

State of California

County Tax Collectors' Reference Manual

Chapter 1000: Secured Tax Collections

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California State Controller's Office

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INTRODUCTION

The County Tax Collectors Reference Manual is produced by the State Controller's Office (SCO), Local Government Programs and Services Division, Property Tax Standards Unit. This manual is designed to provide comprehensive reference material to assist county tax collectors in performing his or her duties in compliance with statutory requirements and promote uniformity throughout the state.

All statutory references cited are from the Revenue and Taxation Code, unless otherwise noted. Citations and references in this manual are current as of its publication date; however, care must be taken to ensure that none have been superseded by subsequent legislative action or court decisions.

The SCO forms referred to within this manual are samples that contain all of the required information pursuant to statute. The county tax collector's office may use the sample forms or create his or her own forms. Forms used should contain all information required by statute.

NOTICE: This publication is provided by the SCO as a general resource for California's county tax collectors. This publication is written primarily for use by county tax collectors and does not constitute legal advice. This publication has been reviewed by The Committee on County Tax Collecting Procedures and members of the California Association of County Treasurers and Tax Collectors.

1000-1001 General Overview: General Information

1000. AUTHORITY FOR COLLECTIONS

“The tax collector shall collect all property taxes” ([§2602](#)). The county board of supervisors’ authority is limited to those expressed and implied powers granted to the board by the statutes.

However, by a four-fifths vote, and with concurrence from the tax collector, the board of supervisors may assign the collection of delinquent property taxes 90 days after they are due to a private person or collection agent ([Gov. Code §26220\(ba\)](#), manual section [2000](#)).

1001. ASSIGNMENT OR ENJOINMENT OF COLLECTION FUNCTION PROHIBITED

The board of supervisors may assign, for collection purposes, certain claims that the county has against debtors and any or all money judgments taken in the name of the county. However, “no assignment to a collection agency shall be made of obligations arising out of any delinquent assessments or taxes levied on the secured roll by the county or any other political subdivision of the state” ([Gov. Code §26220\(c\)](#); manual section [2000](#)).

The law prohibits any legal action “against any county, municipality, or district, or any officer thereof, to prevent or enjoin the collection of property taxes sought to be collected. In the case of a collection of taxes pursuant to a bankruptcy proceeding, the county may request a reasonable amount to attorney fees” ([§4807](#), [Ca. Const. Art. XIII, §32](#)).

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

1010-1017 General Overview: Transfer of Tax Collection Functions to the County

1010. CITIES UNDER GENERAL LAW AND CITIES UNDER CHARTER

Since January 1, 1969, “general-law” cities have been prohibited from assessing and collecting his or her own taxes. “Chartered” cities may assess and collect their taxes, or they may transfer such duties to corresponding county officials. However, no city may now establish the offices of assessor and tax collector after January 1, 1969 ([Gov. Code §51501](#), [§51541-§51542](#)).

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

1011. SPECIAL ASSESSMENTS

A city and county may enter into an agreement in which the county assumes responsibility for the collection of any special assessments levied by the city. The special assessments may be collected at the same time and in

the same manner as county taxes. All laws pertaining to the levy, collection, and enforcement of county taxes apply to such special assessments ([Gov. Code §51800](#)).

1012. MISCELLANEOUS LEVIES AND COLLECTIONS

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

1013. IRRIGATION DISTRICTS

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

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

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

1014. DEEDS TO IRRIGATION DISTRICTS

Land sold to an irrigation district that remain unredeemed five years after the date of its sale for delinquent district assessments is deeded to the district by the county tax collector ([Wat. Code §26658](#)). The deed must include the date of sale and a statement that no person redeemed the property ([Wat. Code §26276](#)).

Land tax defaulted for delinquent irrigation district assessments is subject to the tax collector's power to sell. See manual section [7000 et seq.](#)

1015. COUNTY WATER DISTRICTS

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

1016. CALIFORNIA WATER DISTRICTS

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

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

1017. SERVICE AREAS, LIGHTING DISTRICTS, AND SPECIAL ROAD MAINTENANCE DISTRICTS

Pursuant to the notice, protest, and hearing procedures in [Government Code section 53753](#), any county that fixes and collects charges for a service area may provide a procedure whereby the county can collect such charges on the property tax roll. The collection should be made in the same manner and at the same time as general county property taxes and assessments ([Gov. Code §25215.6](#)).

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

NOTE: Property that is owned by federal or state governmental agencies or non-county local agencies is exempt from any assessments authorized for special road maintenance districts, 1911 maintenance districts (for lighting purposes only), and districts created under the Highway Lighting District Act; such property is also exempt from charges imposed under the county service area law ([Ca. Const. Art XIII §3](#)).

1020-1023 General Overview: Discharge of Accountability

1020. WHEN COST OF COLLECTION IS UNJUSTIFIED

Any county department, officer, or employee charged by law with the collection of any money owed to the county for any reason, that is due and payable, may file a verified application with the board of supervisors for discharge from accountability for the following reasons ([§2611.1](#), [Gov. Code §25257-§25259.5](#)):

- The amount is too small to justify the cost of collection;
- Collection does not warrant the expense involved; or
- The amount thereof has been otherwise lawfully compromised or adjusted.

The board of supervisors may adopt, with the approval of a majority of its entire membership, a resolution that authorizes and designates the county auditor as the officer to exercise the authority of the board ([Gov. Code §25259.5](#)).

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

The application to the board of supervisors must include ([§2611.2](#)):

- A statement of the nature of the amount owing;
- The names of the assessees or persons liable and the amount owed by each;
- The estimated cost of collection; and
- Any other fact warranting the discharge, except where the board of supervisors determines that the circumstances do not warrant the furnishing of detailed information.

1021. WHEN AMOUNT IS \$20 OR LESS

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

NOTE: A charge that is so small as not to justify the cost of collection may be canceled in accordance with provisions of [§4986.8](#) (manual section [1524](#)).

1022. CASH DIFFERENCE FUND

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

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

1023. CASH OVERAGE FUND

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

1030-1032 General Overview: Destruction of Secured Rolls

1030. GENERAL INFORMATION

Any delinquent tax roll and original secured roll on which it is based, containing the information set forth in the abstract, may be destroyed if ([§4377](#), manual section [4264](#)):

- The board of supervisors approves the destruction of the roll;
- The abstract list has been certified as correct and complete by the county auditor; and
- If a certified, permanent record on a substitute media has been prepared in accordance with [Government Code section 26205](#). The substitute media must be retained for at least 12 years from the original document's creation. The substitute media may also be destroyed after the 12-year retention period has expired, with the board of supervisors' approval.

The abstract list prepared under [§4373](#), or any photographic record thereof, shall be retained by the tax collector for at least two years after the time the lien has been removed.

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

1031. DUPLICATE COPIES

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

1032. NON-JUDICIAL PUBLIC RECORDS

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

The county officer having custody of non-judicial public records, documents, instruments, books, and papers may cause destruction of any or all of them if all of the following conditions exist ([Gov. Code §26205.1\(a\)](#)):

- The board of supervisors has adopted a resolution authorizing the county officer to destroy such records, documents, instruments, books, and paper. The resolution may impose conditions, in addition to those specified in law, that the board of supervisors deems appropriate;
- The county officer maintains for public use a copy, microfilm, video recording, or other duplicate of such record, document, instrument, book, or paper destroyed; and
- All duplicates on any medium listed above that does not permit additions, deletions, or changes to the original document must be produced in compliance with [Government Code section 12168.7](#).

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

Every reproduction is deemed an original record and a transcript, exemplification, or certified copy, as the case may be, of the original ([Gov. Code §26205.1](#)).

1040-1042 General Overview: Thirty-Year Law

1040. GENERAL APPLICATION

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

1041. TAXES COVERED

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

1042. MARKING RECORDS

If the 30-year period has expired, the delinquent tax records should be marked “conclusively presumed paid” ([§2195](#)). Any delinquency charges established by the auditor are then reduced accordingly.

1050-1052 General Overview: Change of Ownership Statements

1050. FILING OF OWNERSHIP STATEMENT

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

In the event of the death of an assessee, the personal representative shall file a change in ownership statement with the county recorder or the assessor. This statement shall be filed in each county in which the decedent owned, at the time of death, real property that is subject to probate proceedings. The statement shall be filed prior to or at the time the inventory and appraisal are filed with the court clerk.

In all other cases in which an interest in real property is transferred by reason of death, the change in ownership statement or statements shall be filed by the transferee, within 150 days after the date of death, with the county recorder or the assessor in each county in which the decedent owned an interest in real property. If the property is transferred through the medium of a trust, then the change in ownership statement shall be filed by the trustee ([§480\(b\)](#)).

1051. PENALTY FOR FAILURE TO FILE

Generally, the change in ownership statement must be filed at the time of recording, or, if the transfer is not recorded, within 90 days of the date of the change in ownership. However, when the change in ownership has occurred due to the death of an assessee, the statement shall be filed within 150 days after the date of death, or, if the estate is probated, at the time the inventory and appraisal are filed.

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

1052. ENROLLMENT OF PENALTY ASSESSMENT

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

If a property transferred is only a portion of a parcel on the roll for the fiscal year in which the assessor’s 90-day notice expires, the taxes on the parcel must be prorated. This enables computation of the penalty on the

taxes applicable only to the property transferred. The proration is accomplished as a separate valuation for payment of taxes on a portion of a current assessment parcel without an application from the assessee. In these cases, the penalty may be entered on the current unsecured roll, in the name of the transferee, or on the current or subsequent year's secured roll as a lien against the portion transferred.

