

**2017 TAX SALE GUIDELINES
CLAY COUNTY, MISSOURI
AUGUST 28, 2017**

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. Mortgage foreclosures are generally held by a trustee or law firm representing the mortgage company. Interested parties should contact them for any information concerning those sales. Clay County does not have a list of properties that may appear on a foreclosure sale.

Please review the Revised Statutes of Missouri, chapter 140 prior to participating in a tax sale. This statute can be found here: <http://www.moga.mo.gov/mostatutes/chapters/chapText140.html>. You may wish to consult an attorney before making a bid. This summary is provided for your convenience only. It is the responsibility of tax sale investors to understand the state statutes. Since a court's interpretation of state statutes overrules any interpretation by the Collector's office, the Collector cannot answer legal questions. **The laws governing tax lien sales change frequently. Please read the following guidelines carefully to learn how Clay County interprets the law and operates its sale.**

The Collector makes no warranty on the title generated by issuance of a Collector's Deed. Failure to follow all tax sale guidelines and procedures found in RSMO 140 may result in the purchaser's loss of all interest in the purchased property, without refund of tax dollars paid, and may make such a purchaser liable for civil damages or criminal charges.

Registrations to bid must be submitted before NOON on Friday, August 25, 2017. Forms must be completed online, and can be found at claycountymo.tax/taxsale, under Available Documents.

Registrations will not be accepted the day of the sale.

Bidding will be managed online by CivicSource.com. All registered bidders will receive bidding instructions, and will need to register an email address and bank account with CivicSource prior to bidding. The bank account will be used to submit payment immediately upon closing of the sale. Initial bidding will be open from 10 a.m. to 8 p.m. on August 28, 2017. If a property is still receiving regular bids after 7:55 p.m., that property will remain open until bidding ceases. Bidders may review properties eligible for sale before August 28, and will have the opportunity to create watch lists, enter maximum bids, and perform other actions that will make auction day more convenient. If any bidder would rather bid in person, the Collector will have work stations available at One Courthouse Square in Liberty, Missouri on the day of the sale, and will be available to assist bidders and homeowners throughout the sale.

If you are the winning bidder, payment will be due immediately. You will use your bank account to send payment by ACH, according to instructions provided by CivicSource. If payment is not made by NOON Central Standard Time the next business day following the close of the sale, and there was a second place bidder, the second place bidder will become the purchaser. If payment is not made in a timely manner, and there were no other bids, the unpaid parcel will be offered again to all registered bidders from the initial sale EXCEPT the defaulting bidder. If there is no new bid for any such parcel offered, the defaulting bidder will be charged 25% of the purchase price (RSMo 140.280).

Interest on tax certificates is paid at 10% annually on the amount of delinquent taxes only, not on any overbid. Subsequent taxes paid earn 8% annually.

Buyer beware!! All sales are final.

Know exactly what you are bidding on. There are no refunds.

Carefully research the properties you bid on. There are some properties in Clay County with federal or state liens, hazardous conditions, or that are considered common area. It is the responsibility of the investor to research the property fully and understand how those conditions may impact your purchase. We recommend researching the owner's name as well as the property on the Recorder of Deeds website.

Non tax sale liens or other obligations on the property may not be extinguished by the issuance of a Collector's deed. We advise you to consult your attorney about liens and/or deeds of trusts, etc. (RSMo 140.420).

All lands shall be subject to all validly recorded covenants or easements of record or in use.

Certificates of purchase may be assigned to a third party if that person is a resident of Missouri and is not a delinquent taxpayer. Arrangements must be made through our office. Recording fees will be charged.

Registration and Tax Sale List

Steps to registration:

1. Complete the tax sale eligibility affidavit. Although this document is electronic, state law requires that the statements contained therein be made under oath. If any statement is later found to be untrue, lien purchases will be void, tax dollars paid will not be refunded, and the affiant may be subject to other civil or criminal penalties.
2. If you are bidding in a corporate or business name, or you have any personal interest in a business or corporation, your affidavit will need to assert that your affiliated businesses are also not delinquent on taxes. Additional proof may be required.
3. Shill bidding or bidding on behalf of an unregistered person or entity is prohibited. Your affidavit must affirm that you are bidding for your personal interest only, and are not bidding on behalf of any person that is ineligible to participate in the Clay County tax sale.
4. If you are not a Missouri resident you will need to fill out additional forms for designating a resident agent.
5. All forms must be completed online, and can be found at www.claycountymo.tax/taxsale.

