

# Statutes of Interest to County Tax Collectors

As Amended by  
Statutes of 2013  
and 2014



***California State Controller's Office  
Controller Betty T. Yee***



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## Index of 2013 Statutory Code Sections: Chaptered Bills

\*Am = Amended; Ad = Added; Rp = Repealed

### Business and Professions Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Topic
11010.85	Am	AB 253	432	1/1/2014	Floating Home Marinas

### Code of Civil Procedure

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Topic
1188	Am	AB 464	78	1/1/2014	Vital Records
687.010	Am	AB 1167	156	1/1/2014	Court Records – Electronic Forms

### Government Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Topic
6157	Am	SB 825	607	1/1/2014	Government Finance
6159	Am	SB 825	607	1/1/2014	Government Finance
24304.2	Am	AB 546	14	1/1/2014	Local Government: Consolidation of Offices
25536.9	Ad	SB 121	224	1/1/2014	Counties: Disposition of Real Property
51040 et. Seq.	Ad	AB 551	406	1/1/2014	Williamson Act - Local Government: Urban Agriculture Incentive Zones
53601.8	Am/Ad/Rp	AB 279	228	1/1/2014	Financial Affairs
53635.8	Am/Ad/Rp	AB 279	228	1/1/2014	Financial Affairs
53758	Ad	AB 483	552	10/4/2013	Local Government: Taxes, Fees, Assessments, and Charges: Definitions

### Health and Safety Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Topic
18551	Am	AB 379	137	1/1/2014	Manufactured Housing: Removal

## Military and Veterans Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Topic
800	Am	AB 526	236	1/1/2014	Military Service: Benefits
803	Am	AB 526	236	1/1/2014	Military Service: Benefits
809	Rp	AB 526	236	1/1/2014	Military Service: Benefits
811	Am	AB 526	236	1/1/2014	Military Service: Benefits

## Revenue and Taxation Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Topic
402.1	Am	AB 551	406	1/1/2014	Williamson Act - Local Government: Urban Agriculture Incentive Zones
422.7	Ad	AB 551	406	1/1/2014	Williamson Act - Local Government: Urban Agriculture Incentive Zones
7284.5	Ad	AB 792	534	1/1/2014	Utility User Tax: Exemption: Distributed Generation Systems

## Index of 2014 Statutory Code Sections: Chaptered Bills

\*Am = Amended; Ad = Added; Rp = Repealed

### Code of Civil Procedure

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
701.680	Am	AB 2317	183	1/1/2015	1	Execution: Sale of Property
995.710	Am	AB 1856	305	1/1/2015	1	Deposit in Lieu of Bond
995.720	Am	AB 1856	305	1/1/2015	2	Deposit in Lieu of Bond
995.740	Am	AB 1856	305	1/1/2015	3	Deposit in Lieu of Bond
995.760	Am	AB 1856	305	1/1/2015	3	Deposit in Lieu of Bond

### Elections Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
9401	Am	AB 2551	908	1/1/2015	4	Local Ballot Measures: Bond Issues

### Government Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
12463.2	Ad	AB 2109	781	1/1/2015	5	Controller: Reports: Parcel Taxes
16180	Rp/Ad	AB 2231	703	9/28/2014	5	State Controller: Property Tax Postponement
16181	Am	AB 2231	703	9/28/2014	6	State Controller: Property Tax Postponement
16182	Am	AB 2231	703	9/28/2014	6	State Controller: Property Tax Postponement
16183	Am	AB 2231	703	9/28/2014	8	State Controller: Property Tax Postponement
16184	Am	AB 2231	703	9/28/2014	9	State Controller: Property Tax Postponement
16185	Rp	AB 2231	703	9/28/2014	9	State Controller: Property Tax Postponement
16186	Am	AB 2231	703	9/28/2014	9	State Controller: Property Tax Postponement
16190	Am	AB 2231	703	9/28/2014	10	State Controller: Property Tax Postponement
16200	Am	AB 2231	703	9/28/2014	10	State Controller: Property Tax Postponement

## Government Code (Con't)

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
16210	Am	AB 2231	703	9/28/2014	11	State Controller: Property Tax Postponement
16211	Am	AB 2231	703	9/28/2014	11	State Controller: Property Tax Postponement
16211.5	Am	AB 2231	703	9/28/2014	11	State Controller: Property Tax Postponement
16212	Rp	AB 2231	703	9/28/2014	12	State Controller: Property Tax Postponement
16213	Rp	AB 2231	703	9/28/2014	12	State Controller: Property Tax Postponement
16214	Rp	AB 2231	703	9/28/2014	12	State Controller: Property Tax Postponement
24011	Am	SB 803	113	1/1/2015	12	Local Government: Counties: Consolidation of Offices
27297.6	Am	SB 827	65	1/1/2015	13	Local Government: Los Angeles County: Notice of Recordation
27297.6	Ad	SB 827	65	1/1/2015	14	Local Government: Los Angeles County: Notice of Recordation
27387.1	Am	SB 827	65	1/1/2015	15	Local Government: Los Angeles County: Notice of Recordation
27387.1	Ad	SB 827	65	1/1/2015	15	Local Government: Los Angeles County: Notice of Recordation
53395.4	Am	AB 471	1	2/18/2014	16	Local Government: Redevelopment: Successor Agencies to Redevelopment Agencies
53601	Am	AB 1933	59	1/1/2015	17	Local Government: Investments
53750	Am	AB 2403	78	1/1/2015	22	Local Government: Assessments, Fees, and Charges

## Military and Veterans Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
890.3	Am	SB 1113	656	1/1/2015	24	Property Taxation: Disabled Veterans' Exemption: Refunds: Statute of Limitations

## Revenue and Taxation Code

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
62	Am	SB 1464	134	1/1/2015	26	Property Taxation
73	Am	SB 871	41	6/20/2014	29	Property Taxes: New Construction Exclusion: Active Solar Energy System
170	Am	SB 1464	134	1/1/2015	31	Property Taxation
201.7	Am	SB 1464	134	1/1/2015	34	Property Taxation
214	Am	SB 1203	693	1/1/2015	34	Property Taxation: Welfare Exemption: Rental Housing and Related Facilities: Payment in Lieu of Taxes Agreement
214.06	Ad	SB 1203	693	1/1/2015	39	Property Taxation: Welfare Exemption: Rental Housing and Related Facilities: Payment in Lieu of Taxes Agreement
214.08	Ad	SB 1203	693	1/1/2015	39	Property Taxation: Welfare Exemption: Rental Housing and Related Facilities: Payment in Lieu of Taxes Agreement
439.2	Am	SB 1464	134	1/1/2015	40	Property Taxation
2514	Am	AB 2231	703	9/28/2014	42	State Controller: Property Tax Postponement
2515	Am	AB 2231	703	9/28/2014	43	State Controller: Property Tax Postponement
3375	Am	AB 2231	703	9/28/2014	43	State Controller: Property Tax Postponement
3376	Ad	AB 2231	703	9/28/2014	43	State Controller: Property Tax Postponement
3691	Am	AB 2231	703	9/28/2014	44	State Controller: Property Tax Postponement
3698.5	Am	AB 2231	703	9/28/2014	45	State Controller: Property Tax Postponement
3698.7	Am	AB 2231	703	9/28/2014	46	State Controller: Property Tax Postponement
3793.1	Am	AB 2231	703	9/28/2014	47	State Controller: Property Tax Postponement
4673.1	Am	AB 2231	703	9/28/2014	47	State Controller: Property Tax Postponement
4674	Am	AB 2257	501	1/1/2015	48	Property Tax: Tax-Defaulted Property: Excess Proceeds From Sale

Revenue and Taxation Code (Con't)

Code Section	Action*	Bill Number	Chapter Number	Effective Date	Page Number	Topic
4675	Am	AB 2257	501	1/1/2015	48	Property Tax: Tax-Defaulted Property: Excess Proceeds From Sale
5097	Am	SB 1113	656	1/1/2015	49	Property Taxation: Disabled Veterans' Exemption: Refunds: Statute of Limitations
7285	Am	AB 2119	148	1/1/2015	51	Local Taxes: Transactions and Use Taxes
7285.5	Am	AB 2119	148	1/1/2015	51	Local Taxes: Transactions and Use Taxes
11932	Am	AB 1888	20	1/1/2015	52	Documentary Transfer Tax: Document for Recordation:
11933	Am	AB 1888	20	1/1/2015	52	Documentary Transfer Tax: Document for Recordation
20503	Am	AB 2231	703	9/28/2014	52	State Controller: Property Tax Postponement
20583	Am	AB 2231	703	9/28/2014	53	State Controller: Property Tax Postponement
20583.1	Rp	AB 2231	703	9/28/2014	54	State Controller: Property Tax Postponement
20584	Am	AB 2231	703	9/28/2014	54	State Controller: Property Tax Postponement
20585	Am	AB 2231	703	9/28/2014	55	State Controller: Property Tax Postponement
20602	Am	AB 2231	703	9/28/2014	56	State Controller: Property Tax Postponement
206021	Am	AB 2231	703	9/28/2014	57	State Controller: Property Tax Postponement
20622	Am	AB 2231	703	9/28/2014	57	State Controller: Property Tax Postponement
20623	Rp/Am	AB 2231	703	9/28/2014	57	State Controller: Property Tax Postponement
20639.1	Am	AB 2231	703	9/28/2014	58	State Controller: Property Tax Postponement
20639.11	Am	AB 2231	703	9/28/2014	58	State Controller: Property Tax Postponement
20639.12	Am	AB 2231	703	9/28/2014	58	State Controller: Property Tax Postponement
20645.5	Am	AB 2231	703	9/28/2014	58	State Controller: Property Tax Postponement

**Revenue and Taxation Code (Con't)**

<b>Code Section</b>	<b>Action*</b>	<b>Bill Number</b>	<b>Chapter Number</b>	<b>Effective Date</b>	<b>Page Number</b>	<b>Topic</b>
20645.6	Am	AB 2231	703	9/28/2014	59	State Controller: Property Tax Postponement



## Statutory Code Sections 2014

### Code of Civil Procedure

**Assembly Bill 2317, Chapter 183**  
**Execution: Sale of Property**  
**Effective 1/1/2015**

Section 701.680 of the Code of Civil Procedure is amended to read:

(a) Except as provided in paragraph (1) of subdivision (c), a sale of property pursuant to this article is absolute and ~~may~~ **shall** not be set aside for any reason.

(b) If the judgment is reversed, vacated, or otherwise set aside, the judgment debtor may recover from the judgment creditor the proceeds of a sale pursuant to the judgment with interest at the rate on money judgments to the extent the proceeds were applied to the satisfaction of the judgment.

(c) If the sale was improper because of irregularities in the proceedings, because the property sold was not subject to execution, or for any other reason:

(1) The judgment debtor, or the judgment debtor's successor in interest, may commence an action within 90 days after the date of sale to set aside the sale if the purchaser at the sale is the judgment creditor. Subject to paragraph (2), if the sale is set aside, the judgment of the judgment creditor is revived to reflect the amount that was satisfied from the proceeds of the sale and the judgment creditor is entitled to interest on the amount of the judgment as so revived as if the sale had not been made. Any liens extinguished by the sale of the property are revived and reattach to the property with the same priority and effect as if the sale had not been made.

(2) The judgment debtor, or the judgment debtor's successor in interest, may recover damages caused by the impropriety. If damages are recovered against the judgment creditor, they shall be offset against the judgment to the extent the judgment is not satisfied. If damages are recovered against the levying officer, they shall be applied to the judgment to the extent the judgment is not satisfied.

(d) For the purposes of subdivision (c), the purchaser of the property at the sale is not a successor in interest.

**(e) This section does not affect, limit, or eliminate a judgment debtor's equitable right of redemption.**

**Assembly Bill 1856, Chapter 305**  
**Deposit in Lieu of Bond**  
**1/1/2015**

Section 995.710 of the Code of Civil Procedure is amended to read:

(a) Except as provided in subdivision (e) or to the extent the statute providing for a bond precludes a deposit in lieu of bond or limits the form of deposit, the principal ~~may~~ **may, without prior court approval**, instead of giving a bond, deposit with the officer any of the following:

(1) Lawful money of the United States ~~States~~ **States or a cashier's check, made payable to the officer, issued by a bank, savings association, or credit union authorized to do business in this state.** The money shall be ~~maintained~~ **held in trust** by the officer in an interest-bearing trust account. ~~interest-bearing deposit or share accounts.~~

(2) ~~Bearer bonds or bearer notes~~ **Bonds or notes, including bearer bonds and bearer notes**, of the United States or the State of California. **The deposit of a bond or note pursuant to this section shall be accomplished by filing with the court, and serving upon all parties and the appropriate officer of the bank holding the bond or note, instructions executed by the person or entity holding title to the bond or note that the treasurer of the county where the judgment was entered is the custodian of that account for the purpose of staying enforcement of the judgment, and that the title holder assigns to the treasurer the right to collect, sell, or otherwise apply the bond or note to enforce the judgment debtor's liability pursuant to Section 995.760.**

(3) Certificates of deposit payable to the officer, not exceeding the federally insured amount, issued by banks or savings associations authorized to do business in this state and insured by the Federal Deposit Insurance Corporation.

(4) Savings accounts assigned to the officer, not exceeding the federally insured amount, together with evidence of the deposit in the savings accounts with banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation.

(5) Investment certificates or share accounts assigned to the officer, not exceeding the federally insured amount, issued by savings associations authorized to do business in this state and insured by the Federal Deposit Insurance Corporation.

(6) ~~Certificates for funds or share accounts assigned~~ **Share certificates payable** to the officer, not exceeding the guaranteed **or insured** amount, issued by a credit union, as defined in Section 14002 of the Financial Code, whose share ~~deposits~~ **accounts** are guaranteed **insured** by the National Credit Union Administration or guaranteed **or insured** by any other agency approved by ~~that~~ the Department of Financial Institutions. **Commissioner of Business Oversight has not deemed to be unsatisfactory.**

(b) The deposit shall be in an amount or have a face value, ~~or~~ **or**, in the case of ~~bearer bonds or bearer notes~~ **notes**, have a market value, equal to or in excess of the amount that would be required to be secured by the bond if the bond were given by an admitted surety insurer. Notwithstanding any other provision of this chapter, in the case of a deposit of ~~bearer bonds or bearer notes~~ other than in an action or proceeding, the officer may, in the officer's discretion, require that the amount of the deposit be determined not by the market value of the bonds or notes but by a formula based on the principal amount of the bonds or notes.

(c) The deposit shall be accompanied by an agreement executed by the principal authorizing the officer to collect, sell, or otherwise apply the deposit to enforce the liability of the principal on the deposit. The agreement shall include the address at which the principal may be served with notices, papers, and other documents under this chapter.

(d) The officer may prescribe terms and conditions to implement this section.

(e) This section ~~may not be utilized after January 1, 1999, for~~ **does not apply to** deposits with the Secretary of State. ~~Any principal who made a deposit with the Secretary of State pursuant to this section prior to January 1, 1999, may continue to utilize that deposit in lieu of a bond pursuant to this section and the statute that prescribes a bond; however, the deposit shall not be renewable pursuant to this section.~~

Section 995.720 of the Code of Civil Procedure is amended to read:

(a) The market value of **bonds or notes, including** bearer bonds ~~or~~ **and** bearer ~~notes~~ **notes**, shall be agreed upon by stipulation of the principal and beneficiary or, if the bonds or notes are given in an action or proceeding and the principal and beneficiary are unable to agree, the market value shall be

determined by court order in the manner prescribed in this section. A certified copy of the stipulation or court order shall be delivered to the officer at the time of the deposit of the bonds or notes.

(b) If the bonds or notes are given in an action or proceeding, the principal may file a written application with the court to determine the market value of the bonds or notes. The application shall be served upon the beneficiary and proof of service shall be filed with the application. The application shall contain all of the following:

(1) A specific description of the bonds or notes.

(2) A statement of the current market value of the bonds or notes as of the date of the filing of the application.

(3) A statement of the amount of the bonds or notes that the principal believes would be equal to the required amount of the deposit.

(c) The application pursuant to subdivision (b) shall be heard by the court not less than five days or more than 10 days after service of the application. If at the time of the hearing no objection is made to the current market value of the bonds or notes alleged in the application, the court shall fix the amount of the bonds or notes on the basis of the market value alleged in the application. If the beneficiary contends that the current market value of the bonds or notes is less than alleged in the application, the principal shall offer evidence in support of the application, and the beneficiary may offer evidence in opposition. At the conclusion of the hearing, the court shall make an order determining the market value of the bonds or notes and shall fix and determine the amount of the bonds or notes to be deposited by the principal.

Section 995.740 of the Code of Civil Procedure is amended to read:

If no proceedings are pending to enforce the liability of the principal on the deposit, the officer shall:

(a) Pay quarterly, on demand, any interest on the deposit, when earned in accordance with the terms of the account or certificate, to the principal.

(b) Deliver to the principal, on demand, any interest coupons attached to **bonds or notes**, **including** bearer bonds ~~or~~ **and** bearer ~~notes~~ **notes**, as the interest coupons become due and payable, or pay annually any interest payable on the bonds or notes.

Section 995.760 of the Code of Civil Procedure is amended to read:

(a) If the principal does not pay the amount of the liability on the deposit within the time prescribed in Section 995.750, the deposit shall be collected, sold, or otherwise applied to the liability upon order of the court that entered the judgment of liability, made upon five days' notice to the parties.