When a property has been transferred or encumbered by a lien prior to enrollment of a penalty for failure to respond to the assessor's 90-day notice, such penalty must be entered on the delinquent unsecured roll. The penalty is attached to the assessee responsible for failure to file the change in ownership.

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

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

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

1060-1063 General Overview: Miscellaneous Issues

1060. EXTENSION OF THE TIME FOR OFFICIAL ACTS

The time fixed for any act by the tax collector or auditor may be extended not more than 30 days by the State Controller. In the case of public calamity, this can be extended up to 40 days ([§155.3](#)). Requests for extension should be addressed to the State Controller's Office, Local Government Programs and Services Division, Bureau of Tax Administration and Government Compensation, ATTN: Property Tax Standards Unit, 3301 C Street Suite 740, Sacramento, CA 95816-3398.

Provisions of [§155.3](#) do not apply to the correction of an act performed erroneously. Such provisions are outlined in [§4831-§4842](#).

1061. FACSIMILE SIGNATURE

Documents that require the signature of the tax collector under any provisions in Division 1 of the Revenue & Taxation Code may be executed with a facsimile signature in lieu of the tax collector's signature. A facsimile signature has the same legal effect as a personal signature ([§168](#), manual section [8414](#)).

The State Controller's Office sample form, *Facsimile Signature of Tax Collector Permitted* ([SCO 1-07](#)), is an example of the format accepted by the California Secretary of State when filing for a facsimile signature.

1062. SECURITY DEPOSITS ON SUBDIVISION AND PARCEL MAPS

The clerk of the board of supervisors must certify that all certificates and deposits required under the Subdivision Map Act and by local ordinance have been made prior to the recordation of any subdivision map or parcel map with the county recorder ([Gov. Code §66464](#)).

The subdivider must have a certificate from the tax collector stating that all current and delinquent taxes have been paid ([Gov. Code §66492](#)). In addition, the subdivider must file a certificate with the clerk of the board of supervisors estimating the amount of tax that is a lien not yet due and payable and must deposit money,

securities, or a bond for same ([Gov. Code §66493\(a\)\(1\)\(c\)](#)). The deposit or bond filed to secure payment of the taxes should include amounts for the regular assessment roll and any taxes that are likely to appear on the supplemental assessment roll ([Gov. Code §66493\(g\)](#)).

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

1063. PAYMENT OF TAXES PRIOR TO LOT-LINE ADJUSTMENT

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

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

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

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

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

1070-1071 General Overview: Special District Collections

1070. GENERAL INFORMATION

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

1071. PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCING

The Improvement Act of 1911, as amended today, allows cities and counties to form special districts to finance improvements using voluntary contractual assessments ([Sts. Hwy. Code §5898.12](#)). These assessments provide for the repayment of funds used for energy efficiency and water conservation improvements to real property ([Sts. Hwy. Code §5898.12\(b\)\(c\)](#)). PACE programs were created by municipalities and counties in California as a way for homeowners and small business owners to finance these voluntary energy and water

efficiency and clean energy improvements through voluntary contractual assessments ([Pub. Res. Code §26050\(a\)\(1\)](#)).

Property owners pay a portion of the assessment annually as part of their property tax payments. When property is transferred, sold, or foreclosed upon, any amount that is delinquent is due. The remainder of the assessment remains as a lien on the property.

Financing under PACE programs is done by the issuance of bonds by a public agency, such as the county, or through a loan from the public agency's funds. This is sometimes accomplished by the use of third-party program administrators to issue the bonds and provide funds to property owners ([§163](#), [BOE Letter to Assessors 2017/016](#)))

1100-1101 Billing Procedures and Requirements: General Information

1100. DELIVERY OF ASSESSMENT ROLL

The auditor is required to deliver the extended secured roll, with an affidavit attached, to the tax collector on or before the fourth Monday of September with an affixed affidavit subscribed by him, pursuant to [§2601\(a\)](#).

EXCEPTIONS:

- If the roll is a machine-prepared roll and the tax bills are, with the consent of the tax collector and the approval of the board of supervisors, also machine-prepared by the auditor, the auditor must deliver the extended tax roll on or before October 16 with an affixed affidavit subscribed by him, pursuant to ([§2601\(b\)](#)).
- An extension of 30 days may be granted to county tax collectors and auditors by the State Controller. In the case of an emergency, this can be extended up to 40 days ([§155.3](#)).

1101. ASSESSEE'S RESPONSIBILITY

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

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

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

1110-1112 Billing Procedures and Requirements: Tax Bill – Delivery

1110. GENERAL REQUIREMENT

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

Land once described on the roll need not be described a second time, but any person claiming and desiring to be assessed for it may have his or her name inserted with that of the original assessee [§610\(a\)](#).

A person is “claiming” property for purposes of being assessed only if he or she provides the assessor with one of the following supporting documents:

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

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

1111. TAX BILL TO PERSON OTHER THAN ASSESSEE

Any person may be authorized to pay a property tax bill on behalf of the assessee. When mailing a tax bill to an authorized person other than the assessee, the tax collector must send an information copy of the tax bill to the assessee. The copy shall clearly state that the copy is not a bill and that the original bill has been sent to another person for payment ([§2610.6](#)).

1112. FAILURE TO MAIL TAX BILL

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

The county has the option of canceling penalties for individuals who acquire secured property after the lien date ([§2610.5](#)).

1120-1128 Billing Procedures and Requirements: Tax Bill – Requirements

1120. INFORMATION ON THE TAX BILL

The following information shall be included in each county tax bill whether mailed, or electronically transmitted, or in a separate statement accompanying the tax bill ([§2611.6\(a-h\)](#)):

- The full value of locally assessed property, including assessments made for irrigation district purposes in accordance with [Water Code section 26625.1](#);
- The tax rate required by [Article XIII A](#) of the California State Constitution (1% of the full cash value);
- The rate or dollar amount of taxes levied in excess of the 1% limitation to pay for voter-approved indebtedness incurred before July 1, 1978, or bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986;
- The amount of any special taxes and special assessments levied;

- The amount of any tax rate reduction pursuant to [§96.8](#), with the notation, “Tax reduction by (name of jurisdiction).” The jurisdiction must be a local agency, school district, community college district, or county superintendent of schools ([§95\(b\)](#));
- The amount of any exemptions (exemptions reimbursable by the State are shown separately);
- The total taxes due on the property covered by the bill;
- Instructions on tendering payment, including the name and mailing address of the tax collector;
- A notice for the Property Tax Postponement program (the text of the statement is prepared by the Franchise Tax Board) ([§2615.6](#));
- Any descriptive information required pursuant to [Government Code section 53340.3](#);
- A notice that, if taxes are unpaid, delinquency penalties, costs, redemption penalties, and a redemption fee will be incurred ([§2611](#), manual section [1125](#));
- Information specifying all of the following ([§2611.6\(1-4\)](#)):
 - If the assessee disagrees with the assessed value as shown on the tax bill, the assessee has the right to an informal assessment review by contacting the assessor’s office;
 - If the assessee and the assessor are unable to agree on a proper assessed value pursuant to an informal assessment review, the assessee has the right to file an application for reduction in assessment for the following year with the county board of equalization or the assessment appeals board, as applicable, and the time during which the application will be accepted;
 - The address of the clerk of the county board of equalization, or the assessment appeals board, as applicable, where forms for an application for reduction may be obtained; and
 - If an informal or formal assessment review is requested, relief from penalties shall apply only to the difference between the county assessor’s final determination of value and the value on the assessment roll for the fiscal year covered.
- The billing of any special-purpose parcel tax as required by paragraph 2 of subdivision (b) of [Government Code section 53087.4](#).

NOTE: Not more than five assessment appeals boards may be created within any county. Assessment appeals boards shall be designated by number in the ordinance providing for his or her creation ([§1621](#)).

The State Controller’s Office sample form, *Tax Bill Checklist for Both Secured and Unsecured Taxes* ([SCO 2-01](#)), is a resource for designing new tax bills.

1121. DUE DATES

The due dates for tax bills established by statute are November 1 ([§2605](#), [2701](#)) and February 1 ([§2606](#), [§2702](#)). No other dates may be substituted.

1122. DELINQUENCY TIMES AND DATES

The delinquency times and dates established by statute are 5 p.m. or the close of business, whichever is later, on December 10, for the first installment ([§2617](#), [§2704](#)) and 5 p.m. or the close of business, whichever is later, on April 10, for the second installment ([§2618](#), [§2705](#)). As the penalties mentioned in manual section [1136](#) attach by operation of law, no other dates are authorized. For electronic payments, payment is accepted until midnight on April 10 and December 10.

1123. WEEKENDS AND HOLIDAYS

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

1124. TAX DEFAULTED PROPERTY

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

1125. REDEMPTION NOTICE

A notice must appear on the tax bill specifying that if taxes are unpaid, the assessee must pay ([§2611](#)):

- Delinquency penalties
- Costs
- Redemption penalties
- Redemption fee

Percentages or amounts are not required to be printed on the tax bill.

1126. WATER STANDBY CHARGES

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

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

1127. HOMEOWNERS' EXEMPTION INELIGIBILITY NOTICE

When the county sends a tax bill to an assessee who already received a homeowners' exemption the previous year, the tax bill shall include a notice concerning circumstances under which he or she becomes ineligible for the homeowners' exemption.

It is the assessee's duty to inform the assessor when he or she is no longer eligible for the exemption. The penalties applicable if the exemption continues must be included in the ineligibility notice. Failure to receive the notice shall not excuse the taxpayer of the duty to inform the assessor of his or her ineligibility for the exemption ([§2615.5](#)).

1128. MISCELLANEOUS

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

1130-1137 Billing and Procedure Requirements: Tax Bill – Recommended Format

1130. GENERAL INFORMATION

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

1131. YEAR

Print the lien year (e.g., “2016”) or the fiscal year (e.g., “2016-17”) in bold numerals on the face of the bill, as well as on all stubs or segments that are returned to the tax collector with payment.

