

LINCOLN COUNTY TREASURER REAL PROPERTY SALES PUBLIC AUCTION

Mapping the process

The County Treasurer conducts four types of real property auctions. This is general information on tax foreclosure, tax-title, county owned surplus, and RID foreclosure property sales. The number of parcels auctioned varies from sale to sale. These auctions are held as needed.

The information in this pamphlet is general. Some or all of this material may change. Specific circumstances will differ at times and may require certain exceptions.

NO GUARANTEES

Anyone considering buying property at a Treasurer's sale should be aware THERE ARE RISKS. When selling parcels, the County conveys the entirety of the interest, which it is legally capable of transferring, unless otherwise noted. However, the County does not guarantee or provide warranty to the extent of the interest. The County makes NO GUARANTEES whatsoever on parcels sold at Treasurers' sales.

The following statement applies to all Treasurers' real property sales: "This is a BUYER BEWARE" sale. **ALL SALES ARE FINAL.** We offer the parcels on a "where is" and "as is" basis. The County makes no representation of warranty, expressed or implied, as to the condition of the title to any property, nor the physical condition of any property or its fitness for any use or purpose.

TAX FORECLOSURE When real property taxes become **three years** delinquent, the County Treasurer begins foreclosure action. A Certificate of Delinquency is filed with Superior Court. Taxes, interest, penalties and foreclosure costs begin to accrue.

Title reports are ordered for each parcel. As required by law, all parties with recorded legal interest, revealed by title report, are served with a Notice & Summons by certified or registered mail. The Notice & Summons is published in the legal paper one week. RCW 84.64.050

The Treasurer receives a Court Judgment authorizing foreclosure of the tax liens and ordering the sale of those parcels. Only owners or parties with recorded legal interest on the date the Certificate of Delinquency is filed on a foreclosure parcel may redeem the parcel. They must pay all that is due through the close of business on the day before the sale, to remove the parcel from the sale. RCW 84.64.060

Can prior owners redeem property after foreclosure? Prior owners have no rights to the property after foreclosure, UNLESS they were a minor or legally adjudicated incompetent. Minors and persons legally adjudicated incompetent have the right to redeem anytime within three years from the date of the foreclosure sale. They do so by paying the sales price, plus interest on the tax amount. Any improvements made by the new owner would also be reimbursed. RCW 84.64.070

What happens to the liens? Generally, all liens on foreclosed properties are extinguished per State of Washington Supreme Court cases. However, the County can make no guarantees the prior lien holders will honor the extinguishment. IRS liens are subject to a 120-day redemption period. If prior lien holders attempt to collect on their liens after the property has been foreclosed on, it's entirely up to the new owner to defend against these claims.

What happens to excess proceeds? If a parcel is sold at auction for more than the amount owing, the previous title owner of record can claim the excess money. This is the party who held title of record on the day the Certificate of Delinquency was filed. They have up to three years from the date of sale to make their claim. RCW 84.64.080

TAX TITLE Parcels offered at tax or RID foreclosure auctions, but not sold, are deeded to the County as "Tax-Title". Tax-Title parcels are subject to the same risks as tax foreclosure parcels.

How is Tax-Title properties purchased? Tax-Title properties may be purchased at public auction or by private sale. Tax-Title property valued under \$500 or not considered buildable may be sold to an adjoining landowner without going to auction. All other Tax-Title property **must** be sold at public auction.

An application to purchase Tax-Title property, plus a \$100 deposit, submitted to the Treasurer, starts the process. Applications are presented to the Board of County Commissioners for consideration. If rejected, the \$100 deposit is refunded. If approved, the Treasurer schedules a public auction and applicant is notified of the date, time and location. The auction is advertised in the local newspaper for three consecutive weeks.

If applicant is the successful bidder, the \$100 deposit is applied to the purchase amount of the parcel. The deposit is refunded to applicant if they are not the successful bidder. The applicant must attend the sale and guarantee the minimum bid or the deposit is non-refundable.

