



Madera County Treasurer-Tax Collector

200 W. Fourth St. Ste 2200, Madera, CA 93637 | taxcollector@maderacounty.com

Tax Sale Policy Regarding the Submission of Claims for Excess Proceeds

(Revised July 2021)



Madera County Treasurer-Tax Collector Tax Sale Policy Regarding the Submission of Claims for Excess Proceeds

Table of Contents

1. Purpose of Policy.....	3
2. Notification.....	3
3. Claim Requirements.....	4
4. Submission of Claim.....	4
5. Supporting Documentation.....	5
6. Preliminary Claims Review.....	9
7. Final Claims Review.....	9
8. Submit Recommendation to the Board of Supervisors.....	10
9. Disputed Claims Procedure.....	10
10. Auditor-Controller Record.....	11



Madera County Treasurer-Tax Collector Tax Sale Policy Regarding the Submission of Claims for Excess Proceeds

Please read and follow all instructions carefully before submitting a claim.

1. PURPOSE

- a. The purpose of this policy is to clearly define the process and requirements for excess proceeds claims filed by parties of interest, as defined by California Revenue and Taxation Code section 4675, regarding a property that has been sold by the Madera County Treasurer-Tax Collector's Office at a sale for tax-defaulted property in which excess proceeds are available.
- b. Pursuant to California Revenue and Taxation Code section 4675.1, the Madera County Treasurer-Tax Collector is authorized to establish the information and proof deemed necessary to satisfactorily establish a claimant's right to all or any portion of excess proceeds for those cases covered by this policy.
- c. This policy will take effect on July 6, 2021, and will supersede the previous policy dated July 1, 2020.

2. NOTIFICATION

- a. When excess proceeds from the sale of tax-defaulted property exceeds one hundred fifty dollars (\$150) the Madera County Treasurer-Tax Collector's Office shall provide notice of the right to claim the excess proceeds no later than ninety (90) days after the sale of the property.
- b. Only individuals who were found during the search will be notified. The notice will be delivered to the parties of interest's last known mailing address. Along with the notice, the Madera County Treasurer-Tax Collector's Office will send a Madera County Treasurer-Tax Collector's Excess Proceeds Claim Form and Instructions.
- c. The Madera County Treasurer-Tax Collector's Office shall publish a notice of the right to claim excess proceeds in a newspaper of general circulation in the county. Publication shall be made in the manner required by California Revenue and Taxation Code section 4676(c).
- d. Public Records Act Request for Holders of Unclaimed Funds. Please be advised that the Madera County Treasurer-Tax Collector may, from time to time, receive requests from members of the public for a list of individuals who are eligible to receive unclaimed funds from the County. This list may contain names and contact information. These lists are public records within the meaning of the Public Records Act and thus must be disclosed. The Madera County Treasurer-Tax Collector is not required to notify the individuals listed that it is releasing this information.

Please read and follow all instructions carefully before submitting a claim.

3. CLAIM REQUIREMENTS

California Revenue and Taxation Code section 4675(d) provides that any claim for excess proceeds shall contain all information and proof deemed necessary by the Madera County Treasurer-Tax Collector and has determined that the information provided, and proof required is on the claim form and has supporting documentation in order to establish a claimant's rights to all or any portion of excess proceeds.

- a. A claimant **must complete and notarize** the Excess Proceeds Claim Form developed by the Madera County Treasurer-Tax Collector's Office. The Excess Proceeds Claim Form is mailed to parties of interest, along with notice and instructions.
- b. Failure to provide the **completed** Excess Proceeds Claim Form developed by the Madera County Treasurer-Tax Collector's Office will result in denial of the claim.
- c. The Excess Proceeds Claim Form must contain the following information:
 1. Amount or percentage of claim from available gross excess proceeds as of the date of the sale (available on the County of Madera's website)
 2. Your filing status (e.g., Lienholder of Record; Owner of Record; Qualified Heir of Owner of Record; Assignee of a Party of Interest; Claimant on Behalf of a Business)
 3. Name, address, and telephone number
 4. Supporting documentation to prove your interest of the property

