

AMENDED IN ASSEMBLY MAY 27, 2016

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 Sections *16180*, 16182, 16183, 16184, 16186.5, 16200, 16202, and 27282 ~~of, and to amend, repeal, and add Section 16180 of,~~ of the Government Code, and to amend Sections 2514, 2515, 2781, 20503, 20505, 20585, 20586, 20621, 20627, 20640.3, ~~and 20641~~ *20641*, *20645.5*, and *20645.6* 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, until January 1, 2019,~~ *Controller* to transfer any moneys in the fund in excess of ~~\$20,000,000 as specified above,~~ *\$15,000,000* not otherwise needed to *cover the costs of administering the property tax postponement program and 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, ~~until January 1, 2019,~~ *require also authorize* the Director of ~~Finance to,~~ *Finance*, upon determination by the Controller that there are insufficient moneys in the fund to *cover the costs of administering the program and to pay all approved claims for the postponement of property taxes and receipt of written notification from the Controller, taxes, to* 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. *claims, as specified.* By authorizing the expenditure of additional general fund ~~moneys~~ *moneys* 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 establishes a formula for calculating the interest on a payment made by the Controller for postponed property taxes from the time a payment is made. Under existing law, for purposes of this provision, a payment is deemed to be made at the time an electronic funds transfer is made by the Controller to the tax collector or the delinquency date of the respective tax installment, whichever is later. Existing law, in the event of willful neglect, authorizes an electronic funds transfer for that current fiscal year to be used to pay delinquent taxes only if accompanied by sufficient amounts to pay all of the delinquent penalties, costs, fees, and interest. Existing law, if a denial of a claim for postponement is reversed on appeal, requires the Controller to electronically transfer funds to the county.*

*This bill would instead deem a payment to be made at the time a payment is made by the Controller to the tax collector or the delinquency date of the respective tax installment, whichever is later. The bill would instead authorize a payment from the Controller to be used to pay delinquent taxes under the circumstances described above. The bill would eliminate the requirement that funds be transferred electronically if a denial of a claim for postponement is reversed on appeal. The bill would also make various conforming changes.*

(3)

(4) 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)

(5) 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)

(6) 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~~ *payment* 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.

*(7) Existing law, upon receipt of a “notice of lien for postponed property taxes” from the Controller, requires the tax collector or the assessor, whichever is applicable, to immediately enter on the assessment records applicable to the property the fact that the taxes on the property have been postponed and the Controller’s identification number and to notify the Controller of a subsequent change in ownership status, as provided.*

*This bill would instead require the assessor to maintain a record of the fact that the taxes on the property have been postponed and the Controller’s identification number and to notify the Controller as described above.*

~~(6)~~

(8) 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)~~

(9) 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.~~ *claimed.*

~~(8)~~

(10) 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)

(11) 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.

1 (2) On June 30, 2018, and on June 30 each year thereafter,  
2 transfer any moneys in the fund in excess of ~~twenty fifteen~~ million  
3 dollars ~~(\$20,000,000)~~ (\$15,000,000) not otherwise needed to *cover*  
4 *the costs of administering this chapter and to pay claims approved*  
5 by the Controller for the postponement of property taxes pursuant  
6 to the Property Tax Postponement Law (Chapter 2 (commencing  
7 with Section 20581), Chapter 3 (commencing with Section 20625),  
8 and Chapter 3.5 (commencing with Section 20640) of Part 10.5  
9 of Division 2 of the Revenue and Taxation Code) to the General  
10 Fund.

11 (c) On or after January 1, 2015, any loan repayments relating  
12 to the Senior Citizens and Disabled Citizens Property Tax  
13 Postponement Law shall be deposited into the Senior Citizens and  
14 Disabled Citizens Property Tax Postponement Fund.

