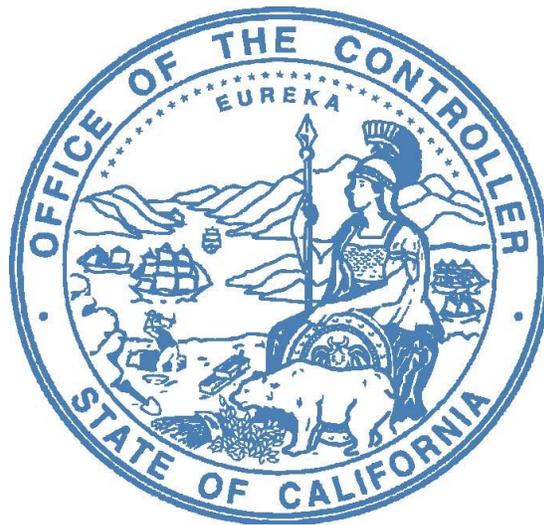


State of California County Tax Collectors' Reference Manual

Chapter 1000: Secured Tax Collections



BETTY T. YEE

California State Controller's Office

Chapter 1000 Secured Collections

1000-1002 General Overview: General Information	8
1000. HISTORICAL ORIENTATIONS	8
1001. AUTHORITY FOR COLLECTIONS	8
1002. ASSIGNMENT OR ENJOINMENT OF COLLECTION FUNCTION PROHIBITED.....	8
1010-1018 General Overview: Transfer of Collection Functions to the County	9
1010. CITIES UNDER GENERAL LAW	9
1011. CITIES UNDER CHARTER.....	9
1012. SPECIAL ASSESSMENTS	9
1013. MISCELLANEOUS LEVIES AND COLLECTIONS	9
1014. IRRIGATION DISTRICT	9
1015. DEED TO IRRIGATION DISTRICT	9
1016. COUNTY WATER DISTRICTS.....	9
1017. CALIFORNIA WATER DISTRICTS	10
1018. SERVICE AREAS, LIGHTING DISTRICTS, SPECIAL ROAD MAINTENANCE DISTRICTS	10
1020-1023 General Overview: Discharge of Accountability	10
1020. WHEN COST OF COLLECTION IS UNJUSTIFIED.....	10
1021. WHEN AMOUNT IS \$20 OR LESS	11
1022. CASH DIFFERENCE FUND.....	11
1023. CASH OVERAGE FUND.....	11
1030-1034 General Overview: Destruction of Secured Rolls	11
1030. NOT ON MICROFILM	11
1031. ON MICROFILM.....	11
1032. DUPLICATE COPIES.....	12
1033. OTHER RECORDS.....	12
1034. NON-JUDICIAL PUBLIC RECORDS.....	12
1040-1042 General Overview: Thirty-Year Law.....	12
1040. GENERAL APPLICATION.....	12
1041. TAXES COVERED.....	13
1042. MARKING RECORDS.....	13
1050-1052 General Overview: Change of Ownership Statements.....	13
1050. FILING OF OWNERSHIP STATEMENT.....	13
1051. PENALTY FOR FAILURE TO FILE	13
1052. ENROLLMENT OF PENALTY ASSESSMENT.....	13
1060-1063 General Overview: Miscellaneous Issues.....	14
1060. EXTENSION OF THE TIME FOR OFFICIAL ACTS.....	14
1061. FACSIMILE SIGNATURE.....	14
1062. SECURITY DEPOSITS ON SUBDIVISION AND PARCEL MAPS.....	14
1063. PAYMENT OF TAXES PRIOR TO LOT LINE ADJUSTMENT	14
1100-1102 Billing Procedures & Requirements: General Information	15

1100. DELIVERY OF ASSESSMENT ROLL	15
1101. SPECIAL DISTRICT COLLECTIONS.....	15
1102. TAXPAYER'S RESPONSIBILITY	15
1110-1112 Billing Procedures & Requirements: Tax Bill – Mailing.....	16
1110. GENERAL REQUIREMENT	16
1111. TAX BILL TO PERSON OTHER THAN ASSESSEE	16
1112. FAILURE TO MAIL TAX BILL.....	16
1120-1128 Billing Procedures & Requirements: Tax Bill – General Content Requirements.....	16
1120. INFORMATION ON THE TAX BILL.....	17
1121. DUE DATES	18
1122. DELINQUENCY DATES AND TIME.....	18
1123. WEEKENDS AND HOLIDAYS	18
1124. TAX-DEFAULTED PROPERTY	18
1125. REDEMPTION NOTICE	18
1126. WATER STANDBY CHARGES	18
1127. HOMEOWNERS' EXEMPTION INELIGIBILITY NOTICE.....	19
1128. MISCELLANEOUS.....	19
1130-1137 Billing Procedures & Requirements: Tax Bill – Specific Content Requirements	19
1130. GENERAL INFORMATION	19
1131. YEAR.....	19
1132. DESCRIPTION OF PROPERTY	19
1133. NAME AND ADDRESS	19
1134. VALUES.....	19
1135. TAX-RATE AREA NUMBER	20
1136. PENALTIES AND COSTS.....	20
1137. SHOW TAX REDUCTION ON BILL.....	20
1140-1145 Billing Procedures & Requirements: Tax Bill – Other Types of Billing	20
1140. SEPARATE TAX BILLS.....	20
1141. SEPARATE TAX BILLS FOR CONDOMINIUMS	20
1142. SEPARATE TAX BILLS FOR TIMESHARE ESTATES.....	20
1143. SEWER CHARGES	21
1144. ADJUSTED OR "LATE" TAX BILLS	21
1145. CONSOLIDATED TAX STATEMENT	21
1200 Payment Processing: General Information	21
1200. TAX ADMINISTRATION AND COLLECTION.....	22
1210-1216 Payment Processing: Electronic Fund Transfer Payment.....	22
1210. COLLECTIONS BY ELECTRONIC FUND TRANSFER.....	22
1211. ADVANTAGES OF ELECTRONIC FUND TRANSFER (EFT).....	22
1212. AUTOMATED CLEARING HOUSE (ACH) TRANSACTIONS.....	22
1213. AN AUTOMATED CLEARING HOUSE CREDIT TRANSACTION	23
1214. AN AUTOMATED CLEARING HOUSE (ACH) DEBIT TRANSACTION	23
1215. FEDWIRE TRANSACTIONS.....	23

1216. NOTICE TO TAXPAYERS	23
1220-1221 Payment Processing: Credit Card Payment	24
1220. PAYMENT OF PROPERTY TAXES	24
1221. DEFINITIONS	24
1230-1239 Payment Processing: Administrative Requirements.....	25
1230. PUBLICATION OF NOTICE	25
1231. DUE DATES	25
1232. COLLECTION IN EQUAL INSTALLMENTS	25
1233. AMOUNT DUE	25
1234. OTHER CHARGES OR TAXES THAT ARE A LIEN ON LAND	25
1235. PAYMENTS	25
1236. INSTALLMENTS	25
1237. METHOD OF PAYMENT.....	25
1238. PLACE OF PAYMENT	26
1239. RECIPROCAL TAX ACCOUNTING IN CALIFORNIA (CORTAC).....	26
1240-1249 Payment Processing: Special Circumstances	26
1240. PARTIAL PAYMENT OF CURRENT TAXES.....	26
1241. UNDERPAYMENTS.....	26
1242. DISCOUNTING THE AMOUNT OF THE SECOND INSTALLMENT	27
1244. RETURNED CHECKS	27
1245. REMITTANCES BY MAIL.....	27
1245.1 REMITTANCES BY AN INDEPENDENT DELIVERY SERVICE	27
1245.2 REMITTANCE BY EFT.....	28
1246. PAYMENTS UNDER PROTEST PURSUANT TO SECTION 620.....	28
1247. DUPLICATE PAYMENTS.....	28
1248. RETURN OF REPLICATED OR DUPLICATE PAYMENT	29
1249. INCORRECT AMOUNTS	29
1250-1256 Payment Processing: Collection on Part of an Assessment	29
1250. INTENT OF THE LAW	29
1251. DEFINITIONS FOR PURPOSES OF THIS SECTION	29
1252. SEPARATE PAYMENT OF LIEN	30
1253. TIME ON APPLICATION FOR SEGREGATION OF TAXES	30
1254. REMOVAL OF A SPECIFIC LIEN	30
1255. COMPUTATION OF TAXES	30
1256. ENTRIES ON ROLL	30
1260-1268 Payment Processing: Separate Valuation	31
1260. ELIGIBILITY REQUIREMENTS.....	31
1261. APPLICATION REQUIREMENTS	31
1262. APPLICATION TO ASSESSOR	32
1263. VALUATIONS TO AUDITOR.....	32
1264. COMPUTATION OF TAXES	32
1265. DELINQUENT PENALTIES AND COSTS	33

1266. BALANCE REMAINING	33
1267. UNDIVIDED INTERESTS.....	33
1268. SEGREGATIONS: NONRESIDENTIAL SUBDIVISIONS.....	33
1270-1276 Payment Processing: Post-Payment Requirements.....	33
1270. RECEIPTS FOR PAYMENT OF TAXES	33
1271. CONTENTS OF RECEIPT	33
1272. PAYMENTS BY MAIL	33
1273. POSTING PAYMENTS	34
1274. DEPOSITS OF MONEY COLLECTED	34
1275. LIEN PRIORITY	34
1276. DISTRIBUTION OF PROCEEDS FROM OTHER SALES	34
1300-1306 Delinquency: General Information	34
1300. DELINQUENT DATES AND TIMES	34
1301. WEEKENDS AND HOLIDAYS	34
1302. PAYMENTS BY MAIL	34
1303. PENALTIES	35
1304. PENALTIES ON ADJUSTED OR "LATE" TAX BILLS.....	35
1305. COST CHARGE	35
1306. DELINQUENT LIST.....	35
1400-1409 Corrections: General Information.....	35
1400. GENERAL APPLICATION.....	35
1401. RESULT OF ASSESSMENT APPEALS.....	35
1402. WHO MAY CORRECT ROLL	36
1403. CHANGE IN AMOUNT OF TAX	36
1404. TRANSFER OF PAYMENT BEFORE CHANGE OF TITLE	36
1405. TRANSFER OF PAYMENT AFTER CHANGE OF TITLE	36
1406. FILING OF CANCELLATION VOUCHER.....	37
1407. NOTICE AND HEARING	37
1408. PAYMENT OF BALANCE DUE	37
1409. REFUND OF EXCESS.....	37
1410-1414 Corrections: Errors.....	37
1410. ERRORS ON THE ROLL	37
1411. AUDITOR'S ERRORS.....	38
1412. TAX COLLECTOR'S ERRORS	38
1413. ERRORS ON STATE BOARD OF EQUALIZATION'S ROLL.....	38
1414. ERRORS NOT OTHERWISE CORRECTABLE.....	38
1500-1501 Cancellations: General Information	38
1500. FORM AND CONTENTS.....	38
1501. NUMBER OF COPIES	38
1510-1511 Cancellations: Posting Rolls	39
1510. LOCAL ROLL.....	39
1511. STATE BOARD OF EQUALIZATION'S ROLL	39

1520-1523 Cancellations: Types of Cancellations	39
1520. ERRONEOUS OR ILLEGAL ASSESSMENTS	39
1521. UNENFORCEABLE TAX LIEN	39
1522. PENALTIES AND COST	39
1523. ASSESSMENT APPEAL	40
1530-1532 Cancellations: Double Assessments	40
1530. TO SAME PARTY	40
1531. TO DIFFERENT PARTIES	40
1532. BY DIFFERENT COUNTIES	40
1540-1547 Cancellations: Acquisition by Public Entity	40
1540. NEGOTIATED PURCHASE	41
1541. EMINENT DOMAIN	41
1542. ALTERNATIVE	41
1543. PARTIAL ACQUISITION	41
1545. FORECLOSURE BY PUBLIC ENTITY	42
1546. STRIPS AND ROADS	42
1547. ASSESSMENT BOND FORECLOSURE	42
1550 Cancellations: Special Circumstances	42
1550. CANCELLATION OF TAX BILL	42
1600-1603 Refunds: General Requirements	42
1600. BACKGROUND	42
1601. BY TAX COLLECTOR OR AUDITOR	43
1602. DISASTER RELIEF REFUNDS	43
1603. NOTICE OF REFUND DUE	43
1610-1616 Refunds: Types Permissible	43
1610. GENERAL APPLICATION	43
1611. REFUND WITHOUT FILING CLAIM	44
1612. APPLICATION OF REFUNDS	44
1613. APPLICATION OF REFUND TO FUTURE TAX LIABILITIES	44
1614. FAILURE TO FILE FOR EXEMPTION	44
1615. NEGOTIATED PURCHASE - PUBLIC AGENCY	44
1616. EMINENT DOMAIN - PUBLIC AGENCY	45
1620-1627 Refunds: Procedural Requirements to Initiate	45
1620. CLAIM REQUIRED	45
1621. CLAIM FOR REFUND BY MAIL	45
1622. CONTENTS OF CLAIM	45
1623. IMPOUNDING OF FUNDS	45
1624. TIME LIMITATIONS	45
1625. COMPUTATION OF AMOUNT	46
1626. REFUND OF CITY AND DISTRICT TAXES	46
1627. 1915 ACT BOND ASSESSMENTS	46

1630-1632 Refunds: Alternative Procedures	46
1630. COURT ACTION.....	46
1631. UNCLAIMED REFUNDABLE AMOUNTS.....	47
1632. INTEREST ON REFUNDS	47
1700-1706 Escape Assessments: Procedural Information	47
1700. GENERAL APPLICATION.....	47
1701. TAX-DEEDED TO TAXING AGENCY	47
1702. EXEMPTIONS INCORRECTLY ALLOWED	48
1703. ENTRY ON ROLL	48
1704. EFFECT OF ENROLLMENT OF ESCAPE ASSESSMENT - NOTICE TO ASSESSEE	48
1705. TAX COMPUTATION: INTEREST CHARGEABLE.....	48
1706. ADJUSTMENT OF CHARGES.....	48
1710-1711 Escape Assessments: Time Limitations	48
1710. NON-PENAL ESCAPE ASSESSMENTS.....	48
1711. PENAL ESCAPE ASSESSMENTS.....	49
1720-1724 Escape Assessments: Real Property	49
1720. LIEN CREATED	49
1721. PENAL ASSESSMENTS.....	49
1722. PROBATE PROCEEDINGS.....	50
1723. ESCAPE ENTRY ON THE SECURED ROLL.....	50
1724. CHANGE IN OWNERSHIP STATEMENT	50
1730-1731 Escape Assessments: Personal Property	50
1730. LIEN CREATED	50
1731. PENAL ASSESSMENTS.....	50
1740-1741 Escape Assessments: Collection.....	51
1740. INSTALLMENT COLLECTION OF TAX INCREASE	51
1741. FOUR-YEAR (FIVE-PAYMENT) PLAN	51
1800-1806 Reports & Settlements: General Requirements	52
1800. PERIODIC ACCOUNTING OF MONEY	52
1801. ITEMIZED ACCOUNT OF TRANSACTIONS.....	52
1802. SETTLEMENT FOLLOWING FIRST INSTALLMENT DELINQUENCY	53
1803. NOTICE BY LOCAL AGENCY TO ASSESSOR	53
1804. SETTLEMENT FOLLOWING SECOND INSTALLMENT DELINQUENCY	53
1805. AUGUST SETTLEMENT.....	53
1806. TAX COLLECTOR'S LIABILITY	54
1810-1813 Reports & Settlements: Servicemembers' Civil Relief Act.....	54
1810. WHO QUALIFIES.....	54
1811. THE BENEFITS OF THE ACT.....	54
1812. HOW ONE QUALIFIES	55
1813. TAXES SUBJECT TO THE ACT	55
1820 Reports & Settlements: Public Records.....	55
1820. GENERAL INFORMATION	55

* All statutory references cited are from Revenue and Taxation Code, unless otherwise noted.

1000-1002 General Overview: General Information

1000. HISTORICAL ORIENTATIONS

On December 15, 1849, the first California legislature convened in San Jose. The Constitution of 1849 provided for a court system and for the offices of clerk, district attorney, sheriff, coroner, and others deemed necessary, as well as for a board of supervisors empowered with duties as described by law.

In 1850, 27 counties were created. According to *County Government in California*, a 1958 publication by the County Supervisors Association of California, counties performed 22 basic functions in 1850. By 1909, this number had increased to 167. In 1958, it was estimated that counties performed well over 900 separate functions.

In 1879, counties were granted direct police powers. To establish a uniform property tax collection system statewide, county and [township](#) government acts of 1883, 1891, 1893, and 1897 were adopted and later amended and incorporated into the Political Code to form the basis for county government.

The 1879 constitution provided for the creation of the following entities: grand jury, superior court, justices of the peace, superintendent of schools, board of education, board of equalization, treasurer, recorder, tax collector, license collector, assessor, auditor, public administrator and constables.

In 1929, the State provided for the adoption of freeholders' charters for counties, and 11 counties have since opted for charters. A charter allows for consolidation of offices, use of a short ballot, appointment of some officials, fixing of salaries, and creation of a civil service system. General-law counties have adopted many of the same features through permissive state statutes.

In California's early history, the duty of collecting taxes was given to the treasurer and then to the county sheriff. In 1861, the responsibility fell to the tax collector. Today, the tax collector's duties include collection of all taxes, including real and personal property taxes, school and [special district](#) taxes, and business licenses.

1001. AUTHORITY FOR COLLECTIONS

"The tax collector shall collect all property taxes." ([Rev. & Tax. Code §2602](#)). The authority of a board of supervisors is limited to those express and implied powers granted to the board by the statutes.

However, by a four-fifths vote and with concurrence by the tax collector, the board of supervisors may assign the collection of unsecured property taxes to a private person or collection agent ([M-2011](#) and [Gov. Code §26220](#)).

1002. ASSIGNMENT OR ENJOINMENT OF COLLECTION FUNCTION PROHIBITED

The board may assign for collection purposes certain claims that the county has against debtors and any or all money judgments taken in the name of the county. However, "no assignment to a collection agency shall be made of obligations arising out of any delinquent [assessments](#) or taxes levied on the secured roll by the county or any other political subdivision of the state" ([Gov. Code §26220](#)) and ([M-2001](#)).

The law prohibits any legal [action](#) "against any county, municipality, or district, or any officer thereof, to prevent or enjoin the collection of property taxes sought to be collected." ([Rev. & Tax. Code §4807](#); [Const., Art. XIII, §32](#)).

NOTE: The United States Bankruptcy Act governs matters that entail automatic stays of enforcement of tax collection ([M-1230](#)). Consult county counsel concerning the effect, if any, of [Revenue and Taxation Code section 4807](#) on restraining orders issued pursuant to the provisions of the Bankruptcy Act of 1978 and its subsequent amendment.

1010-1018 General Overview: Transfer of Collection Functions to the County

1010. CITIES UNDER GENERAL LAW

Since December 31, 1968, "general law" cities have been prohibited from [assessing](#) and collecting their own taxes. "Chartered" cities may assess and collect their own taxes or may transfer such duties to corresponding county officials. However, no city may now establish the offices of [assessor](#) and tax collector ([Gov. Code §§51501, 51541-51542](#)).

1011. CITIES UNDER CHARTER

Details of the procedures involved in switching from city to county [assessment](#) are found in [Government Code sections 51500-51562](#).

1012. SPECIAL ASSESSMENTS

A city and county may enter into an agreement providing for collection by the county of any [special assessments](#) levied by the city. The special assessments may be collected at the same time and in the same manner as county taxes are collected, and all laws pertaining to the levy, collection, and enforcement of collection of county taxes apply to such special assessments ([Gov. Code §51800](#)).

