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NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memorandum

MEETING DATE: July 22, 2025

TO: Board of Supervisors

FROM: Matt Kelley, Code & Cannabis Department Director

SUBJECT: Continued from June 24, 2025, Board of Supervisors Meeting - Resolution approving the addition of delinquent Community Development Agency assessments onto the 2025-2026 secured property tax roll

RECOMMENDATION:

Adopt the attached Resolution (*Attachment 2*) approving the authorization of placement of delinquent Community Development Agency assessments onto the 2025-2026 secured property tax roll.

FUNDING: N/A

ATTACHMENTS:

1. Treasurer-Tax Collector Staff Memorandum
2. Resolution authorizing placement of Community Development Agency assessments onto the 2025-2026 property tax roll.
 - Exhibit A – List of Parcels Subject to Assessments
3. Nevada County Code Section 12.05.220
4. California Government Code Section 25845
5. California Government Code Section 53069.4
6. June 24, 2025, Board of Supervisors Staff Memorandum (*without attachments*)

INTRODUCTION:

This item continued from the June 24, 2025, Nevada County Board of Supervisors regular meeting, during which the Board received the staff report included in *Attachment 4* along with the attached Resolution (*Attachment 2*) regarding the placement of unpaid Community Development Agency (CDA) code compliance related delinquent costs onto the 2025-2026 secured property tax roll. In response to Board discussion and direction, this item was continued to provide for additional review and clarification of Nevada County Code and California Government Code along with further discussion regarding the Code Violation Case process and staff costs collection timeline, so that the Board may further evaluate placement of delinquent CDA assessments on the 2025-2026 secured property tax roll.

Although the Board of Supervisors indicated that this item could be returned for consideration within 60 days, staff has prioritized its review and is bringing the matter back earlier than anticipated. This accelerated timeline ensures that, if approved, the delinquent assessments can be submitted to the Auditor-Controller by the statutory deadline of August 10, 2025, for formal inclusion in the secured property tax roll transmitted to the Treasurer-Tax Collector. Early action by the Board of Supervisors would ensure compliance with these critical statutory and administrative deadlines.

As requested by the Board of Supervisors, this staff report includes the following information:

1. Code Violation Case Process and Staff Costs Assessment Timeline:

This staff report includes a comprehensive overview of the Code Violation Case process, beginning with the initiation of a complaint, followed by the issuance of Violation Warning Letters, Citation Warning Letters, and Administrative Citations. It explains how citations are escalated based on the nature and duration of noncompliance, and how direct costs, including staff time and administrative hearings are calculated, invoiced, and ultimately considered for tax roll placement if unpaid. It also outlines the criteria and procedural steps involved in formally closing out a code violation case.

2. Legal Authority Under Nevada County Code and California Government Code:

A review of Nevada County Code Section 12.05.220 and California Government Code Section 25845(d) is provided, affirming the County's authority to recover actual enforcement and abatement costs through placement on the secured property tax roll as special assessments. This section also references California Government Code Section 53069.4, which supports administrative citation programs. Comparative practices from other California counties are also summarized to demonstrate legal consistency and the standardized nature of this cost recovery approach statewide.

3. Public Policy Alignment, Fiscal Accountability and Taxpayer Impact:

This staff report outlines the fiscal and legal implications of converting unpaid code compliance staff costs into special assessments on the secured property tax roll. This includes clarification that such assessments are collected in the same manner and timeframe as regular property taxes and are subject to the same penalties for non-payment. It addresses whether delinquent assessments may contribute to the risk of a tax-defaulted sale (i.e., public auction), and provides general guidance on how assessments affect property owners and ensures the Board of Supervisors is informed of both the administrative process and potential impacts on the taxpayer.

BACKGROUND:

The attached Resolution (*Attachment 2*) seeks Nevada County Board of Supervisors authorization to place outstanding code compliance related costs – arising from unpaid administrative and abatement costs onto the 2025-2026 secured property tax roll. These assessments represent actual costs incurred by the County in the enforcement of violations of Nevada County Code, including but not limited to staff time, reports and notices, inspections, and administrative hearings. Nevada County Code, Section 12.05.220 authorizes collection of any delinquent costs incurred by the CDA related to abating nuisances and code violations, costs, and fees, to be placed upon the County tax roll; and such assessments may be collected the same as ordinary county taxes pursuant to California Government Code Section 25845(d).

