

AMENDED IN ASSEMBLY AUGUST 18, 2015

AMENDED IN SENATE APRIL 29, 2015

**SENATE BILL**

**No. 477**

---

---

**Introduced by Senator Leyva**

February 26, 2015

---

---

An act to amend Sections 16181, 16182, 16184, and 16186 of the Government Code, and to amend Section 20583 of, and to add Section 20583.1 to, of the Revenue and Taxation Code, relating to state government, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 477, as amended, Leyva. Property tax postponement: mobilehomes and floating homes.

Existing law, on and after February 20, 2009, prohibited a person from filing a claim for postponement, and prohibited the Controller from accepting applications for postponement of ad valorem taxes, under the Senior Citizens and Disabled Citizens Property Tax Postponement Law. Existing law, as of July 1, 2016, makes inoperative the prohibition against a qualifying person, as specified, filing a claim for postponement and the Controller from accepting applications for postponement under the program and repeals this prohibition on January 1, 2017. Existing law does not allow owners of mobilehomes, houseboats, and floating homes to seek postponement of ad valorem taxes when the prohibition is lifted.

This bill would authorize an owner of a mobilehome or floating home, who is a qualified person, to seek postponement of ad valorem taxes under provisions similar to other owners of real property.

Because this bill would provide for additional categories of expenditures from the Senior Citizens and Disabled Citizens Property

Tax Postponement Fund, a continuously appropriated fund, it would make an appropriation.

Because this bill would require local entities to process property liens under the expansion of the property tax postponement program, it 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 16181 of the Government Code is  
2 amended to read:  
3 16181. (a) The Controller shall maintain a record of all  
4 properties against which a notice of lien for postponed property  
5 taxes has been recorded. The record shall include, but not be  
6 limited to, the names of each claimant, a description of the real  
7 property against which the lien is recorded, the identification  
8 number of the notice of lien assigned by the Controller, and the  
9 amount of the lien.  
10 (b) The Controller shall maintain a record of all properties  
11 against which the Department of Housing and Community  
12 Development has been notified to withhold the transfer of title.  
13 The record shall include, but not be limited to, the names of each  
14 claimant, a description of the mobilehome against which a lien is  
15 charged, and the amount of the lien.  
16 (c) Upon written request of any person or entity, or the agent  
17 of either, having a legal or equitable interest in real property or a  
18 mobilehome that is subject to a lien for postponed taxes, the  
19 Controller shall within 10 working days following receipt of the  
20 request issue a written statement showing the amount of the  
21 obligation secured by the lien as of the date of the statement and  
22 any other information as will reasonably enable the person or  
23 entity, or the agent of either, to determine the amount to be paid

1 to the Controller in order to obtain a certificate of release or  
2 discharge of the lien for postponed taxes.

3 (d) The Controller shall adopt regulations necessary to  
4 implement the provisions of this chapter and may establish a  
5 reasonable fee, not to exceed thirty dollars (\$30), for the provision  
6 of the statement of lien status provided for herein.

7 SEC. 2. Section 16182 of the Government Code is amended  
8 to read:

9 16182. (a) All sums paid by the Controller under the provisions  
10 of this chapter, together with interest thereon, shall be secured by  
11 a lien in favor of the State of California when funds are transferred  
12 to the county by the Controller upon the real property or a  
13 mobilehome for which property taxes have been postponed. In the  
14 case of a residential dwelling which is part of a larger parcel taxed  
15 as a unit, such as a duplex, farm, or multipurpose or multidwelling  
16 building, the lien shall be against the entire tax parcel.

17 (b) In the case of real property:

18 (1) The lien shall be evidenced by a notice of lien for postponed  
19 property taxes executed by the Controller, or the authorized  
20 delegate of the Controller, and shall secure all sums paid or owing  
21 pursuant to this chapter, including amounts paid subsequent to the  
22 initial payment of postponed taxes on the real property described  
23 in the notice of lien.

24 (2) The notice of lien may bear the facsimile signature of the  
25 Controller. Each signature shall be that of the person who shall be  
26 in the office at the time of execution of the notice of lien; provided,  
27 however, that such notice of lien shall be valid and binding  
28 notwithstanding any such person having ceased to hold the office  
29 of Controller before the date of recordation.

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

33 (A) The names of all record owners of the real property for  
34 which the Controller has advanced funds for the payment of real  
35 property taxes.

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

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

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

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

8 (6) After the notice of lien has been duly recorded and indexed,  
9 it shall be returned by the county recorder to the office of the  
10 Controller. The recorder shall provide the county tax collector with  
11 a copy of the notice of lien which has been recorded by the  
12 Controller.

