

2012 New Laws Affecting REALTORS®

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This chart summarizes new laws passed by the California Legislature and the U.S. Congress that may affect REALTORS® in 2012. For the full text of a law, click onto the legislative number or go to www.leginfo.ca.gov for California laws or <http://www.gpo.gov/fdsys/> for federal laws. A legislative bill may be referenced in more than one section.

Topic	Description
Advertising	<p>Regulating False Claims of Government Affiliation</p> <p>A nongovernmental entity generally cannot solicit funds or information by mail, email, or through a website using an emblem or content that reasonably could be interpreted or construed as implying any federal, state, or local government connection, approval, or endorsement. Exceptions apply if: (1) the nongovernmental entity has an expressed connection with or the approval of the government entity; or (2) the solicitation conspicuously discloses in a specified manner that its service or product is not approved or endorsed by any governmental agency. A violation of this law is a misdemeanor punishable by 6 months imprisonment, plus a \$2,500 fine. Any person harmed by a violation can recover damages equal to three times the amount solicited, plus any other available remedies.</p> <p>Assembly Bill 75 (codified as Cal. B&P Code § 17533.6) (effective January 1, 2012).</p>
Advertising	<p>Regulating Filing Assessment Reduction Services</p> <p>Anyone who offers filing services for a reduction in the property tax assessment of a residential property is prohibited from using misleading business names, such as, among other things, the words “appeal” or “tax” with the words “board” or “commission.” The assessment reduction filing service must place at the top of every advertisement or promotional material, a specified disclosure notice in at least 2-point boldface font type larger than the next largest print on the page, and enclosed in a box formed by a heavy line.</p> <p>Assembly Bill 75 (codified as Cal. B&P Code § 17537.9) (effective January 1, 2012).</p>
Contractors	<p>Prohibiting Indemnification in Commercial Construction Contracts</p> <p>Starting January 1, 2013, indemnity language (including cost to defend) in a construction contract that protects general contractors, construction managers, or other subcontractors, against a subcontractor is unenforceable if the claims relate to the active negligence or willful misconduct of that contractor or manager as specified. This law does not apply to, among others, residential construction contracts which are covered under other laws, or contracts with the owner of private property. This law also requires the application of California law to these contracts regardless of any choice-of-law rules.</p> <p>Senate Bill 474 (codified as Cal. Civil Code § 2782.05) (effective January 1, 2012).</p>
Disclosures	<p>TDS Disclosure of Water-Conserving Plumbing Fixtures</p> <p>The TDS form has been revised to include checkbox in Section IIA for a seller to disclose whether the property has water-conserving plumbing fixtures (low-flow toilets, shower heads, and faucets). The revised TDS also clarifies in Section IIB that, by January 1, 2017, a single family residence built on or before January 1, 1994 must generally be equipped with water-conserving plumbing fixtures. If, however, the single-family residence is altered or improved on or after January 1, 2014, the water-conserving plumbing fixtures must be a condition of final permit approval.</p> <p>Senate Bill 837 (codified as Cal. Civil Code § 1102.6) (effective January 1, 2012).</p>

Disclosures	<p>NHD Disclosure of Mining Operations An NHD company must disclose whether a property is located within one mile of a mining operation, according to map coordinate data from the Office of Mine Reclamation. If a property is within a mining operation area, the NHD company must provide a specified notice that such mining operations may cause inconveniences. Senate Bill 110 (codified as Cal. Civil Code § 1103.4) (effective January 1, 2012).</p>
Discrimination	<p>Prohibiting Discrimination Against Genetic Information Genetic information has been added to the list of characteristics protected against discrimination under the Unruh Civil Rights Act, the Fair Employment and Housing Act, and other laws. Genetic conditions and disorders may be associated with particular racial and ethnic groups and gender, as evident in the 1970s when governmental programs mandated genetic screening of all African Americans for sickle cell anemia. Discrimination based on genetic information also led to the sterilization in the 1900s of persons presumed to have genetic defects, such as mental retardation, mental disease, epilepsy, and other conditions. Senate Bill 559 (codified as Cal. Civil Code § 51 and Cal. Gov't Code §§ 12900 et seq.) (effective January 1, 2012).</p>
Discrimination	<p>Redefining Discrimination Against Gender The definition of gender is changed to include a person's gender identity and gender-related appearance and behavior, such as transsexual and transgender. Neither employers nor those in housing, among others, can discriminate based on a person's gender as redefined. Assembly Bill 887 (codified as Cal. Civil Code § 51, and Cal. Gov't Code §12920, §12926, §12955 and others) (effective January 1, 2012).</p>
