

REVENUE AND TAXATION CODE 3691. - 3731.1.**DIVISION 1. - PART 6. - CHAPTER 7.****SALE TO PRIVATE PARTIES AFTER DEED TO STATE**

3691. (a) (1) (A) Five years or more, or three years or more in the case of nonresidential commercial property, after the property has become tax defaulted, the tax collector shall have the power to sell and shall attempt to sell in accordance with Section 3692 all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of the parcels, as provided in this chapter, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may purchase at the sale. In the case of tax-defaulted property that has been damaged by a disaster in an area declared to be a disaster area by local, state, or federal officials and whose damage has not been substantially repaired, the five-year period set forth in this subdivision shall be tolled until five years have elapsed from the date the damage to the property was incurred.

(B) A county may elect, by an ordinance or resolution adopted by a majority vote of its entire governing body, to adopt conditions and procedures for the delay of sale of properties as described in subparagraph (A) that it finds may be eligible to file a property tax postponement claim with the State Controller prior to January 1, 2017, and may cancel any delinquent penalties, costs, fees, and interest associated with these properties.

(C) A county may elect, by an ordinance or resolution adopted by a majority vote of its entire governing body, to have the five-year time period described in subparagraph (A) apply to tax-defaulted nonresidential commercial property.

(D) For purposes of this subdivision, "nonresidential commercial property" means all property except the following:

(i) A constructed single-family or multifamily unit that is intended to be used primarily as a permanent residence, is used primarily as a permanent residence, or that is zoned as a residence, and the land on which that unit is constructed.

(ii) Real property that is used and zoned for producing commercial agricultural commodities.

(2) When a part of a tax-defaulted parcel is sold, the balance continues subject to redemption and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7.

(3) The tax collector shall provide notice of an intended sale under this subdivision in the manner prescribed by Sections 3704 and 3704.5 and any other applicable statute. If the intended sale is of nonresidential commercial property that has been tax-defaulted for fewer than five years, all of the following apply:

(A) On or before the notice date, the tax collector shall also mail, in the manner specified in paragraph (1) of subdivision (c) of Section 2924b of the Civil Code, notice containing any information contained in the publication required under Sections 3704 and 3704.5 to, as applicable, all of the following:

(i) The parties specified in paragraph (2) of subdivision (c) of Section 2924b of the Civil Code.

(ii) Each taxing agency specified in paragraph (3) of subdivision (c) of Section 2924b of the Civil Code.

(iii) Any beneficiary of a deed of trust or a mortgagee of any mortgage recorded against the nonresidential commercial property, and any assignee or vendee of these beneficiaries or mortgagees.

(B) For purposes of this paragraph:

(i) "Notice date" means a date not less than 45 days nor more than 120 days before an intended sale or not less than 45 days nor more than 120 days before the date upon which the property may be sold.

(ii) "Recording date of the notice of default" as used in subdivision (c) of Section 2924b of the Civil Code means a date that is 30 days before the notice date.

(iii) "Deed of trust or mortgage being foreclosed" as used in subdivision (c) of Section 2924b of the Civil Code means the defaulted tax lien.

(b) (1) (A) Three years or more after the property has become tax defaulted and a request has been made by a city, county, city and county, or nonprofit organization pursuant to Section 3692.4, or a request has been made by a person or entity that has recorded a nuisance abatement lien on that property, to offer that property at the next scheduled tax sale, the tax collector shall have the power to sell and may sell all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of parcels, as provided in this chapter at the next scheduled tax sale, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may purchase at the sale.

(B) When a part of a tax-defaulted parcel is sold, the balance continues subject to redemption and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7.

(2) Before the tax collector sells vacant residential developed property pursuant to this subdivision, actual notice, by certified mail, shall be provided to the property owner, if the property owner's identity can be determined from the county assessor's or county recorder's records. The tax collector's power of sale shall not be affected by the failure of the property owner to receive notice.

(3) Before the tax collector sells vacant residential developed property pursuant to this subdivision, notice of the sale shall be given in the manner specified by Section 3704.7.

(c) The amendments made to this section by the act adding this subdivision apply to property that becomes tax defaulted on or after January 1, 2005.

3691.1. The tax collector shall execute a notice whenever a parcel becomes subject to the power of sale set forth in Section 3691 on a form prescribed by the Controller. The county clerk shall take acknowledgment of the notice without charge.

3691.2. The notice shall specify:

(a) A statement that five years or more have elapsed since the taxes or assessments on the parcel were declared in default; that three years or more in the case of nonresidential commercial property, as defined in Section 3691, have elapsed since the taxes or assessments on the parcel were declared in default; or that, pursuant to Section 3692.4, three years or more have elapsed and a request has been made by a city, county, city and county, or nonprofit organization to offer that property at the next scheduled public auction.

(b) That the property was duly assessed for taxation and the tax legally levied.

(c) That the property is subject to sale for nonpayment of taxes.

(d) The amount of taxes originally declared to be in default, unless there has been a partial cancellation of taxes, a redemption from a portion thereof, or a correction under Sections 4831.5 and 4876.5, in any of which events, the amount shall be the balance remaining.

(e) A metes and bounds or lot-block-tract description of the property.

3691.3. By June 15 of the year property is to become subject to a power of sale under Section 3691, the assessor shall furnish to the tax collector a metes and bounds or lot-block-tract description of the property.

3691.4. The notice shall be recorded with the county recorder. After recordation, the notice shall be forwarded to the tax collector. The recorder shall make no charge for the recording.

3691.5. The tax collector shall file the notice in his or her office and keep a record to show the subsequent disposition of the property.

