing those expenditures to the chairpersons of
20 the fiscal committees of each house of the Legislature and the
21 ~~chairperson~~ Chairperson of the Joint Legislative Budget
22 Committee.

23 (f) *This section shall remain operative only until January 1,*
24 *2019, and as of that date is repealed.*

25 SEC. 2. *Section 16180 is added to the Government Code, to*
26 *read:*

27 16180. (a) *There is hereby created in the State Treasury a*
28 *Senior Citizens and Disabled Citizens Property Tax Postponement*
29 *Fund. The fund shall be an interest-bearing fund. Subject to*
30 *subdivision (b) and notwithstanding Section 13340, the fund is*
31 *continuously appropriated to the Controller for purposes of*
32 *administering this chapter, including, but not limited to, necessary*
33 *administrative costs and disbursements relating to the*
34 *postponement of property taxes pursuant to the Property Tax*
35 *Postponement Law (Chapter 2 (commencing with Section 20581),*
36 *Chapter 3 (commencing with Section 20625), and Chapter 3.5*
37 *(commencing with Section 20640) of Part 10.5 of Division 2 of the*
38 *Revenue and Taxation Code).*

39 (b) *The Controller shall, on June 30 of each year, transfer any*
40 *moneys in the fund in excess of fifteen million dollars (\$15,000,000)*

1 *not otherwise needed to pay claims approved by the Controller*
 2 *for the postponement of property taxes pursuant to the Property*
 3 *Tax Postponement Law (Chapter 2 (commencing with Section*
 4 *20581), Chapter 3 (commencing with Section 20625), and Chapter*
 5 *3.5 (commencing with Section 20640) of Part 10.5 of Division 2*
 6 *of the Revenue and Taxation Code) to the General Fund.*

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

11 *(d) Any funds remaining upon the effective date of this section*
 12 *in an impound account formerly provided for pursuant to this*
 13 *chapter, shall be transferred to the Senior Citizens and Disabled*
 14 *Citizens Property Tax Postponement Fund.*

15 *(e) This section shall become operative on January 1, 2019.*

16 ~~SEC. 2.~~

17 *SEC. 3.* Section 16182 of the Government Code, as amended
 18 by Section 2 of Chapter 391 of the Statutes of 2015, is amended
 19 to read:

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

28 (b) In the case of real property:

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

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

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

4 (A) The names of all record owners of the real property for
5 which the Controller has advanced funds for the payment of real
6 property taxes.

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

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

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

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

18 (6) After the notice of lien has been duly recorded and indexed,
19 it shall be returned by the county recorder to the office of the
20 Controller. The recorder shall provide the county tax collector and
21 the county assessor with a copy of the notice of lien which has
22 been executed.

23 (7) From the time of recordation of a notice of lien for postponed
24 property taxes, a lien shall attach to the real property described
25 therein and shall have the priority of a judgment lien for all
26 amounts secured thereby, except that the lien shall remain in effect
27 until either of the following occurs:

28 (A) It is released by the Controller in the manner prescribed by
29 Section 16186.

30 (B) The foreclosure or sale of an obligation secured by a lien
31 which is senior in recording priority to the lien of the State of
32 California.

33 (c) In the case of mobilehome loans established prior to February
34 20, 2009, all of the following shall apply:

35 (1) The lien shall be evidenced by a notice of lien for postponed
36 property taxes executed by the Controller, or the authorized
37 delegate of the Controller, and shall secure all sums paid owing
38 pursuant to this chapter.

39 (2) From the time that the Department of Housing and
40 Community Development receives the notice of lien from the

1 Controller, the department shall impose a moratorium on any other
2 amendments to the permanent title record of the mobilehome unit
3 until released by the Controller in the manner prescribed by Section
4 16186, or an authorization for the amendments is given by the
5 Controller in writing.

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

9 ~~SEC. 3.~~

10 *SEC. 4.* Section 16183 of the Government Code, as amended
11 by Section 3 of Chapter 391 of the Statutes of 2015, is amended
12 to read:

13 16183. (a) From the time a payment is made pursuant to
14 Section 16180, the amount of that payment shall bear interest at a
15 rate (not compounded), determined as follows:

16 (1) Beginning July 1, 2016, the rate of interest shall be 7 percent
17 per annum.

