SACHI A. HAMAI
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 383
LOS ANGELES, CALIFORNIA 90012
(213) 974-1411 • FAX (213) 620-0636

MEMBERS OF THE BOARD

GLORIA MOLINA

MARK RIDLEY-THOMAS

ZEV YAROSLAVSKY

DON KNABE

MICHAEL D. ANTONOVICH

December 03, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVE THE RECOMMENDATION OF THE HEARING OFFICER REGARDING THE PETITION TO RESCIND THE SALE OF TAX-DEFAULTED PARCEL, ASSESSOR IDENTIFICATION NUMBER (AIN) 4444-030-010, 2361 WARING DRIVE, AGOURA HILLS 91301

SUBJECT

The above-referenced parcel of real property was sold at the 2012A Public Auction of Tax Defaulted property held on October 22, 2012 by the County Treasurer and Tax Collector (TTC). Subsequently, the former owner petitioned your Board to request that the sale be rescinded.

The TTC determined that the particulars of the petition required a hearing be held on this item, pursuant to California Revenue and Taxation (R&T) section 3731. As such, a hearing was scheduled on October 2, 2013, and presided by the appointed Hearing Officer.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the recommendation in the attached report from the Hearing Officer to uphold the sale of AIN 4444-030-010.

2. Instruct the Executive Officer to notify the Petitioner and the other parties to the sale that the sale will not be rescinded.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approving the recommendation of the Hearing Officer in this matter ensures the County's compliance with the relevant sections of the R&T Code.

Implementation of Strategic Plan Goals

Implementation of Strategic Plan Goals

The recommendations are consistent with the principles of County Strategic Plan Goal No. 1 (Operations Effectiveness) by providing the petitioners seeking to rescind tax sales with an Executive Officer-appointed Hearing Officer; and Goal No. 4 (Fiscal Sustainability), by avoiding unnecessary and potentially costly legal proceedings.

FISCAL IMPACT/FINANCING

No Fiscal Impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Revenue and Taxation Code section 3725 provides for a proceeding based on alleged invalidity or irregularity of any proceedings instituted under the chapters governing sale of tax-defaulted property.

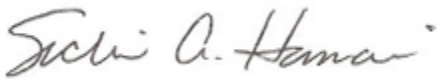
The request referenced in this letter meets the statutory guidelines and accordingly required that the Board of Supervisors conduct, or cause to be conducted through an appointed Hearing Officer, a hearing on the matter.

The hearing having been conducted, and a recommendation from the Hearing Officer received, your Board is now required to accept or reject the recommendation.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

No impact.

Respectfully submitted,



SACHI A. HAMAI

Executive Officer, Board of Supervisors

SAH:po

Enclosures

c: Chief Executive Officer
County Counsel
Assessor
Treasurer and Tax Collector
Auditor-Controller

SACHI A. HAMAI
EXECUTIVE OFFICER

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November 8, 2013

Sachi A. Hamai, Executive Officer
County of Los Angeles, Board of Supervisors
500 West Temple Street
Los Angeles, CA 90012

Dear Ms. Hamai:

Re: HEARING FOR PETITION TO RESCIND AIN 4444-030-010

The Treasurer and Tax Collector has the power to sell nonresidential commercial property that has been delinquent for three or more years and residential property that has been delinquent for five or more years.

The Assessor's Identification Number (AIN) 4444-030-010 was sold at the 2012A County Public Auction on October 22, 2012. Subsequently, on July 23, 2013, Mr. Richard L. Knickerbocker filed a petition with the Board of Supervisors to request a rescission of the sale of AIN 4444-030-010.

Pursuant to California Revenue and Taxation Code (R&TC) Section 3731(b), I served as the Hearing Officer on October 9, 2013, to hear arguments for and against rescission of AIN 4444-030-010 on behalf of the Board of Supervisors. I heard testimony from Mr. Knickerbocker, attorney for the prior property owner The Calvin N. Larson Revocable Trust, Mr. Calvin Larson and Ms. Ana Betancourt Larson (Petitioners); Sayuj Panicker, County Counsel for the Treasurer and Tax Collector (TTC); and Kathy Gloster (TTC). Also present were LaTayvius Alberty from County Counsel and Ken Press and Maribelle DeLeon from TTC.

The Petitioners contend that AIN 4444-030-010 should not have been sold for the following reasons:

1. Mr. Larson is disabled and was not granted an accommodation to extend the deadline.

   Mr. Panicker, representing the TTC, clarified the statutory guidelines for redemption. Specifically, R&TC Section 3707(a) states that the right of redemption terminates at the close of business on the last day prior to the date of sale and that prior Notices leading up to the redemption deadline provide substantial time to redeem the property. Mr. Panicker also noted that there are no provisions in the Code to extend the redemption deadline based on a disability, unless the individual was incapacitated to a degree requiring hospitalization for a time period extending through the redemption deadline.

2. The property is community property and should not have been sold because Ana Betancourt, Mr. Larson's wife, was in bankruptcy, which should have protected the parcel from sale.

   Mr. Panicker responded that the property ownership at the time of the sale was in the name of the Calvin N. Larson Trust and therefore not a part of any community property that might exist between Mr. Larson and Ms. Betancourt, making the bankruptcy issue a moot point.

3. Mr. Larson and Ms. Betancourt did not receive proper notice of the proposed sale since the wrong address was on file with TTC and the Assessor's Office.

   Ms. Gloster provided tax notices that had been sent by certified mail to the address on record in the Assessor's Office for the Calvin N. Larson Trust. The Petitioners conceded that they had, in fact, received the 2010 tax bill and that they were aware of the delinquent taxes, but had not notified the Assessor's Office pertaining to the new address even after becoming aware that the wrong address was on file.

4. Mr. Larson and Ms. Betancourt were not allowed to bid at the sale.

   Mr. Panicker explained that at the tax sale, one must pre-register several weeks prior to the sale and provide a deposit of at least $5,000. Mr. Larson and Ms. Betancourt did not register during the pre-registration time frame and they did not submit the required deposit.

5. The TTC pre-arranged a sale with the Mountains Recreation Trust and prevented Mr. Larson or Ms. Betancourt from bidding.

   Mr. Panicker rebutted by asking Ms. Gloster to clarify the auction process. Ms. Gloster explained that the auctions are open to anyone who pre-registers and provides a deposit. As such, there is to control over who might register to bid, as well as which of the registered bidders actually attend the auction to make bids. With respect to the bidding, the auction is run by the auctioneer who calls out the initial minimum bid and all subsequent increasing increments until the highest offer is no longer challenged by other bidders.

Recommendation

Evidence was presented that the property belonged to a trust and property notices were mailed to the address on record for the trust. In addition, Mrs. Larson admitted that she had received the 2010 tax notice, so she was aware that taxes were delinquent and must have seen the wrong address but she did not correct the property address with the County Assessor. There was no evidence presented that a buyer was identified prior to the auction and it appears the property was appropriate for inclusion in the 2012A County Public Auction on October 22, 2012. Therefore, I recommend the sale of AIN 4444-030-010 remains in place and is not rescinded.

Please let me know if you have any questions.

Sincerely,

Sharon Ryzak
Hearing Officer