



Frequently Asked Questions about the Public Auction of Tax Defaulted Property

- *In order to ask the most informed questions, please review this document in its entirety prior to contacting the County.*
- *It is the bidder's responsibility to perform due diligence including to have researched title prior to bidding on a property.*
- *All properties are sold "As Is." Caveat Emptor-Buyer Beware.*

1) 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, the Treasurer Tax Collector records a Notice of Power to Sell Tax Defaulted Property in the County of El Dorado Recorder's Office. Once this document is recorded, the Treasurer Tax Collector may sell the tax defaulted property at public auction.

2) Why does the County sell tax defaulted properties?

The primary purpose of a tax sale is to collect taxes that have not been paid for at least five years and transfer the property into the hands of a party that will pay the taxes. If the property is sold, lienholders and the former owner may claim proceeds in excess of the taxes and costs of the sale.

3) What laws govern the sale of tax defaulted property in California?

Public auctions are conducted pursuant to the California Revenue and Taxation Code, Part 6 <http://leginfo.legislature.ca.gov/faces/codes.TOCselected.xhtml>

4) How is the minimum bid on a tax sale property determined?

The minimum price at which property may be offered for sale, pursuant to Revenue and Taxation Code §3698.5(a), is an amount not less than the total amount necessary to redeem, plus costs.

5) When does the right to redeem a tax defaulted property cease?

The right to pay the property taxes in full to avoid the sale of the property ceases at the close of business, 5:00 p.m. Pacific Standard Time (PST) on the last business day prior to the tax sale. In the State of California there is no extended right of redemption beyond this date and time.

6) Can I obtain a property available at the tax sale by paying the delinquent taxes prior to the tax sale?

No. Legal title to a tax-defaulted property subject to the Treasurer Tax Collector's power to sell can be obtained only by becoming the successful bidder at the tax sale, and the Treasurer Tax Collector recording a tax deed to the purchaser.

7) Do liens or encumbrances on a tax-defaulted property transfer to the new owner after purchase of the property at tax sale?

Per Revenue and Taxation Code §3712:

The deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, except:

(a) Any lien for installments of taxes and special assessments, that 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 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 of any kind, including prescriptive, 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 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, or that are being collected through a foreclosure action pursuant to Part 14 (commencing with Section 8830) of Division 10 of the Streets and Highways Code. A sale pursuant to this chapter shall not nullify, eliminate, or reduce the amount of a foreclosure judgment pursuant to Part 14 (commencing with Section 8830) of Division 10 of the Streets and Highways Code.

(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.

8) Does the County guarantee the property?

NO. BE AN INFORMED BIDDER – ALL PROPERTIES ARE SOLD “AS IS.” Prospective bidders are urged to examine the title, location and desirability of the properties available to their own satisfaction prior to the sale. The County makes no guarantee, expressed or implied, relative to the title, location or condition of the properties for sale. In addition, the County assumes no responsibility, expressed or implied that the properties are in compliance with zoning ordinances, mining and reclamation regulations; conform to building codes and permits, and/or any other applicable regulations or permits. No government entity is liable for damages sustained to property purchase at public auction, including from the time of the sale until the recordation of the tax deed to the purchaser.

9) Are contaminated/possible contaminated properties identified?

Yes, if the Treasurer Tax Collector is aware of such properties. When we become aware of properties on our tax sale list that we know or suspect to be contaminated, we will identify these properties along with supplying the agency's name and address where all available information may be reviewed. **DO NOT** bid on these types of properties unless you understand the issues related to contaminated properties. Prior to bidding, you should contact your attorney regarding any purchases of contaminated properties.

10) How can I determine what use I can make of a tax sale property before I purchase it?

Consult the zoning department of any city within which a property lies or the zoning section of the county Development Services department. Examine the county recorder's records for any recorded easement on a property.

11) How can I obtain Plat maps?

To obtain plat/parcel maps please contact the County of El Dorado's Recorder Clerk's Office at 360 Fair Lane, Placerville, CA 95667. The County Surveyor provides a link to search G.I.S. maps at http://www.edcgov.us/Government/Surveyor/Parcel_Inquiry_Application-GOTNET.aspx . Please view the tutorial video for detailed instructions on how to view maps on your computer. The County Surveyor's plat maps and map books can determine the geographical location of a particular property; exact boundary lines of a property can be determined only by a survey of the property undertaken at the purchaser's expense.

12) How do I find or see a property on which I would like to bid?

Vacant land (which accounts for most non-time-share properties offered at the tax sale) sometimes has no address. The location can be determined by the county surveyor's maps. Improved property may bear a situs (street) address; however, bidders should verify the accuracy of the address.

13) What kind of title do I get?

The deed you receive from the Treasurer 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.

14) Can I mail in or submit a sealed bid for a property in a public auction?

No. The public auction requires your presence, or that of an authorized representative.

15) How can a bidder pay for a property at the tax sale?

Payment may be made with cash, personal check, certified cashier's check or money order. However, the bidder must assure her/himself that the negotiable instruments will be honored.

16) What are the "conditions of payment" at the tax sale?

If the purchase price is in excess of \$20,000.00, the payment required is a minimum of \$20,000.00 or 10% of the purchase price, whichever is greater. The remaining balance must be paid in full within 10 days. All other transactions must be paid in full at the end of the sale.

17) Is a tax sale publicly advertised?

Yes. State law dictates that notice of a tax sale must be published.

18) How soon can I take possession of a property after purchase at the tax sale?

The successful bidder may generally take possession of a property after confirming that the tax deed to the purchaser has been recorded by the county. Any parties of interest have one year from the date of recording of the tax deed to the purchaser to contest the validity of the sale.

19) How can I get more information?

Please check the Treasurer Tax Collector's website <http://www.edcgov.us/TaxCollector> for general information or call 530-621-5800 for assistance.