

**Introduced by Committee on Revenue and Taxation  
(Senators Chesbro (Chair), Alpert, Bowen, Burton,  
Johnston, and McPherson)**

February 26, 1999

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An act to amend Sections 760, 2512, 2610.5, 2910.1, 3437, 3692, 4222.5, 4837.5, and 4985 of, and to repeal Section 3440 of, the Revenue and Taxation Code, relating to property taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1233, as introduced, Committee on Revenue and Taxation. Property taxation.

(1) Existing property tax law requires, with respect to collection of delinquent taxes on the secured roll, for the default and tax sale of real property subject to specified procedures, and with respect to the collection of delinquent taxes on the unsecured roll for the seizure and sale of personal property, improvements, or possessory interests belonging to or assessed to the assessee.

Existing law authorizes the tax collector, where an amount assessed by the State Board of Equalization on fixtures and personal property only becomes delinquent on the secured roll, to use the procedures provided for the collection of taxes on the unsecured roll for the collection of that amount.

This bill would permit the tax collector to use the procedures for collection of taxes on the unsecured roll for any amount assessed by the board that becomes delinquent on the secured roll.

(2) Under existing law, a remittance to a taxing agency is deemed to be received on the date shown by the post office cancellation mark under specified conditions.

This bill would also permit payments to be made through independent delivery services under specified conditions, and would clarify the postal provisions regarding payments on property on the secured roll.

(3) Existing law requires the tax collector to mail a tax bill for every property on the secured roll and authorizes the tax collector to mail a tax bill on assessments on the unsecured roll.

This bill would permit the tax collector to electronically transmit these tax bills.

(4) Existing law requires the tax collector to transmit a statement to the Controller after a declaration of default showing the amount in default and the property affected.

This bill would repeal that provision.

(5) Existing law requires the tax collector to take various actions regarding the sale of tax-defaulted property, and requires the original notice to indicate that any parcel remaining unsold may be resold within a 90-day period.

This bill would specify the types of notices in which that provision would be required.

(6) Existing property tax law permits, at the election of the assessee, the installment payment of delinquent taxes on tax-defaulted property under an installment payment plan. Existing law permits a one-year deferral of payment under an existing installment plan if the county in which the property is located was declared by the Governor to be in a state of disaster as a result of the fires which occurred in 1987.

This bill would permit a one-year deferral of payment under an existing installment plan if the county was declared by the Governor to be in a state of emergency or disaster due to a major misfortune or calamity, and specified conditions are met.

(7) Existing property tax law provides, as specified, for the payment of escape assessments for prior fiscal years over a 4-year period. However, the balance of the tax to be paid becomes immediately due and payable under specified



circumstances, including an installment not being paid timely or a default.

This bill would authorize the tax collector to reinstate the installment account under specified conditions if the tax collector is convinced that the missed payment was not due to the fault of the assessee.

(8) The bill would also make a technical change to the provisions regarding the cancellation of fees and penalties due to errors made by the tax collector, auditor, or assessor.

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

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

1 SECTION 1. Section 760 of the Revenue and Taxation  
2 Code is amended to read:

3 760. If ~~an~~ any amount assessed by the board ~~on~~  
4 ~~fixtures and personal property only~~ becomes delinquent  
5 on the secured roll, the tax collector may utilize those  
6 procedures for the collection of taxes on the unsecured  
7 roll to collect the amount assessed by the board.

8 SEC. 2. Section 2512 of the Revenue and Taxation  
9 Code is amended to read:

10 2512. If a remittance to cover a payment required by  
11 law to be made to a taxing agency prior to a specified date  
12 and hour is (a) deposited in the United States mail in a  
13 sealed envelope, properly addressed with the required  
14 postage prepaid, or (b) deposited for shipment with an  
15 independent delivery service that is an Internal Revenue  
16 Service designated delivery service or has been approved  
17 by the tax collector in a sealed envelope or package,  
18 properly addressed with the required fee prepaid,  
19 delivery of which shall be not later than 5 p.m. on the next  
20 business day after the effective delinquent date, the  
21 remittance shall be deemed received on the date shown  
22 by the post office cancellation mark stamped upon the  
23 envelope containing the remittance, or the independent  
24 delivery service shipment date shown on the packing slip  
25 or air bill attached to the outside of the envelope or  
26 package containing the remittance, or on the date it was



1 mailed if proof satisfactory to the tax collector establishes  
2 that the mailing occurred on an earlier date. The taxing  
3 agency is not required to accept such a payment actually  
4 received in the mail if it is received more than 30 days  
5 after the date and time set by law for the payment. This  
6 section shall not, for purposes of applying subdivision (a)  
7 of Section 3707, apply to a remittance sent by mail *or by*  
8 *independent delivery service* for the redemption of  
9 tax-defaulted property.