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

29 (3) For loans made prior to June 30, 2016, the rate of interest
30 provided pursuant to this subdivision for the first fiscal year
31 commencing after payment is made pursuant to Section 16180
32 shall apply for that fiscal year and each fiscal year thereafter until
33 these postponed property taxes are repaid.

34 (b) The interest provided for in subdivision (a) shall be applied
35 beginning the first day of the month following the month in which
36 that payment is made and continuing on the first day of each month
37 thereafter until that amount is paid. In the event that any payments
38 are applied, in any month, to reduce the amount paid pursuant to
39 Section 16180, the interest provided for herein shall be applied to

1 the balance of that amount beginning on the first day of the
2 following month.

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

5 (d) For the purpose of this section, the time a payment is made
6 shall be deemed to be the time an electronic funds transfer is made
7 by the Controller to the tax collector or the delinquency date of
8 the respective tax installment, whichever is later.

9 (e) The Controller shall include on forms supplied to claimants
10 pursuant to Sections 20621, 20630.5, 20640.9, and 20641 of the
11 Revenue and Taxation Code, a statement of the interest rate which
12 shall apply to amounts postponed for the fiscal year to which the
13 form applies.

14 ~~SEC. 4.~~

15 *SEC. 5.* Section 16184 of the Government Code is amended
16 to read:

17 16184. (a) The Controller shall reduce the amount of the
18 obligation secured by the lien against the real property by the
19 amount of any payments received for that purpose and by
20 notification of any amounts paid by the Franchise Tax Board
21 pursuant to Section 20564 of the Revenue and Taxation Code or
22 by any amounts authorized pursuant to subdivision (f) of Section
23 20621 of the Revenue and Taxation Code. Any payment received
24 for that purpose shall be applied in the following order:

- 25 (1) To any interest due on the loan.
- 26 (2) To the principal property tax amount.
- 27 (3) The remaining balance, if any, to administrative fees.

28 (b) The Controller shall also increase the amount of the
29 obligation secured by the lien by the amount of any subsequent
30 payments made pursuant to Section 16180 with respect to the real
31 property and to reflect the accumulation of interest. All such
32 increases and decreases shall be entered in the record described in
33 Section 16181.

34 ~~SEC. 5.~~

35 *SEC. 6.* Section 16186.5 of the Government Code is amended
36 to read:

37 16186.5. In the event that a payment which is made to satisfy
38 an obligation secured by a lien for postponed property taxes
39 exceeds the amount owing to the state, the Controller may refund
40 the overpayment to the party entitled thereto. The Controller shall

1 pay those refunds out of the amount appropriated by Section 16180,
 2 or any appropriation in lieu thereof.

3 ~~SEC. 6.~~

4 *SEC. 7.* Section 16200 of the Government Code is amended
 5 to read:

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

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

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

24 ~~SEC. 7.~~

25 *SEC. 8.* Section 16202 of the Government Code is amended
 26 to read:

27 16202. Notwithstanding any other provision of law, in the
 28 event that the state acquires an interest in real property pursuant
 29 to subdivision (b) of Section 16200, the Controller may, in addition
 30 to the options provided in Section 16201, take any other action
 31 with respect to that real property interest as will best serve the
 32 interest of the state. These actions may include, but shall not be
 33 limited to, the sale, lease, or retention of any interest so acquired.
 34 The Controller may contract with licensed real estate brokers,
 35 maintenance and repair contractors, security contractors, appraisers,
 36 property managers, insurance brokers, and any other experts or
 37 specialists as may be necessary to protect or preserve the state’s
 38 interest in that property. The Controller may pay the costs incurred
 39 pursuant to those contracts out of the amount appropriated by
 40 Section 16180, or from any appropriation in lieu thereof.

1 The sale of those interests may be made on the basis of
2 conventional financing arrangements including the securing of
3 payment through the use of promissory notes, deeds of trust, and
4 other accepted methods of deferred payment.

5 ~~SEC. 8.~~

6 *SEC. 9.* Section 27282 of the Government Code is amended
7 to read:

8 27282. (a) The following documents may be recorded without
9 acknowledgment, certificate of acknowledgment, or further proof:

10 (1) A judgment affecting the title to or possession of real
11 property, authenticated by the certificate of the clerk of the court
12 in which the judgment was rendered.

