

AMENDED IN SENATE JUNE 15, 2016

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 author: ~~coauthors: Assembly Member Members Levine~~
***and Patterson*)**

February 12, 2016

An act to amend Sections 16180, 16182, 16183, 16184, 16186.5, 16200, 16202, and 27282 of the Government Code, and to amend Sections 2514, 2515, 2781, 20503, 20505, 20583, 20585, 20586, 20621, 20627, 20640.3, 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 to transfer any moneys in the fund in excess of \$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 also authorize the Director of 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, to authorize expenditures from the General Fund in an amount necessary to pay those claims, as specified. By authorizing the expenditure of additional general fund 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.

(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.

(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.

(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 payment by the Controller. The bill would require the tax collector to ~~enter~~ *maintain a record of* 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.

(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.

(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.

(10) Existing law requires that a claim for postponement of property taxes be for the residential dwelling, defined generally as the principal place of residence of the claimant and so much of the land surrounding it as is reasonably necessary for the use of the dwelling as a home that is owned by the claimant alone or by the claimant and other specified individuals.

Existing law authorizes an applicant, defined as including a public agency, an entity acting on behalf of and with the written consent of a public agency, or a financial institution for specified purposes, to assist property owners in financing the installation of distributed generation renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency improvements through the issuance of Property Assessed Clean Energy (PACE) bonds that are secured by a

voluntary contractual assessment on property or a special tax on property.

This bill would exclude from a residential dwelling eligible for the property tax postponement program any residential dwelling that is subject to a PACE bond.

~~(10)~~

(11) 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.

~~(11)~~

(12) 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

1 Chapter 3.5 (commencing with Section 20640) of Part 10.5 of
2 Division 2 of the Revenue and Taxation Code).

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

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

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

16 (c) On or after January 1, 2015, any loan repayments relating
17 to the Senior Citizens and Disabled Citizens Property Tax
18 Postponement Law shall be deposited into the Senior Citizens and
19 Disabled Citizens Property Tax Postponement Fund.

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

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

35 SEC. 2. Section 16182 of the Government Code, as amended
36 by Section 2 of Chapter 391 of the Statutes of 2015, is amended
37 to read:

38 16182. (a) All sums paid by the Controller under the provisions
39 of this chapter, together with interest thereon, shall be secured by
40 a lien in favor of the State of California when funds are transferred

1 to the county by the Controller upon the real property for which
2 property taxes have been postponed. In the case of a residential
3 dwelling which is part of a larger parcel taxed as a unit, such as a
4 duplex, farm, or multipurpose or multidwelling building, the lien
5 shall be against the entire tax parcel.

6 (b) In the case of real property:

7 (1) The lien shall be evidenced by a notice of lien for postponed
8 property taxes executed by the Controller, or the authorized
9 delegate of the Controller, and shall secure all sums paid or owing
10 pursuant to this chapter, including amounts paid subsequent to the
11 initial payment of postponed taxes on the real property described
12 in the notice of lien.

13 (2) The notice of lien may bear the facsimile signature of the
14 Controller. Each signature shall be that of the person who shall be
15 in the office at the time of execution of the notice of lien; provided,
16 however, that such notice of lien shall be valid and binding
17 notwithstanding any such person having ceased to hold the office
18 of Controller before the date of recordation.

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

22 (A) The names of all record owners of the real property for
23 which the Controller has advanced funds for the payment of real
24 property taxes.

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

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

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

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

36 (6) After the notice of lien has been duly recorded and indexed,
37 it shall be returned by the county recorder to the office of the
38 Controller. The Controller shall provide the county tax collector
39 and the county assessor with a copy of the notice of lien which
40 has been executed.

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

6 (A) It is released by the Controller in the manner prescribed by
7 Section 16186.

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

11 (c) In the case of mobilehome loans established prior to February
12 20, 2009, all of the following shall apply:

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

17 (2) From the time that the Department of Housing and
18 Community Development receives the notice of lien from the
19 Controller, the department shall impose a moratorium on any other
20 amendments to the permanent title record of the mobilehome unit
21 until released by the Controller in the manner prescribed by Section
22 16186, or an authorization for the amendments is given by the
23 Controller in writing.