3691.6. Upon request of the Controller, the tax collector shall report the disposition of all tax-defaulted parcels subject to tax collections power to sell in his or her county.

3692. (a) The tax collector shall attempt to sell tax-defaulted property, as provided in this chapter, within four years of the time that the property becomes subject to sale for nonpayment of taxes unless, by other provisions of law, the property is not subject to sale. If there are no acceptable bids at the attempted sale, the tax collector shall attempt to sell the property at intervals of no more than six years until the property is sold.

(b) When oil, gas, or mineral rights are subject to sale for nonpayment of taxes, the tax collector may offer the interest at minimum bid to the holders of outstanding interests where the interest subject to sale is a partial interest or, where the interest subject to sale is a complete and undivided interest, to the owner or owners of the property to which the oil, gas, or mineral rights are appurtenant.

(c) When parcels that are rendered unusable by their size, location, or other conditions are subject to sale for nonpayment of taxes, the tax collector may offer the parcel, at a minimum bid, to owners of contiguous parcels or to a holder of record of either a predominant easement or a right-of-way easement. If the parcel is sold to a contiguous property owner, the tax collector shall require that the successful bidder request the assessor and the planning director to combine the unusable parcel with the bidder's own parcel as a condition of sale.

(d) Sealed bid sale procedures shall be used when offers are made pursuant to subdivision (b) or subdivision (c), and the property shall be sold to the highest eligible bidder. The offers shall remain in effect for 30 days or until notice is given pursuant to Section 3702, whichever is later.

(e) The Notice to the Board of Supervisors and Notice of Intended Sale of Tax-Defaulted Property shall indicate that any parcel remaining unsold may be reoffered within a 90-day period and any new parties of interest shall be notified in accordance with Section 3701. This subdivision does not apply to properties sold pursuant to Chapter 8 (commencing with Section 3771).

3692.1. Notwithstanding any other provision of law, for purposes of this chapter, all of the following apply:

(a) "Close of auction" means the date and time for which the tax collector, or his or her designee, provides public notice of both of the following:

- (1) That no additional property will be offered for sale for that public auction.
- (2) That bidding for that public auction will end.

(b) "Date of the sale" means the date upon which a public auction begins.

(c) "Public auction" means any venue or medium to sell property under this chapter that provides reasonable access to the public to bid on and purchase this property.

3692.2. A public auction conducted by electronic media, including the Internet, to sell property under this chapter shall have at least the following operational components:

(a) A component that allows bids to be submitted by computer.

(b) A component that authorizes the tax collector to accept bids for as long as he or she deems necessary.

3692.3. (a) All property sold under this chapter is offered and sold as is.

(b) The state, the county, and an employee of these entities acting in the employee's official capacity in preparing, conducting, and executing a sale of property under this chapter, are not liable for any of the following:

(1) Known or unknown conditions of this property, including, but not limited to, errors in the assessor's records pertaining to improvement of the property.

(2) The failure of a device that is not owned, operated, and managed by the state or county, that prevents a person from participating in any sale under this chapter. For purposes of this paragraph, "device" includes, but is not limited to, computer hardware, a computer network, a computer software application, and a computer Web site.

3692.4. (a) Notwithstanding any other provision of law, any county, city, city and county, or any nonprofit organization as defined in Section 3772.5, may request the tax collector to bring to the next scheduled public auction any residential real property that meets all of the following requirements:

(1) The property taxes have been delinquent for at least three years.

(2) The real property will serve the public benefit of providing housing directly related to low-income persons.

(3) The real property is not occupied by the owner as his or her principal place of residence.

(b) Every request submitted to the tax collector shall include the following:

(1) A formal resolution of the governing board of the county, city, city and county, or nonprofit organization, requesting the accelerated auction of the real property and stating the public benefit.

(2) A written plan for the development, rehabilitation, or proposed use of the real property and how low-income persons will be served.

(c) Upon receiving a request as provided by this section, the tax collector shall include the real property in the next scheduled public auction.

(d) (1) If the real property is acquired by a nonprofit organization at auction, a deed restriction shall be placed on the real property, requiring the real property to be used for low-income housing for a period of at least 30 years.

(2) (A) In lieu of the 30-year restriction required by paragraph (1), the deed may provide for equity sharing upon resale, if the real property is a single-family home that will be sold by the nonprofit organization to a low-income owner-occupant.

(B) To the extent not in conflict with another public funding source or law, all of the following shall apply to an equity-sharing agreement provided for by the deed:

(i) Upon resale by an owner-occupant of the home, the owner-occupant of the home shall retain the market value of any improvements, the downpayment, and his or her proportionate share of appreciation. The nonprofit organization shall recapture any initial subsidy and its proportionate share of appreciation, which shall then be used for the purpose of providing financial assistance to low-income homebuyers.

(ii) For purposes of this subdivision, the initial subsidy shall be equal to the fair market value of the home at the time of initial sale to the low-income owner-occupant minus the initial sale price to the low-income owner-occupant, plus the amount of any downpayment assistance or mortgage assistance. If upon resale by the owner-occupant the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(iii) For purposes of this subdivision, the nonprofit organization's proportionate share of appreciation shall be equal to the ratio of the initial subsidy to the fair market value of the home at the time of initial sale.

(e) This section may not be construed to preclude the application, to the real property or the current owners of that property, of any other provision of law not in conflict with this section.

