

State of California

# County Tax Collectors' Reference Manual

Chapter 5000: Redemptions

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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, 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 their 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in this manual are current as of its publication date however, care must be taken to ensure that none have been superseded by subsequent legislative action or court decisions.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 State Controller's Office 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 they may create their own forms. Forms used should contain all information required by statute.

**NOTICE:** This publication is provided by the State Controller's Office, Property Tax Standards Unit, 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.

## 5000-5001 General Overview: General Information

### 5000. PROCESSING OUTLINE

Any tax defaulted property may be redeemed until the right of redemption is terminated ([§4101](#) and manual section [5122](#)).

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

### 5001. WHO MAY REDEEM

There is no restriction in [§4101](#) as to who may pay the redemption. The tax collector should accept the redemption amount from any person tendering payment. The tax collector is not required by law to confirm that the redemptioner has a legal interest in the property to be redeemed.

A person acquires no rights whatsoever by the payment of taxes on land owned by another person ([Spencer v. Harmon Enterprises, Inc., 234 Cal. App. 2d 614](#)).

## 5010-5012 General Overview: What May Be Redeemed

### 5010. TAX DELINQUENT PROPERTY

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

### 5011. UTILITY (STATE BOARD) ROLL

If a tax on secured real property that was assessed on the California Department of Tax and Fee Administration (CDTFA) roll remains unpaid and the property is declared to be tax defaulted, the CDTFA should be notified to obtain assistance in collection of the unpaid tax (manual section [6105](#)). Contact the CDTFA's State Assessed Properties Division at (916) 274-3270 for assistance.

### 5012. CURRENT TAX

When a redemptioner pays delinquent taxes, an attempt should be made to collect the current taxes. However, the redemptioner cannot be required to pay current taxes as a condition of redemption, ([§4102](#)).

## 5100-5105 Processing Procedures and Requirements: General Information

### 5100. CALCULATION ELEMENTS

At the time of application for redemption, the tax collector must prepare an estimate of the amount necessary to redeem ([§4105.1](#)). The tax collector should also determine whether the abstract contains prior years'

delinquencies for the property under other parcel numbers, which may happen when segregation occurs due to changes in tax-rate areas.

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

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

Use of a cross-reference system linking present and former assessor's parcel numbers should minimize errors similar to those outlined in this section. See manual section [5411](#) for collection of redemption deficiencies resulting from errors in computing the amount to redeem.

**NOTE:** [§4114-§4116](#), and manual sections [5411](#) through [5412](#), provide for some ways in which erroneously computed redemption amounts can be rectified, even though redemption certificates have been issued.

## 5101. BANKRUPTCY

Estimated redemption amounts calculated by the tax collector for a bankruptcy trustee or pursuant to a bankruptcy court order must include all penalties due under the provisions of [§4102](#). The tax collector does not have authority to prepare the estimate in any other manner ([Attorney General Opinion 3-5-43](#)). The tax collector cannot accept any amount less than the redemption estimate plus penalties, costs, and fees, unless ordered to do so by either the referee in bankruptcy or a federal court of competent jurisdiction.

Claims for secured taxes or assessments should be filed with the referee in bankruptcy on a form approved or furnished by the bankruptcy court, with a copy served on the trustee in bankruptcy, to secure payment of any tax lien on real property. The proof of claim does not have to be verified, although it must be in writing. If a claim is not filed, then the county may lose certain priorities to the available assets.

## 5102. REDEMPTION AMOUNT

The amount necessary to redeem is the sum of:

- The total amount of all prior-year defaulted taxes ([§4102](#), manual sections [5103](#) and [5104](#));
- Delinquent penalties and costs ([§4102](#), manual section [5110](#));
- Redemption penalties ([§4102](#), manual section [5112](#));
- Redemption fee ([§4102](#), manual section [5111](#));
- A recording fee in the amount required by Government Code section [27361.3](#) for processing the Rescission of Notice of Power to Sell Tax Defaulted Property ([§4675](#));
- A fee, as established by the Board of Supervisors and subject to the requirements of Government Code section [54985 et seq.](#), for the actual and reasonable costs incurred in giving notice pursuant to [§3701](#) and [§3799](#) ([§4112\(1\)\(a\)](#));



- If the property tax been schedule for tax sale, a fee, as established pursuant to the requirements of Government Code section [54985 et seq.](#), for the actual and reasonable costs, if any, incurred by the tax collector, or their agent, or both, in making personal contact ([§3704.7](#));
- If tax defaulted property is redeemed prior to the proposed sale, but after the county has incurred notice or publication costs in connection with a Notice of Intended Sale as required by [§3702](#), a fee established by the County Board of Supervisors and subject to the requirements of Government Code section [54985 et seq.](#), in the actual and reasonable amount necessary to reimburse the county for those costs ([§4112\(b\)](#)); and,
- If the tax defaulted property is redeemed within 90 days of the proposed sale, a fee of \$150 ([§4112\(a\)\(3\)](#)).

If any credits are due, they must be deducted from the total redemption amount (manual section [5170-5171](#)). The amount to redeem does not include local fees and charges added to the tax bill pursuant to Government Code section [54988](#).

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

### **5103. AMOUNT OF DEFAULTED TAXES DEFINED**

The amount of defaulted taxes, as defined in [§123](#), is the sum of:

- Taxes that were a lien on the property at the time of the declaration of default; and
- All other unpaid taxes that are a lien on the property for the year of the declaration of default and for each subsequent year, whether assessed or unassessed.

### **5104. PROPERTY NOT ON THE CURRENT ROLL**

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

### **5105. ACCEPTANCE OF NEGOTIABLE PAPER**

Negotiable paper (manual section [1233](#)) may be accepted in payment on a redemption or an installment plan ([§2505](#)). Negotiable paper means checks, drafts, and money orders ([§2504](#)). Checks written on foreign banks that charge a premium for clearing and converting funds to United States dollars should be accepted only if the extra charge is separately paid by the assessee.

## **5110-5113 Processing Procedures and Requirements: Penalties and Interest**

### **5110. DELINQUENT PENALTY**

When computing the redemption amount a 10 percent delinquent penalty is included ([§2617](#), [§2618](#), [§2704](#), [§2705](#)).

## 5111. REDEMPTION FEE

The redemption fee is \$15.00 for property tax defaulted on January 1, 1984 and thereafter. Redemption fees for property tax defaulted before January 1, 1984 are outlined in [§4102\(d\)](#).

Only one redemption fee can be charged per property regardless of the number of assessments placed on the abstract.

## 5112. REDEMPTION PENALTIES

Per Revenue and Taxation Code section [§4103](#), redemption penalties are the sum of the following:

- An interest rate of 1.5 percent per month on the declared amount of defaulted taxes that begins on July 1st of the year of the declaration of tax default and ends at the time of redemption. If the last day of any month falls on a Saturday, Sunday, or legal holiday, then the additional penalty of 1.5 percent shall attach after the close of business on the next business day, and
- An interest rate of 1.5 percent per month on the unpaid taxes for which the property would have been declared in default if there had not been a previous declaration, which begins on July 1st of each subsequent year and ends at the time of redemption. If the last day of any month falls on Saturday, Sunday, or a legal holiday, then the additional penalty of 1.5 percent shall attach after 5 p.m. on the next business day.

