

**Assembly Bill No. 2766**

CHAPTER 144

An act to amend Sections 26225 and 26290 of the Water Code, relating to water.

[Approved by Governor July 11, 1996. Filed with Secretary of State July 12, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2766, Poochigian. Irrigation districts.

The Irrigation District Law governs the sale of property that is included within an irrigation district for delinquent assessments. That law authorizes, among other things, the redemption of that property after a collector's deed has been delivered to the district, upon the payment of specified charges or the sale of the property at a public auction if the property is not redeemed.

This bill would authorize the board of a district to establish a minimum sale price for the sale at a public auction of unredeemed property that includes certain prescribed costs and would, for the purposes of a redemption of property after a collector's deed has been delivered to the district, require the payment of additional charges, including the costs incurred in connection with recording the certificates of sale and redemption, the costs of publication of notice incurred in connection with the delinquency, and, unless otherwise waived by the district, other costs incurred in connection with the preparation for a proposed sale of property.

*The people of the State of California do enact as follows:*

SECTION 1. Section 26225 of the Water Code is amended to read:

26225. (a) Property sold for delinquent assessments may be redeemed within five years from the date of sale, or thereafter before a collector's deed of the property has been delivered.

(b) If a collector's deed has been delivered to the district, the period of redemption is extended until the first bid is received for the property or until the board determines the property is not to be sold as provided in Section 26290.

(c) Redemption before a collector's deed of the property has been delivered may be made by payment in lawful money of the United States to the collector of the amount for which the property was sold plus a penalty equal to the adjusted annual rate established by the Franchise Tax Board, as provided in Section 19521 of the Revenue and Taxation Code, divided by 12 per month from the date of sale until redemption. Redemption after a collector's deed has been



delivered may only be made by payment of the total of the following amounts:

(1) The total of the amount of the sale shown on each certificate of sale outstanding.

(2) A penalty on each certificate of sale outstanding equal to the adjusted annual rate established by the Franchise Tax Board, as provided in Section 19521 of the Revenue and Taxation Code, divided by 12 per month from the date of sale until redemption.

(3) An amount for each year of escaped assessment determined as follows: the assessor shall establish the assessment value for the land for each year of escaped assessment and the collector shall apply the rate fixed in that year to determine the amount of the escaped assessment.

(4) The costs incurred in connection with recording the certificate of sale and the certificate of redemption.

(5) The costs of publication of notice incurred in connection with the delinquency.

(6) The costs incurred in connection with the preparation for a proposed sale of property, except that a district board may waive some or all of these costs if it determines that the circumstances support the waiver.

SEC. 2. Section 26290 of the Water Code is amended to read:

26290. (a) If a collector's deed for property sold for delinquent assessments, or one installment of a delinquent assessment, has been delivered to the district, the district shall not sell or otherwise dispose of the property except as provided in this section.

(b) The district may sell the property, in which case it shall sell the property at a public auction upon having first given notice to the assessee by certified mail with return receipt requested and notice of the sale as prescribed by Sections 3701, 3702, and 3704 of the Revenue and Taxation Code.

(c) If the property is to be sold and is not redeemed before the first bid is received on the property, the district shall sell the property at public auction to the highest bidder at the time and place fixed.

(d) The board may establish a minimum sale price for the property which includes all of the following amounts:

(1) The amount of the sale described on each certificate of sale outstanding.

(2) The amount of a penalty on each certificate of sale outstanding that equals the adjusted annual rate established by the Franchise Tax Board, as provided in Section 19521 of the Revenue and Taxation Code, divided by 12 per month from the date of sale until sale at public auction.

(3) An amount that equals the amount for each year of escaped assessment. The assessor shall establish the assessment value for the land for each year of escaped assessment and the collector shall apply



the rate fixed in that year to determine the amount of the escaped assessment.

(4) The costs incurred in connection with recording the certificate of sale .

(5) The costs of publication of notice incurred in connection with the delinquency.

(6) The costs incurred in connection with the preparation for a proposed sale of the property, except that a district board may waive some or all of these costs if it determines that the circumstances support the waiver.

(e) At any time after the delivery of the collector's deed, and before the property is sold, the board may determine by resolution that the property is not to be sold, thereby terminating the right to redemption, but at least 30 days before the adoption of such a resolution the district shall give notice to the assessee, with return receipt requested, of the time, date, and place of the meeting at which the resolution will be considered and state that the property may be redeemed at any time before the adoption of the resolution.

