



# Santa Cruz County

## Treasurer -Tax Collector

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**OUR NEXT PUBLIC AUCTION WILL BE HELD VIA THE INTERNET ON MARCH 28<sup>TH</sup>- 31<sup>ST</sup>. FOR MORE DETAILS, AND THE LIST OF PARCELS AVAILABLE, PLEASE VISIT [www.Bid4Assets.com/TaxSale](http://www.Bid4Assets.com/TaxSale)**

## **Frequently Asked Questions about Public Internet Auction of Tax Defaulted Land**

**PROPERTY IS SOLD “AS IS”  
INSPECT THOROUGHLY BEFORE YOU BUY!!**

### **Why does the County sell tax-defaulted property?**

When secured real property remains tax-defaulted for five years, it becomes subject to the Tax Collector's Power to Sell, and may be sold at public auction. The purpose of offering tax-defaulted property at auction is to collect the unpaid taxes and to convey title of the property to a responsible owner.

### **Buyer Beware!**

It is your responsibility as a bidder to have investigated any parcels that you wish to bid on. No statement is made nor implied as to what use you may put the parcel if you are the successful bidder. See the next item below as to how to determine what use can be made of the property. It is also recommended you physically look at the property to determine its use.

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

Consult the zoning department of the city in which the property lies or the zoning section of the County Planning Department for a property in an unincorporated area of the county (i.e., not lying within an incorporated city's limits) regarding use of the parcel. In addition, examine the County Recorder's records for any recorded easements on the property. You may wish to consult an attorney at law for a full determination of the property's use potential.

## **How often are public auctions held?**

The law requires that a sale be held at least once every four years. In Santa Cruz County auctions are held approximately every other year.

## **Are tax sales publicly advertised?**

Yes. State law dictates that notice of a tax sale must be published three times in successive seven-day intervals before the tax sale date, in a newspaper published in and of general circulation within the county.

## **Can I mail in or submit a sealed bid for a property in a public auction?**

You can fax a proxy bid via an Offline Bid Form to Bid4Assets, the online auction venue that will be facilitating the sale, prior to the auction open date (March 28, 2009). Bid4Assets must receive Offline Bid Forms by the date and time the online auction opens in order to ensure bids are posted.

Offline bid forms will be available approximately 30 days prior to the auction open date and may be downloaded from the Bid4Assets Web site once the auction is posted online. Please go to [www.Bid4Assets.com/TaxSale](http://www.Bid4Assets.com/TaxSale) for sale details.

## **Can I obtain a property available at the tax sale by paying the delinquent taxes prior to the tax sale date?**

No. Legal title to a tax-defaulted property subject to the Tax Collector's Power to Sell can be obtained only by becoming the successful bidder during the on-line auction. Paying taxes on such property will only cause its redemption for the assessed owner.

## **When is the last day the property owner may redeem the tax-defaulted property, to prevent its sale at Auction?**

The right to redeem a tax-defaulted property subject to the Power to Sell ceases at the close of business (5 pm) on the last business day prior to the sale.

## **How do I find or see property on which I want to bid at the tax sale?**

While we try to assist prospective purchasers to pin-point a property location, vacant land (which accounts for most properties offered at auction) usually has no address. The approximate location can be determined by the County Assessor's parcel maps. Improved properties frequently (but not always) will bear a situs (street) address, making it easier to determine the general location. Exact boundary lines of a property can be determined only by a survey of the property, initiated at the prospective purchaser's expense.

## **Who qualifies as a potential bidder at public auction?**

Anyone who wishes to bid at the online public auction must register with Bid4Assets and submit a pre-bid deposit within the posted deadlines to qualify as a bidder. Detailed

instructions on how to submit a pre-bid deposit will be posted on Santa Cruz County's auction Web site. Please visit [www.Bid4Assets.com/TaxSale](http://www.Bid4Assets.com/TaxSale) for sale details.

### **How is the minimum bid amount determined?**

When a property first becomes eligible for public auction, the minimum bid shall not be less than the total amount to redeem the property, plus costs associated with offering the parcel for sale. If any property is not sold due to lack of interested bidders, the minimum bid for those particular properties may be reduced at subsequent sales.

### **How and when does the successful bidder pay for a property at the tax sale?**

Settlement Terms will be posted on each auction once the parcels have been posted for sale. Please go to [www.Bid4Assets.com/TaxSale](http://www.Bid4Assets.com/TaxSale) for sale details.

### **Do liens or encumbrances on tax defaulted property transfer to the new owner after the purchase of the property at public auction?**

Section 3712 of the California Revenue and Taxation Code states:

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

Any lien for installments of taxes and special assessments, which installments will become payable upon the secured roll after the time of the sale.

The lien for taxes or assessments or other rights of any taxing agency which does not consent to the sale under this chapter.

Liens for special assessments levied upon the property conveyed which 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 which 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.

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 record. 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.

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.

Any federal Internal Revenue Service liens which, 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.

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.

### **Are there any guarantees which accompany property acquired at public auction?**

No. All parcels offered at public auction are sold "as is". No warranty is expressed or implied in any manner regarding property sold at the public auction, including, but not limited to, the following example: no claims are made to guarantee access to, or building permits for, any of the parcels involved in the sale. Prior to bidding, it is your responsibility to ***adequately research*** properties, so you know what you are buying. Lack of adequate research may result in the purchase of unusable property, *with no entitlement to a refund.* **ALL SALES ARE FINAL.**

### **How will title to the property be vested?**

Title will be vested in the name of the actual purchaser. Upon completion of the auction, Bid4Assets will notify all purchasers via email of their winnings. Purchasers will be directed to an online form, or "Deed Wizard", via a link within the congratulatory email that will capture vesting information for each parcel purchased.

If you are acting as an agent, and title is to be vested differently, we require a notarized letter from the individual for whom you are acting as agent, stating the manner in which title is to be vested. This letter must be received by the settlement deadline as detailed in the Deed Wizard form.

### **How soon can I take possession of a property after my purchase at the online auction?**

You should consult an attorney. Generally, the successful bidder may take possession of a property after making payment in full and complying with any conditions set forth between the tax collector and the successful bidder. However, the validity of the tax collector's deed to the purchaser may be challenged within one year after the execution of the deed. In addition, if the property purchased has an IRS lien on it, the Internal Revenue Service has the right to redeem the property from the purchaser, up to 120 days from the date of the sale.