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

1132. DESCRIPTION OF PROPERTY

Whatever portion of the tax bill is to serve as the assessee’s receipt, it should contain a description of the property. Such description should duplicate that which appears on the assessment roll.

1133. NAME AND ADDRESS

The assessee’s name and address, if known, should be prominently displayed on the tax bill. Property assessed to “unknown owners” or to other known descendants should also be billed. Use the most feasible mailing address. Mailing such bills may disclose unknown assesseees to the county.

1134. VALUES

The tax bill must separately show values for:

- Land
- Improvements
- Personal property
- Total taxable value
- Exemptions

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

EXCEPTION: The assessed value of the homeowners' property tax-exemption may not be combined with any other exemption value. Each exemption value must be shown separately ([§218](#), manual section [1127](#)).

1135. TAX-RATE AREA NUMBER

The tax-rate area number should appear on the face of the bill.

1136. PENALTIES AND COSTS

The delinquent penalty of 10% that attaches to both the first and second installments must be shown on each installment of the tax bill or on a separate statement that accompanies the bill ([§2617-§2618](#), [§2704-§2705](#)).

The \$10 charge that attaches upon delinquency of the second installment must also be shown on the tax bill or on a separate statement that accompanies the tax bill ([§2621](#), [§2706](#)).

1137. SHOW TAX REDUCTION ON BILL

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

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

1140. SEPARATE TAX BILLS

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

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

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

1141. SEPARATE TAX BILLS FOR CONDOMINIUMS

Whenever real property has been divided into condominiums, as defined in [Civil Code section 783](#), the initial seller or purchaser of an individual unit may request the county assessor to separately assess such unit and to send a separate tax bill to such purchaser for the current fiscal year. The request can be made at any time during the fiscal year ([§2188.6](#), manual section [1110](#)). However, condominium units may not be separately

assessed and billed if adequate security for the payment of the taxes has not been posted with the county ([Gov. Code §66493](#)).

1142. SEPARATE TAX BILLS FOR TIME-SHARE ESTATES

A “time-share estate” is defined as, “The right to occupy a time-share property, coupled with a freehold estate or an estate for years with a future interest in a timeshare property or a specific portion thereof” ([Bus. & Prof. §11212\(x\)\(1\)](#)).

Whenever real property has been divided into time-share estates, a written request may be made to the assessor for a separate assessment of each interest. When all of the conditions set forth in [§2188.8\(c\)](#) have been met, the assessor must separately assess and enroll each interest. A tax bill can then be issued to the owner of each time-share estate ([§2188.8\(a\)](#)).

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

Whenever a time-share is a leasehold interest in real property, a written request for a separate assessment of each interest may be made to the assessor. When all of the conditions of [§2188.9](#) have been met, the assessor separately assesses each time-share interest. However, the tax on the total assessment of the time-share project constitutes a lien on the entire project. The tax collector sends a single tax bill to the time-share project organization or homeowner’s association, with an itemized breakdown detailing the taxes applicable to each separately assessed interest ([§2188.9](#), manual section [6104](#)).

1143. SEWER CHARGES

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

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

1144. ADJUSTED OR “LATE” TAX BILLS

When an adjusted or “late” tax bill is issued due to an escape assessment, roll correction, cancellation of taxes, etc., the assessee has 30 days to pay without penalty ([§2610.5](#), manual section [1304](#)).

1145. CONSOLIDATED TAX STATEMENT

Adoption of a consolidated tax statement is at the discretion of the tax collector, and he or she must transmit a written memorandum to the board of supervisors and record the statement with the county recorder.

A tax collector who has elected to provide consolidated tax statements shall, upon written request by the assessee, issue a consolidated tax statement for all of the assessee's properties entered on the secured roll.

The person making the request must be the assessee, must provide a written request by September 1, and must provide the parcel numbers. Only one named assessee may request and receive a consolidated tax statement. A timely request is valid for those taxes levied for the first five fiscal years following the making of the request. The tax collector must print a notice on the back of each tax bill notifying each assessee of his or her right to request a consolidated tax statement. Included in the notice must be the fees, requirements, conditions, and limitations. The tax collector may charge a fee to provide a consolidated statement, not to exceed the amount to recover the costs incurred ([§2611.7](#)).

1200-1208 Payment Processing: Administrative Requirements

1200. TAX ADMINISTRATION AND COLLECTION

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

1201. PUBLICATION OF NOTICE

The tax collector is required by law to publish a notice on or before the day taxes are payable. For publication requirements, see manual section [9100](#) ([§2609](#)).

1202. COLLECTION IN EQUAL INSTALLMENTS

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

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

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

1203. DUE DATES

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

The tax collector has the authority to fix a date preceding the due date when payments may be made ([§2608](#)).

1204. AMOUNT DUE

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

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

1205. PAYMENTS

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

1206. METHOD OF PAYMENT

“Negotiable paper” is defined as checks, drafts, and money orders ([§2504](#)).

The tax collector may accept negotiable paper in payment of any tax, assessment, or redemption ([§2505](#)). This includes personal checks ([Attorney General Letter 3-6-46](#)). 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 assessee. To minimize extra handling in converting money, include a note with tax bills going to foreign addresses that payment must be made in U.S. funds or that an amount representing conversion charges must be included.

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

1207. PLACE OF PAYMENT

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

1208. THE COUNTY RECIPROCAL TAX ACCOUNTING (CORTAC)

The CORTAC process was established to allow lenders, loan servicing agents, or other entities (lenders) to make bulk payments for real property taxes either through a wire transfer or other mechanism, on behalf of the real property owners who are assessed by counties. The lenders agree to submit payment files, in a specific format, to the counties to facilitate bulk posting.

Under the CORTAC process:

- Lenders must first send the counties an electronic file identifying the real property parcels for which it will be submitting payment. These files must be received by a specific date, usually in August;
- The county will “flag” these parcels as having an impound or escrow account prior to issuing tax bills and place a notation on the tax bill that a lender has requested the tax information;
- The lender then requests a file containing all the amounts due for each installment, usually three times a year (first installment, second installment, and at the end of the fiscal year); and

- The Lender submits an electronic file when submitting payments that a counties can use to post the payments.

The CORTAC process allows counties to post bulk payments, sometimes containing thousands of payments, easily and without the requirement of processing checks.

1210-1215 Payment Processing: Electronic Fund Transfer Payment

1210. COLLECTIONS BY ELECTRONIC FUND TRANSFER

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

At the discretion of the tax collector, EFT payments may be accepted in payment of any tax, assessment, tax sale, or for redemption of property. The tax collector may, at his or her discretion, require any assessee, or any paying agent of an assessee, who has made an aggregate payment of \$50,000 or more on the two most recent regular installments on the secured roll to make subsequent payments by EFT. Any assessee or paying agent making an EFT payment shall provide any supporting documentation and electronic information requested by the tax collector. Such a payment shall be made to the bank account designated by the tax collector ([§2503.2\(a-c\)](#)).

Any costs incurred by the tax collector as a result of acceptance of an EFT payment shall be considered administrative costs of tax collection. If an EFT fails for any reason, the tax collector may charge the person who attempted the EFT a fee not to exceed the costs of:

- Processing the transfer;
- Providing a notice of non-acceptance to that person; and
- Making the required cancellations on the tax roll ([§2503.2\(d\)\(g\)](#)).

The amount of the fee shall be set by the governing body of the relevant city, county, or city and county, and it may be added to the tax bill and collected in the same manner as costs recovered according to [§2621](#).

1211. ADVANTAGES OF ELECTRONIC FUND TRANSFER (EFT)

The primary advantage of EFT is that it eliminates the time required for a paper check to be mailed, received, and cleared. An EFT is finalized on a specified date (i.e. the statutory delinquent dates, December 10 and April 10), and the funds can be made available to the county on the day a transaction is initiated or the day after, depending on the method of payment. EFT is less labor intensive, making it less expensive than a paper check for both the assessee and the county. This may improve the investment earnings of the county. In addition, EFT transactions should be less prone to error because the data involved need not be entered multiple times by multiple entities such as the banking system or the tax agency.

1212. AUTOMATED CLEARING HOUSE TRANSACTIONS

The Automated Clearing House (ACH) system is an electronic network of financial institutions that helps individuals and organizations move money from one bank to another. Federal Reserve Banks and private processors operate the ACH network, and electronic transactions can be accomplished nationwide.

With a credit transaction, the assessee initiates the transaction with his or her financial institution, which is also called the originating depository financial institution (ODFI) in ACH language. The assessee specifies the amount of the payment, the bank and account number of the county being paid, and the date the transaction is to be finalized. The assessee includes such information as the type of tax being paid, the assessee identification number, and the tax period covered. The ODFI combines this transaction or batch of transactions with those from other customers and transmits the entire “file” of transactions to its ACH operator. The ODFI charges the assessee’s account for the transaction at an agreed upon time.

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

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

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

An ACH debit transaction follows much of the same course as a credit transaction, but instead the assessee notifies the county and not the ODFI. The county then initiates the transaction through the ACH network with its financial institution.

Both ACH credit and debit transactions require a minimum of 24 hours or one day for processing. Unless there is a problem with a transaction, the assessee’s account will be debited and the county’s account will be credited on the specified date.

1213. FEDWIRE TRANSACTIONS

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

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

Acceptance of Fedwire payments is at the discretion of the tax collector ([§2503.2](#)).

