

AMENDED IN ASSEMBLY AUGUST 18, 2015

AMENDED IN ASSEMBLY JUNE 29, 2015

SENATE BILL

No. 801

Introduced by Committee on Governance and Finance (Senators Hertzberg (Chair), Bates, Beall, Hernandez, Lara, Nguyen, and Pavley)

March 24, 2015

An act to amend Sections 16180, 16182, 16183, 16190, 16191, and 16192 of the Government Code, *and* to amend Sections 2515, 20505, 20586, 20601, 20602, 20603, 20621, 20622, 20627, 20630, 20630.5, 20638, 20639.2, 20640.2, 20640.3, 20640.4, 20640.6, 20640.7, 20640.8, 20640.9, 20645.5, and 20645.6 of, and to repeal Sections 20633, 20639.3, 20639.4, 20639.5, 20639.6, 20639.7, 20639.8, and 20639.9 of, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 801, as amended, Committee on Governance and Finance. Property tax postponement.

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 tax, 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.

This bill, among other things, would eliminate outdated references to "certificates of eligibility" that were previously used under the postponement law. The bill would permit the Controller to release a

lien if there is a foreclosure on an obligation secured by a lien that is senior in recording priority. The bill would standardize the definition of a claimant so that all references include blind and disabled persons, as defined. The bill would eliminate references to certain duties on the part of local tax officials, with respect to lien notices, to conform to the superseding duties of the Controller in preparing and filing the notice of lien for postponed taxes with the county recorder at the time payment is made, and would specify payments by the Controller to the county and the refund by the county of taxes paid when a taxpayer successfully appeals his or her denial of postponement under the law. The bill would clarify that the interest rate on existing loans made prior to the postponement law's suspension will continue to accrue at the rate specified prior to the suspension of the program. The bill would remove references regarding the eligibility of mobilehome properties to participate in the program and would add references specifying that co-op properties are eligible for the program. The bill would also delete and update outdated references and make other technical and conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16180 of the Government Code is
2 amended to read:
3 16180. (a) There is hereby created in the State Treasury a
4 Senior Citizens and Disabled Citizens Property Tax Postponement
5 Fund. The fund shall be an interest-bearing fund. Subject to
6 subdivision (b) and notwithstanding Section 13340, the fund is
7 continuously appropriated to the Controller, commencing January
8 1, 2015, for purposes of administering this chapter, including, but
9 not limited to, necessary administrative costs and disbursements
10 relating to 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~~) 20640) of Part
14 10.5 of Division 2 of the Revenue and Taxation Code).
15 (b) The Controller shall do both of the following:
16 (1) On June 30, 2017, transfer any moneys in the fund in excess
17 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 fifteen million dollars
3 (\$15,000,000) to the General Fund.

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

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

12 SEC. 2. Section 16182 of the Government Code is amended
13 to read:

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

22 (b) In the case of real property:

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

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

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

38 (A) The names of all record owners of the real property for
39 which the Controller has advanced funds for the payment of real
40 property taxes.

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

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

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

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

12 (6) After the notice of lien has been duly recorded and indexed,
13 it shall be returned by the county recorder to the office of the
14 Controller. The recorder shall provide the county tax collector with
15 a copy of the notice of lien which has been executed by the
16 Controller.

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

22 (A) It is released by the Controller in the manner prescribed by
23 Section 16186.

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

27 (c) In the case of mobilehome loans established prior to February
28 20, 2009, all of the following shall apply:

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

33 (2) From the time that the Department of Housing and
34 Community Development receives the notice of lien from the
35 Controller, the department shall impose a moratorium on any other
36 amendments to the permanent title record of the mobilehome unit
37 until released by the Controller in the manner prescribed by Section
38 16186, or an authorization for the amendments is given by the
39 Controller in writing.

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

4 SEC. 3. Section 16183 of the Government Code is amended
5 to read:

6 16183. (a) From the time a payment is made pursuant to
7 Section 16180, the amount of that payment shall bear interest at a
8 rate (not compounded), determined as follows:

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

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

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

27 (b) The interest provided for in subdivision (a) shall be applied
28 beginning the first day of the month following the month in which
29 that payment is made and continuing on the first day of each month
30 thereafter until that amount is paid. In the event that any payments
31 are applied, in any month, to reduce the amount paid pursuant to
32 Section 16180, the interest provided for herein shall be applied to
33 the balance of that amount beginning on the first day of the
34 following month.

