



Board Agenda Item 29

DATE: June 20, 2017

TO: Board of Supervisors

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

SUBJECT: Agreement for Release of All Claims and for Dismissal of Fresno County Superior Court Case No. 16CECG01927

RECOMMENDED ACTION(S):

Approve Agreement for Release of All Claims and for Dismissal of Fresno County Superior Court Case No. 16CECG01927.

ALTERNATIVE ACTION(S):

Your Board may decline to approve the above-referenced Agreement, which will result in the continuance of the existing litigation until resolution by the Court.

FISCAL IMPACT:

Approval of the recommended action will have no fiscal impact to the County's General Fund.

DISCUSSION:

After property is sold at tax sale, and the proceeds are used to pay delinquent taxes and penalties owed to the County, as well as the costs of the sale, the remaining money is called "excess proceeds" and must be distributed according to statute. In the event of a dispute among the eligible claimants to said excess-proceeds that the County is unable to resolve, the County has the option of filing an "Interpleader" action in the Superior Court.

"Interpleader" is the legal process whereby the County places the excess proceeds from the subject tax sales with the Court via a pleading process. This allows the Court, in cases of conflicting claims, to determine the claimants' rights, if any, to the funds and make the appropriate orders for distribution.

Your Board previously authorized the filing of an "Interpleader" Action in connection with excess proceeds resulting from the County tax-sale of two properties in 2013, Tax Collectors files, nos. 361-362, respectively. The Board did so a result of a dispute then existing over the disposition of the excess proceeds from the sale of these two properties.

Subsequently, as authorized, the County filed a combined interpleader action entitled Fresno Superior Court Case no. 16CECG01927 in connection with the disputed claims in these two matters. Thereafter, however, and prior to any actual involvement by the Court, all existing disputes were resolved by agreement of the claimants, thereby negating the need for continued litigation.

At this time, it is recommended that your Board approve the referenced Settlement Agreement which will resolve

the pending interpleader action, and which will facilitate the undisputed payment of said excess proceeds to those claimants entitled thereto in connection with the involved Parcels. These funds are currently still held by the County.

This will also result in the formal dismissal of the County's Interpleader action and will bring the matter to a final conclusion.

REFERENCE MATERIAL:

BAI #20, December 4, 2012 - Approval to sell properties on the Tax Sale List for March 14-18, 2013.
BAI #19 September 1, 2015 - Approval of Claimant's Right to Excess Proceeds Resulting from Sale of Tax Defaulted Properties

ATTACHMENTS INCLUDED AND/OR ON FILE:

Agreement for Release of All Claims and for Dismissal of Fresno County Superior Court Case No. 16CECG01927

CAO ANALYST:

Juan Lopez