

State of California County Tax Collectors' Reference Manual

Chapter 3000: Supplemental Tax Collections



BETTY T. YEE
California State Controller's Office

Chapter 3000 Supplemental Tax Collection

Contents

3000-3002 General Information: Requirements Overview.....	4
3000. LEGISLATIVE INTENT & GENERAL PROVISIONS.....	4
3001. RESPONSIBILITIES OF COUNTY OFFICIALS.....	4
3002. REIMBURSEMENT FOR COSTS	4
3010-3019 Definitions: Standard Applications	4
3010. GENERAL INFORMATION	4
3011. SUPPLEMENTAL ROLL	4
3012. CURRENT ROLL	5
3013. ROLL BEING PREPARED	5
3014. PROPERTY	5
3015. TRADE FIXTURE IMPROVEMENTS	5
3016. CURRENT TAX RATE	5
3017. FISCAL YEAR.....	6
3018. NEW BASE YEAR VALUE	6
3019. TAXABLE VALUE	6
3020-3022 Definitions: Special Applications.....	6
3020. REFUND.....	6
3021. PRESUMED DATE OF SUPPLEMENTAL ASSESSMENT	6
3022. PRORATION FACTOR	6
3100-3107 Billing Procedures & Requirements: General Applications.....	7
3100. BILLING SCHEDULE	7
3101. CONTENT OF SUPPLEMENTAL BILL.....	7
3102. MAILING ADDRESS	8
3103. DUE AND DELINQUENCY DATES.....	9
3104. DELINQUENCY PENALTIES & COSTS.....	9
3105. TAX RATE USED.....	9
3106. COMPUTATION.....	9
3107. TWO INSTALLMENTS.....	9
3110-3116 Billing Procedures & Requirements: Special Circumstances	9
3110. OWNERSHIP PRORATION.....	10
3111. REFUNDS.....	10
3112. APPLICATION OF REFUNDS.....	10
3113. APPLICATION OF REFUND TO FUTURE TAX LIABILITIES.....	10
3114. CANCELLATION OF SMALL AMOUNTS.....	10
3115. SUPPLEMENTALS FOR PRIOR YEARS.....	11
3116. SUPPLEMENTAL ASSESSMENT CAUSED BY DEATH OF ASSESSEE	11

3120-3123 Billing Procedures & Requirements: Exemptions 11

- 3120. GENERAL APPLICATION..... 11
- 3121. FILING PERIOD..... 11
- 3122. PRORATION OF EXEMPTIONS DUE TO LATE FILING..... 12
- 3123. CUMULATIVE AMOUNT..... 12

3200-3204 Delinquent Payment Processing: General Information 12

- 3200. TAX-DEFAULT..... 12
- 3201. TAXES NOT A LIEN ON REAL PROPERTY 12
- 3202. ABSTRACT PREPARATION..... 12
- 3203. REDEMPTION 13
- 3204. EFFECT ON INSTALLMENT PLANS 13

3300-3301 Accounting & Record Retention: General Information 13

- 3300. PROCESSING SCHEDULE 13
- 3301. 1983-84 AND 1984-85 ASSESSMENTS 13

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

3000-3002 General Information: Requirements Overview

3000. LEGISLATIVE INTENT & GENERAL PROVISIONS

Supplemental assessment provisions were first enacted in 1983 (Chapter 1102, Statutes of 1983). This legislation subjects new construction and most changes in ownership of real property occurring on or after July 1, 1983, to immediate reassessment ([Rev. & Tax. Code §75](#)). The procedures required to implement the supplemental assessment system are not to be applied to administration of the "regular roll." However, general laws governing elements of assessment and collection -- for example, the first installment must be paid before or concurrently with the second installment -- apply to the supplemental roll ([Rev. & Tax. Code §75.1\(b\)](#)).

