

Introduction



The authors of this publication Rich and Julie Putnam have been investing in real estate since 1981. They were first introduced to tax lien certificate investing in 1988.

Since 1988 the tax lien certificate and tax deed world has experienced significant change due in large part to the progression of technology and the Internet. We are full time investors and instructors working in the tax lien and tax deed industry on a daily basis. The information contained in this training is indeed the most up to date available on the market today.

We are the people that the Tax Lien gurus depend on to do the actual work in the field. We have participated in the creation of the top selling programs in the world. The gurus hire us to teach their VIP clients that pay \$10,000 or more for a day of live instruction.

For the first time ever we are offering our training programs directly to the public. Without the enormous prices that the gurus charge.

What is a Tax Lien Certificate?

A Tax Lien Certificate is a first position lien on real estate due to delinquent property taxes. The term first position lien indicates that no other liens are superior to the first position lien. Usually a home mortgage enjoys the first position. However property tax liens are even superior to a home mortgage regardless of the date that the mortgage was recorded.

Once property taxes are delinquent, the county government places a lien on the property. These liens are commonly referred to as a tax lien certificate. In order to collect the delinquent taxes the county offers the property tax lien certificates for sale to investors. Tax lien certificates pay fixed rates of returns of 10% - 36% interest per year depending on the state you're investing with. The rate of return paid on a tax lien certificate is dictated by state statute. The selling price of a tax lien certificate is the amount of one years back taxes, penalties, and sale costs. Tax liens can range in price from under one hundred dollars, to hundreds of thousands of dollars.

The term of your investment is determined by the redemption period given to the property owner. Redemption periods are anywhere from six months to four years. The length of the redemption period varies by state and is set by statute. The redemption period is a grace period given to the property owner in which they may pay-off / redeem the tax lien certificate and retain ownership of the property.

The property owner or other interested party can redeem the tax lien certificate on the property anytime during the redemption period right up to midnight on the last day. In the event that the property owner does redeem the tax lien certificate the investor will receive their entire investment back plus the interest or penalty allowed by state statute.

If the property owner or other interested parties fail to redeem the tax lien certificate prior to the end of the redemption period the certificate holder may foreclose and take title to the property. Because a tax lien certificate is a first position lien all other interested parties with the exception of government agencies forfeit their rights to the property.

Tax lien certificate investments are secured by the property, similar to a mortgage, except a tax lien certificate takes priority over a mortgage. Because property taxes are a small fraction of the value of the property (usually less than 2%), a tax lien certificate investment is secured by property with a value of at least \$50 for each \$1 invested in the tax lien. I have never seen any other investment that offers that amount of security. The stock market offers no security or guarantee on your return. Your stock investment can go down to zero, of course it can increase as well but my point is there is an inherent risk in that type of investment.

Why should I invest in tax lien certificates?

Tax lien certificates offer a rate of return that simply cannot be matched by any other form of investment especially when you factor in risk. The interest rate on tax liens varies by state jurisdiction and is set by statute. The rates vary from 10% in states like Colorado and Montana to 36% in Illinois. Some states offer a penalty rather than an interest rate. A penalty is a flat fee regardless of the amount of time that has passed, therefore if a state offers a penalty the investor receives the same amount of return if the property owner redeems on the first day of the redemption period or the last. For example if the penalty is 10% and the lien amount is \$1000.00 and the redemption period is one year the investor will receive \$1100.00 upon redemption whether it takes place on the first day or the three-hundred sixty-fifth day of the year.

Interest returns are affected by the passage of time. Although technically the annual rate of return remains constant, the amount of money the investor receives increases over time. For example if you purchase a tax lien certificate that pays 18% annual interest then you will receive a monthly return of 1.5% multiplied by the number of months it takes the property owner to redeem. If the tax lien certificate was in the amount of \$1000 and the property owner redeemed in 10 months then the return would be $\$1000 \times 1.5\% \times 10 = \150 interest income.

If you exercise the proper amount of due diligence when selecting the properties on which you purchase tax lien certificates there are only two possible outcomes. The most common outcome is that the property owner will pay their taxes during the redemption period and you will receive the rate of return mandated by the state statute. The only other possible outcome is that you will own the property free and clear free of any mortgages.

It is important to remember that when you invest in a tax lien certificate you are not purchasing the property listed on the lien. You are investing in a first position lien on the property. The property owner or other interested party may redeem at

any time they choose during the redemption period. When the property redeems by paying the back taxes, fees, interest, and or penalties the tax lien is removed from the property. In this case the investor / tax lien certificate holder will receive their investment plus any interest or penalties due.

You should always purchase liens to earn a good interest rate of return. If you invest in a tax lien certificate thinking you will be able to foreclose on the property you will be disappointed most of the time.

If you want to obtain property participate in tax deed sales. In a tax deed sale you are actually purchasing the property rather than a lien on the property. Most investors start with tax lien certificate investments and then once they are comfortable with process they move onto tax deed investing.

Where to buy tax lien certificates

Tax lien certificates are offered to the public in twenty-one states. New York and Ohio, sell their tax lien certificates in bulk to large investment firms. The amount of interest paid on tax lien certificates varies from 10% to 36% and is dictated by individual state statute. The grace period or redemption period that the property owner is given to pay their delinquent property taxes is also dictated by individual state statute.

States where you can buy both tax lien certificates and tax deeds.

Some states sell both tax lien certificates and tax deeds. As mentioned above New York and Ohio don't sell their tax lien certificates to the general public. However, that only applies to their largest counties. The rest of the counties in New York and Ohio sell property tax deeds to the public. Florida and Pennsylvania sell both tax lien certificates and tax deeds to the public.

Tax lien certificate sales are handled at the county level in most states

The counties in tax lien states conduct the majority of tax lien certificate sales. The county treasurer or county tax collector sets up and manages the tax lien sale. You can find the complete details about the counties tax lien certificate process and how the sales work by contacting the county treasurer or county tax collector's office in the county that you want to invest in. There are some exceptions in New Jersey, tax lien certificate sales are conducted at the township level, in Maryland the city of Baltimore conducts their own tax lien certificate sale and in Louisiana

the sales are conducted by the parish. Once you have obtained the sale information you can attend either the live sale or an Internet sale and purchase the tax lien certificates that you want.

In conclusion getting the details of the tax lien sale is only the beginning of the process. In order to eliminate the possibility of making a costly mistake you need to carefully evaluate each property. If you are new to this process it makes a lot of sense to get some training from a qualified expert. A qualified tax lien expert can show you step by step how to evaluate the investment and show you strategies that you can use to make the highest possible return on your investment. For more information on working with an expert in tax liens visit taxliensforbeginners.com.

Where to find tax lien certificates

One of the most frequently asked questions that I get from people that are interested in investing in tax lien certificates is where can I find them? Through assignment purchasing tax lien certificates are literally available 365 days per year if you know where to look for them. Let's start with the basics.

Some basic tax lien certificate facts

First you must understand tax lien certificates are not available in all of the states. Of the fifty states only twenty-three sell tax lien certificates. Two of the twenty-three states, New York and Ohio only offer tax lien certificates to large institutional investment houses. All of the other tax lien states offer tax lien certificates to the general public. Here is a list of the twenty-one states that offer tax lien certificates for purchase:

- Alabama
- Arizona
- Colorado
- Florida
- Illinois
- Indiana
- Iowa
- Kentucky
- Louisiana
- Maryland
- Mississippi
- Missouri

- Montana
- Nebraska
- New Jersey
- Pennsylvania
- South Carolina
- Vermont
- Washington DC
- West Virginia
- Wyoming

Now that you have a list of the states that sell tax lien certificates, it is important to understand who sells the tax lien certificates. Tax lien certificates sales are handled on the county level in most states. The exceptions are New Jersey where tax lien certificates are sold at the township level, Maryland where all sales are held at the county level except Baltimore city, and Louisiana where sales are held by the parishes which are the equivalent to a county in other states.

Tax lien certificates are generally sold through the county treasurer's office.

The best place to start your search for tax lien certificates on the county level is the county treasurer's office. Most county treasurers have a webpage that is contained within the counties website. A useful resource for finding the webpage for a county treasurer is a website called "All Things Political". Here is a link to their website http://www.allthingspolitical.org/county_treasurers/county_treasurers.htm

In conclusion once you narrow your search down to the county treasurer's office, you will be able to obtain the information you need to acquire tax liens from them. The treasurer's office will be able to provide you with sales dates, a list of the tax lien certificate properties and the terms of the sale.

Two different methods you can use to buy tax lien certificates

There are two basic ways to buy tax lien certificates from the county.

1. Purchasing at a live tax lien sale or on an Internet tax lien sale.
2. Purchasing county held tax lien certificates between sales.

As mentioned above you can obtain information about the live sales and Internet sales from the county treasurer or tax collector. Tax lien certificate purchases made directly from the county are referred to as assignment purchasing or over the counter purchasing.

What you need to know about tax lien certificate auctions and tax lien certificate sales

If I decide to go to a Tax Lien Certificate sale, or tax lien certificate auction how does the sale work?

There are four basic types of tax lien certificate auctions or tax lien certificate sales; bid down the interest rate, rotational bidding, premium bidding, and bid down ownership.

IMPORTANT: you DO NOT have to go to auctions and enter into bidding competition to acquire highly profitable tax lien certificates. We're addressing the auction procedures here because it's a very commonly asked question.

The bid down the interest rate property tax sale bidding method

In the **bid down the interest rate** method of tax lien certificate auctions, the interest rate gets bid down, and the person willing to accept the lowest interest rate is the successful bidder. Typically, the interest is bid down in $\frac{1}{4}\%$ increments until the bidding stops.

The rotational bidding property tax sale method

In the **rotational bidding method of tax lien certificate auctions**, the county simply goes round robin, and each person gets to acquire his or her lien of choice from the list of liens available. They continue to rotate through the group until the group stops investing. They pay face value for the tax lien certificate, and receive the maximum interest rate.

The premium bidding property tax sale method

In the **premium bid method of tax lien certificate sales**, you're bidding a dollar amount above the price of the tax lien certificate. The premium you bid above the price of the tax lien certificate is not recovered, and goes into the county's general fund. The premiums are typically bid up in one-dollar increments. The person

willing to pay the highest premium is the successful bidder. It is important to learn how the county treats the premium above the opening bid. In some counties the full amount paid by the investor including the premium earns interest and is returned to the investor upon redemption of the tax lien certificate. Other counties return the full amount paid by the investor upon redemption but only pay interest on the opening bid amount. Finally there are some counties that do not return the premium paid by the investor thus when they pay a premium he or she is lowering their effective interest rate.

The bid down ownership property tax sale method

In the **bid down ownership method of tax lien certificate auctions**, you're bidding down the percentage of ownership of the property if the property owner fails to redeem the tax lien certificate. In all other tax sale methods if the property owner fails to redeem the tax lien certificate the investor can foreclose on the property and receive a deed free and clear. In the bid down ownership method the price of the tax lien certificate is the amount of delinquent taxes owed plus fees. The investor willing to accept the lowest percentage of ownership is the winning bidder. If the property owner fails to redeem and the investor forecloses the investor would have to pay the former property owner for the percentage of ownership that they retained as a result of bidding down the percentage of ownership. For example if the winning bid was for 90% ownership and the investor ended up foreclosing on the property they would have to pay the former owner 10% of the property's value to obtain free and clear ownership.

In conclusion it is imperative that an investor learn the sales process that the county is using for their tax lien certificate sale prior to investing in that county. In the majority of counties the county treasurer's department conducts tax lien certificate sales. As a best practice tax lien certificate investors should contact the county treasurer's office prior to the sale to determine the rules of the sale.

Is there a lot of competition for tax lien certificates?

Yes and No. If you don't have a nationwide strategy, and you restrict yourself only to your local market, then yes, there could be a lot of competition. If you have a nationwide strategy, where you have access to safely acquire tax lien certificates nationwide right from the comfort of your own home, then no, there's almost no competition.

Develop a nationwide tax lien certificate investment strategy to beat the competition.

For example, if you lived in a county that only paid 8% interest, and had very few tax lien certificates available, then there wouldn't be much opportunity there.

Conversely, when you implement the strategy of “**assignment purchasing,**” you can live in that same county, but now you have access to:

Citrus County year	10,000+ tax lien certificates	18% interest per
Lake County year	11,000+ tax lien certificates	30% interest per
Cook County year	21,000+ tax lien certificates	36% interest per

In just three Counties, Citrus County Florida, Lake County Indiana, and Cook County Illinois there were over 40,000 tax liens offered. There are over 2,000+ counties nationwide that offer tax lien certificates. *Assignment Purchasing* gives you access to tax lien certificates in all 2,000+ counties right from the comfort of your own home. Keep in mind those are only the tax lien counties. There are another 1100 counties that offer property tax deeds for sale.

Many tax lien certificates go unsold at the county sales.

Many counties throughout the country are not even able to sell all of their tax liens and deeds. Often times in the larger counties there are thousands of liens that go unsold. There are a number of reasons why the liens go unsold. One reason is that a small number of properties are undesirable and investors that know how to do the proper research avoid those properties. The primary reason however, that is there are more liens available than there are buyers to purchase them.

In conclusion if you have a nationwide strategy, I think it is safe to say that you will extinguish your capital before you run out of tax lien and tax deed investment opportunities.

Understanding the market you are investing in.



Understanding the market you intend to invest in is paramount to your success as a tax lien or tax deed investor. When analyzing and selecting a state / county to invest in make sure you consider the following factors:

1. What is the interest rate?

The interest rate in tax lien states varies according to the statutes that govern the individual states. It is important to

determine what interest rate you will be paid on the tax lien certificates that you invest in. The sales process that the counties use can have a major effect on the amount of interest that you receive.

2. What is the redemption period?

The redemption period in a particular state has a great deal to do with the liquidity of your tax lien certificate investment. For example if you invest in a tax lien certificate in the state of Maryland the redemption period is only six months. That means that you will either receive your investment plus interest in six-months or you can foreclose on the property and take ownership of it by the sixth month. On the other side of the scale is the state of Wyoming, which has a four-year redemption period. In Wyoming the property owner can take up to four years to redeem before you can foreclose and take ownership of the property. Maryland and Wyoming are the two extremes, in most other states the redemption period falls in between these two examples.

3. Do they pay an annualized interest rate or flat penalty?

This is a very good question to ask. If the state pays an annualized interest rate you will receive that amount divided by twelve as a monthly interest rate, i.e. $18\% \div 12 \text{ months} = 1.5\%$. In this case 1.5% per month is the amount of interest that your investment would earn for each month prior to redemption i.e. if the property owner redeems in 6 months you would receive your investment plus 9% ($6 \text{ months} \times 1.5\% \text{ interest}$). If the state pays a flat penalty then you will receive the full penalty rate regardless of when during the redemption period the property owner redeems i.e. if the penalty is 15% and the property owner redeems in the first three months you would receive you investment plus 15% interest. If the redemption period is

one year and the property owner redeems on day 364 you would receive your investment back plus 15% in the same state.

4. When do the live auctions take place?

You will want to determine when the live auctions take place for two reasons. Reason number one, so that you can make plans to attend the auction. Number two, by knowing the date of the live auction you can reasonably determine a date range to begin seeking assignment purchases if that county offers them.

5. What are the auction procedures?

It is very important to determine the auction procedures in the state that you choose to invest in. For example if the state uses a bid down the interest procedure then the rate of interest you receive can be greatly affected. If the state that you choose uses a premium bidding method the price you pay for the tax lien may be effected.

6. Do they allow assignment purchasing?

First you will want to determine whether or not the county allows assignment purchasing. Second you should determine how assignment purchases could be made. i.e. a. online b. offline c. both

7. Where do we acquire lists and detailed information?

You should determine where and how you could acquire the list of tax lien's or tax deeds to be sold at the auction. We have a great tool called the URT that offers the sales lists form all of the counties. Additionally you can check with the county treasurer or tax collector's office to see if they have lists available. Often times you can find a list in legal notices of the local newspaper a few weeks prior to the sale.

Which state / county should I start with?



An important question to ask is which market should I start with? There are several factors you should take into consideration before making the decision on which market you want to start with. In this section I will show you which factors to consider in your decision.

Understanding the factors to consider should go a long way towards helping you make the best decision for meeting your objectives.

First step to choosing a market, do you want liens or deeds?

The first decision you need to make, is do you want to invest in tax liens or tax deeds? The answer to that question will reduce your choices by almost 50% in that roughly half of the states offer liens and the other half offer deeds. Of course you can do both so I will outline both choices for you.

How should I decide if I choose to start with tax liens?

A common decision is to choose the state with the highest interest rate or penalty. That may not be the best factor to use when choosing a state. In order to determine which state will offer the highest return you need to also consider their sales method, redemption period, reimbursable fees (usually related to noticing requirements), and their foreclosure process. Another common choice is to start with the state where you currently reside. That is not a bad idea, but you may be required to take a broader approach if you want to buy liens and your state doesn't offer them, or to find the best available opportunities.

Use a nationwide strategy.

Take in your resources into consideration. Do you have relatives, friends, or business associates in a state other than the one you reside in? Where do you like to vacation or is there a state that you travel to on a regular basis? Using your resources can easily open up markets to you that might not have otherwise considered. Using a nationwide strategy will provide you with numerous opportunities to invest your money at high rates of return.

How should I decide if I choose to start with tax deeds?

First you should evaluate your resources as mentioned in the paragraph above. It is even more important to have local resources when you are investing in deeds because you are buying the property rather than a lien on the property. If you aren't planning to visit the property yourself, you will need someone that you can trust to determine the condition of the property, which you are buying prior to investing in it. That is not to say that you have to have relatives or friends in the state where you plan on doing business. If you lack resources in a state that you are interested in, can develop some resources by working with a local realtor or other professional in the area.

Look at overall market conditions.

Investing in deeds requires an exit strategy in order to monetize the investment. When choosing a deed state or even a county in a deed state make sure you take



the current condition of the local housing market into consideration. If the market is strong you may have to pay a bit more for the property than you will in a soft market. Paying a little more may payoff in the long run if the property is easier to sell or rent.

Is it best to start with tax liens or tax deeds?

Many of you have been asking us if it is better to get started by investing in tax liens or tax deeds. That is a valid question and in this blog we will explore the answer. In order to answer the question on which investment strategy is best to begin with, you need to understand the difference in the two types of investments.

What is a tax lien investment?

When you invest in a tax lien certificate you **are not** purchasing the property. Your investment in a tax lien certificate is in effect paying the delinquent property taxes to the county in exchange for a first position lien on the property and a set interest rate or penalty. The property serves as the collateral backing your investment. If the property owner fails to redeem the property prior to the end of the redemption period, then as the owner of the tax lien certificate you can foreclose on the property and gain free and clear ownership of the property. This is not a common occurrence and you should make tax lien investments based on the interest rate not on getting ownership of the property.

What is a tax deed investment?

When you invest in a tax deed you **are** purchasing the property. In tax deed states the counties take ownership of all of the tax lien certificates and if the property owner fails to redeem the back taxes during the redemption period the county forecloses on the property. Once the county has foreclosed on the tax delinquent property they offer it for sale through public tax deed auctions. When you are the successful high bidder you will receive deed to the property once you have paid the county.

So which is better, tax liens or tax deeds?

The correct answer is neither is superior to the other. Both tax liens and tax deeds are a fantastic investment with the potential to make high returns. Your decision should be based on your desired outcome for the investment. If you want to own real estate then it is better to invest in tax deeds. If you want to make above average interest rates without necessarily owning more real estate then you should invest in tax lien certificates.

Here are some other factors to consider.

Investing in tax deeds typically requires a larger initial investment than investing in tax lien certificates. This is true for two reasons. First, the starting bid for a tax deed will be the total of three to seven years of back taxes plus penalties, interest and other fees related to the foreclosure costs. The starting bid for tax lien certificates, as a rule of thumb is the amount of taxes owed for one year plus fees related to the sale. Second, tax deeds are sold to the high bidder at the auction which means that if several investors have an interest in the same property the final sales price could rise to a level far above the opening bid. Most, but not all counties use a bidding method other than a premium bid, therefore tax lien certificates are often sold for the amount of back taxes owed for a single plus sales fees with no further premium added to the cost.

You must execute an exit strategy to monetize a tax deed investment. Exit strategies could include selling the property for a profit or renting it out for monthly cash flow. Tax lien certificates have a built in exit strategy, in that the majority of tax lien certificates are redeemed by the property owner during the redemption period.

Investing in Tax Deeds

What is a tax deed?

About half of the states do not offer tax lien certificates to outside investors. Instead they hold the liens in-house and collect the interest or penalties themselves. In the event that the property owner does not redeem the tax lien the county forecloses on the property in the same manner that a bank forecloses on a property when the owners are in the arrears on their payments. At that time the courts award the county with a tax deed. The amount of time that transpires during this process is usually three to seven years. So the property owner has had ample opportunity to step forward and pay their property tax obligations.

In order to collect the money owed in back taxes the county then offers the properties for sale to the highest bidder at public auction. The winning bidder is presented with a tax deed to the property and thus becomes the legal owner of the property.

The title to most tax deeded properties is considered clouded by the majority of title insurance companies. In order to clear the title for a tax deed property the

investor or their attorney typically brings a quiet title action before the court. Once the judge gives approval to the foreclosure process that was used to obtain the deed and that all interested parties received proper notice of the tax sale and the ramifications of failure to pay the taxes the title is considered quieted. After the title is quieted the deed can be insured with title insurance giving it the same standing as a warranty deed. Warranty deeds are considered the most marketable form of property title.

One of the first actions the investor should take after acquiring the property is to get the title cleared. The process of quieting title can take up to several months, so the sooner the process is start the sooner the investor can sell the property to another buyer.

Some investors choose to sell their tax deed properties to other investors on a wholesale basis. In this case quieting the title is often left to the wholesale buyer, tax deeds are a perfectly legal form of ownership and it is well within the law to transfer ownership of a tax deed to another individual. In the retail market you are selling to the end buyer, in this case, banks will not offer a mortgage unless the title is quieted and insured.

Many investors choose to retain ownership of the properties that they acquire and lease or rent them for cash flow. In this case it is not necessary to quiet the title prior to renting or leasing the property to a tenant. If the investor chooses to sell the property at a future date they should conduct a quiet title action, however most liens have a statute of limitations so if a period of two or more years have passed since the acquisition of the tax deed a title insurance company may be willing to provide title insurance at that time.

Due to the fact that you are acquiring property ownership in a deed sale it is crucial that the investor perform detailed due diligence prior to bidding at the tax sale. In tax lien and tax deed auctions all sales are final and it is the sole responsibility of the investor to perform all due diligence. The term buyer beware definitely applies to tax deed investing.

Julie and I have a strict rule “if you’re not eyeing it you’re not buying it”. We actually travel to each market we invest in and view the properties with our own eyes prior to bidding on any tax deed properties. It is important to note that entering these properties prior to your ownership is considered trespassing, which is illegal.

You will need to make your inspections from the street. It is a good idea to work closely with a real estate agent or other professional to determine the market value and marketability of the property especially if you are not an experienced real estate investor.

You don't have to do this on your own, hire a proxy.

Many new tax deed investors choose to hire proxies to do their bidding and due diligence. A qualified proxy can do all of the work for you. Because of their experience and expertise they are able to make your investment as risk free as possible. Typically a deed proxy charges expenses to travel to and from the sale upfront. The rest of their fees are paid once the property is sold or leased.

Another course you may want to take is to hire an expert to mentor you through the process. Professional mentoring may seem expensive at first; however they can help you avoid mistakes that could cost you many multiples of their fees. They also show you the tricks of the trade, which will enable you to find the best deals and properly research them.

If you are interested in using a proxy or working with a mentor contact me. Rich Putnam or my wife Julie Putnam: our email is mentoring@taxliensforbeginners.com or visit our website www.taxliensforbeginners.com

You must have an exit strategy to make money with Tax Deeds.

When you invest in a tax deed you are acquiring ownership in the property. In order to make money with a property there are really only two basic options, sell it or rent it. Of course there are a number of variations on the terms of a property sale or rental but basically in order to profit you must pick one and execute. If you are not able to effectively market your property it can end up costing you money rather than make you money. The best approach is to use experienced real estate professionals' to aide you in the process.

Now that you have a basic overview of what tax liens and tax deeds are and how they work, you are ready to use the 50 State Guide BELOW to determine the markets that best meet your investment needs.

If you would like additional training or mentoring please visit our website www.taxliensforbeginners.com to review the programs we have to offer or contact us via email mentoring@taxliensforbeginners.com

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STATE

GUIDE

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ALABAMA

Total Counties = 67



Sale Type: Lien

Interest Rate: 12% per Annum

Bid Method: Premium bid (premium also receives 12%)

Under this method, the tax certificate will go to the highest bidder and that could be in excess of the lien amount.

Redemption Period: 3 years

State Statute Sections: Code of Alabama Sections 40-10-15, 2, 120, 121, 187

Over the Counter – Yes at a state level

Alabama Deed Sales: Lands Available Date until Sold

Alabama Department of Revenue

www.revenueAlabama.gov/advalorem/transcript/transcript.htm

State Statutes require that the sale take place in May of each year

Art 1 Sec 40-10-15

General Information

Alabama's method of delinquent property tax collection is that of a classic tax lien format. Alabama Code provides that the state, county, and /or any municipality shall have a lien upon each and every piece of property when it becomes assessable, and that the lien shall continue until such taxes are paid. And further, that these liens are superior to all other liens, and that they may be enforced and foreclosed by sale for taxes. Alabama Code identifies a "tax lien" as a perpetual first priority lien against any parcel of real property. Alabama property taxes are due on October 1 each year, and become delinquent on the following January

Alabama Code allows that each county tax collector adopts a procedure, date and time for the sale and transfer of tax liens that they deem appropriate. Most sales take place in May and June. In 2004 Jefferson County reported that approximately 4000 tax lien certificates are offered annually, in an amount of approximately \$2 million. Sales are made by public outcry to the highest bidder for cash, usually payable by the end of the day of the sale. This is also known as premium bidding process. In other words the total of taxes, interest and fees due on the date of the sale is the minimum or offered bid. Bidders offer an amount additional to that total with the winner offering the highest bid. The sale continues from day to day until all parcels have been publicly offered. Subsequent delinquent taxes may then be paid by the investor as they become delinquent on each succeeding October 1st. If the subsequent taxes are not paid by the investor they will be offered at the next annual tax sale in May. Prior to the expiration of three years from the date the tax lien certificate is sold, the owner, or any other interest party in the real estate may redeem said tax lien certificate, by payment of all taxes then due, plus interest at the rate of 12% per annum from date of sale. Tax Lien Certificates not sold at the annual sale are assigned to the State of Alabama and available for purchase by private investors from the state at any time prior to the expiration of three years from the date of the sale/assignment to the state. After three years have expired, a tax deed is available from the state upon proper application and payment of the appropriate fees. Parcels assigned to the State that remain unredeemed for a period of five years from the date of the sale may be sold at a private sale to any purchaser for cash at best obtainable price, irrespective of the amount of taxes due. These types of sales are held pursuant to Alabama code. The State of Alabama, department of Revenue, Property tax division, makes a Book of

lands available for purchase. Individual county tax officials may have lists of the properties available in their respective county. Upon application and payment of the appropriate fees the department of Revenue shall execute a tax deed in favor of the purchaser. Alabama's redemption period is three years from the date of the sale to any private purchaser, or from the date the lien was assigned to the State, if said tax lien certificate was purchased by a private investor, sometime after the State took the assignment. After the three years has expired, and upon payment of the appropriate fees, the purchaser of the tax lien certificate is entitled to a tax deed entered by the Judge of the Probate court. Pursuant to Alabama code, such deed shall convey to and vest in the grantee all right, title, interest and estate of the prior owner, and the lien and claim of the county and state thereto. The tax deed received pursuant to the Alabama process is the result of an administrative fore-closure and does not guarantee free and clear, or marketable title. A Quieting title legal proceeding may be required in order to gain insurable title. Although, Alabama case law has supported marketable title free from challenges upon adverse possession of the tax deeded property for a period of three years following receipt of the tax deed, without the need for a Quiet tile law suit. It is recommended that you seek the advice of a competent Alabama real estate lawyer regarding decisions in perfecting title.

Notice of Sale:

The notice of sale is posted 30 days before the day of the sale, by publication for three successive weeks in some newspaper published in the county. Sales must be held in front of the courthouse door between the hours of 10:00 am and 4:00 pm. In Alabama, the statutes refer to the auction as a sale of "real estate". Don't be confused by this terminology. The auction is till selling tax liens and you are only purchasing a tax lien that is attached to real estate. Always remember you are not purchasing the real estate at an Alabama general tax sale, you are buying a tax lien. The opening bid for an Alabama tax lien certificate is made of the amount of the bak taxes, penalties, fees and charges. The tax certificate is sold to the highest bidder using a "bid up" system or premium bidding method.

Payments of Tax Certificate

Payment for the tax certificates must be made immediately. If payment is not made the collector will once again, offer it for sale. After a confirmation of the sale is made, the tax collector must make out and deliver a certificate of purchase.

You should contact each county to determine the types of payment required as they vary in this state. You can typically can expect payment by cashier's check.

Property Not Sold at the Tax Sale

Over-the-counter:

Tax Certificates not purchased at the county level are delivered to the Alabama Commissioner of Revenue. You may contact the state commissioner at: Alabama Department of Revenue, Property Tax Division in Montgomery.

ALASKA

Divided by Boroughs



Sale Type: Deed State

Interest Rate: N/A

Bid Method: Set by municipality

Redemption period: 1 Year minimum

Statue Sections: Alaska Statutes, Chapter 48

Over the Counter – No

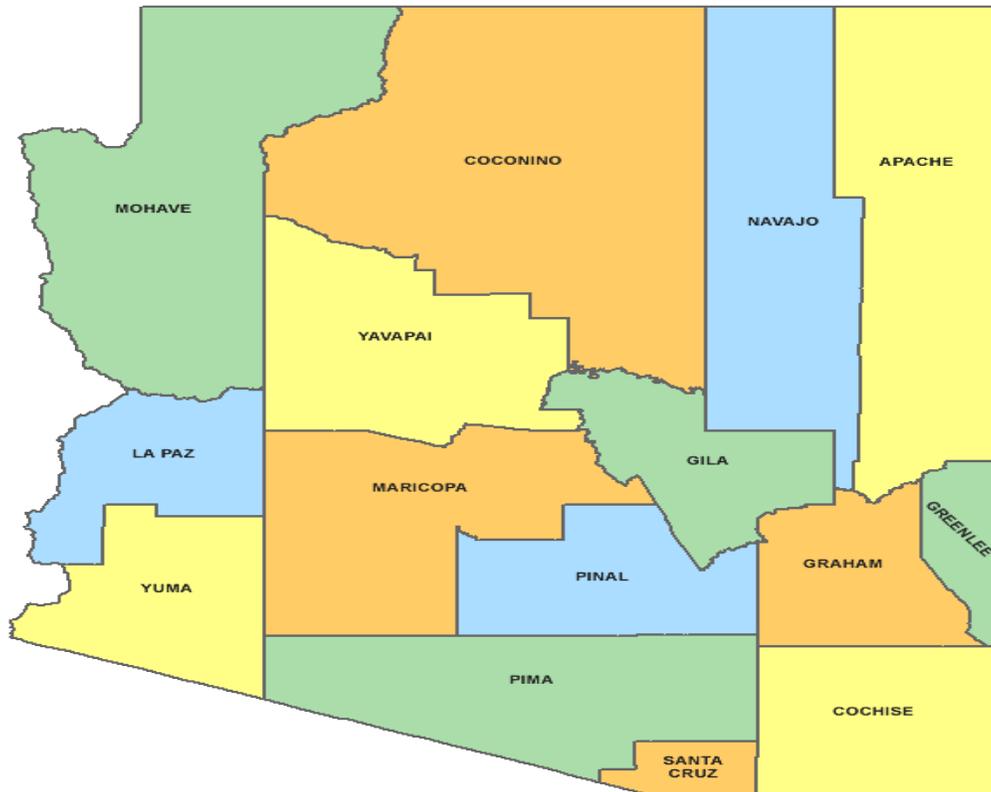
Sale Dates:

Alaska is a classic deed sale type state. Like many of the New England states, the municipalities, a.k.a. cities, a.k.a. towns are the sub-political jurisdictions charged with the duty of property tax

assessment and collection with respect to those properties that physically lie within an incorporated city/town. However, Borough government (for our purposes Borough is synonymous with county government) plays a role in the tax sale of properties not lying within an incorporated city/town. Annually, Alaska municipalities are required by statute to present to petition for judgment and the foreclosure list of the previous year's delinquent taxes to the state superior court. The municipality is allowed to bring one foreclosure action; the completion of that action is mandated by statute to hold the same force and effect as the filing of a foreclosure for each individual lien. Upon completion of statutory requirements including, but not limited to notification and publication and in proper case the court shall give judgment and decree that the tax liens be foreclosed. Foreclosed properties are transferred to the municipality for the lien amount. The certified judgment and decree constitutes a transfer of the property to the municipality. Properties transferred to the municipality are held by the municipality for at least one year. This time period is considered to be a redemption period for the delinquent property owner and/or other lien holders of the real estate. Foreclosure does not affect the former owner's right to possession during the redemption period. If waste is committed by the former owner or by anyone acting under the permission or control of the former owner, the municipality may declare an immediate forfeiture of the right to possession. Upon expiration of the redemption period, unredeemed property in the area of the borough outside all cities is deeded to the borough by the clerk of the court. Unredeemed property in a city is deeded to the city subject to the payment by the city of unpaid borough taxes and costs of foreclosure levied against the property before foreclosure. Conveyance gives the municipality clear title, except for prior recorded tax liens of the United States and the state. If unredeemed property lies in a city and if the city has no immediate public use for the property but the borough does have an immediate public use, the city shall deed the property to the borough. If unredeemed property lies in the borough outside all cities and if the borough does not have an immediate public use for the property but a city does have an immediate public use, the borough shall deed the property to the city. Two years after the date of the deed, its validity is conclusively presumed and a claim of the former owner or other person having an interest in the property is forever barred. Tax-foreclosed property conveyed to a municipality by tax foreclosure and not required for a public purpose may be sold. Policies and procedures for the sale of Tax Foreclosed properties are regulated by individual Municipality and Borough code. Please consult each for sale opportunities and rules and regulations for purchasing.

ARIZONA

Total Counties = 15



Sale Type: Lien

Interest Rate: 16%

Bid Method: Bid Down the Interest

Redemption Period: 3 Years (in judicial foreclosure)

5 Years (in non-judicial foreclosure)

State Statute Sections: Arizona Revised Statutes

Sections 42-312, 390, 393, 410, 451,462

Over the Counter – Yes

Sale Dates – February

Coconino (Flagstaff) – 3rd Tuesday

According to Arizona Statutes every tax levied upon real or personal property shall be a lien upon the property assessed. The lien shall attach on the first day of January each year, and shall not be satisfied or removed until the taxes, penalties, charges and interest are paid or the property has finally vested in a purchaser under a sale for taxes. The lien shall be prior and superior to all other liens and encumbrances upon the property, except liens or encumbrances held by the state. One-half of the taxes on all real property will be due and payable October 1, unless the total amount of taxes is twenty-five dollars or less in which case the full amount of the taxes will be due and payable on October 1. The remaining one-half of such taxes, if any, will be due and payable on and after the following March 1. The delinquent dates as follows; One-half of the amount of taxes due on real property is delinquent after November 1 at 5:00 p.m., and the remaining one-half is delinquent, if unpaid, after the following May 1 at 5:00 p.m. Interest will be added to the tax from the time of the delinquency at the rate of sixteen per cent per year simple, prorated monthly as of the first day of the month until paid. Arizona statute further mandates that county treasurers' secure the payment of unpaid delinquent taxes by the sale of a tax lien and or the foreclosure of the right to redeem by which tax collection is enforced. Following the May delinquent date, county Treasurers routinely mail delinquent taxpayers two notices; one in July and one in December. The December notice states that a 5% publication fee will attach to all unpaid delinquent tax as of January 1 and that the date for tax lien sale has been set. After January 1, the county treasurers publish the list and notice in two consecutive weekly issues of the officially designated county newspaper. The first publication of the notice shall be not less than two weeks nor more than three weeks prior to the date of sale. The county treasurers will also post the list and notice near the outer door of the office of the county treasurer, which shall remain posted for a period of not less than two weeks before the date of sale. If there is no newspaper published in the county, notice given by posting is sufficient. Tax lien sales shall be held in February each year for those parcels that have been properly noticed

and advertised. On the day designated in the list and notice the county treasurer commences the sale of all tax liens on which the taxes and charges have not been paid, and continues the sale from day to day, Saturdays, Sundays and holidays excluded, until the tax lien on each parcel has been sold. If there is no bid for any tax lien offered, it is assigned to the state for the amount of the taxes, interest, penalties and charges. The liens are sold to the person who pays the whole amount of delinquent taxes, interest, penalties, and charges then due on the property, and who offers to accept the lowest rate of interest for their investment. The maximum rate (aka opening bid) may not exceed the rate of sixteen percent per year simple from February 1 until redeemed. A fraction of the month shall be counted as a full month. This method of bidding is more commonly known as the Bid-Down process. A Certificate of Purchase is executed and delivered to each lien purchaser at the sale for delinquent taxes or to each assignee. The certificate of purchase, whether issued to the state or to a person, shall be assignable by endorsement. The assignment when noted on the record of tax lien sales in the office of the county treasurer shall vest in the assignee all the right and title of the original purchaser.

Assignment Purchasing:

When a real property tax lien is assigned to the state, the county treasurer shall sell, assign and deliver the certificate of purchase to any person who pays to the county treasurer the whole amount then due under such certificate, including interest, penalties and charges, and who in addition pays the whole amount of subsequent taxes assessed on the real property described. Some counties have set administrative policies regulating the time of year when assignment purchasing can be completed.

On or after June 1 of each year any person desiring to pay subsequent taxes, accrued interest and related fees then due upon the real property for which he or she holds a certificate of purchase shall exhibit the certificate to the county treasurer who shall endorse thereon the amount of the subsequent taxes paid and the date of payment. This process is more commonly known as sub-taxing.

Redemption:

Real property tax liens may be redeemed by the owner, his agent, assignee or attorney, or by any person having a legal or equitable claim, including a certificate of purchase of different date, at any time before the expiration of three years from the date of sale, or thereafter at any time before the delivery of a treasurer's deed to the purchaser, his heirs or assigns, by payment to the county treasurer of the amount for which the real property tax lien was sold, with interest at the rate specified in the certificate of purchase, together with the amount of all taxes accruing on the real estate after the sale and paid by the purchaser and endorsed on the certificate of purchase, with interest at the same rate as specified in the certificate of purchase.

Foreclosure:

At any time after the expiration of three years from the sale of a tax lien, if the lien is not redeemed, the purchaser, his heirs or assigns, or the state if it is the assignee, may bring an action in superior court in the county in which the real property is located to foreclose the right to

redeem. The provisions of law and rules of civil procedure relating to civil actions shall control the proceedings, including the right of appeal. At least thirty days before filing an action to foreclose the right to redeem, the purchaser must send notice of intent to file the foreclosure action by certified mail to the property owner of record on the current tax roll and to the treasurer of the county in which the real property is located. If the court in an action to foreclose the right to redeem finds the sale valid, and that the tax lien has not been redeemed, judgment shall be entered foreclosing the right to redeem and commanding the county treasurer to execute and deliver to the party in whose favor judgment is entered, (including the state) a deed conveying the property described in the certificate of purchase. After entry of judgment the parties whose rights to redeem the tax lien are thereby foreclosed shall have no further right, title or interest in the property, either in law or in equity. At any time prior to entry of judgment foreclosing the right of redemption any person entitled to redeem may redeem, notwithstanding that an action has been commenced. However, if redemption is made by any person who has been served personally or by publication in the action, judgment shall be entered for the costs incurred by the plaintiff, together with a reasonable attorney's fee to be determined by the court.