1214. SWIFT TRANSACTIONS

SWIFT is used by banks to securely transfer money globally. This form of EFT is beneficial for assesseees who are out of the country but need to make a property tax payment. SWIFT global payments innovation (GPI) increases speed, transparency, and cross-border payment tracking. Over 110 banks from all over the world use SWIFT GPI, including the United States.

SWIFT GPI allows banks to:

- Immediately stop payments, no matter where it is in the correspondent banking chain;
- Transfer rich payment data along with the payment, including additional line item details necessary for compliance checks; and
- Use an international payment assistant to further increase the process payments.

1215. NOTICE TO ASSESSEES

The tax collector is not required to send specific notice to qualifying assesseees requiring them to make subsequent tax payments by EFT, but the tax collector should notify the assessee of future requirements. The tax collector may choose whatever method is acceptable to the county ([§2503.2](#)).

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

State Controller's Office sample forms, *Notice to Pay Real Property Taxes by Electric Fund Transfer (EFT)* ([SCO 1-09](#)) and *Notice to Pay Real Property Taxes by Electronic Fund Transfer (EFT): Second Notice* ([SCO 1-10](#)), are guides for providing notice to assesseees.

1220 Payment Processing: Credit Card Payment

1220. PAYMENT OF PROPERTY TAXES

The board of supervisors may authorize the acceptance of a credit card for payment of property taxes.

The use of a credit card immediately results in payment of the tax, provided that the transaction was successful. If any credit card transaction is not successful for any reason, any record of payment made is voided. The obligation to pay remains the assessee's responsibility.

The county may charge a fee for the use of a credit card and for all costs associated with a credit card draft. Any fees charged must be approved by the county board of supervisors ([Gov. Code §54986](#)). Any fees charged may be added to the tax bill and collected in the same manner as costs recovered pursuant to [§2621 \(§2511.1\)](#).

1230-1237 Payment Processing: Special Circumstances

1230. PARTIAL PAYMENT OF CURRENT TAXES

Notwithstanding any other provision of law, in the case of a deficiency in the payment of taxes, with the approval of the board of supervisors, a partial payment may be accepted from the assessee. The difference between the amount paid and the amount due should be treated as a delinquency in the same manner as any other delinquent tax ([§2636](#), [§2708](#), [§2927.6](#)).

1231. UNDERPAYMENTS AND INCORRECT AMOUNTS

Counties operating under [§4701-§4717](#), known as the “Teeter Plan,” must place the tax payment in a trust fund and immediately notify the assessee of the deficiency. The assessee may pay the balance due until the time the property becomes tax defaulted by operation of law. If the balance due is not paid on or before that date, the insufficient payment must be returned to the assessee and will become tax defaulted. The tax collector may accept payments that are within \$10 of the total due as payment in full ([§4717](#)).

Counties that do not operate under the “Teeter Plan” and do not accept partial payments of taxes pursuant to [§2607](#) or [§2703](#), whichever is applicable, should return the partial payment to the sender. A notification of the underpaid amount, a statement of the current amount due, and the reason for return of the remittance should accompany the returned partial payment. A copy of the notification should be retained.

See manual section [1522](#) for notification of shortage in payment of amount due; see also [Attorney General Opinion 6-16-72](#) ([§4985.2](#)).

1232. DISCOUNTING THE AMOUNT OF THE SECOND INSTALLMENT

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

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

1233. RETURNED CHECKS

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

After returning any unpaid negotiable paper to the depositing county officer, the tax collector may charge the person who attempted the payment a fee, not to exceed the cost of making required notifications to that person, processing the returned unpaid negotiable paper, and making the required cancellations on the tax roll ([Gov. Code §6157\(b\)](#)). The fee may be added to the tax bill and collected in the same manner as costs recovered under [§2621](#) ([§2509.1](#)).

The fee amount is set by the board of supervisors and is subject to the fee-review procedures required by [Government Code section 54986](#).

If a check is returned and the person or entity who made the check refuses to honor the same check within 30 days following a written demand, the person or entity shall be liable to the county for (in addition to the amount owed) damages of three times the amount of the check, but in no case less than \$100 nor more than \$1,500. The written demand must be sent by registered or certified mail to the payer. If the payer has not satisfied the amount owed within 30 days of the mailed notice, an action may be brought in small claims court or in any other appropriate court ([Civ. Code §1719](#), manual section [8156](#)).

1234. REMITTANCES BY MAIL

If a remittance is received through the United States mail, in a sealed envelope, properly addressed with the required postage prepaid, it shall be deemed to have been received by the tax collector to whom it was addressed on the date shown by the post office cancellation mark and within the time of delinquency specified by law for that date. If satisfactory proof is submitted that mailing occurred on an earlier date, the remittance should be accepted as received in a timely manner. By law, remittances received more than 30 days after the date and time set for payment need not be accepted ([§2512\(a\)](#)).

This section shall not, for purposes of applying of [§3707\(a\)](#), apply to a remittance sent by mail for the redemption of tax defaulted property ([§2512\(c\)](#)).

1234.1 REMITTANCES BY AN INDEPENDENT DELIVERY SERVICE

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

1234.2 REMITTANCE BY EFT

If a remittance to cover a payment, required by law to be made to a county prior to a specified date and hour, is made by an electronic payment option, the remittance shall be deemed received on the date the transaction was completed by the assessee, if the remittance was made on the county's authorized internet website or via the county's authorized telephone number. Proof of completion of the transaction in the form of a confirmation number or other convincing evidence shall be presented by the assessee to the satisfaction of the tax collector. This subdivision does not apply to payments by electronic fund transfer as provided in [§2503.1-§2503.2](#) ([§2512\(b\)](#)).

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

1235. PAYMENTS UNDER PROTEST

In accordance with [§619](#) and [§621](#), the law permits an assessee to make payment under protest and to petition for an assessment reduction when the assessor fails to send a notice to either:

- An assessee whose property was not on the prior-year's secured roll; or

- An assessee of real property on the local secured roll whose property's full value has been increased by more than the Consumer Price Index adjustment permitted by the [California State Constitution, Article XIII A, section 2](#) (also see [§51](#)).

A protest must be filed with the tax collector when the first installment of taxes is paid. It must be accompanied by a petition for assessment reduction on the form prescribed by the county board of supervisors. See State Controller's Office sample form, *Payment of Taxes Under Protest and Petition for Reduction of Assessment* ([SCO 1-01](#)).

The tax collector forwards the form to the clerk of the board of supervisors with the notation that taxes were paid under protest. The auditor may impound the taxes until the final disposition of the claim or action if it can be reasonably anticipated that the tax may be refunded in whole or in part ([§620](#), [Gov. Code §26906.1](#)).

1236. DUPLICATE PAYMENTS

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

Duplicate payments may be refunded by either the tax collector or the auditor within four years after payment ([§5096](#), [§5097.2](#), manual sections [1601-1602](#)).

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

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

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

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

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

1237. RETURN OF DUPLICATE PAYMENT

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

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

Replicated payments returned after 60 days must include interest calculated at the greater of 3% per annum or the county pool apportionment rate, if that interest is ten dollars or more ([§5151](#)). Replicated payments often occur because a tax has been paid by both the owner and an impound account, or by an escrow company unable to verify payment based on county records. These conditions often occur when a transfer of ownership is pending ([§2780-§2782](#)).

Counties that manually process payments usually can verify duplicates and return one of the two payments within a few days or weeks. Counties that use check processing machines ordinarily must refund replicated amounts.

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

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

1240-1246 Payment Processing: Collection on Part of an Assessment

1240. INTENT OF THE LAW

It is policy of the State to permit the payment of taxes on any parcel of real property separately valued from the whole assessment on the current roll if its description is executed on any recorded deed, purchase contract, deed of trust, mortgage, or final decree of court ([§2801](#)).

1241. DEFINITIONS FOR PURPOSES OF THIS SECTION

When collecting part of an assessment:

- “Improvements” are not a parcel separate from the land on which they are situated ([§2802\(a\)](#)).
- An “undivided interest” is a parcel that is separate from the whole assessment. This does not imply that the undivided interest must be separately assessed ([§2802\(b\)](#)).
- A “lien” is the charge against real property that ([§2802\(c\)](#)):
 - Is either created by the assessment of personal property, leasehold improvements, or possessory interests, or constituting a fixed amount credited by the special assessment or charge of a taxing agency or revenue district;
 - Includes special assessments or annual installments thereof, plus accrued interest and maintenance charges; and
 - Includes any and all other charges authorized by law to be levied against real property by any taxing agency or revenue district. This includes, but is not limited to, general tax or special tax levies ([Ca. Const. Art. XIII §1](#)), as well as weed abatement charges, water standby charges, availability charges, unpaid water bills, etc.

1242. SEPARATE PAYMENT OF LIEN

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

1243. TIMEFRAME FOR APPLICATION FOR SEGREGATION OF TAXES

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

1244. REMOVAL OF A SPECIFIC LIEN

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

1245. COMPUTATION OF TAXES

The taxes on personal property, leasehold improvements, possessory interests, special assessments, or other charges, as defined in [§2802\(c\)](#), must be paid in full together with, or prior to, the taxes on the separately valued parcel of real property. As these items must be paid in full, a common practice is to prepare separate tax bills for them and for the separately valued parcel of real property. This permits the payment of current taxes in installments on the separately valued parcel of real property.

The taxes on the separately valued parcel are computed by multiplying the assessed value(s) of the parcel by the appropriate tax rate(s).

If penalties or costs have been applied to the original assessment, these penalties and costs are prorated to the respective taxes computed in this section.

1246. ENTRIES ON ROLL

All separately valued parcels and all other assessed values on which the taxes were paid, including any assessments or charges that constitute liens against the real property, should be indicated paid, and the amount of taxes paid should be shown on the roll. The roll must reflect the assessed values remaining unpaid and the balance of the taxes yet due and payable ([§2614](#)).