1013. MISCELLANEOUS LEVIES AND COLLECTIONS

Any public agency levying [special assessment](#) taxes upon land or real property may make an agreement with the county to collect the taxes. The county's collection charge, as mutually agreed upon, is applied equally to each installment and, following collection, is deposited in the county's general fund ([Gov. Code §29304](#)).

1014. IRRIGATION DISTRICT

When an [irrigation district](#) elects to transfer the duties of collector to the county ([Wat. Code §26650](#)), any [assessments](#) levied are collected at the same time and in the same manner as other county taxes, deposited in the county treasury, and later transferred to the district. The county's compensation for performing such services is made pursuant to [Water Code sections 26653-26654](#).

Unpaid irrigation district assessments are delinquent on the same hour and day as county taxes. In accordance with the agreement between the irrigation district and the county, the delinquent properties are either sold to the district or declared to be tax-defaulted in the same manner, at the same time, and with the same penalties as other tax-defaulted property for nonpayment of county taxes ([Wat. Code §26655](#)).

Land sold to an irrigation district as a result of unpaid assessments may be redeemed in the same manner as redemption of other property after a [default](#) for nonpayment of county taxes ([Wat. Code §26656](#)). Also see [M-5010 et seq.](#)

1015. DEED TO IRRIGATION DISTRICT

Lands sold to an [irrigation district](#) that remain unredeemed five years after the date of their sale for delinquent district assessments are deeded to the district by the county tax collector ([Wat. Code §26658](#)). A form similar to that provided by [Water Code section 26276](#) may be used.

Lands tax-defaulted for delinquent irrigation district assessments are subject to the tax collector's power of sale in accordance with the provisions of [M-7000 et seq.](#)

1016. COUNTY WATER DISTRICTS

All county water district taxes must be collected at the same time and in the same manner and form as county taxes and shall be paid to the district for which they are levied and collected ([Wat. Code §31706](#)).

1017. CALIFORNIA WATER DISTRICTS

When a California water district has by resolution elected to transfer the levy, collection, and enforcement of [assessments](#) to the county ([Wat. Code §37203](#)), the assessments are levied and collected at the same time, in the same manner and with the same penalties and interest as general county taxes. When collected, the assessments are paid to the district. The compensation to the county for performing such services is generally provided for in the resolution ([Wat. Code §37209](#)).

See the California Water District Law of 1951 ([Wat. Code §§34000-38501](#)).

1018. SERVICE AREAS, LIGHTING DISTRICTS, SPECIAL ROAD MAINTENANCE DISTRICTS

Any county that fixes and collects charges for a service area may, pursuant to the notice, protest, and hearing procedures in [Government Code section 53753](#), provide a procedure whereby the county can collect such charges on the property tax roll. The collection should be made in the same manner and at the same time as general county property taxes and [assessments](#) ([Gov. Code §25215.6](#), Stats. 2008, Ch. 158 ([SB 1458](#)), in effect January 1, 2009).

Special assessment taxes for lighting districts should be levied and collected at the same time and in the same manner as general taxes on the local roll ([Sts. & Hy. Code §19181](#)).

NOTE: Property that is owned by federal or state governmental agencies or non-county local agencies is exempt from any assessments authorized for special road maintenance districts, 1911 maintenance districts (for lighting purposes only), and districts created under the Highway Lighting District Act; such property is also exempt from charges imposed under the county service area law ([Gov. Code §25215.6](#)).

1020-1023 General Overview: Discharge of Accountability

1020. WHEN COST OF COLLECTION IS UNJUSTIFIED

Any county department, officer, or employee charged by law with the collection of any county tax assessment, penalty or cost, license fees or money owing the county for any reason, that is due and payable, may file a verified application with the board of supervisors for discharge from accountability for the collection of the money owing the county for any reason in accordance with sections [25257 - 25259.5](#) of the Government Code ([Rev. & Tax. Code §2611.1](#)).

When the amount owed is too small to justify the cost of collection of any tax, [assessment](#), penalty, cost, license fee, or money owing the county, for any reason, that is due and payable, or when collection enforcement is impracticable, an application may be filed with the board of supervisors asking for a discharge from accountability for its collection ([Gov. Code §25257](#)). The board of supervisors may adopt, with the approval of a majority of its entire membership, a resolution that authorizes and designates the county auditor as the officer to exercise the authority of the board ([Gov. Code §25259.5](#)).

No discharge from accountability obtained shall be construed to release any person other than the person who obtained that discharge from an obligation to collect amounts that are due and owing ([Gov. Code §25259](#)). The board may order the discharge and instruct the auditor to adjust tax charges accordingly ([Rev. & Tax. Code §2611.3](#)).

The application to the board of supervisors must include ([Rev. & Tax. Code §2611.2](#)):

1. A statement of the nature of the amount owing;
2. The names of the [assesseees](#) or persons liable and the amount owed by each;
3. The estimated cost of collection; and

4. Any other fact warranting the discharge, except where the board of supervisors determines that the circumstances do not warrant the furnishing of detailed information.

1021. WHEN AMOUNT IS \$20 OR LESS

Collection may be waived without authorization of the board of supervisors or approval of the county counsel if the amount of any tax, [assessment](#), penalty, cost, license fee, or money owing to the county is twenty dollars (\$20) or less. ([Rev. & Tax. Code §2611.4](#)). A waiver from collection shall not be construed as releasing any person from payment that is due and owing the county ([Rev. & Tax. Code §2611.4](#)).

NOTE: A charge so small as not to justify the cost of collection may be canceled in accordance with provisions of [Revenue and Taxation Code section 4986.8 \(M-1550\)](#).

1022. CASH DIFFERENCE FUND

The county has the option to establish a cash difference fund, when authorized by resolution of the board of supervisors. This fund is used to increase the amount tendered to the county for the payment of any tax, [assessment](#), penalty, cost or interest that is due and owing the county when a difference of ten dollars (\$10) or less exists. A record of each use of the fund shall be maintained, containing sufficient information to identify the name of the person whose account was credited and listing the amount of the difference.

The cash difference fund may be expended, maintained, or replenished by accounting entries into a cash difference account and an overage account maintained in the county automated accounting system. All transfers between the fund and the accounts may be made and retained in electronic data-processing equipment, and no written report, warrant, special warrant, or check warrant need be prepared by the auditor or treasurer. The county auditor may replenish the cash difference account by a journal entry or electronic funds transfer from the county's general fund ([Rev. & Tax. §2611.5](#) and [Gov. Code §29380.1](#)).

1023. CASH OVERAGE FUND

When the amount paid to the county on any tax, [assessment](#), penalty, cost, and interest exceeds the amount due the county, and the excess does not exceed ten dollars (\$10), the excess amount may be deposited into the overage account. If the excess amount is not so deposited, it shall be refunded to the person who made the payment ([Rev. & Tax. Code §2611.5](#); [Gov. Code §§29370-29375, 29380.1](#)).

1030-1034 General Overview: Destruction of Secured Rolls

1030. NOT ON MICROFILM

Delinquent rolls created on substitute media must be retained for at least 12 years from the date of the creation of the original document. With the board of supervisors' approval, the delinquent rolls on substitute media and the secured rolls on which they are based may be destroyed after the 12-year retention period has expired. ([Rev. & Tax. Code §4377](#)) and ([M-4405](#)).

1031. ON MICROFILM

Any delinquent tax roll more than two years old and any original secured roll on which it is based, containing the information set forth in the [abstract](#), may be destroyed if:

1. A photographic record of the tax roll is made, one copy of which is permanently retained by the tax collector;
2. The [abstract list](#) has been certified as correct and complete by the county auditor; and
3. The board of supervisors approves the destruction of the roll.

Upon approval by the board, any delinquent tax roll may be destroyed if the abstract list is first certified as correct and complete by the county auditor, and if a certified, permanent record on a substitute media has been prepared in accordance with [Government Code section 26205](#).

The substitute media must be retained for at least 12 years from the date of the creation of the original document. The substitute media may also be destroyed after the 12-year retention period has expired with the board of supervisors' approval ([Rev. & Tax. Code §4377](#)).

Upon the destruction of the delinquent tax roll and the original secured roll pursuant to [Revenue and Taxation Code section 4377](#), any delinquencies not appearing in the abstract are conclusively presumed to have been redeemed, unless there appears of record a [tax deed](#) from the county to a purchaser for such property ([Rev. & Tax. Code §4378](#)).

1032. DUPLICATE COPIES

If the original or a permanent photographic reproduction of any record, paper, or document is in the files of any county officer, any duplicate copies of it may be disposed of or destroyed upon order of the board of supervisors ([Gov. Code §26201](#)).

1033. OTHER RECORDS

"Public records" include any writing containing information relating to the conduct of the public's business that is prepared, owned, used, or retained by any state or local agency, regardless of physical form or characteristics.

"Person" includes any natural person, corporation, partnership, limited liability company, firm, or association.

"Member of the public" means any person, except a member, agent, officer, or employee of a federal, state, or local agency acting within the scope of his/her membership, agency, office, or employment ([Gov. Code §6252](#)).

1034. NON-JUDICIAL PUBLIC RECORDS

Pursuant to [Government Code section 26205.1](#), the county officer having custody of non-judicial public records, documents, [instruments](#), books, and papers may cause destruction of any or all of them under the following conditions.

1. The board of supervisors has adopted a resolution authorizing the county officer to destroy such records, documents, instruments, books, and paper. The resolution may impose conditions in addition to those specified in law that the board of supervisors deems appropriate.
2. The officer maintains for public use a photographic or microphotographic film, electronically recorded video production, or other duplicate of such record, document, instrument, book, or paper destroyed.

NOTE: The provisions of this law do not apply to records prepared or received other than pursuant to a state statute or county charter or to records that are not expressly required by law to be filed and preserved.

For the purposes of this section, every reproduction is deemed an original record and a transcript, exemplification, or [certified copy](#), as the case may be, of the original.

1040-1042 General Overview: Thirty-Year Law

1040. GENERAL APPLICATION

Every tax has the effect of a [judgment](#) against the person ([Rev. & Tax. Code §2186](#)), and every tax, penalty, or interest, including [redemption penalty](#) or interest, on real property is a [lien](#) against the property [assessed](#) ([Rev. & Tax. Code §2187](#)). The judgment is satisfied and the lien is removed only when the tax is paid or legally canceled, or the property is sold to a private purchaser or a public agency ([Rev. & Tax. §2194](#)).

1041. TAXES COVERED

If the [lien](#) has not been otherwise removed within 30 years after any tax becomes a lien, it ceases to exist, and the tax is conclusively presumed to be paid ([Rev. & Tax. Code §2195](#) and [Const., Art. XIII, §30](#)). However, property that has become [tax-defaulted](#) and subject to [power of sale](#) for nonpayment of taxes is not subject to the provisions of this section.

1042. MARKING RECORDS

If 30 years have expired, the delinquent tax records should be marked "conclusively presumed paid" ([Rev. & Tax. Code §2195](#)). Any delinquency charges established by the auditor are then reduced accordingly.

1050-1052 General Overview: Change of Ownership Statements

1050. FILING OF OWNERSHIP STATEMENT

Whenever there is any change of ownership of real property or of a [manufactured home](#) subject to local property taxation, the buyer is required to file a signed change-in-ownership statement, under penalty of perjury, in the county where the real property or home is located. In the case of a change in ownership where the transferee is not locally [assessed](#), no change-in-ownership statement is required ([Rev. & Tax. Code §480\(a\)](#)).

In the event of the death of an [assessee](#), the personal representative shall file a change-in-ownership statement with the county recorder or the [assessor](#) in each county in which the decedent owned, at the time of death, real property that is subject to probate proceedings. The statement shall be filed prior to or at the time the inventory and [appraisal](#) are filed with the court clerk. In all other cases in which an interest in real property is transferred by reason of death, including a transfer through the medium of a trust, the change in ownership statement or statements shall be filed by the trustee (if the property was held in trust) or the transferee with the county recorder or the assessor in each county in which the decedent owned an interest in real property, within 150 days after the date of death ([Rev. & Tax. Code §480\(b\)](#)).

1051. PENALTY FOR FAILURE TO FILE

Generally, the change-in-ownership statement must be filed at the time of [recording](#) or, if the transfer is not recorded, within 90 days of the date of the change in ownership. However when the change in ownership has occurred by reason of death, the statement shall be filed within 150 days after the date of death or, if the estate is probated, at the time the inventory and [appraisal](#) are filed.

If any person or legal entity required to file a change-in-ownership statement fails to file the statement within 90 days from the date so requested by the [assessor](#), a penalty attaches. The penalty is the greater of \$100 or 10 percent of the taxes applicable to the new base-year value reflecting the change in ownership of the real property or [manufactured home](#). The penalty cannot exceed \$5,000 if the property is eligible for the homeowner's exemption or \$20,000 if the property is not eligible for the homeowner's exemption unless the failure to file the notice is willful ([Rev. & Tax. Code §482](#)).

1052. ENROLLMENT OF PENALTY ASSESSMENT

The penalty is added to the [roll](#) in the same manner as a [special assessment](#). For purposes of collection, delinquent penalties, and enforcement, a penalty is treated the same as all other taxes on the roll on which it is entered. After January 1, the penalty may be added to the current roll only with approval of the tax collector. This procedure is typically employed to provide maximum security for its enforcement.

If a property transferred is only a portion of a parcel on the roll for the [fiscal year](#) in which the [assessor's](#) 90-day notice expires, the taxes on the parcel must be prorated. This enables computation of the penalty on the taxes applicable only to the property transferred. The proration is accomplished like a [separate valuation](#) for payment of taxes on a portion of a current assessment parcel without, however, an application from the taxpayer. In these cases, the penalty may be entered on the current [unsecured roll](#), in the name of the transferee, or on the current or subsequent year's [secured roll](#) as a [lien](#) against the portion transferred.

When a property has been transferred or [encumbered](#) by a lien prior to enrollment of a penalty for failure to respond to the assessor's 90-day notice, such penalty must be entered on the delinquent unsecured roll. The [assessee](#) is the transferee whose failure to file the change-in-ownership statement resulted in imposition of the penalty.

After entry of the penalty on the delinquent unsecured roll, a certificate of lien may be filed immediately, pursuant to provisions of [Revenue and Taxation Code section 2191.3](#).

Notice of any penalty added to the roll must be mailed by the assessor to the assessee. The address used is that contained in the recorded [instrument](#) or document showing a change of ownership ([Rev. & Tax. Code §482](#)).

NOTE: Only when there has been a written request by the assessor does the penalty attach for failure to file within 90 days after such request.

1060-1063 General Overview: Miscellaneous Issues

1060. EXTENSION OF THE TIME FOR OFFICIAL ACTS

The time fixed for the performance of any act by the tax collector or auditor may be extended by the State Controller for not more than 30 days or, in the case of public calamity, 40 days ([Rev. & Tax. Code §155.3](#)). Requests for extension should be addressed to the State Controller's Office, Division of Accounting and Reporting, Bureau of Tax Administration and Government Compensation. The email address is Propertytax@sco.ca.gov.

Provisions of [Revenue and Taxation Code section 155.3](#) do not apply to correction of an act performed erroneously. Such provisions are found in the Revenue and Taxation Code under Division 1, Part 9, Chapter 2, sections [4831-4842](#).

1061. FACSIMILE SIGNATURE

Documents that require the signature of the tax collector under any provisions in Division 1 of the Revenue & Taxation Code may be [executed](#) with a facsimile signature in lieu of the tax collector signing the document. A facsimile signature has the same legal effect as a personal signature when executed in conformity with the provisions of [Revenue and Taxation Code section 168 \(M-8329\)](#).

Form [SCO 1-07](#) is an example of the format accepted by the California Secretary of State when filing for a facsimile signature.

1062. SECURITY DEPOSITS ON SUBDIVISION AND PARCEL MAPS

Prior to the [recordation](#) of any [subdivision map](#) or parcel map with the county recorder, the clerk of the board of supervisors must certify that all certificates and deposits required under the Subdivision Map Act and by local ordinance have been made ([Gov. Code §66464](#)). The subdivider must have a certificate from the tax collector stating that all current and [delinquent taxes](#) have been paid ([Gov. Code §66492](#)). In addition, the subdivider must file a certificate with the clerk of the board of supervisors estimating the amount of tax that is a [lien](#) not yet due and payable and must deposit money, securities, or a bond for same ([Gov. Code §66493](#)). The deposit or bond filed to secure payment of the taxes should include amounts for the regular assessment roll and any taxes that are likely to appear on the [supplemental assessment roll](#) ([Gov. Code §66493\(d\)](#)).

A county, by [ordinance](#) and at the request of the taxpayer, may require the tax collector to draw upon a cash deposit to pay taxes and/or [special assessments](#) when they are due and payable ([Gov. Code §66493\(c\)](#)).

1063. PAYMENT OF TAXES PRIOR TO LOT LINE ADJUSTMENT

A [lot line](#) adjustment is a shift in parcel boundaries that results in one or more existing and adjacent parcels changing size or shape. A lot line adjustment may not create a greater number of parcels than originally existed, and it must be approved by the local agency or advisory agency.

A local or advisory agency shall limit its review and approval to a determination of whether or not the parcels resulting from the lot line adjustment will conform to the local general plan, any applicable specific plan, any applicable coastal plan, and local [zoning](#) and building [ordinances](#) ([Gov. Code §66412](#)).

An advisory or local agency shall not impose conditions or exactions on its approval of a lot line adjustment except to conform to the local general plan, any applicable specific plan, any applicable coastal plan, and local zoning and building ordinances, to require the prepayment of real property taxes prior to the approval of the lot line adjustment, or to facilitate the relocation of existing utilities, infrastructure, or [easements](#) ([Gov. Code §66412](#)).

No tentative map, parcel map, or final map shall be required as a condition to the approval of a lot line adjustment. The lot line adjustment shall be reflected in a [deed](#), which shall be recorded. No record of [survey](#) shall be required for a lot line adjustment unless required by [Business and Professions Code section 8762](#) ([Gov. Code §§66412-66413](#)).

A county may, by ordinance and after consultation with the tax collector, waive the requirement for collateral to secure payment of property taxes and/or [special assessments](#), for a final parcel map of four or fewer parcels or for a lot line adjustment ([Gov. Code §66493\(d\)](#)).

1100-1102 Billing Procedures & Requirements: General Information

1100. DELIVERY OF ASSESSMENT ROLL

The auditor is required to deliver the extended [secured roll](#) to the tax collector on or before the fourth Monday of September ([Rev. & Tax. Code §2601](#)).

EXCEPTIONS:

1. If the roll is a machine-prepared roll and the tax bills are, with the consent of the tax collector and the approval of the board of supervisors, machine-prepared by the auditor, the auditor must deliver the extended tax roll on or before October 16 ([Rev. & Tax. Code §2601](#)).
2. An extension of time for not more than 30 days or, in the case of public calamity, 40 days, may be granted to county tax collectors and auditors by the State Controller, pursuant to the provisions of [Revenue and Taxation Code section 155.3](#) ([M-1060](#)).

1101. SPECIAL DISTRICT COLLECTIONS

Under various provisions of law, [assessments](#) levied by [special districts](#) (levee, irrigation, water, reclamation, etc.) are entered on the county tax rolls. [Revenue and Taxation Code section 136](#) ensures that such assessments entered on the roll are collected and enforced in the same manner as all other taxes entered on the [roll](#).

1102. TAXPAYER'S RESPONSIBILITY

Failure to receive a tax bill does not relieve the fee owner, or [assessee](#), from the liability to pay taxes owed ([Rev. & Tax. Code §2610.5](#)).

Neither the failure of the assessee to receive the information nor the failure of the [assessor](#) to so inform the assessee shall in any way affect the validity of any assessment or the validity of any taxes levied ([Rev. & Tax. Code §619\(e\)](#)).

