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CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

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**ASSEMBLY BILL**

**No. 1718**

**Introduced by Assembly Member Blumenfield  
(Coauthors: Assembly Members Huffman, Ma, Torres, and  
Yamada)**

(Coauthors: Senators Alquist and Correa)

February 2, 2010

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*An act to amend Sections 16181, 16182, 16183, 16184, 16185, 16186, 16190, 16191, 16192, 16200, 16202, 16211, 16211.5, and 53684 of, and to repeal and add Sections 16180 and 16213 of, the Government Code, and to amend Sections 2505, 2515, 3698.5, 3698.7, 3793.1, 4671, 4671.3, 4672.3, 4673, 4673.1, 4674, 4703, 4703.2, 20503, 20505, 20542, 20582, 20583, 20583.1, 20585, 20586, 20605, 20621, 20622, 20640.1, 20640.3, 20640.4, 20640.6, 20640.8, 20640.9, 20640.11, 20641, 20641.5, 20643, 20645.5, and 20645.6 of, to add Sections 20584.1, 20587, 20588, 20589, 20590, and 20591 to, to repeal Section 20623 of, to repeal Chapter 3 (commencing with Section 20625) and Chapter 3.3 (commencing with Section 20639) of Part 10.5 of Division 2 of, and to repeal and add Sections 2514 and 20602 of, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor. An act to amend Section 53684 of, and to add Chapter 11 (commencing with Section 30500) to Division 3 of Title 3 of, the Government Code, relating*

*to taxation, and declaring the urgency thereof, to take effect immediately.*

## LEGISLATIVE COUNSEL'S DIGEST

AB 1718, as amended, Blumenfield. Taxation: property tax ~~postponement~~. *deferral*.

The Senior Citizens and Disabled Citizens Property Tax Postponement Law, until February 20, 2009, authorized a claimant, as defined, to file a claim with the Controller to postpone the payment of ad valorem property taxes, where household income, as defined, did not exceed specified amounts. Existing law authorized the Controller, upon approval of the claim, to either make payment directly to specified entities, or to issue the claimant a certificate of eligibility that constituted a written promise of the state to pay the amount specified on the certificate, as provided. Existing law required these payments to be made out of a specified funds appropriated to the Controller, as specified, and also required repaid property tax postponement payments be transferred, as specified, to the General Fund.

~~This bill would revise and recast the provisions of the Senior Citizens and Disabled Citizens Property Tax Postponement Law to, among other things, delete the Controller's authority, either to make payments directly to specified entities or to issue a property tax postponement payment on behalf of the claimant upon receipt of a specified verification from the county tax collector.~~

~~This bill would instead authorize the Controller to use moneys in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, a continuously appropriated fund that this bill would create, to make property tax postponement payments, as specified, or to pay costs incurred in administering the program or the fund. By increasing the duties of local officials to administer the program, this bill would impose a state-mandated local program. This bill would require all sums paid by the Controller to be secured by a lien, which has the same priority as a county tax lien, as described. This bill would require the Controller to prescribe a maximum annual postponement loan amount, and would require the Controller to annually calculate the interest rate to be applied to a deferral made on or after January 1, 2012, as provided. This bill would require property tax postponement loan repayments, for all property tax postponement loans made after February 20, 2009, to be deposited into the fund. This bill would require the Controller to assess~~

~~an annual fee of \$75 on each participant of the program for whom property taxes are deferred on or after January 1, 2010, and the proceeds of the fee to be deposited in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund. By requiring moneys to be deposited within a continuously appropriated fund, this bill would make an appropriation.~~

~~This bill would also create the Property Tax Postponement Participating Local Agency Account, a trust account within the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, and would require any moneys deposited in the fund by a county or city and county participating in the program to be held for in the account for 10 years from the date of their deposit. The bill would specify the annual interest rate applicable to moneys in the account. By requiring additional moneys to be deposited within a continuously appropriated fund, this bill would make an appropriation.~~

~~This bill would prohibit a mortgagee, trustee, or other person authorized to take sale on real property due to the mortgagor's or trustor's failure to pay property taxes from filing a notice of default for 5 years from the date on which the property taxes became delinquent, if the mortgagor or trustor provides evidence of participation in the property tax postponement program, as specified. The bill would require the Controller to provide specified program participants with written confirmation of participation for use as evidence.~~

~~This bill would also make conforming changes to the Senior Citizens Possessory Interest Holder Property Tax Postponement Law.~~