Elder Law	<p>Protecting the Elderly in Residential Care Facilities A licensee of a residential care facility for the elderly must generally give a written notice within two business days to all residents, applicants, and their legal representatives, as well as the State Department of Social Services and the State Long-Term Care Ombudsman, of any of the following: (1) a notice of default or any other indication of foreclosure is issued on the property; (2) an unlawful detainer action is initiated against the licensee; (3) the licensee files bankruptcy; (4) the licensee receives a written notice of default of payment of rent; or (5) a utility company sends a notice of intent to terminate services on the property within 15 days or less. This law shall be known as the RCFE Residents Foreclosure Protection Act of 2011. Senate Bill 897 (codified as Cal. Health and Safety Code § 1569.686) (effective January 1, 2012).</p>
Employment	<p>Prohibiting Misclassification of Independent Contractors An employer is prohibited from willfully misclassifying an employee as an independent contractor. An employer is also prohibited from charging someone who has been willfully misclassified as an independent contractor a fee or make a deduction from compensation for materials, space rental, services, and other purposes, if such acts would have violated the law had the individual not been misclassified. A violation of this law is punishable by a civil penalty up to \$25,000, plus other penalties as permitted by law. A violator shall also be ordered to prominently display a notice of the violation as specified on its website for one year. Senate Bill 459 (codified as Cal. Labor Code § 226.8) (effective January 1, 2012).</p>

Employment	<p>Requiring Written Commission Agreements By January 1, 2013, an employer's contract to pay commission to an employee for services rendered in California must be in writing and must set forth the method for computing and paying the commission. The employer must also give a signed copy of the contract to the employee, and get a signed receipt for the contract from the employee. This law does not apply to bonuses and profit-sharing plans, unless the employer has offered to pay a fixed percentage of sales or profits as compensation for work to be performed. Assembly Bill 1396 (codified as Cal. Labor Code § 2751) (effective January 1, 2012).</p>
Employment	<p>Requiring Written Employment Notice An employer must, at the time of hiring, provide a non-exempt employee with a written notice containing, among other things, the pay rate, pay day, employer's contact information, workers comp insurer's contact information, and other information the Labor Commissioner deems appropriate. The Notice to Employee form is available from the Department of Industrial Relations. This law also requires an employer to give written notice of any changes to the information in the Notice to Employee within 7 calendar days. Assembly Bill 469 (codified as Cal. Labor Code § 2810.5) (effective January 1, 2012).</p>
Employment	<p>Restricting Credit Reports for Employment Purposes An employer is not allowed to obtain a consumer credit report for employment purposes unless the position of the person for whom the report is sought is, among other things, a managerial position, a position that involves regular access to personal information, a position that involves access to confidential information, a position that involves access to cash of \$10,000 or more, or a position where the person is authorized to transfer money or enter into contracts for the employer or is a named signatory on the employer's bank or credit card account. Assembly Bill 22 (codified as Cal. Labor Code § 1024.5) (effective January 1, 2012).</p>
Escrow	<p>Reporting Escrow Activities to DRE A threshold broker-owned escrow must file with the DRE an annual report of escrow activity, including the number of escrows and dollar volume. A threshold broker-owned escrow is a broker who conducts escrow activities for 5 or more transactions in a calendar year under the broker exemption from the Escrow Law, or whose escrow activities are \$1 million or more in a calendar year. The requisite annual report must be filed within 60 days after the end of a calendar year in which the threshold is met. Failure to submit the report will be penalized at \$50 per day for the first 30 days, and \$100 per day thereafter, up to \$10,000. A broker who fails to pay the penalty may be subject to license suspension or revocation. All penalties collected will be deposited into the Consumer Recovery Account under the Real Estate Recovery Program. Senate Bill 53 (codified as Cal. B&P Code § 10141.6) (effective July 1, 2012).</p>
Foreclosure	<p>Disclosing Foreclosure Postponements A notice of trustee's sale for a non-judicial foreclosure of one-to-four residential units must contain specified notices to the owner on how to seek postponement of the trustee's sale, and to potential bidders on the risks involved in bidding at trustee auctions. A lender or authorized agent must make a good faith effort to provide up-to-date information about sales dates and postponements to persons who want this information. A lender must also provide updated information through the Internet, a telephone recording, or any other means that allows free access at any time. Senate Bill 4 (codified as Cal. Civil Code § 2924f) (effective April 1, 2012).</p>
Forfeiture	<p>Property Forfeiture for Cockfighting A prosecuting agency's authority to seek forfeiture of property in connection with a criminal conviction for dogfighting has been expanded to include cockfighting as well. The penalty for the misdemeanor against an owner, lessee, or proprietor who admits a minor under 16 years of age to any cockfight as specified has been increased from \$100 to \$500 (plus a 25-day imprisonment). Senate Bill 425 (codified as Cal. Penal Code § 310 and § 598.1) (effective January 1,</p>

	2012).