"... the owner must be charged with knowledge of the property which he owns, that it is his duty to ... see that he pays the taxes thereon ..." (*Webster v. Somer*, 159 Cal. 459).

1110-1112 Billing Procedures & Requirements: Tax Bill – Mailing

1110. GENERAL REQUIREMENT

On or before November 1 of each year, the county tax collector must mail or electronically deliver a tax bill (or a copy of one) for each property on the [secured roll](#) if taxes are due ([Rev. & Tax. Code §2610.5](#)).

Pursuant to [Revenue and Taxation Code section 610](#), land once described on the roll need not be described a second time, but any person claiming and desiring to be assessed for it may have his/her name inserted with that of the original [assessee](#).

A person is "claiming" property for purposes of being [assessed](#) only if he or she provides the [assessor](#) with one of the following supporting documents:

1. A [certified copy](#) of a [deed](#), judgment, or other [instrument](#) that creates or legally verifies that person's ownership interest in the property;
2. A certified copy of a document creating that person's security interest in the property; or
3. The person's declaration, under penalty of perjury, that he or she currently has possession of the property and intends to be assessed for the property in order to perfect a claim in [adverse possession](#) ([Rev. & Tax. Code §610](#)).

The tax collector is required to send a separate tax bill to the initial seller or the purchaser of an individual [condominium](#) unit if either person requests it ([Rev. & Tax. Code §2188.6](#)); ([M-1140](#) and [M-1141](#)). The county tax collector is not required to send a separate tax bill where adequate security has been posted for the payment of property taxes, in accordance with [Government Code section 66493](#).

1111. TAX BILL TO PERSON OTHER THAN ASSESSEE

Any person may be authorized to pay a property tax bill on behalf of the [assessee](#). When mailing a tax bill to an authorized person other than the assessee, the tax collector shall send an information copy of the tax bill to the assessee ([Rev. & Tax. Code §2610.6](#)).

The copy shall clearly state that the copy is not a bill and that the original bill has been sent to another person for payment ([Rev. & Tax. Code §2610.6](#)).

1112. FAILURE TO MAIL TAX BILL

Failure to receive a tax bill does not relieve the owner from liability for taxes. However, the penalty imposed for delinquent taxes (as provided in [Rev. & Tax. Code §§2617-2618, 2621, 2704-2705](#) and [2922](#)) shall be canceled by the auditor or tax collector if the assessee demonstrates that delinquency is due to the tax collector's failure to mail the tax bill to the address provided on the [assessor's](#) roll or to electronically transmit the bill to the address provided and authorized by the taxpayer ([Rev. & Tax. Code §§2610.5, 4985-4985.2](#)).

[Revenue and Taxation Code section 2610.5](#) provides the county with an option of canceling penalties for individuals who acquire secured property after the [lien date](#).

[Revenue and Taxation Code section 2610.5](#)

1120-1128 Billing Procedures & Requirements: Tax Bill – General Content Requirements

1120. INFORMATION ON THE TAX BILL

The following information shall be included either in each county tax bill whether mailed, or electronically transmitted, or in a separate statement accompanying the tax bill ([Rev. & Tax. Code §2611.6](#)):

1. The full value of locally assessed property, including [assessments](#) made for irrigation district purposes in accordance with [Water Code section 26625.1](#);
2. The tax rate required by Article XIII A of the State Constitution (one percent of the full cash value);
3. The rate or dollar amount of taxes levied in excess of the one-percent limitation to pay for voter-approved indebtedness incurred before July 1, 1978, or bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986;
4. The amount of any special taxes and special assessments levied;
5. The amount of any tax rate reduction pursuant to [Revenue and Taxation Code section 10096.8](#), with the notation, "Tax reduction by (name of jurisdiction)." (The [jurisdiction](#) must be a local agency, school district, community college district, or county superintendent of schools.) ([Rev. & Tax Code §95](#));
6. The amount of any exemptions (exemptions reimbursable by the State are shown separately);
7. The total taxes due on the property covered by the bill;
8. Instructions on tendering payment, including the name and mailing address of the tax collector;
9. A statement listing eligibility requirements for the Senior Citizens Property Tax Postponement program and the Senior Citizens Property Tax Assistance program except for any lien date for which funding for the programs is not provided by state law (the text of the statement is prepared by the Franchise Tax Board) ([Rev. & Tax. Code §2615.6](#));
10. Any descriptive information required pursuant to [Government Code section 53340.3](#);
11. A notice that, if taxes are unpaid, delinquency penalties, costs, redemption penalties, and a redemption fee will be incurred ([Rev. & Tax. Code §2611](#)) and ([M-1125](#));
12. Information specifying all of the following, pursuant to [Revenue and Taxation Code section 2611.6](#):
 - a. That, if the taxpayer disagrees with the [assessed value](#) as shown on the tax bill, the taxpayer has the right to an informal assessment review by contacting the [assessor's](#) office;
 - b. That, if the taxpayer and the assessor are unable to agree on a proper assessed value pursuant to an informal assessment review, the taxpayer has the right to file an application for reduction in assessment for the following year with the county board of equalization or the assessment appeals board, as applicable; and
 - c. The address of the clerk of the county board of equalization or the assessment appeals board, as applicable, where forms for an application for reduction may be obtained.
 - d. That if an informal or formal assessment review is requested, relief from penalties shall apply only to the difference between the county assessor's final determination of value and the value on the assessment roll for the fiscal year covered.

NOTE: Not more than five assessment appeals boards may be created within any county. Assessment appeals boards shall be designated by number in the ordinance providing for their creation ([Rev. & Tax. Code §1621](#)). Revenue and Taxation Code section 1621 shall become operative on January 1, 2005. .

13. The billing of any special-purpose parcel tax as required by paragraph 2 of subdivision (b) of [Government Code section 53087.4](#).

Form [SCO 2-01](#) is a checklist to assist you in designing new tax bills.

1121. DUE DATES

The due dates established by statute are November 1 ([Rev. & Tax. Code §§2605, 2701](#)) and February 1 ([Rev. & Tax. Code §§2606, 2702](#)). No other dates can be substituted.

1122. DELINQUENCY DATES AND TIME

The delinquency dates and time established by statute are 5 p.m. or the close of business, whichever is later, on December 10, for the first installment ([Rev. & Tax. Code §§2617, 2704](#)) and 5 p.m. or the close of business, whichever is later, on April 10, for the second installment ([Rev. & Tax. Code §§2618, 2705](#)). Since the penalties mentioned in [M-1135](#) attach by operation of law, no other dates are authorized ([M-1123](#)).

1123. WEEKENDS AND HOLIDAYS

The following statement should appear in conjunction with the delinquency dates and time: "If December 10 or April 10 falls on Saturday, Sunday or a legal holiday, a delinquency penalty will not be charged if payment in full is received by 5 p.m. or the close of business, whichever is later, on the next business day." If the board of supervisors, by adoption of an [ordinance](#) or resolution, closes the county's offices for business prior to the time of delinquency on the "next business day" or for that whole day, that day shall be considered a legal holiday ([Rev. & Tax. Code §§2619, 2705.5](#)).

1124. TAX-DEFAULTED PROPERTY

On the tax bill for tax-defaulted property shall appear in writing the fact that it has been [defaulted](#) for delinquent taxes. As an alternative, the bill may contain language such as "prior-year taxes are in default," "prior-year taxes delinquent," "unpaid prior year taxes jeopardize property," or any other language indicating that the property is in jeopardy due to delinquent taxes of a prior year ([Rev. & Tax. Code §2612](#)).

1125. REDEMPTION NOTICE

In lieu of spelling out the actual penalties, costs, and fees, the following notice required by [Revenue and Taxation Code section 2611](#) must appear on the tax bill:

If taxes are unpaid, it will be necessary, as provided by law, to pay:

1. Delinquency penalties
2. Costs
3. [Redemption penalties](#)
4. Redemption fee

No percentages or amounts need be printed on the tax bill.

1126. WATER STANDBY CHARGES

County water standby charges, including penalties, must be shown separately from all other taxes when added to the county tax bill for collection ([Gov. Code §§ 25215.5, 25215.6](#)).

District water service standby charges, or availability charges, including any applicable penalties, must be shown separately from all other taxes when added to the county tax bill for collection, if practicable ([Wat. Code §55501.5](#)).

1127. HOMEOWNERS' EXEMPTION INELIGIBILITY NOTICE

In addition to mailing the county tax bill or copy thereof, [Revenue and Taxation Code section 2615.5](#) requires the tax collector to include a Homeowners' Exemption Ineligibility Notice. The notice should Comply with ([Rev. & Tax Code 2615.5.](#))

1128. MISCELLANEOUS

1. Each tax bill should be identified by parcel number, assessment number, bill number, account number, or a combination of such numbers.
2. All tax statements must include the county name and the mailing address for the tax payment ([Rev. & Tax. Code §2611.6](#)).

1130-1137 Billing Procedures & Requirements: Tax Bill – Specific Content Requirements

1130. GENERAL INFORMATION

The following secured tax bill format is suggested, to show the breakdown of information important to assessed values, exemption and taxes.

1131. YEAR

Print the lien year (e.g., "2010"), or the fiscal year (e.g., "2010-11"), in bold numerals on the face of the bill as well as on all stubs, or segments, that are returned to the tax collector with payment.

It is recommended that the bill contain the following statement: "For fiscal year beginning July 1, 20____, and ending June 30, 20____."

1132. DESCRIPTION OF PROPERTY

Whatever portion of the tax bill is to serve as the taxpayer's receipt, it should contain a description of the property. Such description should duplicate that which appears on the [assessment roll](#).

1133. NAME AND ADDRESS

The [assessee's](#) name and address, if known, should be prominently displayed on the tax bill. Property assessed to "Unknown Owners" or to known descendants also should be billed. Use the most feasible mailing address. Mailing such bills may disclose new taxpayers to the county.

1134. VALUES

The tax bill must separately show values for:

1. Land
2. [Improvements](#)
3. Personal property
4. Total taxable value
5. Exemptions

NOTE: Exemption values are shown on the tax bill pursuant to the assessor's procedures. If more than one exemption is involved, the [assessor](#) may combine the exemption amounts and identify the component parts by a coded index.

EXCEPTION: The [assessed value](#) of the homeowners' property tax exemption ([Rev. & Tax. Code §218](#)) may not be combined with any other exemption value. Each must be shown separately (see [M-1127](#) for additional requirements).

1135. TAX-RATE AREA NUMBER

The [tax-rate](#) area number should appear on the face of the bill.

1136. PENALTIES AND COSTS

The delinquent penalty of ten percent that attaches to both the first and second installments must be shown on each installment of the tax bill or on a separate statement that accompanies the bill ([Rev. Tax. Code §§2617, 2704-2705, 2618](#)).

The ten-dollar [cost charge](#) that attaches upon delinquency of the second installment must also be shown on the tax bill or on a separate statement that accompanies the tax bill ([Rev. & Tax. Code §§2621, 2706](#)).

1137. SHOW TAX REDUCTION ON BILL

Under provisions of the California State Constitution, Article XIII A, any [jurisdiction](#) may request that the amount of taxes computed for it be reduced. The county auditor shall then compute the effective [tax rate](#) reduction for all properties within the affected jurisdictions. The adjusted tax amounts must be shown on the secured tax bill and on the following year's unsecured tax bills with a notation reading, "Tax reduction by (name of jurisdiction)." ([Rev. & Tax. Code §96.8](#)).

1140-1145 Billing Procedures & Requirements: Tax Bill – Other Types of Billing

1140. SEPARATE TAX BILLS

When [tax-defaulted](#) property and property that is not tax-defaulted have been combined into one [assessment](#), the tax collector must issue separate tax bills for each portion. When requested by the tax collector, the assessor shall, within ten days, furnish separate valuations ([Rev. & Tax. Code §2612.5](#)).

The auditor enters the [separate valuations](#) and descriptions on the roll, computes the taxes and penalties, and notifies the tax collector ([Rev. & Tax. Code §2612.6](#)).

NOTE: The [assessor](#) cannot combine separately assessed parcels into a single assessment when any of the parcels have been declared tax-defaulted. However, the assessor may combine such parcels into a single assessment if subdivided land is reverted to [acreage](#) in accordance with the provisions of the Subdivision Map Act and local ordinances ([Rev. & Tax. Code §455](#)).

1141. SEPARATE TAX BILLS FOR CONDOMINIUMS

Whenever real property has been divided into [condominiums](#), as defined in [Civil Code sections 783](#), the initial seller or purchaser of an individual unit may request the county [assessor](#) to separately assess such unit and to send a separate tax bill to such purchaser for the current [fiscal year](#). The request can be made at any time during the fiscal year ([Rev. & Tax. Code §2188.6](#)) and ([M-1110](#)). However, condominium units may not be separately assessed and billed if adequate security for the payment of the taxes has not been posted with the county ([Gov. Code §66493](#)).

1142. SEPARATE TAX BILLS FOR TIMESHARE ESTATES

1) Whenever real property has been divided into [timeshare estates](#), as defined in [Business and Professions Code section 11212\(x\)\(1\)](#), a written request may be made to the assessor for separate [assessment](#) of each

interest. When all of the conditions set forth in [Revenue and Taxation Code section 2188.8](#) have been met, the assessor must separately assess and enroll each interest. A tax bill can then be issued to the owner of each timeshare estate.

The county may charge a fee for processing an application for separate assessment and for the initial and ongoing costs of the assessment and billing of the interests. The fee is to be divided proportionally and collected on the tax bill for each of the timeshare estates ([Rev. & Tax. Code §2188.8](#)) and ([M-6104](#)). This fee is not to exceed the actual cost of the separate assessment, billing, and mailing. When collected, this fee is to be deposited in the county's general fund.

2) Whenever a timeshare is a leasehold interest in real property, as defined in [Business and Professions Code section 11212\(x\)\(1\)](#), a written request for a separate [assessment](#) of each interest may be made to the assessor. When all of the conditions of [Revenue and Taxation Code section 2188.9](#) have been met, the assessor separately assesses each timeshare interest. However, the tax on the total assessment of the timeshare project constitutes a lien on the entire project. The tax collector sends a single tax bill to the timeshare project organization or homeowner's association, along with an itemized breakdown detailing the taxes applicable to each separately assessed interest ([Rev. & Tax. Code §2188.9](#)) and ([M-6104](#)).

1143. SEWER CHARGES

Sanitation and sewerage systems charges, defined as fees, tolls, rates, rentals, or other charges for services and facilities furnished by such systems ([Health & Saf. Code §5470\(f\)](#)), may, if the agency by [ordinance](#) so provides, be entered on the county [assessment roll](#) and collected along with the general county taxes ([Health & Saf. Code §5473](#)).

The tax collector may, at his/her discretion, issue separate tax bills for such charges and separate receipts for their collection. The county shall be compensated for the services rendered ([Health & Saf. Code §5473.9](#)).

1144. ADJUSTED OR "LATE" TAX BILLS

When an adjusted or "late" tax bill is issued due to escape assessment, roll correction, cancellation of taxes, etc., the taxpayer has 30 days to pay without penalty. The delinquent dates should be shown on the bill ([Rev. & Tax. Code §2610.5](#)) and ([M-1304](#)).

1145. CONSOLIDATED TAX STATEMENT

A tax collector who has elected to provide consolidated tax statements shall, upon written request by the [assessee](#), issue a consolidated tax statement for all of the assessee's properties entered on the secured roll ([Rev. & Tax. Code §2611.7](#)).

Adoption is at the discretion of the tax collector. Prior to implementing the provisions of [Revenue and Taxation Code section 2611.7](#), the tax collector must transmit a written memorandum to the board of supervisors and record the statement with the county recorder.

The person making the request must be the assessee, must provide a written request by September 1, and must provide the parcel numbers. Only one named assessee may request and receive a consolidated tax statement. A timely request is valid for those taxes levied for the first five fiscal years following the making of the request.

If a tax collector adopts the provisions of [Revenue and Taxation Code section 2611.7](#), he/she must print a notice on the back of each tax bill notifying each taxpayer of his or her right to request a consolidated tax statement. Included in the notice must be the fees, requirements, conditions, and limitations.

The tax collector may charge a fee to provide a consolidated statement, not to exceed the amount to recover the costs incurred.

1200 Payment Processing: General Information

1200. TAX ADMINISTRATION AND COLLECTION

For the purposes of tax administration and collection, the assessor shall allow the tax collector access to all records in his or her office ([Rev. & Tax. Code §408\(c\)](#)).

1210-1216 Payment Processing: Electronic Fund Transfer Payment

1210. COLLECTIONS BY ELECTRONIC FUND TRANSFER

"Electronic Fund Transfer" (ETF) means any transfer of funds other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, or computer/magnetic tape so as to order, instruct, or authorize a financial institution to credit or debit an account ([Rev. and Tax. Code §2503.1](#)).

Pursuant to [Revenue and Taxation Code section 2503.2\(a\)](#), ETF payments may be accepted in payment of any tax or [assessment](#), or for redemption of property. The tax collector may, at his or her discretion, require any taxpayer, or any paying agent of a taxpayer or taxpayers, who has made an aggregate payment of fifty thousand dollars (\$50,000) or more on the two most recent regular installments on the secured roll to make subsequent payments by EFT ([Rev. & Tax. Code §2503.2\(b\)](#)). Any taxpayer or paying agent making an EFT payment shall provide any supporting documentation and electronic information requested by the tax collector. Such a payment shall be made to the bank account designated by the tax collector ([Rev. & Tax. Code §2503.2\(c\)](#)).

Any costs incurred by the tax collector as a result of acceptance of an EFT payment shall be considered administrative costs of tax collection. If an EFT fails for any reason, the tax collector may charge the person who attempted the EFT a fee not to exceed the costs of (1) processing the transfer, (2) providing a notice of non-acceptance to that person, and (3) making the required cancellations on the tax roll ([Rev. & Tax. Code §2503.2\(d\)\(g\)](#)). The amount of the fee shall be set by the governing body of the relevant city, county, or city and county, and it may be added to the tax bill and collected in the same manner as costs recovered according to [Revenue and Taxation Code section 2621](#) ([Rev. & Tax. Code §§2503.1-2503.2](#)).

1211. ADVANTAGES OF ELECTRONIC FUND TRANSFER (EFT)

The primary advantage of electronic payment is that it eliminates the "float" of the paper check. When a paper check is sent through the mail, it may take several days for the check to reach the tax department, and it may take several more days for the check to clear the banking system so the funds are actually available to the county. For a tax payment mailed on the statutory due date, the county may not have access to the funds for a number of days after the due date.

With EFT, the mail and check-clearing times are eliminated. Electronic payments settle or are finalized on the specified date (i.e. the statutory delinquent dates, December 10 and April 10), and the funds can be made available to the county either on the day a transaction is initiated or the day after, depending on the method of payment. This can improve the investment earnings of the county.

EFT has other advantages over a paper check. In particular, EFT is less labor intensive and, therefore, less expensive than paper check processing for both taxpayers and counties. EFT can eliminate a significant amount of processing, sorting and physical handling.. In addition, EFT transactions should be less prone to error because the data involved need not be re-keyed by neither the banking system nor the tax agency.

1212. AUTOMATED CLEARING HOUSE (ACH) TRANSACTIONS

The Automated Clearing House (ACH) system was established specifically to facilitate the processing of electronic payments. Federal Reserve Banks and private processors operate the ACH network, and electronic transactions can be accomplished on a nationwide basis through ACH.

The ACH system is widely used for a number of common EFT applications. A large majority of ACH members are banking institutions, but some credit unions and savings and loan institutions are also network participants.