4. SUBMISSION OF CLAIM

- a. An individual claimant must file his or her own claim unless he or she has chosen to assign his or her rights to another party. **An individual has the right to file a claim for excess proceeds on his or her own behalf directly with the county at no cost.**
- b. The claim shall be postmarked on or before the one (1) year expiration deadline to be considered timely. It is the claimant's responsibility to submit a complete claim, including all necessary supporting documentation. Under no circumstances shall any claimant be given additional time to file a valid Madera County Treasurer-Tax Collector Claim Form, beyond the one (1) year filing deadline.
- c. **The Madera County Treasurer-Tax Collector's Office is not responsible for informing the claimant of missing documentation or incomplete claims at the time of submission.**
- d. Mail completed claims and all attachments to:

**Madera County Treasurer-Tax Collector
200 W 4th St., 2nd Floor
Madera, CA 93637**

Please read and follow all instructions carefully before submitting a claim.

5. SUPPORTING DOCUMENTATION

All documentation must be submitted with the Madera County Treasurer-Tax Collector Claim Form, verified under penalty of perjury, and notarized. Affirmation must be in accordance with California Government Code Section 8202.

Additionally, Madera County Treasurer-Tax Collector does accept copies of supporting recorded documents such as birth certificate, marriage certificate, deed, etc. Copies must be legible and unaltered. **The Madera County Treasurer-Tax Collector's office is not responsible for informing the claimant of missing attachments or incomplete claims.**

The following type of documentation is recommended to prove a claim for excess proceeds:

a. MORTGAGE LENDERS AND DEED OF TRUST BENEFICIARIES

1. The promissory note and all modifications (if any) (or court order pursuant to California Civil Code section 3415).
2. The recorded Deed of Trust/Mortgage.
3. The recorded assignments (if any).
4. Statement setting forth the original amount of the obligation and any advances or modifications.
5. Total amount of payments received, and date(s) received.
6. Amount still due and payable as of the date of the sale of the tax defaulted property.
7. If the note was in default according to its terms at the time of sale (other than for defaulted taxes) you must also submit documentation evidencing all collection efforts.

b. JUDGMENT CREDITORS

1. Proof that the judgment debtor is the person(s) who possessed record ownership of the property sold at the tax sale.
2. A recorded judgment(s).
3. Statement or Orders setting forth any modification(s) to the Judgment.
4. Total amount of payments received, and date(s) received.
5. Amount still due and payable as of the date of the sale of the tax defaulted property.

Please read and follow all instructions carefully before submitting a claim.

c. PERSON(S) WITH TITLE OF RECORD

1. Submit a copy or copies of recorded documents (e.g., deed, death certificate, court order) to prove that the claimant was the person with title of record at the time of sale.
2. Last Will and Testament(s), if applicable. If title to the property was in a recorded trust, you must submit the trust document indicating that the claimant(s) is/are the trustee(s) or successor trustee(s) of the trust authorized to file all claims on behalf of the trust.

d. QUALIFIED HEIRS OF PERSON(S) WITH TITLE OF RECORD

e. A qualified heir must submit all documentation required to prove his or her legal standing as an heir to the PERSON(S) WITH TITLE OF RECORD.

1. A notarized probate affidavit verified under penalty of perjury and executed by all claimants, pursuant to California Probate Code sections 13100-13116. A form is available for download on the Madera County Treasurer-Tax Collector's website.
2. Last Will and Testament(s), if applicable. If title to the property was in a recorded trust, you must submit the trust document indicating that the claimant(s) is/are the trustee(s) or successor trustee(s) of the trust authorized to file all claims on behalf of the trust.

f. CLAIMS FILED ON BEHALF OF ANY BUSINESS

1. All claim forms must be signed by an individual with corporate authority for the business, such as an officer, general partner, or sole proprietor. In the case of a corporation, the parent corporation is merely a shareholder of its subsidiary corporation; it does not own the corporate property of its subsidiary. Therefore, a parent corporation, regardless of the percentage of shares owned, is not a party of interest of its subsidiary's recorded lien or title of record.
2. All business entities must provide proof of their Federal Employer Identification Number (FEIN) assigned to the business. Suggested documents include:
 - i. "Letter of Confirmation" from the IRS showing assignment of the FEIN
 - ii. Copy of received tax statement, such as:
 - a. IRS Form 1098, statement of interest paid; or
 - b. IRS Form 1099-INT or 1099-DIV, statement of interest or dividends earned; or
 - iii. IRS assignment of FEIN internet confirmation page
 - iv. Tax returns, IRS Form SS-4 application or W-9 will not be accepted to verify FEIN.

