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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 4. FISCAL AFFAIRS [16100 - 17700] (Division 4 added by Stats. 1945, Ch. 119.)

PART 1. FUNDS FOR SUBVENTIONS [16100 - 16202] (Part 1 added by Stats. 1969, Ch. 1526.)

CHAPTER 5. Payment of Postponed Property Taxes [16180 - 16202] (Heading of Chapter 5 renumbered from Chapter 6 by Stats. 1982, Ch. 454, Sec. 61.)

ARTICLE 1. Payments and Liens [16180 - 16187] (Article 1 added by Stats. 1977, Ch. 1242.)

16180. (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 Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3 (commencing with Section 20639), and Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of the Revenue and Taxation Code.

(b) The Controller shall do all 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.

(3) On July 1, 2019, and on July 1 each year thereafter, up to 1 percent of the amount available in the fund for disbursements relating to the postponement of property taxes shall be available for residential dwellings that are manufactured homes pursuant to Chapter 3.3 (commencing with Section 20639).

(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.

(Amended by Stats. 2018, Ch. 896, Sec. 1. (SB 1130) Effective January 1, 2019.)

16181. (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 or permit for transport. The record shall include, but not be limited to, the name of each claimant, a description of the manufactured home against which a security agreement is charged, and the amount secured by the agreement.

(c) Upon written request of any person or entity, or the agent of either, having a legal or equitable interest in real property or a manufactured home that is subject to a lien or security agreement 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 the statement and 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) The Controller shall adopt regulations necessary to implement the provisions of this chapter and may establish a reasonable fee, not to exceed thirty dollars (\$30), for the provision of the statement of lien status provided for herein.

(Amended by Stats. 2018, Ch. 896, Sec. 2. (SB 1130) Effective January 1, 2019.)

16181.5. For purposes of this chapter, "real property" shall include possessory interests in real property for which property taxes have been postponed pursuant to the provisions of Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of the Revenue and Taxation Code.

(Added by Stats. 1978, Ch. 576.)

16182. (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 manufactured home situated on real property owned by the claimant for which property taxes have been 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. In the case of a manufactured home situated on real property not owned by the claimant, the state's interests shall be secured by a security agreement in favor of the State of California.

(b) In the case of real property and a manufactured home situated on real property owned by the claimant:

(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) 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 Controller shall provide the county tax collector and the county assessor with a copy of the notice of lien which has been executed.

(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:

(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 recording priority to the lien of the State of California.

(c) In the case of a manufactured home situated on real property not owned by the claimant, all of the following shall apply:

(1) The state's interest shall be evidenced by a security agreement for postponed property taxes executed by the Controller, or the authorized delegate of the Controller, and shall secure all sums paid owing pursuant to this chapter.

(2) The security agreement 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 security agreement. However, the security agreement shall be valid and binding notwithstanding any such person having ceased to hold the office of Controller before the date of filing.

(3) The form and contents of the security agreement 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 registered owners of the manufactured home for which the Controller has advanced funds for the payment of real property taxes.

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

(C) The identification number of the security agreement which has been assigned by the Controller.

(4) The security agreement shall be transmitted to the Department of Housing and Community Development.

(5) Upon receipt of the security agreement for postponed property taxes from the Controller, the Department of Housing and Community Development shall amend the permanent title record of the manufactured home to reflect that the property taxes on the manufactured home are subject to postponement.

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

(7) From the time that the Department of Housing and Community Development receives the security agreement from the Controller, the department shall impose a moratorium on any other amendments to the permanent title record of the manufactured home unit until released by the Controller in the manner prescribed by Section 16186, or an authorization for the amendments is given by the Controller in writing.

(8) From the time of filing, a security agreement shall attach to the manufactured home for which eligibility for the postponement of property taxes has been granted.

(Amended by Stats. 2018, Ch. 896, Sec. 3. (SB 1130) Effective January 1, 2019.)

16183. (a) 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) Beginning July 1, 2020, the rate of interest shall be 5 percent per annum.

(2) Beginning July 1, 2016, until June 30, 2020, the rate of interest shall be 7 percent per annum.

(3) 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, until June 30, 2016.

(4) For loans made prior to June 30, 2016, 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 payment is made by the Controller to 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.

(Amended by Stats. 2019, Ch. 794, Sec. 1. (AB 133) Effective January 1, 2020.)

16184. (a) The Controller shall reduce the amount of the obligation secured by the lien or security agreement against the real property or manufactured home 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 of the Revenue and Taxation Code or by any amounts authorized pursuant to subdivision (f) of Section 20621 of the Revenue and Taxation Code. Any payment received for that purpose shall be applied in the following order:

- (1) To any interest due on the loan.
- (2) To the principal property tax amount.
- (3) The remaining balance, if any, to administrative fees.

(b) The Controller shall also increase the amount of the obligation secured by the lien or security agreement by the amount of any subsequent payments made pursuant to Section 16180 with respect to the real property or manufactured home and to reflect the accumulation of interest. All such increases and decreases shall be entered in the record described in Section 16181.

(Amended by Stats. 2018, Ch. 896, Sec. 5. (SB 1130) Effective January 1, 2019.)

16186. (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 in the case of real property and a manufactured home situated on real property owned by the claimant:

- (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) If at any time the amount of the obligation secured by the security agreement 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 a manufactured home situated on real property not owned by the claimant:

- (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 and a fee of six dollars (\$6), to the Department of Housing and Community Development. 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. Upon receipt of the Release of Lien and the fee, the department shall terminate the restriction on the permanent title record as provided in Section 16182.

(Amended by Stats. 2019, Ch. 329, Sec. 6. (SB 780) Effective January 1, 2020.)

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

(Amended by Stats. 2017, Ch. 387, Sec. 6. (SB 205) Effective January 1, 2018.)

16187. (a) In the event of a judicial foreclosure of any lien senior in priority to the lien provided by Section 16182, notice shall be given the Controller, in such manner as the Controller may prescribe, not less than 60 days prior to the sale upon judicial foreclosure of any lien senior in priority to the lien provided by Section 16182, unless the Controller is named and served as a defendant in a judicial proceeding for foreclosure.

(b) In the event of a nonjudicial foreclosure of any lien senior in priority to the lien provided by Section 16182, notice shall be given to the Controller, pursuant to Section 2924b of the Civil Code. However, when the notice of lien for postponed property taxes is recorded subsequent to the recordation of a notice of default, the Controller shall be given notice of sale not less than 25 days prior to such sale provided that the lien for postponed property taxes is recorded more than 30 days before such sale.

In the event of a failure to give the notice required by this section, the lien established by Section 16182 shall not be affected by the foreclosure or sale of any such senior lien.

(Amended by Stats. 1978, Ch. 43.)