13 (7) From the time of recordation of a notice of lien for postponed  
14 property taxes, a lien shall attach to the real property described  
15 therein and shall have the priority of a judgment lien for all  
16 amounts secured thereby, except that the lien shall remain in effect  
17 until it is released by the Controller in the manner prescribed by  
18 Section 16186.

19 (c) In the case of a mobilehome:

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

24 (2) The notice of lien may bear the facsimile signature of the  
25 Controller. The signature shall be that of the person who is in the  
26 office at the time of execution of the notice of lien. However, the  
27 notice of lien is valid and binding notwithstanding the person  
28 having ceased to hold the office of Controller before the date of  
29 filing.

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

33 (A) The name or names of the registered owner or owners, legal  
34 owner or owners, if different than the registered owner or owners  
35 and the names, if any, of all junior lienholders.

36 (B) The identification number of the notice of lien which has  
37 been assigned the lien by the Controller.

38 (4) The notice of lien shall be transmitted to the Department of  
39 Housing and Community Development at its office in Sacramento,  
40 California.

1 (5) Upon receipt of the notice of lien for postponed property  
2 taxes from the Controller, the Department of Housing and  
3 Community Development shall amend the permanent title record  
4 of the mobilehome to reflect that the property taxes on the  
5 mobilehome are subject to postponement.

6 (6) The Department of Housing and Community Development  
7 shall provide the Controller with an acknowledgment of receipt  
8 of the notice of lien and amendment of the permanent title record.

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

17 (d) From the time of filing a notice of lien, a lien shall attach to  
18 the mobilehome for which property taxes have been postponed.

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

21 (1) The lien shall be evidenced by a notice of lien for postponed  
22 property taxes excused by the Controller, or the authorized delegate  
23 of the Controller, and shall secure all sums paid owing pursuant  
24 to this chapter.

25 (2) From the time that the Department of Housing and  
26 Community Development receives the notice of lien from the  
27 Controller, the department shall impose a moratorium on any other  
28 amendments to the permanent title record of the mobilehome unit  
29 until released by the Controller in the manner prescribed by Section  
30 16186, or an authorization for the amendments is given by the  
31 Controller in writing.

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

35 SEC. 3. Section 16184 of the Government Code is amended  
36 to read:

37 16184. The Controller shall reduce the amount of the obligation  
38 secured by the lien against the real property or mobilehome by the  
39 amount of any payments received for that purpose and by  
40 notification of any amounts paid by the Franchise Tax Board

1 pursuant to Section 20564 or by any amounts authorized pursuant  
2 to subdivision (f) of Section 20621 of the Revenue and Taxation  
3 Code. 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. 4. Section 16186 of the Government Code is amended  
10 to read:

11 16186. (a) If at any time the amount of the obligation secured  
12 by the lien for postponed property taxes is paid in full or otherwise  
13 discharged, the Controller, or the authorized delegate of the  
14 Controller, shall, in the case of real property:

15 (1) Execute and cause to be recorded in the office of the county  
16 recorder of the county wherein the real property described in the  
17 lien is located, a release of the lien conclusively evidencing the  
18 satisfaction of all amounts secured by the lien. The cost of  
19 recording the release of the lien shall be added to and become part  
20 of the obligation secured by the lien being released.

21 (2) Direct the tax collector to remove from the secured roll, the  
22 information required to be entered thereon by paragraph (1) of  
23 subdivision (a) of Section 2514 of the Revenue and Taxation Code  
24 with respect to the property described in the lien.

25 (3) Direct the assessor to remove from the assessment records  
26 applicable to the property described in the lien, the information  
27 required to be entered on such records by Section 2515 of the  
28 Revenue and Taxation Code.

29 (b) If at any time the amount of the obligation secured by the  
30 lien for postponed property taxes is paid in full or otherwise  
31 discharged, the Controller, or the authorized delegate of the  
32 Controller, shall, in the case of mobilehome loans established prior  
33 to February 20, 2009:

34 (1) Direct the tax collector to remove from the secured roll the  
35 information required to be entered thereon by paragraph (1) of  
36 subdivision (a) of Section 2514 of the Revenue and Taxation Code.

37 (2) Transmit a Release of Lien to the owner of the mobilehome,  
38 or the owner's heirs or assigns. The owner, or the owner's heirs  
39 or assigns, shall transmit the Release of Lien, and a fee of six  
40 dollars (\$6), to the Department of Housing and Community

1 Development. Upon receipt of the Release of Lien and the fee, the  
2 department shall terminate the restriction on the permanent title  
3 record as provided in Section 16182.

