



County of Fresno

Hall of Records, Rm. 301
2281 Tulare Street
Fresno, California
93721-2198

Legislation Text

File #: 20-1204, **Version:** 1

DATE: November 3, 2020

TO: Board of Supervisors

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

SUBJECT: Approval of Certain Claimants' Rights to Excess Proceeds Resulting from 2019 Sale of Tax Defaulted Properties

RECOMMENDED ACTION(S):

Adopt Resolution deciding claims and ordering the disposition of excess proceeds for 17 single claim items and 11 no claim items from the County's 2019 sale of tax-defaulted property.

The excess proceeds are from the 2019 Tax Sale that the Board approved on December 4, 2018, and which was conducted on March 8-11, 2019. The recommended resolution grants 13 claims for excess proceeds and denies four claims for excess proceeds, based on documentation submitted to the Auditor-Controller/Treasurer-Tax Collector's office (AC/TTC) by each claimant. The recommended denials are for four claims where the claimant provided insufficient evidence. The recommended resolution also distributes \$605,103.24 in excess proceeds to the County from the balance of excess proceeds not distributed from the 17 parcels described above and from another 11 parcels for which there were no claims. After approving the recommended action, there will be 41 other claims from the 2019 Tax Sale, on items for which there were multiple claims, which the AC/TTC will bring to your Board at a later date. This item is countywide.

ALTERNATIVE ACTION(S):

Revenue and Taxation Code section 4675, subdivision (e), requires the Board to distribute excess proceeds. For the claims related to any particular property, however, the Board may direct staff to return with additional information before approving resolutions to grant or deny those claims.

FISCAL IMPACT:

The 2019 Tax Sale excess proceeds are the remaining proceeds after all taxes, penalties, costs, and fees have been satisfied to the County of Fresno. Excess proceeds not claimed will be distributed to the County under Revenue and Taxation Code section 4674. Therefore, approval of the recommended action will fiscally impact the County's General Fund as a one-time revenue increase of \$605,103.24.

DISCUSSION:

The AC/TTC periodically conducts a sale of property that has become subject to the power of sale because of delinquent taxes. California Revenue and Taxation Code section 4675 provides that any party of interest in the property at the time of sale may file with the County a claim for excess proceeds within one year following the recordation of the Tax Collector's deed to the purchaser at the tax sale. The March 8-11, 2019 tax sale resulted in excess proceeds totaling \$3,457,270.51 from 44 of the 48 sold parcels. This item resolves the 17 parcels with single claimants and the 11 parcels that contained no claims. The 16 parcels with multiple claimants (totaling 41 claims) will be brought before your Board at a future board date.

The AC/TTC receives excess proceeds claims through the mail or at the tax counter. AC/TTC staff reviews all claims and supporting documents to see whether they show that the claimant has a right to some or all the excess proceeds under Revenue and Taxation Code section 4675. Claimants that submit incomplete claims at the tax counter are informed whether any necessary documents are missing before the AC/TTC office accepts their claims. Claimants that mail incomplete claims receive a letter informing them that additional document(s) will be needed to complete their claim. When letters are mailed to claimants regarding additional documents, claimants are given 10 days or more to respond. All complete and timely submitted claims are then reviewed by AC/TTC staff in accordance with Revenue and Taxation Code section 4675, which describes how excess process from sales of tax-defaulted properties must be distributed. The staff recommendations are based on that review. A summary explaining the reasons for the staff recommendation on each claim is shown in "Attachment A, Supporting Documentation for Recommended Resolution Approving 13 Claims and Denying 4 Claims for Excess Proceeds Resulting from March 2019 Sale of Tax-Defaulted Properties (Single-Claim Items Only)."

On October 22, 2020, the AC/TTC mailed letters to all of the claimants for the 17 items from the 2019 tax sale to for which there was only one claim. The letters gave notice that their claims would come before your Board for decision on this date and informing them that they are welcome to attend the meeting and address your Board. The letters also informed claimants that the proposed distribution would be available for review online when the agenda for this meeting posted, about a week before the meeting, and that the final distribution would also be available for review online after the meeting.

Payments for claims granted under the recommended resolutions total \$643,595.05. The excess proceeds would be disbursed after a 90-day waiting period following the approval of the resolutions, which is the limitation period for lawsuits challenging this Board action, as provided in Revenue and Taxation Code Section 4675, subdivision (g).

There are four claims for which staff is recommending denial because the claimant failed to submit information and proof sufficient to establish a right to all or any portion of the excess proceeds.

REFERENCE MATERIAL:

BAI #17, January 7, 2020
BAI #21, August 21, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution
On file with Clerk - Attachment A

CAO ANALYST:

Yussel Zalapa