



Delinquent Tax Certificate Sale

Dear Potential Delinquent Tax Certificate Sale Participant:

THANK YOU for your interest in the Delinquent Tax Certificate Sale.

This summary is provided for your convenience only. The Annual Delinquent Tax Certificate Sale is governed by Chapter 140 Revised Statutes of Missouri (RSMo.), which is the final authority. Collectors are not responsible to verify COMPLIANCE of procedures.

This is not a mortgage foreclosure sale; we sell Tax Liens on Properties for Taxes due. Only our most delinquent parcels are sold without the ability for redemption.

You should make yourself aware of some of the Missouri laws which govern your rights and responsibilities as a purchaser of property at a Delinquent Tax Certificate Sale. You may wish to consult an attorney before making a bid.

Your County Library has a set of statute books from which you can learn more about tax sale law. The statutes are also available over the internet at the following address: www.moga.mo.gov. You also may obtain from us the Missouri State Tax Commission Chapter 140 Tax Sale Procedure Manual that might be of help to you at a \$5.00 charge, or it is also available over the internet at the following address: www.stc.mo.gov/publications.htm.

The Collector makes no warranty on the title generated by issuance of a Collector's Deed. Failure to lawfully follow all tax sale guidelines and procedures found in Chapter 140, in the Missouri State Statutes, may eventually result in the purchaser's loss of all interest in the purchased property and may leave said purchaser liable for civil damages or criminal charges.

Finally, the Collector and his/her staff will not be able to help you understand nor interpret the laws. The Collector and his/her staff are not attorneys and state statutes prohibit practicing law without a license. For interpretation of the law, consult an attorney.

*Please be aware that the Collector's office will only accept payment from successful bidders in the form of Cashier's Check, Personal Check or Cash, Money Order.
(Fees Applicable).*

Thank you again for your interest.

Sincerely yours,

Brent Banes, Vernon County Collector/Treasurer

DELINQUENT TAX CERTIFICATE SALE INFORMATION

The County Delinquent Tax Certificate Sale is held annually on the fourth Monday in August commencing at 10:00 a.m.

The tax sale list will be published in a local paper (Nevada Daily Mail) for three consecutive weeks at least 15 days prior to the sale date. Each parcel offered for sale is individually identified by parcel number, owner of record, legal description and amount of taxes and costs of Tax Sale due.

Be sure to research very carefully the properties that you bid on. There are some properties that might have Federal or State Liens, Hazardous Conditions or that are considered Common Area. It is up to the buyer to research the property fully and understand how those conditions may impact the purchase. Non tax sale liens or other obligations on the property may not be extinguished at the time of the auction, or during any redemption period. We advise you to consult your attorney about liens and/ or deeds of trusts, etc. (140.420). All lands are subject to all validly recorded covenants or easements of record or in use.

Certificates of purchase may be assigned if that person is a resident of Missouri and is not a delinquent taxpayer. Arrangements must be made through our office.

1. Why do real estate owners let taxes become delinquent for two or three years or more?

- a. Owner dies, no heirs.
- b. Owner dies, too many heirs, no one heir wants to pay the taxes because the other heirs refuse to pay their share of the taxes or will not sign over their claims to any one person.
- c. The address of the property owner changes and the collector is not notified, therefore statements are returned unclaimed by the post office.
- d. Property owners unable to pay monthly payments to Banks or Mortgage Companies, the lending institution fails to foreclose, and the owner abandons the property.
- e. Property owner fails to pay taxes on the property for whatever reason.

2. Why do Collectors have to offer property for sale for delinquent taxes?

- a. When the yearly tax books are delivered to the Collector by the County Clerk, the Collector is charged for the total amount of taxes due and payable. It is the Collector's responsibility to collect the entire amount on those tax books.
- b. If taxes are not paid they are transferred to the delinquent tax book. When they become delinquent for two or more years, by law he/she must offer those properties for sale.