3693. (a) With the exception of the sealed bid sale procedures authorized under Section 3692, all sales pursuant to this chapter shall be at public auction to the highest bidder. The amount of the high bid shall be paid by any method of payment authorized by Section 2502, 2503.2, or 2504, which method is at the discretion of the tax collector. Unless otherwise specified by the tax collector, payment is due on or before the close of auction.

(b) The tax collector may require a person to submit a deposit, by any method of payment authorized by Section 2502, 2503.2, or 2504, for the purposes specified in this subdivision. A tax collector requiring a deposit pursuant to Section 3693.1 may determine, and shall provide public notice before the date of the sale upon determining, all of the following:

(1) The method of payment of this deposit.

(2) The amount of this deposit.

(3) The due date of this deposit.

(4) Whether the deposit will be applied for one or more of the following purposes:

(A) As a condition to submitting a bid on property that is being sold under this chapter.

(B) As a payment toward specified property that is being sold under this chapter. If a deposit is applied for this purpose, the deposit may be applied as payment toward more than one specified property based upon the amount of the minimum bid for each property.

3693.1. Notwithstanding Section 3693, the tax collector may make the sale of any property sold under this chapter a cash or deferred-payment transaction. If the tax collector approves the sale as a deferred-payment transaction, the tax collector may require a deposit in the amount of five thousand dollars (\$5,000) or 10 percent of the minimum bid price, whichever is greater. The balance of the purchase price shall be paid by any method of payment authorized by Section 2502, 2503.2, or 2504, as specified by the tax collector and within a period specified by the tax collector not to exceed 90 days from the date of the close of auction as a condition precedent to the transfer of title to the purchaser. If the purchaser was required to pay a deposit prior to the date of the sale, the deposit shall be applied toward the purchase price of the property. Failure on the part of the successful bidder to consummate the sale within the period specified by the tax collector shall result in the forfeiture of the deposit and all rights he or she may have with respect to that property. Any forfeiture of deposit shall be distributed to the county general fund and shall not apply to outstanding delinquent taxes. Upon forfeiture the right of redemption shall revive.

3694. A sale under this chapter shall take place only if approved by the board of supervisors.

3695. If the governing body of any taxing agency does not, before the date of the sale, file with the tax collector and the board of supervisors certified copies of a resolution adopted by the governing body objecting to the sale, the taxing agency has consented to the sale. If the taxing agency consents to the sale the lien of its taxes or assessments and any rights which it may have to the property as a result of these taxes or assessments are canceled by a sale under this chapter and it is entitled to its proper share of the proceeds deposited in the delinquent tax sale trust fund. If the taxing agency does object to the sale, the lien of its taxes or assessments or any rights which the taxing agency may have to the property are not affected by a sale under this chapter. Provided, however, that any taxing agency that is also a revenue district may not object to a sale unless it files with this objection an executed proposed agreement under Chapter 8 of this part to purchase the property, but not including an option to purchase, at a price not less than the minimum bid.

If a taxing agency that is not also a revenue district objects to the sale and before the date of the sale applies in writing to the board of supervisors to purchase the property under Chapter 8 of this part at a price equal to that approved by the board of supervisors, or upon a pro rata division of the proceeds of a sale as may be provided under Chapter 8, the tax collector shall not proceed with the sale.

3695.3. As used in Section 3695, "assessments" does not include assessments which were, at the time of the declaration of default or sale to the taxing agency, not included in the amount required to redeem the property.

3695.4. In addition to the provisions in Section 3695 relative to objections to sales, the state or city or any taxing agency or revenue district may file with the county tax collector written objection to the sale of, along with an application to purchase in accordance with Chapter 8 (commencing with Section 3771), any property that is or may be needed for public use. The written objection shall specify the description of the property needed, whether the fee or an easement is required, and the public purpose to which the property is intended to be devoted. The objection and application shall be filed with the tax collector before the date of the first publication of the notice of intended sale pursuant to Sections 3702 and 3703. If the state, a city, taxing agency, or revenue district files an objection and application in compliance with this section, the tax collector may not proceed with the sale of the subject property.

3695.5. In addition to the provisions of Sections 3695 and 3695.4 relative to objections to sales, any nonprofit organization may file with the county tax collector written objection to the sale for taxes of, and a written application to purchase in accordance with Chapter 8 (commencing with Section 3771), any residential or vacant real property that the nonprofit organization states in writing that it will:

(a) In the case of residential real property, rehabilitate and sell or rent to, or otherwise use the property to serve, low-income persons.

(b) In the case of vacant real property, construct residential dwellings on the property and sell or rent the property to low-income persons, otherwise use the property to serve low-income persons, or dedicate the vacant property to public use, including those uses referred to in subdivision (a).

The objection and application shall be filed with the tax collector before the date of the first publication or posting of the notice of intended sale pursuant to Sections 3702 and 3703. If the nonprofit organization files an objection and application in compliance with this section and with any conditions of sale established pursuant to Section 3795.5, the tax collector may not proceed with the sale of the property.

The terms "nonprofit organization," "low-income persons" and "rehabilitation" shall have the same meaning in this section as in Chapter 8 (commencing with Section 3771).

3698. To make any sale under this chapter, the tax collector shall transmit a notice to the board of supervisors, stating:

(a) His intention to make a sale under this chapter, and the type of sale;

(b) A description of the property to be sold;

(c) The minimum price at which it is proposed to sell the property.

3698.5. (a) Except as provided in Section 3698.7, the minimum price at which property may be offered for sale pursuant to this chapter shall be an amount not less than the total amount necessary to redeem, plus costs and the outstanding balance of any property tax postponement loan. For purposes of this subdivision:

(1) The "total amount necessary to redeem" is the sum of the following:

(A) The amount of defaulted taxes.

