



**State of California**

**REVENUE AND TAXATION CODE**

**Section 3725**

3725. (a) A proceeding based on alleged invalidity or irregularity of any proceedings instituted under this chapter can only be commenced in a court if both of the following are satisfied:

(1) The person commencing the proceeding has first petitioned the board of supervisors pursuant to Section 3731 within one year of the date of the execution of the tax collector's deed.

(2) The proceeding is commenced within one year of the date the board of supervisors determines that a tax deed sold under this part should not be rescinded pursuant to Section 3731.

(b) Sections 351 to 358, inclusive, of the Code of Civil Procedure do not apply to the time within which a proceeding may be brought under this section.

(c) The amendments made to this section by Chapter 288 of the Statutes of 2011 shall apply to sales that are completed on or after January 1, 2012.

(Amended by Stats. 2012, Ch. 162, Sec. 167. (SB 1171) Effective January 1, 2013.)

**State of California**

**REVENUE AND TAXATION CODE**

**Section 3731**

3731. (a) When a tax deed to a purchaser of property sold by the tax collector pursuant to this part is recorded and it is determined that the property should not have been sold, the sale may be rescinded by the board of supervisors with the written consent of the county legal adviser and the purchaser of the property or a successor in interest in the property, except a bona fide purchaser for value, under any of the following circumstances:

(1) The property has not been transferred or conveyed by the purchaser at the tax sale to a bona fide purchaser for value.

(2) The property has not become subject to a bona fide encumbrance for value subsequent to the recordation of the tax deed.

(b) If the written consent of the purchaser of the property or a successor in interest is not obtained pursuant to subdivision (a), the sale may be rescinded by the board of supervisors pursuant to the circumstances specified in subdivision (a), if both of the following conditions are met:

(1) Notwithstanding Section 3731.1, a hearing is scheduled before the board of supervisors.

(2) (A) A notification is provided to the purchaser of the property or a successor in interest that contains all of the following information:

(i) The date, time, and place of the hearing.

(ii) A description of the property that was sold.

(iii) The reason for rescinding the sale of the property.

(iv) A statement that a refund will be issued to the purchaser of the property or the successor in interest, if applicable, for the purchase amount of the property plus interest at the county pool apportioned rate as specified in Section 5151 from the date of the purchase of the property.

(B) The tax collector shall send the notice, not less than 45 days prior to the date of the hearing, to the purchaser of the property or a successor in interest by certified mail with return receipt requested. The notice shall be sent to the last known mailing address of the purchaser of the property or a successor in interest.

(c) When the sale of tax-defaulted property is rescinded pursuant to this section, the purchaser or a successor in interest is entitled to a refund of the amount paid as the purchase price plus interest at the county pool apportioned rate as specified in Section 5151 from the date of the purchase of the property after rescission of the tax deed is recorded.

(d) The rescission shall be executed by the county tax collector and, if rescinded pursuant to subdivision (a), also by the purchaser or a successor in interest. The

signature of both the county tax collector and the purchaser or a successor in interest shall be acknowledged by the county clerk, without charge, and the county tax collector shall then record the rescission with the county recorder, without charge. When the rescission is recorded, the tax deed becomes null and void as though never issued and all provisions of law relating to tax-defaulted property shall apply to the property.

(e) The holder of a tax certificate who received all or any part of the amount paid by the purchaser or a successor in interest shall not be obligated to make any refund or repayment of any amount to the purchaser, the delinquent taxpayer, the county, or any other person. The tax collector may use amounts on deposit in the Tax Certificate Redemption Fund to make the refund, but only to the extent those amounts were paid to the holder of the applicable tax certificate.

(f) Subdivision (b) shall apply to sales that are completed on or after January 1, 2010.

(g) A proceeding may be commenced in a court pursuant to Section 3725 only if the person commencing the proceeding first petitions the board of supervisors to rescind the sale of a tax deed pursuant to this section.

(Amended by Stats. 2011, Ch. 288, Sec. 3. (AB 261) Effective January 1, 2012.)