~~Existing law, on and after February 20, 2009, prohibits a person from filing a claim for postponement, and prohibits the Controller from accepting applications for postponement, under the Senior Citizens and Disabled Citizens Property Tax Postponement Law.~~

~~This bill would repeal that provision.~~

~~The Senior Citizens Tenant-Stockholder Property Tax Postponement Law authorizes a tenant-stockholder claimant, as defined, to file with the Controller a claim to postpone the payment of ad valorem property taxes, as specified.~~

~~This bill would repeal that law and make conforming changes to related provisions.~~

~~The Senior Citizens Mobilehome Property Tax Postponement Law authorizes a mobilehome claimant, as defined, to file with the Controller a claim to postpone the payment of ad valorem property taxes, as specified.~~

~~This bill would repeal that law and make conforming changes to related provisions.~~

*This bill would establish the County Deferred Property Tax Program for Senior Citizens and Disabled Citizens, authorize a county to elect to participate in the program by adopting a resolution indicating the county's intention to participate in and administer the program, and specify that the requirements of a county or county officials set forth in the bill are conditioned upon the county's passage of the above-described resolution.*

*This bill would authorize a claimant, as defined, upon verifying a county's participation in the program, to apply, within a specified filing period, to the county to participate in the program. The bill would require the county treasurer, or another appropriate county official, to review the claimant's application for program participation, as specified, and, if the claimant is eligible, and if there are sufficient funds within the county's Property Tax Deferral Fund, which this bill would require a participating county to establish within its treasury, to (1) defer property taxes on the claimant's residential dwelling for that fiscal year, (2) issue a subvention payment to that county's general fund, equivalent to the amount of the deferred property taxes, from the county's Property Tax Deferral Fund, and (3) apportion that subvention payment in the same manner as if the property taxes had been paid. The bill would authorize the county treasurer of a participating county, if he or she makes a specified determination, upon the adoption of a specified resolution by that county's board of supervisors, to deposit specified funds in the county treasury for the purpose of investment of those funds in the county's Property Tax Deferral Fund.*

*This bill would require the amount of property taxes deferred, plus any interest accrued thereon, to be secured by a county property tax lien, as specified. The bill would also require the lien to be evidenced by a notice of lien, and various county officials to process and record the notice of lien, as specified. The bill would require a participating county to charge a claimant a specified adjusted rate of interest on the amount owed for the deferment of property taxes. The bill would require the amount secured by the lien to be increased to reflect the accrual of interest on the property taxes deferred, or decreased by the amount of any payment made to reduce the amount secured by the lien. The bill would provide procedures for the release of the lien if the obligation is paid in full or otherwise discharged, and would require all amounts*

*owed by a claimant under the program to become due immediately under specified circumstances.*

*This bill would authorize a participating county to charge a fee to the claimant to cover the actual costs of administering the program, and would require the fee proceeds to be deposited in an account within the county's Property Tax Deferral Fund, to be used exclusively for those administration costs. The bill would specify that costs to foreclose on a residential dwelling for which property taxes have been deferred under the program are administrative costs.*

*The bill would prohibit a mortgagee, trustee, or other person authorized to take sale on the real property for which property taxes are deferred due to the failure to pay property taxes from filing a notice of default based solely on the failure to pay property taxes if the mortgagor or trustor provided the mortgagee, trustee, or other person authorized to take sale, evidence of the mortgagor's or trustor's participation in the Senior Citizens and Disabled Citizens Property Tax Postponement Program during the 2008–09 fiscal year. The bill would require the Controller to provide written notice to individuals that participated in the program during 2008, 2009, or the 2008–09 fiscal year for use as written confirmation of that participation.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: ~~yes~~-no. Fiscal committee: yes. State-mandated local program: no.

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Since 1977, the Senior Citizens and Disabled Citizens
- 4 Property Tax Postponement Law has helped eligible elderly and
- 5 disabled residents on fixed incomes remain in their homes by
- 6 deferring payment of property taxes until the house is sold or
- 7 ownership otherwise transferred.
- 8 (b) Suspension of the Senior Citizens and Disabled Citizens
- 9 Property Tax Postponement Law in February 2009 has exposed
- 10 participants to possible default on property taxes in December
- 11 2009 and thereafter, and has heightened fears of home foreclosures.
- 12 (c) While counties may not force the sale of a home to collect
- 13 on delinquent property taxes for five years, no similar delay applies

1 to lenders that would protect the elderly and disabled who would  
 2 have participated in the property tax deferral program established  
 3 pursuant to the Senior Citizens and Disabled Citizens Property  
 4 Tax Postponement Law had it not been suspended.

