

AMENDED IN SENATE JULY 10, 1996

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

**ASSEMBLY BILL**

**No. 3000**

**Introduced by Assembly Member Granlund**

February 23, 1996

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An act to amend ~~Section 4528~~ of Sections 3691, 3694, 3776, 4505, 4523, 4524, 4525, 4527, 4528, 4531, and 4920 of, and to repeal Section 5103 of, the Revenue and Taxation code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 3000, as amended, Granlund. Property taxation: tax certificates.

Existing property tax law authorizes a county, by resolution of the county board of supervisors, to issue tax certificates with respect to delinquent or defaulted taxes or assessments levied on separate parcels of real property. ~~It~~ Existing law requires the county tax collector to publish rules and procedures for the making of offers on any tax certificate.

This bill would additionally require that the tax collector determine the size of the offering of tax certificates, the parcel to be included in the sale, the fees necessary to conduct the sale and maintain adequate records, and establish rules and procedures for making offers, and publish those determinations and fees.

Existing law requires the tax collector to pay the holder of a tax certificate the purchase price, plus interest, of a tax certificate and cancel the tax certificate if any of several

*conditions occur, including upon the request of the holder of the tax certificate if either the taxes are permitted to be paid in installments or the taxpayer files an appeal or other claim that disputes the amount owed, as specified.*

*This bill would delete those 2 circumstances under which the holder of a tax certificate is required to be paid and a tax certificate is required to be cancelled.*

*Existing law also requires a county tax collector, when required by a specified statute to issue a tax certificate for defaulted taxes or assessments levied with respect to a parcel for which a tax certificate is already outstanding, to offer to sell the new certificate to the holder of the outstanding certificate for a period of 6 months, on the same terms as the outstanding tax certificate.*

*This bill would modify this requirement to instead require a county tax collector to offer to sell the new certificate to the holder of the outstanding certificate for a period of one month after the tax collector provides notice by ~~registered~~ certified mail to that certificate holder that a new certificate is to be issued for an additional defaulted amount levied with respect to the same parcel. ~~This~~*

*Existing law provides that the holder of a tax certificate who receives all or part of any amount of taxes that is subject to refund is not obligated to make any refund.*

*This bill would delete that provision.*

*Existing law grants the power to sell tax-defaulted property to the county tax collector, upon approval of the board of supervisors, but requires the tax collector to sell the property upon the request of a holder of a tax certificate, without the approval of the board of supervisors.*

*This bill would delete that requirement that the tax collector sell the property upon the request of a holder of a tax certificate, and delete the provision that creates the exception for those sales from the requirement of approval of sales of tax-defaulted property by the board of supervisors.*

*Existing law permits the sale of a tax-defaulted property to any governmental entity for a public use if the entity pays the amount owed to the holder of a tax certificate at the time of sale.*

*This bill would delete that provision.*



*This bill would also make technical, clarifying changes to the provisions which authorize the issuance of tax certificates.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

1    ~~SECTION 1.—Section 4528 of the Revenue and~~  
2    SECTION 1. Section 3691 of the Revenue and  
3    Taxation Code is amended to read:

4    3691. (a) (1) Five years or more after the property  
5    has become tax-defaulted, the tax collector shall have the  
6    power to sell, and ~~may shall sell, and, upon the request of~~  
7    ~~a holder of a tax certificate sold in connection with that~~  
8    ~~property, shall sell,~~ in accordance with Section 3692 all or  
9    any portion of tax-defaulted property that has not been  
10   redeemed, without regard to the boundaries of the  
11   parcels, as provided in this chapter, unless by other  
12   provisions of law the property is not subject to sale. Any  
13   person, regardless of any prior or existing lien on, claim  
14   to, or interest in, the property, may purchase at the sale.  
15   In the case of tax-defaulted property that has been  
16   damaged by a disaster in an area declared to be a disaster  
17   area by local, state, or federal officials and whose damage  
18   has not been substantially repaired, the five-year period  
19   set forth in this subdivision shall be tolled until five years  
20   have elapsed from the date the damage to the property  
21   was incurred.

22   (2) When a part of a tax-defaulted parcel is sold, the  
23   balance continues subject to redemption and shall be  
24   separately valued for the purpose of redemption in the  
25   manner provided by Chapter 2 (commencing with  
26   Section 4131) of Part 7.