Homeowners Associations	<p>HOA Disclosures Cover Sheet</p> <p>Upon request for applicable transactions, an HOA must provide a specified cover sheet itemizing: (1) the HOA sales disclosures required by law; (2) the HOA disclosures provided by the HOA; and (3) the estimated fee for providing the required HOA disclosures distinguished from other fees, fines, or assessments. C.A.R.'s standard form Homeowner Association Information Request (revised 11/11) complies with this requirement. The fee for providing the required HOA disclosures must be reasonable based upon the HOA's actual cost for procuring, preparing, reproducing, and delivering the HOA documents. If such fee is paid, the HOA cannot withhold the required HOA disclosures for any reason. If an HOA maintains the HOA documents electronically, they must be made electronically available to a requesting party at no additional fee. This law also requires an HOA to, upon a buyer's request, provide 12 months of approved minutes of the association's board of directors meetings (excluding executive sessions).</p> <p>Assembly Bill 771 (codified as Cal. Civil Code § 1368 (b)) (effective January 1, 2012).</p>
Homeowners Associations	<p>Installing Electric Vehicle Charging Stations</p> <p>An HOA must allow the installation or use of electric vehicle charging stations in a unit owner's designated parking space as defined, but the HOA may impose reasonable restrictions. An HOA cannot willfully avoid or delay an application to approve an electric vehicle charging station, which may be deemed approved if not denied within 60 days. If a unit owner seeks to install a charging station in a common area or exclusive use common area, that owner and each successive owner of the parking stall on or near the charging station will be responsible for certain costs and for disclosing to prospective buyers the existence of the electric vehicle charging station and related responsibilities. An HOA can disapprove a charging station in the common area for the exclusive use of a unit owner, unless installation in the owner's designated parking space is impossible or unreasonably expensive. An HOA that willfully violates this law shall be liable for actual damages, plus a \$1,000 civil penalty</p> <p>Senate Bill 209 as amended by Senate Bill 880 (codified as Cal. Civil Code § 1353.9) (effective January 1, 2012, with certain provisions effective February 29, 2012).</p>
Homeowners Associations	<p>Owner's Right to Rent Condo</p> <p>A unit owner in a common interest development is exempt from any prohibition in a governing document against renting or leasing the unit, unless that prohibition was in effect before the owner acquired title to the unit. An owner's right to rent under this law does not terminate for certain transfers of title, including probate, spousal, parent-to-child, adding a joint tenant, and other transfers exempt from property tax reassessments. For sales transactions, an HOA must disclose any prohibition in the governing documents against renting or lease (C.A.R.'s standard form Homeowner Association Information Request (revised 11/11)). For rental transactions, a unit owner must give the HOA verification of the owner's acquisition date, and the name and contact information of the prospective tenant. This law does not apply to rental prohibitions in effect before 2012.</p> <p>Senate Bill 150 (codified as Cal. Civil Code § 1360.2) (effective January 1, 2012).</p>

Homeowners Associations	<p>Restricting Actions by HOA Board</p> <p>Notice for an executive session meeting of an HOA board of directors (other than emergencies) must be given to unit owners at least 2 days before the meeting. The board of directors cannot take action on any item of business outside of a meeting, except for actions that have been validly delegated to managing agents, officers, or any other persons. A board meeting may be conducted by teleconference as specified, but the notice of a teleconference meeting must identify at least one physical location where members can attend, and at least one director must attend the meeting at that location. A board meeting cannot be conducted by email, except for an emergency in the manner specified. Agendas for executive session meetings are no longer excluded from the records that HOA must make available for inspection.</p> <p>Senate Bill 563 (codified as Cal. Civil Code § 1363, et seq.) (effective January 1, 2012).</p>
Landlord-Tenant	<p>Tenant Eviction for Dogfighting or Cockfighting</p> <p>Any property used for willfully conducting criminal dogfighting or cockfighting is a public nuisance. A landlord can serve a three day notice to terminate a tenant for committing or permitting the public nuisance of dogfighting or cockfighting on the premises.</p> <p>Senate Bill 426 (codified as Cal. Civil Code § 3482.8) (effective January 1, 2012).</p>