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

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

1 (e) The Controller shall include on forms supplied to claimants
2 pursuant to Sections 20621, 20630.5, 20639.9, 20640.9, and 20641
3 of the Revenue and Taxation Code, a statement of the interest rate
4 which shall apply to amounts postponed for the fiscal year to which
5 the form applies.

6 SEC. 4. Section 16190 of the Government Code is amended
7 to read:

8 16190. All amounts owing pursuant to Article 1 (commencing
9 with Section 16180) of this chapter shall become due if any of the
10 following occurs:

11 (a) The claimant, who is either the sole owner or sole possessory
12 interestholder of the residential dwelling, as defined in Section
13 20583 or Section 20640 of the Revenue and Taxation Code, or a
14 coowner or copossessory interestholder with a person other than
15 a spouse or other individual eligible to postpone property taxes
16 pursuant to Chapter 2 (commencing with Section 20581), Chapter
17 3 (commencing with Section 20625), Chapter 3.3 (commencing
18 with Section 20639), or Chapter 3.5 (commencing with Section
19 20640) of Part 10.5 of Division 2 of ~~such~~ that code, ceases to
20 occupy the premises as his residential dwelling, dies, or sells,
21 conveys, or disposes of the property, or allows any tax or special
22 assessment on the premises described in Section 20583 of such
23 code to become delinquent. If the sole owner or possessory
24 interestholder claimant dies and his or her surviving spouse inherits
25 the premises and continues to own and occupy it as his or her
26 principal place of residence, then the lien amount does not become
27 due and payable unless taxes or special assessments described in
28 the preceding sentence become delinquent, or such surviving
29 spouse dies, or sells, conveys, or disposes of the interest in the
30 property.

31 (b) The claimant, who is a coowner or copossessory
32 interestholder of the residential dwelling, as defined in Section
33 20583 or Section 20640.2 of the Revenue and Taxation Code, with
34 a spouse or another individual eligible to postpone property taxes
35 pursuant to Chapter 2 (commencing with Section 20581), Chapter
36 3 (commencing with Section 20625), Chapter 3.3 (commencing
37 with Section 20639), or Chapter 3.5 (commencing with Section
38 20640) of Part 10.5 of Division 2 of ~~such~~ that code, dies, and the
39 surviving spouse or other surviving eligible individual allows any
40 tax or special assessment on the premises described in Section

1 20583 of such code to become delinquent or such surviving spouse
2 or other individual ceases to occupy the premises as a residential
3 dwelling, dies, or conveys, or disposes of the interest in the
4 property.

5 (c) The failure of the claimant to perform those acts the claimant
6 is required to perform where such performance is secured, or will
7 be secured in the event of nonperformance, by a lien which is
8 senior to that of the lien provided by Section 16182.

9 (d) Postponement was erroneously allowed because eligibility
10 requirements were not met.

11 (e) The claimant is refinancing the residential dwelling.

12 (f) The claimant has elected to participate in a reverse mortgage
13 program for the residential dwelling.

14 SEC. 5. Section 16191 of the Government Code is amended
15 to read:

16 16191. The amounts paid pursuant to Section 16180 shall
17 continue to draw interest but amounts owing pursuant to Article
18 1 (commencing with Section 16180) of this chapter shall not
19 become due and payable if any of the following occurs:

20 (a) The claimant continues to own and occupy or hold the
21 possessory interest and occupy the premises as a residential
22 dwelling, but ceases to postpone property taxes pursuant to Chapter
23 2 (commencing with Section 20581), Chapter 3 (commencing with
24 Section 20625), Chapter 3.3 (commencing with Section 20639),
25 or Chapter 3.5 (commencing with Section 20640) of Part 10.5 of
26 Division 2 of the Revenue and Taxation Code, and does not allow
27 any tax or assessment against the premises, as described in Section
28 20583 of such code, to become delinquent.

29 (b) The surviving spouse of a claimant continues to own and
30 occupy or hold the possessory interest and occupy the premises
31 as a residential dwelling, but is ineligible to postpone property
32 taxes pursuant to Chapter 2 (commencing with Section 20581),
33 Chapter 3 (commencing with Section 20625), Chapter 3.3
34 (commencing with Section 20639), or Chapter 3.5 (commencing
35 with Section 20640) of Part 10.5 of Division 2 of the Revenue and
36 Taxation Code, or elects not to postpone such taxes, and does not
37 allow any tax or assessment against the premises, as described in
38 Section 20583 of such code, to become delinquent.

