

State of California County Tax Collectors' Reference Manual

Chapter 5000: Redemptions



BETTY T. YEE
California State Controller's Office

Chapter 5000 Redemptions

Contents

5000-5002 Redemptions Overview: General Information	7
5000. PROCESSING OUTLINE	7
5001. REDEMPTION OFFICER.....	7
5002. WHO MAY REDEEM	7
5010-5012 General Overview: What May Be Redeemed	7
5010. TAX-DELINQUENT PROPERTY.....	7
5011. UTILITY (STATE BOARD) ROLL	7
5012. CURRENT TAX.....	7
5100-5104 Processing Procedures and Requirements: General Information	8
5100. CALCULATION ELEMENTS	8
5101. BANKRUPTCY.....	8
5102. REDEMPTION AMOUNT	8
5103. AMOUNT OF DEFAULTED TAXES DEFINED.....	9
5104. PROPERTY NOT ON THE CURRENT ROLL	9
5110-5112 Processing Procedures and Requirements: Delinquent Penalties and Interest	9
5110. GENERAL APPLICATIONS	9
5111. REDEMPTION PENALTIES.....	10
5112. PROPERTY TAX-DEFAULTED FOR 1981-1982 AND SUBSEQUENT FISCAL YEARS.....	10
5120-5126 Processing Procedures and Requirements: Fee Structure and Schedule	11
5120. GENERAL INFORMATION	11
5121. PROPERTY TAX-DEFAULTED PRIOR TO JUNE 13, 1969.....	11
5122. PROPERTY TAX-DEFAULTED JUNE 13, 1969 – DECEMBER 31, 1978	11
5123. PROPERTY TAX-DEFAULTED JANUARY 1, 1979 – DECEMBER 31, 1983.....	11
5124. PROPERTY TAX-DEFAULTED ON AND AFTER JANUARY 1, 1984	11
5125. OBTAINING NAMES & ADDRESSES OF PARTIES OF INTEREST & MAILING NOTICE	11
5126. TERMINATION OF RIGHT TO REDEEM.....	11
5130-5133 Processing Procedures and Requirements: Portion of an Assessment	12
5130. GENERAL INFORMATION	12
5131. PARTIAL PAYMENTS.....	12
5132. NO LIMIT ON NUMBER OF REDEMPTIONS	13
5133. DEFINITIONS	13
5140-5143 Processing Procedures and Requirements: Separately Valued Parcel.....	13
5140. GENERAL APPLICATIONS	13
5141. REMOVAL OF A SPECIFIC LIEN	14
5142. COMPUTATION OF AMOUNT TO REDEEM A SEPARATELY VALUED PARCEL	14
5143. COMPUTATION OF REDEMPTION AMOUNT OF A SPECIFIC LIEN	14

5150-5154 Processing Procedures and Requirements: Parcels Not Separately Valued (Segregation) 14

 5150. GENERAL APPLICATIONS 15

 5151. APPLICATION FOR A SEPARATE VALUATION 15

 5152. APPLICATION TO ASSESSOR 15

 5153. APPLICATION FEE 15

 5154. COMPUTATION OF AMOUNT TO REDEEM DEFAULTED TAXES 15

5160-5162 Processing Procedures and Requirements: Undivided Interest 16

 5160. GENERAL APPLICATIONS 16

 5161. REDEMPTION AMOUNT (SEGREGATED PORTION) 16

 5162. SEGREGATED UTILITY ROLL 17

5170-5171 Processing Procedures and Requirements: Credit For Prior Payments 17

 5170. WHO MAY RECEIVE CREDIT 17

 5171. AMOUNTS ALLOWED 17

5200-5205 Installment Plans: General Information 17

 5200. HISTORICAL BACKGROUND 17

 5201. PROPERTY REDEEMABLE UNDER INSTALLMENT PLAN 17

 5202. WHO MAY INITIATE INSTALLMENT PLANS 17

 5203. INFORMATION SHEET 18

 5204. APPLICATION FEE ON INSTALLMENT PAYMENT PLANS 18

 5205. INITIATION OF INSTALLMENT PLAN 18

5210-5213 Installment Plans: Forms and Notices 18

 5210. SEPARATE RECORD 18

 5211. RECEIPT FOR INSTALLMENT PAYMENT 18

 5212. NOTICE OF REQUIRED PAYMENT DUE 18

 5213. NOTICE THAT CURRENT AND SUPPLEMENTAL TAX IS UNPAID 18

5220-5229 Installment Plans: Conditions and Provisions 19

 5220. EFFECT OF INSTALLMENT PAYMENTS 19

 5221. REINSTATEMENT AFTER DEFAULT IN CURRENT YEAR 19

 5222. DEFAULT: NO REINSTATEMENT 19

 5223. PAYMENTS ARE NOT A PARTIAL REDEMPTION 19

 5224. REFUND CLAIMS AND ACTIONS 19

 5225. CURRENT TAXES 19

 5226. REDEMPTION FEE 20

 5227. SEGREGATION OF EXISTING PLAN 20

 5228. SUBSEQUENT INSTALLMENT PAYMENTS 20

 5229. DISASTER-DAMAGED PROPERTY ON PAYMENT PLAN 20

5230-5234 Installment Plans: Defaults 20

 5230. NEW INSTALLMENT PLAN AFTER DEFAULT 20

 5231. PROCEDURE FOR STARTING NEW PLAN AFTER DEFAULT 21

 5232. TO REDEEM IN FULL: PLAN NOT IN DEFAULT 21

 5233. TO REDEEM IN FULL: PLAN IN DEFAULT 21

 5234. TO REDEEM IN FULL AFTER SUBJECT TO POWER TO SELL 21

5300-5303 Installment Plans: Redemption Certificates 21

 5300. GENERAL APPLICATIONS 21

 5301. REDEMPTION CERTIFICATES ON COMPUTER EQUIPMENT 21

 5302. DESCRIPTION OF PROPERTY ON CERTIFICATES 22

 5303. UNDER INSTALLMENT PLAN 22

5311-5315 Installment Plans: Redemption Certificates – Form..... 22

 5311. REQUIRED COPIES AND DISTRIBUTION..... 22

 5312. FEE FOR CERTIFIED COPIES..... 22

 5313. ACCURACY ESSENTIAL..... 23

 5314. ACCEPTANCE OF NEGOTIABLE PAPER 23

 5315. PROVIDING RECEIPTS 23

5320-5321 Installment Plan: Redemption Certificates - Special Circumstances 23

 5320. RETURNED CHECKS 23

 5321. INCORRECT AMOUNTS 24

5400 Notice of Power to Sell: Standard Rescission..... 24

 5400. GENERAL INFORMATION 24

5410-5419 Notice of Power to Sell: Form Instructions..... 25

 5410. FISCAL YEAR..... 25

 5411. DEFAULT NUMBER 25

 5412. ASSESSOR'S PARCEL NUMBER 25

 5413. NAME OF THE COUNTY 25

 5414. CERTIFICATE OF REDEMPTION NUMBER 25

 5415. DATE OF REDEMPTION 25

 5416. NAME OF THE ASSESSEE 25

 5417. RECORDING DATE 25

 5418. INSTRUMENT NUMBER, VOLUME AND PAGE..... 25

 5419. SIGNATURE AND ACKNOWLEDGMENT 26

5420 Notice of Power to Sell: Special Circumstances 26

 5420. RESCINDING MULTIPLE NOTICES..... 26

5430 Notice of Power to Sell: Partial Rescission 26

 5430. GENERAL APPLICATION..... 26

5440-5450 Notice of Power to Sell: Partial Rescission - Form Instructions 26

 5440. FISCAL YEAR..... 26

 5441. DEFAULT NUMBER 26

 5442. ASSESSOR'S PARCEL NUMBER 27

 5443. NAME OF THE COUNTY 27

 5444. CERTIFICATE OF REDEMPTION NUMBER 27

 5445. DATE OF REDEMPTION 27

 5446. NAME OF THE ASSESSEE 27

 5447. RECORDING DATE 27

 5448. INSTRUMENT NUMBER, VOLUME AND PAGE..... 27

 5449. DESCRIPTION OF THE PROPERTY 27

5450. SIGNATURE AND ACKNOWLEDGMENT	27
5460 Notice of Power to Sell: Cancellation of Rescission	27
5460. GENERAL APPLICATION.....	28
5470-5478 Notice of Power to Sell: Cancellation of a Rescission - Form Instructions	28
5470. FISCAL YEAR.....	28
5471. DEFAULT NUMBER	28
5472. ASSESSOR'S PARCEL NUMBER.....	28
5473. NAME OF THE COUNTY.....	28
5474. DATE OF REDEMPTION.....	28
5475. NAME OF THE ASSESSEE.....	28
5476. RECORDING DATE.....	28
5477. INSTRUMENT NUMBER, VOLUME AND PAGE.....	28
5478. SIGNATURE AND ACKNOWLEDGMENT	29
5500-5505 Corrections: Payment of Wrong Property	29
5500. TRANSFER OF PAYMENT BEFORE CHANGE OF TITLE	29
5501. TRANSFER OF PAYMENT AFTER CHANGE OF TITLE	29
5502. FILING OF CANCELLATION VOUCHER.....	30
5503. NOTICE AND HEARING.....	30
5504. PAYMENT OF BALANCE	30
5505. REFUND OF EXCESS.....	30
5510-5512 Corrections: Errors.....	30
5510. CLERICAL ERRORS ON DELINQUENT ROLL OR ABSTRACT.....	31
5511. ERRORS ON REDEMPTION CERTIFICATES.....	31
5512. TRANSFER TO THE SECURED OR UNSECURED ROLL.....	31
5600-5605 Cancellations: General Information	31
5600. REDEMPTION PENALTY AND FEE	31
5601. CANCELLATION OF REDEMPTION DEFICIENCY	32
5602. PAYMENT ON WRONG PROPERTY	32
5603. RETURNED CHECKS	32
5604. ERROR IN AMOUNT DUE.....	32
5605. DOUBLE PAYMENT	32
5700-5704 Refunds: General Information.....	32
5700. BY ORDER OF BOARD.....	32
5701. DUPLICATE OR EXCESS PAYMENT	32
5702. APPLICATION OF REFUND TO FUTURE TAX LIABILITIES.....	33
5703. REDEMPTION OF WRONG PROPERTY	33
5704. AMOUNT OF \$10 OR LESS	33
5710-5715 Refunds: Processing Procedures	33
5710. CLAIM REQUIRED	33
5711. TIME LIMITATIONS	33
5712. COMPUTATION OF AMOUNT.....	34
5713. CITY AND DISTRICT TAXES.....	34

5714. COURT ACTION IF REJECTED	34
5715. UNCLAIMED REFUNDABLE AMOUNT	34
5800-5802 Retention of Records: General Information and Schedules	34
5800. DESTRUCTION OF CERTIFICATES	34
5801. ASSESSMENT ROLLS, ABSTRACTS	35
5802. RETENTION OF OFFICIAL COUNTY RECORDS	35
5810-5812 Retention of Records: Marking of Records	35
5810. DELINQUENT ROLL OR ABSTRACT SHEET	35
5811. INDEXES	36
5812. INSTALLMENT PLANS	36
5820-5821 Retention of Records: Periodic Accounting	36
5820. GENERAL APPLICATION.....	36
5821. AUDITS.....	36
5900 Sale of Tax Certificates: General Information	36
5900. LEGISLATIVE INTENT AND GENERAL PROVISIONS.....	36
5910-5913 Sale of Tax Certificates: Pertinent Definitions	36
5910. ASSIGNED PENALTIES	37
5911. DELINQUENCY DATE	37
5912. SECURED ROLL PROPERTY	37
5913. TAX CERTIFICATE.....	37
5920-5928 Sale of Tax Certificates: Process Information.....	37
5920. AUTHORIZATION AND ADMINISTRATION.....	37
5921. SALE OF TAX CERTIFICATES.....	37
5922. PROCEEDS FROM THE SALE OF A TAX CERTIFICATE.....	38
5923. CANCELLATIONS OF TAX CERTIFICATE.....	38
5924. PAYMENT TO HOLDER OF TAX CERTIFICATE	39
5925. METHOD OF SALE.....	40
5926. MAINTAINING A RECORD OF SALES.....	41
5927. TRANSFER OF A CERTIFICATE	41
5928. REQUEST FOR DUPLICATE CERTIFICATE.....	41

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

5000-5002 Redemptions Overview: General Information

5000. PROCESSING OUTLINE

Any tax-defaulted property may be redeemed until the right of redemption is terminated ([Rev. & Tax. Code §4101](#)) and [M-5126](#).

Upon redemption, the [lien](#) for taxes of prior years is removed and the declaration of default is extinguished. On tax-defaulted property that is subject to the recorded Notice of Power to Sell, the notice becomes [null and void](#) ([Rev. & Tax. Code §4112](#)).

Technically, since property no longer is tax-sold or tax-deeded to the State of California, the phrase "rescission of default" might be more precise terminology than "redemption;" but the law continues to use the old language.

Payment of the delinquency nullifies the recorded Notice of Power to Sell Tax-Defaulted Property and the effect of the redemption is to remove the lien for taxes from the property ([Rev. & Tax. Code §4112\(c\)](#)).