(B) Delinquent penalties and costs.

(C) Redemption penalties.

(D) A redemption fee.

(2) "Costs" are those amounts described in subdivision (c) of Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections 4672, 4672.1, 4672.2, 4673, and subdivision (b) of Section 4673.1.

(3) The "outstanding balance of any property tax postponement loan" is the sum of the following:

(A) The tax payments made by the State Controller's office on behalf of the claimant in the Property Tax Postponement Program.

(B) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.

(C) Other associated fees and penalties as deemed appropriate by law.

(D) Less any payments already made on the property tax postponement loan.

(b) This section shall not apply to property or interests that qualify for sale in accordance with the provisions of subdivisions (b) and (c) of Section 3692.

(c) Where property or property interests have been offered for sale at least once and no acceptable bids therefor have been received at the minimum price determined pursuant to subdivision (a), the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that same property or those

interests at the same or next scheduled sale at a minimum price that the tax collector deems appropriate in light of the most current assessed valuation of that property or those interests, or any unique circumstance with respect to that property or those interests.

3698.7. (a) With respect to property for which a property tax welfare exemption has been granted and that has become tax defaulted, the minimum price at which the property may be offered for sale pursuant to this chapter shall be the higher of the following:

(1) Fifty percent of the fair market value of the property. For the purposes of this paragraph, "fair market value" means the amount as defined in Section 110 as determined pursuant to an appraisal of the property by the county assessor within one year immediately preceding the date of the public auction. From the proceeds of the sale, there shall be distributed to the county general fund an amount to reimburse the county for the cost of appraising the property. The value of the property as determined by the assessor pursuant to an appraisal shall be conclusively presumed to be the fair market value of the property for the purpose of determining the minimum price at which the property may be offered for sale.

(2) The total amount necessary to redeem, plus costs and the outstanding balance of any property tax postponement loan. For purposes of this paragraph:

(A) The "total amount necessary to redeem" is the sum of the following:

- (i) The amount of defaulted taxes.
- (ii) Delinquent penalties and costs.
- (iii) Redemption penalties.
- (iv) A redemption fee.

(B) "Costs" are those amounts described in subdivision (c) of Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections 4672, 4672.1, 4672.2, and 4673, and subdivision (b) of Section 4673.1.

(3) The "outstanding balance of any property tax postponement loan" is the sum of the following:

(A) The tax payments made by the State Controller's office on behalf of the claimant in the Property Tax Postponement Program.

(B) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.

(C) Other associated fees and penalties as deemed appropriate by law.

(D) Less any payments already made on the property tax postponement loan.

(b) This section shall not apply to property or interests that qualify for sale in accordance with the provisions of subdivisions (b) and (c) of Section 3692.

(c) Where property or property interests have been offered for sale at least once and no acceptable bids therefor have been received, at the minimum price determined pursuant to subdivision (a), the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that same property or those interests at the same or next scheduled sale at a minimum price that the tax collector deems appropriate in light of the most

current assessed valuation of that property or those interests, or any unique circumstance with respect to that property or those interests.

3698.8. The tax collector, upon the recommendation of county counsel, may remove a parcel from the tax sale if it is deemed the removal is in the best interest of the county.

3699. On receipt of the notice described in Section 3698, the board of supervisors shall by resolution either approve or disapprove the proposed sale and shall transmit a certified copy of the resolution to the tax collector within five days after its action. Failure to adopt or to transmit the resolution within the prescribed times shall not affect the validity of a sale approved by a board of supervisors.

3700. Upon providing notice to the board of supervisors as required by Section 3698, the tax collector shall forward one copy to the clerk or secretary of the governing board of each taxing agency, other than the county, having the right to levy taxes or assessments on the property and may forward one copy to each nonprofit organization that has submitted, within one year prior to the next scheduled tax sale or prior to July 31 of the current calendar year, a written request to the tax collector for notification. The copy or copies shall be mailed or delivered at least 30 days before the first publication or posting of the notice of intended sale. However, where the tax collector has on file a consent from each taxing agency, the tax collector may proceed to publish or post the notice of sale.

3700.5. Not less than 45 days nor more than 120 days before the proposed sale, the tax collector shall send notice of the proposed sale to the Controller. The notice shall state the date, time, and place of the proposed sale. The tax collector shall notify the Controller of any postponement of the tax sale and the date, time, and place of the sale.

3701. Not less than 45 days nor more than 120 days before the proposed sale, 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 notice shall state the date, time, and place of the proposed sale, the amount required to redeem the property, and the fact that the property may be redeemed up to the close of business on the last business day prior to the date of the sale, and information regarding the rights of parties of interest to claim excess proceeds, as defined in Section 4674, if the property is sold and excess proceeds result from that sale.

The tax collector shall make a reasonable effort to obtain the name and last known mailing address of parties of interest.

The validity of any sale under this chapter shall not be affected if the tax collector's reasonable effort fails to disclose the name and last known mailing address of parties of interest or if a party of interest does not receive the mailed notice.

3702. The tax collector shall publish the notice of intended sale once a week for three successive weeks in a newspaper of general circulation published in the county seat and in a newspaper of general circulation published in the judicial district in which the property is situated. If the same newspaper of general circulation is published in both the county seat and in such district, or if the publication of the notice of sale is made in a newspaper which is determined pursuant to Section 3381 as most likely to afford adequate notice of the sale, a publication in such paper shall satisfy the requirements for publication set forth in this section. If there is no newspaper published in the county seat or in the judicial district, then publication may be made by posting notice in three public places in the county seat or in the judicial district, as the case may be, where no such newspaper is published. The publication shall be started not less than 21 days prior to the date of the sale.