Administrative Foreclosure:

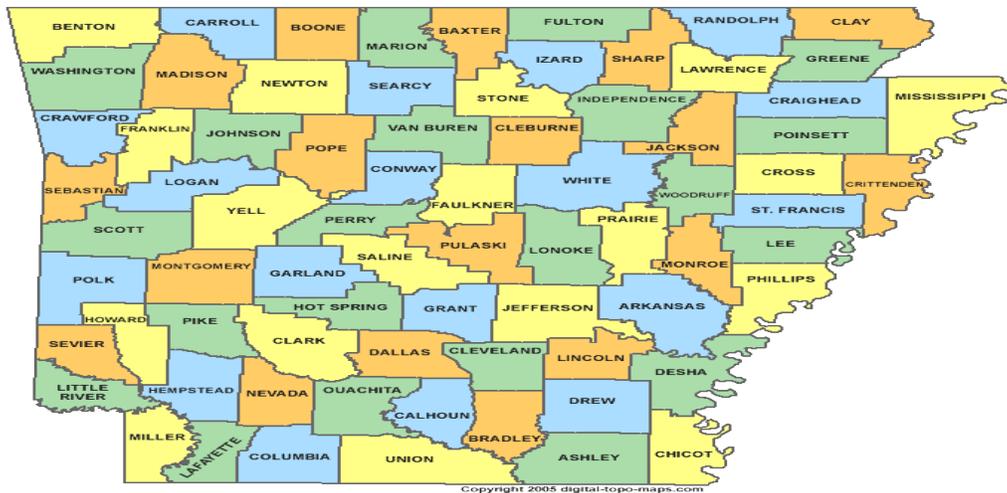
At any time after expiration of five years from the sale of a tax lien, if the lien is not redeemed, the purchaser or his assigns, including the state if it is the assignee, may instead of filing an action in superior court, apply for and receive a treasurer's deed to the property pursuant to the conditions set forth.

State Owned Property:

The County's Board of Supervisors, on or before the first Monday of November each year, must prepare a list of the real estate within the county held by the state by tax deed. The board of supervisors may, after advertisement; sell the real estate within the county held by the state by tax deed to the highest bidder for cash, and upon the sale shall execute and deliver to the purchaser, a deed conveying to him the title of the state.

ARKANSAS

Total Counties = 75



Sale Type: Deed

Bid Method: Premium Bid

Redemption Period: 30 days from Auction Date

State Statute Sections: Arkansas Code, Chapter 38

Over the Counter – No

Sale -COSL.ORG

All lands upon which the taxes have not been paid for one year following the date the taxes were due shall be forfeited to the State of Arkansas and transmitted by certification to the Commissioner of State Lands for collection or sale. No tax-delinquent lands shall be sold at the county level. the county shall hold all tax delinquent lands in the county for one year after the date of delinquency, and if not redeemed by the certification date, which shall be no later than July 1 of the following year, the collector shall transmit it to the state after notice as provided in this chapter indicating all, taxes, penalties, interest and costs due and the name and last known address of the owner of record at the tax-delinquent land. Upon receipt of the certification, title to the tax delinquent lands shall vest in the State of Arkansas in care of the Commissioner of State Lands.

Publication of Fee Notice: The county collector in each county shall, not less than thirty days nor more than forty days prior to the certification of the land, cause to be published in a newspaper of general circulation in the county: Fees for the publication shall be the same as set forth.

Procedure to Sell:

Bidders may bid at the sale or mail their bid to the office of the Commissioner of State Lands. Bids shall be delivered at the appropriate place before the deadline established in the notice of sale. If no one bids at least the assessed value, the commissioner may negotiate a sale. All negotiated sales shall have approval of the Attorney General of the State of Arkansas. Sales in the county wherein the land is located, unless the commissioner determines there are not enough parcels of land to justify a sale in one county only. In that case, the commissioner may hold a tax-delinquent land sale in one location and thereat sell land located in more than one county if the counties wherein the lands are located are adjoining counties. The sales shall be conducted on the dates specified in the notices required by this subchapter. Unless the owner of record tender all taxes, penalties, interest, and costs due within thirty days after the date of sale, a limited warranty deed will be issued by the commissioner to the purchaser.

Conveyance To Purchaser – CONTEST: If the tax-delinquent land is not redeemed within the thirty-day period, the commissioner of State lands shall issue a limited warranty deed to the land.(a) (1) All actions to contest the validity of the conveyance shall be brought within two years after the date of the conveyance or thereafter be barred, except as to causes of actions by persons suffering a mental incapacity, minors, or those serving in the United States armed forces during time or war during the two-year period. (2) Those persons shall not be allowed to contest the validity of the conveyance after the expiration of two years after the disability is removed or the person reaches majority or the person is released from active duty with the armed forces.

(b) No deed issued after January 1, 1987 by the commissioner of State lands shall be void or voidable on the ground that the county did not strictly comply with the laws governing tax delinquent land, provided that prior to the issuance of the deed, the commissioner of State lands complied with the laws governing the disposition of tax delinquent land.(c) Nothing in this section shall Prevent any taxpayer from attacking a deed issued by the commissioner of State lands on the ground that taxes have actually been paid.

Sale Type: Deed State

Bid Method: Premium Bid

Redemption Period – 5 years

State Statute Sections: California Revenue and Taxation Code

Chapter 7, Sections 3691,3698, 3712

Over the Counter – NO

Sale Dates: Varies by County

California property tax (unlike most other states) is assessed for the fiscal year of July 1st through June 30th. Therefore tax years are identified as such; 02-03 or 03-04. A first position lien attaches to all real property on the assessment date each year as an operation of law.

Taxes Due & Delinquent:

Property tax is due in two equal installments. The first installment is due November 1st of each year and is delinquent December 10th. The second installment is due March 2nd and is delinquent April 10th. Payments submitted delinquent garner a 10% penalty. Further, unpaid properties are considered Tax Defaulted if not paid in full by June 30th of each year. On July 1st, title to these parcels is vested in the name of the state as an operation of law. In addition, delinquent interest begins to accrue at the rate of 1.5% per month (18% per annum) against the sum of tax and penalty and the previous property owner is subject to redemption fees.

Redemption:

The redemption period is defined as five years. Pursuant to statute, no property may be offered for sale until 5 years have elapsed from the date of tax default. However, property that is vacant, residentially developed land, subject to a nuisance abatement lien may be offered for sale after only three years.

Sales:

Properties that meet either of the above criteria may be offered at public auction for sale to the highest bidder at any time after the appropriate redemption period has ended. The minimum bid equaling the amount of taxes, interest, penalties, and fees due upon the property. Most counties hold annual auctions; however some has more than one per year. Properties that have been granted a property tax welfare exemption are further protected by the statute by requiring that a minimum bid of 50% of the fair market value be tendered at tax default sale. However, very few properties are granted this status and fair market value is defined in California statute as the current year's assessed value.

Terms of Sale:

California statute affords tax collectors the opportunity to offer payment for properties sold at sale under terms. However, the terms are limited. Only properties over \$5,000, and \$5,000 down or 10% of purchase price is required whichever is greater, with the balance to be paid in not more than 90 days. The title is not transferred to the purchaser until the tax collector receives payment in full.

After the Sale:

Successful bidders are awarded a tax collector's deed. Pursuant to California Statute, this deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, with the exception of liens for subsequent taxes and/or special assessments.

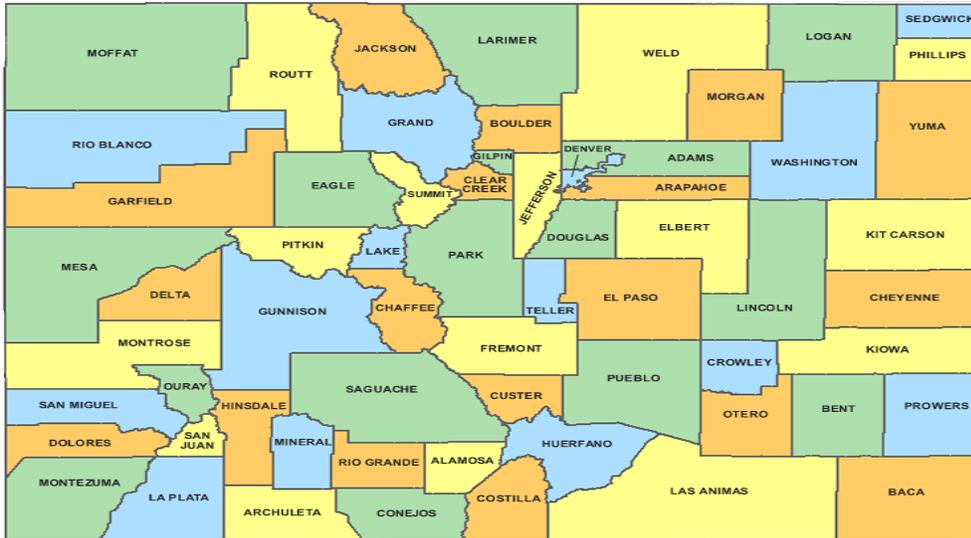
When a property has been offered for sale at least once and no acceptable bids have been tendered, the tax collector may at his/her discretion re-offer those properties at the next scheduled sale at a minimum bid/price he/she deems appropriate. Approval of the Board of Supervisors is required. This ability was granted to tax collectors in a statute revision signed to law in July of 1995. Look for some California counties to hold secondary sales in order to auction the above described properties currently held in inventory. At this point there is no over-the-counter purchasing in California. All purchases must be made at open and competitive auctions.

Title Insurance:

California statute has a statute of limitation on civil suits that can be brought for the invalidity or irregularity of a tax default sale. In other words, the statute limits the ability for the previous owner to sue the county, in the case of a manifest clerical error having been committed causing the property to be sold, when in fact the taxes were paid, to one year. Via a loose interpretation of this law, many title insurance companies have refused to issue title insurance on parcels bought at tax sale for a period of one year following the purchase date. This problem is easily overcome by (A) filing a quiet title action in civil court, or (B) obtaining a quit claim deed from the previous owner.

COLORADO

Total Counties = 64



Sale Type: Lien State

Interest Rate: Prime Rate + 9 Points

Bid Method: Premium Bidding

(Amounts over the opening bid are NOT refunded)

Redemption Period – 3 years

State Statute Sections: Colorado Revised Statutes, Sections 39-12-103, 39-11-120, 122

Over the Counter – Allowed but not mandatory by statute, check each county

Sale Dates 1st Thursday in November

Interest Rate:

Federal Discount rate on September 1st of each year (in 2004 this was 3), plus 9 points
Redemption Period: 3 Year Redemption As an operation of law a lien for general taxes for the current year attaches to all real property at 12 noon on the assessment date each year. Such lien shall be a perpetual lien and have priority over all other liens until such taxes are paid in full or properly foreclosed as stated in Colorado Revised Statutes.

Taxes Due & Delinquent:

Property taxes become due & payable on January 1 following the year of assessment. First installment of property taxes becomes delinquent on February 28th of the following year with the second installment becoming delinquent on the following June 15th. (i.e. 2004 tax is delinquent on 2/28/05 & 6/15/05)

Lien Sales:

County Treasurers are allowed by state statute to hold tax lien auctions between September 1st and in late October or November. The interest rate to be paid on tax lien redemptions is also determined by state statute which mandates that it equal the federal discount rate on September 1st of each year, plus 9 points. For 2004 it is set at 12%.

Sale Procedures:

Bidding at auction is of a premium nature. Opening bid equals tax, interest, and costs, then proceeds in an oral and competitive format. The bid can increase in increments of \$1, \$5, or more, depending on the amount of the lien offered. Individual treasurers set the increments. Please note; smaller counties in Colorado may subscribe to a rotation bid process. The investor earns 12% simple interest (discount rate plus 9 points) which accrues against the minimum bid only. The tax lien purchaser is not reimbursed for any premium paid, nor does that amount accrue interest. Any premium bid placed is (in effect) lost. The county captures the benefit of the premium. Some counties require to the amount you expect to spend. Should you exceed this amount your ability to purchase will be suspended until an additional deposit can be made.

After the Sale:

Successful bidders are awarded a Certificate of Purchase (a.k.a. CP) as evidence of the lien assignment. Parcels not purchased at auction are then available across the counter, called Assignment Purchasing. This process is usually available one to two weeks after the close of the sale (auction).

Sub-Taxing:

On the following June 16th, the subsequent year's taxes will be delinquent if unpaid. The investor owning the previous year's tax lien now has the opportunity to attach this new delinquency to his/her pre-existing lien. This process is known as sub-taxing. The cost of a sub-tax equals the amount of delinquent tax due, and is available exclusively to the CP holder, some four months prior to the fall auction. This new amount will now begin to accrue 12% simple interest. In effect, by doubling the amount of the investment/ liability makes redemption by the property owner more difficult.

Redemption:

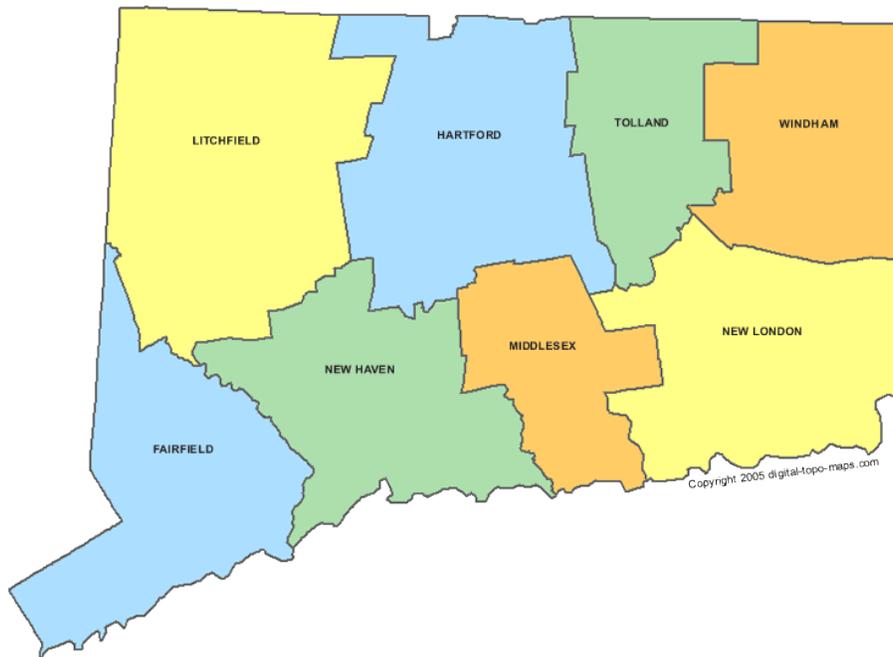
Colorado tax certificates garner a three-year redemption period. The clock begins ticking on the day the lien is first offered for auction. At the end of this period, the CP holder may apply for a treasurer's deed.

Foreclosure:

The administrative action to foreclose and issue deed will take approximately 6 months. The cost of title work and foreclosure processing can vary from county to county, starting around \$800.00. The property owner may still redeem during this time frame, however he/ she would be responsible to the CP holder for any costs incurred during this process. Colorado Tax Certificates are said to be in good standing for a period of 8 years from the date of issue. If no action has been taken to perfect the lien prior to this date the certificate is voided and the tax liability abated. After taking the Treasurer's Deed a to tax defaulted property, both Colorado statutes and State Treasurer's recommend the filing of a quiet title action in order to perfect title.

CONNECTICUT

Total Counties = 8



Sale Type: Tax Lien Certificates & Deed Sales

(hybrid state)

Interest Rate: 18% per annum

Bid Method: Premium Bid

Redemption Period: 1 Year, (6 months on Deed Sales)

State Statute Sections: General Statutes of Connecticut Section 12-157

Over the Counter – No

Sale Dates – June

The state mandates that the legislative body of each municipality is responsible for determining when and how property taxes are due and when they become delinquent. This is unlike most states where counties are the sub-political jurisdiction responsible for the levy and collection of a real property tax. Connecticut's method of delinquent property tax collection is not that of a classic tax lien format, nor is it that of a classic tax deed format, rather a combination of the two.

Taxes Due & Delinquent & Lien Sales:

It would be safe to characterize the state's procedures more like a deed state that acts like a lien state. as in many deed states a lien is established as an operation of law. In this instance the lien exists from the date of assessment in the year previous when said tax is due until one year after said tax is due. Such lien, during its existence may be enforced by levy and sale of the underlying real estate and shall take precedence of all transfers and encumbrances in any manner affecting such interest. Further, Connecticut General Statutes Sec. 12-172 provide that such lien may be enforced by levy and sale of such real estate. Each municipality's tax collector may continue an unpaid lien as they see fit, by recording a certificate with the town clerk. And may bring a suit for the foreclosure of the tax lien(s) in the name of the municipality.

Foreclosures & Redemption:

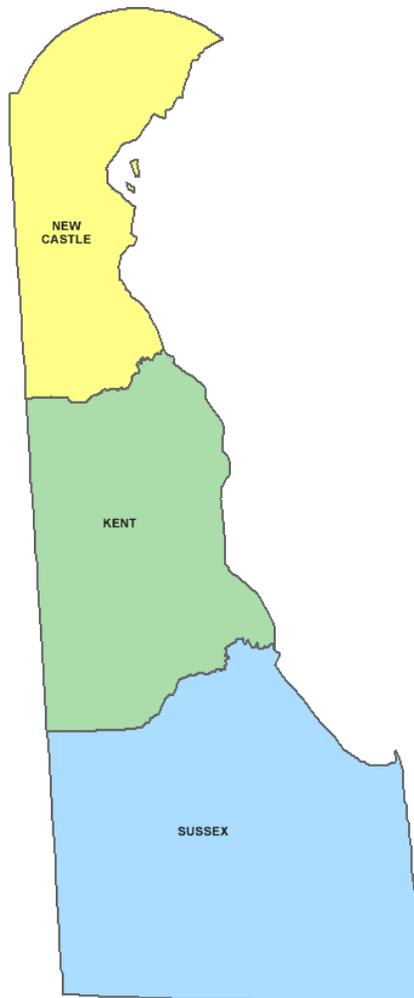
The result of the foreclosure action may result in title being taken by the municipality, or said collector may offer deed to the property for sale, subject to notification requirements of all interested parties as mandated by state statute. The sale shall be to the highest bidder. Within two weeks after such sale, the tax collector shall execute a tax deed thereof to the purchaser or to the municipality conducting the sale and shall lodge the same with the town clerk, where it shall remain unrecorded for six months from the date of sale, AKA the redemption period. For some types of properties (i.e. abandoned, etc.) the redemption period can be as short of 60 days, but never longer than 6 months. During this redemption period additional notices are sent to all interested parties and again published in a newspaper of general circulation in the town. If an interested party redeems a property from such sale, said redeeming party is responsible for the taxes, interest, charges, (the aggregate of which was the opening bid at sale) and appropriate interest earned as described above. Monies paid in excess of that amount by the purchaser at tax sale to win the bid, will be returned to the purchaser by the town/municipality, which has held that amount in escrow since the date of sale, without interest. Interest earned on the escrowed sale earnings are the property of the town.

Interest Rate:

The interest rate set for delinquent property tax payments is set at 18% per annum, simply calculated, or as written in state statute §12-145, one and one-half per cent of such unpaid tax for each month or fraction thereof until the same is paid. If redemption is not received within the six-month redemption period, the deed is recorded and has full effect. The delinquent taxpayer and all mortgages, lien holders and other recorded encumbrances who have received actual or constructive notice of such sale will have their titles, mortgages, liens and other encumbrances extinguished, pursuant to Connecticut General Statutes §2-157. No sale of real estate for taxes or foreclosure of any lien shall divest the estate sold of any existing lien for other taxes. In other words, other taxes are not extinguished. In addition to this method and more like a common lien state Connecticut General Statute 12195h allows for the assignment, for consideration (sell) of the actual tax lien to secure unpaid taxes. the consideration for the sale of such liens to be negotiated by the municipality and the assignee. the assignee to possess the same powers and rights at law or in equity as the municipality with regard to precedence, priority and foreclosure. Unfortunately, only the larger towns in Connecticut have taken to this option. Both Hartford and Norwalk have taken to this action by way of bulk sales. They offer their unpaid liens in bundles (or portions) of their portfolios or their entire portfolios in an annual sale, by written sealed proposals. Requests for Proposal (RFP) of the sale of the bundles are issue by the towns in May of each year.

DELAWARE

Total Counties = 3



Sale Type: Deed

Interest Rate: 15% penalty

Bid Method: Premium Bid

Redemption Period: 60 days

State Statute Sections: 9 Del. Code Sections 8721, 8728, 8749, 8750, 8758

Over the Counter – No

Sale Dates – Varies by County

Kent County – June 1 Jan, Apr, July, Oct

Sussex County – May 1, Varies 3 or 4 per year

New Castle – July 1

Delaware operates as many classic tax deed states. Uncommon to many deed states however, a judicial process of foreclosure is instituted and there is a redemption period allowed after sale for the former property owner to recover his property. Being a small state with only three counties, the rules governing the collection, foreclosure, and sale of tax delinquent properties differs slightly from county to county.

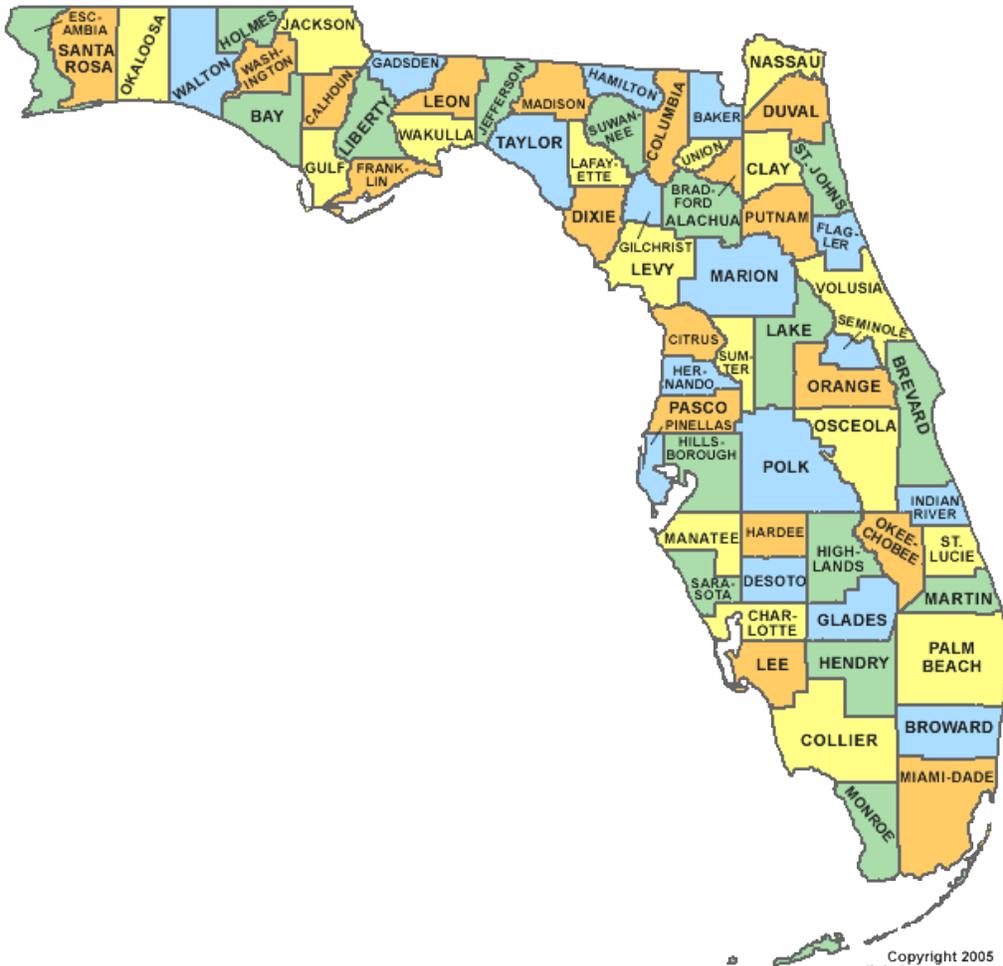
All taxes assessed and levied will be due and payable each year:

The term “tax collecting authority” refers in New Castle County, to the Chief Financial Officer; in Kent County, to the Receiver of Taxes and County Treasurer; and in Sussex County, to the Director of Finance. The tax collecting authority of New Castle County will, after September 1 in the year in which annual taxes become due and payable, add thereto a penalty of 6 percent of the current charge and 1 percent of the unpaid principal balance as of the first day of every month thereafter until the same will be paid. In Kent County and in Sussex County the tax collecting authority will, after September 30 in the year in which the tax duplicate will be delivered to the authority, add to taxes to be paid thereafter a penalty of 1.5 percent per month until the same will be paid. All taxes assessed against real estate by New Castle County will continue a lien against such real estate for 10 years from July 1 of the year for which the taxes were levied, but if the real estate remains the property of the person who was the owner at the time that it was assessed, then the lien will continue until the tax is collected. All taxes assessed against real estate by Sussex County will continue a lien against such real estate for 10 years from May 1 of the year for which the taxes were levied, but if the real estate remains the property of the person who was the owner at the time that it was assessed, then the lien will continue until

the tax is collected. The lien of taxes will have priority over all other liens. All taxes assessed against real estate by Kent County will continue a lien against such real estate for 10 years from July 1 of the year for which the taxes were levied, but if the real estate remains the property of the person who was the owner at the time that it was assessed, then the lien will continue until the tax is collected. The lien of taxes will have priority over all other liens. The remedy by distress, as prescribed by law, is preserved to the tax collecting authority of each county for the collection of any taxes that may be due and unpaid. The Office of Finance in New Castle County may, in any case, recover the amount of such taxes as it is by law authorized to collect in a civil action in any court of competent jurisdiction. If judgment is rendered in favor of the Office of Finance, an execution will be issued against the real estate of the defendant. Where such judgment is recovered before the Court of Common Pleas or before a justice of the peace and it is the desire of the Office of Finance to proceed against the real estate, the Office of Finance will take a transcript of the judgment from the Court of Common Pleas or justice of the peace and cause the same to be entered in the Superior Court in and for New Castle County. The lien of the judgment will relate back and take effect from July 1 of the year for which the taxes upon which the judgment was recovered were levied. In Kent and Sussex counties, the tax collecting authority may institute suit before any justice of the peace of this State in any of the counties in the State for the recovery of any tax due and unpaid, and, in an action of debt, may recover judgment against any taxable, and upon such judgment may sue out writs of execution as in case of other judgments recovered before a justice of the peace. The judgment awarded by the court will order the Sheriff to post notification of sale and sell the property for the taxes owed. The Department of Finance or the Chief County Financial Officer may approve or disapprove the final bid at a sale made by the Sheriff provided that the notice of the public sale includes that such sale is 'subject to the approval of the Department of Finance or the Chief County Financial Officer' in the terms of sale. In the event the Department of Finance or the Chief County Financial Officer does not approve the final bid at such sale, the said Department of Finance or Chief County Financial Officer may expose the property to another and as many succeeding sales as it chooses. Any real estate or interest therein sold will vest in the purchaser all the right, title and interest of the person in whose name the property was assessed, and/or all right, title and interest of the person or persons who are the owners thereof, and likewise freed and discharged from any liens and encumbrances, dower or courtesy or statutory right, in the nature of a dower or courtesy, whether absolute or inchoate, in or to the real estate. The owner of any such real estate may redeem the same at any time within 60 days from the day the sale, by paying to the purchaser, the amount of the purchase price and 15 percent in addition thereto, together with all costs incurred in the cause; or by paying the amount into the court for the use of the purchaser. If the owner of the property fail to redeem the property, the purchaser of the property, may present a petition to the Superior Court setting forth the appropriate facts and pray that the Superior Court make an order directing the Sheriff, to execute, acknowledge and deliver a deed conveying the title to the property to the petitioner.

FLORIDA

Total Counties = 67



Sale Type: Deed

Bid Method: Premium

State Statute Sections: Florida Statutes Annotated Section 197

Over the Counter: Liens – yes; Deeds – yes

Sale Dates – Year Round

Taxes are due and payable on November 1st of the year in which they are assessed. They then become delinquent on April 1st of the following year, with discounts for payments made earlier (i.e. 2003 taxes become due 11/1/03 and delinquent 4/1/04). Installment payment plans are available.

Tax Sales:

Annual Tax Sales are required by state statute to begin (in all counties) on or before June 1st of each year. Realistically this means that most of the large counties begin their sales in the last week of May. The auction dates tend to be repetitive. If they started last year's sale on the last Monday or the last Friday in May, then they will probably do the same this year. In contrast, some counties will always start on June 1st. In any event, the sale can continue past June 1st, but it must begin before that date. Bidding is an interest bid down procedure. Bids begin at the maximum allowable rate of 18% and are bid down to the lowest acceptable rate. Bids are accepted in whole number percentage points and fractional increments of one quarter (1/4) percentage points. Such as 18%, 17.75%, 17.50%, 17.25%, and so forth. The lowest rate offered being the winner. The winner is awarded a Certificate of Purchase (a.k.a. CP). Most counties require a deposit of 10% for certificates purchased at auction. The balance to be paid within 48 hours of notification that the certificates are available for pickup. Certificates for properties which have a homestead exemption and delinquent taxes of \$100 or less are not sold. As in many other states, homestead exemptions must be applied for and granted for individual years, and cannot be granted retroactively.

Sale Procedures:

By statute, certificate purchases are guaranteed a 5% return on the purchase price regardless of the percentage bid, upon redemption. Providing the bid on a \$10,000 lien were 10%; redemption in the first month would equal an annualized interest rate of .8333% or a return of \$83.33. In contrast, the mandatory 5% return would earn the CP investor \$500.00. Further, the investor is protected from errors created by the taxing jurisdictions by Florida Statute. This statute mandates that voided certificates accrue interest at a rate of 8% simple from the day of purchase through the date the refund.

Note: New Tax Deed Deposit Requirement Effective July 1, 2011. The deposit due upon winning a bid will change from a flat \$200 to \$200 or 5% of the bid, whichever is greater. This deposit will need to be paid in cash money immediately after the sale or your investment will be forfeited and sold to another bidder.

After the Sale:

Certificates not purchased at sale (auction) are struck off to the county and shall be held by the Tax Collector at 18%. These certificates are available over the counter throughout the year. However, some counties (not all) do hold subsequent sales or mini – sales. These mini-sales are usually held in the fall following the annual mandated sale. Mini-Sales are usually less formal than the mandated sales and are utilized by the county to disburse the liens not purchased at the first sale thereby, keeping their inventory low and over the counter business to a minimum. Florida Tax Certificates are transferable by endorsement and can be traded on the open market.

Redemption:

There is a two-year redemption period. There is no sub-taxing in Florida. A separate certificate is offered for each property for each subsequent tax year, as they become delinquent. However, should you wish to purchase a certificate on a parcel for which previous year's taxes or certificates are outstanding you will be required to tender an amount equal to the aggregate total.

Deed Process:

The certificate holder may apply for a tax deed with the tax collector, at any time after the 2-year redemption period. The clock begins ticking on April 1st of the purchase year, and must be initiated before expiration of 7 years from the date of issuance. At the time of application for deed, the CP holder is required to redeem or purchase all other outstanding tax certificates. This application for tax deed is forwarded by the tax collector to the clerk of the circuit court.

Final Disposition Sale:

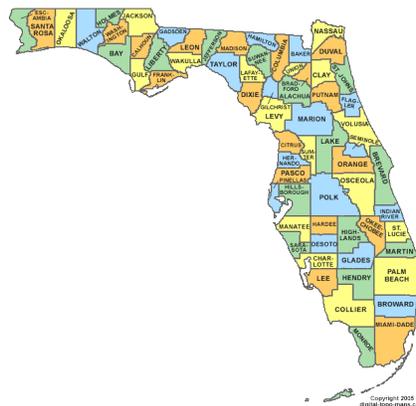
The clerk then prepares the application for tax deed and advertises the property for a final disposition sale. These sales can take place every month with the deeds being sold to the highest bidder. The minimum and/or opening bid is the amount required satisfying redemption, plus costs and fees of the applicant's certificate (exception; properties with a properly filed homestead exemption). Opening bid for Homesteaded properties may be 50% of the assessed value. If there are no further bids, the CP holder is awarded the deed. If there are further bids, the tax deed is awarded to the highest bidder and the CP holder is redeemed earning the appropriate amount of interest as his return. The lien of a tax certificate is said to be barred by statute of limitations after seven years from the date of issue. In other words, you must take action to apply for a tax deed or undertake an administrative or civil action within 7 years or the certificate becomes null and void. In addition, properties added to the Lands Available List escheat to the county after 7 years in inventory with the title to vested in the name of the county.

Struck Properties:

Properties not sold at the original lien auction that have remained in the county inventory for the duration of the redemption period, are also auctioned at these monthly tax deed sales. Minimum bids are calculated the same as individually owned CPs. Those properties for which no bid is received at the final disposition sale/tax deed sale are listed as Lands Available for Taxes by the Clerk of the Circuit Court in each county. These properties are then available via across the counter purchase at a cost of the minimum bid.

FLORIDA

Total Counties = 67



Sale Type: Lien

Interest Rate: 18 % per Annum, 5% Minimum

Bid Method: Bid down Interest

Redemption Period: 2 years

State Statute Sections: Florida Statutes Annotated Section 197

Over the Counter: Liens – no; Deeds – yes

Sale Dates – May – June

Taxes are due and payable on November 1st of the year in which they are assessed. They then become delinquent on April 1st of the following year, with discounts for payments made earlier (i.e. 2003 taxes become due 11/1/03 and delinquent 4/1/04). Installment payment plans are available.

Tax Sales:

Annual Tax Sales are required by state statute to begin (in all counties) on or before June 1st of each year. Realistically this means that most of the large counties begin their sales in the last week of May. The auction dates tend to be repetitive. If they started last year's sale on the last Monday or the last Friday in May, then they will probably do the same this year. In contrast, some counties will always start on June 1st. In any event, the sale can continue past June 1st, but it must begin before that date. Bidding is an interest bid down procedure. Bids begin at the maximum allowable rate of 18% and are bid down to the lowest acceptable rate. Bids are accepted in whole number percentage points and fractional increments of one quarter (1/4) percentage points. Such as 18%, 17.75%, 17.50%, 17.25%, and so forth. The lowest rate offered being the winner. The winner is awarded a Certificate of Purchase (a.k.a. CP). Most counties require a deposit of 10% for certificates purchased at auction. The balance to be paid within 48 hours of notification that the certificates are available for pickup. Certificates for properties which have a homestead exemption and delinquent taxes of \$100 or less are not sold. As in many other states, homestead exemptions must be applied for and granted for individual years, and cannot be granted retroactively.

Sale Procedures:

By statute, certificate purchases are guaranteed a 5% return on the purchase price regardless of the percentage bid, upon redemption. Providing the bid on a \$10,000 lien were 10%; redemption in the first month would equal an annualized interest rate of .8333% or a return of \$83.33. In contrast, the mandatory 5% return would earn the CP investor \$500.00. Further, the investor is protected from errors created by the taxing jurisdictions by Florida Statute. This statute mandates that voided certificates accrue interest at a rate of 8% simple from the day of purchase through the date the refund.

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Redemption:

There is a two-year redemption period. There is no sub-taxing in Florida. A separate certificate is offered for each property for each subsequent tax year, as they become delinquent. However, should you wish to purchase a certificate on a parcel for which previous year's taxes or certificates are outstanding you will be required to tender an amount equal to the aggregate total.

Deed Process:

The certificate holder may apply for a tax deed with the tax collector, at any time after the 2-year redemption period. The clock begins ticking on April 1st of the purchase year, and must be initiated before expiration of 7 years from the date of issuance. At the time of application for deed, the CP holder is required to redeem or purchase all other outstanding tax certificates. This application for tax deed is forwarded by the tax collector to the clerk of the circuit court.

Final Disposition Sale:

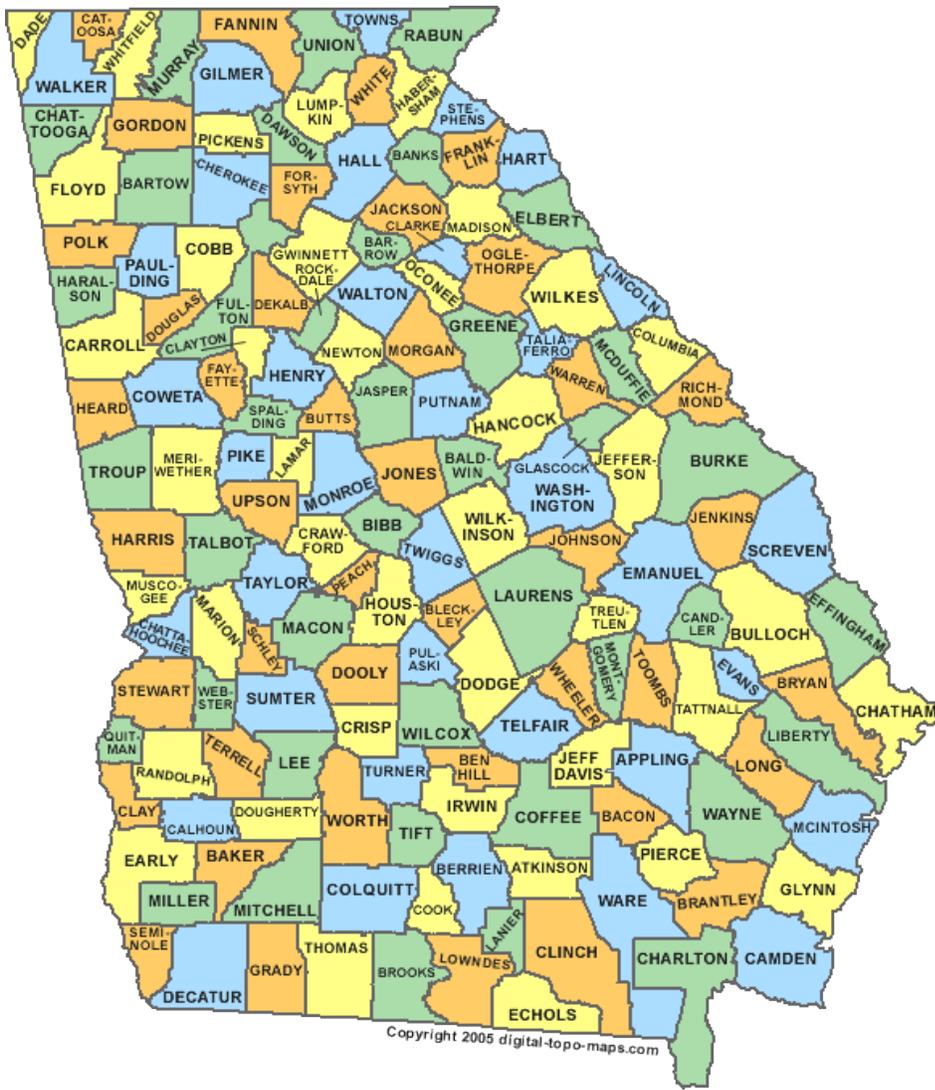
The clerk then prepares the application for tax deed and advertises the property for a final disposition sale. These sales can take place every month with the deeds being sold to the highest bidder. The minimum and/or opening bid is the amount required satisfying redemption, plus costs and fees of the applicant's certificate (exception; properties with a properly filed homestead exemption). Opening bid for Homesteaded properties may be 50% of the assessed value. If there are no further bids, the CP holder is awarded the deed. If there are further bids, the tax deed is awarded to the highest bidder and the CP holder is redeemed earning the appropriate amount of interest as his return. The lien of a tax certificate is said to be barred by statute of limitations after seven years from the date of issue. In other words, you must take action to apply for a tax deed or undertake an administrative or civil action within 7 years or the certificate becomes null and void. In addition, properties added to the Lands Available List escheat to the county after 7 years in inventory with the title to vested in the name of the county.

Struck Properties:

Properties not sold at the original lien auction that have remained in the county inventory for the duration of the redemption period, are also auctioned at these monthly tax deed sales. Minimum bids are calculated the same as individually owned CPs. Those properties for which no bid is received at the final disposition sale/tax deed sale are listed as Lands Available for Taxes by the Clerk of the Circuit Court in each county. These properties are then available via across the counter purchase at a cost of the minimum bid.

GEORGIA

Total Counties = 159



Sale Type: Deed (hybrid state)

Interest Rate: 20% Penalty

Bid Method: Premium Bid

Redemption Period: 1 Year (not self-executing)

State Statute Sections: Official Code of Georgia Annotated

Sections 48-250, 48-3-19, 20; 48-4-42, 45

Over the Counter – No

Sale Dates – 1st Tuesday of each month (large counties)

Appling (Baxley) – 1st Tue in October

Decatur (Bainbridge) – 3 or 4 sales per year

Dougherty (Albany) – 1st Tue in August

Glynn (Brunswick) – 1st Tue in July

War (Waycross) – 1st Tue in August

Technically, Georgia is a deed state, but it operates much like a lien state. At the tax sale, the property is sold, subject to a one-year right of redemption. Furthermore, foreclosure on the right of redemption is not self-executing rather; after the one year period expires the investor must terminate the redemption right by sending by certified or registered mail a notice to the owner of the property, any occupant of the property, and any other lien holder (or one having any right or interest in the property); and publishing in the local newspaper (where the county sheriff advertises) once a week for four consecutive weeks immediately prior to the week of redemption deadline identified in the notice.