4 (c) If at any time the amount of the obligation secured by the  
5 lien for postponed property taxes is paid in full or otherwise  
6 discharged, the Controller, or the authorized delegate of the  
7 Controller, shall, in the case of a mobilehome:

8 (1) Direct the tax collector to remove from the secured roll the  
9 information required to be entered thereon by paragraph (1) of  
10 subdivision (a) of Section 2515 of the Revenue and Taxation Code.

11 (2) Transmit a Release of Lien to the owner of the mobilehome  
12 or the owner's heirs or assigns. The owner, or the owner's heirs  
13 or assigns, shall transmit the Release of Lien, and a fee of six  
14 dollars (\$6), to the Department of Housing and Community  
15 Development. Upon receipt of the Release of Lien and the fee, the  
16 department shall terminate the restriction on the permanent title  
17 record as provided by Section 16182.

18 SEC. 5. Section 20583 of the Revenue and Taxation Code is  
19 amended to read:

20 20583. (a) "Residential dwelling" means a dwelling occupied  
21 as the principal place of residence of the claimant, and so much  
22 of the land surrounding it as is reasonably necessary for use of the  
23 dwelling as a home, owned by the claimant, the claimant and  
24 spouse, or by the claimant and either another individual eligible  
25 for postponement under this chapter or an individual described in  
26 subdivision (a), (b), or (c) of Section 20511 and located in this  
27 state. It shall include condominiums and mobilehomes that are  
28 assessed as realty for local property tax purposes. It also includes  
29 part of a multidwelling or multipurpose building and a part of the  
30 land upon which it is built. In the case of a mobilehome not  
31 assessed as real property that is located on land owned by the  
32 claimant, "residential dwelling" includes the land on which the  
33 mobilehome is situated and so much of the land surrounding it as  
34 reasonably necessary for use of the mobilehome as a home.

35 (b) As used in this chapter in reference to ownership interests  
36 in residential dwellings, "owned" includes (1) the interest of a  
37 vendee in possession under a land sale contract provided that the  
38 contract or memorandum thereof is recorded and only from the  
39 date of recordation of the contract or memorandum thereof in the  
40 office of the county recorder where the residential dwelling is

1 located, (2) the interest of the holder of a life estate provided that  
2 the instrument creating the life estate is recorded and only from  
3 the date of recordation of the instrument creating the life estate in  
4 the office of the county recorder where the residential dwelling is  
5 located, but “owned” does not include the interest of the holder of  
6 any remainder interest or the holder of a reversionary interest in  
7 the residential dwelling, (3) the interest of a joint tenant or a tenant  
8 in common in the residential dwelling or the interest of a tenant  
9 where title is held in tenancy by the entirety or a community  
10 property interest where title is held as community property, and  
11 (4) the interest in the residential dwelling in which the title is held  
12 in trust, as described in subdivision (d) of Section 62, provided  
13 that the Controller determines that the state’s interest is adequately  
14 protected.

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

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

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

22 (1) Any residential dwelling in which the owners do not have  
23 an equity of at least 40 percent of the full value of the property as  
24 determined for purposes of property taxation or at least 40 percent  
25 of the fair market value as determined by the Controller and where  
26 the Controller determines that the state’s interest is adequately  
27 protected. The 40-percent equity requirement shall be met each  
28 time the claimant or authorized agent files a postponement claim.

29 (2) Any residential dwelling in which the claimant’s interest is  
30 held pursuant to a contract of sale or under a life estate, unless the  
31 claimant obtains the written consent of the vendor under the  
32 contract of sale, or the holder of the reversionary interest upon  
33 termination of the life estate, for the postponement of taxes and  
34 the creation of a lien on the real property in favor of the state for  
35 amounts postponed pursuant to this act.

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

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

1     ~~(f) Notwithstanding subdivision (c) of Section 20584, houseboats~~  
2     ~~and floating homes, as defined by Section 20583.1, on which~~  
3     ~~property taxes are delinquent at the time the application for~~  
4     ~~postponement under this chapter is made, shall not be eligible for~~  
5     ~~postponement.~~

6     ~~SEC. 6. Section 20583.1 is added to the Revenue and Taxation~~  
7     ~~Code, to read:~~

8     ~~20583.1. For purposes of Section 20583, “residential dwelling”~~  
9     ~~includes houseboats and floating homes.~~

10    ~~SEC. 7.~~

11    ~~SEC. 6. If the Commission on State Mandates determines that~~  
12    ~~this act contains costs mandated by the state, reimbursement to~~  
13    ~~local agencies and school districts for those costs shall be made~~  
14    ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
15    ~~4 of Title 2 of the Government Code.~~