3703. If in the judgment of the board of supervisors any property to be sold under this chapter will bring at auction less than the cost of publication in a newspaper, the publication of the notice of intended sale may be made in the same manner as if there were no newspaper published in the county seat or in the judicial district.

3704. The notice of intended sale shall include all of the following:

(a) The date, time, and place of the intended sale, including the electronic address if the intended sale is by public auction via the Internet or other electronic media.

(b) The locations of computer workstations that are available to the public and instructions on accessing the public auction and submitting bids if the intended sale is conducted via the Internet or other electronic media.

(c) A description of the property to be sold.

(d) The name of the last assessee of the property.

(e) The minimum acceptable bid of the property to be sold.

(f) A statement that if the property is not redeemed before the close of business on the last business day prior to the date of the sale, the right of redemption will cease.

(g) A statement that if the property is sold, parties of interest, as defined in Section 4675, have the right to file a claim with the county for any proceeds from the sale which are in excess of the liens and costs required to be paid from the proceeds.

(h) A statement that if excess proceeds result from the sale, notice will be given to parties of interest, pursuant to law.

(i) A statement that if the parcel remains unsold after the tax sale, the date, time, and location of any subsequent sale.

(j) If applicable, that a deposit is required as a condition to submit bids on the property.

(k) If applicable, a statement that, for any property purchased by a credit transaction, the right of redemption will revive if full payment is not received by the tax collector prior to the close of business on the date, as specified by the tax collector under Section 3693.1, that full payment is due.

3704.5. In addition to the published notice required by Section 3702, the tax collector may advertise the intended sale by any means authorized by the board of supervisors.

3704.7. (a) In the case of a property that is the primary residence of the last known assessee, as indicated by either a valid homeowner's exemption on file with the county assessor in the name of the last known assessee, or the fact that the mailing address for the last tax bill is the same address as the property, the tax collector or his or her agent shall, in addition to any other notice required by this chapter, make a reasonable effort to contact in person, not more than 120 days or less than 10 days prior to the date of the sale, the owner-occupant of that property. In the course of the personal contact, the tax collector, or his or her agent, shall inform the owner-occupant of the following:

(1) That the property, if not redeemed, shall be offered for sale at a public auction.

(2) His or her redemption rights pursuant to Part 7 (commencing with Section 4101).

(b) If the personal contact described in subdivision (a) is not made after reasonable efforts, the tax collector or his or her agent shall attempt to serve written notice, no less than five days prior to the date of the sale, with respect to the fact of the sale and the requirement that the tax collector be contacted immediately with respect to redemption of the property.

(c) The amount of the actual and reasonable costs incurred by the tax collector, or his or her agent, or both, in complying with the requirements of subdivisions (a) and (b), as established pursuant to the requirements of Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, shall be added to the required amount for redemption of the property.

(d) No transfer of title shall be invalidated by reason of failure to comply with the requirements of this section.

3705. Any city or the State or any taxing agency or revenue district may bid on property.

3706. If the property is not redeemed before the close of business on the last business day prior to the date of the sale of the property, the tax collector shall sell the property at public auction to the highest bidder at the time and place fixed.

In the case of a sale at public auction, no bid shall be accepted for a sum less than the minimum price approved in the resolution of the board of supervisors; provided, however, the tax collector may reduce such minimum price when a partial redemption has been made under Chapter 2, Part 7, Division 1 of this code, or when a partial cancellation has been made under Chapter 4, Part 9, Division 1 of this code, after such price was fixed, by not more than the ratio that the delinquency on the portion so redeemed or canceled bears to the delinquency upon the whole.

3706.1. The tax collector may postpone the tax sale or any portion thereof under the following conditions:

(a) Notice of any postponement of a public auction tax sale shall be made by the tax collector who, by public declaration at the time and place originally fixed for the public auction, may postpone the sale to a new time, date, and place. No other notice of the postponed public auction need be given if the date for the new time, date, and place is within seven days of the time originally fixed for the sale.

(b) Notice of any postponed sealed-bid sale or postponed public auction sale that is scheduled to be held not less than eight days nor more than 90 days from the time originally fixed for the sale shall be made pursuant to the same provisions followed in providing notice of the original sale to parties of interest, as defined in Section 4675.

3707. (a) (1) The right of redemption terminates at the close of business on the last business day prior to the date of the sale.

(2) If the tax collector approves a sale as a credit transaction and does not receive full payment on or before the date upon which the tax collector requires pursuant to Section 3693.1, the right of redemption is revived on the next business day following that date.

(b) Notwithstanding any other provision of law, any remittance sent by mail for redemption of tax-defaulted property must be received in the tax collector's office prior to the time established in paragraph (1) of subdivision (a).

(c) The sale shall be deemed complete when full payment has been received by the tax collector.

(d) The right of redemption revives if the property is not sold.

3708. On receiving the full purchase price at any sale under this chapter, the tax collector shall, without charge, execute a deed to the purchaser.

3708.1. Upon execution the tax collector shall immediately record the deed with the county recorder and pay the recording fees. Recording of the deed shall constitute delivery thereof to the grantee named in the deed.

3708.5. If a deed to the purchaser contains a clerical error or misstatement of fact, a corrected deed may be issued by the tax collector and recorded with the county recorder without charge. The new deed shall contain a statement of reasons for its issuance and, as far as practical, shall be the same as the original except where corrected.