3001. RESPONSIBILITIES OF COUNTY OFFICIALS

The assessor must discover and assess property subject to supplemental assessment. The assessor values the property, allows or disallows exemptions claimed, notifies the assessee of the amount of pending supplemental assessment and of equalization appeal rights, and transmits data to the auditor ([Rev. & Tax. Code §§ 75.31, 75.40](#)).

The auditor applies the appropriate [tax rate](#) to each assessment, computes taxes for a full year and applies a proration factor that adjusts the tax amount to the remainder of the effective [fiscal year](#), divides the tax into two equal installments, enrolls the assessment, and transmits the assessment to the tax collector ([Rev. & Tax. Code §§ 75.41-75.42, 75.50](#)). Negative amounts (decreases in value) result in refunds ([M-3020](#) and [M-3111](#)). Refunds are handled exclusively by the auditor ([§75.43](#)). After collection, the auditor allocates revenues as required by supplemental assessment statutes ([Rev. & Tax. Code §§ 75.70 – 75.72](#)).

The tax collector receives completed assessments, prepares and mails bills (including those that must be prorated in accordance with [Revenue and Taxation Code section 75.54\(c\)](#)), and collects and enforces payment of taxes ([Rev. & Tax. Code §§ 75.51-75.54](#)). See [M-3101](#).

3002. REIMBURSEMENT FOR COSTS

The Legislature appropriated \$10 million as a state-distributed fund to partially defray the counties' 1983-84 cost of developing systems to administer supplemental assessment. Further, each county was permitted to deduct, for administrative expense, as much as five percent of the revenue it expected from supplemental assessment for the 1983-84 and 1984-85 fiscal years. These deductions could be made regardless of when collections for the two years occurred.

Now, if the board of supervisors adopts a method for identifying actual administrative costs enumerated in the statute related to the supplemental assessment process, such costs (not to exceed five percent of the tax charge) are allocated to the county prior to other allocations of supplemental assessment revenue. The administrative costs are deducted regardless of when they are incurred ([Rev. & Tax. Code §75.60](#)).

3010-3019 Definitions: Standard Applications

3010. GENERAL INFORMATION

Taxes resulting from supplemental assessment are in addition to other property taxes due, pursuant to Division 1, Chapter 3.5, Article 1-6, [Revenue and Taxation Code sections 75-75.55](#), of the Revenue and Taxation Code. The definitions in this section apply except where the context or specific provisions require otherwise ([Rev. & Tax. Code §75.1](#)).

3011. SUPPLEMENTAL ROLL

The "supplemental roll" may be defined as a system of assessments that adjusts taxes when new taxable values are determined following a change in ownership of locally assessed real property or the completion of new construction on locally assessed real property ([Rev. & Tax. Code §75.7](#)).

3012. CURRENT ROLL

The "current roll" means the roll for the [fiscal year](#) during which the change in ownership or the completion of construction occurred ([Rev. & Tax. Code §75.2](#)).

EXAMPLE: During the 1996-97 fiscal year, the assessor determines that a supplemental assessment event occurred in October 1994. In this case, the current roll used in determining the applicable tax rate is the 1994-95 roll.

3013. ROLL BEING PREPARED

The roll for the fiscal year following the fiscal year in which the event occurs that leads to a supplemental assessment is designated "the roll being prepared" ([Rev. & Tax. Code §75.3](#)). Although it is mentioned here and in some escape assessment and correction statutes, the "roll being prepared" is not a physical entity capable of being inspected.

EXAMPLE:

EVENT DATES	CURRENT ROLL	ROLL BEING PREPARED
July 1, 2007 - Dec 31, 2007	2007 - 08	
Jan 1, 2008 - June 30, 2008	2007 - 08	2008 - 09

3014. PROPERTY

For purposes of supplemental assessment, "property" means real property and manufactured homes subject to taxation on the secured roll, other than:

- 1) [Fixtures](#) that are normally valued as a separate [appraisal](#) unit from a structure; and,
- 2) Newly created taxable possessory interests, established by month-to-month agreements in publicly owned real property, having a full cash value of \$50,000 or less ([Rev. & Tax. Code §75.5](#)).