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

The data and record shall be stored so that they can be made readily available to the public ([§109.6](#)).

1250-1258 Payment Processing: Separate Valuation

1250. ELIGIBILITY REQUIREMENTS

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

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

1251. APPLICATION REQUIREMENTS

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

- Upon approval of the board of supervisors, require that the applicant notify the property owners;
- Upon approval of the board of supervisors, allow these applications between July 1 and March 31;
- If any lien not determined by the application of a tax rate on a valuation of property has been levied or placed on the whole assessment, the application may be accompanied by the certification of the taxing agency or revenue district authorized by law to levy or place a lien. This certification sets 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 ([§2821](#)); and
- The board of supervisors may provide that a parcel with a lien against it and other property, pursuant to the Improvement Act of 1911 ([Sts. & Hwy. Code §5000-§6794](#)) or the Improvement Bond Act of 1915 ([Sts. & Hwy. Code §8500-§8887](#)), will not be separately valued unless a request has been made to the agency levying the bond lien for a division of land and bond. A copy of the requested division of land and bond shall accompany the request for separate property tax valuation ([§2821](#)).

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

The application may include a request that the tax created by the assessment of personal property, leasehold improvements, or possessory interest on the whole assessment be:

- Allowed to remain as a lien on the parcel sought to be separately valued;
- Paid in full by the applicant; or
- Attached to the applicant's parcel so that these taxes can be paid at the same time as the taxes on the segregated parcel of real property ([§2821](#)).

The assessor must determine whether the value of the applicant's parcel is sufficient to secure a lien for payment of taxes ([§2823\(f\)](#)). If the assessor determines that the value is insufficient, the value of the personal

property, leasehold improvements, or possessory interest is prorated in the ratio that the value of the real property of the applicant's parcel bears to the real property in the original assessment ([§2826\(b\)](#)).

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

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

A separate valuation cannot be made of any parcel covered by a subdivision map that has been filed for record after the lien date preceding the current fiscal year. A parcel cannot be segregated or separately valued into more than four parcels, including the parcel remaining. However, this prohibition does not apply in any county in which the board of supervisors provides for a separate valuation pursuant to an ordinance adopted by a majority vote of the board ([§2823\(b\)](#)).

See the State Controller's Office sample form, *Application for Tax Segregation* ([SCO 1-02](#)).

1252. APPLICATION TO ASSESSOR

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

1253. VALUATIONS TO AUDITOR

When the valuations have been determined, the assessor transmits the application to the auditor. The auditor then enters the descriptions on the roll, along with his or her computation of the taxes due thereon ([§2824](#)).

1254. COMPUTATION OF TAXES

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

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

1255. DELINQUENT PENALTIES AND COSTS

Applicable delinquent penalties and costs are computed by first determining the ratio factor in the same manner set forth in manual section [1251](#), then multiplying the penalties and costs by that ratio factor ([§2826](#)).

1256. BALANCE REMAINING

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

1257. UNDIVIDED INTERESTS

Applications for separate valuation of undivided interests must be submitted to the assessor for determination of separate value ([§2188.11](#), [§2823](#), manual section [1252](#)).

1258. SEGREGATIONS: NONRESIDENTIAL SUBDIVISIONS

The board of supervisors may authorize the county assessor, the auditor, and the tax collector to prorate the amounts of past-due property taxes and assessment liens, plus any interest and penalties that may have accrued, among the various parcels in a nonresidential subdivision ([§2823\(e\)](#)).

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

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

1260-1265 Payment Processing: Post-Payment Requirements

1260. RECEIPTS FOR PAYMENT OF TAXES

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

Receipts must contain:

- The amount of tax paid;
- The fiscal year and installment for which the tax is paid; and
- The description of the property ([§2615](#)).

1261. PAYMENTS BY MAIL

A receipt is not required for a payment received by mail. However, a receipt may be requested by the person making the payment ([§2615](#)).

1262. POSTING PAYMENTS

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

The consent of the auditor and the tax collector and the approval of the board of supervisors must be obtained when recording payments in electronic data processing records. Data normally appearing on an extended roll and abstract list may be retained in electronic data processing equipment and no physical document need be prepared ([§2601](#)). Notwithstanding any other provisions of the Revenue and Taxation Code, where no physical

document of the extended roll and abstract list is prepared, all entries required to be made on the extended roll and abstract list shall be entered into the electronic data processing records. The data must be stored so that it can be made readily available to the public in an understandable form ([§109.6](#)).

1263. DEPOSITS OF MONEY COLLECTED

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

1264. LIEN PRIORITY

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

1265. DISTRIBUTION OF PROCEEDS FROM OTHER SALES

Upon the sale, led under legal process, of any real property on which ad valorem property taxes or assessments are due and unpaid, the proceeds from that sale shall be transmitted by the conducting officer to the officer responsible for the collection of those taxes and assessments. The proceeds must first be applied to payment of any necessary and incidental sale expenses, and the remaining sale proceeds are applied to the amount of unpaid ad valorem property taxes and assessments ([§2192.2](#)).

NOTE: Tax sales as a result of defaulted taxes, pursuant to Chapter 7 of the Revenue and Taxation Code, and sales pursuant to [Civil Code §2920-§2944.1](#), are exempted from this procedure ([§2192.2](#)).

1300-1306 Delinquency: General Information

1300. DELINQUENT TIMES AND DATES

The first installment becomes delinquent at 5 p.m. or the close of business, whichever is later, on December 10; the second installment becomes delinquent at 5 p.m. or the close of business, whichever is later, on April 10. For electronic payments, payment is accepted until midnight on April 10 and December 10 ([§2617-§2618](#), [§2704-§2705](#)).

1301. WEEKENDS AND HOLIDAYS

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

1302. PAYMENTS BY MAIL

For payments received by mail after the delinquency date, see manual section [1234](#).

1303. PENALTIES

If either the first or the second installment becomes delinquent, a penalty of 10% is attached to it ([§2617-§2618](#), [§2704-§2705](#)).

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

1304. PENALTIES ON ADJUSTED OR "LATE" TAX BILLS

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

For additional information, see manual section [1144](#).

1305. COST CHARGE

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

- Real property;
- Possessory interests; and
- Personal property cross-secured to real property.

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

1306. DELINQUENT LIST

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

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

1400-1408 Corrections: General Information

1400. GENERAL APPLICATION

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

1401. WHO MAY CORRECT THE ROLL

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

The board of supervisors may also appoint any county officer other than the auditor to perform on its behalf, unless otherwise enforced upon the board of supervisors by the California State Constitution ([§4804](#)).

1402. CHANGE IN AMOUNT OF TAX

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

1403. TRANSFER OF PAYMENT BEFORE CHANGE OF TITLE

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

If the intended property is tax defaulted and transfer of the payment on the unintended property has been made pursuant to [§4911](#) and [§4911.1](#), the tax default on the intended property must then be canceled. See manual section [5500 et seq.](#)

1404. TRANSFER OF PAYMENT AFTER CHANGE OF TITLE

If, through no fault of the assessee or his or her agent, the payment of taxes has been mistakenly applied by the tax collector to other than the property intended, the tax collector must transfer the payment, in full, to the intended property and cancel the credit on the unintended property.

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

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

If any person mistakenly paid an amount of tax and there is no property of that person in the county, the tax collector must cancel the payment and return the amount paid.

1405. FILING OF CANCELLATION VOUCHER

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

The State Controller's Office sample form, *Transfer of Credit* ([SCO 1-03](#)), is recommended for use as the cancellation voucher.

1406. NOTICE AND HEARING

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

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

1407. PAYMENT OF BALANCE DUE

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

1408. REFUND OF EXCESS

If the amount transferred exceeds the amount due, the excess should be refunded. If the refund is completed within 90 days after the date of payment, it may be made by the tax collector ([§4916](#)). Otherwise, the refund must be processed within four years after the payment date by either the tax collector or the auditor ([§5097.2](#)).

1410-1414 Corrections: Errors

1410. ERRORS ON THE ROLL

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

- Errors involving the exercise of value judgments; and

- Escape assessments caused by the assessee's failure to report the information required by [§441-§470](#).

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

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

Assessments based on erroneous information supplied by the assessee may be corrected within the time limitation imposed by [§532-§532.1](#) ([§4831.5](#)). Most corrections must be made within four years from July 1 of the assessment year in which a problem occurs. An escape involving fraud or willful concealment may be corrected within six years after July 1 of the year in which the escape occurs. When a lien on real property on the secured roll is improperly or illegally, it can be canceled and then re-entered, either as cross-secured to other real property or on the unsecured roll, as provided in [§4840](#).

1411. AUDITOR ERRORS

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

1412. TAX COLLECTOR ERRORS

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

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

1413. ERRORS ON THE STATE DEPARTMENT OF TAX AND FEE ADMINISTRATION'S ROLL

Errors on the State Department of Tax and Fee Administration's roll, subject to the limitations set forth in [§4876-§4876.5](#), may be corrected within four years after the assessment was made or within the period for which a waiver was given, pursuant to [§868](#). Upon receipt of the statement of correction from the State Department of Tax and Fee Administration ([§4879](#)), the auditor must enter the correction on the roll and adjust the account with the tax collector accordingly ([§4880](#)).

1414. ERRORS NOT OTHERWISE CORRECTABLE

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

1420-1423 Corrections: Disaster Relief

1420. APPLICATION TO ASSESSOR FOR REASSESSMENT AND TAX DEFERRAL

An assessee may apply to the county assessor to defer payment of the property tax installment for an eligible property's current taxes at the time a claim for reassessment is filed ([§194.1](#)). Eligible property as defined in [§194](#).