27   (b) (1) (A) Three years or more after the property  
28   has become tax-defaulted and subject to a nuisance  
29   abatement lien after the effective date of the act that adds  
30   this subdivision in the case of vacant residential  
31   developed property, the tax collector shall have the  
32   power to sell and may sell all or any portion of  
33   tax-defaulted property that has not been redeemed,



1 without regard to the boundaries of parcels, as provided  
2 in this chapter, unless by other provisions of law the  
3 property is not subject to sale. Any person, regardless of  
4 any prior or existing lien on, claim to, or interest in, the  
5 property, may purchase at the sale.

6 (B) When a part of a tax-defaulted parcel is sold, the  
7 balance continues subject to redemption and shall be  
8 separately valued for the purpose of redemption in the  
9 manner provided by Chapter 2 (commencing with  
10 Section 4131) of Part 7.

11 (2) Before the tax collector sells vacant residential  
12 developed property pursuant to this subdivision, actual  
13 notice, by certified mail, shall be provided to the property  
14 owner, if the property owner's identity can be  
15 determined from the county assessor's or county  
16 recorder's records. The tax collector's power of sale shall  
17 not be affected by the failure of the property owner to  
18 receive notice.

19 (3) Before the tax collector sells vacant residential  
20 developed property pursuant to this subdivision, notice of  
21 the sale shall be given in the manner specified by Section  
22 3704.7.

23 *SEC. 2. Section 3694 of the Revenue and Taxation*  
24 *Code is amended to read:*

25 3694. ~~(a)~~—A sale under this chapter shall take place  
26 only if approved by the board of supervisors and  
27 authorized in writing by the Controller.

28 ~~(b) Notwithstanding subdivision (a), any sale of a~~  
29 ~~property for which there exists an outstanding tax~~  
30 ~~certificate, that has been approved by the holder of that~~  
31 ~~tax certificate, shall not require the approval of the board~~  
32 ~~of supervisors or the authorization of the Controller.~~

33 *SEC. 3. Section 3776 of the Revenue and Taxation*  
34 *Code is amended to read:*

35 3776. ~~(a) Except as provided in subdivision (b),~~  
36 ~~notwithstanding~~ *Notwithstanding* anything to the  
37 contrary, no parcel for which a tax certificate has been  
38 sold and not canceled shall be sold or deeded to any taxing  
39 agency unless the taxing agency deposits into the  
40 applicable tax certificate redemption fund, *held by the*



1 *tax collector*; the *total* amount required to be paid to the  
2 holder of the tax certificate pursuant to Section 4527.

3 ~~(b) A parcel for which a tax certificate has been sold~~  
4 ~~and not canceled may be sold to any governmental entity~~  
5 ~~for a public use if that entity pays the amount owed to the~~  
6 ~~holder of the tax certificate at the time of the sale.~~

7 *SEC. 4. Section 4505 of the Revenue and Taxation*  
8 *Code is amended to read:*

9 4505. “Tax certificate” means the intangible property  
10 right created upon a sale by the tax collector pursuant to  
11 Chapter 3 (commencing with Section 4521) of the right  
12 to receive all amounts in respect of a delinquency in  
13 connection with secured roll property or property on the  
14 supplemental roll.

15 (a) A tax certificate shall be issued ~~only~~ for a separately  
16 assessed parcel ~~and, or for the taxes and~~ *multiple parcels*  
17 *with separate* assessments, that are delinquent or  
18 defaulted at the time of the offer of the sale of the tax  
19 certificate and not for any subsequent year taxes or  
20 assessments. A tax certificate shall identify the parcel *or*  
21 *parcels securing the certificate, bear* the date of the  
22 purchase of the tax certificate, the name of the purchaser  
23 (or any successor) of the tax certificate, the *total* amount  
24 ~~of the due and unpaid, including~~ taxes and assessments,  
25 being assigned to the purchaser of the tax certificate (as  
26 they may be reduced pursuant to subdivision (b) of  
27 Section 4525), and the purchase price of the tax  
28 certificate.