Personal property, except for manufactured homes, is not subject to supplemental assessment ([Rev. & Tax. Code §75.14](#)). For a discussion of manufactured-home taxation, see [Chapter 10000](#).

NOTE: The terms "secured" and "unsecured" are not used in assembling supplemental assessments. Security of the lien becomes an issue only after a supplemental tax becomes delinquent or when assessments are required to be prorated by provisions of [Revenue and Taxation Code section 75.54\(c\)](#) ([M-3104](#)).

3015. TRADE FIXTURE IMPROVEMENTS

A fixture is an [appurtenance](#) to land or improvements that is permanently affixed to property; it can include conveyor lines, ovens, built-in refrigerators, lighting fixtures, heavy machinery, and built-in cabinets.

Before August 1, 1987, the total activity involving deletions and additions of trade fixture improvements was supplementally assessed each year. Since that date, [trade fixture](#) improvements have been subject to supplemental assessments only upon a change in ownership or upon completion of new construction of a structure containing trade fixture improvements ([Rev. & Tax. Code §75.15](#)).

3016. CURRENT TAX RATE

For supplemental assessment purposes, the "current tax rate" is the rate applicable to the "current roll" as defined in [Revenue and Taxation Code section 75.2](#) ([Rev. & Tax. Code §75.4](#) and [M-3012](#)). If the tax rate for the "roll being prepared" is known, the rate shall be used with respect to the [fiscal year](#) to which it applies, rather than the current year's tax rate as defined in Revenue and Taxation Code section 75.4 ([Rev. & Tax. Code §75.41\(a\)](#)). For [trade fixture](#) improvements, the auditor may use the rate applicable to the year in which the report is filed. Doing this avoids the need to use two rates in calculating the bill for trade fixtures.

3017. FISCAL YEAR

"Fiscal year" means a year starting July 1 and ending June 30 ([Rev. & Tax. Code §75.6](#)).

3018. NEW BASE YEAR VALUE

The "new base year value" is the full cash value of property on the date it changes ownership or of new construction on the date it is completed ([Rev. & Tax. Code §75.8](#)), as determined by the assessor. "Base year value" is defined in [Revenue and Taxation Code section 50](#) ([Const., Art. XIII A, §2](#)).

3019. TAXABLE VALUE

"Taxable value" means the lesser of the base year full value adjusted upward for a given [lien date](#) (but no more than two percent in one year) or the full cash value for the same date, as determined by the assessor ([Rev. & Tax. Code §75.9](#)). After adjustment for any exemptions, net taxable value is the figure from which a tax is calculated.

3020-3022 Definitions: Special Applications

3020. REFUND

In the context of supplemental assessment, "refund" was originally used as an expression of entitlement arising from the fact of a "negative assessment" ([M-3110](#)). However, since a 1986 amendment of [Revenue and Taxation Code section 75.43](#), a refund for a particular year is made only if regular-roll taxes for the property for that year have been paid.

3021. PRESUMED DATE OF SUPPLEMENTAL ASSESSMENT

The presumed date for proration of a supplemental assessment is the first day of the month after the supplemental event takes place ([Rev. & Tax. Code §75.41\(c\)](#)).

3022. PRORATION FACTOR

If the presumed date is on or after August 1 and on or before January 1, the following proration factors are used to determine the taxes due for the portion of the [fiscal year](#) remaining after the presumed date ([Rev. & Tax. Code §75.41\(c\)\(7\)](#)).