Landlord-Tenant	<p>Tenants Displaying Political Signs</p> <p>A residential landlord must generally allow a tenant to display political signs related to elections, legislative votes, initiatives, and other political matters as specified. The landlord can make reasonable restrictions as to location, size, and duration of display. In a single-family dwelling, a tenant's political signs can be displayed from the yard, window, door, balcony, or outside wall of the leased premises. In a multi-family dwelling, a tenant's political signs can be posted in the window or door of the leased premises. A landlord can restrict the size of a political sign to 6 square feet. A landlord can also prohibit a tenant from displaying political signs that violate local, state, or federal law, or a lawful provision in an HOA's governing documents. A tenant must remove political signs in compliance with time limits set by local ordinance, or absent such time limits, the landlord can reasonably restrict the posting of a sign to 90 days before an election, and require removal within 15 days thereafter.</p> <p>Senate Bill 337 (codified as Cal. Civil Code § 1940.4) (effective January 1, 2012).</p>
Landlord-Tenant	<p>Tenants Recycling Rights</p> <p>A multifamily residential dwelling of 5 or more units (or a multifamily residential dwelling or business that generates more than 4 cubic yards per week of commercial solid waste as defined) must arrange for recycling services in an effort to help reduce solid waste. The required recycling services must be consistent with state or local laws to the extent that these services are offered and reasonably available from a local service provider. A multifamily residential owner may require tenants to source separate their recyclable materials to aid in compliance with this law.</p> <p>Assembly Bill 341 (codified as Cal. Pub. Res. Code § 40004) (effective July 1, 2012).</p>
Landlord-Tenant	<p>Tenants Smoking Ban</p> <p>A residential landlord can prohibit the smoking of cigarettes and other tobacco products anywhere on the premises, including any interior or exterior area on the property. For new tenants in 2012, the areas where smoking is prohibited must be stated in the lease or rental agreement. For preexisting tenants before 2012, a new smoking ban is a change in the terms of tenancy that requires adequate written notice, depending on whether the tenancy is a month-to-month or fixed term agreement.</p> <p>Senate Bill 332 (codified as Cal. Civil Code § 1947.5) (effective January 1, 2012).</p>

Landlord-Tenant	<p>Victims of Domestic Violence</p> <p>The law allowing a tenant who is the victim of domestic violence to terminate a tenancy as specified has been revised to require that the notice must generally be given within 180 days of a temporary restraining order, police report, or as provided.</p> <p>Assembly Bill 588 (codified as Cal. Civil Code § 1946.7) (effective January 1, 2012).</p>
Licensing	<p>Appointing Branch Managers</p> <p>An employing broker may appoint a licensee as a manager to supervise the licensed activities, clerical staff, and day-to-day operations of a branch office or division. Appointment of a manager does not limit the employing broker's supervisory responsibilities, but an appointed manager who fails to properly supervise licensed activities will be subject to DRE discipline. Appointment of a manager must be in a written agreement in which the manager accepts the delegated responsibility, and the DRE must be notified when a manager is appointed or terminated. A licensee is ineligible to serve as an appointed manager if he or she has a restricted license, is or has been subject to a debarment order, or is a salesperson with less than 2 years of full-time real estate experience within the last 5 years.</p> <p>Senate Bill 510 (codified as Cal. B&P Code § 10164) (effective July 1, 2012).</p>
Licensing	<p>DRE Citations and Fines</p> <p>The DRE can issue a citation and \$2,500 fine if, upon investigation, it has cause to believe that a licensee has violated the DRE rules, or an unlicensed person has engaged in licensed activities. A person cited can request a hearing within 30 days from receipt of a citation. The citation and fine will be in lieu of DRE discipline for the offense cited, and the citation will not be reported as discipline. However, failure to comply with a citation or pay a fine is subject to DRE discipline and non-renewal of license. The DRE may also apply for a superior court judgment in the amount of the fine and order compelling compliance with the citation. All administrative fines collected will be deposited into the Consumer Recovery Account under the Real Estate Recovery Program.</p> <p>Senate Bill 53 (codified as Cal. B&P Code § 10080.9) (effective January 1, 2012).</p>