29 ~~(b) A tax certificate shall evidence the assignment to~~  
30 ~~the holder of the tax certificate of the due and unpaid~~  
31 ~~taxes and assessments set forth therein and represented~~  
32 ~~by the lien on the secured roll property or the property~~  
33 ~~on the supplemental roll, together with the assigned~~  
34 ~~penalties, and the right to receive amounts in respect~~  
35 ~~thereof that are received by the tax collector, whether~~  
36 ~~those amounts are received by the tax collector by~~  
37 ~~payment of those amounts, by redemption pursuant to~~  
38 ~~Part 7 (commencing with Section 4101), by sale of the~~  
39 ~~parcel pursuant to Chapter 2 (commencing with Section~~  
40 ~~3436) of Part 6, or otherwise.~~



1 ~~(e)~~ Tax certificates may be in the form of physical  
2 certificates or may be in book-entry form, including ~~in~~ an  
3 electronic medium, in the discretion of the county.

4 *SEC. 5. Section 4523 of the Revenue and Taxation*  
5 *Code is amended to read:*

6 4523. The proceeds from the sale of a tax certificate  
7 shall be applied as follows:

8 (a) (1) To the Tax Certificate Redemption Fund, in  
9 an amount equal to *a minimum of 3* percent of the  
10 proceeds from that sale. However, if the amount of the  
11 Tax Certificate Redemption Fund is equal to or greater  
12 than 3 percent of the then current amount of taxes and  
13 assessments assigned under all outstanding tax  
14 certificates, those proceeds shall be applied as provided  
15 in subdivision (b). *The amount deposited under this*  
16 *paragraph shall be in lieu of any amount otherwise*  
17 *required pursuant to Chapter 3 (commencing with*  
18 *Section 4701) of Part 8.*

19 (2) Any amount on deposit in the Tax Certificate  
20 Redemption Fund shall be invested at the direction of the  
21 county treasurer as required by law. All interest earned  
22 on the Tax Certificate Redemption Fund shall be paid to  
23 the county.

24 (b) The balance of the proceeds shall be applied as  
25 follows:

26 (1) Except as provided in paragraph (2), the balance  
27 shall be distributed in the same manner as amounts  
28 received from the collection of taxes and assessments and  
29 costs, fees, penalties, and other amounts related thereto.

30 (2) In the case of a county that has elected the  
31 alternative procedure for the distribution of property tax  
32 levies pursuant to Chapter 3 (commencing with Section  
33 4701) of Part 8 of Division 1, the balance shall be  
34 distributed to the county general fund.

35 *SEC. 6. Section 4524 of the Revenue and Taxation*  
36 *Code is amended to read:*

37 4524. (a) Upon the receipt by the tax collector of the  
38 entire amount of the taxes, assessments, and assigned  
39 penalties assigned by a tax certificate, the tax collector  
40 shall pay that amount to the holder of the tax certificate,



1 cancel the tax certificate, and enter the fact of the  
2 cancellation in the tax certificate record opposite the  
3 entry of the sale of the tax certificate. The tax collector  
4 shall make the payments from amounts it receives of  
5 those taxes, assessments, and assigned penalties, whether  
6 those amounts are received by the tax collector by  
7 payment of those amounts, by redemption pursuant to  
8 Part 7 (commencing with Section 4101), by sale of the  
9 parcel pursuant to Chapter 2 (commencing with Section  
10 3436) of Part 6, or otherwise.

11 (b) If, pursuant to Section 2636, 2708, 2772, or 4143 or  
12 otherwise, the tax collector receives only—~~a~~ *an installment*  
13 *or* portion of the amounts in respect of the taxes,  
14 assessments, and assigned penalties (*or interest in the*  
15 *case of an installment plan of redemption*) assigned by a  
16 tax certificate, the tax collector shall pay that amount to  
17 the holder of the tax certificate and make a corresponding  
18 adjustment to the amounts set forth in the tax certificate  
19 and the tax certificate record.

20 (c) If, pursuant to Chapter 3 (commencing with  
21 Section 2801) of Part 5 or Chapter 2 (commencing with  
22 Section 4131) of Part 7, part of an assessment of tax on a  
23 parcel specified in a tax certificate is paid or redeemed,  
24 the tax collector shall pay to the holder of the tax  
25 certificate that portion of the payments relating to the  
26 amounts assigned under the tax certificate and shall  
27 adjust the information in the tax certificate and the tax  
28 certificate record accordingly.

29 (d) Any amount collected shall be first applied to the  
30 oldest outstanding certificate. The taxpayer shall still be  
31 considered delinquent with respect to any unredeemed  
32 certificate on that property.

33 (e) Notwithstanding any other provision of law, any  
34 partial payment with respect to a tax certificate,  
35 *including annual payments from installment plan of*  
36 *redemption*, shall be applied to the monthly penalty (*or*  
37 *interest in the case of an installment plan of redemption*)  
38 amount first.