(b) ~~Bearer bonds or bearer notes~~ **Bonds or notes, including bearer bonds and bearer notes**, without a prevailing market price shall be sold at public auction. Notice of sale shall be served on the principal. ~~Bearer bonds~~ **Bonds** or ~~bearer~~ notes having a prevailing market price may be sold at private sale at a price not lower than the prevailing market price.

(c) The deposit shall be distributed in the following order:

(1) First, to pay the cost of collection, sale, or other application of the deposit.

(2) Second, to pay the judgment of liability of the principal on the deposit.

(3) Third, the remainder, if any, shall be returned to the principal.

## Elections Code

**Assembly Bill 2551, Chapter 908**  
**Local Ballot Measures: Bond Issues**  
**1/1/2015**

Section 9401 of the Elections Code is amended to read:

(a) In connection with each bond issue specified in Section 9400, a statement shall be mailed to the voters with the sample ballot for the bond election. The statement required by this section shall be filed with the ~~election~~ **elections** official conducting the election not later than the 88th day ~~prior~~

~~to~~ **before** the election, and shall ~~include:~~ **include all of the following:**

(1) The best estimate from official sources of the tax rate that would be required to be levied to fund that bond issue during the first fiscal year after the first sale of the bonds based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors.

(2) The best estimate from official sources of the tax rate that would be required to be levied to fund that bond issue during the first fiscal year after the last sale of the bonds if the bonds are proposed to be sold in series, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors.

(3) The best estimate from official sources of the highest tax rate that would be required to be levied to fund that bond issue, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors.

**(4) The best estimate from official sources of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold. The estimate may include information about the assumptions used to determine the estimate.**

(b) In addition, the statement may contain ~~any~~ **a** declaration of policy of the legislative or governing body of the applicable jurisdiction, proposing to ~~utilize~~ **use** revenues other than ad valorem taxes ~~for purposes of funding~~ **to fund** the bond issue, and the best estimate from official sources of these revenues and the reduction in the tax rate levied to fund the bond issue resulting from the substitution of revenue.

(c) The words "tax rate" as used in this chapter means tax rate per one hundred dollars (\$100) of assessed valuation on all property to be taxed to fund ~~any~~ **a** bond issue described in Section 9400.

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## Government Code

**Assembly Bill 2109, Chapter 781  
Controller: Reports: Parcel Taxes  
1/1/2015**

***Section 12463.2 is added to the Government Code, to read:***

***(a) (1) The Controller shall include in reports compiled and published pursuant to subdivision (b) of Section 12463 information relating to the imposition of each locally assessed parcel tax, including, but not limited to, the following:***

***(A) The type and rate of parcel tax imposed.***

***(B) The number of parcels subject to the parcel tax.***

***(C) The number of parcels exempt from the parcel tax.***

***(D) The sunset date of the parcel tax, if any.***

***(E) The amount of revenue received from the parcel tax.***

***(F) The manner in which the revenue received from the parcel tax is being used.***

***(2) In implementing this subdivision, the Controller shall use existing funds or resources.***

***(b) Each county, city, and special district that assesses a parcel tax shall provide information to the Controller as required by the Controller to comply with subdivision (a).***

***(c) For purposes of this section, "parcel tax" means a tax levied by a local agency upon any parcel of property identified using the assessor's parcel number system, or upon any person as an incident of property ownership pursuant to Section 4 of Article XIII A of the California Constitution, that is collected via the annual property tax bill.***

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

**Assembly Bill 2231, Chapter 703  
State Controller: Property Tax Postponement  
9/28/2014**

Section 16180 of the Government Code is repealed.

Out of the amount appropriated to the Controller by Section 16100, the sum of twelve million seven hundred thousand dollars (\$12,700,000) for the 1977-78 fiscal year and each fiscal year thereafter is hereby made available to the Controller to pay the face amount of all certificates of eligibility for the postponement of property taxes submitted to the Controller which are signed and countersigned in the manner specified in Sections 20602, 20603, 20639.6, 20640.6, and 20640.7 of the Revenue and Taxation Code.

**Section 16180 is added to the Government Code, to read:**

**(a) There is hereby created in the State Treasury a Senior Citizens and Disabled Citizens Property Tax Postponement Fund. The fund shall be an interest-bearing fund. Subject to subdivision (b) and notwithstanding Section 13340, the fund is continuously appropriated to the Controller, commencing January 1, 2015, for purposes of administering this chapter, including, but not limited to, necessary administrative costs and disbursements relating to the postponement of property taxes pursuant to the Senior Citizens and Disabled Citizens Property Tax Postponement Law (Chapter 2 (commencing with Section 20581) of Part 10.5 of Division 2 of the Revenue and Taxation Code).**

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

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

**(2) On June 30, 2018, and on June 30 each year thereafter, transfer any moneys in the fund in excess of fifteen million dollars (\$15,000,000) to the General Fund.**

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

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

Section 16181 of the Government Code is amended to read:

(a) The Controller shall maintain a record of all properties against which a notice of lien for postponed property taxes has been recorded. The record shall include, but not be limited to, the names of each claimant, a description of the real property against which the lien is recorded, the identification number of the notice of lien assigned by the Controller, and the amount of the lien.

~~(b) The Controller shall maintain a record of all properties against which the Department of Housing and Community Development has been notified to withhold the transfer of title. The record shall include, but not be limited to, the names of each claimant, a description of the mobilehome against which a lien is charged, and the amount of the lien.~~

~~(c)~~ **(b)** Upon written request of any person or entity, or the agent of either, having a legal or equitable interest in real property or a mobilehome which ~~that~~ **is** subject to a lien for postponed taxes, the Controller shall within 10 working days following receipt of the request issue a written statement showing the amount of the obligation secured by the lien as of the date of ~~such~~ **the** statement and ~~such~~ **any** other information as will reasonably enable the person or entity, or the agent of either, to determine the amount to be paid the Controller in order to obtain a certificate of release or discharge of the lien for postponed taxes.

~~(d)~~ **(c)** The Controller shall adopt regulations necessary to implement the provisions of this chapter and may establish a reasonable fee, not to exceed ~~ten~~ **thirty** dollars ~~(\$10)~~, **(\$30)**, for the provision of the statement of lien status provided for herein.

Section 16182 of the Government Code is amended to read:

(a) All sums paid by the Controller under the provisions of this chapter, together with interest thereon, shall be secured by a lien in favor of the State of California **when funds are transferred to the county by**

~~the Controller~~ upon the real property ~~or a mobilehome~~ for which property taxes have been postponed, ~~or both~~ **postponed**. In the case of a residential dwelling which is part of a larger parcel taxed as a unit, such as a duplex, farm, or multipurpose or multidwelling building, the lien shall be against the entire tax parcel.

(b) In the case of real property:

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

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

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

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

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

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

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

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

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

(7) From the time of recordation of a notice of lien for postponed property taxes, a lien shall attach to the real property described therein and shall have the priority of a judgment lien for all amounts secured thereby, except that the lien shall remain in effect until ~~either of the following occurs:~~ **it is released by the Controller in the manner prescribed by Section 16186.**

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

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

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

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

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

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

- (A) The name or names of the registered owner or owners, legal owner or owners, if different than the registered owner or owners and the names, if any, of all junior lienholders.
- (B) The identification number of the notice of lien which has been assigned the lien by the Controller.
- ~~(4) The notice of lien shall be transmitted to the Department of Housing and Community Development at its office in Sacramento, California.~~
- ~~(5) Upon receipt of the notice of lien for postponed property taxes from the Controller, the Department of Housing and Community Development shall amend the permanent title record of the mobilehome to reflect that the property taxes on the mobilehome are subject to postponement.~~
- ~~(6) The Department of Housing and Community Development shall provide the Controller with an acknowledgement of receipt and amendment of the permanent title record.~~
- ~~(7) (2) From the time *that* the Department of Housing and Community Development receives the notice of lien from the Controller, the department shall impose a moratorium on any other amendments to the permanent title record of the mobilehome for purposes of transferring any ownership interest or transferring or creating any security interest in the mobilehome, *unit* until released by the Controller in the manner prescribed by Section ~~16186~~ **16186**, or an authorization for the amendments is given by the Controller in writing.~~
- ~~(d) (3) From the time of filing a notice of lien, a lien shall attach to the mobilehome for which eligibility for the postponement of property taxes has been granted.~~
- ~~(e) Notwithstanding any other provision in this section, any action required of a local agency by this section in order to give effect to the Senior Citizens Mobilehome Property Tax Postponement Law (Chapter 3.3 (commencing with Section 20639) of Part 10.5 of Division 2 of the Revenue and Taxation Code, and that has been determined by the Commission on State Mandates to be a reimbursable mandate, shall be optional.~~

Section 16183 of the Government Code is amended to read:

- (a) (1) From the time a payment is made pursuant to Section 16180, the amount of that payment shall bear interest at a rate (not compounded), determined as follows:
- (1) ~~For the period ending June 30, 1984,~~ **the Beginning July 1, 2016,** the rate of interest shall be 7 percent per annum.
- (2) The Controller shall establish an adjusted rate of interest for the purpose of this subdivision not later than July 15th of any year if the effective annual yield of the Pooled Money Investment Account for the prior fiscal year is at least a full percentage point more or less than the interest rate which is then in effect. The adjusted rate of interest shall be equal per annum to the effective annual yield earned in the prior fiscal year by the Pooled Money Investment Account rounded to the nearest full percent, and shall become effective for new deferrals, beginning on July 1, 1984, and on July 1 of each immediately succeeding ~~year.~~ **year, until June 30, 2016.**
- (3) The rate of interest provided pursuant to this subdivision for the first fiscal year commencing after payment is made pursuant to Section 16180 shall apply for that fiscal year and each fiscal year thereafter until these postponed property taxes are repaid.
- (b) The interest provided for in subdivision (a) shall be applied beginning the first day of the month following the month in which that payment is made and continuing on the first day of each month thereafter until that amount is paid. In the event that any payments are applied, in any month, to reduce the amount paid pursuant to Section 16180, the interest provided for herein shall be applied to the balance of that amount beginning on the first day of the following month.
- (c) In computing interest in accordance with this section, fractions of a cent shall be disregarded.

(d) For the purpose of this section, the time a payment is made shall be deemed to be the time a certificate of eligibility is countersigned by the tax collector or the delinquency date of the respective tax installment, whichever is later.

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

Section 16184 of the Government Code is amended to read:

The Controller shall reduce the amount of the obligation secured by the lien against the real property ~~or mobilehome~~ by the amount of any payments received for that purpose and by notification of any amounts paid by the Franchise Tax Board pursuant to Section 20564 or by any amounts authorized pursuant to subdivision (f) of Section 20621 of the Revenue and Taxation Code. The Controller shall also increase the amount of the obligation secured by ~~such~~ **the** lien by the amount of any subsequent payments made pursuant to Section 16180 with respect to the real property and to reflect the accumulation of interest. All such increases and decreases shall be entered in the record described in Section 16181.

Section 16185 of the Government Code is repealed.

~~Notwithstanding the provisions of Section 16182, provided the interests of the state are adequately protected, the Controller may subordinate the lien for postponed real property taxes where the Controller determines subordination is appropriate.~~

~~A recital in a certificate of subordination, executed by the Controller, recorded in the county wherein the notice of lien for postponed property taxes has been recorded, subordinating such lien to specifically identified liens or encumbrances shall be conclusive in favor of all persons or entities thereafter dealing with the real property.~~

Section 16186 of the Government Code is amended to read:

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

~~(a) In the case of real property:~~

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

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

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

~~(b) In the case of a mobilehome:~~ ***If at any time the amount of the obligation secured by the lien for postponed property taxes is paid in full or otherwise discharged, the Controller, or the authorized***

**delegate of the Controller, shall, in the case of mobilehome loans established prior to February 20, 2009:**

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

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

Section 16190 of the Government Code is amended to read:

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

(a) The claimant, who is either the sole owner or sole possessory ~~interest holder~~ **interestholder** of the residential dwelling, as defined in Section 20583 or Section 20640 of the Revenue and Taxation Code, or a coowner or copossessory ~~interest holder~~ **interestholder** with a person other than a spouse or other individual eligible to postpone property taxes pursuant to Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of such code, ceases to occupy the premises as his residential dwelling, dies, or sells, conveys, or disposes of the property, or allows any tax or special assessment on the premises described in Section 20583 of such code to become delinquent. If the sole owner or possessory ~~interest holder~~ **interestholder** claimant dies and his or her surviving spouse inherits the premises and continues to own and occupy it as his or her principal place of residence, then the lien amount does not become due and payable unless taxes or special assessments described in the preceding sentence become delinquent, or such surviving spouse dies, or sells, ~~conveys~~ **conveys**, or disposes of the interest in the property.

(b) The claimant, who is a coowner or copossessory ~~interest holder~~ **interestholder** of the residential dwelling, as defined in Section 20583 or Section 20640.2 of the Revenue and Taxation Code, with a spouse or another individual eligible to postpone property taxes pursuant to Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of such code, dies, and the surviving spouse or other surviving eligible individual allows any tax or special assessment on the premises described in Section 20583 of such code to become delinquent or such surviving spouse or other individual ceases to occupy the premises as a residential dwelling, dies, or conveys, or disposes of the interest in the property.

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

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

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

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

Section 16200 of the Government Code is amended to read:

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

~~(a) Out of the amount appropriated by Section 16100, the Controller may pay the amount of any delinquent taxes, interest, or penalties on the property or the amount of any other obligation secured by a lien or encumbrance on the property and add such amount to the amount secured by the lien on such property provided for in Article 1 (commencing with Section 16180) of this chapter.~~

~~(b) (a)~~ Notify by United States mail the tax collector or other party that such notice has been received and that the Controller must be given at least 20 days prior notice of the date that the property will be sold at auction. If the Controller elects to proceed under this subdivision, the Controller may use funds appropriated by Section 16100 to bid on the property at the auction up to the amount secured by the state's lien on the property and any lien on such property having priority over the state's lien. All additional amounts paid pursuant to this subdivision shall be added to the amount secured by the lien on such property provided for in Article 1 (commencing with Section 16180) of this chapter.

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

Section 16210 of the Government Code is amended to read:

In the event that the amount secured by the state's lien provided for in Article 1 (commencing with Section 16180) is paid by reason of the sale or condemnation of the property on which the lien attaches, the funds so received shall be placed in an impound account for a period of six months. ~~In connection with the establishment of such an account, the Controller shall release the state's lien in the manner prescribed by Section 16186.~~ ***the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.***

Section 16211 of the Government Code is amended to read:

The claimant under Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), ~~Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640)~~ of Part 10.5 of Division 2 of the Revenue and Taxation Code whose residential dwelling was sold or condemned ~~may~~ ***shall not*** draw upon the amount in the account to purchase a new residential dwelling, and the amount so drawn shall be secured by a new lien against the new residential dwelling from the time the Controller records the new lien against the new residential dwelling as provided for under Section 16182. ***Senior Citizens and Disabled Citizens Property Tax Postponement Fund.***

~~In the case of real property, the Controller shall subordinate the new lien to the lien of the note and deed of trust of the purchase money obligations used in the acquisition of the new residential dwelling, provided the claimant has an equity of at least 20 percent of the full value of the property, as required by paragraph (1) of subdivision (b) of Section 20583 of the Revenue and Taxation Code, prior to recordation of that subordination. The lien shall have priority over all subsequent liens, except as provided in Section 2192.1 of the Revenue and Taxation Code.~~

Section 16211.5 of the Government Code is amended to read:

(a) In the event that the real property securing the state's lien provided for in Article 1 (commencing with Section 16180) is the residential dwelling of a claimant under Chapter 2 (commencing with Section

20581) of Part 10.5 of Division 2 of the Revenue and Taxation Code and is voluntarily sold, the funds derived from the voluntary sale of the residential dwelling shall be placed in an impound account for a period of six months. In connection with the establishment of such account, ~~the Senior Citizens and Disabled Citizens Property Tax Postponement Fund. At that time,~~ the Controller shall release the state's lien in the manner prescribed by Section 16186.

(b) The claimant under Chapter 2 (commencing with Section 20581) of Part 10.5 of Division 2 of the Revenue and Taxation Code whose residential dwelling was voluntarily sold ~~may~~ **shall not** draw upon the amount in the account to purchase a new residential dwelling, and the amount so drawn shall be secured by a new lien against the new residential dwelling from the time the Controller records the new lien against the new residential dwelling as provided for under Section 16182. **Senior Citizens and Disabled Citizens Property Tax Postponement Fund.**

~~The Controller shall subordinate such new lien to the note and deed of trust of the purchase money obligations used in the acquisition of the new residential dwelling, provided the claimant has an equity of at least 20 percent of the full value of the property, as required by paragraph (1) of subdivision (b) of Section 20583 of the Revenue and Taxation Code, prior to recordation of such subordination. Such lien shall have priority over all subsequent liens, except as provided in Section 2192.1 of the Revenue and Taxation Code.~~

Section 16212 of the Government Code is repealed.

~~An amount drawn pursuant to Section 16211 or 16211.5 shall be treated as an amount paid pursuant to Section 16180 for all purposes of this chapter.~~

Section 16213 of the Government Code is repealed.