1213. AN AUTOMATED CLEARING HOUSE CREDIT TRANSACTION

The taxpayer initiates the transaction with his or her financial institution (termed the originating depository financial institution, or ODFI, in ACH parlance). The taxpayer specifies the amount of the payment, the bank and account number of the county being paid, and the date the transaction is to be finalized; i.e., the date the payment is to be transferred to the payee. The taxpayer includes such information as the type of tax being paid, the taxpayer identification number, and the tax period covered. This information can be transmitted to the ODFI via computer tape, disk or diskette, direct computer communications, or on paper, depending on the capabilities of the taxpayer and the ODFI.

The ODFI combines this transaction or batch of transactions with those from other customers and transmits the entire "file" of transactions to its ACH operator. This transmission takes place electronically or via magnetic tape. The ODFI charges the taxpayer's account for the transaction at an agreed-upon time.

The ACH operator sorts all transactions it receives and sends the tax payment transaction to the ACH operator of the county's member bank. The ACH operator also informs the Federal Reserve System of the transactions it processes so the reserve account of the ODFI may be debited for the amount of any payments made and the reserve accounts of the receiving banks may be credited for the payments.

The ACH operator prepares information for the county's financial institution (called the Receiving Depository Financial Institution or RDFI) on each payment involving that bank and its customers and provides it to the RDFI either electronically or on tape or paper.

The RDFI credits the county's bank account for the amount of the transaction and presents the county with the other information (e.g., tax type, taxpayer ID number, etc.) accompanying the payment. This information may be supplied electronically or on paper or tape; it is used to update the taxpayer accounting and other systems.

1214. AN AUTOMATED CLEARING HOUSE (ACH) DEBIT TRANSACTION

An ACH debit transaction follows much the same course as a credit transaction except that, instead of the taxpayer notifying his or her financial institution to initiate the payment, the taxpayer notifies the county.

The county, through its bank, then initiates the transaction through the ACH network to debit the taxpayer's account and credit the county's account in a like amount.

Both ACH credit and debit transactions require a minimum of 24 hours or one day for processing. That is, a credit or debit transaction will "settle" or be credited to the account of the county, after the day following the transaction. Unless there is a problem with a transaction, the taxpayer's account will be debited and the county's account will be credited on the specified date.

1215. FEDWIRE TRANSACTIONS

Another method of making electronic payments is through the Fedwire system. In a Fedwire transaction, the information regarding the transaction is communicated directly through the electronic communications network linking all Federal Reserve district banks and their 25 affiliated branches.

In a typical Fedwire transaction, a taxpayer notifies his or her financial institution to transfer a specified amount to the county for a particular tax payment. The taxpayer's bank then contacts the appropriate Federal Reserve bank (via telephone or computer communication) and instructs the "Fed" to transfer the requisite amount to the county's financial institution. The Fed then communicates with the county's bank (via telephone or computer) regarding the transfer. The Fed also debits the reserve account of the originating institution and credits the reserve account of the receiving institution to accomplish the actual transfer of funds. These institutions debit and credit their customer's accounts accordingly. The receiving financial institution notifies the county of receipt of the payment. Fedwire transactions can be initiated and settled on the same day.

Acceptance of Fedwire payments is at the discretion of the tax collector ([Rev. & Tax. Code §2505](#)).

1216. NOTICE TO TAXPAYERS

[Revenue and Taxation Code section 2503.2](#) does not require the tax collector to send specific notice to qualifying taxpayers requiring them to make subsequent tax payments by Electronic Fund Transfer, but the tax

collector should notify the taxpayer of future requirements. The tax collector may choose whatever method is acceptable to the county.

There are several notification options, such as enclosing a notice with the tax bill, sending a notice by separate mailing (can be regular mail), or adding the notification statement to the tax bill. If a second notice is necessary, it should be mailed using [certified mail](#).

Forms [SCO 1-09](#) and [SCO 1-10](#) were designed as guides for providing notice to taxpayers.

1220-1221 Payment Processing: Credit Card Payment

1220. PAYMENT OF PROPERTY TAXES

Pursuant to [Revenue and Taxation Code section 2511.1](#), the board of supervisors may authorize the acceptance of a credit card for payment of property taxes. Following an authorization, the county shall, upon approval of the board of supervisors, execute a contract with one or more credit card issuers or draft purchasers. The contract shall provide for all of the following:

1. The respective rights and duties of the county, card issuers, and draft purchasers regarding the presentment, acceptability, and payment of credit card drafts;
2. Establishment of a reasonable means by which to facilitate payment settlements;
3. Payment to the card issuer or draft purchaser of a reasonable fee or discount; and
4. Other matters appropriately included in contracts with respect to the purchase of credit card drafts, as may be agreed upon by the parties to the contract.

The honoring of a credit card shall constitute payment of the tax as of the date the credit card is honored, provided the credit card draft is paid following its due presentment to the card issuer or draft purchaser.

The county may impose a fee for the use of a credit card that is sufficient in amount to provide for the recovery of fees or discounts paid by the county and all other costs incurred by the county in providing for payment by credit. Fees imposed shall be approved by the board of supervisors.

If any credit card draft is not paid following due presentment to the card issuer or draft purchaser or is charged back to the county for any reason, any record of payment made shall be [null and void](#). Any receipt issued in acknowledgment of payment shall also be null and void. The obligation of the cardholder shall continue as an outstanding obligation as though no payment had been attempted.

Upon notice of nonpayment of the credit card draft, the tax collector may charge the person who attempted the payment a fee that should not exceed the costs of processing the draft, of providing notice of nonpayment to that person, and of making required cancellations on the tax roll. The amount of the fee shall be set by the board of supervisors, pursuant to [Government Code section 54986](#), and may be added to the tax bill and collected in the same manner as costs recovered pursuant to [Revenue and Taxation Code section 2621](#). Fees imposed shall be approved by the board of supervisors ([Rev. & Tax. Code §2511.1](#)).

1221. DEFINITIONS

([Rev. & Tax. Code §2511.1](#)).

1. "Credit card" means any card, plate, coupon book, or other credit device existing for the purpose of being used from time to time upon presentation to obtain money, property, labor, or services on credit.
2. "Card issuer" means any person who issues a credit card and purchases credit card drafts, or the agent for those purposes with respect to a credit card.

3. "Cardholder" means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.
4. "Draft purchaser" means any person who purchases credit card drafts.

1230-1239 Payment Processing: Administrative Requirements

1230. PUBLICATION OF NOTICE

[Revenue and Taxation Code section 2609](#) requires the tax collector to publish a notice on or before the day taxes are payable. See [M-9100](#) for publication requirements.

1231. DUE DATES

The first installment of taxes is due and payable November 1 ([Rev. & Tax. Code §§2605, 2701](#)). The second installment is due and payable February 1 ([Rev. & Tax. Code §§2606, 2702](#)).

[Revenue and Taxation Code section 2608](#) allows the tax collector to fix a date preceding the due date when payments may be made.

1232. COLLECTION IN EQUAL INSTALLMENTS

The law ([Rev. & Tax. Code §§2605-2606](#)) provides that all taxes on personal property on the secured roll, and half the taxes on real property, are due and payable November 1, with the other half of real property taxes due and payable February 1.

1233. AMOUNT DUE

When ordered by the board of supervisors, provided the resolution is adopted within the time limits specified in [Revenue and Taxation Code section 2700](#), the auditor is required to divide all real and personal property taxes due on the secured roll into two equal installments ([Rev. & Tax. Code §§2701-2702](#)). If the amount is not evenly divisible by two, the odd cent is payable with the first installment unless the roll shows the odd cent as part of the second installment ([Rev. & Tax. Code §2701](#)).

By resolution, the board of supervisors may order the auditor to drop the odd cent ([Rev. & Tax. Code §2152.5](#)).

1234. OTHER CHARGES OR TAXES THAT ARE A LIEN ON LAND

The division of property taxes into two equal installments is also applicable to all assessments, fees, charges, or installments of special assessments that are a lien against the real property ([Rev. & Tax. Code §2700.1](#)).

1235. PAYMENTS

The tax collector shall accept payment of current taxes even though prior-year delinquencies on the real property may also exist ([Rev. & Tax. Code §§2607, 2703](#)).

1236. INSTALLMENTS

The entire tax on real property may be paid when the first installment is due. The first installment may be paid at any time prior to the time the properties are declared to be tax-defaulted, even though the second installment has become delinquent. However, the second installment may be paid separately only if the first installment has been paid ([Rev. & Tax. Code §§2607, 2703](#)).

1237. METHOD OF PAYMENT

The tax collector may accept [negotiable paper](#) in payment of any tax or [assessment](#) ([Rev. & Tax. Code §2505](#)). Negotiable paper is defined as checks, drafts, and money orders ([Rev. & Tax. Code §2504](#)). This includes personal checks ([Attorney General Letter 3-6-46](#)). Checks written on foreign banks that, on presentment,

charge a premium for clearing and converting funds to dollars should be accepted only if the extra charge is separately paid by the taxpayer. To minimize extra handling in converting money, include a note with tax bills going to foreign addresses that payment must be made in U.S. funds or that an amount representing conversion charges must be included.

NOTE: The tax collector has the right to refuse to accept payment in coins ([Rev. & Tax. Code §2502](#)).

1238. PLACE OF PAYMENT

The tax collector is the public official responsible for collecting all property taxes ([Rev. & Tax. Code §2602](#)). All taxes are payable on or before the due date, at the tax collector's office or, if so ordered by the board of supervisors, at any branch office or temporary collection site within the county or outside the county ([Rev. & Tax. Code §2613](#)).

1239. RECIPROCAL TAX ACCOUNTING IN CALIFORNIA (CORTAC)

The CORTAC system was devised to simplify bill routing and paying procedures, to the mutual advantage of counties and tax agents.

Since the initiation of the system on a trial basis in 1961, many modifications have been incorporated into the procedures.

The system requires cooperation from the various departments within the county to assist the tax collector's office in implementing the program.

The assessor's office determines the number of digits in the parcel number and controls cancellations, assignment of new numbers, and [segregations](#). Generally, the records are set up by the assessor's office for name, address, parcel number, code, and description (if any).

The county's systems and data processing departments integrate the system into its operations and make any modifications required because of machine qualifications and capabilities.

The complete program concerns itself not only with the economies that are to be derived from the CORTAC program but also with the necessary controls and safeguards that will satisfy all of the departments within the county.

1240-1249 Payment Processing: Special Circumstances

1240. PARTIAL PAYMENT OF CURRENT TAXES

Notwithstanding any other provision of law, in the case of a deficiency in the payment of taxes due pursuant to provisions of Chapter 2 ([Rev. & Tax. Code §§2601-2636](#)), Chapter 2.1 ([Rev. & Tax. Code §§2700-2708](#)), or Chapter 4 ([Rev. & Tax. Code §§2901-2928.1](#)), with the approval of the board of supervisors, partial payment may be accepted from the taxpayer. The difference between the amount paid and the amount due should be treated as a delinquency in the same manner as any other delinquent tax ([Rev. & Tax. Code §§2636, 2708, 2927.6](#)).

1241. UNDERPAYMENTS

Counties operating under Part 8, Chapter 3, Division 1, of the Revenue and Taxation Code (commencing with [Rev. & Tax. Code §4701](#)), known as the "[Teeter Plan](#)," must place the tax payment in a trust fund and immediately notify the taxpayer of the deficiency. The taxpayer may pay the balance due until the time the property becomes tax-defaulted by operation of law. If the balance due is not paid on or before that date, the insufficient payment must be returned to the taxpayer and will become tax-defaulted. The tax collector may accept payments which are within ten dollars as payment in full ([Rev. & Tax. Code §4717](#)).

Counties that do not operate under the "Teeter Plan" and do not accept partial payments of taxes pursuant to [Revenue and Taxation Code sections 2607](#) or [2703](#), whichever is applicable, should be returned to the sender

along with a notification of the underpaid amount, a statement of the current amount due, and the reason for return of the remittance. A copy of the notification should be retained. See [M-1522](#) for notification of shortage in payment of amount due ([Rev. & Tax. Code §4985.2](#)); see also [Attorney General Opinion 6-16-72](#) .

1242. DISCOUNTING THE AMOUNT OF THE SECOND INSTALLMENT

Upon authorization by the board of supervisors, the tax collector may accept a discounted amount for payment of the second installment if the payment is made on or before the date the first installment is due. The rate of the discount is to be established annually by the board of supervisors ([Rev. & Tax. Code §2607.1](#)).

Exercise of this option requires establishment of a date for payment on or prior to the statutory due date of November 1 and publication of an appropriate notice ([Rev. & Tax. Code §§2608-2610](#)).

1244. RETURNED CHECKS

Acceptance constitutes payment as of the date of acceptance only when it is duly paid ([Rev. & Tax. Code §2506](#)). The tax collector shall cancel on his or her records any indication of payment when [negotiable paper](#), for any reason, is not paid and shall immediately send a notice of cancellation to the person who attempted payment. The [tax lien](#) continues as though no attempt at payment had been made ([Rev. & Tax. Code §§2509-2510](#)).

After returning any unpaid negotiable paper to the depositing county officer, the tax collector may charge the person who attempted the payment a fee, not to exceed the cost of making required notifications to that person, processing the returned unpaid negotiable paper, and making the required cancellations on the tax roll. The fee amount is set by the board of supervisors and is subject to the fee review procedures required by [Government Code section 54986](#). The fee may be added to the tax bill and collected in the same manner as costs recovered under [Revenue and Taxation Code section 2621](#) ([Rev. & Tax. Code §2509.1](#)).

[Government Code section 6157](#) authorizes a public agency to impose a reasonable charge, not to exceed the actual costs incurred by the agency, for any returned personal check and to prescribe a different method of making that payment and future payments for the person who drafted the check. [Civil Code section 1719](#) provides that, if a check is returned and the person or entity who made the check refuses to honor the same check within 30 days following a written demand, the person or entity shall be liable to the county for (in addition to the amount owed) damages of three times the amount of the check, but in no case less than \$100 nor more than \$1,500. The written demand must be sent by [certified mail](#) to the payor. If the payor has not satisfied the amount owed within 30 days of the mailed notice, an action may be brought in small claims court or in any other appropriate court ([M-8198](#)).

1245. REMITTANCES BY MAIL

If a remittance is received through the United States mail, in a sealed envelope, properly addressed with the required postage prepaid, it shall be deemed to have been received by the tax collector to whom it was addressed on the date shown by the post office cancellation mark and within the time of delinquency specified by law for that date. If satisfactory proof is submitted that mailing occurred on an earlier date, the remittance should be accepted as received in a timely manner ([Rev. & Tax. Code §2512](#)).

If a mailed remittance is received and accepted after any settlement with the auditor, the tax collector must file a supplemental report. By law, remittances received more than 30 days after the date and time set for payment do not have to be accepted ([Rev. & Tax. Code §2512](#)). This section shall not, for purposes of applying subdivision (a) of [Revenue and Taxation Code section 3707](#), apply to a remittance sent by mail for the redemption of tax-defaulted property.

1245.1 REMITTANCES BY AN INDEPENDENT DELIVERY SERVICE

If a remittance is deposited for shipment with an independent delivery service, which is either designated as an independent delivery service by the Internal Revenue Service or approved by the tax collector, prior to a specified date and hour, and if it is received before 5 p.m. on the next business day after the effective delinquent date, it is deemed to be received on the date shown on the packing slip or air bill attached to the outside of the package ([Rev. & Tax. Code §2512](#)).

1245.2 REMITTANCE BY EFT

If a remittance to cover a payment, required by law to be made to a taxing agency prior to a specified date and hour, is made by an electronic payment option, such as wire transfer, telephoned credit card, or electronic Internet means, the remittance shall be deemed received on the date the transaction was completed by the taxpayer, if the remittance was made on the taxing agency's authorized Internet website or via the taxing agency's authorized telephone number. Proof of completion of the transaction in the form of a confirmation number or other convincing evidence shall be presented by the taxpayer to the satisfaction of the tax collector. This subdivision does not apply to payments by electronic fund transfer as provided in [Revenue and Taxation Code sections 2503.1 and 2503.2 \(Rev. & Tax. Code §2512\(b\)\)](#).

This section does not apply to payments made for the redemption of tax-defaulted property ([Rev. & Tax. Code §2512\(c\)](#)).

1246. PAYMENTS UNDER PROTEST PURSUANT TO SECTION 620

In accordance with [Revenue and Taxation Code sections 619 or 621](#), the law permits an assessee to make payment under protest and to petition for an assessment reduction when the assessor fails to send a notice to either an assessee whose property was not on the prior year's secured roll or an assessee of real property on the local secured roll whose property's full value has been increased by more than the Consumer Price Index adjustment permitted by the [California State Constitution, Article XIII A, section 2](#) (also see [Rev. & Tax. Code §51](#)).

A protest is filed with the tax collector when the first installment of taxes is paid. It is accompanied by a petition for assessment reduction on the form prescribed by the county board (Form [SCO 1-01](#)).

The tax collector forwards the form to the clerk of the board with the notation that taxes were paid under protest, pursuant to [Revenue and Taxation Code section 620](#). The auditor may impound the taxes until the final disposition of the claim or action if he or she reasonably anticipates that the tax may be refunded in whole or in part ([Rev. & Tax. Code §620](#); [Gov. Code §26906.1](#)).

1247. DUPLICATE PAYMENTS

Within 90 days after payment, the tax collector may refund any excess resulting when tax payments are transferred from an unintended application, made either before or after delinquency ([Rev. & Tax. Code §4916](#)).

Duplicate payments may be refunded by either the tax collector or the auditor within four years after payment ([Rev. & Tax. Code §§5096, 5097.2](#)); ([M-1601](#) and [M-1603](#)).

If two or more people insist on paying taxes on the same property, accept both payments and issue receipts. Note the duplicate payment on the roll. With the consent of the auditor, deposit the amount received in a special trust fund as a duplicate payment on a certain parcel.

Contesting owners may litigate over ownership ([Rev. & Tax. Code §610](#) and [Attorney General Letters 12-4-47 and 10-29-52](#)) or, in the alternative, the owner of record may instruct the tax collector, by written request, to refund a replicated payment on a current assessment to the party who is not an owner of record, if the tendering party is known to the owner of record at the time of the request ([Rev. & Tax. Code §2781.5 \(a\)](#)).

Before the owner of record submits the request, both of the following requirements must be satisfied:

1. The request must be certified by the owner as true, correct, and complete to the best of his or her knowledge; and
2. The request must be accompanied by a certified copy of a deed, judgment, or other instrument, legally verifying ownership of the property ([Rev. & Tax. Code §2781.5 \(b\)](#)).

The tax collector is not required to determine ownership of the property ([Rev. & Tax. Code §2781.5 \(c\)](#)). This section does not apply to any payment on a current assessment that is delinquent ([Rev. & Tax. Code §2781.5 \(d\)](#)).

1248. RETURN OF REPLICATED OR DUPLICATE PAYMENT

A replicated payment is a payment submitted by, or on behalf of, a taxpayer that is intended to pay a specific tax or tax installment that has already been paid, whether or not the prior payment and the replicated payment are in the same amount ([Rev. & Tax. Code §2780.5](#)).

The law requires a county, whenever possible, to return replicated payments to the tendering party within 60 days of the date the payment becomes final. Payment is "final" when the original payment is not subject to chargeback, dishonor, or reversal ([Rev. & Tax. Code §2781](#)).

Replicated payments returned after 60 days must include interest at the rate provided in [Revenue and Taxation Code section 5151](#), if that interest is ten dollars or more. Often replicated payments occur because a tax has been paid from an impound account and also by the owner, or by an escrow company unable to verify payment based on county records. These conditions often occur when a transfer of ownership is pending ([Rev. & Tax. Code §§2780-2782](#)).

