



San Bernardino County



Ensen Mason CPA, CFA • Auditor-Controller/Treasurer/Tax Collector

NEWS RELEASE – For Immediate Release

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Mason Testifies at State Capitol to End Home Equity Theft

San Bernardino, CA — San Bernardino County Auditor-Controller/Treasurer/Tax Collector (ATC) Ensen Mason testified in front of the California Senate Revenue and Taxation Committee on April 24, 2024, in support of Senate Bill (SB) 964, which seeks to put an end to a practice known as “equity theft.” California is out of compliance with the recent *Tyler v Hennepin County, Minnesota, et al.* ruling by the United States Supreme Court regarding home equity theft. On May 25, 2023, the Court unanimously found that Geraldine Tyler plausibly alleged a violation of the Fifth Amendment’s Takings Clause after Hennepin County sold her property to satisfy her delinquent property tax debt worth \$15,000 and kept the remaining \$25,000 value of her equity as a windfall, leaving her with nothing.

The ruling shined a light on home equity theft in government, forcing the California Legislature to re-evaluate its process, which allows eligible taxing agencies and nonprofit organizations to circumvent the public auction process by purchasing tax-defaulted property for the nominal cost of back taxes, penalties, and fees without paying fair market value to compensate the owner for their equity. SB 964 will close the loophole by requiring properties to either first go through the public auction process to establish fair market value or have the State Board of Equalization conduct a property valuation determining the property interest is worth less than the amount of the defaulted debt before becoming eligible for Chapter 8 sale.

ATC Mason explained during his testimony that the Chapter 8 process is unconstitutional and in direct violation of the Fifth Amendment and the recent Supreme Court ruling. “Which law am I supposed to follow?” he asked. “I need some kind of legislative solution to this,” he urged. “We need to fix this so that we at least are doing things correctly from here on out.”

The bill passed the Senate Revenue and Taxation Committee with a 6-0 vote and was referred to the Senate Appropriations Committee where it is scheduled for a vote-only Suspense Hearing on Thursday, May 16, 2024. You can view ATC Mason’s testimony [here](#). The Tax Collector’s Office will be following SB 964 closely in order to protect the rights of property owners.

Read [Mason Scores Historic Win for Taxpayers](#) and [Mason Suspends Chapter 8 Tax Sales Pending SCOTUS Ruling](#) for additional information on ATC Mason’s continued fight to end home equity theft.

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