5 *SEC. 2. Chapter 11 (commencing with Section 30500) is added*  
 6 *to Division 3 of Title 3 of the Government Code, to read:*

7

8 *CHAPTER 11. COUNTY DEFERRED PROPERTY TAX PROGRAM*  
 9 *FOR SENIOR CITIZENS AND DISABLED CITIZENS*

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*Article 1. General Provisions and Definitions*

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*30500. This chapter shall be known and may be cited as the*  
*County Deferred Property Tax Program for Senior Citizens and*  
*Disabled Citizens.*

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*30501. Unless the context requires otherwise, the definitions*  
*set forth in this article shall govern the construction of this chapter.*

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*30502. (a) "Claimant" means an owner of a residential*  
*dwelling, as defined in Section 30508, who applies to a*  
*participating county for deferment of property taxes pursuant to*  
*this chapter and meets all of the following requirements:*

*(1) Has an income, as defined in Section 30503, that does not*  
*exceed thirty-five thousand five hundred dollars (\$35,500).*

*(2) Has (A) attained eligibility for full Social Security benefits*  
*as of the last day of the filing period for that fiscal year, or (B) is*  
*blind or disabled, as defined in Section 12050 of the Welfare and*  
*Institutions Code.*

*(3) Has equity of at least 20 percent of the full assessed value*  
*of the residential dwelling, as determined for purposes of ad*  
*valorem property taxation, or at least 20 percent of the fair market*  
*value, as determined by the county assessor or tax collector,*  
*sufficient to protect the county's interest in any residential dwelling*  
*after deferment.*

*(b) Only one claimant per residential dwelling may have*  
*property taxes deferred under this chapter at any one time.*

*(c) A claimant shall apply to participate in the program in each*  
*year that he or she seeks to defer property taxes under the program.*

*(d) The claimant may be required to furnish evidence of his or*  
*her ongoing eligibility in order to continue participation in the*  
*program in a subsequent year.*

1 (e) If the claimant fails or refuses to furnish any information  
2 requested in writing by the county pursuant to this chapter, or files  
3 a fraudulent claim for deferment under this chapter, any county  
4 obligation to defer property taxes under this chapter shall be null  
5 and void.

6 30503. (a) "Income" means adjusted gross income, as defined  
7 in Section 17072 of the Revenue and Taxation Code, plus all of  
8 the following cash items:

9 (1) Amounts contributed on behalf of the contributor to a  
10 tax-sheltered retirement plan or deferred compensation plan.

11 (2) Annual winnings from the California Lottery in excess of  
12 six hundred dollars (\$600) in the current calendar year.

13 (3) Exempt interest received from any source.

14 (4) Gifts and inheritances in excess of three hundred dollars  
15 (\$300), other than transfers between members of the household.  
16 Gifts and inheritances shall include noncash items.

17 (5) 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" shall include unreimbursed expenses paid or incurred  
21 during the income calendar year and any expenses paid or incurred  
22 thereafter up until the day the claim is filed. For purposes of this  
23 paragraph, funeral expenses shall not exceed five thousand dollars  
24 (\$5,000).

25 (6) Nontaxable amount of any pensions and annuities.

26 (7) Nontaxable gain from the sale of a residence, as defined in  
27 Section 121 of the Internal Revenue Code.

28 (8) Nontaxable military compensation as defined in Section 112  
29 of the Internal Revenue Code.

30 (9) Nontaxable scholarship and fellowship grants as defined in  
31 Section 117 of the Internal Revenue Code.

32 (10) Public assistance and relief.

33 (11) Railroad retirement benefits.

34 (12) Sick leave payments.

35 (13) Social Security benefits (not including Medicare benefits).

36 (14) Temporary workers' compensation payments.

37 (15) Unemployment insurance payments.

38 (16) Veterans' benefits.