Georgia does not sell tax lien certificates. However, Georgia has many tax deed sales and the process is a little more complicated than some states. In Georgia tax deed sales have a right of redemption that pays 20% if the owner redeems the tax deed within one year.

The Official Code of Georgia annotated attaches a general lien for taxes on all real property as of January 1st of each tax year. This lien is superior to all other liens and encumbrances. County property taxes are due on October 15th each year and delinquent thereafter, accruing interest at the rate of 1% per month or fraction thereof. On December 31st of each year the tax commissioner must issue an execution against all delinquent taxpayers. This execution directs the Sheriff or levying officer to enforce collection by tax sale.

Sale Procedures:

Sheriffs, constables, or tax commissioners actually hold the sales. As determined by statute, tax sales are held the first Tuesday of any given month. Most tax sales take place April through December. Sales are usually held on the courthouse steps. Opening bid equals tax, interest, penalties, fees, and costs. Bidding is of an open and competitive format. Property is sold to the highest bidder. Certified funds are required. A tax deed is prepared within days of purchase.

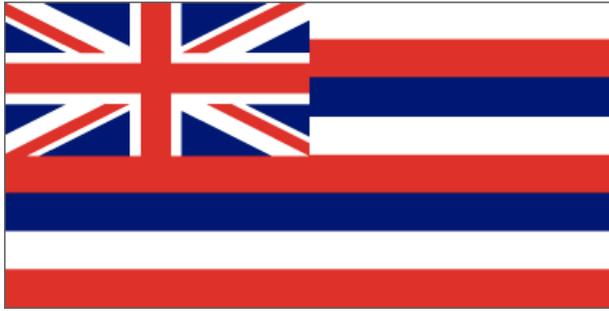
Interest & Redemption:

There is a one-year redemption period enacted after sale. Should the property owner wish to redeem during this period, the amount required (and subsequently collected to the deed purchaser) equals the purchase price, plus subsequent taxes paid, plus 20% of the aggregate amount for each year or fraction of a year from the date of purchase to the date of redemption. The Tax Deed purchaser has NO physical rights to the property during this period. He cannot collect rents, he cannot make improvements. A Georgia Tax Deed has the same force and affect as a tax lien. After 12 months have expired from the date of the sale, the Tax Deed holder may seek to foreclose the property owner's right of redemption. Statutory mandates govern the method and time frames of notification and filing of this process. In any event, a minimum time of one year and forty-five days will have elapsed between the purchase of the tax deed and the right to physical control of the property. Subsequent to foreclosing the right of redemption, it is recommended that the tax deed holder petition to Quiet Title in Land (a.k.a. Quiet Title Action). This judicial action will result in the tax deed purchaser holding a perfected, fee simple title with unquestionable marketability. Tax Deed purchasers should seek the advice of a real estate attorney knowledgeable in this area. Should the tax deed purchaser choose not to seek foreclosure of the right of redemption, the tax deed will ripen by prescription after a period of four years.

Prescription is a process by which tax deeds become fee simple title over a set period of time. Once the right of redemption is foreclosed or the deed ripens by prescription, the tax deed holder is responsible for subsequent year's taxes. Until that time the previous property owner is still on the hook. However it is in the best interest of the Tax Deed holder to pay all subsequent year's taxes as they become delinquent.

HAWAII

Total Counties = 5



Sale Type: Deed State

Interest Rate: 12% PER ANNUM

Bid Method: Premium Bid

Redemption Period: 1 Year

State Statute Sections: Hawaii Revised Statutes Section 246-60

Over the Counter – No

Sale Dates – Two sales a year, typically June and November or December

All real property taxes are due and payable on and after July 1 of each tax year. Each taxpayer shall pay the real property taxes due, for the year in which the taxes are assessed, in two equal installments, on or before the dates designated in the following schedule:

Fiscal Year Schedule

Billing date: July 20

1st Payment: February 20

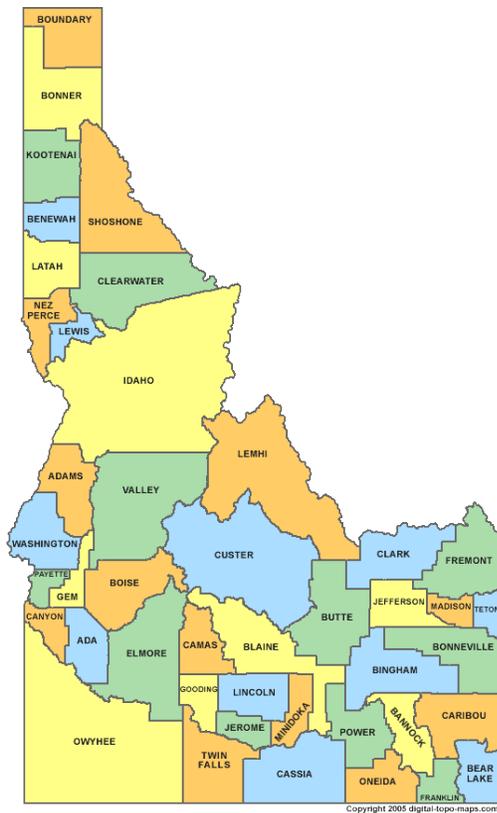
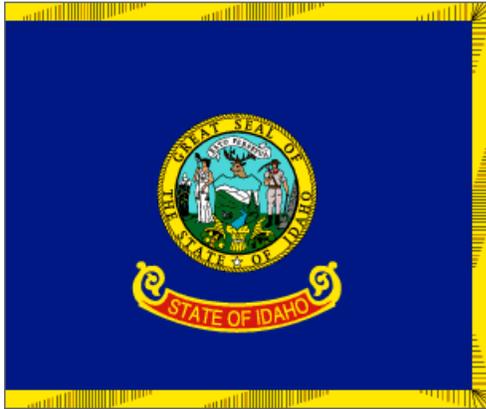
2nd Payment: August 20

All such taxes due on the first payment date, which remain unpaid after that date, shall become delinquent, and the balance of such taxes due on the second payment date, which remain unpaid after that date, shall become delinquent. There shall be added to the amount of all delinquent taxes, a penalty of up to ten percent the penalty shall become a part of the tax and be collected as a part thereof. All delinquent taxes and penalties shall bear interest at the rate of two-thirds of one percent for each month or fraction thereof (8% per annum) until paid. The interest shall be and become part of the tax and be collected as a part hereof. Every tax due upon real property is a paramount lien upon the property assessed. That lien attaches as of July 1 in each tax year and continues for six years. If proceedings for the enforcement or foreclosure of the lien are brought within the applicable period, the lien shall continue until the termination of the proceedings or the completion of the foreclosure sale. The liens may be enforced by action of the tax collector in the circuit court of the judicial circuit in which the property is situated. If the owners or claimants of the property against which a lien is sought to be foreclosed cannot be served within the State, or if the owners are unknown, the court may grant an order that the service be made in a public notice manner. All real property on which a lien for taxes exists may be sold by way of foreclosure without suit by the tax collector. Liens that have existed for three years, must be sold by the tax collector at public auction to the highest bidder, for cash, to satisfy the lien, together with all interest, penalties, costs, and expenses due or incurred on account of the tax, lien, and sale. The sale is held at any public place proper for sales on execution, after notice published at least once a week for at least four successive weeks immediately prior thereto in any newspaper with a general circulation of at least 60,000 published in the State and any newspaper of general circulation published and distributed in the taxation district wherein the property to be sold is situated. If the address of the owner is known or can be ascertained by due diligence, including an abstract of title or title search, the tax collector must send to each owner notice of the proposed sale by registered mail. If the address of the owner is unknown, the tax collector must send a notice to the owner at the owner's last known address as shown on the records of the department of taxation. The notice must be deposited in the mail at least 45 days prior to the date set for the sale. The notice must also be posted for a like period in at least three conspicuous public places within such taxation district, and if the land is improved one of the three postings must be on the land. If the land has been registered in the land court, the tax collector must also send by registered mail a notice of the proposed sale to any person holding a mortgage or other lien registered in the office of the assistant registrar of the land court. The tax collector upon payment of the purchase price will, make, execute, and deliver all proper conveyances necessary. The delivery of the conveyances shall vest in the purchaser the title to the property sold. The

deed to the premises must be recorded within sixty days after the date of sale by the purchaser. The taxpayer may redeem the property sold, within one year from the date of sale. If the deed has not been recorded within sixty days after the sale, then within one year from the date of recording of the deed. Redemption is made by payment of the amount paid by the purchaser, together with all costs and expenses which the purchaser was required to pay, including the fee for recording the deed, and interest on such amount at the rate of twelve percent (12%) a year (annualized). If redemption is made more than one year after the date of sale (by reason of extension of the redemption period due to late recording of the tax deed), interest will not be added for the extended redemption period.

IDAHO

Total Counties = 44



Sale Type: Deed

Interest Rate: N/A

Bid Method: Premium Bid

Redemption Period: N/A

State Statute Sections: Idaho Statute Sections 31-808; 63-1003 through 63-1011

Over the Counter – No

Sale Dates – May

Idaho property taxes are due in two installments. The first half becomes delinquent if not paid prior to December 20th of the year of assessment. The second half becomes delinquent if not paid by June 20th of the following year.

Delinquent taxes accrue interest at a rate of 1% per month. Idaho Statute states that, any delinquency on real property taxes shall constitute a perpetual lien in favor of the county or all property taxes, charges, and interest on the property described, and shall entitle the county to a tax deed should the debt go unpaid.

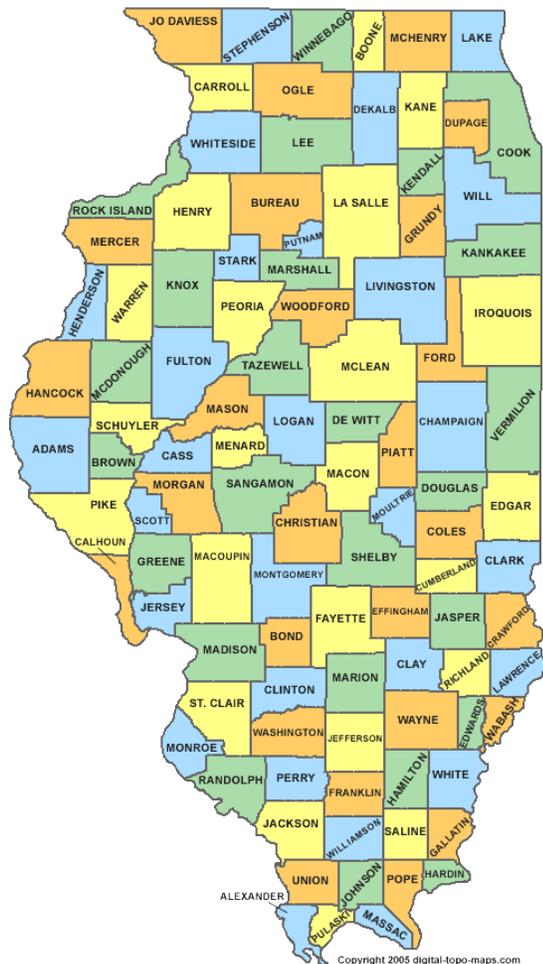
If the real property tax delinquency is not redeemed within three years from the date of delinquency, the county tax collector must issue a tax deed in the name of the county after having completed the statutory mandated requirements of notification.

After the tax deed is issued the previous property owner still has the right of redemption until such time as the county commissioners have entered into a contract of sale.

This additional right of redemption does expire after three years from the date of tax deed issuance, provided that the county commissioners have yet to extinguish the right of redemption by contract of sale. This results in the vesting of fee simple title of the property in the name of the county. After taking tax deed counties are allowed by Idaho Code to sell or offer at public auction, either for cash or terms as the board of county commissioners may determine, to the highest bidder, those properties for which the county holds tax deed. The key here is that some counties have interpreted the phrase “To Sell or Offer for Public Auction” as meaning, auctions are not required. These counties merely carry tax deeded properties in their inventory, simply awaiting inquiries, before offering contracts for sale. The phrase “Terms” (a.k.a. financing) is restricted within the same statute. The time for collection of deferred payments can not exceed 10 years, and the rate of interest on deferred payments can not exceed 8% per annum. In addition, the deed for any property sold for terms will remain in the name of the county until such time as the final payment is tendered. The board of county commissioners does have the authority to accept or reject bids for less than the amount of taxes, interest & penalties due. This right is granted to the commissioners via the same Idaho Code. A tax deed thus sold by contract conveys to the grantee (buyer) the absolute title to the land, free of all encumbrances except for liens of subsequently attached property taxes and/or for any liens for special assessments.

ILLINOIS

Total Counties = 102



Sale Type: Lien

Interest Rate:18% Penalty

Bid Method: Bid down the Interest

Redemption Period: 2 to 3 Years

State Statue Sections: 35 Illinois Compiled Statues

205/238, 200/21-350, 355, 385

Over the Counter – No

Sale Dates – Varies by County

Cook (Chicago) – April

Champaign (Urbana) – October

Adams (Quincy) – Last Monday in October

DePage (Wheaton) 1st week in December

Peoria – October

36% for full year and 24% on farmland with a 2 year redemption period TLC

Lien State Interest Rate: 18% Redemption Period: Two Years

Illinois statute establishes that: the State by virtue of its sovereignty, has a perpetual lien on all taxable lands... and that taxes on real property constitute a lien on such property beginning on the first day April until same is paid or sold pursuant the Revenue Act establishes that; ...taxes upon property, together with all penalties, interests and costs that may accrue thereon, shall be prior and first lien on the property, superior to all other liens and encumbrances...

TAXES DUE & DELIQUENT:

Property taxes become delinquent on different dates in different counties, basically in two categories; those with accelerated payment schedules and those without. For category number one, the first installment becomes delinquent June 1st of any calendar year, with the second installment delinquent on September 1st. Accelerated scheduled counties with a population of

3,000,000 or less are due and/or delinquent on June 1st and August 1st. With a population of more than 3,000,000 the dates are March 1st and August 1st. The counties with accelerated schedules require taxpayers to tender an estimate of taxes due based on a 50% amount of last year's tax when the assessment for the current year has yet to be calculated. In addition, County Boards may adopt an ordinance allowing payments in four installments. In any event, the first installment cannot be considered delinquent until thirty days after the billing date. Delinquent interest accrues at the rate of 1 1/2% per month from those dates forward. They will remain delinquent for a period of approximately 1-year before being offered at tax lien auction. (Example: 2005 auctions are for 2003 tax delinquencies).

LIEN SALES:

Tax lien sales are conducted by the County Clerk annually. The format is an interest bid down process, beginning with the maximum allowable rate of 18%. The redemption period begins on the date the lien sale takes place in every instance. Most counties do require some sort of pre-registration for auction participation. Most also require payment in certified funds, usually payable before the end of the next business day. Prima facie evidence of the transfer of lien is issued in the form of a Certificate of Purchase. The maintenance of tax lien certificates in Illinois can be rather complicated. Certain filings are required at certain times by statute for the certificate holder. It is highly recommended that certificate holders retain an attorney that is familiar with these procedures. The Illinois State Bar or Illinois lawyer Referral Service can be helpful in identifying these lawyers.

REDEMPTION:

Liens garner a 2-3 year redemption period as follows:

Owner – occupied residences: 2 years, 6 months

Other property: 2 years

Residential properties of more than 6 units: 3 years

Scavenger Sale vacant land: 6 months

In each instance, the property owner or the certificate holder has the option of petitioning for an extension of the redemption with the court. These extensions are granted for periods of 6 months.

Redemption interest is calculated as a percentage of taxes, interest, penalties, and costs paid for the purchase of a certificate as follows: This is not annualized interest. Although it is referred to as interest, it is assessed as a penalty. The redemption shall be in an amount equal to the total of the following:

The certificate amount, which shall include all tax principal, special assessments, interest and penalties paid by the tax purchaser together with costs and fees of sale and fees and the accrued

penalty, computed through the date of redemption as a percentage of the certificate amount, as follows:

If the redemption occurs on or before the expiration of 6 months from the date of sale, the certificate amount times the penalty bid at sale;

If the redemption occurs after 6 months from the date of sale, and on or before the expiration of 12 months from the date of sale, the certificate amount times 2 times the penalty bid at sale;

If the redemption occurs after 12 months from the date of sale and on or before the expiration of 18 months from the date of sale, the certificate amount times 3 times the penalty bid at sale;

If the redemption occurs after 18 months from the date of sale and on or before the expiration of 24 months from the date of sale, the certificate amount times 4 times the penalty bid at sale;

If the redemption occurs after 24 months from the date of sale and on or before the expiration of 30 months from the date of sale, the certificate amount times 5 times the penalty bid at sale;

If the redemption occurs after 30 months from the date of sale and on or before the expiration of 36 months from the date of sale, the certificate amount times 6 times the penalty bid at sale.

In the event that the property to be redeemed has been purchased over the counter, the penalty bid shall be 12% per penalty period as set forth above.

After the Sale:

Every property offered at public sale, and not sold for want of bidders shall be forfeited to the State of Illinois, as stated by Illinois Statute. Counties then have the option of offering those liens in over the counter sales. These liens are then known as forfeited lands. Key phrase to remember! In the event of an over the counter purchase, the redemption interest rate is set at 12% (not negotiable). It is calculated in the same manner as those liens purchased at auction. During the redemption period subsequent year's taxes may become delinquent. These delinquencies are available for attachment to preexisting liens the day after they become delinquent. Second and third years are attached at 12% per penalty period, regardless of the amount bid at auction. The penalty amount graduates in the same format as the auction penalty described above.

Special Notes:

With second year's investments guaranteed at 12% with the possibility of a 24% return would explain why some investors are willing to bid very low rates at Illinois auctions. Joseph Meyers Real Estate Company has agreements with 48 Illinois counties to purchase all liens not sold at their annual auctions. They receive the liens at 18%, take title to all not redeemed, and then hold private real estate auctions throughout the state. Some other Illinois counties employ private companies to administer their over the counter lists.

Scavenger Sale:

In addition to annual sales and over the counter sales (forfeited lands list), at least two counties hold Scavenger Sales (Cook & Marion) every other year. These are liens that have remained delinquent through at least two regular tax sales and for which no over-the-counter sales have taken place. They are usually held every other year in an open and competitive format with the opening bid set at \$250 plus fees on every property. Redemption period is still in effect, but all other taxes, interest and penalties are eliminated.

Redemptions Scavenger Sale:

Redemptions may be made in the same manner and upon the same terms and conditions as redemptions from sales made under the county collector's annual application for judgment and order of sale, except that in lieu of penalty the person redeeming shall pay interest on that part of the amount for which the property was sold equal to or less than the full amount of delinquent taxes, special assessments, penalties, interest, and costs, included in the judgment and order of sale as follows:

1. If redeemed within the first 2 months from the date of the sale, 3% per month upon the amount of taxes, special assessments, penalties, interest, and costs due for each of the first 2 months, or fraction thereof.
2. If redeemed at any time between 2 and 6 months from the date of the sale, 12% of the amount of taxes, special assessments, penalties, interest, and costs due.
3. If redeemed at any time between 6 and 12 months from the date of the sale, 24% of the amount of taxes, special assessments, penalties, interest, and costs due.
4. If redeemed at any time between 12 and 18 months from the date of the sale, 36% of the amount of taxes, special assessments, penalties, interest, and costs due.
5. If redeemed at any time between 18 and 24 months from the date of the sale, 48% of the amount of taxes, special assessments, penalties, interest, and costs due.
6. If redeemed after 24 months from the date of sale, the 48% provided for the 24 months together with interest at 6% per annum thereafter on the amount of taxes, special assessments, penalties, interest, and costs due.

The person redeeming shall not be required to pay any interest on any part of the amount for which the property was sold that exceeds the full amount of delinquent taxes, special assessments, penalties, interest, and costs included in the judgment and order of sale. At the end of the redemption period (regardless of method purchased) the lien holder petitions the court for tax deed. You must file these petitions within the time frames allotted in order to protect your investment. Failure to apply for tax deed at the appropriate date invalidates the lien.

Foreclosure:

In order to be entitled to a tax deed, within 5 months after any sale, the purchaser must deliver to the county clerk a notice (more commonly known as a “take notice”) to be given to the party in whose name the taxes are last assessed as shown by the most recent tax collector’s warrant books, in at least 10 point. Within 10 days after receipt of said notice, the county clerk shall mail to the addresses supplied by the purchaser or assignee, by registered or certified mail, copies of said notice to the party in whose name the taxes are last assessed as shown by the most recent tax collector’s warrant books. The purchaser or assignee shall pay to the clerk postage plus a fee. The clerk shall write or stamp the date of receiving the notices upon the copies of the notices, and retain one copy.

Petition for deed:

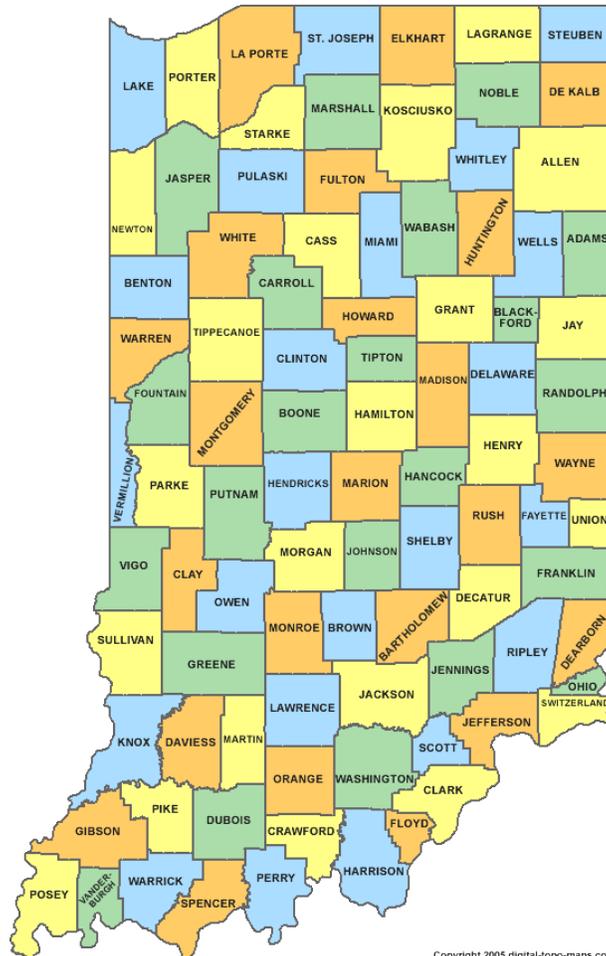
At any time within 5 months but not less than 3 months prior to the expiration of the redemption period for property sold pursuant to judgment and order of sale, the purchaser may file a petition in the circuit court in the same proceeding in which the judgment and order of sale were entered, asking that the court direct the county clerk to issue a tax deed if the property is not redeemed from the sale. The petition shall be accompanied by the statutory filing fee. The county clerk shall be notified of the filing of the petition and any person owning or interested in the property may, if he or she desires, appear in the proceeding.

Issuance of deed:

If the redemption period expires and the property has not been redeemed and all taxes and special assessments which became due and payable subsequent to the sale have been paid and all forfeitures and sales which occur subsequent to the sale have been redeemed and the notices required by law have been given and the petitioner has complied with all the provisions of law entitling him or her to a deed, the court shall so find and shall enter an order directing the county clerk on the production of the certificate of purchase and a certified copy of the order, to issue to the purchaser or his or her assignee a tax deed. Upon application the court shall, enter an order to place the tax deed grantee in possession of the property and may enter orders and grant relief as may be necessary or desirable to maintain the grantee in possession. Tax deeds issued are incontestable except by appeal from the order of the court directing the county clerk to issue the tax deed. Illinois tax deed statutes are liberally construed so that tax deeds convey merchantable title. Unless the holder of the certificate purchased at any tax sale takes out the deed in the time provided by law, and records the same within one year from and after the time for redemption expires, the certificate or deed, and the sale on which it is based, shall, after the expiration of the one year period, be absolutely void with no right to reimburse.

INDIANA

Total Counties = 92



Sale Type: Lien

Interest Rate: 10% – 15% penalty Graduated Scale

Bid Method: Premium Bid

Redemption Period: 1 Year

State Statue Sections: I.C. 6-1, 1-24

Over the Counter – No

Sale Dates – Varies by County (must be Aug, Sept, or Oct)

Marion (Indianapolis) – August

Allen (Ft. Wayne) – September

LIEN ATTACHES:

The state acquires a lien on each tract of real property for all property taxes levied against the tract and all subsequent penalties and cost resulting from the taxes. This lien attaches on the assessment date of the year for which the taxes are assessed. The lien is not affected by any sale or transfer of the tract, including the sale, exchange, or lease of the tract under Indiana Code (IC) 36-1-11. The lien of the state insures collection of the tax for the taxing units, and is superior to all other liens and encumbrances. The lien of the state for taxes, penalties, and cost continues for ten (10) years from May 10th of the year in which the taxes first become due. If any proceeding is instituted to enforce the lien within the ten year period, the limitation is extended, if necessary, to permit the termination of the proceeding.

DUE AND DELIQUENT:

Except as provided in IC (Indiana Code) 6-1.17-7, property taxes assessed for a year are due in two (2) equal installments on May 10th and November 10th of the following year. If an installment of property taxes is not completely paid on or before the due date, a penalty equal to ten percent (10%) of the amount of delinquent taxes shall be added to the unpaid portion in the year of the initial delinquency. On May 10th and November 10th of each year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added. These penalties are imposed only on the principal amount of the delinquent taxes. A holder of any note, mortgage, or lien of record on any real property on which taxes are delinquent may pay the delinquent taxes, penalties, and cost. The amount so

paid is an additional lien on the real property in favor of the lien holder and is collectible, with interest at six percent (6%) per annum from the time of payment, in the same manner as the original note, mortgage or lien.

LIEN SALE A.K.A. "A" SALE:

The county auditor maintains a list of all real property eligible for sale. On or before July 1 of each year, the county treasurer certifies to the county auditor a list of real property on which any of the following exist:

- (1) Any property taxes or special assessments certified to the county auditor for collection by the county treasurer from the prior year's spring installment or before are delinquent.
- (2) Any unpaid costs are due from a prior tax sale. The county treasurer then proceeds to sell all real property meeting these qualifications to the highest bidder at public auction. The county auditor serves as the clerk of the sale. Opening bid equaling the amount of tax, interest, penalties, and costs. these initial sales take place in September or October and are referred to as "A" Sales.

"B" SALES:

If an amount is not received that is at least equal to the minimum sale price at the "A" Sale, the tract or item of real property may be offered for sale a second time on a date that is on or after January 1 and before March 31 of the year immediately following the year in which the property was initially offered for sale and at least ninety (90) days after the date of the initial sale. this is known as the "B" Sale.

COUNTY INVENTORY:

When a tract or an item of real property is offered for sale for two consecutive tax sales, and an amount is not received equal to or in excess of the minimum sale price, the county acquires the lien. The county auditor issues a tax sale certificate in the name of the county, and the county retains the same rights as a purchaser.

CERTIFICATE OF PURCHASE:

Immediately after a tax sale purchaser pays his/her bid, or immediately after the county acquires a lien, the county auditor will deliver a certificate of sale to the purchaser or to the county. When a certificate of sale is issued, the purchaser acquires a lien against the real property for the entire amount that he/she paid. The lien of the

purchaser is superior to all liens against the real property which exist at the time the certificate is issued.

A certificate of sale is assignable. However, an assignment is not valid unless it is endorsed on the certificate of sale, acknowledged before an officer authorized to take acknowledgments of deeds, and registered in the office of the county auditor. When a certificate of sale is assigned, the assignee acquires the same rights and obligations that the original purchaser acquired. Whenever multiple real property liens are sold, the purchaser at the later sale acquires a first and prior lien on the real property as against the purchaser at the prior sale. The issuance of a certificate of sale, the execution and delivery of a deed for the real property to the purchaser at the prior sale, or the recording of such a deed does not affect the priority.

REDEMPTION:

An occupant or person with a substantial property interest of public record in real property sold at tax lien sale may redeem the property at any time before the date when the county auditor is required to issue a tax deed, by paying to the county treasurer the amount required for redemption under Indiana Code section 2 [Ic 6-1.1-25-2]. The total amount required for redemption includes: One hundred ten percent (110%) of the minimum bid for which the tract or real property was offered at the time of sale, if the tract or item of real property is redeemed not more than six (6) months after the date of sale; One hundred fifteen percent (115%) of the minimum bid for which the tract or real property was offered at the time of sale, if the tract or item of real property is redeemed more than six (6) months but not more than one (1) year after the date of sale. In addition to the amounts required above, the total amount required for redemption includes the amount by which the purchase price exceeds the minimum bid on the real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid on the property. In addition to the amounts required above, the total amount required for redemption includes all taxes and special assessments upon the property paid by the purchaser subsequent to the sale plus ten percent (10%) interest per annum on those taxes and special assessments. In addition to the amounts required above, the total amount required for redemption includes the following costs incurred by the purchaser: the costs of giving notice, filing fees paid in the filing of a petition for a tax deed, and the costs of examining and updating the abstract of title for the tract or item of real property.

DEED CONVEYANCE:

If a certificate of sale is issued to a purchaser and the real property is not redeemed within: one year after the date of sale; or one hundred twenty (120) days from the date of sale of real property on the list prepared for the B Sale; the county auditor shall,

upon receipt of the certificate, execute and deliver a deed for the property to the purchaser. If a certificate of sale is issued to a county and the real property is not redeemed within one (1) year after the date of sale, the county auditor will issue a deed for the property to the county. a tax deed vests an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments which accrue subsequent to the sale. In addition, the estate is subject to all easements, covenants, declarations, and other deed restrictions and laws governing land use, including all zoning restrictions and liens and encumbrances created or suffered by the purchaser at the tax sale.

FAILURE TO SEEK DEED:

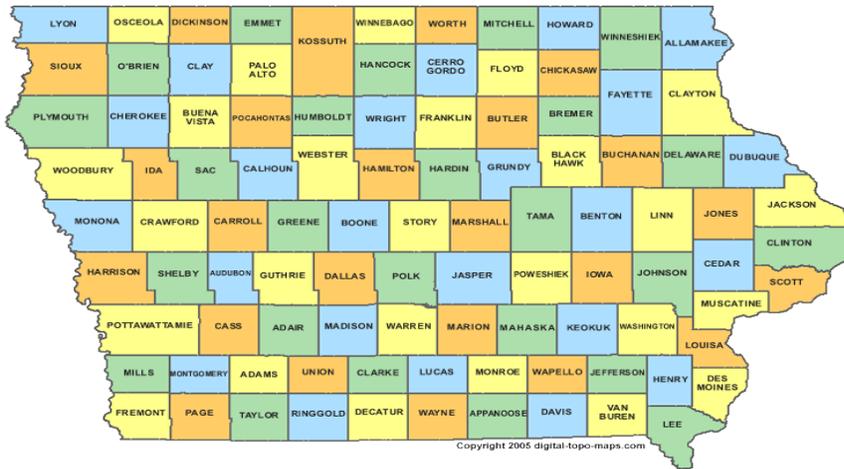
If the purchaser does not provide proper notice prior to the expiration of the period of redemption as specified in Ic 6-1.1-25-4.5 the purchaser's lien against the real property terminates thirty-one (31) days after the expiration of the redemption period, or if the certificate of sale purchaser fails to have the county auditor execute a deed within two (2) years after the date of the sale, the purchaser's lien against the real property terminates. This does not apply if the county is the holder of the certificate of sale.

"C" SALES:

Properties for which the county takes title are then offered at a third sale known as the "C" Sale or the Commissioner's Sale. This sale takes place throughout the year with the opening bid set at the current year's assessed value. If the properties are not sold at two consecutive C Sales the commissioners have the authority to reduce the opening bid.

IOWA

Total Counties = 99



Sale Type: Lien

Interest Rate: 24% per annum

Bid Method: Random Selection; Rotational

Redemption Period: 2 year

State Statute Sections: Code of Iowa, Chapters 446, 447.143

Over the Counter –

Sale Dates – 3rd Monday In June

Iowa is an excellent state for tax lien certificate sales.

Taxes due & delinquent: Iowa state statute establishes a lien for property taxes due. Property taxes are due in two installments. The first half is due September 1st of the year of assessment, and becomes delinquent on October 1st. The second installment is due March 1st of the following year and becomes delinquent on April 1st. Delinquent taxes draw interest at a rate of 1.5% per month (18% per annum).

Lien Sales: Annually on the third Monday in June, the county treasurers offer for sale liens against those property taxes that are still delinquent. When all liens advertised for sale have been offered and liens remain unsold for want of bidders, the county treasurer shall adjourn the sale to the third Monday of each month thereafter. These secondary sales are known as Adjourn Sales. Some counties only re-offer the left over liens every other month. Liens are offered at a set amount of tax, interest, penalties, and costs. If more than one bidder is interested in a specific lien, that bidder who is willing to accept the least undivided ownership interest in the property is declared the winner.

Redemption: The redemption period afforded property owners equals one year nine months. Should redemption occur, the certificate holder accrues 24% per annum (2% per month or fraction thereof) on the original investment, as well as, any subsequent delinquent tax amounts attached. Subsequent delinquencies may be added to the pre-existing lien by purchase of the tax and interest at any time after 14 days have elapsed since the tax became delinquent. Successful bidders are awarded a Certificate of Purchase.

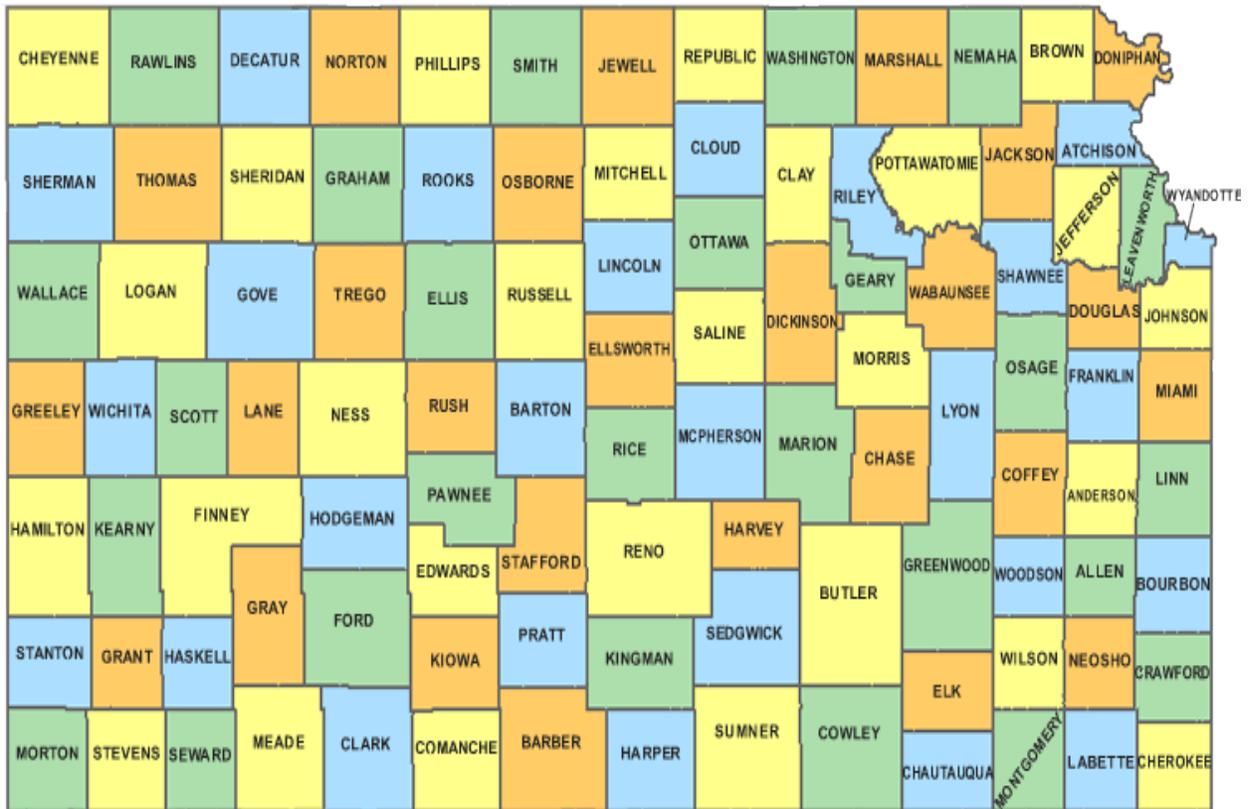
These certificates are assignable by endorsement and registration with the county treasurer. Certificate purchasers earn 24 % per annum (2% per month or fraction thereof) on their initial investment, as well as, any subsequently delinquent taxes attached during the delinquent period.

Foreclosure:

After one year and nine months of the redemption period has expired, the certificate holder or his attorney is required to send a notice citing the coming expiration of the redemption period to all interested parties. The redemption period does not officially expire until 90 days have elapsed from the date of service of this notice and an affidavit of such service is filed with the Treasurer. Per Iowa statute, immediately following the expiration of the ninety day notice period, the county treasurer shall make out a deed for each property sold and not redeemed, and deliver it to the purchaser upon the return of the certificate and a fee. The deed shall be signed by the county treasurer, executed and recorded in the office of the recorder of the county in which the parcel is situated, and shall vest in the purchaser all the right, title, and interest, to the parcel conveyed, subject to all restrictive covenants, resulting from prior conveyances in the chain of title, all the right and interest of a holder of a certificate of purchase from a tax sale occurring after the tax sale for which the deed was issued, and all the right, title, interest, and claim of the state and county to the parcel. The issuance of the deed shall operate to cancel all suspended taxes.

KANSAS

Total Counties = 105



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Sale Type: Deed

Bid Method: Premium Bid

State Statute Sections: K.S.A. Section 79-2801

Over the Counter – No

Sale Dates – Varies by County

Cowley (Winfield) – December

Douglas (Lawrence) – May

Johnson (Olathe) – Late Fall

Leavenworth (Leavenworth) – October

Sedgwick (Wichita) – July

Shawnee (Topeka) – August

Sumner (Wellington) – May

Wyandotte (Kansas City) – August

Kansas property taxes are due and payable in two installments. Tax bills mailed on or before December 15th each year. The first installment is due on or before December 20th in the year of assessment. The second installment is due on or before June 20th of the year immediately following the year of assessment. Delinquent taxes accrue interest at the rate of 12% per annum from the date of delinquency until paid or properly foreclosed and sold.

Redemption & Sales:

On the first Tuesday in September (after proper publication) all real estate still delinquent will be bid off to the county via the Treasurers. At this point, the

property is not available for sale to anyone else. When real estate bid on by the county at any delinquent tax sale remains unredeemed on September 1 of the second year after the sale (third year after sale in counties with a population of 300,000 or more), a petition is filed with the clerk of the court. This petition requests the court to enter a judgment ordering that the amount due shall be a first and prior lien upon real estate and that the same be sold at public sale for satisfaction of the lien. In other words, the taxpayer has a two-year redemption period (or three) prior to the beginning of the court action by the county to foreclose the right of redemption. Properties that have a properly executed homestead exemption are afforded a three-year redemption period prior to the filing of the court action. Owners of homesteaded properties are also allowed to make partial redemption in order to keep a property from auction. The court will,

after proper notification and expiration of the response time, render a judgment ordering the sheriff to offer each delinquent piece of real estate for sale at public auction for the highest and best bid obtainable. The taxpayer continues to have the opportunity to redeem during this time frame.

