



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Auditor-Controller-Treasurer-Tax-Collector

Subject: Adopt Resolution Approving Sale of Tax Defaulted Properties

Meeting Date: February 25, 2025

Formal Title: Adopt resolution approving the sale of tax defaulted properties at public auction via an online auction and approve the optional re-offer auction for any remaining unsold properties

Recommended Action

Adopt a resolution approving the sale of tax defaulted properties at public auction via an online auction and approve the optional re-offer auction for any remaining unsold properties.

Executive Summary

The Tax Collector seeks approval to auction 73 properties in June 2025 that have unpaid taxes that are at least five years delinquent. Of the 73 properties, 12 are improved parcels and 61 are unimproved parcels.

The Tax Collector will also provide the proposed tax-defaulted property sale list to any eligible taxing agency, city, public agency, or nonprofit agency that requests it for review and possible property purchase.

Discussion

The attached June 2025 Proposed Auction List outlines the parcel numbers and minimum bids for the tax-defaulted properties to be sold. Properties that have been assigned street addresses by the Assessor's Office are listed with their corresponding addresses. For parcels without an assigned street address, no address is provided. In compliance with AB 1785 "California Public Records Act", the parcel owner(s) name has been redacted. The list of properties is updated daily as tax payments are received and will not be finalized until the day before the sale.

All property owners may avoid the sale of the tax defaulted properties by paying the full amount due and thereby redeeming the property. The right of redemption will cease at 5:00 pm on the day before the start of the auction and properties not redeemed by that time will be offered for sale (Revenue & Tax Code Section 3707 (b)). The auction will be held online through Bid4Assets.com commencing on June 6, 2025. Potential bidders are required to register with Bid4Assets.com and submit their deposit on or before June 2, 2025.

In the event that any property does not sell via this auction, the Tax-Collector will then have the option to re-offer the unsold property within 90 days of the original sale date pursuant to Revenue & Tax (R&T) Code section 3692(e), with the option to offer the remaining property at a reduced minimum price, pursuant to R&T Code section 3698.5(c).

In compliance with R&T code sections, various notifications are made to inform property owners of delinquent property taxes and the potential auction of the property at tax sale include numerous written notifications to the assessee, publications in the local

newspaper, certified notifications to the assessee and, in accordance with R&T Code Section 3704.7(a), a personal visit is made to the property to speak with the owner/occupant of any property with a legal or known structure on it. If no person is located at the property, the notice is posted at the property and proof of delivery is obtained.

For properties that are ultimately sold at auction, once taxes, fees and costs are deducted, pursuant to R&T Code section 4675, Parties of Interest will have the ability to file a claim for the excess proceeds.

Financial Impact

Expenses associated with the sale of tax defaulted property are recovered from each property sold at or above their original minimum bid amount including the defaulted property tax, penalties and interest due, and all direct sale-related costs. Auction expenses and related revenues have been included in the FY 2024-2025 budget.

Strategic Initiatives

Operational Plan - Operational Excellence

Submitted By:

Edith Driscoll

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.