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

19 (e) If the Controller determines that there are insufficient moneys  
20 in the fund to *cover the costs of administering this chapter and to*  
21 *pay all approved claims for the postponement of property taxes,*  
22 *the Director of Finance, upon receiving notification from the*  
23 *Controller, shall may authorize expenditures from the General*  
24 *Fund in an amount necessary to cover the costs of administering*  
25 *this chapter and to pay those claims not sooner than 30 days after*  
26 *providing written notification of the necessity of authorizing those*  
27 *expenditures to the chairpersons of the fiscal committees of each*  
28 *house of the Legislature and the Chairperson of the Joint*  
29 *Legislative Budget Committee.*

30 ~~(f) This section shall remain operative only until January 1,~~  
31 ~~2019, and as of that date is repealed.~~

32 ~~SEC. 2. Section 16180 is added to the Government Code, to~~  
33 ~~read:~~

34 ~~16180. (a) There is hereby created in the State Treasury a~~  
35 ~~Senior Citizens and Disabled Citizens Property Tax Postponement~~  
36 ~~Fund. The fund shall be an interest-bearing fund. Subject to~~  
37 ~~subdivision (b) and notwithstanding Section 13340, the fund is~~  
38 ~~continuously appropriated to the Controller for purposes of~~  
39 ~~administering this chapter, including, but not limited to, necessary~~  
40 ~~administrative costs and disbursements relating to the~~

1 ~~postponement of property taxes pursuant to the Property Tax~~  
2 ~~Postponement Law (Chapter 2 (commencing with Section 20581),~~  
3 ~~Chapter 3 (commencing with Section 20625), and Chapter 3.5~~  
4 ~~(commencing with Section 20640) of Part 10.5 of Division 2 of~~  
5 ~~the Revenue and Taxation Code):~~

6 ~~(b) The Controller shall, on June 30 of each year, transfer any~~  
7 ~~moneys in the fund in excess of fifteen million dollars~~  
8 ~~(\$15,000,000) not otherwise needed to pay claims approved by~~  
9 ~~the Controller for the postponement of property taxes pursuant to~~  
10 ~~the Property Tax Postponement Law (Chapter 2 (commencing~~  
11 ~~with Section 20581), Chapter 3 (commencing with Section 20625),~~  
12 ~~and Chapter 3.5 (commencing with Section 20640) of Part 10.5~~  
13 ~~of Division 2 of the Revenue and Taxation Code) to the General~~  
14 ~~Fund.~~

15 ~~(c) Any loan repayments relating to the Senior Citizens and~~  
16 ~~Disabled Citizens Property Tax Postponement Law shall be~~  
17 ~~deposited into the Senior Citizens and Disabled Citizens Property~~  
18 ~~Tax Postponement Fund.~~

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

23 ~~(e)~~  
24 ~~This section shall become operative on January 1, 2019.~~

25 ~~SEC. 3.~~

26 *SEC. 2.* Section 16182 of the Government Code, as amended  
27 by Section 2 of Chapter 391 of the Statutes of 2015, is amended  
28 to read:

29 16182. (a) All sums paid by the Controller under the provisions  
30 of this chapter, together with interest thereon, shall be secured by  
31 a lien in favor of the State of California when funds are transferred  
32 to the county by the Controller upon the real property for which  
33 property taxes have been postponed. In the case of a residential  
34 dwelling which is part of a larger parcel taxed as a unit, such as a  
35 duplex, farm, or multipurpose or multidwelling building, the lien  
36 shall be against the entire tax parcel.

37 (b) In the case of real property:

38 (1) The lien shall be evidenced by a notice of lien for postponed  
39 property taxes executed by the Controller, or the authorized  
40 delegate of the Controller, and shall secure all sums paid or owing

1 pursuant to this chapter, including amounts paid subsequent to the  
2 initial payment of postponed taxes on the real property described  
3 in the notice of lien.

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

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

13 (A) The names of all record owners of the real property for  
14 which the Controller has advanced funds for the payment of real  
15 property taxes.

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

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

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

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

27 (6) After the notice of lien has been duly recorded and indexed,  
28 it shall be returned by the county recorder to the office of the  
29 Controller. ~~The recorder~~ *Controller* shall provide the county tax  
30 collector and the county assessor with a copy of the notice of lien  
31 which has been executed.

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

37 (A) It is released by the Controller in the manner prescribed by  
38 Section 16186.