3709. The county clerk shall take acknowledgment of the deed without charge.

3710. In addition to the usual provisions of a deed conveying real property, the deed shall specify all of the following:

(a) That the legally levied taxes on the subject property were duly declared to be in default and were a lien on the property.

(b) That the tax collector, pursuant to a statutory power of sale, has sold the property.

(c) If a taxing agency objected to the sale, the fact of the objection and the name of the objecting taxing agency.

(d) The name of the purchaser, the date the property was sold, and the amount for which the property was sold.

(e) That the property is therefore conveyed to the purchaser according to law.

3711. Except as against actual fraud, the deed duly acknowledged or proved is conclusive evidence of the regularity of all proceedings from the assessment of the assessor to the execution of the deed, both inclusive.

3712. The deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, except:

(a) Any lien for installments of taxes and special assessments, that installments will become payable upon the secured roll after the time of the sale.

(b) The lien for taxes or assessments or other rights of any taxing agency that does not consent to the sale under this chapter.

(c) Liens for special assessments levied upon the property conveyed that were, at the time of the sale under this chapter, not included in the amount necessary to redeem the tax-defaulted property, and, where a taxing agency that collects its own taxes has consented to the sale under this chapter, not included in the amount required to redeem from sale to the taxing agency.

(d) Easements of any kind, including prescriptive, constituting servitudes upon or burdens to the property; water rights, the record title to which is held separately from the title to the property; and restrictions of record.

(e) Unaccepted, recorded, irrevocable offers of dedication of the property to the public or a public entity for a public purpose, and recorded options of any taxing agency to purchase the property or any interest therein for a public purpose.

(f) Unpaid assessments under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) that are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8, or that are being collected through a foreclosure action pursuant to Part 14 (commencing with Section 8830) of Division 10 of the Streets and Highways Code. A sale pursuant to this chapter shall not nullify, eliminate, or reduce the amount of a foreclosure judgment pursuant to Part 14 (commencing with Section 8830) of Division 10 of the Streets and Highways Code.

(g) Any federal Internal Revenue Service liens that, pursuant to provisions of federal law, are not discharged by the sale, even though the tax collector has provided proper notice to the Internal Revenue Service before that date.

(h) Unpaid special taxes under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code) that are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8, or that are being collected through a foreclosure action pursuant to Section 53356.1 of the Government Code. A sale pursuant to this chapter shall not nullify, eliminate, or reduce the amount of a foreclosure judgment pursuant to Section 53356.1 of the Government Code.

3713. It is hereby declared to be the policy of the state and the intent of the provisions of this code, that the final tax deed or deeds of all taxing agencies, including counties, cities and counties, cities, irrigation districts, reclamation districts, and other taxing agencies that annually levy, assess, and collect, or cause to be collected, taxes or assessments upon real property within the state, should be, and are hereby declared to be, upon a parity

with each other, and that regardless of when the levy of those taxes or assessments is or has been made, and regardless of when the final tax deed or assessment deed is or has been taken by the taxing agency, that the rights of all taxing agencies and all those deeds shall be equal and upon a parity with each other.

3716. Within 30 days after the sale, the tax collector shall report to the assessor the following:

- (a) The name of the purchaser.
- (b) The date the property was sold.
- (c) The amount for which the property was sold.
- (d) The description of the property conveyed.

3718. The tax collector shall deposit the money received from the sale like tax collections and shall immediately transmit a report of sale to the county treasurer and a duplicate of the report to the county auditor. The report shall show:

- (a) The cost of advertising the sale, including but not limited to the published notice required by Section 3702.
- (b) The sums received for individual parcels.
- (c) Identification of the parcels by year, page and number of the delinquent and current roll.
- (d) The cost of recording the deeds.

3719. The amount of the cost of advertising the sale, including but not limited to the published notice required by Section 3702, shall be deposited in the county general fund and the balance, excepting the recorder's fee, shall be deposited in the delinquent tax sale trust fund.

3720. On receipt of the duplicate report of sale, the auditor shall mail a copy of it to the secretary or clerk of the governing board of each taxing agency, not also a revenue district, and other than the State and the county, entitled to levy taxes or assessments on the property sold. He shall also enclose a notice for claims, specifying:

- (a) A description of the property.
- (b) That claims on the amount received from the sale shall be made within 60 days after the mailing of the notice for claims.

Such duplicate copies of report of sale shall be mailed for only those properties on which the taxing agency has consented to sale and thus is entitled to its proper share of the proceeds deposited in the delinquent tax sale trust fund.

3721. On receipt of the notice for claims, the governing board of each taxing agency, not also a revenue district, having taxes or assessments levied on the property for the fiscal year preceding that in which the property was sold, shall forward a share claim to the county auditor, stating, in detail, the amounts due on the property still unpaid to the taxing agency, claiming their share of the proceeds from the sale as is determined by the distribution made under this division. The claim shall set out all the municipal and special district tax rates applicable to the deeded property for the fiscal year preceding that in which the property was sold.

3722. As soon as practicable after the expiration of the time for filing claims, the county auditor shall present all share claims received by him to the board of supervisors.

3723. If the board of supervisors dispute the correctness of any share claim, the money received from the sale of the parcel involved in the disputed claim shall remain in the delinquent tax sale trust fund until the settlement of the claim by agreement of the governing boards or officers of the taxing agencies having delinquent taxes or assessments on the parcel or by judgment of a court.