If the Board of Supervisors, by adoption of an ordinance or resolution, closes the county's offices for business prior to the time of delinquency on the "next business day" or for that whole day, then that day shall be considered a legal holiday for these purposes ([§4103](#)).

For purposes of an administrative hearing or any claim in a bankruptcy proceeding pertaining to the property being redeemed, redemption penalties constitute the assessment of interest.

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

## 5113. LEGISLATIVE CHANGES TO REDEMPTION PENALTIES

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

**EXAMPLE:** On a property that was tax defaulted for Fiscal Year (FY) 2000-01, and was redeemed in April 2004, redemption penalties are charged at the rate of 1 percent per month from July 1, 2001, through April 1984. The redemption penalty would not increase to 1.5 percent even though the California State Legislature increased the redemption penalties for FY 2001-02.

## 5120-5122 Processing Procedures and Requirements: Fee Structure and Schedule

### 5120. GENERAL INFORMATION

The California State Legislature has increased the redemption fee amount several times. Because of the [Teralta Land and Water Co.](#) decision (manual section [5112](#)), the tax collector must keep track of the redemption fee corresponding to the year in which a property was tax defaulted.

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

No fee is charged for special assessments unless the real property has been separately tax defaulted for unpaid special assessments.

The redemption fee (manual section [5111](#)) automatically becomes part of the redemption amount at that the time the property becomes tax defaulted unlike redemption penalties (manual section [5112](#)) which attach until July 1 succeeding the date of default. Only one redemption fee can be charged per property regardless of the number of assessments placed on the abstract.

### 5121. OBTAINING NAMES & ADDRESSES OF PARTIES OF INTEREST AND MAILING NOTICE

When tax defaulted property subject to the power to sell is redeemed, the tax collector must charge a fee to reimburse the county for the cost of obtaining the names and last known addresses of parties of interest as defined in [§4675](#). This fee is to be added and collected at the time of redemption only if a Notice of Power to Sell Tax Defaulted Property has been recorded (manual section [5304](#)). Government Code section [54985](#) permits a County Board of Supervisors to either increase or decrease the amount of fees and charges imposed by law ([§4112](#)).

### 5122. TERMINATION OF RIGHT TO REDEEM

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

The right of redemption terminates:

- At the close of business on the last business day prior to the commencement of the tax sale ([§3707](#)); or
- When the agreement of sale becomes effective ([§3803](#)), with the effective date being no sooner than 5:01 p.m. on the 21st day after the first publication of the notice of agreement ([§3802](#)).

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

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

### 5130. GENERAL INFORMATION

It is the intent of the law to provide for:

- The satisfaction and removal of any lien secured to any parcel of tax defaulted property, and if the right of redemption has not been terminated, to any parcel of tax defaulted property subject to a power of sale pursuant to [§3691](#) ([§4131](#) and manual section [5133](#)).
- The redemption of any portion of a parcel of tax defaulted property, or tax defaulted property that is subject to sale, separately from the whole parcel as it was originally tax defaulted, if the portion:
  - Is described in any duly executed and recorded deed, purchase contract, deed of trust, mortgage, or final decree of court;
  - Has a separate valuation on the roll for the year for which it became tax defaulted; or
  - Has a separate valuation on the current roll ([§4131](#)).

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

If any lien not determined by the application of a tax rate has been levied on the whole assessment, the application may be accompanied by the certification of the taxing agency or revenue district authorized by law to levy the lien, setting forth the specific amount of that portion of the lien levied on the whole assessment that is to continue to be levied on the parcel for each of the years for which it was delinquent ([§4151](#)).

### 5131. PARTIAL PAYMENTS

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

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

Beginning July 1 of the year of the declaration of tax default, the rate of 1.5 percent a month will be applied to the declared amount of defaulted taxes until the time of redemption. If the last day of any month falls on a Saturday, Sunday, or legal holiday, then the additional penalty of 1.5 percent shall attach after the close of business on the next business day.

Beginning July 1 of each subsequent year, the rate of 1.5 percent a month will be applied to the unpaid taxes for which the property would have been declared in default if there had not been a previous declaration, until the time of redemption ([§4103](#)).

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

If an assessee elects to pay delinquent taxes in installments, as provided in [§4186 et seq.](#), then the installment payment shall be based on the balance of the redemption amount determined according to [§4143](#).

### 5132. NO LIMIT ON NUMBER OF REDEMPTIONS

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

### 5133. DEFINITIONS

For the purpose of either redeeming or initiating an installment plan of redemption for a portion of tax defaulted property or redeeming a portion of tax defaulted property that is subject to sale, the following definitions apply:

- Improvements - Improvements are not a parcel separate from the land on which they are situated ([§4132\(a\)](#)).
- Undivided Interest - A parcel separate from the whole assessment ([§4132\(b\)](#)). An undivided interest constitutes the ownership, in whole or in part, of an undefined segment of the whole assessment. For example, "an undivided one-half interest in Tract 33, Lot 16."
- Lien - Pursuant to [§4132\(c\)](#), a lien is the charge against real property:
  - Created by the assessment of personal property, leasehold improvements, or possessory interests;
  - Constituting a fixed amount credited by the special assessment charge of a taxing agency or a revenue district;
  - Consisting of special assessments, or annual installments thereof, plus accrued interest and charges; or
  - Composed of any and all other charges whatsoever, authorized by law to be levied against real property by any taxing agency or revenue district. This includes, but is not limited to, general tax or special tax levies ([California Constitution, Article XIII, §1](#)) and charges established through weed abatement, water standby charges, availability charges, unpaid water bills, etc.
  - The Mello-Roos Community Facilities Act of 1982 ([Gov. Code, §53311 et seq.](#)) provides a method for local governments to fund public facilities and services, particularly for newly developing areas. For public facilities subject to Mello-Roos that are delinquent and under an installment plan of redemption, Streets and Highways Code section [8830\(a\)](#) does not prohibit or delay foreclosure. This also applies to assessments pursuant to the Improvement Bond Act of 1915 (1915 Act).

## 5140-5143 Procedures and Requirements: Separately Valued Parcel

### 5140. GENERAL APPLICATIONS

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

**5141. REMOVAL OF A SPECIFIC LIEN**

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

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

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

**5142. COMPUTATION OF AMOUNT TO REDEEM A SEPARATELY VALUED PARCEL**

Per [§4141](#) the amount necessary to redeem any separately valued parcel of real property is the sum of the following:

- Defaulted taxes - Taxes, assessments, penalties and costs on real property remaining unpaid on or after the time fixed in the Notice of Impending Default (usually on or before June 30);
- Delinquent penalties - Computed on the amount of defaulted taxes;
- Costs - Computed for each delinquent year in the same ratio that the total of the assessed value being redeemed bears to the total of the assessed value in the whole assessment of each delinquent year;
- Redemption penalties – Applied to the amount of defaulted taxes for each of the years for which they were delinquent; and
- Full redemption fee - The redemption fee is never prorated ([§4142](#)).

