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SB-1130 Property tax postponement: residential dwelling: manufactured homes. (2017-2018)

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Senate Bill No. 1130

CHAPTER 896

An act to amend Sections 16180, 16181, 16182, 16183, 16184, 16186, and 16192 of, and to repeal Article 4 (commencing with Section 16210) of Chapter 5 of Part 1 of Division 4 of Title 2 of, the Government Code, and to amend Sections 2514, 20503, 20505, 20583, 20585, 20586, 20640.2, and 20641 of, to add Section 20639.13 to, and to add Chapter 3.3 (commencing with Section 20639) to Part 10.5 of Division 2 of, the Revenue and Taxation Code, relating to manufactured homes, and making an appropriation therefor.

[Approved by Governor September 28, 2018. Filed with Secretary of State September 28, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1130, Leyva. Property tax postponement: residential dwelling: manufactured homes.

Existing law authorizes a claimant to file a claim with the Controller to postpone the payment of property taxes that are due on the residential dwelling of the claimant pursuant to the Senior Citizens and Disabled Citizens Property Tax Postponement Law, the Senior Citizens Tenant-Stockholder Property Tax Postponement Law, and the Senior Citizens Possessory Interest Holder Property Tax Postponement Law. Existing law, for purposes of these laws, defines a "residential dwelling" to mean a dwelling occupied as the principal place of residence of the claimant and owned by the claimant, the claimant and spouse, or by the claimant and another individual, as specified, including condominiums that are assessed as realty for local property tax purposes. Existing law continuously appropriates revenues in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund for, among other things, disbursements relating to the postponement of property taxes pursuant to these laws. Existing law authorizes the postponement of the payment of property taxes of a claimant who is the owner of a mobilehome for loans established prior to February 20, 2009, pursuant to the Senior Citizens Mobilehome Property Tax Postponement Law.

This bill would expand the definition of a "residential dwelling" to include a manufactured home, thereby authorizing a claimant who is the owner of a manufactured home to postpone the payment of property taxes. The bill, on July 1, 2019, and on July 1 each year thereafter, would require up to 1% of the amount available in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund for disbursements relating to postponement of property taxes to be available for residential dwellings that are manufactured homes. Because this bill would provide for an additional category of expenditures from the Senior Citizens and Disabled Citizens Property Tax Postponement Fund, a continuously appropriated fund, it would make an appropriation.

The bill would repeal the Senior Citizens Mobilehome Property Tax Postponement Law and would, instead, enact the Senior Citizens Manufactured Home Property Tax Postponement Law, which would, commencing July 1, 2019, establish a procedure for the postponement of the payment of property taxes of a claimant who is the owner of a manufactured home, as defined. The bill would require a claimant applying for postponement under this law to file a claim under penalty of perjury, as provided. The bill would also make related conforming changes. By requiring a claim for postponement to be filed under penalty of perjury, the bill would expand the crime of perjury, thereby imposing a state-mandated local program.

Existing law requires all sums paid by the Controller to be secured by a lien in favor of the state when funds are transferred to the county by the Controller upon the real property for which property taxes have been postponed. Existing law also requires the Controller to maintain a record of all properties against which a notice of lien for postponed property taxes has been recorded.

This bill would additionally require all sums paid by the Controller to be secured by a lien in favor of the state when funds are transferred to the county by the Controller upon a manufactured home situated on real property owned by the claimant for which property taxes have been postponed, as provided. The bill, in the case of a manufactured home situated on real property not owned by the claimant, would require the state's interest to be secured by a security agreement in favor of the State of California, as provided. The bill would also require the Controller to 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 bill would require the Controller, or authorized delegate of the Controller, if at any time the amount of the obligation secured by the lien or security agreement for postponed property taxes is paid in full or otherwise discharged in the case of a manufactured home, to direct certain local tax officials to remove specified information from the secured roll or assessment records, as provided. By imposing new duties upon local tax officials with respect to the removal of information from the secured roll and assessment records, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 16180 of the Government Code is amended to read:

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.

SEC. 2. Section 16181 of the Government Code is amended to read:

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.

SEC. 3. Section 16182 of the Government Code is amended to read:

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.

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

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, 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, until June 30, 2016.

(3) 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.

SEC. 5. Section 16184 of the Government Code is amended to read:

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.

SEC. 6. Section 16186 of the Government Code is amended to read:

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 to the owner of the manufactured home, 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 in Section 16182.

SEC. 7. Section 16192 of the Government Code is amended to read:

16192. If, at any time, a person meeting the requirements of subdivision (a) or (c) of Section 16191 elects, or any surviving spouse described in subdivision (b) of such section becomes eligible, or otherwise elects, to postpone property taxes pursuant to 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, payments made pursuant to Section 16180 shall be added to the amount of the lien existing against the residential dwelling.

SEC. 8. Article 4 (commencing with Section 16210) of Chapter 5 of Part 1 of Division 4 of Title 2 of the Government Code is repealed.