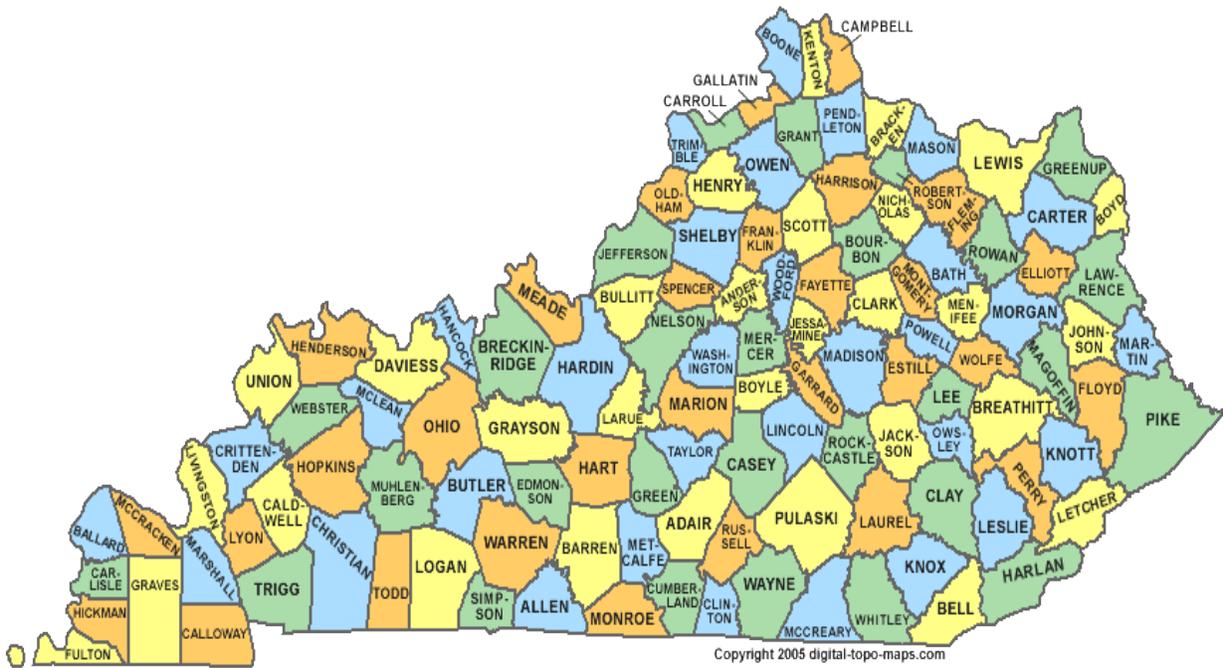
The opening bid will equal taxes, interest, penalties, and costs of the legal proceedings and the sale. Successful bidders are awarded a Sheriff's deed at auction. When the Sheriff's deed is filed with the Register of deeds it shall vest in the purchaser a fee simple title, subject only to taxes, and interest which have become a lien subsequent to the date of the judgment according to Kansas Statutes.

Unsold Properties:

Parcels not sold at auction are assigned to the county by the execution of a deed in the county's name. These properties are henceforth tax exempt until such time as the real estate is sold. Each county is required by law to produce a record of these properties upon request at reasonable times. These properties are for sale at private or public sale (i.e. across the counter) for an amount not less than the judgment lien, plus interest as provided by law. Should properties remain in county inventory for a period of time more than six months, the board of commissioners may reduce the opening bid price of the properties at their discretion. they may offer these properties, after proper publication, at sealed bid sale or at private sale to the highest and best bid.

KENTUCKY

Total Counties = 120



Sale Type: Lien

Interest Rate: 12% per Annum

Bid Method: Premium bid

Redemption Period: 1 year

State Statute Sections: K.R.S. Section 134.460

Over the Counter – No

Sale Dates – April to May

Taxes due & delinquent:

All state, county, and district taxes shall be due and payable on September 15 following the assessment. County Sheriffs are charged with the collection of Kentucky property tax. Any taxpayer who pays his state, county, or district taxes by November 1 after they become due shall be entitled to a two percent (2%) discount. All state, county, and district taxes, except as otherwise provided by law, shall become delinquent on January 1 following their due date. Taxes which become delinquent on January 1 shall be subject to a penalty of two percent (2%) on the taxes due and unpaid, if paid on or before the last day of January. Any taxes, which are not paid by January 31 following the delinquent date, shall be subject to a penalty of ten percent (10%). If any person liable to pay any tax administered by the Revenue cabinet, neglects or refuses to pay the tax after demand, the tax due together with all penalties, interest, and other costs applicable provided by law shall be a lien in favor of the commonwealth of Kentucky. The lien shall attach to all property and rights to property owned or subsequently acquired by the person neglecting or refusing to pay the tax.

Lien Sales:

If the owner of the property fails to pay the tax assessed, interest, penalties and costs, the lien under the attachment may be enforced and a sufficiency of the property sold to pay the obligation to the state, county, school or other taxing district. The lien imposed shall arise at the time the assessment is made by the Revenue cabinet and shall be enforceable until the liability is paid or extinguished through the appeal process enumerated in KRS 131.110 and 131.340. The state and each county, city, or other taxing district shall have a lien on any real property owned by a delinquent taxpayer at the date when the sheriff offers the tax claims for sale as provided in Kentucky Revised Statutes. This lien shall not be defeated by gift, devise, sale, alienation, or any means except by sale to a bona fide purchaser. The lien shall include all interest, penalties, fees, commissions, charges, and other expenses incurred by reason of delinquency in payment of the tax bill or in the process of collecting it, and shall have priority over any other obligation or liability for which the property is liable. The lien of any city, county, or other taxing district shall be of equal rank with that of the state. When any proceeding is instituted to enforce the lien, it shall continue in force until the matter is judicially terminated. Every city of the third, fourth, fifth, and sixth class shall file notice of the delinquent tax liens with the county clerk of any county or counties in which the taxpayer's business or residence is located, or in any county in which the taxpayer has an interest in property. The tax lien imposed shall not be valid against any purchaser, judgment lien creditor, or holder of a security interest or mechanic's lien until

notice of the tax lien has been filed by the secretary of the Revenue cabinet or his delegate with the county clerk of any county or counties in which the taxpayer's business or residence is located, or in any county in which the taxpayer has an interest in property. The recording of the tax lien shall constitute notice of both the original assessment and all subsequent assessments of liability against the same taxpayer. Upon request, the Revenue Cabinet shall disclose the specific amount of liability at a given date to any interested party legally entitled to the information. Even though notice of a tax lien has been filed, the tax lien imposed shall not be valid with respect to a security interest which came into existence after tax lien filing by reason of disbursements made within forty-five (45) days after the date of tax lien filing or the date the person making the disbursements had actual notice or knowledge of tax lien filing, whichever is earlier. The advertisement of sale of tax claims shall be published pursuant to KRS chapter 424. The advertisement may in addition consist of the posting of printed notices containing the same information in three (3) or more conspicuous places in the county, fifteen (15) days before the sale. The sheriff shall place a copy of the advertisement at the courthouse door in a conspicuous place at least fifteen (15) days before the sale. The sale shall be at the courthouse door. The sheriff shall, not less than twelve (12) days before the sale, mail to the delinquent taxpayer's place of residence or business, if it can be ascertained, a notice of the time and place of sale. Failure to send the notice shall have no effect on the validity of the sale. Any tax claim offered for sale as prescribed in KRS 134.430 and 134.440 shall be sold to any person for cash. If there is more than one willing purchaser at the sale, the one having made the most recent purchase of a tax claim against the same delinquent or the same property shall have preference; if there is no such person, the sale shall be made to the person being the first, in the judgment of the sheriff, to offer to pay cash in the full amount of the tax claim. When a sale is made the Sheriff will prepare a certificate of delinquency and shall inscribe the date of sale, the sale price, and the name and address of the purchaser. The purchaser shall be entitled to a certified copy of the certificate of delinquency. If no responsible bid in the amount of the tax claim is received, the sheriff shall purchase the tax claim for the state, county and taxing districts having an interest therein. The sheriff shall file all certificates of delinquency in the county clerk's office immediately upon completion of the tax sale and the clerk shall retain them. If the sheriff fails to return any certificate, the purchaser may file his certified copy with the clerk, with the same effect as the original. Certificates of delinquency shall bear interest from the date of issuance until collected at the rate of twelve percent (12%) per annum.

Foreclosure:

An uncollectible certificate of delinquency shall embrace the entire tax claim. That property shall be subject to foreclosure or execution in satisfaction of a judgment or both, to enforce the obligation. No action may be brought to enforce a certificate of delinquency until one year after the issuance, and the action shall be instituted within five years after the expiration of that one-year period. If the owner of a certificate of delinquency proceeds to enforce satisfaction of the certificate, he may include all other certificates held by him against the same delinquent taxpayer; but insofar as the proceedings may undertake to effect a lien foreclosure, they shall be governed by the time applicable to the particular property subject to the lien, if that property is no longer owned by the delinquent. If a private person is the owner of a certificate of delinquency, he may, after the expiration of the one-year period:

- (a) Institute an action against the delinquent taxpayer to collect the amount of the certificate, and any other certificates, and shall have all the remedies available for the enforcement of a debt; or
- (b) Institute an action to enforce the lien provided in KRS 134.420, represented by the certificate that is more than one year of age, and those certificates subsequently held by the same owner; or
- (c) Institute one action including both types of actions mentioned in paragraphs (a) and (b).

If the state, county or a taxing district is the owner of a certificate of delinquency, it shall have, after the expiration of the one year period, the right to sell any property owned by the delinquent party. Any property sold under constraint proceedings shall be sold in the same manner as provided in KRS 134.430 and 134.440. That exercise of power shall be vested in the county attorney. The county attorney may designate the property subject to constraint and require the sheriff to take custody if he deems custody of the property necessary.

If property is sold pursuant to a judgment of foreclosure, it shall be appraised pursuant to the provisions of KRS 426.520 and there shall be a right of redemption. If there is no purchaser at a foreclosure sale, the master commissioner shall make a deed to the person or persons shown by record to be the owner of the certificate or certificates of delinquency, and they shall have a pro rata interest in accordance with the amount of their respective certificates.

After the state, county and taxing districts obtain real property, the designated agent of the secretary of revenue may advertise and sell at public sale any of the lands, and the secretary may convey the lands by deed to the purchaser.

The sales shall be advertised by a written or printed notice posted at the courthouse door for fifteen days before the date of sale, and by publication pursuant to KRS chapter 424, and may in addition be advertised by printed handbills posted for fifteen days before the date of sale in three or more conspicuous places in the taxing districts.

Any real property acquired by the state, county and taxing districts pursuant to KRS 134.490 may be redeemed at any time before the secretary gives a deed to a purchaser, by paying to the county clerk the amount due at the time the property was acquired, plus subsequent costs and interest at the rate of twelve percent (12%) per annum.

If a certificate of delinquency held by an individual is declared void by a court of competent jurisdiction because of the irregularity of taxing officers, the amount for which the certificate was issued shall be refunded by the state, county and taxing districts on a pro rata basis. the rate of interest refunded shall be at the tax interest rate as defined in KRS 131.010(6), (the tax interest rate shall be equal to the adjusted prime rate charged by banks rounded to the nearest full percent), rather than twelve percent (12%) per annum.

LOUISIANA

Total Parishes = 64



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Sale Type: Deed

Interest Rate: 12% per annum plus 5% penalty

Bid Method: Bid Down the Interest

Redemption Period: 3 Years

State Statute Sections: LRS Section 47:2181, 2183

Over the Counter – No

Sale Dates – January to April

Although Louisiana is classically what we refer to as a “tax lien state”, it is not uncommon for the Parish and/ or city or town to refer to the evidence of assignment of lien rights as a “tax deed”, which is subject to the redemption right of the property owner. The tax deed is redeemable at any time for a space of three years beginning on the day when the deed is filed for record in the conveyance office (sometimes referred to as the mortgage office in Louisiana), pursuant to Louisiana Statute Sec 47:2183. The conveyance/mortgage office is the office many of us might refer to as the Recorder or Registry of deeds in other parts of the country.

Additionally pursuant to Louisiana statutes, if not redeemed, such record in the conveyance /mortgage office shall operate as a cancellation of all liens, privileges, conventional, and judicial mortgages, recorded against the property sold, except liens for other taxes and /or assessments.

Tax sales are held at the Parish and city/town government level rather than at the county level. Although Louisiana statute Sec. 47:2182 requires that “tax collectors throughout the state shall seize, advertise and sell the property upon which delinquent taxes are due, on or before the first day of May of the year in which the taxes were assessed, or as soon thereafter as possible”, most sales take place in May or June annually. The sales are administered by the civil division of the Sheriff’s office, which is the ex-officio tax collector.

Sale procedures:

The bid accepted at Louisiana tax sales must be at least equal to the taxes, costs and interest then due; otherwise the tax collector shall bid in the property for the state. Pursuant to Louisiana Statutes sec 47:2187, the Register of the State land office shall have charge, control and disposition of all property that may hereafter be bid in for and adjudicated to the state for unpaid taxes.

Any person may purchase unredeemed property bid in for and adjudicated to the state for unpaid taxes by application and deposit of the appropriate amount to the State Land Office.

From the date of recording a tax deed to a property, all subsequent taxes will be assessed to the purchaser of the tax deed, unless and until said property is redeemed. Redemption requires the payment of the purchase price, plus a 5% penalty, plus interest at the rate of 1% per month, calculated from the date of sale through the date of redemption.

Redemptions of real estate situated in the parish of Orleans, which have been adjudicated to the state and are still subject to redemption, shall be made through the commissioner of public finance of the city of New Orleans.

Pursuant to Louisiana Statutes Sec 47:2185, upon the presentation of a certified copy of a tax deed (remember in Louisiana that is synonymous with tax lien), to any judge of competent jurisdiction, the judge shall grant an order of seizure and possession, commanding the sheriff to seize such property and place the purchaser of the tax deed in actual possession. The tax deed purchaser may take possession without such an order with the consent of the tax debtor, provided no force or violence is used.

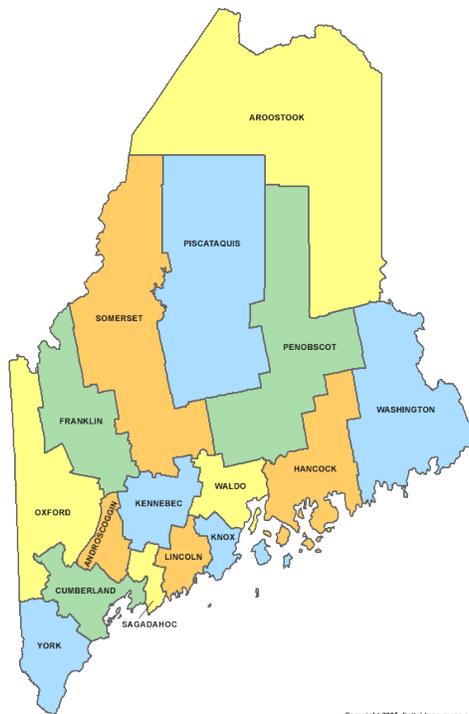
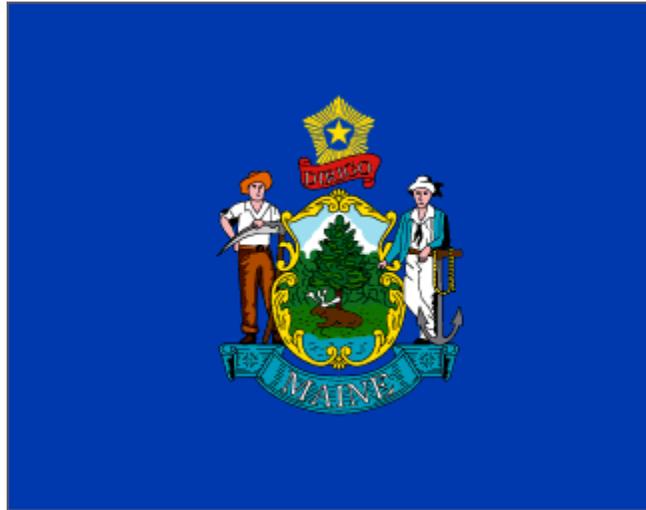
For properties bid in for the State, the Register of the State Land will secure the services of the District Attorney in order to file suit and obtain corporal possession of the property in the name of the Register of State Land.

Caution: possession of the property by tax deed is subject to the tax-debtor's right of redemption. Improvements to the property during this time frame are made at the tax deed purchaser's risk. Please consult a local attorney experienced in the foreclosure and possession of tax deeds, before improving any property possessed by tax deed/title holder.

After the lapse of three years from the date of recording the tax deed, the purchaser may institute suit by petition in the parish court where the property is located. Such suit will include notice that the petitioner is the owner of said property by virtue of the tax sale and notice that the title to said property will be so confirmed unless a proceeding to annul is instituted within six months from the date of service of the petition. After the lapse of six months from the date of service of the petition, if no proceeding to annul the sale has been instituted, judgment shall be rendered quieting

Maine

Total Counties = 16



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Sale Type: Deed

Interest Rate: N/A

Bid Method: Sealed Bid

Redemption Period: N/A

State Statute Sections: Maine Revised Statutes Title 36

Over the Counter – No

Sale Dates – Varies by County

Maine is a typical tax deed state. Much of the terminology is unique to this state. Additionally and unlike most other states, the individual municipalities are responsible for the collection of real property tax and the eventual foreclosure and disposition of delinquent unpaid real property tax parcels. At the expiration of the 30-day period following the collector's issuance of the notice, a tax lien mortgage certificate (also called a tax lien certificate) must be prepared for every property for which taxes have not been fully paid. The recording of the tax lien certificate in the Registry of Deeds creates a tax lien mortgage. This mortgage has priority over most other mortgages, liens, attachments and encumbrances, including federal income tax liens (see 26 U.S.C.S. §6323(b)(6)). The municipal tax lien mortgage is so powerful a collection instrument that even a creditor who obtains a court judgment against the taxpayer may not have the property sold for his or her benefit after the municipal tax lien mortgage has been foreclosed. Monet it Bearce, 311 A.2d 540 (Me. 1973). After the tax lien certificate is recorded, the property may be redeemed within 18 months only by full payment of the tax, interest, and fees. If the tax lien mortgage, interest, and costs have not been paid 18 months after filing of the tax lien certificate, then the mortgage is automatically foreclosed and the right of redemption has expired, provided all the proper procedures have been followed.

The tax lien mortgage sometimes has been referred to as a "self-foreclosing mortgage" for the reason that no judicial action is required on the part of the municipality. Mere passage of time and the providing of notice are sufficient to cut off the right of redemption. It is not necessary for the municipality to take physical possession of the property or perform any other act. If the taxpayer wishes to regain title after foreclosure, he or she must buy the property back from the municipality. After foreclosure, the property becomes the responsibility of the municipal officers, subject to direction of the municipality's legislative body.

A recorded tax lien certificate gives the municipality all the usual Rights under a mortgage except possession of the real estate. Thus, the municipality may assign (sell) the tax lien mortgage before the expiration of the 18-month redemption period. This is not a common practice, but it is legally permissible.

Before a municipality assigns any tax lien mortgages, however, the legislative body of the municipality must vote to authorize someone, usually the municipal officers, to sell un-matured tax lien mortgages on behalf of the municipality.

When a tax lien forecloses it will extinguish mortgages and most liens (certain federal and state liens may survive due to other laws) as long as the lien holders and mortgage holders were properly notified. Usually, banks will pay the taxes at the last moment to avoid this. Even if a mortgage or lien is “wiped out,” however, it will be revived if the property is conveyed to the immediate former owner or his successor, see 36 M.R.S.a. §943.

The decision to sell rests with the municipality, and so does the choice of sale procedure. Most municipalities merely give the municipal officers the general authority to dispose of tax-acquired property on such terms and conditions as they deem advisable.” Such authority gives the municipal officers the choice of several procedures, including the use of sealed bids, open auction or closed sale. However, some municipalities require that the property first be offered to the former owner or that a specific method of sale be used.

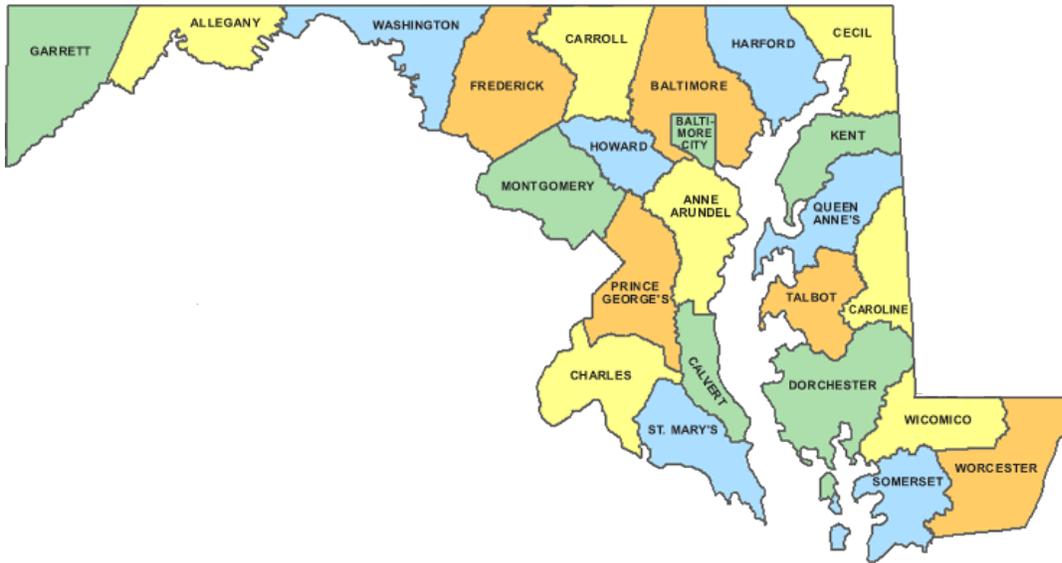
The town is not required by law to dispose of all its tax-acquired parcels in the same manner. Different properties have different attributes, and the voters and municipal officers have the discretion to determine how to treat each parcel. Some tax-acquired parcels may be sold and others may be retained by the town.

The municipality is not obligated to sell the property back to the original owner, or to charge only an amount equal to the taxes, interest and costs owed. The property should be treated as other municipal property and sold for a total dollar amount, not as individual liens that need to be discharged. At a minimum, the municipality will sell tax-acquired property for the sum of the back taxes, the interest on such taxes, and the costs incurred in the tax lien process and in managing the property. Most likely the sale price will include in all outstanding taxes and current taxes, and not simply those which have gone to lien or foreclosure.

The municipal officers should dispose of property acquired for taxes by a municipal quitclaim deed without covenant (also known as a “release deed”). It is legal to sell the property by warranty deed, but this is not done often since a warranty deed obligates the municipality to clear up title problems, including those that arose before the release deed is not given until all tax liability has been paid (including the current year’s taxes or an amount equal thereto if no tax has been assessed for the current year). A person may be required bring an action to quiet title in order to clear any issues surrounding that person’s ownership of the property and to remove any “clouds” on that title, thereby making the property more marketable and perhaps more valuable after obtaining title through this method of foreclosure for defaulted property taxes. a suit to quiet title requires the services of a private attorney and is brought against all persons who might claim an interest in the property.

MARYLAND

Total Counties = 24



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Sale Type: Lien

Interest Rate: 6% to 24% (varies by county)

Bid Method: Premium Bid

Redemption Period: 6 months

**State Statute Sections: Annotated Code of the Public Laws of Maryland Section
14-817,818, 820, 831, 833, 844**

Over the Counter – Yes

Sale Dates – Varies

Baltimore City – May

Taxes Due & Delinquent:

Maryland property taxes are due and payable on the first day of July each year. If not paid by October 1st of the same year, the delinquency begins to accrue interest at a rate of 1 2/3% per month (20% per annum) or fraction thereof.

Annotated code of Maryland (ACM) §14-804 establishes a lien on real property from the date taxes become due until they are paid. ACM § 14-805 further establishes that liability for the tax and a 1st lien attaches to the real property in the amount of the property tax due on the real property.

Tax Lien Sales:

Tax sale dates are not set by statute, however most counties in Maryland tend to hold their auctions in May or June annually. Opening bid equals all taxes (whether in arrears or not), interest, penalties, and costs. The highest and best bidder at any tax lien sale is awarded a certificate of Sale as the counties assignment of the lien. The niche here is that the winning bidder must only tender the opening bid after being awarded the certificate of Sale. The residue of the bid is said to remain on credit. The balance is not required to be paid until the right of redemption has been foreclosed. In other words, the tax collector trades the balance of the purchase price for the deed. After purchase from the county, certificates of Sale are assignable to other private investors. The recording of the certificate is not required, but is recommended.

Interest & Redemption:

The redemption interest rate is set at 6%, by statute. However, the option to fix a different rate is afforded all 23 counties and Baltimore City by the same citation. Only 4 counties subscribe to the 6% rate. The rest vary in rate from a low of, to a high of 20%. After a redemption period of six months the certificate of Sale holder may begin the judicial foreclosure process, unless the property is in such disrepair as to not meet building and safety codes. In that case, the purchaser of any certificate may actually begin the judicial foreclosure of the right redemption at anytime after 60 days from the date of purchase. The judicial foreclosure consists of filing a complaint in civil court praying for the court to pass a final judgment foreclosing all rights of redemption and vest an absolute and indefeasible title in fee simple for the property in question. After the appropriate publication and response time is granted, the court will order the tax collector to execute a deed on behalf of the certificate holder. Should redemption occur after the foreclosure

proceedings have begun, the certificate holder is entitled to reimbursement of the costs of that action, as well as his/her bid, plus accrued interest.

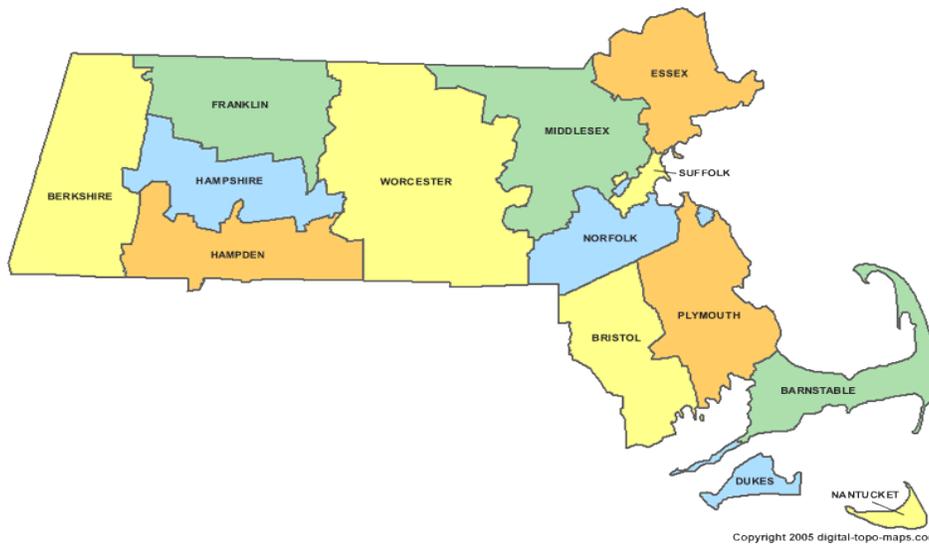
A certificate of Sale becomes null and void after two years has expired from the date of purchase if no official action has been taken to foreclose the right of redemption.

After the Sale:

Property not purchased, by private investors at the annual lien sales, is transferred to the county inventory. This inventory is referred to as Surplus land or Resale properties. These properties can be purchased over the counter from these inventories and garner a redemption period of six months less the time that has passed since the date of the original auction.

MASSACHUSETTS

Total Counties = 14



Sale Type: Deed (hybrid state)

Interest Rate: 16 per annum

Bid Method: Premium Bid

Redemption Period: 6 Months but not self-executing

State Statute Sections: Annotated Law of Massachusetts Sections 45, 62

Over the Counter – no

Massachusetts operates as many classic tax lien states. Although like many New England states, the municipality/city/town is responsible for the collection and sale of delinquent real estate taxes, rather than the county. Further the state differs in that rather than referring to the lien conveyance document as a certificate of Purchase, or the like, it is referred to as tax title or collector's deed, each subject to the right of redemption.

Taxes assessed upon land shall with all incidental charges and fees are a lien thereon from January first in the year of assessment. Such lien shall terminate at the expiration of three years and six months from the end of the fiscal year for which such taxes were assessed, if in the meantime the estate has been alienated and the instrument alienating the same has been recorded, otherwise it shall continue until a recorded alienation thereof, but if while such lien is in force a tax sale or taking is made, and the deed or instrument of taking has been duly recorded within sixty days, the lien and also the lien or liens for any subsequent taxes or charges which have been added to the tax title account shall continue for ninety days after a surrender and discharge. Said taxes, if unpaid for fourteen days after demand therefore, may, with said charges and fees, be levied by sale or taking of the real estate.

The collector shall give notice by publication of the time and place of sale of land for nonpayment of taxes. Such notice shall contain a substantially accurate description of the several rights, lots or divisions of the land to be sold, which shall be furnished to the collector by the assessors upon demand of the collector, the amount of the tax assessed on each, and the names of all owners known to the collector.

If the taxes are not paid, the collector shall, at the time and place appointed for the sale, sell by public auction, for the amount of the taxes and interest, if any, the smallest undivided part of the land which will bring said amount, or the whole for said amount, if no person offers to take an undivided part, the sale shall be void and another sale may be made. If at the time and place of sale no person bids for the land offered for sale an amount equal to the tax and charges, and if the sale has been adjourned one or more times, the collector shall give public notice that he purchases for the town said land as offered for sale at the amount of the tax and the charges and expenses of the levy and sale.

Cities and towns may make regulations for the possession, management and sale of land purchased or taken for taxes, subject to the right of redemption. The treasurer of any city or town holding a tax title may assign and transfer such tax title to the highest bidder at a public auction.

The collector shall execute and deliver to the purchaser a deed of the land, containing a warranty that the sale has in all particulars been conducted according to law. The deed shall convey the land to the purchaser, subject to the right of redemption. The title thus conveyed shall, until redemption or until the right of redemption is foreclosed. Such deed shall not be valid unless recorded within sixty days after the sale. The sale shall not give to the purchaser any right to possession of the land until the right of redemption is foreclosed.

Whoever has a tax title to land under a sale for nonpayment of taxes or other assessment and is a resident of the town where such land lies must file with the treasurer and in the registry of deeds a statement of his residence and place of business, with the street and number, if any. Such person, who is not a resident of such town must appoint an agent residing therein, and file the statement identifying the name of such agent and his residence and place of business, with the street and number, if any. Whenever a person holding a tax title changes his residence or place of business or agent, he must file a new certificate.

Whoever then holds the title to land acquired by a sale or taking for taxes may bring a petition in the land court for the foreclosure of all rights of redemption of said land either after six months from the sale or taking, or in case of a city or town, at any time following the sale or taking if the buildings thereon have been found to be abandoned property. Additionally, a petition for the foreclosure of all rights of redemption may be filed at any time following the consent in writing of the record owner. The land court in each petition filed by a city or town may, upon motion, order the payment of legal fees to a city or town, which amount shall be added to the tax title account of the land to which the right of redemption is being foreclosed. Any person having an interest in land taken or sold for nonpayment of taxes, at any time prior to the filing of a petition for foreclosure, if the land has been taken or purchased by the town and has not been assigned, may redeem the same by paying or tendering to the treasurer the amount of the tax title account of the land being redeemed, and interest at sixteen per cent upon the original sum for which the land was taken or sold, from the date of sale, together with all charges lawfully added to the tax title account of such land subsequently to such taking or sale.

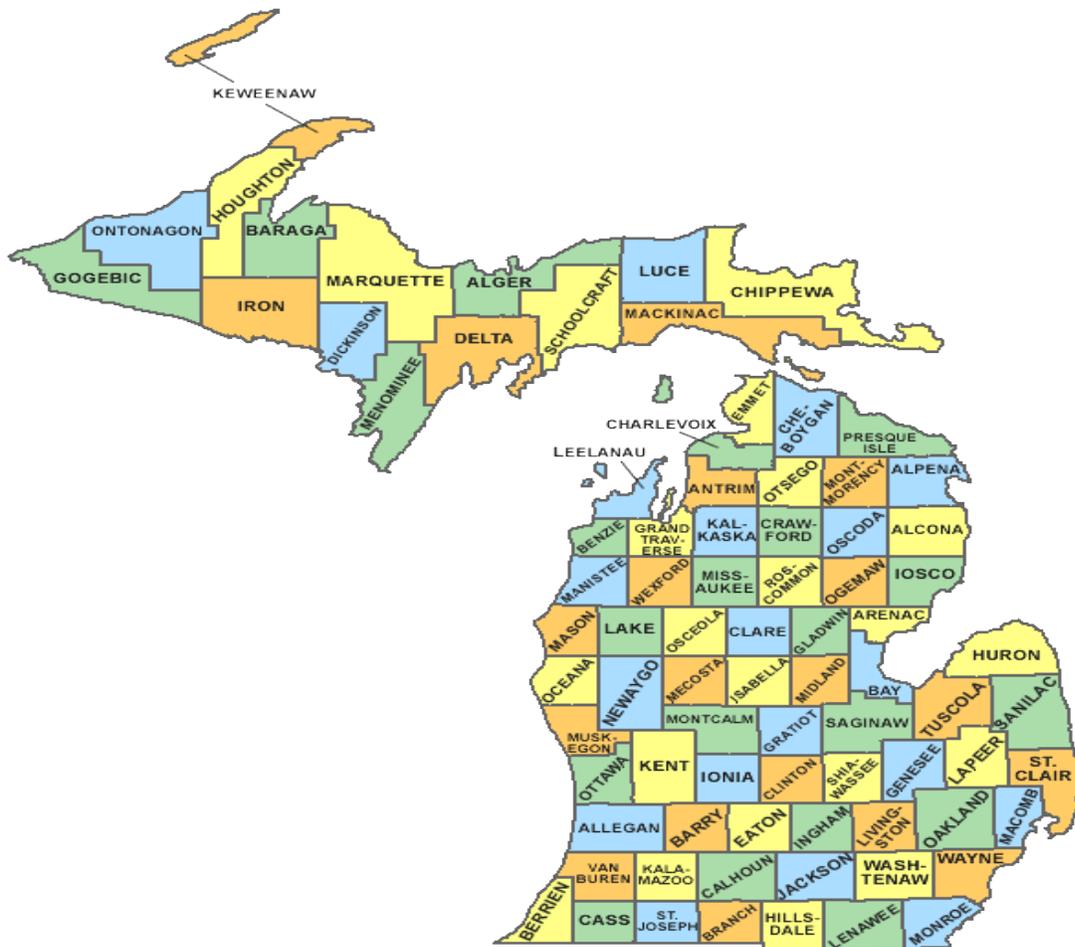
Any person may also redeem by paying or tendering to a purchaser, other than the town, or to the person to whom an assignment of a tax title has been made by the town, at any time prior to the filing of the petition for foreclosure, the original sum and intervening taxes and costs paid by him and interest on the whole at said rate, or in the case of an assignee of a tax title from a town the amount stated in the instrument of assignment with interest at the rate of six and one half percent from the date of said assignment. He may also redeem the land by paying or tendering to the treasurer the sum which he would be required to pay to the purchaser or to the assignee of a tax title, with one dollar additional.

The title conveyed by a tax collector's deed or by a taking of land for taxes shall be absolute after foreclosure of the right of redemption by decree of the land court. the land court shall have exclusive jurisdiction of the foreclosure of all rights of redemption from titles conveyed by a tax collector's deed or a taking of land for taxes.

After foreclosure by a town of the rights of redemption under a tax title or taking, the land will thereafter be held and disposed of like any land belonging to it and held for municipal purposes, and shall not while so held be assessed for taxes.

MICHIGAN

Total Counties = 83



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Sale Type: Deed

Interest Rate: N/A

Bid Method: Premium Bid

Redemption Period: N/A

**State Statute Sections: Public Act 123 of 1999; Act 206 of Public Acts 1893
Sections 140-143**

Over the Counter – No

Sale Dates – Varies by county

Saginaw – August

Genesee – March

On July 22, 1999, the Governor of Michigan signed into law Public acts 123, 132, and 133, significantly changing Michigan' Tax Reversion process; Effectively changing Michigan from the tax lien method of delinquent property tax collection to a forfeit lands/tax deed/tax defaulted type collection state. Counties now fall into one of two categories: Opt-In and Opt-Out. Opt-Out counties rely on the State Department of Natural Resources for their forfeiture, foreclosure, and ultimate sale of delinquent tax properties, and the opt-In counties conduct the process on their own. Regardless of the entity completing the process the timetable and result are virtually the same. Michigan law mirrors many other state laws with regard to the property tax liens priority. Public act 123, Section 60a (4) provides that delinquent taxes constitute a valid lien in the name of the State with enforcement rights as a preferred or first claim. On March 1 of each year, taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent. Section 78a (6) authorizes local government to foreclose on delinquent taxes after 2 years.

The State/county's petition for Judgment of foreclosure must seek absolute title in favor of the governmental unit without further rights of redemption.

Section 78k (5) requires the circuit court to enter a judgment in uncontested cases not later than 10 days after the March 1 immediately after the foreclosure petition is filed, and in contested cases not later than 10 days after the conclusion of the hearing, specifying: that the foreclosing governmental unit has good and marketable title; and that all existing recorded and unrecorded interests in the property are extinguished.

Section 67c of the act further provides that environmental liens and any other State liens recorded pursuant to the Natural Resources and Environmental Protection Act are extinguished

upon sale or transfer of the property. Section 78 l (1) provides that after a foreclosure judgment is entered, and the time for appeal has expired, the owner of an interest in property who contests notice may not bring an action to recover the property, but only an action for money damages.

Subject to governmental units first right of refusal to purchase forfeited/foreclosed properties, Section 78m (2) provides that the foreclosing governmental units may hold a sale beginning the third Tuesday in July.

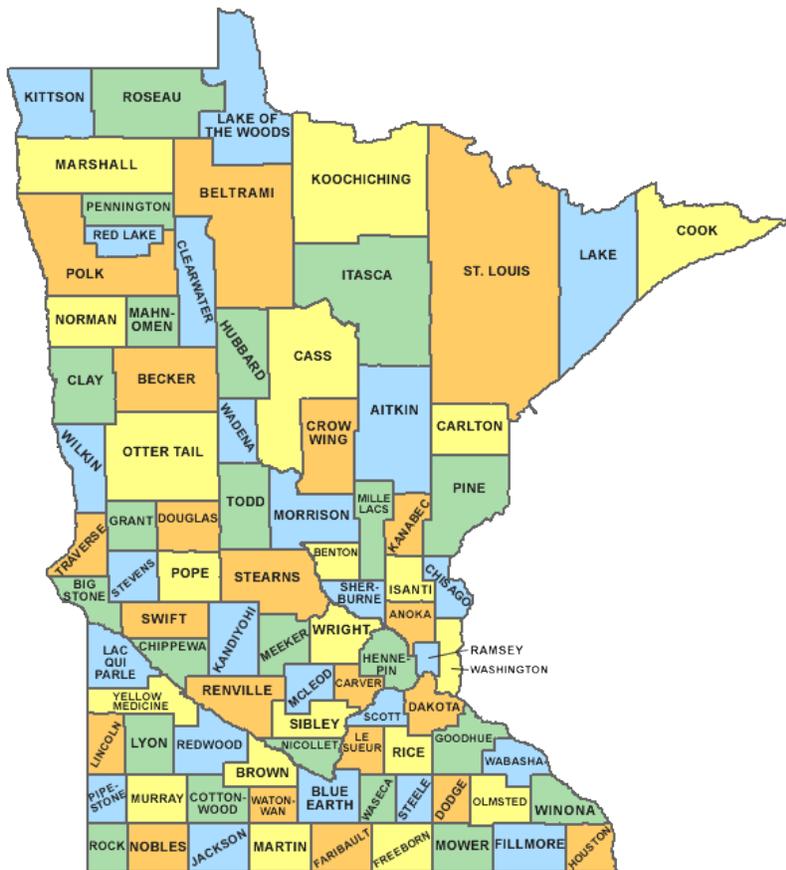
The sale must be completed in 15 days. If the July sale is not held, then a sale must be held beginning the third Tuesday in September. The opening bid at these sales may be the minimum bid (taxes, interest, penalties, fees and sale costs) or the fair market value of the property as determine by the county assessor.

Properties not sold at the July or September sales must be offered on the third Tuesday in November with no minimum bid required. Properties that remain unsold from the three sales described above are then required to be transferred to the ownership of the city, village or township on December 30 each year, pursuant to Section 78m (6). The city, village or towns then dispose of them according to statute. Properties that remain unsold by the State are available.

