

**2021 TAX SALE GUIDELINES
CLAY COUNTY, MISSOURI
AUGUST 23, 2021**

This is not a mortgage foreclosure sale. This is a sale of tax liens on properties where the taxes are unpaid. We do not have any information on mortgage foreclosures.

Participating in a tax sale is a complex activity, requiring a high level of understanding and vigilance concerning statutory and constitutional compliance. The forcible transfer of real property is a solemn responsibility. Investors are expected to come to the sale informed and prepared. The office of Collector focuses its resources on ensuring homeowners understand what is happening to them, and assisting them in enforcing their rights. As such, we do not prioritize assisting investors in understanding nuances of the sale, and we cannot give legal advice.

STATUTORY AUTHORITY

RSMO 140 governs the Missouri tax sale. This statute can be found here: <http://revisor.mo.gov/main/OneChapter.aspx?chapter=140>. 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. Any interests in title obtained despite failure to follow the requirements of RSMO 140 will be considered void *ab initio* by the Office of Collector, upon discovery of the statutory failure.

IMPORTANT DEADLINES

Statutory review by Collector:

Please provide a good email address that you will monitor regularly during the week leading up to the annual sale. Both our office and/or CivicSource will attempt to contact you at that email address with any questions or concerns about your registration, and to notify you of the status of your registrations. You MUST use the same email address with our office and CivicSource as that address is tied to your identity as a participant.

Registrations to bid must be submitted before 5:00 pm CST on Wednesday, August 18, 2021.

Forms must be completed online, will be available beginning July 6, 2021, and can be found at claycountymo.tax/taxsale, under Available Documents. Please note that the registration is a legal document that will be used to manage the permanent transfer of real property. It is imperative that spelling of names, precise names, addresses, and identifying documentation be current and accurate. "Typos" or mistakes could affect the ultimate quality of title to any real estate you purchase.

When we review your affidavit we are attempting to verify the accuracy of your statement that you (or your bidding entity) is a bona fide Missouri resident or entity, and your statement that such person or entity does not owe taxes. RSMO 140.190 prohibits us from either accepting a bid or issuing a certificate to a person or entity that is not a Missouri resident, or that owes any taxes. Therefore, if a person is bidding on behalf of a business, it is the residency and tax status of BOTH the individual placing the bid and the entity that will receive the certificate of purchase that must be verified. Furthermore, in closely held businesses, where the profits and losses flow through to the members of the business, it is the residency and tax status of the members AND the business entity that must be verified.

Submitting a registration DOES NOT guarantee your right to bid, nor does it complete the entire bid preparation process. It takes time to review each registration to ensure accuracy in the statements that a registrant is in compliance with RSMO 140.190. If you submit your registration before 5 pm August 18, your registration will be reviewed, and the status verified prior to the sale. However, if we need more information and you either register too late for us to ask for that information before 5:00 pm, or you do not resubmit an accurate affidavit prior to 5:00 pm, we will not be able to verify the accuracy of your statements in time for you to bid on the sale. To ensure statutory compliance on the part of our office, we review statements in the affidavit regarding the identity, residency, and tax status of any interested party that will participate in the sale or benefit from the certificate of sale. An affidavit is a legal statement attesting that the facts written therein are true. Therefore, even a minor inaccuracy requires a new affidavit, since the first affidavit attested to a fact that was not actually true (e.g. if your affidavit swears that Robert B. Gordon does not owe taxes, but your photo ID indicates that your name is actually Robert M. Gordon, we will need to inquire further to determine who is actually bidding or receiving the certificate). Names and addresses in the affidavit need to precisely match names and addresses on corporate documents and photo ID, and need to clearly indicate or explain your Missouri residency in order for our review of your affidavit to proceed quickly, without the need for follow up.

We generally have hundreds of applicants each year, so please register early to allow time for us to review your statements for accuracy. All initial registrations will be reviewed in the order they are submitted. Resubmissions will be reviewed when we are able with priority given to initial registrations. **It is in your best interest to get your registration to us at least a few business days in advance of the deadline so we can work with you to correct any inaccuracies in time for you to be eligible to bid. Regardless when we are able to process your application, you will only be eligible to bid if it is determined that you submitted a completely accurate affidavit by 5:00 pm CST on August 18.**

Technical registration with CivicSource:

After your affidavit is accepted with us, there is a second step before you can actually place a bid.