39 (17) If an alternative minimum tax is required to be paid  
40 pursuant to Chapter 2.1 (commencing with Section 17062) of Part

1 *10 of the Revenue and Taxation Code, the amount of the alternative*  
2 *minimum taxable income, regardless of whether or not that amount*  
3 *is held in cash, in excess of the regular taxable income otherwise*  
4 *applicable.*

5 *(b) Net business loss, net rental loss, net capital loss, or other*  
6 *net losses, amounts deducted for depreciation, or other noncash*  
7 *expenses shall not be deducted in calculating adjusted gross*  
8 *income for purposes of this section.*

9 *(c) For purposes of this chapter, income shall be determined*  
10 *for the calendar year that ends within the fiscal year for which*  
11 *deferral is claimed pursuant to this chapter.*

12 *30504. (a) "Owner of a residential dwelling" includes all of*  
13 *the following:*

14 *(1) An individual with an ownership interest of a vendee, who*  
15 *is in possession of the residential dwelling under a land sale*  
16 *contract, provided that the contract or memorandum thereof is*  
17 *recorded, and only from the date of recordation of the contract or*  
18 *memorandum thereof in the office of the county recorder of a*  
19 *participating county in which the residential dwelling is located.*

20 *(2) An individual with an ownership interest of a holder of a*  
21 *life estate in the residential dwelling, provided that the instrument*  
22 *creating the life estate is recorded, and only from the date of*  
23 *recordation of that instrument in the office of the county recorder*  
24 *of a participating county in which the residential dwelling is*  
25 *located.*

26 *(3) If the residential dwelling is located within a participating*  
27 *county, an individual with a joint-tenant or tenant-in-common*  
28 *ownership interest in the residential dwelling, or the interest of a*  
29 *tenant where title is held in tenancy by the entirety or as community*  
30 *property.*

31 *(4) An individual with an ownership interest in the residential*  
32 *dwelling and the title to the residential dwelling, located within a*  
33 *participating county, is held in trust.*

34 *(5) For purposes of this chapter, an individual who is the*  
35 *registered owner of a mobilehome attached to a permanent*  
36 *foundation and assessed as real property.*

37 *(b) An ownership interest described in subdivision (a) shall be*  
38 *required to be evidenced by a duly recorded instrument in the*  
39 *office of the county recorder of a participating county in which*  
40 *the residential dwelling is located.*



1 30505. *“Participating county” means a county that makes an*  
2 *election described in Section 30510.*

3 30506. *“Program” means the County Deferred Property Tax*  
4 *Program for Senior Citizens and Disabled Citizens.*

5 30507. *“Property taxes” means ad valorem property taxes or*  
6 *special assessments imposed upon a residential dwelling within*  
7 *the year in which deferment is sought.*

8 30508. (a) (1) *“Residential dwelling” means a dwelling, and*  
9 *the land surrounding that dwelling as is reasonably necessary for*  
10 *the use of the dwelling as a home, occupied by the claimant as his*  
11 *or her principal place of residence, and owned by any of the*  
12 *following:*

13 (A) *The claimant.*

14 (B) *The claimant and the claimant’s spouse.*

15 (C) *The claimant and his or her parents, children (whether*  
16 *natural or adopted), or grandchildren of either the claimant or*  
17 *the claimant’s spouse.*

18 (D) *The claimant and the spouse of any parent, child (whether*  
19 *natural or adopted), or grandchild of either the claimant or the*  
20 *claimant’s spouse.*

21 (E) *The claimant and another individual who resides in this*  
22 *state and is eligible for deferment under this chapter.*

23 (2) *“Residential dwelling” shall also include all of the*  
24 *following:*

25 (A) *A condominium that is assessed as real property for local*  
26 *property tax purposes.*

27 (B) *A portion of a multidwelling or multipurpose building and*  
28 *the portion of land upon which it is built.*

29 (C) *A mobilehome that is permanently attached to a permanent*  
30 *foundation and assessed as real property for local property tax*  
31 *purposes.*

32 (b) *“Residential dwelling” shall not include any of the*  
33 *following:*

34 (1) *Any dwelling in which the owner or owners do not have an*  
35 *equity value of at least 20 percent of the full value of the dwelling,*  
36 *as determined for property tax purposes, or an equity value of at*  
37 *least 20 percent of the fair market value of the dwelling, as*  
38 *determined by the county assessor or tax collector. “Equity value,”*  
39 *as used in this subdivision, means the amount by which the fair*  
40 *market value of the dwelling exceeds the total amount of liens or*

1 *other obligations against the property, as determined by the county*  
 2 *assessor or tax collector pursuant to his or her review of the*  
 3 *appropriate county records.*