**5143. COMPUTATION OF REDEMPTION AMOUNT OF A SPECIFIC LIEN**

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

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

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

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

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

### 5150. GENERAL APPLICATIONS

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

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

### 5151. APPLICATION FOR A SEPARATE VALUATION

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

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

- Allowed to remain attached to the portion that the applicant is seeking to have separately valued if the assessee is the seller ([§4151](#)); or
- Attached to the segregated portion, so that the applicant may pay the taxes along with the parcel of real property being segregated for redemption if they are the purchaser ([§4151](#)).

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

See State Controller's Office sample form, *Application for Separate Value* ([SCO 5-01](#)).

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

### 5152. APPLICATION TO ASSESSOR

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

### 5153. APPLICATION FEE

A tax collector may charge an application fee for actual costs incurred for processing applications for separate valuation for redemption of any parcel. The County Board of Supervisors must enact an enabling ordinance before the fee can be charged ([§4151](#)). The fee is governed by provisions of Government Code [Chapter 12.5](#), commencing with Government Code section [54985](#), which permits the County Board of Supervisors to either

increase or decrease the amount of fees and charges imposed by law for providing any product or service or for enforcing a regulation for which a fee or charge is levied.

Penalties and interest cannot be adjusted by the County Board of Supervisors.

#### **5154. COMPUTATION OF AMOUNT TO REDEEM DEFAULTED TAXES**

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

- The sum of the amounts computed by multiplying the total of their assessed values by the applicable tax rate for each of the years that the values were delinquent ([§4154\(a\)](#)); and
- The sum of the amounts set forth in the certification of the taxing agency or revenue district as being the portion of the lien for each of the years for which it was delinquent which is to continue to be levied or placed on the parcel ([§4154\(b\)](#)).

If the applicant does not request to pay all of the taxes created by the liens as specified herein, the amount of defaulted taxes on the parcel is the sum of the following:

- The sum of amounts computed by multiplying the assessed value of the segregated parcel by the tax rates applicable for each of the years it was delinquent ([§4155\(a\)](#));
- The sum of those amounts of tax on personal property, or leasehold improvements, or possessory interests computed by multiplying the assessed value by the applicable tax rate for each of the years for which it was delinquent ([§4155\(b\)](#)); and
- The sum of the amounts set forth in the certification of the taxing agency or revenue district as being the portion of the lien for each of the delinquent years, and which continue to be levied against the parcel ([§4155\(c\)](#)).

## 5160-5162 Procedures and Requirements: Undivided Interest

### **5160. GENERAL APPLICATIONS**

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

### **5161. REDEMPTION AMOUNT (SEGREGATED PORTION)**

Per [§4156](#) the amount necessary to redeem any segregated parcel of property is the sum of the following:

- The amount of defaulted taxes on the parcel;
- Delinquent penalties in an amount which bears the same proportion to the delinquent penalties in the whole assessment as the amount of taxes and liens on the parcel bears to the total amount of taxes and liens on the whole assessment, determined for each of the years for which it was delinquent (manual section [5110](#));



- Costs computed in the same manner provided for the computation of delinquent penalties (manual section [5301](#));
- Redemption penalties computed on the amount of defaulted taxes, including any liens levied against the property for each of the years it was delinquent (manual sections [5110-5112](#)); and
- A redemption fee (manual section [5111](#)).

## 5162. SEGREGATED UTILITY ROLL

If an applicant brings a duly executed and recorded document attesting ownership of a parcel assessed on the CDTFA roll and already tax defaulted, then the applicant should be directed to the county auditor. The auditor will obtain the description of the property sought to be separately valued from the recorded conveyance, the parcel number of the parent parcel as assessed on the utility roll, the seller's name, and other information pertinent to the transaction.

The auditor will forward this documentation to the California Department of Tax and Fee Administration, Valuation Division, P.O. Box 942879, Sacramento, California, 94279, and will request the assessed values for the delinquent years.

Upon receipt of the values, the auditor will transmit them to the tax collector, who will enter them in the records and compute the redemption amount in the usual manner. See manual section [5154](#) and manual section [5161](#).

## 5170-5171 Procedures and Requirements: Credit for Prior Payments

### 5170. WHO MAY RECEIVE CREDIT

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

### 5171. AMOUNTS ALLOWED

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

## 5180-5187 Procedures and Requirements: Redemption Certificates

### 5180. GENERAL APPLICATIONS

When tax defaulted property is redeemed, and if requested by the redemptioner, the tax collector should issue a certificate of redemption. The recommended form of a redemption certificate is State Controller's Office sample form, *Certificate of Redemption of Tax Defaulted Property* ([SCO 5-06](#)). Counties may, with the Controller's approval, create their own redemption certificates pursuant to the requirements of [§4105.2](#).

### 5181. CONTENTS OF THE REDEMPTION CERTIFICATE

Pursuant to [§4105.2](#) the redemption certificate must contain:

- The year of tax default ([§4105.2\(a\)](#));

- A description of the property being redeemed (when a portion of the property is redeemed, the certificate should show which portion is being redeemed) ([§4105.2\(b\)](#));
- The total amount for which the property was tax defaulted ([§4105.2](#));
- The total amount to be paid, including penalties, costs, and fees ([§4105.2\(c\)](#));
- The name of the person making the payment ([§4105.2\(d\)](#));
- The date of redemption ([§4105.2\(e\)](#));
- A statement that receipts will not be issued for payments made by mail unless a receipt is requested by the person making payment ([§4106.1](#)); and
- An appropriate place in which the assessee may request a receipt ([§4106.1](#)).

**5182. REDEMPTION CERTIFICATES ON COMPUTER EQUIPMENT**

Notwithstanding any other provision of the Revenue and Taxation Code, by resolution of the County Board of Supervisors, all entries required to be made on the certificate may be entered into electronic data processing equipment if no physical document of the redemption certificate is prepared ([§109.6](#)). The data shall be stored so that it can be made readily available to the public in an understandable form ([§4105.2](#)).

**5183. DESCRIPTION OF PROPERTY ON CERTIFICATES**

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

For a partial redemption: Parcel \_\_\_\_\_ (new parcel number), portion of \_\_\_\_\_ (old parcel number)  
 If renumbered: Parcel \_\_\_\_\_ (new parcel number), formerly \_\_\_\_\_ (old parcel number)

If the property has become subject to the tax collector's power to sell, then the redemption certificate should give, in addition to the parcel number, a legal description of that portion of the property segregated for redemption purposes ([§4105.2\(b\)](#)).

**5184. REQUIRED COPIES AND DISTRIBUTION**

One copy of the certificate shall be given, upon request, to the redemptioner ([§4106](#)), the assessor, and the auditor. The original certificate shall be retained in the tax collector's office. In lieu of a photocopy, the original abstract sheet may serve as the tax collector's copy (manual section [5700](#)).