5001. REDEMPTION OFFICER

"Redemption officer" means the county tax collector. This archaic term is from a time when county officers, notably the auditor or the sheriff, often were empowered to act as the county redemption officer.

5002. WHO MAY REDEEM

There is no limitation in [Revenue and Taxation Code section 4101](#) as to who may [redeem](#). The tax collector should accept the redemption amount from any person tendering payment. The tax collector is not required by law to be a title searcher for the purpose of assuring that the redemptioner has a legal interest in the property to be redeemed.

A volunteer acquires no right whatsoever by the payment of taxes on the land of another (*Spencer v. Harmon Enterprises, Inc.*, 234 Cal. App. 2d 614).

5010-5012 General Overview: What May Be Redeemed

5010. TAX-DELINQUENT PROPERTY

Since the "redemption amount" includes the "total amount of all prior year defaulted taxes" ([Rev. & Tax. Code §4102\(a\)](#)) and the amount of defaulted taxes is, in part, defined as the amount of taxes that was a lien on the real estate at the time of the [declaration of default](#) ([Rev. & Tax. Code §123\(a\)](#)), redemption of property can occur only after the date the property was declared to be tax-defaulted. Thus, a property tax that is merely delinquent cannot be "redeemed," nor is it subject to a redemption penalty or fee.

5011. UTILITY (STATE BOARD) ROLL

If a tax on secured real property [assessed](#) on the State Board of Equalization roll remains unpaid and the property is declared to be tax-defaulted, the State Board of Equalization should be notified and its assistance solicited in collection of the unpaid tax ([M-6105](#)). Contact the BOE's State Assessed Property Division at (916) 324-2787 for assistance.

5012. CURRENT TAX

When the redemptioner wishes to pay the [delinquent taxes](#), an attempt ought to be made to collect any current taxes that are also payable. However, the redemptioner cannot be required to pay, as a condition of redemption, current taxes that are not yet delinquent ([Rev. & Tax. Code §4104](#)).

5100-5104 Processing Procedures and Requirements: General Information

5100. CALCULATION ELEMENTS

Application for redemption is made to the tax collector, who then prepares the amount necessary to redeem ([Rev. & Tax. Code §4105.1](#)). The tax collector then determines whether the [abstract](#) has prior years' delinquencies for the property under other parcel numbers. This condition could arise when [segregation](#) occurs due to changes in tax-rate areas.

The redemption amount provided to the applicant must be as accurate as possible. Note [Attorney General's Opinion 1-2-75](#) , which draws the following conclusions:

- 1) When the tax collector furnishes an erroneous estimate of the amount necessary to redeem and title is subsequently transferred to a [bona fide](#) purchaser who relied upon the erroneous estimate, payment of the estimated amount and the issuance of a certificate of redemption renders the tax default or the recorded Notice of Power to Sell [null and void](#); and,
- 2) Where the innocent parties have changed their position in a material way due to their reliance on the tax collector's figures, issuance of the certificate of redemption may not be refused by the tax collector if a mistake is found after title has passed to an innocent third person (see annotation in *Property Taxes Law Guide*, State Board of Equalization, following [Rev. & Tax. Code §4105.2](#)).

Use of a cross-reference system linking present and former assessor's parcel numbers should minimize errors similar to those discussed in this section. See [M-5511](#) for collection of redemption deficiencies resulting from errors in computing the amount to redeem.

NOTE: [Revenue and Taxation Code sections 4114-4116](#), in effect since 1979, provide a means by which some erroneously computed redemption amounts can be rectified, even though redemption certificates have been issued. See [M-5511](#) and [M-5512](#).

5101. BANKRUPTCY

Redemption amount estimates prepared by a tax collector at the request of a trustee in [bankruptcy](#) or pursuant to an order of a bankruptcy court must include all penalties due under the provisions of the Revenue and Taxation Code. No authority is given the tax collector to prepare the estimate in any other manner ([Attorney General Opinion 3-5-43](#)).

The tax collector may not accept any lesser amount (the redemption estimate plus penalties, costs, and fee) unless so ordered by either the referee in bankruptcy or a federal court of competent [jurisdiction](#).

Claims for secured taxes or assessments should, as a matter of course, be filed with the referee in bankruptcy on a form approved or furnished by the bankruptcy court (with a copy served on the trustee in bankruptcy) to secure payment of any real property tax lien. The proof of claim does not have to be verified, although it must be in writing. This is a matter of good practice because, if a claim is not filed, the county might lose certain priorities to the assets available.

5102. REDEMPTION AMOUNT

The amount necessary to redeem ([Rev. & Tax. Code §4102](#)) is the sum of the following:

- 1) The total amount of all prior-year defaulted taxes ([M-5103](#) and [M-5104](#));
- 2) Delinquent penalties and costs ([M-5110](#));
- 3) Redemption penalties ([M-5111 - M-5112](#));

- 4) Redemption fee ([M-5120 - M-5124](#));
- 5) If the property being redeemed has become subject to the [power to sell](#), a recording fee for processing the Rescission of Notice of Power to Sell, plus a fee for obtaining the names and addresses of parties of interest, in accordance with [Revenue and Taxation Code section 4675](#), and mailing notices, as required by [Revenue and Taxation Code section 3701](#). (See [M-5400](#) for a discussion of the Rescission of Notice of Power to Sell and [M-5125](#) regarding the parties-of-interest fee.) This fee applies immediately as property becomes subject to the power to sell and may be collected whether or not a parties-of-interest search has been conducted with respect to the property;
- 6) If tax-defaulted property is redeemed prior to the proposed sale but after the county has incurred notice or publication costs in connection with a notice of intended sale, as required by [Revenue and Taxation Code section 3702](#), a fee in the amount reasonably necessary to reimburse the county for those costs ([Rev. & Tax. Code §4112\(b\)](#));
- 7) If the tax-defaulted property is redeemed within 90 days of the proposed sale, \$150 ([Rev. & Tax. Code §4112\(a\)\(3\)](#)); and
- 8) Actual and reasonable costs to reimburse the county for making personal contact, if any, as established pursuant to the requirements of Chapter 12.5 (commencing with [§54985](#)) of Part 1 of Division 2 of Title 5 of the Government Code ([Rev. & Tax. Code §3704.7](#)).

If any credits are due, they must be deducted from the total redemption amount ([M-5012](#) and [M-5170 - 5171](#)).

The amount to redeem does not include local fees and charges added to the tax bill pursuant to [Government Code section 54988](#).

NOTE: When the last day of any month falls on a weekend or a holiday, redemption penalties attach after close of business on the next business day ([Rev. & Tax. Code §§3437, 4103\(b\)](#)).

5103. AMOUNT OF DEFAULTED TAXES DEFINED

The amount of defaulted taxes, as defined in [Revenue and Taxation Code section 123](#), is the sum of:

- 1) Taxes that were a lien on the real estate at the time of the [declaration of default](#); and
- 2) All other unpaid taxes of every description (including [special assessments](#), annual installments of assessments, etc.) that are liens against the property for the year of the declaration of default and for each subsequent year, whether assessed or unassessed.

5104. PROPERTY NOT ON THE CURRENT ROLL

When the property is not on the current roll, the tax collector may require the redemptioner to pay the current taxes, penalties, and costs in addition to the amount necessary to redeem. The tax collector shall base his/her computation of the amount of these taxes on the [valuation](#) furnished by the assessor ([Rev. & Tax. Code §4104\(b\)](#)).

5110-5112 Processing Procedures and Requirements: Delinquent Penalties and Interest

5110. GENERAL APPLICATIONS

When computing the redemption amount for property tax-defaulted prior to September 18, 1959, the six-percent delinquency penalty and [cost charge](#) are included for the first year only. In other words, property tax-defaulted for unpaid taxes for the year 1958-59 or an earlier year carries the delinquency penalty and cost only for the year of the original tax default.

Property tax-defaulted for unpaid taxes of fiscal year 1959-60 through 1981-82 bears, as part of the redemption amount, the six-percent delinquency penalty charge plus cost for each of the years (see annotations to [Rev. & Tax. Code §4102](#)).

Property tax-defaulted for unpaid taxes of fiscal year 1982-83 or a subsequent fiscal year bears, as part of the redemption amount, the ten-percent delinquent penalty plus cost charge for each year. ([Rev. & Tax. Code §§2617, 2618, 2704, 2705](#)).

COMMENT: The schedule of [cost charges](#) is as follows:

\$.50 - 1947-48 and prior years

\$1 - 1948-49 through 1961-62

\$3 - for 1962-63 through 1980-81

\$5 - for 1981-82 through 1982-83

\$10 - for 1983-84 and subsequent years

See annotations to [Revenue and Taxation Code section 2621](#).

5111. REDEMPTION PENALTIES

Redemption penalties are charged from July 1 following the date on which the property became tax-defaulted and remain at the rate in effect at the time the property was tax-defaulted until it is redeemed (see *Teralta Land and Water Co. v. E. E. Shaffer* (April 20, 1897) 116 Cal. 518).

EXAMPLE: On a parcel that was tax-defaulted for fiscal year 1980-81 taxes and was redeemed in April 1984, redemption penalties are charged at the rate of one percent per month from July 1, 1981, through April 1984. The redemption penalty would not increase to one and one-half percent even though the Legislature increased the redemption penalties for fiscal year 1981-82 ([M-5112](#)).

NOTE: In a joint interim policy statement on the payment of state and local real taxes dated July 12, 1990, the FDIC (Federal Deposit Insurance Corporation) and RTC (Resolution Trust Corporation) announced that, in both their corporate and 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" (Sec. 15 Federal Deposit Insurance Act, 12 U.S.C. 1825(B)(3)).

5112. PROPERTY TAX-DEFAULTED FOR 1981-1982 AND SUBSEQUENT FISCAL YEARS

For property tax-defaulted for fiscal year 1981-82 and subsequent fiscal years, redemption penalties ([Rev. & Tax. Code §4103](#)) charged are computed as follows:

- 1) Beginning July 1 of the year on which the property became tax-defaulted, one and one-half percent per month is charged to the time of redemption; plus,
- 2) Beginning July 1 of each subsequent year of unpaid taxes, one and one-half percent per month is charged to the time of redemption for each year's amount.

If the last day of the month falls on a Saturday, Sunday, or legal holiday, the additional penalty of one and one-half percent shall attach after the close of business 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.

5120-5126 Processing Procedures and Requirements: Fee Structure and Schedule

5120. GENERAL INFORMATION

The Legislature has increased the redemption fee amount several times over the years. Because of the Teralta Land and Water Co. decision ([M-5111](#)), the tax collector must keep track of the redemption fee appropriate to the year in which a property was tax-defaulted.

No fee is charged on any [assessed value](#) of [possessory interests](#), personal property, or [improvements](#) contained within an assessment. See [M-5141](#) for further discussion.

Neither is a fee charged for special assessments unless the real property has been separately tax-defaulted for unpaid special assessment.

NOTE: The redemption fee automatically becomes part of the redemption amount at the moment the property becomes tax-defaulted and is not to be confused with redemption penalties, which do not attach until July 1 succeeding the date of default., Only one redemption fee can be charged per property, regardless of the number of assessments placed on the [abstract](#).

5121. PROPERTY TAX-DEFAULTED PRIOR TO JUNE 13, 1969

A redemption fee (sometimes referred to as a "state fee") of \$1.50 is charged for the redemption of each separately valued parcel of real property tax-defaulted on or after June 13, 1947, and prior to June 13, 1969 ([Rev. & Tax. Code §4102\(d\)](#)).

5122. PROPERTY TAX-DEFAULTED JUNE 13, 1969 – DECEMBER 31, 1978

A redemption fee of \$2 is charged for the redemption of each separately valued parcel of real property tax-defaulted on or after June 13, 1969, and before January 1, 1979 ([Rev. & Tax. Code §4102\(d\)](#)).

5123. PROPERTY TAX-DEFAULTED JANUARY 1, 1979 – DECEMBER 31, 1983

A redemption fee of \$5 is charged for the redemption of each separately valued parcel of real property tax-defaulted on or after January 1, 1979, and before January 1, 1984 ([Rev. & Tax. Code §4102\(d\)](#)).

5124. PROPERTY TAX-DEFAULTED ON AND AFTER JANUARY 1, 1984

A redemption fee of \$15 is charged for the redemption of each separately valued parcel of real property tax-defaulted on or after January 1, 1984 ([Rev. & Tax. Code §4102\(d\)](#)).

5125. OBTAINING NAMES & ADDRESSES OF PARTIES OF INTEREST & MAILING NOTICE

When tax-defaulted property subject to the [power to sell](#) is redeemed, the tax collector must charge a fee to reimburse the county for the cost of obtaining the names and last known addresses of parties of interest as defined in [Revenue and Taxation Code section 4675](#). This fee is to be added and collected at the time of redemption only if a Notice of Power to Sell Tax-Defaulted Property has been recorded ([M-5400](#)). [Government Code section 54985](#) permits a county board of supervisors to either increase or decrease the amount of fees and charges imposed by law ([Rev. & Tax. Code §4112](#)).

5126. TERMINATION OF RIGHT TO REDEEM

"Tax-defaulted property may be redeemed until the right of redemption is terminated" ([Rev. & Tax. Code §4101](#)).