4 *(2) Any dwelling in which the claimant’s interest is a life estate*  
 5 *or is held pursuant to a contract of sale, unless the claimant obtains*  
 6 *the written consent of the holder of the reversionary interest subject*  
 7 *to the life estate, or the vendor under the contract of sale, for the*  
 8 *claimant to participate in the program with respect to the dwelling.*

9 *(3) Any dwelling for which the claimant does not receive a*  
 10 *secured tax bill.*

11 *(4) Any dwelling in which the claimant’s interest is held as a*  
 12 *possessory interest, except a life estate as described in paragraph*  
 13 *(2).*

14 *(5) Any houseboat or floating home.*

15  
 16 *Article 2. Deferment*

17  
 18 *30510. A county may elect to participate in the County Deferred*  
 19 *Property Tax Program for Senior Citizens and Disabled Citizens*  
 20 *by adopting a resolution indicating the county’s intention to*  
 21 *participate in and to administer the program. All requirements of*  
 22 *a county or county officials set forth in this chapter are conditioned*  
 23 *upon the county’s adoption of this resolution.*

24 *30511. (a) Upon verifying a county’s participation in the*  
 25 *program, a claimant may submit his or her application to*  
 26 *participate in the program to the county, on a form to be created*  
 27 *by the county if it initiates its participation in the program pursuant*  
 28 *to Section 30510.*

29 *(b) Upon a participating county’s receipt of a claim for property*  
 30 *tax deferment under the program, submitted within the filing period*  
 31 *specified in Section 30512, the county treasurer, or other*  
 32 *appropriate county official, shall review the claimant’s application*  
 33 *for program eligibility, consistent with the requirements specified*  
 34 *in Section 30502.*

35 *(c) If the claimant is eligible to participate in the program, and*  
 36 *if there are sufficient funds within the county’s Property Tax*  
 37 *Deferral Fund, established pursuant to Section 30522, to defer*  
 38 *property taxes on the claimant’s residential dwelling for that fiscal*  
 39 *year, the county treasurer or other appropriate county official,*  
 40 *shall do all of the following:*

1 (1) Defer the property taxes due on the claimant's residential  
2 dwelling and owing for that fiscal year.

3 (2) Issue a subvention payment to the county's general fund,  
4 equivalent to the amount of the deferred property taxes, from the  
5 county's Property Tax Deferral Fund.

6 (3) Apportion that subvention payment in the same manner as  
7 the property taxes had they been paid.

8 (d) If the claimant's property taxes are deferred under the  
9 program, the participating county shall not charge the claimant  
10 any penalties, or undertake any collections actions with respect  
11 to the underlying residential dwelling, unless authorized by this  
12 chapter.

13 (e) (1) The amount of property taxes deferred, plus any interest  
14 accrued thereon, shall be secured by a county property tax lien,  
15 of the priority described in Section 2192.1 of the Revenue and  
16 Taxation Code, against the claimant's residential dwelling for  
17 which the property taxes are deferred.

18 (2) In the case of a residential dwelling that is part of a larger  
19 parcel taxed as a unit, including, but not limited to, a duplex, farm,  
20 or multidwelling or multipurpose building, the lien shall be against  
21 the entire tax parcel.

22 (f) The lien shall be evidenced by a notice of lien for deferred  
23 property taxes executed by the county, and shall secure all sums  
24 deferred and owing under this chapter, including amounts deferred  
25 subsequent to the initial deferment. The notice of lien shall include,  
26 but not be limited to, all of the following:

27 (1) The names of all record owners of the real property for  
28 which the county has deferred property taxes under the program.

29 (2) A description of the real property for which property taxes  
30 have been deferred.

31 (g) The identification number of the lien shall be recorded by  
32 the county recorder, indexed in the county's Grantor Index to the  
33 names of all record owners of the real property, and indexed in  
34 the county's Grantee Index.

35 30512. (a) The filing period for a claimant to apply to a  
36 participating county for deferment under the program shall be  
37 from October 1 to December 10 of each year.