Counties that manually process payments usually can verify duplicates and return one payment within a few days or weeks. Counties that use check-processing machines ordinarily must refund replicated amounts, and they must pay interest on any amounts not returned to the tendering parties within 60 days of becoming final ([Rev. & Tax. Code §2782](#)). The interest is calculated at the greater of 3% per annum or the county pool apportionment rate ([Rev. & Tax. Code §5151](#)) and applies from the 60th day after the replicated payment becomes final to the date the replicated payment is returned to the tendering party.

If the payor returns the wrong payment stub or does not indicate the intended application for the payment, the tax collector may exercise reasonable judgment in applying the payment ([Rev. & Tax. Code §2783](#)).

NOTE: The payment submitted must be clearly indicated as applicable only to a specific tax or tax installment. Usually such payment is accompanied by a letter or installment stub indicating the payor's intent to pay a particular tax or installment. In a case where no intent is expressed and an installment or a tax on another property owned by that person has not been paid, the tax collector may apply payment to the remaining installment or other tax without incurring interest penalties if subsequent data indicate that payment should not have been so applied ([Rev. & Tax. Code §2635.5](#)).

1249. INCORRECT AMOUNTS

See [M-1241](#).

1250-1256 Payment Processing: Collection on Part of an Assessment

1250. INTENT OF THE LAW

It is the intent of the law to:

1. Permit the payment of taxes on any parcel of real property separately valued on the current roll; and
2. Provide for the [segregation](#) of, and the payment of current taxes on, any parcel of real property separately from the whole [assessment](#) as such parcel may be described in any duly [executed](#) and [recorded](#) deed, purchase contract, [deed of trust](#), mortgage, or [final decree](#) of court ([Rev. & Tax. Code §2801](#)).

1251. DEFINITIONS FOR PURPOSES OF THIS SECTION

When collecting part of an [assessment](#), "Improvements are not a parcel separate from the land on which they are situated." ([Rev. & Tax. Code §2802\(a\)](#)).

1. An undivided interest is a parcel that is separate from the whole assessment ([Rev. & Tax. Code §2802\(b\)](#)).

NOTE: This does not imply that the [undivided interest](#) must be separately assessed.

2. A lien is the charge against real property ([Rev. & Tax. Code §2802\(c\)](#)):
 - a. Either created by the assessment of personal property, leasehold improvements or [possessory interests](#), or constituting a fixed amount credited by the special assessment or charge of a taxing agency or revenue district;
 - b. Includes [special assessments](#) or annual installments thereof, plus accrued interest and maintenance charges; and
 - c. Includes any and all other charges authorized by law to be levied against real property by any taxing agency or revenue district. This includes, but is not limited to, general tax or special tax levies (see footnote "(A) TAXES" under [California State Constitution, Art. XIII, section 1](#)), as well as weed abatement charges, water standby charges, availability charges, unpaid water bills, etc.

1252. SEPARATE PAYMENT OF LIEN

The taxes on any parcel of real property contained in an [assessment](#) and having a [separate valuation](#) on the current roll may be paid separately from the payment of any other taxes or [special assessments](#) that constitute a separate lien or "...other tax or special assessment which constitutes a separate lien..." against the property. Although special assessments are collected by the tax collector in the same manner and at the same time as county [ad valorem](#) taxes, the taxpayer has a right to remove a lien created by a special assessment by making a payment separately from the general taxes ([Rev. & Tax. Code §§2801, 2802\(c\), 2811\(a\)](#)); *Loew's, Inc. v. Byram* (1938) 11 Cal. 2d 746 [82 P.2d 1].

1253. TIME ON APPLICATION FOR SEGREGATION OF TAXES

Any person filing an [affidavit](#) of interest may apply to the tax collector to have any parcel separately valued on the current roll for the purpose of paying taxes. The application must be made during the current [fiscal year](#). With the approval of the board of supervisors, a county may allow these applications between July 1 and March 31 ([Rev. & Tax. Code §2821](#)).

1254. REMOVAL OF A SPECIFIC LIEN

Taxes constituting the amount of the [lien](#) created by the [assessment](#) of personal property, leasehold improvements, [possessory interests](#), [special assessments](#), or other charges as defined in [Revenue and Taxation Code section 2802\(c\)](#) may be paid separately from the whole assessment ([Rev. & Tax. Code §2811\(a\)](#)).

1255. COMPUTATION OF TAXES

1. The taxes on personal property, leasehold improvements, possessory interests, special assessments, or other charges, as defined in [Revenue and Taxation Code section 2802\(c\)](#), must be paid in full prior to, or together with, the taxes on the separately valued parcel of real property. Since these items must be paid in full, a common practice is to prepare separate tax bills for them and for the separately valued parcel of real property. This permits the payment of current taxes in installments on the separately valued parcel of real property.
2. The taxes on the separately valued parcel are computed by multiplying the assessed value(s) of the parcel by the appropriate tax rate(s).
3. If penalties or costs have been applied to the original assessment, these penalties and costs are prorated to the respective taxes computed under paragraphs (1) or (2), above, in the ratio that such tax bears to the amount of taxes in the original assessment.

1256. ENTRIES ON ROLL

All separately valued parcels and all other assessed values on which the taxes were paid, including any assessments or charges that constitute liens against the real property, should be indicated paid, and the

amount of taxes paid should be shown. The roll must reflect the assessed values remaining unpaid and the balance of the taxes yet due and payable ([Rev. & Tax. Code §2614](#)).

NOTE: Where no physical document of the extended roll and abstract list is prepared, all entries required to be made on the extended roll and abstract list shall be entered into the electronic data processing records.

The data shall be so stored that it can be made readily available to the public in an understandable form ([Rev. & Tax. Code §109.6](#)).

1260-1268 Payment Processing: Separate Valuation

1260. ELIGIBILITY REQUIREMENTS

Any person, including the seller as well as the purchaser, who has filed for record a duly executed [deed](#), purchase contract, [deed of trust](#), mortgage, or [final decree](#) of court, may apply to the tax collector to have his or her interest separately valued on the current roll for the purpose of paying taxes ([Rev. & Tax. Code §2821](#)).

Upon authorization by [ordinance](#) of the board of supervisors, the county may charge a fee for actual costs incurred for the processing of an application for separate assessment, and for the initial and ongoing costs of separate assessment, billings and mailings. This fee may be billed separately or prior to issuing separate tax bills, or both, or collected on subsequent tax bills, and it shall be deposited in the county's general fund ([Rev. & Tax. Code §2821](#); [Gov. Code §§54985 et seq.](#)).

1261. APPLICATION REQUIREMENTS

The application shall be made during the current [fiscal year](#) and before the property becomes tax-defaulted. It must be in the form of either an [affidavit](#) or a certification (declaration) under penalty of perjury ([Code Civ. Proc. §2015.5](#)). Included must be a statement certifying that the duly recorded document describes the parcel of real property sought to be separately valued ([Rev. & Tax. Code §2821](#)). The county may impose the following conditions on applications for separate [valuation](#).

1. A county may, upon approval of the board of supervisors, require that the applicant notify the property owners ([Rev. & Tax. Code §2821](#)).
2. A county may, upon approval of the board of supervisors, prohibit such application during the ten working days preceding each tax installment delinquent date and during the ten working days preceding June 30th of each year allow these applications between July 1 and March 31 ([Rev. & Tax. Code §2821](#)).
3. If any lien not determined by the application of a tax rate on a [valuation](#) of property has been levied or placed on the whole [assessment](#), the application may be accompanied by the certification of the taxing agency or revenue district authorized by law to levy or place a lien, setting forth the specific amount of that portion of the lien levied or placed on the whole assessment that is to continue to be levied or placed on the parcel sought to be separately valued ([Rev. & Tax. Code §2821](#)).
4. The board of supervisors may provide that a parcel with a lien against it and other property, pursuant to the Improvement Act of 1911 (Division 7, commencing with [Sts. & Hy. Code §5000](#)) or the Improvement Bond Act of 1915 (Division 10, commencing with [Sts. & Hy. Code §8500](#)), will not be separately valued unless a request has been made to the agency levying the bond lien for a division of land and bond. A copy of the requested division of land and bond shall accompany the request for separate property tax valuation ([Rev. & Tax. Code §2821](#)).

Any separations of property pursuant to [Revenue and Taxation Code section 2821](#) are for valuing property for tax purposes only and are not intended to create a legal building site or to supersede requirements pursuant to [zoning](#), building, lot split, or [subdivision](#) ordinances.

The application may request that the tax created by the [assessment](#) of personal property, leasehold improvements, or [possessory interest](#) on the whole assessment be allowed to remain as a [lien](#) on the parcel sought to be separately valued, or

1. Be paid in full by the applicant, or
2. Attach to the applicant's parcel, so that these taxes can be paid at the same time as the taxes on the segregated parcel of real property ([Rev. & Tax. Code §2821](#)).

The [assessor](#) must determine if the value of the applicant's parcel is sufficient to secure a lien for payment of taxes ([Rev. & Tax. Code §2823](#)). If the assessor determines that the value is insufficient, the value of the personal property, leasehold improvements, or possessory interest is prorated in the ratio that the value of the real property of the applicant's parcel bears to the real property in the original [assessment](#) ([Rev. & Tax. Code §2826](#)).

Once created, an individual interest parcel may be entered as a separate assessment on subsequent [assessment rolls](#) until ownership of the interest is [conveyed](#) or until the original applicant or his/her agent requests that the parcel be recombined ([Rev. & Tax. Code §2821](#)).

Upon authorization by [ordinance](#) by the board of supervisors, the county may charge a fee for actual costs incurred for the processing of an application for separate assessment, and for the initial and ongoing costs of separate assessment, billings and mailings. This fee may be billed separately or prior to issuing separate tax bills, or both, or collected on subsequent tax bills, and it shall be deposited in the county's general fund ([Rev. & Tax. Code §2821](#); [Gov. Code §§54985 et seq.](#)).

The application may be accompanied by certification of other taxing agencies or [revenue districts](#), setting forth the amount of their liens or charges to be levied on the applicant's parcel and on the parcel(s) remaining ([Rev. & Tax. Code §2821](#)). If the lien continues beyond the current year, the certificate must set forth the amounts for each of the subsequent years.

"A separate valuation shall not be made of any parcel covered by a [subdivision map](#) filed for record after the lien date preceding the current fiscal year," nor shall any parcel be segregated or separately valued into more than four parcels, including the parcel remaining ([Rev. & Tax. Code §2823](#)). However, this prohibition does not apply in any county in which the board of supervisors so provides in an [ordinance](#) adopted by a majority vote of the board.

See sample application, form [SCO 1-02](#).

NOTE: As to the time of acceptance of the application, see NOTE under [M-1254](#).

1262. APPLICATION TO ASSESSOR

The tax collector transmits the application for [separate valuation](#) to the assessor, who then places separate valuations on the parcel to be segregated and the remaining parcel. The sum of values must equal the total valuation before segregation ([Rev. & Tax. Code §2823](#)).

1263. VALUATIONS TO AUDITOR

When the [valuations](#) have been determined, the assessor transmits the application to the auditor, who enters the descriptions on the roll, along with his computation of the taxes due thereon ([Rev. & Tax. Code §2824](#)).

1264. COMPUTATION OF TAXES

If the taxes are to be paid on either the segregated portion or the remaining portion of real property only, the [ad valorem](#) taxes are computed by multiplying the [assessed value](#) of the real property by the tax rate(s) applicable for the current year ([Rev. & Tax. Code §2825\(a\)](#)).

FORMULA: Land Value(s) x Rate = Current Tax

1265. DELINQUENT PENALTIES AND COSTS

Applicable delinquent penalties and costs are computed by first determining the ratio factor in the same manner set forth in the example under Paragraph (4) of [M-1261](#), then multiplying the penalties and costs by that ratio factor ([Rev. & Tax. Code §2826](#)).

1266. BALANCE REMAINING

The amount due on the remaining parcel equals the difference between the amount due on the whole assessment and the amount due on the parcel separately assessed ([Rev. & Tax. Code §2827](#)).

1267. UNDIVIDED INTERESTS

Applications for [separate valuation](#) of [undivided interests](#) must be submitted to the assessor for determination of separate value ([Rev. & Tax. Code §§2188.11, 2823](#)); ([M-1262](#)).

1268. SEGREGATIONS: NONRESIDENTIAL SUBDIVISIONS

The board of supervisors may authorize the county assessor, the auditor, and the tax collector to prorate the amounts of past-due property taxes and assessment liens, plus any interest and penalties that may have accrued, among the various parcels in a nonresidential [subdivision](#) covered by special assessment liens, the bonds for which are owned by the county ([Rev. & Tax. Code §2823](#)).

The tax collector may then enter into an installment payment agreement with respect to the pending subdivision map. This agreement is deemed the equivalent of a certificate, pursuant to [Government Code section 66492](#), for the purpose of permitting the filing of the final map ([Rev. & Tax. Code §2823](#)).

The final map should be [recorded](#) only with the provision that the past-due property taxes, assessment liens, and special assessment liens shall not be discharged of record by the agreement but shall be prorated among the parcels created by the final map ([Rev. & Tax. Code §2823](#)).

1270-1276 Payment Processing: Post-Payment Requirements

1270. RECEIPTS FOR PAYMENT OF TAXES

Whenever taxes are paid in cash or whenever a receipt is requested at the time of payment by the person paying the tax, the tax collector shall give a receipt to the person making payment ([Rev. & Tax. Code §2615](#)). The tax bills, when dated and stamped "paid," constitute valid receipts.

1271. CONTENTS OF RECEIPT

Receipts must contain:

1. The amount of tax paid;
2. The [fiscal year](#) and installment for which the tax is paid; and
3. The description of the property ([Rev. & Tax. Code §2615](#)).

1272. PAYMENTS BY MAIL

A receipt need not be issued for a payment received by mail unless one is requested by the person making the payment ([Rev. & Tax. Code §2615](#)).

1273. POSTING PAYMENTS

The tax collector shall mark the fact and date of payment on the roll or delinquent roll opposite the tax to which the payment relates ([Rev. & Tax. Code §2614](#)) or, with the board of supervisors' approval, may adopt a procedure showing the fact and date of payment on machine-prepared lists ([Rev. & Tax. Code §2614.5](#)).

The consent of the auditor and the tax collector and the approval of the board of supervisors must be obtained when recording payments in electronic data processing records. Data normally appearing on an extended roll and [abstract list](#) may be retained in electronic data processing equipment and no physical document need be prepared ([Rev. & Tax. Code §2601](#)). Notwithstanding any other provisions of the Revenue and Taxation Code, ". . . where no physical document of the extended roll and abstract list is prepared, all entries required to be made on the extended roll and abstract list shall be entered into the electronic data processing records.). The data shall be so stored that it can be made readily available to the public in an understandable form" ([Rev. & Tax. Code §109.6](#)).

1274. DEPOSITS OF MONEY COLLECTED

All property tax revenue collected must be immediately deposited with the treasurer or in a bank selected by the treasurer ([Rev. & Tax. Code §2507](#); [Gov. Code §53680](#)). Daily collections deposited in a bank must be paid into the county treasury at least once a month ([Gov. Code §27401](#)).

1275. LIEN PRIORITY

Every tax declared to be a [lien](#) on real property, and every public improvement [assessment](#) declared by law to be a lien on real property, have priority over all other liens on the property, regardless of the time of their creation. This tax or assessment shall be given priority over matters including, but not limited to, any recognizance, [deed](#), judgment, debt, obligation, or responsibility with respect to which the subject real property may become charged or liable ([Rev. & Tax. Code §2192.1](#)).

1276. DISTRIBUTION OF PROCEEDS FROM OTHER SALES

Upon the sale, conducted under judicial process or otherwise by any sheriff, trustee, receiver or other ministerial officer, of any real property upon which [ad valorem](#) property taxes or assessments are due and unpaid at the time of sale, the proceeds from that sale shall, after payment of necessary and incidental sale expenses, be first applied to the amount of those ad valorem property taxes and assessments and be transmitted by the conducting officer to the officer responsible for the collection of those taxes and assessments ([Rev. & Tax. Code §2192.2](#)).

NOTE: Tax sales as a result of defaulted taxes, pursuant to Chapter 7 of the Revenue and Taxation Code, and sales pursuant to Article 1 (commencing with [Civ. Code §2920](#)) of Chapter 2, Title 14, Part 4, Division 3, of the Civil Code are exempted from this procedure ([Rev. & Tax. Code §2192.2](#)).

1300-1306 Delinquency: General Information

1300. DELINQUENT DATES AND TIMES

The first installment becomes delinquent at 5 p.m. or the close of business, whichever is later, on December 10; the second installment becomes delinquent at 5 p.m. or the close of business, whichever is later, on April 10 ([Rev. & Tax. Code §§2617-2618, 2704-2705](#)).

1301. WEEKENDS AND HOLIDAYS

If either December 10 or April 10 falls on a Saturday, Sunday or holiday, the time of delinquency is 5 pm or the close of business, whichever is later, on the next business day ([Rev. & Tax. Code §§2619, 2705.5](#)). If the board of supervisors, by adoption of an [ordinance](#) or resolution, closes the county's offices for business prior to the time of delinquency on the "next business day" or for that whole day, that day shall be considered a legal holiday.

1302. PAYMENTS BY MAIL

For remittances received by mail after the delinquency date, see [M-1245](#).

1303. PENALTIES

If either the first or the second installment becomes delinquent, a penalty of ten percent attaches to it ([Rev. & Tax. Code §§2617-2618, 2704-2705](#)).

NOTE: If escape and/or penal assessments are added to or included in the current year's assessment, the taxes are computed pursuant to the provisions of [Revenue and Taxation Code section 534](#), interest pursuant to [Revenue and Taxation Code section 506](#) (if applicable) is added, and the entire amount is then combined into one sum.

1304. PENALTIES ON ADJUSTED OR "LATE" TAX BILLS

When a replacement, "late" amended, or corrected tax bill is issued, the penalty imposed for [delinquent taxes](#) shall be waived by the auditor or the tax collector if payment is received within 30 days from the date the bill was mailed ([Rev. & Tax. Code §2610.5](#)). This 30-day period applies only when a replacement or late tax bill is issued and there are fewer than 30 days remaining prior to the delinquency date or when the delinquency date has already passed. See [M-1144](#). Under no circumstances shall a taxpayer have fewer than 30 days to pay without penalty.

1305. COST CHARGE

The [cost charge](#) is ten dollars for preparing the delinquent tax records and published [delinquent list](#) on each separate valuation on the secured roll of:

1. Real property;
2. [Possessory interests](#); and
3. Personal property cross-secured to real property.

This cost attaches though the property appears on the roll due to a [special assessment](#) and no valuation is given ([Rev. & Tax. Code §§2621, 2706](#)). Also, the cost shall be collected whether or not the county has incurred any actual expense related to the delinquency.

1306. DELINQUENT LIST

A [delinquent list](#) must be prepared by the tax collector after the second installment of taxes becomes delinquent. The delinquent list shows all information relating to any unpaid [assessments](#) ([Rev. & Tax. Code §§2624, 2707](#)).

If an [abstract list](#) of delinquent taxes has been prepared and the delinquent list eliminated, the current [assessment roll](#) is designed to accommodate the added information normally carried in the delinquent roll ([Rev. & Tax. Code §2851](#)).

1400-1409 Corrections: General Information

1400. GENERAL APPLICATION

Corrections of errors on the [assessment roll](#), other than those involving either "value judgment" or the assessee's failure to report information on a property statement, must be made within four years after the assessment was made ([Rev. & Tax. Code §4831](#)). Similarly, errors in the assessor's judgment in establishing base-year values may be corrected only within four years of July 1 of the assessment year for which the base-year value was established ([Rev. & Tax. Code §51.5](#)).