3. Who May Bid?

- a. Anyone may bid if you are a Missouri resident, at least 18 years of age and not currently delinquent on any property taxes, a sworn and notarized AFFIDAVIT stating such has to be turned in prior to auction. **Exception, No Out of State Resident** may bid unless they have filed with the Collector an agreement as per required in RSMo 140.190, consenting to the jurisdiction of the circuit court of Vernon County and also filing with the collector an appointment of some citizen of Vernon County as agent of the purchaser. All out of state bidders must be registered by the Wednesday prior to the sale. All Certificates of Purchase and Deeds will be issued under in the Agent's name: it will then be the responsibility of the Agent to transfer title to the Purchaser. (140.190) Business Entities that register with the Missouri Secretary of State are not subject to this requirement, but the Collector's office needs to be made aware they have done so.
- b. Registration will be held in the Collector's Office starting the week before Tax Sale. Be sure to complete the Bidder Affidavit and have it notarized (your bank probably offers notary service), and drop off or bring it with you to the sale; see RSMo 140.190. **Buyers must be present to bid.** A copy of the forms can be picked up at our office.

4. **Bidding Procedure.**

- a. During the Tax Sale, the Collector will act as Auctioneer or hire an Auctioneer and proceed through the list in the same order as listed in the newspaper publication.
- b. Collector will give the tract or parcel number as published in the weekly record paper, and announce whether it is a 1st, 2nd, 3rd, or 4th (Subsequent Offering).
- c. Collector may also give the property owner's name and the legal description and the amount of total costs pertaining to the said property at their discretion.
- d. Request bids for said tract, initial bid must be for the amount of taxes, interest, penalties and any additional costs as advertised.
- e. Subsequent bids must be in increments of at least five dollars.
- f. When the bidding ceases the highest bidder will give the name or names and address of said bidder, and agree to pay the total amount of the bid at the conclusion of the tax sale. Cashier's Check, Personal Check, Cash, or Money Order are accepted.
If the highest bidder fails to pay the amount bid to the Collector as soon as possible after the conclusion of the sale, he or she shall be subject to a penalty of 25% of the amount bid, plus a prosecuting attorney's fee may be assessed, and all properties for which bids were received but payment was not made by 3:00 P.M. will be offered again immediately following to Bidders already registered.

5. **Buyer Beware.**

- a. Be sure you know the property you are bidding on.
 - (1.) Location.
 - (2.) Condition.
 - (3.) Price. (Is it worth the amount of your bid, including cost of title search, city taxes and possible liens by City for weed cutting, demolition, etc.) RSMo (140.420)
 - (4.) Banks or Mortgage Companies normally will not lend money on a Collector's Deed, because you cannot purchase title insurance, unless you file suit in Circuit Court to Quiet the Title, which could cost several hundred dollars.
 - (5.) Would these extra costs in addition to the bid amount exceed the value of the property?
 - (6.) The value of the property is as only good as its title.
 - (7.) Considering all the above you probably should not build any permanent structures on said property, unless you are willing to Quiet the Title.
 - (8.) If you sold the property you would not be able to give a Warranty Deed to the purchaser, you could only issue a Quit Claim Deed.
 - (9.) The biggest limitation placed on property purchased at the Delinquent Tax Certificate Sale is by the Title Companies providing Title Insurance. The insurance underwriters place a restriction on the property for thirty years after it is acquired at a Delinquent Tax Certificate Sale. This restriction may limit the ability to obtain a loan on the property or sell the property. An explanation for this long-term restriction is set out in RSMo 140.350.

6. Do I become the owner of the property immediately? (Bidders Rights)

NO! You Did Not Buy the Property

- a. 1st, 2nd and 3rd offerings; you are not purchasing the property at the time of sale. **You are only purchasing a tax lien on the property (Not the Property).**
- b. You have no ownership rights.
- c. You cannot gain immediate possession of the property.
- d. You can make no improvements; you cannot destroy or tear down any existing structures, fences or any other improvement regardless of the condition.
- e. You cannot rent or lease to another person, or use the production of income, such as rents and income will be considered income due to the property owner, and used as a claim to redeem the property, without having to pay the purchaser his costs.
- f. None of the foregoing can be done, until such time as a Collector's Deed is issued.
- g. All Subsequent County & City Taxes and/or Special Assessments must be paid before a deed will be issued on a Tax Certificate. All subsequent tax bills will be sent to the purchaser and must be paid before becoming delinquent. If they are not paid the purchaser forfeits all liens on such lands so purchased. Please be sure to notify us of any address changes. (140.440). Supply the Collector's office with copies of any items paid.
- h. Subsequent paid items will be included in the Redemption price, but only if the receipts are on file when the redemption occurs.