As outlined in California Government Code Section 25845(d) and Nevada County Code Section 12.05.220, the County is expressly authorized to recover these costs as special assessments, which may be placed on the secured tax roll and collected in the same manner as ordinary County taxes. This mechanism provides a legally sound, equitable, and fiscally responsible means to recover enforcement costs when voluntary payment is not received.

It promotes accountability, deters future violations, and ensures the CDA can continue to operate enforcement programs effectively without incurring unreimbursed costs. This process upholds the principle that the cost of enforcement should not fall on the taxpayers but on those who violate the County Code and initially fail to voluntarily comply.

Sending administrative cost invoices while a Code Violation Case is open promotes transparency by informing the property owner that costs will continue to accrue until compliance is achieved, due to ongoing enforcement costs. It also ensures those costs are placed on the secured property tax roll under the owner responsible for the violations before a sale occurs, encouraging accountability and protecting the County's ability to recover accrued enforcement costs.

When the property owners listed on Exhibit A of the attached Resolution (*Attachment 2*) failed to address the pertinent issues of their Code Violation Case, they received several written notices of the administrative costs incurred during the enforcement process. The

property owners also received a final notice from CDA that an assessment would be placed on their property if payment was not made in full within 30 days. The property owners listed on Exhibit A have still not made any payment on their account nor made an arrangement to pay the outstanding delinquent costs incurred by CDA related to abating nuisances and code violations, administrative costs and fees.

LEGAL AUTHORITY, ASSESSMENTS AND COST RECOVERY:

The County's authority to recover unpaid code compliance and abatement-related costs through special assessments on the secured property tax roll is firmly established under both the California Government Code and Nevada County Code. This framework provides a clear, lawful, and equitable mechanism for cost recovery and ensures alignment with standardized practices by other counties across the state.

The following provisions serve as the legal basis for this action:

- **California Government Code Section 25845(d):**

Authorizes counties to recover the actual costs of nuisance abatement—whether administrative or physical—by placing unpaid amounts as special assessments on the secured property tax roll. This authority is contingent upon the County providing the party responsible with proper notice and an opportunity to be heard through an administrative hearing process, thereby ensuring compliance with due process requirements.

- **California Government Code Section 53069.4:**

Permits the County to impose and collect administrative fines, penalties, and enforcement costs related to violations of local ordinances. This provision supports the use of graduated administrative enforcement tools, including fines and cost recovery mechanisms that do not require judicial action and are therefore more efficient and accessible for local governments.

- **Nevada County Code Section 12.05.220 (Administrative Enforcement):**

Establishes the County's local authority to recover delinquent administrative enforcement and abatement costs incurred through its code compliance program. This section expressly permits the placement of unpaid costs onto the secured tax roll for collection as special assessments, mirroring the procedures authorized under State law.

In alignment with California Government Code Section 25845(d) and Nevada County Code Section 12.05.220, properties with unpaid costs are eligible for placement on the secured property tax roll. This ensures assessments are applied only as a final enforcement tool, consistent with legal standards for cost recovery.

Together, these statutes form a comprehensive legal framework that upholds fiscal responsibility, due process protection, and administrative efficiency. Additionally, the County's approach is consistent with cost recovery practices employed by other California counties, reinforcing the legal sufficiency and policy standardization of this methodology statewide. While adding these assessments to the tax roll is the most cost-effective method, other options include filing a lawsuit or recording a lien for each item. This would be much more costly for the County and ultimately the taxpayers and likely not all costs would be recovered.

This authority also supports the County's broader objectives of ensuring that the cost of enforcement is borne by those who specifically violate Nevada County Code and fail to voluntarily comply (rather than general taxpayers), thus promoting fairness and program sustainability.

