

June 20, 2017

## County Owned Back Tax Property Management & Sale of Property

### Establishment of Committee

Pursuant to Tennessee Code Annotated §67-52507(B)(1) the County Commission of Roane County established the County Owned Back Tax Committee. The Code states, "A committee of four (4) legislative body members, who, together with the county mayor, shall place a fair price on each tract of land, for which price the land shall be sold". Roane County decided that the Commission would approve the property price via resolution recommended by the Committee.

### Committee Members

The County Owned Back Tax Committee Members include: Ron Woody (Secretary) – County Executive, Randy Ellis, Todd Fink, Darryl Meadows (Chairman), Stanley Moore – County Commissioners.

### Committee Function

The Committee fulfills requirements of TCA §67-5-2507, by recommending resolutions for Back Tax Properties management policies to County Legislative Body, recommend resolutions for certain individual properties purchased at Clerk and Master Back Tax Sales that bids be rescinded, recommend resolution of properties to be surplus, and recommend resolutions of properties purchased at a back tax sale in which taxes are owed to a city that the county should not pay the city taxes on properties in which the city desires to purchase.

### Stages of Management

The stages of Delinquent Tax Properties Managed by the County begin when the Clerk and Master bids property in for the county. The county evaluates properties during a 1-120 day period to determine whether to keep or request rescinding any bids with 2/3 vote of the Commission, if a resolution is adopted, the county will ask the Chancellor for the county bids to be rescinded. A recent change to this stage was given from the Chancellor in which the Chancellor would not confirm the bids until the county evaluated the property.

The properties that are accepted are entered into a period of redemption (12 months) and must be managed by the county during this period. Once the period of redemption has past, a tax deed is given to County Executive. The County Executive under TCA attempts to sale the properties. If the County Executive is unsuccessful in selling the properties then the County Owned Back Tax Committee considers recommending a surplus property resolution to send to Purchasing for sale. Upon a surplus property resolution being adopted the selling of the property responsibilities are transferred from the County Executive's office to the Purchasing

June 20, 2017

Department. Purchasing takes the necessary steps to sale the surplus properties on Govdeals.com.

### Example

2012 Delinquent tax properties, list of 410 properties presented to Clerk and Masters' office in August of 2016.

By September 2016 back tax sale

- 224 of those properties had been redeemed by their owners (paid taxes due)
- 123 were sold to other parties, and
- 63 were bid in by Roane County and goes through evaluation
- 20 properties were recommended to Chancellor that bids be rescinded
- 43 properties are under period of redemption and management/maintenance

After the county bids were submitted, the 63 properties go under evaluation to see if the county should keep, maintain and resell or request the Chancellor to rescind the county's bids. These are also in the redemption period, during which, the previous owner has an additional 12 month period to redeem their properties by paying taxes due including penalties and interest. We are also in the maintenance/management stage of the properties due to our submitted bids.

After the 12 month period has expired, October 2017, the properties remaining will be sent to the County Executives' office to be attempted sold, collecting taxes due only.

If the County Executive's office is unsuccessful, the County Owned Back Tax Committee will meet and recommend to County Commission that the properties remaining be surplus and transferred to the Purchasing Department for sale on Govdeals.com, generally starting at \$1.00.

After a surplus resolution is passed by County Commission, and the properties are transferred to Purchasing, the properties are advertised in the Roane County News and on the bulletin board in the Courthouse. Signs are then placed on the properties and listed on Govdeals.com for 14 days. A \$50 fee is charged to the winning bidder for the deed transfer fee. The information for the winning bidder is sent to our county attorney, who prepares a new tax deed, the county executive signs for the county, and purchasing signs as the agent for Govdeals. The tax deed is then taken to register of deeds and registered in the new owners' name and mailed. This process usually takes 7-10 business days.