~~At the end of the six-month period specified in Section 16210 or the six-month period specified in Section 16211.5, all funds remaining in an impound account shall be transferred to the General Fund.~~

Section 16214 of the Government Code is repealed.

~~All moneys in an impound account created pursuant to this article are continually appropriated to the Controller for the purposes of this article.~~

**Senate Bill 803, Chapter 113**  
**Local Government: Counties: Consolidation of Offices**  
**Effective 1/1/2015**

Section 24011 of the Government Code is amended to read:

Notwithstanding the provisions of Section 24009:

(a) The Boards of Supervisors of Amador County, **Contra Costa County**, Glenn County, Lake County, Lassen County, Madera County, Mendocino County, Monterey County, Napa County, Solano County, Sonoma County, Trinity County, Tuolumne County, and Ventura County may, by ordinance, provide that the public administrator shall be appointed by the board.

(b) The Boards of Supervisors of Lake County, Madera County, Mendocino County, Napa County, Trinity County, and Tuolumne County may appoint the same person to the offices of public administrator, veteran service officer, and public guardian. The Boards of Supervisors of Amador County, **Contra Costa County**, Glenn County, Kings County, Lassen County, Monterey County, Solano County, Sonoma County, and Ventura County, may, by ordinance, appoint the same person to the offices of public administrator and public guardian.

(c) The Boards of Supervisors of Amador County, **Contra Costa County**, Glenn County, Lake County, Lassen County, Madera County, Mendocino County, Napa County, Trinity County, and Tuolumne County may separate the consolidated offices of district attorney and public administrator at any time in order to make the appointments permitted by this section. Upon approval by the board of supervisors, the officer elected to these offices at any time may resign, or decline to qualify for, the office of public administrator without resigning from, or declining to qualify for, the office of district attorney.

(d) The Board of Supervisors of Ventura County may separate the consolidated office of public administrator from the office of treasurer, in order to make the appointment authorized by this section. Upon approval by the board of supervisors, the officer elected to these offices at any time may resign, or decline to qualify for, the office of public administrator without resigning from, or declining to qualify for, the office of treasurer.

***The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances faced by Contra Costa County with respect to the reorganization of their county offices.***

**Senate Bill 827, Chapter 65  
Local Government: Los Angeles County: Notice of Recordation  
Effective 1/1/2015**

Section 27297.6 of the Government Code, as amended by Section 1 of Chapter 141 of the Statutes of 2011, is amended to read:

(a) (1) Following adoption of an authorizing resolution by the Los Angeles County Board of Supervisors, the Los Angeles County Recorder, or a designee or designees authorized by the board of supervisors, may notify one or more of the following by mail:

(A) The party or parties executing a deed, quitclaim deed, or deed of trust, within 30 days of recordation.

(B) The party or parties subject to a notice of default or notice of sale, including the occupants of that property, within 5 days, but in any event no more than ~~20~~ **14** days, of recordation.

(2) The recorder may require, as a condition of recording, that a deed, quitclaim deed, deed of trust, notice of default, or notice of sale indicate the assessor's identification number or numbers that fully contain all, or a portion of, the real property described in the legal description. If the description contains more than one assessor's parcel, all assessor's parcels shall be indicated. The form of the entry shall be substantially as follows: Assessor's Identification Number \_\_\_-\_\_\_-\_\_\_.

(b) This section shall not apply to the recordation of any document where the federal government, or state, county, city, or any subdivision of the state acquires title.

(c) The failure of the county recorder to provide the notice as permitted by this section shall not result in any liability against the recorder or the county. In the event that the notice is returned to the recorder by the postal service as undeliverable, the recorder is not required to retain the returned notice.

(d) Where the county recorder contracts with any party or parties for the performance of the processing or the mailing of the notice, or both, as authorized by this section, the contract shall be awarded by competitive bid. The county recorder shall solicit written bids for the contract in a newspaper of general circulation in the county, and all bids received shall be publicly opened and the contract awarded to the lowest responsible bidder. If the county recorder or his or her designee deems the acceptance of the lowest responsible bid is not in the best interest of the county, all bids may be rejected.

(e) If the board of supervisors adopts an authorizing resolution, pursuant to subdivision (a), that includes notification of the parties described in subparagraph (B) of paragraph (1) of subdivision (a), the County of Los Angeles shall, on or before January 1, ~~2014~~, **2019**, submit a report to the Senate Committee on Judiciary and the Assembly Committee on Local Government that shall include, but not be limited to, the following information:

(1) A copy of each type of notice mailed pursuant to subparagraph (B) of paragraph (1) of subdivision (a).

(2) The number of filed notices of default and notices of sale for which a fee was collected pursuant to Section 27387.1.

(3) The amount of fees collected, pursuant to Section 27387.1, for the filing of notices of default and notices of sale.

(4) The amount of fees spent to provide housing information, counseling, and assistance, described in Section 27387.1.

**(5) Documented examples showing how the county's homeowner notification program led to successful investigations of real estate fraud activity, referrals to prosecuting agencies, avoided foreclosures, or helped property owners and residents avoid falling victim to real estate fraud.**

**(6) An evaluation of whether the county's homeowner notification program, in comparison to other available policy tools in the County of Los Angeles, is a cost-effective approach to combating real estate fraud and reducing foreclosures.**

**(7) An evaluation of whether the county's homeowner notification program is an effective way to inform tenants of an impending foreclosure and to combat abusive post-foreclosure practices by property owners.**

**(8) An assessment of how the county's homeowner notification program compares to real estate fraud and foreclosure prevention programs being implemented in at least three other large, urban California counties.**

(f) This section shall remain in effect only until January 1, ~~2015~~, **2020**, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2015~~, **2020**, deletes or extends that date.

Section 27297.6 of the Government Code, as added by Section 2 of Chapter 141 of the Statutes of 2011, is amended to read:

(a) Following adoption of an authorizing resolution by the Los Angeles County Board of Supervisors, the Los Angeles County Recorder may, within 30 days of recordation of a deed, quitclaim deed, or deed of trust, notify by mail the party or parties executing the document. The recorder may require, as a condition of recording, that a deed, quitclaim deed, or deed of trust indicate the assessor's identification number or numbers that fully contain all, or a portion of, the real property described in the legal description. If the description contains more than one assessor's parcel, all assessor's parcels shall be

indicated. The form of the entry shall be substantially as follows: Assessor's Identification Number \_\_\_ - \_\_\_ - \_\_\_.

(b) This section shall not apply to the recordation of any document where the federal government, or state, county, city, or any subdivision of the state acquires title.

(c) The failure of the county recorder to provide the notice as permitted by this section shall not result in any liability against the recorder or the county. In the event that the notice is returned to the recorder by the postal service as undeliverable, the recorder is not required to retain the returned notice.

(d) Where the county recorder contracts with any party or parties for the performance of the processing or the mailing of the notice, or both, as authorized by this section, the contract shall be awarded by competitive bid. The county recorder shall solicit written bids for the contract in a newspaper of general circulation in the county, and all bids received shall be publicly opened and the contract awarded to the lowest responsible bidder. If the county recorder or his or her designee deems the acceptance of the lowest responsible bid is not in the best interest of the county, all bids may be rejected.

(e) This section shall become operative on January 1, ~~2015~~, **2020**.

Section 27387.1 of the Government Code, as amended by Section 3 of Chapter 141 of the Statutes of 2011, is amended to read:

(a) In addition to any other recording fee, the recorder, pursuant to Section 27297.6, may collect a fee from the party filing a deed, quitclaim deed, deed of trust, notice of default, or notice of sale, unless that party is a government entity. The fee shall not exceed the mailing cost of the notice specified in Section 27297.6 and the actual cost to provide information, counseling, or assistance to a person who receives the notice, not to exceed seven dollars (\$7).

(b) The actual costs comprising the fee described in subdivision (a) may include administrative costs incurred by the recorder in performing the actions described in that subdivision. However, the administrative costs shall not exceed 10 percent of the total fee collected pursuant to subdivision (a).

(c) This section shall remain in effect only until January 1, ~~2015~~, **2020**, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2015~~, **2020**, deletes or extends that date.

Section 27387.1 of the Government Code, as added by Section 4 of Chapter 141 of the Statutes of 2011, is amended to read:

(a) In addition to any other recording fee, the recorder may collect a fee from the party filing a deed, quitclaim deed, or deed of trust, other than a government entity, pursuant to Section 27297.6. The fee shall not exceed the mailing cost of the notice specified in Section 27297.6, not to exceed seven dollars (\$7).

(b) This section shall become operative on January 1, ~~2015~~, **2020**.

***The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because the County of Los Angeles is experiencing a unique and prolonged recovery from the financial and real estate fraud crisis.***

**Assembly Bill 471, Chapter 1**  
**Local Government: Redevelopment**  
**Successor Agencies to Redevelopment Agencies**  
**Effective 2/18/2014**

Section 53395.4 of the Government Code is amended to read:

~~(a) A district may not include any portion of a redevelopment project area which is or has been previously created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, whether the creation is or was proper or improper. A redevelopment project area may not include any portion of a district created pursuant to this chapter.~~

~~(b)~~ **(a)** A district may finance only the facilities or services authorized in this chapter to the extent that the facilities or services are in addition to those provided in the territory of the district before the district was created. The additional facilities or services may not supplant facilities or services already available within that territory when the district was created but may supplement those facilities and services as needed to serve new developments.

~~(c)~~ **(b)** A district may include areas which **that** are not contiguous.

**(c) A district may finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area. The successor agency to the former redevelopment agency shall receive a finding of completion, as defined in Section 34179.7 of the Health and Safety Code, prior to the district financing any project or portion of a project under this subdivision.**

**(d) Notwithstanding subdivision (c), any debt or obligation of a district shall be subordinate to an enforceable obligation of a former redevelopment agency, as defined in Section 34171 of the Health and Safety Code. For the purposes of this chapter, the division of taxes allocated to the district pursuant to subdivision (b) of Section 53396 shall not include any taxes required to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund created pursuant to subdivision (b) of Section 34170.5 of the Health and Safety Code.**

**(e) The legislative body of the city or county forming the district may choose to dedicate any portion of its net available revenue to the district through the financing plan described in Section 53395.14.**

**(f) For the purposes of this section, "net available revenue" means periodic distributions to the city or county from the Redevelopment Property Tax Trust Fund, created pursuant to Section 34170.5 of the Health and Safety Code, that are available to the city or county after all preexisting legal commitments and statutory obligations funded from that revenue are made pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. Net available revenue shall not include any funds deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund or funds remaining in the Redevelopment Property Tax Trust Fund prior to distribution. Net available revenues shall not include any moneys payable to a school district that maintains kindergarten and grades 1 to 12, inclusive, community college districts, or to the Educational Revenue Augmentation Fund, pursuant to paragraph (4) of subdivision (a) of Section 34183 of the Health and Safety Code.**

**Assembly Bill 1933, Chapter 59**  
**Local Government: Investments**  
**Effective 1/1/2015**

Section 53601 of the Government Code is amended to read:

This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

- (a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- (b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- (d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- (e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and ~~may~~ **shall** not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to ~~(o)~~, **(q)**, inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to ~~(o)~~, **(q)**, inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's

moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision ~~may~~ **shall** not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to ~~(o)~~, **(q)**, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to ~~(o)~~, **(q)**, inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

***(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.***

**Assembly Bill 2403, Chapter 78**  
**Local Government: Assessments, Fees, and Charges**  
**Effective 1/1/2015**

***The Legislature finds and declares all of the following:***

***(a) The provisions of the Proposition 218 Omnibus Implementation Act (Article 4.6 (commencing with Section 53750) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code) shall be liberally construed to effectuate its purposes of limiting local government revenue and enhancing taxpayer consent.***

***(b) This act is in furtherance of the policy contained in Section 2 of Article X of the California Constitution and the policy that the use of potable domestic water for nonpotable uses, including, but not limited to, cemeteries, golf courses, parks, highway landscaped areas, and industrial and irrigation uses, is a waste or an unreasonable use of the water within the meaning of Section 2 of Article X of the California Constitution if recycled water is available.***

***(c) This act is declaratory of existing law.***

Section 53750 of the Government Code is amended to read:

For purposes of Article XIII C and Article XIII D of the California Constitution and this article:

(a) "Agency" means any local government as defined in subdivision (b) of Section 1 of Article XIII C of the California Constitution.

(b) "Assessment" means any levy or charge by an agency upon real property that is based upon the special benefit conferred upon the real property by a public improvement or service, that is imposed to pay the capital cost of the public improvement, the maintenance and operation expenses of the public improvement, or the cost of the service being provided. "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment," and "special assessment tax."

(c) "District" means an area that is determined by an agency to contain all of the parcels that will receive a special benefit from a proposed public improvement or service.

(d) "Drainage system" means any system of public improvements that is intended to provide for erosion control, **for** landslide abatement, or for other types of water drainage.

(e) "Extended," when applied to an existing tax or fee or charge, means a decision by an agency to extend the stated effective period for the tax or fee or charge, including, but not limited to, amendment or removal of a sunset provision or expiration date.

(f) "Flood control" means any system of public improvements that is intended to protect property from overflow by water.

(g) "Identified parcel" means a parcel of real property that an agency has identified as having a special benefit conferred upon it and upon which a proposed assessment is to be imposed, or a parcel of real property upon which a proposed property-related fee or charge is proposed to be imposed.

(h) (1) "Increased," when applied to a tax, assessment, or property-related fee or charge, means a decision by an agency that does either of the following:

(A) Increases any applicable rate used to calculate the tax, assessment, **fee fee**, or charge.

(B) Revises the methodology by which the tax, assessment, **fee fee**, or charge is calculated, if that revision results in an increased amount being levied on any person or parcel.

(2) A tax, fee, or charge is not deemed to be "increased" by an agency action that does either or both of the following:

- (A) Adjusts the amount of a ~~tax or fee or~~ **tax, fee, or** charge in accordance with a schedule of adjustments, including a clearly defined formula for inflation adjustment that was adopted by the agency prior to November 6, 1996.
- (B) Implements or collects a previously approved tax, **fee**, or ~~fee or~~ charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved by the agency is not revised so as to result in an increase in the amount being levied on any person or parcel.
- (3) A tax, assessment, ~~fee~~ **fee**, or charge is not deemed to be “increased” in the case in which the actual payments from a person or property are higher than would have resulted when the agency approved the tax, assessment, **fee**, or ~~fee or~~ charge, if those higher payments are attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land.
- (i) “Notice by mail” means any notice required by Article XIII C or XIII D of the California Constitution that is accomplished through a mailing, postage prepaid, deposited in the United States Postal Service and is deemed given when so deposited. Notice by mail may be included in any other mailing to the record owner that otherwise complies with Article XIII C or XIII D of the California Constitution and this article, including, but not limited to, the mailing of a bill for the collection of an assessment or a property-related fee or charge.
- (j) “Record owner” means the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll, or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the agency.
- (k) “Registered professional engineer” means an engineer registered pursuant to the Professional Engineers Act (Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code).
- (l) “Vector control” means any system of public improvements or services that is intended to provide for the surveillance, prevention, abatement, and control of vectors as defined in subdivision (k) of Section 2002 of the Health and Safety Code and a pest as defined in Section 5006 of the Food and Agricultural Code.
- (m) “Water” means any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of ~~water.~~ **water from any source.**

## Military and Veterans Code

**Senate Bill 1113, Chapter 656**  
**Property Taxation: Disabled Veterans Exemption: Refunds:**  
**Statute of Limitations**  
**Effective 1/1/2015**

***The Legislature finds and declares all of the following:***

- (a) The disabled veterans' property tax exemption law honors and recognizes the service and sacrifice that members of the military and their families gave, and continue to give, to this country.***
- (b) The disabled veterans' property tax exemption helps disabled veterans defray the property taxes due on their homes. However, this benefit provided by the state cannot be granted until the United States Department of Veterans Affairs issues the disabled veteran a 100 percent disability rating. In some cases, it can take many years for the veteran to obtain the required 100 percent disability rating. In these instances, the limitations on refunds of property taxes paid can preclude veterans from receiving the benefit as of their effective disability date.***
- (c) The voters of California have repeatedly affirmed their support and commitment to disabled veterans and their spouses by approving needed changes to this constitutionally provided property tax exemption.***
- (d) By expanding the period to file a claim for refund, this act implements subdivision (a) of Section 4 of Article XIII of the California Constitution, and thereby fulfills a valid public purpose of relieving economic hardship on persons and their spouses, including unmarried surviving spouses, that have incurred injury or death in military service to this country.***

Section 890.3 of the Military and Veterans Code is amended to read:

- (a) (1) Notwithstanding any other provision of law, on or after January 1, 2001, a claimant is not ineligible for a disabled veterans' benefit for lack of certification of disability of the veteran with respect to whom the benefit is sought, if there is a currently pending application to the United States Department of Veterans Affairs (USDVA) for certification of disability for that veteran and the subsequently received certification qualifies the veteran for the benefit. An entity of state government, or any political subdivision thereof, to which a claim for a disabled veterans' benefit is made, shall require the claimant to provide written verification that an application had been pending with the USDVA at the time the claim for the disabled veterans' benefit is submitted.
- (2) For purposes of this subdivision, "disabled veterans benefit" means an exemption, privilege, service, or other legal benefit that is provided pursuant to law by the state, or a political subdivision thereof, exclusively to a disabled veteran, or his or her surviving spouse, parent, or child.
- (b) (1) For purposes of applying the disabled veterans' property tax exemption set forth in Section 205.5 of the Revenue and Taxation Code, any amount of tax, including any interest or penalty thereon, levied upon that portion of the assessed value of real property that would have been exempt if the veteran's pending application for certification of disability had been finalized, shall be canceled or refunded if both of the following conditions are met:
- (A) The certification is received and is forwarded to the county assessor.
- (B) A return is made as required by Section 277 of the Revenue and Taxation Code.