10 SEC. 3. Section 2610.5 of the Revenue and Taxation  
11 Code is amended to read:

12 2610.5. Annually, on or before November 1, the tax  
13 collector shall mail *or electronically transmit* a county tax  
14 bill or a copy thereof for every property on the secured  
15 roll. This requirement need not be met where no taxes  
16 are due. Failure to receive a tax bill shall not relieve the  
17 lien of taxes, nor shall it prevent the imposition of  
18 penalties imposed by this code. However, the penalty  
19 imposed for delinquent taxes as provided by any section  
20 of this code shall be canceled if the assessee or fee owner  
21 demonstrates to the tax collector that delinquency is due  
22 to the tax collector's failure to mail *or electronically*  
23 *transmit* the tax bill to the address provided on the tax roll  
24 *or electronic address provided and authorized by the*  
25 *taxpayer to the tax collector*. Penalties imposed may be  
26 canceled if the board of supervisors, upon  
27 recommendation of the tax collector, has authorized the  
28 tax collector to establish, and the tax collector has so  
29 established, specific procedures for the consideration of  
30 penalty cancellations. Those procedures may provide  
31 that penalties imposed may be canceled by resolution of  
32 the county board of supervisors upon the  
33 recommendation of the tax collector if the assesses or fee  
34 owners demonstrate to the tax collector that the  
35 delinquency is due to the county's failure to send a notice  
36 of taxes to the owner of property acquired after the lien  
37 date on the secured roll, provided payment of the amount  
38 of taxes due, minus any penalties and costs, is made no  
39 later than June 30 of the fiscal year in which the property  
40 owner is named as the assessee for taxes coming due.



1 With respect to a late, amended, or corrected tax bill,  
2 the penalties imposed for delinquent taxes shall be  
3 canceled if the tax amount is paid within 30 days following  
4 the date that bill is mailed *or electronically transmitted*.

5 Under no circumstance shall a taxpayer have fewer  
6 than 30 days to pay without penalty.

7 SEC. 4. Section 2910.1 of the Revenue and Taxation  
8 Code is amended to read:

9 2910.1. The tax collector may, no later than 30 days  
10 prior to the date on which taxes are delinquent and as  
11 soon as reasonably possible after receipt of the extended  
12 assessment roll, mail *or electronically transmit* a tax bill  
13 for every assessment on the unsecured roll on which taxes  
14 are due, unless the total tax bill amount due is too small  
15 to justify the cost of collection. Failure to receive a tax bill  
16 shall not relieve the lien of taxes, nor shall it prevent the  
17 imposition of penalties imposed by this code. However,  
18 the penalty imposed for delinquent taxes as provided by  
19 any section in this code shall be canceled if the assessee  
20 convinces the tax collector that he or she did not receive  
21 the tax bill mailed to the address provided on the roll *or*  
22 *electronic address provided and authorized by the*  
23 *taxpayer to the tax collector*.

24 SEC. 5. Section 3437 of the Revenue and Taxation  
25 Code is amended to read:

26 3437. The amount due on any property may be paid  
27 until the close of business on June 30 if it was separately  
28 valued on the secured roll. If June 30 falls on a Saturday,  
29 Sunday, or legal holiday, and payment is received by the  
30 close of business on the next business day, redemption  
31 penalties shall not attach. If the board of supervisors, by  
32 adoption of an ordinance or resolution, closes the county's  
33 offices for business prior to the time of delinquency on the  
34 "next business day" or for that whole day, that day shall  
35 be considered a legal holiday for purposes of this section.  
36 *Section 2512 shall apply to remittances made by mail.*

37 SEC. 6. Section 3440 of the Revenue and Taxation  
38 Code is repealed.

39 ~~3440. Immediately after the declaration of default,~~  
40 ~~the tax collector shall transmit to the Controller a~~



1 ~~statement, in the form desired by the Controller, showing~~  
2 ~~in detail the amount declared in default and the property~~  
3 ~~affected.~~

4 SEC. 7. Section 3692 of the Revenue and Taxation  
5 Code is amended to read:

6 3692. (a) The tax collector shall attempt to sell  
7 tax-defaulted property as provided in this chapter within  
8 four years of the time that the property becomes subject  
9 to sale for nonpayment of taxes unless by other provisions  
10 of law the property is not subject to sale. If there are no  
11 acceptable bids at the attempted sale, the tax collector  
12 shall attempt to sell the property at intervals of no more  
13 than six years until the property is sold.