Note: Property taxes paid through impound accounts are not eligible for a tax deferment ([§194.1\(d\)](#)).

1421. TAX DEFERMENT

Property taxes eligible for the tax deferment are those due no later than the date immediately following the disaster which caused substantial disaster damage ([§194\(f\)](#), [§194.1\(a\)](#)).

1422. PAYMENT FOLLOWING REASSESSMENT

If the property is reassessed and a corrected bill has been sent to the property owner, deferred taxes on the corrected bill are due and payable as follows ([§194.1\(b\)\(1\)](#)):

- December 10 for the first installment or within 30 days after the date the corrected bill is mailed or electronically transmitted to the owner, whichever is later.
- April 10 for the second installment or within 30 days after the date the corrected bill is mailed or electronically transmitted to the property owner, whichever is later.

1423. PAYMENT FOLLOWING DENIAL

If the assessor determines that the property is not eligible to be reassessed and the property owner has been notified by the assessor of his or her decision, the taxes deferred for the current year taxes are due and payable as follows ([§194.1\(b\)\(2\)](#)):

- December 10 if the first installment of taxes was deferred or within 30 days from the latter of the mailing date printed on the assessor's notice or the postmark date on the assessor's notice, whichever is later
- April 10 if the second installment of taxes was deferred or within 30 days from the latter of the mailing date printed on the assessor's notice or the postmark date on the assessor's notice, whichever is later.

If deferred taxes are not paid timely, the taxes become delinquent and are subject to penalties ([§194.1\(b\)\(2\)](#), [§2610.5](#)).

1500-1501 Cancellations: General Information

1500. FORM AND CONTENTS

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

1501. COPIES

Copies of the petition for cancelation should be furnished to the board of supervisors, the auditor, the tax collector, and, if requested, the assessor.

1510-1511 Cancellations: Posting Rolls

1510. LOCAL ROLL

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

1511. THE STATE DEPARTMENT OF TAX AND FEE ADMINISTRATION'S ROLL

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

1520-1524 Cancellations: Types of Cancellations

1520. ERRONEOUS OR ILLEGAL ASSESSMENTS

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

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

1521. UNENFORCEABLE TAX LIEN

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

If the board of supervisors determines that the tax should be enforced, they must order the assessor to place the uncollected taxes on the next roll. The procedure for rescinding the cancellation is provided in [§4946-§4948](#).

1522. PENALTIES AND COST

The tax collector or the auditor may cancel any uncollected delinquent penalty, redemption penalty, cost, or other charge that resulted from tax delinquency ([§4985.2](#)).

The tax collector or the auditor can cancel penalties and costs if circumstances beyond the assessee's control prevented him or her from making a timely payment.

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

- The principal payment is made no later than June 30 of the fourth fiscal year following the fiscal year in which the tax became delinquent;
- The assessee makes an inadvertent error in the amount of payment, provided the principal payment for the proper amount of the tax due is made within ten days after the notice of shortage is mailed by the tax collector ([§4985.2](#)); or
- The cancellation is ordered by a local, state, or federal court.

NOTE: When the assessee is making installment payments in accordance with [§4837.5](#), then [§4985.2](#) does not apply.

The Federal Deposit Insurance Corporation (FDIC) and the Resolution Trust Corporation (RTC) 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 ([Federal Deposit Insurance Act, 12 U.S.C. 1825, Section 15, \(B\)\(3\)](#)).

1523. ASSESSMENT APPEAL

In the case of cancellations made to the roll pursuant to [§1646.1](#), where an assessee has failed to pay an amount of tax computed upon assessed value that is the subject of a pending assessment appeal, the relief from penalties shall apply only to the difference between the board of supervisors' final determination of value and the value on the assessment roll for the fiscal year covered by the application ([§4985.3\(a\)](#)).

If an assessee will be impacted by the penalty provisions of [§4985.3](#), the county board of supervisors will send a notice, pursuant to [§4833.1](#), of the requirements or present the notice to the assessee upon filing an application for assessment reduction with the county board.

For any assessee who has paid at least 80% of the amount of tax finally determined due by the board of supervisors, within 60 days of mailing or presentation of the notice prescribed, the tax collector shall accept payment of the balance of the tax due without penalties or interest ([§4985.3\(c\)](#)).

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

This procedure outlined in [§4833.1](#) will become operative only if the county board of supervisors, with the approval of the county's tax collector and the county's auditor, adopts a resolution or ordinance approving such procedure ([§4985.3\(e\)](#)).

1524. AMOUNT TOO SMALL

On the recommendation of the tax collector, the auditor may cancel any tax bill if the total amount is so small that it does not justify the cost of collection ([§4986.8](#)).

1530-1532 Cancellations: Double Assessments

1530. TO SAME PARTY

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

1531. TWO DIFFERENT PARTIES

When property has been assessed to two different parties, the incorrect assessment shall be canceled ([§4986](#)).

1532. BY DIFFERENT COUNTIES

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

1540-1547 Cancellations: Acquisition by Public Entity

1540. NEGOTIATED PURCHASE

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

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

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

If the amount of taxes or special assessment liens is unknown, the portion of the current taxes attributable to the period of the fiscal year that ends on the day before the date of apportionment shall be determined by the

auditor. This is done on a prorated basis of the previous year's taxes and paid to the tax collector. The auditor must adjust the assessment roll and the tax charge accordingly ([§5086\(c\)](#)).

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

1541. EMINENT DOMAIN

The proportionate share of current and delinquent taxes, penalties, and costs that have accrued against the property prorated to the date of possession by a public entity, shall be certified to the court by the tax collector ([Code Civ. Proc. §1260.250\(c\)\(3\)](#)).

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

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

1542. ALTERNATIVE

The board of supervisors may direct that all delinquent taxes, penalties and costs, and a prorated share of current taxes, penalties, and costs accrued while on the secured roll, computed in accordance with [§5081-§5091](#), shall be transferred to the unsecured roll and collected pursuant to [§2921.5](#). Amounts transferred shall continue to be subject to delinquent penalties until the amounts are paid, and the total amount is collectible from either the person from whom the property was acquired or the public entity that acquired the property. If such transfer is made or has been made, the court will not make any award of taxes payable to the tax collector in the eminent domain proceedings ([§5087-§5088](#), [§5090](#)). Proration of current taxes shall be based upon the date specified in the [Code of Civil Procedure section 1260.250\(c\)\(3\)](#).

1543. PARTIAL ACQUISITION

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

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

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

1545. FORECLOSURE BY PUBLIC ENTITY

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

NOTE: This change of ownership is not one that empowers the county to transfer taxes to the unsecured roll ([§5090](#)). As the property is still subject to sale for delinquent taxes, the former assessee is not personally liable for secured taxes (manual sections [1540-1541](#)).

1546. STRIPS AND ROADS

Strips, lots, or parcels identified on either a filed or recorded subdivision map or a record of survey map as streets or roads dedicated to public use are tax-exempt if they are accepted by the board of supervisors, or accepted through prescription, such as long-continued public use.

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

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

1547. ASSESSMENT BOND FORECLOSURE

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

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

1600-1602 Refunds: General Requirements

1600. BACKGROUND

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

1601. BY TAX COLLECTOR OR AUDITOR

Any taxes paid before or after delinquency may be refunded by either the tax collector or the auditor within four years after the date of payment if ([§5097.2](#)):

- The taxes have been paid more than once;

- The amount paid exceeds the amount due as shown on the roll by an amount greater than \$10;
- The amount paid exceeds the amount due as the result of corrections or cancellations ordered by the board of supervisors after such taxes were paid;
- In any other case, where a claim is made under penalty of perjury and is for an amount less than \$10; or
- The amount paid exceeds the amount due on the property because of a reduction attributable to a hearing before an assessment appeals board or an assessment-hearing officer.

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

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

1602. NOTICE OF REFUND DUE

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

The notice shall be mailed to the assessee's last known address. It shall state the amount of the overpayment and the fact that a claim for the refund may be filed pursuant to [§5096](#). No notice need be mailed by the tax collector if the amount of the refund due does not exceed \$10 ([§2635](#)). See State Controller's Office sample form, *Notice of Refund Due* ([SCO 1-05](#)).

1610-1618 Refunds: Types Permissible

1610. GENERAL APPLICATION

Taxes paid before or after delinquency, including penalties and costs ([§5107](#)), shall be refunded if they have been ([§5096](#)):

- Paid more than once;
- Erroneously or illegally collected;
- Illegally assessed or levied;
- Paid on an assessment in excess of the ratio of assessed value to the full value of the property, by reason of the assessor's clerical error or upon erroneous information supplied by the assessee;
- Paid on an assessment of improvements that did not exist on the lien date;
- Paid on an assessment in excess of the equalized value as determined pursuant to [§1609.8](#); or
- Paid on an assessment in excess of the value of the property as determined by the assessor pursuant to [§469](#).

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

NOTE: The intent of [§5096](#) is to prevent the inequitable retention of money that has been improperly collected. However, taxes that were mistakenly paid on wrong property, not because of any error in the levy or collection process, are not erroneously collected. In such instances, taxes are "erroneously paid" by a volunteer, and a

refund is not required under these circumstances ([§5096](#), [Sierra Investment Corp. v. County of Sacramento \(1967\) 252 Cal. 2d 339, 343-344 \[60 Cal. Rptr. 519, 522\]](#)).

1611. REFUND WITHOUT FILING CLAIM

When a person has any taxable interest in land owned by the state or federal government and his or her liability for such taxes is affected due to a misfortune or calamity, there may be a reassessment of the property in its damaged condition. Any tax paid in excess of the total tax due after reassessment shall be refunded to the assessee, pursuant to [§5096-§5170](#) ([§170](#)).

