

TAX SALE INFORMATION (October 21, 2008)

The following is subject to change and does not constitute legal advice. We are not attorneys and therefore cannot provide any guidance. It is incumbent that you understand the complexity of this process. If **you** fail to comply with the statutes governing tax sales, **you** can lose a lot or all of your money. These are the rules of the sale. You have agreed to these rules by your participation.

READ CAREFULLY:

If you have visited us before, you must read paragraph on tax sale procedures below. We will be using a new method which will impact your participation significantly if you do not know what you are doing.

LOCATION:

The tax sale will be in the new Sarpy County Boardroom. 1210 Golden Gate Dr, Papillion, NE 68046. While it is the same address, we have moved to the new administrative wing and the entrance is now on the East side of the courthouse. Please park in the Northeast corner employee parking lot so short term customers may come and go throughout the day.

REGISTRATION

Tax sales are held on the first Monday in March generally starting at 8:30 A.M. in the Sarpy County boardroom or other designated location. The auction starts promptly at the designated time. If you are late you will come in at the end of the pack after the current bidding round is completed. You must register ahead of time providing the following information via pre-registration at our web site:

<http://www.sarpy.com/taxsale/Regform.asp> or by email (RDREILING@SARPY.COM): Participants who fail to register before the day of the auction will be charged a \$20 late registration fee.

BIDDER REGISTRATION

Name on the certificate
Address on certificate
City on certificate
State on certificate
Zip on certificate
Mailing address if different than certificate
City, State, ZIP if different
Tax ID# or social security #
Phone number #1
Phone number #2
Fax number
Email #1
Email #2
Primary contact

Secondary contact (if needed)
Attending representative

QUALIFIED BIDDERS

Bidders must be separate and distinct bidders. Bidders who register as basically the same entity will be disallowed and only one representative will be allowed to participate. For example registrations such as Bank of the North DTR and Bank of the North Debtor IV will be disallowed as they are clearly the same entity. This policy is common throughout Nebraska. Also please see ASSIGNMENTS later in this document. Each individual may only represent one entity. One individual may not represent multiple entities.

NOTICE

Delinquent taxes are advertised in the *Suburban Newspapers (DBA Bellevue Leader, Papillion Times, Gretna Breeze, Springfield Monitor)* for the first three weeks in February. You may obtain a copy from the newspaper or at newsstands. You may also view and print a copy at our website, WWW.SARPY.COM. You may then go to WWW.SARPY.COM and use public access to lookup properties. For a fee of \$125 you may obtain access to our premium web site which does much of the work for you providing a plethora of details on the properties, much of which is not available at public access. It has become very popular with tax sale professionals using this service.

THE TAX SALE: PLEASE NOTE MAJOR CHANGES.

If any person present states they want to bid down potential ownership of a given parcel of real estate we will be holding a bid down auction. The person who offers to pay all the taxes due on any real property for the smallest portion of the same shall be the purchaser, and when such person designates the smallest portion of the real property for which he or she will pay the amount of taxes assessed against any such property, the portion thus designated shall be considered an undivided portion. The smallest bid accepted will be zero percent. Please see bidding down in the foreclosure section below.

If no person makes a request to bid down on any given parcel then the sale is conducted in the round robin format used extensively in Nebraska. You will have received a number when you signed in. After all numbers are distributed the treasurer will pick a number at random. That number will be the first person to be offered the first parcel on the tax sale list. The group generally sets a floor for what type of parcels will be covered during the bidding. For example we have historically not addressed parcels below \$400 in delinquent taxes because the overhead and costs for the buyers are too high to deal with them and therefore we skip them. These parcels will be available after the sale for those interested in lower amounts.

We then will go to the first available parcel, in parcel number order, and the first buyer (number selected at random) will have the option of purchasing the tax sale for all delinquent back taxes and fees on that parcel. There is currently a \$10 fee which is non-refundable upon tax sale redemption. If the first bidder chooses not to purchase the tax sale then the second bidder (person with the next highest number) has the option and so on. If you pass on your turn you are done for the round of sale until we have gone

through all other bidders. If we proceed in this manner and someone announces their desire to bid a parcel down we will bid the parcel down. Note that the dollar amounts in the newspaper do not include all delinquent interest and may include multiple years of back taxes so be prepared to pay more than published. Updated figures are at the web site. It is your responsibility to know what you are buying. There are no refunds on purchased tax certificates.

Cell phones will be OFF. If you have to leave the room to take/make a phone call the tax sale will continue without you. You may therefore miss your turn.

EXEMPTIONS

We do not sell tax sales on properties already in tax sale, properties in bankruptcy, properties which are owned by government entities, or on currently recaptured greenbelt taxes. If you buy a tax sale on a parcel which later goes into bankruptcy or is taken over by a government entity you will need to see a lawyer. We generally skip improvements on leased land during the tax sale. You are welcome to buy them. However, very few people want them.

STATUTES NEBRASKA REV STATUTES 77-1801.....