In an in-person auction, a bidder must still show up on the day of the sale, with financing pre-arranged, and utilize the auction method used by the auction authority. Similarly, we use an online service to conduct our auction. Before you can place a bid, you must create a profile on their website, which requires you to submit banking information so that you can pay immediately after the auction closes, as required by RSMO 140.280. In order for the servicer to verify identity and banking information, **this second step must be completed by NOON on Friday August 20.**

****Please note that CivicSource.com is a national tax sale services provider. General registration on their website is NOT the same as registration for the Clay County tax sale. You MUST navigate to the Clay County page to ensure complete registration for this sale.****

The best way to verify whether you have completed registration with CivicSource is to navigate to the Clay County sale portion of their website and click on a property. If you are not fully registered, there will be a pop-up message letting you know you are not yet registered. You may contact CivicSource with technical issues regarding registration, and they are very helpful. However, **if you feel you are being improperly prevented from bidding, you must contact the Office of Collector, as it is our responsibility to manage interpretation of state law in the context of our sale. Furthermore, you must contact us in time to help you before the deadline.**

Under no circumstances will any person be allowed to participate in the sale on Monday, August 23, 2021 if their affidavit has not been submitted accurately by 5 pm Wednesday, August 18, and registration with CivicSource completed by NOON Friday, August 20. These deadlines are necessary to ensure statutory compliance and will not be waived. Furthermore, it is important that all investors be treated exactly the same, so deadlines cannot be extended or modified for any reason.

DURING THE AUCTION

Bidding will be managed online by CivicSource.com. All registered bidders will receive bidding instructions directly from CivicSource. The bank account you submitted will be used to pay for your winning bids immediately upon closing of the sale. Initial bidding will be open from 10 a.m. to 2 p.m. on August 23, 2021. If a property is still receiving regular bids after 1:55 p.m., that property will remain open until bidding ceases. Bidders may review properties eligible for sale beginning in mid-July, and will have the opportunity to create watch lists, make private notes, and perform other actions that will make auction day more convenient. Immediately when the sale commences, investors will also have the opportunity to participate in proxy bidding by setting their individual maximum bids for all properties they wish to purchase. 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. CivicSource provides excellent technical support, but if you are facing an issue that is genuinely preventing your participation in the sale, please notify our office as well. We are legally responsible for ensuring that bidding complies with state statute, and that all bidders are given equal opportunity to participate. CivicSource cannot modify or extend any deadlines, guidelines, or rules established by this office.

WINNING BIDDERS

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 have the opportunity to 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 bidders from the initial sale EXCEPT the defaulting bidder. If there is no new bid at that time, 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. Both of these interest rates are calculated on a daily basis and stop accruing on the day we receive sufficient funds for redemption. If we have a good email address for you, we will attempt to provide timely notice of redemption by email, however, state law only requires notice of redemption be sent by mail. We do not mail additional notices or lists, make reminder phone calls, or otherwise assist investors in remembering and adhering to statutory deadlines. It is the responsibility of the investor to understand their obligations and to reach out to us proactively with questions.

**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, uncertain legal descriptions, 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.

A tax lien is generally superior to other liens, but not every other lien is always extinguished by the issuance of a Collector's deed. We advise you to consult your attorney about liens and/or deeds of trust, 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.

If any action or failure to act on the part of an investor creates the need for an additional document or page to be recorded, the cost of such recording will be passed to the investor. No deeds can be claimed until all fees are paid. Investors failing to pay all fees charged to them will be ineligible to bid at future sales unless such fees are paid.

IMPORTANT REMINDERS FOR INVESTORS

1. Although the tax sale eligibility affidavit 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 *ab initio*, tax dollars paid will not be refunded, and the affiant may be subject to other civil or criminal penalties.
2. 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. **All information submitted on your registration affidavit must exactly match your registration with CivicSource.com. You must use the same email and mailing address at all times.**
3. If you are not a Missouri resident you must designate a resident agent (additional form).
4. 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 or entity 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. Businesses registered with the MO Secretary of State do not have to appoint a Clay County agent.

UNDERSTANDING THE PROPERTIES ON THE 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.

Some parcels may be subject to additional special assessments, not eligible to be collected through the County tax sale. The Collector takes no responsibility for such additional special assessments, and will issue a Collector's Deed without collection of same. Tax sale purchasers are hereby informed that the taxing entity may choose to maintain its claim thereto. The Collector places an asterisk next to properties that have liens we know about, but there may be other liens we do not know about. Lack of an asterisk is not a warranty of title.

First, Second, and Third Publication

1. Bidding starts at the amount of taxes due (this may include city taxes or assessments) plus a \$400 advance on due diligence costs. \$380 of the \$400 advance will not be spent on due diligence until March 1 of the subsequent year, and will be refunded to the investor if the property redeems.
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 for an additional 180 days after the expiration of the redemption period, so long as the investor has not yet met all requirements necessary to claim a deed, including submitting the final, co-signed affidavit of statutory compliance.