13 (2) A notice of support judgment, an interstate lien, a release
14 of lien, or any other document completed and recorded by a local
15 child support agency or a state agency acting pursuant to Title
16 IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.).

17 (3) A notice of location of mining claim.

18 (4) Certificates of amounts of taxes, interest and penalties due,
19 notices of state tax liens and extensions thereof executed by the
20 state, county, or city taxing agencies or officials pursuant to
21 Chapter 14 (commencing with Section 7150) of Division 7 of Title
22 1 of the Government Code, and Sections 2191.3, 2191.4, and 11495
23 of the Revenue and Taxation Code, and releases, partial releases,
24 and subordinations executed pursuant to Chapter 14 (commencing
25 with Section 7150) of Division 7 of Title 1 of the Government
26 Code, and Sections 2191.4, 11496, 14307, and 14308 of the
27 Revenue and Taxation Code.

28 (5) Notices of lien for postponed property taxes executed
29 pursuant to Section 16182.

30 (6) A release or discharge of a lien for postponed property taxes
31 as authorized by Chapter 6 (commencing with Section 16180) of
32 Part 1 of Division 4 of Title 2.

33 (7) A fixture filing as defined by paragraph (40) of subdivision
34 (a) of Section 9102 of the Commercial Code.

35 (8) An order affecting title to or possession of real property
36 issued by a court in an action subject to Section 12527,
37 authenticated by the certificate of the clerk of the court in which
38 the order was issued or a copy of that order authenticated by a
39 declaration under penalty of perjury by the Attorney General or
40 by an assistant or deputy of the Attorney General attesting that the

1 contents of the copy are the same as the original order issued by
2 the court.

3 (9) A court certified copy of a satisfaction of judgment.

4 (10) A certificate of correction filed pursuant to Sections 66470
5 and 66472.1.

6 (b) Any document described in this section, from the time it is
7 filed with the recorder for record, is constructive notice of the
8 contents thereof to subsequent purchasers and mortgagees.

9 ~~SEC. 9.~~

10 *SEC. 10.* Section 2514 of the Revenue and Taxation Code is
11 amended to read:

12 2514. (a) Upon receipt of the electronic fund transfer by the
13 Controller described in Section 20602, 20630, or 20640.6, the
14 following shall occur:

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

20 (2) With respect to a claimant whose property taxes are paid by
21 a lender from an impound, trust, or other type of account described
22 in Section 2954 of the Civil Code, the tax collector shall notify
23 the auditor of the claimant’s name and address, and the duplicate
24 amount of money the Controller transferred to the tax collector
25 via an electronic fund transfer.

26 The county auditor, treasurer, or disbursing officer shall refund
27 the amount of money, based on the electronic fund transfer by the
28 Controller, to the claimant within 60 days of the replicated
29 payment.

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

33 ~~SEC. 10.~~

34 *SEC. 11.* Section 2781 of the Revenue and Taxation Code is
35 amended to read:

36 2781. If a taxpayer or agent for the taxpayer submits a payment
37 indicated for application to a specific tax or tax installment and
38 that tax or tax installment already has been paid, the county shall
39 return the replicated payment to the tendering party within 60 days
40 of the date the payment becomes final. For purposes of this section,

1 “final” means the original payment that is not subject to
2 chargeback, dishonor, or reversal. However, when a replicated
3 payment is made of any tax or tax installment paid by an electronic
4 fund transfer pursuant to Section 2514, the amount of the replicated
5 payment shall be paid to the claimant on whose behalf the
6 electronic fund transfer was made.

7 ~~SEC. 11.~~

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

10 20503. (a) “Income” means adjusted gross income as defined
11 in Section 17072 plus all of the following cash items:

