



SAN DIEGO COUNTY CHAPTER

The San Diego County Chapter of the CRA would like to propose that San Diego County Treasurer Tax Collector Dan McAllister (County), under **California Code, Revenue and Taxation Code - RTC § 4837.5** modify and present a “COVID-19 Emergency 12 Month Escape Tax Bill Payment Plan Agreement” for taxpayers whom are unable to meet their tax obligation on April 10, 2020. It is our interpretation that **RTC § 4837.5 permits an** assessee - unable to meet their second installment tax obligation (Over \$500.00) on Friday, April 10th, 2020, may enter into a payment plan agreement with the County - as a written request is filed by assessee and accepted “prior to the time the second installment of taxes on the secured roll becomes delinquent.”

Additionally, by entering into a payment plan agreement with County - assessee would be required to pay “20 percent or more of the tax shall be paid no later than the deadline (April 10, 2020) for filing the written request.” We therefore, request the County provide CRA his opinion on utilization of **RTC § 4837.5** and or developing a modified “COVID-19 Emergency 12 Month Escape Tax Bill Payment Plan Agreement.”

To enroll a bill on the four-year plan, you must meet the following criteria:

1. Escape tax bill must be for a previous fiscal tax year.
2. The total amount due must be greater than \$500.
3. Submit a completed and signed [Four Year Payment Plan Agreement](#) before April 10th or by the extension date listed on the coupon, whichever is later.
4. Pay at least 20% of the escape bill and all other taxes that are currently due, if any, no later than the deadline for filing the written request.
5. Pay the \$26 payment plan set-up fee.
6. If you do not pay your scheduled installments when due or other secured property taxes when due, the plan will default, and you will be charged penalties just like all other delinquent taxes. The tax plus the penalty will be due immediately.
7. In each succeeding year, a payment of at least 20% of the original amount, plus a maintenance fee of \$55, is required by April 10th.

California Code, Revenue and Taxation Code - RTC § 4837.5

(a) Notwithstanding any other provision of law, taxes due, whether secured or unsecured, on escape assessments for prior fiscal years may be paid over a four-year period at the option of the assessee if: (1) the additional tax is over five hundred dollars (\$500), and (2) a written request for installment payment is filed by the assessee with the tax collector prior to the time the second installment of taxes on the secured roll

becomes delinquent, or by the last day of the month following the month in which the tax bill is mailed, whichever is later. The tax collector shall include with the property tax bill a notice of the payment provisions of this section. For unsecured taxes, the written request for installment payment shall be filed with the tax collector prior to the date on which those taxes become delinquent.

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

(c) Interest at the rate of three-fourths of 1 percent per month, starting with the month following the date of the deadline for filing the written request, shall be applied to the outstanding balance, on the first day of the month, if the escape or underassessment was due, in whole or in part, to the error, omission, or other fault of the assessee. If the first day of any month falls on a Saturday, Sunday, or legal holiday, the next additional three-fourths of one percent of interest shall be applied to the outstanding balance on the next business day.

(d) No additional penalties shall be charged as long as installment payments are made timely; and, in the case of secured taxes, as long as all payments are made timely, an affidavit regarding the property shall not be published pursuant to [Section 3371](#).

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

(f) The auditor shall add the unpaid balance, plus all penalties and costs thereon, to the current roll, adjust the tax collector's charge accordingly, and the remaining balance of

the tax shall become subject to all of the provisions of this division applicable to delinquent taxes.

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

(h) When the installment account is paid in full before 5 p.m. on June 30 of the year in which the account has become defaulted and the tax collector has filed for record a certificate of lien, the tax collector shall also file for record a release of that lien. Where the account is not paid in full until after June 30 of the year in which the account became defaulted, the filings of the certificates of lien and release of lien shall be subject to recording fees charged to the taxpayer.

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