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

4 (c) In the case of mobilehome loans established prior to February  
5 20, 2009, all of the following shall apply:

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

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

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

20 ~~SEC. 4.~~

21 *SEC. 3.* Section 16183 of the Government Code, as amended  
22 by Section 3 of Chapter 391 of the Statutes of 2015, is amended  
23 to read:

24 16183. (a) From the time a payment is made pursuant to  
25 Section 16180, the amount of that payment shall bear interest at a  
26 rate (not compounded), determined as follows:

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

29 (2) The Controller shall establish an adjusted rate of interest for  
30 the purpose of this subdivision not later than July 15th of any year  
31 if the effective annual yield of the Pooled Money Investment  
32 Account for the prior fiscal year is at least a full percentage point  
33 more or less than the interest rate which is then in effect. The  
34 adjusted rate of interest shall be equal per annum to the effective  
35 annual yield earned in the prior fiscal year by the Pooled Money  
36 Investment Account rounded to the nearest full percent, and shall  
37 become effective for new deferrals, beginning on July 1, 1984,  
38 and on July 1 of each immediately succeeding year, until June 30,  
39 2016.

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

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

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

16 (d) For the purpose of this section, the time a payment is made  
17 shall be deemed to be the time ~~an electronic funds transfer a~~  
18 *payment* is made by the Controller to the tax collector or the  
19 delinquency date of the respective tax installment, whichever is  
20 later.

21 (e) The Controller shall include on forms supplied to claimants  
22 pursuant to Sections 20621, 20630.5, 20640.9, and 20641 of the  
23 Revenue and Taxation Code, a statement of the interest rate which  
24 shall apply to amounts postponed for the fiscal year to which the  
25 form applies.

26 ~~SEC. 5:~~

27 *SEC. 4.* Section 16184 of the Government Code is amended  
28 to read:

29 16184. (a) The Controller shall reduce the amount of the  
30 obligation secured by the lien against the real property by the  
31 amount of any payments received for that purpose and by  
32 notification of any amounts paid by the Franchise Tax Board  
33 pursuant to Section 20564 of the Revenue and Taxation Code or  
34 by any amounts authorized pursuant to subdivision (f) of Section  
35 20621 of the Revenue and Taxation Code. Any payment received  
36 for that purpose shall be applied in the following order:

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

1 (b) The Controller shall also increase the amount of the  
2 obligation secured by the lien by the amount of any subsequent  
3 payments made pursuant to Section 16180 with respect to the real  
4 property and to reflect the accumulation of interest. All such  
5 increases and decreases shall be entered in the record described in  
6 Section 16181.

7 ~~SEC. 6.~~

8 *SEC. 5.* Section 16186.5 of the Government Code is amended  
9 to read:

10 16186.5. In the event that a payment which is made to satisfy  
11 an obligation secured by a lien for postponed property taxes  
12 exceeds the amount owing to the state, the Controller may refund  
13 the overpayment to the party entitled thereto. The Controller shall  
14 pay those refunds out of the amount appropriated by Section 16180,  
15 or any appropriation in lieu thereof.

16 ~~SEC. 7.~~

17 *SEC. 6.* Section 16200 of the Government Code is amended  
18 to read:

19 16200. In the event that the Controller receives the notice  
20 described in Section 16187 of this code or Section 3375 of the  
21 Revenue and Taxation Code, the Controller may take any of the  
22 following actions which will best serve the interests of the state:

23 (a) Notify, by United States mail, the tax collector or other party  
24 that such notice has been received and that the Controller must be  
25 given at least 20 days prior notice of the date that the property will  
26 be sold at auction. If the Controller elects to proceed under this  
27 subdivision, the Controller may use funds appropriated by Section  
28 16180 to bid on the property at the auction up to the amount  
29 secured by the state's lien on the property and any lien on such  
30 property having priority over the state's lien. All additional  
31 amounts paid pursuant to this subdivision shall be added to the  
32 amount secured by the lien on such property provided for in Article  
33 1 (commencing with Section 16180) of this chapter.

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

37 ~~SEC. 8.~~

38 *SEC. 7.* Section 16202 of the Government Code is amended  
39 to read:

1 16202. Notwithstanding any other provision of law, in the  
2 event that the state acquires an interest in real property pursuant  
3 to subdivision (b) of Section 16200, the Controller may, in addition  
4 to the options provided in Section 16201, take any other action  
5 with respect to that real property interest as will best serve the  
6 interest of the state. These actions may include, but shall not be  
7 limited to, the sale, lease, or retention of any interest so acquired.  
8 The Controller may contract with licensed real estate brokers,  
9 maintenance and repair contractors, security contractors, appraisers,  
10 property managers, insurance brokers, and any other experts or  
11 specialists as may be necessary to protect or preserve the state's  
12 interest in that property. The Controller may pay the costs incurred  
13 pursuant to those contracts out of the amount appropriated by  
14 Section 16180, or from any appropriation in lieu thereof.