Licensing	<p>DRE Disciplinary Authority</p> <p>The DRE's disciplinary authority includes the following:</p> <p>Entering into a pre-prosecution settlement with a licensee or applicant, instead of pursuing an accusation or statement of issue, but the settlement will be considered discipline (Cal. B&P § 10100.4).</p> <p>Including payment of reasonable investigation and prosecution costs in a disciplinary order. A licensee's failure to pay can result in non-renewal of license. (Cal. B&P § 10106.)</p> <p>Requiring that a restricted licensee pays the costs of monitoring the licensee and monetary restitution to any person who sustained damages caused by the licensee's misconduct. Failure to pay can result in non-renewal of license. (Cal. B&P Code § 10186.)</p> <p>Automatically suspending the license of anyone incarcerated after a felony conviction (Cal. B&P Code § 10186.1(a)).</p> <p>Conclusively presuming without a hearing that a licensee's conviction for murder, rape, lewd and lascivious acts, or a violation of dangerous drugs or controlled substances law, is substantially related to the qualifications, functions, or duties of a licensee (Cal. B&P Code § 10186.1(c)).</p> <p>Making public information confirming the fact of certain investigations or proceedings regarding a licensee (Cal. B&P Code § 10088).</p> <p>Applying for a court order to enforce a subpoena that a licensee has refused to obey (Cal. B&P Code § 10079).</p> <p>Senate Bills 53 and 706 (effective January 1, 2012).</p>

Licensing	<p>Licensee's Duty to Report Discipline A licensee must report to the DRE within 30 days of any of the following actions taken against the licensee:</p> <ol style="list-style-type: none"> 1. Disciplinary action taken by any federal or state licensing entity, both California and other states (e.g. California contractor's license or Nevada real estate license); 2. Any felony indictment or information; or 3. Felony or misdemeanor conviction, including a plea of guilty or no contest. <p>A failure to comply with this reporting requirement will be cause for discipline. Senate Bill 706 (codified as Cal. B&P Code § 10186.2) (effective January 1, 2012).</p>
Licensing	<p>License Expiration Delayed Pending Discipline If the DRE delays the renewal of a license due to a pending disciplinary action, the existing license will not expire until the results of the disciplinary action are final or the license is voluntarily surrendered, whichever occurs first. Senate Bill 53 (codified as Cal. B&P Code § 10177) (effective January 1, 2012).</p>
Licensing	<p>License Suspension for Largest Tax Delinquents The State Board of Equalization and the Franchise Tax Board must each compile and periodically make public a list of the top 500 tax delinquents over \$100,000. These lists must identify, among other things, each delinquent taxpayer's occupational or professional license number. The DRE and other state governmental licensing entities (with certain exceptions) must suspend and refuse to issue or renew an occupational or professional license for anyone on a tax delinquency list. Assembly Bill 1424 (codified as Cal. B&P Code § 494.5) (effective January 1, 2012).</p>
Licensing	<p>Securities Exemption Disclosure for Investors A broker who files certain information with the DRE for exemption from securities qualification must submit a copy of that information to any investor who gives funds to the broker in connection with a transaction involving the sale of a series of notes (or undivided interests in a note) secured by real property under section 10237 of the California Business and Professions Code. Senate Bill 53 (codified as Cal. B&P Code § 10236.7) (effective January 1, 2012).</p>
Local Governance	<p>Allowing Solar-Use Easements Under the Williamson Act For 10-year contracts between landowners and the local government to devote the land to agricultural use under the Williamson Act, the parties can mutually agree to rescind the contract and simultaneously enter into a solar-use easement to use the land for solar photovoltaic facilities for a minimum of 20 years, except as specified. Senate Bill 618 (codified as Cal. Gov't Code § 51190 et seq.) (effective January 1, 2012).</p>
Local Governance	<p>Financing Seismic Strengthening Fixtures Under the new Seismic Safety Finance Act, a local government can enter into voluntary contractual assessments with property owners to finance the installation of seismic strengthening fixtures. The legislative intent of this law is to make seismic safety improvements more affordable and to promote the installation of seismic strengthening improvements. Assembly Bill 184 (codified as Cal. Streets & Highways Code § 5899) (effective January 1, 2012).</p>