Please read and follow all instructions carefully before submitting a claim.

3. In addition to the foregoing, the following documentation is also required, as applicable:

i. CORPORATION

Provide proof that claimant is an officer of the corporation. Suggested documents include the following, but any documentation must demonstrate entitlement and authority to claim on behalf of the business:

- a. Corporate Resolution and/or The Articles of Incorporation
- b. The most recent Statement of Information (or equivalent from state in which business operates) filed with the Secretary of State. If the business e-filed the Statement of Information, provide a copy of the Statement of Information and a copy of the payment receipt provided by the Secretary of State
- c. Certificate of Dissolution; or
- d. Other documents may be accepted if they prove claimant is a corporate officer.

ii. LIMITED LIABILITY COMPANY

Provide proof claimant is a manager or officer of the Limited Liability Company. Suggested documents include the following, but any documentation must demonstrate entitlement and authority to claim on behalf of the business:

- a. Company Resolution
- b. Operating Agreement
- c. Articles of Organization
- d. The most recent Statement of Information filed with the Secretary of State. If the business e-filed the Statement of Information, provide a copy of the Statement of Information and a copy of the payment receipt provided by the Secretary of State.
- e. Certificate of Dissolution; or
- f. Other documents may be accepted if they prove claimant is a manager or officer.

iii. LIMITED PARTNERSHIP

Provide proof that claimant is a general partner of the Limited Partnership. Suggested documents include the following, but any documentation must demonstrate entitlement and authority to claim on behalf of the business:

Please read and follow all instructions carefully before submitting a claim

Continued: LIMITED PARTNERSHIP

- a. Certificate of Limited Partnership filed with the Secretary of State. If the business e-filed, provide a copy of the document and a copy of the payment receipt provided by the Secretary of State
- b. Partnership Agreement
- c. Certificate of Dissolution; or
- d. Other documents may be accepted if they prove that the claimant is a general partner.

iv. **GENERAL PARTNERSHIP**

Provide proof that claimant is a general partner of the General Partnership. Suggested documents include the following, but any documentation must demonstrate entitlement and authority to claim on behalf of the business:

- a. Statement of Partnership Authority
- b. Partnership Agreement
- c. Certificate of Dissolution; or
- d. Other documents may be accepted if they prove claimant, is a general partner.

v. **SOLE PROPRIETORSHIP**

Provide the following documentation:

- a. Current or final federal tax return, including Schedule C
- b. Most current business license or facility permit; and
- c. Fictitious Business Name filing (filed with county), if applicable.

vi. **MERGER BUSINESS**

If you are claiming for a business that has merged with or sold to another business, provide a copy of the merger or purchase agreement.

vii. **SUSPENDED BUSINESS**

If you are claiming for a business that was previously suspended by either the Secretary of State or the Franchise Tax Board (FTB), provide proof that the business is no longer suspended, which may include:

- a. If the business was suspended by the Secretary of State, provide a Certificate of Good Standing. You can obtain the certificate by contacting the Secretary of State Information Services Office at (916) 657-5448, or by following the instructions located on the [Secretary of State's website](#) that links to their "Information Requests" page.

Continued: LIMITED PARTNERSHIP

Continued vii. **SUSPENDED BUSINESS**

- b. If the business was suspended by the FTB, provide a copy of an Entity Status Letter. You can obtain the letter by contacting the FTB at: Franchise Tax Board, P.O. Box 942857, Sacramento, CA 94244-2250, or by visiting the [Franchise Tax Board's website](#).

f. ASSIGNEES OF A PARTY OF INTEREST

1. All proof required of any qualified claimant as 5 (a), (b), (c), (d), or (e) of this policy as it applies to the legal standing of the assigning party.
2. The notarized affidavit, available for download on the Madera County Treasurer-Tax Collector's website, verified under penalty of perjury and executed by all parties to the assignment, containing the following information:
 - i. Proof that the amount and source of excess proceeds was disclosed to the party of interest; and
 - ii. That the party of interest was advised of his or her right to file a claim for excess proceeds on his or her own behalf directly with the county at no cost; and
3. Contact information of the party of interest, including name, address, and phone number.

