

AMENDED IN ASSEMBLY AUGUST 5, 2020

AMENDED IN ASSEMBLY JULY 27, 2020

AMENDED IN SENATE JUNE 19, 2020

AMENDED IN SENATE JUNE 16, 2020

AMENDED IN SENATE JUNE 2, 2020

AMENDED IN SENATE MAY 18, 2020

AMENDED IN SENATE APRIL 30, 2020

**SENATE BILL**

**No. 1410**

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**Introduced by Senators Caballero and Bradford  
(Principal coauthors: Senators Atkins and Hertzberg)**

February 21, 2020

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An act to add and repeal Section 1947.20 of the Civil Code, to *amend Section 1161.2 of*, and to add and repeal ~~Section 1161.05 of Sections 1161.05 and 1179.1 of~~ the Code of Civil Procedure, and to add Section 19535 to, and to add and repeal Sections 17053.10, 17154.5, 19534, 23610, and 24311 of, the Revenue and Taxation Code, relating to tenancy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1410, as amended, Caballero. COVID-19 emergency: tenancies.

(1) Existing law permits the Governor to proclaim a state of emergency during conditions of disaster or of extreme peril to the safety of persons and property, including epidemics. Existing law provides that the proclamation takes effect immediately, affords specified powers to the Governor, and terminates upon further proclamation by the Governor. The Governor proclaimed a state of emergency March 4,

2020, related to the COVID-19 pandemic. An executive order issued by the Governor on March 27, 2020, and extended on May 29, 2020, prohibits the eviction of residential tenants during the pendency of a state of emergency, except as specified. Under the executive order, this protection is effective through July 28, 2020.

Existing law establishes a procedure, known as an unlawful detainer action, that a landlord must follow in order to evict a tenant. Existing law provides that a tenant is subject to such an action if the tenant continues to possess the property without permission of the landlord in specified circumstances, including when the tenant has violated the lease by defaulting on rent or failing to perform a duty under the lease.

Existing law, the Tenant Protection Act of 2019, prohibits, with certain exceptions, an owner of residential real property from increasing the gross rental rate for a dwelling or unit more than 5% plus the percentage change in the cost of living, as defined, or 10%, whichever is lower, of the lowest gross rental rate charged for the immediately preceding 12 months, subject to specified conditions.

This bill would authorize an owner of real property and a tenant to sign and execute a tenant-owner COVID-19 eviction relief agreement that, during a state of emergency related to the COVID-19 pandemic, and unspecified additional days, would allow the tenant to defer the tenant's unpaid rent, and would prohibit the owner from serving a notice terminating the tenancy or filing a complaint for unlawful detainer for that unpaid rent or during the state of emergency, unless an exception applies. The agreement would require the tenant to repay the unpaid rent to the state as installments in accordance with a specified repayment schedule, or ahead of the repayment schedule, during taxable years beginning on or after January 1, 2024, and before January 1, 2034. The bill would require the owner of real property to offer the tenant a signed copy of the agreement, along with a specified notice, prior to executing the tenant-owner COVID-19 eviction relief ~~agreement~~. *agreement, and would make related changes.* The bill would require the owner of real property to obtain a signed acknowledgment of receipt from the tenant if the tenant declines the offer. If the tenant does not respond to the offer, the bill would require the owner to confirm, under penalty of perjury, that the owner hand-delivered or mailed the offer. By expanding the crime of perjury, the bill would impose a state-mandated local program.

This bill would void any demand for the payment of unpaid rent accrued, or any notice to terminate tenancy served, beginning on March

4, 2020, upon the declaration of the state of emergency related to the COVID-19 pandemic, and until the state of emergency is terminated, as provided. The bill would, during the state of emergency, prohibit an owner of real property from demanding payment of unpaid rent, serving a notice terminating tenancy, or filing a complaint for unlawful detainer, among other things, unless the owner includes a signed acknowledgment of receipt or a sworn confirmation of a rejected offer for a tenant-owner COVID-19 eviction relief agreement. This bill would grant a tenant who has entered into a COVID-19 eviction relief agreement an affirmative defense in any unlawful detainer action brought by the owner. *The bill would also stay any eviction action where a party to the eviction action produces a signed COVID-19 eviction relief agreement.*

(2) Existing law authorizes the Franchise Tax Board to require any person to withhold for income tax purposes an amount of a taxpayer's income, as specified, that reasonably represents the amount of tax due, as determined by the board. Existing law also provides for the collection of various debts by the Franchise Tax Board, including fines, state or local penalties, bail, forfeitures, restitution fines, restitution orders, and other amounts imposed by specified state courts and delinquent tax debt due to the federal Internal Revenue Service.

This bill would require the Franchise Tax Board to calculate the repayment installments of unpaid rent, and would authorize a tenant to apply for reduction or forgiveness of repayment installments depending on the taxpayer's income. The bill would require specified persons to withhold the amount of each installment from each tenant's income during taxable years beginning on or after January 1, 2024, and before January 1, 2034, as provided. The bill would require the Franchise Tax Board to transfer these moneys to the Treasurer to be deposited in the General Fund.

This bill would specify that any deferment or repayment of rent authorized under these provisions is not included when determining the lowest gross rental rate for purposes of the Tenant Protection Act of 2019.

(3) Existing law, the Personal Income Tax Law, and the Corporation Tax Law, impose taxes upon taxable income, and in conformity with federal income tax law, generally defines "gross income" for purposes of those laws as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross

income. Existing law authorizes various credits against the taxes imposed by those laws.

Existing law establishes the continuously appropriated Tax Relief and Refund Account in the General Fund and provides that payments required to be made to taxpayers or other persons from the Personal Income Tax Fund are to be paid from that account, including any amount allowable as an earned income tax credit in excess of any tax liabilities.

This bill, for taxable years beginning on or after January 1, 2024, and before January 1, 2034, would exclude from gross income the gross amount of unpaid rent in a signed and executed tenant-owner COVID-19 eviction relief agreement that is reduced or forgiven by the Franchise Tax Board, as described above.

This bill would allow a credit against those taxes for each taxable year beginning on or after January 1, 2024, and before January 1, 2034, to a qualified taxpayer who is an owner of real property, as specified, in an amount equal to the gross amount of unpaid rent deferred by the qualified taxpayer in a signed and executed tenant-owner COVID-19 eviction relief agreement between the qualified taxpayer and a tenant that meets the requirements described above, or in an amount equal to the gross amount of unpaid rent deferred plus inflation of at least 2% if the qualified taxpayer is a small business owner. The bill would require the qualified taxpayer to register with the Franchise Tax Board, and would require the board to approve the reservation, as specified. The bill would authorize the qualified taxpayer to claim the credit in any taxable year beginning on or after January 1, 2024, and before January 1, 2034, of the qualified taxpayer's choosing, or to sell the credit to an unrelated party, subject to specified conditions. If the amount allowable as a credit exceeds the qualified taxpayer's tax liability for the taxable year, the bill would authorize the qualified taxpayer to choose whether to be refunded the balance from the Tax Relief and Refund Account upon appropriation by the Legislature or to carry over the balance to reduce the taxpayer's tax liability in the following taxable years, as provided.