Local Governance	<p>Imposing Mello-Roos Tax for Energy Efficient Improvements The Mello-Roos Community Facilities Act has been expanded to allow a local government to impose a special tax for financing real property improvements for energy efficiency, water conservation, and renewable energy. This law also establishes new community facility district procedures for, among other things, annexation proposals and bond</p>

	<p>indebtedness.</p> <p>Senate Bill 555 (codified as Cal. Gov't Code § 53313.5(l)) (effective January 1, 2012).</p>
Mortgage Loans	<p>MLO Applicant's Criminal Background</p> <p>A mortgage loan originator (MLO) license or license endorsement can be issued to an applicant with a previous felony conviction that has been expunged or pardoned. However, the DRE or Department of Corporations may consider the underlying facts and circumstances of the expunged or pardoned felony in determining whether to issue an MLO license or license endorsement. A person exempt from the MLO requirements under the California Finance Lenders Law may apply for an exempt company registration to sponsor MLO licensees.</p> <p>Senate Bill 217 (codified as Cal. B&P Code § 10166.05 and Cal. Fin. Code § 22065) (effective January 1, 2012).</p>
Mortgage Loans	<p>Reverse Mortgage Restrictions for Insurance Brokers</p> <p>An insurance broker is prohibited from participating in or associating with the origination of a reverse mortgage, unless the broker: (1) Maintains procedural safeguards to ensure that the broker has no direct financial incentive for referring the client to a reverse mortgage lender; and (2) Receives no direct incentive for providing non-casualty insurance connected to a reverse mortgage.</p> <p>Senate Bill 793 (codified as Cal. Ins. Code § 785.1) (effective January 1, 2012).</p>
Mortgage Loans	<p>VA Loans for Refinancing</p> <p>The Department of Veterans Affairs will assist veterans in refinancing their homes. The VA is authorized to acquire a veteran's home for the purpose of refinancing an existing mortgage loan that is not a mortgage loan acquired under the Veteran's Farm and Home Purchase Act of 1974.</p> <p>Assembly Bill 697 (codified as Cal. Military and Veterans Code § 987.85) (effective January 1, 2012).</p>
Probate	<p>Value Increase for Probate Exemptions</p> <p>The total value of a decedent's estate that can be transferred using simplified petition procedures, rather than a formal probate administration, has been increased from \$100,000 to \$150,000. The total value of all real property in a decedent's estate that can be transferred by an affidavit procedure, instead of a formal probate administration or the petition procedures, has been increased from \$20,000 to \$50,000. The amount of salary or other compensation that a surviving spouse can collect from an employer for the personal services of the deceased spouse has been increased from \$5,000 to \$15,000 net.</p> <p>Assembly Bill 1305 (codified as Cal. Probate Code §§ 7620, 13200, and 13600) (effective January 1, 2012).</p>
Property Taxes	<p>Change in Ownership Statement Procedures</p> <p>New procedures for filing a Change in Ownership statement with the local property tax assessor include, among others, as follows: (1) Deems statement is filed on the date it is postmarked or certified; (2) Increases penalty cap for nonwillful failure to file statement from \$2,500 to \$5,000 for properties eligible for the homeowners' exemption, and \$20,000 for properties ineligible for the homeowners' exemption; (3) Extends time to file statement from 45 days to 90 days (including change in control or ownership of corporations, LLCs and other legal entities); and (4) Specifies where the assessor may mail a request for statement or notice of penalty for an identified property.</p> <p>Senate Bill 507 (codified as Cal. Rev. & Tax Code §§ 480 et seq.) (effective January 1, 2012).</p>
Property Taxes	<p>Deferral for Seniors and the Disabled</p> <p>Counties can elect to participate in a County Deferred Property Tax Program that allows senior and disabled citizens to defer payment of property taxes owed. If the claimant who applies is eligible, and the county's Property Tax Deferral Fund has adequate funds, the county treasurer or tax collector may defer property taxes for a claimant's residential dwelling for that fiscal year. The amount of deferred tax plus interest shall be secured by a judgment lien as specified.</p>

	<p>Assembly Bill 1090 (codified as Cal. Gov't Code §§ 20800 et seq.) (effective January 1, 2012).</p>