The right of redemption terminates:

- 1) At the close of business on the last business day prior to the date a Chapter 7 sale begins ([Rev. & Tax. Code §3707](#)); or

- 2) When an [agreement of sale](#) with a taxing agency, a revenue district, or a nonprofit organization becomes effective ([Rev. & Tax. Code §3803](#)). The effective date is no sooner than 5:01 pm on the 21st day after the first publication of the notice of agreement ([Rev. & Tax. Code §3802](#)).

NOTE: Notwithstanding any other provision of law, any remittance sent by mail for redemption of tax-defaulted property must be received in the tax collector's office prior to the close of business on the last business day before the sale ([Rev. & Tax. Code §§3706, 3707\(b\)](#)). The right of redemption revives if the property is not sold ([Rev. & Tax. Code §3707\(d\)](#)).

5130-5133 Processing Procedures and Requirements: Portion of an Assessment

5130. GENERAL INFORMATION

It is the intent of the law:

- 1) To permit the satisfaction and removal of any lien secured to any parcel of tax-defaulted property (including property subject to the tax collector's [power to sell](#)), as such lien is defined in [Revenue and Taxation Code section 4131](#) and [M-5133](#); and
- 2) To permit the redemption of any portion of a parcel of tax-defaulted property, or tax-defaulted property that is subject to sale, separately from the whole parcel as it was originally tax-defaulted, if the portion:
 - a. Is described in any duly executed and recorded [deed](#), purchase contract, [deed of trust](#), mortgage, or [final decree](#) of court;
 - b. Has a separate valuation on the roll for the year it was originally tax-defaulted; or
 - c. Has a separate valuation on the current roll ([Rev. & Tax. Code §4151](#)).

NOTE: Although these provisions of law permit a special assessment to be removed as a lien on a property, they do not permit removing liens so that only a special assessment remains.

Any such assessment lien shall be paid, either partially or entirely, as a part of the amount separately valued.

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 the 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 for each of the years for which it was delinquent. Any such assessment lien shall be paid, either partially or entirely, as part of the amount separately valued ([Rev. & Tax. Code §4153](#)).

5131. PARTIAL PAYMENTS

If a deficiency exists when a payment is made on taxes due and payable, the tax collector, with the approval of the board of supervisors, may accept partial payments from the taxpayer. The partial payments are applied first to all penalties, interest, and costs, and the balance, if any, is applied to the taxes due. The difference between the amount paid by the taxpayer and the amount due is treated as a [delinquent tax](#) in the same manner as any other [defaulted](#) tax ([Rev. & Tax. Code §4143](#)).

When a taxpayer either requests or submits a partial payment, the tax collector must inform him/her by return mail that such partial payments, when applied, shall not be deemed a redemption, a partial redemption, or an installment payment and shall not alter either the date upon which the property became tax-defaulted or the date the property becomes subject to the tax collector's power to sell.

These partial payments shall not be construed as altering the amount of defaulted taxes for purposes of publications.

If a taxpayer elects to pay delinquent taxes in installments, as provided in Chapter 3 (commencing with [Rev. & Tax. Code §4186](#)), the installment payment shall be based on the balance of the redemption amount determined according to [Revenue and Taxation Code section 4143](#).

5132. NO LIMIT ON NUMBER OF REDEMPTIONS

There is no limit to the number of separately valued parcels or undivided interests that may be redeemed from the original assessment.

5133. DEFINITIONS

For the purpose of either redeeming (or initiating an [installment plan of redemption](#) for) a portion of tax-defaulted property or redeeming a portion of tax-defaulted property that is subject to sale, the following definitions apply.

- 1) Improvements - Improvements are not a parcel separate from the land on which they are situated ([Rev. & Tax. Code §4132\(a\)](#)).
- 2) Undivided Interest - A parcel separate from the whole assessment ([Rev. & Tax. Code §4132\(b\)](#)). An undivided interest constitutes the ownership, in whole or in part, of an undefined segment of the whole assessment. For example, "an undivided one-half interest in Tract 33, Lot 16."
- 3) Lien - Pursuant to [Revenue and Taxation Code section 4132\(c\)](#), a lien is the charge against real property:
 - a. Created by the assessment of personal property, leasehold improvements, or possessory interests;
 - b. Constituting a fixed amount credited by the special assessment charge of a taxing agency or a revenue district;
 - c. Consisting of special assessments, or annual installments thereof, plus accrued interest and charges; or
 - d. Composed of any and all other charges whatsoever, 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 ([Const., Art. XIII, §1](#)) and charges established through weed abatement, water standby charges, availability charges, unpaid water bills, etc.
 - e. The Mello-Roos Community Facilities Act of 1982 provides a method for local governments to fund public facilities and certain services, particularly for newly developing areas. If delinquent and in an [installment plan of redemption](#), [Streets and Highways Code section 8830\(a\)](#) does not prohibit or delay [foreclosure](#). This also applies to 1915 bond act assessments.

5140-5143 Processing Procedures and Requirements: Separately Valued Parcel

5140. GENERAL APPLICATIONS

Any person may [redeem](#) separately from the whole assessment any portion of the property having a separately assessed value on the roll for the year for which it was tax-defaulted. However, taxes created by the lien of any assessments, as defined in [Revenue and Taxation Code section 4132\(c\)](#), that are liens against the whole assessment must be paid at the time the taxes are paid on the separately valued parcel ([Rev. & Tax. Code §4141\(a\)](#)).

5141. REMOVAL OF A SPECIFIC LIEN

If delinquent taxes constitute the amount of the [lien](#) created by the [assessment](#) of personal property, leasehold improvements, [possessory interests](#), or the special assessments or other charges as defined in [Revenue and Taxation Code section 4132\(c\)](#), they may be paid separately from the whole assessment ([Rev. & Tax. Code §4141\(a\)](#)).

NOTE: The removal of such liens does not constitute a partial redemption (see exception below). Therefore, a redemption certificate is not to be issued upon receipt of payment. A counter receipt or a memorandum receipt may be used in such cases.

EXCEPTION: The lien described in the last sentence of [Revenue and Taxation Code section 4132\(c\)](#) includes the general tax levy of the county plus [revenue district](#) rates, which would, therefore, require the issuance of a redemption certificate in the case of either a segregation redemption or the redemption of a parcel separately valued.

5142. COMPUTATION OF AMOUNT TO REDEEM A SEPARATELY VALUED PARCEL

The redemption amount of a separately valued parcel of real property consists of ([Rev. & Tax. Code §4141](#)):

- 1) Defaulted taxes - taxes, assessments, penalties and costs on real property remaining unpaid on or after the time fixed in the notice of impending default (usually on or before June 30);
- 2) Delinquent penalties - computed on the amount of defaulted taxes determined from (1) above;
- 3) Costs - computed for each delinquent year in the same ratio that the total of the assessed value being redeemed bears to the total of the assessed value in the whole assessment of each delinquent year;
- 4) Redemption penalties - on the amount of defaulted taxes for each of the years for which they were delinquent; and
- 5) Full redemption fee - The redemption fee is never prorated ([Rev. & Tax. Code §4142](#)).

5143. COMPUTATION OF REDEMPTION AMOUNT OF A SPECIFIC LIEN

Computation of the redemption amount depends on whether the lien is determined by a tax rate.

When the amount of the lien is determined by a tax rate:

If the specific lien has an assessed value, such as a leasehold improvement or a [possessory interest](#), the redemption amount is determined by multiplying the assessed value by the tax rate for each year of delinquency, then adding delinquent penalties, redemption penalties and costs in proportion to the whole assessment.

The redemption amount for a special assessment or an assessment bond is the amount of the lien, accrued interest, and charges, plus delinquent penalties, redemption penalties and costs in proportion to the whole assessment ([Rev. & Tax. Code §4141](#)).

If the delinquent taxes are being paid under an installment plan of redemption, the payment to remove a particular lien must be in proportion to the outstanding balance ([Rev. & Tax. Code §4142](#)).

NOTE: The tax collector should not collect the redemption fee. The fee is collected when the entire redemption amount is paid.

5150-5154 Processing Procedures and Requirements: Parcels Not Separately Valued (Segregation)

5150. GENERAL APPLICATIONS

Any person may apply for a [separate valuation](#) for the purpose of redeeming a portion of a tax-defaulted property. The application shall state that a duly executed and recorded [deed](#), purchase contract, [deed of trust](#), mortgage, or [final decree](#) of court describes the parcels sought to be separately valued ([Rev. & Tax. Code §4151](#)).

EXCEPTION: A parcel of land being subdivided may be redeemed separately from the whole assessment even though it is owned by the same party ([Gov. Code §66493](#)).

5151. APPLICATION FOR A SEPARATE VALUATION

The application for a [separate valuation](#) may be made at any time of the year and must be in the form of an [affidavit](#), a certification, or a declaration under penalty of perjury ([Code Civ. Proc. §2015.5](#)). It must set forth the fact that the duly recorded document describes the parcel sought to be separately valued ([Rev. & Tax. Code §4151](#)).

The applicant may request that the tax created by the assessment of personal property, leasehold improvements, or possessory interests be:

- 1) Allowed to remain attached to the portion that the applicant is seeking to have separately valued if he/she is the seller ([Rev. & Tax. Code §4151](#)); or
- 2) Attached to the segregated portion, so that the applicant may pay the taxes along with the parcel of real property being segregated for redemption if he/she is the purchaser ([Rev. & Tax. Code §4151](#)).

If the application indicates that the lien(s) described above remain attached to the unredeemed portion, the assessor must first determine whether the value of the remaining parcel is sufficient to secure payment of the tax created by the liens ([Rev. & Tax. Code §§4153, 4154, 4155](#)).

See sample application form [SCO 5-01](#) .

[Revenue and Taxation Code section 4151](#) allows separate satisfaction of liens imposed as [special assessments](#) or other charges not determined by application of a tax rate to an assessment. Such liens may be either wholly or partly paid. The taxing agency or revenue district empowered to establish the lien must certify the amount of its lien that is to continue in effect.

5152. APPLICATION TO ASSESSOR

The tax collector transmits the application for a separate valuation to the assessor, who then places separate valuations on the parcel sought to be segregated and the parcel remaining for each of the years for which it was delinquent. The sum of the valuations of the parcels for each year must equal their total valuation before separation ([Rev. & Tax. Code §4153](#)).

5153. APPLICATION FEE

A tax collector may charge an application fee for the actual cost incurred for processing an application for separate valuation for redemption of any parcel. The board of supervisors must enact an enabling [ordinance](#) before the fee can be charged ([Rev. & Tax. Code §4151](#)). The fee is governed by provisions of Chapter 12.5, commencing with [Government Code section 54985](#). This section permits the county board of supervisors to either increase or decrease the amount of fees and charges imposed by law for providing any product or service or for enforcing a regulation for which a fee or charge is levied. Penalties or interest cannot be adjusted by the board of supervisors.

5154. COMPUTATION OF AMOUNT TO REDEEM DEFAULTED TAXES

If the application requested that the tax created by the assessment of personal property, leasehold improvements, or possessory interests on the whole assessment for each of the years it was delinquent is allowed to remain as a lien on the parcel sought to be separately valued, or if the assessor has set forth those values against the parcel sought to be segregated, the amount of defaulted taxes on the separate parcel is the sum of the following:

- 1) The sum of the amounts computed by multiplying the total of their [assessed values](#) by the applicable tax rate for each of the years that the values were delinquent; plus,
- 2) A proportionate share of any special assessment, improvement bond, or annual installment due thereon, set forth in a certificate by any taxing agency or revenue district authorized by law to levy and secure its lien to secured property on the county [assessment roll](#), showing the specific amount of the agency's lien that is to be paid and that will continue to be placed on the segregated parcel for future years ([Rev. & Tax. Code §4154](#)).

If the applicant's request does not provide for paying all of the taxes created by the liens specified in paragraph (1) above, the amount of "defaulted taxes" on the parcel is the sum of the following:

- 1) The amounts computed by multiplying the [assessed value](#) of the segregated parcel by the tax rates applicable for each of the years it was delinquent ([Rev. & Tax. Code §4155\(a\)](#));
- 2) Those amounts of taxes on personal property, leasehold improvements, or [possessory interests](#), computed by multiplying their assessed values by the tax rates applicable for each of the years they were delinquent, in the same proportion as the value of the parcel bears to the value of the whole assessment, excepting the values of the personal property, leasehold improvements, and possessory interests for each of the years it was delinquent ([Rev. & Tax. Code §4155\(b\)](#)); and,
- 3) The amounts set forth in the certification of the taxing agency or revenue district as being the portion of the lien for each of the delinquent years, and which continue to be levied against the parcel ([Rev. & Tax. Code §4155\(c\)](#))

5160-5162 Processing Procedures and Requirements: Undivided Interest

5160. GENERAL APPLICATIONS

Applications for separate valuation and redemption of [undivided interests](#) are handled in the same manner as all other applications for separate valuation.

5161. REDEMPTION AMOUNT (SEGREGATED PORTION)

The amount necessary to redeem any segregated parcel of property is the sum of the following ([Rev. & Tax. Code §4156](#)):

- 1) The amount of "defaulted taxes" on the parcel;
- 2) Delinquency penalties and costs, which are computed by first determining the ratio factor (using the principle set forth in the example under [M-1265](#)) and then separately multiplying the delinquency penalties and costs for each year by that factor;
- 3) Redemption penalties computed on the amount of "defaulted taxes," including any liens levied against the property for each of the years it was delinquent; and
- 4) A full redemption fee ([M-5226 et seq.](#)). The redemption fee is never prorated.