(2) Any refund issued pursuant to this subdivision is subject to the limitations periods for refunds set forth in Section ~~5096~~ **5097** of the Revenue and Taxation Code.

## Revenue and Taxation Code

### Senate Bill 1464, Chapter 134

#### Property Taxation

Effective 1/1/2015

Section 62 of the Revenue and Taxation Code is amended to read:

Change in ownership shall not include:

- (a) (1) Any transfer between coowners that results in a change in the method of holding title to the real property transferred without changing the proportional interests of the coowners in that real property, such as a partition of a tenancy in common.
- (2) Any transfer between an individual or individuals and a legal entity or between legal entities, such as a cotenancy to a partnership, a partnership to a corporation, or a trust to a cotenancy, that results solely in a change in the method of holding title to the real property and in which proportional ownership interests of the transferors and transferees, whether represented by stock, partnership interest, or otherwise, in each and every piece of real property transferred, remain the same after the transfer. The provisions of this paragraph shall not apply to transfers also excluded from change in ownership under the provisions of subdivision (b) of Section 64.
- (b) Any transfer for the purpose of perfecting title to the property.
- (c) (1) The creation, assignment, termination, or reconveyance of a security interest; or (2) the substitution of a trustee under a security instrument.
- (d) Any transfer by the trustor, or by the trustor's spouse or registered domestic partner, or by both, into a trust for so long as (1) the transferor is the present beneficiary of the trust, or (2) the trust is revocable; or any transfer by a trustee of such a trust described in either clause (1) or (2) back to the trustor; or, any creation or termination of a trust in which the trustor retains the reversion and in which the interest of others does not exceed 12 years duration.
- (e) Any transfer by an instrument whose terms reserve to the transferor an estate for years or an estate for life. However, the termination of such an estate for years or estate for life shall constitute a change in ownership, except as provided in subdivision (d) and in Section 63.
- (f) The creation or transfer of a joint tenancy interest if the transferor, after the creation or transfer, is one of the joint tenants as provided in subdivision (b) of Section 65.
- (g) Any transfer of a lessor's interest in taxable real property subject to a lease with a remaining term (including renewal options) of 35 years or more. For the purpose of this subdivision, for 1979–80 and each year thereafter, it shall be conclusively presumed that all homes eligible for the homeowners' exemption, other than manufactured homes located on rented or leased land and subject to taxation pursuant to Part 13 (commencing with Section 5800) and floating homes subject to taxation pursuant to Section 229, that are on leased land have a renewal option of at least 35 years on the lease of that land, whether or not in fact that renewal option exists in any contract or agreement.
- (h) Any purchase, redemption, or other transfer of the shares or units of participation of a group trust, ~~pooled fund~~, common trust fund, **pooled fund**, or other collective investment fund established by a financial institution.
- (i) Any transfer of stock or membership certificate in a housing cooperative that was financed under one mortgage, provided that mortgage was insured under Section 213, 221(d)(3), 221(d)(4), or 236 of the National Housing Act, as amended, or that housing cooperative was financed or assisted pursuant to Section 514, 515, or 516 of the Housing Act of 1949 or Section 202 of the Housing Act of 1959, or the

housing cooperative was financed by a direct loan from the California Housing Finance Agency, and provided that the regulatory and occupancy agreements were approved by the governmental lender or insurer, and provided that the transfer is to the housing cooperative or to a person or family qualifying for purchase by reason of limited income. Any subsequent transfer from the housing cooperative to a person or family not eligible for state or federal assistance in reduction of monthly carrying charges or interest reduction assistance by reason of the income level of that person or family shall constitute a change of ownership.

(j) Any transfer during the period March 1, 1975, to March 1, 1981, between coowners in any property that was held by them as coowners for all or part of that period, and which was eligible for a homeowner's exemption during the period of the coownership, notwithstanding any other provision of this chapter. Any transferee whose interest was revalued in contravention of the provisions of this subdivision shall obtain a reversal of that revaluation with respect to the 1980–81 assessment year and thereafter, upon application to the county assessor of the county in which the property is located filed on or before March 26, 1982. No refunds shall be made under this subdivision for any assessment year prior to the 1980-81 fiscal year.

(k) Any transfer of property or an interest therein between a corporation sole, a religious corporation, a public benefit corporation, and a holding corporation as defined in Section 23701h holding title for the benefit of any of these corporations, or any combination thereof (including any transfer from one entity to the same type of entity), provided that both the transferee and transferor are regulated by laws, rules, regulations, or canons of the same religious denomination.

(l) Any transfer, that would otherwise be a transfer subject to reappraisal under this chapter, between or among the same parties for the purpose of correcting or reforming a deed to express the true intentions of the parties, provided that the original relationship between the grantor and grantee is not changed.

(m) Any intrafamily transfer of an eligible dwelling unit from a parent or parents or legal guardian or guardians to a minor child or children or between or among minor siblings as a result of a court order or judicial decree due to the death of the parent or parents. As used in this subdivision, "eligible dwelling unit" means the dwelling unit that was the principal place of residence of the minor child or children prior to the transfer and remains the principal place of residence of the minor child or children after the transfer.

(n) Any transfer of an eligible dwelling unit, whether by will, devise, or inheritance, from a parent or parents to a child or children, or from a guardian or guardians to a ward or wards, if the child, children, ward, or wards have been disabled, as provided in subdivision ~~(e)~~ **(d)** of Section 12304 of the Welfare and Institutions Code, for at least five years preceding the transfer and if the child, children, ward, or wards have adjusted gross income that, when combined with the adjusted gross income of a spouse or spouses, parent or parents, and child or children, does not exceed twenty thousand dollars (\$20,000) in the year in which the transfer occurs. As used in this subdivision, "child" or "ward" includes a minor or an adult. As used in this subdivision, "eligible dwelling unit" means the dwelling unit that was the principal place of residence of the child or children, or ward or wards for at least five years preceding the transfer and remains the principal place of residence of the child or children, or ward or wards after the transfer. Any transferee whose property was reassessed in contravention of the provisions of this subdivision for the 1984–85 assessment year shall obtain a reversal of that reassessment upon application to the county assessor of the county in which the property is located. Application by the transferee shall be made to the assessor no later than 30 days after the later of either the transferee's receipt of notice of reassessment pursuant to Section 75.31 or the end of the 1984–85 fiscal year.

(o) Any transfer of a possessory interest in tax-exempt real property subject to a sublease with a remaining term, including renewal options, that exceeds half the length of the remaining term of the leasehold, including renewal options.

(p) (1) Commencing on January 1, 2000, any transfer between registered domestic partners, as defined in Section 297 of the Family Code, including, but not limited to:

(A) Transfers to a trustee for the beneficial use of a registered domestic partner, or the surviving registered domestic partner of a deceased transferor, or by a trustee of such a trust to the registered domestic partner of the trustor.

(B) Transfers that take effect upon the death of a registered domestic partner.

(C) Transfers to a registered domestic partner or former registered domestic partner in connection with a property settlement agreement or decree of dissolution of a registered domestic partnership or legal separation.

(D) The creation, transfer, or termination, solely between registered domestic partners, of any coowner's interest.

(E) The distribution of a legal entity's property to a registered domestic partner or former registered domestic partner in exchange for the interest of the registered domestic partner in the legal entity in connection with a property settlement agreement or a decree of dissolution of a registered domestic partnership or legal separation.

(2) Any transferee whose property was reassessed in contravention of the provisions of this subdivision for a transfer occurring between January 1, 2000, and January 1, 2006, shall obtain a reversal of that reassessment upon application to the county assessor of the county in which the property is located. Application by the transferee shall be made to the assessor no later than June 30, 2009. A county may charge a fee for its costs related to the application and reassessment reversal in an amount that does not exceed the actual costs incurred. This paragraph shall be liberally construed to provide the benefits of this subdivision and Article XIII A of the California Constitution to registered domestic partners.

(A) After consultation with the California Assessors' Association, the State Board of Equalization shall prescribe the form for claiming the reassessment reversal described in paragraph (2). The claim form shall be entitled "Claim for Reassessment Reversal for Registered Domestic Partners." The claim shall state on its face that a "certificate of registered domestic partnership" is available upon request from the California Secretary of State.

(B) The information on the claim shall include a description of the property, the parties to the transfer of interest in the property, the date of the transfer of interest in the property, and a statement that the transferee registered domestic partner and the transferor registered domestic partner were, on the date of transfer, in a registered domestic partnership as defined in Section 297 of the Family Code.

(C) The claimant shall declare that the information provided on the form is true, correct, and complete to the best of his or her knowledge and belief.

(D) The claimant shall provide with the completed claim the "Certificate of Registered Domestic Partnership," or photocopy thereof, naming the transferee and transferor as registered domestic partners and reflecting the creation of the registered domestic partnership on a date prior to, or concurrent with, the date of the transfer for which a reassessment reversal is requested.

(E) Any reassessment reversal granted pursuant to a claim shall apply commencing with the lien date of the assessment year, as defined in Section 118, in which the claim is filed. No refunds shall be made under this paragraph for any prior assessment year.

(F) Under any reassessment reversal granted pursuant to that claim, the adjusted full cash value of the subject real property in the assessment year described in subparagraph (E) shall be the adjusted base year value of the subject real property in the assessment year in which the excluded purchase or

transfer took place, factored to the assessment year described in subparagraph (E) for both of the following:

- (i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.
- (ii) Any subsequent new construction occurring with respect to the subject real property.

**Senate Bill 871, Chapter 41**  
**Property Taxes: New Construction Exclusion:**  
**Active Solar Energy Systems**  
**Effective 6/20/2014**

Section 73 of the Revenue and Taxation Code is amended to read:

(a) Pursuant to the authority granted to the Legislature pursuant to paragraph (1) of subdivision (c) of Section 2 of Article XIII A of the California Constitution, the term “newly constructed,” as used in subdivision (a) of Section 2 of Article XIII A of the California Constitution, does not include the construction or addition of any active solar energy system, as defined in subdivision (b).

(b) (1) “Active solar energy system” means a system that, upon completion of the construction of a system as part of a new property or the addition of a system to an existing property, uses solar devices, which are thermally isolated from living space or any other area where the energy is used, to provide for the collection, storage, or distribution of solar energy.

(2) “Active solar energy system” does not include solar swimming pool heaters or hot tub heaters.

(3) Active solar energy systems may be used for any of the following:

- (A) Domestic, recreational, therapeutic, or service water heating.
- (B) Space conditioning.
- (C) Production of electricity.
- (D) Process heat.
- (E) Solar mechanical energy.

(c) For purposes of this section, “occupy or use” has the same meaning as defined in Section 75.12.

(d) (1) (A) The Legislature finds and declares that the definition of spare parts in this paragraph is declarative of the intent of the Legislature, in prior statutory enactments of this section that excluded active solar energy systems from the term “newly constructed,” as used in the California Constitution, thereby creating a tax appraisal exclusion.

(B) An active solar energy system that uses solar energy in the production of electricity includes storage devices, power conditioning equipment, transfer equipment, and parts related to the functioning of those items. In general, the use of solar energy in the production of electricity involves the transformation of sunlight into electricity through the use of devices such as solar cells or other solar collecting equipment. However, an active solar energy system used in the production of electricity includes only equipment used up to, but not including, the stage of conveyance or use of the electricity. For the purpose of this paragraph, the term “parts” includes spare parts that are owned by the owner of, or the maintenance contractor for, an active solar energy system that uses solar energy in the production of electricity and which spare parts were specifically purchased, designed, or fabricated by or for that owner or maintenance contractor for installation in an active solar energy system that uses solar energy in the production of electricity, thereby including those parts in the tax appraisal exclusion created by this section.

(2) An active solar energy system that uses solar energy in the production of electricity also includes pipes and ducts that are used exclusively to carry energy derived from solar energy. Pipes and ducts that

are used to carry both energy derived from solar energy and from energy derived from other sources are active solar energy system property only to the extent of 75 percent of their full cash value.

(3) An active solar energy system that uses solar energy in the production of electricity does not include auxiliary equipment, such as furnaces and hot water heaters, that use a source of power other than solar energy to provide usable energy. An active solar energy system that uses solar energy in the production of electricity does include equipment, such as ducts and hot water tanks, that is utilized by both auxiliary equipment and solar energy equipment, that is, dual use equipment. That equipment is active solar energy system property only to the extent of 75 percent of its full cash value.

(e) (1) Notwithstanding any other law, for purposes of this section, “the construction or addition of any active solar energy system” includes the construction of an active solar energy system incorporated by the owner-builder in the initial construction of a new building that the owner-builder does not intend to occupy or use. The exclusion from “newly constructed” provided by this subdivision applies to the initial purchaser who purchased the new building from the owner-builder, but only if the owner-builder did not receive an exclusion under this section for the same active solar energy system and only if the initial purchaser purchased the new building prior to that building becoming subject to reassessment to the owner-builder, as described in subdivision (d) of Section 75.12. The assessor shall administer this subdivision in the following manner:

(A) The initial purchaser of the building shall file a claim with the assessor and provide to the assessor any documents necessary to identify the value attributable to the active solar energy system included in the purchase price of the new building. The claim shall also identify the amount of any rebate for the active solar energy system provided to either the owner-builder or the initial purchaser by the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, an electrical corporation, a local publicly owned electric utility, or any other agency of the State of California.

(B) The assessor shall evaluate the claim and determine the portion of the purchase price that is attributable to the active solar energy system. The assessor shall then reduce the new base year value established as a result of the change in ownership of the new building by an amount equal to the difference between the following two amounts:

(i) That portion of the value of the new building attributable to the active solar energy system.

(ii) The total amount of all rebates, if any, described in subparagraph (A) that were provided to either the owner-builder or the initial purchaser.

(C) The extension of the new construction exclusion to the initial purchaser of a newly constructed new building shall remain in effect only until there is a subsequent change in ownership of the new building.

(2) The State Board of Equalization, in consultation with the California Assessors’ Association, shall prescribe the manner, documentation, and form for claiming the new construction exclusion required by this subdivision.

(f) Notwithstanding any other law, the exclusion from new construction provided by this section shall remain in effect only until there is a subsequent change in ownership.

(g) This section applies to property tax lien dates for the 1999–2000 fiscal year to the ~~2015–16~~ **2023–24** fiscal year, inclusive.

(h) The amendments made to this section by the act that added this subdivision apply beginning with the lien date for the 2008–09 fiscal year.

(i) (1) This section shall remain in effect only until January 1, ~~2017~~, **2025**, and as of that date is repealed.

(2) Active energy solar systems that qualify for an exclusion under this section prior to January 1, ~~2017~~, **2025**, shall continue to be excluded on and after January 1, ~~2017~~, **2025**, until there is a subsequent change in ownership.

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

***Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to this act.***

***This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.***

**Senate Bill 1464, Chapter 134  
Property Taxation  
Effective 1/1/2015**

Section 170 of the Revenue and Taxation Code is amended to read:

(a) Notwithstanding any provision of law to the contrary, ~~the board of supervisors may, by ordinance,~~ **other law, the board of supervisors, by ordinance, may** provide that every assessee of any taxable property, or any person liable for the taxes thereon, whose property was damaged or destroyed without his or her fault, may apply for reassessment of that property as provided ~~herein.~~ **in this section.** The ordinance may also specify that the assessor may initiate the reassessment where the assessor determines that within the preceding 12 months taxable property located in the county was damaged or destroyed.

To be eligible for reassessment the damage or destruction to the property shall have been caused by any of the following:

- (1) A major misfortune or calamity, in an area or region subsequently proclaimed by the Governor to be in a state of disaster, if that property was damaged or destroyed by the major misfortune or calamity that caused the Governor to proclaim the area or region to be in a state of disaster. As used in this paragraph, "damage" includes a diminution in the value of property as a result of restricted access to the property where that restricted access was caused by the major misfortune or calamity.
- (2) A misfortune or calamity.
- (3) A misfortune or calamity that, with respect to a possessory interest in land owned by the state or federal government, has caused the permit or other right to enter upon the land to be suspended or restricted. As used in this paragraph, "misfortune or calamity" includes a drought condition such as existed in this state in 1976 and 1977.

The application for reassessment may be filed within the time specified in the ordinance or within 12 months of the misfortune or calamity, whichever is later, by delivering to the assessor a written application requesting reassessment showing the condition and value, if any, of the property immediately after the damage or destruction, and the dollar amount of the damage. The application shall be executed under penalty of perjury, or if executed outside the State of California, verified by affidavit.

An ordinance may be made applicable to a major misfortune or calamity specified in paragraph (1) or to any misfortune or calamity specified in paragraph (2), or to both, as the board of supervisors determines. An ordinance ~~may~~ **shall** not be made applicable to a misfortune or calamity specified in paragraph (3), unless an ordinance making paragraph (2) applicable is operative in the county. The

ordinance may specify a period of time within which the ordinance shall be effective, and, if no period of time is specified, it shall remain in effect until repealed.