The bill would require the Director of Finance to make certain adjustments relating to the General Fund and the operation of the provisions of the bill.

(4) 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 no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

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

1 SECTION 1. Section 1947.20 is added to the Civil Code, to  
2 read:

3 1947.20. (a) (1) An owner of real property and a tenant may  
4 sign and thereby enter into a tenant-owner COVID-19 eviction  
5 relief agreement during the state of emergency, and \_\_\_\_ days  
6 thereafter, in compliance with this section.

7 (2) If there is more than one owner of real property, each owner  
8 must sign the tenant-owner COVID-19 eviction relief agreement.

9 (3) If two or more tenants have signed one rental or lease  
10 agreement for the real property, each of these tenants must sign a  
11 separate tenant-owner COVID-19 eviction relief agreement in  
12 order to enter into the latter agreement with the owner of real  
13 property.

14 (4) If two or more tenants have each signed separate rental or  
15 lease agreements for the real property, each of these tenants must  
16 sign a separate tenant-owner COVID-19 eviction relief agreement  
17 in order to enter into the latter agreement with the owner of real  
18 property.

19 (5) Acceptance of a tenant-owner COVID-19 eviction relief  
20 agreement by a single tenant is sufficient to create a binding  
21 agreement between that tenant and an owner of real property under  
22 this section even if another tenant who must sign a separate  
23 tenant-owner COVID-19 eviction relief agreement with the owner  
24 of real property under paragraph (3) or (4) does not do so.

25 (6) If an owner of real property enters into multiple tenant-owner  
26 COVID-19 eviction relief agreements for a specified period of  
27 time under paragraph (3) or (4), the sum of the rent deferred under  
28 each such agreement may not exceed the total unpaid rent for the  
29 real property for that period of time.

30 (7) An owner of real property and a tenant may sign and execute  
31 multiple tenant-owner COVID-19 eviction relief agreements so  
32 long as there is no overlap between the specified period of time  
33 for which rent is deferred under each agreement.

1 (b) The terms of the tenant-owner COVID-19 eviction relief  
2 agreement shall provide for all of the following:

3 (1) The owner of real property shall agree to allow the tenant  
4 to defer, pursuant to this section, any unpaid rents accrued during  
5 the state of emergency, and \_\_\_\_ days thereafter, and shall specify  
6 the amount of unpaid rent that will be deferred.

7 (2) The owner of real property shall agree not to serve a notice  
8 terminating the tenancy, file a complaint for unlawful detainer,  
9 take action to proceed with a pending unlawful detainer suit,  
10 *commence or prosecute any other action to recover possession of*  
11 *the real property*, or request that a sheriff execute a writ of  
12 possession for the property for either of the following:

13 (A) The unpaid rent that will be deferred.

14 (B) During the state of emergency, and \_\_\_\_ days thereafter,  
15 unless the notice alleges that the tenant has destroyed property or  
16 engaged in behavior that creates a substantial threat to the public  
17 health or safety.

18 (3) The tenant shall agree to pay any deferred unpaid rent  
19 accrued during the state of emergency, and \_\_\_\_ days thereafter,  
20 to the state in accordance with Section 19534 of the Revenue and  
21 Taxation Code.

22 (c) (1) Before an owner of real property and a tenant execute  
23 a tenant-owner COVID-19 eviction relief agreement, the owner  
24 of real property shall offer the tenant a signed copy of the  
25 agreement.

26 (2) The owner may only use the following form of tenant-owner  
27 COVID-19 eviction relief agreement or a form of a tenant-owner  
28 COVID-19 eviction relief agreement created by the Franchise Tax  
29 Board:

30  
31 NOTICE: BEFORE YOU ENTER INTO A COVID-19 PANDEMIC  
32 TENANT-OWNER COVID-19 EVICTION RELIEF AGREEMENT  
33 California state law requires that you get this important notice before you  
34 decide whether to sign an agreement with your landlord to address your unpaid  
35 rent during the COVID-19 pandemic.  
36 If you sign this agreement, your landlord agrees not to evict you for the unpaid  
37 rent specified in this agreement, and agrees not to evict you during a state of  
38 emergency relating to COVID-19, unless you do something to destroy property  
39 or that threatens public health and safety.

1 The State of California will pay your unpaid rent to your landlord in the form  
 2 of a tax credit.  
 3 You will be required to repay the State of California the amount of unpaid rent  
 4 listed in this agreement, in annual equal installment payments over the span  
 5 of ten years beginning in 2024. The State of California will not charge you  
 6 interest for this amount owed as long as the payment is made timely. If you  
 7 cannot make your installment payments beginning in 2024, you may be eligible  
 8 for a reduction or cancellation of that payment at that time. For more  
 9 information, visit the Franchise Tax Board’s web page at  
 10 \_\_\_\_\_.

11 **IMPORTANT THINGS YOU SHOULD KNOW**

12 If you sign this agreement with your landlord, the agreement only protects you  
 13 against an eviction from your current residence during a declared state of  
 14 emergency relating to COVID-19 and for \_\_\_\_ days thereafter. In other words,  
 15 when the COVID-19 state of emergency is over, you will be fully responsible  
 16 for paying your rent and complying with the terms of your lease. If you sign  
 17 this agreement, you should keep a copy of it for your records.

18 **TENANT-OWNER COVID-19 EVICTION RELIEF AGREEMENT**

19 Pursuant to Section 1947.20 of the California Civil Code, \_\_\_\_ (Name of Owner  
 20 of Real Property) \_\_\_\_ agrees to defer the rent of \_\_\_\_ (Name of  
 21 Tenant/Lessee) \_\_\_\_ for the property located at \_\_\_\_ (Property Address) \_\_\_\_  
 22 in the amount of \$ \_\_\_\_ (Unpaid rent accrued) \_\_\_\_, covering the time period  
 23 from \_\_\_\_ to \_\_\_\_ .

24 \_\_\_\_ (Name of Tenant/Lessee) \_\_\_\_ agrees to repay the amount of \$ \_\_\_\_ (Same  
 25 amount as unpaid rent accrued) \_\_\_\_ to the State of California, starting in 2024,  
 26 over a span of ten annual installments, interest-free.

