



# Monterey County

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: RES 20-160**

**October 27, 2020**

**Introduced:** 9/18/2020

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Resolution

- a. Approve the distribution of excess proceeds resulting from the sale of real property at the Tax Collector's public internet auction regarding claims on 22 properties as set forth in the attached spreadsheet; and
- b. Approve the interpleader of excess proceeds resulting from the sale of real property at the Tax Collector's public internet auction regarding unresolved disputed claims on one identified property as set forth in the attached spreadsheet; and
- c. Authorize the Tax Collector to interplead of any claimed proceeds that become contested within 90 days of the Board's approval of the distribution of excess proceeds pursuant to Revenue and Taxation Code section 4675(g).

**RECOMMENDATION:**

It is recommended that the Board of Supervisors, by Resolution:

- a. Approve the distribution of excess proceeds resulting from the sale of real property at the Tax Collector's public internet auction regarding claims on 22 properties as set forth in the attached spreadsheet; and
- b. Approve the interpleader of excess proceeds resulting from the sale of real property at the Tax Collector's public internet auction regarding unresolved disputed claims on one identified property as set forth in the attached spreadsheet; and
- c. Authorize the Tax Collector to interplead of any claimed proceeds that become contested within 90 days of the Board's approval of the distribution of excess proceeds pursuant to Revenue and Taxation Code section 4675(g).

**SUMMARY:**

Board of Supervisor approval is required to authorize the distribution of excess proceeds generated from real property tax sales in accordance with Section 4675 of the California Revenue and Taxation Code. In addition, distributing excess proceeds, contested distributions, based on merits and priorities of claims, may be interpleaded if it a proposed distribution is contested. The requested action serves these purposes.

**DISCUSSION:**

On February 27, 2019, the Tax Collector sold 38 parcels of property at an internet public auction to the highest bidders of each property. On May 21, 2019, 12 previously unsold parcels of property were reoffered and sold at internet public auction to the highest bidders. As a result of the competitive bidding process, some of the final sale amounts exceeded the taxes, penalties, and fees that were owed on these properties. The remaining amount is known as "excess proceeds," and has been held in a suspense account for at least the minimum one-year period, as provided and required by law.

During this one-year period, claims may be filed against the excess proceeds by any party who had a demonstrated and proven interest in the property at the time of the sale. The Tax Collector received claims against 22 parcels for excess proceeds. Both the Tax Collector and County Counsel have reviewed and verified the validity and distribution priority of each claim, and hereby request authorization by Board Order to distribute these excess proceeds as described, and in the priority set forth in the attachment.

With respect to parcel 022-081-017-000: Multiple claims were filed and appear to be adverse and conflicting.

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The County is without knowledge of the respective rights of the claimants and is unable to determine the validity and/or priority of these claims. Therefore, the Tax Collector is recommending the funds associated with this parcel be interpled and deposited with the Superior Court of California.

Lastly, in the event that a party contests the proposed distribution of excess proceeds within 90 days of this Board action the final distribution must await the resolution of that legal action pursuant to Revenue and Taxation Code section 4675(g). If that occurs, the recommended authority to interplead any such contested claimed amount will permit the remainder of the claims to be paid and the processing of the relative merits of the contested claim(s) to proceed without further delay.

Total distribution of excess proceeds for all parcels to all claimants is \$918,380.68, including the funds to be interpled.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the claims and approves the recommended action. The Tax collector will request warrants from the Auditor-Controller in favor of the claimants from the funds currently held in the Delinquent Tax Sale Trust Fund 001-1170-TRE001-2215.

FINANCING:

There will be no financial impact on the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The revenue generated from the Monterey County Treasurer-Tax Collector Excess Proceeds Distribution would promote and support the following Board of Supervisors Strategic Initiatives:

- Economic Development
- X Administration
- Health & Human Services Infrastructure
- Public Safety

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Prepared by: Arturo P. Perez, Management Analyst, x 3083

DocuSigned by:



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Approved by: Mary A. Zeeb, Treasurer - Tax Collector, x5015

Attachments:

Attachment A, Excess Proceeds Distribution