If the portion of the property being redeemed is subject to sale and a Notice of Power to Sell Tax-Defaulted Property is recorded, a recording fee must also be collected for the Rescission of Notice of Power to Sell Tax-Defaulted Property, and actual and reasonable costs incurred ([Rev. & Tax. Code §4112\(a\)](#)) must be collected to cover the cost of obtaining the names and addresses of parties of interest, in accordance with [Revenue and Taxation Code section 4675](#), and of mailing the notice, as required by [Revenue and Taxation Code sections 3701 and 3799 \(M-5400\)](#)

5162. SEGREGATED UTILITY ROLL

If an applicant brings a duly executed and [recorded](#) document attesting ownership of a parcel assessed on the State Board of Equalization roll and already tax-defaulted, he/she should be directed to the county auditor. The auditor will obtain the description of the property sought to be separately valued from the recorded [conveyance](#), the parcel number of the "parent" parcel as assessed on the utility roll, the corporation's (seller's) name, and other information pertinent to the transaction.

The auditor will forward the documentation to the State Board of Equalization, Valuation Division, P.O. Box 942879, Sacramento, California, 94279-0061, and will request the assessed values for the years delinquent.

Upon receipt of the values, the auditor transmits them to the tax collector, who enters them in the proper records and computes the redemption amount in the usual manner. See [M-5154](#) and [M-5161](#).

5170-5171 Processing Procedures and Requirements: Credit For Prior Payments

5170. WHO MAY RECEIVE CREDIT

The redemptioner is entitled to receive credit only if credit is due, for all payments made under a prior installment plan, even if the redemptioner did not initiate or make payments under the plan. The credit attaches to the property regardless of who made the payments ([Attorney General Letter 9-13-63](#)).

5171. AMOUNTS ALLOWED

Credit is allowed for the total amount of "[back taxes](#)." Back taxes include the interest computed on the unpaid balance and collected with each subsequent installment payment ([Rev. & Tax. Code §§4187, 4221, 4336](#)).

5200-5205 Installment Plans: General Information

5200. HISTORICAL BACKGROUND

Payment of delinquent taxes by installments was first permitted by law in 1931. Several different methods of installment redemption were established during the great economic depression; however, all but one were repealed by 1955.

5201. PROPERTY REDEEMABLE UNDER INSTALLMENT PLAN

An installment plan may be instituted or reinstated on tax-defaulted property until 5 p.m. on the last business day prior to the date when the tax collector obtains the power to sell the property ([Rev. & Tax. Code §4217](#)). Installment plans are not permitted on tax-defaulted property that is subject to the power of sale.

The money collected on an [installment plan of redemption](#) erroneously initiated on tax-defaulted property subject to sale must be considered "erroneously or illegally collected." It contravenes the provisions of [Revenue and Taxation Code section 4217](#); therefore, a refund of any payments accepted is permissible ([Rev. & Tax. Code §5096\(b\)](#)). See the citations appended to [Revenue and Taxation Code sections 5096](#) and [5097](#).

If delinquent taxes are being paid under an [installment plan of redemption](#) and a specific lien is being satisfied and removed, see [M-5141](#) and [M-5142](#).

The fact that an assessee has a redemption plan in good standing does not prohibit or delay a foreclosure on delinquent 1915 Act bonds ([Sts. & Hy. Code §8830](#)) or delinquent Mello-Roos bonds ([Gov. Code §53356.1](#)).

5202. WHO MAY INITIATE INSTALLMENT PLANS

Any person may elect to pay delinquent taxes in installments ([Rev. & Tax. Code §4217](#)). However, volunteers acquire no rights to the property of another by the payment of taxes ([M-5002](#)).

5203. INFORMATION SHEET

An information sheet, similar to form [SCO 5-02](#), should be provided to taxpayers who initiate plans or reinstate defaulted installment plans.

5204. APPLICATION FEE ON INSTALLMENT PAYMENT PLANS

The tax collector may charge a fee for preparing an installment payment plan. Such preparation fee must be established by [ordinance](#) of the board of supervisors ([Rev. & Tax. Code §4217](#)). The fee shall be in accordance with the provisions of [Government Code section 54985](#) and may be collected upon the initiation of an installment plan.

5205. INITIATION OF INSTALLMENT PLAN

- 1) Determine whether the property has become subject to the tax collector's [power to sell](#). An installment plan cannot be initiated on property that is subject to sale. Any person may elect to pay delinquent taxes in installments at any time prior to 5 p.m. on the last business day prior to the date when the property becomes subject to the tax collector's power to sell ([Rev. & Tax. Code §4217](#)) and ([M-5201](#)).
- 2) All current and supplemental taxes and delinquency penalties due or coming due in the fiscal year in which the first payment is made must be paid before the delinquency date of the last installment of current taxes ([Rev. & Tax. Code §§2618, 2705](#)).

EXCEPTION: If initial payment is made on or after the delinquency dates specified in [Revenue and Taxation Code sections 2618](#) or [2705](#), the current and supplemental taxes, with penalties and costs, shall be paid with or prior to the installment payment ([Rev. & Tax. Code §4219](#)).

- 3) Compute the total amount necessary to redeem ([M-5100 et seq.](#)).
- 4) The first payment must be not less than 20 percent of the total amount necessary to redeem. However, the taxpayer may elect to pay more than 20 percent ([Rev. & Tax. Code §4219](#)).

5210-5213 Installment Plans: Forms and Notices

5210. SEPARATE RECORD

Form [SCO 5-03](#) may be used as an aid to keeping a detailed record of all transactions and data relating to installment plans. The form may be altered as necessary to suit county requirements.

5211. RECEIPT FOR INSTALLMENT PAYMENT

If requested by the taxpayer, photocopies of form [SCO 5-03](#) may be used as receipts. However, a memorandum or counter receipt may be used instead of form SCO 5-03.

5212. NOTICE OF REQUIRED PAYMENT DUE

It is good practice to mail a reminder notice to the taxpayer on or about March 1, informing him/her that the payment due on his/her [installment plan of redemption](#) must be received before the delinquency date of the last installment of current taxes or the plan will be in default. The hour and date of delinquency should be included (e.g., "5 p.m. on April 10"). Form [SCO 5-04](#) is recommended.

5213. NOTICE THAT CURRENT AND SUPPLEMENTAL TAX IS UNPAID

If current and supplemental taxes have not been paid by March 10, a notice may be mailed to the taxpayer informing him/her that, unless current taxes are paid before the delinquency date (specifying such date), the plan will be in default. While not required by law, these notices have proven very effective in reducing tax delinquencies for counties that have adopted the practice of sending them. Form [SCO 5-05](#) is recommended.

5220-5229 Installment Plans: Conditions and Provisions

5220. EFFECT OF INSTALLMENT PAYMENTS

While an [installment plan of redemption](#) is in good standing, the property may not become subject to the tax collector's power to sell ([Rev. & Tax. Code §4218\(a\)](#)). This protection ceases if the required subsequent installment payments are not made before the delinquency date (April 10) of the last installment of current taxes in each succeeding fiscal year or if current or supplemental taxes remain delinquent after April 10 ([Rev. & Tax. Code §§4220, 4222](#)). However, supplemental assessment tax installments that become delinquent on April 30 or May 31 shall not default the installment plan of redemption, if they are paid on or before June 30 ([Rev. & Tax. Code §4220](#)).

COMMENT: The first installment of current taxes may become delinquent without defaulting the installment plan. However, the tax and penalty must be paid before the delinquency deadline for the second installment ([M-5228](#)).

5221. REINSTATEMENT AFTER DEFAULT IN CURRENT YEAR

If default occurs when the second or subsequent redemption installment is due, and either the assessee or his/her agent can, by substantial evidence, show that failure to pay in a timely manner was due to reasonable cause or circumstances beyond the assessee's control, the account may be reinstated, under the following condition.

The assessee must pay an amount that includes the installment due, plus interest calculated pursuant to [Revenue and Taxation Code section 4222](#) to the date of reinstatement [M-5230](#) and [M-5231](#). Payment must occur before the property has become subject to the tax collector's [power to sell](#) or prior to June 30 of the current fiscal year, whichever occurs earlier ([Rev. & Tax. Code §4222](#)).

NOTE: A reinstatement fee can be charged for processing.

5222. DEFAULT: NO REINSTATEMENT

If an assessee defaults on an installment plan and does not want to reinstate the plan, the tax collector can immediately record the Notice of Power to Sell Tax-Defaulted Property without re-advertising in the newspaper.

5223. PAYMENTS ARE NOT A PARTIAL REDEMPTION

Until the final payment has been received on an [installment plan of redemption](#), none of the payments constitute a redemption or a partial redemption ([Rev. & Tax. Code §4223](#)). They do not affect the declaration of default made by the tax collector.

5224. REFUND CLAIMS AND ACTIONS

Even though all taxes on a property have not been paid in full, any person defined as qualified to claim a refund pursuant to provisions of [Revenue and Taxation Code section 5096.7](#) (or any other statute) may file a claim for refund. If the claim is denied, an [action](#) may be filed to recover the taxes paid ([Rev. & Tax. Code §§5096, 5097, 5097.2, 5140-5141](#)); see [M-1600](#) - [M-1630](#) for procedures to be followed.

5225. CURRENT TAXES

When property is to be redeemed under an installment plan, no taxes other than the "amount of defaulted taxes" ([Rev. & Tax. Code §4102\(a\)](#)) can be included in the redemption amount. Current and supplemental taxes must be paid: when the first installment is due or at any time thereafter until the properties on the current roll become tax-defaulted ([Rev. & Tax. Code §2607](#)); in the manner provided for in [Revenue and Taxation Code section 2703](#) (the entire tax may be paid when the first half is due); or by an [installment plan of redemption](#) ([Rev. & Tax. Code §4219](#)).

5226. REDEMPTION FEE

The redemption fee is applied with the final installment payment ([Rev. & Tax. Code §4223](#)).

See [Revenue and Taxation Code section 4656.6](#) for information on distribution of redemption fees collected under an installment plan of redemption.

5227. SEGREGATION OF EXISTING PLAN

A parcel may be separated (segregated) from property already under an installment plan for the purpose of redemption, whether the plan is in good standing or in default ([Attorney General Opinion 9-25-41](#)).

5228. SUBSEQUENT INSTALLMENT PAYMENTS

In each succeeding [fiscal year](#), the current taxes, plus any applicable delinquency penalties coming due in that fiscal year, must be paid before the delinquency date of the last installment of the current taxes. In other words, the first installment may be allowed to become delinquent but the second may not.

Each installment payment must also include [simple interest](#), accruing monthly, computed as follows:

For property tax-defaulted after June 15, 1982, interest at the rate of one and one-half percent (1.5%) is added on the first day of each month on the balance, after the installment payment is applied ([Rev. & Tax. Code §4221](#) and form [SCO 5-03](#)).

5229. DISASTER-DAMAGED PROPERTY ON PAYMENT PLAN

The tax collector may defer an installment payment for one year if an assessee's property was damaged in an emergency or disaster due to a major misfortune or calamity as defined in [Revenue and Taxation Code section 194](#) and if the following conditions are met before granting relief:

1. The installment plan was already in existence;
2. The assessee or the assessee's agent can prove to the satisfaction of the tax collector that substantial damage was incurred;
3. The assessee or the assessee's agent files for the deferral on or before September 1 of the following fiscal year; and,
4. The assessee is not receiving any other relief. Interest will still accrue, and it becomes due and payable with the deferred installment payment.

5230-5234 Installment Plans: Defaults

5230. NEW INSTALLMENT PLAN AFTER DEFAULT

If an installment payment goes into default ([M-5224](#)), a new plan cannot be started until July 1 following default of the original plan ([Rev. & Tax. Code §4217](#)).

Credit should be allowed for payments made under a prior installment plan, or plans, in the same manner as when a redemption is made ([Rev. & Tax. Code §4337](#)).

See [M-5170 et seq.](#)

EXAMPLE: A plan defaulted on April 10, 1997, (1996-97 fiscal year) may not be restarted before July 1, 1997, (1997-1998 fiscal year).

EXCEPTION: Payments on property subject to a [power to sell](#) during the current calendar year may not be started again unless the tax collector determines that the failure to make a timely payment was not the fault of the assessee ([Rev. & Tax. Code §4222](#)) and ([M-5221](#)).

5231. PROCEDURE FOR STARTING NEW PLAN AFTER DEFAULT

Determine that the property has become subject to sale by the tax collector or that a period of five years has elapsed since it became tax-defaulted ([Rev. & Tax. Code §4217](#)) and ([M-5201](#)).

- 1) If the installment plan is reinstated on or after the delinquency date of the last installment of current taxes in any fiscal year (excepting the first fiscal year), the current taxes, including penalties and costs, must be paid on or prior to the reinstatement date. Payments consist of a portion of the redemption amount plus interest on the unpaid balance ([Rev. & Tax. Code §4219](#)).