39 (c) The surviving individual otherwise eligible to postpone
40 property taxes pursuant to Chapter 2 (commencing with Section

1 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3
2 (commencing with Section 20639), or Chapter 3.5 (commencing
3 with Section 20640) of Part 10.5 of Division 2 of the Revenue and
4 Taxation Code continues to own and occupy or hold the possessory
5 interest and occupy the premises as a residential dwelling, but
6 elects not to postpone the property taxes pursuant to such chapter,
7 and does not allow any tax or assessment against the premises, as
8 described in Section 20583 of such code, to become delinquent.

9 SEC. 6. Section 16192 of the Government Code is amended
10 to read:

11 16192. If, at any time, a person meeting the requirements of
12 subdivision (a) or (c) of Section 16191 elects, or any surviving
13 spouse described in subdivision (b) of such section becomes
14 eligible, or otherwise elects, to postpone property taxes pursuant
15 to Chapter 2 (commencing with Section 20581), Chapter 3
16 (commencing with Section 20625), or Chapter 3.5 (commencing
17 with Section 20640) of Part 10.5 of Division 2 of the Revenue and
18 Taxation Code, payments made pursuant to Section 16180 shall
19 be added to the amount of the lien existing against the residential
20 dwelling.

21 SEC. 7. Section 2515 of the Revenue and Taxation Code is
22 amended to read:

23 2515. (a) Upon receiving a “notice of lien for postponed
24 property taxes” from the Controller, the tax collector or the
25 assessor, whichever is applicable, shall immediately enter on the
26 assessment records applicable to the property, the fact that the
27 taxes on the property have been postponed and the Controller’s
28 identification number, and shall, if such record reveals a change
29 in the ownership status of the property subsequent to the date of
30 entry of the postponement information thereon, notify the
31 Controller within 60 days of processing the change in the
32 ownership status in the manner prescribed by the Controller.

33 (b) From the time of recordation of the notice of lien pursuant
34 to Section 16182 of the Government Code, the lien for postponed
35 property taxes shall be deemed to impart constructive notice of
36 the contents thereof to subsequent purchasers, mortgagees, lessees,
37 and other lienors.

38 SEC. 8. Section 20505 of the Revenue and Taxation Code is
39 amended to read:

40 20505. “Claimant” means an individual who—

1 (a) For purposes of this chapter was either (1) 62 years of age
2 or older on the last day of the calendar year or approved fiscal year
3 designated in subdivision (b) or (c) of Section 20503, whichever
4 is applicable, or (2) blind or disabled, as defined in Section 12050
5 of the Welfare and Institutions Code on the last day of the calendar
6 year or approved fiscal year designated in subdivision (b) of
7 Section 20503, who was a member of the household, and who was
8 either: (1) the owner and occupier of a residential dwelling on the
9 last day of the year designated in subdivision (b) or (c) of Section
10 20503, or (2) the renter of a rented residence on or before the last
11 day of the year designated in subdivision (b) of Section 20503. An
12 individual who qualifies as an owner-claimant may not qualify as
13 a renter-claimant for the same year.

14 (b) For purposes of Chapter 2 (commencing with Section
15 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3
16 (commencing with Section 20639), and Chapter 3.5 (commencing
17 with Section 20640) was a member of the household and either an
18 owner-occupant, or a tenant stockholder occupant, or a possessory
19 interestholder occupant, or a mobilehome owner-occupant, as the
20 case may be, of the residential dwelling as to which postponement
21 is claimed on the last day of the year designated in subdivision (b)
22 or (c) of Section 20503, and who was (1) 62 years of age or older
23 by December 31 of the fiscal year for which postponement is
24 claimed, or (2) blind or disabled, as defined in Section 12050 of
25 the Welfare and Institutions Code, at the time of application or on
26 December 10 of the fiscal year for which postponement is claimed,
27 whichever is earlier.

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

30 20586. For the purposes of Chapter 2 (commencing with
31 Section 20581), Chapter 3 (commencing with Section 20625),
32 Chapter 3.3 (commencing with Section 20639), and Chapter 3.5
33 (commencing with Section 20640), only one claimant per
34 household each year shall be entitled to postponement. When two
35 or more individuals in a household are qualified as claimants, they
36 may determine who the claimant shall be. Such decision is
37 irrevocable. If the individuals are unable to agree, the matter shall
38 be determined by the Controller and his or her decision shall be
39 final.