A list of properties subject to sale will be published in a local paper for three consecutive weeks prior to the auction. Each parcel offered for sale is individually identified by advertised item number, parcel number, owner of record, legal description (as provided by the Assessor's office), and amount of taxes due. This list will also be available online at www.claycountymo.tax/taxsale.

Sale to Non-Residents

No bid shall be received from any person not a resident of the state of Missouri until such person files an affidavit with the Collector appointing a Clay County resident to act as their agent and said agent files an affidavit stating they accept the responsibility. Non-resident bidders must agree that service of process on the designated agent shall give the Circuit Court of Clay County jurisdiction to determine any suit arising out of or connected with a sale for taxes. All certificates of purchase and deeds will be issued in the agent's name. It is then the responsibility of the agent to transfer title to the purchaser. **Non-resident bidders must have their registration complete by Wednesday, August 23, 2017.**

Businesses registered with the MO Secretary of State are not subject to this requirement.

Tax Sale

Each parcel is classified based on the number of times the property has been offered at previous tax sales. This is called the publication category.

City taxes or assessments not assigned to the County Collector by contract may need to be paid before a Collector's deed is issued. Issuance of a Collector's deed may not extinguish the right of the cities to their taxes and assessments.

First, Second and Third Publication

1. Bidding starts at the amount of taxes due (this may include city taxes or assessments).
2. First and second publication offerings have a one year redemption period.
3. Third publication offerings have a 90 day redemption period.
4. The original property owner may redeem their property at any time during the given redemption period, or at any time prior to the investor meeting all requirements necessary to claim a deed.

Fourth Publication

1. There is no set minimum bid for taxes. However, the bidding will start at \$30.00 to cover the cost of recording the deed.
2. These properties have no redemption period. The right to a Collector's deed will be perfected as soon as the bid amount is paid in certified funds.
3. The deed will be typed, recorded and mailed to the purchaser.

Interest on tax certificates is paid at 10% annually on the amount of delinquent taxes only. Subsequent taxes paid earn 8% annually. The amount bid in excess of the taxes due does not earn interest.

Post Third Tax Sale

Once a property has been offered at tax sale 3 or more times without selling, the Collector is able to sell the property "over the counter" for a compromised amount. Purchasers must still qualify as tax sale participants under RSMO 140. The list of properties is available at www.claycountymo.tx/taxsale. Bids will be accepted beginning September 8, 2017, and will be awarded on a first come, first served basis, assuming the bidder qualifies under Missouri law. If you have not previously registered to bid with Clay County, complete a registration form, which can be found at the same website referenced above. There is also a form to place a bid available at that web address.

Once your bid is accepted, and you are qualified to bid under RSMO 140, CivicSource will begin a 90 day due diligence period during which they will perform a title search and send out certified and regular mail. **A deposit of \$400 will be required at the time your bid is accepted.** This fee is NON-REFUNDABLE, but it will be added to the tax bill and reimbursed to you if anyone comes forward to redeem. Record owners and those with legal interest that have received notice of prior sales no longer have a right to redeem. But if a new party is discovered that has not previously been given notice, that new party will have 90 days to redeem. The Collector's office will also post one more time on the subject property. **Approximately 120 days after you are notified that you are the highest qualified bidder, you will submit payment of the balance of your bid, and the office of Collector will issue a deed, assuming no new parties have come forward to redeem.** The office of Collector will continue to accept back up bids on properties during the due diligence period, in case the original bidder does not follow through with payment and claim a deed.

