



# Board Agenda Item 7

DATE: July 8, 2025

TO: Board of Supervisors

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

SUBJECT: Hearing on Petition to Rescind March 2025 Tax Sale of APN 360-180-30-02

RECOMMENDED ACTION(S):

**Conduct hearing on petition by Juan R. Sandoval to rescind the County's sale of a 33.3% undivided interest of APN 360-180-30 suffix 02, described as "14.81 AC Par In Por Lot 11 Rico Colony," open land, at the County's March 27 through 28, 2025 sale of tax-defaulted properties.**

The property identified by Assessor's Parcel Number (APN) 360-180-30 suffix 02 (Subject Property) was sold at the County's annual sale of tax-defaulted properties on March 27 through 28, 2025 (Tax Sale). Before the Tax Sale, the Subject Property was assessed to Juan R & Gudelia G. Sandoval (Previous Assessee). Juan R & Gudelia Sandoval own a 33.3% interest. The Purchaser of the Property at the Tax Sale was Michel Jose (Purchaser), who already owned the other 66.7% undivided interest. On May 6, 2025, Juan R. Sandoval (Petitioner) submitted a letter petitioning to rescind that sale and requesting a hearing on that petition (Petition). The recommended action allows Petitioner to present his case for rescission and gives the Purchaser an opportunity to present his objections to the petition, if any. This item pertains to a location in District 4.

Staff recommends that your Board deny the petition.

ALTERNATIVE ACTION(S):

There is no alternative action. The Petitioner has a right to a hearing before your Board on this matter, and an obligation to request such a hearing before he may file a lawsuit against the County on this matter, if he wishes to do so (Revenue and Taxation Code § 3725(a)(1)).

FISCAL IMPACT:

If your Board rescinds the sale, the County would be required to issue a refund to the Purchaser, Jose Michel, of the amount paid as the total purchase price at the Tax Sale (\$102,913.30), plus interest at the greater of 3% annually or the County pool apportioned rate from the date of the purchase of the property at the tax sale until the date of the rescission. Interest that would be due through July 8, 2025, is estimated to be \$879.70. If the order to rescind were to occur on a later date, the amount of interest would be higher. If your Board decides not to rescind the sale, then there would be no Net County Cost due to a refund.

DISCUSSION:

Before the Tax Sale, the Auditor-Controller/Treasurer-Tax Collector (Tax Collector) issued all legally required notices. These included sending tax bills to the Previous Assessee at the address they provided, as well as recording a Notice of Power to Sell on July 15, 2024. Additionally, a notice of the tax sale was mailed via certified mail on January 13, 2025, to the address that was provided by the Previous Assessee.

On March 27, 2025, the Subject Property was sold at the Tax Sale, for the price of \$102,913.30 to the Purchaser.

On April 28, 2025, the Previous Assessee, Juan R. Sandoval, contacted our office regarding his sold Parcel. Our staff spoke with him about the notices sent, and informed him of the options he had to query his property tax information.

On May 6, 2025, the Petitioner, Juan R. Sandoval, approached the Board Hearing and requested a rescission on his property. He submitted a letter with the subject "Property Located at APN A360-180-30-02 Tax Sale Date: March 27, 2025." In that letter, the Petitioner requested to rescind the March 27 through 28, 2025 Tax Sale for two reasons:

- California Revenue and Taxation Code § 3361 - Publication of the Notice of Power and Intent to Sell all property that will be Tax Defaulted.
- California Revenue and Taxation Code § 3701 - The tax collector shall send notice of the proposed sale by certified mail with return receipt requested to the last known mailing address, if available, of parties of interest, as defined in Section 4675.

The Petition requests a hearing under Revenue and Taxation Code section 3731. That section provides for a hearing before your Board on a request to rescind the sale of tax-defaulted property.

After receiving the Petition, the Tax Collector gave notice of the hearing to the Purchaser as required by law (Revenue and Taxation Code § 3731(b)). The notice was sent on May 13, 2025. With that notice, the Tax Collector informed both the Petitioner and the Purchaser that, if they had any written materials, such as evidentiary documentation, written legal arguments, presentation slides, or the like, that they wished to present to your Board at the hearing, they must submit those materials to the Tax Collector no later than three weeks before the hearing, which was July 8, 2025. On June 16, 2025, the Tax Collector received the Petitioner's written materials.

During the hearing, the Tax Collector intends to present evidence of notices and publications as required by Revenue and Taxation Code sections 3361 and 3701, as well as the efforts made by the Tax Collector's office:

- **Public Notice of Impending Sale (May-June 2024):**

In compliance with RTC §3361, Fresno County published notice of the impending tax sale in the *Business Journal* on May 31, June 7, and June 14, 2024. The publication was also made available on the Fresno County website under the "Public Notice" section.