14 (b) When oil, gas, or mineral rights are subject to sale  
15 for nonpayment of taxes, the tax collector may offer the  
16 interest at minimum bid to the holders of outstanding  
17 interests where the interest subject to sale is a partial  
18 interest or, where the interest subject to sale is a complete  
19 and undivided interest, to the owner or owners of the  
20 property to which the oil, gas, or mineral rights are  
21 appurtenant.

22 (c) When parcels that are rendered unusable by their  
23 size, location, or other conditions are subject to sale for  
24 nonpayment of taxes, the tax collector may offer the  
25 parcel at a minimum bid to owners of contiguous parcels.  
26 The tax collector shall require that the successful bidder  
27 request the assessor and the planning director to combine  
28 the unusable parcel with his or her own parcel as a  
29 condition of sale.

30 (d) Sealed bid sale procedures shall be used when  
31 offers are made pursuant to subdivision (b) or (c), and  
32 the property shall be sold to the highest eligible bidder.  
33 The offers shall remain in effect for 30 days or until notice  
34 is given pursuant to Section 3702, whichever is later.

35 (e) The ~~original notice~~ *Notice of Power to Sell*  
36 *Tax-Defaulted Property, Notice of Power and Intent to*  
37 *Sell Tax-Defaulted Property, Notice to the Board of*  
38 *Supervisors, and Notice of Intended Sale of*  
39 *Tax-Defaulted Property* shall indicate that any parcel  
40 remaining unsold may be resold within a 90-day period



1 and any new parties of interest shall be notified in  
2 accordance with Section 3701. This subdivision shall not  
3 apply to properties sold pursuant to Chapter 8  
4 (commencing with Section 3771).

5 SEC. 8. Section 4222.5 of the Revenue and Taxation  
6 Code is amended to read:

7 4222.5. (a) Notwithstanding any other provision of  
8 this article, the tax collector of any county ~~which was that~~  
9 ~~is~~ designated by the Governor to be in a state of ~~disaster~~  
10 ~~as the result of the fires which occurred in 1987~~  
11 *emergency or disaster due to a major misfortune or*  
12 *calamity and is therefore an eligible county for tax relief,*  
13 *as defined in Chapter 5 (commencing with Section 194)*  
14 *of Part 2, may defer for a period of one year payments*  
15 *under an installment plan if all of the following conditions*  
16 *are met:*

17 (1) The installment plan was already in existence at  
18 the time deferral is requested by the assessee or the agent  
19 of the assessee.

20 (2) The assessee or the agent of the assessee can  
21 establish to the satisfaction of the tax collector that the  
22 assessee incurred substantial ~~business losses of at least five~~  
23 ~~thousand dollars (\$5,000)~~ *disaster damage as defined in*  
24 *Section 194* in connection with his or her property as a  
25 result of the ~~1987 fires~~ *disaster*.

26 (3) The assessee or the agent of the assessee files an  
27 application for deferral with the tax collector on or before  
28 September 1, ~~1988~~ *of the following fiscal year*.

29 (4) The assessee is not receiving any other ~~disaster~~  
30 relief relating to the ~~1987 fires~~ *disaster*.

31 (b) This section does not preclude the assessment of  
32 interest in connection with the deferral of any installment  
33 payment. Any interest so assessed shall be due and  
34 payable together with the deferred installment payment.

35 (c) For purposes of this section, “substantial business  
36 losses” means net business losses incurred by the assessee  
37 after accounting for the assessee’s receipt of any federal  
38 disaster aid, state disaster aid, related insurance loss claim  
39 payments, or property tax relief under Chapter ~~6~~ 5  
40 (commencing with Section ~~197~~ 194) of Part 2.



1 SEC. 9. Section 4837.5 of the Revenue and Taxation  
2 Code is amended to read:

3 4837.5. (a) Notwithstanding any other provision of  
4 law, taxes due, whether secured or unsecured, on escape  
5 assessments for prior fiscal years may be paid over a  
6 four-year period at the option of the assessee if: (1) the  
7 additional tax is over five hundred dollars (\$500), and (2)  
8 a written request for installment payment is filed by the  
9 assessee with the tax collector prior to the time the second  
10 installment of taxes on the secured roll becomes  
11 delinquent, or by the last day of the month following the  
12 month in which the tax bill is mailed, whichever is later.  
13 The tax collector shall include with the property tax bill  
14 a notice of the payment provisions of this section. For  
15 unsecured taxes, the written request for installment  
16 payment shall be filed with the tax collector prior to the  
17 date on which those taxes become delinquent.