Requirements to Obtain a Deed

1. Issuance of a Collector's deed may not extinguish the right of the cities to collect their special assessments.
 2. Subsequent taxes coming due AFTER the tax sale, but BEFORE an investor claims a deed will be billed to the investor, and must be paid before they become delinquent on December 31. If they are not paid, the purchaser forfeits all liens on such lands so purchased. (RSMo 140.440)
 3. CivicSource will perform all statutorily required due diligence on behalf of tax sale investors. Investors will be able to monitor the status of the due diligence process by returning to CivicSource.com and viewing the properties they purchased. A fee was already collected at the time of sale to pay for this process, so investors will not owe additional fees to the Collector's office during the redemption period. If a property redeems before due diligence costs are incurred, the investor will receive a refund of any portion of the fee that was paid by not used.
 4. In Missouri, title companies require a "quieted title" before issuing a title policy to the land. See RSMo 140.410. Investors will be contacted by CivicSource concerning additional due diligence options. CivicSource has the ability to provide purchasers with insured title rather than a simple Collector's deed, if the investor opts to purchase additional due diligence services. The additional due diligence is arranged solely by CivicSource, and Clay County bears no responsibility for the quality of the title obtained, nor is any part of the additional fee paid to Clay County.
 5. If an investor opts to receive a simple Collector's deed at the end of the redemption period, he or she should not incur any costs other than those paid up front at the time of sale. No additional costs may be added to the parcel unless the purchaser verifies the purpose of the cost and informs the Collector of the cost BEFORE it is incurred. Furthermore, no costs of any kind can be added to a parcel until after March 1 following the sale.
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6. A bill for subsequent taxes will be mailed to you for payment. Mail payments in the envelope provided, and send all correspondence to Clay County Collector Attn: Tax Sale Processing, or email to taxsale@claycountymo.gov. Please be sure to notify the Collector's office if your address changes.
7. Investors will be notified when each step of due diligence, as required by RSMO 140, is performed. Before a Collector's deed will issue, investors must co-sign an affidavit indicating their acceptance of the due diligence performed by CivicSource, and stating that they have no actual knowledge of any reason why a Collector's deed should not issue.

The deadline for redemption is ALWAYS the Tuesday following the next annual tax sale (which occurs on the 4th Monday in August).

CivicSource will have all due diligence completed by the redemption deadline referenced above. However, it is still the responsibility of the investor to co-sign the affidavit and claim the deed. The homeowner will have a continuing right to redeem until the co-signed affidavit is submitted to the Collector's office, or for 18 months after the sale, whichever is shorter. If deeds from any tax sale publication are not claimed and recorded within 18 months of the sale date all rights and liens you have will cease. See RSMo 140.410.

Clay County will interpret all statutes related to its tax sale with the perspective that the homeowner's right to redemption is substantive and absolute.

Property Redemption

Property sold at the tax sale may be redeemed on or before the final redemption day in the following manner:

1. Property may be redeemed by the owner of record, or by any person holding a publicly recorded deed of trust, lease, lien, or other claim upon the property.
2. The amount charged for redemption will be the amount bid plus 10% interest per annum on the amount of taxes due, subsequent taxes paid plus 8% interest per annum, recording fees, costs of letters sent by certified or regular mail, and reasonable costs of title research. No interest will be paid on fees and costs.

The Collector's office notifies the certificate of purchase holder when the property has been redeemed. The Collector will provide a check to the certificate holder for the redemption amount. Redemptions may take 4-5 weeks to process after the money for redemption has been received. The redeemer will receive a copy of the certificate of redemption and a copy will be filed with the Recorder of Deeds office. If an investor bid an amount greater than the taxes due, the surplus money will be disbursed as follows:

- To the investor if legal interest in the property is forfeited or lost, or if the property is redeemed;
- To the homeowner if title to the subject property is forfeited through the tax sale process.

Notes for investors:

Surplus funds will not be issued to third parties. If an investor negotiates with a homeowner to take title to their property AND receive the surplus, that is a separate agreement between the investor and

homeowner, not enforceable by the Collector's office. All surplus monies payable to homeowners will be paid by check, made payable to the owner(s) of record.

Homeowners are not permitted to transfer or otherwise encumber title to their property during the redemption period without first redeeming the property. Any collaboration between investors and homeowners to transfer title during this period is a violation of state law and will result in the investor being barred from participation in the Clay County tax sale.
