

Treasurer-Tax Collector's

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**Contra
Costa
County**

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**ESCAPE ASSESSMENT INSTALLMENT PLAN
TERMS AND CONDITIONS OF AGREEMENT**

Pursuant to California Revenue and Taxation Code Section 4837.5, taxes due on escape assessments for prior fiscal years may be paid without penalty over a four-year period at the option of the assessee if the following conditions are met:

1. The tax amount for an escape assessment is more than \$500.00.
2. All current taxes and any prior year taxes, penalties and costs are paid.
3. This agreement is signed and filed with the Tax Collector's Office as follows:
 - a. **For Secured Escape Assessment:** Prior to 5:00 p.m. on April 10 or by 5:00 PM on the last day of the month following the month in which the escape tax bill is mailed, whichever is later.
 - b. **For Unsecured Escape Assessment:** Prior to 5:00 p.m. on August 31, or prior to the time the escape taxes become delinquent, or by the last day of the month following the month in which the escape tax bill is mailed, whichever is later.
4. An initial payment of 20 percent, or more, of the escape tax is paid upon filing this agreement, and the remaining unpaid balance is paid over the next four (4) fiscal years.

If the escape assessment is due, in whole or in part, to the error, omission, or other fault of the assessee, interest at the rate of .75 of 1% per month (9%per annum) shall be added to the outstanding balance starting with the month following the date of the deadline for filing the written request. Participation in the payment plan will not stop a lien from being filed.

The installment plan is defaulted (canceled) if:

1. The annual secured installment payment is not paid by April 10 **OR** the annual unsecured installment payment is not paid by August 31, whichever is applicable to this agreement.
2. The property on the secured tax roll becomes tax defaulted.
3. The taxes for property on the unsecured tax roll become delinquent.
4. There is an ownership change, including any incorporation.

Default of any Escape Installment Plan requirements will result in the unpaid balance of the escape taxes being billed with all penalties and costs attaching to the unpaid balance. PLEASE NOTE: The unpaid balance of your escape installment plan may be paid in full at any time before the fifth and final payment is due.

FOR AN ESCAPE INSTALLMENT PLAN TO BE ALLOWED, REQUEST MUST BE MADE ON FORMS SUPPLIED BY THE CONTRA COSTA COUNTY TREASURER-TAX COLLECTOR WITH THE ORIGINAL SIGNATURE OF THE PROPER REQUESTOR AFFIXED.

To the Contra Costa County Tax Collector,

I have read and understand the above conditions for placing my escape taxes upon a payment plan. I hereby agree to make the required payment, including interest if applicable, each fiscal year before _____. Attached is my first payment of 20% or more of the escape tax amount (*rounded up to the nearest five dollars*), or \$_____, to initiate the payment plan. I also agree to pay all current taxes coming due in each fiscal year.

Escape Type: _____ Bill/Parcel No.: _____ Check No: _____

Name: _____ Signature: _____ Date: _____

(Please SIGN and mail this application with check payment to the above address upon completion.)
Take note that the account balance may change the first day of each month if interest accrues.

Revenue & Taxation Code 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.