**5185. FEE FOR CERTIFIED COPIES**

A fee of \$1, plus the cost to reproduce the photocopy, must be collected for each copy of a certified redemption certificate, certified copy of an installment payment certificate, or certified copy of an assessment as entered on the prepared assessment roll ([§162](#)). For a certificate of payment showing taxes paid, pursuant to [§162.1](#), a fee must be charged to cover the actual and reasonable costs incurred by the assessor, tax collector, or auditor to prepare a certificate of payment showing taxes paid.

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

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

By \_\_\_\_\_  
 Deputy

The fee collected for certifying the copy is to be deposited into the County General Fund ([§162](#)).

See State Controller's Office sample form, *Certificate of Redemption of Tax Defaulted Property* ([SCO 5-06](#)) for an example certificate of redemption.

### **5186. ACCURACY ESSENTIAL**

Care should be exercised in the preparation of redemption certificates and installment plan payment certificates ([§4105.1](#)). If an estimate is incorrect and a purchaser buys the property in reliance on the amount estimated, then the redemption is binding on the county. The tax collector must regard the property as redeemed in full and the declaration of default nullified ([§4112](#); [Attorney General Opinion 1-2-75](#)). See manual section [5411](#) for information regarding collection of redemption deficiencies resulting from errors.

### **5187. PROVIDING RECEIPTS**

When payment is received, a receipt should be prepared for each certificate of redemption and a copy given to the person making the payment. Upon request, additional certificates should be given to the auditor and/or the assessor ([§4106](#)). Requested receipts must be furnished without cost to the assessee ([§4106.1](#)).

Receipts for payments made by mail should not be issued unless a receipt is requested by the person making payment ([§4106.1](#)).

## **5190-5191 Procedures and Requirements: Special Circumstances**

### **5190. RETURNED CHECKS**

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

A notice of the cancellation must be sent immediately to the party tendering the dishonored negotiable paper ([§2510](#)). The redemptioner may be determined liable to the county for damages of three times the amount of the check, in addition to the amount owed; however, these damages should not be less than \$100 or more than \$1,500 (manual section [1244](#)).

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

This fee amount shall be set by the County Board of Supervisors and shall be subject to the fee review procedures required by Government Code section [54986](#). Per [§2509.1](#) the fee may be added to the tax bill (abstract) and collected in the same manner as costs recovered under [§2621](#).

### **5191. INCORRECT AMOUNTS**

An Overage Fund and a Cash Difference Fund may be established by the County Board of Supervisors under the authority of Government Code section [29370 et seq.](#)

When an amount paid to the county for any tax, assessment, penalty, cost, or interest exceeds the amount due and the excess does not exceed \$10, the excess amount may be deposited in the Overage Fund. The

Overage Fund may be used to make up insufficient payments of up to \$10. Fund records must be kept identifying the person whose payment was insufficient and whose account was credited, and specifying the amount of the difference ([§2611.5](#)). If the excess amount is not deposited, then it should be refunded to the person making the payment.

The Cash Difference Fund may be expended, maintained, or replenished by accounting entries into the Cash Difference Fund and Overage Fund maintained in the county's automated accounting system. All transfers between the fund and the accounts may be made and retained in electronic format; no written reports need be prepared by the auditor or the treasurer. When approved according to Government Code section [29370.1](#), replenishment of the Cash Difference Fund may be accomplished by the county auditor through a journal entry or electronic funds transfer from the county's general fund ([§2611.5](#)).

## 5200-5204 Installment Plans: General Information

### 5200. HISTORICAL BACKGROUND

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

### 5201. PROPERTY REDEEMABLE UNDER INSTALLMENT PLAN

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

Money collected on an installment plan of redemption that was erroneously initiated on tax defaulted property subject to sale must be considered erroneously or illegally collected. It contravenes the provisions of [§4217](#); therefore, a refund of any payments accepted is permissible ([§5096\(b\)](#)). See the annotation following sections [§5096](#) and [§5097](#) of the California Department of Tax and Fee Administration's Property Taxes Law Guide.

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

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

### 5202. INFORMATION SHEET

An information sheet, similar to State Controller's Office sample form, *Information to Taxpayer Regarding Installment Plan* ([SCO 5-02](#)), may be helpful for assesses who initiate plans or reinstates defaulted installment plans.

**5203. APPLICATION FEE ON INSTALLMENT PAYMENT PLANS**

The tax collector may charge a fee for preparing an installment payment plan. The preparation fee must be established by ordinance of the County Board of Supervisors ([§4217](#)). The fee shall be in accordance with the provisions of Government Code section [54985](#) and may be collected on the tax bill.

**5204. INITIATION OF INSTALLMENT PLAN**

Any person may elect to pay delinquent taxes in installments ([§4217](#), manual section [5001](#)).

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

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

- Compute the total amount necessary to redeem (manual section [5100 et seq.](#)).
- The first payment must be not less than 20 percent of the total amount necessary to redeem. However, the assessee may elect to pay more than 20 percent ([§4219](#)).

**5210-5213 Installment Plans: Forms and Notices****5210. SEPARATE RECORD**

State Controller's Office sample form, *Installment Plan Payments for Use of Real Estate* ([SCO 5-03](#)) may be used as an aid to keeping a detailed record of all transactions and data relating to installment plans. The form may be altered as necessary to suit county requirements.

**5211. RECEIPT FOR INSTALLMENT PAYMENT**

If requested by the assessee, photocopies of State Controller's Office sample form, *Installment Plan Payments for Use of Real Estate* ([SCO 5-03](#)) may be used as receipts. However, a memorandum or counter receipt may be used instead.

**5212. NOTICE OF REQUIRED PAYMENT DUE**

It is good practice to mail a reminder notice to the assessee on or about March 1, informing the assessee that the payment due on their installment plan of redemption must be received before the delinquency date of the last installment of current taxes or the plan will be in default. The hour and date of delinquency should be included (e.g., 5 p.m. on April 10). See State Controller's Office sample form, *Notice of Installment Payment Due* ([SCO 5-04](#)) is recommended.

**5213. NOTICE THAT CURRENT AND SUPPLEMENTAL TAXES ARE UNPAID**

If current and supplemental taxes have not been paid by March 10, a notice may be mailed to the assessee informing them that, unless current taxes are paid before the delinquency date (specifying such date), the installment plan will be in default. State Controller's Office sample form, *Notice of Impending Default of Installment Plan* ([SCO 5-05](#)).

**5220-5229 Installment Plans: Conditions and Provisions****5220. EFFECT OF INSTALLMENT PAYMENTS**

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

**NOTE:** The first installment of current taxes may become delinquent without defaulting the installment plan. However, the tax and penalty must be paid before the delinquency deadline for the second installment (manual section [5226](#)).

