

# BACK TAX SALE

## FREQUENTLY ASKED QUESTIONS

**Q - When, where and what time is the back tax sale held?**

A - State law requires that the sale be held on the fourth Monday in August of each year in or near the County Court House. Sale time is 10:00 am.

**Q - How many years must a property be delinquent before it is offered for sale?**

A - In Adair County, a property must be delinquent three years before it is offered at a back tax sale. Other Missouri counties offer after two years and some after one year.

**Q - How much do I have to pay to buy a property at a back tax sale?**

A - The sale is conducted like any other public auction. The starting bid is the combined amount of the unpaid tax, interest, penalty, advertising cost and any other cost related to the sale. If more than one person bids on the property, the property is sold to the highest bidder, and the cost would be the amount of the final bid. If you are the successful bidder you must pay the amount of your bid immediately after the completion of the sale.

**Q - What happens to the dollar amount that is paid for a property in excess of the amount of the tax and related costs?**

A - This amount is called “overplus” or “surplus.” This money is turned over to the county Treasurer. The owner of record at the time of the sale is entitled to the money. If the owner cannot be found or does not come forward and ask for the money, within three years after the date of the sale, it is then given to the county public schools.

**Q - Is the property mine the day of the sale?**

A - If you are the successful bidder on the day of the sale, you will receive a “Tax Sale Certificate of Purchase.” This “Certificate” becomes a part of the permanent record in the Collector’s office and verifies that you were the successful bidder on the day of the sale. You are required to follow State Statutes regarding post sale requirements. After a one-year waiting period you can present your “Certificate,” along with documents required by Statutes, to the county Collector in exchange for a “Collectors Deed.” Once the “Collectors Deed” is properly recorded, you are the lawful owner of record.

**Q - Why must I wait one year before receiving a deed?**

A - The owner of record on the day of the sale has a one-year right to redeem the property. That is, anytime during the next year following the day of the sale, the owner can come forward and pay to the Collector all tax, interest, penalty, advertising cost and all related costs and will again become the full owner of record. This is called “Redeeming the property.”

**Q - If someone “Redeems” his/her property, how do I get my money back?**

A - If the property is “Redeemed”, the County Collector will collect the money from the original owner. You will then receive all the money you paid on the day of the sale plus interest (interest is paid only on the amount of unpaid tax & expense of the sale and is not paid on the surplus) from the county Collector. Once you receive the money your “Tax Sale Certificate of Purchase” becomes invalid and must be returned to the Collector at the time you receive your money back.

**Q - Who pays the taxes during the one-year redemption period?**

A - You, the holder of the “Tax Sale Certificate of Purchase,” will be billed for the tax during the one-year redemption period.

**Q - What can I do to the property to improve or change it during the redemption period?**

**A -** That is entirely up to you. Just remember anything you do or money you spend on the property could be lost if the property is redeemed.

**Q - Does a back tax sale clear the property of all other liens?**

**A -** No. The only lien that is cleared through the tax sale process is the property tax. The property may also have other liens such as mortgage(s), income tax liens, judgments, levies, etc. These liens can be eliminated by following Statute requirements.

**Q - How would I know or find out about other possible liens against the property?**

**A -** The only sure way to find out is to do a lien search of the public record. If you are not familiar with public record searches, it would probably be best to hire someone who can conduct a complete search for you. Most title and abstract companies will charge a fee to provide this service. You are **required** to complete a lien search before applying for a Collectors Deed. You must follow State Statute Requirements before existing liens can be canceled.

**Q - Can I recover the cost of a lien search from the Collector or the owner?**

**A -** No.

**Q - Should I purchase a tax sale property without doing a lien search?**

**A -** That decision is entirely up to you but is not recommended.

**Q - If a property does have other liens, how do I get them removed from the record?**

**A -** You are **required** to do a lien search between 120 days and 90 days before the end of the one-year redemption period. You must notify by certified mail, first class mail, and first class to occupant, any lien holder, as well as the previous owner, of your intent to apply for and record a Collectors Deed. This notification **MUST** be mailed at least 90 days before the end of the one year redemption period. If you do not receive a response from any lien holder, or the property owner, within the 90 day period, they are forever barred from enforcing their lien against you and the property. The reason you must notify the previous owner is to provide a warning that the one-year redemption period is ending.

**Q - Will a Title Insurance Company issue an owners policy of title insurance on property purchased at a back tax sale?**

**A -** Most title companies **will not** issue an owners policy immediately. Usually a waiting period of several years is required before title insurance can be purchased. **YOU SHOULD CONTACT YOUR TITLE COMPANY BEFORE PURCHASING TAX SALE PROPERTY AND ASK ABOUT THEIR POLICY.**

**Q - What happens if no bid is received at the tax sale?**

**A -** The property must be offered at the sale each year for three consecutive years. If not sold at any of the three sales, the property can then be purchased anytime after the third offering in the Collector's office at a price agreed to by you and the Collector (with no redemption period) or from the County Trustee, if one is used. This is called an "over the counter sale."

**Q - How do I obtain a list of the properties prior to the sale date?**

**A -** The list of properties to be offered at the sale is published in a newspaper, which has county wide distribution, once a week for three consecutive weeks, with the last publication at least 15 days prior to the sale date. Property owners can remove their property from the sale list by paying anytime prior to the scheduled hour of the sale