39 (f) This section shall apply notwithstanding any other  
40 provision of Chapter 1C (commencing with Section 4656)



1 or Chapter 1.3 (commencing with Section 4671) of Part  
2 8 or any other provision of this code to the contrary.

3 *SEC. 7. Section 4525 of the Revenue and Taxation*  
4 *Code is amended to read:*

5 4525. The tax collector may stop the collection of  
6 amounts in respect of a delinquency by the holder of a tax  
7 certificate at any time by canceling that tax certificate  
8 and paying to the holder of that tax certificate from  
9 amounts on deposit in the Tax Certificate Redemption  
10 Fund the amount owed in respect of that delinquency.  
11 *This action may be taken at the sole discretion of the tax*  
12 *collector.*

13 *SEC. 8. Section 4527 of the Revenue and Taxation*  
14 *Code is amended to read:*

15 4527. (a) The tax collector shall pay to the holder of  
16 a tax certificate, from amounts on deposit in the Tax  
17 Certificate Redemption Fund, an amount equal to the  
18 purchase price of the tax certificate, together with  
19 interest thereon at a rate equal to the rate the county  
20 would have to pay on any refund to a taxpayer for the  
21 same fiscal year, that rate to be applied to all amounts paid  
22 with respect to the certificate from the date of the sale of  
23 the tax certificate, and shall cancel the tax certificate if  
24 any of the following occur:

25 (1) The taxes and assessments assigned by the tax  
26 certificate had been paid prior to the sale of the tax  
27 certificate.

28 (2) After the sale of the tax certificate, the taxes and  
29 assessments assigned by the tax certificate are ~~reduced or~~  
30 canceled for any reason other than the payment of the  
31 taxes and assessments.

32 (3) The lien on the parcel specified in the tax  
33 certificate is removed, other than pursuant to Section  
34 2195 or 4105.2, *or by order of the federal bankruptcy*  
35 *court*, prior to the time the holder of the tax certificate has  
36 received all amounts due under the tax certificate.

37 (4) The parcel specified in the tax certificate is deeded  
38 to a taxing agency pursuant to Chapter 8 (commencing  
39 with Section 3771) of Part 6.



1 (5) Upon the request of the holder of the tax  
2 certificate, when there has been a violation of Section  
3 3441 with respect to the parcel specified in the tax  
4 certificate ~~or the parcel is not as represented.~~

5 ~~(6) Upon the request of the holder of the tax  
6 certificate, if the taxes and assessments assigned by the tax  
7 certificate are permitted to be paid in installments  
8 pursuant to Chapter 3 (commencing with Section 4186)  
9 of Part 7.~~

10 ~~(7) Upon the request of the holder of the tax  
11 certificate, if the taxpayer files an appeal pursuant to  
12 Section 80, a claim or suit for refund pursuant to Chapter  
13 5 (commencing with Section 5096) of Part 9, or any other  
14 claim permitted by this division that disputes the amount  
15 of the tax, assessment, or any amount in connection with  
16 that tax or assessment. Nothing in this paragraph shall  
17 create any new or additional rights of appeal for a  
18 taxpayer.~~

19 (b) Promptly after obtaining knowledge of any  
20 occurrence described in subdivision (a), the tax collector  
21 shall notify, in writing, the holder of the applicable tax  
22 certificate.

23 (c) If the delinquency penalty assigned by a tax  
24 certificate is canceled pursuant to Section 2610.5 or  
25 Section 4985.2, or for any other reason other than the  
26 payment in full of the penalty, then, at the option of the  
27 holder of the tax certificate, the tax collector shall, from  
28 amounts on deposit in the tax certificate redemption  
29 fund, do either of the following:

30 (1) Pay to the holder of the tax certificate an amount  
31 equal to the purchase price of the tax certificate, together  
32 with interest thereon at a rate equal to the rate the county  
33 would have to pay on any refund to a taxpayer for the  
34 same fiscal year, that rate to be applied to all amounts paid  
35 in respect of the certificate from the date of the sale of the  
36 tax certificate, and cancel the tax certificate.