1 SEC. 10. Section 20601 of the Revenue and Taxation Code is
2 amended to read:

3 20601. Subject to the limitations provided in this chapter, a
4 claimant may file with the Controller, pursuant to Article 3
5 (commencing with Section 20621) of this chapter, a claim for
6 postponement from the State of California of a sum equal to, but
7 not exceeding, the amount of property taxes, as defined in Section
8 20584, due on the residential dwelling for the fiscal year for which
9 the claim is made.

10 *SEC. 11. Section 20602 of the Revenue and Taxation Code is*
11 *amended to read:*

12 20602. Upon approval of a claim described in Section 20601,
13 the Controller shall make payments directly to a county tax
14 collector for the property taxes owed on behalf of a qualified
15 claimant. Payments may, upon appropriation by the Legislature,
16 be made out of the amounts ~~otherwise~~ appropriated pursuant to
17 Section ~~16100~~ 16180 of the Government Code that are secured by
18 a secured tax lien and obligation as specified by Article 1
19 (commencing with Section 16180) of Chapter 5 of Division 4 of
20 the Government Code.

21 ~~SEC. 11.~~

22 *SEC. 12. Section 20603 of the Revenue and Taxation Code is*
23 *amended to read:*

24 20603. The Controller shall prescribe the manner in which a
25 claimant eligible under this chapter, who for any reason is
26 incapacitated, may appoint his or her spouse or an authorized agent,
27 or have any such person appointed for such claimant, for all
28 purposes of claiming and receiving postponement of property
29 taxes.

30 ~~SEC. 12.~~

31 *SEC. 13. Section 20621 of the Revenue and Taxation Code is*
32 *amended to read:*

33 20621. Each claimant applying for postponement under Article
34 2 (commencing with Section 20601) shall file a claim under penalty
35 of perjury with the Controller on a form supplied by the Controller.
36 The claim shall contain all of the following:

37 (a) Evidence acceptable to the Controller that the person (1) is
38 62 years of age or older on or before December 31 of the fiscal
39 year for which the postponement is claimed or (2) blind or disabled,
40 as defined in Section 12050 of the Welfare and Institutions Code,

1 at the time of application or on December 10 of the fiscal year for
2 which the postponement is claimed, whichever is earlier.

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

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

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

9 (e) The county assessor's parcel number applicable to the
10 property for which the claimant is applying for the postponement
11 of property taxes.

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

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

23 (g) Other information required by the Controller to establish
24 eligibility.

25 ~~SEC. 13.~~

26 *SEC. 14.* Section 20622 of the Revenue and Taxation Code is
27 amended to read:

28 20622. The claim for postponement shall be filed after October
29 1 of the fiscal year in which the postponement is claimed and on
30 or before February 10 of that fiscal year; if February 10th falls on
31 Saturday, Sunday, or a legal holiday, the date is extended to the
32 next business day.

33 ~~SEC. 14.~~

34 *SEC. 15.* Section 20627 of the Revenue and Taxation Code is
35 amended to read:

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

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

11 ~~SEC. 15.~~

12 *SEC. 16.* Section 20630 of the Revenue and Taxation Code is
13 amended to read:

14 20630. (a) A claimant may file with the Controller, a claim
15 for postponement from the State of California of a sum equal to,
16 but not exceeding the amount of property taxes (as *taxes*, as defined
17 in Section ~~20629~~) 20629, for the fiscal year for which the claim
18 is made.

19 (b) Upon verification of the eligibility requirements set forth in
20 Section 20630.5, the Controller shall mail the claimant a Notice
21 of Election to Postpone which shall be in the form and contain
22 such information as the Controller may prescribe. Accompanying
23 the notice shall be a statement explaining that in order for the
24 claimant to postpone all or part of the property taxes, the Notice
25 of Election to Postpone must be mailed to the Controller with the
26 following:

27 (1) A statement signed by an authorized officer of the
28 cooperative housing corporation indicating the amount of the
29 claimant's proportionate share of property taxes and the method
30 used to compute such amount.