(b) Upon receiving a proper application, the assessor shall appraise the property and determine separately the full cash value of land, improvements and personalty immediately before and after the damage or destruction. If the sum of the full cash values of the land, improvements and personalty before the damage or destruction exceeds the sum of the values after the damage by ten thousand dollars (\$10,000) or more, the assessor shall also separately determine the percentage reductions in value of land, improvements and personalty due to the damage or destruction. The assessor shall reduce the values appearing on the assessment roll by the percentages of damage or destruction computed pursuant to this subdivision, and the taxes due on the property shall be adjusted as provided in subdivision (e). However, the amount of the reduction shall not exceed the actual loss.

**(c) (1) As used in this subdivision, "board" means either the county board of supervisors acting as the county board of equalization, or an assessment appeals board established by the county board of supervisors in accordance with Section 1620, as applicable.**

~~(c) (2)~~ The assessor shall notify the applicant in writing of the amount of the proposed reassessment. The notice shall state that the applicant may appeal the proposed reassessment to the ~~local board of equalization~~ within six months of the date of mailing the notice. If an appeal is requested within the six-month period, the board shall hear and decide the matter as if the proposed reassessment had been entered on the roll as an assessment made outside the regular assessment period. The decision of the board regarding the damaged value of the property shall be final, provided that a decision of the ~~local board of equalization~~ regarding any reassessment made pursuant to this section shall create no presumption as regards the value of the affected property subsequent to the date of the damage.

**(3)** Those reassessed values resulting from reductions in full cash value of amounts, as determined above, shall be forwarded to the auditor by the assessor or the clerk of the ~~local equalization board~~, as the case may be. The auditor shall enter the reassessed values on the roll. After being entered on the roll, those reassessed values shall not be subject to review, except by a court of competent jurisdiction.

(d) (1) If no application is made and the assessor determines that within the preceding 12 months a property has suffered damage caused by misfortune or calamity that may qualify the property owner for relief under an ordinance adopted under this section, the assessor shall provide the last known owner of the property with an application for reassessment. The property owner shall file the completed application within 12 months after the occurrence of ~~said~~ **that** damage. Upon receipt of a properly completed, timely filed application, the property shall be reassessed in the same manner as required in subdivision (b).

(2) This subdivision does not apply where the assessor initiated reassessment as provided in subdivision (a) or (l).

(e) The tax rate fixed for property on the roll on which the property so reassessed appeared at the time of the misfortune or calamity, shall be applied to the amount of the reassessment as determined in accordance with this section and the assessee shall be liable for: (1) a prorated portion of the taxes that would have been due on the property for the current fiscal year had the misfortune or calamity not occurred, to be determined on the basis of the number of months in the current fiscal year prior to the misfortune or calamity; plus, (2) a proration of the tax due on the property as reassessed in its damaged or destroyed condition, to be determined on the basis of the number of months in the fiscal year after the damage or destruction, including the month in which the damage was incurred. For purposes of applying the preceding calculation in prorating supplemental taxes, the term "fiscal year" means that portion of the tax year used to determine the adjusted amount of taxes due pursuant to subdivision (b) of Section 75.41. If the damage or destruction occurred after January 1 and before the beginning of the

next fiscal year, the reassessment shall be utilized to determine the tax liability for the next fiscal year. However, if the property is fully restored during the next fiscal year, taxes due for that year shall be prorated based on the number of months in the year before and after the completion of restoration.

(f) Any tax paid in excess of the total tax due shall be refunded to the taxpayer pursuant to Chapter 5 (commencing with Section 5096) of Part 9, as an erroneously collected tax or by order of the board of supervisors without the necessity of a claim being filed pursuant to Chapter 5.

(g) The assessed value of the property in its damaged condition, as determined pursuant to subdivision (b) compounded annually by the inflation factor specified in subdivision (a) of Section 51, shall be the taxable value of the property until it is restored, repaired, reconstructed or other provisions of the law require the establishment of a new base year value.

If partial reconstruction, restoration, or repair has occurred on any subsequent lien date, the taxable value shall be increased by an amount determined by multiplying the difference between its factored base year value immediately before the calamity and its assessed value in its damaged condition by the percentage of the repair, reconstruction, or restoration completed on that lien date.

(h) (1) When the property is fully repaired, restored, or reconstructed, the assessor shall make an additional assessment or assessments in accordance with subparagraph (A) or (B) upon completion of the repair, restoration, or reconstruction:

(A) If the completion of the repair, restoration, or reconstruction occurs on or after January 1, but on or before May 31, then there shall be two additional assessments. The first additional assessment shall be the difference between the new taxable value as of the date of completion and the taxable value on the current roll. The second additional assessment shall be the difference between the new taxable value as of the date of completion and the taxable value to be enrolled on the roll being prepared.

(B) If the completion of the repair, restoration, or reconstruction occurs on or after June 1, but before the succeeding January 1, then the additional assessment shall be the difference between the new taxable value as of the date of completion and the taxable value on the current roll.

(2) On the lien date following completion of the repair, restoration, or reconstruction, the assessor shall enroll the new taxable value of the property as of that lien date.

(3) For purposes of this subdivision, "new taxable value" shall mean the lesser of the property's (A) full cash value, or (B) factored base year value or its factored base year value as adjusted pursuant to subdivision (c) of Section 70.

(i) The assessor may apply Chapter 3.5 (commencing with Section 75) of Part 0.5 in implementing this section, to the extent that chapter is consistent with this section.

(j) This section applies to all counties, whether operating under a charter or under the general laws of this state.

(k) Any ordinance in effect pursuant to **former** Section 155.1, 155.13, or 155.14 shall remain in effect according to its terms as if that ordinance was adopted pursuant to this section, subject to the limitations of subdivision (b).

(l) When the assessor does not have the general authority pursuant to subdivision (a) to initiate reassessments, if no application is made and the assessor determines that within the preceding 12 months a property has suffered damage caused by misfortune or calamity, that may qualify the property owner for relief under an ordinance adopted under this section, the ~~assessor may~~ **assessor**, with the approval of the board of supervisors, **may** reassess the particular property for which approval was granted as provided in subdivision (b) and notify the last known owner of the property of the reassessment.

Section 201.7 of the Revenue and Taxation Code is amended to read:

A qualified nonprofit ~~corporation~~ **organization** that has entered into an agreement with the Department of Parks and Recreation pursuant to subdivision (a) of Section 5080.42 of the Public Resources Code for the development, improvement, restoration, care, maintenance, administration, or operation of a unit or units, or portion of a unit, of the state park system shall be deemed to be an agent of the state for purposes of this division and for no other purpose, and any state-owned property, including possessory interests in that property, used or possessed by the qualified nonprofit organization for the development, improvement, restoration, care, maintenance, administration, or operation of a unit or units, or portion of a unit, of the state park system shall be exempt from taxation under subdivision (a) of Section 3 of Article XIII of the California Constitution.

**Assembly Bill 1203, Chapter 693**  
**Property Taxation: Welfare Exemption: Rental Housing and Related Facilities:**  
**Payment in lieu of Taxes Agreement**  
**1/1/2015**

***The Legislature finds and declares the following:***

***(a) In Section 50001 of the Health and Safety Code, the Legislature has long declared that the subject of housing is of vital statewide importance to the health, safety, and welfare of the residents of this state.***

***(b) The lack of housing, and in particular the lack of decent, safe, and sanitary housing that is affordable to low-income households, is a critical problem that continues to threaten the economic, environmental, and social quality of life in California.***

***(c) The Legislature, in enacting subdivision (g) of Section 214 of the Revenue and Taxation Code in 1987, determined that the funds that were being paid in property taxes could better be used in furtherance of the goal of providing low-income housing and that a property tax exemption was necessary to ensure that low-income housing properties with restricted rents would be able to provide the residents with a livable community and remain financially feasible over the life of the deed restrictions, generally 55 years.***

***(d) Payment in lieu of taxes agreements are an issue of statewide concern because of the need to prevent arbitrary and discriminatory financial barriers that prevent construction of needed low-income housing in the state. Therefore, restricting agreements with local governments as set forth in Section 214.06 of the Revenue and Taxation Code is a matter of statewide concern and not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution.***

Section 214 of the Revenue and Taxation Code is amended to read:

(a) Property used exclusively for religious, hospital, scientific, or charitable purposes owned and operated by community chests, funds, foundations, limited liability companies, or corporations organized and operated for religious, hospital, scientific, or charitable purposes is exempt from taxation, including ad valorem taxes to pay the interest and redemption charges on any indebtedness approved by the voters prior to July 1, 1978, or any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, if:

(1) The owner is not organized or operated for profit. However, in the case of hospitals, the organization shall not be deemed to be organized or operated for profit if, during the immediately preceding fiscal year, operating revenues, exclusive of gifts, endowments and grants-in-aid, did not exceed operating expenses by an amount equivalent to 10 percent of those operating expenses. As used herein, operating expenses include depreciation based on cost of replacement and amortization of, and interest on, indebtedness.

(2) No part of the net earnings of the owner inures to the benefit of any private shareholder or individual.

(3) The property is used for the actual operation of the exempt activity, and does not exceed an amount of property reasonably necessary to the accomplishment of the exempt purpose.

(A) For the purposes of determining whether the property is used for the actual operation of the exempt activity, consideration shall not be given to use of the property for either or both of the following described activities if that use is occasional:

(i) The owner conducts fundraising activities on the property and the proceeds derived from those activities are not unrelated business taxable income, as defined in Section 512 of the Internal Revenue Code, of the owner and are used to further the exempt activity of the owner.

(ii) The owner permits any other organization that meets all of the requirements of this subdivision, other than ownership of the property, to conduct fundraising activities on the property and the proceeds derived from those activities are not unrelated business taxable income, as defined in Section 512 of the Internal Revenue Code, of the organization, are not subject to the tax on unrelated business taxable income that is imposed by Section 511 of the Internal Revenue Code, and are used to further the exempt activity of the organization.

(B) For purposes of subparagraph (A):

(i) "Occasional use" means use of the property on an irregular or intermittent basis by the qualifying owner or any other qualifying organization described in clause (ii) of subparagraph (A) that is incidental to the primary activities of the owner or the other organization.

(ii) "Fundraising activities" means both activities involving the direct solicitation of money or other property and the anticipated exchange of goods or services for money between the soliciting organization and the organization or person solicited.

(C) Subparagraph (A) shall have no application in determining whether paragraph (3) has been satisfied unless the owner of the property and any other organization using the property as provided in subparagraph (A) have filed with the assessor a valid organizational clearance certificate issued pursuant to Section 254.6.

(D) For the purposes of determining whether the property is used for the actual operation of the exempt activity, consideration shall not be given to the use of the property for meetings conducted by any other organization if the meetings are incidental to the other organization's primary activities, are not fundraising meetings or activities as defined in subparagraph (B), are held no more than once per week, and the other organization and its use of the property meet all other requirements of paragraphs (1) to (5), inclusive, of this subdivision. The owner or the other organization also shall file with the assessor a copy of a valid, unrevoked letter or ruling from the Internal Revenue Service or the Franchise Tax Board stating that the other organization, or the national organization of which it is a local chapter or affiliate, qualifies as an exempt organization under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code or Section 23701d, 23701f, or 23701w.

(E) Nothing in subparagraph (A), (B), (C), or (D) shall be construed to either enlarge or restrict the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(4) The property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of their business or profession.

(5) The property is not used by the owner or members thereof for fraternal or lodge purposes, or for social club purposes except where that use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.

(6) The property is irrevocably dedicated to religious, charitable, scientific, or hospital purposes and upon the liquidation, dissolution, or abandonment of the owner will not inure to the benefit of any private person except a fund, foundation, or corporation organized and operated for religious, hospital, scientific, or charitable purposes.

(7) The property, if used exclusively for scientific purposes, is used by a foundation or institution that, in addition to complying with the foregoing requirements for the exemption of charitable organizations in general, has been chartered by the Congress of the United States (except that this requirement shall not apply when the scientific purposes are medical research), and whose objects are the encouragement or conduct of scientific investigation, research, and discovery for the benefit of the community at large. The exemption provided for herein shall be known as the "welfare exemption." This exemption shall be in addition to any other exemption now provided by law, and the existence of the exemption provision in paragraph (2) of subdivision (a) of Section 202 shall not preclude the exemption under this section for museum or library property. Except as provided in subdivision (e), this section shall not be construed to enlarge the college exemption.

(b) Property used exclusively for school purposes of less than collegiate grade and owned and operated by religious, hospital, or charitable funds, foundations, limited liability companies, or corporations, which property and funds, foundations, limited liability companies, or corporations meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(c) Property used exclusively for nursery school purposes and owned and operated by religious, hospital, or charitable funds, foundations, limited liability companies, or corporations, which property and funds, foundations, limited liability companies, or corporations meet all the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(d) Property used exclusively for a noncommercial educational FM broadcast station or an educational television station, and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(e) Property used exclusively for religious, charitable, scientific, or hospital purposes and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations or educational institutions of collegiate grade, as defined in Section 203, which property and funds, foundations, limited liability companies, corporations, or educational institutions meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section. As to educational institutions of collegiate grade, as defined in Section 203, the requirements of paragraph (6) of subdivision (a) shall be deemed to be met if both of the following are met:

(1) The property of the educational institution is irrevocably dedicated in its articles of incorporation to charitable and educational purposes, to religious and educational purposes, or to educational purposes.

(2) The articles of incorporation of the educational institution provide for distribution of its property upon its liquidation, dissolution, or abandonment to a fund, foundation, or corporation organized and operated for religious, hospital, scientific, charitable, or educational purposes meeting the requirements for exemption provided by Section 203 or this section.

(f) Property used exclusively for housing and related facilities for elderly or handicapped families and financed by, including, but not limited to, the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

The amendment of this paragraph made by Chapter 1102 of the Statutes of 1984 does not constitute a change in, but is declaratory of, existing law. However, no refund of property taxes shall be required as a result of this amendment for any fiscal year prior to the fiscal year in which the amendment takes effect. Property used exclusively for housing and related facilities for elderly or handicapped families at which supplemental care or services designed to meet the special needs of elderly or handicapped residents are not provided, or that is not financed by the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption pursuant to this subdivision unless the property is used for housing and related facilities for low- and moderate-income elderly or handicapped families. Property that would otherwise be exempt pursuant to this subdivision, except that it includes some housing and related facilities for other than low- or moderate-income elderly or handicapped families, shall be entitled to a partial exemption. The partial exemption shall be equal to that percentage of the value of the property that is equal to the percentage that the number of low- and moderate-income elderly and handicapped families occupying the property represents of the total number of families occupying the property.

As used in this subdivision, "low and moderate income" has the same meaning as the term "persons and families of low or moderate income" as defined by Section 50093 of the Health and Safety Code.

(g) (1) Property used exclusively for rental housing and related facilities and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations, including limited partnerships in which the managing general partner is an eligible nonprofit corporation or eligible limited liability company, meeting all of the requirements of this section, or by veterans' organizations, as described in Section 215.1, meeting all the requirements of paragraphs (1) to (7), inclusive, of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section and shall be entitled to a partial exemption equal to that percentage of the value of the property that ~~the portion of the property~~ **is equal to the percentage that the number of units** serving lower income households represents of the total ~~property~~ **number of residential units** in any year in which any of the following criteria applies:

(A) The acquisition, rehabilitation, development, or operation of the property, or any combination of these factors, is financed with tax-exempt mortgage revenue bonds or general obligation bonds, or is financed by local, state, or federal loans or grants and the rents of the occupants who are lower income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

(B) The owner of the property is eligible for and receives low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as added by Public Law 99-514.

(C) In the case of a claim, other than a claim with respect to property owned by a limited partnership in which the managing general partner is an eligible nonprofit corporation, that is filed for the 2000–01 fiscal year or any fiscal year thereafter, 90 percent or more of the occupants of the property are lower income households whose rent does not exceed the rent prescribed by Section 50053 of the Health and Safety Code. The total exemption amount allowed under this subdivision to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this subparagraph, may not exceed twenty thousand dollars (\$20,000) of tax.

(D) (i) The property was previously purchased and owned by the Department of Transportation pursuant to a consent decree requiring housing mitigation measures relating to the construction of a freeway and is now solely owned by an organization that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

(ii) This subparagraph shall not apply to property owned by a limited partnership in which the managing partner is an eligible nonprofit corporation.

(2) In order to be eligible for the exemption provided by this subdivision, the owner of the property shall do both of the following:

(A) (i) For any claim filed for the 2000–01 fiscal year or any fiscal year thereafter, certify and ensure, subject to the limitation in clause (ii), that there is an enforceable and verifiable agreement with a public agency, a recorded deed restriction, or other legal document that restricts the project’s usage and that provides that the units designated for use by lower income households are continuously available to or occupied by lower income households at rents that do not exceed those prescribed by Section 50053 of the Health and Safety Code, or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with Section 50053, rents that do not exceed those prescribed by the terms of the financing or financial assistance.

(ii) In the case of a limited partnership in which the managing general partner is an eligible nonprofit corporation, the restriction and provision specified in clause (i) shall be contained in an enforceable and verifiable agreement with a public agency, or in a recorded deed restriction to which the limited partnership certifies.

(B) Certify that the funds that would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower income households.