NOTE: The term [back taxes](#) in [Revenue and Taxation Code section 4337](#) is defined in [Revenue and Taxation Code section 4187](#) as all payments required to be made on an installment plan, excluding current taxes and their penalties and costs.

3) The remaining payments must be at least 20 percent of the redemption amount, plus interest on the unpaid balance, computed in accordance with [Revenue and Taxation Code section 4221](#) ([M-5228](#)) and accruing on the first day of each month from the date of the last payment.

5232. TO REDEEM IN FULL: PLAN NOT IN DEFAULT

If an installment plan is in good standing, redemption may be made at any time ([Rev. & Tax. Code §4221](#)).

5233. TO REDEEM IN FULL: PLAN IN DEFAULT

- 1) The installment payments made under the defaulted plan are disregarded. The total amount necessary to redeem, as of the date of redemption, is then computed ([M-5100 et seq.](#)).
- 2) The defaulted plan payments and credits, including an allowance for interest paid, shall be allowed after computation of the amount necessary to redeem. The balance remaining is the amount to be paid to complete redemption ([Rev. & Tax. Code §§4222, 4336](#)) and [M-5221](#).

5234. TO REDEEM IN FULL AFTER SUBJECT TO POWER TO SELL

If redemption occurs after the property becomes subject to the power to sell but before the sale, the redemptioner receives credit for prior installment payments but only after computation of the amount necessary to redeem ([Rev. & Tax. Code §4336](#)). Any money collected is distributed pursuant to [Revenue and Taxation Code section 4656 et seq.](#)

5300-5303 Installment Plans: Redemption Certificates

5300. GENERAL APPLICATIONS

Most counties use mechanical or photocopying methods to prepare copies of their abstract sheets to serve as redemption certificates. The recommended form of a redemption certificate (form [SCO 5-06](#)) is displayed in this manual for the benefit of those counties still issuing a separate certificate upon the redemption of tax-defaulted property and for properties that are subject to the tax collector's [power to sell](#).

5301. REDEMPTION CERTIFICATES ON COMPUTER EQUIPMENT

Notwithstanding any other provision of the Revenue and Taxation Code, by resolution of the board of supervisors, all entries required to be made on the certificate shall be entered into the electronic data processing equipment if no physical document of the redemption certificate is prepared. The data shall be stored so it can be made readily available to the public in an understandable form. The redemption certificates must contain:

- 1) The year of tax-default;

- 2) A description of the property being redeemed (when a portion of the property is redeemed, the certificate shall show the portion being redeemed);
- 3) The total amount for which the property was tax-defaulted;
- 4) The total amount, including penalties, cost and fees;
- 5) The name of the person making the payment; and,
- 6) The date of redemption.

5302. DESCRIPTION OF PROPERTY ON CERTIFICATES

Property on the redemption certificate should be described exactly as it was when it became tax-defaulted. If the property was tax-defaulted by reference to a parcel number that has been changed, both the old and the new parcel numbers should be listed as follows:

For a partial redemption: Parcel _____ (new), portion of _____ (old)

If renumbered: Parcel _____ (new), formerly _____ (old)

NOTE: If the property has become subject to the tax collector's power to sell, the redemption certificate should give, in addition to the parcel number, a [legal description](#) of that portion of the property segregated for redemption purposes.

5303. UNDER INSTALLMENT PLAN

Upon receipt of the final payment due under an installment plan, the redemption certificate must contain:

- 1) The amounts used in computing the total redemption amount when the plan was initiated;
- 2) The total interest included in installment payments previously made (this includes the interest paid with installment payments made under the current plan, pursuant to [Revenue and Taxation Code section 4336](#));
- 3) The interest due on the unpaid balance of the current plan ([M-5228](#));
- 4) Credit for all prior installment payments made, plus the interest paid;
- 5) The remaining amount required to redeem the property ([Rev. & Tax. Code §4225](#)); and,
- 6) The redemption fee.

5311-5315 Installment Plans: Redemption Certificates – Form

5311. REQUIRED COPIES AND DISTRIBUTION

One copy each of the certificate shall be given, upon request, to the redemptioner ([Rev. & Tax. Code §4106](#)), the assessor, and the auditor, and the original certificate shall be retained in the tax collector's office. In lieu of a photocopy, the original abstract sheet may serve as the tax collector's copy ([M-5800](#)).

5312. FEE FOR CERTIFIED COPIES

A fee of \$1, plus the cost to reproduce the photocopy, must be collected for each copy of a certified redemption certificate or [certified copy](#) of an installment payment certificate, or a certified copy of an assessment as entered on the assessment roll prepared. For a certificate of payment showing taxes paid, pursuant to [Revenue](#)

[and Taxation Code section 162.1](#), a fee to cover the actual and reasonable costs incurred by the assessor, tax collector, or auditor to prepare a certificate of payment showing taxes paid must be charged.

To certify the copy, a rubber stamp may be used with language similar to the following:

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL DOCUMENT ON FILE IN THE OFFICE OF THE _____ COUNTY TAX COLLECTOR.

By _____
Deputy

The fee collected for certifying the copy is to be deposited into the county general fund ([Rev. & Tax. Code §162](#)).

See form [SCO 5-06](#) for certificate of payment.

5313. ACCURACY ESSENTIAL

Care should be exercised in the preparation of redemption certificates or installment plan payment certificates ([Rev. & Tax. Code §4105.1](#)). If an estimate is incorrect and an innocent purchaser buys the property in reliance on the amount estimated, the redemption is binding on the county. The tax collector must regard the property as redeemed in full and the declaration of default nullified ([Rev. & Tax. Code §4112](#); [Attorney General Opinion 1-2-75](#)). See [M-5511](#) for information regarding collection of redemption deficiencies resulting from errors.

5314. ACCEPTANCE OF NEGOTIABLE PAPER

[Negotiable paper](#) means checks, drafts, and money orders ([Rev. & Tax. Code §2504](#)). Checks written on foreign banks that charge a premium for clearing and converting funds to dollars should be accepted only if the extra charge is separately paid by the taxpayer.

Negotiable paper ([M-1244](#)) may be accepted in payment on a [redemption](#) or an installment plan ([Rev. & Tax. Code §2505](#)).

5315. PROVIDING RECEIPTS

When payment is received, a receipt should be prepared for each certificate of redemption and a copy given to the person making the payment. Upon request, additional certificates are given to the auditor or the assessor ([Rev. & Tax. Code §4106](#)).

5320-5321 Installment Plan: Redemption Certificates - Special Circumstances

5320. RETURNED CHECKS

If [negotiable paper](#) is returned unpaid by the bank on which it is drawn, the record of payment should be canceled, and the [tax lien](#) continues as though no attempt at payment had been made ([Rev. & Tax. Code §§2509, 2510](#)).

A notice of the cancellation must be sent immediately to the person tendering the dishonored negotiable paper ([Rev. & Tax. Code §2510](#)). The redemptioner may be determined 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 ([M-1244](#)).

After unpaid negotiable paper is returned to the depositing county officer, the tax collector may charge the person who attempted payment a fee not to exceed the cost of making required notifications to the person, processing the returned unpaid negotiable paper, and making the required cancellations on the tax roll ([delinquent abstract](#)).

This fee amount shall be set by the board of supervisors and shall be subject to the fee review procedures required by [Government Code section 54986](#). The fee may be added to the tax bill (abstract) and collected in the same manner as costs recovered under [Revenue and Taxation Code section 2621](#) ([Rev. & Tax. Code §2509.1](#)).

5321. INCORRECT AMOUNTS

An overage fund and a cash difference fund may be established under the authority of [Government Code section 29370 et seq.](#) Overpayments not exceeding \$10, if not refunded, must be deposited in the overage fund. The cash difference fund must be authorized by resolution of the board of supervisors. It may be used to make up short payments of up to \$10. Fund records must be kept identifying the person whose account was credited with making the insufficient payment and specifying the amount short ([Rev. & Tax. Code §2611.5](#)).

When an amount paid to the county for any tax, assessment, penalty, cost or interest exceeds the amount due and the excess does not exceed ten dollars (\$10), the excess amount may be deposited in the overage account. If the excess amount is not so deposited, it should be refunded to the person making the payment.

The cash difference account may be expended, maintained, or replenished by accounting entries into a cash difference account and an overage account, maintained in the county's automated accounting system. All transfers between the fund and the accounts may be made and retained in electronic data processing equipment and no written reports need be prepared by the auditor or the treasurer. When approved according to [Government Code section 29370.1](#), replenishment of the cash difference account may be accomplished by the county auditor through a journal entry or electronic funds transfer from the county's general fund ([Rev. & Tax. Code §2611.5](#)).

It is good practice to hold in trust a mailed payment short more than \$10 and to take prompt action to collect the difference before additional penalties accrue or the installment plan defaults. If the property will become subject to sale or if a large increase in penalties is imminent, some tax collectors apply the redemption remittance on an installment plan to protect the taxpayer.

5400 Notice of Power to Sell: Standard Rescission

5400. GENERAL INFORMATION

When property that is subject to sale is [redeemed](#), the tax collector must record a [rescission](#) of the recorded Notice of Power to Sell Tax-Defaulted Property ([Rev. & Tax. Code §4112](#)). Forms [SCO 5-08](#) and [SCO 5-09](#) comply with the statutory requirement for releasing the recorded Notice of Power to Sell, form [SCO 7-01](#). When the rescission is completed, the county tax collector's signature must be [acknowledged](#) by the county clerk, the [notary public](#) or another county official, pursuant to [Civil Code section 1181](#), without charge, and [recorded](#) by the county recorder for a fee, as provided in [Government Code section 27361.3](#).

The tax collector must collect the recording fee at the time of redemption and transmit it to the recorder. After the rescission has been recorded, it should be returned to the redemptioner by the recorder ([Rev. & Tax. Code §168.5](#)).

In addition to the recording fee, the tax collector must collect a fee that was established by the board of supervisors.

This fee is deposited in the county general fund to reimburse the county for its cost in obtaining the names and last known mailing addresses of parties of interest, as defined by [Revenue and Taxation Code section 4675](#), and for mailing the notices, as required by [Revenue and Taxation Code section 3701](#) (see [Rev. & Tax. Code §4112](#) and [M-5102](#) regarding the redemption amount and [M-5125](#) for the parties-of-interest fee).

If tax-defaulted property is redeemed prior to the proposed sale but after the county has incurred notice or publication costs as required by [Revenue and Taxation Code section 3702](#), a fee in an amount reasonably necessary to reimburse the county for those costs may be collected ([Rev. & Tax. Code §4112\(2\)\(b\)](#)).

[Government Code section 54985](#) permits a county board of supervisors to either increase or decrease the amount of fees and charges imposed by law for providing any product or service or in enforcing a regulation for which a fee or charge is levied. This fee is to cover the actual cost of searching for parties of interest as required by [Revenue and Taxation Code section 3701](#).

CAUTION: When payment is in the form of negotiable paper, the tax collector should allow sufficient time for it to be processed by the bank before [executing](#) and recording a rescission ([Rev. & Tax. Code §2509](#)).

5410-5419 Notice of Power to Sell: Form Instructions

5410. FISCAL YEAR

Use the [fiscal year](#) for which the property was assessed, i.e., when it initially became delinquent ([M-7112](#)).

5411. DEFAULT NUMBER

The default number should be that shown on the recorded Notice of Power to Sell Tax-Defaulted Property ([M-7113](#)).

5412. ASSESSOR'S PARCEL NUMBER

The current assessor's parcel number (APN) should be shown on the rescission (form [SCO 5-08](#)). If the APN on the recorded Notice of Power to Sell differs from the current APN, the former APN must be listed after the current one on the rescission.

EXAMPLE: APN 025-010-07, formerly 025-010-03

5413. NAME OF THE COUNTY

The name of the county is typed in the blank space preceding the word "County" (e.g., "Yuba" or "San Francisco City and").

5414. CERTIFICATE OF REDEMPTION NUMBER

The certificate of redemption number listed on the rescission should be the number assigned to the certificate of redemption when the property was redeemed (form [SCO 5-08](#)).

5415. DATE OF REDEMPTION

The date of redemption on the rescission should be the date on which the property was redeemed, as shown on the redemption certificate.

5416. NAME OF THE ASSESSEE

The [rescission](#) of the notice of power to sell must show the name of the assessee as it was shown on the recorded Notice of Power to Sell Tax-Defaulted Property (form [SCO 5-08](#)).

5417. RECORDING DATE

The recording date shown on the rescission should be the date on which the Notice of Power to Sell Tax-Defaulted Property was recorded (form [SCO 5-08](#)).

5418. INSTRUMENT NUMBER, VOLUME AND PAGE

The recording data (i.e., instrument number, recorder's volume and page) must be exactly the same on the rescission form as the information shown on the recorded Notice of Power to Sell Tax-Defaulted Property. An error could cause the wrong notice to be [rescinded](#). Both the instrument number (recorder's series number) and the volume and page (or book and page) of the recorded notice must be shown. If the county recorder does not use both systems when indexing the documents, the system customarily used should be shown (form [SCO 5-08](#)).