31 (2) A recognition agreement signed by the claimant and executed
32 by an officer of the corporation which acknowledges the
33 assignment of the proprietary lease and the pledging of the
34 claimant's shares in the corporation as security for postponement,
35 and sets forth the rights and duties of the state, the corporation and
36 the claimant with respect to such stock and the proprietary lease.
37 The recognition agreement shall be in such form and contain such
38 provisions as the Controller shall prescribe.

39 (3) Any other additional security interest, created and perfected
40 with respect to the rights of third persons in the manner provided

1 by law for such type of security interest, which the Controller
2 deems necessary to protect the interest of the state with regard to
3 the repayment of postponed amounts by the claimant or a deceased
4 claimant's estate.

5 (c) When the Controller approves the Notice of Election to
6 Postpone, the Controller shall make payments directly to a county
7 tax collector for the property taxes owed on behalf of the claimant.
8 Payments may, upon appropriation by the Legislature, be made
9 out of the amounts ~~otherwise~~ appropriated pursuant to Section
10 ~~46100 16180~~ of the Government Code that are secured by a secured
11 tax lien and obligation as specified by Article 1 (commencing with
12 Section 16180) of Chapter 5 of Division 4 of the Government
13 Code.

14 ~~SEC. 16.~~

15 *SEC. 17.* Section 20630.5 of the Revenue and Taxation Code
16 is amended to read:

17 20630.5. Claims made under this chapter shall be filed with
18 the Controller after October 1 of the fiscal year in which
19 postponement is claimed and on or before February 10 of such
20 fiscal year. If February 10th falls on Saturday, Sunday or a legal
21 holiday, the date is extended to the next business day. The claim
22 shall be on a form supplied by the Controller and shall contain:

23 (a) Evidence acceptable to the Controller that the individual
24 was an eligible claimant.

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

27 (c) A statement describing the residential dwelling.

28 (d) Any other information necessary for the Controller to
29 determine eligibility under this chapter.

30 ~~SEC. 17.~~

31 *SEC. 18.* Section 20633 of the Revenue and Taxation Code is
32 repealed.

33 ~~SEC. 18.~~

34 *SEC. 19.* Section 20638 of the Revenue and Taxation Code is
35 amended to read:

36 20638. Upon written request of a person who has postponed
37 pursuant to this chapter, or an agent of such person, or an agent of
38 the affected cooperative housing corporation, the Controller shall
39 issue such person a written statement showing the total amount
40 postponed, together with accrued interest. The Controller may

1 establish a reasonable fee, not to exceed thirty dollars (\$30) for
2 the provision of the statement of postponement status provided by
3 this section.

4 ~~SEC. 19.~~

5 *SEC. 20.* Section 20639.2 of the Revenue and Taxation Code
6 is amended to read:

7 20639.2. (a) As used in this part, “mobilehome” means a
8 mobilehome, as defined in Sections 18008 and 18211 of the Health
9 and Safety Code, to which one of the following applies:

10 (1) It was first sold new on or after July 1, 1980.

11 (2) It was first sold new on or before June 30, 1980, and with
12 respect to which the license fee required to be paid pursuant to
13 Part 5 (commencing with Section 10701) of Division 2 has been
14 delinquent for 120 days or more.

15 (3) It was first sold new on or before June 30, 1980, and a
16 request for voluntary transfer to local property taxation was made
17 pursuant to Section 18119 of the Health and Safety Code.

18 (b) As used in this chapter, “postponement” refers to
19 mobilehome loans established prior to February 20, 2009.

20 ~~SEC. 20.~~

21 *SEC. 21.* Section 20639.3 of the Revenue and Taxation Code
22 is repealed.

23 ~~SEC. 21.~~

24 *SEC. 22.* Section 20639.4 of the Revenue and Taxation Code
25 is repealed.

26 ~~SEC. 22.~~

27 *SEC. 23.* Section 20639.5 of the Revenue and Taxation Code
28 is repealed.

29 ~~SEC. 23.~~

30 *SEC. 24.* Section 20639.6 of the Revenue and Taxation Code
31 is repealed.

32 ~~SEC. 24.~~

33 *SEC. 25.* Section 20639.7 of the Revenue and Taxation Code
34 is repealed.

35 ~~SEC. 25.~~

36 *SEC. 26.* Section 20639.8 of the Revenue and Taxation Code
37 is repealed.