Fourth Publication

1. 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.
2. 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, the \$400 fee, and any other costs related to due diligence during the redemption period do not earn interest.

REQUIREMENTS TO OBTAIN A DEED

1. Issuance of a Collector's deed may not extinguish the right of other taxing entities 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 January 1. 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 collected at the time of sale to pay the estimated cost of this process. Investors will not owe additional fees to the Collector's office during the redemption period, but will need to pay the balance due at the time they claim a Collector's Deed if actual due diligence costs exceed the amount of the deposit. These additional costs are generally between \$50-500, depending on the number of interested parties required to receive legal notice. 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 but not used.

HINT: CivicSource performs pre-sale due diligence on behalf of the county, sending notice to interested parties in an attempt to find someone willing to save the property from sale. When an investor is researching which properties are most desirable, it is instructive to see how many notices CivicSource had to send out prior to sale. If pre-sale noticing was extensive, the investor should anticipate higher due diligence costs in the post-sale period.

4. In Missouri, title companies require a “quieted title” before issuing a title policy to the land. See RSMo 140.410. The level of due diligence performed by CivicSource is superior to the industry standard for county tax sales in Missouri, but the responsibility to pursue quieted title or title insurance remains with the investor. Every document mailed to any party, the title search, pictures of postings, etc. are all viewable by investors at CivisSource.com, and may be printed or downloaded by the investor for their own records or files, or for use in a court of law. CivicSource and the office of Collector make no guarantees that the due diligence performed by CivicSource will lead to automatic quiet title or title insurance. CivicSource, on behalf of the office of Collector, simply warrants that all due diligence requirements of Missouri law were met or exceeded during the redemption period, and that records of that compliance will be available to interested parties.
5. Investors may view each step of due diligence, as required by RSMO 140, as it 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. Investors are always welcome to perform their own additional due diligence, at their own, non-reimbursable expense.
6. 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.

REDEMPTION

Property sold at the tax sale may be redeemed on or before the final redemption day as follows:

1. Property may be redeemed by the record owner, or by any person who held a publicly recorded deed of trust, lease, lien, or other claim upon the property at the time the tax sale occurred.
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.

3. The Collector's office will notify 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 certificate of redemption will be filed with the Recorder of Deeds, and a copy given to the redeemer.
 4. 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.
 5. The deadline for redemption is construed by Clay County to be Tuesday at 5 pm CST following the next annual tax sale (which occurs on the 4th Monday in August).
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OVERBID/SURPLUS

If an investor bids an amount greater than the taxes due, the overbid will be held by the Office of Collector, pending redemption by the homeowner. If the property is redeemed, the overbid will be returned to the investor without interest. If the property is not redeemed, and the investor claims a Collector's deed, the overbid becomes surplus and will be disbursed in accordance with RSMO 140.230 as follows:

- First, to the former lienholders of record, by priority of the former liens (if the lienholder makes a timely claim). Proof of the existence and balance of the lien must be provided.
- Second, to the former owner or owners of the property (if the owner makes a timely claim).
- All claims for surplus must be made within 90 days after the expiration of the redemption period.
- No surplus funds may be paid out to anyone until 90 days after the expiration of the redemption period.
- If more than one party claims surplus, and the parties cannot agree amongst themselves, the surplus will be interpleaded to the Clay County Circuit Court, where the parties can litigate the matter.
- Parties claiming entitlement to surplus funds will be required to submit satisfactory proof of their claim, which accompanies the application for surplus when it is submitted to the County commission.

During the redemption period, overbids are only payable to the investor, and only if the sale is voided. Once the investor has timely claimed a Collector's deed, surplus is only payable to lienholders of record at the time of the sale and the previous homeowner, and only with proper proof, and only for a period of 90 days. 91 days after a timely claim of a Collector's deed, surplus escheats to the school fund of the county. All information regarding the existence of surplus, and claims made thereto is maintained at the individual parcel level.

No interest is paid on surplus.

Eligible parties may request a form to claim surplus from our office after the redemption period has closed,

and all homeowners will proactively be provided with the necessary form to make a claim.

Unless ordered by a court, no portion of the surplus will be paid to someone who did not hold a valid claim to the property at the time of sale.

Notes for investors regarding surplus:

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 may affect the investor's continuing interest in the certificate of purchase.

POST 3RD 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 7, 2021, and will be awarded on the first business day of each month. If you have not previously registered to bid with Clay County, you must complete the same County registration process required of bidders at the annual sale. These sales are conducted directly by the Collector's office, therefore, there is no need for additional registration through CivicSource if you only wish to purchase a post 3rd property.