NOTE: The county board of supervisors must enact an ordinance to make [§170](#) operative.

1612. APPLICATION OF REFUNDS

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

1613. APPLICATION OF REFUND TO FUTURE TAX LIABILITIES

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

1614. FAILURE TO FILE FOR EXEMPTION

Failure to comply with exemption requirements, including timely filing, constitutes a waiver of tax-exempt status ([§260](#)). However, [§270-§279.5](#) provides that, under specified circumstances, failure to comply may be excused and the assessment of otherwise tax-exempt property may be canceled (or a tax may be partially canceled and any tax paid refunded upon timely application).

1615. NEGOTIATED PURCHASE - PUBLIC AGENCY

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

1616. EMINENT DOMAIN - PUBLIC AGENCY

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

1617. DISASTER RELIEF REFUNDS

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

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

1618. REFUND OF CITY AND DISTRICT TAXES

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

1620-1626 Refunds: Procedural Requirements to Initiate

1620. CLAIM REQUIRED

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

EXCEPTIONS: The county board of supervisors may adopt a resolution or ordinance that allows for the refund of taxes or assessments to be paid to the assessee of that property or to the latest recorded owner of that property, as shown on the tax roll, without a claim for refund filed if both of the following conditions are met ([§5105](#)):

- There has been no transfer of the property during or since the fiscal year for which the taxes subject to refund were levied.
- The amount of the refund is less than five thousand dollars (\$5,000).

Additionally, 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 ([§5097.2](#)):

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

The claim must be filed for both secured and unsecured taxes in order to comply with necessary administrative procedures before filing a court action ([§5140](#), manual sections [1630](#), [2171](#), and [2175](#)).

NOTE: The law requires a verification on all claims for refund before a refund can be made ([§5097\(a\)\(1\)](#)). See the State Controller's Office sample form, *Claim Refund of Taxes* ([SCO 1-06](#)).

1621. CLAIM FOR REFUND BY MAIL

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

1622. CONTENTS OF CLAIM

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

1623. IMPOUNDING OF FUNDS

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

1624. TIME LIMITATIONS

If a verified, written claim for refund is filed, the following time frames apply (manual section [1620](#)):

- Except as provided in [§5097\(a\)\(3\)](#), the claim for refund must be filed four years after the making of the original payment or within one of the following, whichever is later ([§5097\(a\)\(2\)](#)):
 - Within one year after the mailing of the notice as prescribed in ([§2635](#));
 - The period agreed upon by the assessor and the assessee ([§532.1](#)); or
 - Within 60 days of the date of the notice by the auditor ([§4836\(a\)](#)).
- An application for a reduction of an assessment filed under [§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 [§1603-§1604](#) within the time frame specified in [§5097\(a\)\(3\)](#) ([§5097\(b\)](#)).
- If an application for equalization of an escape assessment is filed pursuant to [§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 [§5097\(a\)\(3\)](#) ([§5097\(c\)](#)).

1625. COMPUTATION OF AMOUNT

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

1626. 1915 ACT BOND ASSESSMENTS

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

With the repeal of the protest provision, [§5140-§5149.5](#) provides for the filing of an action against a city only in superior court, but not in the small claims division, if the city council has refused to refund on a claim filed pursuant to [§5096-§5107](#) (manual sections [1235](#) and [1601](#)).

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

1630-1632 Refunds: Alternative Procedures

1630. COURT ACTION

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

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

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

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

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

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

1631. UNCLAIMED REFUNDABLE AMOUNTS

After the time limitation for filing a claim for refund has expired under [§5097](#) (manual sections [1624](#) and [5611](#)), any unclaimed amounts that are otherwise refundable may be transferred to the county General Fund on order of the County Board of Supervisors ([§5102](#)).

NOTE: Certain circumstances permit refunds to be issued without a claim being filed. See [§5105](#) and manual section [5610](#)

1632. INTEREST ON REFUNDS

In any action in which the recovery of a penalty assessed, pursuant to [§830\(c\)\(1\)\(2\)\(3\)](#) (failure to file property statements), is allowed by the court, the plaintiff shall be entitled to interest on the penalties for which recovery is allowed. This interest shall be calculated at the applicable rate or rates in effect and payable on a refund of tax, as provided in [§5151](#).

This interest shall be payable from the date of filing of the claim for refund, but no earlier than the date of payment of the penalty or installments to be refunded, to the date of entry of judgment. This accrued interest shall be included in the judgment.

Interest at the greater of 3% per annum or the county pool apportioned rate shall be paid on all refunds of ten dollars or more if the assessee has filed a claim for refund within 30 days after receiving notice of overpayment, pursuant to [§2635](#). The interest must be paid on amounts refunded to an assessee for any reason. When interest is due to the assessee, it must be computed pursuant to [§5151](#).

1700-1706 Escape Assessments: Procedural Information

1700. GENERAL APPLICATION

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

1701. TAX-DEEDED TO TAXING AGENCY

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

Owners of property are prevented, as described in [§531.7](#), from avoiding taxes by allowing his or her property to become tax-deeded to a taxing agency other than the State, such as an irrigation district, and subsequently regaining title by redemption, free of intervening taxes that could have been levied on the county roll but for the tax-exempt status. This provision is applicable if:

- The property has not been declared to be tax defaulted for delinquent taxes;
- The property has been redeemed from the tax sale and deeded to the taxing agency; or
- The tax deed to the taxing agency has been held to be invalid and has been canceled, provided that the statute of limitations in [§532](#) does not apply.

1702. EXEMPTIONS INCORRECTLY ALLOWED

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

1703. ENTRY ON ROLL

Escape assessments are entered on the roll for the current year. If this is not the roll for the assessment year in which the property escaped assessment, the entry must be followed with “Escape assessment for the year 20__” ([§533](#)).

NOTE: “Assessment year” is defined as covering the period beginning with the lien date and terminating immediately prior to the next succeeding lien date ([§118](#)).

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

Escaped property is treated like property regularly assessed on the roll on which it is entered ([§534\(a\)](#)). This means it is entitled to and subject to county equalization, pursuant to the provisions of [§1605](#).

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

Receipt by the assessee of a tax bill based on the escape assessment satisfies the requirements of notice ([§534\(3\)](#), [§1605\(e\)](#)).

NOTE: When an increase in property tax occurs due to an escape assessment, the assessee has the option of paying the additional tax over a four-year period ([§4837.5\(a\)](#), manual sections [1740-1741](#)).

1705. TAX COMPUTATION: INTEREST CHARGEABLE

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

NOTE: The delinquent penalty should not be added to an escape assessment when it is enrolled ([§2617-§2618](#), [§2704-§2705](#), [2922](#)). However, the assessor must add a 25% penalty to some escapes for willful concealment or a 75% penalty for fraud, omission, or collusion. The interest under [§506](#) also applies to the 25% penalty. When calculating interest for secured escape assessments, the tax must be divided so that interest is applied on half of the amount from December 10 and on the other half from April 10.

1706. ADJUSTMENT OF CHARGES

Charges added to the roll after it has been delivered to the tax collector require the auditor to make the necessary changes on the account of the tax collector ([§2604](#)).

1710-1711 Escape Assessments: Time Limitations

1710. NON-PENAL ESCAPE ASSESSMENTS

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

1711. PENAL ESCAPE ASSESSMENTS

Any assessment to which the 25% penalty, provided for in [§504](#), must be added within six years after July 1 of the assessment year in which the property escaped assessment or was under-assessed ([§532](#)).

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

1720-1724 Escape Assessments: Real Property

1720. LIEN CREATED

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

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

- Been transferred or conveyed to a bona fide purchaser for value; or
- Become subject to a lien of a bona fide encumbrance for value.

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

From the date of entry on the unsecured roll, a certificate of lien may be recorded against the assessee who is liable for the taxes, including any penalties and costs, in accordance with [§2191.3](#). See the State Controller's Office sample form, *Certificate of Lien for Unsecured Property Taxes* ([SCO 2-02](#)), for an example. From the date of recording, such a certificate of lien attaches against any personal or real property owned by such person in the county or counties where the certificate is recorded ([§2191.4](#), manual section [2340](#)).

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

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

1721. PENAL ASSESSMENTS

If any person escapes assessment of real property through either a fraudulent act or omission, by collusion with the assessor, or by an exemption incorrectly allowed upon the willful submission of erroneous or incomplete information, the property shall be assessed by the assessor ([§504](#)). The assessor must impose a penalty assessment equal to 25% of the value of the property that escaped assessment if an assessee willfully conceals, fails to disclose, removes, transfers or misrepresents tangible property ([§504](#)). The assessor must impose a penalty assessment equal to 75% of the value of the property that escaped assessment if the assessee is found responsible for any fraudulent acts on taxable property ([§503](#), [531.1](#)).

The assessment and the penalty are entered on the secured roll by the assessor, pursuant to rules prescribed by the State Department of Tax and Fee Administration ([§505](#)).

The tax and the added interest are computed pursuant to the formulas provided in [§506](#) (manual section [1705](#)).

1722. PROBATE PROCEEDINGS

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

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

1723. ESCAPE ENTRY ON THE SECURED ROLL

When the sale of such property occurs after July 1, an entry is made on the secured roll and the escape assessment is transferred to the unsecured roll in the name of the person who would have been the assessee or heir on the lien date ([§531.2\(a-b\)](#)).

The heir (the assessee on the lien date) is liable for the escape assessment on the regular roll. Taxes resulting from escape assessments shall be prorated only if the board of supervisors has adopted a resolution approving proration ([§531.2\(c\)\(1\)](#)).

Proration shall be between the following entities ([§531.2\(c\)\(2\)](#)):

- The person who would have been the assessee if the change in ownership had not occurred; and
- The person who purchased the property.

