



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

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Matter Type: General Agenda Item

- 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 three identified properties; 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 five identified properties.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- 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 three identified properties; 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 five identified properties.

SUMMARY/ DISCUSSION:

Board of Supervisor approval is required to authorize the refund of excess proceeds generated from real property tax sales in accordance with Section 4675 of the California Revenue and Taxation Code.

On June 23, 2015 and August 24, 2015 the Tax Collector sold parcels of property at an 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 1 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 an interest in the property at the time of the sale. The Tax Collector received claims against nine parcels for excess proceeds. The claim against parcel 420-071-074-000 was disallowed for failure to provide supporting documentation. Both the Tax Collector and County Counsel have reviewed and verified the validity and distribution priority of each of the remaining eight claims, and hereby request authorization by Board Order to distribute the remaining excess proceeds as described, and in the priority set forth in the attachment.

With respect to parcels 012-272-024-000, 420-071-022-000, 420-071-063-000 and 423-381-009-000: Multiple claims were filed and appear to be adverse and conflicting. 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 these funds be interpled and deposited with the Superior Court of California.

With respect to parcel 131-061-008-000: Only one claim was filed. However, the County is unable

to determine the validity of this claim. Therefore, the Tax Collector is recommending these funds be interpled and deposited with the Superior Court of California.

Total distribution of excess proceeds for all parcels to all claimants is \$680,205.72, 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. As to three of the matters, the Tax Collector will request warrants against the excess proceeds 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. As to the remaining five matters, the Tax Collector will interplead the funds and deposit them with the Superior Court so that the validity of the claims can be adjudicated.

Prepared by: Kristina Parson, Management Analyst, x5317

Approved by: Mari Beraz, Assistant Treasurer- Tax Collector, x5112

All attachments are on file with the Clerk of the Board:

Attachment A - Excess Proceeds Distribution List