Questions regarding State handled sales in September and November (a.k.a. opt-In counties) can be answered at (517) 373-1250, or by email at dnr-lmsdpublicauctions@michigan.gov, or by visiting the website www.michigan.gov/dnr.

MINNESOTA

Total Counties = 87



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Sale Type: Deed

Bid Method: Premium bid

State Statute Sections: Minnesota Statutes Sections 281, 282

Over the Counter – Yes

Sale Dates – Varies by county

St. Louis (Duluth) – February, June, October

County auditors actually hold the auctions in association with the County Land Department. Property offered for sale for delinquent taxes are referred to as tax-forfeited lands. Notice of each year's sale is advertised in a publication of general circulation within each county, once a week for two weeks with the last notice running not less than 10 days prior to the sale. Minnesota county Boards are, by law, designated to provide terms for the sale of tax-forfeited lands.

The terms are as follows: A percentage of the purchase price is due in cash at time of sale, some counties 10%, some 20%, some 30%, but not to be less than \$75. The balance to be paid in five equal annual installments, payable on October 31st of each following year, with interest at the rate of 10% annualized, calculated simply. Please be advised that special financing rules do apply for timber producing lands. Not all Counties prescribe to financing terms, but they are allowed. Statutorily, a minimum of 10% down is required and no more than 10 equal annual installments are allowed. The 10% rate of annualized interest is fixed. County Board's set appraised values for the opening bid. This number should not be confused with fair market value. They are not synonymous. Each sale is subject to a fee, for deposit to the State land assurance account, as well as, deed processing fees, and a charge per \$500 of sale price state deed tax.

Bids are made in an open and competitive format on a dollar basis, with title awarded to the highest bidder. Many counties do allow mail in bids (absentee bidding). All land not sold at the auction may be purchased at anytime thereafter at not less than the appraised value. However, you may petition the county Board for a reappraisal.

In effect, make them an offer. ***Caution: tax forfeited lands may have unpaid Municipal special assessments. Check with the appropriate City office during investigation to avoid problems. Abatement or terms for re-payment of these assessments can also be arranged. Not necessarily a roadblock.***

Minnesota statute requires counties to give notice of the existence of non-forested marginal land or wetlands to prospective purchasers. Successful bidders are awarded a receipt or a certificate of

sale at the time of the sale to be followed by a state deed prepared by the Minnesota Department of Revenue within 30 days. The purchaser is entitled to immediate possession, subject to the provision of any existing valid lease made on behalf of the state.

FACTS You Should KNOW BEFORE Buying Lands Forfeited TO THE STATE OF MINNESOTA FOR NON-PAYMENT OF TAXES

Public Sales:

All Tax forfeited lands are appraised and offered at a public sale and sold to the highest bidder. The minimum bid acceptable is the appraised value.

Private Sales:

Parcels not sold at the public sale may be purchased at private sale by anyone offering to pay the appraised value thereof. Prices cannot be changed unless a parcel is re-appraised, advertised, and again offered at public sale.

Assurance Account:

There is established in the state treasury a tax forfeited land assurance account. at the time of sale of a parcel of tax forfeited land, the county auditor shall collect in full an amount equal to 3% of the total sale price of the land, which amount is in addition to the total sale price of the land.

Terms: for each parcel sold for \$1,500 or less, cash at the time of sale; over \$1,500 but less than \$4,000, at least 30% down, balance in 3 annual installments; for each parcel sold for \$4,000 or more, at least 15% down, balance in 10 annual installments; with interest at the rate prescribed by M.S.A. 279.03 Sub. 1a, the adjusted prime rate charged by banks on the unpaid balance, but not less than 10% or more than 14%. Installments and interest are payable on the anniversary of the day of purchase, provided that an installment or multiple thereof, with interest to date, may be paid in advance. All payments must be cash or check made payable to the department of Property Records and Revenue. All sales are final and no provision is made for refund or exchange.

Conditions:

Sales are subject to existing leases, if any; to building restrictions appearing of record at the time of forfeiture, to easements obtained by any governmental subdivision or agency thereof for any public purpose; to all applicable laws and ordinances; and to the condition that the appraised value does not represent a basis for future taxes.

The purchaser must assume local improvements constructed but not yet assessed. Reassessment of canceled improvement assessments may be made in accordance with Minnesota Statutes reading, in part, as follows:

When a parcel of tax forfeited land is returned to private ownership and the parcel is benefited by an improvement for which special assessments were canceled because of the forfeiture, the municipality that made the improvement may, upon notice and hearing as provided for the original assessment, make a reassessment or a new assessment as to the parcel in an amount equal to the amount unpaid on the original assessment.

Any municipality, political subdivision, or other public authority may make a reassessment or new assessment pursuant to Section 1, 429.071, notwithstanding that the original assessment may have been made pursuant to other general law or a special law.

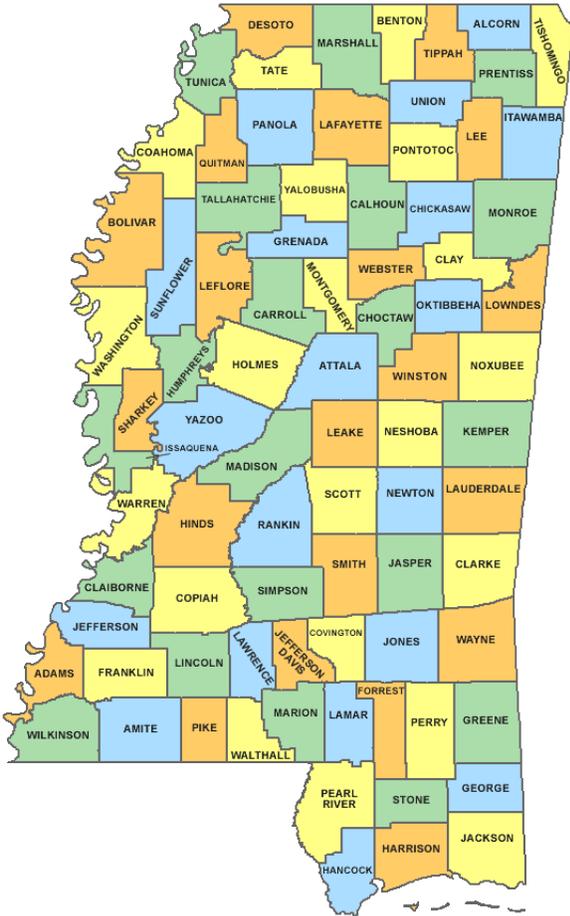
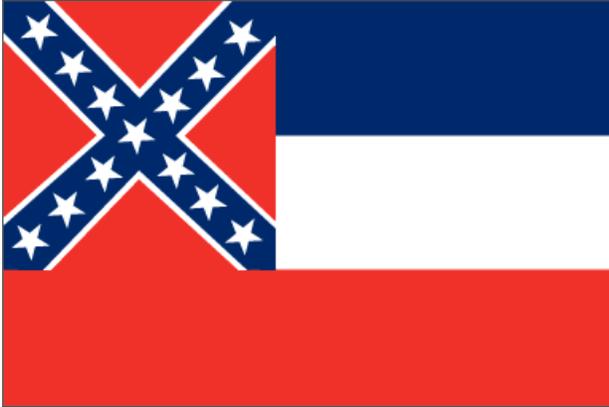
When tax forfeited land is returned to private ownership and the land is benefited by a public improvement for which special assessments were canceled because of the forfeiture, the municipality or other public authority that made the improvement may impose fees or charges for the use or availability of the improvement or for connections therewith in an amount not to exceed the amount remaining unpaid on the charge against the owner, lessee, occupant, or all of them and may certify unpaid fees or charges to the county auditor with taxes against the property for collection as other taxes are collected.

Purchasers of properties with insurable building must carry fire and windstorm insurance in the amount determined by Ramsey county, the policy to run jointly to the county of Ramsey and the purchaser, as their interest may appear, and to be deposited in the office of tax forfeited lands. Title: The purchaser will receive a certificate of sale at the time of purchase, and after payment in full is made, will receive a deed from the State of Minnesota through the commissioner of Revenue. Purchaser must pay applicable deed fees. The law provides that this conveyance shall have the force and effect of a patent from the State.

The forfeiture does create a break in the chain of title that must be corrected to secure a marketable title as other flaws may exist in the title. You may need a real estate attorney. Cancellation: Contracts may be canceled by resolution of the Board of county commissioners upon failure of the purchaser to pay an installment and interest when due, failure to pay current taxes before the same becomes delinquent, or failure to carry insurance. the cancellation shall be completed pursuant to Section 559.21, and all costs, attorney's fees, and other amounts payable by purchaser shall be payable to the county. Information: Information regarding forfeited lands may be obtained in the office of tax forfeited lands.

MISSISSIPPI

Total Counties = 82



Sale Type: Lien State

Interest Rate: 18% per annum

Bid Method: Premium bid

Redemption Period: 2 years

State Statute Sections: Mississippi Code of 1972,

as amended

Sections 27-41-55, 59, 27-45-3

Over the Counter – No

Sale Dates – Last Monday in August (lien sale)

First Monday in April (deed sale)

Notice of Sale:

Published once in each of three nonconsecutive weeks in a six-week period in two newspapers designated for the publication (i.e. once a week every other week for six weeks).

The Notice:

The notice shall contain: a) day of the sale, b) list of parcels, c) description of the property, d) name of the owner and/or occupant, e) taxes due. The county treasurer must notify the property owner prior to publishing the notice of sale by first class mail.

The Sale:

Purchaser must pay the amount bid for the property within 48 hours after the last day of the sale. Upon payment, the purchaser will receive a written certificate of purchase which contains: a) description of the property, b) the amount paid, c) date when the purchaser is entitled to deed, d) statement stating that if the property is not redeemed that the purchaser can take title to the property. If certificate is not paid for within one month from the date of the sale, then the transaction is null and void.

Redemption:

The certificate may be redeemed anytime within one year from the last day of the sale by paying the county treasurer, the amount paid at the tax sale plus 10% per annum.

Notice of unredeemed Properties:

The county treasurer must publish at least 3 months prior to the one-year redemption expiring, a public notice listing all of the unredeemed properties. The notice must be published once a week every other week for six weeks. The notice must contain a) list of the properties, b) amount necessary to redeem, c) the last day to redeem, d) statement that if the property are not redeemed on or before such day that they will be conveyed to the purchaser.

Property Owner Notification:

The county must notify the property owner by first class mail not less than 14 days prior to publishing the public notice. Proof of the notification must be filed with the county clerk within 21 days after the last publication.

Taking Title:

1. Must apply with 5 years from the last day of the sale.
2. Upon receiving title, “the grantee may possess and enjoy for his own use” the real property.
3. If the property is in possession at the time the redemption period expires:
 - a. Must give occupant proof (evidence of the title) within 30 days from taking title. This gives the occupant an additional 6 months to redeem,
 - b. If notice is not given to the occupant, then the occupant will have an additional 2 years to redeem,
 - c. Proof of the mailing must be filed with the county treasurer and the county clerk at least twenty days prior to the expiration of the redemption period.
4. If the property has a mortgage at the time the redemption period expires: same as above applies.

Summary of Taking Title:

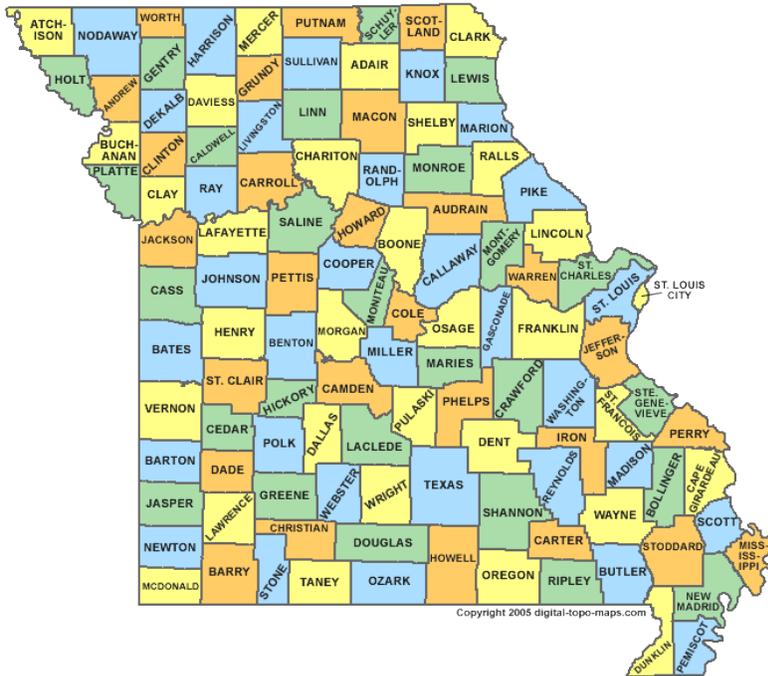
If the property owner does not redeem, a free and clear title will be issued to the property.

If the property is occupied: the occupant must be notified within 30 days of taking title which gives them an additional 6 months to redeem. If proper notification does not take place, then the occupant will have an additional two years to redeem. If the property has a mortgage: the same as above applies.

IMPORTANT NOTE: If after proper notification, the property owner, occupant and/or mortgage holder does not redeem, the, “the occupant and all others shall be forever barred from redeeming such real property.”

Missouri

Total counties = 114



Sale Type: Lien

Interest Rate: 10 % per annum

Bid Method: Premium Bid

Redemption Period: 2 Years

State Statue Sections: Missouri Revised Statutes 140

Over the Counter – No

Sale Dates – Fourth Monday in August (most counties)

Jackson County has two sales:

Independence – September

Kansas City – October

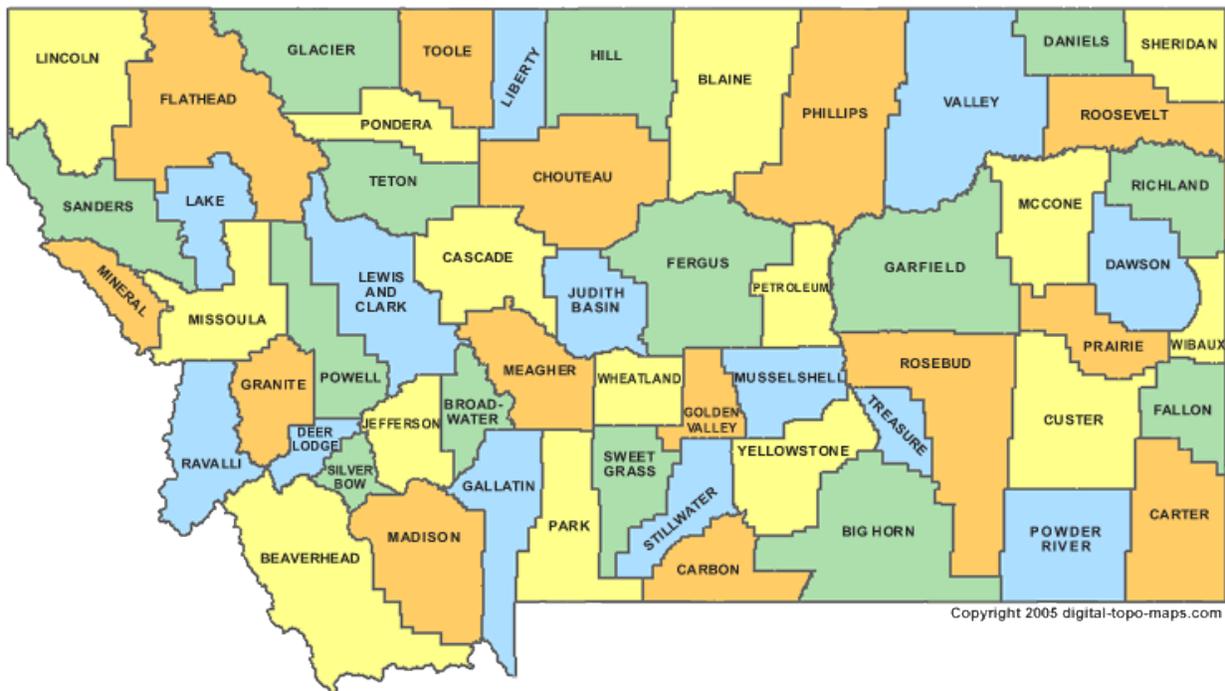
Revised Statutes of Missouri (RSM) identifies state, county, municipal, and school district liens as equal in priority. Except that liens shall rate in priority in the order for the years for which they are delinquent. The lien of the longest delinquency being junior the lien for the next most recent year. Taxes Due & Delinquent: Missouri property taxes become delinquent on the first day of January annually, for the preceding calendar year's assessments. Delinquent tax accrues a penalty of 18% for each year delinquent. Delinquent tax lien sales are held annually on the fourth Monday in August as set by statute. Opening bids consist of tax, interest, penalties, and costs. Bidding is of a premium nature. Many of the counties accept personal checks. Certificate of Purchase is awarded to the highest bidder. Missouri Statute requires the certificate to identify; the amount paid for purchase, the date of sale, the date the purchaser is entitled to deed, and the interest rate set for redemption. Missouri certificates garner a 10% per annum redemption rate. A certificate purchaser must hold the certificate for a period of 2 years. At that time, the certificate holder must follow the statutory guidelines for proper notification of interested parties.

One requirement is the completion of a professional title search (RSM 140.405). Interested parties are allowed a ninety day period with which to respond after notification. You are allowed to complete the title search and impose the 90 day notice prior to the end of the 2 year redemption period. In addition, the certificate holder is expected to pay all subsequent taxes on the property during the redemption period. Should redemption occur, the investor recoups all tax payments and 8% per annum interest calculated on those amounts from the dates of payment until date of redemption. The Certificate holder then applies to the treasurer, documenting proof of notification and is awarded a collector's deed (assuming no redemption was made as a result of notification). Tracts of land not sold at the initial offering are held over for the next regularly scheduled sale (the following August). If at the second offering no bidders are present, those tracts are again held over to the next regularly held auction. After two successive sales are held with no bidders, the property is offered at the third (regularly scheduled) sale, with no redemption period.

Winning bidders at this sale are awarded a collector's deed. Any purchaser at any sale after the third offering is also entitled to a collector's deed. According to Revised Statutes of Missouri chapter 140.190, out of state investors must sign an agreement consenting to the jurisdiction of the circuit court, and appointing a citizen of that county as their agent, consenting that service on that agent of official process shall constitute appropriate service on the buyer. Some counties may even indicate that out of state investors are not allowed. Other counties will only allow the agent to do the actual bidding.

MONTANA

Total Counties = 56



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Sale Type: Lien

Interest Rate: 10% per annum

Bid Method: Assignment

Redemption Period: 3 years

State Statute Sections: Montana Code Annotated Sections 15-16-102; 15-18-211 through 216

Over the Counter – Yes

Sale Dates – July

Taxes Due & Delinquent:

One-half of the taxes are payable on or before 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one-half are payable on or before 5 p.m. on May 31 of each year. After these dates, the amount due is delinquent and draws interest at the rate of 5/6 of 1% per month from and after the delinquency until paid and 2% must be added to the delinquent taxes as a penalty. Montana state statute establishes that every tax due upon real property is a lien against the property assessed, and every tax due upon improvements upon real estate assessed to other than the owner of the real estate is a lien upon the land and improvements, which several liens attach as of January 1 in each year. The statute further states that a lien for taxes is superior to other liens.

Tax Lien Sales:

The county treasurer shall publish or post a notice of pending tax sale. The notice must include the specific time, date, and place an interest in the property on which the taxes are delinquent will be offered for sale. The notice must be published once a week for 3 consecutive weeks in the newspaper designated for county printing. If no newspaper is published in the county, the notice must be posted by the county treasurer in three public places. The notice must be first published or posted on or before the last Monday in June. The sale may not be held less than 21 days or more than 28 days from the date of first publication or first day the notice is posted. In addition, the sale must be held at the county courthouse. Hence most annual auctions take place in June or July. On the date and at the time and place specified in the notice, the county treasurer shall begin the tax sale of all property described in the list. The treasurer is not required to read the list but shall make a copy of the list available for public inspection during regular business hours. The treasurer may postpone the day of commencing the sale on a day-to-day basis without publishing a new notice, provided that the sale is held within 3 weeks from the day first fixed. Property that has not been sold to a purchaser other than the county may, at the discretion of the county treasurer, be offered for sale at tax sales subsequent to the sale at which it was first

offered. Upon receipt of all delinquent taxes, penalties, interest, and costs, the county treasurer shall prepare a tax sale certificate that must contain:

- A. the date on which the property taxes became delinquent;
- B. the date on which a property tax lien was sold at a tax sale;
- C. the name and address of record of the person to whom the taxes were assessed;
- D. a description of the property on which the taxes were assessed;
- E. the name and mailing address of the purchaser;
- F. the amount paid to liquidate the delinquency, including a separate listing of the amount of the delinquent taxes, penalties, interest, and costs;
- G. a statement that the certificate represents a lien on the property that may lead to the issuance of a tax deed for the property;
- H. a statement specifying the date on which the purchaser will be entitled to a tax deed; and
- I. an identification number corresponding to the tax sale certificate number recorded by the county treasurer.
- J. The certificate must then be signed by the county treasurer and delivered to the purchaser. A copy of the certificate must be filed by the treasurer in the office of the county clerk.

Unsold Tax Liens:

If no person pays the delinquent taxes, including penalties, interest, and costs, on the first day of the tax sale, the county is considered to be the purchaser. A property tax lien of the county in any property acquired by the county must be assigned by the county treasurer upon the payment of all delinquent taxes, including penalties, interest, and costs. If a purchaser other than the county does not pay the delinquent taxes, including penalties, interest, and costs, before 10 a.m. on the next business day following the day of purchase at a tax sale, the property must be made available for sale for the amount of the delinquent taxes, including penalties, interest, and costs, on the following business day of the sale. If the sale was made on the last day of the tax sale and payment was not received, the county is considered to be the purchaser.

Redemption & Foreclosure:

Redemption of a property tax lien acquired at a tax sale or by assignment may be made by the owner, the holder of an unrecorded or improperly recorded interest, the occupant of the property, or any interested party within 36 months (3 years) from the date of the first day of the tax sale or within 60 days following the giving of foreclosure notice, whichever is later.

For property subdivided as a residential or commercial lot upon which special improvement district assessments or rural special improvement district assessments are delinquent and upon which no habitable dwelling or commercial structure is situated, redemption of a property tax lien acquired at a tax sale or by assignment may be made within 24 months (2 years) from the date of the first day of the tax sale or within 60 days following the giving of the foreclosure notice required, whichever is later.

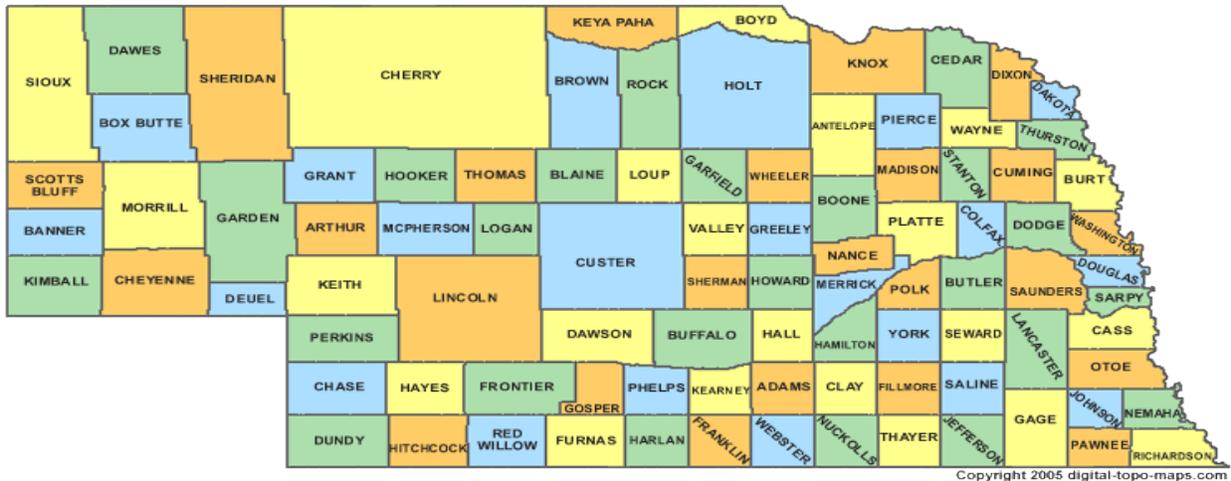
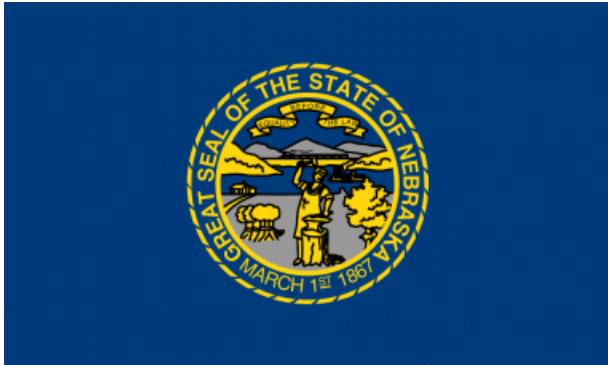
In all cases where a property tax lien has been acquired, the purchaser may pay the subsequent taxes assessed against the property earning the same rate of interest established at the original purchase.

When a property tax lien for which the recorded purchaser is redeemed, the county treasurer shall distribute to the person listed as the purchaser on the tax sale certificate the amount the purchaser paid the county for the property tax lien plus any subsequent taxes paid plus interest, as specified in Montana statute §15-16102, (5/6 of 1% per month, or 10% per annum) from the date of payment until the date of redemption.

If the property tax lien is not redeemed in the time allowed, the county treasurer shall grant the purchaser a tax deed for the property. The deed must contain the same information as is required in a tax sale certificate, except the description of the property must be the full legal description, and a statement that the property tax lien was not redeemed during the redemption period.

NEBRASKA

Total Counties = 93



Sale Type: Lien State

Interest Rate: 14% per annum

Bid Method: Bid Down the Ownership/Rotational

Redemption Period: 3 Years

State Statute Sections: Revised Statutes of Nebraska Sections 77-1807, 1824

Over the Counter – Yes

Sale Dates – March

Taxes Due & Delinquent:

Values for taxation purposes are set for all real estate as of January 1st of each year. Subsequently, Nebraska property taxes are levied on or before September 15th of the same year. Per Nebraska state statutes these taxes become due and payable on December 31st of the year of assessment and commencing on that date are a first lien on the real estate taxed until paid or properly foreclosed. In counties with populations of more than 100,000 inhabitants, taxes become delinquent in two equal installments on April 1st and August 1st of the year following the assessment and levy. In counties of less than 100,000 in population, taxes become delinquent on May 1st and September 1st. From the date taxes become delinquent, they draw interest at the rate of 14% per annum, calculated simply.

Tax Lien Sales:

According to state statute, all real estate on which the taxes have not been paid on or before the first Monday of March following the date of delinquency is subject to sale. Consequently, all Nebraska counties begin their annual tax sales on the first Monday in March. Property liens are made available at sale in most counties at an undivided interest in the lien at 14% per annum. In other words, if two bidders are interested in the same lien each is awarded a 50% interest in that lien. Each would be responsible for half of the sale price and each would earn 14% per annum on the amount of his/her investment. If four bidders express interest, each would be responsible for 25% of the sale price and so forth. Note: Douglas County uses a rotation bid method. If one county does, others may. However, most counties use the method previously described. In addition, a few smaller counties may subscribe to the Iowa method. Successful Iowa bidders are those who accept the lowest percentage of ownership (i.e. 90%, 80%, 75% etc., with the property owner as the partner).

Redemption & Foreclosure:

Successful bidders at auction are awarded Tax Sale Certificates. A petition for foreclosure of the tax lien can be initiated after 2 years and 9 months of the redemption period has elapsed. The redemption period begins on the date the lien is sold and is technically 3 years in duration. Tax lien purchasers should enlist the services of an attorney familiar with the tax lien foreclosure process. Should the court rule on behalf of the tax lien purchaser or county, the treasurer is ordered to issue a tax deed free and clear of all liens and encumbrances. Remember, the property owner's right to redeem does not completely expire until the delivery of the tax deed.

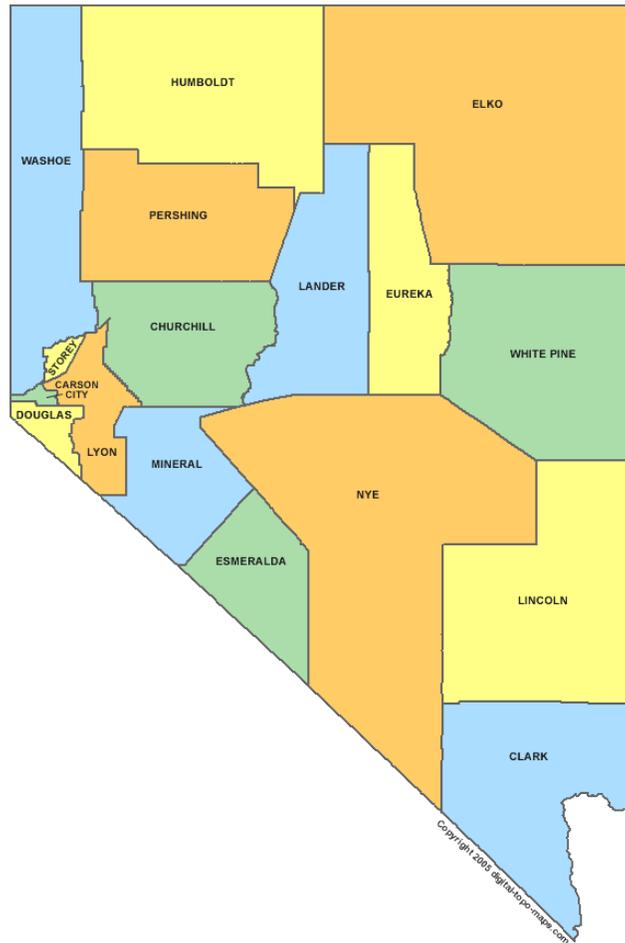
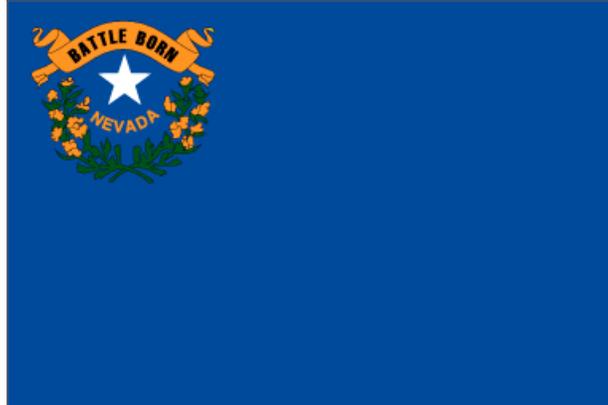
Unsold Tax Liens:

If tax sale certificates are not purchased by a private investor at the public sale, the county issues the certificates in its own name. Therefore, the redemption clock always begins ticking on the date of the public sale. Liens held in the name of the county are available over the counter on a

first come first serve basis to private investors. The procedure of buying county liens after the sale is known as “taking by assignment.” County held liens are available for foreclosure after only two years, with the court action culminating in an order for sale. The titles to these properties are then offered for sale by the sheriff (or the land Revitalization commission in Omaha) to the highest and best bidder, with an opening bid equal to the amount of all delinquent taxes, interest, and charges. Regardless of whether a lien is purchased at sale or by assignment, the purchaser is required to file a petition with the district court for foreclosure within six months from the date the redemption period expires or risk forfeiture of his/her investment.

NEVADA

Total Counties = 16



Sale Type: Deed State

Interest Rate: 12%

Bid Method: Premium Bid

Redemption Period: N/A

State Statute Sections: Nevada Revised Statutes Sections 361.590-595

Over the Counter – No

Sale Dates – Varies by County

Washoe (Reno April)

Redemption period 120 days for vacant land, 2 Years for developed land – TLC & Tax

Nevada statute attaches a perpetually lien on all real property on July 1 of each year assessed, subject only to payment of tax or a properly executed tax sale.

Taxes Due & Delinquent:

Taxes are due the third Monday of each August. Quarterly installments are allowed. Taxes are considered delinquent 10 days after they are due. They accrue a 4%, 5%, 6%, or 7% penalty depending on which, or how many quarterly installments are delinquent. On the first Monday in June following the year of delinquency the tax receiver will issue to the county treasurer a tax certificate on parcels still delinquent to be held by the treasurer for a 2 year redemption period. During this redemption period 10% annualized interest will accrue against the full amount due, (tax plus penalty) until paid.

Tax Deeds:

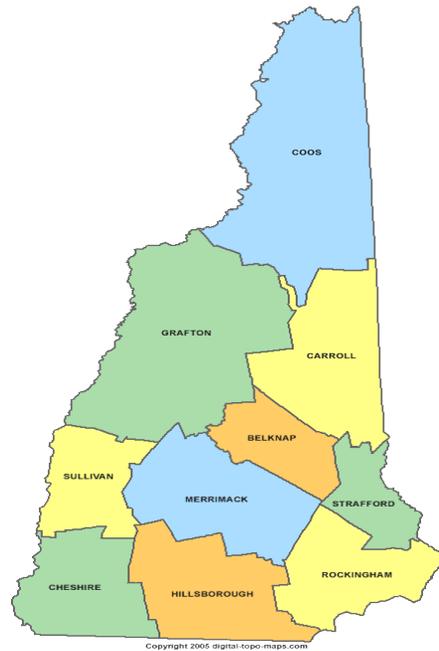
After the expiration of the 2-year redemption period the tax receiver delivers a tax deed to the county treasurer. The treasurer holds the deed in trust for the state of Nevada. At the discretion of each county's Board of commissioners, properties deeded to the State for nonpayment of taxes may be sold to the highest bidder at public auction at any time after appropriate notice has been given.

Sale Procedures:

Many Nevada counties allow sealed bid offerings via mail at their annual sales. The bid must arrive prior to the date set for sale, and must be accompanied by certified funds equaling the amount bid. Sealed bids are opened and read aloud on the first on day of sale. Oral bids are then accepted. Highest bid wins.

NEW HAMPSHIRE

Total Counties = 10



Sale Type: Tax Lien & Deed State

Interest Rate: 18%

Bid Method:

Redemption Period: 2 Years

(varies in municipality)

State Statute Sections:

Over the Counter –

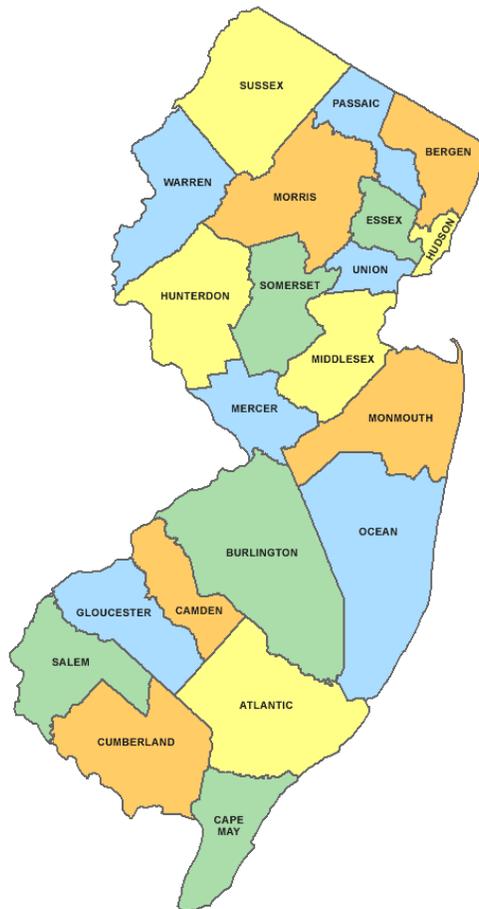
Sale Dates –

New Hampshire should be considered to be a classic lien type state. Again, like many of the New England states, the cities/town are the sub-political jurisdictions charged with the duty of property tax assessment and collection, not the counties as in most other states. New Hampshire state statute provides that a lien is established as an operation of law, stating that the real estate of every person or corporation shall be held for all taxes against it. Further, that all such liens shall have priority over all other liens. Every lien on real estate may be sold by the tax collector. Every such sale shall be at public auction for the percentage of the common and undivided interest in the whole property that a bidder is willing to offer for the unpaid tax, subject to zoning and setback rules and laws. The property owner or other interested party may redeem the property from the tax sale by paying the amount of the purchase at sale plus interest at the rate of eighteen percent per annum or fraction thereof from the date of sale to the date of payment, which then shall be paid over to the purchaser of the tax. Within 45 days of sale, the purchaser is required to send notices of the sale to all holders of mortgages of record in the office of the register of deeds, pursuant to new Hampshire §80:32. The purchaser at tax sale may pay subsequent taxes and earn a rate of eighteen percent per annum on same, upon redemption. An additional notice to mortgage holders is required. The purchaser is entitled to a Collector's Deed after a two-year redemption period has elapsed from the date of sale. A city or town may purchase unpaid tax at sale. However, if the city or town does purchase the land at the collector's sale they are prohibited from transferring the lien to any individual during the two-year redemption period. And are further prohibited from selling the property taken in default of redemption without proper authority of the city council. If there are no bidders for the lien at the collector's sale and the city or town refuses to purchase the lien, the lien continues in full force and effect until the next public auction.

New Hampshire §80:63 provides for an optional tax lien procedure, in that only a municipality or county where the property is located or the state may acquire a tax lien against land for unpaid taxes from the collector. The council or selectman may then by majority vote determine whether the liens may be assigned to individuals singularly or in groups during the two year redemption period, or to take title to the redemption default and sell the land at public auction or written sealed bid. Please confirm each municipality's procedure before attending any promoted sale.

NEW JERSEY

Total Counties = 21



Sale Type: Lien & Deed State

Interest Rate: 18% or more Penalties may apply

Bid Method: Bid down the Interest

Redemption Period: 2 Years

State Statue Sections: New Jersey Code Annotated Sections 54:5-32, 54

Over the Counter – No

Sale Dates – Varies by County

Atlantic City – December

Camden – January and June

Burlington – September

Trenton – March

In contrast to most other states, New Jersey tax lien sales are handled by the local or municipal governments rather than the county government. There are 567 municipalities (cities, townships, or Boroughs) in New Jersey -approximately 98% hold annual tax lien sales as a mechanism to collect delinquent (previous year's assessments) property taxes.

There are 21 counties in the U.S. state of New Jersey. These counties together contain 566 municipalities, or administrative entities composed of clearly defined territory; 250 boroughs, 52 cities, 15 towns, 245 townships, and 4 villages.^[1] In New Jersey, a county is a local level of government between the state and municipalities. County government in New Jersey includes a Board of Chosen Freeholders,^[2] sheriff, clerk, and surrogate,^[3] all of which are elected officials. Counties organized under the Optional County Charter Law may also have an elected county executive.^[4] Counties traditionally perform state-mandated duties such as the maintenance of jails, parks, and certain roads.^[5] The site of a county's administration and courts is called the county seat.

Read more: <http://www.answers.com/topic/list-of-counties-in-new-jersey#ixzz1Vxiw0L1G>

Tax Lien Sales:

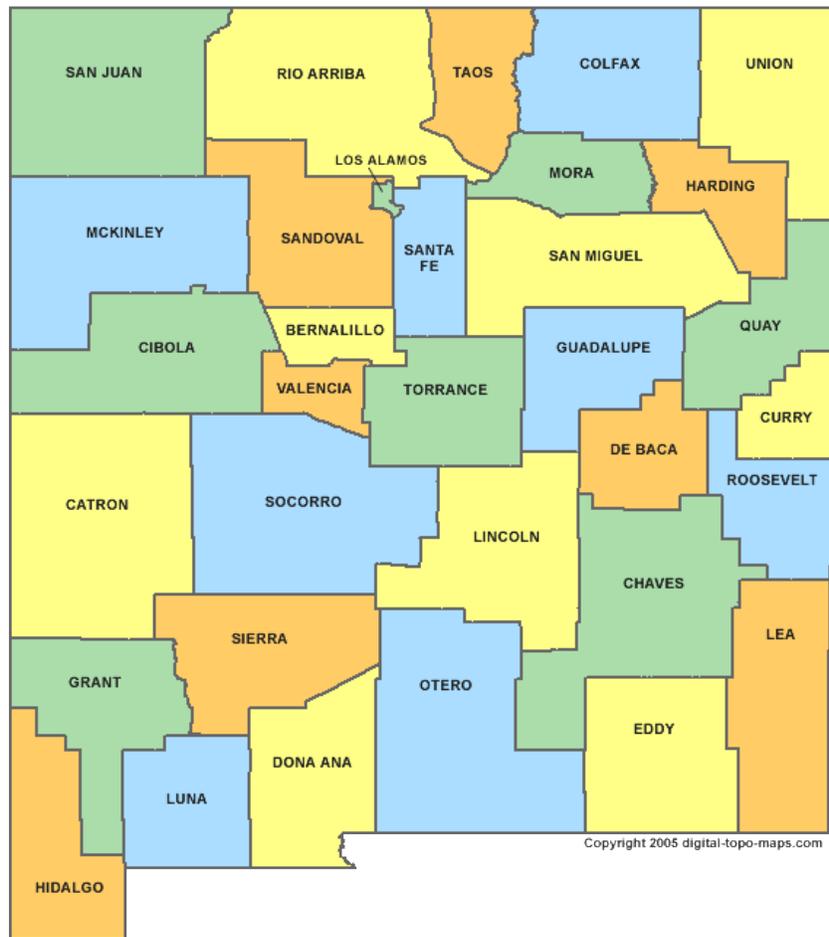
New Jersey tax lien sales begin in April and continue through December, with most municipalities holding sales between June and October. All bids must be presented in person.