5419. SIGNATURE AND ACKNOWLEDGMENT

The [rescission](#) must be signed by the tax collector or an authorized deputy ([SCO 5-08](#) , [M-7130 et seq.](#)) and acknowledged by the county clerk, the [notary public](#) or another county official, pursuant to Civil Code section 1181 (Rev. & Tax. Code §168.5). Instructions for completing the signature and [acknowledgment](#) portion of the rescission are the same as for completing the recorded Notice of Power to Sell Tax-Defaulted Property ([M-7130 et seq.](#); form [SCO 5-08](#)).

5420 Notice of Power to Sell: Special Circumstances

5420. RESCINDING MULTIPLE NOTICES

When rescinding multiple notices, the tax collector must rescind all of the notices affecting the property. If there is more than one recorded notice, a single [rescission](#) can be used to rescind all previously recorded notices affecting the property.

5430 Notice of Power to Sell: Partial Rescission

5430. GENERAL APPLICATION

When a portion of the property is redeemed, the tax collector must record a partial rescission. Form [SCO 5-09.pdf](#) complies with the statutory requirements for [rescinding](#) the notice when a portion of the property is redeemed.

In addition to the fee for recording the rescission, actual and reasonable costs must be collected ([Rev. & Tax. Code §4112\(a\)](#)). These costs are deposited in the county general fund to reimburse the county for the cost of obtaining the names and last known mailing addresses of parties of interest, as defined by [Revenue and Taxation Code section 4675](#), and of mailing notices to them, as required by [Revenue and Taxation Code sections 3701](#) and [3799](#) (see [M-5102](#) regarding redemption amount).

CAUTION: When payment is in the form of negotiable paper, the tax collector should allow sufficient time for it to be processed by the bank before the rescission is executed and recorded ([Rev. & Tax. Code §2509](#)).

The tax collector should ascertain that all of the segregation requirements have been met prior to rescinding the recorded notice on the property. See [M-5311 et seq.](#) for a discussion of the requirements for redemption of a portion of tax-defaulted property.

See [M-5440 et seq.](#) for instructions on completing a partial rescission of the Notice of Power to Sell Tax-Defaulted Property.

5440-5450 Notice of Power to Sell: Partial Rescission - Form Instructions

5440. FISCAL YEAR

The fiscal year shown on the recorded Notice of Power to Sell should be used (form [SCO 5-09](#)). See [M-5410](#) for a discussion of the fiscal year.

5441. DEFAULT NUMBER

The default number should be that shown on the recorded notice of power to sell (form [SCO 5-09](#)). For a discussion of the default number as shown on the notice of power to sell, see [M-7113](#). To clarify that only a portion of the property subject to sale is being released, the notation "(portion)" following the default number in the partial rescission should be made.

EXAMPLE: Default No. 123-456-78 (portion).

5442. ASSESSOR'S PARCEL NUMBER

The current assessor's parcel number (APN) should be shown on the partial rescission (form [SCO 5-09](#)). If the APN on the recorded notice differs from the current APN, the former APN should be listed after the current APN on the partial rescission.

EXAMPLE: APN 025-010-07, formerly 025-010-02

5443. NAME OF THE COUNTY

The name of the county is typed in the blank spaces preceding the word "County" (form [SCO 5-09](#)).

5444. CERTIFICATE OF REDEMPTION NUMBER

The certificate of redemption number listed on the partial rescission should be the number assigned to the certificate of redemption when the property was redeemed (form [SCO 5-09](#)).

5445. DATE OF REDEMPTION

The date of redemption on the partial rescission should be the date on which the property was redeemed, as shown on the redemption certificate (form [SCO 5-09](#)).

5446. NAME OF THE ASSESSEE

The partial rescission of the notice of power to sell must show the name of the assessee as it was shown on the recorded Notice of Power to Sell Tax-Defaulted Property (form [SCO 5-09](#)).

5447. RECORDING DATE

The recording date shown on the partial rescission should be the date on which the notice of power to sell was recorded (form [SCO 5-09](#)).

5448. INSTRUMENT NUMBER, VOLUME AND PAGE

The recording data (i.e., instrument number, recorder's volume and page) must be exactly the same on the partial rescission form as the information shown on the recorded Notice of Power to Sell Tax-Defaulted Property (form [SCO 5-09](#)). An error could cause the wrong notice of power to sell to be rescinded. Both the instrument number (recorder's series number) and the volume and page (or book and page) of the recorded notice of power to sell must be shown. If the county recorder does not use both systems when indexing the documents, show the system customarily used.

5449. DESCRIPTION OF THE PROPERTY

The description of the property being redeemed must be included on the partial [rescission](#) (form [SCO 5-09](#)). The description of the property being released should be taken directly from the recorded document ([deed](#), [deed of trust](#), sales contract, etc.) that created the segregation ([M-5130](#) and [M-5140](#)), or a copy of the document may be attached to the partial rescission as an "Exhibit A."

5450. SIGNATURE AND ACKNOWLEDGMENT

The partial rescission must be signed by the tax collector or an authorized deputy ([M-7130 et seq.](#)) and acknowledged by the county clerk, the [notary public](#) or another county official, pursuant to [Civil Code §1181 \(Rev. & Tax. Code §168.5\)](#) (form [SCO 5-09](#)). Instructions for completing the signature and [acknowledgment](#) portion of the rescission are the same as for completing the recorded Notice of Power to Sell Tax-Defaulted Property ([M-7130 et seq.](#)).

5460 Notice of Power to Sell: Cancellation of Rescission

5460. GENERAL APPLICATION

If, for any reason, any [negotiable paper](#) is not paid on presentment, any record of payment made on a recorded [rescission](#) because of its acceptance shall be canceled, and the tax or assessment remains a lien as though no payment had been attempted ([Rev. & Tax. Code §2509](#)).

Form [SCO 5-10](#) may be used for a cancellation of the Rescission of Notice of Power to Sell Tax-Defaulted Property.

CAUTION: No fee should be charged for recording the cancellation of the rescission ([Gov. Code §27361.3](#)). See form [SCO 5-10](#) on the preceding page.

5470-5478 Notice of Power to Sell: Cancellation of a Rescission - Form Instructions

5470. FISCAL YEAR

The fiscal year shown on the recorded Cancellation of Rescission of Notice should be used. See [M-5410](#) for a discussion of the [fiscal year](#).

5471. DEFAULT NUMBER

The default number should be that shown on the recorded notice of power to sell (form [SCO 5-10](#)). For a discussion of the default number as shown on the notice of power to sell, see [M-7112](#).

5472. ASSESSOR'S PARCEL NUMBER

The current assessor's parcel number (APN) should be shown on the cancellation of rescission. If the APN on the recorded notice differs from the current APN, the former APN should be listed after the current APN on the partial rescission.

EXAMPLE: APN 025-010-07, formerly 025-010-02

5473. NAME OF THE COUNTY

The name of the county is typed in the blank spaces preceding the word "County" (form [SCO 5-10](#)).

5474. DATE OF REDEMPTION

The date of redemption on the cancellation of rescission should be the date on which the property was redeemed, as shown on the redemption certificate (form [SCO 5-10](#)).

5475. NAME OF THE ASSESSEE

The cancellation of rescission of the notice of power to sell must show the name of the assessee as it was shown on the recorded Notice of Power to Sell Tax-Defaulted Property (form [SCO 5-10](#)).

5476. RECORDING DATE

The recording date shown on the cancellation of rescission should be the date on which the Notice of Power to Sell Tax-Defaulted Property was recorded (form [SCO 5-10](#)).

5477. INSTRUMENT NUMBER, VOLUME AND PAGE

The recording data (i.e., instrument number, recorder's volume and page) must be exactly the same on a cancellation of rescission form as the information shown on the recorded Notice of Power to Sell Tax-Defaulted Property (form [SCO 5-10](#)). An error could cause the wrong notice to be rescinded. Both the instrument number (recorder's series number) and the volume and page (or book and page) of the recorded notice must be shown. If the county recorder does not use both systems when indexing the documents, the system customarily used should be shown.

5478. SIGNATURE AND ACKNOWLEDGMENT

The cancellation of rescission must be signed by the tax collector or an authorized deputy ([M-7130 et seq.](#)) and acknowledged by the county clerk, the [notary public](#) or another county official, pursuant to [Civil Code section 1181 \(Rev. & Tax. Code §168.5\)](#) (form [SCO 5-10](#)). Instructions for completing the signature and [acknowledgment](#) portion of the rescission are the same as for completing the recorded Notice of Power to Sell Tax-Defaulted Property ([M-7130 et seq.](#)).

5500-5505 Corrections: Payment of Wrong Property

5500. TRANSFER OF PAYMENT BEFORE CHANGE OF TITLE

The tax collector must cancel the credit on the unintended property and transfer the credit to the intended property when by substantial evidence a redemptioner convinces the tax collector that a redemption payment was mistakenly credited to unintended property or the redemptioner intended payment for a property other than that to which it was applied ([Rev. & Tax. Code §4911](#)).

A transfer should be made when all of the following conditions have been met:

- 1) The right of redemption has not been terminated on the intended property;
- 2) Two years have not elapsed since the date of payment; and
- 3) A policy of title insurance has **not been issued** on the **unintended** property.

If the payment resulted in redemption of the unintended property, the redemption must be canceled and the unintended property restored to its tax-defaulted status in the delinquent [abstract list \(Rev. & Tax. Code §4920\(a\)\)](#) and [M-1403 et seq.](#)

The owner of the property on which credit for payment is being canceled must be notified as soon as possible, by [registered mail \(Rev. & Tax. Code §4913\)](#).

See [M-5502](#) and forms [SCO 5-11](#) and [5-12](#).

5501. TRANSFER OF PAYMENT AFTER CHANGE OF TITLE

The tax collector must cancel the credit on the unintended property and transfer the credit to the intended property when, by substantial evidence, a redemptioner demonstrates that a redemption or installment plan payment by the redemptioner was mistakenly credited to unintended property ([Rev. & Tax. Code §4911.1](#)).

Such transfer shall be made **only** when the following conditions have been met:

- 1) The right of redemption has not been terminated on the intended property;
- 2) Two years have not elapsed since the date of payment; and
- 3) A policy of title insurance **has been issued** on the **unintended property**.

When such a transfer is made, credit the intended property with the payment. The person owning the unintended property immediately before issuance of a policy of title insurance becomes personally liable for the amount transferred ([Rev. & Tax. Code §4920\(b\)\(4\)](#)).

The owner of the property on which credit for payment is being canceled should be notified as soon as possible, by [registered mail \(Rev. & Tax. Code §4913\)](#).

NOTE: Whenever any notice or other communication is required to be mailed by registered mail, the mailing of such notice or other communication by [certified mail](#) shall be deemed to be sufficient to comply with the requirements of law ([Rev. & Tax. Code §36](#)).

To enforce collection of the amount transferred, the debit must be transferred to the current unsecured roll and every effort made to collect it in the manner specified for collection of taxes on the unsecured roll. Obtaining a [summary judgment](#) may be the best method by which to proceed. (See procedures contained in [Revenue and Taxation Code sections 3101-3107](#), and [M-2354](#), [M-2310](#), [M-2364](#) and [M-2376](#).) Of course, any other enforcement procedure provided by law may be used ([Rev. & Tax. Code §4920\(b\)](#)) and [M-5502](#).

5502. FILING OF CANCELLATION VOUCHER

Before action is taken as described in [M-5500](#) and [M-5501](#), an attempt should be made to have the redemptioner submit a signed, verified statement containing complete details of the transaction. If the transfer is made, reference to the voucher must be made on the delinquent roll opposite the unintended property or on the abstract sheet. The voucher should be preserved in a permanent file ([Rev. & Tax. Code §4921](#)). (Form [SCO 5-11](#) is recommended.)

Form [SCO 5-12](#) is designed to be used as a recapitulation sheet and as a guide in enumerating the various steps taken in this procedure.

5503. NOTICE AND HEARING

The assessee (of the unintended property) should be notified, by either registered or certified mail, of the cancellation and proposed transfer. The notice should explain that the assessee is personally liable for the amount being transferred. The notice must also state the amount subject to collection and that it will be collected in the manner specified for unsecured taxes. The notice should be mailed to the assessee's last known address. If the address is unknown, send the notification to his/her attention at the county seat ([Rev. & Tax. Code §4922](#)).

The notice to the last assessee of the unintended property shall state that, within ten days after the mailing of the notice, he/she may demand a hearing before the board of supervisors. If the written demand is made, a copy of it must be filed with the tax collector ([Rev. & Tax. Code §4923](#)).

"The board of supervisors shall set a time for the hearing and its decision on the matter is final" ([Rev. & Tax. Code §4923](#)).

5504. PAYMENT OF BALANCE

If the amount paid by the redemptioner to redeem the unintended property is less than the amount necessary to redeem the intended property (or to initiate an [installment plan of redemption](#) to maintain an existing plan in good standing), the balance due shall be paid before the transfer is made ([Rev. & Tax. Code §4924](#)).

NOTE: The "balance due" means the difference between the amount necessary to redeem the unintended property and the amount necessary to redeem the intended property. The redemption amount of the intended property should be computed as of the same date the redemption amount of the unintended property was computed.

5505. REFUND OF EXCESS

If the amount paid by the redemptioner exceeds the amount necessary to redeem the intended property, the applicant is entitled to a refund of the excess, per [Revenue and Taxation Code section 5097.2](#) ([Rev. & Tax. Code §4925](#)).