Event Date	Presumed Date	Proration Factor (Current Roll)	Proration Factor (Roll Being Prepared)
July 1-31	August 1	.92	n/a
August 1-31	September 1	.83	n/a
September 1-30	October 1	.75	n/a
October 1-31	November 1	.67	n/a
November 1-30	December 1	.58	n/a
December 1-31	January	.50	n/a

January 1-31	February 1	.42	n/a
February 1-28	March 1	.33	1.00
March 1-31	April 1	.25	1.00
April 1-30	May 1	.17	1.00
May 1-31	June 1	.08	1.00
June 1-30	July 1	n/a	1.00

If, after computing the supplemental taxes due, the total is twenty dollars (\$20) or less, the auditor may cancel the amount, as provided by [Revenue and Taxation Code section 4986.8 \(Rev. & Tax. Code §75.41\(7\)\(d\)\)](#).

If the supplemental assessment is a negative amount, the auditor shall follow the procedures of [Revenue and Taxation Code section 75.41](#) to determine the refund to which the assessee may be entitled ([Rev. & Tax. Code §75.41\(7\)\(e\)](#)).

3100-3107 Billing Procedures & Requirements: General Applications

3100. BILLING SCHEDULE

A supplemental assessment bill differs from an ordinary bill in that its date of mailing is at the discretion of the tax collector, who determines the delinquency deadlines.

When a change in ownership or completion of new construction occurs between January 1 and May 31, inclusive, supplemental assessments are computed and billed for two fiscal years: the remainder of the fiscal year in which the event occurred plus the ensuing year ([Rev. & Tax. Code §75.41](#)).

NOTE: Both bills may be mailed at the same time. It is not necessary to defer mailing the full year's bill until regular-roll bills for that year are mailed.

3101. CONTENT OF SUPPLEMENTAL BILL

Data on supplemental bills must include ([Rev. & Tax. Code §§75.40](#) and [75.51](#)):

- 1) The date of change in ownership or completion of new construction;
- 2) The name and address of the assessee;
- 3) The assessor's parcel number or other [legal description](#) of the property;
- 4) The new base-year value, with land and improvements shown separately;
- 5) The value shown on the current roll or the roll being prepared, or both;

- 6) The amount of the supplemental assessment(s);
- 7) Any applicable exemptions and the net taxable amount after exemption, with exemptions reimbursable by the state shown separately;
- 8) The amount of supplemental taxes due;
- 9) The notice required by [Revenue and Taxation Code section 2611](#), which includes:
 - a) Delinquency penalties
 - b) Costs
 - c) Redemption penalties
 - d) Redemption fee
- 10) The dates taxes will become delinquent and the associated penalties;
- 11) The tax-rate area and a list of tax rates or dollar amounts of taxes levied by each [revenue district](#) and [taxing agency](#) on the property the bill covers (the tax rate must indicate any amount levied in excess of the one-percent limit imposed by provisions of [Article XIII A of the Constitution](#));
- 12) The date the property was tax-defaulted, if currently in tax-defaulted status ([Rev. & Tax. Code §2612](#));
- 13) A statement phrased substantially as follows ([Rev. & Tax. Code §75.51](#)):

Article XIII A, Sec. 2, of the California Constitution generally requires [reappraisal](#) of real property to its current full cash value whenever it is purchased or newly constructed or there is a change in ownership;
- 14) Accompanying notices regarding senior citizen assistance and property tax postponement programs (); and,
- 15) Information specifying all of the following ([Rev. & Tax. Code §§75.50](#) and [75.51](#)):
 - a) That, if the taxpayer disagrees with a change in the [assessed value](#) as shown on the tax bill, the taxpayer has the right to an informal assessment review by contacting the assessor's office;
 - b) That, if the taxpayer and the assessor are unable to agree pursuant to an informal assessment review, the taxpayer has the right to file an application for reduction in assessment for the following year with the county board of equalization or the assessment appeals board, as applicable, during the period from July 2 through September 15;
 - c) For counties that have adopted the provisions of , information advising the assessee that he/she has a right to appeal but the appeal must be made within 60 days of the date the bill was mailed; and
 - d) The address of the clerk of the county board of equalization or the assessment appeals board, as applicable, at which forms for an application for reduction may be obtained.