If the real property has been transferred or conveyed to a bona fide purchaser for value more than once during the year of escape or assessment, each owner of record during that period is liable for a pro rata share of taxes based on the length of time each was the owner of record of the real property ([§531.2\(c\)\(3\)](#)).

When the assessor has identified the fact and amount of the escape assessment, the assessor shall identify the owners of record during the year of escape assessment. Once the owners of record are identified, the assessor shall determine the date of ownership for each owner ([§531.2\(c\)\(4\)](#)).

The auditor shall compute the respective prorated shares of taxes for each owner of record. The share of taxes of the current owner of the real property shall be placed on the secured roll as a lien on the parcel for which the escaped assessment was discovered ([§531.2\(c\)\(5\)](#)).

1724. CHANGE IN OWNERSHIP STATEMENT

If a change in ownership statement is filed in a timely manner, the assessor must reassess the property and process the assessment prior to the sale of the property. It is the responsibility of the administrator or executor of the decedent's estate to file a change of ownership statement at the time the inventory and appraisement is filed with the court ([§480](#)).

1730-1731 Escape Assessments: Personal Property

1730. LIEN CREATED

Escape assessments on personal property are enrolled by the assessor on either the secured or the unsecured roll ([§109](#), [§531](#), manual section [1703](#)).

1731. PENAL ASSESSMENTS

If personal property escapes assessment through a willful act or omission on the part of the assessee, it is subject to a penalty equal to 25% of the value of the property that escaped assessment. If personal property escapes assessment due to a fraudulent act on the part of the assessee, or due to collusion between the assessee or his or her agent and the assessor or any of his or her deputies, it is subject to a penalty equal to 75% of the value of the property that escaped assessment ([§503-§504](#), [§531](#), [§531.3](#), [§531.5](#)).

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

1740-1741 Escape Assessments: Collection

1740. INSTALLMENT COLLECTION OF TAX INCREASE

When an increase in property tax, whether secured or unsecured, results from either an escape assessment or correction of an error on the roll, the assessee has the option of paying the tax over a four-year period ([§4837.5\(a\)](#)).

Effective January 1, 1984, [§4837.5](#) was added to the law to replace the three-year installment plan (formerly [§534.5](#)) and the eight-year installment plan (formerly [§532.5](#)). Its provisions apply to both the secured and unsecured assessment rolls, as follows:

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

1741. FOUR-YEAR (FIVE-PAYMENT) PLAN

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

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

An assessee who elects to make installment payments for a secured escape must file a written request for an installment payment plan prior to 5 p.m. on April 10 or by 5 p.m. on the last day of the month following the

month in which the tax bill is mailed, whichever is later. For unsecured escapes, the written request for installment payments must be filed with the tax collector prior to 5 p.m. on August 31 ([§4837.5\(a\)\(2\)](#)).

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

In each subsequent fiscal year, the assessee must pay all current year's taxes and a sum sufficient to reduce the outstanding balance of the escape tax by at least 20% of the original amount. This sum must be paid before the delinquency date of the second installment of taxes on the secured roll (April 10) ([§4837.5\(b\)](#)).

In the case of unsecured taxes, the required annual installment must be paid on or before August 31 ([§4837.5\(b\)](#)).

The tax collector may file the certificate of lien against unsecured escapes for collection if the plan is defaulted. The certificate must be filed, without fee, in the office of the county recorder of any county. The certificate must show that the computation and levy of the tax have complied with the amount due, the name, and the last known address of the assessee liable for the amount. If known, the certificate should also contain the last four digits of the assessee's social security number ([§2191.3](#)).

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

No penalties shall be charged as long as installment payments are made in a timely manner. In the case of secured taxes, as long as all payments are made in a timely manner, the tax collector may not publish an affidavit of tax default pursuant to [§3371](#).

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

The escape installment plan is sometimes referred to as an "off-roll assessment" because the tax charge is established in the year in which the assessor enrolls the escape. The charge is reintroduced to the current roll by the auditor only if the assessee defaults the plan ([§4837.5\(e\)](#)).

The plan is defaulted if:

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

If the plan is defaulted, the remaining balance of the tax immediately becomes due and payable. The payment plan can be reinstated only if ([§4837.5\(e\)](#)):

- The assessee or the agent of the assessee can, by substantial evidence, convince the tax collector that the non-payment was not the fault of the assessee; and
- Payment of the installment amount plus any additional interest that has accrued is made prior to the time the property becomes tax defaulted or prior to June 30, whichever is earlier. The tax collector must inform the auditor of the defaulted, off-roll installment plan and of the delinquent amount remaining unpaid.

The auditor adds the unpaid balance, penalties, and costs to the current roll and adjusts the tax collector's charge accordingly. The remaining balance of the tax becomes subject to all of the provisions of law applicable to delinquent taxes ([§4837.5\(f\)](#)).

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

1800-1805 Reports & Settlements: General Requirements

1800. PERIODIC ACCOUNTING OF MONEY

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

1801. ITEMIZED ACCOUNT OF TRANSACTIONS

The tax collector must file a statement either under oath, an affirmation ([Code Civ. Proc. §2015.6](#)), or by declaration under penalty of perjury ([Code Civ. Proc. §2015.5](#)) with the auditor that itemizes all transactions and receipts following to the tax collector's last settlement. The statement must show a breakdown on the amounts collected for each fund or district extended on the roll. Such statements must be submitted not less than once every 12 months on dates approved by the auditor ([§2616](#), [Gov. Code §24353](#)).

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

1802. SETTLEMENT FOLLOWING FIRST INSTALLMENT DELINQUENCY

Annually and before February 1, the auditor shall ([§2623](#)):

- Compute and enter the delinquent penalty and costs ([§2621](#)) against all taxes on the secured roll not marked paid;
- Foot the penalties and costs; and
- Charge the tax collector with the total penalties and costs on the secured roll.

1803. SETTLEMENT FOLLOWING SECOND INSTALLMENT DELINQUENCY

On or before June 1, the auditor must compare the delinquent roll with the secured roll. If satisfied that the delinquent roll is correct, the auditor shall ([§2626](#)):

- Foot the unpaid taxes and penalties;
- Credit the tax collector with the unpaid taxes and penalties on the secured roll; and

- Make a final settlement with the tax collector of all taxes and penalties on the secured roll.

Within three days after this settlement, the auditor shall ([§2627](#)):

- Compute and enter the delinquent penalty and costs against all taxes on the delinquent secured roll not marked paid;
- Charge the tax collector with the amount due on the delinquent roll and foot the penalties and costs; and
- Deliver the delinquent roll duly certified to the tax collector and charge the tax collector with the total penalties and costs on the secured roll ([§2623](#)).

1804. AUGUST SETTLEMENT

Annually, on or before August 10, the tax collector shall make a collections report on the secured roll and make it available to the auditor for purposes of audit ([§2856](#)).

The auditor then administers to the tax collector an oath, which is written and subscribed on the secured roll, that all payments on the roll have been credited. Upon completion of the oath, the auditor credits the tax collector with the amount unpaid and has a final settlement with the tax collector ([§2857-§2858](#)).

1805. TAX COLLECTOR'S LIABILITY

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

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

1810. WHO QUALIFIES

All active-duty list members of the armed forces, as defined by [Title 10 U.S. Code section 101](#), qualify for the Servicemembers' Civil Relief Act. An enlistee has the same benefits as does a draftee, and no distinction is made between enlisted personnel and officers. Benefits extend to a servicemember's dependent(s), spouse, child, or individual for whom he or she provide more than half of the individual's support for 180 days immediately preceding application. Benefits do not extend to business partners or family members who are not dependents.

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

- Military retirees;
- Persons on inactive reserve status;
- Civilian defense workers; and
- Merchant seamen.

1811. THE BENEFITS OF THE ACT

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

If a property tax is unpaid or is on an installment plan of redemption during and by reason of active service, the delinquent tax is subject to interest, at 6% per year, in lieu of all other penalties or interest ([Title 50 U.S. Code §561\(d\)](#)).

Execution of a judgment against the individual is stayed during the period of qualifying service and for 60 days thereafter, unless, in a court's opinion, the individual's ability to comply with the judgment has not been materially affected.

During the period of service and for 180 days thereafter, sales to enforce collection of a tax or assessment are prohibited unless first authorized by a court.

If a court does permit a sale to collect a tax or assessment, the servicemember has a right of redemption (although the terms of redemption are unspecified) for six months after termination of the period of military service ([Servicemembers' Relief Act §521, §561\(b\)\(1\)\(c\)](#)).

1812. HOW ONE QUALIFIES

Qualification does not depend on impairment of income alone. Any condition that would reasonably impair the individual's ability to pay taxes or to respond to actions against his or her title to property must be considered. See State Controller's Office sample form, *Application for Property Tax Relief for Military Personnel* ([SCO 1-08](#)).

1813. TAXES SUBJECT TO THE ACT

If current-year taxes and assessments become delinquent after the onset of qualifying service, they are subject to interest only at 6% per year. This interest is computed from the point of delinquency under California law. Do not apply costs, penalties, redemption fees, or other charges.

As of the onset of qualifying service, amounts accrued remain charged against either the person or the property. However, during the protected period, additional penalties that would be imposed, pursuant to [§2922](#) or [§4103](#), are set aside in favor of the overall 6% interest.

The Servicemembers Civil Relief Act shields the eligible servicemember from making payment, and it suspends the effect of state lien-perfection laws during the protected period. Therefore, the tax collector may not default any installment redemption plan because current taxes have not been paid. For the protected period, substitute simple 6% interest for the 1.5% per month interest required by [§4221\(d\)](#).