Property Taxes	<p>Other Revisions to Property Tax Provisions</p> <p>Seniors and Disabled: Extends from 30 days to 6 months the time an owner has to notify the assessor of the completion of new construction, for purposes of seniors and the severely and permanently disabled transferring their base year value to a newly constructed replacement dwelling of equal or lesser value (SB 947) (Cal. Rev. & Tax Code § 69.5).</p> <p>Seniors and Disabled: Provides that a property is substantially damaged or destroyed by misfortune or calamity if either the land or the improvements are physically damaged by more than 50% of their full cash value, for purposes of seniors and the severely disabled transferring their base year value to a replacement dwelling within the same county (starting with the 2012-13 fiscal year) (SB 947) (Cal. Rev. & Tax Code § 69.3).</p> <p>Disaster Relief: Provides that a property is substantially damaged or destroyed by a disaster if either the land or the improvements are physically damaged by more than 50% of their full cash value, for purposes of transferring the base year value to a comparable property within the same county (starting with the 2012-13 fiscal year) (SB 947) (Cal. Rev. & Tax Code § 69).</p> <p>Parent-Child Exclusion: Adds an interest in a unit or lot in a cooperative housing corporation to the parent-child principal residence exclusion from reassessment (SB 947) (Cal. Rev. & Tax Code § 63.1).</p> <p>Social Purpose: Terminates the tax exemptions for property used for college, cemetery, church, religious, exhibition, veterans' organization, tribal housing, or welfare purposes upon transfer to a third party who is not eligible for that exemption (SB 947) (Cal. Rev. & Tax Code § 271.5).</p> <p>Disabled Veterans: Specifies that a property is an unmarried surviving spouse's principal residence even if that spouse is confined in a hospital or other care facility for purposes of the tax exemption for the principal residence of a disabled veteran, veteran's spouse, and unmarried surviving spouse if the veteran died while on active military duty as a result of a service-connected disease or injury (starting with the 2012-13 fiscal year) (AB 188) (Cal. Rev. & Tax Code § 205.5).</p> <p>Disabled Veterans: Requires the assessor to, before the lien date every year, notify all claimants (including spouses) who received the disabled veterans' tax exemption the preceding year (SB 947) (Cal. Rev. & Tax Code § 278).</p> <p>Disabled Veterans: Allows refund or cancellation of property taxes for a disabled veteran's property if a proper application for an exemption is filed within 90 days the property became eligible or the next lien date, whichever is later (SB 947) (Cal. Rev. & Tax Code § 276.2).</p> <p>Paying Under Protest: Modifies the procedure for paying taxes under protest (SB 948) (Cal. Rev. & Tax Code § 620).</p> <p>Small Amounts: Authorizes a tax collector to discharge its responsibility for collecting amounts too small to justify collection in accordance with specified procedures (SB 948) (Cal. Rev. & Tax Code § 2611.1).</p> <p>Refund for Mistaken Payment: Requires the tax collector to refund within 60 days of verifying that a taxpayer mistakenly paid property taxes on property that he or she does not own or subject the credit or refund to interest as specified (SB 948) (Cal. Rev. & Tax Code § 4911).</p> <p>Refund for Overpayment: Requires the tax collector to refund any property taxes paid on an assessment that exceeds the property value as determined by the county assessment appeals board, and authorizes refunds over \$10 (SB 948) (Cal. Rev. & Tax Code § 5096 and 5097.2).</p> <p>Administrative Hearings: Defines an "owner-occupied single-family dwelling" as the owner's principal place of residence that qualifies for a homeowners' property tax exemption for purposes of the rebuttable presumption in favor of the homeowner who has supplied information in an administrative hearing involving assessment of an owner-occupied single-family dwelling (AB 711) (Cal. Rev. & Tax Code § 167).</p>

	<p>Certificate of Payment: Requires the assessor, tax collector, or auditor to charge and collect, instead of \$1, a fee to cover the actual and reasonable costs incurred for preparing a certificate of payment showing taxes paid (AB 820) (Cal. Rev. & Tax Code § 162.1).</p> <p>Senate Bill 947, Senate Bill 948, Assembly Bill 188, Assembly Bill 711, and Assembly Bill 820 (effective January 1, 2012).</p>
Property Valuation	<p>Proper Valuation of Property A licensee cannot knowingly or intentionally misrepresent the value of real property. Furthermore, a licensee who offers or provides an opinion of value for residential property that is used as the basis for originating a mortgage loan cannot have any direct or indirect interest in the property or transaction as defined under Regulation Z (at 12 C.F.R. § 226.42(d)). A licensee or other interested party is prohibited from using coercion, extortion, bribery, intimidation, compensation, or instruction to improperly influence a person preparing an appraisal or valuation for a real estate transaction. Senate Bill 6 (codified as Cal. B&P Code § 10177.3) (effective January 1, 2012).</p>