**5221. PAYMENTS ARE NOT A PARTIAL REDEMPTION**

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

**5222. REFUND CLAIMS AND ACTIONS**

Even though all taxes on a property have not been paid in full, any person defined as qualified to claim a refund pursuant to provisions of [§5096.7](#) (or any other statute) may file a claim for refund. If the claim is denied, an action may be filed to recover the taxes paid ([§5096](#), [§5097](#), [§5097.2](#), [§5140-§5141](#)). See manual sections [1600-1630](#).

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

**5223. CURRENT TAXES**

When property is to be redeemed under an installment plan, no taxes other than the amount of defaulted taxes ([§4102\(a\)](#)) may be included in the redemption amount.

**5224. REDEMPTION FEE**

The redemption fee is applied with the final installment payment ([§4223](#)). See [§4656.6](#) for information about the distribution of redemption fees collected under an installment plan of redemption.

**5225. SEGREGATION OF EXISTING PLAN**

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

**5226. SUBSEQUENT INSTALLMENT PAYMENTS**

In each succeeding fiscal year, the current taxes, plus any applicable delinquency penalties coming due in that fiscal year, must be paid before the delinquency date of the last installment of the current taxes.

Each installment payment must also include simple interest, accruing monthly, computed as follows:

For property tax defaulted after June 15, 1982, interest at the rate of 1.5 percent is added to the balance on the first day of each month, after the installment payment is applied ([§4221](#)). State Controller's Office sample form, *Installment Plan Payments for Use of Real Estate* ([SCO 5-03](#)) may be used.

**5227. DISASTER DAMAGED PROPERTY ON PAYMENT PLAN**

Per [§4222.5](#) the tax collector may defer an installment payment for one year if an assessee's property was damaged in an emergency or disaster due to a major misfortune or calamity as defined in [§194](#) and if the following conditions are met before granting relief:

- The installment plan was already in existence;
- The assessee or the assessee's agent can prove to the satisfaction of the tax collector that substantial damage was incurred;
- The assessee or the assessee's agent files for the deferral on or before September 1 of the following fiscal year; and
- The assessee is not receiving any other relief related to the disaster.

Interest will still accrue, and it becomes due and payable with the deferred installment payment ([§4222.5\(b\)](#)).

**5230-5234 Installment Plans: Defaults****5230. NEW INSTALLMENT PLAN AFTER DEFAULT**

If an installment plan goes into default (manual section [5222](#)), payments cannot be restarted before July 1 of the fiscal year commencing after the fiscal year in which the default occurred ([§4217](#)).

**EXAMPLE:** A plan defaulted on April 10, 2017, (2016-17 fiscal year) may not be restarted before July 1, 2017, (2017-2018 fiscal year).

Credit should be allowed for payments made under a prior installment plan, or plans, in the same manner as when a redemption is made ([§4337](#)). See manual section [5170 et seq.](#)

**EXCEPTION:** Payments on property subject to a power to sell during the current calendar year may not be started again unless the tax collector determines that the failure to make a timely payment was not the fault of the assessee ([§4222](#) and manual section [5235](#)).

**5231. STARTING NEW PLAN AFTER DEFAULT**

If a period of five years has elapsed since a property became tax-defaulted, then the tax collector should determine whether the property has become subject to sale by the tax collector ([§4217](#) and manual section [5201](#)).

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

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

The remaining payments are computed as a percentage of the redemption amount plus interest on the unpaid balance accruing on the first day of each month from the date of the last payment ([§4219](#)). Pursuant to [§4221](#) in each succeeding fiscal year the redemptioner shall pay, before the delinquency date of the last installment of current taxes, the sum of the following:

- That amount which is computed to be not less than the difference between the amounts previously paid under the provisions of this article, excepting amounts paid as interest, and
    - 40 percent of the redemption amount when the payment is made during or prior to the first fiscal year following the year in which election was made to pay delinquent taxes in installments.
    - 60 percent of the redemption amount when the payment is made during or prior to the second fiscal year following the year in which election was made to pay delinquent taxes in installments.
    - 80 percent of the redemption amount when the payment is made during or prior to the third fiscal year following the year in which election was made to pay delinquent taxes in installments.
    - 100 percent of the redemption amount when the payment is made during or prior to the fourth fiscal year following the year in which election was made to pay delinquent taxes in installments
- plus;
- On property tax defaulted on and after June 15, 1982, 1.5 percent interest per month accruing on the first day of each month following the preceding payment, on the balance of the redemption amount. For property tax defaulted prior to June 15, 1982 see [§4221](#).

The remaining payments must be at least 20 percent of the redemption amount ([§4219](#)). Payments must be computed and paid in the same manner as a redemption, and the receipts for those payments must show that the payments are for the use of the property under this plan for payment of delinquent taxes in installments.

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

If an installment plan is in good standing, then redemption may be made at any time ([§4101](#)).

**5233. TO REDEEM IN FULL: PLAN IN DEFAULT**

Installment payments made under a defaulted plan are disregarded. The total amount necessary to redeem, as of the date of redemption, is then computed (manual section [5100 et seq.](#)).



Payments and credits to the defaulted installment plan, including an allowance for interest paid, shall be allowed after computation of the amount necessary to redeem. The balance remaining is the amount to be paid for complete redemption ([§4222](#), [§4336](#)) and manual section [5235](#).

#### **5234. TO REDEEM IN FULL: AFTER BEING SUBJECT TO POWER TO SELL**

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

#### **5235. REINSTATEMENT AFTER DEFAULT IN CURRENT YEAR**

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

The assessee pays the installment due, plus interest calculated pursuant to [§4221](#) to the date of reinstatement (manual section [5230-5231](#)). Payment must occur before the property has become subject to the tax collector's power to sell or prior to June 30 of the current fiscal year, whichever occurs earlier ([§4222](#)).

A reinstatement fee can be charged for processing ([§4214\(b\)\(1\)](#)).

#### **5236. DEFAULT WITH NO REINSTATEMENT**

If an assessee defaults on an installment plan and chooses not to reinstate the plan, then, if the parcel has been tax defaulted for more than five years ([§3691](#)), the tax collector can immediately record the Notice of Power to Sell Tax Defaulted Property without re-advertising in the newspaper.

## **5240 Installment Plans: Redemption Certificates Under Installment Plans**

#### **5240. REDEMPTION CERTIFICATES UNDER INSTALLMENT PLAN**

Upon receipt of the final payment due under an installment plan, the tax collector should issue a certificate of redemption. The recommended form for a redemption certificate is State Controller's Office sample form, *Certificate of Redemption of Tax Defaulted Property Under Installment Plan* ([SCO 5-07](#)).

The redemption certificate must contain:

- All redemption certificate requirements listed in manual section [5181](#);
- The amounts used in computing the total redemption amount when the plan was initiated ([§4225\(a\)](#));
- The total interest included in previous installment payments (this includes the interest paid with installment payments made under the current plan, pursuant to [§4336](#));
- The portions of the redemption amount and interest previously paid, including all credits allowed ([§4225\(b\)](#));
- The remaining amount and interest required to redeem the property ([§4225\(c\)](#)); and
- The redemption fee.