3102. MAILING ADDRESS

There may be a large number of assessment notices returned as undeliverable, usually owing to "bad" addresses. This problem is compounded when supplemental bills are not mailed until several months later. While failure to receive a notice of assessment or a bill does not relieve the assessee from paying the tax ([Rev. & Tax. Code §§75.32, 2610.5](#)), it may lead to administrative complications.

The tax collector should always make a reasonable attempt to determine the current address of a person subject to supplemental assessment before mailing a tax bill, if the notice of assessment has been returned undelivered.

3103. DUE AND DELINQUENCY DATES

Supplemental taxes are due on the date the bill is mailed.

For bills mailed July through October, the first installment becomes delinquent at 5 p.m. on December 10, and the second installment becomes delinquent at 5 p.m. on April 10.

For bills mailed November through June, the first installment becomes delinquent at 5 p.m. on the last day of the month following the billing month, and the second installment becomes delinquent at 5 p.m. on the last day of the fourth month following the date the first installment is delinquent ([Rev. & Tax. Code §75.52](#)).

NOTE: If the delinquency deadline falls on a weekend or a holiday, the penalty is waived if payment is received by 5 p.m. or at the close of business, whichever is later, on the next following business day ([Code Civ. Proc. §12\(a\)](#); [Rev. & Tax. §75.52](#)).

If the board of supervisors, by adoption of an ordinance or resolution, closes the county's offices for business prior to the time of delinquency on the "next business day" or for that whole day, that day shall be considered a legal holiday for purposes of this section. Any mailed payment postmarked as of the deadline date should be accepted, without regard to the 5 p.m. cutoff ([Rev. & Tax. Code §2512](#)).

3104. DELINQUENCY PENALTIES & COSTS

Each installment carries a ten-percent delinquency penalty ([Rev. & Tax. Code §75.52\(c\)](#)). When the second installment becomes delinquent, a \$10 [cost charge](#) attaches ([Rev. & Tax. Code §75.52\(d\)](#)). The penalty and the cost are included with any taxes transferred to unsecured collection, pursuant to provisions of [Revenue and Taxation Code section 75.54\(b\)](#).

NOTE: Unsecured bills resulting from ownership proration made in accordance with [Revenue and Taxation Code section 75.54\(c\)](#) are not subject to cost charges.

3105. TAX RATE USED

The "current year's tax rate" (see definition in [M-3012](#) and [M-3016](#)) should be construed as the "secured" tax rate set by the board of supervisors for the appropriate [fiscal year](#), whether or not the bill becomes unsecured.

3106. COMPUTATION

In computing a supplemental assessment tax, the auditor multiplies the net supplemental value by the secured rate in effect when the original event took place, then applies a factor to the product to obtain the final tax amount ([Rev. & Tax. Code §75.41](#)). The proration factors presented in [Revenue and Taxation Code section 75.41](#) and [M-3022](#) are based on the presumption that an event occurred on the first day of the month succeeding the month of actual occurrence. This simplifies most tax calculations.

For purposes of establishing the point of base-year value adjustment and making ownership proration of taxes, the actual date when the event transpired must be used.

3107. TWO INSTALLMENTS

Except for an unsecured bill calculated pursuant to [Revenue and Taxation Code section 75.54\(c\)](#) (change of ownership), all supplemental assessment bills are to be provided in two installments ([Rev. & Tax. Code §75.41\(a\)](#)). Also see [M-3204](#) and [M-3110](#).

3110-3116 Billing Procedures & Requirements: Special Circumstances

3110. OWNERSHIP PRORATION

The law (Chapter 746, Statutes of 1984) requires proration of taxes according to period of ownership in cases where change in ownership occurs before billing is made for prior supplemental assessments on the same property ([Rev. & Tax. Code §75.54\(c\)](#)). In these instances, one particular assessment is billed to two or more owners based on the actual number of days each owned the property in the portion of the [fiscal year](#) affected by the supplemental assessment. If the term of ownership after the supplemental assessment event is less than one day, only the latter owner is billed.

