

# Roane County Owned Property Acquired at Back Tax Sale

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# During this presentation we will see the process of Acquiring County Owned Property...

- ❖ Taxes Become Delinquent
- ❖ The Process – Clerk & Master
- ❖ The Tax Sale – Clerk & Master
- ❖ County Acquires the Property
- ❖ The Process – County Executive's Office
- ❖ Property Goes to Purchasing Department
- ❖ Improving Roane County

# Taxes become delinquent

- ❖ Property taxes are to be paid annually to the County Trustee.
- ❖ When taxes become 18 months delinquent, the collection of property tax becomes the responsibility of the County's Clerk & Master.
- ❖ Delinquent properties are filed with the Clerk & Master in March of every year.

# THE PROCESS – CLERK & MASTER

- ❖ The process of getting properties ready for sale at auction takes approximately two years.
- ❖ Property owners are served a summons advising them they are being sued for back taxes.
- ❖ The Clerk & Master then presents the properties to the Chancellor and he declares a default judgment against the property owner.
- ❖ After the judgment is declared, the Clerk & Master advertises for the property to be sold at public auction.

# THE TAX SALE – CLERK & MASTER

- ❖ Once the Clerk & Master has completed all the necessary notifications and the default judgment has been issued, a tax sale is held.
- ❖ This is a public auction that allows the general public to bid on the properties in default.
  - Bidders are required to bid enough to pay all of the back taxes and fees owed on the property.
- ❖ The original property owner has one year to redeem their property by paying 10% above the bid price which includes all interest and penalties.
- ❖ If there are no bids, the county is required by law to purchase the property.(TCA 67-5-2507)

# County acquires the property

- ❖ A tax deed is prepared at the end of the redemption period and the deeds and responsibility of selling the property passes to the County Executive's Office.
- ❖ The Clerk & Master presents the Back Tax Committee with the list of properties that the county acquired. The Back Tax Committee then approves the properties to be sold by the County Executive's office.

## The process – County Executive's Office

- ❖ Upon receiving the deeds from the Clerk & Master, they are recorded with the Register of Deeds.
- ❖ County Executive staff maintains the list of properties that are available for sale.

# The process continued – County Executive

- ❖ After properties are approved by the Back Tax Committee, the County Executive's office advertises the properties along with instructions for a sealed bid auction of the properties.
- ❖ At this point the minimum bid is the total owed in back taxes and fees or fines when the county took it.
- ❖ Bidder mails or brings in the bid amount to the County Executives office.
- ❖ The bidders meet to open sealed bids.
- ❖ The highest bid is published in the local paper a second time to give the public opportunity to bid 10% above initial bid if desired.
- ❖ If counter bids are received within the 10 days of publication of property, an auction is held between the original bidder and counter bidders; with the highest bidder taking the property.

# The process continued – County Executive

- ❖ The highest bidder pays all taxes and fees that are accrued.
- ❖ A Warranty Deed is prepared by the Back Tax Attorney.
- ❖ The bidder is contacted by the County Executive's office when the deed is ready to be notarized and registered by the new owner.
- ❖ Any properties that do not sell will go back to the Back Tax Committee for consideration of accepting a lower bid.
- ❖ Once the recommendation is made to lower the bid price, the County Executive files a resolution with the County Commission to approve the lower bid price.
- ❖ If approved the properties are advertised at the lower bid amount.

# PROPERTY GOES TO PURCHASING

- ❖ When the Clerk & Master and the County Executive's office has exhausted any possibility of selling the property, and
- ❖ When the Back Tax Committee has recommended a lower bid price and County Commission approves a resolution to lower the price and to waive all taxes, fees and fines...
- ❖ The property is then passed to the Purchasing Department to sell as surplus county property.

# Improving Roane County

## How am I helping to improve Roane County through County Owned Property?

- ❖ Working with the County Elected Officials, Back Tax Committee, and Purchasing Department to get the County Owned Properties back on the tax roll, thus bringing in tax dollars.
- ❖ Through the sale of the properties releases any liability to the county, which could be substantial if an injury occurs on the properties.

# Thank you!

## Questions/ Comments?

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