The tax lien sale is conducted in the form of an auction. The opening bid being the maximum interest rate of return mandated by statute (18% per annum) on a sale price that includes one year's tax, interest and penalty. The percentage rate is then bid down, with the tax lien certificate being assigned to the bidder who is willing to accept the lowest rate of return for his/her investment. Should 0% be offered, then premium bids in excess of the tax, interest and penalties are accepted. Most tax collectors specify the payment at the end of the sale to be in cash, money order, or certified check. Many tax collectors will allow an irrevocable letter of credit from an established financial institution, listing the credit line reserved, if arrangements are made a week or more in advance. Ten days after the sale, the tax lien certificate holder can then purchase any current year's delinquent taxes due on parcels for which they have previously purchased liens and receive 18% on their investment regardless of the certificate percent bid at auction. It would be wise to purchase and attach all available taxes thereby increasing the overall yield. The property owner has two years from the time of sale to redeem before foreclosure can be started. a vast majority (over 90%) of liens are redeemed. at redemption, the tax lien certificate holder will receive:

- Amount of certificate at the redemption rate bid, or the return of premium paid.
- Plus a 2%, 4%, or 6% penalty as determined by the amount of the certificate purchase.
- Plus any recording fees, etc. Plus any subsequent taxes paid at 18% per annum.
- In addition, certain Municipalities may attach an additional 6% penalty on property owners if the total tax is over \$10,000 in any one year.

New Mexico

Total Counties = 33



Sale Type: Deed State

Interest Rate: N/A

Bid Method: Premium Bid

Redemption Period: N/A

State Statute Sections: New Mexico Statutes Annotated,

Chapter 7 (Articles 35-38)

Over the Counter – No

Sale Dates – Varies by County

New Mexico is not a priority lien state! Unlike most deed states, an investor who acquires the property at a tax sale takes the property *subject to any encumbrances* (i.e., a mortgage) on the land. Accordingly, an investor at a New Mexico sale must carefully review the title prior to purchasing the property.

Delinquent Property Tax Sales are conducted at the county seat (courthouse) or such place as is designated by the department, in the county where the properties are located.

There is not a set schedule for public auction sales; sales are scheduled as title research is completed and all other collection efforts are exhausted in each county. For information as to when a sale may be conducted in a given county that is not listed on our current Sale Schedule,

please contact the Property tax division office at (505) 827-0883.

Upon completion of all preliminary statutory requirements needed to properly offer delinquent property for sale, a list of the properties to be disposed of can be obtained at the Property tax division office at the Pinon Bldg, 1220 St. Francis dr., 2nd floor, Room 207, Santa fe, NM 87501 (the Property Tax Division does not mail out sale lists). Copies of the sale lists can also be obtained through the county Treasurer's, Assessor's or Clerk's offices if the officials wish to provide such information.

The minimum bid is set based on the amount of taxes, penalty, interest and costs due. The owner's interest in the real property is also taken into consideration. Individuals interested in bidding on property must register as bidders on the day of the sale. Registration will close promptly at the start of the sale. Bidding is on an oral basis. Bidders must be physically present or be represented by an agent. In the event an agent is representing a bidder, the agent must

present to the Property tax division, upon registration, a document authorizing him to act as an agent for the party he will represent.

The Property Tax Division does not furnish title information, maps or make any suggestions as to the locations of the properties being sold. It is the responsibility of the prospective buyer to locate the property and do all title research prior to the sale. All research should be done at the county offices. Buyers should insure that they know exactly what they are intending to purchasing prior to sale.

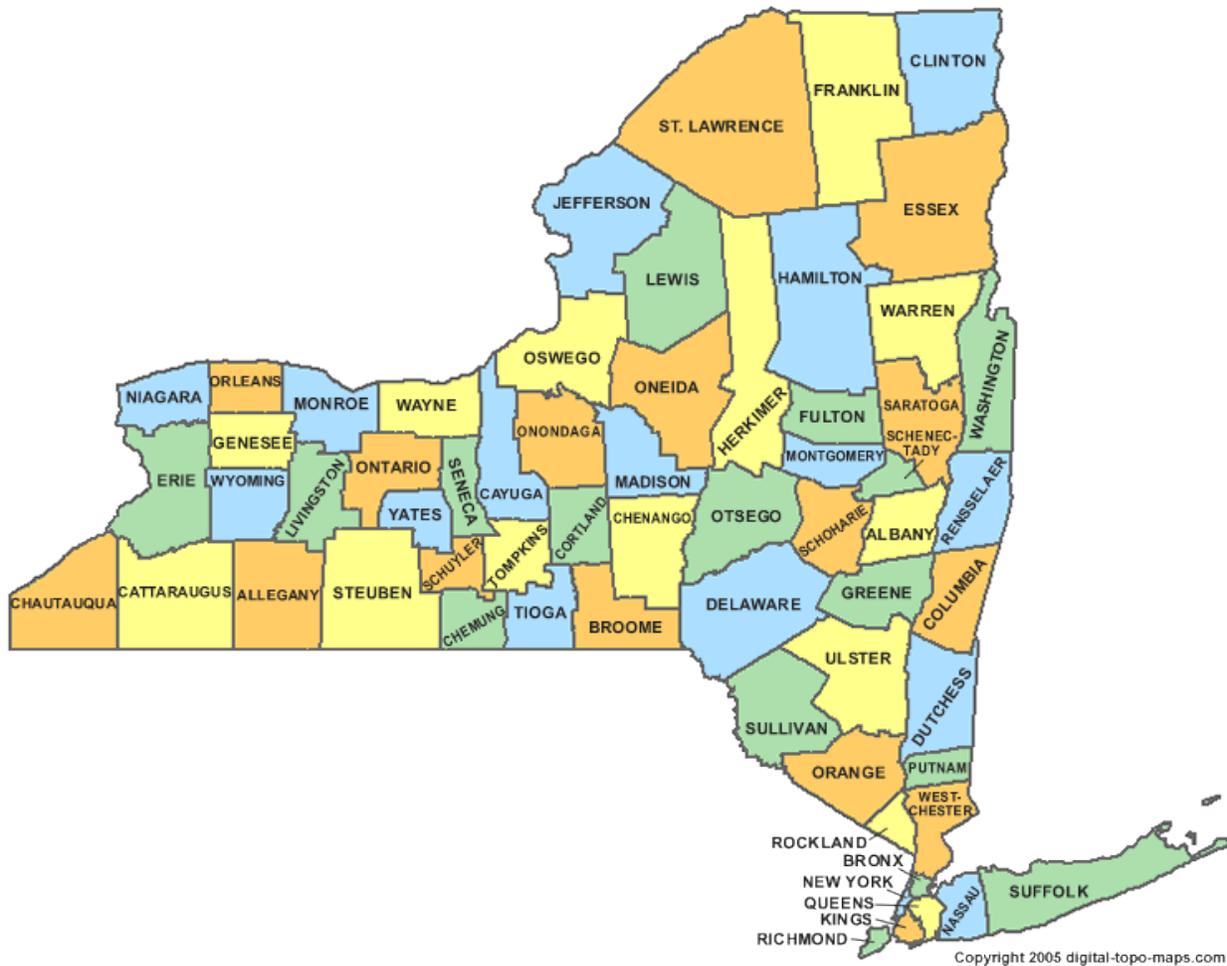
A sale properly made under the provisions of Section 7-38-67 NMSA 1978 constitutes full payment of all delinquent taxes, penalties and interest that are a lien against the property at the time of sale, and the sale extinguishes this lien. As per Section 7-38-70 NMSA 1978, if a piece of real property is sold for delinquent property taxes all pre-existing liens that are a perfected interest (this means the lien has to be recorded with the county clerk) in the real property retain lien holders interest if the lien was recorded prior to January 1st of the tax year for which the property was sold. If a piece of property is sold for delinquent property taxes all preexisting liens that are a perfected interest in the real property lose their lien holders interest if the lien was recorded after January 1st of the tax year for which the property was sold. The state of New Mexico has no Right of Redemption for former owners. The only redemption period in New Mexico is a 120-day federal IRS redemption period. All payments at public auction sale must be in the form of a cashier's check, money order, personal check or company check. Personal and company checks must be accompanied by a letter of credit from the issuing bank. All letters of credit must state that the bank will "guarantee payment" up to a specific amount. The letter of credit must be presented at the time of registration. Personal and/or company checks will not be accepted without a proper letter of credit. Reasonable time will be allotted after the conclusion of the sale for parties to purchase a cashier's check or money order for the amount of their bid(s).

Any bidder who does not pay within the allotted time after the public auction will not be allowed to participate at any future Property tax Sales. In addition, the bidder will be responsible for all costs, expenses, and attorney fees expended in the collection of uncollected bids. The purchase price of the property acquired at auction will not be used for valuation purposes. The county assessor has already determined a taxable value on the property based on their appraisal analysis of similar properties in the area. The deed that the state issues is a Quitclaim deed.

The deed conveys all of the former owner's interest in the real property as of the date of the state's lien for real property taxes arose. This deed is subject only to perfected interests in the real property existing before the date the property tax lien arose. The State of New Mexico warrants no title to property purchased at public auction sale and the deed issued by the state can be used for the basis for quieting the title. Interest in real property is considered "perfected" when the deed or lien is recorded with the county clerk's office in the county where the property is located.

NEW YORK

Total Counties = 62



Sale Type: Tax Lien & Deed State

(Depending on county)

Interest Rate: 14%

Bid Method: Premium Bid

Redemption Period: 1 Year

State Statute Sections: Uniform Delinquent Tax Enforcement Act

Over the Counter – No

Sale Dates – April or August

Varies by County

Albany – July

Fulton – August

St. Lawrence – October

The amount of all taxes, special ad valorem levies and special assessments levied upon any parcel of real property by the board of supervisors shall become a lien as of the first day of January of the fiscal year for which levied and shall remain a lien until paid as stated by article 9. (levy and collection of taxes) title 1. (levy; warrant;) of New York Revised Statutes. The levy and collection article of New York law further states that taxes shall be received without interest by the collecting officer on or before the thirty-first day of January. On all taxes received after such date, there shall be added interest for each month thereafter or fraction thereof until such taxes are paid.

The board of supervisors of any county may, by resolution, adopt that every tax in excess of twenty dollars may be paid in two equal installments. The first, not later than the first day of February and, provided the first installment has been paid, the second, not later than a date specified in the resolution. That date shall not be later than the first day of the following August. The amount of interest to be added on all delinquent taxes shall be one-twelfth the rate of interest, (rounded to the nearest one-hundredth of a percentage point), unless otherwise provided by special local law.

The Commissioner of Taxation and Finance shall set such rate on or before the fifteenth day of July in each year. Such rate of interest shall in no event be less than twelve per centum per annum. The state board shall inform each affected municipality of any change in the rate established. Real property subject to a delinquent tax lien may be redeemed by payment to the

enforcing officer, on or before the expiration of the redemption period, of the amount of the delinquent tax liens, including all charges (interest & penalties) authorized by law. The redemption period shall expire two years after the lien date. A tax district may adopt a local law increasing the redemption period for residential or farm property, or both, to three or four years after the lien date. A local law increasing the redemption period may be amended or repealed. Any such amendment or repeal shall not apply to taxes that became liens while the former local law was in effect. "Farm property" means property that primarily consists of land used in agricultural production.

A parcel shall be deemed to be farm property if the applicable tax rolls show that

- i. the parcel is exempt from taxation, or
- ii. the assessor has assigned to the parcel a property classification code in the agricultural category.

Residential Property:

A property that is improved by a one, two or three family structure used exclusively for residential purposes. A parcel shall be deemed to be residential property if the applicable tax roll shows that:

- i. The assessor has assigned to the parcel a property classification code in the residential category, or
- ii. The parcel has been included in the homestead class in an approved assessing unit, or in class one of a special assessing unit.

Property Classification Codes:

Classification Codes are a property classification system prescribed by the state board. When a tax district holds more than one tax lien against a parcel, the liens need not be redeemed simultaneously. However, the liens must be redeemed in reverse chronological order, so that the lien with the most recent lien date is redeemed first, and the lien with the earliest lien date is redeemed last. A proceeding to foreclose a tax lien may be commenced in the following manner, with the Supreme Court and the county court having concurrent jurisdiction over such proceedings.

Twenty-one months after lien date, or as soon as is practicable, the enforcing officer shall execute a petition of foreclosure pertaining to those properties which remain subject to delinquent tax liens. Provided, that in the case of property which is subject to a three or four year redemption period, such petition shall be executed thirty-three or forty-five months after lien date, respectively, or as soon as is practicable.

Upon the filing of a petition of foreclosure in the office of the county clerk, the enforcing officer shall cause a notice of foreclosure to be published in each of three non-consecutive weeks in a two-month period in at least two newspapers. Each newspaper designated for this purpose must have general circulation in the tax district. An official newspaper of the tax district will be

deemed to satisfy the requirements of this provision. In New York and Bronx counties the newspapers to be designated for the publication of such notice shall be the daily law journal designated by the justices of the appellate division of the first judicial department and another newspaper designated by such justices.

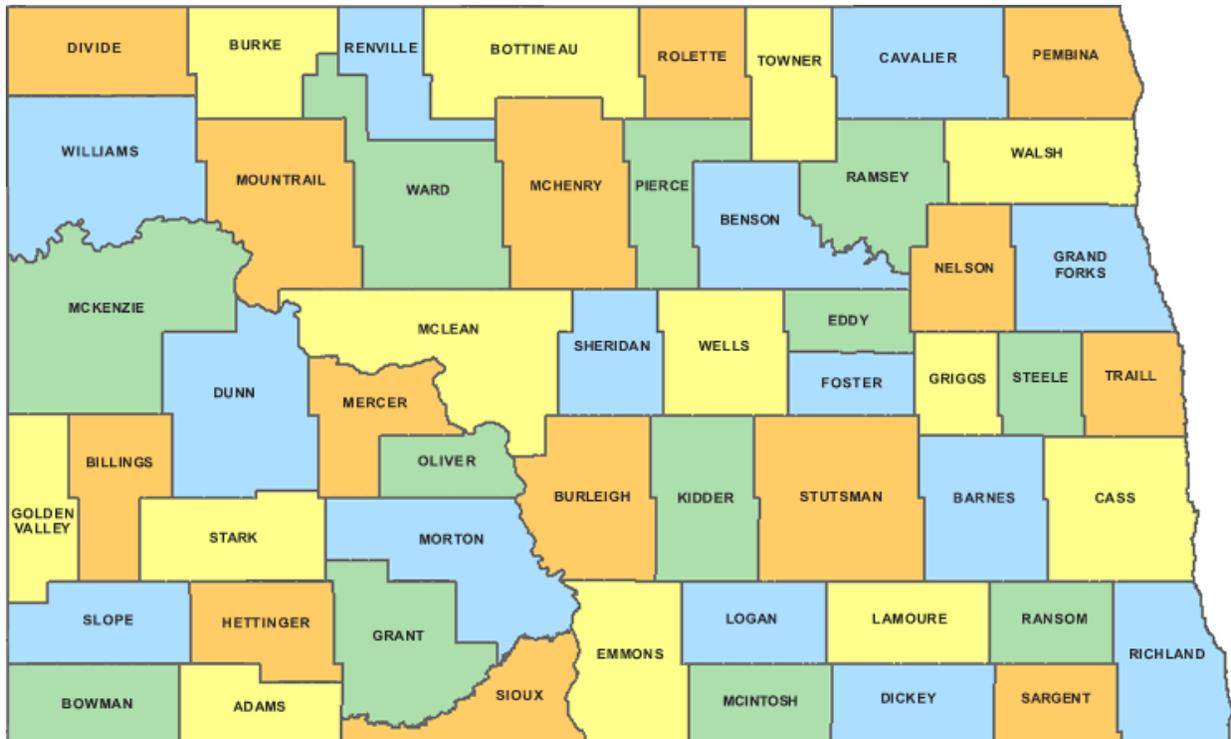
In the event of a failure to redeem or answer by any person having the right to redeem or answer, such person shall forever be barred and foreclosed of all right, title, and interest and equity of redemption in and to the parcel in question. A judgment in foreclosure may then be taken by default directing the sale of such parcel. Any sale directed by the court shall be held at public auction by the enforcing officer. Public notice shall be given once a week for at least three successive weeks in a newspaper published in the tax district. The legal description of the parcel offered for sale in such notice shall be the same as contained in the original petition, together with any other description, the court may direct. In directing any conveyance, the judgment shall direct the enforcing officer of the tax district to prepare and execute a deed conveying title to the parcel or parcels of real property concerned to the highest and best bidder at open public sale. Upon the execution of such deed, the purchaser shall be awarded an estate in fee simple absolute in such parcel. all persons, including the state, infants, incompetents, absentees and non-residents, who may have had any right, title, interest, foreclosed of all such right, title, interest, claim, lien or equity of redemption.

OR

The court may make a final judgment awarding to such tax district the possession of any parcel of real property described in the petition of foreclosure not redeemed and which no answer received. In addition thereto such judgment will contain a direction to the enforcing officer of the tax district to prepare, execute and cause to be recorded a deed conveying to such tax district full and complete title to such parcel. Upon the execution of such deed, the tax district shall be seized of an estate in fee simple absolute in such parcel and all persons, including the state, infants, incompetents, absentees and non-residents who may have had any right, title, interest, claim, lien or equity of redemption in or upon such parcel shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption. Whenever any tax district becomes vested with the title to real property by virtue of a foreclosure proceeding brought pursuant to the provisions of this article, such tax district is hereby authorized to sell and convey the real property so acquired, either with or without advertising for bids, notwithstanding the provisions of any general, special or local law. No such sale shall be effective unless and until such sale has been approved and confirmed by a majority vote of the governing body of the tax district, no such approve??

NORTH DAKOTA

Total Counties = 53



Sale Type: Lien State

Interest Rate: 9% to 12% per annum

Bid Method: Premium Bid

Redemption Period: 3 years

State Statute Sections: North Dakota Century Code, Chapters 57-24, 38

Over the Counter – No

Sale Dates – December

North Dakota is a classic lien type state. The county treasurer is the collector of property taxes of the county, and all delinquent taxes whether levied for state, county, township, municipality, school, or other purposes in all 53 counties.

Taxes Due & Delinquent:

All real property taxes become due on the first day of January following the year for which the taxes were levied. The first installment of real estate taxes become delinquent after the first day of March following and, if not paid on or before said date, are subject to a penalty of three percent, and on May first following an additional penalty of three percent, and on July first following an additional three percent, and an additional penalty of three percent on October fifteenth following. The second installment of real estate taxes becomes delinquent after October fifteenth, and, if not paid on or before that date becomes subject to a penalty of six percent.

Between the first and fifteenth of November of each year, the county treasurer shall mail to each owner of any land for which taxes are delinquent a notice stating that the taxes are delinquent and constitute a lien against the property. The notice must advise the owner that unless the delinquent taxes and special assessments with penalty, simple interest at the rate of twelve percent per annum from and after January first following the year in which the taxes become due and payable, and costs are paid by October first of the fourth year following the year in which the taxes became delinquent, the county auditor will foreclose on the tax lien and issue a tax deed to the county. Also, between the first day and fifteenth day of November in each year, the county treasurer shall mail to each owner of any lot or tract of land subject to sale at the delinquent tax sale provided for in this chapter, a notice giving the legal description of such lot or tract to be offered for sale, and stating that such lot or tract will be sold for delinquent taxes unless such delinquent tax, with penalty, interest, and cost of advertising, is paid prior to the sale on the second Tuesday in December following.

Tax Deed Sales:

The sale of lands by the county auditor must be conducted as follows:

1. On the second Tuesday in December of each year, the county auditor, at his office or the usual place of holding court in the same building, shall sell at public auction the lands, lots, or tracts of real property.
2. Before any tract or parcel of land is offered for sale, the auditor shall announce the total amount of taxes, penalties, and cost of advertising the same for sale.
3. The lands, lots, or parcels of land must be offered for sale by the county auditor, or his deputy, in the order in which they appear in the advertised list, and each tract or lot must be offered separately and struck off to the bidder who will pay the total amount as announced by the county and who will agree to accept the lowest rate of interest from the date of sale on such total amount, the rate in no case to exceed nine percent per annum.

The purchaser of any tract of real property sold by the county auditor for taxes is entitled to a certificate describing the land purchased, stating the sum paid and the time when the purchaser will be entitled to a deed. A tax sale certificate, original or subsequent, is assignable, and the assignee shall acquire all of the rights of the original purchaser of the property described therein. The owner of a tax sale certificate may pay the taxes upon the property described in such certificate for any subsequent year at any time after they become delinquent. Upon payment of any such taxes, the county auditor shall issue a certificate known as a "subsequent tax sale certificate," which has the effect of conveying all the rights, interests, privileges, and title which would be conveyed by an original certificate of tax sale issued pursuant to the regular auditor's tax sale, and the owner thereof is entitled to a tax deed three years from the date of tax sale at which the real estate described in such certificate would have been sold for taxes in case said taxes had not been paid as subsequent, upon giving the statutory notice of expiration of the period of redemption. When any tract of land or lot remains unsold for want of bidders, the treasurer shall bid for the same in the name of the county, and the same must be struck off and become forfeited to the county. In such case, the county acquires all of the rights, both legal and equitable, that a person would acquire by reason of a purchase at such sale.

Redemption from tax sale must be made:

1. If the certificate is an original certificate acquired at tax sale, by paying the amount paid by the purchaser of such tax sale certificate, plus interest on such amount at the rate bid by the purchaser, from the date of such certificate.
2. If the land was sold to the county for lack of bidders at the sale of the land for taxes, by paying the amount of the certificate or the amount entered in the record as the amount for which sold, plus interest thereon at the rate of twelve percent per annum.
3. If the certificate is a subsequent tax sale certificate, by paying the amount which the person named therein paid for the same plus interest on such amount at the rate of nine percent per annum. Subsequent tax sale certificates must be redeemed in the order in which they were issued.

If no redemption has been made at the expiration of the 4-year period of redemption and proof of service of the notice of expiration of the period of redemption has been filed, the owner of the certificate of tax sale shall surrender the certificate to the county auditor. The county auditor shall execute, in the name of the state, a deed of the unredeemed property, giving the certificate owner an absolute estate in fee simple in the property. For county held liens, on or before June

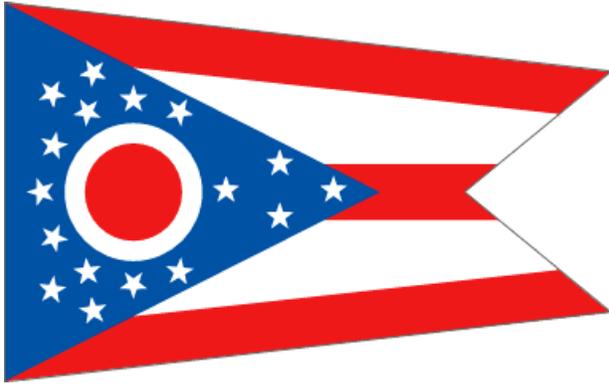
first in each year, the county auditor shall give notice of foreclosure of tax lien for all property for which four or more years have passed since the tax became due. The tax lien foreclosure date is October first after the service of the notice of foreclosure. The failure of the owner, any mortgagee, or other lien holder to satisfy the tax lien before the date of foreclosure shall:

1. Pass any interest of the owner, mortgagee, or lien holder in the property to the county.
2. Foreclose all rights of satisfaction.

The tax deed passes the property in fee to the county, the state, or political subdivision free from all encumbrances. All property acquired by the county by tax deed must be appraised by the board of county commissioners at least thirty days before the annual deed sale. If the fair market value of the property is more than the total amount due against the property, the minimum sale price of the property must be at least equal to the total amount due against the property. If the fair market value of the property is less than the total amount due against the property, the board shall fix a fair minimum sale price for the property. The annual sale of land acquired by tax deed must be held at the county auditor's office or the usual place of holding district court in the county beginning on the third Tuesday of November of each year. Each parcel of land must be sold at auction to the highest qualified bidder for no less than the minimum sale price as fixed before the sale. The sale may be made either for cash or one-fourth of the purchase price in cash, and the balance in equal annual installments over a period of not more than ten years. The purchaser may pay any or all annual installments with interest before the agreed due date of the installments. Each parcel of land must be sold at auction to the highest qualified bidder for no less than the minimum sale price as fixed before the sale. The sale may be made either for cash or one-fourth of the purchase price in cash, and the balance in equal annual installments over a period of not more than ten years. The purchaser may pay any or all annual installments with interest before the agreed due date of the installments. Any property not sold at the annual November sale may be sold by the county auditor at private sale before the next annual November sale for not less than the property's minimum sale price.

OHIO

Total Counties = 88



Sale Type: Lien & Deed Sales

Interest Rate: 18% but limited to institutional investors

Bid Method: Premium Bid

Redemption Period: 15 days for a Deed Sale

State Statute Sections: Ohio Revised Code

Sections 2329.17, 20; 5721.23; 315.251

Over the Counter – No

Sale Dates – Varies by County

Lien and Deed Sales:

Ohio is historically a deed state, but actually has both types of sales. Counties with populations of over 200,000 are also allowed to sell lien certificates. Check with each county to see which type of sale it uses.

Ohio Revised Statute establishes a lien for taxes against all real property on January 1 of each year. It also establishes that the state shall have first lien on land described in any delinquent land list, further that a lien for taxes shall be paramount to all other liens and encumbrances.

Taxes Due & Delinquent:

Taxes are due and delinquent in two installments for Ohio. They are due in January and June of each year for the preceding year's assessment. The actual delinquent date changes from year to year, usually around the 20th of each of those months. Penalty accrues after each of those dates based on a graduated scheme. At any time after the expiration of two years from the time a county auditor certifies a tax as delinquent, the county prosecuting attorney may begin foreclosure of the State's tax lien position.

Tax Deed Sales:

If unpaid, this judicial foreclosure process results in an order for sale. This order is executed by the Sheriff. The Sheriffs will attempt to sell these properties at two consecutive sales, with the minimum/opening bid equaling tax, assessments, penalties, and interest due at the time of sale.

The second attempted sale must be offered between two and six weeks from the completion of the first sale.

Caution: Ohio State statute does allow the Sheriffs and Auditors to set the opening bid at the fair market value as determined by the Auditor (once again, this phrase is not necessarily synonymous with TRUE fair market value).

Sheriff's sales are conducted as frequently as once a week in metropolitan counties and as infrequently as once a year in the more rural counties. Tax sales are usually held on a specific day as no to be confused with other types of foreclosures. They are always held at the local county courthouse. Bidding is of an open and competitive format. Minimum bid for deed sales: Pursuant to Ohio Revised Code Section 2329.17, no tract of land may be sold for less than two-thirds of the appraised value. As such, no great deals will be found in Ohio. Based on the foregoing, Ohio would be one of the worst of the deed sales for bargain-hunting investors.

Most counties will require payment in certified funds paid upon winning the bid. Successful bids are awarded a certificate of sale at the time of purchase. After the final confirmation of the Prosecuting Attorney and the Clerk of the Court, a Sheriff's Deed is prepared.

Redemption Period for deed sales: An owner may redeem his or her property by payment in full of all taxes and costs until the sale is confirmed by court – approximately 15 days. See O.R.C. Section 5721.23.

Unsold Properties:

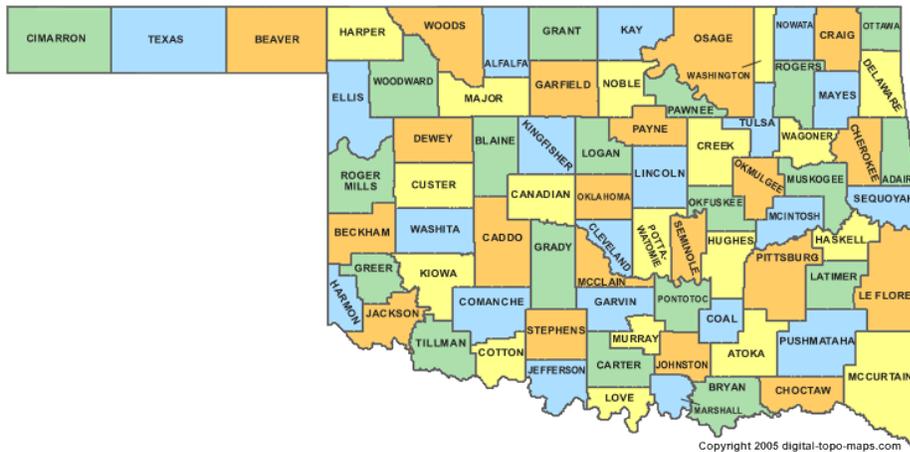
Properties not sold at Sheriff's sale are moved to the county auditor for disposition. County auditors hold annual Forfeited Land Sales. These auctions are required by statute to be held prior to July 1st of each year. In contrast to the Sheriff's sale, the opening bid for a Forfeited Land Sale will include court costs.

Caution: not all properties in Ohio counties emerge from the tax sale free and clear of all liens and encumbrances.

Properties identified for Tax Sales In Rem are one such designation that fall into this category. The type of property and the method of foreclosure determine this factor. Auditor's sales are also of an open and competitive format, with the successful bidder being awarded an Auditor's Deed. Most Auditors' require a 10% deposit at purchase, with the balance due upon confirmation of sale and execution of the Auditor's Deed. Properties not purchased at the Forfeited Land Sale are held over for the next year's sale.

OKLAHOMA

Total Counties = 77



Sale Type: Lien & Deed State

Interest Rate: 10 %

Bid Method: Random Selection or Rotational

Redemption Period: 2 Years

State Statue Sections: 68 Oklahoma State Statues Sections 31073135

Over the Counter – Yes

Sale Dates – 1st Monday in October (normal sale) 2nd Monday in June (resale)

Oklahoma tax sales are held beginning on the first Monday of October by each county as mandated by statute. Liens are offered for the amount of taxes, interest, and costs then due. If more than one bidder is present, then the county treasurer shall decide the issue by fair and impartial drawing. Successful bidders are awarded certificates of Purchase. Liens on properties for which there are no bidders are bid off to the county. County certificates are available for assignment purchase anytime after the annual lien sale, and before the expiration of the redemption period. Certificates sold to individuals are also assignable to other independent buyers, with the caveat that the transfer be on record with the County Treasurer. The purchaser of a lien certificate may add subsequent or previous year's delinquent taxes to his purchase and shall hold a lien for the entire amount with interest accruing against the total.

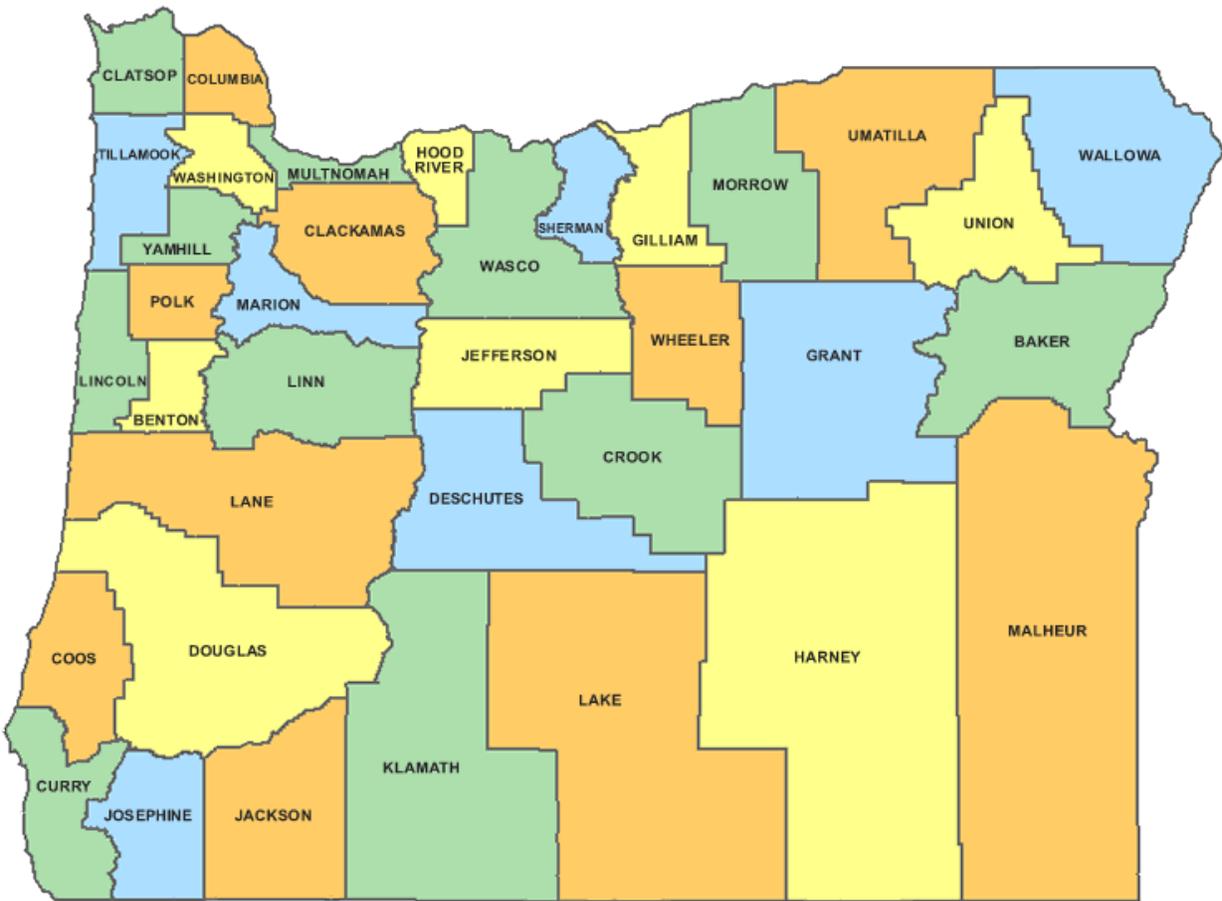
Interest and Redemption:

Interest accrues on unpaid certificates held by individual investors at the statutory rate of 10% per annum from the date of purchase through the date of redemption. County held certificates accrue at a rate of 12% per annum. If no redemption is tendered within 2 years from the date of auction, the certificate purchaser may apply to the treasurer for tax deed. This application should include the certificate and the appropriate administrative fee. Oklahoma State Statute 68 §3118 states "...The deed shall vest in the grantee (Certificate holder) an absolute estate in fee simple, subject to all claims the state may have for taxes, liens, or other encumbrances and shall extinguish the rights of any mortgagee of record..."

Proper notification of interests of record is also required prior to issuance of a tax deed. This notification process is set forth in statute and must be followed to the letter. The notification garners a 60-day response period. However, it is permissible to begin the notification process 60 days prior to the expiration of the initial 2-year redemption period, but no sooner. A properly executed application warrants a Certificate Tax Deed which conveys fee simple title. Oklahoma Certificates have a statute of limitations. Should the holder of a certificate not apply for a tax deed after seven years have elapsed since the date of purchase, that certificate will be considered null and void, unless that certificate holder has kept the taxes for subsequent years paid and properly endorsed, and that seven years has not elapsed since the date of last endorsement. Real estate purchased by the county at delinquent tax sale and which has remained unredeemed for a period of 2 years shall be offered for sale on each second Monday in June in each county as mandated by statute. These lands are known as Resale Properties. At Resale auction, the opening bid begins at two thirds the current year's assessed value, or the total of taxes, interest, penalties and costs due, whichever is the lesser.

Successful bidders are awarded a Resale Tax Deed. The issuance of such deed shall vest, in the grantee, an absolute and perfect title in fee simple. Once again if no bidders are present then the property is bid off in the name of county. a tax deed is issue in the name of the county commissioners. Any property acquired by the county under these circumstances is available for a subsequent, private sale known as a Commissioner's Sale. The price of the opening bid is subject to the approval of the county commissioners, which can be less than the original amount of taxes, interest, penalties, and costs due. Once an opening bid is approved, the real estate is once again advertised for sale and auctioned to the highest bidder with a tax deed being awarded to the successful bidder.

OREGON State Summary



Oregon is a deed state. Properties are subject to foreclosure by the county when they are delinquent for 3 years. After a 2-year redemption period, the county acquires the deed and may sell it at public auction to the highest bidder. The following information is quoted from the “Disposition of Tax Foreclosed Properties” link on the Multnomah County Division of Assessment, Recording and Taxation website, http://www.co.multnomah.or.us/dbcs/assess_tax/taxtitle.shtml:

“Upon acquisition by Multnomah County all tax foreclosed real property is first made available to the former owner of record for re-purchase for not less than the accrued taxes, interest, and charges. If the former owner does not repurchase the property, it is then reviewed by the Greenspace Review Committee to determine the suitability for public use as open space, parks, or natural areas and given the appropriate designation. At the same time, the list of foreclosed properties not repurchased is reviewed by the Affordable Housing Development Review Committee to determine if any of them are suitable for construction of a dwelling.

The tax-foreclosed properties not repurchased are then made available to government agencies for their review and possible acquisition. After the completion of this process, the remaining properties are then made available to qualified non-profit corporations or governments through the County’s Affordable Housing Development Program for low income housing purposes. At the same time the list of available properties are also made available through the County’s Greenspaces Program to qualified non-profit corporations or governments for use as open space, parks, or natural areas. After the Board of County Commissioners has deliberated and decided to grant or deny the requests for properties, the balance if any, of the foreclosed properties that are deemed to be marketable are made available for sale at a public auction.

A public auction of foreclosed properties is typically held once a year. All auctions are oral and open to the public. The only

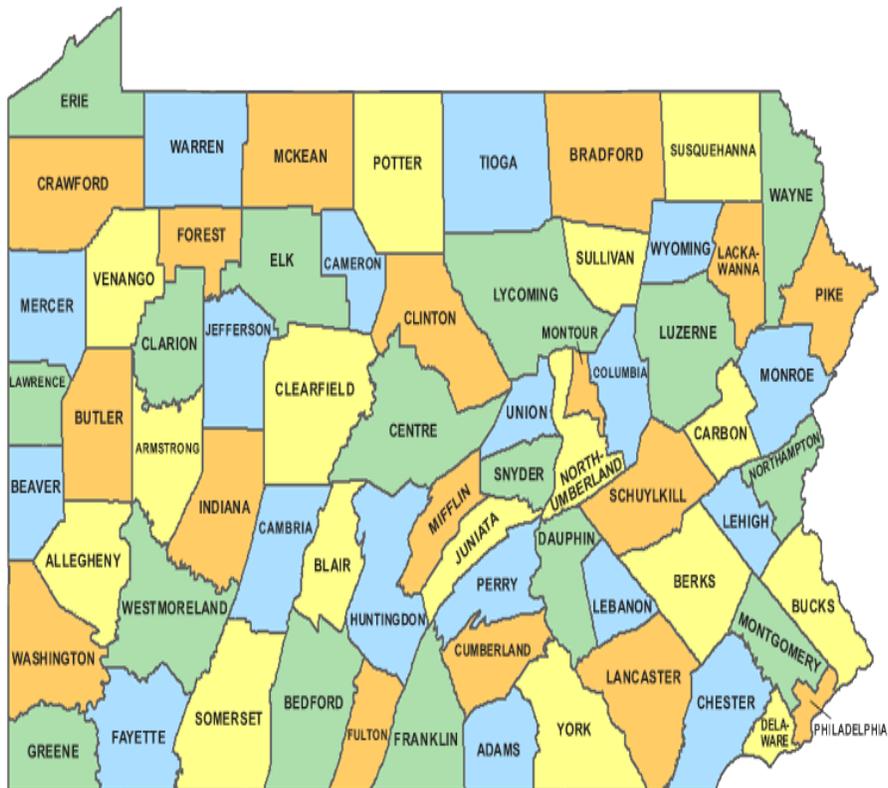
acceptable forms of payment are cash or cashier's check. The property is sold to the highest bidder who meets or exceeds the minimum price. There is no assignment purchasing allowed and no tax certificates are issued. All properties are sold 'as is'. Properties that do not sell at the public auction are placed on a future public auction or disposed of as otherwise provided by law.