37 (2) Pay to the holder of the tax certificate an amount  
38 equal to the difference between the purchase price of the  
39 tax certificate and the total amount of taxes and  
40 assessments assigned by the tax certificate, together with



1 interest on that amount at a rate equal to the rate the  
2 county would have to pay on any refund to a taxpayer for  
3 the same fiscal year, that rate to be applied to all amounts  
4 paid in respect of the certificate from the date of the sale  
5 of the tax certificate, and adjust the information  
6 contained in the tax certificate and the tax certificate  
7 record accordingly.

8 (d) If a redemption certificate is issued pursuant to  
9 Section 4105.2 with respect to a parcel specified in a tax  
10 certificate, and all amounts assigned under the tax  
11 certificate, including, without limitation, amounts due  
12 under Section 4103, are not paid to the holder of the tax  
13 certificate, the tax collector shall immediately pay to the  
14 holder of the tax certificate, from amounts on deposit in  
15 the Tax Certificate Redemption Fund, any amount so  
16 assigned but not paid.

17 (e) The tax collector may use amounts on deposit in  
18 the Tax Certificate Redemption Fund to make the  
19 payments permitted under Sections 3729, 3731, 4920, and  
20 5103.

21 *SEC. 9. Section 4528 of the Revenue and Taxation*  
22 *Code is amended to read:*

23 4528. (a) (1) The tax collector may sell tax  
24 certificates by any form of public or private sale,  
25 including, but not limited to, an auction, a negotiated sale,  
26 or a bulk sale. Except as provided in subdivision (c), the  
27 price received for a tax certificate shall not be less than  
28 the amount of taxes and assessments being assigned  
29 thereby. Prior to any sale of any tax—certificate  
30 certificates, the tax collector shall—publish rules and  
31 procedures for the making of offers on any tax certificate  
32 and shall make those do all of the following:

33 (A) Determine the size of the offering and the parcels  
34 to be included in the sale.

35 (B) Determine the fees necessary to conduct the sale  
36 and maintain adequate tax certificate records.

37 (C) Establish rules and procedures for the making of  
38 offers on any tax certificate.

39 (D) Publish the determinations, fees, rules, and  
40 procedures described in this paragraph.



1 (E) Make these determinations, fees, rules, and  
2 procedures available to any person upon request. ~~The~~

3 (2) The tax collector shall have the right to accept or  
4 reject any or all bids in his or her sole discretion, subject  
5 to ~~those~~ the determinations, fees, rules, and procedures  
6 described in paragraph (1).

7 (b) Except as provided in subdivision (c), the tax  
8 collector shall not sell a tax certificate if any of the  
9 following apply:

10 (1) The parcel is not on the secured roll or ~~the~~  
11 supplemental roll.

12 (2) The parcel is owned by a governmental agency.

13 (3) The total amount of taxes and assessments to be  
14 assigned thereby is less than one hundred dollars (\$100),  
15 unless the parcel is included in a bulk sale.

16 (4) The parcel ~~is found to be polluted~~ has a recorded  
17 public notice concerning pollution or contaminated to  
18 the degree that ~~is the parcel~~ poses a public health concern  
19 or environmental hazard.

20 (5) The parcel ~~is then~~ was subject to a proceeding in  
21 federal bankruptcy court prior to the sale of the tax  
22 certificate.

23 (6) The parcel ~~is~~ was subject to any condemnation  
24 proceeding proceedings prior to the sale of the tax  
25 certificate.

26 (c) Notwithstanding subdivisions (a) and (b), the tax  
27 collector may sell or resell tax certificates for parcels  
28 described in paragraphs (3), (4), (5), and (6) of  
29 subdivision (b), any certificate subject to the Sailors and  
30 Soldiers Relief Act, and for parcels described in  
31 paragraphs paragraph (5), ~~(6), and (7)~~ of subdivision (a)  
32 of Section 4527, at a discount, in accordance with the  
33 determinations, fees, rules, and procedures published by  
34 the tax collector.