CODE CASE INVESTIGATION TIMELINE AND INVOICES:

Each parcel listed in Exhibit A (*Attachment 2*) has undergone a comprehensive, structured, and procedurally compliant code compliance process administered by the Nevada County Code & Cannabis Compliance Department. This process is grounded in the principles of education, fairness, transparency, and proportional enforcement. The Department seeks to resolve violations through cooperative engagement and provides multiple opportunities for voluntary compliance before pursuing formal enforcement or cost recovery actions.

The following is a general overview of the standard Code Violation Case timeline:

1. Case Initiation:

The process begins when the County receives a formal Investigative Services Request (ISR) from a member of the public, another agency, or through an internal County Department referral. Each complaint is logged and evaluated for jurisdictional validity and potential health, safety, or land use impacts.

2. Investigation and Site Inspection:

A Code Compliance Officer conducts a comprehensive review of County records, including property permits, zoning regulations, and prior case history. A site inspection is then performed to verify the presence and extent of any violations. All findings are documented with photographs, case notes, and relevant evidentiary materials.

3. Violation Warning Letter:

If violations are confirmed, the Department issues a Violation Warning Letter to the property owner and/or responsible party. This letter outlines the specific violations of the Nevada County Code, provides a clear explanation of the required corrective actions, and sets an initial compliance deadline of approximately 30 days. While this

timeframe is typical, it may be shortened depending on the severity of the violations and associated health and safety risks. This letter provides the code officer's contact information for assistance, informs owners of potential assessments for the officer's hourly rate and administrative costs, and outlines possible enforcement actions, including fines and County-performed abatements at the owner's expense.

4. Citation Warning Letter:

If the violations are not corrected within the initial compliance period, the County issues a Citation Warning Letter, granting an additional 30-day (depending on the nature of the violation, as outlined above) opportunity to bring the property into compliance. This letter reiterates the outstanding violations and advises the property owner that continued noncompliance may result in the same enforcement actions and assessments as they were advised in the Violation Warning Letter.

5. Administrative Citations:

Should the violation remain unaddressed, the Department proceeds with the issuance of Administrative Citations, as authorized by Nevada County Code and Government Code Section 53069.4.

- Citations may range from \$100 to \$1,300 per violation level, depending on the severity, risk to public safety, and duration of noncompliance.
- Each citation includes information on the property owner's right to appeal, the procedure for submitting payment, and the consequences of continued violation.
- Administrative Citations are not subject to placement on the secured property tax roll. Only actual costs incurred by the Code & Cannabis Compliance Department, such as staff time, inspection hours, and contracted abatement costs, may be assessed as recoverable charges.
- Unpaid citations are collected through a multi-step administrative process that includes billing and written reminders to the property owner. If the citations remain unpaid, the Community Development Agency may pursue cost recovery through small claims court, superior court or the County's contracted Collections Agency. At this time citations are not subject to placement on the secured property tax roll and do not appear on the property tax bill as a special assessment and the County currently relies on alternative legal and administrative mechanisms to ensure compliance and support equitable code compliance.

6. Resolution of Code Compliance Cases and Staff Cost Invoices:

A Code Violation Case will not be closed until the necessary permits have been obtained and/or other violations are mitigated, and compliance has occurred, inspections have been made to verify compliance and Code Compliance invoices, if any, have been provided to the property owner or Responsible Party.

During the Code Violation Case compliance process the Nevada County Code & Cannabis Compliance Department may issue an invoice for staff costs or other County incurred costs with processing the Code Violation Case.

Once an invoice has been issued, it is sent to the property owner or Responsible Party for payment and summarizes all costs incurred by the County during the enforcement process, including but not limited to:

- Staff time (field inspections, case management, correspondence)
- Administrative costs (As defined in Nevada County Code Section 12.05.220)
- Hearing-related costs
- Costs for contracted abatement services, if applicable

The property owner is provided with an opportunity to pay the invoice directly. If the outstanding balance is not resolved within the prescribed timeframe, the invoice is subject to further collection action, including multiple payment notices and referral for placement on the property tax roll. Payment plans and Compliance Agreements are also offered as tools to assist property owners in addressing the violation(s).

