

BOARD OF SUPERVISORS

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March 22, 2024

The Honorable Kelly Seyarto
Senate District 32
1021 O Street, Room 7120
Sacramento, CA 95814

Re: SB 964, Tax-Defaulted Property Sales – OPPOSE UNLESS AMENDED

Dear Senator Seyarto,

I am writing on behalf of the Kern County Board of Supervisors to express our concerns with SB 964, which would eliminate the transfer of excess proceeds from delinquent tax sales to county general funds and instead place those funds in the State Controller's coffers.

We fundamentally agree with the Supreme Court's ruling in 2023 (Tyler v. Hennepin County) which requires taxing agencies to relinquish the surplus equity in excess of an outstanding tax debt to the property owner per the Takings Clause of the Fifth Amendment and the Excessive Fines Clause of the Eight Amendment. Likewise, we support the added conditions and protections you've authored under SB 964 that would compel local jurisdictions to afford every opportunity for the excess proceeds to be claimed by parties with an interest in the property sold under a tax sale.

However, on the occasion when excess proceeds remain unclaimed and the appropriate time limits have been exhausted, the County believes those funds should remain in the local jurisdiction (by way of the county general fund) to assist with local service needs. Altering the Revenue and Taxation Code to prevent these funds from remaining in the county of origin is yet another example of the budgetary overreach we are constantly battling in Sacramento.

Over the last decade, Kern has been plagued with staggering losses in local property taxes due to the State's inequitable policies. The Solar Tax Exclusion, for example, has deprived Kern's coffers of an estimated \$110 million in General Fund revenue over the last six years alone. Our losses due to the State's oil and gas policies and unwillingness to subvent lost revenue from the Williamson Act have exacerbated the County's budgetary woes. Please do not add to the litany of bad legislation that continues to deprive our community of the quality public services they deserve.

We appreciate your attention to our concerns and are hopeful you and your staff are open to a constructive dialogue that will find an amicable path forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Couch", is written over a blue horizontal line.

David Couch, Chairman
Kern County Board of Supervisors

cc: Honorable Members, Kern Legislative Delegation
California State Association of Counties
Kern County Treasurer-Tax Collector
Shaw Yoder Antwih Schmelzer & Lange