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

27 SEC. 3. Section 16183 of the Government Code, as amended
28 by Section 3 of Chapter 391 of the Statutes of 2015, is amended
29 to read:

30 16183. (a) From the time a payment is made pursuant to
31 Section 16180, the amount of that payment shall bear interest at a
32 rate (not compounded), determined as follows:

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

35 (2) The Controller shall establish an adjusted rate of interest for
36 the purpose of this subdivision not later than July 15th of any year
37 if the effective annual yield of the Pooled Money Investment
38 Account for the prior fiscal year is at least a full percentage point
39 more or less than the interest rate which is then in effect. The
40 adjusted rate of interest shall be equal per annum to the effective

1 annual yield earned in the prior fiscal year by the Pooled Money
2 Investment Account rounded to the nearest full percent, and shall
3 become effective for new deferrals, beginning on July 1, 1984,
4 and on July 1 of each immediately succeeding year, until June 30,
5 2016.

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

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

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

21 (d) For the purpose of this section, the time a payment is made
22 shall be deemed to be the time a payment is made by the Controller
23 to the tax collector or the delinquency date of the respective tax
24 installment, whichever is later.

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

30 SEC. 4. Section 16184 of the Government Code is amended
31 to read:

32 16184. (a) The Controller shall reduce the amount of the
33 obligation secured by the lien against the real property by the
34 amount of any payments received for that purpose and by
35 notification of any amounts paid by the Franchise Tax Board
36 pursuant to Section 20564 of the Revenue and Taxation Code or
37 by any amounts authorized pursuant to subdivision (f) of Section
38 20621 of the Revenue and Taxation Code. Any payment received
39 for that purpose shall be applied in the following order:

40 (1) To any interest due on the loan.

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

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

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

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

39 16202. Notwithstanding any other provision of law, in the
 40 event that the state acquires an interest in real property pursuant

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

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

17 SEC. 8. Section 27282 of the Government Code is amended
18 to read:

19 27282. (a) The following documents may be recorded without
20 acknowledgment, certificate of acknowledgment, or further proof:

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

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

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

29 (4) Certificates of amounts of taxes, interest and penalties due,
30 notices of state tax liens and extensions thereof executed by the
31 state, county, or city taxing agencies or officials pursuant to
32 Chapter 14 (commencing with Section 7150) of Division 7 of Title
33 1 of the Government Code, and Sections 2191.3, 2191.4, and 11495
34 of the Revenue and Taxation Code, and releases, partial releases,
35 and subordinations executed pursuant to Chapter 14 (commencing
36 with Section 7150) of Division 7 of Title 1 of the Government
37 Code, and Sections 2191.4, 11496, 14307, and 14308 of the
38 Revenue and Taxation Code.

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

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

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

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

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

15 (10) A certificate of correction filed pursuant to Sections 66470
16 and 66472.1.

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

20 SEC. 9. Section 2514 of the Revenue and Taxation Code is
21 amended to read:

22 2514. (a) Upon receipt of the payment by the Controller
23 described in Section 20602, 20630, or 20640.6, the following shall
24 occur:

25 (1) The tax collector shall ~~enter~~ *maintain a record of* the fact
26 that taxes on the property have been ~~postponed in appropriate~~
27 ~~columns on the roll.~~ *postponed.* In the case of the secured roll, this
28 information may be entered in that portion of the roll which has
29 been designated for tax default information as required by Section
30 3439.

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

36 The county auditor, treasurer, or disbursing officer shall refund
37 the amount of money, based on the payment by the Controller, to
38 the claimant within 60 days of the replicated payment.

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 a claimant.

4 SEC. 10. Section 2515 of the Revenue and Taxation Code is
5 amended to read:

6 2515. (a) Upon receiving a copy of the “notice of lien for
7 postponed property taxes” from the Controller, the assessor shall
8 maintain a record of the fact that the taxes on the property have
9 been postponed and the Controller’s identification number and
10 shall, if such record reveals a change in the ownership status of
11 the property subsequent to the date of entry of the postponement
12 information thereon, notify the Controller within 60 days of
13 processing the change in the ownership status in the manner
14 prescribed by the Controller.