This procedural framework ensures that code compliance is conducted with consistency, fairness, and legal integrity. It also provides multiple layers of communication and opportunity for resolution before financial penalties or assessments are imposed.

30-60-90 DAY NOTICING AND ONE-YEAR COLLECTIONS CYCLE:

When costs are incurred, the County follows a structured collections protocol to provide property owners with every reasonable opportunity to satisfy their obligation:

- **Initial Invoice:** Initial invoice detailing costs for staff time, inspections, or abatement.
- **30-Day Reminder Notice:** Reiterates outstanding balance and warns of further action
- **60-Day Reminder Notice:** Reiterates outstanding balance and warns of further action.
- **90-Day Final Demand Notice:** Final written notice of intent to place an assessment on the secured property tax roll.

If an account remains unpaid after 120 days, CDA may initiate a formal referral to the County's contracted collections agency. Upon referral, the County adds a 7% administrative charge to the original invoice amount to offset the collections agency's cost, and the collections agency retains 16% of the total invoiced amount (if paid) as part of its service agreement. If the account remains unresolved, the County does not incur any fees from the collection's agency and the original invoiced amount—exclusive of any collection-related surcharges—is submitted for placement on the secured property tax roll.

As part of the County's commitment to due process, all property owners receive written notice at multiple stages of enforcement and collections, along with clear information regarding their right to appeal prior to collection efforts. These safeguards ensure that affected parties are provided with meaningful opportunity to respond before any financial obligation is submitted for further collection efforts.

If the account remains unresolved despite efforts to collect, CDA may seek authorization from the Board of Supervisors to place the unpaid balance onto the secured property tax roll as a special assessment. Because the tax roll placement process is conducted annually, CDA compiles and submits all delinquent accounts for Board of Supervisors consideration, regardless of whether they are still in active collections. This approach ensures timely cost recovery and limits administrative delay. Requiring every account to first exhaust a multi-month noticing sequence followed by a full year in collections and then wait for tax roll placement, which is only done annually would significantly postpone cost recovery efforts, potentially by up to two years. Such delays elevate the likelihood of property transfers occurring prior to cost recovery, undermine the County's ability to ensure accountability, place additional strain on the General Fund, and prolong the resolution of unresolved Code Violation Cases.

SECURED PROPERTY TAX ROLL COLLECTION AND TAX DEFAULT IMPLICATIONS:

Once placed on the secured property tax roll, these enforcement-related assessments are collected in the same manner and timeframe as other property taxes. If left unpaid, the parcel may enter tax-default status; however, a special assessment alone does not result in a property being sold at public auction.

Pursuant to California Revenue and Taxation Code Section 3691, a parcel becomes subject to the Treasure-Tax Collector's Office power to sell only if the entire secured property tax bill—including ad valorem taxes, special assessments, and any associated penalties and costs remains unpaid for five consecutive years (or three years for certain nonresidential commercial properties). Property owners must fail to pay the full amount of their secured property tax obligations and not just the assessment for such a sale to occur. This highlights the importance of timely payment of all components of the secured property tax bill to prevent a parcel from entering tax-default status and becoming subject to future sale.

DUE PROCESS AND APPEAL RIGHTS:

The Code & Cannabis Compliance Department and the Community Development Agency are firmly committed to upholding the principles of administrative due process, procedural fairness, and transparency throughout every stage of the code compliance and cost recovery process. Property owners are afforded multiple layers of notification, opportunity for response, and access to appeal mechanisms to ensure the integrity of the enforcement program.

Key procedural safeguards include:

- **Written Notice at Each Stage:** Property owners and responsible parties receive clear and timely written notification at every stage of the enforcement process—from the initial Violation Warning Letter through to the issuance of citations and cost invoices.
- **Right to Administrative Appeal:** At each enforcement stage involving a potential penalty or cost imposition, the County provides formal notice of the right to request an appeal hearing before an independent and neutral Administrative Hearing Officer. This ensures that enforcement actions are subject to external review and that property owners have a meaningful opportunity to contest County findings.
- **Final Notification Prior to Assessment:** Before initiating assessment, placement and submitting unpaid balances for inclusion on the secured property tax roll, the Code & Cannabis Compliance Department provides final written notice of its intent to proceed. This final communication gives the Responsible Party one last opportunity to resolve the matter administratively or seek further clarification.

