



April 3, 2024

The Honorable Kelly Seyarto  
California State Senate District 32  
1021 O Street, Suite 7120  
Sacramento, CA 95814

**RE: SB 964 (Seyarto) Property tax: tax-defaulted property sales – Oppose Unless Amended  
As Amended March 5, 2024**

Dear Senator Seyarto,

On behalf of the California Association of County Treasurers and Tax Collectors (CACTTC), I write in respectful opposition to your SB 964, unless amended, to address the concerns outlined below.

**Amendment 1: Amend the measure to allow a Tax Collector to request the Board of Supervisors to approve a resolution which authorizes the Tax Collector to take specified properties to a Chapter 8 sale without first conducting a Chapter 7 sale based on circumstances articulated by the Tax Collector that necessitate a Chapter 8 sale for that particular property. Delete the conditions of such a sale that were added in the March 5 amendments included in 3777 (a).**

Given the expensive process and intensive staff time required to conduct a tax sale, the discretion of the tax collector to be able to make pragmatic decisions regarding how to dispose of challenging property is vital to the efficiency of the office. To unnecessarily mandate an expensive and time-consuming process to go through procedures that will not produce a sensible outcome is a waste of taxpayer dollars and will lead to higher costs and government inefficiency; two things taxpayers expect the tax collector to **not** do. Furthermore, there are scenarios wherein the worst possible outcome could be that a property was sold at a Chapter 7 sale. A contemporary example is that an entire city street became tax-defaulted, and subject to sale. If the Tax Collector in that county offered the street for sale in a Chapter 7, and the bid was accepted and sale executed, it could have catastrophic impacts on the residents, businesses and public services that relied on access to that street. Chapter 8 sales are critical to disposing of unique and challenging properties that, for myriad reasons, should not be offered in a Chapter 7 sale. Attempting to narrowly proscribe those conditions in the statute would inevitably lead to negative outcomes for taxpayers and residents, if a tax collector is narrowly confined to only certain specific conditions under which to use Chapter 8.

Further, tax collectors definitionally do not assess properties to determine their value. County assessors are responsible for that act. Tax Collectors are charged with fairly implementing and collecting property-related taxes based on the assessed value, after the auditor has applied all property-related charges based on the tax rate area. Property value and value determination are not the purview of tax collectors. Inserting language that unilaterally requires Tax Collectors to determine a fair market value as part of the tax sale preparation, which the rest of the additions in 3777(a) is predicated on, is a gross expansion of the role of the Tax Collector. Tax collectors are responsible for collecting the property-based taxes and any penalties and interest associated

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with defaulted taxes. In some cases, the amount owed in defaulted taxes, penalties and interest could be more than the underlying value of the property. Discretion of the tax collector to make sensible decisions that are in the best interests of taxpayers and the general public is critical to the efficiency of the office.

**Amendment 3: Remove the language establishing a fund and at the State Treasury for unclaimed excess proceeds, as well as the language mandating that unclaimed funds be transferred to the Controller instead of the County general fund.**

After years of outreach through certified mailings, skip trace searches, newspaper publications and in-person visits to the property to notify the owner that the property is subject to tax sale, coupled with an additional year for parties of interest to file a claim for those excess proceeds, tax collectors have exhausted the ability to connect those proceeds with any parties of interest. Sending these unclaimed proceeds to the Controller's will create new state costs to manage the funds, perpetually.

**Amendment 3: Remove the language requiring that tax collectors provide claimants 60 days to perfect their claims, with the assistance of the Tax Collector's office.**

Tax collectors should not be mandated to provide free, private legal counseling to asset locators and others. It is an inappropriate use of public resources that the general taxpayer should not be asked to provide. There are simple clear requirements regarding how to file a claim for excess proceeds in each County. The process Counties must follow in administering the process for claims is contained in the State Controller's Office. Those procedures can be reviewed here starting on page 50: [https://www.sco.ca.gov/Files-ARD-Tax-Info/Tax-Collector-Ref-Man/ctspm\\_v1\\_2016.pdf](https://www.sco.ca.gov/Files-ARD-Tax-Info/Tax-Collector-Ref-Man/ctspm_v1_2016.pdf)

CACTTC's elected and appointed members view themselves as taxpayer advocates and are sensitive to the fact that property may be the most significant asset a taxpayer owns. Tax sales are not taken lightly, require extensive research and outreach, and are only conducted after years of non-payment, with bi-annual outreach to the property owner during the years of non-payment.

In the absence of these amendments, CACTTC will remain in respectful but firm opposition to your measure.

Sincerely,



Karen Lange  
CACTTC Legislative Advocate

CC: Chair Glazer, Senate Committee on Revenue and Taxation  
Phonxay Keokham, President, California Association of County Treasurers and Tax Collectors  
Dan Mierzwa, Chair, California Association of County Treasurers and Tax Collectors Legislative Committee  
Eric Lawyer, California State Association of Counties  
Jean Hurst, Urban Counties Caucus  
Sarah Duckett, Rural County Representatives of California  
Kayla Williams, Senate Republican Consultant

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