SEC. 9. Section 2514 of the Revenue and Taxation Code is amended to read:

2514. (a) Upon receipt of the payment by the Controller described in Section 20602, 20630, 20639.6, or 20640.6, the following shall occur:

- (1) The tax collector shall maintain a record of the fact that taxes on the property have been postponed. 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 as required by Section 3439.
- (2) 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 the Controller paid to the tax collector.

The county auditor, treasurer, or disbursing officer shall refund the amount of money, based on the payment by the Controller, to the claimant 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.

SEC. 10. Section 20503 of the Revenue and Taxation Code is amended to read:

20503. (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 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), all losses and nonexpenses shall be converted to zero for the purpose of determining whether the homeowner meets the Property Tax Postponement requirement.

(d) For purposes of 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), total income shall be determined for the calendar year ending immediately prior to the commencement of the fiscal year for which postponement is claimed.

SEC. 11. Section 20505 of the Revenue and Taxation Code is amended to read:

20505. "Claimant" means an individual who:

(a) For purposes of this chapter was either (1) 62 years of age or older on the last day of the calendar year or approved fiscal year designated in subdivision (b) or (c) of Section 20503, whichever is applicable, or (2) blind or disabled, as defined in Section 12050 of the Welfare and Institutions Code on the last day of the calendar year or approved fiscal year designated in subdivision

(b) of Section 20503, who was a member of the household, and who was either: (1) the owner and occupier of a residential dwelling on the last day of the year designated in subdivision (b) or (c) of Section 20503, or (2) the renter of a rented residence on or before the last day of the year designated in subdivision (b) of Section 20503. An individual who qualifies as an owner-claimant may not qualify as a renter-claimant for the same year.

(b) For purposes of 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) was a member of the household and either an owner-occupant, or a tenant stockholder occupant, or a possessory interestholder occupant, or a manufactured home owner-occupant, as the case may be, of the residential dwelling as to which postponement is claimed on the last day of the year designated in subdivision (d) of Section 20503, and who was (1) 62 years of age or older by December 31 of the fiscal year for which postponement is claimed, or (2) blind or disabled, as defined in Section 12050 of the Welfare and Institutions Code, at the time of application or on February 10 of the fiscal year for which postponement is claimed.

SEC. 12. Section 20583 of the Revenue and Taxation Code is amended to read:

20583. (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 manufactured homes 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.

(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, including the interest of a beneficiary of a special needs trust, 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 manufactured home shall be deemed to be the owner of the manufactured home.

(d) 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) "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 40 percent of the full value of the property as determined for purposes of property taxation or at least 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 40-percent equity requirement shall be met each time the claimant or authorized agent files 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).

SEC. 13. Section 20585 of the Revenue and Taxation Code is amended to read:

20585. 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 thirty-five thousand five hundred dollars (\$35,500).

SEC. 14. Section 20586 of the Revenue and Taxation Code is amended to read:

20586. For the purposes of 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), only one claimant per household each year shall be entitled to postponement. When two or more individuals in a household are qualified as claimants, they may determine who the claimant shall be. Such decision is irrevocable. If the individuals are unable to agree, the matter shall be determined by the Controller and his or her decision shall be final.

SEC. 15. Chapter 3.3 (commencing with Section 20639) is added to Part 10.5 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.3. Senior Citizens Manufactured Home Property Tax Postponement Law

20639. This chapter shall be known and may be cited as the "Senior Citizens Manufactured Home Property Tax Postponement Law."

20639.1. (a) Unless the context otherwise requires or unless otherwise provided in this chapter, the definitions given in Chapter 1 (commencing with Section 20501) and Chapter 2 (commencing with Section 20581) shall govern the construction of this chapter.

(b) Unless the context otherwise dictates or unless otherwise provided in this chapter, Chapter 1 (commencing with Section 101) and Chapter 2 (commencing with Section 155) of Part 1 of Division 1, Section 2931c of the Civil Code, Division 9 (commencing with Section 9101) of the Commercial Code, Chapter 4.5 (commencing with Section 14735) of Part 5.5 of Division 3 of Title 2 of the Government Code, Chapter 5 (commencing with Section 16180) of Part 1 of Division 4 of Title 2 of the Government Code, and Division 13 (commencing with Section 17000) of the Health and Safety Code shall be applicable to property tax postponements made pursuant to this chapter.

20639.2. As used in this part, "manufactured home" means a manufactured home as defined in Section 18007 of the Health and Safety Code that was constructed on or after June 15, 1976. "Manufactured home" includes both of the following:

(a) A manufactured home which has become real property by being affixed to the land on a permanent foundation system or otherwise and is taxed as all other real property is taxed.

(b) A manufactured home which is situated on real property owned by the claimant.

20639.4. (a) Subject to the limitations provided in Chapter 1 (commencing with Section 20501) or Chapter 2 (commencing with Section 20581), a claimant may file with the Controller a claim for postponement of a sum equal to but not exceeding the amount of property taxes for the fiscal year for which the claim is made.