Section 18 of Chapter 77 deals with tax sales and certificates. You may view the chapter at <http://statutes.unicam.state.ne.us/> or some local libraries. You are not purchasing the property. You have no authority over the property or its disposition whatsoever. You are purchasing a tax lien on the property by paying the back taxes. In three years time you can take action to foreclose on the property if the tax sale you bought is not redeemed. You will certainly want to see a lawyer. Fees for foreclosure have been quoted to be \$750 and up. During the three years you can pay subsequent delinquent taxes as they become delinquent on April 1 and August 1 of each following year. Do not call us until the third week or later of these months because we will not sell any subsequent taxes until we are done processing all the people paying current taxes.

There are statutory **time limits** which determine the life of a tax certificate. It is generally three and one-half years. If you don't take action to foreclose within the statutory time limits you will likely LOSE your entire investment. Do not wait until three and one-half years to start your action. Statutory requirements include notification timelines that must be met prior to three and one-half years. We do not provide any notification of these expiring time limits nor do we advise you on how to foreclose on a tax sale.

RULES OF THE SALE

The following are the rules of participation in our tax sale which are designed to protect the taxpayers of Sarpy County. If we have to make a decision on an issue that is not statutory we will almost always defer to the taxpayer who lives here, owns property here, and is therefore paying taxes here.

Upon completion of bidding, or whenever you are done bidding, you will be expected to provide a blank check payable to the Sarpy County Treasurer. You can also stamp on the back of the check "for deposit only" at our counter. We will then process your tax sales

in a timely fashion and mail you copies of the certificates. We hold the originals here to reduce overhead and protect you from their loss during mailing. A lost certificate requires a bond. Virtually no one will sell you a bond on a tax sale certificate since it is a negotiable document. When we have computed a total purchase amount we will process your check and send it to the bank. We will be happy to email or fax you with your total purchase check amount.

The certificates will be issued in the name that you designated when you registered. After the certificates are produced you will have to pay the \$10 reassignment fee to change certificate ownership name(s) or to actually assign the certificate to someone else.

REDEMPTION

When a tax certificate is redeemed you will be paid a 14% interest rate from the date of sale to the date of redemption. Please note the \$10 purchase fee is not reimbursed. Upon redemption you will be notified by email. Your check will be sent out approximately 10 days later (unless we receive cash payment) when we are sure the redemption check clears the bank.

LEFTOVERS

After the sale and after all the paperwork is processed there are usually some delinquent parcels where the delinquent taxes are still un-purchased. Those individuals not availing themselves of our premium service can look at an updated list or purchase said list. Be very careful of buying something no one else wanted.

ASSIGNMENTS

There is a \$10 fee for assignments. There will be NO assignments whatsoever the day of the sale. The tax certificates will be issued in the name of the parties claiming to be buying the certificates. Any assignments within 45 days will require a notarized letter directing the assignment, the \$10 fee, and a copy of the cancelled check to the assignor demonstrating that due consideration has been given for the tax certificate. This is being enforced to protect the equitability of the sale for all participants.

DEEDS

There is a \$10 fee to obtain a treasurer's deed. You would be well advised to obtain an attorneys advice if you using this method of obtaining ownership. There are statutory timelines involved in this process also.

FORECLOSURE ACTION

We do not provide legal advice on foreclosure actions. However, one of your statutory responsibilities is to notify the treasurer's office if a foreclosure action is filed. Failure to do so could result in your not receiving various foreclosure fees.

Foreclosure on property which has been bid down: While we do not provide legal advice the following information is provided from the book, The Complete Guide to

Investing in Real Estate Tax Liens and Deeds by Jamaine Burrell. “**BIDDING DOWN OWNERSHIP**...If a property owner fails to redeem a tax lien certificate during the predetermined redemption period, the bidder may foreclose the property with a transfer of title to a treasurer’s deed. A treasurer’s deed allows both the bidder and the original owner to hold tenancy-in-common interest in the property. The bidder holds interest at the percentage that he or she bid at auction. The original owner holds the remaining percentage of interest in the property. For example, a winning bidder purchases a tax lien certificate for 85 percent interest in the securing property. Upon foreclosure, the tax lien certificate holder owns 85 percent of the property, and the original property owner owns 15 percent. The two parties become tenants-in-common. Competitive bidding down for tenancy-in-common ownership provides an opportunity for the original property owner to retain partial ownership in the property and also to control the disposition of the property. The original property owner’s percentage of the tenancy-in-common, however small, restricts the new partial owner from selling or financing the property. For either party of the tenancy-in-common to sell or secure financing against the property, both parties must agree to the action or initiate a partition action, which is a request to the courts to sell the property and split the proceeds from the sale in proportion to each party’s percentage of interest.” You should consult your attorney if you have any questions.

POST TAX SALE QUESTIONS

Email us with your after sale questions. Our number one priority in this office is the taxpayers of Sarpy County. If you are asking for bookkeeping services we will charge accordingly for the services provided.