38 ~~SEC. 26.~~

39 *SEC. 27.* Section 20639.9 of the Revenue and Taxation Code
40 is repealed.

1 ~~SEC. 27.~~

2 *SEC. 28.* Section 20640.2 of the Revenue and Taxation Code
3 is amended to read:

4 20640.2. For the purposes of this chapter:

5 (a) “Possessory interest” means (1) possession of, or right to
6 the possession of land located in this state whether or not coupled
7 with ownership of the residential dwelling on the same, or (2) a
8 possessory interest or right of occupancy on tax exempt land;

9 (b) “Residential dwelling” means a dwelling occupied as the
10 principal place of residence of the claimant, and so much of the
11 land surrounding it as is reasonably necessary for use of the
12 dwelling as a home, located on possessory interest property. It
13 shall include condominiums upon which property taxes, as defined
14 in subdivision (c), are assessed. It also includes part of a
15 multidwelling or multipurpose building and a part of the land upon
16 which it is built.

17 (c) “Property taxes” means the amount of property tax for which
18 the claimant is personally liable as assessee or is obligated to pay
19 directly to the tax collector pursuant to the terms of the agreement
20 establishing the possessory interest, including all ad valorem
21 property taxes, special assessments, capitalization of leasehold
22 interest, and other charges or user fees which are attributable to
23 the residential dwelling on the county tax bill and the ad valorem
24 property taxes, special assessments, capitalization of leasehold
25 interest, or other charges or user fees appearing on the tax bill of
26 any chartered city which levies and collects its own property taxes.

27 ~~SEC. 28.~~

28 *SEC. 29.* Section 20640.3 of the Revenue and Taxation Code
29 is amended to read:

30 20640.3. A claimant is an individual who:

31 (a) Holds a right to a possessory interest pursuant to a validly
32 recorded instrument conveying such possessory interest for a term
33 of years no less than 45 years beyond the last day of the calendar
34 year ending immediately prior to the fiscal year for which taxes
35 are initially postponed;

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

39 (c) (1) Is 62 years of age or older on or before December 31 of
40 the fiscal year for which postponement is claimed or (2) blind or

1 disabled, as defined in Section 12050 of the Welfare and
2 Institutions Code, at the time of application or on December 10 of
3 the fiscal year for which the postponement is claimed, whichever
4 is earlier.

5 ~~SEC. 29.~~

6 *SEC. 30.* Section 20640.4 of the Revenue and Taxation Code
7 is amended to read:

8 20640.4. (a) Subject to the limitations provided in Chapter 1
9 (commencing with Section 20501), Chapter 2 (commencing with
10 Section 20581), or this chapter, a claimant may file with the
11 Controller, a claim for postponement of a sum equal to, but not
12 exceeding the amount of property taxes, for the fiscal year for
13 which the claim is made.

14 (b) Upon verification of the eligibility requirements set forth in
15 Section 20640.9 the Controller shall mail the claimant a Notice of
16 Election to Postpone which shall be in the form and contain such
17 information as the Controller may prescribe. Accompanying the
18 notice shall be a statement explaining that in order for the claimant
19 to postpone all or part of the property taxes, the Notice of Election
20 to Postpone must be mailed to the Controller with a copy of the
21 instrument creating the possessory interest, said copy to be certified
22 by the county recorder of the county in which such real property
23 is located. Where a memorandum of lease has been recorded in
24 lieu of such instrument, a certified copy of said memorandum shall
25 accompany the copy of the instrument creating the possessory
26 interest.

27 (c) ~~Except as provided in this section, any~~ Any possessory
28 interest or improvement on which property taxes are delinquent
29 at the time the application for postponement under this chapter is
30 made or on which any other property tax or special assessment
31 imposed by a special district or other tax code area are delinquent
32 at the time the application for postponement under this chapter is
33 made shall not be eligible for postponement.

34 ~~SEC. 30.~~

35 *SEC. 31.* Section 20640.6 of the Revenue and Taxation Code
36 is amended to read:

37 20640.6. (a) Upon receipt of the information described in
38 Section 20640.4 and Section 20640.5, the ~~State~~ Controller shall
39 determine whether the state's interest would be adequately
40 protected if postponement is granted, and if so, the Controller shall

1 make payments directly to a county tax-collector *collector*, or
2 *chartered city that levies and collects its own taxes*, for the property
3 taxes owed on behalf of the claimant. Payments may, upon
4 appropriation by the Legislature, be made out of the amounts
5 otherwise appropriated pursuant to Section ~~16100~~ *16180* of the
6 Government Code that are secured by a secured tax lien and
7 obligation as specified by Article 1 (commencing with Section
8 16180) of Chapter 5 of Division 4 of the Government Code.

