



# Board Agenda Item 27.1

DATE: September 26, 2017

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Agreement with Title Runners Inc. for Title Searches-Parties of Interest Searches

## RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute an agreement with Title Runners Inc. for Title Searches-Parties of Interest effective September 30, 2017 through September 30, 2020 with two optional one-year extensions, total not to exceed \$650,000.**

Approval of the recommended action would authorize Title Runners, Inc. to provide Parties of Interest reports related to the County's sale of tax-defaulted property in accordance with the provisions of the Revenue & Taxation code. The maximum amount of the contract, including the two one-year renewals, will not exceed \$650,000, or \$130,000 per year, at no increase in Net County Cost.

## ALTERNATIVE ACTION(S):

If the recommended action is not approved, the department would be required to perform this work internally as the Tax Collector has no option but to conduct a tax sale this fiscal year and the department does not have adequate internal staffing to perform the work. The Tax Collector conducts a tax sale on average once a year and it has not been feasible for the department to maintain dedicated staff with the expertise needed to perform this work.

## FISCAL IMPACT:

There is no increase in Net County Cost related to this agreement. The FY 2017-18 Adopted Budget of the Auditor-Controller/Treasurer-Tax Collector Org 0410 includes appropriations necessary for vendor title searches.

## DISCUSSION:

The County has contracted with Title Runners, Inc. to provide parties of interest reports related to the County's sale of tax-defaulted property for 10 years. The previous contract with Title Runners expires on September 30, 2017.

On behalf of the Department of Auditor-Controller/Treasurer-Tax Collector a Request for Quotation was issued for Title Searches-Parties of Interest on June 28, 2017 from qualified vendors. This effort was initiated to satisfy the requirements of Revenue and Tax Code 4675.

Two proposals were received. Both of the proposals met the Tax Collector's qualifications. Title Runners was selected due to a lower cost per search than the other bidder. Title Runners Inc. has been under contract for this

service for a number of years and has a good understanding of the Tax Collector defaulted-properties tax sales process as well as excess proceeds.

A successful tax sale deprives a person of property ownership. Specific procedural requirements have been legislated to ensure that individuals are afforded consistent and appropriate opportunities to retain their property. Before the sale, the tax collector is required to notify the assessee and any other parties of interest of the tax collector's power and intent to sell the property for nonpayment of taxes. All Parties of Interest reports must be completed by mid-December so the County can conduct a tax sale in March 2018. The tax sale will cover two years of tax-defaulted properties.

Upon completion of the sale, the Tax Collector must file reports with the County Assessor-Recorder to address the transfer of title and the distribution of sale proceeds. The Tax Collector must also be prepared to submit, upon request, a report to the State Controller's office on the disposition of all parcels. Additionally, for one year following the date of the execution of the tax deed to the purchaser, the tax collector must respond to challenges concerning the validity of the sale and excess proceeds claims. Non-compliance will result in the County not being able to collect and recognize millions of dollars in tax revenues.

The Agreement will be effective September 30, 2017 through September 30, 2020, with an option to renew for two additional one-year periods at a cost of \$130,000 per year. The Department will monitor to ensure satisfactory contractor performance prior to implementing the renewal options.

REFERENCE MATERIAL:

BAI # 17, September 25, 2012 - Agreement No. 12-493

ATTACHMENTS INCLUDED AND/OR ON FILE:

On File with Clerk - Agreement with Title Runner Inc.

CAO ANALYST:

Juan Lopez