The code states that the unsecured portion of an ownership proration should be transferred to the [unsecured roll](#). Some counties are doing the proration and keeping those on the supplemental roll but coding them as unsecured for collection purposes; they are transferred to the unsecured [abstract](#) when they remain unpaid on June 30.

The principles illustrated as applying to two supplemental assessment events also apply to three or more occurrences. In such cases, the assessee for the most recent event receives a prorated supplemental tax bill (or bills, if two fiscal years are involved) and the previous owners receive prorated unsecured bills.

NOTE: If the first supplemental event in a chain is a negative assessment, no proration is made for it. The auditor issues a refund check upon completing enrollment ([Rev. & Tax. Code §75.43](#)). However, if the negative assessment occurs after the first event (that has not been billed), a proration should be made.

COMMENT: The tax should not be prorated if a bill for an earlier change in ownership or completion of new construction has already been sent prior to the supplemental event being billed. In such cases, the tax lien is against the real property and is a matter of [public record](#).

Paragraph (d) of [Revenue and Taxation Code section 75.54](#) permits a county the option of ignoring any fraction of the month in which the first supplemental event occurred.

3111. REFUNDS

Refunds arising from negative supplemental assessments are wholly processed by the auditor ([Rev. & Tax. Code §§75.41\(d\) -75.43](#)). The auditor must make refunds within 90 days after enrollment or pay interest to the assessee. Such interest is calculated beginning with the 30th day. The refunds are to be made from taxes collected from supplemental assessments.

3112. APPLICATION OF REFUNDS

The tax collector may apply any refund due a taxpayer or the taxpayer's agent to any [delinquent taxes](#) due on the same property for which the taxpayer or the agent is liable ([Rev. & Tax. Code §2635.5](#)).

3113. APPLICATION OF REFUND TO FUTURE TAX LIABILITIES

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

3114. CANCELLATION OF SMALL AMOUNTS

A common problem of supplemental assessment is issuance of tax bills for small amounts, sometimes only a few pennies. Much of new construction is minor remodeling or the addition of low-value [improvements](#); or a property may resell shortly after a previous sale for only a modest gain in value. Even when substantial value is involved, proration because of multiple supplemental assessment events can result in billing for very small amounts.

Although the provisions of [Revenue and Taxation Code section 155.20](#) are not applicable to supplemental assessment, a tax collector may request the auditor to cancel any tax bill of \$20 or less ([Rev. & Tax. Code §§75.41\(d\)](#) and [4986.8](#)).

A county, where authorized by the board of supervisors, by [ordinance](#), may cancel supplemental assessment taxes amounting to the cost of administration but not to exceed \$20, or \$50 in the case of [manufactured home accessories](#) ([Rev. & Tax. Code §75.55](#)). Even if a small amount is canceled, the value increase upon which it is based is not. As a result, ongoing regular taxes will reflect the new taxable value.

3115. SUPPLEMENTALS FOR PRIOR YEARS

Supplemental assessments generally can be made for events that take place up to four years prior to the current roll year ([Rev. & Tax. Code §75.11\(d\)\(1\)](#)).

Exceptions that extend the length of time to enroll a supplemental assessment include situations where concealment or fraudulent acts are involved or where the assessee and the assessor agree to extend the time ([Rev. & Tax. Code §75.11\(e\)](#)).