**(3) As used in this subdivision:**

~~(3)~~ **(A)** As used in this subdivision, “~~lower~~ **Lower** income households” has the same meaning as the term “lower income households” as defined by Section 50079.5 of the Health and Safety Code.

**(B) “Related facilities” means any manager’s units and any and all common area spaces that are included within the physical boundaries of the rental housing development, including, but not limited to, common area space, walkways, balconies, patios, clubhouse space, meeting rooms, laundry facilities and parking areas, except any portions of the overall development that are nonexempt commercial space.**

**(C) “Units serving lower income households” shall mean units that are occupied by lower income households at an affordable rent, as defined in Section 50053 of the Health and Safety Code or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with Section 50053, rents that do not exceed those prescribed by the terms of the financing or financial assistance. Units reserved for lower income households at an affordable rent that are temporarily vacant due to tenant turnover or repairs shall be counted as occupied.**

(h) Property used exclusively for an emergency or temporary shelter and related facilities for homeless persons and families and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section. Property that otherwise would be exempt pursuant to this subdivision, except that it includes housing and related facilities for other than an emergency or temporary shelter, shall be entitled to a partial exemption.

As used in this subdivision, "emergency or temporary shelter" means a facility that would be eligible for funding pursuant to Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code.

(i) Property used exclusively for housing and related facilities for employees of religious, charitable, scientific, or hospital organizations that meet all the requirements of subdivision (a) and owned and operated by funds, foundations, limited liability companies, or corporations that meet all the requirements of subdivision (a) shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section to the extent the residential use of the property is institutionally necessary for the operation of the organization.

(j) For purposes of this section, charitable purposes include educational purposes. For purposes of this subdivision, "educational purposes" means those educational purposes and activities for the benefit of the community as a whole or an unascertainable and indefinite portion thereof, and do not include those educational purposes and activities that are primarily for the benefit of an organization's shareholders. Educational activities include the study of relevant information, the dissemination of that information to interested members of the general public, and the participation of interested members of the general public.

(k) In the case of property used exclusively for the exempt purposes specified in this section, owned and operated by limited liability companies that are organized and operated for those purposes, the State Board of Equalization shall adopt regulations to specify the ownership, organizational, and operational requirements for those companies to qualify for the exemption provided by this section.

(l) The amendments made by Chapter 354 of the Statutes of 2004 shall apply with respect to lien dates occurring on and after January 1, 2005.

***Section 214.06 is added to the Revenue and Taxation Code, to read:***

***(a) Notwithstanding any other law, on or after January 1, 2015, a local government shall not enter into a payment in lieu of taxes (PILOT) agreement with a property owner of a low-income housing project. Any PILOT agreement entered into in violation of this subdivision shall be void and unenforceable.***

***(b) An inference shall not be drawn from the enactment of this section with regard to whether the law, as it read prior to January 1, 2015, authorized a local government to enter into a PILOT agreement.***

***Section 214.08 is added to the Revenue and Taxation Code, to read:***

***(a) Notwithstanding any other law, both of the following shall apply:***

***(1) Any outstanding ad valorem tax, interest, or penalty that was levied between January 1, 2012, and January 1, 2015, as a result of a PILOT agreement shall be canceled, and any tax, interest, or penalty, as so levied, that was paid prior to January 1, 2015, shall be refunded.***

**(2) On or after January 1, 2015, an escape or supplemental assessment shall not be levied on the basis that payments made under a PILOT agreement were, or are being, used in a manner incompatible with the certification requirement contained in subparagraph (B) of paragraph (2) of subdivision (g) of Section 214.**

**(b) An inference shall not be drawn from the enactment of this section with regard to whether the law, as it read prior to January 1, 2015, authorized a local government to enter into a PILOT agreement or impose a PILOT fee.**

***This act shall become operative only if Assembly Bill 1760 of the 2013–14 Regular Session is enacted and takes effect on or before January 1, 2015.***

***Section 214.08 is added to the Revenue and Taxation Code, to read:***

***(a) Notwithstanding any other law, both of the following shall apply:***

***(1) Any outstanding ad valorem tax, interest, or penalty that was levied between January 1, 2012, and January 1, 2015, as a result of a PILOT agreement shall be canceled, and any tax, interest, or penalty, as so levied, that was paid prior to January 1, 2015, shall be refunded.***

***(2) On or after January 1, 2015, an escape or supplemental assessment shall not be levied on the basis that payments made under a PILOT agreement were, or are being, used in a manner incompatible with the certification requirement contained in subparagraph (B) of paragraph (2) of subdivision (g) of Section 214.***

***(b) An inference shall not be drawn from the enactment of this section with regard to whether the law, as it read prior to January 1, 2015, authorized a local government to enter into a PILOT agreement or impose a PILOT fee.***

***This act shall become operative only if Assembly Bill 1760 of the 2013–14 Regular Session is enacted and takes effect on or before January 1, 2015.***

**Senate Bill 1464, Chapter 134  
Property Taxation  
Effective 1/1/2015**

Section 439.2 of the Revenue and Taxation Code is amended to read:

When valuing enforceably restricted historical property, the county assessor shall not consider sales data on similar property, whether or not enforceably restricted, and shall value that restricted historical property by the capitalization of income method in the following manner:

(a) The annual income to be capitalized shall be determined as follows:

(1) Where sufficient rental information is available, the income shall be the fair rent that can be imputed to the restricted historical property being valued based upon rent actually received for the property by the owner and upon typical rentals received in the area for similar property in similar use where the owner pays the property tax. When the restricted historical property being valued is actually encumbered by a lease, any cash rent or its equivalent considered in determining the fair rent of the property shall be the amount for which the property would be expected to rent were the rental payment to be renegotiated in the light of current conditions, including applicable provisions under which the property is enforceably restricted.

(2) Where sufficient rental information is not available, the income shall be that which the restricted historical property being valued reasonably can be expected to yield under prudent management and subject to applicable provisions under which the property is enforceably restricted.

(3) If the parties to an instrument that enforceably restricts the property stipulate therein an amount that constitutes the minimum annual income to be capitalized, then the income to be capitalized shall not be less than the amount so stipulated.

For purposes of this section, income shall be determined in accordance with rules and regulations issued by the board and with this section and shall be the difference between revenue and expenditures.

Revenue shall be the amount of money or money's worth, including any cash rent or its equivalent, that the property can be expected to yield to an owner-operator annually on the average from any use of the property permitted under the terms by which the property is enforceably restricted.

Expenditures shall be any outlay or average annual allocation of money or money's worth that can be fairly charged against the revenue expected to be received during the period used in computing the revenue. Those expenditures to be charged against revenue shall be only those that are ordinary and necessary in the production and maintenance of the revenue for that period. Expenditures shall not include depletion charges, debt retirement, interest on funds invested in the property, property taxes, corporation income taxes, or corporation franchise taxes based on income.

(b) The capitalization rate to be used in valuing owner-occupied single family dwellings pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than October 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as most recently published by the Federal Housing Finance ~~Board~~ **Agency** as of September 1, rounded to the nearest one-fourth of 1 percent.

(2) A historical property risk component of 4 percent.

(3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.

(4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(c) The capitalization rate to be used in valuing all other restricted historical property pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than October 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance ~~Board~~ **Agency** as of September 1, rounded to the nearest one-fourth of 1 percent.

(2) A historical property risk component of 2 percent.

(3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.

(4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(d) Unless a party to an instrument that creates an enforceable restriction expressly prohibits the valuation, the valuation resulting from the capitalization of income method described in this section shall not exceed the lesser of either the valuation that would have resulted by calculation under Section 110, or the valuation that would have resulted by calculation under Section 110.1, as though the property was not subject to an enforceable restriction in the base year.

(e) The value of the restricted historical property shall be the quotient of the income determined as provided in subdivision (a) divided by the capitalization rate determined as provided in subdivision (b) or (c).

(f) The ratio prescribed in Section 401 shall be applied to the value of the property determined in subdivision (d) to obtain its assessed value.

**Assembly Bill 2231, Chapter 703**  
**State Controller: Property Tax Postponement**  
**9/28/2014**

Section 2514 of the Revenue and Taxation Code is amended to read:

~~(a) Upon receipt of a certificate of eligibility described in Section 20602, Section 20639.6, or Section 20640.6 signed by the claimant, the claimant's spouse, or authorized agent appointed under regulations adopted by the Controller pursuant to Section 20603 or Section 20640.7, the tax collector shall ascertain whether the amount of money entered on the certificate by such claimant or agent, when added to other amounts available for such purpose, are sufficient to pay the amount due and owing. If such is the case, the tax collector or his or her designee shall countersign the certificate and mark the tax paid. Once signed and countersigned, a certificate of eligibility shall be deemed a negotiable instrument for purposes of all laws of this state, as specified in subdivision (d) of Section 20602. Upon acceptance of such a certificate:~~

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

~~(2) In the case of a certificate of eligibility issued pursuant to Section 20602, the tax collector shall determine if the property described in the certificate of eligibility is subject to a lien recorded pursuant to Section 16182 of the Government Code. If the property is not subject to such a lien, the tax collector shall enter the amount paid by use of the certificate, the date of such payment, the Controller's identification number shown on the certificate of eligibility, the address of the property covered by the certificate, and the name of the claimant as shown on the certificate on a "notice of lien for postponed property taxes" form which shall be provided by the Controller. The tax collector shall thereafter forward such notice of lien form to the assessor.~~

~~(3) (a) With respect to a claimant whose property taxes are paid by a lender from an impound, trust, or other type of account described in Section 2954 of the Civil Code, the tax collector shall notify the auditor of the claimant's name and address, and the **duplicate** amount of money entered on the certificate. **the Controller transferred to the tax collector via an electronic fund transfer.**~~

~~The **county** auditor, treasurer, or disbursing officer shall send a check in the amount of money entered on the certificate to said claimant within 30 days following the date on which the installment is paid by the lender or the certificate of eligibility is received from the claimant, whichever is later. **based on the electronic transfer by the Controller, to the Controller within 60 days of the replicated payment.**~~

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

~~(c) Notwithstanding any other provision in this section, any action required of a local agency by this section in order to give effect to the Senior Citizens Mobilehome Property Tax Postponement Law (Chapter 3.3 (commencing with Section 20639) of Part 10.5 of Division 2, and that has been determined by the Commission on State Mandates to be a reimbursable mandate, shall be optional.~~

Section 2515 of the Revenue and Taxation Code is amended to read:

- (a) Upon receipt of **expeditiously processing** a “notice of lien for postponed property taxes” from the tax collector, the ~~assessor~~ **tax collector or the assessor, whichever is applicable**, shall immediately:
- (1) Enter, on the notice of lien, a description of the real property for which the taxes have been paid by use of a certificate of eligibility pursuant to Section 2514. Such description shall be a “metes and bounds,” “lot-block-tract,” or such other description as is determined by the Controller to sufficiently describe the real property for the purpose of securing the state’s lien.
  - (2) Enter on the notice of lien, the names of all record owners of the property described under subdivision (a) of this section, as disclosed by the assessor’s records.
  - (3) Upon entry of the information required by subdivisions (a) and (b) of this section on the notice of lien, the assessor shall immediately forward the notice of lien to the county recorder.
  - (4) Enter on the assessment records applicable to ~~such~~ **the** property, the fact that the taxes on the property have been postponed and the Controller’s identification number, and shall, ~~when~~ **if** such record reveals a change in the ownership status of the property subsequent to the date of entry of the postponement information thereon, notify the Controller ~~of such~~ **within 60 days of processing the** change in the ownership status in the manner prescribed by the Controller.
- (b) From the time of recordation of the notice of lien pursuant to Section 16182 of the Government Code, the lien for postponed property taxes shall be deemed to impart constructive notice of the contents thereof to subsequent purchasers, mortgagees, ~~lessees~~ **lessees**, and other lienors.

Section 3375 of the Revenue and Taxation Code is amended to read:

The **county** tax collector **or assessor, whichever is applicable**, shall notify the Controller, ~~in such~~ **Controller within 60 days, in the** manner as the Controller shall direct, of all property subject to a “Notice of Lien for Postponed Property Taxes” recorded pursuant to Section 16182 of the Government Code, ~~which:~~ **Code and for which notice of any of the following has been expeditiously processed:**

- (a) Becomes tax defaulted subsequent to the date of entry on the secured roll of the information required by ~~paragraph (1) of~~ subdivision (a) of Section 2514; or
- (b) ~~Becomes subject to those collection procedures that are available for collection of delinquent taxes or assessments on the unsecured roll.~~ **The claimant of which transfers ownership or changes his or her mailing address, and the property is a residential property; or**
- (c) **The claimant of which has been determined to be deceased.**

**Section 3376 is added to the Revenue and Taxation Code, to read:**

- (a) **Upon request of the tax collector, the Controller shall provide to the tax collector information that is required for the preparation and enforcement of the sale of property under Part 6 (commencing with Section 3351) of Division 1. This information may include social security numbers.**
- (b) **The tax collector or his or her designee shall certify, under penalty of perjury, to the Controller, that the information requested pursuant to subdivision (a) is required for the purposes specified in subdivision (a).**

**(c) Any information provided to the tax collector pursuant subdivision (a) is not a public record and is not open to public inspection.**

**(d) In the event of a tax-defaulted property sale, the tax collector or assessor shall include the outstanding balance of the property tax postponement loan in the minimum bid. Should the property fail to receive the minimum bid, and the minimum bid is reduced, all moneys paid to the Controller's office and county tax collector shall be a proportionate allocation of the total moneys owed.**

Section 3691 of the Revenue and Taxation Code is amended to read:

(a) (1) (A) Five years or more, or three years or more in the case of nonresidential commercial property, after the property has become tax defaulted, the tax collector shall have the power to sell and shall attempt to sell in accordance with Section 3692 all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of the parcels, as provided in this chapter, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may purchase at the sale. In the case of tax-defaulted property that has been damaged by a disaster in an area declared to be a disaster area by local, state, or federal officials and whose damage has not been substantially repaired, the five-year period set forth in this subdivision shall be tolled until five years have elapsed from the date the damage to the property was incurred.

(B) A county may elect, by an ordinance or resolution adopted by a majority vote of its entire governing body, to ~~have the five-year time period~~ **adopt conditions and procedures for the delay of sale of properties** as described in subparagraph (A) ~~apply to tax-defaulted nonresidential commercial property.~~ **that it finds may be eligible to file a property tax postponement claim with the State Controller prior to January 1, 2017, and may cancel any delinquent penalties, costs, fees, and interest associated with these properties.**

**(C) A county may elect, by an ordinance or resolution adopted by a majority vote of its entire governing body, to have the five-year time period described in subparagraph (A) apply to tax-defaulted nonresidential commercial property.**

~~(C)~~ **(D)** For purposes of this subdivision, "nonresidential commercial property" means all property except the following:

(i) A constructed single-family or multifamily unit that is intended to be used primarily as a permanent residence, is used primarily as a permanent residence, or that is zoned as a residence, and the land on which that unit is constructed.

(ii) Real property that is used and zoned for producing commercial agricultural commodities.

(2) When a part of a tax-defaulted parcel is sold, the balance continues subject to redemption and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7.

(3) The tax collector shall provide notice of an intended sale under this subdivision in the manner prescribed by Sections 3704 and 3704.5 and any other applicable statute. If the intended sale is of nonresidential commercial property that has been tax-defaulted for fewer than five years, all of the following apply:

(A) On or before the notice date, the tax collector shall also mail, in the manner specified in paragraph (1) of subdivision (c) of Section 2924b of the Civil Code, notice containing any information contained in the publication required under Sections 3704 and 3704.5 to, as applicable, all of the following:

(i) The parties specified in paragraph (2) of subdivision (c) of Section 2924b of the Civil Code.

(ii) Each taxing agency specified in paragraph (3) of subdivision (c) of Section 2924b of the Civil Code.

(iii) Any beneficiary of a deed of trust or a mortgagee of any mortgage recorded against the nonresidential commercial property, and any assignee or vendee of these beneficiaries or mortgagees.

(B) For purposes of this paragraph:

(i) "Notice date" means a date not less than 45 days nor more than 120 days before an intended sale or not less than 45 days nor more than 120 days before the date upon which the property may be sold.

(ii) "Recording date of the notice of default" as used in subdivision (c) of Section 2924b of the Civil Code means a date that is 30 days before the notice date.

(iii) "Deed of trust or mortgage being foreclosed" as used in subdivision (c) of Section 2924b of the Civil Code means the defaulted tax lien.

(b) (1) (A) Three years or more after the property has become tax defaulted and a request has been made by a city, county, city and county, or nonprofit organization pursuant to Section 3692.4, or a request has been made by a person or entity that has recorded a nuisance abatement lien on that property, to offer that property at the next scheduled tax sale, the tax collector shall have the power to sell and may sell all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of parcels, as provided in this chapter at the next scheduled tax sale, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may purchase at the sale.

(B) When a part of a tax-defaulted parcel is sold, the balance continues subject to redemption and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7.

(2) Before the tax collector sells vacant residential developed property pursuant to this subdivision, actual notice, by certified mail, shall be provided to the property owner, if the property owner's identity can be determined from the county assessor's or county recorder's records. The tax collector's power of sale shall not be affected by the failure of the property owner to receive notice.

(3) Before the tax collector sells vacant residential developed property pursuant to this subdivision, notice of the sale shall be given in the manner specified by Section 3704.7.