NOTE: A refund may be made if the application is processed within 90 days from the date of payment ([Rev. & Tax. Code §§4925](#)). Otherwise, the refund may be processed pursuant to [Revenue and Taxation Code section 5097.2](#).

5510-5512 Corrections: Errors

5510. CLERICAL ERRORS ON DELINQUENT ROLL OR ABSTRACT

Clerical errors made on the delinquent roll or [abstract list](#) may be corrected by the tax collector at any time before the property has been sold by public auction, sealed bid, or Chapter 8 Agreement Sale ([Rev. & Tax. Code §§4375, 4834.5](#)).

5511. ERRORS ON REDEMPTION CERTIFICATES

If an error occurs in computing the amount necessary to redeem and issue a certificate of redemption, resulting in underpayment of the correct amount, the deficiency may be collected within four years after the date of the underpayment ([M-5313](#)). A notice and a bill may be sent, by either registered or [certified mail](#), to the assessee of the property for the year for which the underpayment occurred ([Rev. & Tax. Code §4114](#)).

The notice must show:

- 1) That the tax collector made an unintended error in computing the amount required to redeem the property;
- 2) That, as a result of the error, the redemption payment was insufficient to pay the amount required to redeem, as specified in [Revenue and Taxation Code section 4102](#);
- 3) The balance due, in detail; and
- 4) A statement that, if payment of the amount due is not made within 30 days from the date of the notice, the amount due will be transferred to the secured roll prepared or being prepared and will be collected like other taxes on the roll.

Errors resulting in an overcharge should be corrected and the overage should be refunded ([M-5701](#)), held subject to refund ([M-5700 et seq.](#)), or deposited in an overage fund ([M-5703](#)).

5512. TRANSFER TO THE SECURED OR UNSECURED ROLL

The assessee has 30 days after the mailing date of the notice or bill in which to pay the deficiency. After 30 days, the deficiency is transferred to the secured roll applicable to the assessment year in which the notice or bill is mailed.

If the real property has been [conveyed](#) or [encumbered](#) before the secured roll entry is made, the redemption insufficiency is transferred to the unsecured roll.

The entry on the roll is followed with "Deficiency in redemption of parcel on _____, 19____." The entry may be made on a separate document if reference is made on the roll to that document. The delinquent tax abstract from which the redemption deficiency is transferred may, at the option of the county, serve as the separate document ([Rev. & Tax. Code §4115](#)).

5600-5605 Cancellations: General Information

5600. REDEMPTION PENALTY AND FEE

Any redemption penalty or fee may be canceled by the auditor, upon satisfactory proof that the penalty or fee has attached because of an error of the tax collector, the auditor, or the assessor, or because of that official's inability to complete valid procedures initiated prior to the delinquency date. Payment of the corrected or additional amount must have been made within 30 days from the date the records were corrected ([Rev. & Tax. Code §4985](#)).

NOTE: See [M-1522](#) for cancellation, pursuant to [Revenue and Taxation Code section 4985.2](#), of the delinquent penalties and [cost charges](#).

5601. CANCELLATION OF REDEMPTION DEFICIENCY

If the notice or bill required by [Revenue and Taxation Code section 4114](#) is not mailed within four years after the date of the original insufficient payment because of a redemption deficiency, the deficiency shall not be collectible and shall, on order of the board of supervisors and with the written consent of the county legal advisor, be canceled ([Rev. & Tax. Code §4116](#)).

A discharge of accountability may be initiated for amounts too small to justify collection ([Rev. & Tax. Code §2611.1](#)). See [M-1020](#) and [M-2021](#).

5602. PAYMENT ON WRONG PROPERTY

If a redemption payment or an installment plan payment is canceled pursuant to the provisions of [Revenue and Taxation Code section 4920](#), the tax collector may request the person who made the payment to return the certificate so a corrected certificate may be issued.

5603. RETURNED CHECKS

See [M-5320](#).

5604. ERROR IN AMOUNT DUE

See [M-5511](#).

5605. DOUBLE PAYMENT

See [M-5701](#).

5700-5704 Refunds: General Information

5700. BY ORDER OF BOARD

By order of the board of supervisors, any taxes, including penalties, interest and costs ([Rev. & Tax. Code §5096](#)), shall be refunded if they are:

- 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, due to the assessor's error;
- 5) Paid on an assessment of [improvements](#) that did not exist on the [lien date](#); or
- 6) Collected on behalf of a [special district](#) from a taxpayer whose property was [annexed](#) to a city but not detached from the first public agency, due to error or inadvertence ([Rev. & Tax. Code §§5096, 5096.1](#)).

5701. DUPLICATE OR EXCESS PAYMENT

- 1) Within 90 days after the last payment and without other approval, the tax collector may refund any taxes, including penalties, interest and costs ([Rev. & Tax. Code §4916](#)), paid more than once, or
- 2) If the amount paid exceeds the amount due as shown in the records, the tax collector or the auditor may make such refunds within four years after the date of payment ([Rev. & Tax. Code §5097.2](#)). A request should be made to have the certificate returned, for either cancellation or the issuance of a corrected certificate.

5702. APPLICATION OF REFUND TO FUTURE TAX LIABILITIES

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

5703. REDEMPTION OF WRONG PROPERTY

See [M-5500](#), [M-5505](#) and [M-5602](#).

5704. AMOUNT OF \$10 OR LESS

If an overage fund has been established ([M-5321](#)), any overpayment of \$10 or less may be deposited in this fund in lieu of making a refund ([Gov. Code §29375.1](#)).

5710-5715 Refunds: Processing Procedures

5710. CLAIM REQUIRED

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

EXCEPTIONS: Under [Revenue and Taxation Code section 5097.2](#), either the auditor or the tax collector can 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;
- 3) The amount paid exceeds the amount due on the property as the result of corrections to the roll or a cancellation ordered by the board of supervisors after such taxes were paid; or
- 4) In any other case, with the written consent of the district attorney, where the claim for refund is made under penalty of perjury and is for an amount less than ten dollars (\$10).

5711. TIME LIMITATIONS

If a verified, written claim for refund is filed pursuant to [Revenue and Taxation Code section 5097](#) ([M-5710](#)), the following time frames apply.

- 1) Except as provided in 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 section 1603 or section [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 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\(c\)](#)).

5712. COMPUTATION OF AMOUNT

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

5713. CITY AND DISTRICT TAXES

The refund ordered by the board of supervisors may include county taxes and taxes collected by county officers for a city or a [revenue district](#) ([Rev. & Tax. Code §5099](#)).

5714. COURT ACTION IF REJECTED

If a claim is rejected in whole or in part by the board of supervisors, the person who paid the tax or his/her 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](#)).

Generally, a taxpayer must exhaust all available administrative remedies before commencing legal [action](#) against the board of supervisors. However, there is an exception to this rule if the erroneous assessment was invalid and had no legal force and effect (*Exchange Bank v. County of Sonoma*, App. 131, Cal. Rptr. 216 (1976)).

Failure of the board of supervisors to act on the claim within six months after filing may be treated as a rejection and authorizes an [action](#) to recover the amount of the claim (*Otis v. San Francisco*, 170 Cal. 98).

[Action](#) to recover taxes pursuant to Article 2 (commencing with [Rev. & Tax. Code §5140](#)) may be brought by any county, city and county, or municipal corporation, pursuant to [Revenue and Taxation Code section 5161](#).

Interest at the greater of three percent [per annum](#) or the county pool apportioned rate shall be paid when the interest amounts to \$10 or more on amounts refunded under [Revenue and Taxation Code section 5096.7](#) to a taxpayer for any reason whatsoever ([Rev. & Tax. Code §5151](#)).

5715. UNCLAIMED REFUNDABLE AMOUNT

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 amount otherwise payable as a refund may be transferred to the county general fund, on order of the board of supervisors ([Rev. & Tax. Code §5102](#)).

5800-5802 Retention of Records: General Information and Schedules

5800. DESTRUCTION OF CERTIFICATES

Any redemption certificate may be destroyed by the county tax collector if (a) the destruction has been approved by order of the board of supervisors of the county, and (b) a certified, permanent record on a substitute medium has been prepared in accordance with [Government Code section 26205](#) and the substitute medium will be retained for at least 12 years from the date of creation of the original document.

The substitute medium may also be destroyed following the expiration of the 12-year retention period ([Rev. & Tax. Code §4107](#)).

However, since claims for refund, escape assessments, and other [actions](#) are on four, six, and eight-year statutes of limitations, retention of most records for at least four years is advisable. If a county ordinance requires retention of a record for a period longer than that required by state law, the county ordinance should be followed.

5801. ASSESSMENT ROLLS, ABSTRACTS

After an order is obtained from the board of supervisors, any [assessment roll](#) (secured or unsecured) or delinquent roll more than 12 years old may be destroyed. If the auditor has certified the delinquent abstract list based on any such roll, that roll may be destroyed after two years. A delinquent [abstract list](#) may be destroyed two years after the lien it represents has been removed. The board of supervisors may order the destruction of rolls more than two years old, if the abstract has been certified correct and complete by the auditor ([Rev. & Tax. Code §4377](#)). As a practical matter, the tax collector should consider microfilming any record scheduled for destruction.

As a guide in remedying base-year assessment and revenue allocation disputes in years to come, it is suggested the 1975-76 through 1979-80 extended assessment rolls be permanently retained.

5802. RETENTION OF OFFICIAL COUNTY RECORDS

Official county records must be retained for two years from the date of preparation or receipt. Destruction requires concurrence by four-fifths of the board of supervisors ([Gov. Code §26202](#)).

These records include:

- 1) Newspaper publications;
- 2) Records of deposits and settlements with the auditor;
- 3) Payment cancellations;
- 4) Notices that a parcel is subject to [power to sell](#);
- 5) Descriptions and [appraisals](#) by the assessor furnished in connection with tax sales;
- 6) Approval of sale by the board of supervisors;
- 7) Authorizations from the State Controller for sale of tax-defaulted property pursuant to Chapter 8 of the Revenue and Taxation Code;
- 8) Objections to sale by taxing agencies;
- 9) Notices to parties of interest; and
- 10) Reports of tax sales.

5810-5812 Retention of Records: Marking of Records

5810. DELINQUENT ROLL OR ABSTRACT SHEET

The tax collector should note the fact and date of redemption in the margin of each delinquent roll (if used) or on the abstract sheet for the subject property. Partial redemptions are noted to show:

- 1) A description of the portion redeemed;
- 2) The value of the parcel redeemed; and
- 3) The value of the remainder of the property ([Rev. & Tax. Code §§2853, 4109, 4374](#)).

See [M-4200](#) and [M-4201](#).

5811. INDEXES

Index records pertaining to either the delinquent roll or the [abstract](#) must be regularly and promptly posted to reflect the current status of the unpaid items ([Rev. & Tax. Code §4110](#)).

5812. INSTALLMENT PLANS

Pursuant to [Revenue and Taxation Code section 4109.5](#), installment payments may be:

- 1) Recorded in a separate file and the delinquent roll or [abstract list](#) marked, "See Separate Record;"
- 2) Recorded in a separate record on the reverse side of the abstract page; or 3) Recorded on a sheet filed immediately after the abstract page. Such a separate record must contain the following ([M-4202](#)):
 - a. Name of the person paying;
 - b. Property description;
 - c. Amount paid;
 - d. Year(s) of delinquency; and
 - e. Redemption certificate number, if issued.

5820-5821 Retention of Records: Periodic Accounting

5820. GENERAL APPLICATION

See [Revenue and Taxation Code section 4108](#).

5821. AUDITS

The redemption records and accounts of the tax collector must be audited at least once every three years ([Rev. & Tax. Code §4108.5](#)).

5900 Sale of Tax Certificates: General Information

5900. LEGISLATIVE INTENT AND GENERAL PROVISIONS

These statutes amended existing statutes and added new statutes to the Revenue and Taxation Code.

These statutes permit any county to sell tax certificates, upon the recommendation of the tax collector and by resolution of the board of supervisors, adopted during the first [fiscal year](#) to which it applies.

A tax certificate represents the intangible property right to receive all delinquent amounts of secured roll property or of supplemental roll property upon sale by the tax collector.

A tax certificate can be issued only for a separately assessed parcel and for the taxes and assessments that are delinquent or defaulted at the time of the certificate's sale, not for any subsequent year's taxes and assessments.

5910-5913 Sale of Tax Certificates: Pertinent Definitions

5910. ASSIGNED PENALTIES

"Assigned penalties" means, with respect to taxes and assessments assigned pursuant to a tax certificate, any and all related penalties that are or are not payable ([Rev. & Tax. Code §4502](#)).

5911. DELINQUENCY DATE

The "delinquency date" means the date on which a delinquency penalty attaches to taxes, as applicable. The delinquency date is currently 12:01 am on January 1 preceding the fiscal year for which the taxes are levied ([Rev. & Tax. Code §4503](#)).

5912. SECURED ROLL PROPERTY

"Secured roll property" means property that remains on the secured roll after taxes on the property have been declared in default ([Rev. & Tax. Code §4504](#)).

5913. TAX CERTIFICATE

"Tax certificate" means the intangible property right created upon a sale by the tax collector of the right to receive all amounts due with respect to a delinquency in connection with secured roll property or supplemental roll property ([Rev. & Tax. Code §4505](#)).

