

County of Tulare
Office of the Treasurer/Tax/Collector
Internet Auction of Tax Defaulted Property

NEXT TAX SALE MARCH 5, 2024

Frequently Asked Questions:

By what authority is tax-defaulted property sold by the County Tax Collector?

Under jurisdiction of the California Revenue and Taxation Code, the County Board of Supervisors may direct the Tax Collector to sell at auction real properties which have been tax-defaulted more than five years (3691(a)), or have a nuisance abatement lien remaining unpaid more than three years (3691(b)).

California Revenue and Taxation Codes, Sections 3691 - 3731.1.

What is the purpose of selling tax-defaulted property?

The property is for sale because one or more tax assessments have remained unpaid for more than five years. The County's purpose in selling tax-defaulted property is to either redeem the property or return the parcel to a revenue-generating parcel by transferring ownership to a responsible party.

Who may participate in the auction?

Any person other than a Tulare County Tax Collector employee, may participate in the internet auction. (GC §1090) Participants are required to pay a refundable \$5,000.00 deposit prior to bidding (§ 3693(d)(4)). The Tax Collector, also, reserves the right to prevent or ban any person from participating in the auction. Failure to pay for purchased properties can prohibit you from participating in future sales. If the winning bidder fails to pay for the purchase the deposit is forfeited (§3693.1). For nonresidential commercial property, if the highest bidder does not consummate the sale within the time period determined by the tax collector, the tax collector may offer the property to the next highest bidder at their bid price (3693(b)).

How often and in what manner is an auction conducted?

We will conduct an internet auction once every year, usually in early March, in consignment with Govease. We will sometimes have a re-offer auction in June if there are parcels that did not sell at the first auction.

Is the auction advertised; if so, how and when?

Yes. Notice of the auction is published three times in successive weeks, at seven-day intervals, within the last 45 days prior to the scheduled auction date. Notice is published in the **Sun-Gazette**. A property list is made available on-line, free of charge, at:

<https://tularecounty.ca.gov/treasurertaxcollector/tax-collector/tax-auction/2024-tax-auction/>

How is the minimum bid for tax-defaulted property determined?

The minimum bid is comprised of the amount of tax and penalties required to redeem the parcel plus the Tax Collector's cost of sale. Neither the minimum bid nor the assessed value represents the property's market value. Property is sold to the highest bidder for guaranteed funds in an amount no less than the minimum bid listed §3698.4(a)). If a property does not receive the minimum bid, the Tax Collector may, at their discretion, re-offer the parcel at the end of the auction at a reduced minimum bid §3698.5(c)), re-offer the property within ninety days §3692(e)), or hold the property until the next scheduled auction. Under no circumstances is a property sold over the counter.

What does my purchase price include?

Generally, The Tax Deed to the Purchaser includes the secured land and fixed improvements. If personal property situated on the parcel is included in the assessment on the Tax Roll, it is included

in the sale. If personal property is physically situated on the parcel but not included in the assessment on the Tax Roll, it is not included in the sale. Such property remains the possession of the previous owner. If personal property is determined to be abandoned, its disposition will become the responsibility of the purchaser. You may view assessed values (including whether personal property is assessed) and special charges at: **My Taxes** by following the screen prompts.

Does the previous owner of the property still have the right to redeem the property after the internet auction?

No. The property owner's right of redemption ceases at 5:00 P.M., the last business day prior to the scheduled sale (§3707). There is no redemption period after a sale. However, if the last assessee believes we have sold their property in error, they may contest the sale by initiating a court action within one year from the date of the sale. **It is, therefore, prudent to consider withholding development of the property for one year as improvement funds you invest will not be refunded if a sale is rescinded within the allotted time period.** If a property is sold for more than the minimum bid required, the previous owner has the right to claim excess proceeds along with all qualified parties of interest. (Note - Redemption of tax-defaulted property must, also, be made in guaranteed funds; cash, cashier's check or bank-issued money order.)

Do liens and encumbrances on a tax-defaulted property transfer to the new owner after the purchase of the property at a public auction?

No. All Private liens (i.e., Deeds of Trust, Mechanics Liens, Judgments) recorded against the last assessee, will be extinguished. Public liens (i.e., 1915 Act Improvement Bonds, Mello Roos Community Facilities Bonds, Code Compliance) will not be extinguished.

Revenue & Taxation Code, §3712 reads as follows:

The deed conveys title to the purchaser free of all encumbrances of any kind existing before the time of the recording of the Tax Deed, except:

- a) Any lien for installments of taxes and special assessments, which 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 which does not consent to the sale under this chapter.

If a taxing agency chooses to preserve a lien rather than participate in excess proceeds, you will find that lien listed on the Tax Defaulted Property List in the **Preserved Lien** field. The public auction purchaser will be responsible for paying these liens (except IRS liens).

Other agencies (i.e., County, State taxing authorities) may recoup their liens by participating in excess proceeds in the same manner as persons who have recorded private liens.

- c) Liens for special assessments levied upon the property conveyed which 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 which 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 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 on any taxing agency to purchase the property or any interest therein for a public purpose.

- f) Unpaid assessments under the Improved Bond Act of 1915 (Division 10 (commencing with §8500) of the Streets and Highways Code) which are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with §4671) of Part 8.

- g) Any Federal Internal Revenue Service liens which, 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.