(c) The amendments made to this section by the act adding this subdivision apply to property that becomes tax defaulted on or after January 1, 2005.

Section 3698.5 of the Revenue and Taxation Code is amended to read:

(a) Except as provided in Section 3698.7, the minimum price at which property may be offered for sale pursuant to this chapter shall be an amount not less than the total amount necessary to redeem, plus ~~costs~~ **costs and the outstanding balance of any property tax postponement loan**. For purposes of this subdivision:

(1) The "total amount necessary to redeem" is the sum of the following:

(A) The amount of defaulted taxes.

(B) Delinquent penalties and costs.

(C) Redemption penalties.

(D) A redemption fee.

(2) "Costs" are those amounts described in subdivision (c) of Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections 4672, 4672.1, 4672.2, 4673, and subdivision (b) of Section 4673.1.

**(3) The "outstanding balance of any property tax postponement loan" is the sum of the following:**

**(A) The tax payments made by the State Controller's office on behalf of the claimant in the Property Tax Postponement Program.**

**(B) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.**

**(C) Other associated fees and penalties as deemed appropriate by law.**

**(D) Less any payments already made on the property tax postponement loan.**

(b) This section shall not apply to property or interests that qualify for sale in accordance with the provisions of subdivisions (b) and (c) of Section 3692.

(c) Where property or property interests have been offered for sale at least once and no acceptable bids therefor have been received at the minimum price determined pursuant to subdivision (a), the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that same property or those interests at the same or next scheduled sale at a minimum price that the tax collector deems appropriate in light of the most current assessed valuation of that property or those interests, or any unique circumstance with respect to that property or those interests.

Section 3698.7 of the Revenue and Taxation Code is amended to read:

(a) With respect to property for which a property tax welfare exemption has been granted and that has become tax defaulted, the minimum price at which the property may be offered for sale pursuant to this chapter shall be the higher of the following:

(1) Fifty percent of the fair market value of the property. For the purposes of this paragraph, "fair market value" means the amount as defined in Section 110 as determined pursuant to an appraisal of the property by the county assessor within one year immediately preceding the date of the public auction. From the proceeds of the sale, there shall be distributed to the county general fund an amount to reimburse the county for the cost of appraising the property. The value of the property as determined by the assessor pursuant to an appraisal shall be conclusively presumed to be the fair market value of the property for the purpose of determining the minimum price at which the property may be offered for sale.

(2) The total amount necessary to redeem, plus ~~costs~~ **costs and the outstanding balance of any property tax postponement loan**. For purposes of this paragraph:

(A) The "total amount necessary to redeem" is the sum of the following:

- (i) The amount of defaulted taxes.
- (ii) Delinquent penalties and costs.
- (iii) Redemption penalties.
- (iv) A redemption fee.

(B) "Costs" are those amounts described in subdivision (c) of Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections 4672, 4672.1, 4672.2, and 4673, and subdivision (b) of Section 4673.1.

**(3) The "outstanding balance of any property tax postponement loan" is the sum of the following:**

**(A) The tax payments made by the State Controller's office on behalf of the claimant in the Property Tax Postponement Program.**

**(B) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.**

**(C) Other associated fees and penalties as deemed appropriate by law.**

**(D) Less any payments already made on the property tax postponement loan.**

(b) This section shall not apply to property or interests that qualify for sale in accordance with the provisions of subdivisions (b) and (c) of Section 3692.

(c) Where property or property interests have been offered for sale at least once and no acceptable bids therefor have been received, at the minimum price determined pursuant to subdivision (a), the tax

collector may, in his or her discretion and with the approval of the board of supervisors, offer that same property or those interests at the same or next scheduled sale at a minimum price that the tax collector deems appropriate in light of the most current assessed valuation of that property or those interests, or any unique circumstance with respect to that property or those interests.

Section 3793.1 of the Revenue and Taxation Code is amended to read:

(a) The sales price of any property sold under this article shall include, at a minimum, the amounts of all of the following:

- (1) All defaulted taxes and assessments, and all associated penalties and costs.
- (2) Redemption penalties and fees incurred through the month of the sale.
- (3) All costs of the sale.

**(4) The outstanding balance of any property tax postponement loan.**

(b) If the property or property interests have been offered for sale under the provisions of Chapter 7 (commencing with Section 3691) at least once and no acceptable bids therefor have been received, the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that property or those interests at a minimum price that the tax collector deems appropriate.

(c) The board of supervisors may permit a nonprofit organization to purchase property or property interests by way of installment payments.

**(d) For purposes of this section, the "outstanding balance of any property tax postponement loan" is the sum of the following:**

**(1) The tax payments made by the State Controller's office on behalf of the claimant in the Property Tax Postponement Program.**

**(2) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.**

**(3) Other associated fees and penalties as deemed appropriate by law.**

**(4) Less any payments already made on the property tax postponement loan.**

Section 4673.1 of the Revenue and Taxation Code is amended to read:

After satisfaction of the amount specified in Sections 4672, 4672.1, and 4673, the proceeds shall be distributed as follows:

(a) An amount of the proceeds up to but no greater than the amount required, at the time of sale, to redeem the property from tax default ~~default~~, **the outstanding balance of any property tax postponement loan**, and the sale to any taxing agency entitled to share in the proceeds shall be distributed as follows:

(1) A pro rata share shall be distributed to each assessment fund in an amount bearing the same proportion as the assessment due each fund bears to the total amount of taxes and assessments necessary to redeem the property at the time of sale.

(2) ~~The remaining balance of~~ **After distributing** the proceeds ~~to be distributed under this section~~ **according to paragraph (1), a pro rata share** shall be distributed to each tax fund in an amount bearing the same proportion to the balance remaining as the tax rate for each fund bears to the total tax rate applicable to the property for the fiscal year preceding that in which the property was sold.

**(3) The remaining balance of the proceeds to be distributed under this section after distributing the proceeds according to paragraphs (1) and (2) shall be distributed to the state controller for the outstanding balance of any property tax postponement loan.**

(b) After satisfaction of the amounts specified in subdivision (a), an amount of the proceeds necessary to satisfy current taxes and assessments and applicable penalties and costs thereon for the fiscal year in which the tax sale is held shall be distributed as provided in Chapter 1a (commencing with Section 4653) of this part. Current taxes and assessments referred to herein include taxes and assessments which would have been levied on the property if the property were not tax-deeded to any taxing agency and remains subject to sale by, or redemption from, the taxing agency.

**(c) For purposes of this section, the “outstanding balance of any property tax postponement loan” is the sum of the following:**

**(1) The tax payments made by the State Controller’s office on behalf of the claimant in the Property Tax Postponement Program.**

**(2) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.**

**(3) Other associated fees and penalties as deemed appropriate by law.**

**(4) Less any payments already made on the property tax postponement loan.**

**Senate Bill 2257, Chapter 501  
Property Tax: Tax-Defaulted Property:  
Excess Proceeds From Sale  
Effective 1/1/2015**

Section 4674 of the Revenue and Taxation Code is amended to read:

Any excess in the proceeds deposited in the delinquent tax sale trust fund remaining after satisfaction of the amounts distributed under Sections 4672, 4672.1, 4672.2, 4673, and 4673.1 shall be retained in the fund on account of, and may be claimed by parties of interest in the property as provided in, Section 4675. At the expiration of one year following the recordation of the tax deed to the purchaser, **the period specified in subdivision (e) of Section 4675**, any excess proceeds not claimed under Section 4675 shall be distributed as provided in paragraph (2) of subdivision (a) of Section 4673.1, except prior to the distribution, the county may deduct those costs of maintaining the redemption and tax-defaulted property files, and those costs of administering and processing the claims for excess proceeds, that have not been recovered under any other provision of law. **may be transferred to the county general fund.**

Section 4675 of the Revenue and Taxation Code is amended to read:

(a) Any party of interest in the property may file with the county a claim for the excess proceeds, in proportion to his or her interest held with others of equal priority in the property at the time of sale, at any time prior to the expiration of one year following the recordation of the tax collector’s deed to the purchaser.

(b) After the property has been sold, a party of interest in the property at the time of the sale may assign his or her right to claim the excess proceeds only by a dated, written instrument that explicitly states that the right to claim the excess proceeds is being assigned, and only after each party to the proposed assignment has disclosed to each other party to the proposed assignment all facts of which he or she is aware relating to the value of the right that is being assigned. Any attempted assignment that does not comply with these requirements shall have no effect. This paragraph shall apply only with respect to assignments on or after the effective date of this paragraph.

(c) Any person or entity who in any way acts on behalf of, or in place of, any party of interest with respect to filing a claim for any excess proceeds shall submit proof with the claim that the amount and source of excess proceeds have been disclosed to the party of interest and that the party of interest has been advised of his or her right to file a claim for the excess proceeds on his or her own behalf directly with the county at no cost.

(d) The claims shall contain any information and proof deemed necessary by the board of supervisors to establish the claimant's rights to all or any portion of the excess proceeds.

(e) ~~No~~ **(1) Except as provided in paragraph (2), no** sooner than one year following the recordation of the tax collector's deed to the purchaser, and if the excess proceeds have been claimed by any party of interest as provided herein, the excess proceeds shall be distributed on order of the board of supervisors to the parties of interest who have claimed the excess proceeds in the order of priority set forth in subdivisions (a) and (b). For the purposes of this article, parties of interest and their order of priority are:

~~(1)~~ **(A)** First, lienholders of record prior to the recordation of the tax deed to the purchaser in the order of their priority.

~~(2)~~ **(B)** Second, any person with title of record to all or any portion of the property prior to the recordation of the tax deed to the purchaser.

**(2) (A) Notwithstanding paragraph (1), if the board of supervisors has been petitioned to rescind the tax sale pursuant to Section 3731, any excess proceeds shall not be distributed to the parties of interest as provided by paragraph (1) sooner than one year following the date the board of supervisors determines the tax sale should not be rescinded, and only if the person who petitioned the board of supervisors pursuant to Section 3731 has not commenced a proceeding in court pursuant to Section 3725.**

**(B) If a proceeding has been commenced in a court pursuant to Section 3725, any excess proceeds shall not be distributed to the parties of interest as provided by paragraph (1) until a final court order is issued.**

(f) In the event that a person with title of record is deceased at the time of the distribution of the excess proceeds, the heirs may submit an affidavit pursuant to Chapter 3 (commencing with Section 13100) of Part 1 of Division 8 of the Probate Code, to support their claim for excess proceeds.

(g) Any action or proceeding to review the decision of the board of supervisors shall be commenced within 90 days after the date of that decision of the board of supervisors.

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

**Senate Bill 1113, Chapter 656  
Property Taxation: Disabled Veterans Exemption: Refunds:  
Statute of Limitations  
Effective 1/1/2015**

Section 5097 of the Revenue and Taxation Code is amended to read:

(a) ~~No~~ **An** order for a refund under this article shall **not** be made, except on a claim:

(1) Verified by the person who paid the tax, his or her guardian, executor, or administrator.

(2) Except as provided in paragraph ~~(3)~~, **(3) or (4)**, filed within four years after making the payment sought to be refunded, or within one year after the mailing of notice as prescribed in Section 2635, or the period agreed to as provided in Section 532.1, or within 60 days of the date of the notice prescribed by subdivision (a) of Section 4836, whichever is later.

(3) (A) Filed within one year, if an application for a reduction in an assessment or an application for equalization of an assessment has been filed pursuant to Section 1603 and the applicant does not state in the application that the application is intended to constitute a claim for a refund, of either of the following events, whichever occurs first:

(i) After the county assessment appeals board makes a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment of the property, and mails a written notice of its determination to the applicant and the notice does not advise the applicant to file a claim for refund.

(ii) After the expiration of the time period specified in subdivision (c) of Section 1604 if the county assessment appeals board fails to hear evidence and fails to make a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment of the property.

(B) Filed within six months, if an application for a reduction in an assessment or an application for equalization of an assessment has been filed pursuant to Section 1603 and the applicant does not state in the application that the application is intended to constitute a claim for a refund, after the county assessment appeals board makes a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment, and mails a written notice of its determination to the applicant and the notice advises the applicant to file a claim for refund within six months of the date of the county assessment appeals board's final determination.

***(4) Filed within eight years after making the payment sought to be refunded, if the claim for refund is filed on or after January 1, 2015, and relates to the disabled veterans' exemption described in Section 205.5.***

(b) An application for a reduction in an assessment filed pursuant to Section 1603 shall also constitute a sufficient claim for refund under this section if the applicant states in the application that the application is intended to constitute a claim for refund. If the applicant does not so state, he or she may thereafter and within the period provided in paragraph (3) of subdivision (a) file a separate claim for refund of taxes extended on the assessment which the applicant applied to have reduced pursuant to Section 1603 or Section 1604.

(c) If an application for equalization of an escape assessment is filed pursuant to Section 1603, a claim may be filed on any taxes resulting from the escape assessment or the original assessment to which the escape relates within the period provided in paragraph (3) of subdivision (a).

***(d) The amendments made to this section by the act adding this subdivision shall apply to claims for refund filed on or after January 1, 2015.***

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

**Assembly Bill 2119, Chapter 148**  
**Local Taxes: Transactions and Use Taxes**  
**Effective 1/1/2015**

Section 7285 of the Revenue and Taxation Code is amended to read:

The board of supervisors of any county may levy, increase, or extend a transactions and use tax ***throughout the entire county or within the unincorporated area of the county*** for general purposes at a rate of 0.125 percent or a multiple thereof, if the ordinance proposing that tax is approved by a two-thirds vote of all members of the board of supervisors and the tax is approved by a majority vote of the qualified voters of the ~~county~~ ***entire county if levied on the entire county or the unincorporated area of the county if levied on the unincorporated area of the county***, voting in an election on the issue. The board of supervisors may levy, increase, or extend more than one transaction and use tax under this section, if the adoption of each tax is in the manner prescribed in this section. The transactions and use tax shall conform to Part 1.6 (commencing with Section 7251). ***The revenues derived from the imposition of a tax pursuant to this section shall only be used for general purposes within the area for which the tax was approved by the qualified voters.***

Section 7285.5 of the Revenue and Taxation Code is amended to read:

(a) As an alternative to the procedure set forth in Section 7285, the board of supervisors of any county may levy, increase, or extend a transactions and use tax ***throughout the entire county or within the unincorporated area of the county, as applicable***, for specific purposes. The tax may be levied, increased, or extended at a rate of 0.125 percent, or a multiple thereof, for the purpose for which it is established, if all of the following requirements are met:

(1) The ordinance proposing that tax is approved by a two-thirds vote of all members of the board of supervisors and is subsequently approved by a two-thirds vote of the qualified voters of the ~~county~~ ***entire county if levied on the entire county or the unincorporated area of the county if levied on the unincorporated area of the county***, voting in an election on the issue.

(2) The transactions and use tax conforms to the Transactions and Use Tax Law Part 1.6 (commencing with Section 7251).

(3) The ordinance includes an expenditure plan describing the specific projects for which the revenues from the tax may be expended.

(b) A county shall be deemed to be an authority for purposes of Chapter 1 (commencing with Section 55800) of Part 3 of Division 2 of Title 5 of the Government Code.

***(c) The revenues derived from the imposition of a tax pursuant to this section shall only be used for specific purposes within the area for which the tax was approved by the qualified voters.***

**Assembly Bill 1888, Chapter 20**  
**Documentary Transfer Tax: Document for Recordation**  
**Effective 1/1/2015**

Section 11932 of the Revenue and Taxation Code is amended to read:

If a county has imposed a tax pursuant to this part, every document subject to tax ~~which~~ **that** is submitted for recordation shall show on the face of the document the amount of tax due and the incorporated or unincorporated location of the lands, ~~tenements~~ **tenements**, or other realty described in the document. ~~If the party submitting the document for recordation so requests, the amount of tax due shall be shown on a separate paper which shall be affixed to the document by the recorder after the permanent record is made and before the original is returned as specified in Section 27321 of the Government Code.~~

Section 11933 of the Revenue and Taxation Code is amended to read:

If a county has imposed a tax pursuant to this part, the recorder shall not record any deed, ~~instrument~~ **instrument**, or writing subject to the tax imposed pursuant to this part, unless the tax is paid at the time of recording. A declaration of the amount of tax due, signed by the party determining the tax or his ~~or her~~ **or her** agent, shall appear on the face of the document ~~or on a separate paper in compliance with Section 11932, and the recorder may rely thereon; provided he~~ **on that declaration if the recorder** has no reason to believe that the full amount of the tax due has not been paid. The declaration shall include a statement that the consideration or value on which the tax due was computed ~~either~~ **either** was, or ~~that it~~ was not, exclusive of the value of a lien or encumbrance remaining on the interest or property conveyed at the time of sale. Failure to collect the tax due shall not affect the constructive notice otherwise imparted by recording a deed, ~~instrument~~ **instrument**, or writing.

**Assembly Bill 2231, Chapter 703**  
**State Controller: Property Tax Postponement**  
**9/28/2014**

Section 20503 of the Revenue and Taxation Code is amended to read:

(a) "Income" means adjusted gross income as defined in Section 17072 plus all of the following cash items:

- (1) Public assistance and relief.
- (2) Nontaxable amount of pensions and annuities.
- (3) Social security benefits (except Medicare).
- (4) Railroad retirement benefits.
- (5) Unemployment insurance payments.
- (6) Veterans' benefits.
- (7) Exempt interest received from any source.
- (8) Gifts and inheritances in excess of three hundred dollars (\$300), other than transfers between members of the household. Gifts and inheritances include noncash items.
- (9) Amounts contributed on behalf of the contributor to a tax-sheltered retirement plan or deferred compensation plan.