3724. If the share claims are correct or if settlement is made of all disputed claims relating to any parcel, the board of supervisors shall order the money in the delinquent tax sale trust fund received from the sale of the parcel to be distributed under this division among the taxing agencies having filed share claims. There shall also be distributed to the State of California its share of the money received from the sale of the parcel. The auditor shall draw and mail warrants on the delinquent tax sale trust fund in accordance with the order, and the State's share shall be included in the next semiannual settlement between the county and the State.

Where the county assesses and collects taxes for a taxing agency which is also a revenue district, such taxing agency shall receive its share of the proceeds from any sale as distributed under Chapter 1.3, Part 8, Division 1, of this code, without the necessity of their receiving a copy of the report of sale or of submitting a share claim.

3725. (a) A proceeding based on alleged invalidity or irregularity of any proceedings instituted under this chapter can only be commenced in a court if both of the following are satisfied:

(1) The person commencing the proceeding has first petitioned the board of supervisors pursuant to Section 3731 within one year of the date of the execution of the tax collector's deed.

(2) The proceeding is commenced within one year of the date the board of supervisors determines that a tax deed sold under this part should not be rescinded pursuant to Section 3731.

(b) Sections 351 to 358, inclusive, of the Code of Civil Procedure do not apply to the time within which a proceeding may be brought under this section.

(c) The amendments made to this section by Chapter 288 of the Statutes of 2011 shall apply to sales that are completed on or after January 1, 2012.

3726. A defense based on the alleged invalidity or irregularity of any proceeding instituted under this chapter can be maintained only in a proceeding commenced within one year after the date of execution of the tax collector's deed.

3727. Whenever property has been purchased at tax sale, the purchaser or any other person claiming through the purchaser may bring suit to quiet title to all or any portion of the property and prosecute it to final judgment.

3728. Before holding any tax deed heretofore or hereafter given under this chapter or Chapter 8 (commencing with Section 3771), former Chapter 3 (commencing with Section 3475), former Chapter 4.3 (commencing with Section 3534), or former Sections 3897 and 3897d of the Political Code to be void, the court shall determine the correct amount of taxes, penalties and costs that should be paid upon redemption to discharge the tax and assessment liens of all taxing agencies and revenue districts had the purported tax sale not been held and the court shall order the former owner or other party in interest to pay that amount within six months as follows:

(a) To the purchaser, or his or her grantee or successor in interest, the amount of taxes, penalties and costs expended by him or her as determined by the court in pursuit of title to the property, and when the purchaser at that sale or the grantee in any deed for taxes or his or her grantee or successor in interest is in possession of that property in good faith and claiming the property under a tax deed, which is regular upon its face, and has made permanent improvements thereon, the court shall not make that decree until there has also been repaid to the purchaser or his or her grantee or successor in interest a sum, as determined by the court, equal to the amount by which the value of the property has been enhanced by those permanent improvements; and

(b) To the county tax collector, the balance, if any, of the correct amount as determined by the court that should be paid upon redemption, which shall be distributed by the county to the taxing agencies and revenue districts as redemption money.

If the amounts are not paid in accordance with the order the court shall not hold the tax deed void.

3728.1. If the amount required to be paid in accordance with Section 3728 of this code is not paid within such six months, the court shall order a new tax deed issued by the county tax collector to the original grantee or his successor in interest as designated in the order. The tax collector shall thereupon execute and deliver a new tax deed which in addition to the usual provisions of a deed conveying real property shall specify:

(a) The oldest year in which a tax lien attached which has not been discharged.

(b) That the court ordered the payment of the correct amount of taxes, penalties and costs, stating the title of the court, the number of the case, the date of the order and the total amount of such taxes, penalties and costs so ordered paid.

(c) That such payment has not been made as ordered by the court.

(d) If the original assessment description was erroneous, the correct description as determined by the court.

Upon proof of the execution and delivery of such tax deed the court shall quiet the title of the grantee and his successors in interest and after such judgment becomes final the tax deed shall be conclusively presumed valid against the claims of any parties to the lawsuit and their successors in interest.

3729. (a) When a court holds a tax deed given under this chapter or Chapter 8 (commencing with Section 3771), former Chapter 3 (commencing with Section 3475), former Chapter 4.3 (commencing with Section 3534), or former Sections 3897 and 3897d of the Political Code void, the purchaser at tax sale is entitled to a refund from the county of the amount paid as the purchase price in excess of the amount for which he or she has been reimbursed for taxes, penalties, and costs. The refund shall be made in the same manner as a refund of an overpayment of tax, except that the claim shall be presented within one year after the judgment becomes final.

(b) The holder of a tax certificate who received all or any part of the amount paid by the delinquent taxpayer shall not be obligated to make any refund or repayment of any amount to either the purchaser, the county, or any other person. The tax collector may use amounts on deposit in the Tax Certificate Redemption Fund to make the refund, but only to the extent those amounts were paid to the holder of the applicable tax certificate.

3731. (a) When a tax deed to a purchaser of property sold by the tax collector pursuant to this part is recorded and it is determined that the property should not have been sold, the sale may be rescinded by the board of supervisors with the written consent of the county legal adviser and the purchaser of the property or a successor in interest in the property, except a bona fide purchaser for value, under any of the following circumstances:

(1) The property has not been transferred or conveyed by the purchaser at the tax sale to a bona fide purchaser for value.

(2) The property has not become subject to a bona fide encumbrance for value subsequent to the recordation of the tax deed.

(b) If the written consent of the purchaser of the property or a successor in interest is not obtained pursuant to subdivision (a), the sale may be rescinded by the board of supervisors pursuant to the circumstances specified in subdivision (a), if both of the following conditions are met:

(1) Notwithstanding Section 3731.1, a hearing is scheduled before the board of supervisors.