- 12 (1) Public assistance and relief.
- 13 (2) Nontaxable amount of pensions and annuities.
- 14 (3) Social security benefits (except Medicare).
- 15 (4) Railroad retirement benefits.
- 16 (5) Unemployment insurance payments.
- 17 (6) Veterans’ benefits.
- 18 (7) Exempt interest received from any source.
- 19 (8) Gifts and inheritances in excess of three hundred dollars
20 (\$300), other than transfers between members of the household.
21 Gifts and inheritances include noncash items.
- 22 (9) Amounts contributed on behalf of the contributor to a
23 tax-sheltered retirement plan or deferred compensation plan.
- 24 (10) Temporary workers’ compensation payments.
- 25 (11) Sick leave payments.
- 26 (12) Nontaxable military compensation as defined in Section
27 112 of the Internal Revenue Code.
- 28 (13) Nontaxable scholarship and fellowship grants as defined
29 in Section 117 of the Internal Revenue Code.
- 30 (14) Nontaxable gain from the sale of a residence as defined in
31 Section 121 of the Internal Revenue Code.
- 32 (15) Life insurance proceeds to the extent that the proceeds
33 exceed the expenses incurred for the last illness and funeral of the
34 deceased spouse of the claimant. “Expenses incurred for the last
35 illness” includes unreimbursed expenses paid or incurred during
36 the income calendar year and any expenses paid or incurred
37 thereafter up until the date the claim is filed. For purposes of this
38 paragraph, funeral expenses shall not exceed five thousand dollars
39 (\$5,000).

1 (16) If an alternative minimum tax is required to be paid
2 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
3 10, the amount of alternative minimum taxable income (whether
4 or not cash) in excess of the regular taxable income.

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

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

11 (c) For purposes of Chapter 2 (commencing with Section 20581),
12 Chapter 3 (commencing with Section 20625), and Chapter 3.5
13 (commencing with Section 20640), all losses and nonexpenses
14 shall be converted to zero for the purpose of determining whether
15 the homeowner meets the Property Tax Postponement requirement.

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

22 ~~SEC. 12.~~

23 *SEC. 13.* Section 20505 of the Revenue and Taxation Code,
24 as amended by Section 8 of Chapter 391 of the Statutes of 2015,
25 is amended to read:

26 20505. "Claimant" means an individual ~~who~~ *who*:

27 (a) For purposes of this chapter was either (1) 62 years of age
28 or older on the last day of the calendar year or approved fiscal year
29 designated in subdivision (b) or (c) of Section 20503, whichever
30 is applicable, or (2) blind or disabled, as defined in Section 12050
31 of the Welfare and Institutions Code on the last day of the calendar
32 year or approved fiscal year designated in subdivision (b) of
33 Section 20503, who was a member of the household, and who was
34 either: (1) the owner and occupier of a residential dwelling on the
35 last day of the year designated in subdivision (b) or (c) of Section
36 20503, or (2) the renter of a rented residence on or before the last
37 day of the year designated in subdivision (b) of Section 20503. An
38 individual who qualifies as an owner-claimant may not qualify as
39 a renter-claimant for the same year.

1 (b) For purposes of Chapter 2 (commencing with Section
2 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3
3 (commencing with Section 20639), and Chapter 3.5 (commencing
4 with Section 20640) was a member of the household and either an
5 owner-occupant, or a tenant stockholder occupant, or a possessory
6 interestholder occupant, or a mobilehome owner-occupant, as the
7 case may be, of the residential dwelling as to which postponement
8 is claimed on the last day of the year designated in subdivision (b)
9 or (c) of Section 20503, and who was (1) 62 years of age or older
10 by December 31 of the fiscal year for which postponement is
11 claimed, or (2) blind or disabled, as defined in Section 12050 of
12 the Welfare and Institutions Code, at the time of application or on
13 February 10 of the fiscal year for which postponement is claimed,
14 whichever is earlier.

15 ~~SEC. 13.~~

16 *SEC. 14.* Section 20585 of the Revenue and Taxation Code is
17 amended to read:

18 20585. Postponement shall not be allowed under this chapter,
19 Chapter 3 (commencing with Section 20625), or Chapter 3.5
20 (commencing with Section 20640) if household income exceeds
21 thirty five thousand five hundred dollars (\$35,500).

22 ~~SEC. 14.~~

23 *SEC. 15.* Section 20586 of the Revenue and Taxation Code is
24 amended to read:

25 20586. For the purposes of Chapter 2 (commencing with
26 Section 20581), Chapter 3 (commencing with Section 20625), and
27 Chapter 3.5 (commencing with Section 20640), only one claimant
28 per household each year shall be entitled to postponement. When
29 two or more individuals in a household are qualified as claimants,
30 they may determine who the claimant shall be. Such decision is
31 irrevocable. If the individuals are unable to agree, the matter shall
32 be determined by the Controller and his or her decision shall be
33 final.