18 (b) If payment by installments is requested, 20  
19 percent or more of the tax shall be paid no later than the  
20 deadline for filing the written request. The current taxes  
21 and prior year taxes with penalties and costs thereon shall  
22 be paid with or prior to the initial installment payment.  
23 In each succeeding fiscal year, the assessee shall pay,  
24 before the delinquency date of the second installment of  
25 current taxes on the secured roll, all current year taxes,  
26 and a sum at least sufficient to reduce the outstanding  
27 balance of the tax by 20 percent of the original amount.  
28 In the case of unsecured taxes, the required annual  
29 installment shall be paid on or before August 31.

30 (c) Interest at the rate of three-fourths of 1 percent  
31 per month, calculated from the date of the deadline for  
32 filing the written request to the date that payment is due,  
33 shall be added to the outstanding balance, if the tax  
34 collector determines that the escape or under assessment  
35 was due, in whole or in part, to the error, omission, or fault  
36 of the assessee.

37 (d) No additional penalties shall be charged as long as  
38 installment payments are made timely; and, in the case  
39 of secured taxes, as long as all payments are made timely,



1 an affidavit regarding the property shall not be published  
2 pursuant to Section 3371.

3 (e) If any installment is not paid timely, or if the  
4 property on the secured roll becomes tax defaulted, or if  
5 the property changes ownership, or if taxes for the  
6 property on the unsecured roll are not paid before  
7 becoming delinquent, the balance of the tax remaining to  
8 be paid shall immediately become due and payable, and  
9 no further installment payments for that escape  
10 assessment or correction shall be authorized. The tax  
11 collector shall inform the auditor of the defaulted, off-roll  
12 installment plan and of the delinquent amount remaining  
13 unpaid. *With regard to property on the secured roll that*  
14 *has not become tax defaulted, or property on the*  
15 *unsecured roll that has not become delinquent, in the*  
16 *event the payment is missed at the time the second or*  
17 *subsequent installment is due and the assessee or agent*  
18 *of the assessee can, by substantial evidence, convince the*  
19 *tax collector that the payment was not made through any*  
20 *fault of the assessee, the tax collector may reinstate the*  
21 *account upon receipt of a payment in an amount*  
22 *reflecting the installment plus interest under subdivision*  
23 *(c) to the date of reinstatement, provided that the*  
24 *payment is physically received by the tax collector prior*  
25 *to the time the property becomes tax defaulted or prior*  
26 *to June 30 of the current fiscal year, whichever occurs*  
27 *earlier.*

28 (f) The auditor shall add the unpaid balance, plus all  
29 penalties and costs thereon, to the current roll, adjust the  
30 tax collector's charge accordingly, and the remaining  
31 balance of the tax shall become subject to all of the  
32 provisions of this division applicable to delinquent taxes.

33 (g) The tax collector shall maintain records listing the  
34 current status of all the installment accounts authorized  
35 under this section. The status of each installment account  
36 shall be entered on the current roll and the tax collector  
37 may file for record with the county recorder a certificate  
38 pursuant to Section 2191.3.

39 (h) When the installment account is paid in full before  
40 5 p.m. on June 30 of the year in which the account has



1 become defaulted and the tax collector has filed for  
2 record a certificate of lien, the tax collector shall also file  
3 for record a release of that lien. Where the account is not  
4 paid in full until after June 30 of the year in which the  
5 account became defaulted, the filings of the certificates  
6 of lien and release of lien shall be subject to recording fees  
7 charged to the taxpayer.

8 (i) The tax collector may establish a fee for the actual  
9 cost of processing a request to pay escaped assessments in  
10 installments.

11 SEC. 10. Section 4985 of the Revenue and Taxation  
12 Code is amended to read:

13 4985. Any delinquent penalty, cost, redemption  
14 penalty, interest, or redemption fee, heretofore or  
15 hereafter attached, shall upon satisfactory proof  
16 submitted by the tax collector, the auditor, or the assessor,  
17 be canceled by the auditor upon a showing that the  
18 delinquent penalty, cost, redemption penalty, interest, or  
19 redemption fee has attached because of ~~an~~ *either of the*  
20 *following*:

21 (a) *An error of the tax collector, the auditor, or the*  
22 *assessor, or because of their inability assessor.*

23 (b) *They were unable to complete valid procedures*  
24 *initiated prior to the delinquency date, and date. The*  
25 *cancellation shall be made upon the further showing that*  
26 *payment of the corrected or additional amount was made*  
27 *within 30 days from the date that the correction was*  
28 *entered on the roll or abstract record.*