COUNTY OWNED County owned parcels, not acquired by tax or RID foreclosure, can be sold if declared surplus by the Board of County Commissioners

How are County Owned Surplus properties purchased? Purchasing County owned surplus property is done through public auction or private sale. County owned surplus properties valued less than \$2,500 may be sold without going to auction. The Board makes the determination of whether the property will be auctioned or not. All other County owned surplus property **must** be sold at public auction. The Treasurer schedules the public auction and advertises in the legal newspaper for two consecutive weeks.

ROAD IMPROVEMENT DISTRICT

RID foreclosure is conducted the same as Tax Foreclosure, with a few exceptions. When a RID is **two years** delinquent, the County Treasurer begins the foreclosure process. A Certificate of Purchase is issued to the successful bidder and recorded with the Auditor. The original owner has two years from the date of sale to redeem said property. If not redeemed, a tax deed is issued to the successful bidder

NOTE: The Board of County Commissioners may order the Treasurer to conduct an auction of Tax Title and/or County surplus properties without a request or application from an individual.

DEEDS - How long does it take? Deeds are issued within sixty days of sale date, recorded in the County Auditor's office and mailed to the successful bidder.

***Tax Deed:** Tax & RID foreclosure parcels

***Treasurer' Deed:** Tax-Title parcels.

***Quit Claim Deed:** County Owned parcels

Tax Deeds, Treasurer's Deeds and Quit Claim Deeds provide the purchasers no guarantees.

RESEARCH*RESEARCH*RESEARCH

Thorough research on all potential purchases is essential. It is important to complete this research before the day of the sale. There are definite risks when buying tax and RID foreclosure, and tax-title properties. Even County owned surplus sales present risks. Buying property without doing complete research can result in unwanted and costly surprises.

Where to begin? Besides the minimum bid sheet, the Treasurer's Office will provide as much information as available. Title reports, maps, assessed value sheets and tax information are some items that will help in research. The Treasurer's Office is only a starting point. It's up to the buyer to pursue other resources.

****Other resources**—Questions on the build ability, zoning, use restrictions and controls and other should be looked into before any sale. City and County engineering, building codes, public health and planning departments are good places to get information.

Title Insurance— Title companies vary in their policies on providing title insurance on these parcels.

Assessments—Parcels may have improvement or special assessments for which payment is due. Research what districts or associations service these parcels. The County Treasurer collects some assessments. Be aware of these prior to sale.

Local Ordinances—Some parcels may have easements or use restrictions, and zoning or other land use controls. All parcels are sold subject to applicable City and County ordinances. It's the buyer's responsibility to detect these.

Community Association Dues—All parcels are sold subject to restrictive covenants, if applicable, allowing for imposition of community association fees.

Easements— Easements three years and older are unaffected by tax foreclosure. Easements are listed on the title report and are on record at the County Auditor's office.

Physical Inspection—Visiting the property is strongly recommended. Is there an access to the parcel? Can property boundaries be identified? Are neighbors using the parcel? These are a just a few of the questions to ask.

Improvements—If there are improvements, find out if they go with the parcel and how they are currently used.

*****PUBLIC AUCTION*****

Minimum bid sheets are available at the Treasurer's Office before the auction.

All bidders must register the morning of the auction. A copy of the terms of sale is provided and all bidders are **required** to read and sign before issuance of a bidder number.

The County Treasurer announces the minimum bid for each parcel. The minimum bid includes all recording fees, deed fees, affidavit fees and costs on tax and RID foreclosure sales. The recording, deed, affidavit fees and costs are added onto the successful bid on the Tax Title and County surplus sales. Bids must be made in \$50.00 increments or more.

These are oral auctions. To bid, hold up issued bidder card and call out the bid amount. Each parcel is sold to the highest and best bidder. Once a parcel is sold, the successful bidder has one hour from the time the last parcel is sold to pay in full. If full payment is not made as required, the parcel is re-auctioned at the minimum bid. A successful bidder who does not pay will not be allowed to bid on any other parcels at the auction and may not be allowed to bid at the next three county auctions.

NOTE: Only cash, cashier checks or money orders will be accepted. Absolutely NO personal or business checks will be accepted. Those wishing to bid or their representative must be present at the auction.