15 The sale of those interests may be made on the basis of  
16 conventional financing arrangements including the securing of  
17 payment through the use of promissory notes, deeds of trust, and  
18 other accepted methods of deferred payment.

19 ~~SEC. 9.~~

20 *SEC. 8.* Section 27282 of the Government Code is amended  
21 to read:

22 27282. (a) The following documents may be recorded without  
23 acknowledgment, certificate of acknowledgment, or further proof:

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

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

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

32 (4) Certificates of amounts of taxes, interest and penalties due,  
33 notices of state tax liens and extensions thereof executed by the  
34 state, county, or city taxing agencies or officials pursuant to  
35 Chapter 14 (commencing with Section 7150) of Division 7 of Title  
36 1 of the Government Code, and Sections 2191.3, 2191.4, and 11495  
37 of the Revenue and Taxation Code, and releases, partial releases,  
38 and subordinations executed pursuant to Chapter 14 (commencing  
39 with Section 7150) of Division 7 of Title 1 of the Government

1 Code, and Sections 2191.4, 11496, 14307, and 14308 of the  
2 Revenue and Taxation Code.

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

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

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

10 (8) An order affecting title to or possession of real property  
11 issued by a court in an action subject to Section 12527,  
12 authenticated by the certificate of the clerk of the court in which  
13 the order was issued or a copy of that order authenticated by a  
14 declaration under penalty of perjury by the Attorney General or  
15 by an assistant or deputy of the Attorney General attesting that the  
16 contents of the copy are the same as the original order issued by  
17 the court.

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

19 (10) A certificate of correction filed pursuant to Sections 66470  
20 and 66472.1.

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

24 ~~SEC. 10.~~

25 *SEC. 9.* Section 2514 of the Revenue and Taxation Code is  
26 amended to read:

27 2514. (a) Upon receipt of the ~~electronic fund transfer payment~~  
28 by the Controller described in Section 20602, 20630, or 20640.6,  
29 the following shall occur:

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

35 (2) With respect to a claimant whose property taxes are paid by  
36 a lender from an impound, trust, or other type of account described  
37 in Section 2954 of the Civil Code, the tax collector shall notify  
38 the auditor of the claimant's name and address, and the duplicate  
39 amount of money the Controller ~~transferred paid~~ to the tax collector  
40 ~~via an electronic fund transfer.~~ *collector.*

1 The county auditor, treasurer, or disbursing officer shall refund  
 2 the amount of money, based on the ~~electronic fund transfer~~ *payment*  
 3 by the Controller, to the claimant within 60 days of the replicated  
 4 payment.

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

8 *SEC. 10. Section 2515 of the Revenue and Taxation Code is*  
 9 *amended to read:*

10 2515. (a) Upon receiving a *copy of the* “notice of lien for  
 11 postponed property taxes” from the Controller, the ~~tax collector~~  
 12 ~~or the assessor, whichever is applicable,~~ *assessor* shall ~~immediately~~  
 13 ~~enter on the assessment records applicable to the property,~~ *maintain*  
 14 *a record of the fact that the taxes on the property have been*  
 15 *postponed and the Controller’s identification number,* *number* and  
 16 shall, if such record reveals a change in the ownership status of  
 17 the property subsequent to the date of entry of the postponement  
 18 information thereon, notify the Controller within 60 days of  
 19 processing the change in the ownership status in the manner  
 20 prescribed by the Controller.

21 (b) From the time of recordation of the notice of lien pursuant  
 22 to Section 16182 of the Government Code, the lien for postponed  
 23 property taxes shall be deemed to impart constructive notice of  
 24 the contents thereof to subsequent purchasers, mortgagees, lessees,  
 25 and other lienors.

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

28 2781. If a taxpayer or agent for the taxpayer submits a payment  
 29 indicated for application to a specific tax or tax installment and  
 30 that tax or tax installment already has been paid, the county shall  
 31 return the replicated payment to the tendering party within 60 days  
 32 of the date the payment becomes final. For purposes of this section,  
 33 “final” means the original payment that is not subject to  
 34 chargeback, dishonor, or reversal. However, when a replicated  
 35 payment is made of any tax or tax installment paid by ~~an electronic~~  
 36 ~~fund transfer~~ *the Controller to the county* pursuant to Section 2514,  
 37 the amount of the replicated payment shall be paid to the claimant  
 38 on whose behalf the ~~electronic fund transfer~~ *payment* was made.