34 ~~SEC. 15.~~

35 *SEC. 16.* Section 20621 of the Revenue and Taxation Code,
36 as amended by Section 13 of Chapter 391 of the Statutes of 2015,
37 is amended to read:

38 20621. Each claimant applying for postponement under Article
39 2 (commencing with Section 20601) shall file a claim under penalty

1 of perjury with the Controller on a form supplied by the Controller.

2 The claim shall contain all of the following:

3 (a) Evidence acceptable to the Controller that the person (1) is
4 62 years of age or older on or before December 31 of the fiscal
5 year for which the postponement is claimed or (2) blind or disabled,
6 as defined in Section 12050 of the Welfare and Institutions Code,
7 at the time of application or on February 10 of the fiscal year for
8 which the postponement is claimed, whichever is earlier.

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

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

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

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

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

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

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

31 ~~SEC. 16.~~

32 *SEC. 17.* Section 20627 of the Revenue and Taxation Code,
33 as amended by Section 15 of Chapter 391 of the Statutes of 2015,
34 is amended to read:

35 20627. A tenant-stockholder claimant (hereinafter referred to
36 as “claimant”) is an individual who, on the last day of the calendar
37 year ending immediately prior to the commencement of the fiscal
38 year for which postponement is claimed is: (a) a tenant-stockholder
39 in a cooperative housing corporation (as defined in Section 216(b)
40 of the Internal Revenue Code) and (b) ~~occupies~~ *occupies*, as a

1 principal place of ~~residence~~ *residence*, a residential unit in the
2 cooperative housing corporation (notwithstanding Section 216(b)
3 of the Internal Revenue Code). For the purposes of this chapter, a
4 claimant must be (1) 62 years of age or older on or before
5 December 31 of the fiscal year for which postponement is claimed
6 or (2) blind or disabled, as defined in Section 12050 of the Welfare
7 and Institutions Code, at the time of application or on February 10
8 of the fiscal year for which the postponement is claimed, whichever
9 is earlier.

10 ~~SEC. 17.~~

11 *SEC. 18.* Section 20640.3 of the Revenue and Taxation Code,
12 as amended by Section 29 of Chapter 391 of the Statutes of 2015,
13 is amended to read:

14 20640.3. A claimant is an individual who:

15 (a) Holds a right to a possessory interest pursuant to a validly
16 recorded instrument conveying such possessory interest for a term
17 of years no less than 45 years beyond the last day of the calendar
18 year ending immediately prior to the fiscal year for which taxes
19 are initially postponed;

20 (b) Occupies as a principal place of residence the residential
21 dwelling affixed to such possessory interest real property on the
22 last day of the year designated in Section 20503(c) of this code;

23 (c) (1) Is 62 years of age or older on or before December 31 of
24 the fiscal year for which postponement is claimed or (2) blind or
25 disabled, as defined in Section 12050 of the Welfare and
26 Institutions Code, at the time of application or on February 10 of
27 the fiscal year for which the postponement is claimed, whichever
28 is earlier.

29 ~~SEC. 18.~~

30 *SEC. 19.* Section 20641 of the Revenue and Taxation Code is
31 amended to read:

32 20641. Forms filed pursuant to this part shall not be under oath
33 but shall contain, or be verified by, a written declaration that they
34 are made under the penalty of perjury. All forms filed pursuant to
35 Chapter 1 (commencing with Section 20501) shall require such
36 information as the Franchise Tax Board may from time to time
37 prescribe, and shall be filed with the Franchise Tax Board. The
38 Franchise Tax Board shall prepare blank forms for the claimant
39 and shall distribute them throughout the state and furnish them
40 upon application. All forms filed pursuant to Chapter 2

1 (commencing with Section 20581), Chapter 3 (commencing with
2 Section 20625), or Chapter 3.5 (commencing with Section 20640),
3 shall require such information as the Controller may from time to
4 time prescribe, shall be filed with the Controller, and the Controller
5 shall prepare such blank forms for the claimant and shall distribute
6 them throughout the state and furnish them upon application.

7 ~~SEC. 19.~~

8 *SEC. 20.* If the Commission on State Mandates determines that
9 this act contains costs mandated by the state, reimbursement to
10 local agencies and school districts for those costs shall be made
11 pursuant to Part 7 (commencing with Section 17500) of Division
12 4 of Title 2 of the Government Code.