35 (d) If, pursuant to Section 4521, the tax collector is  
36 required to offer for sale a tax certificate ~~relating to a~~  
37 parcel for which there exists an outstanding tax certificate  
38 for the assignment of taxes and assessments for a previous  
39 year, until the date occurring six months after the date  
40 specified in Section 4521, the tax collector shall offer to sell



1 the tax certificate to the holder of the outstanding tax  
2 certificate. The *tax collector shall notify the holder of the*  
3 *outstanding tax certificate by certified mail of the default*  
4 *requiring the issuance of an additional tax certificate with*  
5 *respect to the same parcel, and of the tax certificate*  
6 *holder's right until the date one month after the receipt*  
7 *of this notice, to purchase the additional certificate on the*  
8 *same terms as the outstanding certificate. In addition, the*  
9 *holder of the outstanding tax certificate shall have the*  
10 *right of first refusal to purchase the tax certificate with*  
11 *respect to the same parcel at the highest bid amount until*  
12 *all tax certificates with respect to that parcel are*  
13 *redeemed or canceled. During the six-month period, at*  
14 *the option of the holder of the most recently issued*  
15 *outstanding tax certificate, the tax collector shall sell the*  
16 *tax certificate to the holder of the outstanding tax*  
17 *certificate on the same terms as that outstanding tax*  
18 *certificate.*

19 *SEC. 10. Section 4531 of the Revenue and Taxation*  
20 *Code is amended to read:*

21 4531. (a) A holder of a tax certificate may apply to  
22 the tax collector for a duplicate certificate if the original  
23 certificate has been lost or destroyed. The tax certificate  
24 holder shall give an affidavit to the tax collector stating  
25 that the affiant is the owner of the tax certificate and that  
26 the tax certificate was lost or destroyed. The tax  
27 certificate holder shall pay a fee ~~of five dollars (\$5)~~ for the  
28 issuance of the ~~duplicate~~ *duplicated* tax certificate in an  
29 amount as determined by the tax collector.

30 (b) The tax collector shall issue a duplicate tax  
31 certificate, and shall plainly mark or stamp that tax  
32 certificate as a duplicate, and enter the fact of the  
33 duplicate in the tax certificate record opposite the entry  
34 of the sale for which the lost or destroyed tax certificate  
35 was issued. He or she shall enter in the same place a  
36 notation of the alleged loss or destruction, whether or not  
37 the duplicate certificate is issued.

38 *SEC. 11. Section 4920 of the Revenue and Taxation*  
39 *Code is amended to read:*



1 4920. (a) This article shall be applicable only if all of  
2 the requirements of either of the following are met:

3 (1) (A) By substantial evidence, a redemptioner  
4 convinces the tax collector that money paid by him or her  
5 in redemption of any property or for the use of any  
6 property pursuant to Chapter 3 (commencing with  
7 Section 4186) of Part 7 was intended by him or her to be  
8 paid in connection with any other property or that the  
9 payment was, without his or her fault, credited to  
10 unintended property.

11 (B) The right of redemption has not terminated on the  
12 property in connection with which the payment was  
13 intended.

14 (C) Two years have not elapsed since the date of the  
15 payment.

16 (D) Since the date of payment, the property has not  
17 been transferred or conveyed to a bona fide purchaser for  
18 value or become subject to a bona fide encumbrancer for  
19 value.

20 (2) (A) By substantial evidence, a redemptioner  
21 convinces the tax collector that money paid by him or her  
22 in redemption of any property or for the use of any  
23 property pursuant to Chapter 3 (commencing with  
24 Section 4186) of Part 7 was, without his or her fault,  
25 credited to unintended property.

26 (B) The right of redemption has not terminated on the  
27 property in connection with which the payment was  
28 intended.

29 (C) Two years have not elapsed since the date of the  
30 payment.

31 (D) Since the date of payment, the property has been  
32 transferred or conveyed to a bona fide purchaser for  
33 value or become subject to a bona fide encumbrancer for  
34 value.

35 (b) (1) When the requirements of paragraph (1) of  
36 subdivision (a) are met, the tax collector shall transfer the  
37 payment to the property in connection with which the  
38 payment was intended, and in case the payment caused  
39 the redemption of the property in connection with which



1 the payment was not intended, cancel the redemption of  
2 that property.

3 (2) When the requirements of paragraph (2) of  
4 subdivision (a) are met, the tax collector shall transfer the  
5 payment to the property in connection with which the  
6 payment was intended to be made, and shall cancel the  
7 credit on the unintended property. ~~In the event that a~~  
8 ~~transfer is made, the person owning the unintended~~  
9 ~~property~~ immediately before issuance of the guaranty or  
10 certificate shall be personally liable for the amount so  
11 transferred which shall be collected in the manner  
12 specified for the collection of taxes on the unsecured roll.