(2) (A) A notification is provided to the purchaser of the property or a successor in interest that contains all of the following information:

(i) The date, time, and place of the hearing.

(ii) A description of the property that was sold.

(iii) The reason for rescinding the sale of the property.

(iv) A statement that a refund will be issued to the purchaser of the property or the successor in interest, if applicable, for the purchase amount of the property plus interest at the county pool apportioned rate as specified in Section 5151 from the date of the purchase of the property.

(B) The tax collector shall send the notice, not less than 45 days prior to the date of the hearing, to the purchaser of the property or a successor in interest by certified mail with return receipt requested. The notice shall be sent to the last known mailing address of the purchaser of the property or a successor in interest.

(c) When the sale of tax-defaulted property is rescinded pursuant to this section, the purchaser or a successor in interest is entitled to a refund of the amount paid as the purchase price plus interest at the county pool apportioned rate as specified in Section 5151 from the date of the purchase of the property after rescission of the tax deed is recorded.

(d) The rescission shall be executed by the county tax collector and, if rescinded pursuant to subdivision (a), also by the purchaser or a successor in interest. The signature of both the county tax collector and the purchaser or a successor in interest shall be acknowledged by the county clerk, without charge, and the county tax collector shall then record the rescission with the county recorder, without charge. When the rescission is recorded, the tax deed becomes null and void as though never issued and all provisions of law relating to tax-defaulted property shall apply to the property.

(e) The holder of a tax certificate who received all or any part of the amount paid by the purchaser or a successor in interest shall not be obligated to make any refund or repayment of any amount to the purchaser, the delinquent taxpayer, the county, or any other person. The tax collector may use amounts on deposit in the Tax Certificate Redemption Fund to make the refund, but only to the extent those amounts were paid to the holder of the applicable tax certificate.

(f) Subdivision (b) shall apply to sales that are completed on or after January 1, 2010.

(g) A proceeding may be commenced in a court pursuant to Section 3725 only if the person commencing the proceeding first petitions the board of supervisors to rescind the sale of a tax deed pursuant to this section.

3731.1. The board of supervisors of any county may, by resolution, authorize any county officer to perform on its behalf any act required or authorized to be performed by the board of supervisors under Section 3731.

The resolution shall enumerate the section, or those portions of the section, to which the authorization is to apply, and shall specify administrative rules and procedures concerning any act performed under the authorization.

The resolution shall require that the county auditor record each act performed under the authorization. The resolution may provide for review by the board of supervisors of any act performed under the authorization, or for periodic reports to the board of supervisors of any or all acts performed under the authorization, or both.

REVENUE AND TAXATION CODE 4675.**DIVISION 1. - PART 8. - CHAPTER 1.3.****DISTRIBUTION OF PROCEEDS FROM SALE OF TAX-DEEDED PROPERTY**

4675. (a) Any party of interest in the property may file with the county a claim for the excess proceeds, in proportion to his or her interest held with others of equal priority in the property at the time of sale, at any time prior to the expiration of one year following the recordation of the tax collector's deed to the purchaser.

(b) After the property has been sold, a party of interest in the property at the time of the sale may assign his or her right to claim the excess proceeds only by a dated, written instrument that explicitly states that the right to claim the excess proceeds is being assigned, and only after each party to the proposed assignment has disclosed to each other party to the proposed assignment all facts of which he or she is aware relating to the value of the right that is being assigned. Any attempted assignment that does not comply with these requirements shall have no effect. This paragraph shall apply only with respect to assignments on or after the effective date of this paragraph.

(c) Any person or entity who in any way acts on behalf of, or in place of, any party of interest with respect to filing a claim for any excess proceeds shall submit proof with the claim that the amount and source of excess proceeds have been disclosed to the party of interest and that the party of interest has been advised of his or her right to file a claim for the excess proceeds on his or her own behalf directly with the county at no cost.

(d) The claims shall contain any information and proof deemed necessary by the board of supervisors to establish the claimant's rights to all or any portion of the excess proceeds.

(e) (1) Except as provided in paragraph (2), no sooner than one year following the recordation of the tax collector's deed to the purchaser, and if the excess proceeds have been claimed by any party of interest as provided herein, the excess proceeds shall be distributed on order of the board of supervisors to the parties of interest who have claimed the excess proceeds in the order of priority set forth in subdivisions (a) and (b). For the purposes of this article, parties of interest and their order of priority are:

(A) First, lienholders of record prior to the recordation of the tax deed to the purchaser in the order of their priority.

(B) Second, any person with title of record to all or any portion of the property prior to the recordation of the tax deed to the purchaser.

(2) (A) Notwithstanding paragraph (1), if the board of supervisors has been petitioned to rescind the tax sale pursuant to Section 3731, any excess proceeds shall not be distributed to the parties of interest as provided by paragraph (1) sooner than one year following the date the board of supervisors determines the tax sale should not be rescinded, and only if the person who petitioned the board of supervisors pursuant to Section 3731 has not commenced a proceeding in court pursuant to Section 3725.

(B) If a proceeding has been commenced in a court pursuant to Section 3725, any excess proceeds shall not be distributed to the parties of interest as provided by paragraph (1) until a final court order is issued.

(f) In the event that a person with title of record is deceased at the time of the distribution of the excess proceeds, the heirs may submit an affidavit pursuant to Chapter 3 (commencing with Section 13100) of Part 1 of Division 8 of the Probate Code, to support their claim for excess proceeds.

(g) Any action or proceeding to review the decision of the board of supervisors shall be commenced within 90 days after the date of that decision of the board of supervisors.