- (10) Temporary workers' compensation payments.
  - (11) Sick leave payments.
  - (12) Nontaxable military compensation as defined in Section 112 of the Internal Revenue Code.
  - (13) Nontaxable scholarship and fellowship grants as defined in Section 117 of the Internal Revenue Code.
  - (14) Nontaxable gain from the sale of a residence as defined in Section 121 of the Internal Revenue Code.
  - (15) Life insurance proceeds to the extent that the proceeds exceed the expenses incurred for the last illness and funeral of the deceased spouse of the claimant. "Expenses incurred for the last illness" includes unreimbursed expenses paid or incurred during the income calendar year and any expenses paid or incurred thereafter up until the date the claim is filed. For purposes of this paragraph, funeral expenses shall not exceed five thousand dollars (\$5,000).
  - (16) If an alternative minimum tax is required to be paid pursuant to Chapter 2.1 (commencing with Section 17062) of Part 10, the amount of alternative minimum taxable income (whether or not cash) in excess of the regular taxable income.
  - (17) Annual winnings from the California Lottery in excess of six hundred dollars (\$600) for the current year.
- (b) For purposes of this chapter, total income shall be determined for the calendar year (or approved fiscal year ending within that calendar year) which ends within the fiscal year for which assistance is claimed.
- (c) For purposes of this chapter, all losses and nonexpenses shall be converted to zero for the purpose of determining whether the homeowner meets the Property Tax Postponement requirement.**
- ~~(d)~~ **(d)** For purposes of Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), and Chapter 3.5 (commencing with Section 20640), total income shall be determined for the calendar year ending immediately prior to the commencement of the fiscal year for which postponement is claimed.

Section 20583 of the Revenue and Taxation Code is amended to read:

- (a) "Residential dwelling" means a dwelling occupied as the principal place of residence of the claimant, and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a home, owned by the claimant, the claimant and spouse, or by the claimant and either another individual eligible for postponement under this chapter or an individual described in subdivision (a), (b), or (c) of Section 20511 and located in this state. It shall include condominiums ~~and mobilehomes~~ that are assessed as realty for local property tax purposes. It also includes part of a multidwelling or multipurpose building and a part of the land upon which it is built. ~~In the case of a mobilehome not assessed as real property that is located on land owned by the claimant, "residential dwelling" includes the land on which the mobilehome is situated and so much of the land surrounding it as reasonably necessary for use of the mobilehome as a home.~~
- (b) As used in this chapter in reference to ownership interests in residential dwellings, "owned" includes (1) the interest of a vendee in possession under a land sale contract provided that the contract or memorandum thereof is recorded and only from the date of recordation of the contract or memorandum thereof in the office of the county recorder where the residential dwelling is located, (2) the interest of the holder of a life estate provided that the instrument creating the life estate is recorded and only from the date of recordation of the instrument creating the life estate in the office of the county recorder where the residential dwelling is located, but "owned" does not include the interest of

the holder of any remainder interest or the holder of a reversionary interest in the residential dwelling, (3) the interest of a joint tenant or a tenant in common in the residential dwelling or the interest of a tenant where title is held in tenancy by the entirety or a community property interest where title is held as community property, and (4) the interest in the residential dwelling in which the title is held in trust, as described in subdivision (d) of Section 62, provided that the Controller determines that the state's interest is adequately protected.

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

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

~~(e) (d)~~ "Residential dwelling" does not include any of the following:

(1) Any residential dwelling in which the owners do not have an equity of at least ~~20~~ **40** percent of the full value of the property as determined for purposes of property taxation or at least ~~20~~ **40** percent of the fair market value as determined by the Controller and where the Controller determines that the state's interest is adequately protected. The ~~20-percent~~ **40-percent** equity requirement shall be met at ~~the~~ **each** time the claimant or authorized agent files an initial postponement claim and tenders to the tax collector the initial certificate of eligibility described in Sections 20602, 20639.6, and 20640.6. **a postponement claim.**

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

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

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

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

Section 20583.1 of the Revenue and Taxation Code is repealed.

For purposes of Section 20583, "residential dwelling" includes houseboats and floating homes.

Section 20584 of the Revenue and Taxation Code is amended to read:

(a) "Property taxes" means all ad valorem property taxes, special assessments, and other charges or user fees which are attributable to the residential dwelling on the county tax bill and the ad valorem property taxes, special assessments, or other charges or user fees appearing on the tax bill of any chartered city which levies and collects its own property taxes.

(b) Whenever a residential dwelling is an integral part of a larger tax unit, such as a duplex, farm or a multipurpose building, "property taxes" shall be the percentage of the total property taxes as the value of the residential dwelling is of the value of the total tax unit.

(c) "Property taxes" ~~includes any property taxes that become delinquent after the claimant was 62 years of age or after the claimant became blind or disabled as defined in Section 12050 of the Welfare and~~

~~Institutions Code. means property taxes for current fiscal years for which the claim is made and excludes delinquent taxes for prior fiscal years.~~

Section 20585 of the Revenue and Taxation Code is amended to read:

Postponement shall not be allowed under this chapter or Chapter 3 (commencing with Section 20625), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) if household income exceeds either of the following amounts: **thirty five thousand five hundred dollars (\$35,500)**.

(a) For the 1976 calendar year or for any approved fiscal year commencing within that calendar year, household income shall not exceed twenty thousand dollars (\$20,000).

(b) For all subsequent calendar years and approved fiscal years, postponement shall not be allowed under this chapter, Chapter 3 (commencing with Section 20625), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) if household income exceeds an amount determined as follows:

(1) On or before March 1 of each year, the California Department of Industrial Relations shall transmit to the Controller the percentages of increase in the California Consumer Price Index for all Urban Consumers and in the California Consumer Price Index for Urban Wage Earners and Clerical Workers of December of the prior calendar year over December of the preceding calendar year.

(2) The Controller shall compute an inflation adjustment factor by adding 100 percent to the larger of the California Consumer Price Index percentage increases furnished pursuant to paragraph (1).

(3) In 1978, the Franchise Tax Board shall multiply twenty thousand dollars (\$20,000) by the inflation adjustment factor to determine the maximum allowable gross household income for the 1977 calendar year and for approved fiscal years commencing within that calendar year. In 1979 and subsequent calendar years through and including 1983, the Controller shall multiply the maximum allowable household income determined for the preceding calendar year by the inflation adjustment factor to determine the maximum allowable household income for the applicable calendar year and approved fiscal years commencing within that calendar year. In determining the maximum allowable household income pursuant to this section, the Controller shall round that amount to the nearest hundred dollar amount.

(c) For calendar year 1984 and subsequent calendar years and for approved fiscal years commencing within those years, postponement shall not be allowed under this chapter, Chapter 3 (commencing with Section 20626), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640), if household income exceeds an amount determined as follows:

(1) For claimants who filed and qualified in the calendar year 1983 and for whom postponement has been allowed for each subsequent calendar year up to and including the calendar year 2007, thirty-four thousand dollars (\$34,000). For these same claimants, for the calendar year 2008 or for any approved fiscal year commencing within that calendar year, household income shall not exceed thirty-five thousand five hundred dollars (\$35,500).

(2) For all other claimants, for calendar years up to and including 2006, household income shall not exceed twenty-four thousand dollars (\$24,000). For these same claimants, for the 2007 calendar year or for any approved fiscal year commencing within that calendar year, household income shall not exceed thirty-one thousand five hundred dollars (\$31,500). For these same claimants, for the 2008 calendar year or for any approved fiscal year commencing within that calendar year, household income shall not exceed thirty-five thousand five hundred dollars (\$35,500).

(3) (A) For all claimants for the calendar year 2009 or for any approved fiscal year commencing within that calendar year, postponement shall not be allowed under this chapter, Chapter 3 (commencing with Section 20626), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640), if household income exceeds thirty nine thousand dollars (\$39,000).

(B) For the 2010 calendar year and each subsequent calendar year, and for any approved fiscal year commencing within that calendar year, the household income amount specified in subparagraph (A) shall be adjusted for inflation, in accordance with an inflation factor determined pursuant to paragraphs (1) and (2) of subdivision (b).

Section 20602 of the Revenue and Taxation Code is amended to read:

(a) Upon approval of a claim described in Section 20601, the Controller may do either of the following:

(1) ~~Upon Make payments directly to a lender, mortgage company, escrow company, or~~ **approval of a claim described in Section 20601, the Controller shall make payments directly to a** county tax collector for the property taxes owed on behalf of a qualified claimant. Payments may, upon appropriation by the Legislature, be made out of the amounts otherwise appropriated pursuant to Section 16100 of the Government Code that are secured by a **secured tax** lien and obligation as specified by Article 1 (commencing with Section 16180) of Chapter 5 of Division 4 of the Government Code.

(2) ~~Issue to the claimant a certificate of eligibility, which shall consist of two parts, both of which shall contain the name of the claimant, the address of the residential dwelling on which the claimant has applied for property tax postponement, and that other information and in that form as the Controller shall prescribe. In the event that that residential dwelling is located in a chartered city which levies and collects its own taxes, the Controller shall issue a duplicate certificate of eligibility to pay all or any part of the property taxes appearing on that city's tax bill. Each part of a certificate of eligibility shall be payable in an unspecified amount and shall contain statements to identify the property tax installment to which it may be applied.~~

(b) ~~The Controller shall prescribe the form of the certificates of eligibility to pay all delinquent taxes and assessments authorized by this chapter.~~

~~Upon or accompanying each certificate shall be a brief statement explaining that (1) those taxpayers whose property taxes are paid by a lender via an impound, trust or other similar account should enter the total amount of each installment on their respective certificates and mail both certificates to the tax collector at the same time, and (2) those taxpayers will receive a refund check from the county or city in the amount they entered on each certificate, within 30 days following the date on which the installment is paid by the lender or the certificate of eligibility is received by the tax collector, whichever is later, and (3) the intent of this procedure is to make sure the taxes on the claimant's dwelling are not paid twice.~~

(c) ~~When a certificate of eligibility has been signed by the claimant, his or her spouse, or authorized agent and countersigned by the person authorized to collect property taxes or assessments for the local agency, such certificate shall constitute a written promise on the part of the State of California to pay the sum of money specified therein and such signed and countersigned certificate shall be deemed a negotiable instrument for the sole purpose of the payment of property taxes owing in the name of the claimant or his or her spouse for purposes of all laws of this state.~~

(d) ~~A certificate of eligibility shall be valid for the duration prescribed thereon by the Controller.~~

(e) ~~The Controller shall issue certificates of eligibility claims approved on or before September 30 between October 15 and November 1 of the fiscal year for which postponement is claimed. Certificates for claims approved after September 30 shall be issued at such times as the Controller determines will best implement the purpose of this chapter.~~

~~(f) The Controller shall prescribe the manner in which a claimant eligible under this chapter, who has been issued a certificate of eligibility which is lost or destroyed prior to being filed with the local agency pursuant to subdivision (b) may obtain a duplicate copy of said certificate as a replacement. (Under such conditions as may be prescribed by the Controller, a duplicate copy shall be deemed as having been filed with the local agency as of the date a claimant requests issuance of such duplicate copy.)~~

Section 20621 of the Revenue and Taxation Code is amended to read:

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

- (a) Evidence acceptable to the Controller that the person was a “senior citizen claimant” or a “blind or disabled claimant.”
- (b) A statement showing the household income for the period set forth in Section 20503.
- (c) A statement describing the residential dwelling in a manner that the Controller may prescribe.
- (d) The name of the county in which the residential dwelling is located and the address of the residential dwelling.
- (e) The county assessor’s parcel number applicable to the property for which the claimant is applying for the postponement of property taxes.
- (f) (1) Documentation evidencing the current existence of any abstract of judgment, federal tax lien, or state tax lien filed or recorded against the applicant, and any recorded mortgage or deed of trust that affects the subject residential dwelling, for the purpose of determining that the claimant possesses a ~~20-percent~~ **40-percent** equity in the subject residential dwelling as required by paragraph (1) of subdivision (b) of Section 20583.
- (2) Actual costs, not in excess of fifty dollars (\$50), paid by the claimant to obtain the documentation ~~shall, in the event the Controller issues a certificate of eligibility,~~ **shall** reduce the amount of the lien for the year, but not the face amount of the payment prescribed in Section 16180 of the Government Code.
- (g) Other information required by the Controller to establish eligibility.

Section 20622 of the Revenue and Taxation Code is amended to read:

The claim for postponement shall be filed after ~~May 15~~ **September 1** of the calendar ~~calendar~~ **fiscal** year in which the ~~fiscal year for which~~ postponement is claimed begins, and on or before ~~December~~ **April** 10 of that fiscal year; if ~~December~~ **April** 10th falls on Saturday, Sunday, or a legal holiday, the date is extended to the next business day.

Section 20623 of the Revenue and Taxation Code is amended to read:

- (a)** No person shall file a claim for postponement under this chapter on or after the effective date of the act adding this section, and the Controller shall not accept applications for postponement under this chapter on or after that date.
- (b) This section shall become inoperative on July 1, 2016, and as of January 1, 2017, is repealed.**

Section 20639.10 of the Revenue and Taxation Code is amended to read:

The Controller shall maintain a record of all persons who have received postponement amounts pursuant to this chapter. ~~Such~~ **That** record shall include the name and address of the claimant, the name and address of the legal owner of the mobilehome, the name and address of any other party whose consent is required by this chapter, and any other information deemed necessary by the Controller for administration purposes.

Section 20639.11 of the Revenue and Taxation Code is amended to read:

All amounts postponed pursuant to this chapter shall be due if any of the following occurs:

- (a) The claimant ceases to occupy the residential dwelling as the principal place of residence, ~~sells~~ **sells**, or otherwise disposes of his or her mobilehome.
- (b) The claimant dies. However, if the surviving spouse ~~or another person eligible to postpone~~ **was previously approved** pursuant to this chapter continues to occupy the mobilehome, then the postponed amounts shall not be due unless ~~such that~~ person dies or ceases to occupy the residential dwelling.
- (c) The failure of a claimant to perform those acts required by the legal owner or junior lienholder.
- (d) The claimant allows any subsequent taxes to remain unpaid or to be transferred to the unsecured roll.
- (e) Postponement was erroneously allowed because eligibility requirements were not met.

Section 20639.12 of the Revenue and Taxation Code is amended to read:

If the Controller determines that amounts postponed under this chapter have become due and payable, the Controller may take any or all of the following actions:

- (a) Demand payment of ~~such that~~ amount from the claimant, the estate of any decedent claimant, or any person who was a cotenant with the claimant pursuant to the registration card.
- (b) Direct the Department of General Services to seize and sell any property pledged by the claimant as security for postponement.
- (c) Request the Attorney General to bring an action to recover amounts postponed under this chapter by the claimant.
- (d) Utilize any or all of the other enforcement and foreclosure provisions set forth in Article 3 (commencing with Section 16200) of Chapter 6 of Part 1 of Division 4 of Title 2 of the Government Code, as may be applicable.

Section 20645.5 of the Revenue and Taxation Code is amended to read:

**(a)** If a postponement claim under Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) is filed timely ~~but before~~ **the** delinquency date of the ~~first or second~~ installment of property taxes, **taxes on the secured roll**, then any delinquent ~~penalties~~ **penalties, costs, fees**, and interest **accrued** for ~~such that~~ fiscal year shall be canceled unless the failure to perfect the claim was due to willful neglect on the part of the claimant or representative. ~~In the event of such willful neglect, the certificates of eligibility for such fiscal year can be used to pay delinquent taxes only if accompanied by sufficient amounts to pay the delinquent interest and penalties.~~

**(b) In the event of willful neglect, an electronic funds transfer for that current fiscal year can be used to pay delinquent taxes only if accompanied by sufficient amounts to pay all of the delinquent**

**penalties, costs, fees, and interest. If an amount sufficient to pay all of the delinquent penalties, costs, fees, and interest is not received by the tax collector within 30 days from the date of the electronic funds transfer, the tax collector may return the electronic funds transfer to the Controller to deny the postponement claim.**

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

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

Section 20645.6 of the Revenue and Taxation Code is amended to read:

**(a) If the Controller denies a postponement claim under Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640), and such ~~the~~ denial is reversed after appeal pursuant to Section 20645.1, the Controller shall ~~issue a warrant~~ **electronically transfer funds** to the claimant, ~~county~~, if the taxes for the fiscal year have been paid, for the amount of ~~such~~ **the** taxes. If the taxes for the fiscal year are delinquent, any resulting penalties or interest shall be canceled.**

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

**The Legislature finds and declares that Section 16 of this act, which adds Section 3376 to the Revenue and Taxation Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:**

**In order to protect those persons subject to enforcement of Part 6 (commencing with Section 3351) of Division 1 of the Revenue and Taxation Code against the risk of identity theft, it is in the state's interest to limit public access to information.**

**No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.**

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

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

***In order to avoid the imminent sale of tax-defaulted dwellings of vulnerable Californians, it is necessary that this act take effect immediately.***

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