## 5300-5306 Notice of Power to Sell: General Information

### 5300. GENERAL INFORMATION

See County Tax Collector's Reference Manual, [Chapter 7000: Notice of Power to Sell](#) for a comprehensive overview of the processes and requirements related to Notice of Power to Sell Tax Defaulted Property.

### 5301. STANDARD RECISSION

When property that is subject to sale is redeemed, the tax collector must record a rescission of the recorded Notice of Power to Sell Tax Defaulted Property ([§4112\(c\)](#)). State Controller's Office sample form, *Rescission of Notice of Power to Sell Tax Defaulted Property* ([SCO 5-08](#)) complies with the statutory requirements for releasing the recorded notice.

### 5302. PARTIAL RECISSION

When a portion of the property is redeemed, the tax collector must record a partial rescission. State Controller's Office sample form, *Partial Rescission of Notice of Power to Sell Tax Defaulted Property* ([SCO 5-09](#)) complies with the statutory requirements for rescinding the notice when a portion of the property is redeemed.

The tax collector should ascertain that all segregation requirements have been met prior to rescinding the recorded notices on the property.

### 5303. EXECUTION REQUIREMENTS

Per [§4112\(a\)\(2\)](#) when the rescission is completed, the county tax collector's signature must be acknowledged by the county clerk, the notary public or another county official, pursuant to Civil Code section [1181](#), without charge ([§168.5](#)), and recorded by the county recorder for a fee, as provided in Government Code section [27361.3](#).

### 5304. FEES AND COSTS

The tax collector must collect the recording fee at the time of redemption and transmit it to the recorder. After the rescission has been recorded, it should be returned to the redemptioner by the recorder ([§168.5](#)). In addition to the fee for recording the rescission, actual and reasonable costs must be collected ([§4112\(a\)](#)). These costs are deposited in the county General Fund to reimburse the county for the cost of obtaining the names and last known mailing addresses of parties of interest, as defined by [§4675](#), and of mailing notices to them, as required by [§3701](#) and [§3799](#) (see [§4112](#) and manual section [5102](#) regarding redemption amounts). If tax defaulted property is redeemed prior to the proposed sale but after the county has incurred notice or publication costs as required by [§3702](#), then a fee in an amount reasonably necessary to reimburse the county for those costs may be collected ([§4112\(2\)\(b\)](#)).

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

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

### 5305. CANCELLATION OF RECISSION

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

State Controller's Office sample form, *Cancellation of Rescission of Notice to Sell Tax Defaulted Property* ([SCO 5-10](#)) may be used for a cancellation of the Rescission of Notice of Power to Sell Tax Defaulted Property.

No fee should be charged for recording the cancellation of the rescission (Gov. Code, [§27361.3](#)).

### 5306. RESCINDING MULTIPLE NOTICES

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

## 5400-5405 Corrections: Redemption Payment on Wrong Property

### 5400. TRANSFER OF PAYMENT BEFORE CHANGE OF TITLE

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

Pursuant to [§4920](#), a transfer should be made when all of the following conditions have been met:

- The right of redemption has not been terminated on the intended property;
- Fewer than two years have elapsed since the date of payment; and
- A policy of title insurance has not been issued on the unintended property.

If the payment resulted in redemption of the unintended property, then the redemption must be canceled and the unintended property restored to its tax-defaulted status in the delinquent abstract list ([§4920](#), manual section [1403 et seq.](#)).

The owner of the property on which credit for payment is being canceled must be notified as soon as possible by registered or certified mail ([§4913](#)).

See manual section [5402](#) and State Controller's Office sample forms, *Correction Request* ([SCO 5-11](#)) and *Record of Transactions* ([SCO 5-12](#)).

### 5401. TRANSFER OF PAYMENT AFTER CHANGE OF TITLE

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

Pursuant to [§4920](#), a transfer shall be made **only** when the following conditions have been met:

- The right of redemption has not been terminated on the intended property;
- Fewer than two years have elapsed since the date of payment; and
- A policy of title insurance has been issued on the unintended property.

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

The owner of the property on which credit for payment is being canceled should be notified as soon as possible by registered or certified mail ([§4913](#)).

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

To enforce collection of the amount transferred, the debit must be transferred to the current unsecured roll and every effort made to collect it in the manner specified for collection of taxes on the unsecured roll. Obtaining a summary judgment may be the best method by which to proceed. (See procedures contained in [§3101-§3107](#), and manual sections [2310](#), [2354](#), [2364](#), and [2376](#)). Of course, any other enforcement procedure provided by law may be used ([§4920\(b\)](#), manual section [5402](#)).

## 5402. FILING OF CANCELLATION VOUCHER

Before action is taken as described in manual section [5400](#) and manual section [5401](#), an attempt should be made to have the redemptioner submit a signed, verified statement containing complete details of the transaction. If the transfer is made, then reference to the voucher must be made on the delinquent roll opposite the unintended property or on the abstract sheet. The voucher should be preserved in a permanent file ([§4921](#)). State Controller's Office sample form, *Correction Request* ([SCO 5-11](#)) is recommended.

State Controller's Office sample form, *Record of Transactions* ([SCO 5-12](#)) is designed to be used as a recapitulation sheet and guide in enumerating the various steps taken in this procedure.

## 5403. NOTICE AND HEARING

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

The notice to the last assessee of the unintended property shall state that, within ten days after the mailing of the notice, he or she may demand a hearing before the County Board of Supervisors. If the written demand is made, then a copy of it must be filed with the tax collector ([§4923](#)).

The County Board of Supervisors shall set a time for the hearing and its decision on the matter is final ([§4923](#)).

#### **5404. PAYMENT OF BALANCE**

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

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

#### **5405. REFUND OF EXCESS**

If the amount paid by the redemptioner exceeds the amount necessary to redeem the intended property, then the applicant is entitled to a refund of the excess pursuant to [§5097.2](#) ([§4925](#)).

A refund may be made if the application is processed within 90 days from the date of payment ([§4925](#)). Otherwise, the refund may be processed pursuant to [§5097.2](#).

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

## 5410- 5412 Corrections: Errors

#### **5410. CLERICAL ERRORS ON DELINQUENT ROLL OR ABSTRACT**

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

#### **5411. ERRORS ON REDEMPTION CERTIFICATES**

If an error occurs in computing the amount necessary to redeem and issue a certificate of redemption, resulting in underpayment of the correct amount, then the deficiency may be collected within four years after the date of the underpayment (manual section [5186](#)). A notice and a bill may be sent, by either registered or certified mail, to the assessee of the property for the year for which the underpayment occurred ([§4114](#)).

Pursuant to [§4114](#) the notice must show:

- That the tax collector made an error in computing the amount required to redeem the property;
- That as a result of the error, the redemption payment was insufficient to pay the amount required to redeem, as specified in [§4102](#);
- The balance due, in detail; and

- That if payment of the amount due is not made within 30 days from the date of the notice, then the amount due will be transferred to the secured roll (either already prepared or being prepared) and will be collected like other taxes on the roll.

Errors resulting in an overcharge should be corrected and the overage should be refunded (manual section [5601](#)), held subject to refund (manual section [5600 et seq.](#)), or deposited in an overage fund (manual section [5191](#)).