3116. SUPPLEMENTAL ASSESSMENT CAUSED BY DEATH OF ASSESSEE

Death constitutes a change in ownership for property taxation purposes, unless the successor in interest is a spouse or a legally exempt parent, child or foster child of the decedent ([Rev. & Tax. Code §§63, 63.1](#); [Const. Art. XIII A, §2 subparagraphs \(g\) & \(h\)](#)). In the case of transfer to a parent, child or foster child, appropriate written certification providing evidence of the kinship must be filed with the assessor within three years after the transfer ([Rev. & Tax. Code §63.1](#)).

NOTE: The date of any transfer between parents and their children under a will or [intestate](#) succession is the date of the decedent's death, if the decedent died on or before November 6, 1986.

Under [Probate Code section 300](#), the assessable heirs take title as of the date of death; if the estate is terminated before a tax bill is issued, a request can be made to the assessor to cancel the original assessment. Upon reassessment, the county may re-bill the unsecured tax to the proper assessee. An estate terminated before the enrollment of an assessment is no longer a taxable legal entity.

3120-3123 Billing Procedures & Requirements: Exemptions

3120. GENERAL APPLICATION

Any exemption applicable to property listed on the regular [assessment roll](#) also applies to supplemental assessment(s). That is, if the former owner received an exemption for the fiscal year, the exemption is not rescinded for the balance of the [fiscal year](#) because of a change in ownership. Moreover, a supplemental assessee may qualify to receive an exemption for the fiscal year if the prior owner did not request or was not entitled to an exemption ([Rev. & Tax. Code §§75.20, 75.21](#)).

The State Board of Equalization has determined that exemptions cannot apply against negative supplemental assessments

3121. FILING PERIOD

To receive an exemption on a supplemental assessment, the person claiming it must meet all qualifications for the exemption within 90 days after occurrence of the event calling for supplemental assessment ([Rev. & Tax. Code §75.22](#)). For instance, a homeowner's exemption would be allowed if the property were occupied as the claimant's principal residence within 90 days after the change in ownership or after completion of new construction. The fact that the assessor did not notify the claimant until sometime after 90 days is immaterial, because the assessee has 30 days from the date of the notice of supplemental assessment to apply for an exemption ([Rev. & Tax. Code §75.31\(a\)\(8\)\(b\)](#)).

In instances in which claims for exemption must be filed, any person claiming to be eligible for an exemption to be applied against the amount of a supplemental assessment must file a claim or an amendment to a current claim on or before the 30th day following the date of notice of the supplemental assessment, in order to receive the full exemption ([Rev. & Tax. Code §75.21\(c\)](#)).

A proration of the exemption shall be made if these conditions are not met.

3122. PRORATION OF EXEMPTIONS DUE TO LATE FILING

The State Board of Equalization has determined that late filing provisions ([Rev. & Tax. Code §§271-276](#)) apply to supplemental assessment exemption claims. Eighty percent of the exemption is allowed for homeowners, veterans and disabled exemptions ([Rev. & Tax. Code §75.2](#)). Prorations of other exemptions vary ([Rev. & Tax. Code §75.21\(c\)](#)).

NOTE: Roll corrections are often required when exemption claims are filed late.

3123. CUMULATIVE AMOUNT

If an exemption has a value limitation, such as the \$7,000 cap on a homeowner's exemption, the amount that can be exempted is cumulative over the course of a [fiscal year](#) for multiple ownerships.

3200-3204 Delinquent Payment Processing: General Information

3200. TAX-DEFAULT

Delinquent supplemental assessments are declared to be in [default](#) at the same time as property on the secured roll ([Rev. & Tax. Code §75.53](#)). The second installment must be delinquent for a property to be in default. If the second installment of supplemental tax becomes delinquent at 5 pm on June 30, that supplemental billing cannot cause the property to be declared defaulted until the end of the following [fiscal year](#).