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

- 1 20503. (a) “Income” means adjusted gross income as defined  
2 in Section 17072 plus all of the following cash items:  
3 (1) Public assistance and relief.  
4 (2) Nontaxable amount of pensions and annuities.  
5 (3) Social security benefits (except Medicare).  
6 (4) Railroad retirement benefits.  
7 (5) Unemployment insurance payments.  
8 (6) Veterans’ benefits.  
9 (7) Exempt interest received from any source.  
10 (8) Gifts and inheritances in excess of three hundred dollars  
11 (\$300), other than transfers between members of the household.  
12 Gifts and inheritances include noncash items.  
13 (9) Amounts contributed on behalf of the contributor to a  
14 tax-sheltered retirement plan or deferred compensation plan.  
15 (10) Temporary workers’ compensation payments.  
16 (11) Sick leave payments.  
17 (12) Nontaxable military compensation as defined in Section  
18 112 of the Internal Revenue Code.  
19 (13) Nontaxable scholarship and fellowship grants as defined  
20 in Section 117 of the Internal Revenue Code.  
21 (14) Nontaxable gain from the sale of a residence as defined in  
22 Section 121 of the Internal Revenue Code.  
23 (15) Life insurance proceeds to the extent that the proceeds  
24 exceed the expenses incurred for the last illness and funeral of the  
25 deceased spouse of the claimant. “Expenses incurred for the last  
26 illness” includes unreimbursed expenses paid or incurred during  
27 the income calendar year and any expenses paid or incurred  
28 thereafter up until the date the claim is filed. For purposes of this  
29 paragraph, funeral expenses shall not exceed five thousand dollars  
30 (\$5,000).  
31 (16) If an alternative minimum tax is required to be paid  
32 pursuant to Chapter 2.1 (commencing with Section 17062) of Part  
33 10, the amount of alternative minimum taxable income (whether  
34 or not cash) in excess of the regular taxable income.  
35 (17) Annual winnings from the California Lottery in excess of  
36 six hundred dollars (\$600) for the current year.  
37 (b) For purposes of this chapter, total income shall be determined  
38 for the calendar year (or approved fiscal year ending within that  
39 calendar year) which ends within the fiscal year for which  
40 assistance is claimed.

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

6 (d) For purposes of Chapter 2 (commencing with Section  
7 20581), Chapter 3 (commencing with Section 20625), and Chapter  
8 3.5 (commencing with Section 20640), total income shall be  
9 determined for the calendar year ending immediately prior to the  
10 commencement of the fiscal year for which postponement is  
11 claimed.

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

15 20505. "Claimant" means an individual who:

16 (a) For purposes of this chapter was either (1) 62 years of age  
17 or older on the last day of the calendar year or approved fiscal year  
18 designated in subdivision (b) or (c) of Section 20503, whichever  
19 is applicable, or (2) blind or disabled, as defined in Section 12050  
20 of the Welfare and Institutions Code on the last day of the calendar  
21 year or approved fiscal year designated in subdivision (b) of  
22 Section 20503, who was a member of the household, and who was  
23 either: (1) the owner and occupier of a residential dwelling on the  
24 last day of the year designated in subdivision (b) or (c) of Section  
25 20503, or (2) the renter of a rented residence on or before the last  
26 day of the year designated in subdivision (b) of Section 20503. An  
27 individual who qualifies as an owner-claimant may not qualify as  
28 a renter-claimant for the same year.

29 (b) For purposes of Chapter 2 (commencing with Section  
30 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3  
31 (commencing with Section 20639), and Chapter 3.5 (commencing  
32 with Section 20640) was a member of the household and either an  
33 owner-occupant, or a tenant stockholder occupant, or a possessory  
34 interestholder occupant, or a mobilehome owner-occupant, as the  
35 case may be, of the residential dwelling as to which postponement  
36 is claimed on the last day of the year designated in subdivision (b)  
37 or (c) of Section 20503, and who was (1) 62 years of age or older  
38 by December 31 of the fiscal year for which postponement is  
39 claimed, or (2) blind or disabled, as defined in Section 12050 of  
40 the Welfare and Institutions Code, at the time of application or on

1 February 10 of the fiscal year for which postponement is ~~claimed,~~  
2 ~~whichever is earlier.~~ *claimed.*

3 SEC. 14. Section 20585 of the Revenue and Taxation Code is  
4 amended to read:

5 20585. Postponement shall not be allowed under this chapter,  
6 Chapter 3 (commencing with Section 20625), or Chapter 3.5  
7 (commencing with Section 20640) if household income exceeds  
8 thirty five thousand five hundred dollars (\$35,500).