## **5412. TRANSFER TO THE SECURED OR UNSECURED ROLL**

The assessee has 30 days after the mailing date of the notice or bill in which to pay the deficiency. After 30 days, the deficiency is transferred to the secured roll applicable to the assessment year in which the notice or bill is mailed ([§4115](#)).

If the real property has been conveyed or encumbered before the secured roll entry is made, then the redemption insufficiency is transferred to the unsecured roll.

The entry on the roll should be followed with "Deficiency in Redemption of Parcel Number \_\_\_\_ on \_\_\_\_\_, 20\_\_". The entry may be made on a separate document if reference is made on the roll to that document. The delinquent tax abstract from which the redemption deficiency is transferred may, at the option of the county, serve as the separate document ([§4115](#)).

## **5500-5502 Cancellations: General Information**

### **5500. REDEMPTION PENALTY AND FEE**

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

See manual section [1522](#) for cancellation of the delinquent penalties and cost charges pursuant to [§4985.2](#).

### **5501. CANCELLATION OF REDEMPTION DEFICIENCY**

If the notice or bill required by [§4114](#) is not mailed within four years after the date of the original insufficient payment because of a redemption deficiency, then the deficiency shall not be collectible and shall, on order of the County Board of Supervisors and with the written consent of the county legal advisor, be canceled ([§4116](#)). A discharge of accountability may be initiated for amounts too small to justify collection ([§2611.1](#)). See manual sections [1020](#) and [2021](#).

### **5502. PAYMENT ON WRONG PROPERTY**

If a redemption payment or an installment plan payment is canceled pursuant to the provisions of [§4920](#), then the tax collector may request that the payee return the certificate so a corrected certificate may be issued.

## 5600-5604 Refunds: General Information

### 5600. REFUNDS BY ORDER OF THE BOARD OF SUPERVISORS

By order of the County Board of Supervisors, any taxes, including penalties, interest, and costs ([§5096](#)), shall be refunded if they are:

- 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, due to the assessor's error or excessive or improper assessments attributable to erroneous property 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 value of the property as determined by the County Assessment Appeals Board;
- Paid on an assessment in excess of the value of the property as determined by the assessor; or
- Collected on behalf of a special district from an assessee whose property was annexed to a city but not detached from the first public agency, due to error or inadvertence ([§5096](#), [§5096.1](#)).

### 5601. DUPLICATE OR EXCESS PAYMENT

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

### 5602. APPLICATION OF REFUND TO FUTURE TAX LIABILITIES

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

### 5603. REDEMPTION OF WRONG PROPERTY

See manual sections [5400](#), [5405](#) and [5602](#).

### 5604. AMOUNT OF \$10 OR LESS

If an overage fund has been established (manual section [5191](#)), any overpayment of \$10 or less may be deposited in that fund in lieu of making a refund (Gov. Code, [§29375.1](#)).

## 5610-5615 Refunds: Processing

### 5610. CLAIM REQUIRED

Generally, a refund may be made only upon a verified claim filed by the person who paid the tax or their 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 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 has been paid more than once;
- The amount paid exceeds the amount due on the property as shown on the roll;
- The amount paid exceeds the amount due on the property as the 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, with the written consent of the legal advisor; or
- The amount paid exceeds the amount due on the property as the result of a reduction attributable to a hearing before an assessment appeals board or an assessment hearing officer.

## 5611. TIME LIMITATIONS

If a verified, written claim for refund is filed pursuant to [§5097](#) (manual section [5610](#)), the following time frames apply:

- Except as provided in [§5097\(a\)\(3\)](#), the claim must be filed within four years after the making of the payment sought for refund, or within one year after the mailing of the notice as prescribed in [§2635](#), or the period agreed upon by the assessor and the assessee as provided by [§532.1](#), or within 60 days of the date of the notice by the auditor as prescribed in [§4836\(a\)](#), whichever is later ([§5097\(a\)\(2\)](#)).
- 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, then the applicant can file a separate claim for refund, pursuant to [§1603](#) or [§1604](#), within the time frame specified in section [§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\(c\)](#)).

## 5612. COMPUTATION OF AMOUNT

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

## 5613. CITY AND DISTRICT TAXES

A refund ordered by the County Board of Supervisors may include county taxes and taxes collected by county officers for a city or a revenue district ([§5099](#)).



**5614. COURT ACTION IF REJECTED**

If a claim is rejected in whole or in part by the County Board of Supervisors, the individual who paid the tax or that individual's guardian, executor, or administrator may, within six months after the rejection, bring an action only in the superior court, but not in the small claims division of the superior court, to recover the taxes ([§5140-§5141](#)).

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

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

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

Interest at the greater of three percent per annum or the county pool apportioned rate shall be paid when the interest amounts to \$10 or more on amounts refunded under [§5096.7](#) to an assessee for any reason whatsoever ([§5151](#)).

**5615. UNCLAIMED REFUNDABLE AMOUNT**

After the time limitation for filing a claim for refund has expired under [§5097](#) (manual sections [1624](#) and [5611](#)), any unclaimed amount otherwise payable as a refund may be transferred to the county's 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](#).

**5700 Sale of Tax Certificates: General Information****5700. LEGISLATIVE INTENT AND GENERAL PROVISIONS**

These statutes permit any county to sell tax certificates, upon the recommendation of the tax collector and by resolution of the County Board of Supervisors, if adopted during the first fiscal year to which it applies. A tax certificate represents the intangible property right to receive all delinquent amounts of secured roll property or of supplemental roll property upon sale by the tax collector.

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

**5710-5713 Sale of Tax Certificates: Pertinent Definitions****5710. ASSIGNED PENALTIES**

"Assigned penalties" means, with respect to taxes and assessments assigned pursuant to a tax certificate, any and all related penalties that are or may be payable pursuant to [§4502](#).

### **5711. DELINQUENCY DATE**

The "delinquency date" means the date on which a delinquency penalty attaches to taxes pursuant to [§75.52](#), [§2617](#), [§2618](#), [§2704](#), [§2705](#), or [§2705.5](#) as applicable ([§4503](#)).

### **5712. SECURED ROLL PROPERTY**

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

### **5713. TAX CERTIFICATE**

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

## **5720-5788 Sale of Tax Certificates: Process Information**

### **5720. AUTHORIZATION AND ADMINISTRATION**

Any county may, upon the recommendation of the tax collector, and by resolution of the County Board of Supervisors, adopt to sell tax certificates. If the board orders the discontinuance of the procedures authorized, all of the following shall occur ([§4511](#)):

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

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

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

### **5721. SALE OF TAX CERTIFICATES**

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

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

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

## 5722. PROCEEDS FROM THE SALE OF A TAX CERTIFICATE

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

## 5723. CANCELLATIONS OF TAX CERTIFICATE.

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

If the tax collector receives only a portion of the taxes, assessments, and assigned penalties, or interest in the case of an installment plan of redemption assigned by a tax certificate, then the tax collector shall pay that amount to the holder of the tax certificate and shall make a corresponding adjustment to the amounts set forth in the tax certificate and the tax certificate record ([§4524\(b\)](#)).