27 **IF YOU WANT THIS AGREEMENT, SIGN HERE, NEXT TO YOUR  
 28 LANDLORD:**

29 \_\_\_\_ (Date) \_\_\_\_ (Date) \_\_\_\_  
 30 \_\_\_\_ Name of Owner of Real Property \_\_\_\_ (Name of Tenant/Lessee) \_\_\_\_  
 31 \_\_\_\_ (Address) \_\_\_\_ (Property Address) \_\_\_\_  
 32 \_\_ (Tax ID or SSN of Owner of Real Property) \_\_ (Tax ID or SSN of  
 33 Tenant) \_\_

34 **IF YOU DO NOT WANT TO ENTER INTO THIS AGREEMENT, PLEASE  
 35 READ AND SIGN BELOW:**

36 **ACKNOWLEDGMENT OF RECEIPT OF OFFER TO SIGN COVID-19  
 37 EVICTION RELIEF AGREEMENT**

38 I, \_\_\_\_ (Name of Tenant/Lessee) \_\_\_\_ acknowledge that, on \_\_\_\_ (Date of  
 39 Receipt) \_\_\_\_, my landlord \_\_\_\_ (Name of Owner of Real Property) \_\_\_\_ offered

1 me to sign a COVID-19 Eviction Relief Agreement for \_\_\_\_ (Property  
 2 Address) \_\_\_\_ for unpaid rent during \_\_\_\_ (Month(s) & Year) \_\_\_\_ .  
 3 I have read the COVID-19 Eviction Relief Agreement and I DO NOT want to  
 4 sign the COVID-19 Eviction Relief Agreement.  
 5 I understand that if I DO NOT sign the COVID-19 Eviction Relief Agreement,  
 6 I am still obligated to pay for any unpaid rent past due according to my lease.  
 7 Accordingly, my landlord may seek a court order for my eviction.  
 8 \_\_\_\_ (Date) \_\_\_\_ (Date) \_\_\_\_  
 9 \_\_\_\_ Name of Owner of Real Property \_\_\_\_ (Name of Tenant/Lessee) \_\_\_\_  
 10 \_\_\_\_ (Address) \_\_\_\_ (Property Address) \_\_\_\_

11 **IMPORTANT THINGS YOU SHOULD KNOW**  
 12 If you DO NOT sign the COVID-19 Eviction Relief Agreement or DO NOT  
 13 RESPOND to this Acknowledgment of Receipt within 30 days of receiving  
 14 it, your landlord will assume that you have REJECTED the COVID-19 Eviction  
 15 Relief Agreement.

16  
 17 (3) If the owner of real property customarily communicates with  
 18 the tenant in Spanish, Chinese, Tagalog, Vietnamese, or Korean,  
 19 the owner of real property shall provide the tenant a copy of the  
 20 tenant-owner COVID-19 eviction relief agreement in that language  
 21 using a form of agreement created by the Franchise Tax Board.

22 (4) (A) If an owner of real property makes an offer to the tenant  
 23 to execute the tenant-owner COVID-19 eviction relief agreement  
 24 and the tenant rejects the offer, the owner shall obtain a signed  
 25 acknowledgment of receipt from the tenant.

26 (B) (i) If the tenant does not respond to the offer or to the  
 27 acknowledgment of receipt within 30 days of the owner  
 28 hand-delivering the offer, or within 40 days of the owner mailing  
 29 the offer and acknowledgment of receipt, the offer shall be deemed  
 30 rejected.

31 (ii) If the offer is deemed rejected, the owner of real property  
 32 shall prepare the following sworn confirmation of a rejected offer  
 33 for their records:

34  
 35 **SWORN CONFIRMATION OF A TENANT-OWNER REJECTED OFFER**  
 36 **OF A COVID-19 EVICTION RELIEF AGREEMENT**

37 I swear under penalty of perjury under the laws of the State of California that,  
 38 on \_\_\_\_ (Date that the Notice and Offer were delivered or mailed) \_\_\_\_, I  
 39 hand-delivered or mailed a signed COVID-19 EVICTION RELIEF Agreement  
 40 to \_\_\_\_ (Name of Tenant/Lessee) \_\_\_\_ at \_\_\_\_ (Address of Rental



1 property)\_\_\_\_\_ and that 30 days have since past if I hand-delivered the offer,  
2 or 40 days have since past if I mailed the offer.

3 (Name)\_\_\_\_\_

4 Signature Date

5

6 (d) (1) Upon registering with the Franchise Tax Board, an owner  
7 of real property who enters into a tenant-owner COVID-19 eviction  
8 relief agreement with a tenant pursuant to this section shall be  
9 eligible for a credit against their tax liability pursuant to Sections  
10 17053.10 and 23610 of the Revenue and Taxation Code, unless  
11 the tenant-owner COVID-19 eviction relief agreement is between  
12 related persons as defined in Section 267 of Title 26 of the United  
13 States Code.

14 (2) An owner of real property who receives a credit against their  
15 tax liability pursuant to Section 17053.10 and 23610 of the  
16 Revenue and Taxation Code and who violates the tenant-owner  
17 COVID-19 eviction relief agreement shall be required to repay  
18 the entire credit to the Franchise Tax Board immediately, plus  
19 interest from the date the credit was first claimed on the tax return,  
20 as determined by the Franchise Tax Board.

21 (e) The owner of real property shall provide the Franchise Tax  
22 Board a copy of the fully executed tenant-owner COVID-19  
23 eviction relief agreement and a copy of the signed receipt of  
24 acknowledgment from the tenant, consistent with this section, in  
25 a form and manner specified by the Franchise Tax Board, by the  
26 following dates:

27 (1) For agreements executed on or before January 1, 2021, no  
28 later than January 1, 2021.

29 (2) For agreements executed on or after January 1, 2021, no  
30 later than 60 days after the date the agreement is signed by both  
31 the owner and the tenant.

32 (f) The owner of real property shall provide a copy of the fully  
33 executed tenant-owner COVID-19 eviction relief agreement to the  
34 tenant within five days from when the agreement is executed.

35 (g) No deferment or repayment of rent authorized under this  
36 section shall be included when determining the lowest gross rental  
37 rate pursuant to Section 1947.12 of the Civil Code.

38 (h) An action may not be brought against a tenant for any rent  
39 deferred under a tenant-owner COVID-19 eviction relief

1 agreement, and any claim for unpaid rent during the period covered  
2 by that agreement is extinguished.

3 (i) Nothing in this section shall render void any other agreement  
4 regarding unpaid rent entered into between an owner of real  
5 property and a tenant except that (1) no amounts repaid by a tenant  
6 pursuant to such an agreement may be the subject of a tenant-owner  
7 COVID-19 eviction relief agreement and (2) to the extent the terms  
8 of such an agreement conflict with one or more provisions of  
9 Section 1161.5 of the Code of Civil Procedure, Section 1161.5 of  
10 the Code of Civil Procedure shall control.

11 (j) For purposes of this section, the following shall apply:  
12 (1) “Real property” means residential real property, a residential  
13 rental unit, a mobilehome park, or a mobilehome park space or  
14 lot.

15 (2) “Owner of real property” means an owner of residential real  
16 property, an owner of a residential rental unit, an owner of a  
17 mobilehome park, or an owner of a mobilehome park space or lot.