9 SEC. 15. Section 20586 of the Revenue and Taxation Code is  
10 amended to read:

11 20586. For the purposes of Chapter 2 (commencing with  
12 Section 20581), Chapter 3 (commencing with Section 20625), and  
13 Chapter 3.5 (commencing with Section 20640), only one claimant  
14 per household each year shall be entitled to postponement. When  
15 two or more individuals in a household are qualified as claimants,  
16 they may determine who the claimant shall be. Such decision is  
17 irrevocable. If the individuals are unable to agree, the matter shall  
18 be determined by the Controller and his or her decision shall be  
19 final.

20 SEC. 16. Section 20621 of the Revenue and Taxation Code,  
21 as amended by Section 13 of Chapter 391 of the Statutes of 2015,  
22 is amended to read:

23 20621. Each claimant applying for postponement under Article  
24 2 (commencing with Section 20601) shall file a claim under penalty  
25 of perjury with the Controller on a form supplied by the Controller.  
26 The claim shall contain all of the following:

27 (a) Evidence acceptable to the Controller that the person (1) is  
28 62 years of age or older on or before December 31 of the fiscal  
29 year for which the postponement is claimed or (2) blind or disabled,  
30 as defined in Section 12050 of the Welfare and Institutions Code,  
31 at the time of application or on February 10 of the fiscal year for  
32 which the postponement is ~~claimed, whichever is earlier.~~ *claimed.*

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

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

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

1 (e) The county assessor’s parcel number applicable to the  
2 property for which the claimant is applying for the postponement  
3 of property taxes.

4 (f) (1) Documentation evidencing the current existence of any  
5 abstract of judgment, federal tax lien, or state tax lien filed or  
6 recorded against the applicant, and any recorded mortgage or deed  
7 of trust that affects the subject residential dwelling, for the purpose  
8 of determining that the claimant possesses a 40-percent equity in  
9 the subject residential dwelling as required by paragraph (1) of  
10 subdivision (b) of Section 20583.

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

15 (g) Other information required by the Controller to establish  
16 eligibility.

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

20 20627. A tenant-stockholder claimant (hereinafter referred to  
21 as “claimant”) is an individual who, on the last day of the calendar  
22 year ending immediately prior to the commencement of the fiscal  
23 year for which postponement is claimed is: (a) a tenant-stockholder  
24 in a cooperative housing corporation (as defined in Section 216(b)  
25 of the Internal Revenue Code) and (b) occupies, as a principal  
26 place of residence, a residential unit in the cooperative housing  
27 corporation (notwithstanding Section 216(b) of the Internal  
28 Revenue Code). For the purposes of this chapter, a claimant must  
29 be (1) 62 years of age or older on or before December 31 of the  
30 fiscal year for which postponement is claimed or (2) blind or  
31 disabled, as defined in Section 12050 of the Welfare and  
32 Institutions Code, at the time of application or on February 10 of  
33 the fiscal year for which the postponement is claimed, ~~whichever~~  
34 ~~is earlier.~~ *claimed.*

35 SEC. 18. Section 20640.3 of the Revenue and Taxation Code,  
36 as amended by Section 29 of Chapter 391 of the Statutes of 2015,  
37 is amended to read:

38 20640.3. A claimant is an individual who:

39 (a) Holds a right to a possessory interest pursuant to a validly  
40 recorded instrument conveying such possessory interest for a term

1 of years no less than 45 years beyond the last day of the calendar  
2 year ending immediately prior to the fiscal year for which taxes  
3 are initially postponed;

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

7 (c) (1) Is 62 years of age or older on or before December 31 of  
8 the fiscal year for which postponement is claimed or (2) blind or  
9 disabled, as defined in Section 12050 of the Welfare and  
10 Institutions Code, at the time of application or on February 10 of  
11 the fiscal year for which the postponement is ~~claimed, whichever~~  
12 ~~is earlier.~~ *claimed.*