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

20 SEC. 11. Section 2781 of the Revenue and Taxation Code is
21 amended to read:

22 2781. If a taxpayer or agent for the taxpayer submits a payment
23 indicated for application to a specific tax or tax installment and
24 that tax or tax installment already has been paid, the county shall
25 return the replicated payment to the tendering party within 60 days
26 of the date the payment becomes final. For purposes of this section,
27 “final” means the original payment that is not subject to
28 chargeback, dishonor, or reversal. However, when a replicated
29 payment is made of any tax or tax installment paid by the
30 Controller to the county pursuant to Section 2514, the amount of
31 the replicated payment shall be paid to the claimant on whose
32 behalf the payment was made.

33 SEC. 12. Section 20503 of the Revenue and Taxation Code is
34 amended to read:

35 20503. (a) “Income” means adjusted gross income as defined
36 in Section 17072 plus all of the following cash items:

- 37 (1) Public assistance and relief.
- 38 (2) Nontaxable amount of pensions and annuities.
- 39 (3) Social security benefits (except Medicare).
- 40 (4) Railroad retirement benefits.

- 1 (5) Unemployment insurance payments.
- 2 (6) Veterans' benefits.
- 3 (7) Exempt interest received from any source.
- 4 (8) Gifts and inheritances in excess of three hundred dollars
- 5 (\$300), other than transfers between members of the household.
- 6 Gifts and inheritances include noncash items.
- 7 (9) Amounts contributed on behalf of the contributor to a
- 8 tax-sheltered retirement plan or deferred compensation plan.
- 9 (10) Temporary workers' compensation payments.
- 10 (11) Sick leave payments.
- 11 (12) Nontaxable military compensation as defined in Section
- 12 112 of the Internal Revenue Code.
- 13 (13) Nontaxable scholarship and fellowship grants as defined
- 14 in Section 117 of the Internal Revenue Code.
- 15 (14) Nontaxable gain from the sale of a residence as defined in
- 16 Section 121 of the Internal Revenue Code.
- 17 (15) Life insurance proceeds to the extent that the proceeds
- 18 exceed the expenses incurred for the last illness and funeral of the
- 19 deceased spouse of the claimant. "Expenses incurred for the last
- 20 illness" includes unreimbursed expenses paid or incurred during
- 21 the income calendar year and any expenses paid or incurred
- 22 thereafter up until the date the claim is filed. For purposes of this
- 23 paragraph, funeral expenses shall not exceed five thousand dollars
- 24 (\$5,000).
- 25 (16) If an alternative minimum tax is required to be paid
- 26 pursuant to Chapter 2.1 (commencing with Section 17062) of Part
- 27 10, the amount of alternative minimum taxable income (whether
- 28 or not cash) in excess of the regular taxable income.
- 29 (17) Annual winnings from the California Lottery in excess of
- 30 six hundred dollars (\$600) for the current year.
- 31 (b) For purposes of this chapter, total income shall be determined
- 32 for the calendar year (or approved fiscal year ending within that
- 33 calendar year) which ends within the fiscal year for which
- 34 assistance is claimed.
- 35 (c) For purposes of Chapter 2 (commencing with Section 20581),
- 36 Chapter 3 (commencing with Section 20625), and Chapter 3.5
- 37 (commencing with Section 20640), all losses and nonexpenses
- 38 shall be converted to zero for the purpose of determining whether
- 39 the homeowner meets the Property Tax Postponement requirement.