18 (3) “Rent” does not include rental assistance payments from  
19 any federal or state governmental source or a nonprofit organization  
20 received by the tenant or by the owner of real property on the  
21 tenant’s behalf.

22 (4) “State of emergency” means an emergency related to the  
23 COVID-19 pandemic declared by the Governor pursuant to the  
24 California Emergency Services Act (Chapter 7 (commencing with  
25 Section 8550) of Division 1 of Title 2 of the Government Code).

26 (k) This section shall remain in effect only until December 31,  
27 2034, and as of that date is repealed.

28 SEC. 2. Section 1161.05 is added to the Code of Civil  
29 Procedure, to read:

30 1161.05. (a) (1) Except as authorized under subdivision (b),  
31 any demand for payment of unpaid rent accrued during a state of  
32 emergency, and \_\_\_\_\_ days thereafter, and any notice terminating  
33 tenancy, including, but not limited to, any notice pursuant to  
34 Section 1161 or Section 798.56 of the Civil Code, is void if it was  
35 served during the state of emergency, and \_\_\_\_\_ days thereafter,  
36 and the conduct that gave rise to the demand or notice occurred  
37 during the state of emergency, and \_\_\_\_\_ days thereafter.

38 (2) It is the intent of the Legislature that this subdivision shall  
39 apply retroactively. In any action for unlawful detainer in which  
40 a judgment for possession has been entered in favor of the owner

1 of real property, the tenant may move to have that judgment set  
2 aside on the basis of this subdivision. No writ of possession shall  
3 issue while the motion to set aside is pending. If a writ of  
4 possession was issued prior to filing of the motion to set aside, the  
5 court shall stay execution of the writ while the motion to set aside  
6 the judgment is pending. In an unlawful detainer action, a tenant  
7 or occupant may raise, as an affirmative defense, the existence of  
8 a fully executed tenant-owner COVID-19 eviction relief agreement.

9 (b) (1) An owner of real property shall not, during a state of  
10 emergency, and \_\_\_\_\_ days thereafter, demand payment of unpaid  
11 rent, serve a notice terminating tenancy, file a complaint for  
12 unlawful detainer, take action to proceed with a pending unlawful  
13 detainer action, *commence or prosecute any other action to recover*  
14 *possession of the real property*, request that a sheriff execute a  
15 writ of possession for the property, or otherwise attempt to evict  
16 a tenant in any manner unless either of the following applies:

17 (A) The notice and any complaint based on that notice allege  
18 that the action is necessary to protect public health and safety.

19 (B) The notice or complaint includes ~~either~~ *a one of the*  
20 *following*:

21 (i) ~~A signed acknowledgment of receipt or a sworn confirmation~~  
22 ~~of a rejected offer rejecting the offer of a COVID-19 eviction relief~~  
23 ~~agreement pursuant to subdivision (c) of Section 1947.20. 1947.20~~  
24 ~~of the Civil Code.~~

25 (ii) *For each named defendant, one original and one copy of a*  
26 *sworn confirmation of a rejected offer of a COVID-19 eviction*  
27 *relief agreement pursuant to subdivision (c) of Section 1947.20 of*  
28 *the Civil Code, and a COVID-19 eviction relief agreement signed*  
29 *by all property owners. The court shall include each original in*  
30 *the mailing it sends to the property address pursuant to subdivision*  
31 *(c) of Section 1161.2.*

32 (2) It is the intent of the Legislature that this subdivision apply  
33 prospectively.

34 (c) For purposes of this section, “state of emergency” means an  
35 emergency related to the COVID-19 pandemic declared by the  
36 Governor pursuant to the California Emergency Services Act  
37 (Chapter 7 (commencing with Section 8550) of Division 1 of Title  
38 2 of the Government Code).

1 (d) This section shall remain in effect two years after the state  
2 of emergency related to the COVID-19 pandemic terminates, and  
3 as of that date is repealed.

4 *SEC. 3. Section 1161.2 of the Code of Civil Procedure is*  
5 *amended to read:*

6 1161.2. (a) (1) The clerk shall allow access to limited civil  
7 case records filed under this chapter, including the court file, index,  
8 and register of actions, only as follows:

9 (A) To a party to the action, including a party's attorney.

10 (B) To a person who provides the clerk with the names of at  
11 least one plaintiff and one defendant and the address of the  
12 premises, including the apartment or unit number, if any.

13 (C) To a resident of the premises who provides the clerk with  
14 the name of one of the parties or the case number and shows proof  
15 of residency.

16 (D) To a person by order of the court, which may be granted ex  
17 parte, on a showing of good cause.

18 (E) To any person by order of the court if judgment is entered  
19 for the plaintiff after trial more than 60 days since the filing of the  
20 complaint. The court shall issue the order upon issuing judgment  
21 for the plaintiff.

22 (F) Except as provided in subparagraph (G), to any other person  
23 60 days after the complaint has been filed if the plaintiff prevails  
24 in the action within 60 days of the filing of the complaint, in which  
25 case the clerk shall allow access to any court records in the action.  
26 If a default or default judgment is set aside more than 60 days after  
27 the complaint has been filed, this section shall apply as if the  
28 complaint had been filed on the date the default or default judgment  
29 is set aside.

30 (G) In the case of a complaint involving residential property  
31 based on Section 1161a as indicated in the caption of the complaint,  
32 as required in subdivision (c) of Section 1166, to any other person,  
33 if 60 days have elapsed since the complaint was filed with the  
34 court, and, as of that date, judgment against all defendants has  
35 been entered for the plaintiff, after a trial.

36 (2) This section shall not be construed to prohibit the court from  
37 issuing an order that bars access to the court record in an action  
38 filed under this chapter if the parties to the action so stipulate.

39 (b) (1) For purposes of this section, "good cause" includes, but  
40 is not limited to, both of the following:

1 (A) The gathering of newsworthy facts by a person described  
2 in Section 1070 of the Evidence Code.

3 (B) The gathering of evidence by a party to an unlawful detainer  
4 action solely for the purpose of making a request for judicial notice  
5 pursuant to subdivision (d) of Section 452 of the Evidence Code.

6 (2) It is the intent of the Legislature that a simple procedure be  
7 established to request the ex parte order described in subparagraph  
8 (D) of paragraph (1) of subdivision (a).

9 (c) Upon the filing of a case so restricted, the court clerk shall  
10 mail notice to each defendant named in the action. The notice shall  
11 be mailed to the address provided in the complaint. The notice  
12 shall contain a statement that an unlawful detainer complaint  
13 (eviction action) has been filed naming that party as a defendant,  
14 and that access to the court file will be delayed for 60 days except  
15 to a party, an attorney for one of the parties, or any other person  
16 who (1) provides to the clerk the names of at least one plaintiff  
17 and one defendant in the action and provides to the clerk the  
18 address, including any applicable apartment, unit, or space number,  
19 of the subject premises, or (2) provides to the clerk the name of  
20 one of the parties in the action or the case number and can establish  
21 through proper identification that he or she lives at the subject  
22 premises. The notice shall also contain a statement that access to  
23 the court index, register of actions, or other records is not permitted  
24 until 60 days after the complaint is filed, except pursuant to an  
25 order upon a showing of good cause for access. The notice shall  
26 contain on its face the following information:

27 (1) The name and telephone number of the county bar  
28 association.

