

(Updated on February 5, 2007)

Office of  
TREASURER - TAX COLLECTOR  
COUNTY OF MENDOCINO  
501 Low Gap Road, Room #1060  
Ukiah, CA 95482  
(707) 463-4321

## **WHAT IS TAX-DEFAULTED PROPERTY WITH NOTICE OF POWER TO SELL?**

Under California law, after a period of five years from the first year of tax-default, during which time the assessee retains the legal title to the property and has the privilege of redeeming it upon payment of the amount due, the Tax Collector records a Notice of Power to Sell Tax-Defaulted Property.

Such property is subject to redemption as long as the property is not sold at auction. The Tax Collector may sell the tax-defaulted property at public auction, the minimum price at which property may be offered for sale pursuant to Section 3698.5 of the Revenue and Taxation Code is an amount not less than the total amount necessary to redeem, plus costs. The sale of the property must be approved in a resolution of the Board of Supervisors.

The fact that anyone should lose their property for non-payment of taxes is regrettable. Our tax laws, however, afford landowners and parties of interest fair notice, a liberal period of redemption, and adequate opportunities to contest irregularities. The primary purpose of public auction sales is to collect the unpaid taxes and return the tax-defaulted property to the rolls. Offering property for sale achieves this by either selling the property or forcing redemption.

## **BIDDING AT A TAX SALE**

**\*\*EFFECTIVE JANUARY 1, 2006\*\***

**CREDIT TRANSACTIONS ARE NO LONGER AVAILABLE – PAYMENT  
IN FULL IS REQUIRED AT THE AUCTION.**

## **NO PRE-REGISTRATION IS REQUIRED.**

It is strongly suggested that before bidding on a piece of property at a public auction, the prospective buyer visit the property and inspect it. With the assistance of the property

ownership maps made available for inspection in the Assessor's office, one should have no difficulty in locating the property.

At the location and hour set forth in the legal advertisement, the Tax Collector will open the sale by reading the legal notice pertaining to the sale. The sale lot number, the parcel number and the minimum price will be read and then a call for the opening bid made.

The opening bid, and here we want to point out all bids must be oral, must be the minimum price approved by the Board of Supervisors. You can raise your bid as many times as you wish. All sales go to the highest bidder. Payment is made in full at the time of the sale by cash in lawful money or negotiable paper (either a personal check or a cashiers check). We add that cashiers checks are preferred. The successful bidder is asked to remit their bid to the Tax Collector who will issue a receipt. It is important at this time for the buyer to state the exact way he/she wishes the name or names to appear on the deed.

**If any negotiable paper offered in payment is returned without payment, the individual who submitted such payment will be banned for a period of five years from participating in any future Mendocino County Public Auctions.**

Properties on which no bid was received during the sale, will be re-offered before the close of the sale.

When the deed is properly executed, it is taken by the Tax Collector to the County Recorder's office for recording. The recorded instrument is then mailed to the purchaser at the address provided.

### **WHAT KIND OF TITLE DO I GET?**

The deed you receive from the Tax Collector is a tax deed. It conveys to you whatever right, title and interest the former owner had in the property. Nothing more is conveyed to you than was taken from the former owner. Nothing is guaranteed, with one exception: If the former owner should break the tax deed and regain his/her property, the County will refund to you the amount you paid for the property at the tax sale.

All county and city taxes are canceled. Anyone holding a mortgage or lien of any nature against the property has lost their claim, with the possible exception of a U. S. Government lien filed prior to the recording of the Notice of Tax Collector's Power to Sell. When a property on which the I.R.S. holds a tax lien is sold at public auction, the United States has the right of redemption for 120 days from the date of such sale or the period allowable for redemption under local law, whichever is longer [Section 7425(d), 26 USCS, Internal Revenue Code; Section 3712(g)]. The amount to be paid by the I.R.S. is (a) the actual amount paid for the property by the bidder, (b) plus interest at 6% per annum from the date of sale, (c) plus the expenses of sale that exceed any income received from the property. [Treasury Regulation 26 CFR Ch.1 (4-1-87 Edition) Section 301.74254(b)(1)].

The former owner does have one year from the date of the sale to contest the validity of the sale due to irregularities and for that reason the purchaser is advised not to make any improvements on their property for that one year period. If the property has value and the owner wished to improve upon it, consultation with an attorney is suggested.

Revenue and Taxation Code Section 3712 states: “The deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, except:

- (a) Assessments, which installments 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 that does not consent to the sale under this chapter.
- (c) Liens for special assessments levied upon the property conveyed that 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 that 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 records.
- (e) Unaccepted, recorded, irrevocable offers of dedication of the property to the public or a public entity for a public purpose, and recorded options of any taxing agency to purchase the property or any interest therein for a public purpose.
- (f) Unpaid assessments under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) that are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8.
- (g) Any federal Internal Revenue Service liens that, 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: A title search initiated at the prospective purchaser’s expense should reveal any liens or encumbrances on a property in the tax sale).
- (h) Unpaid special taxes under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of 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 Section 4671) of Part 8.”

#### **PARCEL MAPS:**

**To obtain parcel maps, please contact the Mendocino County Assessor’s Office at 501 Low Gap Road, Room #1020, Ukiah, CA 95482 (707) 463-4311.**

#### **INTERNET ACCESS:**

For Internet access visit [www.co.mendocino.ca.us/tax](http://www.co.mendocino.ca.us/tax) All public auction information is available on this website.

**NOTE:**

In Mendocino County, it is our intention to hold public auction sales once a year (usually in the month of May). **Anyone without internet access wishing to obtain parcel lists for the tax sales should send a self-addressed stamped envelope to:** Mendocino County Tax Collector, 501 Low Gap Road, Room #1060, Ukiah, CA 95482. For further information call (707) 463-4326 or (707)463-4321.

**ADDITIONAL INFORMATION:**

**BROOKTRAILS SUBDIVISION WATER MORATORIUM**

In February 2003, the State Department of Health Services (DHS) made a finding that the Brooktrails subdivision does not have enough water supply to serve more than half of its current population of about 1,500 homes in a drought year. DHS then issued a "Compliance Order" which prevents the District from adding any more water connections to its existing system, until and unless enough water supply and storage can be created to satisfy DHS that the current population can be served.

This water moratorium means that lot owners who have not yet built on their lots will not be able to build, until and unless the moratorium is lifted. The Brooktrails Community Services District must comply with the DHS Order and has no authority to make any exceptions to the moratorium. The Assessor's Parcel Number, when used to describe property situation in the Brooktrails subdivision will begin with 95, 96, 97, 98, 99, or 100.

If you require additional information, you may visit the Brooktrails Community Services District website at <http://www.btcsd.org/>

