

# CACTTC 2024 Legislative Platform



**The 2024 CACTTC Legislative Platform**

*Approved October 4, 2023*

# CACTTC 2024 Legislative Platform

**The approved 2024 Platform includes three proposals.**

**Proposal 1** proposes to allow a fee to be charged for additional, duplicate or corrected mobile home tax clearance certificates, and adds an additional five days to the time by which a tax collector must produce the document.

**Proposal 2** proposes to establish a definition for postmark, for the purposes of deeming mail as timely.

**Proposal 3** proposes changes to the procedures for taxing entities to object to tax sales. The proposal will require taxing entities to notify the tax collector of an objection to a tax sale prior to publication.

# CACTTC 2024 Legislative Platform

**Subject: Tax Clearance Certificates for Mobile Homes**

**Submitter: Riverside County**

## **1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:**

Problem: The amount of Mobile Home Tax Clearance Certificates and Conditional Tax Clearance Certificates being requested is significant and constant. Processing these requests takes up a considerable amount of time and labor, involving research, filling out forms, and replying within the state-mandated timeframe. This process is often complicated by frequent revisions and changes requested, leading to repetitive research without the possibility of charging a fee due to the original request not expiring.

Proposed Solution: To introduce a processing fee for obtaining any subsequent or duplicate Mobile Home Tax Clearance Certificates and Conditional Tax Clearance Certificates including any corrections, even if they have not expired.

## **2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?**

(b) Within ~~five~~ **ten** working days of receipt of the written demand for a conditional tax clearance certificate or tax clearance certificate, the county tax collector shall forward the conditional tax clearance certificate or tax clearance certificate, showing no tax liability exists, to the requesting escrow officer. In the event the final due date of the tax clearance certificate or conditional tax clearance certificate expires within 30 days of the date of its issuance, an additional conditional tax clearance certificate or tax clearance certificate shall be completed, which has a final due date of at least 30 days beyond the date of issuance. ~~The tax collector shall not charge a fee for the issuance of a certificate unless a previously issued tax clearance certificate or conditional tax clearance certificate expires prior to the date upon which title transfers. The fee for the issuance of a subsequent certificate with respect to that manufactured home shall be an amount equal to the actual costs of preparing and processing that certificate.~~ **The tax collector may establish a processing fee for any subsequent or duplicate request, or request for correction, of a tax clearance certificate or conditional tax clearance, even if they have not expired.**

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### **3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)**

By charging a processing fee, the county would recoup some of the administrative costs associated with processing these requests, and taxpayers would be held accountable for providing accurate and complete information during the initial request, which would help avoid subsequent revisions and prevent the expiration of the original request.

### **4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.**

Riverside County staff has been significantly impacted by this problem. The issue arises from an increasing number of incorrect original mobile home tax clearance certificates and conditional tax clearance requests received daily. This influx of flawed requests leads to subsequent revisions being requested, despite the considerable labor hours already invested in completing each request within the state-mandated deadline. As a result, the staff in Riverside County is facing a considerable workload and resource strain due to these constant revisions and the need to rework certificates.

In addition, requests end up expiring due to a lack of urgency on the part of the taxpayers. Since there is no processing fee in place, to hold taxpayers accountable for providing accurate information and completing the request promptly, some individuals may not prioritize their submissions, leading to delayed responses and eventual expiration of their original requests. This heightens the burden on Riverside County staff, as they must then deal with re-submissions and additional processing for those expired requests.

### **5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.**

NO

### **6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?**

NONE

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## **7. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?**

Yes, this proposal is likely to engender opposition from taxpayers. The reason for this opposition is that taxpayers may perceive the processing fee as an additional financial burden, on top of the property taxes and other processing fees they already pay to the Department of Housing and Community Development (HCD).

## **8. HAS THIS BILL BEEN TRIED BEFORE?**

NO

## **9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL? (HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES AND TAXPAYERS?)**

Carrying this bill would be beneficial for several reasons. First, it would enhance efficiency for counties, like Riverside County, by reducing the volume of incorrect requests and subsequent revisions for Mobile Home Tax Clearance Certificates and Conditional Tax Clearances. The processing fee would encourage taxpayers to provide accurate information initially, streamlining the process and alleviating the burden on county staff. Secondly, the proposal promotes accountability for taxpayers, as the fee makes taxpayers take their requests seriously and ensures they are held responsible for providing correct information, avoiding request expiration. Lastly, the bill supports fiscal responsibility by allowing counties to recoup some administrative costs associated with processing requests, leading to more effective resource allocation and better utilization of taxpayer funds. Overall, the bill would make the process more just, efficient, and financially responsible for both counties and taxpayers.

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**Subject: Definition of a Postmark**

**Submitter: Riverside County**

## **1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:**

The Riverside County Treasurer-Tax Collector has received Excess Proceeds claims, up to 12 days past the one-year expiration date to submit. These claims are marked with a Pitney Bowes stamp which is considered metered mail and not an acceptable postmark consistent with the Treasurer-Tax Collector's postmark policy. Our proposed solution is for Rev. & Tax Code 4675 to clarify the types of postmarks that are acceptable and meet the claim filing deadline requirement.

## **2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?**

Rev. & Tax. Code Secs. 4675 (a) ...The claim shall be postmarked on or before the one-year expiration date to be considered timely.

### **Revision:**

Rev. & Tax. Code Secs. 4675 (a) ... The claim shall be postmarked on or before the one-year expiration date to be considered timely. **(1) The claim must be deposited in the United States mail in a sealed envelope, properly addressed with the required postage, or (2) deposited for shipment with an independent delivery service that is an Internal Revenue Service designated delivery service or has been approved by the tax collector, in a sealed envelope or package, properly addressed with the required fee prepaid. The claim shall be deemed received on the date shown by the post office cancellation mark stamped upon the envelope containing the claim, or the independent delivery service shipment date shown on the packing slip or air bill attached to the outside of the envelope or package containing the claim. If a claim deposited in the United States mail does not contain an official postmark, the date of filing shall be the date received by the Treasurer-Tax Collector's office.**

## **3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)**

Requiring a USPS postmark or a service shipment receipt approved by an independent delivery service will ensure claims were mailed on or before the one-year expiration date and are considered timely.