29 (2) The name and telephone number of any entity that requests  
30 inclusion on the notice and demonstrates to the satisfaction of the  
31 court that it has been certified by the State Bar of California as a  
32 lawyer referral service and maintains a panel of attorneys qualified  
33 in the practice of landlord-tenant law pursuant to the minimum  
34 standards for a lawyer referral service established by the State Bar  
35 of California and Section 6155 of the Business and Professions  
36 Code.

37 (3) The following statement:

38  
39 “The State Bar of California certifies lawyer referral services in  
40 California and publishes a list of certified lawyer referral services

1 organized by county. To locate a lawyer referral service in your  
2 county, go to the State Bar’s Internet Web site at  
3 www.calbar.ca.gov or call 1-866-442-2529.”

4  
5 (4) The name and telephone number of an office or offices  
6 funded by the federal Legal Services Corporation or qualified legal  
7 services projects that receive funds distributed pursuant to Section  
8 6216 of the Business and Professions Code that provide legal  
9 services to low-income persons in the county in which the action  
10 is filed. The notice shall state that these telephone numbers may  
11 be called for legal advice regarding the case. The notice shall be  
12 issued between 24 and 48 hours of the filing of the complaint,  
13 excluding weekends and holidays. One copy of the notice shall be  
14 addressed to “all occupants” and mailed separately to the subject  
15 premises. The notice shall not constitute service of the summons  
16 and complaint.

17 (d) Notwithstanding any other law, the court shall charge an  
18 additional fee of fifteen dollars (\$15) for filing a first appearance  
19 by the plaintiff. This fee shall be added to the uniform filing fee  
20 for actions filed under this chapter.

21 ~~(e) This section does not apply to a case that seeks to terminate  
22 a mobilehome park tenancy if the statement of the character of the  
23 proceeding in the caption of the complaint clearly indicates that  
24 the complaint seeks termination of a mobilehome park tenancy.~~

25 ~~(f)~~

26 (e) This section does not alter any provision of the Evidence  
27 Code.

28 SEC. 4. Section 1179.1 is added to the Code of Civil Procedure,  
29 to read:

30 1179.1. (a) If, at any time prior to execution of a writ of  
31 possession for real property, a party to the action or their  
32 representative files with the court a fully executed COVID-19  
33 eviction relief agreement applicable to the real property in  
34 question, the court shall immediately stay all further proceedings  
35 in the action. If the fully executed agreement was provided by a  
36 plaintiff, the court shall also dismiss the action. If the fully executed  
37 agreement was provided by a defendant, the court shall not lift the  
38 stay on further proceedings until, following a request made by the  
39 landlord, the court finds either of the following:

1 (1) No valid and executed COVID-19 eviction relief agreement  
2 applies to the real property. A finding under this paragraph must  
3 be made on the record at a noticed hearing.

4 (2) The termination of tenancy is based solely on allegations  
5 the tenant destroyed property or engaged in behavior that creates  
6 a substantial threat to the public health or safety.

7 (b) The definitions set forth in Section 1947.20 of the Civil Code  
8 shall apply to this section.

9 (c) This section shall remain in effect two years after the state  
10 of emergency related to the COVID-19 pandemic terminates, and  
11 as of that date is repealed.

12 ~~SEC. 3.~~

13 SEC. 5. Section 17053.10 is added to the Revenue and Taxation  
14 Code, to read:

15 17053.10. (a) (1) For each taxable year beginning on or after  
16 January 1, 2024, and before January 1, 2034, there shall be allowed  
17 as a credit to a qualified taxpayer against the “net tax,” as defined  
18 in Section 17039, an amount equal to the amount of qualified rent  
19 deferred by the qualified taxpayer.

20 (2) If the qualified taxpayer is also a small business owner, the  
21 credit shall be an amount equal to the amount of qualified rent  
22 deferred by the qualified taxpayer, plus an adjustment for inflation  
23 no less than 2 percent.

24 (b) For purposes of this section:

25 (1) “Qualified rent” means an amount equal to the gross amount  
26 of unpaid rent deferred by the qualified taxpayer in a signed and  
27 executed tenant-owner COVID-19 eviction relief agreement  
28 between the qualified taxpayer and the tenant that meets the  
29 requirements of Section 1947.20 of the Civil Code. Qualified rent  
30 does not include any amounts in excess of 100 percent of the sum  
31 of the amounts of rent charged per month stated in the lease  
32 agreement that would have been paid but for the executed  
33 tenant-owner COVID-19 eviction relief agreement for those months  
34 in which the tenant-owner COVID-19 eviction relief agreement  
35 applies.

36 (2) (A) “Qualified taxpayer” means an owner of real property,  
37 as defined in Section 1947.20 of the Civil Code, that is subject to  
38 Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of  
39 Division 3 of the Civil Code, and has registered with the Franchise

1 Tax Board as provided in subdivision (d) of this section and been  
 2 allowed a credit.

3 (B) In the case of any pass-thru entity, the determination of  
 4 whether a taxpayer is a qualified taxpayer under this section shall  
 5 be made at the entity level and any credit under this section is not  
 6 allowed to the pass-thru entity, but shall be passed through to the  
 7 partners or shareholders in accordance with applicable provisions  
 8 of Part 10 (commencing with Section 17001) or Part 11  
 9 (commencing with Section 23001). For purposes of this paragraph,  
 10 “pass-thru entity” means any entity taxed as a partnership or “S”  
 11 corporation.

12 (3) “Small business owner” means an individual that meets both  
 13 of the following:

14 (A) Is the sole owner, or owners in the case of those individuals  
 15 that are married and filing a joint return for the property.

16 (B) Whose state Adjusted Gross Income is no more than  
 17 \$1,000,000 for the taxable year in which the tenant-owner  
 18 COVID-19 eviction relief agreement was executed.

19 (c) (1) On or before January 1, 2021, the Franchise Tax Board  
 20 shall create a registration program for qualified taxpayers.

21 (2) The registration form shall require the qualified taxpayer to  
 22 provide necessary information, as determined by the Franchise  
 23 Tax Board, including, but not limited to, the following items:

24 (A) Name under which the qualified taxpayer transacts or  
 25 intends to transact business.

26 (B) Name, address, and social security number or tax  
 27 identification number of the tenant or tenants.

28 (C) Start date of the rent deferral, and the amount of rent  
 29 deferred.

30 (D) The location of the qualified taxpayer’s place or places of  
 31 businesses.