6. PRELIMINARY CLAIMS REVIEW

The Madera County Treasurer-Tax Collector may at their discretion review claims filed prior to the final thirty (30) days of the one (1) year filing period for completeness. The preliminary review is intended as an opportunity for the Madera County Treasurer-Tax Collector's Office to make an evaluation of the claim for purposes of determining whether additional documentation is needed. However, the Madera County Treasurer-Tax Collector **DOES NOT GUARANTEE** a preliminary review of claims, **NOR DOES IT GUARANTEE** that the additional documentation requested will result in an approved claim. Missing documents or information will not be accepted after the deadline. The Madera County Treasurer-Tax Collector's Office will not perform a preliminary review of claims received during the final thirty (30) days of the one (1) year filing period.

7. FINAL CLAIMS REVIEW

- a. Pursuant to California Revenue and Taxation Code section 4675, claims will be processed after one (1) year has passed from the date of the recording of the deed to the purchaser. The review should not take longer than thirty (30) days from the one (1) year deadline.
- b. The claims are awarded based on the order of priority briefly described below:
 - i. First, lien holders of record prior to the recordation of the tax deed to the purchaser, in the order of their priority

Please read and follow all instructions carefully before submitting a claim.

Continued: FINAL CLAIMS REVIEW

- ii. Then, any person with title of record to all or any portion of the property prior to the recordation of the tax deed to the purchaser. In the event that a person with title of record is deceased at the time of distribution of excess proceeds, the heirs may submit an affidavit pursuant to Chapter 3 (commencing with section 13100) of Part 1 of Division 8 of the Probate Code to support their claim for excess proceeds.
- c. If DENIED, claimants will receive a letter from the Madera County Treasurer-Tax Collector describing the reason of the determination. **Any missing documentation that caused the claim to be denied will not be accepted as the one (1) year expiration deadline has now passed.**
- d. If APPROVED, claimants will receive a letter from the Madera County Treasurer-Tax Collector stating that they have been approved contingent upon the approval from the Board of Supervisors. A \$300.00 Excess Proceeds Administration fee per valid claim will be deducted from the parcel's available excess proceeds.
- e. If more than one (1) claimant files for excess tax sale proceeds during the filing period and the Madera County Treasurer-Tax Collector is unable to determine whether all or any of the claimants are parties of interest, the Madera County Treasurer-Tax Collector may refer the matter to their County Counsel to initiate an action in interpleader, which may delay the approval and disbursement of claims.

8. SUBMIT RECOMMENDATION TO THE BOARD OF SUPERVISORS

After the review of the claims has been completed, subsequent to the filing deadline, the Madera County Treasurer-Tax Collector shall recommend to the Board of Supervisors to approve the disbursement amounts of all the valid claims along with all denied and invalid claims.

9. DISPUTED CLAIMS PROCEDURE

- a. Before the Board Hearing Date: If the claim has not been submitted to the Board of Supervisors for a final decision, the claimant must submit in writing their dispute to the Tax Collector beginning thirty (30) days from the date of the denial letter.
- b. After the Board Hearing Date: After the Board of Supervisors hearing date, the claimant has up to ninety (90) days to inform the Tax Collector in writing that the claimant has intentions of filing a civil suit with the Superior Court to overturn the Board of Supervisor's decision. The civil suit must be filed with the Superior Court after informing the Tax Collector, but before the ninety (90) day dispute period has ended.

Please read and follow all instructions carefully before submitting a claim.

10. AUDITOR-CONTROLLER RECORD

The Madera County Auditor-Controller shall keep a proper record of each claim paid under the provisions of this policy and shall be notified by the Madera County Treasurer-Tax Collector of any litigation instituted concerning any claim made or paid under California Revenue and Taxation Code section 4675.

Proceeds will be disbursed after the ninety (90) day disputed claim period has ended. Upon order of the Board of Supervisors, in proper proportion, according to priority as stated in California Revenue and Taxation Code 4675(e).



[Maderacounty.com/treasurer](https://www.maderacounty.com/treasurer)