Schools	<p>Parent's Workplace Establishes Residency for School Attendance A school district may deem that a pupil has complied with the residency requirements for school attendance in the district if at least one parent or the legal guardian of the pupil is physically employed within the boundaries of that district at least 10 hours per school week. This provision, which was originally scheduled to expire on July 1, 2012, has been extended to July 1, 2017. Senate Bill 381 (codified as Cal. Ed Code § 48204) (effective January 1, 2012).</p>
Security Breach	<p>Notification of Security Breach of Personal Information The law requiring a person, business, or agency to notify customers of a security breach of unencrypted, computerized personal information (such as social security number and driver's license number) has been broadened to include additional requirements. The security breach notification must, among other things, be written in plain language and include: (1) the name and contact information of the reporting person or business; (2) a list of the type of personal information that were breached; (3) a general description of the incident; and (4) whether a law enforcement investigation delayed notification. Any notification of a single security breach issued to over 500 California residents must also be electronically submitted to the Attorney General. Senate Bill 24 (codified as Cal. Civil Code §§ 1798.29 and 1798.82) (effective January 1, 2012).</p>
Small Claims	<p>Small Claims Increased to \$10,000 The small claims court jurisdiction is generally increased from \$7,500 to \$10,000 for an action brought by a natural person. The increase to \$10,000 for a claim of bodily injury from a car accident will not occur until 2015. The dollar limit in small claims court for an action brought by a corporation or other entity remains at \$5,000. Senate Bill 221 (codified as Cal. Code of Civil Procedure § 116.221) (effective January 1, 2012).</p>
Tax Sales	<p>Preserving Prescriptive Easements After Tax Sale For the sale of a tax-defaulted property by a county tax collector, title transfers free of encumbrances with certain exceptions. One new exception is for easements of any kind, including prescriptive easements. Furthermore, any person seeking to rescind a tax sale by the tax collector due to alleged invalidity or irregularity must petition the board of supervisors before commencing court proceedings. The petition to the board of supervisors must be commenced within one year of the date of the tax collector's deed. Any subsequent court proceeding must be commenced within one year from the board of supervisors' determination that the tax sale should not be rescinded. Assembly Bill 261 (codified as Cal. Rev. & Tax Code §§ 3712 and 3725) (effective January 1, 2012).</p>

<p>Tax Sales</p>	<p>Revisions to Tax Sale Provisions</p> <p>Providing Information: Requires a property tax assessor to provide information to the tax collector for preparing and enforcing tax sales for a reasonable cost that is to be added to the owner's delinquent taxes and other costs as specified (Cal. Rev. & Tax Code § 408).</p> <p>Excess Proceeds: Requires any person who acts on behalf of a party of interest in filing a claim for excess proceeds after a sale of tax-defaulted property to submit proof that the party of interest has been advised about the source of the excess proceeds and the right to file a claim for the excess proceeds on his or her own behalf (Cal. Rev. & Tax Code § 4675).</p> <p>Excess Proceeds Publication: Eliminates the requirement to publish a notice in a newspaper of the right to claim the excess proceeds from the sale of a tax-defaulted property if the cost to publish is equal to or more than the excess proceeds from the sale (Cal. Rev. & Tax Code § 4676).</p> <p>Excess Proceeds Republication: Authorizes the publication of, among other things, notices of tax default and intended sale of tax-defaulted property to be republished within 60 days if an error or defect is discovered after the time required for the original publication (Cal. Rev. & Tax Code § 4842).</p> <p>Tax Default Costs: Authorizes the board of supervisors to establish the actual and reasonable costs incurred by the tax collector for attempting to contact the owner-occupant of a tax-defaulted property to be sold, mailing specified notices to parties of interest, and publishing a notice of agreement in a newspaper. These costs shall be added to the required amount for an owner to redeem the property (AB 902) (Cal. Rev. & Tax Code §§ 3704.7 and 4112).</p> <p>Senate Bill 948 and Assembly Bill 902 (effective January 1, 2012).</p>
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