32 (E) A copy or copies of the executed tenant-owner COVID-19  
 33 eviction relief agreements pursuant to Section 1947.20 of the Civil  
 34 Code.

35 (F) A copy or copies of the existing lease agreements between  
 36 the qualified taxpayer and the tenant or tenants.

37 (d) (1) To be eligible for the credit authorized by this section,  
 38 each qualified taxpayer shall register with the Franchise Tax Board  
 39 within \_\_\_\_\_ days of executing a tenant-owner COVID-19 eviction



1 relief agreement, and shall provide the information required in  
2 paragraph (2) of subdivision (c).

3 (2) Upon receipt of a registration form, the Franchise Tax Board  
4 shall approve the reservation with respect to a qualified taxpayer,  
5 and shall provide a notice to the taxpayer that includes the amount  
6 of credit that would be available if the terms of the tenant-owner  
7 COVID-19 eviction relief agreement are completed.

8 (e) Beginning January 1, 2022, and annually thereafter, the  
9 Franchise Tax Board shall determine the aggregate amount of  
10 credit that has been approved for each calendar year.

11 (f) Any credit or deduction otherwise allowed under this part  
12 for any amount paid or incurred by the taxpayer upon which this  
13 credit is based shall be reduced by the amount of the credit allowed  
14 under this section.

15 (g) (1) A qualified taxpayer may claim the credit authorized in  
16 this section in any taxable year beginning on or after January 1,  
17 2024, and before January 1, 2034, of the qualified taxpayer's  
18 choosing.

19 (2) If the amount allowable as a credit under this section exceeds  
20 the tax liability computed under this part for the taxable year, the  
21 excess shall be credited against other amounts due, if any, and the  
22 balance, if any, at the qualified taxpayer's choosing, shall either:

23 (A) Be paid from the Tax Relief and Refund Account and  
24 refunded to the qualified taxpayer upon appropriation by the  
25 Legislature.

26 (B) Be carried over to reduce the "net tax" in the following  
27 taxable year, and succeeding years if necessary, until the credit is  
28 exhausted.

29 (h) (1) Notwithstanding any other law, except as set forth in  
30 this subdivision, a qualified taxpayer may sell any credit allowed  
31 under this section to an unrelated party.

32 (2) The qualified taxpayer shall report to the Franchise Tax  
33 Board prior to the sale of the credit, in the form and manner  
34 specified by the Franchise Tax Board, all required information  
35 regarding the purchase and sale of the credit, including the social  
36 security or other taxpayer identification number of the unrelated  
37 party to whom the credit has been sold, the face amount of the  
38 credit sold, and the amount of consideration received by the  
39 qualified taxpayer for the sale of the credit.

1 (3) In the case where the credit allowed under this section  
2 exceeds the “net tax,” the excess credit may be carried over to  
3 reduce the “net tax” of the party to whom the credit has been sold  
4 in the following taxable year, and succeeding years if necessary,  
5 until the credit is exhausted.

6 (4) A credit shall not be sold pursuant to this subdivision to  
7 more than one taxpayer, nor shall the credit be resold by the  
8 unrelated party to another taxpayer or other party.

9 (5) A party that has acquired tax credits under this section shall  
10 be subject to the requirements of this section.

11 (6) In no event may a qualified taxpayer assign or sell any tax  
12 credit to the extent the tax credit allowed by this section is claimed  
13 on any tax return of the qualified taxpayer.

14 (i) The Franchise Tax Board shall develop a tax form to be used  
15 by the qualified taxpayer to verify the amount of qualified rent  
16 deferred pursuant to an executed tenant-owner COVID-19 eviction  
17 relief agreement pursuant to Section 1947.20 of the Civil Code.

18 (j) (1) The Franchise Tax Board may prescribe rules, guidelines,  
19 or procedures to carry out the purposes of this section, including  
20 any guidelines regarding the allocation of the credit allowed under  
21 this section. Chapter 3.5 (commencing with Section 11340) of Part  
22 1 of Division 3 of Title 2 of the Government Code shall not apply  
23 to any rule, guideline, or procedure prescribed by the Franchise  
24 Tax Board pursuant to this section.

25 (2) (A) The Franchise Tax Board may prescribe any regulations  
26 necessary or appropriate to carry out the purposes of this section,  
27 including any regulations to prevent improper claims from being  
28 filed or improper payments from being made with respect to net  
29 earnings from self-employment.

30 (B) The adoption of any regulations pursuant to subparagraph  
31 (A) may be adopted as emergency regulations in accordance with  
32 the rulemaking provisions of the Administrative Procedure Act  
33 (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
34 Division 3 of Title 2 of the Government Code) and shall be deemed  
35 an emergency and necessary for the immediate preservation of the  
36 public peace, health and safety, or general welfare. Notwithstanding  
37 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division  
38 3 of Title 2 of the Government Code, these emergency regulations  
39 shall not be subject to the review and approval of the Office of  
40 Administrative Law. The regulations shall become effective

1 immediately upon filing with the Secretary of State, and shall  
2 remain in effect until revised or repealed by the Franchise Tax  
3 Board.

4 (k) This section shall remain in effect only until December 1,  
5 2034, and as of that date is repealed.

6 ~~SEC. 4.~~

7 *SEC. 6.* Section 17154.5 is added to the Revenue and Taxation  
8 Code, to read:

9 17154.5. (a) For taxable years beginning on and after January  
10 1, 2024, gross income does not include the gross amount of unpaid  
11 rent in a signed and executed tenant-owner COVID-19 eviction  
12 relief agreement that is reduced or forgiven by the Franchise Tax  
13 Board pursuant to Section 19534.

14 (b) This section shall remain in effect only until December 31,  
15 2034, and as of that date is repealed.

16 ~~SEC. 5.~~

17 *SEC. 7.* Section 19534 is added to the Revenue and Taxation  
18 Code, to read:

19 19534. (a) The Franchise Tax Board shall create a form  
20 tenant-owner COVID-19 eviction relief agreement and  
21 accompanying notice, as described in Section 1947.20 of the Civil  
22 Code, in English, Spanish, Chinese, Tagalog, Vietnamese, and  
23 Korean, and shall make the form agreement and notice available  
24 on its website within 30 days of the operative date of this section.  
25 The Franchise Tax Board may call upon the assistance of any other  
26 state agency or public entity for assistance in carrying out these  
27 translations.

28 (b) For taxable years beginning on and after January 1, 2024,  
29 and before January 1, 2034, a tenant in a tenant-owner COVID-19  
30 eviction relief agreement, as specified in Section 1947.20 of the  
31 Civil Code, shall pay the deferred rent in accordance with the  
32 following:

33 (1) The Franchise Tax Board shall not impose interest on the  
34 balance of unpaid rent specified in a tenant-owner COVID-19  
35 eviction relief agreement unless and until the balance must sent to  
36 collections.