3201. TAXES NOT A LIEN ON REAL PROPERTY

Properties not subject to [default](#) ([manufactured homes](#), [possessory interests](#), etc.) must not be declared tax-defaulted. Instead, once the first installment of a supplemental bill for such an assessment becomes delinquent, the tax collector is authorized to employ procedures applicable to collection of taxes on the unsecured roll ([Rev. & Tax. Code §75.54\(b\)](#)). These procedures, all of which are discussed in Chapter 2000, include:

- 1) Certificate of lien ([Rev. & Tax. Code §§2191.3-2191.6](#)) and [M-2340](#)
- 2) Seizure and sale ([Rev. & Tax. Code §§2951-2957](#)) and [M-2400](#)
- 3) Suit for taxes ([Rev. & Tax. Code §§3002-3006](#)) and [M-2320](#)
- 4) Summary judgment ([Rev. & Tax. Code §§3101-3107](#)) and [M-2340](#)

If such taxes, including the second installment, remain unpaid on the date when secured taxes are declared to be in [default](#) (normally, June 30), they must be transferred, along with penalties and costs, to the unsecured roll ([Rev. & Tax. Code §75.54\(b\)](#)). Once transferred to the unsecured roll, these amounts are subject, beginning July 1, to an additional penalty of one and one-half percent per month, which attaches on the first day of each month ([Rev. & Tax. Code §2922](#)).

Although [Revenue and Taxation Code section 75.54\(b\)](#) states that the delinquencies are transferred to the unsecured roll, the common interpretation is that they transfer to the unsecured [abstract](#). This follows the treatment given unsecured assessments that are billed on the secured roll, such as [mobilehomes](#) and some [possessory interests](#).

3202. ABSTRACT PREPARATION

Supplemental assessment statutes provide guidance only in how tax-default applies; procedures for updating the [abstract](#) are absent. The law governing preparation of abstracts requires that [abstract lists](#) be updated

yearly after the declaration of tax default ([Rev. & Tax. Code §4373](#)). Properties not already [defaulted](#) but on which the second installment of supplemental tax becomes delinquent June 30 are not immediately noted on the abstract. The law specifically requires a year's delay in tax-defaulting such parcels ([Rev. & Tax. Code §75.53](#)).

A delinquency in supplemental tax leads to a default of the entire property, even though "regular" taxes have been paid. Likewise, payment of the supplemental tax does not affect the result of nonpayment of regular-roll taxes.

If a parcel is already on the [abstract](#), supplemental tax delinquency does not create another [default](#). The total delinquent amount (including penalties and cost) is added to the abstract after June 30.

NOTE: Only one redemption fee per property can be charged, regardless of the number of assessments resulting in abstract records.

3203. REDEMPTION

Once [defaulted](#), supplemental taxes are subject to the same redemption provisions as other property taxes. Redemption by installments ([Rev. & Tax. Code §§4186-4226](#)) and [M-5200 et seq.](#) and payment of escape assessments by installments ([Rev. & Tax. Code §4837.5](#)) and [M-1741](#) are affected by delinquency of a supplemental tax.

3204. EFFECT ON INSTALLMENT PLANS

Installment plans are not defaulted by delinquencies occurring before April 10, as long as such delinquent taxes are paid before 5 pm on April 10. If second installment taxes of a supplemental assessment become delinquent on April 30 or May 31, any installment plan in effect for that parcel does not default if the installment is paid as of June 30 ([Rev. & Tax. Code §§4219, 4220](#)). See [M-5233](#).

3300-3301 Accounting & Record Retention: General Information

3300. PROCESSING SCHEDULE

Supplemental assessment records are subject to the same retention schedule as other property tax documents ([Rev. & Tax. Code §4377](#)) and [M-4405](#).

3301. 1983-84 AND 1984-85 ASSESSMENTS

Because revenue from supplemental assessments for fiscal years 1983-84 and 1984-85 is specially distributed, regardless of when it is collected ([Rev. & Tax. Code §75.70](#)), the auditor requires a separate accounting of such collections. The auditor must also keep a record of 1983-84 average daily attendance by school district indefinitely (or until all 1983-84 supplemental taxes have been collected).