1401. RESULT OF ASSESSMENT APPEALS

In the case of corrections made to the roll pursuant to [Revenue & Taxation Code section 1646.1](#), where a taxpayer has failed to pay an amount of tax computed upon [assessed value](#) that is the subject of a pending

assessment appeal, the relief from penalties shall apply only to the difference between the county board's final determination of value and the value on the [assessment roll](#) for the [fiscal year](#) covered by the application.

NOTE: "County board" means either a county board of supervisors that meets as a county board of equalization or an assessment appeals board.

The county board shall cause notice of the requirements of [Revenue and Taxation Code section 4833.1](#) to be mailed to each taxpayer or to be presented to each taxpayer upon filing an application for reduction in assessment with the county board if that taxpayer will be impacted by the penalty provisions.

For any taxpayer who has paid at least 80 percent of the amount of tax finally determined due by the county board, within 60 days of mailing or presentation of the notice prescribed, the tax collector shall accept payment of the balance of the tax due without penalties or interest.

The procedure shall apply only to those properties for which an application for assessment reduction is pending before the county board on the effective date of the act adding this section or those applications for assessment reduction that are filed with the county board after the effective date of the act adding this section.

This procedure shall become operative only if the board of supervisors of a county, with the approval of the county's tax collector and the county's auditor, adopts a resolution or [ordinance](#) approving such procedure ([Rev. & Tax. Code 4833.1](#)).

1402. WHO MAY CORRECT ROLL

Corrections are made on the roll by the auditor ([Rev. & Tax. Code §4834](#)).

The board of supervisors, by resolution, may appoint any county officer to perform on its behalf any act required or authorized to be performed by the board, unless such act is imposed upon the board by the California State Constitution ([Rev. & Tax. Code §4804](#)).

1403. CHANGE IN AMOUNT OF TAX

If a correction increases the amount of an [assessment](#), the [tax rate](#) applied to the increase must be the rate for the year in which the error was made. The auditor shall enter the increased taxes on the roll prepared or being prepared for the current [assessment year](#) ([Rev. & Tax. Code §4836.5](#)).

1404. TRANSFER OF PAYMENT BEFORE CHANGE OF TITLE

After the tax collector has ascertained that a policy of [title insurance](#) has not been issued, the tax collector shall cancel the payment, whether mistakenly paid on or credited to unintended property, and transfer the payment to the intended property. For this to occur, the assessee or his or her agent must convince the tax collector, by substantial evidence, that the payment was intended for another property. Such action must be taken before a policy of title insurance is issued on the unintended property and before two years have elapsed since the date of the payment ([Rev. & Tax. Code §4911](#)). If any person mistakenly paid an amount of tax and there is no property of that person in the county, the tax collector shall, by being convinced upon substantial evidence that the payment was a mistake, cancel the payment and return the amount paid.

COMMENT: If the intended property is tax-defaulted and transfer of the payment on the unintended property has been made pursuant to [Revenue and Taxation Code sections 4911 and 4911.1](#), the tax default on the intended property must then be canceled, in accordance with [Revenue and Taxation Code section 4991](#). See [M-5510 et seq.](#)

1405. TRANSFER OF PAYMENT AFTER CHANGE OF TITLE

If, through no fault of the assessee or his or her agent, the payment of taxes has been mistakenly applied by the tax collector to other than the property intended, and if the assessee or his or her agent, by substantial evidence, convinces the tax collector that the payment should have been credited to another property, the tax collector shall transfer the payment, in full, to the intended property and cancel the credit on the unintended property ([Rev. & Tax. Code §4911.1](#)).

When the transfer is made, the person who owned the property immediately before issuance of a policy of [title insurance](#) becomes personally liable for the transferred amount, which amount shall be transferred to the unsecured roll and collected as unsecured taxes ([Rev. & Tax. Code §4911.1](#)).

If cancellation and transfer of the payment was made after the [declaration of default](#), transfer the amount of the tax due on the unintended property, with penalties and costs added, pursuant to [Revenue and Taxation Code section 2922](#), to the unsecured roll ([Rev. & Tax. Code §4913](#)).

If any person mistakenly paid an amount of tax and there is no property of that person in the county, the tax collector shall, by being convinced upon substantial evidence that the payment was a mistake, cancel the payment and return the amount paid.

1406. FILING OF CANCELLATION VOUCHER

A verified cancellation voucher containing all details shall be signed and submitted by the property owner to the tax collector. Reference to the document must be entered on the roll opposite the unintended property and preserved in a permanent file ([Rev. & Tax. Code §4912](#)).

Form [SCO 1-03](#) is recommended for use as the cancellation voucher.

NOTE: If a declaration of tax default requires cancellation, see "comment" under [M-1404](#).

1407. NOTICE AND HEARING

The [assessee](#) of the unintended property must be notified, by registered or [certified mail](#), of the cancellation of the credit on the unintended property and of the proposed transfer. Such person then becomes liable for the amount so transferred to the unsecured roll ([Rev. & Tax. Code §4913](#)).

The owner of the unintended property may, within 10 days after the mailing of the cancellation notice, demand a hearing before the board of supervisors. A copy of the written demand must be filed with the tax collector ([Rev. & Tax. Code §4914](#)).

1408. PAYMENT OF BALANCE DUE

If the payment to be transferred to the intended property is less than the amount due, the balance of the amount due must be paid prior to the transfer ([Rev. & Tax. Code §4915](#)).

1409. REFUND OF EXCESS

If the amount transferred exceeds the amount due, the excess is subject to refund ([Rev. & Tax. Code §4916](#)). If the refund is completed within 90 days after the date of payment, it may be made by the tax collector ([Rev. & Tax. Code §4916](#)). Otherwise, the refund shall be processed pursuant to [Revenue and Taxation Code section 5097.2](#).

1410-1414 Corrections: Errors

1410. ERRORS ON THE ROLL

Pursuant to [Revenue and Taxation Code section 4831](#), incorrect entries on the roll may be corrected at any time after the roll is delivered to the auditor and within four years after the [assessment](#) being corrected was originally made. This section does not apply to the following:

1. Errors involving the exercise of value judgments; and
2. Escape assessments caused by the assessee's failure to report the information required by Article 2, commencing with Revenue and Taxation Code, chapter 3, part 2, section 441.

NOTE: If an error is discovered as a result of an audit of a taxpayer's books and records, that error may be corrected at any time within six months after completion of the audit.

Any increase in the amount of taxes due created by the correction cannot constitute a [lien](#) or charge on the real property if the property has been sold or encumbered for value prior to enrollment of the correction ([Rev. & Tax. Code §4836.5](#)). These taxes are transferred to the unsecured roll, and they are collected in the same manner and are subject to the same penalties as other taxes transferred under provisions of [Revenue and Taxation Code section 5090](#) ([Rev. & Tax. Code §4831\(d\)](#)).

[Assessments](#) (usually of personal property) based on erroneous information supplied by the assessee may be corrected within the time limitation imposed by [Revenue and Taxation Code sections 532 and 532.1](#) ([Rev. & Tax. Code §4831.5](#)). Most corrections must be made within four years from July 1 of the [assessment year](#) in which a problem occurs. An escape involving [fraud](#) or willful concealment may be corrected within six years after July 1 of the year in which the escape occurs. [Revenue and Taxation Code section 4840](#) provides a method whereby the lien of taxes improperly entered on the secured roll can be canceled and then re-entered, either as cross-secured to other real property or on the unsecured roll.

1411. AUDITOR'S ERRORS

When a tax rate has been properly set by the board of supervisors, but the auditor makes an inadvertent clerical error using an incorrect rate in extending the tax for a certain tax-rate area, a correction should be made on the roll, under authority of [Revenue and Taxation Code section 4832](#), if the tax bills have not been issued.

1412. TAX COLLECTOR'S ERRORS

Clerical errors made in preparing the [abstract](#) may be corrected by the tax collector at any time before the property has been sold to a purchaser in a Chapter 7 or a Chapter 8 sale ([Rev. & Tax. Code §4834.5](#)).

See [M-1522](#) regarding timely payments not credited on the roll before the auditor extends the penalties and costs.

1413. ERRORS ON STATE BOARD OF EQUALIZATION'S ROLL

Errors on the State Board of Equalization's roll, subject to the limitations set forth in [Revenue and Taxation Code section 4876](#), may be corrected within four years after the assessment was made or within the period for which a waiver was given, pursuant to [Revenue and Taxation Code section 868](#) ([Rev. & Tax. Code §§4876-4876.5](#)). Upon receipt of the statement of correction from the Board of Equalization ([Rev. & Tax. Code §4879](#)), the auditor enters the correction on the roll and adjusts the account with the tax collector accordingly ([Rev. & Tax. Code §4880](#)).

1414. ERRORS NOT OTHERWISE CORRECTABLE

For errors that cannot be corrected or that are not corrected within the time limits provided by law, see [M-1521](#).

1500-1501 Cancellations: General Information

1500. FORM AND CONTENTS

Each county may adopt its own multipurpose form. This form should combine the petition and the order of the board of supervisors and set forth the reasons for cancellation, the description of the property, and various record entries to be canceled.

1501. NUMBER OF COPIES

Sufficient copies of the petition should be made to furnish copies to the board of supervisors, the auditor, the tax collector, and, if requested, the assessor.

Assessments made by the State Board of Equalization that are double, erroneous or illegal, or for improvements that did not exist on the lien date, may be canceled by the board ([Rev. & Tax. Code §5011](#)). Such cancellations are entered on the roll by the auditor upon receipt of a statement of cancellation from the board. The auditor files the statement as a public record and adjusts the charge to the tax collector ([Rev. & Tax. Code §§5013-5014](#)).

1510-1511 Cancellations: Posting Rolls

1510. LOCAL ROLL

Cancellations are entered on the roll by the auditor ([Rev. & Tax. Code §4986\(a\)](#)). If the cancellation affects city taxes, consent of the city attorney is required ([Rev. & Tax. Code §4986.2](#)).

1511. STATE BOARD OF EQUALIZATION'S ROLL

Assessments made by the State Board of Equalization that are double , erroneous or illegal, or for improvements that did not exist on the lien date, may be canceled by the board ([Rev. & Tax. Code §5011](#)). Such cancellations are entered on the roll by the auditor upon receipt of a statement of cancellation from the board. The auditor files the statement as a [public record](#) and adjusts the charge to the tax collector ([Rev. & Tax. Code §§5013-5014](#)).

1520-1523 Cancellations: Types of Cancellations

1520. ERRONEOUS OR ILLEGAL ASSESSMENTS

All or any portion of any uncollected tax, penalty, or cost that is erroneously or illegally levied or charged may be canceled under [Revenue and Taxation Code section 4986\(a\)](#).

EXAMPLES: An insufficient description, or a [levy](#) on [improvements](#) that did not exist on the [lien date](#), is an erroneous [assessment](#). An assessment against tax-exempt land is an illegal assessment, where property is clearly all tax-exempt (*Star Kist Foods, Inc. v. Quinn*, 54 Cal. 2d 507). Where classification of the taxable and exempt property within an assessment is questioned, the taxpayer may be required to petition the county board of equalization in order to have the taxable and exempt property segregated (*San Francisco v. San Mateo County*, 36 Cal. 2d 196, 201).

1521. UNENFORCEABLE TAX LIEN

If the tax collector discovers that collection of a tax cannot be enforced because of an error in description, assessment, [equalization](#), [levy](#), or any other proceeding, the board of supervisors must be notified and a request to cancel the tax should be made([Rev. & Tax. Code §§3438, 4946](#)).

The board of supervisors shall order the assessor to place the uncollected taxes on the next roll, if the board determines that the tax should be enforced. The procedure for [rescinding](#) the cancellation is found in [Revenue and Taxation Code sections 4946 et seq.](#)

1522. PENALTIES AND COST

Any uncollected delinquent penalty, cost, [redemption penalty](#) or other charge that resulted from tax delinquency may be canceled, by either the tax collector or the auditor ([Rev. & Tax. Code §4985.2](#)).

For the tax collector or the auditor to cancel the above charges, the tax collector or the auditor must conclude that circumstances beyond the taxpayer's control prevented him or her from making a timely payment, that the taxpayer was not neglectful, and that the taxpayer did exercise reasonable care.

The delinquent penalty or cost may be canceled only under the following circumstances.

1. The principal payment is made no later than June 30 of the fourth fiscal year following the [fiscal year](#) in which the tax became delinquent.
2. There is an inadvertent error in the amount of payment made by the taxpayer, provided the principal payment for the proper amount of the tax due is made within ten days after the notice of shortage is mailed by the tax collector ([Rev. & Tax. Code §4985.2](#)).

NOTE: [Revenue and Taxation Code section 4985.2](#) does not apply where the assessee is making installment payments in accordance with [Revenue and Taxation Code section 4837.5](#).

3. The cancellation is ordered by a local, state, or federal court.

NOTE: July 12 In a "joint interim policy statement on the payment of State and Local Real Taxes" dated, 1990, the [Federal Deposit Insurance Corporation \(FDIC\)](#) and the Resolution Trust Corporation (RTC) stated that, in both their corporate and their receivership capacities, they "will neither pay, nor recognize liens for, any penalties, fines or similar claims imposed for the non-payment of taxes, whether arising before or after acquisition of the subject property" (Section 15, Federal Deposit Insurance Act, 12 U.S.C. 1825 (B)(3)).

1523. ASSESSMENT APPEAL

In the case of cancellations made to the roll pursuant to [Revenue and Taxation Code section 1646.1](#), where a taxpayer has failed to pay an amount of tax computed upon [assessed value](#) that is the subject of a pending assessment appeal, the relief from penalties shall apply only to the difference between the county board's final determination of value and the value on the assessment roll for the [fiscal year](#) covered by the application. "County board" means either a county board of supervisors that meets as a county board of equalization or an assessment appeals board ([Rev. & Tax. Code §4985.3](#)).

If a taxpayer will be impacted by the penalty provisions of [Revenue and Taxation Code section 4985.3](#), the county board shall send a notice of the requirements of [Revenue and Taxation Code section 4985.3](#) to said taxpayer or present the notice to said taxpayer upon filing an application for assessment reduction with the county board.

For any taxpayer who has paid at least 80 percent of the amount of tax finally determined due by the county board, within 60 days of mailing or presentation of the notice prescribed, the tax collector shall accept payment of the balance of the tax due without penalties or interest ([Rev. & Tax. Code §4985.3](#)).

This procedure shall apply only to those properties for which an application for assessment reduction is pending before the county board on the effective date of the act adding this section or for which an application for assessment reduction is filed with the county board after the effective date of the act adding this section ([Rev. & Tax. Code §4985.3](#)).

This procedure shall become operative only if the board of supervisors of a county, with the approval of the county's tax collector and the county's auditor, adopts a resolution or [ordinance](#) approving such procedure ([Rev. & Tax. Code §4985.3](#)).

1530-1532 Cancellations: Double Assessments

1530. TO SAME PARTY

Upon discovery that any property is [assessed](#) by the same [taxing agency](#) more than once to the same person, and provided all charges justly due on one of the assessments have been paid, the other assessment may be canceled by the auditor on order from the board of supervisors ([Rev. & Tax. Code §4990](#)).

1531. TO DIFFERENT PARTIES

When property has been assessed to two different parties, the incorrect assessment shall be canceled, pursuant to [Revenue and Taxation Code section 4986](#).

1532. BY DIFFERENT COUNTIES

If the same parcel is assessed in two counties, and each county claims its assessment to be valid, the owner may bring a court [action](#) to compel the counties to litigate their claims ([Rev. & Tax. Code §4988](#)).

1540-1547 Cancellations: Acquisition by Public Entity

1540. NEGOTIATED PURCHASE

If property is acquired by a public entity through a negotiated purchase after the lien date but before July 1, the taxes for the [fiscal year](#) beginning July 1 shall be canceled ([Rev. & Tax. Code §5085](#)).

If the purchase is negotiated after July 1, the person who sells the property to the public entity is required to pay his or her prorated share of the current taxes, penalties, and costs accruing from July 1 to the day before acquisition by the public entity, or the date of actual possession, whichever is earlier ([Rev. & Tax. Code §5086](#)).

The prorated portion owing is transferred to the unsecured roll, and demand for payment is made upon the former owner. The public entity's prorated portion remaining on the secured roll is canceled ([M-1543](#)).

If the amount of taxes or special assessment liens is unknown, the portion of the current taxes attributable to the period of the fiscal year that ends on the day before the date of [apportionment](#) shall be ascertained by the auditor, on a prorated basis of the previous year's taxes, and paid to the tax collector. The auditor shall adjust the assessment roll and the tax charge accordingly ([Rev. & Tax. Code §5086\(c\)](#)).

NOTE: The board of supervisors may prescribe that any uncollected tax, penalty or cost subject to transfer from the secured roll or [abstract](#) pursuant to the provisions of [Revenue and Taxation Code section 5090](#), and amounting to less than \$20, shall be canceled rather than transferred to the unsecured roll ([Rev. & Tax. Code §5089](#)).

1541. EMINENT DOMAIN

The proportionate share of current and [delinquent taxes](#), penalties and costs that have accrued against the property, prorated to but not including the date of possession by a public entity, shall be certified to the court by the tax collector ([Code Civ. Proc. §1260.250](#)).

The court will then enter an order that the amounts so certified should be paid to the tax collector from the award ([Code Civ. Proc. §1260.250\(b\)\(6\)\(e\)](#)). The portion of such taxes, penalties and costs pertaining to the part of the [fiscal year](#) that begins on the date that the property was acquired by the public entity, shall be canceled ([Rev. & Tax. Code §5086\(b\)](#)).

NOTE: [Revenue and Taxation Code section 4986](#) does not mention [special assessments](#) because, under [California State Constitution, Article XIII, section 3](#), public agencies are not exempt from such assessments (*Turlock Irrigation District v. Williams*, 76 Cal. 360). Pre-existing special assessment liens against properties acquired by public agencies are not subject to outright cancellation (Redevelopment Agency of City of *Fresno v. Penzer*, 8 Cal. App. 3d 417 [87 Cal. Rptr. 183]).

1542. ALTERNATIVE

The board of supervisors may provide that all [delinquent taxes](#), penalties and costs, and a prorated share of current taxes, penalties and costs accrued while on the secured roll, computed in accordance with Article 5 (commencing with [Rev. & Tax. Code §5081](#)), shall be transferred to the unsecured roll and collected pursuant to [Revenue and Taxation Code section 2921.5](#). Amounts transferred pursuant to Revenue and Taxation Code section 2921.5 shall continue to be subject to delinquent penalties until the amounts are paid, and they are collectible from either the person from whom the property was acquired or the public entity that acquired the property. If such transfer is made or has been made, the court will not make any award of taxes payable to the tax collector in the [eminent domain](#) proceedings ([Rev. & Tax. Code §§5087-5088, 5090](#)). Proration of current taxes shall be based upon the date specified in the [Code of Civil Procedure section 1260.250\(c\)\(3\)](#).

1543. PARTIAL ACQUISITION

If a public entity does not acquire title to the [improvements](#) and/or personal property, the full amount of tax due on either, or both, is transferred to the unsecured roll, unless the assessor determines that a remaining parcel provides sufficient security.

If only a part of the land in an [assessment](#) is taken, the former owner's prorated share of taxes, penalties and costs on the portion taken is transferred to the unsecured roll. The remainder of the assessment should be canceled, since it is not a [lien](#) against the property not taken.

NOTE: Any tax, penalty or cost totaling less than \$20 with respect to a given fiscal year shall be canceled rather than transferred to the unsecured roll ([Rev. & Tax. Code §5089](#)).