- **Notice of Impending Power to Sell (June 2024):**

On June 3, 2024, a Notice of Impending Power to Sell was mailed to the prior assessee at 1165 E. Manning Avenue, Reedley, CA 93654. The return receipt (green card) was signed and returned on June 4, 2024.

- **Additional Notices and Skip Tracing (January-February 2025):**

On January 13, 2025, the Tax Collector's Office mailed a total of 18 letters relating to the Subject Property. Two of these were addressed to Juan R. Sandoval and Gudelia G. Sandoval at 20231 Clayton Avenue, Reedley, CA 93654. That is the address for the Petitioner as listed on his Petition. Both were returned undelivered. Subsequent skip tracing efforts identified three alternative addresses, and on February 25, 2025, notices were re-mailed to the following locations:

1. Gudelia G. Sandoval: 1237 ¼ N Fairfax Ave, West Hollywood, CA 90046
2. Juan R. Sandoval: 289 N L Street, Dinuba, CA 93618, and 1165 E Manning Ave, Reedley, CA 93654

Of these, only the notice mailed to 1165 E Manning Avenue was confirmed delivered, with the

green card signed by an individual named Edgar.

- **Notice of Public Auction Publication (February 2025):**

In accordance with statutory requirements, Tax Collector published the “Notice of Public Internet Auction of Tax-Defaulted Property for Delinquent Taxes” on February 5, 12, and 19, 2025. This notice included the auction dates of March 27-28, 2025 and was also made available on the Fresno County website under the “Public Notice” file section.

Fresno County has fulfilled its due diligence obligations in accordance with Revenue and Taxation Code (RTC) § 3361 by making the required public notifications. Additionally, the County has satisfied the notice requirements under RTC § 3701 by mailing notices to the address listed on the petition. Further efforts were made to locate the petitioner through skip tracing, demonstrating the County's commitment to ensuring all reasonable steps were taken to provide proper notice. On January 13, 2025, two notices were sent, by certified mail, to the address that the Petitioner included on his petition. Both of those came back as “Return to Sender - Unclaimed - Unable to Forward” on February 3, 2025.

### **Findings Required to Rescind the Sale of Tax-Defaulted Property**

To rescind the Tax Sale of the Property, your Board must make the following findings, based on the testimony, documents, and arguments presented during the hearing:

1. The Property should not have been sold.
2. The Property has not been transferred or conveyed by the Purchaser to a “bona fide purchaser for value” since the deed to the Purchaser was recorded on April 29, 2025.
3. The Property has not become subject to a “bona fide encumbrance for value” since the deed to the Purchaser was recorded on April 29, 2025.
4. The Purchaser received notice of the hearing as required by Revenue and Taxation Code Section 3731, subdivision (b)(2)

Staff believes, and will recommend to your Board, that there is not sufficient evidence to make the first required finding. Examples of when property “should not have been sold” at a tax sale include: (1) when the property was timely redeemed, but then erroneously listed for auction and sold; (2) when the property owner filed for bankruptcy, which should have stopped the sale, but the Tax Collector proceeded to sell the property anyway; or (3) when the Tax Collector failed to give all notices required by law before the sale. In this case, the Property was not redeemed, there was no bankruptcy filing, and the Tax Collector gave all notices required by law before the sale. The Tax Collector also made reasonable efforts to find the address of the Previous Assessee. Although the Petitioner argues that the Tax Collector was *also* obligated to seek out *his* address, as the trustee and attorney for the Previous Assessee, that is not the requirement of the law.

### **Excess Proceeds**

The Petitioner has been notified by the Notice of Tax Sale that, if the sale of the Subject Property is sold at auction, he has the right to claim excess proceeds that remain after the tax and assessment liens and costs of sale are satisfied. There is \$83,990.78 in excess proceeds from the Tax Sale of the Property. The Petitioner may submit his claim for excess proceeds to Tax Collector Office before April 29, 2026 filing deadline.

Under Revenue and Taxation Code section 4675, subdivision (e)(2)(A), however, because your Board has been petitioned to rescind the Tax Sale of the Property, if your Board determines that the sale should not be rescinded, then excess proceeds may not be distributed until one year after the date of that determination, and only if the Petitioner does not commence a proceeding in court to challenge the Tax Sale of the Property.

REFERENCE MATERIAL:

BAI # 24, December 17, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Petition to Request for Hearing Regarding Property Parcel No. 360-180-30-02

On file with Clerk - Petitioner's Written Materials

On file with Clerk - 45 Day Notice

Presentation

CAO ANALYST:

Paige Benavides