37 (2) The unpaid rent shall be divided into equal installments over  
38 a 10-year period beginning in each taxable year on and after  
39 January 1, 2024, and before January 1, 2034, and shall be repaid  
40 in those installments, unless:

1 (A) A taxpayer seeks an exemption or reduction in the  
2 installment amount of that year as specified in paragraph (3).  
3 (B) A taxpayer pays some or all of the remaining unpaid rent  
4 in excess of the amount owed in a given taxable year. A taxpayer  
5 choosing to pay in excess may do so either in their tax return or  
6 by remitting payment to the Franchise Tax Board at any other time.  
7 (3) (A) Each equal installment calculated under paragraph (2)  
8 shall be included in the taxpayer’s tax return for each year specified  
9 above.  
10 (B) A taxpayer may apply for a reduction or elimination of that  
11 year’s installment based on their taxable income for that year with  
12 the Franchise Tax Board, in a form and manner as specified by  
13 the Franchise Tax Board, as follows:  
14 (i) For individuals with an income equal to or greater than 150  
15 percent of the median state income, none of the payment calculated  
16 under paragraph (2).  
17 (ii) For individuals with an income between 100 and 149  
18 percent, inclusive, of the median state income, 25 percent of the  
19 payment calculated under paragraph (2).  
20 (iii) For individuals with an income between 75 and 99 percent,  
21 inclusive, of the median state income, 50 percent of the payment  
22 calculated under paragraph (2).  
23 (iv) For individuals with less than 75 percent of the median state  
24 income, 100 percent of the payment calculated under paragraph  
25 (2).  
26 (C) Any portion of an equal installment calculated under  
27 paragraph (2) that is allowed to be reduced or forgiven shall not  
28 be collected by the Franchise Tax Board or any other person. The  
29 remaining installment shall remain due until explicitly forgiven  
30 or reduced by the Franchise Tax Board.  
31 (c) (1) The Franchise Tax Board shall require any person  
32 required to withhold income under Section 18662 to additionally  
33 withhold the payments determined by the Franchise Tax Board  
34 under subdivision (a) and to transmit the amount withheld to the  
35 Franchise Tax Board at the time as it may designate.  
36 (2) For a tenant in which withholding under paragraph (1) does  
37 not apply, the repayment of rent subject to a tenant-owner  
38 COVID-19 eviction relief agreement under Section 1947.20 of the  
39 Civil Code shall be collected from the debtor by the Franchise Tax  
40 Board in any manner authorized under the law for collection of a

1 delinquent income tax liability, including, but not limited to, the  
2 recording of a notice of state tax lien under Article 2 (commencing  
3 with Section 7170) of Chapter 14 of Division 7 of Title 1 of the  
4 Government Code, and the issuance of an order and levy under  
5 Article 4 (commencing with Section 706.070) of Chapter 5 of  
6 Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in  
7 the manner provided for earnings withholding orders for taxes.

8 (d) The Franchise Tax Board shall transfer moneys collected  
9 under this section to the Treasurer to be deposited in the General  
10 Fund.

11 (e) For purposes of this section, the following apply:

12 (1) “Median state income” means the median state income  
13 provided by the Department of Finance.

14 (2) “Tenant” means a tenant who signs and executes a  
15 tenant-owner COVID-19 eviction relief agreement with an owner  
16 of real property pursuant Section 1947.20 of the Civil Code.

17 (f) This section shall remain in effect only until December 31,  
18 2034, and as of that date is repealed.

19 ~~SEC. 6.~~

20 *SEC. 8.* Section 19535 is added to the Revenue and Taxation  
21 Code, to read:

22 19535. (a) It is the intent of the Legislature to ensure that the  
23 program authorized by the bill adding this section does not affect  
24 the amount of funding required to be applied for the support of  
25 school districts and community college districts pursuant to Section  
26 8 of Article XVI of the California Constitution.

27 (b) The Director of Finance shall adjust the percentage of  
28 General Fund revenues appropriated for school districts and  
29 community college districts for the purpose of applying paragraph  
30 (1) of subdivision (b) of Section 8 of Article XVI of the California  
31 Constitution in a manner that ensures that the difference, if any,  
32 between the total amount of tax credits allowed against the General  
33 Fund pursuant to Sections 17053.10 and 23610 and moneys  
34 deposited in the General Fund pursuant to Section 19534 shall  
35 have no net fiscal impact upon the total amount of General Fund  
36 revenue and local property tax revenue allocated to school districts  
37 and community college districts pursuant to Section 8 of Article  
38 XVI of the California Constitution.

1     ~~SEC. 7.~~

2     SEC. 9. Section 23610 is added to the Revenue and Taxation  
3 Code, to read:

4     23610. (a) (1) For each taxable year beginning on or after  
5 January 1, 2024, and before January 1, 2034, there shall be allowed  
6 as a credit to a qualified taxpayer against the “tax,” as defined in  
7 Section 23036, an amount equal to the amount of qualified rent  
8 deferred by the qualified taxpayer.

9     (2) If the qualified taxpayer is also a small business owner, the  
10 credit shall be an amount equal to the amount of qualified rent  
11 deferred by the qualified taxpayer, plus an adjustment for inflation  
12 no less than 2 percent.

13     (b) For purposes of this section:

14     (1) “Qualified rent” means an amount equal to the gross amount  
15 of unpaid rent deferred by the qualified taxpayer in a signed and  
16 executed tenant-owner COVID-19 eviction relief agreement  
17 between the qualified taxpayer and the tenant that meets the  
18 requirements of Section 1947.20 of the Civil Code. Qualified rent  
19 does not include any amounts in excess of 100 percent of the sum  
20 of the amounts of rent charged per month stated in the lease  
21 agreement that would have been paid but for the executed  
22 tenant-owner COVID-19 eviction relief agreement for those months  
23 in which the tenant-owner COVID-19 eviction relief agreement  
24 applies.

25     (2) (A) “Qualified taxpayer” means an owner of real property,  
26 as defined in Section 1947.20 of the Civil Code, that is subject to  
27 Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of  
28 Division 3 of the Civil Code, and has registered with the Franchise  
29 Tax Board as provided in subdivision (d) of this section and been  
30 allowed a credit.

31     (B) In the case of any pass-thru entity, the determination of  
32 whether a taxpayer is a qualified taxpayer under this section shall  
33 be made at the entity level and any credit under this section is not  
34 allowed to the pass-thru entity, but shall be passed through to the  
35 partners or shareholders in accordance with applicable provisions  
36 of Part 10 (commencing with Section 17001) or Part 11  
37 (commencing with Section 23001). For purposes of this paragraph,  
38 “pass-thru entity” means any entity taxed as a partnership or “S”  
39 corporation.

1 (3) “Small business owner” means an individual that meets both  
2 of the following:

3 (A) Is the sole owner, or owners in the case of those individuals  
4 that are married and filing a joint return for the property.

5 (B) Whose state Adjusted Gross Income is no more than  
6 \$1,000,000 for the taxable year in which the tenant-owner  
7 COVID-19 eviction relief agreement was executed.