1545. FORECLOSURE BY PUBLIC ENTITY

According to federal law (15 U.S. Code, Ch. 14a, §646 and Internal Rev. Code §6323(b)), liens held by the Small Business Administration (SBA) or the Internal Revenue Service (IRS) are [subordinate](#) to a county's lien for property taxes. The priority of a county's property tax lien on real property survives foreclosure by the SBA and the IRS and can be enforced against the property after it is acquired by the SBA or the IRS ([Rev. & Tax. Code §2192.1](#); see *United States v. California-Plywood*, 527 Fed. Rptr. 2d 687 (1975); *Garcia v. County of Santa Clara*, 87 Cal. App. 3d 319).

NOTE: This is not the change of ownership that empowers the county to transfer taxes to the unsecured roll ([Rev. & Tax. Code §5090](#)). Since the property is still subject to sale for delinquent taxes, the former assessee is not personally liable for secured taxes ([M-1540](#) and [M-1541](#)).

1546. STRIPS AND ROADS

Strips, lots, or parcels identified on either a filed or a [recorded subdivision map](#), record of survey map, etc., as streets or roads dedicated to public use are tax-exempt ([Cal. Const., Art. XIII, §1](#)) if they are:

1. Accepted by the board of supervisors; or
2. Accepted through prescription, i.e., long-continued public use.

An [assessment](#) of a public road can be canceled as illegal (*Gaspard v. Edwin M. LeBaron, Inc.*, 107 Cal. App. 2d 356).

Any of the above assessments discovered by the tax collector should be brought to the assessor's attention.

1547. ASSESSMENT BOND FORECLOSURE

Taxes may be cancelled on property acquired after the [lien date](#) by a city through foreclosure under the Improvement Bond Act of 1915 or otherwise acquired in lieu of foreclosure by city council resolution ([Rev. & Tax. Code §4986.3](#)).

This does not apply if the property has become tax-defaulted property subject to the tax collector's power of sale prior to foreclosure. See annotations following [Revenue and Taxation Code section 3712](#) regarding the effect of [deeds](#) from two agencies.

1550 Cancellations: Special Circumstances

1550. CANCELLATION OF TAX BILL

On the recommendation of the tax collector, the auditor may cancel any tax bill if the total amount is so small that the cost of collection is not justified ([Rev. & Tax. Code §4986.8](#)).

1600-1603 Refunds: General Requirements

1600. BACKGROUND

When more than four years have elapsed after an erroneous or illegal collection, an assessee may not originate a petition for refund unless he or she has been first notified of the overpayment by the county, in accordance with [Revenue and Taxation Code section 2635](#), or unless the statute of limitations has been extended by mutual written agreement between the taxpayer and the assessor ([Rev. & Tax. Code §§532.1, 5097](#)).

1601. BY TAX COLLECTOR OR AUDITOR

Any taxes paid before or after delinquency may be refunded by either the tax collector or the auditor within four years after the date of payment if:

1. The taxes have been paid more than once;
2. The amount paid exceeds the amount due as shown on the roll by an amount greater than ten dollars (\$10);
3. The amount paid exceeds the amount due as the result of corrections or cancellations ordered by the board of supervisors after such taxes were paid; or
4. In any other case, where a claim is made under penalty of perjury and is for an amount less than ten dollars (\$10);
5. The amount paid exceeds the amount due on the property because of a reduction attributable to a hearing before an assessment appeals board or an assessment hearing officer ([Rev. & Tax. Code §5097.2](#)).

All other refunds are made after approval by the board of supervisors ([Rev. & Tax. Code §§5096-5097](#)).

Refunds may be applied to any [delinquent taxes](#) due on the same property for which the same taxpayer or his or her agent, is liable ([Rev. & Tax. Code §2635.5](#)).

1602. DISASTER RELIEF REFUNDS

When the assessor, pursuant to [Revenue and Taxation Code sections 170](#) and [172](#), reduces values because of misfortune or calamity, the auditor enters the reassessed values on the roll. The auditor determines the amount due as a result of the correction to the roll. The excess is refunded, pursuant to [Revenue and Taxation Code section 5097.2](#).

The assessee need not file a claim in order to receive the refund.

1603. NOTICE OF REFUND DUE

When the amount of taxes paid exceeds the amount due by more than ten dollars (\$10), the tax collector shall send a notice of the overpayment to the taxpayer, unless a refund has been made earlier without a claim form by the tax collector or the auditor ([Rev. & Tax. Code §2635](#)) and ([M-1620](#)).

The notice shall be mailed to the taxpayer's last known address. It shall state the amount of the overpayment and the fact that a claim for the refund may be filed pursuant to [Revenue and Taxation Code section 5096](#) ([Rev. & Tax. Code §2635](#)). See form [SCO 1-05](#).

No notice need be mailed by the tax collector if the amount of the refund due does not exceed \$10 ([Rev. & Tax. Code §2635](#)).

1610-1616 Refunds: Types Permissible

1610. GENERAL APPLICATION

Taxes paid before or after delinquency, including penalties and costs ([Rev. & Tax. Code §5107](#)), shall be refunded if they have been:

1. Paid more than once;
2. Erroneously or illegally collected;
3. Illegally assessed or levied;

4. Paid on an assessment in excess of the ratio of assessed value to the full value of the property, by reason of the assessor's clerical error or upon erroneous information supplied by the assessee;
5. Paid on an assessment of [improvements](#) that did not exist on the lien date;
6. Paid on an assessment in excess of the equalized value as determined pursuant to [Revenue and Taxation Code section 1609.8](#); or
7. Paid on an assessment in excess of the value of the property as determined by the assessor pursuant to [Revenue and Taxation Code section 469](#) ([Rev. & Tax. Code §5096](#)).

If a penalty was added to the roll because the assessee failed to file an ownership statement within the prescribed time with the assessor, it may be abated by the board of supervisors under certain conditions. If the penalty is abated, it shall be canceled or refunded in the same manner as an amount erroneously charged or collected ([Rev. & Tax. Code §§482, 483](#)).

NOTE: The intent of [Revenue and Taxation Code section 5096](#) is to prevent the inequitable retention of money that has been improperly collected. However, taxes that were mistakenly paid on wrong property, not because of any error in the levy or collection process, are not erroneously collected within the meaning of [Revenue and Taxation Code section 5096](#). In such instances, taxes are "erroneously paid" by a volunteer, and a refund is not required under these circumstances ([Rev. & Tax. Code §5096](#)). (*Sierra Investment Corp. v. County of Sacramento* (1967) 252 Cal. 2d 339, 343-344 [60 Cal. Rptr. 519, 522]).

1611. REFUND WITHOUT FILING CLAIM

When a person has any taxable interest in land owned by the state or federal government and his or her liability for such taxes is affected due to a misfortune or calamity, there may be a [reassessment](#) of the property in its damaged condition. Any tax paid in excess of the total tax due after reassessment shall be refunded to the taxpayer, pursuant to Chapter 5 (commencing with [Rev. & Tax. Code §5096](#) of Part 9, Division 1, of the Revenue and Taxation Code) ([Rev. & Tax. Code §170](#)).

NOTE: The county board of supervisors must enact an [ordinance](#) to make [Revenue and Taxation Code section 170](#) operative.

1612. APPLICATION OF REFUNDS

The tax collector may apply any refund due a taxpayer, or the taxpayer's agent, to any [delinquent taxes](#) due on the same property for which the taxpayer, or his or her agent, is liable ([Rev. & Tax. Code §2635.5](#)).

1613. APPLICATION OF REFUND TO FUTURE TAX LIABILITIES

A taxpayer may enter into an agreement with the county to offset his or her refund amount against future tax liabilities. Interest accrues on the refund amount until it has been fully offset ([Rev. & Tax. Code §5103](#)).

1614. FAILURE TO FILE FOR EXEMPTION

Failure to comply with exemption requirements, including timely filing, constitutes a waiver of tax-exempt status ([Rev. & Tax. Code §260](#)). However, Article 2.5, Chapter 1, Part 2, Division 1, Revenue and Taxation Code (commencing with [Rev. & Tax. Code §270](#)), provides that, under specified circumstances, failure to comply may be excused and the assessment of otherwise tax-exempt property may be canceled (or a tax may be partially canceled and any tax paid refunded upon timely application).

1615. NEGOTIATED PURCHASE - PUBLIC AGENCY

If current taxes have been paid on property acquired through negotiation by a public agency after commencement of the [fiscal year](#), the pro rata share, which if unpaid would be subject to cancellation under the [Code of Civil Procedure section 1268.440](#), must be refunded to the person who paid the tax if it is deemed erroneously collected, unless such person was reimbursed for the tax by the acquiring agency ([Rev. & Tax. Code §5096.7](#)) and ([M-1540](#)).

1616. EMINENT DOMAIN - PUBLIC AGENCY

If current taxes have been paid on property acquired after the [lien date](#) by a public agency under [eminent domain](#), the pro rata share, which if unpaid would be subject to cancellation under [Revenue and Taxation Code section 5086 \(M-1541\)](#), shall be refunded to the appropriate party, if it is deemed erroneously collected ([Rev. & Tax. Code §5096.7](#)).

1620-1627 Refunds: Procedural Requirements to Initiate

1620. CLAIM REQUIRED

Refunds may be made only upon a verified claim filed by the person who paid the tax or his or her guardian, [executor](#) or [administrator](#) ([Rev. & Tax. Code §5097](#)).

EXCEPTION: [Revenue and Taxation Code section 5097.2](#) permits the tax collector or the auditor to make a refund within four years after the date of the payment without a claim being filed, under the following conditions:

1. The amount was paid more than once;
2. The amount paid exceeds the amount due on the property as shown on the roll by an amount greater than ten dollars (\$10);
3. The amount paid exceeds the amount due on the property as a result of corrections to the roll or cancellations ordered by the board of supervisors after such taxes were paid;
4. In any other case where the claim for refund is made under penalty of perjury and is for an amount less than ten dollars (\$10), if written consent of the county legal advisor is obtained for the refund; or
5. The amount paid exceeds the amount due on the property as a result of a reduction attributable to a hearing before an assessment appeals board or an assessment hearing officer.

The claim must be filed for both secured and unsecured taxes ([M-2171](#)) in order to comply with necessary administrative procedures before filing a court [action](#) ([Rev. & Tax. Code §5140](#)). See [M-1630](#) and [M-2175](#) regarding court action.

NOTE: Form [SCO 1-06](#) is recommended for use but is not mandatory. However, regardless of the manner of the claim for refund, the law requires a verification before a refund can be made ([Rev. & Tax. Code §5097](#)).

1621. CLAIM FOR REFUND BY MAIL

A claim for refund may be submitted by mail. The terms and conditions under which such mailed applications may be accepted are set forth in [Revenue and Taxation Code section 2513](#).

1622. CONTENTS OF CLAIM

The claim shall be in writing, specifying whether the whole assessment or part of the assessment is claimed to be void. If the claim is for part of an assessment, it must be identified. The claimant must also specify the grounds on which the claim is founded ([Rev. & Tax. Code §5097.02](#)).

1623. IMPOUNDING OF FUNDS

When a claim for refund of taxes is filed, the amount of tax computed on the portions of the assessment not in dispute shall not be impounded ([Rev. & Tax. Code §5097.03](#)).

1624. TIME LIMITATIONS

If a verified, written claim for refund is filed pursuant to [Revenue and Taxation Code section 5097 \(M-1620\)](#), the following time frames apply.

1. Except as provided in [Revenue and Taxation Code section 5097\(a\)\(3\)](#), the claim must be filed within four years after the making of the payment sought to be refunded, or within one year after the mailing of the notice as prescribed in [Revenue and Taxation Code section 2635](#), or the period agreed upon by the assessor and the taxpayer as provided by [Revenue and Taxation Code section 532.1](#), or within 60 days of the date of the notice by the auditor as prescribed in [Revenue and Taxation Code section 4836\(a\)](#), whichever is later ([Rev. & Tax. Code §5097\(a\)\(2\)](#)).
2. An application for a reduction of an assessment filed under [Revenue and Taxation Code section 1603](#) constitutes a sufficient claim for refund if the applicant states that the claim is for a refund. If the application does not include a claim for refund, the applicant can file a separate claim for refund, pursuant to [Revenue and Taxation Code sections 1603](#) or [1604](#), within the time frame specified in [section 5097\(a\)\(3\)](#). ([Rev. & Tax. Code §5097\(b\)](#)).
3. If an application for equalization of an escape assessment is filed pursuant to Revenue and Taxation Code section 1603, a claim may be filed on any taxes resulting from the escape assessment or the original assessment to which the escape relates within the period provided in [Revenue and Taxation Code section 5097\(a\)\(3\)](#). ([Rev. & Tax. Code §5097\(c\)](#)).

1625. COMPUTATION OF AMOUNT

Penalties and costs refundable shall be computed only on the tax refunded ([Rev. & Tax. Code §5106](#)).

1626. REFUND OF CITY AND DISTRICT TAXES

The refund may include taxes collected for a city or [revenue district](#) ([Rev. & Tax. Code §5099](#)).

1627. 1915 ACT BOND ASSESSMENTS

The Improvement Bond Act of 1915 ([Sts. & Hy. Code §8684](#)) provides: "Taxpayers shall have the same right to pay assessments together with interest, and any penalties thereon, under protest as they have to pay general city taxes under protest, but their written protest must accompany such payment." Former Revenue & Taxation Code section 5138, which was repealed, provided for such an action after payment under protest.

With the repeal of the protest provision, Article 2 (commencing with [Rev. & Tax. Code §5140](#)) provides for the filing of an action against a city only in superior court, but not in the small claims division, if the city council has refused to refund on a claim filed pursuant to Article 1 (commencing with [Rev. & Tax. Code §5096](#)). (For other payments under protest, and claims for refund provisions, see [M-1246](#) and [M-1601](#).)

NOTE: Once an [apportionment](#) and distribution have been made by a county that collects 1915 Act bond assessments on behalf of a city, any claim for refund must be filed with the city.

1630-1632 Refunds: Alternative Procedures

1630. COURT ACTION

If a claim, in whole or in part, is rejected by the board of supervisors, the person who paid the taxes or the person's guardian, [executor](#) or [administrator](#) may, within six months after the rejection, bring an [action](#) only in the superior court, but not in the small claims division of the superior court, to recover the taxes ([Rev. & Tax. Code §§5140-5141](#)).

An application for reduction of an assessment, which is also intended to constitute a claim for refund pursuant to [Revenue and Taxation Code section 5097](#), shall be deemed denied on the date the final installment of the taxes becomes delinquent or on the date the county board of equalization makes its final determination on the application, whichever is later ([Rev. & Tax. Code §5141](#)).

Ordinarily a taxpayer must exhaust all of the available administrative remedies before resorting to action in court, but an exception is made when the assessment has no legal effect. Therefore, if the taxpayer makes payment under protest in this situation, he or she may immediately resort to a court [action](#) (*Exchange Bank v. Sonoma County*, App. 131 Cal. Rptr. 216).

If the plaintiff fails to have the defendants served with a summons within one year after the action is commenced in superior court, the court must dismiss the proceedings ([Rev. & Tax. Code §5147](#)). The action may be extended if the parties have filed a stipulation in writing or the party against whom the action is prosecuted has made a general appearance in the action.

If the board of supervisors fails to act on the claim for a period exceeding six months following the filing of the claim, the failure amounts to a rejection and authorizes the taxpayer to commence an action to recover the amount of the claim (*Otis v. San Francisco*, 170 Cal. 98 [148 P. Rptr. 933]).

The plaintiff in any action to recover taxes must be the person who paid the taxes or his or her [executor](#), [administrator](#) or guardian. The court is prohibited from rendering judgment for any other plaintiff ([Rev. & Tax. Code §5140](#)).

1631. UNCLAIMED REFUNDABLE AMOUNTS

After the time limitation for filing a claim for refund has expired under [Revenue and Taxation Code section 5097 \(M-1624 and M-5711\)](#), any unclaimed amounts that are otherwise refundable may be transferred to the county general fund on order of the board of supervisors ([Rev. & Tax. Code §5102](#)).

1632. INTEREST ON REFUNDS

In any [action](#) in which the recovery of a penalty assessed pursuant to paragraph (1), (2), or (3) of subdivision (c) of [Revenue and Taxation Code section 830](#) (failure to file property statements) is allowed by the court, the plaintiff shall be entitled to interest on the penalties for which recovery is allowed, at the applicable rate or rates in effect and payable on a refund of tax, as provided in [Revenue and Taxation Code section 5151](#). This interest shall be payable from the date of filing of the claim for refund (but in no event earlier than the date of payment of the penalty or installments thereof sought to be refunded) to the date of entry of judgment. This accrued interest shall be included in the judgment.

Interest at the greater of three percent [per annum](#) or the county pool [apportioned](#) rate shall be paid on all refunds of ten dollars (\$10) or more if the taxpayer has filed a claim for refund within 30 days after receiving notice of overpayment, pursuant to [Revenue and Taxation Code section 2635](#). The interest must be paid on amounts refunded to a taxpayer for any reason ([Rev. & Tax. Code §5151](#)). When interest is due the taxpayer, it must be computed pursuant to [Revenue and Taxation Code section 5151](#).

1700-1706 Escape Assessments: Procedural Information

1700. GENERAL APPLICATION

Property escaping assessment on the local [assessment roll](#) shall be assessed by the assessor on discovery at its value on the [lien date](#) for the year for which it escaped assessment ([Rev. & Tax. Code §531](#)).

1701. TAX-DEEDED TO TAXING AGENCY

If property has not been locally assessed for any year because such property had been tax-deeded to a [taxing agency](#), the property shall be deemed to have escaped assessment for such year.

[Revenue and Taxation Code section 531.7](#) prevents owners of property from avoiding taxes by allowing their property to become tax-deeded to a taxing agency other than the state, such as an [irrigation district](#), and subsequently regaining title by redemption, free of intervening taxes that could have been levied on the county roll but for the tax-exempt status. This provision is applicable if:

1. The property has not been declared to be tax-defaulted for delinquent taxes; and,
2. The property has been [redeemed](#) from the tax sale and deeded to the taxing agency; or,

3. The tax deed to the taxing agency has been held to be invalid and has been canceled, provided that the statute of limitations in [Revenue and Taxation Code section 532](#) does not apply.

1702. EXEMPTIONS INCORRECTLY ALLOWED

If an audit reveals that any type of exemption has been incorrectly allowed, an escape assessment in the amount of the exemption shall be made ([Rev. & Tax. Code §531.1](#)).

1703. ENTRY ON ROLL

Escape assessment are entered on the roll for the current. If this is not the roll for the [assessment year](#) in which the property escaped assessment, the entry must be followed with "Escape assessment for the year 20___, ([Revenue and Taxation Code 533, 11317](#)).

NOTE: [Revenue and Taxation Code section 118](#) defines an "assessment year" as covering the period beginning with the [lien date](#) and terminating immediately prior to the next succeeding lien date.

1704. EFFECT OF ENROLLMENT OF ESCAPE ASSESSMENT - NOTICE TO ASSESSEE

Escaped property is treated like property regularly assessed on the roll on which it is entered ([Rev. & Tax. Code §534](#)). This means it is entitled to and subject to county [equalization](#), pursuant to the provisions of [Revenue and Taxation Code section 1605](#).

No such assessment shall be effective for any purpose, including a review, equalization or adjustment by the county board of equalization, until the assessee has been notified personally or by U. S. mail.

Receipt by the assessee of a tax bill based on the escape assessment satisfies the requirements of notice ([Rev. & Tax. Code §§534, 1605](#)).

NOTE: When an increase in property tax occurs due to an escape assessment, the assessee has the option of paying the additional tax over a four-year period ([Rev. & Tax. Code §4837.5](#)); ([M-1740](#) and [M-1741](#)).