Furthermore, the County does not assess costs on properties where violations have been resolved, and Code Violation Cases closed. In accordance with Nevada County Code Section 12.05.220(C), unpaid enforcement-related costs are only referred for assessment when the responsible party has been afforded notice, the right to appeal, and a meaningful opportunity to resolve the matter, yet remains non-compliant. This policy upholds the integrity of the enforcement program and ensures that tax roll assessments are used judiciously and equitably.

These procedural elements are consistent with Nevada County Code and California Government Code requirements and reflect the County's commitment to accountability, public trust, and equitable enforcement. They help ensure that assessments are imposed only after ample notice and opportunity to remedy have been provided.

PUBLIC POLICY ALIGNMENT, FISCAL ACCOUNTABILITY, AND COMMUNITY IMPACT:

The placement of enforcement-related assessments onto the secured property tax roll provides significant public benefit:

- **Cost Recovery:** Ensures that the financial burden of enforcement is borne by the violator.
- **Program Integrity:** Preserves the financial sustainability of the Code & Cannabis Compliance Department and the Community Development Agency for cost recovery.
- **Equity and Deterrence:** Reinforces public expectations of compliance.

In addition, this action underscores the County's commitment to responsible fiscal stewardship by ensuring that taxpayer-funded enforcement resources are timely reimbursed wherever possible. It reduces impacts on the County's General Fund and promotes accountability by associating enforcement costs directly with the Responsible Property.

The special assessment mechanism also offers administrative efficiency by integrating cost recovery into the County's existing property tax collection infrastructure while further ensuring consistent and enforceable repayment pathways.

From a community perspective, the recovery of enforcement costs helps sustain Code and Cannabis Department compliance programs that improve neighborhood safety, promote environmental protection, and support fair and lawful property use across all Zoning Districts within Nevada County. It further ensures that all property owners are treated equitably and that those who comply with Nevada County and California Government Code are not subsidizing enforcement actions against those who do not.

This process also enhances public trust in local government by demonstrating a clear and fair process for cost recovery that is transparent, legally sound, and uniformly applied.

Finally, the placement of assessments helps prevent prolonged periods of non-compliance and encourages quicker resolution of code violation cases, thereby restoring properties to a safe and lawful status, and ensuring protection of neighborhoods to address violations that pose risks to public health, safety and welfare.

CONCLUSION AND RECOMMENDATION:

As outlined above, the Code & Cannabis Compliance Department remains committed to achieving voluntary compliance for Code Violation Cases, and the proposed assessments represent the final step in attempting to bring affected parcels into compliance.

Each of the Code Violation Cases recommended for assessment has been subject to a comprehensive, fair, and legally compliant enforcement process that spans multiple phases of outreach, noticing, appeal rights, and collections. Despite these efforts and the availability of tools and assistance to support voluntary compliance, several Responsible Parties have demonstrated ongoing non-responsiveness and have not taken meaningful steps to resolve their violations.

Authorizing the placement of these delinquent enforcement-related costs on the 2025–2026 secured property tax roll would be in alignment with several key Code & Cannabis Compliance Department and Community Development Agency code compliance program goals, including:

- Protection of public health, safety, and welfare.
- Preservation of program integrity through consistent cost recovery.
- Promotion of equitable treatment of all property owners.
- Reduction of budget impacts on the General Fund and upholds the principle that cost of enforcement should not fall on the taxpayers, but on those who violate the County Code and fail to voluntarily bring their property into compliance.

Therefore, as outlined above, staff recommends that the Nevada County Board of Supervisors adopt the attached Resolution (*Attachment 2*) authorizing placement of delinquent Community Development Agency assessments onto the 2025–2026 secured property tax roll, in accordance with applicable California Government Code and Nevada County Code.

Item Initiated By: Matt Kelley, Code & Cannabis Compliance Department, Director

Approved By: Trisha Tillotson, Community Development Agency Director

Submitted: July 7, 2025