7. Redemption Period after the Purchase. (2012 Supreme Court Ruling) (#SC92074)

- a. One year for either first or second offerings.
- b. Title search not older than 120 days when you claim the deed. Both the certified and regular mail letters must be sent at least 90 days before the end of the redemption period. Failure to follow these dates may result in forfeiture of your rights per the new ruling either before or after the Collector's Deed is issued. The Collector's office is calculating the following dates based on our interpretation. Do Title Search on or after April 28, 2020. Send the Notice Letters between then and May 28, 2020.
- c. If not redeemed before expiration of the waiting period, the holder of the Certificate of Purchase is entitled to a Collector's Deed after requirements of Chapter 140 have been met and/or, **subject** to the following conditions.
 - (1.) Title search performed by a licensed title company or licensed attorney.
 - (2.) Title search to determine any recorded liens, or claims on the property.
 - (3.) If the title search indicates any such lien or claims, such person, lending agency and the current legal owner, must be notified by registered letter that they have at least **90 days before the end of the redemption period**. If not redeemed after the expiration of said period, the tax lien purchaser will present a copy of the title search report along with a sworn affidavit that the above mentioned have been notified accordingly.
- d. Anyone may redeem including owner of the property, or anyone on his/her behalf, or anyone holding a publicly recorded deed of trust, lease, lien, or other claim upon the property, prior to the expiration of the waiting period, except for final offerings. Please advise the Collector's office prior to redeeming the property for payoff amount and arrangements made for payment.
- e. Payments must be cashier checks, personal checks, cash or money orders.
- f. Redemption does not change ownership of the property.
- g. A copy of the Certificate of Redemption and Release of Certificate of Purchase will be recorded in the Recorder of Deeds office.
- h. The person who redeems will be charged all costs incurred by the purchaser, plus interest at the rate of 10% per year on the minimum required bid only. No interest will be paid on the surplus. Eight percent interest will be paid by the redeemer on all County and City taxes paid after the purchase by the holder of the certificate of purchase. Also reimbursable are the costs of title search, recorder's fees, redemption fees, and letters sent certified or by regular mail, but with no interest, (140.405.2). Costs notices have to be on file when the redemption is quoted for reimbursement.

- i. Reimbursement could take 1-2 weeks to process after property has been redeemed.

8. Third Offerings.

- a. Third offerings have a 90 day redemption period.
- b. The requirement of Title search and notification by is the same; however, the title search must be done and the required notification letters must be sent out within 45 days of the tax sale (October 10, 2019), RSMo (140.405.6) The end of the redemption period will be calculated as 90 days from when the Notification Letters are sent.
- c. If not redeemed before expiration of the waiting period, the holder of the Certificate of Purchase is entitled to a Collector's Deed, **subject** to the following conditions.
 - (1.) Title search to determine any recorded liens or claims on the property.
 - (2.) If the title search indicates any such liens or claims, such person, lending agency and the current legal owner, must be notified by registered letter that they have at least **90 days before the end of the redemption period which will be calculated as 90 days from when Notification Letters are sent.** If not redeemed after the expiration of said period, the tax lien purchaser will present a copy of the title search report along with a sworn affidavit that the above mentioned have been notified accordingly. A Collector's Deed will be issued after these requirements have been met approximately 135 days after the tax sale.

County Trustee may be present to protect such land necessary to protect all taxes due to prevent loss to political subdivisions from inadequate bids, or no bids RSMo 140.260. The trustee may not bid more than the amount due. It shall be the duty of the trustee to complete requirements of RSMo 140.405.

9. Subsequent Offerings

- a. Collector may require at his discretion a title search, if he suspects there may be a lien or claim on record. Otherwise there is no redemption period on subsequent offerings. RSMo (140.250.4)

The Collector is selling these properties for delinquent taxes and liens that he is authorized to collect.

We are not responsible for any other liens not authorized by statute. (Lake Assessments, Mortgages, Paving Bills, Sewer Bills, etc.)

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If You Have Any Questions Contact Us At
Vernon County Collector/Treasurer
Office: 417-448-2510
Fax: 417-448-2537