38 (b) A participating county may require any information  
39 necessary to process the claimant's application for deferment

1 *under the program, whether through the county’s application form*  
 2 *or forms or otherwise.*

3 *(c) Any form filed by a claimant under this chapter shall not be*  
 4 *under oath, but shall contain, or be verified by, a written*  
 5 *declaration that the information therein was provided under the*  
 6 *penalty of perjury.*

7 *(d) All forms supplied to the claimant shall include a statement*  
 8 *of the interest rate that will apply to the property taxes deferred*  
 9 *under the program.*

10 *(e) A county may grant a reasonable extension for filing a claim*  
 11 *if it determines that good cause for the extension exists. However,*  
 12 *no extension shall be granted beyond the termination of the fiscal*  
 13 *year for which deferment is requested.*

14 *30513. (a) Upon receipt of a notice of lien for deferred*  
 15 *property taxes from the county treasurer, the county assessor, or*  
 16 *other appropriate county official, shall immediately do all of the*  
 17 *following:*

18 *(1) Enter on the notice of lien a description of the real property*  
 19 *for which the taxes have been deferred.*

20 *(2) Enter on the notice of lien the names of all record owners*  
 21 *of the real property, as disclosed by the county assessor’s records.*

22 *(3) Enter on the assessment records applicable to the property,*  
 23 *the fact that the taxes on the property have been deferred.*

24 *(b) Upon entry of the information required by subdivision (a),*  
 25 *the county assessor shall immediately forward the notice of lien*  
 26 *to the county recorder, who shall record the notice of lien.*

27 *(c) When the record reveals a change in the ownership status*  
 28 *of the real property subsequent to the date of entry of the deferral*  
 29 *information thereon, the county assessor shall notify the county*  
 30 *treasurer of the change in the ownership status in the manner*  
 31 *prescribed by the county treasurer.*

32 *(d) As of the recordation of the notice of lien pursuant to this*  
 33 *section, the lien for deferred property taxes shall be deemed to*  
 34 *impart constructive notice of the contents thereof to subsequent*  
 35 *purchasers, mortgagees, lessees, and any other lienholders.*

36 *30514. (a) A participating county shall reduce the amount*  
 37 *secured by the lien provided for in subdivision (e) of Section 30511*  
 38 *by the amount of any payment received for that purpose.*

39 *(b) A participating county shall increase the amount secured*  
 40 *by that lien to reflect the accrual of interest on the property taxes*

1 *deferred, or any subsequent deferral of property taxes made with*  
2 *respect to that residential dwelling pursuant to a claim of that*  
3 *claimant.*

4 *30515. If at any time the amount of the obligation secured by*  
5 *the lien for deferred property taxes is paid in full or is otherwise*  
6 *discharged, the county treasurer, or other appropriate county*  
7 *official, shall do all of the following:*

8 *(a) Execute and cause to be recorded by the county recorder a*  
9 *release of the associated lien conclusively evidencing the*  
10 *satisfaction of all amounts secured by the lien. The cost of*  
11 *recording the release of the lien shall be added to, and become*  
12 *part of the obligation secured by, the lien being released.*

13 *(b) Direct the county tax collector, or other appropriate county*  
14 *official, to remove from the secured roll the information required*  
15 *to be entered thereon by paragraph (1) of subdivision (a) of Section*  
16 *2514 of the Revenue and Taxation Code with respect to the real*  
17 *property described in the lien.*

18 *(c) Direct the county tax collector, or other appropriate county*  
19 *official, to remove the information required to be entered into the*  
20 *county assessment records by Section 2515 of the Revenue and*  
21 *Taxation Code from the assessment records applicable to the real*  
22 *property described in the lien.*

23 *30516. (a) If property taxes are deferred for a claimant and*  
24 *that claimant subsequently dies, all amounts owed by that claimant*  
25 *pursuant to this chapter shall become due as of the end of that*  
26 *fiscal year, unless another eligible claimant for the same residential*  
27 *dwelling successfully applies to the county for deferment pursuant*  
28 *to this chapter for the next fiscal year.*

29 *(b) All amounts owed by the claimant pursuant to this chapter*  
30 *shall become due immediately if either of the following occurs:*

31 *(1) A claimant whose property taxes have been deferred under*  
32 *this chapter fails to perform any acts that claimant is required to*  
33 *perform, and the performance of that act or those acts is secured,*  
34 *or will be in the event of nonperformance, by a lien that is senior*  
35 *to the lien provided for by this chapter.*

36 *(2) Deferment was granted erroneously because eligibility*  
37 *requirements were not actually met.*

38 *30517. (a) The county treasurer, or other appropriate county*  
39 *official, shall maintain a record of all residential dwellings against*  
40 *which a notice of lien for deferred property taxes has been*

1 recorded pursuant to this chapter. With respect to each residential  
 2 dwelling, the record shall include, but not be limited to, the name  
 3 of the claimant, a description of the real property against which  
 4 the lien is recorded, the identification number of the notice of lien,  
 5 and the amount of the lien.