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

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

10 20505. “Claimant” means an individual who:

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

24 (b) For purposes of Chapter 2 (commencing with Section
25 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3
26 (commencing with Section 20639), and Chapter 3.5 (commencing
27 with Section 20640) was a member of the household and either an
28 owner-occupant, or a tenant stockholder occupant, or a possessory
29 interestholder occupant, or a mobilehome owner-occupant, as the
30 case may be, of the residential dwelling as to which postponement
31 is claimed on the last day of the year designated in subdivision (b)
32 or (c) of Section 20503, and who was (1) 62 years of age or older
33 by December 31 of the fiscal year for which postponement is
34 claimed, or (2) blind or disabled, as defined in Section 12050 of
35 the Welfare and Institutions Code, at the time of application or on
36 February 10 of the fiscal year for which postponement is claimed.

37 SEC. 14. Section 20583 of the Revenue and Taxation Code is
38 amended to read:

39 20583. (a) “Residential dwelling” means a dwelling occupied
40 as the principal place of residence of the claimant, and so much

1 of the land surrounding it as is reasonably necessary for use of the
 2 dwelling as a home, owned by the claimant, the claimant and
 3 spouse, or by the claimant and either another individual eligible
 4 for postponement under this chapter or an individual described in
 5 subdivision (a), (b), or (c) of Section 20511 and located in this
 6 state. It shall include condominiums that are assessed as realty for
 7 local property tax purposes. It also includes part of a multidwelling
 8 or multipurpose building and a part of the land upon which it is
 9 built.

10 (b) As used in this chapter in reference to ownership interests
 11 in residential dwellings, “owned” includes (1) the interest of a
 12 vendee in possession under a land sale contract provided that the
 13 contract or memorandum thereof is recorded and only from the
 14 date of recordation of the contract or memorandum thereof in the
 15 office of the county recorder where the residential dwelling is
 16 located, (2) the interest of the holder of a life estate provided that
 17 the instrument creating the life estate is recorded and only from
 18 the date of recordation of the instrument creating the life estate in
 19 the office of the county recorder where the residential dwelling is
 20 located, but “owned” does not include the interest of the holder of
 21 any remainder interest or the holder of a reversionary interest in
 22 the residential dwelling, (3) the interest of a joint tenant or a tenant
 23 in common in the residential dwelling or the interest of a tenant
 24 where title is held in tenancy by the entirety or a community
 25 property interest where title is held as community property, and
 26 (4) the interest in the residential dwelling in which the title is held
 27 in trust, as described in subdivision (d) of Section 62, provided
 28 that the Controller determines that the state’s interest is adequately
 29 protected.

30 (c) Except as provided in subdivision (c), and Chapter 3
 31 (commencing with Section 20625), ownership must be evidenced
 32 by an instrument duly recorded in the office of the county where
 33 the residential dwelling is located.

34 (d) “Residential dwelling” does not include any of the following:

35 (1) Any residential dwelling in which the owners do not have
 36 an equity of at least 40 percent of the full value of the property as
 37 determined for purposes of property taxation or at least 40 percent
 38 of the fair market value as determined by the Controller and where
 39 the Controller determines that the state’s interest is adequately

1 protected. The 40-percent equity requirement shall be met each
2 time the claimant or authorized agent files a postponement claim.

3 (2) Any residential dwelling in which the claimant's interest is
4 held pursuant to a contract of sale or under a life estate, unless the
5 claimant obtains the written consent of the vendor under the
6 contract of sale, or the holder of the reversionary interest upon
7 termination of the life estate, for the postponement of taxes and
8 the creation of a lien on the real property in favor of the state for
9 amounts postponed pursuant to this act.

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

12 (4) Any residential dwelling in which the claimant's interest is
13 held as a possessory interest, except as provided in Chapter 3.5
14 (commencing with Section 20640).

15 (5) *Any residential dwelling that is subject to a Property*
16 *Assessed Clean Energy bond, or PACE bond, as defined in Section*
17 *26054 of the Public Resources Code.*

18 ~~SEC. 14.~~

19 *SEC. 15.* Section 20585 of the Revenue and Taxation Code is
20 amended to read:

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

25 ~~SEC. 15.~~

26 *SEC. 16.* Section 20586 of the Revenue and Taxation Code is
27 amended to read:

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

37 ~~SEC. 16.~~

38 *SEC. 17.* Section 20621 of the Revenue and Taxation Code,
39 as amended by Section 13 of Chapter 391 of the Statues of 2015,
40 is amended to read:

1 20621. Each claimant applying for postponement under Article
 2 2 (commencing with Section 20601) shall file a claim under penalty
 3 of perjury with the Controller on a form supplied by the Controller.
 4 The claim shall contain all of the following:

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

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

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

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

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

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

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

31 (g) Other information required by the Controller to establish
 32 eligibility.