(b) Any manufactured home on which property taxes are delinquent at the time the application for postponement under this chapter is made or on which any other property tax or special assessment imposed by a special district or other tax code are delinquent at the time of application for postponement under this chapter is made shall not be eligible for postponement.

(c) The Controller shall mail to the claimant for due execution, the appropriate security instruments required by the Controller.

20639.5. The Controller may require security for the postponement of property taxes pursuant to this chapter of the following:

(a) A security interest in the manufactured home in the form and manner prescribed by the Controller.

(b) (1) Any other additional security interest created and perfected with respect to the rights of third persons in the manner provided by law for such type of security interest which the Controller deems necessary to protect the interest of the state with regard to the repayment of postponed amounts by the claimant or the deceased claimant's estate.

(2) On the form supplied by the Controller, the claimant shall obtain the written consent of any legal owner if other than the claimant and the written consent of any junior lienholder. The consent shall be in the form and contain the provisions as prescribed by the Controller, and shall provide for written notice by the legal owner or junior lienholder, or both, to the Controller of the occurrence of a default by the claimant under the terms of an existing security agreement.

(c) The consent of all co-owners, if any, to the pledging of the manufactured home as security for repayment of postponed property taxes.

20639.6. (a) Upon receipt of the information described in Section 20639.9, the Controller shall determine whether the state's interest would be adequately protected if postponement is granted, and, if so, the Controller shall make payments directly to the

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 appropriated pursuant to Section 16180 of the Government Code.

(b) For manufactured homes situated on real property owned by the claimant, payments will be secured by a secured tax lien and obligation as specified by subdivision (b) of Section 16182 of the Government Code.

(c) For manufactured homes situated on real property not owned by the claimant, payments will be secured by a security agreement as specified by subdivision (c) of Section 16182 of the Government Code.

20639.7. The Controller shall prescribe the manner in which a claimant eligible under this chapter, who for any reason is incapacitated, may appoint his or her spouse or authorized agent, or have any such person appointed for the claimant, for all purposes of postponement of property taxes.

20639.8. The claim for postponement shall be filed after October 1 of the fiscal year in which the postponement is claimed and on or before February 10 of that fiscal year. If February 10 falls on Saturday, Sunday, or a legal holiday, the date is extended to the next business day.

20639.9. Each claimant applying for postponement under this chapter 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) All information required under Section 20621.
- (b) A copy of the Certificate of Title issued by the Department of Housing and Community Development.
- (c) A copy of the registration card issued by the Department of Housing and Community Development.
- (d) Other information required by the Controller to establish eligibility.

20639.10. The Controller shall maintain a record of all persons who have received postponement amounts pursuant to this chapter. That record shall include the name and address of the claimant, the name and address of the legal owner of the manufactured home, 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.

20639.11. 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, or otherwise disposes of his or her manufactured home.
- (b) The claimant dies. However, if the surviving spouse previously approved pursuant to this chapter continues to occupy the manufactured home, then the postponed amounts shall not be due unless 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.
- (f) The claimant is refinancing the residential dwelling.
- (g) The claimant has elected to participate in a reverse mortgage program for the residential dwelling.

20639.12. 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 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 5 of Part 1 of Division 4 of Title 2 of the Government Code, as may be applicable.

20639.13. This chapter shall become operative on July 1, 2019.

SEC. 16. Section 20639.13 is added to the Revenue and Taxation Code, to read:

20639.13. This chapter is repealed on July 1, 2019.

SEC. 17. Section 20640.2 of the Revenue and Taxation Code is amended to read:

20640.2. For the purposes of this chapter:

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

(b) "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, located on possessory interest property. It shall include condominiums and affixed manufactured homes upon which property taxes, as defined in subdivision (c), are assessed. It also includes part of a multidwelling or multipurpose building and a part of the land upon which it is built.

(c) "Property taxes" means the amount of property tax for which the claimant is personally liable as assessee or is obligated to pay directly to the tax collector pursuant to the terms of the agreement establishing the possessory interest, including all ad valorem property taxes, special assessments, capitalization of leasehold interest, 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, capitalization of leasehold interest, or other charges or user fees appearing on the tax bill of any chartered city which levies and collects its own property taxes.

SEC. 18. Section 20641 of the Revenue and Taxation Code is amended to read:

20641. Forms filed pursuant to this part shall not be under oath but shall contain, or be verified by, a written declaration that they are made under the penalty of perjury. All forms filed pursuant to Chapter 1 (commencing with Section 20501) shall require such information as the Franchise Tax Board may from time to time prescribe, and shall be filed with the Franchise Tax Board. The Franchise Tax Board shall prepare blank forms for the claimant and shall distribute them throughout the state and furnish them upon application. All forms filed pursuant to 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), shall require such information as the Controller may from time to time prescribe, shall be filed with the Controller, and the Controller shall prepare such blank forms for the claimant and shall distribute them throughout the state and furnish them upon application.

SEC. 19. 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.