1705. TAX COMPUTATION: INTEREST CHARGEABLE

When an escape assessment has been made, taxes for it are computed by multiplying the value by the [tax rate](#) to which the property would have been subject if it had appeared on the roll in the year when it should have been lawfully assessed ([Rev. & Tax. Code §§506, 531, 2905](#)).

NOTE: The delinquent penalty ([Rev. & Tax. Code §§2617-2618, 2704-2705, 2922](#)) should not be added to an escape assessment when it is enrolled. However, to some escapes the assessor must add a 25-percent penalty for willful concealment or a 75 percent penalty for fraud or collusion. According to a directive of the State Board of Equalization (Letter 77-90, dated July 8, 1977), the interest under section 506 also applies to the 25-percent penalty. When calculating interest for secured escape assessments, the tax must be divided so that interest is applied on half of the amount from December 10 and on the other half from April 10.

1706. ADJUSTMENT OF CHARGES

Charges added to the roll after it has been delivered to the tax collector require the auditor to make the necessary changes in his or her account with the tax collector ([Rev. & Tax. Code §2604](#)).

1710-1711 Escape Assessments: Time Limitations

1710. NON-PENAL ESCAPE ASSESSMENTS

Non-penal escape assessments must be made within four years after July 1 of the assessment year ([Rev. & Tax. Code §118](#)) in which the property escaped taxation or was under-assessed ([Rev. & Tax. Code §532](#)).

1711. PENAL ESCAPE ASSESSMENTS

Any assessment to which the 25 percent penalty provided for in [Revenue and Taxation Code section 504](#) (penalty assessment; amounts) must be added within six years after July 1 of the assessment year ([Rev. & Tax. Code §118](#)) in which the property escaped assessment or was under-assessed ([Rev. & Tax. Code §532](#)).

If any taxable tangible property escapes assessment or is under-assessed because of fraud, omission or collusion, pursuant to [Revenue and Taxation Code section 503](#), the assessor shall add to the assessment a penalty of 75 percent of the additional assessed value so assessed. This does not apply to assessments that are placed on the current roll prior to the time it was originally completed and published.

1720-1724 Escape Assessments: Real Property

1720. LIEN CREATED

Escape assessments on real property are enrolled on the secured [assessment roll](#) and create or impose a [lien](#) or charge on such real property ([Rev. & Tax. Code §531.2](#)).

EXCEPTION: The escape assessment does not create or impose a lien or charge on such real property if, subsequent to July 1 of the year of escape and prior to the date of entry of the escape assessment on the secured roll, the property has either:

- 1) Been transferred or [conveyed](#) to a [bona fide purchaser](#) for value; or,
- 2) Become subject to a lien of a bona fide encumbrance for value ([Rev. & Tax. Code §531.2](#)).

NOTE: If a condition exists as described in (1) or (2) above, the escape assessment is entered on the unsecured roll in the name of the person who would have been the assessee in the year in which the property escaped assessment. Thereafter, it is treated and collected like other taxes on the unsecured roll. The tax rate applicable is the secured tax rate of the year in which the property escaped assessment ([Rev. & Tax. Code §531.2](#)).

From the date of entry on the unsecured roll, a certificate of lien may be [recorded](#) against the assessee who is liable for the taxes, including any penalties and costs, in accordance with [Revenue and Taxation Code section 2191.3](#) (form [SCO 2-02](#) and [M-2340](#)). From the date of recording, such a certificate of lien attaches against any personal or real property owned by such person in the county or counties where the certificate is recorded ([Rev. & Tax. Code §2191.4](#)).

For information regarding satisfaction and release of the [lien](#), see [M-2385](#).

The tax collector may evidence the release or subordination by recording a written certificate to that effect with the county recorder. See form [SCO 2-03](#), "Release of Certificate of Lien."

1721. PENAL ASSESSMENTS

If real property escapes assessment through a fraudulent act or omission on the part of the taxpayer (or his or her agent, by collusion between the taxpayer (or his or her agent) and the assessor (or his or her deputy), or by an exemption incorrectly allowed upon the willful submission of erroneous or incomplete information, the property shall be assessed by the assessor. The assessor must impose a penalty assessment equal to 25 percent ([Rev. & Tax. Code §502](#)) or 75 percent ([Rev. & Tax. Code §503](#)) of the value of the property that escaped assessment ([Rev. & Tax. Code §§503-504, 531.1](#)).

The assessment and the penalty are entered on the secured roll by the assessor, pursuant to rules prescribed by the State Board of Equalization ([Rev. & Tax. Code §505](#)).

The tax and the added interest are computed pursuant to the formulas provided in [Revenue and Taxation Code section 506](#) ([M-1705](#)).

1722. PROBATE PROCEEDINGS

When an owner of real property dies, the resulting change in ownership requires revaluation, except when the property is not subject to a change in ownership because it transfers to a surviving spouse, parent or child. When there has been a delay in the assessor's discovery of an individual's death, the assessor can levy an escape assessment against the [heirs](#).

The first notice the assessor may receive occurs when an individual becomes the owner of a property as an heir prior to the [lien date](#) but no change in ownership statement is filed.

1723. ESCAPE ENTRY ON THE SECURED ROLL

When the sale of such property occurs after July 1, an entry is made on the secured roll and the escape assessment is transferred to the unsecured roll in the name of the person who would have been the assessee on the [lien date](#), who is the person who inherited the property as of the date of death. This follows the procedure referred to in [Revenue and Taxation Code section 531.2](#).

The [heir](#) (the assessee on the lien date) is liable for the escape assessment on the regular roll. Taxes resulting from escape assessments shall be prorated only if the board of supervisors has adopted a resolution approving proration.

Proration shall be between the following entities:

1. The person who would have been the assessee if the change in ownership had not occurred;
2. The person who purchased the property;
3. If the real property has been transferred or [conveyed](#) to a [bona fide purchaser](#) for value more than once during the year of escape or assessment, each [owner of record](#) during that period, who are liable for a pro rata share of taxes, based on the length of time during that period each bona fide purchaser was the owner of record of the real property.

When the assessor has identified the fact and amount of the escape assessment, the assessor shall identify the owners of record during the year of escape or assessment and the date of ownership for each owner.

The auditor shall compute the respective prorated shares of taxes for each owner of record. The share of taxes of the current owner of the real property shall be placed on the secured roll as a lien on the parcel for which the escaped assessment was discovered.

1724. CHANGE IN OWNERSHIP STATEMENT

If a change in ownership statement is filed in a timely manner, the assessor reassesses the property and processes the appropriate assessment prior to the sale of the property. It is the responsibility of the [administrator](#) or [executor](#) of the decedent's estate to file a change of ownership statement at the time the inventory and appraisal is filed with the court ([Rev. & Tax. Code §480](#)).

1730-1731 Escape Assessments: Personal Property

1730. LIEN CREATED

Escape assessments on personal property are enrolled by the [assessor](#) on either the secured or the unsecured roll ([Rev. & Tax. Code §§109, 531](#)); see [M-1703](#) for entry on roll.

1731. PENAL ASSESSMENTS

If personal property escapes [assessment](#) through a willful act or omission on the part of the taxpayer, it is subject to a penalty equal to 25 percent of the value of the property that escaped assessment. If personal property escapes assessment due to a fraudulent act on the part of the taxpayer or due to collusion between the taxpayer or his/her agent and the [assessor](#) or any of his or her deputies, it is subject to a penalty equal to

75 percent of the value of the property that escaped assessment ([Rev. & Tax. Code §§503-504](#), [531](#), [531.3](#), [531.5](#)).

These penalties also apply to tangible personal property that any person willfully conceals, fails to disclose, removes, transfers, or misrepresents in order to avoid taxation ([Rev. & Tax. Code §502](#)).

1740-1741 Escape Assessments: Collection

1740. INSTALLMENT COLLECTION OF TAX INCREASE

When an increase in property tax, whether secured or unsecured, results from either an escape assessment or correction of an error on the roll, the [assessee](#) has the option of paying the tax over a four-year period ([Rev. & Tax. Code §4837.5](#)). Revenue and Taxation Code section 4837.5 was added to the law effective January 1, 1984, to replace the three-year installment plan (formerly §534.5) and the eight-year installment plan (formerly Rev. & Tax. Code §532.5). Its provisions apply to both the secured and unsecured assessment rolls.

NOTE:

1. The assessee cannot make installment payments pursuant to [Revenue and Taxation Code section 4837.5](#) if the additional tax is less than \$500.
2. Taxes resulting from correction of errors pursuant to [Revenue and Taxation Code section 4831.5](#) do not qualify for payment by installments.
3. Supplemental assessments are not subject to the provisions of [Revenue and Taxation Code section 4837.5](#) ([Rev. & Tax. Code §75.13](#)).

1741. FOUR-YEAR (FIVE-PAYMENT) PLAN

The auditor makes the appropriate changes to the roll when an error is discovered ([Rev. & Tax. Code §4831](#)) or upon notification by the [assessor](#) of an escape assessment ([Rev. & Tax. Code §531](#)).

If the total amount of the escape is \$500 or more, the tax collector must include with the tax bill a notice to the [assessee](#) of his or her right to make an initial payment of 20 percent or more and the balance of payments over a four-year period ([Rev. & Tax. Code §4837.5](#)).

An assessee who elects to make installment payments for a secured escape must file a written request for an installment payment plan prior to 5 p.m. on April 10 or by 5 p.m. on the last day of the month following the month in which the tax bill is mailed, whichever is later. For unsecured escapes, the written request for installment payment shall be filed with the tax collector prior to 5 p.m. on August 31 ([Rev. & Tax. Code §4837.5](#)).

When payment by installments is requested, 20 percent or more of the tax must be paid by the deadline for filing the written request. The [assessee](#) must pay the current year's taxes, and any prior year's taxes, penalties and costs with or prior to the initial installment payment ([Rev. & Tax. Code §4837.5](#)).

In each succeeding [fiscal year](#), the assessee must pay, before the delinquency date of the second installment of taxes on the secured roll (April 10), all current year's taxes and a sum sufficient to reduce the outstanding balance of the escape tax by at least 20 percent of the original amount ([Rev. & Tax. Code §4837.5](#)).

In the case of unsecured taxes, the required annual installment shall be paid on or before August 31 ([Rev. & Tax. Code §4837.5](#)).

The tax collector may file the certificate of lien, provided for in [Revenue and Taxation Code section 2191.3](#), against unsecured escapes, to provide the possibility of collection if the plan is defaulted. The certificate is filed, without fee, in the office of the county recorder of any county and shows the amount due, the name, Social Security number, if known, the last known address of the assessee liable for the amount, and the fact that the computation and [levy](#) of the tax have been complied with ([Rev. & Tax. Code §2191.3](#)).

Any such recorded lien applies for 10 years and has the force, effect, and priority of a judgment lien ([Rev. & Tax. Code §§2191.4](#)).

No penalties shall be charged as long as installment payments are timely. In the case of secured taxes, as long as all payments are timely, the tax collector may not publish an [affidavit](#) of tax default, pursuant to [Revenue and Taxation Code section 3371](#).

The tax collector may charge a fee for the actual cost of setting up the escape assessment payment plan ([Rev. & Tax. Code §4837.5](#)).

The escape installment plan is sometimes referred to as an "off-roll assessment" because the tax charge is established in the year in which the [assessor](#) enrolls the escape. The charge is reintroduced to the current roll by the auditor only if the [assessee](#) defaults the plan.

The plan is [defaulted](#) if:

1. Any installment is not paid by April 10;
2. Property on the secured roll becomes tax-defaulted or subject to the tax collector's [power to sell](#);
3. Taxes for the property on the unsecured roll are not paid before becoming delinquent; or
4. There is an ownership change.

If the plan is defaulted, the remaining balance of the tax immediately becomes due and payable. The payment plan can be reinstated only if: (1) the [assessee](#) or the agent of the assessee can, by substantial evidence, convince the tax collector that the non-payment was not the fault of the assessee and (2) payment of the installment amount plus any additional interest that has accrued is made prior to the time the property becomes tax-defaulted or prior to June 30, whichever is earlier. The tax collector must inform the auditor of the defaulted, off-roll installment plan and of the delinquent amount remaining unpaid.

The auditor adds the unpaid balance, plus penalties and costs, to the current roll and adjusts the tax collector's charge accordingly. The remaining balance of the tax becomes subject to all of the provisions of law applicable to [delinquent taxes](#).

When the installment account is paid in full or is placed on the tax rolls due to a defaulted payment plan and the tax collector has filed for record a certificate of lien, the tax collector shall also file for record a release of lien. The filing of the release of lien shall not be subject to a recording fee if the certificate of lien was filed in error ([Gov. Code §27361.3](#)).

1800-1806 Reports & Settlements: General Requirements

1800. PERIODIC ACCOUNTING OF MONEY

The tax collector must account to the auditor, not less than once every 12 months and on dates approved by the auditor, for all money collected during the preceding reporting period. On the same day, the tax collector must file with the auditor a statement under oath (or [affirmation](#), [Code Civ. Proc. §2015.6](#), or by declaration under penalty of perjury, [Code Civ. Proc. §2015.5](#)), showing that all money collected has been paid (deposited) as required by law ([Rev. & Tax. Code §2616](#)). [M-1801](#)

1801. ITEMIZED ACCOUNT OF TRANSACTIONS

The tax collector must file a statement under oath (or [affirmation](#), [Code Civ. Proc. §2015.6](#), or by declaration under penalty of perjury, [Code Civ. Proc. §2015.5](#)) with the auditor that itemizes all transactions and receipts subsequent to the tax collector's last settlement, showing a breakdown on the amounts collected for each fund

or district extended on the roll. Such statements must be submitted not less than once every 12 months, and on dates approved by the auditor ([Rev. & Tax. Code §2616](#); [Gov. Code §24353](#)).

Where counties use a mechanized management reporting system in their informative reports that covers a uniform four-week period, the board of supervisors may provide by [ordinance](#) that the tax collector may utilize the same four-week period in complying with the duties required by this section ([Rev. & Tax. Code §2616](#)).

1802. SETTLEMENT FOLLOWING FIRST INSTALLMENT DELINQUENCY

Annually, prior to February 1, the auditor shall:

1. Compute and enter the delinquent penalty and costs ([Rev. & Tax. Code §2621](#)) against all taxes on the secured roll not marked paid,
2. Foot the penalties and costs; and,
3. Charge the tax collector with the total penalties and costs on the secured roll ([Rev. & Tax. Code §2623](#)).

1803. NOTICE BY LOCAL AGENCY TO ASSESSOR

If an entity receives revenue resulting from an [assessment](#) lien created pursuant to the Improvement Bond Act of 1911, Division 7 of the Streets and Highways Code; the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code; or the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code, the entity shall annually notify the [assessor](#) of the following:

1. The lien amount on each subject parcel at the time the lien was created;
2. If a lien has been completely satisfied, the date and amount of the payment in satisfaction of the lien, and the identity of the party that made the payment; and
3. The amount of the principal balance of the lien on each subject parcel.

1804. SETTLEMENT FOLLOWING SECOND INSTALLMENT DELINQUENCY

On or before June 1, the auditor must compare the delinquent roll with the secured roll. If satisfied that the delinquent roll is correct, the auditor shall:

1. Foot the unpaid taxes and penalties;
2. Credit the tax collector with the unpaid taxes and penalties on the secured roll; and,
3. Make a final settlement with the tax collector of all taxes and penalties on the secured roll ([Rev. & Tax. Code §2626](#)).

Within three days after this settlement, the auditor shall:

1. Compute and enter the delinquent penalty and costs ([Rev. & Tax. Code §2627](#)) against all taxes on the delinquent secured roll not marked paid;
2. Charge the tax collector with the amount due on the delinquent roll and foot the penalties and costs; and,
3. Deliver the delinquent roll duly certified to the tax collector ([Rev. & Tax. Code §2627](#)) and charge the tax collector with the total penalties and costs on the secured roll ([Rev. & Tax. Code §2623](#)).

1805. AUGUST SETTLEMENT

Annually, on or before August 10, the tax collector shall make a collections report on the secured roll and make it available to the auditor for purposes of audit ([Rev. & Tax. Code §2856](#)). The auditor then administers an oath

to the tax collector, which is written and subscribed on the secured roll, that all payments on the roll have been credited ([Rev. & Tax. Code §2857](#)).

The auditor then credits the tax collector with the amount unpaid and has a final settlement with the tax collector ([Rev. & Tax. Code §2858](#)).

1806. TAX COLLECTOR'S LIABILITY

Refusal or neglect by the tax collector to make all required payments or settlements within five days automatically makes the tax collector liable for all taxes charged against him or her ([Rev. & Tax. Code §§2632, 2860](#)). The legal officer is then required to bring suit against the tax collector and his or her sureties for that amount ([Rev. & Tax. Code §§2633, 2861](#)).

1810-1813 Reports & Settlements: Servicemembers' Civil Relief Act

1810. WHO QUALIFIES

All active-duty members of the armed forces as defined by 10 U.S. Code § 101. An enlistee has the same benefits as does a draftee, and no distinction is made between enlisted personnel and officers. Benefits extend to dependents, service members spouse, child, individual for whom the service member provided more than half of the individual's support for 180 days immediately preceding application but not to business partners or to family members who are not dependents.

The following individuals do not qualify under provisions of the Act:

1. Military retirees;
2. Persons on inactive reserve status;
3. Civilian defense workers; and
4. Merchant seamen.

1811. THE BENEFITS OF THE ACT

The Act applies only to property owned by the claimant or his or her dependents for dwelling, professional, business, or agricultural purposes, and only to those taxes becoming due immediately prior to or during the period of military service.

1. If a property tax is unpaid or is on an installment plan of redemption during and by reason of active service, the [delinquent tax](#) is subject to interest, at six percent [per annum](#), in lieu of all other penalties or interest pursuant to RTC §17140.5
2. Execution of a judgment against the individual is stayed during the period of qualifying service and for 60 days thereafter, unless, in a court's opinion, the individual's ability to comply with the judgment has not been materially affected.
3. During the period of service and for six months thereafter, sales to enforce collection of a tax or [assessment](#) are prohibited unless first authorized by a court.
4. If a court does permit sale to collect a tax or assessment, the service person has a right of redemption (although the terms of redemption are unspecified) for six months after termination of the period of military service.

1812. HOW ONE QUALIFIES

Qualification does not depend on impairment of income alone. Any condition that would reasonably impair the individual's ability to pay taxes or to respond to [actions](#) against his or her title to property must be considered. See form [SCO 1-08](#) .

1813. TAXES SUBJECT TO THE ACT

1) If current-year taxes and assessments become delinquent after the onset of qualifying service, they are subject to interest only, at six percent per year, computed from the point of delinquency under California law. Do not apply costs, penalties, redemption fees, or other charges.

2) Amounts accrued, as of the onset of qualifying service, remain charged against either the person or the property. But, during the protected period, additional penalties that would be imposed pursuant to [Revenue and Taxation Code sections 2922](#) or [4103](#) are set aside in favor of the overall six-percent interest.

The Act shields the service person eligible under its provisions from making payment currently and tolls (suspends) the effect of state lien-perfection laws during the protected period. Therefore, the tax collector may not default any [installment redemption plan](#) because current taxes have not been paid. For the protected period, substitute simple six-percent interest for the one-and-one-half percent per month interest required by subdivision (d) of [Revenue and Taxation Code section 4221](#).

1820 Reports & Settlements: Public Records

1820. GENERAL INFORMATION

"[Public records](#)" include any writing containing information relating to the conduct of the public's business that is prepared, owned, used, or retained by any state or local agency, regardless of physical form or characteristics.

"Person" includes any natural person, [corporation](#), partnership, firm, or association.

"Member of the public" means any person, except a member, agent, officer, or employee of a federal, state, or local agency acting within the scope of his or her membership, agency, office, or employment ([Gov. Code §6252](#)).