



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites	
------	------------------	----------------	--------------	-----------------	------------------	--------------	--

AB-418 Property taxation: tax-defaulted property. (2025-2026)

SHARE THIS:  

Date Published: 10/02/2025 02:00 PM

Assembly Bill No. 418

CHAPTER 149

An act to amend Section 3794.3 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor October 01, 2025. Filed with Secretary of State October 01, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

AB 418, Wilson. Property taxation: tax-defaulted property.

Existing law generally authorizes a taxing agency to sell tax-defaulted property 5 or more years after the real property has become tax defaulted. Existing law authorizes the board of supervisors of the county in which the property is situated, or the state, county, any revenue district the taxes of which on the property are collected by county officers, or a redevelopment agency, to purchase the property, as specified, if certain conditions are met. Existing law also authorizes a nonprofit organization to purchase residential or vacant property, with the approval of the board of supervisors of the county in which it is located, if the property is used for low-income housing or public use, as specified. Existing law requires any sale under these provisions to be approved by the board of supervisors and to meet specified requirements, including notice requirements of an agreement under these provisions.

This bill would prohibit a board of supervisors from approving the sale of tax-defaulted property, as described above, unless it conducts a hearing, with notice, and makes a specified finding that either the sale price is greater than or equal to the tax sale value, as defined, of the property or the tax sale value of the property is less than the amount necessary to redeem the property, as specified. The bill would require the notice of the hearing to be mailed at least 45 days prior to the hearing to the last assessee of each portion of the property and to parties of interest, and to contain, among other things, a description of the property, the proposed sale price, and the date, time, and location of the hearing. The bill would require any costs incurred in conducting the hearing and making the findings to be paid by the taxing agency or nonprofit organization by which the property is to be or may be purchased. The bill would also authorize the challenge of a board of supervisors' determination by the filing of a petition for judicial review in the superior court of the county within 45 days following the issuance of the board's decision, as specified. The bill would require the board to provide a written notice of the right to judicial review and the applicable deadlines to all parties who appeared at the hearing or submitted written evidence. The bill would authorize the superior court to vacate the board's decision and remand the matter to the board of supervisors if the court determines that the decision was not supported by substantial evidence or that the board otherwise failed to follow certain requirements. By requiring a board of supervisors to engage in specified actions relating to approving a sale of tax-defaulted property, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 3794.3 of the Revenue and Taxation Code is amended to read:

3794.3. (a) A sale under this chapter shall take place only if approved by the board of supervisors.

(b) The board of supervisors shall not approve a sale under this chapter unless it conducts a hearing, with notice, and based upon substantial evidence in light of the whole record, makes either of the following findings:

(1) The sale price is greater than or equal to the tax sale value of the property.

(2) The tax sale value of the property is less than the amount necessary to redeem the property in accordance with Section 4102, such that there would be no excess proceeds from a sale under the provisions of Chapter 7 (commencing with Section 3691).

(c) Notice of the hearing required in subdivision (b) shall meet the following requirements:

(1) (A) The tax collector shall mail a copy of the notice at least 45 days prior to the hearing, by registered mail, to the last assessee of each portion of the property and to parties of interest, as defined in Section 4675, at their last known address.

(B) To ascertain the address of the last assessee of the property, an examination shall be made of the assessment of this property on the rolls beginning with the year of delinquency to, and including that of, the last equalized roll. The tax collector shall make reasonable efforts to ascertain the identity and address of parties of interest.

(C) It is not necessary to mail a copy of the notice to any party who files with the tax collector a written acknowledgment of receipt of a copy of the notice or a waiver of the notice. The validity of any sale under this chapter shall not be affected if the tax collector's reasonable effort fails to disclose the name and last known mailing address of parties of interest or if a party of interest does not receive mailed notice.

(2) The notice shall include all of the following:

(A) A description of the property substantially as described in the agreement.

(B) The name of the last assessee of the property. To ascertain the name of the last assessee of the tax-defaulted property an examination shall be made of the assessment of this property on the last equalized roll, or if this property does not appear thereon, the last previous roll on which it was assessed.

(C) A statement that an agreement for the sale of the property or for an option to purchase it, or both, as applicable, has been proposed with the taxing agency or nonprofit organization named in the agreement.

(D) The proposed sale price of the property.

(E) The date, time, and location of the hearing set forth in subdivision (b).

(F) A statement informing the parties of their rights to appear and present evidence under subdivision (d), and that the sale will not take place unless the board of supervisors makes one of the findings set forth in subdivision (b).

(G) A statement in substantially the following form:

"If you challenge the proposed sale in court, you may be limited to raising only those issues you or someone else raised at the hearing described in this notice, or in written correspondence delivered to the county at, or prior to, the hearing."

(d) The assessee and all parties of interest shall each have the right to appear at the hearing and to present any relevant evidence regarding the value of the property or the existence or amount of excess proceeds to which they may be entitled under Section 3797. That evidence may be presented to the board of supervisors at the hearing or in writing any time prior to the hearing. Any evidence presented will become part of the record considered by the board of supervisors under subdivision (b).

(e) Any costs incurred in conducting the hearing and making the findings set forth in this section shall be paid by the taxing agency or nonprofit organization by which the property is to be or may be purchased.

(f) Any determination made by the board of supervisors under subdivision (b) may be challenged by filing a petition for judicial review in the superior court of the county within 45 days following the issuance of the decision by the board. The petition shall

name the county as a respondent and shall clearly state the grounds upon which the petitioner alleges the determination is unlawful or unsupported by substantial evidence.

(g) Judicial review under subdivision (f) shall be conducted pursuant to Section 1094.5 of the Code of Civil Procedure. The court shall review the administrative record of the hearing before the board of supervisors to determine whether the board's decision is supported by substantial evidence in the administrative record. No new evidence shall be introduced in the judicial review proceeding, except as provided in subdivision (e) of Section 1094.5 of the Code of Civil Procedure.

(h) Notice of the right to judicial review and the applicable deadlines shall be included in the written notice of the board's determination provided to all parties who appeared at the hearing or submitted written evidence.

(i) If the superior court determines that the decision of the board of supervisors was not supported by substantial evidence or that the board otherwise failed to follow the requirements of this chapter, the court may vacate the decision and remand the matter to the board of supervisors for further proceedings consistent with the court's determination.

(j) For purposes of this section, "tax sale value" means the amount that typically could be realized from the sale of the property at a properly advertised and conducted public auction under the provisions of Chapter 7 (commencing with Section 3691).

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.