33 ~~SEC. 17.~~

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

37 20627. A tenant-stockholder claimant (hereinafter referred to
 38 as “claimant”) is an individual who, on the last day of the calendar
 39 year ending immediately prior to the commencement of the fiscal
 40 year for which postponement is claimed is: (a) a tenant-stockholder

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

11 ~~SEC. 18.~~

12 *SEC. 19.* Section 20640.3 of the Revenue and Taxation Code,
13 as amended by Section 29 of Chapter 391 of the Statutes of 2015,
14 is amended to read:

15 20640.3. A claimant is an individual who:

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

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

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

29 ~~SEC. 19.~~

30 *SEC. 20.* 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. 20.~~

8 *SEC. 21.* Section 20645.5 of the Revenue and Taxation Code
 9 is amended to read:

10 20645.5. (a) If a postponement claim under Chapter 2
 11 (commencing with Section 20581), Chapter 3.3 (commencing with
 12 Section 20639), or Chapter 3.5 (commencing with Section 20640)
 13 is received by the Controller by February 10 for the fiscal year in
 14 which postponement is being claimed or by another date set by
 15 the Controller pursuant to Section 20622, then any delinquent
 16 penalties, costs, fees, and interest accrued for that fiscal year shall
 17 be canceled unless the failure to perfect the claim was due to willful
 18 neglect on the part of the claimant or representative.

19 (b) In the event of willful neglect, a payment from the Controller
 20 for that current fiscal year can be used to pay delinquent taxes only
 21 if accompanied by sufficient amounts to pay all of the delinquent
 22 penalties, costs, fees, and interest. If an amount sufficient to pay
 23 all of the delinquent penalties, costs, fees, and interest is not
 24 received by the tax collector within 30 days from the date of the
 25 payment from the Controller, the tax collector may return the
 26 payment to the Controller to deny the postponement claim.

27 (c) (1) The Controller shall notify the claimant in writing when
 28 the payment has been submitted to the tax collector.

29 (2) In the event of willful neglect, in addition to the information
 30 required pursuant to paragraph (1), the Controller shall also notify
 31 the claimant in writing and provide a copy of the notification to
 32 the tax collector that a payment amount sufficient to pay all of the
 33 delinquent penalties, costs, fees, and interest must be received by
 34 the tax collector within 30 days from the date of the payment from
 35 the Controller to the county and that if this payment is not received
 36 by the tax collector, the tax collector may return the payment to
 37 the Controller to deny the postponement claim.

38 ~~SEC. 21.~~

39 *SEC. 22.* Section 20645.6 of the Revenue and Taxation Code
 40 is amended to read:

1 20645.6. (a) If the Controller denies a postponement claim
2 under Chapter 2 (commencing with Section 20581), Chapter 3
3 (commencing with Section 20625), Chapter 3.3 (commencing with
4 Section 20639), or Chapter 3.5 (commencing with Section 20640),
5 and the denial is reversed after appeal pursuant to Section 20645.1,
6 the Controller shall transfer funds to the county for the amount of
7 the taxes. If the taxes for the fiscal year were previously paid, the
8 county shall refund the overpayment to the taxpayer. If the taxes
9 for the fiscal year are delinquent, any resulting penalties or interest
10 shall be canceled.

11 (b) The Controller shall notify the claimant in writing when a
12 payment has been made pursuant to subdivision (a).

13 ~~SEC. 22.~~

14 *SEC. 23.* If the Commission on State Mandates determines that
15 this act contains costs mandated by the state, reimbursement to
16 local agencies and school districts for those costs shall be made
17 pursuant to Part 7 (commencing with Section 17500) of Division
18 4 of Title 2 of the Government Code.