5920-5928 Sale of Tax Certificates: Process Information

5920. AUTHORIZATION AND ADMINISTRATION

Any county may, upon the recommendation of the tax collector and by resolution of the board of supervisors, adopted during the first [fiscal year](#) to which it applies, sell tax certificates. If the board orders the discontinuance of the procedures authorized, all of the following shall occur.

- 1) All of the provisions, other than [Revenue and Taxation Code section 4521](#), remain in full force and effect until all tax certificates have been canceled;
- 2) The county maintains the Tax Certificate Redemption Fund until all tax certificates have been canceled; and,
- 3) After all tax certificates have been canceled, all funds on deposit in the Tax Certificate Redemption Fund are paid to the tax collector, to be applied and distributed in the same manner as amounts received from the collection of taxes and assessments and any costs, fees, penalties, or related amounts ([Rev. & Tax. Code §4511](#)).

Each county that elects to sell tax certificates shall create a Tax Certificate Redemption Fund. Money in the fund shall be used exclusively for the purposes described in [Revenue and Taxation Code section 4527](#) ([Rev. & Tax. Code §4512](#)).

Nothing in this section shall reduce, change, affect, or otherwise alter the rights of any property owner or taxpayer that exist in the absence of this part. Under no circumstances shall the property owner or taxpayer be required to pay more than would have been owed if the sale of a tax certificate had not occurred ([Rev. & Tax. Code §4513](#)).

5921. SALE OF TAX CERTIFICATES

Commencing no earlier than the date the property is declared in default, the tax collector may offer for sale, as provided in [Revenue and Taxation Code section 4511](#), tax certificates for defaulted taxes in connection with secured roll property or property on the supplemental roll, along with defaulted taxes for any previous year, provided that such tax certificates have not previously been sold ([Rev. & Tax. Code §4521](#)).

The receipt by the tax collector of the proceeds of the sale of a tax certificate shall be deemed to be the receipt of the due and unpaid taxes and assessments specified in the tax certificate and, if in excess of that amount, the related delinquency penalty set forth in [Revenue and Taxation Code sections 2617, 2618, 2704 or 2705](#). These provisions shall not be construed as removing any lien for taxes or extinguishing any unpaid taxes or assessments or fees, penalties, costs or related amounts ([Rev. & Tax. Code §4522](#)).

A tax certificate shall not be considered as having situs in the county in which the real property is located for which the tax certificate is issued ([Rev. & Tax. Code §4526](#)).

5922. PROCEEDS FROM THE SALE OF A TAX CERTIFICATE

- 1) Proceeds from the sale of a tax certificate shall be applied as follows.
 - a. Three percent of the proceeds shall be deposited in the Tax Certificate Redemption Fund. However, if the amount of the Tax Certificate Redemption Fund is equal to or greater than three percent of the then-current amount of taxes and assessments assigned under all outstanding tax certificates, those proceeds shall be applied as provided in (2). The amount deposited under this paragraph shall be in lieu of any amount otherwise required by the alternate method of distribution (Teeter), pursuant to Chapter 3 of Part 8 (beginning with [Rev. & Tax. Code §4701](#)).
 - b. Any amount on deposit in the Tax Certificate Redemption Fund shall be invested at the direction of the county treasurer, as required by law. All interest earned on the fund shall be paid to the county.
- 2) The balance of the proceeds shall be applied as follows:
 - a. Except as provided in (1)(b), the balance shall be distributed in the same manner as amounts received from the collection of taxes and assessments and costs, fees, penalties, and related amounts.
 - b. In the case of a county that has elected the alternative procedure for the distribution of property tax levies pursuant to [Revenue and Taxation Code section 4701 et seq.](#), the balance shall be distributed to the county general fund ([Rev. & Tax. Code §4523](#)).

5923. CANCELLATIONS OF TAX CERTIFICATE

Upon the receipt by the tax collector of the entire amount of the taxes, assessments, and penalties assigned by a tax certificate, the tax collector shall pay that amount to the holder of the tax certificate, cancel the tax certificate, and enter the fact of the cancellation in the tax certificate record opposite the entry of the sale of the tax certificate. The tax collector shall make the payments from amounts received in the taxes, assessments, and assigned penalties, whether those amounts are received by the tax collector by payment or by redemption ([Rev. & Tax. Code §4524](#)).

If the tax collector receives only a portion of the taxes, assessments, and assigned penalties or interest in the case of an [installment plan of redemption](#) assigned by a tax certificate, the tax collector shall pay that amount to the holder of the tax certificate and shall make a corresponding adjustment to the amounts set forth in the tax certificate and the tax certificate record.

If part of a tax assessment on a parcel specified in a tax certificate is paid or [redeemed](#), the tax collector shall pay to the holder of the tax certificate that portion of the payment relating to the amounts assigned under the tax certificate and shall adjust the information in the tax certificate and the tax certificate record accordingly.

Any amount collected shall be first applied to the oldest outstanding certificate. The taxpayer shall still be considered delinquent with respect to any unredeemed certificate on the property.

Notwithstanding any other provision of law, any partial payment with respect to a tax certificate, including annual payments from [installment plans of redemption](#), shall be applied to the monthly penalty first.

5924. PAYMENT TO HOLDER OF TAX CERTIFICATE

The tax collector may stop the collection of amounts with respect to a delinquency by the holder of a tax certificate at any time by canceling the tax certificate and paying the holder, from amounts on deposit in the Tax Certificate Redemption Fund, the amount owed with respect to the delinquency. This action may be taken at the sole discretion of the tax collector ([Rev. & Tax. Code §4525](#)).

The tax collector shall pay to the holder of a tax certificate, from amounts on deposit in the Tax Certificate Redemption Fund, an amount equal to the purchase price of the tax certificate, together with interest thereon at a rate equal to the rate the county would pay on any refund to a taxpayer for the same [fiscal year](#). This rate is to be applied to all amounts paid with respect to the certificate from the date of the sale of the tax certificate. The tax collector shall cancel the tax certificate if any of the following occurs ([Rev. & Tax. Code §4527\(a\)](#)).

- 1) The taxes and assessments assigned by the tax certificate were paid prior to the sale of the tax certificate.
- 2) After the sale of the tax certificate, the taxes and assessments assigned by the tax certificate are canceled for any reason other than the payment of the taxes and assessments.
- 3) The lien on the parcel specified in the tax certificate is removed, other than pursuant to [Revenue and Taxation Code sections 2195](#) or [4105.2](#), or by order of the federal bankruptcy court, prior to the time the holder of the tax certificate receives all amounts due under the tax certificate.
- 4) The parcel specified in the tax certificate is deeded to a taxing agency, pursuant to Chapter 8, Part 6 (commencing with [Rev. & Tax. Code §3771](#)).
- 5) The holder of the tax certificate requests cancellation, when there has been a violation of [Revenue and Taxation Code section 3441](#) with respect to the parcel specified in the tax certificate.
 - a. Promptly after obtaining knowledge of any occurrence described in [Revenue and Taxation Code section 4527\(a\)](#) (second paragraph above), the tax collector shall notify, in writing, the holder of the applicable tax certificate.
 - b. If the delinquency penalty assigned by a tax certificate is canceled, pursuant to [Revenue and Taxation Code sections 2610.5](#) or [4985.2](#) or for any reason other than payment in full of the penalty, the tax collector shall, at the option of the holder of the tax certificate and from amounts on deposit in the Tax Certificate Redemption Fund, do either of the following:
 - i. Pay to the holder of the tax certificate an amount equal to the purchase price of the tax certificate, together with interest at a rate equal to the rate the county would pay on any refund to a taxpayer for the same [fiscal year](#), that rate to be applied to all amounts paid with respect to the certificate from the date of the sale of the tax certificate, and cancel the tax certificate; or
 - ii. Pay to the holder of the tax certificate an amount equal to the difference between the purchase price of the tax certificate and the total amount of taxes and assessments assigned by the tax certificate, together with interest on that amount at a rate equal to the rate the county would pay on any refund to a taxpayer for the same fiscal year, that rate to be applied to all amounts paid with respect to the certificate from the date of its sale, and adjust the information contained in the tax certificate and the tax certificate record accordingly.
 - c. If a redemption certificate is issued pursuant to [Revenue and Taxation Code section 4105.2](#) with respect to a parcel specified in a tax certificate, and if all amounts assigned under the tax certificate, including, without limitation, amounts due under [Revenue and Taxation Code section 4103](#), are not paid to the holder of the tax certificate, the tax collector shall immediately pay to the holder, from amounts on deposit in the Tax Certificate Redemption Fund, any amount so assigned but not paid.

- d. The tax collector may use amounts on deposit in the Tax Certificate Redemption Fund to make the payments permitted under Revenue and Taxation Code sections [3729](#), [3731](#), [4920](#) and [5103](#).

5925. METHOD OF SALE

- 1) The tax collector may sell tax certificates by any form of public or private sale, including, but not limited to, auction, negotiated sale, or bulk sale. Except as provided in subdivision (3) below, the price received for a tax certificate shall not be less than the amount of taxes and assessments being assigned thereby. Prior to the sale of any tax certificate, the tax collector shall do all of the following ([Rev. & Tax. Code §4528](#)):
 - a. Determine the size of the offering and the parcels to be included in the sale;
 - b. Establish the fees necessary to cover the county expenses;
 - c. Establish the rules and procedures for the sale;
 - d. Publish the rules and procedures and the fees; and e. Have the published rules and procedures available to the public.

NOTE: The tax collector has the right to accept or reject any or all bids.

- 2) Except as provided in subdivision (3) below, the tax collector shall not sell a tax certificate if any of the following apply:
 - a. The parcel is not on the secured roll or the supplemental roll;
 - b. The parcel is owned by a governmental agency;
 - c. The total amount of taxes and assessments to be assigned thereby is less than one hundred dollars (\$100), unless the parcel is included in a bulk sale;
 - d. The parcel has a recorded or public notice concerning pollution or contamination to a degree that poses a public health concern or environmental hazard;
 - e. The parcel was subject to a proceeding in federal bankruptcy court prior to the sale of the tax certificate; or
 - f. The parcel was subject to a [condemnation](#) proceeding prior to the sale of the tax certificate.
- 3) Notwithstanding subdivisions (1) and (2) above, the tax collector may sell or resell, at a discount and in accordance with published rules and procedures: tax certificates for parcels described in paragraphs (c), (d), (e), and (f) of subdivision (2); any certificate subject to the Sailors and Soldiers Relief Act; and certificates for parcels described in paragraphs (e), (f), and (g) of subdivision (1) ([Rev. & Tax. Code §4528](#)).

If, pursuant to [Revenue and Taxation Code section 4521](#), the tax collector is required to offer for sale a tax certificate on property that has an outstanding tax certificate for the assignment of taxes and assessments for a previous year, until the date occurring six months after the date specified in [Revenue and Taxation Code section 4521](#), the tax collector shall offer to sell the tax certificate to the holder of the outstanding tax certificate.

The tax collector shall notify the holder of the outstanding tax certificate by [certified mail](#) of the default requiring the issuance of an additional tax certificate on the same parcel and of the tax certificate holder's right, until the date one month after receipt of the notice, to purchase the additional certificate on the same terms as the outstanding certificate.

In addition, the holder of the outstanding tax certificate shall have the right of first refusal to purchase the tax certificate on the same parcel for the highest bid until all tax certificates on that parcel are redeemed or

canceled. During the six-month period, at the option of the holder of the most recently issued outstanding tax certificate, the tax collector shall sell the tax certificate to the holder of the outstanding tax certificate on the same terms as the outstanding tax certificate ([Rev. & Tax. Code §4528](#)).

5926. MAINTAINING A RECORD OF SALES

The tax collector shall make and maintain the tax certificate record, which is a list of all the tax certificates sold, containing the date of the sale, a description of the parcel, the name of the purchaser (or the successor), the purchase price, the amount of any payments received by the holder, and how those amounts were applied to the taxes, assessments, and assigned penalties ([Rev. & Tax. Code §4529](#)).

5927. TRANSFER OF A CERTIFICATE

Any tax certificate may be transferred at any time before it is canceled, by endorsement by the tax collector if it is held in physical form or by electronic transfer if it is held in book-entry form. The tax collector shall modify the tax certificate to indicate the new holder. The official endorsement of a tax certificate by the tax collector with the date and entry on the tax certificate record, together with a notation showing the new holder, is sufficient evidence of the assignment of the tax certificate ([Rev. & Tax. Code §4530](#)).

5928. REQUEST FOR DUPLICATE CERTIFICATE

1) A holder of a tax certificate may apply to the tax collector for a duplicate certificate if the original certificate has been lost or destroyed. The tax certificate holder shall give an [affidavit](#) to the tax collector stating that the affiant is the owner of the tax certificate and that the tax certificate was lost or destroyed. The tax certificate holder shall pay a fee for issuance of the duplicate tax certificate ([Rev. & Tax. Code §4531](#)).

2) The tax collector shall issue a duplicate tax certificate, shall plainly mark or stamp it as a duplicate, and shall enter the fact of the duplicate in the tax certificate record opposite the entry of the sale for which the lost or destroyed tax certificate was issued. The tax collector shall enter in the same place a notation of the alleged loss or destruction, whether or not the duplicate certificate is issued.