8 (c) (1) On or before January 1, 2021, the Franchise Tax Board  
9 shall create a registration program for qualified taxpayers.

10 (2) The registration form shall require the qualified taxpayer to  
11 provide necessary information, as determined by the Franchise  
12 Tax Board, including, but not limited to, the following items:

13 (A) Name under which the qualified taxpayer transacts or  
14 intends to transact business.

15 (B) Name, address, and social security number or tax  
16 identification number of the tenant or tenants.

17 (C) Start date of the rent deferral, and the amount of rent  
18 deferred.

19 (D) The location of the qualified taxpayer’s place or places of  
20 businesses.

21 (E) A copy or copies of the executed tenant-owner COVID-19  
22 eviction relief agreements pursuant to Section 1947.20 of the Civil  
23 Code.

24 (F) A copy or copies of the existing lease agreements between  
25 the qualified taxpayer and the tenant or tenants.

26 (d) (1) To be eligible for the credit authorized by this section,  
27 each qualified taxpayer shall register with the Franchise Tax Board  
28 within \_\_\_\_\_ days of executing a tenant-owner COVID-19 eviction  
29 relief agreement, and shall provide the information required in  
30 paragraph (2) of subdivision (c).

31 (2) Upon receipt of a registration form, the Franchise Tax Board  
32 shall approve the reservation with respect to a qualified taxpayer,  
33 and shall provide a notice to the taxpayer that includes the amount  
34 of credit that would be available if the terms of the tenant-owner  
35 COVID-19 eviction relief agreement are completed.

36 (e) Beginning January 1, 2022, and annually thereafter, the  
37 Franchise Tax Board shall determine the aggregate amount of  
38 credit that has been approved for each calendar year.

39 (f) Any credit or deduction otherwise allowed under this part  
40 for any amount paid or incurred by the taxpayer upon which this

1 credit is based shall be reduced by the amount of the credit allowed  
2 under this section.

3 (g) (1) A qualified taxpayer may claim the credit authorized in  
4 this section in any taxable year beginning on or after January 1,  
5 2024, and before January 1, 2034, of the qualified taxpayer's  
6 choosing.

7 (2) If the amount allowable as a credit under this section exceeds  
8 the tax liability computed under this part for the taxable year, the  
9 excess shall be credited against other amounts due, if any, and the  
10 balance, if any, at the qualified taxpayer's choosing, shall either:

11 (A) Be paid from the Tax Relief and Refund Account and  
12 refunded to the qualified taxpayer upon appropriation by the  
13 Legislature.

14 (B) Be carried over to reduce the "tax" in the following taxable  
15 year, and succeeding years if necessary, until the credit is  
16 exhausted.

17 (h) (1) Notwithstanding any other law, except as set forth in  
18 this subdivision, a qualified taxpayer may sell any credit allowed  
19 under this section to an unrelated party.

20 (2) The qualified taxpayer shall report to the Franchise Tax  
21 Board prior to the sale of the credit, in the form and manner  
22 specified by the Franchise Tax Board, all required information  
23 regarding the purchase and sale of the credit, including the social  
24 security or other taxpayer identification number of the unrelated  
25 party to whom the credit has been sold, the face amount of the  
26 credit sold, and the amount of consideration received by the  
27 qualified taxpayer for the sale of the credit.

28 (3) In the case where the credit allowed under this section  
29 exceeds the "tax," the excess credit may be carried over to reduce  
30 the "tax" of the party to whom the credit has been sold in the  
31 following taxable year, and succeeding years if necessary, until  
32 the credit is exhausted.

33 (4) A credit shall not be sold pursuant to this subdivision to  
34 more than one taxpayer, nor shall the credit be resold by the  
35 unrelated party to another taxpayer or other party.

36 (5) A party that has acquired tax credits under this section shall  
37 be subject to the requirements of this section.

38 (6) In no event may a qualified taxpayer assign or sell any tax  
39 credit to the extent the tax credit allowed by this section is claimed  
40 on any tax return of the qualified taxpayer.



1 (i) The Franchise Tax Board shall develop a tax form to be used  
2 by the qualified taxpayer to verify the amount of qualified rent  
3 deferred pursuant to an executed tenant-owner COVID-19 eviction  
4 relief agreement pursuant to Section 1947.20 of the Civil Code.

5 (j) (1) The Franchise Tax Board may prescribe rules, guidelines,  
6 or procedures to carry out the purposes of this section, including  
7 any guidelines regarding the allocation of the credit allowed under  
8 this section. Chapter 3.5 (commencing with Section 11340) of Part  
9 1 of Division 3 of Title 2 of the Government Code shall not apply  
10 to any rule, guideline, or procedure prescribed by the Franchise  
11 Tax Board pursuant to this section.

12 (2) (A) The Franchise Tax Board may prescribe any regulations  
13 necessary or appropriate to carry out the purposes of this section,  
14 including any regulations to prevent improper claims from being  
15 filed or improper payments from being made with respect to net  
16 earnings from self-employment.

17 (B) The adoption of any regulations pursuant to subparagraph  
18 (A) may be adopted as emergency regulations in accordance with  
19 the rulemaking provisions of the Administrative Procedure Act  
20 (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
21 Division 3 of Title 2 of the Government Code) and shall be deemed  
22 an emergency and necessary for the immediate preservation of the  
23 public peace, health and safety, or general welfare. Notwithstanding  
24 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division  
25 3 of Title 2 of the Government Code, these emergency regulations  
26 shall not be subject to the review and approval of the Office of  
27 Administrative Law. The regulations shall become effective  
28 immediately upon filing with the Secretary of State, and shall  
29 remain in effect until revised or repealed by the Franchise Tax  
30 Board.

31 (k) This section shall remain in effect only until December 1,  
32 2034, and as of that date is repealed.

33 ~~SEC. 8.~~

34 *SEC. 10.* Section 24311 is added to the Revenue and Taxation  
35 Code, to read:

36 24311. (a) For taxable years beginning on and after January  
37 1, 2024, gross income does not include the gross amount of unpaid  
38 rent in a signed and executed tenant-owner COVID-19 eviction  
39 relief agreement that is reduced or forgiven by the Franchise Tax  
40 Board pursuant to Section 19534.

1 (b) This section shall remain in effect only until December 31,  
2 2034, and as of that date is repealed.

3 ~~SEC. 9.~~

4 *SEC. 11.* No reimbursement is required by this act pursuant to  
5 Section 6 of Article XIII B of the California Constitution because  
6 the only costs that may be incurred by a local agency or school  
7 district will be incurred because this act creates a new crime or  
8 infraction, eliminates a crime or infraction, or changes the penalty  
9 for a crime or infraction, within the meaning of Section 17556 of  
10 the Government Code, or changes the definition of a crime within  
11 the meaning of Section 6 of Article XIII B of the California  
12 Constitution.