The County may enter into a private sale of certain tax-foreclosed properties if 1) the property is valued at less than \$15,000 and 2) the local planning and zoning jurisdiction determines that the parcel is not suitable for the construction or placement of a dwelling. The County's policy with respect to properties that qualify for private sales is to first offer them to adjacent property owners."

Some of the larger counties in Oregon have maps and assessment information online. On Multnomah County's website you can get aerial photos, along with assessment, zoning, planning, flood plain information and more. For smaller counties you will have to go to the assessor's office for this information. Some counties will do your research for a fee. You may also want to do a title search on the property at the county clerk's office. As with most deed sales, no warranty or title insurance is conveyed with the deed.

Pennsylvania

Total Counties = 67



Sale Type: Deed State

Interest Rate: 10% per annum

Bid Method: Premium Bid

Redemption Period: Possibly 1 year

State Statute Sections: Act of Assembly May 16, 1923, P.L. 207;

Act of March 15, 1956, No. 388

Over the Counter – Some small counties have allowed

Sale Dates – Monthly

Allegheny (Pittsburgh) – 1st Monday

Philadelphia – 3rd Wednesday

Taxes Due & Delinquent:

Pennsylvania property taxes are billed in January of each year. They are due by March 31st of the same year. After April 1st of each year, property taxes are considered past due and they begin to accrue interest at a rate of 1.5% per month or any fraction thereof. Property taxes that continue to remain unpaid on December 31st accrue an additional 15% penalty and a \$20 lien fee and are considered delinquent from that point forward. Pennsylvania statute (72 P.S. §5860.301) records that “All taxes lawfully levied by any taxing district on any property shall be and are declared to be a first lien on said property”. A tax claim (representing the notice of lien) is filed with the court of common pleas and published before each July 31st, following the delinquent date (Dec 31). This tax claim becomes an absolute lien, as stated in statute, on January 1st following the publication date of tax claim notice. The Tax Claim Bureau fixes an upset price for tax sale. This price includes taxes, interest, penalties and costs, including the current year’s assessment.

All taxing jurisdictions are mandated by statute to report the correct amounts to the tax claim Bureau on or before August 30 of each year. Thus, most counties in Pennsylvania hold their initial sales in September of each year. These sales are known as the Upset Sales. The bidding is open and competitive, the winner being the highest and best bid. Properties not receiving a bid of at least the upset price are held over for private sale (a.k.a. the upset Sale is continued) through the end of the calendar year. The tax claim bureau files a report with the court of common pleas, identifying the results of the sale and once again notifies the property owner of the sale. Within

the 30 days of the report filing, the court will confirm the sale should they find the sale to have been appropriately held and notices made. The property owner has an additional 30 days from the date of confirmation to file objections or exceptions to the proceedings.

Should no objections be raised in this time frame, a decree of absolute conformation is entered by the court. The tax claim Bureau assigns a deed in fee simple for the property sold. Pennsylvania statute 72 P.S. §5860.607 states: “There shall be no period of redemption after such sale and the sale shall be deemed to pass a good and valid title to the purchaser, free from any liens or encumbrances whatsoever, and in all respects as valid and effective as if acquired by a sheriff’s deed.”

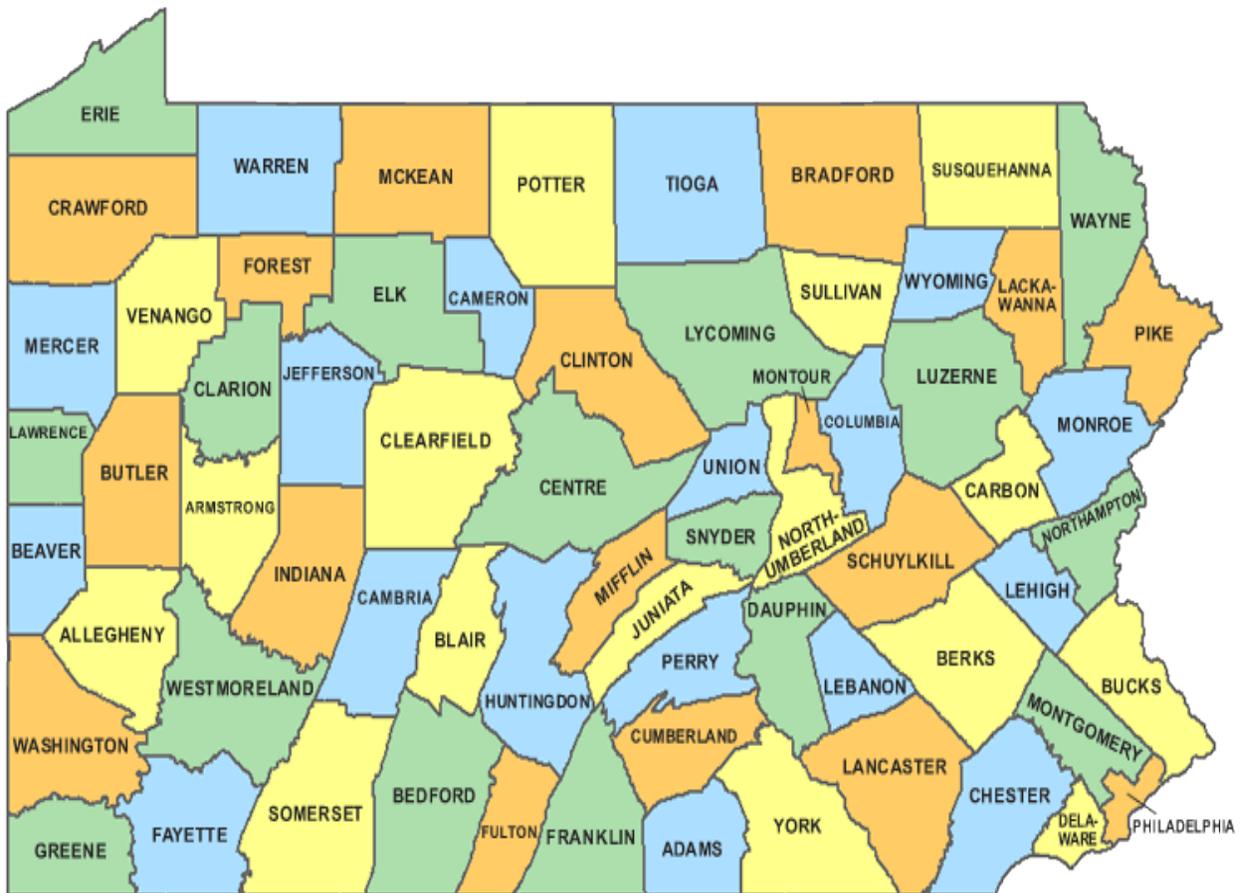
At any time after the end of the upset Sale and/or the continuance of that sale, the Tax Claim Bureau may petition the court of common pleas for the judicially ordered sale of properties not sold. The tax claim bureau may continue to attempt to sell the properties at private sale up to 1 year after the upset sale. However, they are mandated by statute to petition for the judicial sale after this period. Should the court find the petition to be in order, it shall order those delinquent properties sold on a set day to the highest bidder, and that the purchaser have absolute title to the property free and clear of all tax and municipal claims, mortgages, liens, charges and estates of whatsoever kind. In short, the opening bid at judicial sale need only equal the costs of the judicial and administrative procedure. The taxes and interested are to be forgiven.

Many counties hold their annual judicial sales in August. If the opening bid of costs is unobtainable for a property at the judicial sale, the property is purchased by the county for an amount equal to the costs plus \$1. The tax claim Bureau then keeps a list of these properties that are hence available for sale called “repository for unsold properties.”

As with any other excess county property, it may then be disposed of by the county commissioners as they see fit. Make an offer, they may even agree to sell the property for less than the costs or minimum bid of the judicial sale.

Pennsylvania

Total Counties = 67



Sale Type: Deed State

Interest Rate: 10% per annum

Bid Method: Premium Bid

Redemption Period: Possibly 1 year

State Statute Sections: Act of Assembly May 16, 1923, P.L. 207;

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Over the Counter – Some small counties have allowed

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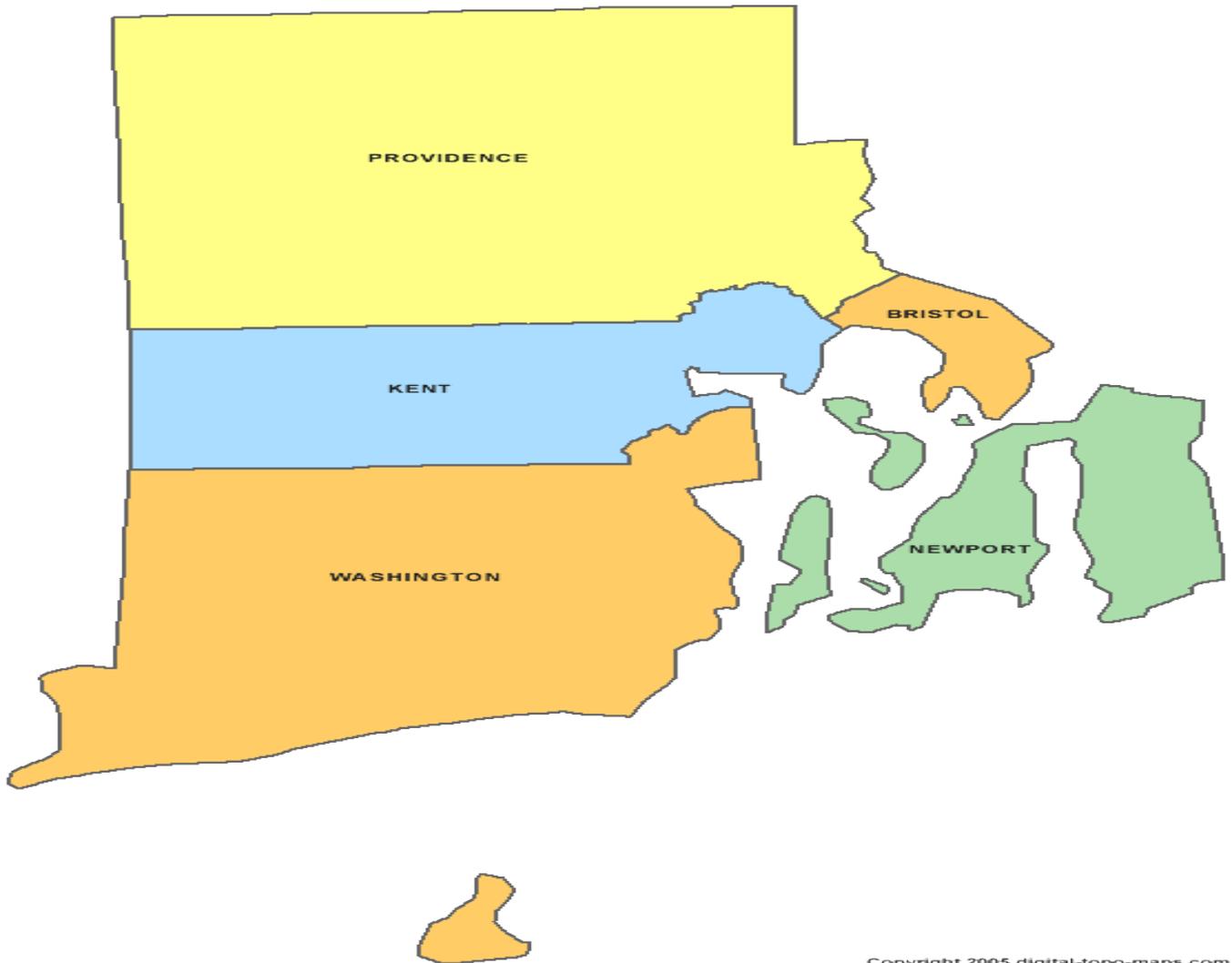
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As with any other excess county property, it may then be disposed of by the county commissioners as they see fit. Make an offer, they may even agree to sell the property for less than the costs or minimum bid of the judicial sale.

RHODE ISLAND

Total Counties = 5



Sale Type: Deed (a hybrid state)

Interest Rate:

Lien rate: 10% penalty 1st 6 months

Up to 1% for each month after month 6

Bid Method: Premium Bid

Buyers can bid on partial ownership

(varies on the municipality)

Redemption Period: 1 Year

State Statute Sections: Rhode Island General Laws

Sections 44-9-12, 19, 21

Over the Counter – No

Sale Dates – August

Pursuant to Rhode Island statutes Sec. 44-9-1, taxes assessed against real estate shall constitute a lien on the real estate. The lien shall arise and attach as of the date of assessment. The lien shall be superior to any other lien, encumbrance, or interest in the real estate whether by way of mortgage, attachment, or otherwise. Statutes further provide tax collectors with the option of selling the smallest undivided part of the land, which will bring an amount equal to the taxes, liens, interest, and charges, but not less than 1% of the whole property.

The sale of the property tax debt, although truly an assignment of the lien for taxes, is referred to as a collector's deed, (a.k.a. tax title). The deed conveys the land, which is the subject of the tax debt, to the purchaser, subject to the right of redemption. The title thus conveyed, until redeemed, or the right of redemption foreclosed, is held as a security for the repayment of the purchase price. The deed is not valid unless recorded within sixty (60) days after the sale. Tax sales are held by the tax collectors at the local government level, rather than the county level. There are approximately 39 cities/towns in Rhode Island that hold annual tax sales. Although tax law does not mandate a specific date or month for the sales, it does require an annual occurrence. Please check with the city/town tax collectors for sale dates.

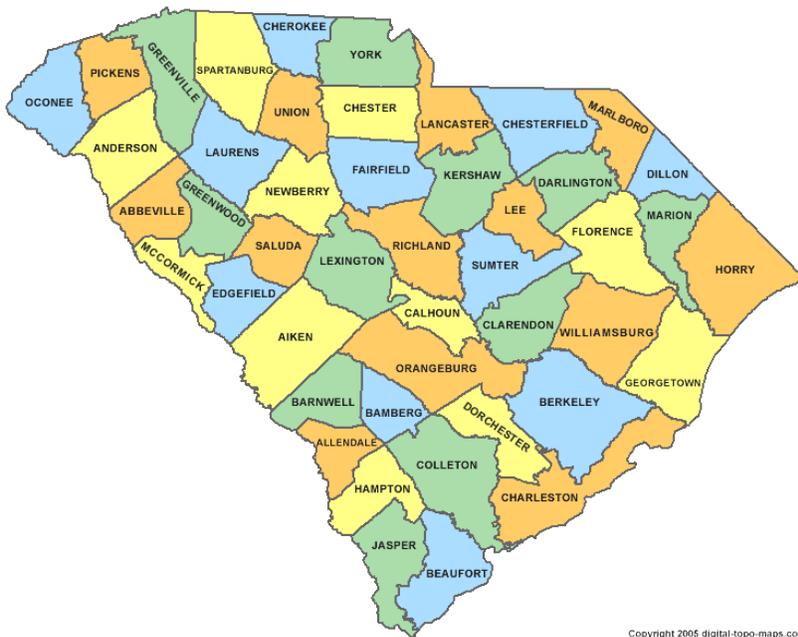
The tax title holder becomes responsible and liable for the property upon the expiration of one year after the date of sale, even prior to the right of redemption being foreclosed. Additionally

the tax title holder will be responsible for subsequent delinquent taxes. Tax title holders are required to register with the local treasurer as to residency, and if a non-resident, appoint an agent residing within the state. At the time and place of sale if no person bids for the land offered for sale, the tax collector purchases the land for the town. Pursuant to Rhode Island statutes Sec. 44-9-18, the treasurer of any town holding a tax title may assign and transfer the tax title to any person upon payment of the appropriate amount. Again, said assignment must be recorded within 60 days of transfer. Property owners have one year from the date of the tax sale to redeem property prior to foreclosure. Redemption must include the amount paid by purchaser at sale, plus a 10% penalty, if redeemed within 6 months from the date of sale, and if redeemed after six months from the date of sale and additional 1% penalty per each succeeding month.

Unlike most tax lien type states, Rhode Island law allows for redemption payments to be made directly to the lien (tax title) holder, or to the treasurer at the option of the redeeming party. After one year from a sale of land for taxes, the tax title holder may bring a petition in the superior court for the foreclosure of all rights of redemption. The superior court has exclusive jurisdiction of the foreclosure of all rights of redemption from tax titles conveyed by tax collector's deeds. More commonly known as a judicial foreclosure, it is strongly recommend that you consult competent legal counsel for such proceedings. The resulting decree will deliver insurable title, free and clear of defects to the new property owner. Towns which are the tax title holders may also foreclose rights of redemption through this process, and the dispose of the real estate as any other town held property. A less formal legal proceeding is also available to tax title holder's to clear title, however this may not free the land from all title defects. This proceeding is governed by Rhode Island statute Sec. 44-9-40, and may be more appropriate for vacant lots or vacant land. Again, please consult a local real estate attorney.

SOUTH CAROLINA

Total Counties =46



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Sale Type: Lien State

Interest Rate: 8% Penalty

7-8 % plus 4% added 2nd year

Bid Method: Premium Bid

Redemption Period: One Year

State Statute Sections: South Carolina Statutes Section 12-51-90

Over the Counter – Yes

Sale Dates – 1st Monday in October, November, or December

If the redemption occurs in the first 6 months, the interest rate is 8%; if redemption occurs in the second 6 months, the interest rate is 12%.

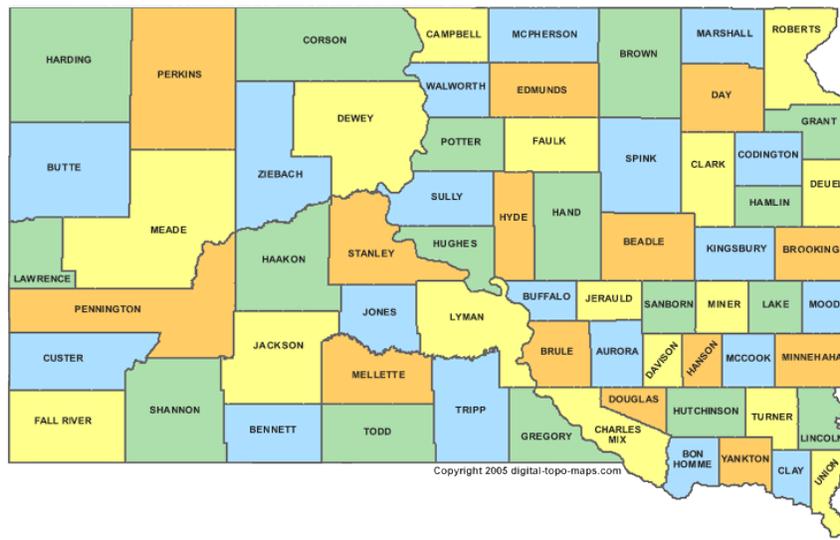
South Carolina Statute (SCS) Section 12-49-10 establishes a first lien in all cases whatsoever upon property taxed. Further, the county treasurer may enforce said lien by execution of sale against such property. Additionally, any municipality may enforce the payment of delinquent ad valorem real property taxes by execution and sale of such property. A sale to satisfy the lien granted by this statute, gives the purchaser a good title and secures a better title than the purchaser of property at a mortgage foreclosure sale. SCS Sec. 12-49-20 attaches said lien to all real property on December 31st of each year for the property taxes to be paid during the ensuing year. Property taxes are due and payable between the 13th day of September and the 15th day of January following the year of assessment.

The governing body of the county has the authority to provide for quarterly installment payments, but the final payment must be tendered prior to January 15th. The county may also provide discounts for early payment. After Jan 15th property taxes are considered delinquent and a 3% penalty is added. If not paid by Feb 2nd an additional 7% penalty is added. If not paid by Mar 17th, an additional 5% penalty is added. Additionally, after Mar 17th, the treasurer must issue a tax execution by distress for sale in order to satisfy the delinquent taxes. At any time after this date and after proper notice and publication of advertisement, the officer charged with collection of delinquent taxes may sell at public auction those lands with outstanding liens for unpaid property taxes. South Carolina sales take place on the first Monday of October, November or December of each year.

Opening bids for properties equal taxes, interest, penalties, and costs. The tax lien is awarded to the highest and best bidder. Delinquent taxpayers are allotted 1 year from the time of sale to redeem their property from the tax lien purchaser. The tax lien purchaser earns an 8% penalty on all redemptions. Within 30 days after the end of the redemption period the treasurer will issue a tax title at the purchaser's request. The delivery of the tax title to the Clerk of the Court or the Register of Mesne Conveyances (RMC) is considered "putting the purchaser in possession". Please note: lien purchasers should refrain from paying subsequent taxes until they have secured a tax title. South Carolina statutes do not provide for the recovery of subsequently paid taxes when redemption occurs. Liens not sold at auction are available for over the counter purchasing in most counties. Properties that remain in inventory through the redemption period are titled in the name of the county. These properties are then known as tax forfeited lands and are disposed of by the county's forfeited land commission in the same manner as any other surplus property.

SOUTH DAKOTA

Total Counties = 66



Sale Type: Lien State

Interest Rate: 12%

Bid Method: Premium Bid

Redemption Period: 3 to 4 years

State Statute Sections: South Dakota Codified Laws Titles 10 & 44

Over the Counter – Yes

Sale Dates – 3rd Monday in December

South Dakota is a classic lien type state. The county treasurer is the collector of property taxes of the county, and all delinquent taxes whether levied for state, county, township, municipality, school, or other purposes in all 66 counties. South Dakota statutes mandate that taxes upon real property and any penalty and interest imposed thereon shall be a perpetual lien thereon against all persons and bodies corporate, except the United States and this state.

All taxes shall become due on the first day of January of each year next following assessment, and shall become a lien upon real property on and after such date. On the first day of May of the year after which taxes have been assessed, one-half of all unpaid real estate taxes are delinquent. On the first day of each month thereafter interest on the delinquent taxes at the rate of interest as established in Section 54-3-16. If the other half is not paid on or before the thirty-first day of October of the same year, that also becomes delinquent on November first and the same interest shall attach in the same manner. Further, state law mandates that on the third Monday of December in each year, the treasurer shall offer at public sale at the courthouse, or at the place of holding circuit court in his county, or at the treasurer's office where by law, the taxes are made payable, all lands, town lots, or other real property which shall be liable for taxes for the preceding year or years, and which remain due and unpaid. Before making a sale of lands on which taxes have not been paid, the treasurer must offer each separate tract for sale in the numerical order in which it appears on the tax list and receive bids for it.

The treasurer shall sell to that person who bids the full amount of the taxes, interest, and costs due on the land, stating the bid at the lowest rate of interest per year, and shall issue a certificate of sale to the purchaser. The lowest rate of interest per year shall be considered the best bid. No rate of interest higher than ten percent per year is a valid. After the tax sale is closed, if any real property remains unsold for want of bidders, the treasurer is authorized and required to sell the same at private sale at his office to any person who will pay the amount of taxes, penalty, and costs thereon for the same, and to deliver to purchasers a certificate the treasurer is further authorized and required to sell all real property in his county in which taxes remain unpaid and delinquent for any previous year or years. The certificate issued at lien sale is assignable, pursuant to notification of the Treasurer. The purchaser at tax sale or assignee of such certificate may pay any taxes levied on such real property so purchased, whether levied for any year or years previous or subsequent to such sale and still unpaid. the amount or amounts paid as subsequent taxes shall not bear interest until on and after the date when the subsequent taxes so paid would become delinquent.

The county treasurer is authorized at all tax sales to bid off all real property offered at such sale for the amount of taxes, penalty, interest, and costs due and unpaid, in the name of the county, in the case where there are no other bidders offering the amount due, such county acquiring all the rights, both legal and equitable, that any purchaser could acquire by reason of such purchase. If the county treasurer of any county bids off any real property in the name of the county, the treasurer shall make out a certificate of purchase to the county in the same manner as if sale had been made to any other person.

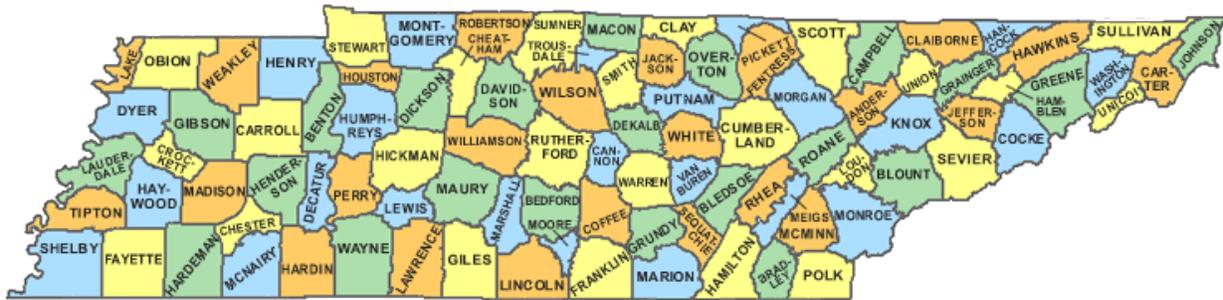
If any person is desirous of purchasing the interest of the county, he may do so by paying to the treasurer the amount of the taxes, penalty, interest, and costs of sale and transfer and all unpaid or subsequent taxes, and such purchaser shall be assign the certificate of purchase held by the

county, which assignment shall convey to such purchaser all the rights of the county, both legal and equitable. The holder of the tax certificate may conduct proceedings to procure a tax deed on real property sold for taxes and not yet redeemed, no sooner than three years from the date of the tax sale in the case of real property located within the limits of any municipality, or no sooner than four years from the date of the tax sale in the case of real property located outside the limits of any municipality, or at any time thereafter within six years from the date of the tax sale.

The failure of the owner, any mortgagee, any lien holder or any other interested person to redeem the tax certificate within sixty days of the date of the filing of the affidavit of completed service of the above proceedings passes all of the right, title and interest of the owner, mortgagee, lien holder and the other interested person to the holder of the tax certificate. The person demanding such tax deed must purchase the assignment of all prior tax certificates held by the county on such real property before the county treasurer shall issue the tax deed. Such deed shall vest in the grantee an absolute estate in fee simple in such real property. The holder of such deed or his successor in interest shall be entitled to immediate exclusive possession of the real estate described.

TENNESSEE

Total Counties =95



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Sale Type: Deed State

Interest Rate: 10% per annum

Bid Method: Premium Bid

Redemption Period: 1 Year

State Statute Sections: Tennessee Code Title 67

Over the Counter – No

Sale Dates – varies by county and year

Knoxville – (February, Fall)

Nashville – June

Tennessee property taxes are due and considered delinquent on October 1st of each year for that calendar year's assessment. The Clerk and Master of the Chancery Court actually conduct the tax sales in Tennessee. They hold annual auctions. Parcels must be two years delinquent before the county may file suit in the chancery court praying for an order to sale. These suits are filed in April of each year. Properties not sold at auction become the responsibility of the county Real Property Manager or trustee, the county takes deed after the expiration of the redemption period. They then dispose of these properties through sealed bid sales, (or county Surplus Sale as they are known) throughout the year. Successful bidders are awarded a decree of Sale or certificate of ownership. The purchaser should record this decree, or certificate. Possession of the property is immediate. However, there is a 1-year redemption period. Should redemption occur, the decree of Sale holder is awarded his/her purchase price, plus any subsequent taxes paid, plus interest at the rate of 10% per annum.

Caution: Improvements to the property are not reimbursable through this mechanism, should redemption occur. Properties not purchased at sale are available through the office of the county executive or trustee.

Information on Delinquent Tax Sales

1. When property taxes are delinquent and suit has benefited, the Metropolitan Government proceeds to sell the property for satisfaction of the delinquent tax lien or liens.
2. The taxpayer may pay the amount owed any time before the sale and the suit will be dismissed. (Cash or Certified Check).
3. The opening bid at the sale is the total amount of delinquent taxes due on the parcel of property, plus the total amount of accrued penalties, interest and court costs. The specific amount of money owed on each parcel to be sold may be obtained by contacting the Delinquent Tax Office.
4. Information on this property is available from the tax assessor's office, the Register of deeds office, the Delinquent Tax Office, and other sources. A potential purchaser is strongly urged to check out any parcel they are interested in prior to the auction.
5. The purchaser at a tax sale has five (5) working days to pay the purchase price in cash or check to the Chancery Court Clerk and Master's Accounting Department in Room 2 of the Metro Courthouse.

Note: The Metropolitan Government will institute legal action against any purchaser who fails to comply with their bid.

6. The sale is not complete until a chancellor signs a decree confirming the sale. Purchasers will receive an unsigned copy of the "final decree confirming Sale" from the Metro legal department. The purchaser should come to the clerk & Master's office approximately one week later to obtain a certified copy of this decree and have the decree recorded in the Register of Deeds

Office. The cost of the certified copy and the recording fee may be included on the claim form mentioned in Item 8 should the property be redeemed.

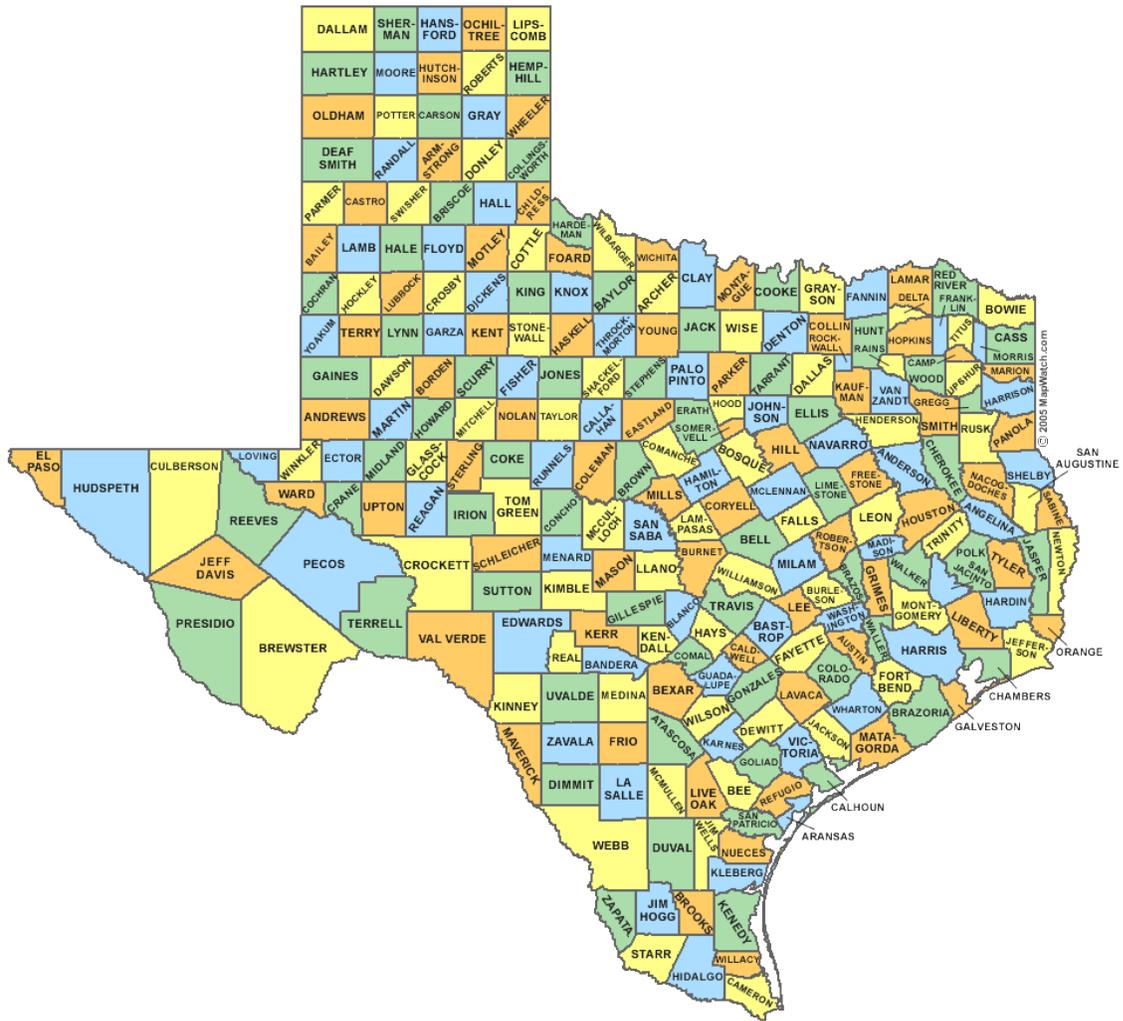
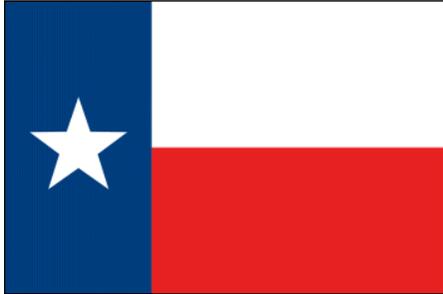
7. After the property is sold, the former owners, their heirs, or any lien holder have a right to redeem or buy back the property within one (1) year from the date of the final decree Confirming Sale. The purchaser will be refunded the purchase price plus 10% interest.

8. To start redemption, the taxpayer pays to the Clerk & Master's Office an amount sufficient to bring the funds back to the purchase price plus interest. A notice is then sent to the purchaser along with a claim form. If the purchaser has paid any additional expenses on the property, such as recording fees and additional years taxes, this claim form should be filed, along with copies of receipts. The redeeming party should then either pay this claim or contest it. If the claim is paid, an order of Redemption will be prepared that will put property ownership back as it was before the sale. This order of redemption should be recorded by the taxpayer in the Register's Office so that the tax rolls will reflect that the property has been redeemed. If the claim is contested, a hearing will be set before the property has been redeemed. If the claim is contested, a hearing will be set before the Clerk and Master to determine if the claim should be allowed.

THIS INFORMATION IS INTENDED TO PROVIDE ONLY GENERAL INFORMATION AND SHOULD NOT BE RELIED UPON AS LEGAL ADVICE. CONSULT AN ATTORNEY REGARDING LEGAL QUESTIONS OR CHANGES IN THE LAW.

TEXAS

Total Counties = 254



Sale Type: Deed State (a hybrid)

Redeemable Deed, with the buyer receiving all rights of ownership including the right of use and possession

Interest Rate: 25 % Penalty

25% penalty interest rate if redeemed at any time during the first year and 50% penalty interest rate if redeemed at any time during the second year

Bid Method: Premium Bid

Public oral bid auction with the opening bid being the lesser of the back delinquent taxes, penalties, interest, court costs and costs of sale or the adjudged value

Redemption Period: 6 Months (non-homestead, non-agricultural)

2 years for homestead, agricultural

180 days or two years (if property was used as owner's residence homestead or was land designated for agricultural use), with the period starting on the date of recordation of Sheriff/Marshal's Deed

State Statute Sections: Texas Tax Code Section 34:21

Over the Counter – Yes – called “Struck Off,” “Trustee” or “Tax Resale”

Sale Dates – 1st Tuesday of each month

Year round on the first Tuesday of every month Statute Section(s): Property Tax Code, Chapter 34, Tax Sales and Redemption, Section 34.01, Sale of Property. To view statute, go to [Chapter 34. Tax Sales and Redemption](#)

The state of [Texas](#) is divided into 254 [counties](#), more than any other [U.S. state](#).

Lien Attaches

Texas Property Tax Code (a.k.a. PTC) establishes that on Jan 1 of each year a tax lien attaches to all property to secure the payment of all taxes. PTC (b) then establishes this lien's superior priority. Bills are mailed out in Oct & Nov of the same year. Payments are due prior to Jan 31 of the following year. Feb 1 they are delinquent. Interest accrues at 1% per month. 12% annualized.

Texas Flat Penalty

\$100,000 property and the owner has \$5,000 in back taxes.

The home goes to \$25,000 and you win the bid.

I must pay the money and Texas has a flat penalty. If January 1st it redeems at \$25,000 plus the 25% to redeem that is a 6,000 penalty amount.

Due & Delinquent:

Property tax bills are mailed in Oct or Nov of the same year. Payments are due prior to Jan 31 of the following year. On Feb 1 of that year, they become delinquent. Interest accrues at 1% per month (12% annualized).

Tax Suit:

Texas PTC (a) establishes that, at any time after its tax on Property becomes delinquent, a taxing unit may file suit to foreclose the lien securing payment of the tax. In reality, taxing units seldom exercise this right immediately. Most likely, a property's taxes will remain delinquent for at least two years before a taxing jurisdiction will institute a tax suit.

Judgment:

Culmination of the tax suit in civil court results in an order for foreclosure of the lien and sale of the real property.

Sales:

Auctions (a.k.a. Tax Sales) take place each "first Tuesday" of the month. They usually begin at 10:00 a.m. and are usually held at or near the courthouse of the host county. Lists of properties for the monthly auctions can be obtained from the county tax collector's office (in Texas that would be the Assessor); from the private law firms that are hired (pursuant to statute) to handle the tax suits and the administrative task of bringing the property to sale; from private listing services; or from public newspapers that advertise the sales (again pursuant to statute). Some of the more rural counties may only have one or two properties per month. Some smaller counties may only hold auctions quarterly or twice a year.

Sale Procedures:

Sheriffs or constables will actually conduct the sales. Opening bids will usually begin with the sum of taxes, interest, penalties, and costs of the foreclosure currently due on the parcel.

Subsequently, assessed taxes may not be included in the bid amount. Bidding is of a premium nature in an open and competitive format.

After The Sale:

To the winning bidder the officer making the sale shall prepare a deed (Sheriff's deed or constable's deed) to the purchaser of the real property (successful bidder). This deed vests good & perfect title in the purchaser...subject to the previous property owner's right of redemption, as stated in PTC (d).

Redemption Rights:

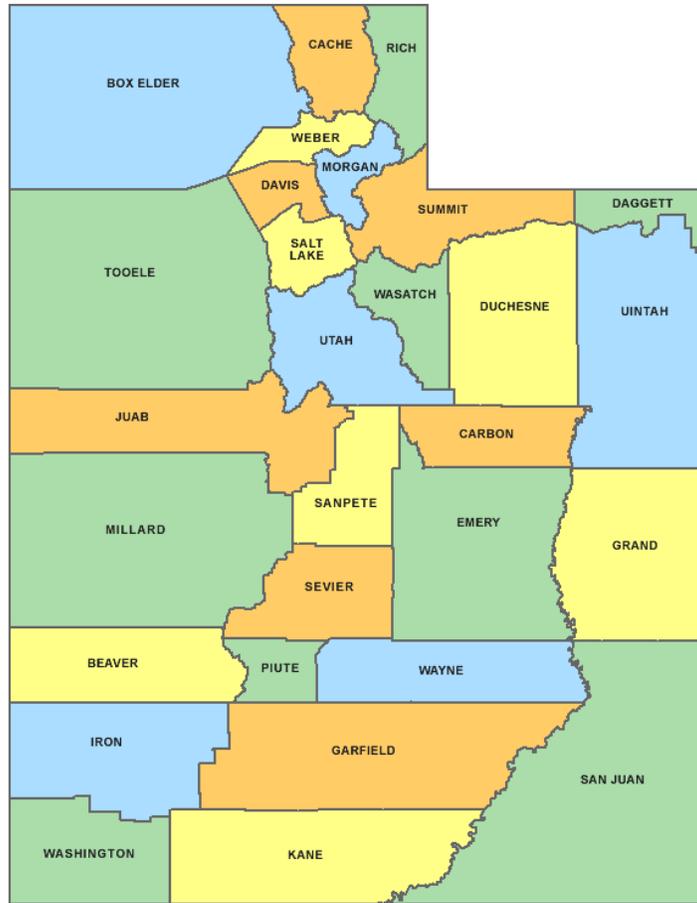
Property owners of non-Ag, and/or non-Homesteaded real estate are granted a six month right of redemption (Texas PTC). This redemption is subject to payment of the successful bid, plus taxes, interest, penalties, and costs expended on the property, plus deed recording fees, plus a 25% penalty calculated on the aggregate total. Homestead and Ag status property owners are granted a two-year redemption period. This right of redemption is subject to the same 25% penalty, if paid in the first year, with a 50% penalty if paid in the second year. The Homestead or Ag status must be applied for each and every year and is not available for retroactive assignment. In fact, a very small percentage of residences actually have Homestead exemptions in place for any given year. This type of exemption is usually coded by an "H" on the property tax records.