13 SEC. 19. Section 20641 of the Revenue and Taxation Code is  
14 amended to read:

15 20641. Forms filed pursuant to this part shall not be under oath  
16 but shall contain, or be verified by, a written declaration that they  
17 are made under the penalty of perjury. All forms filed pursuant to  
18 Chapter 1 (commencing with Section 20501) shall require such  
19 information as the Franchise Tax Board may from time to time  
20 prescribe, and shall be filed with the Franchise Tax Board. The  
21 Franchise Tax Board shall prepare blank forms for the claimant  
22 and shall distribute them throughout the state and furnish them  
23 upon application. All forms filed pursuant to Chapter 2  
24 (commencing with Section 20581), Chapter 3 (commencing with  
25 Section 20625), or Chapter 3.5 (commencing with Section 20640),  
26 shall require such information as the Controller may from time to  
27 time prescribe, shall be filed with the Controller, and the Controller  
28 shall prepare such blank forms for the claimant and shall distribute  
29 them throughout the state and furnish them upon application.

30 SEC. 20. *Section 20645.5 of the Revenue and Taxation Code*  
31 *is amended to read:*

32 20645.5. (a) If a postponement claim under Chapter 2  
33 (commencing with Section 20581), Chapter 3.3 (commencing with  
34 Section 20639), or Chapter 3.5 (commencing with Section 20640)  
35 is received by the Controller by February 10 for the fiscal year in  
36 which postponement is being claimed or by another date set by  
37 the Controller pursuant to Section 20622, then any delinquent  
38 penalties, costs, fees, and interest accrued for that fiscal year shall  
39 be canceled unless the failure to perfect the claim was due to willful  
40 neglect on the part of the claimant or representative.

1 (b) In the event of willful neglect, ~~an electronic funds transfer~~  
2 *a payment from the Controller* for that current fiscal year can be  
3 used to pay delinquent taxes only if accompanied by sufficient  
4 amounts to pay all of the delinquent penalties, costs, fees, and  
5 interest. If an amount sufficient to pay all of the delinquent  
6 penalties, costs, fees, and interest is not received by the tax  
7 collector within 30 days from the date of the ~~electronic funds~~  
8 ~~transfer~~, *payment from the Controller*, the tax collector may return  
9 the ~~electronic funds transfer~~ *payment* to the Controller to deny the  
10 postponement claim.

11 (c) (1) The Controller shall notify the claimant in writing when  
12 the ~~electronic funds transfer~~ *payment* has been submitted to the  
13 tax collector.

14 (2) In the event of willful neglect, in addition to the information  
15 required pursuant to paragraph (1), the Controller shall also notify  
16 the claimant in writing and provide a copy of the notification to  
17 the ~~tax collector~~, *collector* that a payment amount sufficient to pay  
18 all of the delinquent penalties, costs, fees, and interest must be  
19 received by the tax collector within 30 days from the date of the  
20 ~~electronic funds transfer~~, *payment from the Controller to the county*  
21 and that if this payment is not received by the tax collector, the  
22 tax collector may return the ~~electronic funds transfer~~ *payment* to  
23 the Controller to deny the postponement claim.

24 *SEC. 21. Section 20645.6 of the Revenue and Taxation Code*  
25 *is amended to read:*

26 20645.6. (a) If the Controller denies a postponement claim  
27 under Chapter 2 (commencing with Section 20581), Chapter 3  
28 (commencing with Section 20625), Chapter 3.3 (commencing with  
29 Section 20639), or Chapter 3.5 (commencing with Section 20640),  
30 and the denial is reversed after appeal pursuant to Section 20645.1,  
31 the Controller shall ~~electronically~~ transfer funds to the county for  
32 the amount of the taxes. If the taxes for the fiscal year were  
33 previously paid, the county shall refund the overpayment to the  
34 taxpayer. If the taxes for the fiscal year are delinquent, any resulting  
35 penalties or interest shall be canceled.

36 (b) The Controller shall notify the claimant in writing when ~~an~~  
37 ~~electronic funds transfer~~ *a payment* has been made pursuant to  
38 subdivision (a).

1     ~~SEC. 20.~~

2     *SEC. 22.* If the Commission on State Mandates determines that  
3 this act contains costs mandated by the state, reimbursement to  
4 local agencies and school districts for those costs shall be made  
5 pursuant to Part 7 (commencing with Section 17500) of Division  
6 4 of Title 2 of the Government Code.

O