6 (b) Information and records of the program not required to be  
 7 disclosed shall be maintained pursuant to Section 408 of the  
 8 Revenue and Taxation Code.

9

10 Article 3. Financing

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12 30520. A participating county may charge an application fee  
 13 from a claimant upon that claimant's submission of an application  
 14 form to participate in the program. This fee shall cover the actual  
 15 costs of administrating the program, consistent with Section 54895.  
 16 The proceeds of the fee shall be deposited in an account within  
 17 the Property Tax Deferral Fund, established by Section 30522, to  
 18 be used exclusively to pay those administration costs.

19 30521. (a) A participating county shall charge claimants an  
 20 adjusted rate of interest on the amount owed for the deferment of  
 21 property taxes pursuant to this chapter. The adjusted rate of  
 22 interest per annum shall be 7 percent, or the effective annual yield  
 23 earned in the prior fiscal year by the Pooled Money Investment  
 24 Account plus 2 percent, whichever is higher, rounded to the nearest  
 25 full percent.

26 (b) The interest provided for by subdivision (a) shall be applied  
 27 as of the first day of the month in which a deferment payment is  
 28 made pursuant to this chapter and every day of the month  
 29 thereafter until the lien is discharged. In the event that any payment  
 30 is applied, in any month, to reduce the amount owed under the  
 31 lien, the interest shall be applied to the balance of the amount  
 32 owed beginning on the first day of the following month.

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

35 30522. (a) Each participating county shall establish a Property  
 36 Tax Deferral Fund within its treasury. Consistent with the  
 37 provisions of Section 53684, and upon the passage of the resolution  
 38 authorizing the investment of funds described in subdivision (a)  
 39 of Section 53685, those funds may be deposited in the Property  
 40 Tax Deferral Fund for the sole purpose of making property tax

1 *deferment subvention payments pursuant to subdivision (c) of*  
2 *Section 30511.*

3 *(b) Costs to foreclose on a residential dwelling for which*  
4 *property taxes have been deferred, but not repaid, under this*  
5 *chapter shall be administrative costs, payable from the account*  
6 *described in Section 30520.*

7 *30523. (a) The deferment of property taxes pursuant to this*  
8 *chapter shall not affect the obligation of a borrower to continue*  
9 *to make payments to a lender with respect to an impound account,*  
10 *trust, or other type of account described in Section 2954 of the*  
11 *Civil Code which was established prior to the effective date of the*  
12 *act that added this section.*

13 *(b) Except where required by federal law, regulation, rule, or*  
14 *program, and notwithstanding Sections 7153.2 and 7153.8 of the*  
15 *Financial Code, or in the case of a loan that is made, guaranteed,*  
16 *or insured by a federal government lending or insuring agency*  
17 *requiring the borrower to make payments to a lender with respect*  
18 *to an impound, trust, or other type of account described in Section*  
19 *2954 of the Civil Code, or where this subdivision would impair*  
20 *the obligations of a loan agreement executed prior to the effective*  
21 *date of the act that added this section, no lender shall require a*  
22 *borrower to maintain an impound, trust, or other type of account*  
23 *with regard to taxes for any similar period, if not previously used*  
24 *in payment or partial payment of those taxes, shall be refunded to*  
25 *the borrower within 30 days.*

26 *(c) (1) A mortgagee, trustee, or other person authorized to take*  
27 *sale on real property due to the mortgagor's or trustor's failure*  
28 *to pay property taxes shall not file a notice of default for five years*  
29 *following the initial authorization to take sale if the mortgagor or*  
30 *trustor provides evidence of participation in the property tax*  
31 *deferral program established pursuant to this chapter.*

32 *(2) Notwithstanding subdivision (b), no lender shall require a*  
33 *borrower to maintain an impound, trust, or other type of account*  
34 *with regard to taxes if the borrower provides evidence of*  
35 *participation in the property tax deferral program established*  
36 *pursuant to this chapter. A lender shall not file a notice of default*  
37 *based solely on a mortgagor's failure to pay property taxes, until*  
38 *at least five years have elapsed from the date on which the property*  
39 *taxes became delinquent, if the mortgagor or trustor provided the*  
40 *mortgagee, trustee, or other person authorized to take sale,*

1 *evidence of his or her participation in the Senior Citizens and*  
2 *Disabled Citizens Property Tax Postponement Program during*  
3 *the 2008–09 fiscal year.*

