



BOARD OF SUPERVISORS COUNTY OF MADERA

MADERA COUNTY GOVERNMENT CENTER
200 WEST 4TH STREET / MADERA, CALIFORNIA 93637
(559) 675-7700 / FAX (559) 673-3302 / TDD (559) 675-8970
Agendas available: www.MaderaCounty.com

Members of the Board

Tom Wheeler
Brett Frazier
David Rogers
Robert L. Poythress
Leticia Gonzalez

December 20, 2022
Chairman Tom Wheeler

DEPARTMENT Treasurer/Tax Collector Department	DEPARTMENT CONTACT Jacqueline Torres 5596757713	AGENDA ITEM {{item.number}} CONSENT CALENDAR
SUBJECT: Approval of Upcoming Tax Defaulted Land Sale	REQUIRED VOTE: 3/5 Vote Required	DOC. ID NUMBER 22-0947
STRATEGIC FOCUS AREA(S): Community		
CLERK NOTES: For Clerk of the Board's Office Use Only {{motions.text}} RESULT: {{voting.status}} [{{voting.for_count}} TO {{voting.against_count}}] MOVER: {{motions.mover format="[[firstname]] [[lastname]], [[title]]"}} SECONDER: {{motions.seconder format="[[firstname]] [[lastname]], [[title]]"}} AYES: {{voting.for_names format="[[lastname]]"}}		
Is this item Budgeted? Yes Will this item require additional personnel? No Previous Relevant Board Actions: RES NO. 2021-142 PowerPoint Presentation? No Supporting Documents: Resolution, Other/Misc.		DOCUMENT NO(S).

RECOMMENDED ACTIONS:

Consideration to adopt a Resolution directing the sale of tax defaulted properties at public auction.

DISCUSSION / FISCAL IMPACT / STRATEGIC FOCUS:

The tax sale process is designed to satisfy delinquent property taxes through the sale of tax-defaulted property.

Current practice allows the title to remain with the assessee (owner of record) while the property is subject to the tax collector's power of sale. The assessee's ownership terminates upon completion of the sale by the tax collector and payment of the purchase amount.

Two chapters in Part 6 of Division 1 of the Revenue & Taxation Code provide for the sale of tax-defaulted property by the tax collector. These chapters are commonly referred to as Chapter 7 and Chapter 8. Chapter 7 encompasses sales by public auction or sealed bid. Chapter 8 encompasses sales by agreement between public entities or eligible nonprofit corporations and the Board of Supervisors.



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The tax collector has the authority, according to Revenue & Taxation Code 3691, to sell tax-defaulted property that is subject to the power of sale and authorizes a sale of properties who are; 1) Five years or more years delinquent, or 2) three years or more in the case of nonresidential commercial property, after the property has become tax defaulted.

Written approval of the Board of Supervisors is required to sell property at public auction to the highest bidder at the time and place fixed for sale. For the sale scheduled the week of May 13, 2023, we propose an on-line (Internet) auction be conducted by outsourcing the task to BID-4-Assets. Approval of the Board of Supervisors and authorization by the State Controller's office is required to complete sales to public agencies or nonprofit organizations.

DISCUSSION:

California Revenue and Taxation Codes cover all of the mandated procedures in order to conduct a tax defaulted sale. Each tax sale is a culmination of years of preparation and work. For example liens must be filed, Notices of Power to Sell must be filed with the State of California (R&T Code 3700.5) and Statutory Publications are also required (R&T Code 3702). There are also various time sensitive certified notices that must be sent to each owner and all parties of interest prior to the date of sale (R&T Code 3701).

Each defaulted property owner has received a NOTICE in May of 2022 and the NOTICE was later recorded (the 'Notice of Intention'). However, it has always been our desire to locate property owners and have them redeem their property and therefore not have to have a tax sale. The tax sale process is very complex, comprehensive, and time consuming. We have determined the oldest need to be processed first.

This sale, recommended for May 13, 2023, contains 40 parcels eligible to be sold. The established minimum bids for all parcels to be sold are based on the delinquent taxes owed plus all costs incurred to conduct the sale.

All taxes collected go back into the teeter funds since we already essentially bought all of the delinquent accounts when we went teeter. Any excess proceeds, money over and above the minimum bid, may then be claimed by lien holders that sell. All claims must be received or postmarked by the 1 year deadline. Only claims received timely will be processed: No claims will be



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accepted after the 1 year has elapsed unless postmarked accordingly with a valid United States Postal Service (USPS) stamp.

They must present valid documentation substantiating their lien position and once that year has passed we along with County Counsel review all claims to establish who is entitled to a payment from their claim. After all claims have been paid any unclaimed excess proceeds become general fund revenue, less all personnel cost.

FISCAL IMPACT:

- There is no cost to the General fund as all costs related to the annual tax sale are recoverable including personnel costs from the excess proceeds.

CONNECTION TO THE COUNTY OF MADERA STRATEGIC PLAN - MISSION 2023:

STRATEGIC FOCUS AREAS

- Focus Area 1: Community

The requested action is meeting the goals of the County's Strategic Plan – Mission 2023 by collecting the default taxes. All taxes collected go back into the teeter funds which essentially goes back to the community by providing services and assistance to the public.

ATTACHMENTS

1. Resolution - Directing Sale of Tax Defaulted Properties
2. Authorized Sales Report 2023 - Bid 4 Assets
3. RES. NO. 2021-142