Note* The IRS lien survives for a period of 120 days. If the IRS wishes, they may purchase the property back from our successful bidder, at the same purchase price paid by the bidder, within 120 days of the date of the public auction. If the IRS does not act within 120 days, their lien cannot be enforced against the property or the new owner of the property. The IRS may pursue collection from the original assessee against whom the lien was recorded.

- h) Unpaid special taxes under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with §53311) of Part 1 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 §4674) of Part 8.

For an explanation of the Improvement Bond Act of 1915 and the Mello-Roos Community facilities Act of 1982, go to the County Auditor web site: [County Auditor, Property Tax Division](#)

How do I find or see a property I might want to bid on at the auction?

While we try to give all possible assistance in helping prospective bidders pinpoint a property location, vacant land has no physical address. Its approximate geographical location can be determined through the use of the County Assessor's plat maps and map books. **Assessor's Parcel Maps.** Exact boundary lines of a property can be determined only by a survey of the property, initiated at the bidders' expense. Improved properties generally bear a situs (street) address. Vacant lots will bear the notation "No Situs Address." Be aware that buildings or improvement structures showing on record may actually be removed or unusable. Examination of the site is highly recommended.

Note: The information provided in our listing is intended to identify the parcels for sale according to delinquent tax records. We identify property by Assessor's Parcel Number. The Assessor's Parcel Number (APN) refers to the assessor's map book, the map page and the block on the map, if applicable, and the individual parcel on the map page or in the block.

When researching, make sure you match the right APN to the physical land. The Tax Collector makes no warranties or representations beyond our ability to provide basic tax information and convey title. It is the purchaser's responsibility to determine location, accessibility and usability of property.

How can I determine what use I can make of a property before I purchase it?

For further details, consult the zoning department of any city within which the property lies or the zoning division of the County Resource Management Department (formerly Building and Planning Department) to determine land use for a parcel in an unincorporated area (not within a city boundary). Examine the County Recorder's records for any recorded easements on a property.

How can I pay for a purchase made at an internet auction?

Payment will be accepted in the form of cashier's checks or wire transfer. No personal checks, business checks, travelers' checks or 2-party checks will be accepted. Neither do we accept credit cards or letters of credit. You will need to contact www.govease.com regarding payment information for any parcel purchased at internet auction. If a purchase is not paid by the close of the auction, that purchase will be voided, deposit forfeited and the purchaser may be banned from participating in future auctions.

How will title in the deed to the purchaser be vested?

Title is vested (the manner in which your name is recorded) in the name of the successful bidder as completed in the registration through www.govease.com. Alterations will not be accommodated after a purchase. If you change your mind about how you would like the property vested, you will need to wait until after the Tax Deed is recorded by the Tax Collector, and then, record a separate document to change the manner of vesting.

When will the deed to my purchase be recorded?

Tax Deed to the purchaser of tax-defaulted property will be recorded within sixty (60) days of the date of the auction. (§3708)

How soon may I take possession of a property I purchase at the public auction?

Generally, possession may be secured upon the recordation of the Tax Deed. Do not attempt to enter property prior to receipt of the recorded deed. If there are questions regarding removal of a prior resident, or any other concerns, you should consult an attorney. A legal eviction procedure may be required, and if necessary, should be served by law enforcement officers.

What happens to any monies collected over and above the delinquent taxes and costs required for the public auction?

If the property is sold at auction for more than the required minimum bid, all qualified parties of interest, along with the last Assessee, will receive, by mail, notice of proceeds available and a claim form to apply for any excess proceeds which may remain after satisfaction of taxes, assessments and costs (\$4675). **Processing of Claims for excess proceeds will commence after one year following the date of the recordation of the tax deed to purchaser and funds may be distributed from three to twelve months thereafter.** Claims are determined by priority of lienholder, then title interest. The purchaser of tax-defaulted property is not permitted to participate in excess proceeds.

What if I buy a property, and then, change my mind?

All sales are final. Cancellation or refund is not an option. We have tried to provide you with sufficient information available to assist you in making an informed decision about participating in a public auction.

PLEASE, INVESTIGATE BEFORE YOU BUY

It is to your benefit to thoroughly examine the physical property and the official records pertaining to the property. Some of the departments you might contact are: **Resource Management Agency**, (previously Building and Planning Department), **County Recorder**, **County Assessor**. If contamination or toxicity is suspected contact the **California Environmental Protection Agency**.

All prospective bidders should review the recorded documents pertaining to each parcel or hire a title search from another source. Any survey of the property must be done at the expense of the prospective bidder. Please note, the Tax Collector purchases a title search from a private corporation, therefore, our title search is not public information and cannot be redistributed or resold to the public.

The sale of tax-defaulted property should not be equated with real estate sales by licensed salespersons, brokers or realtors. The Tax Collector cannot guarantee the condition of the property nor assume any responsibility for conformance to codes, permits or zoning ordinances.

Tax-defaulted property is sold on an "as is" basis. The burden is on the purchaser to thoroughly research all matters relevant to his/her decision to buy before placing a bid. No warranty is made by the County either expressed or implied, relative to usability, ground location or property lines of the property.

RESEARCH, and, as always, BUYER BEWARE. ALL SALES ARE FINAL.

Here is a link to the **California Revenue and Taxation Codes, Sections 3691 - 3731.1**, which addresses tax auctions specifically. At that site you will see references to other code sections, to access them use this link to **all Revenue and Taxation California Codes** where you may search each code section. And finally, here is a link to **all of California's codes**.