If part of a tax assessment on a parcel specified in a tax certificate is paid or redeemed, then the tax collector shall pay to the holder of the tax certificate that portion of the payment relating to the amounts assigned under the tax certificate and shall adjust the information in the tax certificate and the tax certificate record accordingly ([§4524\(c\)](#)).

Any amount collected shall be first applied to the oldest outstanding certificate. The assessee shall still be considered delinquent with respect to any unredeemed certificate on the property ([§4524\(d\)](#)). Notwithstanding any other provision of law, any partial payment with respect to a tax certificate, including annual payments from installment plans of redemption, shall be applied to the monthly penalty first ([§4524\(e\)](#)).

[§4524](#) shall apply notwithstanding any other provision of the California Revenue and Taxation Code to the contrary ([§4524\(f\)](#)).

## 5724. PAYMENT TO HOLDER OF TAX CERTIFICATE

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

The tax collector shall pay to the holder of a tax certificate, from amounts on deposit in the Tax Certificate Redemption Fund, an amount equal to the purchase price of the tax certificate, together with interest thereon at a rate equal to the rate that the county would pay on any refund to an assessee for the same fiscal year. This rate is to be applied to all amounts paid with respect to the certificate from the date of the sale of the tax certificate.

The tax collector shall cancel the tax certificate if any of the following occurs ([§4527\(a\)](#)):

- The taxes and assessments assigned by the tax certificate were paid prior to the sale of the tax certificate.
- After the sale of the tax certificate, the taxes and assessments assigned by the tax certificate are canceled for any reason other than the payment of the taxes and assessments.
- The lien on the parcel specified in the tax certificate is removed, other than pursuant to [§2195](#) or [§4105.2](#), or by order of the federal bankruptcy court, prior to the time the holder of the tax certificate receives all amounts due under the tax certificate.
- The parcel specified in the tax certificate is deeded to a taxing agency pursuant to [§3771 et seq.](#)
- The holder of the tax certificate requests cancellation when there has been a violation of [§3441](#) with respect to the parcel specified in the tax certificate.

Promptly after obtaining knowledge of any occurrence described in [§4527\(a\)](#), the tax collector shall notify, in writing, the holder of the applicable tax certificate.

If the delinquency penalty assigned by a tax certificate is canceled, pursuant to [§2610.5](#) or [§4985.2](#) or for any reason other than payment in full of the penalty, then the tax collector shall, at the option of the holder of the tax certificate and from amounts on deposit in the Tax Certificate Redemption Fund, do either of the following:

- Pay to the holder of the tax certificate an amount equal to the purchase price of the tax certificate; together with interest, which is to be applied to all amounts paid with respect to the certificate from the date of the sale of the tax certificate; and cancel the tax certificate. The interest should be applied at a rate equal to the rate that the county would pay on any refund to an assessee for the same fiscal year; or
- Pay to the holder of the tax certificate an amount equal to the difference between the purchase price of the tax certificate and the total amount of taxes and assessments assigned by the tax certificate; together with interest, which is to be applied to all amounts paid with respect to the certificate from the date of its sale; and adjust the information contained in the tax certificate and the tax certificate record

accordingly. The interest should be applied at a rate equal to the rate that the county would pay on any refund to an assessee for the same fiscal year.

If a redemption certificate is issued pursuant to [§4105.2](#) with respect to a parcel specified in a tax certificate, and if all amounts assigned under the tax certificate, including, without limitation, amounts due under [§4103](#), are not paid to the holder of the tax certificate, then the tax collector shall immediately pay to the holder, from amounts on deposit in the Tax Certificate Redemption Fund, any amount so assigned but not paid. The tax collector may use amounts on deposit in the Tax Certificate Redemption Fund to make the payments permitted under Revenue and Taxation Code sections [§3729](#), [§3731](#), [§4920](#) and [§5103](#).

## 5725. METHOD OF SALE

- The tax collector may sell tax certificates by any form of public or private sale, including, but not limited to, auction, negotiated sale, or bulk sale. Except as provided in [§4528\(c\)](#) the price received for a tax certificate shall not be less than the amount of taxes and assessments being assigned thereby. Prior to the sale of any tax certificate, the tax collector shall do all of the following ([§4528\(a\)](#)):
  - Determine the size of the offering and the parcels to be included in the sale;
  - Determine the fees necessary to conduct the sale and maintain adequate tax certificate records;
  - Establish the rules and procedures for the sale;
  - Publish the rules, procedures, and fees; and
  - Make the published rules, procedures, and fees available to the public.

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

- Except as provided in [§4528\(c\)](#) of this section, the tax collector shall not sell a tax certificate if any of the following apply [§4528\(b\)](#):
  - The parcel is not on the secured roll or supplemental roll;
  - The parcel is owned by a governmental agency;
  - The total amount of taxes and assessments to be assigned thereby is less than \$100, unless the parcel is included in a bulk sale;
  - The parcel has a recorded public notice concerning pollution or contamination to a degree that poses a public health concern or environmental hazard;
  - The parcel was subject to a proceeding in federal bankruptcy court prior to the sale of the tax certificate; or
  - The parcel was subject to a condemnation proceeding prior to the sale of the tax certificate.

Notwithstanding [§4528\(a\)](#) and [§4528\(b\)](#), the tax collector may sell or resell, at a discount and in accordance with published rules and procedures:

- Tax certificates for parcels described in [§4528\(b\)\(3-5\)](#);
- Any certificate subject to the Sailors and Soldiers Relief Act; and
- Certificates for parcels described in [§4527\(a\)\(5\)](#) ([§4528\(c\)](#)).

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

The tax collector shall notify the holder of the outstanding tax certificate by registered or certified mail of the default requiring the issuance of an additional tax certificate on the same parcel and of the tax certificate

holder's right, until the date one month after receipt of the notice, to purchase the additional certificate on the same terms as the outstanding certificate.

In addition, the holder of the outstanding tax certificate shall have the right of first refusal to purchase the tax certificate on the same parcel for the highest bid until all tax certificates on that parcel are redeemed or canceled. During the six-month period, at the option of the holder of the most recently issued outstanding tax certificate, the tax collector shall sell the tax certificate to the holder of the outstanding tax certificate on the same terms as the outstanding tax certificate ([§4528\(d\)](#)).

#### **5726. MAINTAINING A RECORD OF SALES**

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

#### **5727. TRANSFER OF A CERTIFICATE**

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

#### **5728. REQUEST FOR DUPLICATE CERTIFICATE**

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

The tax collector shall issue a duplicate tax certificate, shall plainly mark or stamp it as a duplicate, and shall enter the fact of the duplicate in the tax certificate record opposite the entry of the sale for which the lost or destroyed tax certificate was issued. The tax collector shall enter in the same place a notation of the alleged loss or destruction, whether or not the duplicate certificate is issued ([§4531\(b\)](#)).