Struck Properties:

Properties not sold at the initial auctions have their titles vested in the name of one of the taxing jurisdictions participating in the suit (usually the County, City, or School District). These are called Struck Properties (a.k.a. Resale Properties). Various jurisdictions have various ways of disposing of struck properties.

UTAH

Total Counties = 29



Sale Type: Deed State

Bid Method: Premium Bid

State Statute Sections: Utah Code, Title 59

Over the Counter – No

Sale Dates – May

Salt Lake City – 4th Thursday Some counties on 3rd Thursday

Utah is a good deed state, since bidding typically begins at the lien amount (ie back taxes, penalties, interest, and costs)

A tax upon real property is a lien against the property assessed. These liens attach January 1st of each year as set by Utah Revised Statutes. Further, it is implied that lien for taxes upon real estate is superior to pre-existing mortgage lien on property. Utah Revised Statute stipulates that property taxes are due and considered delinquent if not paid by Nov 30th of each year. Unpaid real estate taxes accrue a 2% penalty after this date and begin to accrue interest (if not paid by Jan 16th following the date of delinquency) at a rate of 6 points above the Federal Discount Rate per annum.

Further, the statute sets the date of Jan 16th as the date when all real estate subject to a lien for any taxes which are then delinquent is considered to have been sold to the county at a preliminary tax sale (this is not an actual sale, rather an operation of law) to pay the taxes, penalty, and costs for which the real estate is liable. All property sold to the county through the above described mechanism, and that is not redeemed by March 31 following the lapse of four years from the date of the preliminary tax sale (Jan 16), is listed with the county auditor for final sale in May. This is known as the Final May Tax Sale Listing.

The county governing bodies are afforded by statute several methods by which to accept bids during the final May sale. The most widely used method would be that of accepting the highest bid offered for an entire parcel of property. There are nine other options allowed by statute for disposing of delinquencies at sale. However, no bid may be accepted for less than the taxes, interest, penalties and costs due. Successful bidders are awarded auditor's deed as fee simple title pursuant to Utah state statute. Any property not sold at the Final May Sale is struck off to the county by the county auditor. The county governing body may dispose of this property after the sale for a price and upon terms determined by them. However, the terms are limited by statute. the buyer must pay at least 20% down at the time of purchase, with the balance due in no more than 4 years, with at least annual payments accruing interest at a rate of 6% per annum. The counties are also afforded the option by statute to judicially foreclose the tax lien on real estate. These foreclosures would result in a Sheriff's sale. A Certificate of sale would be awarded to the highest bidder or the county if no bidders are present.

VERMONT

Total Counties = 14



Sale Type: Lien & Deed State

Interest Rate: 12% per Annum

Bid Method:

Redemption Period: 1 Year

State Statute Sections: Vermont Statutes, Title 32, Section 5260

Over the Counter – No

Sale Dates – Varies by County

Auctions varies depending on the municipality

Vermont property tax is assessed and collected by the town government, unlike most other states, where county governments assess and collect the general property tax. Vermont state statute provides that a lien is established as an operation of law on the date taxes are assessed by the town clerk. Further statute provides that in unincorporated towns and gores in Essex County that the force and effect of lien on taxes lawfully assessed upon real estate shall be a first lien thereon, underlying all mortgages, attachments, liens, or other encumbrances thereon, and all estates for the term of a natural life or lives, for a term of years or for any other duration.

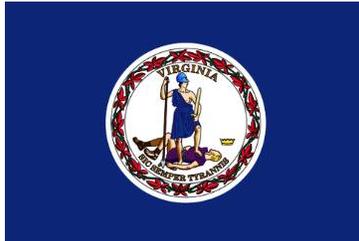
When a tax lien remains unpaid for two years after the creation of the lien, the town may foreclose the lien in the same manner as provided by Vermont law for the foreclosure of mortgages on real estate. After the appropriate notifications of interested parties, a judge of a court of competent jurisdiction will issue a final decree of foreclosure. The decree shall appoint a commissioner who shall be responsible for selling the tax defaulted property at a minimum amount set by the court, after a redemption period of one year from the date of the decree has elapsed. Other town tax collectors may extend a tax warrant of delinquent real estate. If the tax collector extends the warrant, the collector shall pursuant to 32 V.S.A. §5252 set such land for sale at public auction.

The property owner may subdivide the land as such smaller portion will sell for the total taxes, interest and charges then due, subject to zoning and setback rules and laws. The purchaser is entitled to a collector's deed after a one-year redemption period has elapsed. If the property owner or other interested party may redeem the property from the tax sale by paying the amount of the purchase at sale plus interest at the rate of one percent per month or fraction thereof from the date of sale to the date of payment, which then shall be paid over to the purchaser of the tax.

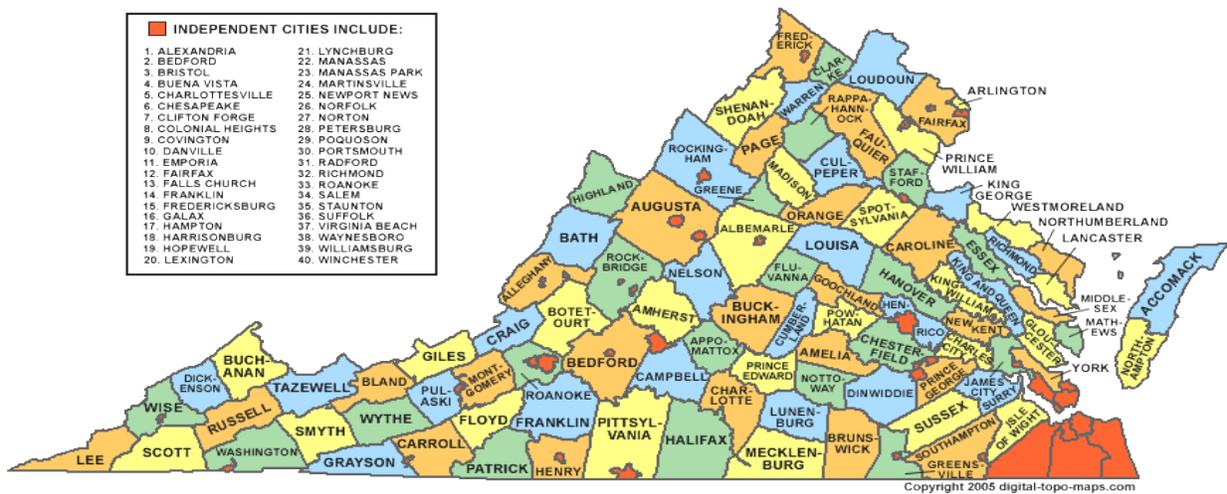
The taking of land by this method should be considered an administrative foreclosure and a Quiet Title action may be necessary to cure title. However, 32 V.S.A. §5291 prohibits suits to challenge validity of Tax Collector's Deed after three consecutive years of possession and payment of subsequent taxes by the tax deed grantee; thus, eliminating the need for quieting title.

Virginia

Total Counties = 95



INDEPENDENT CITIES INCLUDE:	
1. ALEXANDRIA	21. LYNCHBURG
2. BEDFORD	22. MANASSAS
3. BRISTOL	23. MANASSAS PARK
4. BUENA VISTA	24. MARTINSVILLE
5. CHARLOTTESVILLE	25. NEWPORT NEWS
6. CHESAPEAKE	26. NORFOLK
7. CLIFTON FORGE	27. NORTON
8. COLONIAL HEIGHTS	28. PETERSBURG
9. COVINGTON	29. POQUOSON
10. DANVILLE	30. PORTSMOUTH
11. EMPORIA	31. RADFORD
12. FAIRFAX	32. RICHMOND
13. FALLS CHURCH	33. ROANOKE
14. FRANKLIN	34. SALEM
15. FREDERICKSBURG	35. STAUNTON
16. GALAX	36. SUFFOLK
17. HAMPTON	37. VIRGINIA BEACH
18. HARRISONBURG	38. WAYNESBORO
19. HOPEWELL	39. WILLIAMSBURG
20. LEXINGTON	40. WINCHESTER



Sale Type: Deed State

Bid Method: Premium Bid

State Statute Sections: Code of Virginia, Title 58, Chapter 32

Over the Counter – No

Sale Dates – Varies by County Arlington does not have a sale every year.

Virginia state statute establishes that there shall be a lien on real estate for the payment of taxes and levies assessed thereon prior to any other lien or encumbrance. The lien shall continue to be such prior lien until actual payment shall have been made to the proper officer of the taxing authority.

Any person failing to pay any county, town and city levies on or before December 5 shall incur a penalty thereon of five percent, which shall be added to the amount of taxes or levies due from

such taxpayer, and which, when collected by the treasurer, shall be accounted for in his settlements. No penalty shall be imposed for failure to pay any tax if such failure was not the fault of the taxpayer. Real property taxes shall be enforceable by sale of the property on which such taxes were assessed for twenty years after December 31 of the year for which such taxes were assessed. Sec. 58.1-3965 further mandates that any taxes on any real estate in a county, city or town delinquent on December 31 following the third anniversary of the date on which such taxes were due, may be sold for the purpose of collecting all delinquent taxes on such property.

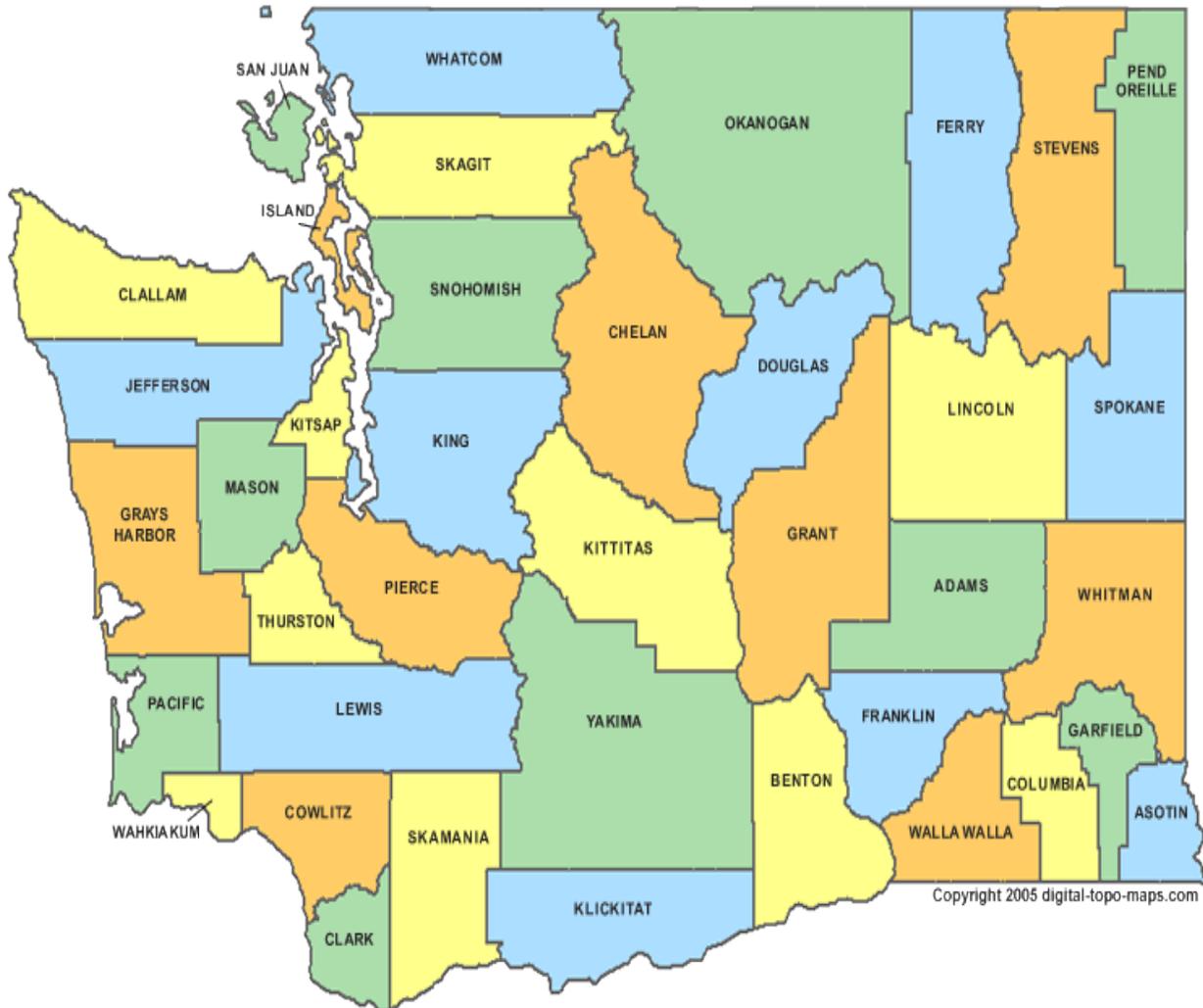
The officer charged with the duty of collecting taxes for the locality wherein the real property lies shall, at least thirty days prior to instituting any action, send a notice to the last known address of the property owner (and to the property address if the property address is different from the owner's address and if the real estate is listed with the post office by a numbered and named street address) and to the last known address of any trustee under any deed of trust, mortgagee under any mortgage and any other lien creditor, advising such property owner, trustee, mortgagee or other lien creditor of the delinquency and the officer's intention to take action.

Such officer shall also cause to be published at least once a list of real estate which will be offered for sale under the provisions of this article in a newspaper of general circulation in the locality, at least thirty days prior to the date on which proceedings are to be commenced. The owner of any property listed may redeem it at any time before the date of the sale by paying all accumulated taxes, penalties, interest and costs thereon, including the cost of publication. Any person who has paid any taxes on such real estate shall have a lien thereon for any taxes paid, plus interest at the rate of six percent per year. Partial payment of delinquent taxes, penalties, interest or costs shall not be sufficient to redeem the property, and shall not operate to suspend, invalidate or make moot any action for judicial sale. The treasurer or other officer responsible for collecting taxes may suspend any action for sale upon entering into an agreement with the owner of the real property for the payment of all delinquent amounts in installments over a period which is reasonable under the circumstances, but in no event shall exceed twenty-four months. Sec. 58.1-3966 of Virginia statute allows for employment of a private attorney to institute judicial foreclosure proceedings.

Proceedings are instituted and conducted in the name of the county, city or town in which the real estate lies. The court may appoint a special commissioner to sell the properties and execute the necessary deeds when a sale is found necessary or advisable and in doing so the appointee may be the attorney employed by the governing body of the county, city or town to bring the suit. Tax deeds are issued to the highest and best bidder at the judicial sale. No clerk shall make a tax deed conveying to any person any real estate sold for delinquent taxes or levies which have been, or hereafter become, delinquent for twenty or more years. The title conveyed (tax deed) to the purchaser at the judicial sale shall be held to bar any disabilities of parties defendant, and to be free of all claims of beneficiaries under any deed of trust or mortgage. The former owner, his heirs or assigns of any real estate sold is entitled to the surplus received from such sale in excess of the taxes, penalties, interest, costs. If no claim for such surplus is made by such former owner, his heirs or assigns, within two years after the date of confirmation of such sale, then such surplus shall be paid by the clerk of the court in which such suit was instituted to the county or city in which such real estate is located.

WASHINGTON

Total Counties = 63



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Sale Type: Deed State

Bid Method: Premium Bid

State Statute Sections: Revised Code of Washington, Chapter 35, 60

Over the Counter – No

Sale Dates – Varies by County

King (Seattle) – December

Lien Attaches:

The revised code of Washington establishes that...“taxes assessed upon real property shall be a lien thereon from and including the first day of January in the year in which they are levied until they are paid”. The said lien shall have priority to and shall be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation or responsibility to or with which said real and personal property may become charged or liable.”

Due & Delinquent:

One half of each year’s real property assessment is due and payable on or before April 13th of each and is delinquent thereafter. The remainder of real property tax is due and payable on or before the following October 31st. Delinquent payments are subject to interest at the

rate of 12% per annum calculated monthly from the date of delinquency until paid. Property taxes not paid by June 1st of the year in which they are due are subject to an additional penalty of 3%, and if not paid by the following December 1st are subject to an additional penalty of 8%.

Redemption Expires:

After expiration of three years from the date of delinquency of any one-year’s tax the treasurer issues a certificate of delinquency. This certificate is filed with the clerk of the court’s office. The clerk of the court submits an application for judgment, foreclosing tax lien.

Foreclosure:

When judgment is entered and an order for sale is issued and the treasurer shall immediately proceed to sell the property to the highest and best bidder per the Revenue code of Washington. The tax foreclosure does extinguish all other liens and encumbrances, with the exception of any local improvement assessments. These become the obligation of the buyer.

Sale:

Notice of the sale must be posted for ten consecutive days in three separate public places, one of which must be the office of the treasurer. In addition, the notice must be posted in a publication of general circulation within the county.

Sale Procedures:

Opening, minimum bid equals the taxes, interest, penalties, and costs of foreclosure. Bidding is of the open and competitive format with oral bids. You must be present. Immediate payment is required in certified funds. The county will make notification of those properties for which IRS liens exist. The county treasurer shall execute to the purchaser of any piece or parcel of land a tax deed. The deed so made by the county treasurer, under the official seal of his or her office, shall be recorded in the same manner as other conveyances of real property, and shall vest in the grantee, his or her heirs and assigns the title to the property therein described, without further acknowledgment or evidence of such conveyance.

After The Sale:

Properties not sold at auction have their titles vested in the name of the county. Thereafter those properties are referred to as "Tax Title Properties." these properties can be re-offered at a later time subsequent to the foreclosure sale. These tax title sales are usually held in April and/or November. For further information on these properties contact the Real Property Division of each individual county.

Please Note: Local Improvement Assessment liens (a.k.a. LIDs) can also be foreclosed and offered for sale. Contact the individual city or town's treasurer or finance director for information on these foreclosures.

WEST VIRGINIA

Total Counties =55



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Sale Type: Lien State

Interest Rate: 12% per annum

Bid Method: Premium Bid

**Redemption Period: 18 Months State Statute Sections: West Virginia Code
Section 11A-3-23**

Over the Counter – Liens – No, Deeds – Yes

Sale Dates – Varies by county between October and November

West Virginia is a classic lien type state. In all 55 counties of West Virginia, the county sheriff is mandated by statute as the ex officio county treasurer and collects all taxes levied in his/her county. West Virginia Statute Sec. 11a-1-2 mandates that there shall be a lien on all real property for the taxes assessed thereon, and for the interest and other charges upon such taxes, at the rate and for the period provided by law, which lien shall attach on the first day of July, for the taxes payable for the ensuing fiscal year. All current taxes assessed on real property may be paid in two installments. The first installment shall be payable on September first of the year for which the assessment is made, and shall become delinquent on October first; the second installment shall be payable on the first day of the following March and shall become delinquent on April first. If taxes are not paid on or before the date on which they become delinquent, interest at the rate of nine percent per annum shall be added from the date they become delinquent until paid.

The tax lien on each unredeemed lot, or each unredeemed part thereof or undivided interest therein is sold by the sheriff, at public auction to the highest bidder, between the hours of ten in the morning and four in the afternoon on any business working day after the fourteenth day of October and before the twenty-third day of November next succeeding the year for which the taxes were assessed, or in other words the year following the delinquency of the second half. The highest bidder present at the sale is issued to a certificate of sale for the purchase money. The sheriff will require payment of any subsequent taxes due at the time of the sale before a certificate of sale is issued. The certificate of sale is assignable by endorsement, and an assignment thereof, when entered upon the delinquent lands book of the clerk of the county commission, shall vest in the assignee or his legal representative all the right and title of the original purchaser. Whenever any tax lien on any real estate has been sold at a tax sale to an individual purchaser, and the tax on such real estate for the year of the sale or for any subsequent year has become delinquent, the sheriff will sell any subsequent tax liens as if the former sale had not occurred. The purchaser at the first sale may, however, prevent the second sale by paying the amount due. No lien upon real property evidenced by a tax certificate of sale issued by a sheriff shall remain a lien thereon for a period longer than eighteen months after its original issuance.

At any time after the thirty-first day of October of the year following the sheriff's sale, and on or before the thirty-first day of December of the same year, the purchaser, his or her heirs or assigns, in order to secure a deed for the real estate subject to the tax lien or liens purchased, shall:

1. Prepare a list of those to be served with notice to redeem and request the clerk to prepare and serve the notice as provided in statute;
2. provide the clerk with a list of any additional expenses incurred after the first day of January of the year following the sheriff's sale for the preparation of the list of those to be served with notice to redeem including proof of the additional expenses in the form of receipts or other evidence of reasonable legal expenses incurred for the services of any

attorney who has performed an examination of the title to the real estate and rendered a written opinion and certification thereon;

3. deposit with the clerk a sum sufficient to cover the costs of preparing and serving the notice; and
4. present the purchaser's certificate of sale to the clerk of the county commission. For failure to meet these requirements, the purchaser shall lose all the benefits of his or her purchase.

After the sale of any tax lien on any real estate, the owner of, or any other person who was entitled to pay the taxes on, may redeem the tax lien at any time before a tax deed is issued for the real estate. In order to redeem, he or she must pay to the clerk of the county commission the following amounts:

1. An amount equal to the taxes, interest and charges due on the date of the sale, with interest at the rate of one percent per month from the date of sale;
2. all other taxes thereof, which have since been paid by the purchaser, with interest at the rate of one percent per month from the date of payment;
3. any additional expenses incurred from the first day of January of the year following the sheriff's sale to the date of redemption for the preparation of the list of those to be served with notice to redeem and any title examination, with interest at the rate of one percent per month from the date of payment for reasonable legal expenses incurred for the services of an attorney who has performed an examination of the title to the real estate and rendered a written opinion or certification: Provided, that the amount he or she shall be required to pay, excluding the interest shall not exceed two hundred dollars; and
4. all additional statutory costs paid by the purchaser.

If the real estate is not redeemed within the time specified above, but in no event prior to the first day of April of the second year following the sheriff's sale, the person entitled to the tax sale deed must make and deliver to the clerk of the county commission a quitclaim deed as described in statute. the clerk is mandated by law to execute and record the deed in the clerk's office and then deliver the original to the purchaser within 30 days of submittal, provided said deed's form meets the requirements of statute. Whenever the purchaser of any tax lien on any real estate sold at a tax sale shall have obtained a deed for such real estate from the clerk of the county commission or from a commissioner appointed to make the deed, he or they shall thereby acquire all such right, title and interest, in and to the real estate, as was, at the time of the execution and delivery of the deed, vested in or held by any person who was entitled to redeem. The tax deed shall be conclusive evidence of the acquisition of such title. the title so acquired shall relate back to July first of the year in which the taxes, for nonpayment of which the tax lien on the real estate was sold, were assessed. Any individual purchaser to whom a tax deed has been issued may institute and prosecute actions to quiet title to any such real estate conveyed.

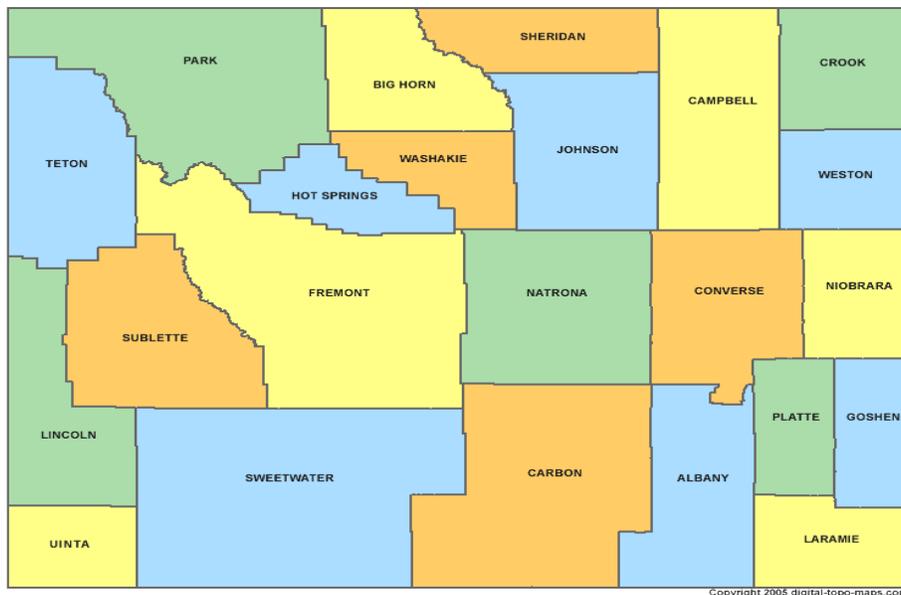
WISCONSIN State Summary

Wisconsin is a tax deed state, but not a very good state for investors. Delinquent tax properties are foreclosed by the county and sold at market value. Not a good deal for the tax deed investor, especially considering that a non-warranty quit claim deed is issued and properties are sold "as-is." Also the purchaser is responsible for any additional fees such as permits, soil testing and title search fees. If you are still interested in buying tax foreclosed properties in Wisconsin, you may be able to find a list of county-owned properties for sale on the county treasurer's website. Assessment data and property maps are also available online.



WYOMING

Total Counties = 23



Sale Type: Lien State

Interest Rate: 15% per annum plus 3% Penalty

Bid Method: Random Selection

Redemption Period: 4 Years

State Statute Sections: §39-3-202 and §39-13-108

Over the Counter –Yes

Sale Dates – Sales vary on county sales are held July – Oct

Wyoming statutes §39-3-202 and §39-13-108 provide that the property tax lien is superior to all other liens except those created by junior tax sales or payment of subsequent taxes by another party. Wyoming property taxes are due in halves. The first half is due September 1 of each year and becomes delinquent on November 10. The second half of the year's taxes are due on March 1 of the succeeding year and becomes delinquent on May 10. The balance of any unpaid tax bears interest at eighteen percent (18%) per annum until paid or sold at the tax lien sale.

Most sales are held in August. the Laramie county (Cheyenne) sale is always held on the Thursday following the end of frontier days. the Natrona county (Casper) sale is usually held the last Thursday in August. Wyoming tax liens are offered for sale by the county treasurer at the county courthouse or county building, the minimum bid for which is the amount of taxes, interest, penalties, and costs then due. A Certificate of Purchase is awarded to the highest private investors by the treasurer. Wyoming Certificates of Purchase may be assigned by endorsement and assignment vests all right and title of the original holder in the assignee. The county commissioners may then sell and assign any Certificate of Purchase bid in for the county at public or private sale thereafter. This is more commonly referred to outside of Wyoming as buying over-the-counter.

Redemption: Pursuant to Wyoming Statute 39-4102(b) a person redeeming real property from a Certificate of Purchase shall pay the amount for which the property was sold at sale, plus a three percent (3%) penalty, plus fifteen percent (15%) per annum (simple interest), plus the appropriate redemption fees, plus, if the certificate holder has applied for a treasurer's deed, actual expenses, not to exceed two hundred and fifty dollars (\$250.00). In addition, if subsequent taxes have been paid by the certificate holder, that amount, plus fifteen percent (15%) per annum. Not less than four (4) years, nor more than six (6) years from the date of the original sale, after notification requirements, the holder of a Certificate of Purchase may apply to the county treasurer for a tax deed. Notice requirements are detailed in Wyoming Statute §39-13-108(v)(B). Following four (4) years from the original date of sale the county treasurer shall issue and record a tax deed to the county conveying real property for which the county holds unredeemed Certificates of Purchase. The county commissioners may then dispose of these properties at a private sale and issue a county commissioner's deed to the purchaser. Upon issuance of the tax deed or county commissioner's deed, the burden of proof shall be upon any party seeking to invalidate title conveyed by such deed in any court in Wyoming.

Further, no action for the recovery of real property sold for the nonpayment of taxes shall be maintained unless commenced within six (6) years after the original date of sale for taxes. Certificate of Purchase buyers are indemnified any mistake, irregularity or unlawful act of a county treasurer rendering a tax sale void. In such case, the purchaser is reimbursed the amount which he would have been due upon redemption, plus grantee of a tax deed or county commissioner's deed are defeated in any action for the recovery of the real property, the court shall grant the tax deed holder judgment in an amount equal to the amount which he would have been due upon redemption of the tax liens, subsequent taxes paid by the certificate holder, costs attributed to the tax deed application and eight percent (8%) per annum. The judgment shall be a lien against the real property.

Frequently Asked Questions

Question: What is a tax lien?

Answer: A tax lien is a claim imposed by the state government to foreclose on a person's property until the tax and debt owed is fully paid.

Question: Does a tax lien have priority over a mortgage?

Answer: Yes, a tax lien takes precedence over all other mortgages and liens, whether they be mechanic's liens, civil judgment liens, etc.

Question: How does a tax sale work?

Answer: Tax sales are conducted by the county and they follow an auction format, whereby you bid on the delinquent properties that are presented at the sale. These sales are open to the public.

Question: Do you need a license or special certification to bid at a tax sale?

Answer: No, you do not need a license. Though each state has its own laws and guidelines, usually all that is required is a simple Bidder's Statement that indicates you do not owe delinquent taxes in the county in which you are bidding. The fee for a Bidder's Statement is typically around \$10 or so.

Question: What are the rights of the delinquent property owner?

Answer: They vary from state to state, but traditionally the property owner has the right to stay on the property during the redemption period.

Question: What is the redemption period?

Answer: That is the time, usually from six months to several years, which the property owner is given to come up with the delinquent taxes that he or she owes, in order to maintain ownership.

Question: What happens if a property owner redeems the property that I have paid taxes on?

Answer: You will receive your money back, with very generous interest included.

Question: What happens if the property owner is unable to redeem this property?

Answer: You will take over ownership of the property in return for the back taxes that you paid. You will own this property free and clear of any liens or mortgages.

Question: Once I assume ownership of a tax foreclosed property, what can I do with it?

Answer: You can re-sell it for a profit, rent it out for reliable monthly income or live in it, mortgage-free, without any monthly payments.

Question: How much will I normally pay for a tax foreclosed property?

Answer: It varies, depending on the quality and type of the property. Often, however, you can purchase land at a tax sale for less than \$100 and you can purchase a home for \$200 to \$2,000. There are no guarantees. That's why it is important to perform good due diligence before you bid.

Question: What is due diligence?

Answer: That is the research and preparation work that a buyer does, in order to learn all he or she can about certain properties.

Question: What kind of financial return can I expect when I purchase a property at a tax sale?

Answer: It varies, but successful tax sale participants have reported returns of 50 to 100x their original purchase price.

Question: Where do I find the properties that are sold at tax sales?

Answer: From the county

Question: What kinds of properties are usually available at these sales?

Answer: You can choose from a wide range of properties, including raw land, houses, duplexes, condominiums, commercial buildings, even lakefront lots.

Question: Do I need an office to maintain a successful business in tax sales?

Answer: All you need is a computer, with access to the Internet. You can work from the privacy and comfort of your own home.

Definitions

Adjudication

The legal process by which an arbiter or judge reviews evidence and argumentation including legal reasoning set forth by opposing parties or litigants to come to a decision which determines rights and obligations between the parties involved. Three types of disputes are resolved through adjudication:

1. Disputes between private parties, such as individuals or corporations.
2. Disputes between private parties and public officials.
3. Disputes between public officials or public bodies.

Administrative Deed

An administrative deed is a property deed that is in the name of someone who died, who did not have a will.

Assignment

The transfer of rights from one tax lien buyer (assignor) to another tax lien buyer (assignee).

Assignment or OTC Liens

These are liens that were not bid on at a tax sale and still have option for purchase. You can then purchase these liens through the mail. Typically, the liens left over from a sale were not purchased because there was something negative about the property or they were not worth it.

Bid Down On the Interest

At a tax lien auction the state will start the bidding at a set interest rate. The bidders then may "bid down" from the original interest rate to something lower. This will proceed until no one is willing to go lower and there is a winning bid.

Bid Down On The Ownership

An investor can buy the lien for only a percentage of the property. Say, if he buys a lien at 50% that means that the investor only owns 50% of the property. This is usually a less desirable method since this makes it harder for an investor to enforce the lien or foreclose on it. Therefore, very few investors want less than 100% ownership, and most counties try to avoid this method.

Bidder's Package

The Bidder's Package explains to the bidder the outline of the tax sale that is particular to that jurisdiction. The information provided, will explain how the auction will be run and how to make payments on winning bids.

Clouded Title

An irregularity, possible claim or encumbrance that, if valid, would adversely affect or impair the title.

Contract Sale

This is a sale where you have ownership of the property and therefore, you have claim over the title until the contract amount is paid. This gives you leverage over whether you would like to accept the offer or not.

Data Enhanced Lists

These are lists that tell the building descriptions (square footage, year built, number of bedrooms, bathrooms, etc.), the property value and land use codes. Costs may vary per parcel and the lists must be ordered at least four business days in advance. Data enhanced lists may not be available in some jurisdictions.

Delinquency List

This is a list of delinquent properties, but not to be confused with a tax sale list. These are not always a good list to search for properties since, often times the owners will end up paying the delinquent taxes and the property will not end up going to a tax sale.

Due Process

No person shall be deprived of property without due process of law. The Fifth Amendment to the U.S. Constitution states: "No person shall...be deprived of life, liberty, or property, without due process of law."

Foreclosing or Barring The Right Of Redemption

If the owner has failed to pay off the lien and the redemption period has expired, the lien holder may then foreclose on the property.

Inchoate

The lien buyer's interest in the property is known as an inchoate interest. It is an interest in real estate which is not a present interest, but which may ripen into a vested estate, if not barred, extinguished or divested. Simple definition- you have a right to the real estate as long as the following occurs:

- The redemption period expires and the lien has not been paid back, plus interest.
- You comply with any State specific rules the statute requires, including providing notice to those who have an interest in the property.
- Filing certain documents with the court.

Judicial Deed

The Judicial Deed is the deed the court transfers to the lien buyer after an auction. This is a readily transferable deed since it is free from claims from outside owners and is free of risk from litigation of defect.

Lands for Sale/Lands Available

Lands Available is the same as over-the-counter liens (OTC) that you can purchase from a taxing jurisdiction. They are usually properties that were not bid on in the auction and can be purchased through the mail. They are easier to purchase because you don't have to go through the bidding process. Usually, they were passed up at the auction because they were less desirable properties.

Administrative Deed

An administrative deed is a property deed that is in the name of someone who died, who did not have a will.

Lien

This is a legal claim on a property or a form of security interest that can be used as collateral against a debt. If the property carries a lien it can be foreclosed upon in order to reclaim the debt.

Lottery Sales

Lottery Sales is a type of bidding where buyers are selected at random. The winner of the lottery may then decide if they would like to purchase the lien.

Market Value

An estimation of the price that could be obtained for a particular asset if it were sold in an arm's length transaction on the current market.

Marketable Title

Ownership of land that is without competing claims or other defects, such that it could be sold without complication.

Mechanic's Lien

A claim filed by a hired contractor or laborer against the owner of the property for work unpaid.

Metes And Bounds

Land description that starts at a well-marked point of beginning and follows the boundaries of the land by metes (distances and compass direction) and bounds (landmarks, monuments) and returns to the point of beginning.

Minimum Bid

Starting bid price. Minimum amount of money the County will sell property for at an auction. Value is set at a discounted market value established by Office of Real Property and the Commissioner of Finance, but not less than amount of back taxes.

Monument

A fixed object established by surveyors and used to locate certain points in boundaries (used in metes and bounds land descriptions). Can be metal or stone markers, posts, trees, streams, or rivers.

Mortgagor

The individual(s) that takes out and signs a mortgage with a financial institution or private lender.

Mortgagee

The lender who receives a pledge of property to secure a debt or obligation as evidenced by a promissory note or bond.

Notice To Quit

A written notice, given to a tenant by a landlord, stating that the landlord intends to regain possession of the leased premises, and instructing the tenant to vacate the rented property.

Ordinances

The rules, regulations, and codes enacted into law by city or county governing bodies (such as building standards, subdivision requirements, etc.).

Quiet-Title

Quiet-title is when you notify the parties of interest (sound familiar?) to appear in court in order to claim an interest in the property. Since you have already notified these folks prior to applying for the deed, you should have no trouble with a quiet title action.

Quit Claim Deed

A deed in which the grantor only passes whatever interest he may have in a property, if any, to the grantee. The grantors do not warrant title or possession. Grantor forever quits any claim, if any, he ever had in the property.

Redeemable Deed

Redeemable deed states auction off property deeds, but there is a period during which the delinquent property owner can come back and redeem the property. If a deed is redeemed during that period, it works much like a lien; the property owner must pay what is often a large penalty or interest rate.

Redeemable Deed Sales

This is a sale that is called a Tax Deed Sale, but the sale is subject to a right of redemption during a specified time period by the delinquent property owner. For most purposes the sale is very similar to a Tax Lien Sale.

Redemption Period

All tax lien states, with the exception of Kentucky, have a stated redemption period in the statutes. The redemption period is the time allowed for the property owner, or, in some cases, any "interested party" to redeem the property by paying the tax lien, which includes the delinquent taxes, penalties, interest and costs.

This redemption period varies in length by jurisdiction but the shortest is six months (Maryland) and the longest is four years (Wyoming).

Right-Of-Way

The right or privilege to pass over a particular portion of a property that is owned by another person, a form of an easement.

Round Robin Bidding

A fairly simple tax lien bidding process. The bidding goes around the room in a fixed order and each person is given the opportunity to buy a lien. The bidder pays the delinquent taxes (plus any penalties, interest and/ or costs) for the lien.

Servicing

The term that describes all of the administrative tasks that must be completed to successfully hold a tax lien portfolio through the redemption period and, if necessary, perfect your interest in the property if there is no redemption.

Section, Block, And Lot Number

A method used for land description that refers to a number of section, block, and lot which appears on maps and plats of recorded subdivided land.

Subsequent Taxes

Subsequent taxes are the future taxes that are due after the tax sale (in which you buy the lien) is held.

Tax Deed Sale

A tax deed sale give the buyer immediate ownership of the property. This ownership often requires the filing of a quiet title action to have marketable title but it is not subject to redemption by the delinquent tax payer.

Tax Deed Sales

Tax sales where the property is sold outright.

Tax Defaulted Land Sale

These are lands that have gone through a sale and were not purchased by a tax sale buyer. They, instead were purchased by the taxing jurisdiction or the state and are available for purchase on a negotiated purchase. In some cases these lists may be called "Lands Available", "Assignment Lists", "OTC lists", or "Lands for Sale". Please understand that the sale date for these lists is, in fact, not sale date. Our system requires a "sale date" be input so we put a quarter ending date for these lists.

Tax Lien

A general lien imposed on all the property of a person liable for non-payment of taxes. This lien remains on the property until the taxes are paid, even if the property is conveyed to another person.

Tax Lien Sale

A tax lien sale does not give the lien buyer ownership of the property. It gives the buyer a claim for money that is superior to almost all other liens, including mortgages and is secured by the real estate. If this claim for money is not satisfied the lien holder can apply for and receive the property, subject to the conditions set by the statutes for the jurisdiction. Approximate redemption rate for residential properties is somewhat above 90% in most jurisdictions.

Tax Sale

Sale held by taxing authorities, usually once a year, in order to sell their interest in a lien to third party investors. By doing this, the taxing jurisdiction is able to collect the outstanding delinquent taxes much more quickly than just waiting for payment from the delinquent property owner These sales are usually held in an auction format, open to the public, and, depending on the auction method used, the properties are sold to the highest bidder.

Tax Taking

The taxing jurisdiction "takes" the property and becomes the owner. The property is later sold, either through a negotiated sale or an auction.

Title Insurance

A policy given by the seller to a buyer (owner's policy), or a policy given to a lender by a borrower (lender's policy), in which a title insurance company protects the buyer or lender against loss or damage due to some defect (from the past) arising in the title.

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