9 (b) The Controller shall cause to be recorded with the county
10 recorder of the county in which the real property is located, a copy
11 of any instrument creating a security interest, which shall include
12 applicable consent forms, in favor of the state. The instrument
13 shall contain a legal description of the real property subject to the
14 possessory interest; and, if the legal description of the possessory
15 interest describes an area less than the entire property ownership,
16 the notice or document shall also contain a reference to the record
17 of the acquisition instrument to the entire parcel from which the
18 possessory interest was created. The priority of the security interest
19 shall be as of the date of recordation.

20 ~~SEC. 31.~~

21 *SEC. 32.* Section 20640.7 of the Revenue and Taxation Code
22 is amended to read:

23 20640.7. The Controller shall prescribe the manner in which
24 a claimant eligible under this chapter, who for any reason is
25 incapacitated, may appoint his or her spouse or an authorized agent,
26 or have any such person appointed for such claimant, for all
27 purposes of claiming and receiving postponement of property
28 taxes.

29 ~~SEC. 32.~~

30 *SEC. 33.* Section 20640.8 of the Revenue and Taxation Code
31 is amended to read:

32 20640.8. The claim for postponement shall be filed after
33 October 1 of the fiscal year in which postponement is claimed and
34 on or before February 10 of such fiscal year. If February 10th falls
35 on Saturday, Sunday or a legal holiday, the date is extended to the
36 next business day.

37 ~~SEC. 33.~~

38 *SEC. 34.* Section 20640.9 of the Revenue and Taxation Code
39 is amended to read:

1 20640.9. Each claimant applying for postponement under this
2 chapter shall file a claim under penalty of perjury with the
3 Controller on a form supplied by the Controller. The claim shall
4 contain:

5 (a) Evidence acceptable to the Controller that the person was
6 62 years of age or older, or blind or disabled as described in Section
7 20640.3.

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

10 (c) A statement describing the residential dwelling in such
11 manner as the Controller may prescribe.

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

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

17 (f) Other information required by the ~~State~~ Controller to
18 establish eligibility.

19 ~~SEC. 34.~~

20 *SEC. 35.* Section 20645.5 of the Revenue and Taxation Code
21 is amended to read:

22 20645.5. (a) If a postponement claim under Chapter 2
23 (commencing with Section 20581), Chapter 3.3 (commencing with
24 Section 20639), or Chapter 3.5 (commencing with Section 20640)
25 is received by the Controller by February 10 for the fiscal year in
26 which postponement is being claimed or by another date set by
27 the Controller pursuant to Section 20622, then any delinquent
28 penalties, costs, fees, and interest accrued for that fiscal year shall
29 be canceled unless the failure to perfect the claim was due to willful
30 neglect on the part of the claimant or representative.

31 (b) In the event of willful neglect, an electronic funds transfer
32 for that current fiscal year can be used to pay delinquent taxes only
33 if accompanied by sufficient amounts to pay all of the delinquent
34 penalties, costs, fees, and interest. If an amount sufficient to pay
35 all of the delinquent penalties, costs, fees, and interest is not
36 received by the tax collector within 30 days from the date of the
37 electronic funds transfer, the tax collector may return the electronic
38 funds transfer to the Controller to deny the postponement claim.

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

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

10 ~~SEC. 35.~~

11 *SEC. 36.* Section 20645.6 of the Revenue and Taxation Code
12 is amended to read:

13 20645.6. (a) If the Controller denies a postponement claim
14 under Chapter 2 (commencing with Section 20581), Chapter 3
15 (commencing with Section 20625), Chapter 3.3 (commencing with
16 Section 20639), or Chapter 3.5 (commencing with Section 20640),
17 and the denial is reversed after appeal pursuant to Section 20645.1,
18 the Controller shall electronically transfer funds to the county for
19 the amount of the taxes. If the taxes for the fiscal year were
20 previously paid, the county shall refund the overpayment to the
21 taxpayer. If the taxes for the fiscal year are delinquent, any resulting
22 penalties or interest shall be canceled.

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