



# Monterey County

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## Board Report

Legistar File Number: RES 18-056

May 15, 2018

**Introduced:** 5/9/2018

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Resolution

Conduct a public hearing and consider adopting one resolution:

- a. Pursuant to Revenue and Taxation Code section 3731, indicating the Board's intent to rescind the tax sale of those properties identified as Assessor's Parcel Numbers 131-061-008 and 125-151-006, that occurred on or about August 24, 2015, contingent upon an agreement with the Pajaro - Sunny Mesa Community Services District with respect to a financial contribution towards a refund to the tax sale purchaser; and
- b. Continuing the public hearing to 10:30 a.m. on June 19, 2018.

### RECOMMENDATION:

It is recommended that the Board of Supervisors conduct a public hearing and consider adopting one resolution:

- a. Pursuant to Revenue and Taxation Code section 3731, indicating the Board's intent to rescind the tax sale of those properties identified as Assessor's Parcel Numbers 131-061-008 and 125-151-006, that occurred on or about August 24, 2015, contingent upon an agreement with the Pajaro - Sunny Mesa Community Services District with respect to a financial contribution towards a refund to the tax sale purchaser; and
- b. Continuing the public hearing to 10:30 a.m. on June 19, 2018.

### DISCUSSION:

The above identified parcels, located in north county, were sold at a tax sale auction. It has come to the County's attention that the sale may not have been proper. Pursuant to Revenue and Taxation Code section 3731, the Board may consider rescinding the tax sale unless the properties have been sold to a bona fide purchaser for value, or have been subject to a bona fide encumbrance for value. Neither of those conditions has occurred, and the purchaser has been provided notice of the public hearing as required by law. If the Board rescinds the tax sale, the purchase will be entitled to a refund with interest. The net refund would be \$201,461.94 plus interest.

The Pajaro - Sunny Mesa Community Services District, the prior owner of the parcels, has indicated its willingness to contribute to the refund to the tax sale purchaser; however, terms have not yet been agreed upon. It is therefore recommended that the Board adopt a resolution of intent to rescind the tax sale, contingent upon reaching agreement with the District on the financial contribution, and continue the public hearing to 10:30 a.m. on June 19, 2018.

A further discussion of the background for this matter is set forth in Attachment A. A draft resolution is enclosed as Attachment B.

OTHER AGENCY INVOLVEMENT:

The CAO, the Assessor - Clerk - Recorder, and Treasurer - Tax Collector have been consulted regarding this matter.

FINANCING:

Any refund would be financed initially through the General Liability Fund Non-recoverable Internal Service Fund. The Fund may be reimbursed from other available sources in the future.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

*This action would rescind an erroneous tax sale restoring ownership to a special district that provides water service.*

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

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Attachments: A - Background

B - Resolution