4 (3) *Written confirmation from the Controller identifying the*  
5 *individual as a participant in the Senior Citizens and Disabled*  
6 *Citizens Property Tax Postponement Program during the 2008–09*  
7 *fiscal year shall be considered evidence of participation for*  
8 *purposes of this section. The Controller shall provide written notice*  
9 *to individuals that participated in the program during 2008, 2009,*  
10 *or the 2008–09 fiscal year for use as written confirmation of*  
11 *participation.*

12 30524. *If a deferment claim is filed timely but before the*  
13 *delinquency date of the first or second installment of property*  
14 *taxes, then any delinquent penalties and interest for that fiscal*  
15 *year shall be canceled unless the failure to perfect the claim was*  
16 *due to willful neglect on the part of the claimant or his or her*  
17 *representative. In the event of such willful neglect, any property*  
18 *tax deferment subvention payment may be used only if it is*  
19 *accompanied by sufficient amounts to pay the delinquent interest*  
20 *and penalties.*

21 30525. *If a property tax deferment repayment is made to satisfy*  
22 *an obligation secured by a lien for property tax deferment, and*  
23 *the repayment exceeds the amount owed to the participating county*  
24 *under the lien, the county shall refund the overpayment to the party*  
25 *entitled thereto.*

26 *SEC. 3. Section 53684 of the Government Code is amended to*  
27 *read:*

28 53684. (a) *Unless otherwise provided by law, if the treasurer*  
29 *of any local agency, or other official responsible for the funds of*  
30 *the local agency, determines that the local agency has excess funds*  
31 *which are not required for immediate use, the treasurer or other*  
32 *official may, upon the adoption of a resolution by the legislative*  
33 *or governing body of the local agency authorizing the investment*  
34 *of funds pursuant to this section and with the consent of the county*  
35 *treasurer, deposit the excess funds in the county treasury for the*  
36 *purpose of investment by the county treasurer pursuant to Section*  
37 *~~53601~~ 30522, 53601, or 53635.*

38 (b) *The county treasurer shall, at least quarterly, apportion any*  
39 *interest or other increment derived from the investment of funds*  
40 *pursuant to this section in an amount proportionate to the average*



1 daily balance of the amounts deposited by the local agency and to  
2 the total average daily balance of deposits in the investment pool.  
3 In apportioning and distributing that interest or increment, the  
4 county treasurer may use the cash method, the accrual method, or  
5 any other method in accordance with generally accepted accounting  
6 principles.

7 Prior to distributing that interest or increment, the county  
8 treasurer may deduct the actual costs incurred by the county in  
9 administering this section in proportion to the average daily balance  
10 of the amounts deposited by the local agency and to the total  
11 average daily balance of deposits in the investment pool.

12 (c) The county treasurer shall disclose to each local agency that  
13 invests funds pursuant to this section the method of accounting  
14 used, whether cash, accrual, or other, and shall notify each local  
15 agency of any proposed changes in the accounting method at least  
16 30 days prior to the date on which the proposed changes take effect.

17 (d) The treasurer or other official responsible for the funds of  
18 the local agency may withdraw the funds of the local agency  
19 pursuant to the procedure specified in Section 27136.

20 (e) Any moneys deposited in the county treasury for investment  
21 pursuant to this section are not subject to impoundment or seizure  
22 by any county official or agency while the funds are so deposited.

23 (f) This section is not operative in any county until the board  
24 of supervisors of the county, by majority vote, adopts a resolution  
25 making this section operative in the county.

26 (g) It is the intent of the Legislature in enacting this section to  
27 provide an alternative procedure to Section 51301 for local agencies  
28 to deposit money in the county treasury for investment purposes.  
29 Nothing in this section shall, therefore, be construed as a limitation  
30 on the authority of a county and a city to contract for the county  
31 treasurer to perform treasury functions for a city pursuant to Section  
32 51301.

33 *SEC. 4. This act is an urgency statute necessary for the*  
34 *immediate preservation of the public peace, health, or safety within*  
35 *the meaning of Article IV of the Constitution and shall go into*  
36 *immediate effect. The facts constituting the necessity are:*

37 *In order to provide property tax deferment to seniors and*  
38 *disabled citizens in urgent need of assistance, it is necessary that*  
39 *this act take immediate effect.*

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**All matter omitted in this version of the bill  
appears in the bill as amended in the  
Senate, July 15, 2010. (JR11)**

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