13 ~~(e) The holder of a tax certificate who received all or~~  
14 ~~any part of the amount paid by the redemptioner shall not~~  
15 ~~be obligated to make any refund or repayment of any~~  
16 ~~amount to the redemptioner, the delinquent taxpayer,~~  
17 ~~the county, or any other person. The tax collector may use~~  
18 ~~amounts on deposit in the Tax Certificate Redemption~~  
19 ~~Fund to make any payment required under this~~  
20 ~~subdivision, but only to the extent those amounts were~~  
21 ~~paid to the holder of the applicable tax certificate.~~

22 *SEC. 12. Section 5103 of the Revenue and Taxation*  
23 *Code is repealed.*

24 ~~5103. The holder of a tax certificate who receives all~~  
25 ~~or any part of any amount of taxes or assessments or any~~  
26 ~~penalties or interest that is subject to a refund shall not be~~  
27 ~~obligated to make any refund or repayment of those~~  
28 ~~amounts to the taxpayer, the county, or any other person.~~  
29 ~~The tax collector may use amounts on deposit in the Tax~~  
30 ~~Certificate Redemption Fund to make refunds required~~  
31 ~~to the extent those amounts were paid to the holder of the~~  
32 ~~applicable tax certificate.~~

33 ~~Taxation Code is amended to read:~~

34 ~~4528. (a) The tax collector may sell tax certificates by~~  
35 ~~any form of public or private sale, including, but not~~  
36 ~~limited to, an auction, a negotiated sale, or a bulk sale.~~  
37 ~~Except as provided in subdivision (c), the price received~~  
38 ~~for a tax certificate shall not be less than the amount of~~  
39 ~~taxes and assessments being assigned thereby. Prior to~~  
40 ~~any sale of any tax certificate, the tax collector shall~~



1 ~~publish rules and procedures for the making of offers on~~  
2 ~~any tax certificate and shall make those rules and~~  
3 ~~procedures available to any person upon request. The tax~~  
4 ~~collector shall have the right to accept or reject any or all~~  
5 ~~bids in his or her sole discretion, subject to those rules and~~  
6 ~~procedures.~~

7 ~~(b) Except as provided in subdivision (c), the tax~~  
8 ~~collector shall not sell a tax certificate if any of the~~  
9 ~~following apply:~~

10 ~~(1) The parcel is not on the secured roll or the~~  
11 ~~supplemental roll.~~

12 ~~(2) The parcel is owned by a governmental agency.~~

13 ~~(3) The total amount of taxes and assessments to be~~  
14 ~~assigned thereby is less than one hundred dollars (\$100).~~

15 ~~(4) The parcel is found to be polluted or contaminated~~  
16 ~~to the degree that poses a public health concern or~~  
17 ~~environmental hazard.~~

18 ~~(5) The parcel is then subject to a proceeding in~~  
19 ~~bankruptcy.~~

20 ~~(6) The parcel is subject to any condemnation~~  
21 ~~proceeding.~~

22 ~~(c) Notwithstanding subdivisions (a) and (b), the tax~~  
23 ~~collector may sell or resell tax certificates for parcels~~  
24 ~~described in paragraphs (3), (4), (5), and (6) of~~  
25 ~~subdivision (b), any certificate subject to the Sailors and~~  
26 ~~Soldiers Relief Act, and for parcels described in~~  
27 ~~paragraphs (5), (6), and (7) of subdivision (a) of Section~~  
28 ~~4527, at a discount, in accordance with the rules and~~  
29 ~~procedures published by the tax collector.~~

30 ~~(d) If, pursuant to Section 4521, the tax collector is~~  
31 ~~required to offer for sale a tax certificate relating to a~~  
32 ~~parcel for which there exists an outstanding tax certificate~~  
33 ~~for the assignment of taxes and assessments for a previous~~  
34 ~~year, the tax collector shall notify the holder of the~~  
35 ~~outstanding tax certificate by registered mail of the~~  
36 ~~default requiring the issuance of an additional tax~~  
37 ~~certificate with respect to the same parcel, and of the tax~~  
38 ~~certificate holder's right, until the date one month after~~  
39 ~~the receipt of this notice, to purchase the additional~~  
40 ~~certificate on the same terms as the outstanding~~



1 ~~certificate. In addition, the holder of the outstanding tax~~  
2 ~~certificate shall have the right of first refusal to purchase~~  
3 ~~the tax certificate with respect to the same parcel at the~~  
4 ~~highest bid amount until all tax certificates with respect~~  
5 ~~to that parcel are redeemed or canceled.~~

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