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**4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.**

Since this is a recent issue that has come to our attention in our office, we are not sure how many counties are or have been impacted by this problem.

**5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.**

At this time, we do not have any knowledge of a county that has been financially harmed by this current law. However, a county could be financially harmed if a claimant is denied, and a lawsuit is commenced within 90 days.

**6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?**

Our office does not believe any agencies would be impacted if the law were to be enacted.

**7. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?**

Claimants who believe metered mail should be treated the same as postmarked mail will likely oppose this change.

**8. HAS THIS BILL BEEN TRIED BEFORE?**

Our office is unaware if this bill has been tried before; however, similar language to this proposal derives from Rev. & Tax. Code 2512.

**9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL? (HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES AND TAXPAYERS?)**

Three reasons why the Legislator should carry this bill are:

- 1. The language in Rev. & Tax Code 4675, will clarify what is considered an acceptable postmark.**
2. It is beneficial to all counties to determine and agree upon what is considered an acceptable postmark when determining a timely claim.
3. Clarifying postmark requirements, allows counties to be consistent in denying untimely claims that are received with an unacceptable postmark.

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**Subject: Tax Sale Notifications**

**Submitter: Madera County**

## **1. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROBLEM AND THE PROPOSED SOLUTION:**

During the Tax Sale process, the Tax Collector sends a notification to all taxing agencies for the option of objecting or not objecting the sale.

- ✓ *Objecting means: they will preserve their lien.*
- ✓ *Not Objecting means: agency can purchase through a chapter 8 sale, or lien is not preserved.*

Depending on the taxing agencies' responses, the Tax Collector will then remove the property from the Chapter 7 sale to conduct a Chapter 8 sale or post a disclosure for each property of who objected to the sale. Current legislation under RTC 3695.4 & RTC 3695.5, states the deadline is "before the date of the first publication of the notice of intended sale pursuant to Section 3702 & 3703."

The proposed legislation will provide consistency for this process amongst all legislative codes therefore creating a specified deadline for responses.

## **2. WHAT IS THE SPECIFIC RECOMMENDED STATUTORY CHANGE YOU ARE PROPOSING?**

### **RTC 3695.**

If the governing body of any taxing agency does not, before the date of the **sale first publication of notice of intended sale pursuant to Sections 3702 and 3703**, file with the tax collector and the board of supervisors certified copies of a resolution adopted by the governing body objecting to the sale, the taxing agency has consented to the sale. If the taxing agency consents to the sale the lien of its taxes or assessments and any rights which it may have to the property as a result of these taxes or assessments are canceled by a sale under this chapter and it is entitled to its proper share of the proceeds deposited in the delinquent tax sale trust fund. If the taxing agency does object to the sale, the lien of its taxes or assessments or any rights which the taxing agency may have to the property are not affected by a sale under this chapter. Provided, however, that any taxing agency that is also a revenue district may not object to a sale unless it files with this objection an executed proposed agreement under Chapter 8 of this part to purchase the property, but not including an option to purchase, at a price not less than the minimum bid.



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If a taxing agency that is not also a revenue district objects to the sale and before the date of the **sale first publication of notice of intended sale pursuant to Sections 3702 and 3703** applies in writing to the board of supervisors to purchase the property under Chapter 8 of this part at a price equal to that approved by the board of supervisors, or upon a pro rata division of the proceeds of a sale as may be provided under Chapter 8, the tax collector shall not proceed with the sale.

### **3. WHAT IS THE GENERAL EXPLANATION FOR WHAT THESE CHANGES WILL DO (IN LAYMAN'S TERMS?)**

The proposed legislation will provide clarification on the deadline date for taxing agency notifications.

### **4. HOW MANY COUNTIES HAVE BEEN IMPACTED BY THIS PROBLEM? WHICH COUNTIES? Please include specific examples from each county as to what has been problematic and how this proposal would solve the problem.**

Unknown. Due to the inconsistency, Madera County has added a disclosure to all properties listed for auction to state: *The statutory deadline for an agency to make an objection to preserve a lien is the last day prior to the tax sale (R&T3695)*

### **5. HAS YOUR COUNTY BEEN HARMED FINANCIALLY BY THE CURRENT LAW? IF SO, HOW MUCH AND BY WHOM? PLEASE INCLUDE SPECIFIC EXAMPLES.**

No.

### **6. WHICH STATE AGENCIES WOULD BE IMPACTED IF THE LAW WERE TO CHANGE?**

Unknown.

### **7. IS THIS PROPOSAL LIKELY TO ENGENDER OPPOSITION FROM ANYONE? WHO? WHY?**

No.

### **8. HAS THIS BILL BEEN TRIED BEFORE?**

Unknown.

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## **9. WHAT ARE THREE REASONS WHY A LEGISLATOR SHOULD CARRY THIS BILL? (HOW DOES IT MAKE THE LAW BETTER / MORE JUST /MORE EFFICIENT FOR COUNTIES AND TAXPAYERS?)**

1. The proposed legislation will provide a specified deadline and consistent legislation amongst all R&T Sections.
2. With a specified deadline, taxing agencies will have clarity when submitting their responses to the Tax Collector, therefore giving themselves ample time to determine proceedings.
3. The Tax Collector can provide accurate information to their Tax Sale bidders, avoiding miscommunication and possible rescinding sales.